

United Nations Development Programme
Country: GUYANA
Project Document

Project Title	Low Carbon Development Strategy (LCDS) Amerindian Development Fund: Village Economy Development (Phase II) under GRIF
UNDAF Outcome(s):	Improved economic and social policies and programmes to enable the creation of a climate-resilient economy in the context of the Low Carbon Development Strategy.
Expected Outcome(s):	CP Strengthen institutional and regulatory capacities of government, civil society organizations to enable access to sustainable financial and business development services for the economic poor, women and indigenous populations.
Intermediate Outcome	Improved Socio-Economic Development of Amerindian Communities
Expected Output(s):	(a) Strengthened entrepreneurial and Institutional capabilities of the village economy of Amerindian communities (b) Improved linkages with the private sector to further develop value chains. (c) Strengthened Institutional framework to support local economies.
Government Coordinating Agency:	Ministry of Finance
Implementing Partners*:	Ministry of Amerindian Affairs, UNDP

*In the GRIF, UNDP is defined to be an Implementing Partner Entity.

Brief Description

The Amerindian Development Fund (ADF) has been established to provide support for the socio-economic and environmental development of Amerindian communities and villages, through the implementation of Community Development Plans (CDPs). The proposed projects cover agricultural production and processing, village infrastructure, tourism, manufacturing, village business enterprise, and transportation, among others.

Micro-capital grants will be made available through the LCDS GRIF for Amerindian Communities to pursue business ventures and village infrastructure development. These ventures are developed through a process that will culminate in the graduation of a Community Development Plan (CDP) to a full Business Plan. A variety of capacity strengthening exercises are to be undertaken to support the CDPs. Strategic partnerships to close market access gaps for targeted communities are to be established. In this regard, the creation and strengthening of a system of value chains is the mechanism through which the support to Amerindian communities will transform their village economies.

Programme Period:	2012 - 2016	.32
Key Result Area (Strategic Plan)	2014-2017	.32
Sustainable Development Pathways		
Atlas Award ID:		ent
Start date:	July 2014	.32
End Date	June 2017	
PAC Meeting Date		
Management Arrangements	NIM	

Agreed by (Implementing Partner):

Agreed by (UNDP):

I. SITUATION ANALYSIS

This situational analysis describes the problem in three subcomponents:

- (a) The general project context, which entails a description of the LCDS, GRIF, ADF and the situation of poverty in the rural interior - where most Amerindian Communities are concentrated;
 - (b) The situation analysis which outlines the specific challenges that this project propose to address including specific limitations associated with developing rural economies in the context of the remoteness of Amerindian communities and the nuances of doing so in Guyana; and
 - (c) Lessons Learned from the GRIF-ADF Initiation Plan, a precursor pilot of this project, which has been helpful in developing this project document and establishing evidence-based policies and procedures in the form of an operational manual and other requisite guidance.
- (a) General Context: National Framework for Poverty Reduction, Climate Change and Amerindian Development

In 2009, the Government of Guyana (GoG) launched the groundbreaking Low Carbon Development Strategy (LCDS).¹ The LCDS aims at combating poverty while responding to the impact of climate change by avoiding deforestation and creating a low carbon, climate-resilient economy as the basis for the environmental, social and economic transformation of the country. This strategy supplements the National Development Strategy (2000-2010), the National Competitiveness Strategy (2006), and the Poverty Reduction Strategy Papers - PRSPs (2004-2008) and 2011-2015). The LCDS represents complementarity of environmental responsibility and economic growth, and functions to mobilize financial payments for the climate services provided by Guyana's vast standing forests.

In anticipation of the establishment of a full international REDD+ mechanism, the Guyana REDD+ Investment Fund (GRIF) was created to receive payments for Guyana's climate services. The GRIF represents an effort to create an innovative climate finance mechanism which balances national sovereignty and investment priorities while ensuring that REDD+ funds adhere to the highest internationally recognized standards for financial, environmental and social safeguards. The GRIF finances activities identified under the LCDS by channeling results-based payments for avoided deforestation towards environmental-friendly development initiatives. Among the projects the GRIF will finance is the Amerindian Development Fund (ADF), a project in support of the development of the village economy in Guyana's vast hinterland and interior.

There are nine groups of Amerindian Peoples in Guyana,² - each of which has its own distinct cultural identity and heritage, language and traditional economic activities. Amerindian communities are at varying stages of integration with the national economy. The communities are typically characterized by the co-existence of well-preserved traditional lifestyles, and cultural freedoms with various kinds of incoming generating activities. Gradual integration into the production and consumption structures of the national economy is an ongoing phenomenon.

Lands owned by the Amerindians combined represent 13.9 percent of Guyana. The Amerindian population constitutes 9.2 percent of Guyana's total population or approximately 69,000 people. Most of their livelihoods are integrated with the natural environment. Amerindian communities³ (estimated to be around 187 villages and communities and settlements) are predominantly in remote locations across Guyana but are concentrated in a geographic space referred to as the rural interior/hinterland, situated mostly within the boundaries of regions 1, 2, 7, 8, and 9. The populations

¹ The LCDS has been revised in May 2010 and March 2013.

² These are the Warrau, Carib, Arawak, Akawaio, Patamona, Arekuna, Macushi, Wapishana and Wai Wai

³ Communities, Amerindian Communities, and Villages are used interchangeably in this project document. However according to the Amerindian Act 2006 "Community or Amerindian Community" means a group of Amerindians organized as a traditional community with a common culture and occupying or using the State lands which they have traditionally occupied or used; The Act goes on to define a "Village or Amerindian Village" as a group of Amerindians occupying or using village lands.

of these communities range between 150 to 5,000 inhabitants.

The PRSP 2011-2015⁴ articulates the strengthening of the village economy and community development through programmes such as the Presidential Grant, the National Hinterland Secure Livelihood Programme, and the LCDS GRIF-ADF. Importantly, according to the PRSP “the Government will continue to strengthen Village Economies and support enterprise development in the hinterland regions in an effort to transform such economies from subsistence to a market economy.” Building on these initiatives, the GRIF-ADF will seek to optimize opportunities presented by the asset base of Amerindian communities via specially designed intervention programmes, which address regional and demographic pockets of poverty. It will do this mainly by enabling the Communities to conquer the technical, market, and other barriers to village economy development.

In order to guarantee environmental sustainability and the protection of standing forests while addressing pockets of income poverty through more inclusive models of pro-poor growth, this initiative will build on the cultural and communal strengths of Amerindian Communities’ practices. Based on their access to the natural resources and ownership of forestlands, Amerindian Communities are optimally placed to enable conservation and preservation of standing forests. Indeed, the LCDS critically recognizes the important role that Amerindian communities can play in protecting and sustainably managing the forests.

With the aforementioned in mind, this project addresses specific barriers to income poverty within Amerindian Communities, noting the potential impact on sustainable development.

(b) Issues to be addressed

It is recognized that there are formidable challenges to be overcome in the process of arresting poverty in Amerindian communities while simultaneously promoting environmental best practices. Selected key challenges are examined below, some of which the scope of this project can address others which it cannot.

1. **Geography:** *physical conditions*: due to terrain and other natural conditions, critical infrastructural challenges confront the feasibility and sustainability of many business ventures pursued by Amerindian Villages and Communities.

Accessibility and logistics: remoteness and costs associated with transportation, communication and other logistical needs contribute significantly to the loss of competitiveness and necessitate the procurement of technical and skilled services, which are vital in ensuring business viability.

2. **Demographic and governance dynamics**: the statutes mandated by the Amerindian Act, Act # 6 of 2006, govern all Amerindian villages. Moreover, all communities that are comprised by Amerindians, whether wholly or in part, who benefit from the provisos of the Amerindian Act have established governance structures similar to Amerindian village councils. As a result of the voluntary nature of services rendered through councils, administration of assets and projects are affected. In this regard, strengthening the management structures of the villages is critical to the successful implementation of the CDPs.

Communalism: by nature, Amerindian communities evolve and reform through community ownership, responsibility, volunteerism and communal labour. As such, there is a significant gap between livelihood needs and economic enterprises that requires careful and attentive support including nurturing, monitoring and rapid response troubleshooting.

Nature of village economy: the economy in most - if not all - Amerindian villages is comprised of small vulnerable agrarian-dependent activities. More often than not, this

⁴<http://www.gina.gov.gv/archive/daily/b110723.html>; http://eeas.europa.eu/delegations/guyana/documents/eu_guyana/prsplaugust2011_en.pdf

does not expose community members to the traumas of agricultural business and other economic ventures. As a result, there is a noteworthy absence of technical expertise and specialized soft-skills, which are necessary for cutting-edge business development and success.

3. **Market Intelligence and Productive Capacity:** Market information, language gaps, media access, absence of ICT infrastructure, challenges of telecommunication etc., are all major factors magnifying barriers to the socio-economic development of Amerindian Communities. Further, understanding opportunities and making concerted efforts to pursue them is a critical area of need.
4. **Financing and optimal investment opportunities:** Finance or capital grants are not readily available for Amerindian Communities to fund enterprise for development. This is also the case for investment opportunities in the rural interior and hinterland communities. Collateral requirements of local banks, and the absence (or limited availability) of banks in remote locations, for instance, makes it difficult for enterprises emanating from remote Amerindian Communities to start-up and/or take off.
5. **Energy constraint:** This challenge relates to the type/source of energy used and the accessibility to energy for remote low-income communities. Energy is a critical input to production and its high cost dampens the likelihood of success (and profitability) of some community ventures. From the perspective of access for remote low-income communities such challenges are exacerbated. In aligning with the LCDS, The GRIF-ADF green energy use and sources are important considerations for the success of the strategy.

