

THE COOPERATIVE REPUBLIC OF GUYANA

MINISTRY OF FINANCE

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

EDF Nr: 8 ACP GUA 009

ANNUAL REPORT 2004

Linden, Guyana.

TABLE OF CONTENTS

| | |
|--|-----|
| i) <i>LIST OF ABBREVIATIONS</i> | 3-4 |
| <i>1.0 EXECUTIVE SUMMARY</i> | 5 |
| <i>2.0 INTRODUCTION, SUMMARY & BACKGROUND</i> | 7 |
| 2.1 Introduction | 7 |
| 2.2 Project Objective | 7 |
| 2.3 Project Purpose | 7 |
| 2.4 Project Implementation Strategy | 7 |
| 2.5 Project Duration | 7 |
| 2.6 Technical Assistance | 8 |
| 2.7 Cost Estimate | 8 |
| 2.7 Background Context | 9 |
| <i>3.1 STATUS OF INTERVENTIONS AND PROJECT IMPLEMENTATIONS (1 JANUARY 2004 – 31 DECEMBER 2004)</i> | 11 |
| 3.1.1 Overview | 11 |
| 3.1.2 Component 0 – Management | 13 |
| 3.1.3 Component 1 – Business Development Unit | 15 |
| 3.1.4 Component 2 – Business Incubator | 17 |
| 3.1.5 Component 3 – Inward Investment Facility | 18 |
| 3.1.6 Component 4 – Linden Economic Advancement Fund (LEAF) | 20 |
| 3.1.7 Component 5 – Infrastructure Rehabilitation | 22 |
| 3.1.8 Component 6 – Vocational, Technical & Management Training | 24 |
| 3.1.9 Component 7 – Institutional Strengthening | 26 |
| <i>4.1 FINANCIAL STATUS</i> | 28 |

LIST OF ABBREVIATIONS

| | |
|-----------|---|
| AEE | AGRICULTURAL ECONOMICS EXPERT |
| BAE | BUSINESS ADVISE EXPERT |
| 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 |
| RDC | REGIONAL DEMOCRATIC COUNCIL |
| SAASL | SURAPANA AGRICULTURAL ALLIED SERVICES LIMITED |
| SESNA | SMALL ENTERPRISE STIMULATION PROGRAMME IN THE NETHERLANDS ANTILLES |
| SME | SMALL & MEDIUM ENTERPRISE |
| SWP | SECOND WORK PROGRAMME |
| TA | TECHNICAL ASSISTANCE |
| TAP | TECHNICAL AND ADMINISTRATIVE PROVISIONS |
| TF | TASK FORCE |
| THAG | TOURISM & HOSPITALITY ASSOCIATION OF GUYANA |
| TOR | TERMS OF REFERENCE |
| TOT | TRAINING OF TRAINERS |
| UNCTAD | UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT |
| UN | UNITED NATION |
| UNDP | UNITED NATIONS DEVELOPMENT PROGRAMME |
| USAID | UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT |
| WP | WORK PROGRAMME |

1.0 EXECUTIVE SUMMARY

This report covers a period of 12 months from January 1, 2004 through December 31, 2004 and carries on from activities covered in the 2003 annual report. In this period the activities of the last three (3) months of the 2nd Work Programme (January to March 2004) and first nine (9) months of the 3rd Work Programme (April to December, 2004) were implemented in the framework of the Linden Economic Advancement Programme (LEAP), financed by the European Commission Delegation (EC) and the Government of Guyana (GOG).

During the latter part of the year the Manager, Business Development Unit and the post of International Business Development Expert were filled. The post of the local Business Development Expert was also filled in December.

At almost full complement, the staff of LEAP was better able to serve clients and stakeholders with an increased level of efficiency and reliability.

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 second and third work programmes 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 for seven (7) years, 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.

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

The 2nd Work Programme had an approved budget of GYD 61.987M. In the period covering this report GYD 39.398M was disbursed. The 2nd Work Programme was extended to March 31st 2004.

The 3rd Work Programme had an approved budget of GYD 326.7M, of which GYD 48.8M was disbursed as at 31st December 2004.

LEAP's relationship with clients and stakeholders improved during the year due in large part to the introduction of an intensive communications strategy emphasizing consultation with clients and stakeholders.

The 3rd Work Programme continued to consolidate and build on the achievements of 2003, even as each of the seven (7) components refined their skills in planning, implementation and coordination of the several programme activities.

Clients participated in trade fairs locally and in Barbados, Trinidad and Toronto. These enabled stakeholders opportunities to observe innovative private/public approaches to economic development, credit and investment schemes and manpower development strategies.

During this period seven thousand one hundred and fifty four (7,154) training hours were delivered through sixteen (16) workshops. Infrastructure works was started on the West Watooka road and was 75% completed by the end of 2004. Works were also started on the GNEC building which would house the Business Incubator and is expected to be completed by 1st quarter 2005.

A Memorandum of Understanding was signed with Guyflag for the implementation of the Linden Economic Advancement Fund. The building to house the operations of the Fund was completed and furniture and equipment was procured and installed. Project staff was recruited and training commenced. A contract was signed with a Trinidadian firm to install an MIS for the LEAF and staff trained in its use.

A detailed Credit Market survey was completed and the 1st tranche of G\$60m was disbursed from the EC to LEAF account in December, lending is scheduled to commence 1st quarter 2005.

2.1 Introduction

This Annual Report provides a review of the activities that were undertaken in the implementation of the project for the period from **January 1, 2004** to **December 31, 2004** financed by the European Development Fund (EDF) and contribution from the Government of Guyana, Ministry of Finance. It sets out the structure of the project and reviews the planned outputs and activities, the managerial and administrative procedures followed for implementation and approved budget allocations and expenditures.

2.2 Project Objective

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

2.3 Project Purpose

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

2.4 Project Implementation Strategy

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

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

2.5 Project Duration

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

2.6 Technical Assistance

The international technical assistance includes a total of 210 p/m:

| Position | Project total | In this period | Accumulated | Balance |
|------------------------|---------------|----------------|-------------|-----------|
| Project Manager | 84 p/m | 11,27 p/m | 30,97 p/m | 53,03 p/m |
| Business Advice Expert | 72 p/m | 4,20 p/m | 18,05 p/m | 53,95 p/m |
| Credit Expert for LEAF | 24 p/m | 10,97 p/m | 13,50 p/m | 10,50 p/m |
| Short term expertise | 30 p/m | 2,15 p/m | 10,43 p/m | 19,57 p/m |

In total 602 p/m of local professional TA will be provided comprising of:

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

| | Project total | In this period | Accumulated | Balance |
|--------------------------|---------------|----------------|-------------|------------|
| Local Professional Staff | 602p/m | 83,55 p/m | 161,32 p/m | 440,68 p/m |

In this period auxiliary staff support was revised as follows: Auxiliary staff will total 666 p/m.

