

# TECHNICAL COOPERATION PROFILE

## GUYANA

NOVEMBER 7, 2007

### I. BASIC PROJECT DATA

<b>Country:</b>	Guyana
<b>Project name:</b>	Supporting the PRSP Process: Towards the Institutionalization of a Monitoring and Evaluation Framework.
<b>Project number:</b>	GY-T1038
<b>Project team:</b>	Paloma Baena (ICF/ICS), Team Leader; Gonzalo Afcha (ICF/ICS); Javier Reyes (CCB/CGY); and Valeria Wedolowski (ICF/ICS)
<b>Date of request:</b>	September 18, 2007
<b>Beneficiary:</b>	The Cooperative Republic of Guyana
<b>Executing agency:</b>	The Ministry of Finance (MOF)
<b>Financing plan:</b>	IDB: (Fund for Special Operations) US\$ 600,000
	Local: US\$ <u>60,000</u>
	Total: US\$ 660,000
<b>Technical and basic responsibility:</b>	Ministry of Finance
<b>Included in TC Program:</b>	Yes
<b>Tentative dates:</b>	Orientation mission: October 2007
	Approval by President: December 2007

### II. BACKGROUND

#### A. The Poverty Reduction Strategy and Monitoring and Evaluation in Guyana

- 2.1 The Poverty Reduction Strategy Paper (PRPS) is a comprehensive country-based strategy for poverty reduction that aims to provide the crucial link between national public actions, donor support, and the development outcomes needed to meet the United Nations' Millennium Development Goals (MDGs).
- 2.2 Given that one of the core principles of PRSP preparation is a results-oriented approach<sup>1</sup>, the 2001 PRSP outlined a comprehensive Monitoring and Evaluation (M&E) strategy, including (i) coordinating and reviewing the implementation

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<sup>1</sup> The PRSP approach is guided by four core principles: (i) country-driven, promoting national ownership of strategies through broad-based participation of civil society; (ii) partnership-oriented, involving coordinated participation of development partners (government, domestic stakeholders, and external donors); (iii) result-oriented and focused on outcomes that will benefit the poor; and (iv) comprehensive in recognizing the multidimensional nature of poverty.

status of the poverty program; (ii) tracking poverty expenditures; and (iii) involving communities in program monitoring. To support its development, and considering at the time that the Bureau of Statistics did not have the required capacity to adequately monitor PRSP implementation, the World Bank<sup>2</sup> supported the establishment of a Policy Coordination and Programme Management Unit (PCPMU) within the Office of the President.

- 2.3 In the past years, the PCPMU has accomplished progress towards monitoring the PRSP, particularly in what concerns the tracking of expenditure and statistical information on major goals of the PRSP and the Millennium Development Goals.<sup>3</sup> However, several diagnostic studies, including those conducted by the PCPMU, express concern over the sustainability of these efforts and outline the need for the institutionalization of M&E capacities across the public sector under a common M&E framework.
- 2.4 The following limitations to institutionalize M&E functions have been identified: (i) weak capacity and scarce human resources; (ii) weak data collection systems, which effectively limit M&E capacities; and (iii) the need to reorient expenditure management towards a stronger focus on output and outcome indicators. In addition, where M&E exist at the sector ministry level, these capacities are fairly recent and often linked to specific foreign funded projects.
- 2.5 In spite of the progress in tracking expenditure and statistical information on major goals of the PRSP and the MDGs, Guyana lacks a systemic and standardized approach to M&E across individual public entities, which severely reduces their capacity to: (i) measure the results through the programs and resources assigned to them; (ii) identify early correction mechanisms; (iii) strengthen horizontal accountability of budget agencies; (iv) capitalize on best practices and lessons learned; and (v) strengthen implementation of pro-poor policies.

**B. The vision towards the institutionalization of the M&E framework.**

- 2.6 In the context of the preparation of a new PRSP in Guyana, on-going dialogue between the Government of Guyana (GOG) and the Donors<sup>4</sup> has focused on the need to build institutional capacity to use the PRSP as a “living document”<sup>5</sup> that informs planning and budgeting decisions while providing a framework for measuring the results of Guyana's national development program. In particular, this dialogue has focused on the need to institutionalize an M&E framework

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<sup>2</sup> In the context of its 2002 Public Sector Technical Assistance Credit (PSTAC).

<sup>3</sup> The PCPMU has conducted Poverty Expenditure Tracking Reports in 2005 and 2006. In addition, it has initiated the development of a PRSP indicators system that tracks statistical information associated with some 50 indicators relating to PRSP and MDG.

<sup>4</sup> European Commission, United Nations Development Program, Canadian International Development Agency, International Monetary Fund, World Bank and the United States Agency for International Development.

<sup>5</sup> GOG-Donors correspondence is available for further reference in ICF/ICS files as a technical file for this operation.

across Guyana's public sector, so as to facilitate sustainable monitoring of the implementation of the PRSP and measurement of its progress beyond current ad-hoc arrangements of the PCPMU.

