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Amerindian Development Fund (ADF Phase II)

Project Number: 00083605

2017 Annual Report

(February 2018)



Project Summary

Project Duration: 3 years + 15 months extension

Project Budget: US\$6,259,414.32

Annual Budget: US\$2,164,548.28

Annual Expenditure: US\$1,801,189.70

Cumulative expenditure: US\$5,094,054.32

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Responsible/Implementing Agency: Ministry of Indigenous Peoples' Affairs

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Acronyms

ADF	Amerindian Development Fund
CDP	Community Development Plan
CMT	CDP Management Team
FPDMC	Forest Products Development & Marketing Council of Guyana, Inc
GEA	Guyana Energy Agency
GFC	Guyana Forestry Commission
GLDA	Guyana Livestock and Development Authority
GRIF	Guyana REDD+ Investment Fund
GCCI	Georgetown Chambers of Commerce (GCCI)
GTI	Guyana Technical Institute
LCDS	Low Carbon Development Strategy
MOAA	Ministry of Amerindian Affairs
MOC	Ministry of Communities
MoIPA	Ministry of Indigenous People's Affairs
NAREI	National Agricultural Research and Extension Institute
NGMC	New Guyana Marketing Co-operation
NRDDB	North Rupununi District Development Board
NTC	National Toshios Council
UNDP	United Nations Development Programme
NCDC	National Community Development Council

Executive Summary

The GRIF-ADF project during the pilot phase opened 26 CDP Community Businesses, and GRIF-ADF phase II aimed to open 161 Businesses in communities based on the community development plan for the specific villages. These community projects are aimed at strengthening the entrepreneurial capacity of Indigenous communities, diversify their economy, create job opportunities and to reduce poverty. The CDP Businesses are generally categorized in 5 typologies: Agriculture (Fisheries, Crops & Livestock), Village shops, Transportation, Hospitality and Forest Based Artisanal. Each of the 161 communities are eligible for a Micro-Capital Grant (MCG) of GYD\$5,000,000, that is mostly disbursed in two tranches, with the second tranche disbursed after the successful and verified completion of the first tranche activities. To date, 151 communities have been disbursed their first tranche, of which 112 communities have been fully capitalized. Out of the 112 capitalized communities 100 are in progress to being operational. Of the remaining communities (161), 53 are operational and 49 are known to be income generating. The communities not fully capitalized are still to complete their first tranche activities and to submit completed reports to the ADF-PMU to qualify for further disbursement. To date the project has exhausted USD5,094,054.32 (81.3%) of its total budget of USD6,259,414.32 and achievement for 2017 the project spent USD1,801,189.70 (83%) of its 2017 budget of USD2,164,548.28. The main achievements were realized in output 1 of the project with over 90% of output 1 budget spent, mainly on the area of disbursing micro-capital grants.

1. Background

The Amerindian Development Fund (ADF) has been established to provide support for the socio-economic development and environmental enhancement of Amerindian communities and villages, through the implementation of Community Development Plans (CDPs). Launched in 2014, the Amerindian Development Fund (ADF) represents a multi-pronged, long-term and integrated strategy for achieving and fostering the socio-economic development of Amerindian communities in Guyana through community-driven business ventures known as 'Community Development Plans' (CDPs). These community business ventures cover agricultural production and processing, village infrastructure, tourism, manufacturing, village business enterprise, and transportation, among others. Micro-capital grants are being made available through the Low Carbon Development Strategy (LCDS) Guyana REDD+ Investment Fund (GRIF) for 161 Amerindian Communities to pursue their business ventures and village infrastructure development under the Phase 2 of the project. The communities have each already developed a CDP during the consultative process elaborated by the Ministry of Indigenous People's Affairs (MoIPA) (formerly the Ministry of Amerindian Affairs (MoAA)) in 2010-2011. Eligibility of a community is confirmed when the CDP's business venture is determined to be relevant and feasible.