The aforementioned are only a few of the challenges Amerindian Communities face in the quest to improve their lives. Additionally, there are social and environmental underlying risks considered to be crosscutting which affect the feasibility and sustainability of business ventures within Amerindian Communities. This project does not directly target all the challenges associated with development in Amerindian Communities, but will apply safeguard measures to address these where applicable. The social and environmental issues relate to gender dynamics, Indigenous peoples' rights, cohesion, and the socio-cultural characteristics of communities.

Summarily, there is no quick fix to the challenges that Amerindian communities face. Emerging lessons suggest that even the distribution of a micro capital grant for business development to Amerindian communities should not be considered a panacea, even though it has the potential to stimulate further economic activities. The cost inefficiencies associated with community remoteness, as well as the challenges of searching for and accessing markets, and information asymmetry, *inter alia*, are barriers that cannot be overcome solely by such grant or even by clustering their economic ventures. These prohibitive costs and other barriers must be addressed through a combination of creative and innovative techniques if socio-economic development is to be secured.

Through this project, improving access to finance and concomitant business development services, coordinating management, technical and other support services for CDP development, implementation and coaching, and engendering links with the private sector, are expected to treat directly challenges 3 and 4; indirectly and partially 1, and 2; and with additional resources 5.

(c) Experiences and Lessons Learned from the Initiation Plan

As a precursor to the full-scale project design for the provision of micro-grants under the Amerindian Development Fund Village Economy, 27 Amerindian communities were selected for the disbursement of grants in a pilot phase that lasted in excess of 9 months. This pilot phase was known as the Initiation Plan (IP).

The Initiation Plan sought to: 1) Develop and test a financial disbursement mechanism with an accompanying operational manual; 2) Produce the full Project Document; and 3) Strengthen the capacity of the MoAA to directly manage and support the implementation of the Project. These

objectives were pursued on the basis of existing CDPs developed according to the process highlighted in Annex 1.

Summarized below are the critical lessons from the IP and their relevance in the development of this project document:

1. **Community ownership and participation is fundamental to the preservation and respect for Amerindian Rights, traditional knowledge and practices, and the implementation of this project:** It was recognized that changes to CDPs may arise for several varying reasons: the feasibility of project; the lapse of time from when the community submitted their plan; change in community leadership; internal community sensitivities and the need for consensus on proposed CDPs; etc. An agreement at the level of the village council general meeting is required to address situations where there is an issue. Free, Prior and Informed Consent (FPIC) adherence allows communities to change their CDP.
2. **The distribution of a micro capital grant for business development to Amerindian communities cannot by itself be the panacea for socio-economic development, though it does have the potential to stimulate economic activities further.** The project aims to establish market access and improve linkages with players in the private sector. The task at hand therefore is to address specific capacities and capabilities related to communal business development and management for implementation; negotiations and bargaining with private enterprise; information asymmetries; and market integration of the beneficiary communities.
3. **An inception and/or start-up orientation is crucial as an entry point for all institutional stakeholders and beneficiary communities:** The inception event for the IP served as a very useful tool for several reasons. It facilitated networking between counterpart institutions and resource persons and institutions and beneficiary communities; it served as a springboard for core institutions to define relationships on information sharing, and communication, and to stimulate collective discussions on likely issues that would have affected implementation of the project; it identified support needs of project clusters; it identified the main technical support available and the basic requisites for accessing it; it identified the main stakeholders offering technical support. The scoping missions facilitated a better understanding of the level of preparedness exhibited by communities, the level of community participation, and the degree of community consensus on the proposed business venture.
4. **Development of the village economy is critically linked to clustering, marketing, availability of economic opportunities, and other industry linkages, inter alia:** it was recognized that traditional knowledge emanating from the community proved useful. Further, communities were receptive to technical advice. These are critical elements in making the village economy sustainable with resident capacity. Another issue that was deemed relevant to strengthening the village economy is the various leadership roles of the Village Council. The Community Management Team will work under the supervision of the village council in the day-to-day functioning of the project and its implementation. In the context of economies of scale and mechanisms to build partnerships for increasing the sustainability and profitability of the village venture it is optimal for communities to work together, and specialize and promote a division of labour where it is practicable (as this has major cost reduction potential).
5. **Partnerships, and roles and responsibilities of the CDOs, and POs are essential to the project implementation:** The valuable inputs of CDOs and POs were noted during the project implementation processes, particularly in the areas of mobilization, communication, support logistics, facilitation of meetings, training, and monitoring. Given that more than 85% of projects are of an agriculture nature it is necessary for the MOA to be a major supplier for the capacity strengthening required at the community level for related projects. Furthermore, private sector firms must be identified to provide the necessary access to markets, as communities individually may not be able to overcome existing barriers on their own. Beyond facilitating market access or directly absorbing community output, the private sector can also lend its market knowhow and can help build links to networks that can support the business ventures of the Amerindian Communities. Partnerships with private sector enterprise will be enabled through facilitation by the MOAA.
6. **Modalities for the disbursement of funds should be mindful of risks, costs and delays in situations where communities cannot use bank accounts:** Most communities in the pilot group had bank accounts. In cases where cost of transportation to banks was high it was recognized that this could deplete a sizeable proportion of the micro capital grant. Further, there is a high transportation cost for obtaining commodities for project implementation, and for the withdrawal of funds. Another observation is related to delays when the mode of direct procurement is used which may also have cost implications. Proposals of alternatives are highlighted in the operations manual.
7. **Expenses to be covered should be agreed to in advance of budgeted expenditures:** All costs should be reflected in the project budget of the community plan. Additionally, the eligibility of expenses should be clear in recognition of community contribution versus the expenses to be covered by the micro capital grant. This necessitates a procurement plan (at least a list). A miscellaneous component of the budgets is necessary in recognition of inflationary pressures that may arise for varying reasons. The micro-capital grant is a standard allocation of G\$ 5 million to implement each CDP.
8. **Energy Issues:** The cost of energy is high and affects, in some communities, production processes, transportation, and the type of method and technology adaptation. Remote low-income communities are especially affected through access, and price, which leads to less than optimal energy use and minimal sources being utilized. This can affect how lucrative a business

venture is in some instances. Since energy is an important input (and cost), additional resources should be allocated to address this need where necessary.

9. Logistical costs, risks, weather, and mitigation measures should be fully considered in the planning and delivery of project activities: Logistics represents one of the main challenges for project implementation and should be reflected in the planning stage. The range of those challenges include:

- Transportation costs (usually high due to distance and terrain, fuel prices, number of suppliers etc.)
- Bad and unpredictable weather may also result in delays in project activities. ;
- Communication with beneficiaries community, and standardization practice for sharing information with stakeholders;
- Distribution delays of items through direct procurement, which may have cost and other implications;
- Limitations of suppliers in which case the stipulated three or more quotations cannot be sourced because there is only one supplier; or for remote communities, only one supplier/vendor for most commodities exists – single source supplier; and risks to implementation staff in the field.
- Release of funds- some Toshaoes have a difficulty in fulfilling the requirement of the reporting system especially for verification.

These risks need to be recognized and mitigated going forward.

The aforementioned lessons informed the development of the policies and procedures constituting the ADF Operations Manual and community organizational structure for the implementation of CDPs. With the experiences of phase I, the GRIF ADF is now better positioned to enhance the distribution and improve access to financial resources for Amerindian communities.

II. STRATEGY

The national strategy for poverty alleviation, particularly as it relates to community development is captured in the PRSP 2011-2015. The complementary framework that adds resources in the medium term for the development of Amerindian communities is the GRIF-ADF. The Government of Guyana in the medium-term, will implement special programs to support poverty reduction especially in Administrative Regions where the 2006 HIES indicated high levels of poverty. The key areas of special poverty interventions, according to the PRSP 2011-2015, will center on (i) business development; (ii) infrastructure; (iii) decentralization of social services (iv) power supply; and (v) cross cutting interventions. The national strategy can be seen as a multi-dimensional approach for which the components regarding the development of Amerindian Communities will be executed by the MOAA and will focus on strengthening the Village Economies and supporting enterprise development in the hinterland regions in an effort to transform those village economies from subsistence to market economies.

This project, implemented by the MOAA, and supported by UNDP, is based on a transformational approach that aims to strengthen the entrepreneurial capacities and capabilities of Amerindian communities through the provision of micro-capital grants (provided by the GRIF-ADF) while engendering a supportive landscape for private enterprise development. This approach aims to facilitate the gradual integration of remote Amerindian communities and economies into the regional and national economy.

Drawing on its global experiences with Growing Inclusive Markets and with its Private Sector Strategy, UNDP will work closely with the MOAA to provide technical and implementation support to develop inclusive business strategies that will advance economic development in the interior of the country. The underlying ‘theory’ or rationale is that integrating low-income individuals and communities into value chains, be it as consumers, producers, employees or entrepreneurs, brings life-improving benefits to those involved. Further, by bringing previously excluded people into the marketplace, inclusive businesses create a strong foundation for profit-making and reinvestment for long-term growth.

MOAA with support from UNDP throughout the transformational process will aim to achieve several things through the project: improving access to finance and concomitant business development services, coordinating management, technical and other support services for CDP development, implementation and coaching, and facilitating strategic partnerships between communities and private businesses. The MOAA with support from the UNDP will also seek to mainstream “green” business practices that conserve resources and protect the environment giving particular attention to the energy needs of the businesses.