- 2.7 The GOG has expressed its agreement to work with the Donors towards streamlining an M&E system nationally, whereby core coordinating and managing responsibilities will be shifted to the Ministry of Finance from the PCPMU through a transition period. In this context, a joint *GOG-Donors Technical Task Force on Mainstreaming Monitoring and Evaluation* (the Task Force) has been established with the mandate of working on the roadmap towards said streamlining, considering those key elements and benchmarks required for an institutionalized M&E framework (the Roadmap).

**C. Bank's Strategy**

- 2.8 The Bank's strategy for Guyana (GN-2257-9) is focused on the promotion of sustainable growth, social development and poverty reduction in addressing its major development challenges: (i) maintaining a sound macroeconomic framework for sustain growth; (ii) improving governance and public sector modernization; (iii) encouraging private sector development through policy and institutional reforms; and (iv) improving social sector infrastructure. This operation directly supports the second strategic objective.

**D. Program's Strategy**

- 2.9 The Program will support the transition towards an institutionalized M&E system by: (i) building upon on-going developments in some sector ministries that contribute information in key government programs; and (ii) ensuring complementarity with other Bank programs that support core government management functions, such as planning and budgeting.

### **III. THE PROGRAM**

**A. Objective**

- 3.1 The objective of the Program is to contribute to enhance government effectiveness by supporting the transition towards an institutionalized M&E framework in the context of the PRPS process.
- 3.2 It is expected that the Program will provide a common framework towards a systemic and standardized approach to M&E, which would enhance program management capacities and horizontal accountability of budget agencies while providing valuable information to inform core government management functions.

**B. Description**

- 3.3 To achieve its objectives, the Program will support the following components:

# **1. Action Plan for the Institutionalization of M&E functions**

- 3.4 Under this component, a detailed operational plan outlining the processes and resources required to implement the Roadmap developed by the Task Force will be prepared, guiding the implementation of future activities in accordance with its vision, implementation benchmarks, and assigned roles and responsibilities.

## **2. Enhancing Institutional Capacity for M&E Functions**

- 3.5 This component will seek to support on-going efforts towards an institutionalized M&E system in the Ministries of Health and Education, which can serve as pilot implementations of the new M&E framework. In addition, this component will aim to strengthen the M&E coordination capabilities within the MoF to support the transition process and build capacity for the M&E system's sustainability.

## **3. Development of a Results-Based M&E tool**

- 3.6 This component will support the design of an M&E tool in the second half of the programme, that, benefiting from the outcomes of activities financed under the first two components, will aim to facilitate and integrate information flows at the sector ministry levels while interfacing with a central coordination system, thus facilitating results-based M&E.

## **4. Training and Consensus Building**

- 3.7 This component will support activities aiming to mainstream M&E awareness in Guyana's public sector in order to facilitate implementation, sustainability and ownership of the M&E framework.

### **IV. COST AND FINANCING**

- 4.1 The cost of the Program has been estimated at US\$660,000, of which the Bank would finance up to US\$600,000 of the costs on a non-reimbursable basis from the Fund for Special Operations (FSO). The Government of Guyana will contribute the equivalent of US\$60,000 as counterpart funds<sup>6</sup>.

<b>BUDGET (US\$)</b>			
	<b>IDB</b>	<b>GOG</b>	<b>TOTAL</b>
Action Plan for the Institutionalization of M&E functions	100,000		
Improvement of M&E systems in selected sector Ministries	280,000		
Development of a Performance-Based M&E tool	100,000		
Training and Consensus Building	60,000		
Program Execution	60,000	60,000	
<b>TOTAL</b>	<b>600,000</b>	<b>60,000</b>	<b>660,000</b>

<sup>6</sup> Local counterpart can be in kind, at the discretion of the Government of Guyana.

## V. EXECUTION

- 5.1 The MOF will be the executing agency for this Program. The estimated timeframe for execution is 18 months, while the expected disbursement period is 24 months from the date of signature of the Letter of Agreement.

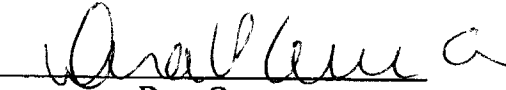
## VI. ACTION PLAN

- 6.1 It is expected that the Task Force will prepare the Roadmap towards an institutionalized M&E framework by December 2007. An orientation mission will take place in late October 2007 to begin preparation of the Plan of Operations, expected for approval in December 2007. A consultant has been hired to support the Task Force in the development of the Roadmap.


## VII. ENVIRONMENTAL AND SOCIAL ASPECTS

- 7.1 Given the focus of this Program upon institutional strengthening activities, no social or environmental issues are foreseen. According to the Environment and Safeguards Compliance Guidelines, the operation has been classified as "C".

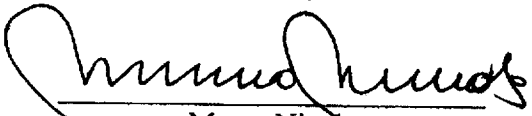
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