2017 was the start of the third and final year of the implementation of the ADF II project, during which the GRIF ADF-PMU supported by the UNDP set out to broaden/ increase the reach and strengthen the implementation of the ADF II project. The project was unable to reach its goals by the end of the initial project time of September 2017, and a no cost extension of one year was requested to continue the execution of the project. A total of 161 Villages and communities were scoped by the end of 2016, and in 2017 eight communities were re-scoped to finalize their CDPs. The CDP of Kako was an ICT hub and the village was not granted their first tranche due to Government of Guyana planned intervention of an ICT hub in the Village. Also, the village of Chinese Landing indicated that they are no longer interested in participating in the ADF project and refunded their first tranche allocation.

At the end of 2016, 131 Villages were financed up to first tranche disbursement and 43 full disbursements issued. During 2017, 21 Communities were financed to first tranche disbursements, 1 community refunded their grant and 68 full disbursements and one partial disbursement were completed in 2017. Taking the total number of first tranches to 151 and the total number of disbursement to 112.

2. Progress towards development results

2.1 Contribution to longer term results

a) Multicountry Sustainable Development Framework (UNMSDF)/Country Programme Document (CPD) Outcome 2: Access to equitable social protection systems and quality services and sustainable economic opportunities improved

CPD outcome indicator	Outcome target	Summary achievement	Status <i>Delayed, On track, Completed</i>
Number of actionable mechanisms and policies aimed at decent-work creation and protection, the promotion of entrepreneurship, and the formalization and growth of enterprises.	9	?	
Overall			

b) CPD Output 2.1 : National and subnational institutions, private-sector and civil society capacities strengthened to deliver effective entrepreneur programmes to women, youth and Amerindians and develop related policies

CPD output indicator	Output target	Summary achievement(<i>provide gender disaggregation</i>)	Status <i>Delayed, On track, Completed</i>
Number of schemes to expand and diversify the productive base based on the use of sustainable production technologies in Amerindian communities	8	11 schemes have been developed to diversify the productive base of Indigenous communities. Schemes such as cattle, poultry and fish rearing, Ginger, cassava and cash crops, nature based tourism, transportation, village shops, furniture workstations and portable sawmills.	Completed
Overall			
status			

2.2 Progress towards project outputs

Project Outputs				
Indicator	Annual Output (2017)	Target	Summary achievement	Status: "Fully, Partially, Not Achieved ¹ "
Percentage of community ventures financed that are operational after 1st year	33%	40%	53 CDP were known to be operational at the end of 2017.	Partially Achieved
Percentage of community management teams or VC that are regarded as effective in managing community business	90	100%	Most CDP were regarded as being effective.	Partially Achieved
Percentage of community level businesses that are financially breaking-even	0 100%		No CDPs have recovered their investment cost at the end of 2017.	Not Achieved
Number of partnership linkages developed in pursuit of community business development	0			Not Achieved
Number of management team or VC trained to develop, manage and execute business ventures, including technical support on specific nature of project undertaken	3 5			Partially Achieved
- Number of formalized /registered businesses	160			Not Achieved
- Percentage of villages/communities that are participating in value chains	0			Not Achieved
Percentage of villages/communities that have developed formal linkages between community level enterprises and larger firms	0		No formal linkage were developed with the private sector and the communities.	Not Achieved
- Extent to which local government agencies (Village councils and MoC) are convening and brokering partnerships to support local economic development	NA		In 2017, several regional Toshao meetings were held, mostly in Region 9, 8 and 1 to discuss the development of Indigenous communities	Achieved
- The existence of a draft policy and institutional framework that explains the roles of various partners (government agencies,	1		The Project was unable to start and complete output 2 & 3 in 2017. These outputs will be executed in 2018.	Not Achieved

private sector, village
councils) in local economic
development

Overall status

Blue font, bolded

3 Issues

The major issue for the project remains the PMU access to finances. The MoIPA cannot access the project finances due to a medium risk HACT assessment and the PMU staff members are not allowed cash advances. The result is that PMU staff is placed at risk of being stranded in isolated areas of the Country as the project provides no fund for emergency repairs, should a mechanical problem occur. Also, when travelling via road the PMU must carry from Georgetown large quantities of fuel due to the lack of credit facilities, cash advance and the general lack of UNDP vendors. The lack of cash advances have made it difficult to finance travel and training workshops in the most isolated regions of Guyana, like the North Pakarimas and Upper Mazaruni. These areas, the PMU staff members have to invest their personal cash; as a result these areas remain under-served.