To achieve the intended impact of this project MOAA supported by UNDP will focus on five primary functions critical to the socio-economic development of Amerindian villages:

- **Investment** avails the financial input in the form of grants which enable the target communities to start, continue, scale-up, and grow business ventures;
- **Information** provides communities with the awareness, knowledge, technology and technical know-how required to operate in their identified markets. Well-informed communities are able to leverage negotiations with established private sector entities to create a value chain for financial inputs and markets for products;
- **Incentives** provide communities with the impetus to engage with private sector (and markets) by strengthening business acumen, optimizing opportunities emanating from positive externalities, and reducing the cost inefficiencies of doing business by decreasing information asymmetry, and the discovery of new networks and niche markets for supplies and produce;
- **Implementation support** provides the logistics, transaction, marketing and communication, and micro-business support services that will allow inclusive businesses to function in a variety of dynamic environments.

- **Engaging with energy needs:** to enhance the productivity of the project given the level of dependence on fossil energy, and the role of energy in the viability of Community Development Projects; this area offers an opportunity to address this primary factor by engaging with local and sustainable solutions and energy sources.
- A first key aspect of the project's value chain framework will be the identification of private sector champions who have the capacity to absorb the outputs resulting from the business ventures of the Amerindian Communities, or who can offer support to and advice on where outputs are demanded. In situations where the required financing of the CDP is above the micro grant ceiling, private sector lending agencies can be identified to bridge the gap, once the incentives are appropriate. A second aspect of the value chain is the provision of support to strengthen the various capacities for the Amerindian Communities for turning their business ventures into profitable enterprises, (thereby increasing their chances of survival (improving survival and reinvestment)). The third aspect of the value chain relates to the enablers – the policies, and processes, and practices – that are necessary for facilitating the aforementioned activities. As part of this component, reinvestment strategies and structures are critical.

Without prejudice to the mandate of the Village Council it would be useful to formalize community business structures by way of registering the management team as a resident business entity with sufficient capacity for future negotiations and business development. Such a move would ensure that the human and institutional capacity accrued by the communities during the course of the ADF project is formalized and used as a base for future projects or business endeavours.

It is through this Inclusive Business approach that UNDP envisages supporting the MOAA in the socio-economic transformation of Amerindian Communities, starting with their CDPs.

Project Exit

Exiting the project is to be defined by clear successes and implementation factors gauged by specific output indicators. These are:

- All micro-capital grants are disbursed to eligible Amerindian Communities;
- Support has been delivered to communities to promote the sustainability of business ventures;
- Management committees have been gradually formalized; and
- All necessary monitoring and evaluation has been completed.

Description of Outcome and Outputs

Intermediate Outcome: Improved Socio-Economic Development of Amerindian Communities

Output 1: Strengthened entrepreneurial and institutional capabilities of the village economy of Amerindian communities

This output will be achieved through the following activities:

- Organize inception events for new Amerindian Communities eligible for micro-grant
- Identify and coordinate relevant stakeholders to facilitate support to communities
- Transform CDPs to business plans

- Sign grant agreements with eligible Amerindian Communities
- Disburse grants to eligible communities in line with approved CDPs and business plans
- Conduct business development and project management training to communities
- Facilitate technical assistance for the business ventures specified by respective CDPs
- Develop a community knowledge management network to strengthen community capacity to respond to business development needs

Output 2: Improved linkages with the private sector to further develop value chains.

This output will be achieved through the following activities:

- Assess, facilitate, and improve policy framework that facilitate or inhibit linkages with the private sector
- Map the value chains for production inputs, and markets for outputs
- Support development of clusters to facilitate market access and efficiency in production
- Explore feasible clustering, resource-pooling options as incentives of costing-saving and profits
- Identify and select private sector champions to facilitate market linkages
- Provide market information on commodity prices, access information, inter alia
- Convene and facilitate dialogue among the relevant institutional stakeholders on market access and business development
- Work with private sector to identify renewable energy solutions for Beneficiary Communities where necessary on an ongoing basis

Output 3: Strengthened Institutional framework to support local economies.

This output will be achieved through the following activities:

- Problem-solve community barriers related to awareness, knowledge, technology and know-how required to operate in identified markets
- Provide market information, appropriate technologies and other useful information in relevant formats
- Provide technical expertise, logistics, and oversight support to the relevant institutional stakeholders to adequately deliver technical assistance/field expertise to community project
- Produce policy and institutional frameworks that identify relevant institutions and their roles for remote community development
- Assess business survival rates as part of guiding future expectations for small and micro enterprises in the rural interior.
- Develop dialogue mechanisms and capacities for resolving conflicts or disputes between and among stakeholders, without undue usurpation of the Village Council's authority and functions.

III. RESULTS AND RESOURCES FRAMEWORK

Intended Outcome as stated in the Country Programme Results and Resource Framework:

Country programme Outcome #1: Strengthen institutional and regulatory capacities of government, civil society organizations to enable access to sustainable financial and business development services for the economic poor, women and indigenous populations

Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:

Outcome Indicators: Number of small and medium enterprises registered, number of procedures and systems simplified and redesigned, number of vulnerable individuals trained via programmes designed to support their economic empowerment, number of policies developed and strengthened, number of village economy development projects

Intermediate Project Outcome: Improved Socio-Economic Development of Amerindian Communities

Indicators: Number of Amerindian Communities in receipt of Financial Grant to capitalized investment; Number of business entities established/formalised; Number of management committees trained to operationalize and functionally execute business enterprise development; Number of partnerships formed, percentage of business enterprise surviving at the end of year 3.

Applicable Key Result Area (UNDP Strategic Plan 2014-2017): Sustainable Development Pathways

Partnership Strategy: UNDP will use its comparative advantage in brokering partnerships where and when necessary. UNDP will also make available to its partners the wealth of knowledge accumulated from its own experiences as well as that of others through its network of country offices.

Project title and ID (ATLAS Project ID):

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
Output 1: Strengthened entrepreneurial and Institutional capabilities of the village economy of Amerindian communities <u>Baseline:</u>	Targets (2014 - 2016) - 70 percent of established Community Management* teams have been appraised as effective in managing community level businesses in each year	Activity Result 1: CDP operationalized <ul style="list-style-type: none"> • 1.1 Action: Operationalize inception events for new Amerindian Communities eligible for micro-grant • 1.2 Action: Identify and Coordinate relevant stakeholders to facilitate support to Communities 	MOAA, MOA, UNDP	USD 4,749,190.00

<ul style="list-style-type: none"> - Per cent of community ventures financed and operational is zero; - None of the management committees is assessed to be regarded as effective at this start up stage; - 27 communities have functioning management teams; - Zero per cent of the business ventures breakeven in the start-up year; - Limited partnerships with private sector players exist for communities at this time; - 27 management team has been trained; - None of the business are formalized <p><u>Indicators:</u></p> <ul style="list-style-type: none"> - Percentage of community ventures financed that are operational after 1st year - Percentage of community management teams that are regarded as effective in managing community businesses - Percentage of community management teams that are functioning - Percentage of community level businesses that have financially break-even. 	<ul style="list-style-type: none"> - 70 per cent of community have functioning management teams by the end of year 3 (2016) - Year 2: 20 per cent; Year 3: 40 per cent of community business ventures break even⁵. - 187 out of 187 management teams trained by year 3 of the project. -Established Businesses progressively formalized: Year 2: 30 per cent; Year 3: 50 per cent. 	<ul style="list-style-type: none"> • 1.3 Action: Transform CDPs to business plan • 1.4 Action: Sign grant agreement with eligible Amerindian Communities • 1.5 Action: Disburse micro-grant to eligible Amerindian Communities in line with approved CDPs <p>Activity Result 2: CDP execution</p> <ul style="list-style-type: none"> • 2.1 Action: Train Management Committees in business development and project management • 2.2 Action: Facilitate technical assistance for the business ventures specified by respective CDPs • 2.3 Action: Develop community knowledge management network to strengthen resident community capacity to respond to business development needs 		
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⁵ These breakeven figures are based on expectation of the project as there exist no data on business survival rates and hence the baseline is assumed to be zero. Further, rural interior business survival rates and sector specific rates were not available to guide such expectation. To fill this void the policy component of this project will include analysis on business survival rates.

<ul style="list-style-type: none"> - Number of partnership developed in pursuit of community business development - Number of management team trained to develop, manage and execute business ventures, including technical support on specific nature of project undertaken - Number of formalized/registered businesses 				
<p>Output 2: Improved linkages with the private sector to further develop value chains</p> <p><u>Baseline:</u></p> <ul style="list-style-type: none"> - None of the communities are participating in identified value chain at start up; - Partnerships with larger firms and community level enterprise are not yet developed. <p><u>Indicators:</u></p> <ul style="list-style-type: none"> - Percentage of villages/communities that are participating in value-chains - Percentage of villages/communities that have developed formal linkages between community level enterprises and larger firms. 	<p>Targets (2014 - 2016)</p> <p>Year 1: 40 per cent; Year 2: 60 per cent; Year 3: 80 per cent of community ventures are part of the value chain</p> <ul style="list-style-type: none"> - Year 1: 15 per cent; Year 2: 35 per cent; Year 3: 50 per cent of linkages between community enterprise and larger firms are established - Year 1: At least 15 partnerships linkages developed in support of community businesses; Year 2: Another 30 partnerships linkages developed; Year 3: 20 partnerships linkages are developed 	<ul style="list-style-type: none"> • Action 1: Assess, facilitate, and improve policy framework that facilitate or inhibit partnership with the private sector • Action 2: Map the value chains for production inputs, and markets for outputs • Action 3: Support development of cluster to facilitate market access and efficiency in production • Action 4: Explore feasible clustering, resource-pooling options as incentives of costing-saving and profits • Action 5: Identify and Select private sector champions to facilitate market linkages • Action 6: Provide market information on commodity prices, access information, inter alia • Action 7: Convene and facilitate dialogue among the relevant institutional stakeholders market 	<i>MOAA, MOA, UNDP</i> USD 138,000.00	