- Accountant
- Accounts Assistant
- Administrative Assistant
- Secretary (2)
- Receptionist
- Driver
- Security
- IT officer

| | Project Total | In this period | Accumulated | Balance |
|-----------------|---------------|----------------|-------------|------------|
| Auxiliary Staff | 666 p/m | 119,31 p/m | 297,61 p/m | 368,39 p/m |

2.7 Cost Estimate

For the period covered in this report the following estimated costs and expenditures pertain.

| Instrument | Approved | Expended |
|--------------------------------|------------------------------|------------------------------|
| 2 nd Work Programme | GYD 61,987,352 / €363,448.78 | GYD 39,394,185/ €231,501.72 |
| 3 rd Work Programme | GYD 326,661,000 / € | GYD 48,803,355 / €212,448.98 |
| MOU BIC | GYD 42 m | GYD 26,494,220.56 |
| TA Agreement | No prior approval | |

2.7 Background Context

The population of Region 10 is estimated at thirty nine thousand eight hundred (39,800), and is distributed amongst the main population centers as follows: Linden 29,572 (74%), Kwakwani 2,070 (5.2%), Ituni 713 (1.8%), the remaining 7,445 (18.4%) are scattered along the riverin 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 tonness in Linden with smaller reserves at Ituni and Kwakwani. As is usual in most mining towns, 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.

Since the start of the LEAP project, the Linmine Mining Enterprise laid-off three hundred and fifty (350) employees in April 2003 and seven hundred and fifty (750) in July in 2003. No further downsizing was done in 2004.

In December 2004 Cambior and the Government of Guyana completed the privatization of certain assets of Linmine a bauxite mining and processing operation wholly owned by the GoG. A new company Omai Bauxite Mining Inc, has been incorporated and is owned 70% by Cambior and 30% by the Government of Guyana.

At the end of 2004 OBMI had employed a total of five hundred and seventy (570) persons. Since Cambior had taken over the management of the bauxite operations in Linden production has increased and stood at approximately 135,000 tonnes by 31st December 2004 and estimates production for 2005 at 270,000 tons.

It is still too early to measure quantitatively what affect the measures, which may have been implemented by Cambior, in terms of their procurement of goods and services and outsourcing of activities, has had on the economy. This will become more apparent in 2005.

In February 2004 a Manpower Survey, which was commissioned by LEAP, was completed. The objective of this survey was to capture the types and numbers of all skills available in Region 10. This survey covered 3,500 households or approximately 30% of the total households in the Region. This database is being constantly upgraded, and will probably be merged with the results of another survey which was commissioned by the Privatisation Unit, the objectives of which was to capture the skills and needs of those miners who were made redundant. The 2004 surveyed indicated the following:

1. Region 10 has a highly skilled labour force.
2. The majority of persons interviewed had years of experience, on the job, but no certification as to the levels of proficiency.

As a consequence, during 2004 LEAP in collaboration with GTA organized the following “Prior Learning Assessment and Certification Training Programmes”:

1. Electrical
2. Welding
3. Carpentry
4. Administration/Clerical
5. Information Technology

Cognizant of the needs of the Region, LEAP during 2004, continued to design programmes and offer services to respond to the needs of people who are unemployed and underemployed by offering training programmes in Job Readiness and Job search. In addition LEAP also continued to support micro and small enterprises with relevant training programmes and business advice services. The acceleration of the activities of the Inward Investment Facility saw the creation of approximately one hundred and fifty (150) sustainable jobs.

Funds were identified from the Infrastructure Rehabilitation component which will be used to provide incentives to local and foreign investors, in addition to those currently provided by the Government of Guyana. It is expected that this Infrastructure Investment Incentives Scheme (IIIS) will become operational in 2005.

This report therefore outlines the initiatives which were taken to achieve the primary objectives of attracting local and foreign investments to provide sustainable jobs in Region 10.

3.1 STATUS OF INTERVENTIONS AND PROJECT IMPLEMENTATIONS (1 JANUARY 2004 – 31 DECEMBER 2004)

3.1.1 Overview

The last quarter of the 2nd WP concluded on March 31st, 2004, having been extended from December 31st 2003 by Rider #1. The 2nd WP achieved an 89% implementation rate; however a shortage in the availability of EDF funds resulted in delays in the replenishment of funds causing significant difficulties. These were managed eventually by the agreement of the GoG and the Delegation of the European Commission to allow use of EC counterpart funds provided by a second MoU between LEAP and the GoG.

The 3rd WP was signed 1st April 2004 however although the required bank guarantees were submitted no funds were received for the implementation of the 3rd WP before the 13th of August 2004. Once again implementation of the 3rd WP was facilitated by agreement of the GoG and the Delegation of the European Commission to allow for the use of EC counterpart funds provided by a separate MoU between LEAP and the GoG

As mentioned earlier the 1st advance of the 3rd WP was received during the 3rd quarter of 2004 and this facilitated an increase rate of implementation of the 3rd WP activities. However, the absorptive capacity of Region 10 suggested that it was unlikely that the planned programme will be implemented by 31st March 2005 and a 3 month extension to June 2005 was requested.

The third year of the programme and specifically the period of the second 6 months of the 2nd WP and the first 6 months of the 3rd WP has been a period of recovery and consolidation. The programme has overcome a number of delays both internal and external to the programme and has now mobilized each of the seven components. Importantly this is being achieved in a manner that seeks to maximize synergy and integration.

The 1st external evaluation of the programme took place during the 2nd quarter of 2004 which made several recommendations to improve the project's effectiveness. Implementation of these recommendations began in 3rd quarter 2004 and will continue in 2005.

During 2004 greater involvement of the local management and personnel in the day-to-day running of the project and decision making process has contributed significantly to the successful completion of the 2nd WP and the implementation of the 3rd WP. Some restructuring of personnel, opportunities for training and the recruitment of new persons to fill vacancies and upgrade human resources have set a foundation for a strong and accountable project team to be developed. Four (4) important backstopping missions were carried out by senior programme and administrative personnel from Transtec.

Successful implementation of an ambitious Public Awareness programme, initiated in the 2nd WP, has improved relations with stakeholders at the official and community level dramatically. Throughout the year coverage in the national media has been supportive and positive. Four (4) editions of the LEAP News newspaper were published and distributed to the Region 10 community.

On going consultations on the implementation of the programme and identification of sub projects have been held at the local community and regional level. Four special meetings on specific elements of the programme have augmented monthly meetings of the Advisory Group.

The substantially increased level of activity coupled with the public awareness campaign has lead to increased access to the programme services as well as increased participation and demand. A “cost recovery” strategy for client services is now being discussed within the project team and a draft proposal has been prepared and circulated.

Although the MoU between the GoG and GUYFLAG the fund manager, was signed in July 2004, and the building completed in November 2004, the first tranche of GYD 60M for on-lending was not received until late December 2004. This delay caused some disappointment in the Region 10 community, who had expected the fund to be in operation much earlier. Needless to say this delay also impacted on LEAP’s credibility.

3.1.2 Component 0 – Management

Activities:

- The LEAP office fully operational
- Partnership and coordinating activities with relevant association
- The Third Annual Work Programme prepared and approved
- TA provided

During the period under review the project continued to operate in temporary offices at the Linmine Officer complex. Office equipment including additional computers, one (1) photocopy machine, guest chairs were procured and two (2) vehicles to support the operations of the project.

The post of International Business Development Expert which became vacant on the resignation of Mr. Joao Monteiro-Pais, in October 2003, was filled by Mr. Torsten Striepke in December 2004, while Mr. Joaquin Sacher-Cuadrado filled the interim position during 3 months from May to July 2004.

Mr. Donald Nurse, Business Development Unit Manager, resigned in September 2004, and Mr. Neil Fraser was appointed to act as Manager, BDU. As a consequence the post of Inward Investment Facility Manager became vacant.

The post of Local Business Development Expert which became vacant on the resignation of Mr. Hubert Robertson in August 2004 was filled by Mr. Dennis Swan in December 2004.