4 Human Interest Story (max 1 page)

A group of Wai Wai among them Kenke Yaimo Kuruxi from Masakenari Region 9 went in search of game and, by chance, stumbled on good hunting and farming grounds called Cashew Island. Kenke subsequently relocated his family, a group of eight, to the land of abundance. Cashew Island, a mixed nation of Wai Wai and Trio, make up the current village population of fifty five individuals.

This isolated village can be accessed by air within just two hours. The journey along miles of the Corentyne and New River lasts approximately six days by boat from Springlands. In addition to the wealth of diverse flora and fauna, this pristine and undiscovered indigenous village is one of the many forest islands located along the New River Triangle. Due to Cashew Island's sparse population and isolation, fish and forest resources are in abundance.

The challenge of access limits viable economic ventures. However, following a scoping mission, and support from the Technical Fisheries Officer and an intense brain storming session relative to a viable economic Community Development Plan (CDP), Cashew Island sifted through possible business ideas and settled with the smoked and salted fish initiative. The villagers were fascinated to learn about a new "fire free" smoking method, which is completely different from the roasting method practiced by the Wai Wai /Trio nation. Samuel Kenke, a CMT member voiced amazement about the smoking technique and said " I really want to see if this new type of smoking fish will really work".

A SWOT of the business venture revealed a comparative advantage in the supply of smoked and salted freshwater fish. This village meeting birthed a community business of now called the Cashew Island Fish Enterprise.

Following the signing of the Micro-Capital Grant Agreement on the 30/05/2016, the ADF Unit in consideration of the management teams' educational level, followed up with incremental training in financial, marketing and business management. The capacity building exercise was extended to fish smoking and salting techniques, facilitated by the Fisheries Officer.

With support from Global Seafood Distributors in February 2018, on the job training in smoke and salt fish techniques such as deboning and filet further empowered the management team. After the training exercise, Toshao Kenke Kuruxi and the team expressed excitement and satisfaction relative to the financial possibilities of the community's fishing enterprise. "This is the first time my village will be running a business" exclaimed Toshao. "We no longer need to travel to Suriname and Georgetown and leave our families in search of jobs because we will have money making jobs right here in Cashew" Toshao explained.

The team quickly bounced in to action after their training stint and in March of 2018, the active Management Team anxious for the seal of approval sent five lbs sample of salted Haimara which was favourably appraised by Global Seafood Distributors.



Figure 1: CMT member at training session

This is the first economic venture ever undertaken by the community. Phase one implementation was completed by the villagers, ie the construction of a smoke house and a 40ft fishing boat. The second tranche in 2017 facilitated the purchase of a 40hp outboard engine, 450 gals water tank, a complete solar fridge/freezer system, fishing nets, knives among other fishing tools.

While the business operation is in its infancy, the business will create gainful employment and contribute to other areas of developments in the village.

5 Cross Cutting Issues

5.2 Gender results (max 1 page)

Gender results	Evidence
55% Female involvement in the Preparation of implementation plans for CDP, saw 2,886 women out of a total 5,256 person in total	Scoping Registers
48% (652/1244) Females were trained in topics that include terminologies and concepts, financial accountability and management, marketing and work plan preparation and are assisting in the management of their community business.	Training Registers

5.3 Partnerships

The ADF-PMU has partnered with several state and non-state agencies and actors for the implementation of the ADF. These include, Guyana Livestock and Development Authority (GLDA), National Agricultural Research and Extension Institute (NAREI), Guyana Fisheries Department, Guyana Forestry Commission, Forest Products Development & Marketing Council of Guyana, Inc (FPDMC), North Rupununi Development Board (NRDDB), Guyana Technical Institute (GTI), Global Seafood Distributors, Georgetown Chambers of Commerce (GCCCI), Guyana Energy Agency (GEA), New Guyana Marketing Co-operation and the Regional Democratic Councils. These partnerships have resulted in the provision of mostly technical services and assisted in the capacity building of the CMTs and communities to enable them to better manage and deliver a higher quality product. The partnership with the GLDA has resulted in two Regional Extension Officer being placed in Region 8 and another officer to be placed in the near future in Moruca, Region 1.

5.4 Social and Environmental Considerations

The following activities in the table below were completed during the period under review with considerations to the environmental, social safeguards and standards.