		<p>access and business development</p> <ul style="list-style-type: none"> Action 8: Work with private sector to identify renewable energy solutions for Beneficiaries Communities where necessary on an ongoing basis 		
<p>Output 3: Strengthened Institutional framework to support local economies.</p> <p><u>Baseline:</u></p> <ul style="list-style-type: none"> - Local government agencies are currently involved in project implementation and sub-optimally focussed on policy and institutional development to support local economic development - There is no clear policy or institutional framework for local economic development <p><u>Indicators:</u></p> <ul style="list-style-type: none"> - Extent to which local government agencies (Village councils and MoLGRD) are convening and brokering partnerships to support local economic development; - A clear policy and institutional framework delineated that explains the roles of various partners (government agencies, private sector, village councils) in local economic development. 	<p>Targets (2014 - 2016)</p> <ul style="list-style-type: none"> - Local government agencies (village council and MoLGRD) are convening and brokering relationship between public sector, private vector and village level enterprises to enable community economic development - Framework for local economic development delineated that focuses on Amerindian communities 	<ul style="list-style-type: none"> Action 1: Problem-solve community barriers related to awareness, knowledge, technology and know-how required to operate in identified markets Action 2: Provide market information, appropriate technologies and other useful information in relevant formats Action 3: Provide technical expertise, logistics, and oversight support to the relevant institutional stakeholders to adequately deliver technical assistance/field expertise to community project Action 4: Produce policy and institutional framework that identifies relevant institutions and their role for remote community development 	<i>MOAA, MOA, UNDP</i>	USD 153,420.00
Project Monitoring and Management		Project staff recruitment Monitoring, Missions and Events Evaluation		USD 755,144.00

		Logistics		
UNDP General Management Services				USD 463,660.32
GRAND TOTAL				USD 6,259,414.32

*Note some communities do not have management teams. Where Management teams do not exist the Village Council fills the void.

IV. ANNUAL WORK PLAN

Year: 2014

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount

<p>Output 1: Strengthened entrepreneurial and Institutional capabilities of the village economy of Amerindian communities.</p> <p>Baseline:</p> <ul style="list-style-type: none"> - Per cent of community ventures financed and operational is zero; - None of the management committees is assessed to be regarded as effective at this start up stage; - 27 communities have functioning management teams; - Zero per cent of the business ventures break-even in the start-up year; - No partnerships linkages exist among communities at this time; - 27 management team has been trained; - None of the business are formalized <p>Indicators:</p> <ul style="list-style-type: none"> - Percentage of community ventures financed that are operational after 1st year - Percentage of community management teams or VC that are regarded as 	<p>Activity Result 1: CDP operationalized</p> <p>1.1 Action: Operationalize inception events for new Amerindian Communities eligible for micro-grant</p>				<p>MOAA, UNDP</p>	<p>GRIF-ADF</p>	<p>71600-Travel</p>	<p>72600-Grant Disbursement</p>	<p>75700-Training, Workshops, and Conference</p>	<p>USD 159,204</p> <p>USD 2,000,000</p> <p>USD 196,182</p>
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<p>effective in managing community businesses</p> <ul style="list-style-type: none"> - Percentage of community management teams or VC that are functioning - Percentage of community level businesses that are financially breaking-even. - Number of partnership linkages developed in pursuit of community business development - Number of management team or VC trained to develop, manage and execute business ventures, including technical support on specific nature of project undertaken - Number of formalized/registered businesses <p>Targets:</p> <ul style="list-style-type: none"> - At least 30 per cent of business ventures receive first tranche of their grant and are operational - 80 per cent of functional Community Management teams have been appraised as effective in managing community level businesses - All community have functioning management teams by the end of year 	<p>1.2 Action: Identify and Coordinate relevant stakeholders to facilitate support to Communities</p> <p>1.3 Action: Transform CDPs to business plan</p> <p>1.4 Action: Sign grant agreement with all eligible Amerindian Communities</p> <p>1.5 Action: Disburse all first tranche of micro-grant to eligible Amerindian Communities in line with approved CDPs</p>			<p>MOAA, MOA, UNDP</p>	<p>GRIF-ADF</p>	
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<ul style="list-style-type: none"> - 15 per cent of community business ventures break even - At least 15 partnerships linkages are developed in support of community businesses; - All functioning management teams trained - 20 per cent of functional businesses are formalized. 					
<p>Activity Result 2: CDP execution</p> <p>2.1 Action: Conduct business development and project management training to communities</p> <p>2.2 Action: Facilitate technical assistance for the business ventures specified by respective CDPs</p> <p>2.3 Action: Develop community knowledge management network to strengthen resident community capacity to</p>		MOAA, MOA, UNDP	GRIF-ADF	71600-Travel 72500-Supplies 74500-Miscellaneous Expenses 75700- Training, Workshops, and Conference	USD 58,200 USD 4,800 USD 6,000 USD 43,200

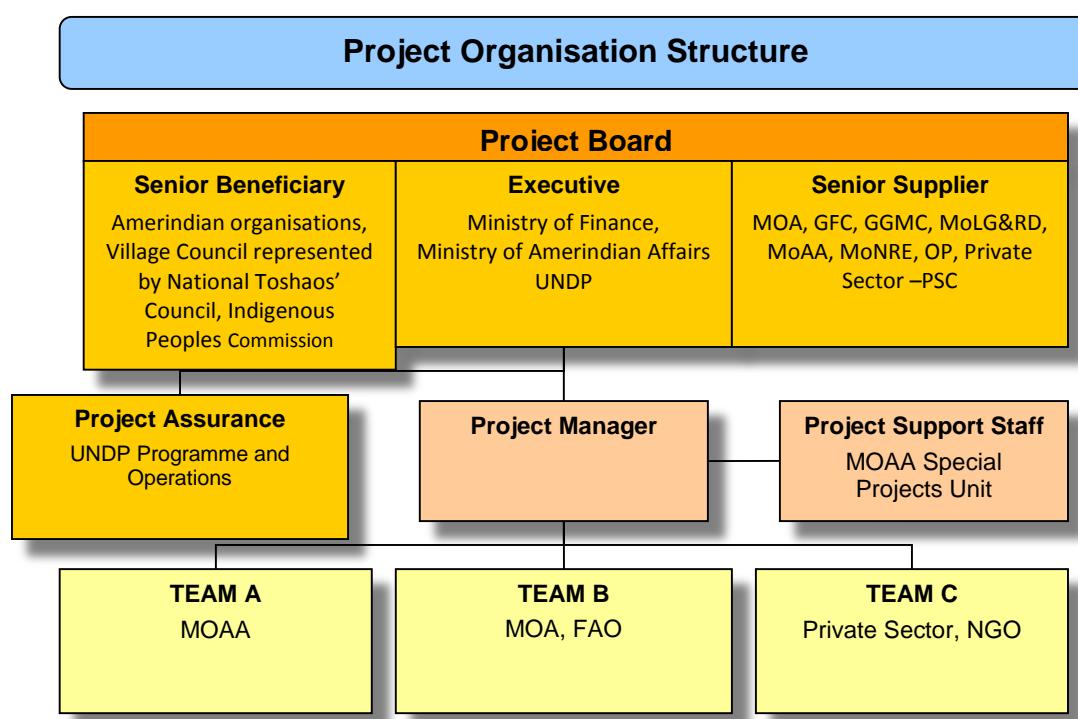
	respond to business development needs							
Output 2: Improved linkages with the private sector to further develop value chains	<p><i>Baseline:</i></p> <ul style="list-style-type: none"> - None of the communities are participating in identified value chain at start up; - Partnerships with larger firms and community level enterprise are not yet developed. <p><i>Indicators:</i></p> <ul style="list-style-type: none"> - Percentage of villages/communities that are participating in value-chains - Percentage of villages/communities that have developed formal linkages between community level enterprises and larger firms. <p><i>Targets:</i></p> <ul style="list-style-type: none"> - 25 per cent of operational community ventures are part of the value chain - 25 per cent of linkages between community 							

<p>enterprise and larger firms are established, based on operational community projects.</p>	<p>prices, access information, inter alia</p> <p>Action 7: Convene and facilitate dialogue among the relevant institutional stakeholders on market access and business development</p> <p>Action 8: Work with private sector to identify renewable energy solutions for Beneficiaries Communities where necessary on an ongoing basis</p>				
<p>Output 3 Strengthened Institutional frameworks to support local economies.</p> <p><u>Baseline:</u></p> <ul style="list-style-type: none"> - Local government agencies are currently involved in project implementation and sub-optimally focussed on policy and institutional development to support local economic development - There is no clear policy or institutional framework for local economic development <p><u>Indicators:</u></p> <ul style="list-style-type: none"> - Extent to which local government agencies (Village councils and MoLGRD) are convening and brokering partnerships to 	<p>Action 1: Problem-solve community barriers related to awareness, knowledge, technology and know-how required to operate in identified markets</p> <p>Action 2: Provide market information, appropriate technologies and other useful information in relevant formats</p> <p>Action 3: Provide technical expertise, logistics, and oversight support to the relevant institutional stakeholders to adequately deliver technical assistance/field expertise to community project</p> <p>Action 4: Produce first draft of policy and institutional framework that identifies</p>		<p>MOAA, MOA, UNDP</p>	<p>GRIF-ADF</p>	<p>71600-Travel 74100-Professional Services 74500-Miscellaneous Expenses 75700-Training, Workshops and conference</p> <p>USD 42,460 USD 14,400 USD 7,200 USD 1,200</p>

<p>support local economic development;</p> <ul style="list-style-type: none"> - The existence of a draft policy and institutional framework that explains the roles of various partners (government agencies, private sector, village councils) in local economic development. <p><i>Targets:</i></p> <ul style="list-style-type: none"> - Local government agencies (village council and MoLGRD) are convening and brokering relationship between necessary stakeholders to enable community economic development - First draft of framework for local economic development completed 	<p>relevant institutions and their role for remote community development</p>							
Project Management	Action 1: Procure project staff Action 2: Set-up project office and operational costs Action 3: Project Board Meeting Action 4: UNDP Technical support						71300-Local Consultant 60000-Regular staff cost 73400-Maintenance 72500-Supplies 71600-Travel	USD 123,288 USD 48,000 USD 2,400 USD 2,400 USD 43,000 USD 11,000

							72200 - Equipment and Furniture	USD 14,960
							72400- Communication and ICT	USD 3,000
							75700- Training,Worksho ps and conference	
General Management Services								USD 226,151.52
TOTAL								USD 3,053,045.52

V. MANAGEMENT ARRANGEMENTS



Execution/Implementation Arrangement

- This project will use the national implementation modality (NIM) through the MoAA. The already completed Capacity Assessment of the MoAA and the outstanding capacity building activities recommended in the report will be incorporated into the project.