As in 2003, difficulties were again experienced in recruiting professional staff that was willing to work in Linden. It was obvious that the assumption that most of the project staff would be recruited from the region did not hold true, so that additional attention had to be paid to ensure applicants had a thorough knowledge of the peculiarities of the Region 10 environment.

Stakeholders were better informed about LEAP and LEAF and participated in the preparation of the 3rd work programmes and in monitoring implementation. In the period under review the Advisory Group met nine (9) times and the LEAP Steering Committee one (1) time. The project management also received considerable support from the community at large best typified by the offer from Linmine of larger office facilities. Functional relations with the GOG, NAO, TF and the EC saw improved cooperation and quick resolution of issues. Together these helped to

improve images of LEAP thus building more confidence in the project's viability and sustainability.

The management team assured effective and proper utilization of the resources of the project in keeping with guidelines and procedures as dictated by the EC, EDF and GOG. Tough decisions were made, and will continue to be made, to keep the project on track if LEAP is to achieve its intended objectives and results to the benefit of the community and satisfaction of the major stakeholders.

The 1st external evaluation of the programme took place during the 2nd quarter of 2004. The mission made several recommendations that have been taken onboard by management. These include revision of the LEAP Log Frame, the introduction of Business Development Services market approach in Linden, increased financial contributions by clients and identification of targets for institutional strengthening and establishment of indicators for cooperation with each of the local institutions.

Quarterly reports have been submitted to the NAO and Delegation of the EC.

Work on the Policies and Procedures Manual for the LEAP was significantly advanced during the period and is expected to be completed and implemented during the 1st quarter 2005.

3.1.3 Component 1 – Business Development Unit

Activities:

- Business skill promotional activity and materials designed and distributed (publications on Business Plans, Business Opportunity Profiles, Business Guides)
- Business advisory services provided and expanded
- Four (4) Workshops on Job Readiness skills delivered
- Two (2) Workshops on Business Start-up delivered
- Provision of direct technical assistance to 6 business development projects
- Agricultural Digest Produced

The Business Development Service continued to provide advisory services to existing and potential entrepreneurs in the Region. The personnel of the unit worked towards improving advisory functions, supported by the expanding database. The Unit recognized that improvement and updating of a comprehensive database was critical to provide a credible level of consulting and training necessary for entrepreneurs and job creation. A network of public and private service providers was identified to provide business support to LEAP Clients.

Participating in the marketing and promotion of LEAP services, the presentation of seminars aimed to bring the message of entrepreneurship and business development to all of the communities in the Region. Programmes were structured to be interrelated and were delivered to targeted groups such as youths and women.

Short term Technical Assistance was provided by UNDP/Empretec and the unit was able to give further support to clients, based on the skills and experience provided by this institution. Programmes and materials promoting entrepreneurship and how to start and improve one's business were designed and delivered. A continuing relationship has been established with IPED, to ensure the provision of technical assistance to the Youth Entrepreneur Network.

Clients continue to receive business advisory services free of charge and a nominal fee was charged to clients attending training programmes. However, consideration will have to be given to introducing the system of cost recovery of business services offered to clients. This system will be introduced during the 4th quarter of 2005.

LEAP also continued its efforts aimed at transforming the agriculture sector from subsistence to commercial agriculture. LEAP in conjunction with IICA mounted a workshop on good agriculture practices which will be followed in 2005 by the introduction of **Farm Diaries**, in which the farmer(s) will record daily their husbandry practices. LEAP also worked with CIDA to establish faculties to smoke, dry and salt fish in the Greatfalls community. In respect to poultry, LEAP ran a workshop in poultry production and this was followed-up by technical assistance provided to inspect and certify poultry pens as being in good enough condition to receive broiler chicks.

LEAP continued to produce and circulate the quarterly Agriculture Digest, which contains among other things prevailing commodity prices in Georgetown, Linden, Ituni and Kwakwani.

3.1.4 Component 2 – Business Incubator

Activities:

- Rehabilitation work of the Business Incubation Center in Progress
- Public awareness campaign to sensitize residents in Linden and wider community of services to be offered through the Incubator/Resource Centre

The 1st tender for works to rehabilitate the GNEC which is to house the Region 10 Business Center building was cancelled and readvertised as the 1st advertisement did not result in a competitive response.

The contract for the renovation of the GNEC building was signed on 6th August 2004, with Mr. Indar Ramlall who won the tender and was awarded the contract; construction works commenced on the same date. Notwithstanding several constraints, for example, vandalism to the old structure, budgetary constraints, as at 31st December 90% of the works were completed. It is expected that this building will be ready for occupancy during the 1st quarter 2005. The building has the capacity to house two (2) anchor tenants, six (6) incubator tenants, at least two (2) production tenants. The LEAP offices will be located on the 1st floor.

Public awareness campaign was implemented through the television programme LEAP Insights and the LEAP quarterly newspaper - LEAP News and nationally on NCN and advertisements in the local print news.

The manual that will govern business incubation tenancy was completed during the review period. LEAP staff and stakeholders participated in the National Business Incubation Association annual conference in Atlanta Georgia. The conference provided opportunities for meeting and interaction among Business Incubation practitioners so that all would benefit from the experience and insight of colleagues from other countries. The conference also facilitated the professional development of participants through planned participation in seminars and other discussions forums, in addition to educational visits to incubators.

3.1.5 Component 3 – Inward Investment Facility

Activities:

- Survey of Region 10 Business environment and opportunities completed
- Small business opportunity profiles produced
- Partnerships established with relevant local investment/private sector promotion agencies/programmes and banks
- Successful investment promotion missions overseas
- LEAP and clients participate in international trade and investment exhibitions
- LEAP and Clients participate in Guyana based trade and investment promotion activities (GuyExpo etc)

During the year work continued in building databases in the following areas:

- Mineral Resources: Kaolin, Laterite, Silica Sand, Gold & Diamond deposits and Ceramic Clay
- Forestry Resources
- Agricultural Land
- Physical Infrastructure: Roads, Wharf Facilities, Airstrip.
- Telecommunication: Landlines, Cellular Services, DSL, Broadband and expansion plans.
- Electricity: Current capacity of regional electricity generation and future expansion plans.
- Water Supply: Availability, upgrading and expansion plans.
- Support Services: Hotels & Guest Houses, Financial Services, Security.
- Demerara River Navigational information is being gathered.

Considerable improvement can be expected in the supply of water to the community. Phases one and two of the Linden Supply Water Rehab Project funded by the European Union with a tune of two hundred million Guyana Dollars (GYD200M), was estimated to be completed in August 2004. However the revised completion date is now March 2005.

A contract was signed with the Technology Innovation Center of Jamaica to conduct the Region 10 Business Opportunities Survey. This survey was completed in October 2004. Arising out of this survey eleven (11) business opportunities were identified and a contract was awarded to a local business consultant to prepare the relevant business opportunity profiles. As at 31st December, two (2) profiles were completed and the remaining will be completed 1st quarter 2005.

LEAP continued to work very closely with the GMA, Privatization Unit and Go-Invest. As part of its investment promotion campaign, LEAP participated in several investment promotion missions and facilitated the participation of some of its clients in the following trade fairs and exhibitions: Barbados, Trinidad and Toronto and GuyExpo.

As a result of its successful strategy to attract investment into Region 10, LEAP signed a MoU with Kaizen Solutions, to finance internship training programme for thirty (30) persons in Back Office Operations (Call Center). These trainees will be selected to be project managers and supervisors when that Call Center becomes operational.

