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**Annual Operations Plan**

**Year 1**

**January 1, 2017 to December 31, 2017**

**CO-OPERATIVE REPUBLIC OF GUYANA**

**SUSTAINABLE AGRICULTURAL DEVELOPMENT PROGRAM**

**GY-L1060**

**Contents**

**Abbreviations i**

**1.** **Introduction**

**2.** **EXECUTIVE SUMMARY**

**3. Program Datasheet**

**4.** **OPerational Plan for the Year (2017)**

**5.** **Annual Procurement Plan**

**6. Budget and DISBURSEMENTS**

**7.**  **status of contractual clauses**

**8.** **Risk Matrix**

### Abbreviations

|  |  |
| --- | --- |
| AOP  ASDU | Annual Operating Plan  Agricultural Sector Development Unit |
| EPA | Environment and Protection Agency |
| ESMP | Environmental and Social Management Plan |
| ESS | Environmental and Social Strategy |
| FAO | Food and Agriculture Organization of the United Nations |
| GBS | Guyana Bureau of Statistics |
| GL&SC | Guyana Land and Survey Commission |
| GLDA | Guyana Livestock Development Agency |
| GoG | Government of Guyana |
| IDB | Inter-American Development Bank |
| MoA | Ministry of Agriculture |
| MoF  NAREI | Ministry of Finance  National Agriculture Research and Extension Institute |
| POD | Proposal for Operation Development |
| POM | Program Operations Manual |
| PSC  PS | Project Steering Committee  Permanent Secretary |
| SPF | Safeguard Policy Filter |
| SSF | Safeguard Screening Form |

## 1. INTRODUCTION

1.1This document presents the Annual Operations Plan (AOP) for Year 1 of the **Sustainable Agricultural Development Program** (GY-L1060) in Guyana, covering the period from January 1, 2017 to December 31, 2017.

1.2 This document is intended principally to be used by the Ministry of Agriculture (MoA) as the Program Executing Agency; the Agricultural Sector Development Unit (ASDU) as Program Executing Unit of the MoA; the Project Steering Committee; and the Inter-American Development Bank. In addition to these actors, this is a public document and as such, will be made available upon request to other interested individuals and organizations.

1.3 The document is organized in the following manner:

i) Section 1 Introduction

ii) Section 2 Executive Summary

iii) Section 3 Datasheet of the Program, including key dates and financial data;

iv) Section 4 describes the operational plan for the year. The table used is Activities and Scheduled Implementation 2017.

v) Section 5 presents the procurement plan.

vi) Section 6 presents the Budget and Disbursements for the Program.

vii) Section 7 presents the status of contractual clauses.

viii) Section 8 presents the risk matrix for the Program as contained in the PMR or any new Risks that should be factored in 2017.

ix) Annex 1 comprises a (sample) Microsoft Projects spreadsheet for the Program, showing detail at the Output level.

x) Annex 2 presents Terms and Definitions for the Risk Matrix.