- UNDP will be the Partner Entity and the recipient of funds from the GRIF. UNDP will offer specific implementation support to the project, these are: capacity building to strengthen the MOAA, business development training and value chain establishment, procurement and administrative support on demand, strengthening CDPs where necessary, and monitoring including spot checks.
- Amerindian Village Councils and CDP Management Teams (CMT) will be fully engaged in the management and implementation processes for the realization of activities within community development plans. Support and capacity building, and strengthening will be provided to the CMT, in addition to the elevation of the CDPs to business plans, in adherence to the FPIC process.
- The Executive will agree on representatives for the Project Board.
- The MoAA will recruit a full-time Project Manager (PM), two Project Associates (PA), and two Community Development Facilitators for implementation. This team will be supported by the UNDP Project Assurance team.
- The Private Sector will provide information, technical advice, and business to ventures where they are feasible; and other inputs as may be necessary for partnerships.

The national implementation modality with critical support from UNDP and other implementing partners is expected to contribute to: 1) Greater national self-reliance by effective use and strengthening of the management capabilities, and technical expertise of national institutions and individuals, through learning by doing; 2) Enhanced sustainability of development programmes and projects by increasing national ownership of, and commitment to development activities; and 3) Reduced workload and integration with national programmes through greater use of appropriate national systems and procedures.

As the “Implementing Agent” the MOAA is ultimately responsible for all inputs and outputs in the project. The other designated “Implementing Agent(s)”, namely the MOA (backstopped by FAO), and UNDP will undertake some actions (as mentioned above) within the project to achieve specific outputs of the project. The MOA, with technical support from FAO, will be responsible for building technical capacity at the community level and, where necessary, that of institutional stakeholders to implement agro-business ventures.

Guidance and recommendations for the community level organizational structure (see figure 2 below) and functions for the management and implementation of CDPs are presented in the operational manual.

Roles and Responsibilities of the Project Organization Structure

The Project Board (PB) is responsible for management decisions and necessary guidance to the Project Manager. The PB ensures the quality of project monitoring and evaluation and the utilization of learning from these processes to enhance performance. It ensures that required resources are committed; arbitrates on any conflict within the project; and negotiates solutions with external actors. The PB approves the Annual Work Plan, annual operational plans; annual reports and can also consider and approve the quarterly plans. The PB may recommend or endorse substantive changes to the Project Document, including requested CDP change; follow up on midterm and terminal evaluations; and suggest changes in activities without losing sight of strategic objectives.

In order to ensure project results, the PB’s decisions are made in accordance to standards of management for development results, best value for money, fairness, integrity, transparency and effective international competition. They also uphold the integrity of UNDP’s safeguards and standards included in Annex 2.

The Executive: The Executive is comprised of the Ministry of Finance, the Ministry of Amerindian Affairs (MoAA), and UNDP. Its decisions will be made by consensus. The Executive is ultimately responsible for the project, supported by the Senior Beneficiary and Senior Supplier. The Executive

is tasked with ensuring that the project is focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher-level outcomes. The Executive will ensure that the project gives value for money, ensures a cost-conscious approach to the project, and balances the demands of beneficiary and supplier. The Executive is responsible for overall assurance of the project as will be described. If the project warrants it, the Executive may delegate some responsibility for the project assurance functions.

Senior Beneficiary: This is defined as the individual or group of individuals representing the interests of those who will ultimately benefit from the project. The National Toshao's Council, Indigenous Peoples Commission and the Regional Representative to the UN Permanent Forum on Indigenous Issues, will act as senior beneficiaries. The primary function of the Senior Beneficiary (SB) within the Board is to represent the interests of project beneficiaries. Representing the interests of The SB includes validating the needs assessment and monitoring that the proposed actions will meet those needs within the constraints of the project. The SB monitors progress against targets and quality criteria.

Senior Supplier: The Senior Supplier's primary function is to provide guidance to the PB regarding the technical feasibility of the project. This includes technical guidance on designing, developing, facilitating, procuring and implementing the project. The Project Management Office within the Office of the President; the Ministries of Amerindian Affairs, Local Government & Regional Development, Agriculture, and Natural Resources and Environment (through the Guyana Geology and Mines Commission, Environmental Protection Agency and the Forestry Training Center), will collectively act as Senior Supplier. The Senior Supplier role must have the authority to commit or acquire supplier resources required.

Project Manager: The PM is recruited by MOAA and approved by UNDP and the Executive, with matrix reporting responsibilities to these agencies. The PM is responsible for the day-to-day running of the project with the guidance of the PB. The PM shall ensure that the project produces the results (outputs) specified in the project document to the required standards and in keeping with UNDP's safeguards and the time and cost constraints. The PM will interface with GRIF Project Management Office (PMO) and receive guidance from the GRIF PMO as appropriate.

Project Support: The Project Support role provides project administration, management and technical support to the Project Manager as required by the needs of the individual project or Project Manager.

Project Assurance: Project Assurance is the responsibility of the Project Board and is independent of Project Support. The project assurance role supports the Project Board by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. UNDP will augment this role to ensure that its fiduciary, environmental, social safeguards and standards are maintained.

Standards

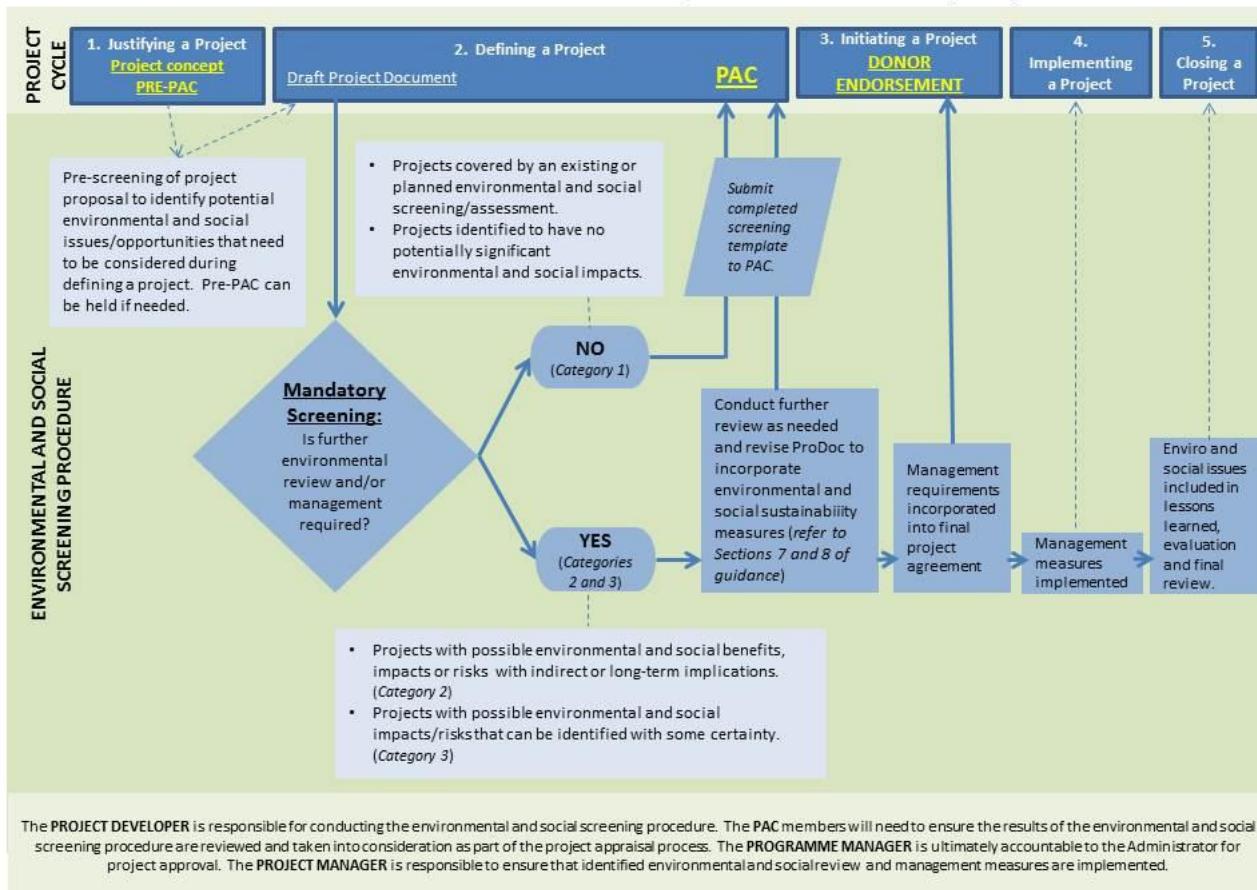
For project implementation amounts of US\$500,000 and above, the UNDP Environmental and Social Screening process is applied. There are two main **objectives** of environmental and social screening: 1) Enhance the environmental and social sustainability of a proposed project. This aspect of screening focuses on the environmental and social *benefits* of a project; and 2) Identify and manage environmental and social risks that could be associated with a proposed project. This aspect of screening focuses on the possible environmental and social *costs* of an intervention and may point to the need for environmental and social review and management. In summary the screening is an "environmental and social safeguard" which is a key component of UNDP's overall quality assurance process⁶. The outcome of the environmental and social screening process is to

⁶ The screening procedure is complemented by UNDP's Checklist for Quality Programming.

determine *if* and *what* environmental and social review and management is required (see Figure 1)⁷.