The following investments were also facilitated:

- Arawak Leather Craft, Local investor manufacturing leather footwear, bags, belts etc
- Karlam South American Timbers Guyana Inc, foreign investor manufacturing wooden floor tiles
- Caribe Products International, local investor manufacturing prefabricated houses and decking
- Linden Investment Group, local and foreign investors - rehabilitation of the Linden Airstrip to allow for the refueling of light aircraft.

Work was completed on the guidelines under which the LEAP Infrastructure Investment Incentives Scheme which will be administered. These guidelines were sent to the EC Delegation and Ministry of Finance NAO Task Force for their comments and suggestions. This scheme which will be finance under the infrastructure component is geared towards providing additional incentives to investors who decide to invest in Region 10.

3.1.6 Component 4 – Linden Economic Advancement Fund (LEAF)

Project Financing

| Component | Total Budget (as per Financing Agreement) | Budget Committed in the 1st Work Programme | Amount Spent in the 1st Work Programme | Budget Committed in the 2nd Work Programme | Amount Spent in the 2nd Work Programme | Budget Committed for the 3rd Work Programme | Amount Spent in the 3rd Work Programme | Total Budget | Total Actual |
|--------------|---|--|--|--|--|---|--|--------------|--------------|
| LEAF | | | | | | | | | |
| EURO€ | 583,000 | 0 | 0 | 20,568 | 8,619 | 220,270 | 75,467 | 240,838 | 84,086 |
| GYD\$ | | 0 | 0 | 3,500,000 | 1,466,678 | 50,600,000 | 17,336,191 | 54,100,000 | 18,802,869 |

Activities:

- LEAP/LEAF programmes coordinated /synchronized etc
- LEAF FI assisted to deliver business plan
- Region 10 Credit Market Survey
- LEAF Communications Campaign prepared and completed, in consultation with the LEAF FI
- Training seminars and training/study tours
- LEAF FI establishes office and starts lending in region 10
- First loans approved and disbursed and lending target of GYD 150 million anticipated
- Phase 1 and 2 MIS established
- LEAF progress reports submitted by the LEAF FI

The LEAF is a revolving loan fund managed by a selected Guyanese financial institution, supported by the LEAP. Its resources will total the equivalent in Guyanese dollars of EURO 1.9 million for lending to businesses in Region 10. The origin of the LEAF resources is an EC grant to the GOG. The GOG will on-lend the grant to the selected Guyanese financial institution that will subsequently arrange for loans to individual businesses in Region 10 with the main aim of creating of new employment.

Guyana Fire, Life and General Insurance (GUYFLAG) was selected by the Government as the Financial Institution (FI) to manage and operate the LEAF. The LEAF MOU and Implementation Agreements were prepared, modified and after approval process by the EC in Brussels were signed on July 30 2004.

The International Credit Expert provided TA to the Ministry of Finance by designing a Micro Business Incentive Scheme (MIBIN), which will stimulate extra micro-business employment.

The draft MIBIN MOU and Administration Manual were also prepared by the International Credit Expert and sent to the EC Delegation and the NAO for their comments.

A LEAF Global Work Plan, Credit Manual and LEAF Business/work plan were prepared and delivered by the financial institution and approved early November 2004. The plans cover the period from early November 2004 until end of 2005.

Preparations for region 10 Credit Market Survey were completed and the Survey fully implemented and reported on in first half of 2004.

Public awareness programmes were launched to promote LEAF on television, in the LEAF Newsletters and a special LEAF brochure and special edition of LEAP News were prepared. LEAF logo and building sign were designed and delivered.

In-house training on credit, credit organization and management procedures were conducted by LEAP International Credit Expert and collateral management and financial analysis training was provided by Guyanese banking consultant.

The new office to house the LEAF, management and staff was completed November 2004. Staff was recruited and trained during the last quarter of 2004. Office equipment and furniture for the operations of the LEAF was procured and installed.

A MIS/CRM CUMME software, which has already ten years life in the Caribbean, was selected, procured and installed. Further customization of software completed and CRM function is currently under expansion and will be continued under the 4th WP. Training of LEAF and FI back-up management and staff was organized and implemented.

LEAF progress reports were submitted during the year. Gradual expansion of report formats and contents was realized and is on-going.

3.1.7 Component 5 – Infrastructure Rehabilitation

Project Financing

| Component | Total Budget (as per Financing Agreement) | Budget Committed in the 1st Work Programme | Amount Spent in the 1st Work Programme | Budget Committed in the 2nd Work Programme | Amount Spent in the 2nd Work Programme | Budget Committed for the 3rd Work Programme | Amount Spent in the 3rd Work Programme | Total Budget | Total Actual |
|-------------------------------|---|--|--|--|--|---|--|--------------|--------------|
| Infrastructure Rehabilitation | | | | | | | | | |
| EURO€ | 3,500,000 | 14,691 | 0 | 92,262 | 91,102 | 868,891 | 66,054 | 975,844 | 157,156 |
| GYD\$ | | 2,499,938 | 0 | 15,699,999 | 15,502,645 | 199,600,000 | 15,173,680 | 217,799,937 | 30,676,325 |

Activities:

- Extension of the West Watooka road
- Rehabilitation of the GNEC Building
- Installation of culverts at West Watooka
- ToR for the Moblissa Water Study
- Infrastructure Investment Incentives Scheme

During this period emphasis was placed on the rehabilitation of the GNEC building and agricultural road extension which will open up new areas for agriculture activity.

Engineering designs and tender documents were prepared and the tender advertised for the extension of the West Watooka road. The tender was awarded to BK International on 2nd March 2004 to construct a 2.5 mile road consisting of 1.3 miles DBST through West Watooka and continuing 1.2 miles of bauxite capping into Upper West Watooka. As at the 31st December the road was 90% completed. This activity is a key element of the expansion of agriculture in Region 10 and will compliment extensive work carried out by the LEAP Business Development Unit in this area over the past year. The road extension will open access 2000 acres of agriculture land to potential agriculture entrepreneurs.

Contract to install a culvert at West Watooka was signed with BK International on 3rd March 2004. This was necessary for the construction of the road and also served to immediately relieve constant flooding as the collapsed culvert caused a restriction in the flow of water from the creek to the Demerara River.

Terms of Reference to conduct the Moblissa Water Study were completed during December 2004. The objective of the study is to guarantee an adequate supply of water to sustain agricultural development and for domestic consumption in Moblissa. This study is expected to be completed 1st quarter 2005.

Support was given to the implementation of the LEAP IIIS by organizing the preparation of quotation documents for design and installation of electrical works at mill factory for Caribe Products International. Technical support was also extended to Arawak Leather Craft Factory by the preparation of estimates for the rehabilitation a section of HEED workshop.