## 2. EXECUTIVE SUMMARY

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| A. EXECUTIVE SUMMARY |
| 1. Introduction  The Agricultural Sector Development Unit (ASDU) of the Ministry of Agriculture (MoA) is implementing the “Sustainable Agricultural Development Program” (GY-L1060). The main beneficiaries of the Program are farmers of Guyana’s Regions 5 (Mahaica-Berbice), 9 (Upper Takutu- Upper Essequibo) and 10 (Upper Demerera-Upper Berbice), including women and indigenous peoples living in the identified areas, and the MoA along with its agencies. The identified regions are growth areas for agri-business due to their abundant natural resources, yet their ecosystems remain vulnerable to the impact of climate change.  The six-year Program consists of a focused set of interventions which have been identified to contribute to the MoA strategy for the development of Guyana’s agriculture. By generating the necessary capacity for data collection and analysis, the MoA will be in the position to propose policy and investments that generate the highest return for the country. This will result in higher private investment in the agricultural sector, which is expected to result in higher production and incomes. Productivity will also be promoted by research programs and technologies that will be transferred to farmers. Farmers will have access to genetic material, practices and technologies not currently available in Guyana, which will increase yields, production and incomes. Increased productivity in livestock production will result in the use of less pasture land, reducing the pressure on fragile ecosystems. At the same time, value of current and future production will increase with the implementation of specific investments for meat processing. Volumes and prices will increase with better handling of raw material and generate the necessary conditions for exports and private investment. To this aim, investments will be carried out across three areas of intervention: Component 1 consists of investments to facilitate the implementation of a strategy to enhance the capabilities of the MoA for data collection, analysis and dissemination. Component 2 promotes strengthening the agricultural innovation and extension system, and Component 3 supports compliance with sanitary and phytosanitary measures.  2. Loan Objective  The main objective of the Program is to increase the productivity of the agricultural sector while maintaining a sustainable and climate resilient use of natural resources in Guyana. Diversified agricultural productivity will also reduce pressure on forest and fragile ecosystems, and at the same time, increase incomes for small and medium-sized farmers.  3. Initial Progress:   * 1. Project Multiannual Execution Plan and Financial Plan   The Project Multiannual Execution Plan (2017-2022) has been developed. It will serve as the basis for further discussion and adjustment at Project Kick Off, along with the Financial Plan which has been prepared for the first year of the project, and the Project Procurement Plan developed for the period February 2017 through December 2022. (Annex).   * 1. Procurement Processes   3.3.1 Consultant Services:  Discussions are underway for Direct Contracting of the Food and Agricultural Organization (FAO) to prepare and carry out an agricultural census, based on the Organization’s expert knowledge and experience in carrying out national agricultural censuses since 1950[[1]](#footnote-1). The FAO will be responsible for surveys before and after the census, preparation work, field work and data collection, analysis, data filtering, and publication of the survey.  3.3.2 Goods:  Procurement of the necessary office equipment, supplies and vehicles to support the ASDU in executing the project, has been planned and is expected to be procured using the ‘Shopping’ method, to be paid from loan proceeds following first disbursement.  3.3.3 Works:  No works have been procured in this initial stage prior to first disbursement and are not envisaged until the second semester.   1. Risk Analysis Workshop.   The MoA and ASDU team participated in a risk workshop with the Team Leaders Mr. Juan de Dios Mattos and Ms Sybille Nuenninghoff on August 17th to identify project risks and develop mitigation actions. |