Since this project is aligned with the LCDS, UNDP will seek to mainstream clean energy considerations at the community level. For these mainstreaming activities, the local law on these matters will be adhered to. Additional UNDP Safeguards and Standards applied to this project will promote these measures see (Annex 2).

FIGURE 1. Environmental and Social Screening Procedure in UNDP's Project Cycle



Capacity Assessment

The GRIF ADF project involves additional layers of international reporting procedures and is of a scale not previously managed by MoAA. For these reasons, an assessment of the ministry was carried out to determine its existing capacity and assets as well as its capacity needs for the successful implementation of the GRIF ADF.

Key findings from the assessment indicate relative MoAA strengths in areas of leadership, stakeholder engagement and project delivery. Findings also indicate capacity needs in the areas of accounting and knowledge management, and the functional areas of monitoring and evaluation, analysis and visioning, and development of policy and strategy. Enabling environment issues that tend to influence many of these findings are related to the national regulatory context, the relative isolation of Guyana's hinterland areas, and the national politics.

Recommendations for the capacity development plan concentrate generally on strengthening financial and informational reporting at all levels; expanding knowledge management and communications systems; incorporating international norms for analysis and administration; and

⁷ Regardless of screening outcome, UNDP activities need to be consistent with national and international policy and law.

institutionalizing mechanisms for retention and transfer of training and reference material.

These strengthening activities will be integrated into this project, and therefore will be on-going.

UNDP Project Management Support Services

For national implementation, the national government is fully accountable for the project. UNDP is a Partner Entity and will, in addition to the receiving of funds from the GRIF, provide additional support to the project (in terms of business development training and value chain establishment, procurement and administrative support on demand, strengthening CDPs where necessary, and monitoring including spot checks) even as the MOAA capacity strengthening process continues. UNDP is expected to incur costs when providing support for which the government counterpart requests⁸. These costs include Direct Project Costs (DPC) and General Management Services. The costs are identified as follows:

Costs Funded out of Direct Project Costs and General Management Services (GMS)

Inputs provided by UNDP		
Dedicated project inputs e.g. personnel, contracts, assets, etc.	Development Effectiveness inputs e.g. substantive programme and project related policy and technical advisory services	Transaction-based inputs e.g. recruitments, procurement, payments on behalf of project
<p>General Management Services (GMS) e.g. thematic and general technical backstopping through Bureaus; systems, IT infrastructure, branding, knowledge transfer</p>		

Direct project cost are assessed at the stage of planning, while GMS is charged at a rate of 8%. Both cost are reflected in the resource requirements framework above.

Collaborative arrangements with related projects

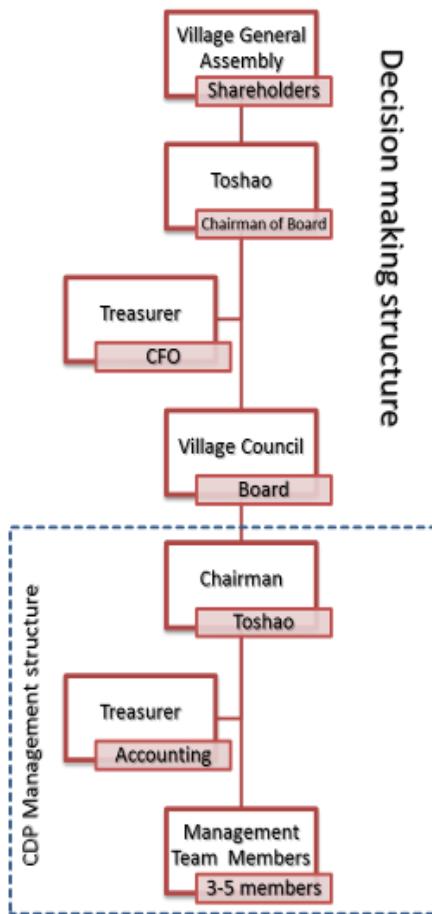
UNDP Guyana Country Office has a long and successful history of working with the poor. In fact, ongoing efforts through the Chile Poverty Fund aim at strengthening south-south dialogue on policy options for the halving of extreme poverty. These efforts emphasize supporting cottage and linkage industries, which are critical to the poor's coping and resilience mechanisms. UNDP in supporting MoAA, will leverage the relevant information and capacities; and most importantly, it will mobilize resources in order to support and contribute to the delivery of ADF's outputs. UNDP will also bring to bear its experiences from the Small Grants Programme, where the key focus is environmental sustainability and human development by targeting livelihood development at the community level. Additionally, UNDP's work with the Guyana Shield Facility, which supports the conservation and sustainable development of the Guiana Shield eco-region through targeting local communities to finance, develop, manage and benefit from their natural resources, will also provide guidance to this project. This is expected to be achieved through delivery of support to activities that contribute to the design of financing mechanisms for forest and nature conservation and management, and information sharing - as well as sustainable livelihood generation.

⁸ For UNDP Country Office support to NIM, the office and the government must sign a Letter of Agreement for the provision of support services.

Prior obligations and prerequisites

Prior to the implementation of the CDPs, communities have to establish a CDP management team (CMT), as the community level organizational structure, with the relevant experience and work specialization to oversee their venture's day-to day activities. The CMT coordinates and directly implement the activities. Within the CMT, each member should have a well-defined responsibility the most important of which are procurement, production, marketing and sales, (and also Quality Assurance or Customer Care depending upon the requirements or nature of the business). This suggested structure does not remove the option of multi-tasking, as a community might prefer. Figure 2 below illustrates how these structures are presented at the community level, and how they interact with other village and community structures – more details are available in the operations manual.

Figure 2: Community Level Structure:



An operational manual that highlights the procedures that need to be followed by the beneficiary communities has been developed from lessons learned experiences in the pilot. This manual contains the obligations and prerequisite steps necessary for beneficiary communities.

Guidelines and recommendations as well as prerequisites for the community level organizational structure, which functions as CMT for the management and execution of activities as per CDP are presented in the manual as well.

Audit arrangements

The project will be audited in accordance with UNDP rules and regulations.

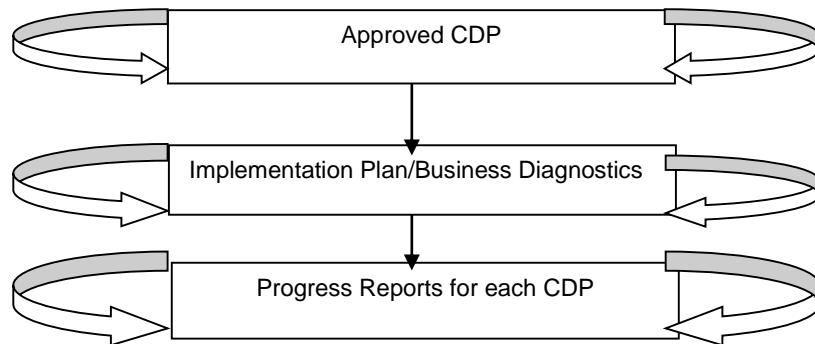
VI. MONITORING FRAMEWORK AND EVALUATION

Monitoring responsibilities and events

The overall monitoring framework for this project is captured in the figure 3 below.

Figure 3: Monitoring Framework

Monitoring, Verification and Reporting Process – Amerindian Development Fund supported Projects



Monitoring Tools	MVR Tools
UNDP Level	
Field Visit Report	Grant Agreements
Quarterly Progress Report	Attendance sheets for community meetings (disaggregated by age, gender, geographic region/district, ethnicity)
Financial report with detail expense report	Activity reports (Inception report, end of initiation phase report)
Assets Register	
Community Level	
Assets List	Photographs and other audio-visual materials
Cash Book	MOUs (where relevant)
Bank Reconciliation Statements	Receipts, Invoices, Vouchers
	Products developed
	Other (depending on nature of project)

Responsibilities Matrix

UNDP	Communities
Field Visit Reports	Financial:
Quarterly Progress Report	<ul style="list-style-type: none"> • Assets List
End of Project Report	<ul style="list-style-type: none"> • Financial Report
Project Review/Lessons Learned Report	<ul style="list-style-type: none"> • Cash Book (detail expenditure listing) • Bank Reconciliation
MoAA and MoA	<ul style="list-style-type: none"> • Financial Report (FACE)
Programmatic:	
• Monthly Field Visit reports from CDOs and Extension Officers on progress of project	

Project Monitoring and Evaluation:

Project monitoring and evaluation will be conducted in accordance with established UNDP procedures and will be provided by the project team and the UNDP Country Office (UNDP-CO) with support from the UNDP Headquarters and/ or the Regional Service Centre (RSC) in Panama.