3.1.8 Component 6 – Vocational, Technical & Management Training

Project Financing

| Component | Total Budget (as per Financing Agreement) | Budget Committed in the 1st Work Programme | Amount Spent in the 1st Work Programme | Budget Committed in the 2nd Work Programme | Amount Spent in the 2nd Work Programme | Budget Committed for the 3rd Work Programme | Amount Spent in the 3rd Work Programme | Total Budget | Total Actual |
|---|---|--|--|--|--|---|--|--------------|--------------|
| Technical, Vocational & Management Training | | | | | | | | | |
| EURO€ | 589,000 | | | | | | | | |
| GYD\$ | | 52,301 | 426 | 152,896 | 143,111 | 116,665 | 8,841 | 321,862 | 152,378 |
| | | 8,899,957 | 72,492 | 26,018,000 | 24,352,913 | 26,800,000 | 2,030,910 | 61,717,957 | 26,456,315 |

Activities:

- Business skills and promotional materials available for LEAP clients to have access
- Sector targeted training programmes
- Youth Entrepreneur Network (YEN) strengthened
- LEAP staff and stakeholders benefit from Public awareness and development training
- LEAP staff and stakeholders benefit from economic and business development awareness training

During 2003 the strategy aimed at developing technical vocational and managerial training was developed. Following the report of the short-term training expert, carried out in 2002 to inform LEAP's strategy to technical, vocational and management training, the approach adopted was to ensure facilitation of key business development training through workshops married to strengthening of vocational and technical skills. This included strengthening the capacity of local training institutions, in the first instance the Linden Technical Institute, followed by private sector training service providers. The implementation of this strategy continued during 2004.

Emphasis continued to be placed on forestry and wood products, mineral recourse, garment manufacturing and agriculture, as these have been identified as the potential growth sectors for Region 10. LEAP targeted training to these sectors emphasising standards to improve the quality of goods produced for the local market and to increase export potential. Development of these areas – garment, furniture and jewellery manufacturing was consistent with the National Development Strategy built on incentives (tax and duty waivers) provided by the Government. Strengthening of these activities contribute to the diversification of the current scope of economic activity to help reduce the dependency on the service sector.

Additionally, training was provided to assist farmers to move beyond subsistence farming to sustainable commercial activity. Targeted training programmes, particularly Good Agriculture Practices (GAPS) was designed and delivered consisting of workshop and practical demonstration in vegetable and cash crops. LEAP's Agriculture clients were trained using GAPS, in the introduction of fruit and vegetable cultivation, soil management for fruit and vegetable cultivation, crop management, the use of pesticides and insecticides in the cultivation of fruit and vegetable cultivation. Twenty seven (27) farmers benefited from this training programme.

A poultry production workshop was held for twenty-six (26) entrepreneurs engaged in small and medium scale poultry production. They were trained in brooding and rearing of birds, finishing and processing, management of poultry.

LEAP and the Institute of Private Enterprise Development (IPED) continued to enhance entrepreneurial skills through technical assistance provided by IPED and hand holding, marketing, record keeping and other specialized types of assistance. Eight (8) persons have so far benefited from these initiatives.

All of the above-mentioned training programmes were combined with intensive follow-up by BDU staff.

3.1.9 Component 7 – Institutional Strengthening

Project Financing

| Component | Total Budget (as per Financing Agreement) | Budget Committed in the 1st Work Programme | Amount Spent in the 1st Work Programme | Budget Committed in the 2nd Work Programme | Amount Spent in the 2nd Work Programme | Budget Committed for the 3rd Work Programme | Amount Spent in the 3rd Work Programme | Total Budget | Total Actual |
|-----------------------------|---|--|--|--|--|---|--|--------------|--------------|
| Institutional Strengthening | | | | | | | | | |
| EURO€ | 300,000 | 114,004 | 0 | 98,546 | 83,240 | 216,182 | 62,087 | 428,732 | 145,327 |
| GYD\$ | | 19,399,833 | 0 | 16,769,352 | 14,164,784 | 49,661,000 | 14,262,574 | 85,830,185 | 28,427,358 |

Activities

- Capacity building for Regional authorities

The activities carried out in this component were to strengthen the capacity of the relevant organizations, regional and municipal government, Chamber of Commerce and LTI, to maximize the long-term results of the other compliments of the programme.

Specific training programmes have been designed to improve the capacity of public sector officials (RDC, and Mayor & Town Council) in the areas of economic development project design, budgeting and implementation. These training programmes will be implemented in 2005.

In addition training programmes are being planned to introduce the concept of Participatory Appraisal of Competitive Advantage (PACA). It is hoped that through the PACA intervention, the local stakeholders will be better informed about practical opportunities for local economic development.

Work has also started on the establishment of a public/private sector forum which would involve the RDC, M&T.C and the LCICD with the of having them meet regularly to discuss and propose solutions to burning issues within the community.

A draft MoU between LEAP and the RDC and LEAP and LCICD have been prepared, which when signed will among other things, provide for technical assistance granted to these two (2) organizations. This assistance will take the form of equipment and financial support to assist in hiring an Executive Secretary of the Chamber and an Economic Planner for the RDC.

Unfortunately the bank guarantee fees which have been charged to this component, have almost exhausted the funds allocated to this component, and this has hampered the efficient delivery of planned activities.

4.1 FINANCIAL STATUS

Financial Review 2004

During the review period, the 2nd Work Programme was closed and the 3rd Work Programme commenced.

2nd Work Programme

Revised budgetary allocation for the 2nd WP amounted to **GYD 61.987M**. During the review period GYD 39.398M was spent, making up a total of GYD 55.5M or approx 90% of the targeted expenditure under this Work Programme.

Funds for the 2nd WP were disbursed from the EC in four parts amounting to GYD 53.5M. Transtec refunded the cost of a generator purchased under the 1st WP therefore giving a total of GYD 55.8M as total funds received for the 2nd WP. At the end of this Work Programme, the Imprest account at NBIC was closed and all remaining funds amounting to GYD 296,550 were refunded to the EDDF account. During the review period the audit of the 2nd Work Programme was completed by Bisheswar Seebarran and Co; the audit report was endorsed by the Auditor General of Guyana and the NAO, and we are now awaiting the certificate of final acceptance from the EC in order for the Bank Guarantees to be released. End of 2nd Work Programme performance can be summarized as follows:-

| | | |
|--|-------------------|----------------|
| Approved Work Programme Budget | 61,987,352 | 100.00% |
| Funds Received | 55,814,176 | 90.04% |
| Total Spent | 55,517,626 | 89.56% |
| Funds Returned From 2nd Work Programme | 296,550 | 0.48% |

3rd Work Programme

The 3rd Work Programme was signed into existence on the 1st April 2004, however, the first advance was received on August 13th, 2004; a delay of approx. four and one half months. We therefore sought and were granted a three months extension of the 3rd Work Programme through Rider No1.

The 3rd Work Programme provides for expenditure totaling **GYD 326.7M**. During the review period a total of **GYD 48.8M** was spent, reflecting a budget consumption rate of 14.94%.

Third Work Programme performance at the end of December 2004 can be summarised as follows:-

| | | |
|--------------------------------|--------------------|----------------|
| Approved Work Programme Budget | 326,661,000 | 100.00% |
| Funds Received to-date | 82,359,899 | 25.21% |
| Total Spent | 48,803,355 | 14.94% |
| | | |
| Funds Available from advance | 33,556,544 | 10.27% |
| Replenishment applied for | 28,986,294 | 8.87% |

Work Programme Expenditure and Fund Balance

Tables 1 thru 4 summarises Work Programme Expenditure and budget commitments. From a total of GYD 88.197M spent on work Programme activities during the Year 2004, 33% was applied; to Infrastructure Rehabilitation, 28% to Institutional Strengthening, 21% to Vocational Training and 18% to LEAF activities.

It should be noted that the fund balance of EURO 2.253M remain to the credit of LEAF activities. This includes EURO 1.9M, which forms a revolving fund which will be used to finance small, micro and medium sized businesses. It is expected that a significant portion of this (i.e. EURO 1.3125M) would be disbursed during the 3rd Work Programme.