## 3. PROGRAM DATA SHEET

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Guyana** | | | | | | | | | | | |
| **Sustainable Agriculture Development Program** | | | | | | | | | | | |
| **(GY-L1060)** | | | | | | | | | | | |
| **Financial Terms and Conditions** | | | | | | | | | | | |
| **Borrower: Co-operative Republic of Guyana** | | | | | **Blend Financing Facility**(a) | | | | | | |
|  | | | | **CO** | | **FSO** |
| **Amortization Period:** | | | | 30 years | | 40 years |
| **Executing Agency: Ministry of Agriculture** | | | | | **Original WAL:** | | | |  | |  |
| **Disbursement Period:** | | | | 6 years | | 6 years |
| **Source** | **Amount (US$)** | | **%** | | **Grace Period:** | | | | 6 years | | 40 years |
| **IDB (OC):** | 7,500,000 | | 50 | | **Supervision and Inspection Fee:** | | | | (a) | | NA |
| **IDB (FSO):** | 7,500,000 | | 50 | | **Interest rate:** | | | | FU fixed | | 0.25% |
|  |  | |  | | **Credit Fee:** | | | | (a) | | NA |
| **Total:** | 15,000,000 | | 100 | | **Currency of Approval:** | | | | US$ | | US$ |
| **Planned expenditure**  **Jan. -Dec. 2017:** | 1,326,935 | | 8.8% | |  | | | |  | |  |
| **Planned IDB Disbursements Jan. -Dec. 2017** | 1,571,935 | | 10.5% | |  | | | |  | |  |
| **Project at a Glance** | | | | | | | | | | | |
| **Project Objective/Description:** Increase the productivity of the agricultural sector while maintaining sustainable and climate resilient use of natural resources in Guyana. Higher productivity will also reduce pressure on forest and fragile ecosystems, and at the same time, increase incomes for small and medium-sized farmers | | | | | | | | | | | |
| **Special contractual conditions prior to the first disbursement:** (i) the presentation of evidence that the Ministry of Agriculture (MoA) has selected a Program coordinator, a financial specialist and a procurement specialist according to the terms and conditions previously agreed with the Bank(¶3.1); (ii) approval and entry into effect of the Program Operating Manual (POM) according to the terms and conditions previously agreed with the Bank (¶3.4), and (iii) presentation by the Borrower of an initial report, including, the Program’s Pluri-annual Execution Plan (PEP), the Procurement Plan, the Financial Plan and the Results Matrix (¶3.11). **Special contractual execution conditions:** (i) prior to the implementation of the activities related to the Guyana Bureau of Statistics (GBS) under Component 1, the subscription and entry into effect of an agreement between the MoA and the GBS, according to the terms and conditions previously agreed with the Bank (¶3.2); (ii) prior to the bidding of infrastructure works under Components 2 and 3, the subscription and entry into effect of an agreement between the MoA and the EPA, according to the terms conditions previously agreed with the Bank (¶3.2); (iii) prior to the building of infrastructure works related to the abattoir financed under component 3, the subscription and entry into effect of an agreement between the MoA and a producer’s association responsible for operating the abattoir, according to the terms and conditions previously agreed with the Bank (¶3.7); and (iv) presentation by the MoA of evidence of compliance with the environmental and social conditions established in the Program’s Operations Manual (POM) and/or Environmental and Social Management Plan (ESMP). | | | | | | | | | | | |
| **Exceptions to Bank Policies:** None | | | | | | | | | | | |
| **Strategic Alignment** | | | | | | | | | | | |
| **Challenges**(c): | | SI | |  | | PI |  | EI | |  | |
| **Cross-Cutting Themes**(d): | | GD | |  | | CC |  | IC | |  | |
| (a) Under the Flexible Financing Facility (FN-655-1), the borrower has the option to request modifications to the amortization schedule as well as currency and interest rate conversions. In considering such requests, the Bank will take into account operational and risk management considerations. | | | | | | | | | | | |
| (b) The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors during its review of the Bank’s lending charges, in accordance with the relevant policies. | | | | | | | | | | | |
| (c) SI (Social Inclusion and Equality); PI (Productivity and Innovation); and EI (Economic Integration). | | | | | | | | | | | |
| (d) GD (Gender Equality and Diversity); CC (Climate Change and Environmental Sustainability); and IC (Institutional Capacity and Rule of Law). | | | | | | | | | | | |

## 4. OPERATIONAL PLAN FOR YEAR 1

**4.0** Overview of Outputs and Expected Results for 2017 (PMR Products)

4.1 This section presents the operation plan for year 1, as derived from the PMR. It is organized to reflect components/Subcomponents/Activities, and for each activity, the following information is provided: (i) Expected results Year 1; (ii) Expected Final Results; (iii) Means of Verification.

**Table 4.1 Year 1**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Objectives**  **Components/Subcomponents**  **Activities** | **Outcomes** | **Expected Results in 2017** | **Expected Final Results** | **Means of Verification** |
| Generate information for evidence based policy making | MoA & GBS Staff Trained | 20 | 150 | Training for the survey and census |
| Strengthen the agricultural and information system | NAREI & GLDA Staff Trained | 10 | 50 | Short courses or MSc. |
| Support compliance with sanitary and phytosanitary standards | GLDA, MOA Staff Trained & Producers’ Associations involved | 20 | 100 | Training for workers and inspectors |
| Strengthen Producers’ Associations | Producer’s Associations Trained | 2 | 20 | Meat processing associations trained and involved |