A detailed schedule of project review meetings will be developed by the UNDP, in consultation with project implementation partners and stakeholder representatives and incorporated in the Project Inception Report. Such a schedule will include: (i) tentative time frames for Project Board Meetings and (ii) project related Monitoring and Evaluation activities.

Day-to-day monitoring of implementation progress will be the responsibility of the Project Manager based on the project's Annual Work Plan and its indicators. The Project Manager will inform the Executive of any delays or difficulties faced during implementation and day-to-day problems of an administrative or managerial nature, so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion.

Periodic monitoring of implementation progress will be undertaken by the UNDP-CO through quarterly meetings with the IP , or more frequently as deemed necessary. This will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities.

Periodic Monitoring through site visits: UNDP Country Office will conduct visits to project sites based on an agreed schedule to be detailed in the project's Inception Report/Annual Work Plan to assess first hand the project's progress. Additional visits may be carried out as necessary. Any other member of the Project Board can also join the visit. A Field Visit Report/Back to Office Report (BTOR) will be prepared by UNDP and circulated. Annual Monitoring will occur through the Project Board Meetings (PBM).This is the highest policy-level meeting of the parties directly involved in the implementation of a project. The project will be subject to PBMs at least two times a year. The first such meeting will be held within the 6 months of the start of full implementation.

The Project Manager in consultations with UNDP will prepare a UNDP Annual Review Report (ARR) and submit it to the PB. The ARR will be used as one of the basic documents for discussions in the PB meeting. The Project Manager will present the ARR to the Project Board, highlighting policy issues and recommendations for the decision of the PB. The Project Manager also informs the PB of any agreement reached by stakeholders during the ARR preparation on how to resolve operational issues. Separate reviews of each project component may also be conducted if necessary.

The terminal PB meeting is held in the last month of project operations. The Project Manager is responsible for preparing the Terminal Report and submitting it to the PB. It shall be prepared in draft at least two months in advance of the terminal PBM in order to allow review, and will serve as the basis for discussions in the PBM. The terminal meeting considers the implementation of the project as a whole, paying particular attention to whether the project has achieved its stated objectives and has contributed to the broader poverty reduction objective. It decides whether any actions are still necessary, particularly in relation to the sustainability of project results, and acts as a vehicle through which lessons learned can be captured to feed into other projects under implementation or formulation.

Project Reporting

The Project Manager with the support of Ministry of Amerindian Affairs Special Projects Unit (SPU) will be responsible for the preparation and submission of the following reports that form part of the monitoring process.

Inception Report (IR)

A Project Inception Report will be prepared immediately following the Inception event (s). It will include details on the level of preparedness of communities, and will support request/needs, implementation plans and budget CDP revisions, if necessary.

Annual Project Report (APR)

The APR is an annual monitoring process mandated by UNDP. The UNDP M&E Unit provides the scope and content of the APR. This has become an essential management and monitoring tool for project managers and offers the main vehicle for extracting lessons from ongoing projects.

Quarterly Progress Reports:

Short reports outlining main updates in project progress will be provided quarterly to the PB by the Project Manager. The UNDP CO will pay specific attention to the monitoring of the risks identified in this project document and to the effectiveness of the mitigation measures proposed. Any significant issue will be immediately reported to the PB and a new risk management plan will be elaborated and discussed with the PB. The activities of the fourth quarter will be included in the Annual Project Report.

UNDP ATLAS Monitoring Reports

A Combined Delivery Report summarizing all project expenditures, is mandatory and should be issued quarterly by UNDP.

The following logs should be provided: (i) The Issues Log is used to capture and track the status of all project issues throughout the implementation of the project. It will be the responsibility of the UNDP Project Manager to track, capture and assign issues, and to ensure that all project issues are appropriately addressed; (ii) the Risk Log is maintained throughout the project to capture potential risks to the project and associated measures to manage risks. It will be the responsibility of the UNDP Project Manager to maintain and update the Risk Log, and (iii) the Lessons Learned Log is maintained throughout the project to capture insights and lessons based on experiences and behaviours. It is the responsibility of the Project Manager to maintain and update the Lessons Learned Log.

Project Terminal Report

During the final three months of the project the Project Manager will prepare the Project Terminal Report. This comprehensive report will summarize all activities, achievements and outputs of the Project, lessons learned, objectives met, or not achieved, structures and systems implemented, etc., and will be the definitive statement of the Project's activities during its lifetime. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the Project's activities.

Project Publications

Project Publications will form a key method of crystallizing and disseminating the results and achievements of the Project. These publications may be scientific texts on the activities and achievements of the Project, and make take the form of journal articles, multimedia publications, etc. Project resources will need to be defined and allocated for these activities as appropriate and in a manner commensurate with the project's budget.

Independent Evaluations

The project will be subjected to at least two independent external evaluations as follows:

(I) Mid Term Evaluation

An independent Mid-Term Evaluation will be undertaken at exactly the mid-point of the project lifetime. The Mid-Term Evaluation will determine progress being made towards the achievement of outputs and outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned related to project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference and timing of the mid-term evaluation will be decided following consultation between the parties to the project document. The Terms of Reference for this Mid-term evaluation will be prepared by the UNDP. The management response and the evaluation will be uploaded to UNDP corporate systems, in particular the [UNDP Evaluation Office Evaluation Resource Center \(ERC\)](#).

(II) Final Evaluation

An independent Final Evaluation will take place three months prior to the terminal Project Board meeting, and will focus on the effectiveness, efficiency and timeliness of project implementation; and will present initial lessons learned about project design, implementation and management; it will also look at impact and sustainability of results, including the contribution to capacity development, gender mainstreaming, poverty reduction and the achievement of global environmental goals. The Final Evaluation should also provide recommendations for follow-up activities. The Terms of Reference for this evaluation will be prepared by the UNDP. The Terminal Evaluation should also provide recommendations for follow-up activities and requires a management response which should be uploaded to the [UNDP Evaluation Office Evaluation Resource Center \(ERC\)](#).

Learning and knowledge sharing

Results from the project will be disseminated through existing information sharing networks and fora. In addition, the project will participate, as relevant and appropriate, in networks. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation though lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects.

VII. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the SBAA between the Government of (country) and UNDP, signed on (date).

Consistent with Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the executing agency.

The executing agency shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the executing agency's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The executing agency agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

VIII. ANNEXES

- Annex 1** CDP Development Process
- Annex 2** UNDP Safeguards & Standards
- Annex 3** Risk Log
- Annex 4** Special Clauses
- Annex 5** List of Acronyms

Annex 1: CDP Development Process

The preparation and adoption of CDPs follow the same procedures and approval process as that of the annual village plans prepared by the Village Council, governed by Section 32 of the Amerindian Act of 2006. Thus, the CDP must be approved by a village general meeting, in which a decision should be made by consensus if possible, and if not possible, by vote, and which all residents are entitled to attend. The steps involved in preparing a CDP are outlined below.

Step 1: Template - The MoAA initiated the Community Development Planning Process to ensure that all communities abide by the National Law. In this respect, a template was drafted as a guideline for communities.

Step 2: Training Sessions – MoAA provided three sets of training for the Community Development Officers (CDOs) on the use of the template and importance of Community Planning. The training was conducted to ensure that adequate support can be provided to the local communities in the development of their CDPs.

Step 3: Community consultation and dialogue - The Principles of Free, Prior, and Informed Consent (FPIC) is entrenched in the Amerindian Act of 2006 Article 34 Para 1. The Toshao and the Village Councils initiated and facilitated discussions with the members of the village. CDOs and MoAA staff provided support in the facilitation of CDP discussions and guidance with Village Councils in Amerindian Villages, where all the necessary information for the template was collected. The Community decided on the priority development projects while the facilitator ensured the meeting moved smoothly, while also providing technical assistance in budgeting and other necessary areas. The facilitators encouraged the village, Toshao and community to incorporate sustainability, capacity building, food security, and youth employment into economic development projects.

After establishing the quorum, entitlement to vote, and voting procedures as specified in the Amerindian Act Article 34 para 8, the village voted on the economic projects based on either consensus or majority (50% plus 1) by those who attended meeting. The village prioritized three projects, one of which was identified for initial funding.

The village in a series of meetings deliberated upon the determination of the objective of the project, its budget and costs to be incurred, as well as its sustainability. This process ensured active participation of the people in the development of the CDP, and it also provided a sense of ownership of the proposed community projects.

Step 4: Documentation – Based on discussions during community dialogues, the draft CDP was drawn up by the Village Council. Upon review the CDPs were resent to the respective communities for final review and approval by the community.

Step 5: Validation - The completed CDP were then validated at the level of the village meeting. After this process, a copy of the minutes of the meetings and approval letter were sent to MoAA.

Submitted by Government of Guyana

Annex 2: UNDP GUYANA Social, Environment and Fiduciary Safeguards and Standards for the Preparation and Implementation of GRIF-UNDP Projects

Introduction

The UNDP project cycle approach covers the entire project life cycle from idea generation to formulating a project, preparing a Project Document, implementing the activities in the project, monitoring and evaluating the project, and realizing project outputs and their intended contribution to programme outcomes.

At each stage, the Project Management section of the [UNDP Programme and Operations Policies and Procedures \(POPP\)](#) provides information to ensure that appropriate UNDP policies are followed, key stakeholders are properly involved, appropriate project management structure exists, outputs and activity deliverables are monitored, and the project is well managed.

The policies and procedures anchor accountability, risk management, and results-based management (RBM) concepts in the organization's business processes to enable good planning and a results focus.