Table 1

**Linden Economic Advancement Programme
Work Programme Expenditure for the Period January - December 2004**

| | <u>GYD</u> | <u>EURO</u> | % |
|---|--------------------------|-----------------------|-------------|
| <u>Work Programme 2</u> | | | |
| <i>Component 4 - LEAF</i> | 672,409 | 3,951 | 2% |
| <i>Component 5 - Infrastructure Rehabilitation</i> | 13,904,521 | 81,710.55 | 35% |
| <i>Component 6 - Vocational Technical & Management Training</i> | 14,287,135 | 83,959.00 | 36% |
| <i>Component 7 - Institutional Strengthening</i> | <u>10,530,120</u> | <u>61,880.73</u> | 27% |
| | 39,394,185 | 231,501.72 | 100% |
| <u>Work Programme 3</u> | | | |
| <i>Component 4 - LEAF</i> | 17,336,191 | 75,467.27 | 36% |
| <i>Component 5 - Infrastructure Rehabilitation</i> | 15,173,680 | 66,053.51 | 31% |
| <i>Component 6 - Vocational Technical & Management Training</i> | 2,030,910 | 8,840.88 | 4% |
| <i>Component 7 - Institutional Strengthening</i> | <u>14,262,574</u> | <u>62,087.32</u> | 29% |
| | 48,803,355 | 212,448.98 | 100% |
| <u>Total (WP2 and WP3)</u> | | | |
| <i>Component 4 - LEAF</i> | 18,008,600 | 79,419 | 18% |
| <i>Component 5 - Infrastructure Rehabilitation</i> | 29,078,201 | 147,764 | 33% |
| <i>Component 6 - Vocational Technical & Management Training</i> | 16,318,045 | 92,800 | 21% |
| <i>Component 7 - Institutional Strengthening</i> | <u>24,792,694</u> | <u>123,968</u> | 28% |
| Total | <u>88,197,540</u> | <u>443,951</u> | 100% |

Table 2

Linden Economic Advancement Programme
Second Work Programme
Summary Of Expenses January to September 2004

| C # | Particulars | Revised Budget | Total Expenses 2004 | |
|--------------|---|-------------------|--------------------------|-------------------------|
| | | | GYD | EURO |
| 4 | <i>LEAF</i> | | | |
| 4.1 | 4.A.0 Operating Cost / Public Awareness / Equipment | 3,500,000 | 672,409 | 3,951.44 |
| | | | | |
| 5 | <i>Infrastructure Rehabilitation</i> | | | |
| 5.1 | 5.A.0 Capacity to Respond to LEAP Emerging needs | 1,176,000 | 1,012,902 | 5,952.36 |
| 5.2 | 5.B.0 Assessment of Requirements of Consultation on Criteria | 250,000 | 10,869 | 63.87 |
| 5.3 | 5.C.0 First Phase Infrastructure | 14,274,000 | 12,880,750 | 75,694.31 |
| | <i>Total Infrastructure Rehabilitation</i> | | <i>13,904,521</i> | <i>81,710.55</i> |
| | | | | |
| 6 | <i>Vocational, Technical & Management Training</i> | | | |
| 6.0 | 6.A.0 Purchase of Equipment | 4,500,000 | 2,521,458 | 14,817.46 |
| 6.1 | 6.B.0 Capacity to Respond to LEAP Emerging needs | 1,350,000 | 877,481 | 5,156.56 |
| 6.2 | 6.C.0 Business Skills Training | 480,000 | 387,340 | 2,276.22 |
| 6.3 | 6.D.0 LTI Training Facility | 2,000,000 | 1,427,102 | 8,386.43 |
| 6.4 | 6.E.0 Network of Trainers Trained | 150,000 | 141,353 | 830.67 |
| | 6.F Business Development Materials Design & Publication | | | |
| 6.5 | 6.F.0 ~ Produce & Print Materials/Transportation | 314,000 | 7,020 | 41.25 |
| 6.5.1 | 6.F.1 ~ Consultation | 120,000 | - | - |

Linden Economic Advancement Programme
Second Work Programme
Summary Of Expenses January to September 2004

| C # | | Particulars | Revised Budget | Total Expenses 2004 | |
|-------|-------|--|----------------|---------------------|------------------|
| | | | | GYD | EURO |
| 6.5.1 | 6.F.2 | ~ Garment / Textile Training | 574,000 | 179,100 | 1,052.49 |
| 6.5.1 | 6.F.3 | ~ Jewellery Training | 368,000 | 29,450 | 173.06 |
| 6.5.1 | 6.F.4 | ~ Agriculture Training | 580,000 | 327,855 | 1,926.65 |
| 6.5.1 | 6.G | Provision of Direct TA | | - | - |
| 6.6 | 6.G.0 | ~ Technical Assistance | 1,000,000 | 328,621 | 1,931.16 |
| 6.6.1 | 6.G.1 | ~ Legal Services / Materials | 80,000 | 70,000 | 411.36 |
| 6.7 | 6.H.0 | Vocational Skills Training | 1,350,000 | 1,223,404 | 7,189.39 |
| 6.8 | 6.I.0 | Youth Entrepreneurs Network | 330,000 | 309,765 | 1,820.35 |
| | 6.J | Training In Entrepreneur Development | | - | - |
| 6.9 | 6.J.0 | ~ Entrepreneurship | 2,820,000 | 1,120,167 | 6,582.71 |
| 6.9.1 | 6.J.1 | ~ Communication Techniques | 322,000 | 82,000 | 481.88 |
| 6.9.2 | 6.J.2 | ~ Business Incubator | 680,000 | 165,907 | 974.96 |
| 6.10 | 6.K.0 | Public Awareness | 9,000,000 | 5,089,112 | 29,906.40 |
| | | Total Vocational, Technical & Management Training | | 14,287,135 | 83,959.00 |
| | 7 | Institutional Strengthening | | | |
| 7.1 | 7.A.0 | Capacity to Respond to LEAP Emerging Needs | 500,000 | 247,896 | 1,456.77 |
| 7.2 | 7.B.0 | MIS Design & Implemented | 2,170,000 | 1,110,798 | 6,527.66 |

Linden Economic Advancement Programme
Second Work Programme
Summary Of Expenses January to September 2004

| C # | Particulars | Revised Budget | Total Expenses 2004 | | |
|------|-------------|---|---------------------|-------------------|-------------------|
| | | | GYD | EURO | |
| 7.3 | 7.C.0 | Public Access Database | 2,680,000 | 2,176,307 | 12,789.17 |
| 7.5 | 7.D.0 | Regional Agriculture Strategy | 250,000 | 35,427 | 208.19 |
| 7.6 | 7.E.0 | Assessing & Identifying Local Needs | 1,772,672 | 180,000 | 1,057.78 |
| 7.7 | 7.F.0 | Local Authority Training | 394,000 | 340,000 | 1,998.03 |
| 7.8 | 7.G.0 | Survey of Business Environment | 1,482,000 | 627,830 | 3,689.47 |
| 7.10 | 7.H.0 | Investment Promotion Strategy | 202,000 | 131,934 | 775.32 |
| 7.11 | 7.I.0 | Promotional Activities | 458,000 | 17,660 | 103.78 |
| 7.12 | 7.J.0 | Trade Fair | 1,200,000 | 434,675 | 2,554.39 |
| 7.13 | 7.K.0 | Economic & Business Development Awareness | 2,400,000 | 2,338,978 | 13,745.11 |
| | 7.L.0 | Audit of WP / Bank Charges | 80,000 | 11,225 | 65.96 |
| | 7.M.0 | Preparation of 3rd WP | 60,000 | 16,710 | 98.20 |
| | 7.N.0 | Bank Guarantee Cost | 2,860,680 | 2,860,680 | 16,810.92 |
| | 7.O.0 | Maintenance of Generator | 260,000 | - | - |
| | | Total Institutional Strengthening | | 10,530,120 | 61,880.73 |
| | | | | - | |
| | | TOTAL | 61,987,352 | 39,394,185 | 231,501.72 |