## 5. Procurement Plan Year 1

**C. ACQUISITIONS**

|  |  |  |
| --- | --- | --- |
| Process Name | Estimated Amount (US$) | Method |
| **Publication** | **Contract Signing** |
| COMPONENT 1 |  |  |  |  |
| Comp 1. Agricultural Census activities | 400,000 | DC | N/A | September 2017 |
| Update of regulations & legal framework | 10,000 | QBS | June 2017 | October 2017 |
| Support to MoA through M& E Consultant | 25, 000 | QBS | April 2017 | August 2017 |
| MoA & GBS staff training | 15,000 | QBS | September 2017 | December 2017 |
| COMPONENT 2 |  |  |  |  |
| Design & supervision agric ctrs. | 340, 000 | ICB | March 2017 | June 2017 |
| Region 10 building | 100, 000 | NCB (National Bidding) | Nov. 2017 | March 2018 |
| Extension programs fuel & maintenance | 15,000 | Shopping | September 2017 | September 2017 |
| Component 3 |  |  |  |  |
| Strengthening of producers’ association R9 | 10,000 | QBS | September  2017 | December 2017 |
| Design and Supervision of infrastructure R9 | 25,000 | NCB | April 2017 | May 2017 |
| Strengthening of producers’ association R5 | 5,000 | QBS | May 2017 | July 2017 |
| Design and Supervision R 5 | 25,000 | QCBS | May 2017 | August 2017 |
| Training of workers in meat handling | 20,000 | QBS | April 2017 | August 2017 |
| Regulations 1, 2, 3 in equal lots each | 25,000 | QBS | August 2017 | November 2017 |
| Monitoring and evaluation baseline | 50,000 | CQS (National Competitive Bidding) | Nov. 2017 | Jan. 2018 |
| Monitoring and evaluation analysis | 50,000 | Shopping | April 2017 | April 2018 |
| Project Administration and management |  |  |  |  |

**6. Budget and Disbursements**

Schedule of IDB Disbursements for Year 1

**Table. Disbursement projections (million $US)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** | **Year 6** | **Total** |
| IDB | 1,571,935 | 6,473,645 | 4,583,345 | 1,113,525 | 711,475 | 546,075 | 15,000,000 |
| % | 10.5% | 43.2% | 30.6% | 7.4% | 4.7% | 3.6% |  |
| **Total** | **1,571,935** | **6,473,645** | **4,583,345** | **1,113,525** | **711,475** | **546,075** | **15,000,000** |

|  |
| --- |
| D. SEMESTER FINANCIAL MANAGEMENT |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| D.2 FINANCIAL PROVISIONS | | | | | |
| Financial Provisions - Year 2017 Initial Disbursement Request | | | | | |
|  | **Projected Amount of Initial Advance** | | **Balance** | **Planned to June 3oth 2017** | **Planned to July 1st to Dec 31st 2017** |
| IDB | **10.5% total Loan** | **USD 1,575,000** | **USD 13,425,000** | **USD 236,250** | **USD 1,338,750** |
| GoG Counterpart | **0** | **0** | **0** | **0** | 0 |

## 7. STATUS OF CONTRACTUAL CLAUSES

CONDITIONS PRECEDENT AND STATUS

| **Conditions** | Status |
| --- | --- |
| General conditions precedent to first disbursement  (Loan Contract - Article 4:01). | - |
| (a) Legal Opinion by GoG | Pending |
| (b) Certificate of Authorized Representatives | Pending |
| (c) Initial Report | Pending |
| (d) Code of Accounts | Pending |
| Special conditions precedent to first disbursement  Effectiveness of Loan |  |
| (Loan Contract – Section 3:03).   1. Recruitment of the specialist staff for the ASDU: 2. A Program Coordinator 3. A Procurement Specialist 4. Financial Specialist | Pending |
| (b) Approval and entry into force of the Program Operating Manual | Pending |
| (c) Submission of Initial Report, including, Pluri-Annual Execution Plan, Procurement Plan, Financial Plan, and Risk Matrix. | Completed |
| **Section 3:04** |  |
| (a) the subscription and entry into effect of an agreement between the MoA and the GBS | Pending |
| (b) the subscription and entry into effect of an agreement between the MoA and the EPA | Pending |
| (c ) entry into effect of an agreement between the MoA and a producer’s association responsible for operating the abattoir | Pending |
| (d) presentation by the MoA of evidence of compliance with the environmental and social conditions established in the Program’s Operations Manual (POM) and/or Environmental and Social Management Plan (ESMP). | Pending |

**8. Risk Matrix**



1. FAO World Food Programme for the Census of Agriculture <http://www.fao.org/economic/ess/ess-wca/en/> [↑](#footnote-ref-1)