General Standards

UNDP's programming process at the country level must remain within the overall UN system's programming process, normally called the 'CCA/UNDAF' process. Following are the common policy points that guide the CCA/UNDAF:

- National ownership that is inclusive of all stakeholders in all stages of the process;
- Alignment with national development priorities, strategies, systems and programming cycles;
- Inclusiveness of the UN system, with full involvement, as required, of specialized and non-resident agencies;
- Integration of five programming principles, tailored to the country context:
 - i. the human rights-based approach,
 - ii. gender equality,
 - iii. environmental sustainability,
 - iv. results-based management, and
 - v. capacity development;
- Mutual accountability for development results.

Specific Standards

1. Compliance with the safeguards and standards used by UNDP and UN-REDDⁱ for any REDD+ related project;
2. Compliance with the [United Nations Declaration on the Rights of Indigenous Peoples](#) and other relevant UN human rights instruments;
3. Definition of the consultation process to be used throughout the project cycle with the stakeholders and beneficiaries;
4. Definition of the mechanism to obtain, in certain circumstances, the free prior and informed consent of beneficiaries and stakeholders, especially of the indigenous peoples;
5. Definition of the mechanism to ensure that all relevant stakeholder groups are identified and enabled to participate in a meaningful and effective manner, following customary ways of decision-making;
6. Definition of mechanisms to address conflicts and grievances;

7. Ensure that special attention is given to most vulnerable groups;
8. Ensure that transparent information is available and accessible to all parties concerned. There should be records of consultations and a report on the outcome of the consultations that is publicly disclosed in a culturally appropriate form.

Design Standards

9. Comprehensive analysis of the baseline situation.
10. In accordance with the Results-Based Management approach, define a detailed log frame, indicating baseline situation, targets, indicators to be used and assumptions, and define the M&E arrangements.
11. Assess the potential social and environmental impacts of the project and in particular potential adverse impacts on the stakeholders' long-term livelihoods; and propose mitigation actions.
12. Analyse and elaborate in a participative way on:
 - a. The potential risks associated with the project (potential impact and probability of occurrence), including financial, operational, political, regulatory, strategic and organizational risks.
 - b. The barriers and possible solutions.
 - c. The cost effectiveness of the proposed process and analyse possible alternatives.
 - d. The social and environmental sustainability of the project.
 - e. The cost and appropriate timeline for consultation/participatory processes.
13. Carry out technical / administrative / capacity assessment of the Implementing Partner.
14. Carry out Harmonized Approach to Cash Transfers ([HACT](#)) Assessment.
15. Carry out Fiduciary Risk Assessment.
16. Agree on the corresponding cost recovery (direct and indirect cost).

Operational Standards

17. Comply with UNDP Financial Regulations and Rules;
18. Project to be subject to internal and external audits;
19. Comply with UNDP Procurement principles and standards: (1) Best Value for money, (2) Fairness, Integrity, Transparency, (3) Effective international competition (where applicable) and (4) the interest of UNDP.
20. Ensure the continuity of the consultation process, how to monitor progress, how to address conflicts and possible grievance, and identify measures to be taken if needed.

Specific Principles and Guidelines

21. UNDP assisted projects are subject to the application of specific principles and guidelines included in UN/UNDP policies, which will be applicable in a general manner to GRIF-UNDP Guyana projects, such as:
 1. Draft [UN-REDD Social & Environmental Principles and Criteria](#)
 2. [UNDP and Indigenous Peoples: A Policy of Engagement](#);
 3. [Integrating Human Rights with Sustainable Human Development: A UNDP Policy Document](#);
 4. [United Nations Development Group Guidelines on Indigenous Peoples Issues](#);

5. Draft [FCPF & UN-REDD Guidelines on Stakeholder Engagement in REDD+ Readiness with a Focus on the Participation of Indigenous Peoples and Other Forest Dependent Communities](#) (November 2010);
6. [Draft UN-REDD Programme Guidelines for Seeking Free, Prior and Informed Consent from Indigenous Peoples and other Forest Dependent Communities](#) (June 2011)
7. [Draft UN-REDD Programme Guidance Notes on Environmental Assessment & Environmental Screening](#) (November 2010);

Annex 3: **Risk Log**

Project Title: Amerindian Development Fund			Award ID:			Date:	
#	Type / Description	Date Identified	Impact & Probability	Countermeasures / Management response		Owner	Status
1	Absence of resident training and trainers: the remoteness of some villages does not allow for quick reaction to technical difficulties of implementation. Arduous terrain (and infrastructure challenges) makes it costly too.	September 2013	P=3 I=3	Constantly engage communities, and facilitate an efficient means and mode of communication to keep abreast and monitor challenges that might derail project expectations		MOAA	
2	Environmental: Extreme and unpredictable rainfall which causes flooding results in lengthy work delays; and renders some communities inaccessible.	June 2013	This is seasonal P = 4 I = 4	Take this risk into account during the planning of activities. Consult with communities as to their availability and seasonal activities.		MOAA, MOA	
3	Other: Communities use of traditional practices, which are not green techniques; or community's loyalty to traditional ways of doing business.	August 2013	The number of villages engaged in agriculture ventures are very high P = 3 I = 4	Train communities in the use of green strategies of production, and monitor closely the application of these techniques.		MoAA, UNDP, MOA	
4	Security risk: Associated with transferring monies based on the	August 2013	P=2 I=5	Adapt safe methods of money transfer. Reduce cash transactions through direct procurement, or direct payments		MOAA	

	modality chosen, and the high use of cash transactions.					
5	Enabling environment: The requisite partnerships for facilitating and motivating a critical mass of links to markets sufficient for commercialising production at the community level do not exist.	August 2013	P=3 I=4	A discussion about and establishment of policies that strengthens the enabling environment will be pursued. This is necessary for ensuring the sustainable successes of business ventures by Amerindian Communities	MOAA, OP	
6	Financial Risk: Inability to access adequate resources in a timely manner. Further, community ventures that are above the value of the capital grant, or lack of comprehensive budgets, or inflation of prices.	August 2013	P=3 I=4	Track very carefully the use of the funds and request release of funds in a timely manner. Review and revise budget of CDPs and Stipulate a budget range to assist with inflationary pressures, and/or cost omissions in budgets.	MOAA	
7	Operational: Capacity of the implementing agencies to delivery in a timely manner.	January 2013	P=4 I=5	Implement recommendations from capacity assessment, and give all necessary support where needed for the execution of tasks. Hire a fulltime project manager and associate to take responsibility for the day-to-day functioning of the project.	MOAA UNDP MOA	
8	Competitiveness Risks: Given the multiple factors that affect the competitiveness of rural businesses, more so those in remote locations such as high cost of transportation, support services, standards, economies of scale, integration, clustering etc.	February 2014	P=5 I=5	Promote synergy with other projects, for example ICT, Energy, other community grant schemes going to Amerindian villages. This is geared towards optimizing the enabling environment for rural interior businesses.	MOAA UNDP OP	
9	Business Survival Risks: No data exist on the survival rates of small and micro enterprise, particularly those that exist within the rural interior.	February 2014	P=5 I=5	Monitoring closely the operations of the business ventures, provide timely support, and work with relevant stakeholders to find market outputs of the various business ventures. At the policy	MOAA UNDO OP	

	These risks are not available for sector as well.		level conduct analysis on business survival rates to guide future projects.		
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Annex 4: Special Clauses

The schedule of payments

	Project	UNDP GMS	Total
Year 1	2,826,894.00	226,151.52	3,053,045.52
Year 2	2,635,412.00	210,832.96	2,846,244.96
Year 3	333,448.00	26,675.84	360,123.84
Total	5,795,754.00	463,660.32	6,259,414.32

The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether the Government could provide any further financing. Should such further financing not be available, the assistance to be provided to the project may be reduced, suspended or terminated by UNDP.

The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.

UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP.

All financial accounts and statements shall be expressed in United States dollars.

If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavours to obtain the additional funds required.

If the payments referred above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph [1] above is not forthcoming from the Government or other sources, the assistance to be provided to the project under this Agreement may be reduced, suspended or terminated by UNDP.

Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures.

In accordance with the decisions and directives of UNDP's Executive Board:

The contribution shall be charged:

- a. 8% cost recovery for the provision of general management support (GMS) by UNDP headquarters and country offices
- b. Direct cost for implementation support services (ISS) provided by UNDP (using UNDP's Universal /local price Lists).

Costs related to the provision of technical support by UNDP's HQ or Regional Service Centre, or other such support required by the project, will be considered direct costs and charged to the project budget. The same rule will be applied to the implementation support services (ISS) by the UNDP country office.

Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP."

Annex 5: List of Acronyms

ADF	Amerindian Development Fund
CDO	Community Development Officer
CDP	Community Development Project
CMT	CDP Management Team
CP	Country Programme
DPC	Direct Project Cost
FAO	Food and Agriculture Organization
FPIC	Free Prior Informed Consent
GGMC	Guyana Geology and Mines Commission
GoG	Government of Guyana
GFC	Guyana Forestry Commission
GMS	General Management Services
GRIF	Guyana REDD+ Investment Fund
HIES	Household Income and Expenditure Survey
IT	Information Technology
LCDS	Low Carbon Development Strategy
MOAA	Ministry of Amerindian Affairs
MOA	Ministry of Agriculture
MoENR	Ministry of Environment and Natural Resources
MoLGRD	Ministry of Local Government and Regional Development
NGO	Non-governmental Organization
OP	Office of the President

PPP	Public Private Partnership
PA	Project Associate
PAC	Project Appraisal Committee
PM	Project Manager
PO	Project Officer
PSC	Private Sector Commission
PRSP	Poverty Reduction Strategy Paper
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