Summary of the safeguard mechanism framework

Safeguard Type	Actual Tools/ Measures applied	Framework/ Specific Standards
Social	Observance of FPIC	Compliance with the United Nations Declaration on the

	<p>Community consultations</p> <p>Representative women and youth on CMTs</p> <p>Inclusion of Senior Suppliers and Beneficiaries in decision making (Project Board)</p>	<p>Rights of Indigenous Peoples and</p> <p>Other relevant UN human rights instruments;</p> <p>All relevant stakeholder groups are identified and enabled to participate in a meaningful and effective manner, following customary ways of decision-making;</p>
Environmental	<p>Adherence to national standards on Environment</p>	<p>UNDP Social and Environmental Standards</p>

5.5 Innovative approaches

- Facilitating the Villagers to become Vendors:- To facilitate Villages becoming vendors, the PMU has to utilize personal funds to provide the UNDP with a recent Banking Slips, so that the UNDP could process the Village as Vendors. The alternatives are inefficient and not cost effective, and take a considerable amount of time.
- Including H.E.Y.S Youths on CMTs:- The PMU is advising communities to include trained H.E.Y.S youths on their CMT. This give a capacity boast to the CMTs.
- Communication Management: To sustain and improve community involvement and ownership in the CDP projects, it is necessary to have Village meetings during monitoring missions to the community. This ensures the community is informed about the status CDP, the roles and responsibilities of the local stakeholders, including community members.
- Local Monitors: During the periods where the PMU is unable to monitor the CDPs, locally based monitors (CDOs) are necessary to ensure that the local stakeholders (Toshao, VC & CMT) are maintaining their roles and responsibilities for the CDPs and that works are being executed.
- Village Bank Accounts: Continuous support must be given to ensure that Village bank accounts are opened and that the signatories are updated as Village and CDC Councillors are changed.

- Continuous Training: Continuous and tailored training is necessary to meet the needs of the CMT & CDP. The intensity of the training is determined by the proficiency of the CMT members and type of training is determined by the stage of the CDP project.
- Finance of missions: PMU unable to service communities where UNDP vendors are not available. In areas, where credit facilities are limited, the MoIPA requires project cash advances to travel. The UNDP is considering issuing cash advances regardless of the size of the transaction to fund official project travels. Lack of access to finances is affecting the PMU in providing support to some communities and has increased the operating cost of the Project. Project staff has to make sacrifices to conduct these missions. Effectiveness here can be taken to mean improving practice or processes that aided positive project achievements).

5.6 Sustainability

Sustainability of the CDP projects depends on the community's ability to manage finances and to access markets for product and services. The communities were trained in the participatory approaches in preparing budgets, accountability, business management and leadership. This training will assist with the sustainability of the CDP. However in the area of marketing, further training and empowering is needed to enable the village to access and maintain their markets.

5.7 Visibility

Project Jerseys were procured for ADF staff members and key person at the Ministry of Indigenous Peoples' Affairs.

5.8 Reports & Publications:

- The ADF project have contributed to several new publications, these include:
 - <http://guyanachronicle.com/2017/05/30/5m-village-shop-opens-at-katoonarib>
 - <http://dpi.gov.gy/kezee-eco-lodge-in-karasabai-launched/>
 - <http://dpi.gov.gy/tiger-pond-launches-5m-cassava-processing-facility/>
 - <http://dpi.gov.gy/187-hinterland-communities-established-sustainable-projects-under-adf-projects-come-to-an-end-this-year/>
 - <http://guyanachronicle.com/2018/04/09/rewa-rakes-in-77m-from-tourism>
 -

6 Monitoring and Evaluation

M&E activity (monitoring visit, evaluation, review exercise)	Key outcomes/ observation	Recommendation	Action taken
Monitoring Mission to 132 communities.	Some communities were slow in progressing with their CDP Project. CMT members who were no longer part of the CMT were replaced or the Village Council have taken direct responsibility for the project	Continuous training is required by the communities. Training in Leadership, community participation, accountability and marketing in necessary for the communities.	21 Communities were financed to first tranche disbursements, 1 community refunded their grant and 68 full disbursements and one partial disbursement were effected as a result of the site visit.