Table 3

**Linden Economic Advancement Programme
Third Work Programme**

Summary of Expenditure April to December 2004

| C # | Particulars | Revised Budget | | Total 2004 | |
|----------|--|-------------------|-------------------|------------------|------|
| | | GYD | GYD | GYD | EURO |
| 4 | LEAF | | | | |
| | 4.A Programme & Activities Coordinated/Synchronized | 3,800,000 | 1,164,442 | 5,069.01 | |
| | 4.B Financial Institution assisted with Business Plan | 4,200,000 | 2,700,000 | 11,753.54 | |
| | 4.C Credit Market Survey, Analysis & Transition to Approach | 3,200,000 | 2,974,012 | 12,946.36 | |
| | 4.D Communications Campaign | 2,500,000 | - | - | |
| | 4.E Training Seminars | 4,300,000 | - | - | |
| | 4.F Support of LEAF Operations | 28,000,000 | 8,580,664 | 37,353.03 | |
| | 4.G Support of Lending Operations & Reaching Lending Target | 500,000 | - | - | |
| | 4.H Phase 1 MIS and Phase 2 MIS/Reporting | 4,000,000 | 1,917,073 | 8,345.33 | |
| | 4.I Leaf Progress Report | 100,000 | - | - | |
| | Total LEAF | 50,600,000 | 17,336,191 | 75,467.27 | |
| 5 | Infrastructure Rehabilitation | | | | |
| | 5.A Capacity to Respond to LEAP Emerging needs | 5,000,000 | 374,510 | 1,630.30 | |
| | 5.A.1 Vehicle | 7,600,000 | 5,454,000 | 23,742.15 | |
| | 5.B Rehabilitation of Public Assets | | | | |
| | 5.B.1 Completion of the West Watooka Road Rehab-Extension | 24,000,000 | 9,301,530 | 40,491.08 | |
| | 5.B.2 Completion of Moblissa Road Rehabilitation | 26,000,000 | - | - | |
| | 5.B.3 Rehabilitation & Upgrading of Aluminum Plant Wharf | - | - | - | |
| | 5.B.4 Rehabilitation Requirements in Kwakwani and Ituni | 10,000,000 | - | - | |
| | 5.B.5 Government Assets to be identified by commitment of Investors | 30,000,000 | 360 | 1.57 | |
| | 5.C Development of Industrial Infrastructure | | | | |
| | 5.C.1 Industrial Site Development | 15,000,000 | 80 | 0.35 | |
| | 5.C.2 Small-Medium Industrial Development Incubator | - | - | - | |
| | 5.D Individual/Cooperative Investment Support Incentive | | | | |

**Linden Economic Advancement Programme
Third Work Programme**

Summary of Expenditure April to December 2004

| C # | Particulars | Revised Budget | | Total 2004 | |
|----------|---------------|--|--------------------|-------------------|------------------|
| | | GYD | GYD | GYD | EURO |
| | 5.D.1 | Design & Implementation of Incentive Facility for Private Investors | 1,000,000 | - | - |
| | 5.D.2 | Identification, Approval Implementation of up to 5 Investment Projects | 40,000,000 | - | - |
| | 5.E | Community Support Facility Infrastructure Investment Provided | 20,000,000 | 43,200 | 188.06 |
| | 5.F | Feasibility Studies - Assessment of the Wharf & Bond Area, Aluminum Plant, | 11,000,000 | - | - |
| | 5G | Support to the Region 10 Business Incubation Centre | 10,000,000 | - | - |
| | | Total Infrastructure Rehabilitation | 199,600,000 | 15,173,680 | 66,053.51 |
| 6 | | Technical vocational and Management Training | | | |
| | 6.A | Capacity of LEAP to respond to emerging priority needs | 1,500,000 | - | - |
| | 6.B | Entrepreneurial Development and Business Skills Training | | | |
| | 6.B.1 | Entrepreneurial Skills Training - Empretec | 800,000 | 501,619 | 2,183.63 |
| | 6.B.2 | Start and Improve your own business - ILO | 1,294,600 | - | - |
| | 6.B.3 | Preparing and assessing business plans - GTA | 450,000 | - | - |
| | 6.B.4 | Strategic Management and Financing - GTA | 1,145,000 | - | - |
| | 6.B.5 | Market Oriented Small Business Development - GTA | - | - | - |
| | 6.B.6 | Women Entrepreneurship for Business Start-up | 1,000,000 | - | - |
| | 6.B.7 | Basic Marketing - GTA | 800,000 | - | - |
| | 6.B.8 | Exporting in context of new Trade Agreements | - | - | - |
| | 6.B.9 | Training in Client Relations | 450,000 | 358,058 | 1,558.68 |
| | 6.B.10 | Training of Trainers | - | - | - |
| | 6.B.11 | Introduction to Business and New Business Ideas | 1,200,000 | - | - |
| | 6.C | Targeted Sector Training | | | |
| | 6.C.1 | Training for Jewellery Manufactures - Bureau of Standards | | | |
| | 6.C.1 | Jewellery Standards | 400,000 | - | - |
| | 6.C.1 | Jewellery Design | 600,000 | - | - |
| | 6.C.1 | Use of Jewellery Equipment | - | - | - |

**Linden Economic Advancement Programme
Third Work Programme**

Summary of Expenditure April to December 2004

| C # | Particulars | Revised Budget | Total 2004 | |
|----------|---|-------------------|------------------|-----------------|
| | | GYD | GYD | EURO |
| | 6.C.1 Business Profiles on Jewllery manufacturing | 100,000 | - | - |
| | 6.C.2 Training for Garments Manufactures | | | |
| | 6.C.2 Workshop on Marketing Strategies for Garment Manufactures | 350,000 | - | - |
| | 6.C.2 Training Programmes Provided through CESO Support | 900,000 | - | - |
| | 6.C.3 Training Programme for Wood Working Industry: milling, kiln, furniture | 950,000 | 29,085 | 126.61 |
| | 6.C.4 Development of the Commercial Potential of the Agriculture Sector | - | | |
| | 6.C.4 Agro-Processing | 400,000 | 10,450 | 45.49 |
| | 6.C.4 Non-traditional Agriculture Production | 2,050,000 | 344,375 | 1,499.12 |
| | 6.C.4 Dairy (Yoghurt) Production(NEW)DEVELOPMENT OF Livestock Potential | 1,000,000 | - | - |
| | 6.C.4 Marketing | 1,000,000 | 63,825 | 277.84 |
| | 6.C.4 Use of Pesticides | 850,000 | 190,000 | 827.10 |
| | 6.C.5 Development of the Craft Sector | | | |
| | 6.C.5 Facilitate participation in CPEC Handicraft Project | - | - | - |
| | 6.C.5 Facilitate workshop on Bamboo Craft | 10,400 | 10,400 | 45.27 |
| | 6.C.5 Provision of Technical Assistance to the Development of the Craft Industry | 3,000,000 | - | - |
| | 6.D Development of the Region 10 Youth Entrepreneurial Network | | | |
| | 6.D.1 Entrepreneurial Skills Development | 1,700,000 | 219,105 | 953.80 |
| | 6.D.2 Profiling Young Entrepreneurs | 150,000 | - | - |
| | 6.D.3 Peace Corps Volunteer Attachment | - | - | - |
| | 6.E Target Training In Employment Skills | | | |
| | 6.E.1 Facilitate training on employment readiness, job search and entry level skills | 2,700,000 | 111,400 | 484.94 |
| | 6.E.2 Business Skills Literacy Training | 500,000 | - | - |
| | 6.F Competency Certification and Training - GTA - Assessor Fees/Transportation | 1,500,000 | 192,593 | 838.39 |
| | Total Technical Vocational & Management Training | 26,800,000 | 2,030,910 | 8,840.88 |
| 7 | Institutional Strengthening | | | - |