7 Risk management

Risks	Mitigation Measures
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.	During monitoring visit, the relevant technical persons accompanied the PMU to provide technical guidance. Also, GLDA has placed a technical officer in Region 8.
Environmental: Extreme and unpredictable rainfall which causes flooding results in lengthy work delays; and renders some communities inaccessible.	As far as practical, Communities were asked to execute works in the correct season. Weather was taken into account when planning missions.
Other: Communities use of traditional practices, which are not green techniques; or community's loyalty to traditional ways of doing business.	Only small acreage of lands was cleared for slash and burn.
Security risk: Associated with transferring monies based on the modality chosen, and the high use of cash transactions.	As far as practical payments using direct cash transfers or post offices were used, limiting the movement of cash
Enabling environment: The requisite partnerships for facilitating and motivating a critical mass of links to markets sufficient for commercializing production at the community level do not exist	NIL

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.

Operational: Capacity of the implementing agencies to delivery in a timely manner.

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.

Scoping exercises were conducted to reassess project budgets and areas where project were above the grant, the community was required to provide proof of additional funds.

PMU was fully staffed. Additional CDOs were employed by MoIPA.

Communities targeted regional centers and nearby communities to avoid high cost for transportation.

8 Lessons Learned

- ▶ Development of local leadership is key to creating ownership and for timely implementation of CDPs
- ▶ Training support reinforces information disseminated to communities and villages and results in greater participation and ownership
- ▶ Partnerships and collaboration are key to enhancing coordinated delivery of support services to communities and villages.

Guidance:

- This section should be based on an analysis of the implementation and progress described above, and can include any learning gained from overcoming challenges, achievements, obstacles that could not be resolved and insights gained that can be usefully applied in future/other projects
- The following questions can be asked:
 - If you could do this all over again, what would you do differently, and what could be improved?
 - What worked well, and what is worthwhile repeating elsewhere?
- Lessons learned could be phrased as specific, actionable recommendations, explaining what should be done, by whom, and by when

9 Conclusions (maximum 1 page)

This section can address:

- Priority issues (including their relevance to national/regional development priorities), or challenges expected to be addressed in the coming year (3-4 points maximum)
- Changes in operating environment:
 - Outline problems and new risks faced for implementation in the coming year.
 - How have lessons learned been incorporated into follow-up actions
 - Plans for the next year

10 Recommendations (maximum 1 page)

Identify any adjustments the project needs to make to address changing conditions or new risks

11 Financial Summary

Outputs / Activity Result		Annual Budget (US\$) (Jan – Dec 2017)	2017 Expenses	2017 Commitments	Total 2017 Expenditures B+C	Balance A-D
		A	B	C	D	E
1	Execute Monitoring Mission to 160 Villages	95,000	99,420.81	0	99,420.81	(4,420.81)
1	Training Workshops and Conference	55,000	3,232.51	0	3,232.51	51,767.49
1	Disbursement of Micro-Capital Grants	1,241,744.60	1,156,015.96	0	1,156,015.96	85,728.64
1	Other Expenditure	0	109,023.57		109,023.57	(109,023.57)
Output 1 Sub-total		\$1,391,744.6	\$1,367,692.85	0	\$1,367,692.85	\$24,051.75
2	Local Consultants	29,000	0	0	0	29,000
2	International Consultants	30,000	0	0	0	30,000
2	Travelling to Communities	15,000	3,694.83	0	3,694.83	11,305.17
2	Training Workshops and Conference	21,639.38	131.27	0	131.27	21,508.11
2	NRDDB implementation model	19,305.02	2,513.15	0	2,513.15	16,791.87
Output 2 Sub-total		114,944.40	6,339.25	0	6,339.25	108,605.15

3	International Consultants	30,000	0	0	0	30,000
3	Training Workshops and Conference	14,400	0	0	0	14,400
3	Travelling to Communities	10,000	0	0	0	10,000
Output 4 Sub-total		54,400	0	0	0	54,400
4	Project Management Activities	603,459.28	427,157.60	0	427,157.60	176,301.68
Output 4 Sub-total		603,459.28	\$427,157.60	0	427,157.60	176,301.68
Grand total		\$2,164,548.28	\$1,801,189.70	0	\$1,801,189.70	\$363,358.58