**Linden Economic Advancement Programme
Third Work Programme**

Summary of Expenditure April to December 2004

| C # | Particulars | Revised Budget | | Total 2004 | |
|-------|--|----------------|-----------|------------|------|
| | | GYD | GYD | GYD | EURO |
| 7.A | Capacity of LEAP to respond to emerging priority needs | 200,000 | - | - | - |
| 7.B | Survey of Potential Business/investment opportunities in Region 10 - 2nd phase | 1,500,000 | 592,454 | 2,579.05 | |
| 7.C | Labour Pool Database complete and maintain | 4,000,000 | 168,500 | 733.51 | |
| 7.D | Develop Investment Promotion Strategy for Region 10 | 200,000 | 12,290 | 53.50 | |
| 7.E | Partnerships strengthened with relevant local private and public sector organization | 200,000 | 40,600 | 176.74 | |
| 7.F | Inward Investments Identified and Attracted to Region 10 | | | | |
| 7.F.1 | Links with Potential Local Investors | 400,000 | 148,954 | 648.42 | |
| 7.F.2 | Links established and strengthened with private and public sector organizations | 400,000 | 65,846 | 286.64 | |
| 7.F.3 | Facilitate Investment Ventures - research, assessment & follow-up | 1,246,000 | 971,362 | 4,228.50 | |
| 7.G | Capacity of Stakeholders & LEAP to Identify & Attract Investment | | | | |
| 7.G.1 | Maintain active membership in Professional Agencies - WAIPA, IPANET, CDE | 400,000 | 3,000 | 13.06 | |
| 7.G.2 | LEAP Staff & Stakeholders - Participate in Investment Promotion activities | 2,900,000 | 1,307,783 | 5,692.99 | |
| 7.G.3 | LEAP Staff Stakeholders Participation in WAIPA Investment Promotion Study | 155,000 | - | - | |
| 7.G.4 | Investment Promotion Media Campaign | 500,000 | - | - | |
| 7.G.5 | Facilitate Development of Craft Sector | 1,400,000 | 1,175,242 | 5,116.02 | |
| 7.G.6 | Local Trade Exhibitions & Fairs | 1,000,000 | 432,030 | 1,880.70 | |
| 7.H | Provision of Direct Technical Assistance to Business Development Projects | 2,500,000 | 2,329,123 | 10,139.05 | |
| 7.I | Development of Livestock Farming Potential in Region 10 | - | - | - | |
| 7.J | Agriculture Digest Produced | 160,000 | - | - | |
| 7.K | Needs Assessment survey of Young Women, Women Entrepreneurs in Reg 10 | - | - | - | |
| 7.L | Capacity for Analysing & Responding to Gender Issues | 200,000 | - | - | |
| 7.M | BI Tenants have Improved Capacity to Manage their own Business | | | | |
| 7.M.1 | Business Planning | 2,100,000 | - | - | |
| 7.M.2 | Product Development | - | - | - | |
| 7.M.3 | Marketing | - | - | - | |
| 7.M.4 | Management | 1,700,000 | - | - | |

**Linden Economic Advancement Programme
Third Work Programme**

Summary of Expenditure April to December 2004

| C # | Particulars | Revised Budget | Total 2004 | |
|---|--|--------------------|-------------------|-------------------|
| | | GYD | GYD | EURO |
| 7.N | Capacity Development of Stakeholders and LEAP through NBIA | | | |
| 7.N.1 | Technical Assistance from TIC Jamaica | - | - | - |
| 7.N.2 | Maintain Active Membership of NBIA - Participation in NBIA Annual Conference | 2,000,000 | 1,007,434 | 4,385.52 |
| 7.O | Entrepreneurs 10 have access to BIC through public awareness | | | |
| 7.O.1 | Launching on BIC | 300,000 | - | - |
| 7.O.2 | Advertising & Selection of Tenancy | 300,000 | - | - |
| 7.P | Direct Technical Assistance to the Economic Planning Capacity of the RDC | 2,900,000 | 130,238 | 566.95 |
| 7.Q | Public Awareness Campaign | | | |
| 7.Q.1 | Television Programming/News Magazine | 10,500,000 | 5,498,478 | 23,935.77 |
| 7.Q.2 | Maintenance of the LEAP website | 500,000 | 32,540 | 141.65 |
| 7.Q.3 | Community Outreach/Events | 350,000 | 346,700 | 1,509.24 |
| 7.R | Preparation of the 4th Work Programme | 600,000 | - | - |
| 7.S | Bank Guarantee | 11,000,000 | - | - |
| 7.T | Bank Charges | 50,000 | - | - |
| | Total Institutional Strengthening | 49,661,000 | 14,262,574 | 62,087.32 |
| TOTAL (Components 4, 5, 6 and 7) | | 326,661,000 | 48,803,355 | 212,448.98 |

Table 4

**Linden Economic Advancement Programme
Work Programme Fund Balance**

| Component | | Total Budget As Per Financing Agreement | Balance From The 1st WP | Balance from the 2nd WP | Revised Budget for 3rd WP | BALANCE From Revised 3rd WP |
|------------------|---|--|--|------------------------------------|--------------------------------------|--|
| | | EURO | EURO | EURO | EURO | EURO |
| 4 | LEAF | 2,482,000 | 2,482,000 | 2,473,381 | 220,270 | 2,253,111 |
| 5 | Infrastructure Rehabilitation | 3,500,000 | 3,500,000 | 3,408,898 | 868,891 | 2,540,006 |
| 6 | Technical, Vocational & Management Training | 589,000 | 588,574 | 445,463 | 116,665 | 328,798 |
| 7 | Institutional Strengthening | 300,000 | 300,000 | 216,580 | 216,182 | 398 |
| | <i>Sub Total</i> | 6,871,000 | 6,870,574 | 6,544,322 | 1,422,009 | 5,122,313 |
| - | Contingency | 1,127,000 | 1,127,000 | 1,127,000 | - | 1,127,000 |
| | <i>Sub Total</i> | 7,998,000 | 7,997,574 | 7,671,322 | 1,422,009 | 6,249,313 |
| - | Revenue Raised by the project | -850,000 | -849,873 | -847,752 | - | -847,752 |
| TOTAL | | 7,148,000 | 6,870,574 | 6,544,322 | 1,422,009 | 5,122,313 |

*

| | | | |
|-----------------------|----------------|----------------|----------------|
| <i>Exchange Rates</i> | <i>170.168</i> | <i>170.168</i> | <i>229.718</i> |
|-----------------------|----------------|----------------|----------------|