

TC Abstract

I. Basic project data

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| • Country/Region : | GUYANA/CCB - Caribbean Group |
| • TC Name : | Technical and economic analysis for the preparation of loan GY-L1060 |
| • TC Number : | GY-T1126 |
| • Team Leader/Members : | MATTOS, JUAN DE DIOS - Team Leader NUENNINGHOFF, SYBILLE - Alternate Team Leader COTTA, JAMIE NICOLE - Team Member BANERJEE, ONIL - Team Member RESTREPO, LISA SOFIA - Project Assistant WILLIAMS, DERISE AVIONE - Operational Analyst |
| • Indicate if : Operational Support, Client Support, or Research & Dissemination. | Operational Support |
| • If Operational Support TC, give number and name of Operation Supported by the TC: | Sustainable Agricultural Development Program (SADP)-GY-L1060 - Preparation |
| • Reference to Request :(IDB docs #) | |
| • Date of TC Abstract : | 06 May 2016 |
| • Beneficiary (countries or entities which are the recipient of the technical assistance): | Ministry of Agriculture - GY |
| • Executing Agency and contact name (Organization or entity responsible for executing the TC Program) {if Bank: Contracting entity} { if the same as Beneficiary, please indicate} | US-IDB - Juan de Dios Mattos |
| • IDB Funding Requested : | \$ 200,000.00 |
| • Local counterpart funding, if any : | \$ 0.00 |
| • Disbursement period (which includes execution period): | 18 months |
| • Required start date : | |
| • Types of consultants (firm or individual consultants): | Individuals |
| • Prepared by Unit : | Rural Dev & Natural Disasters |
| • Unit of Disbursement Responsibility : | INFRASTRUCTURE AND ENVIRONMENT SECT DEPT |
| • Included in Country Strategy (y/n): TC included in CPD (y/n): | No No |
| • GCI-9 Sector Priority | Addressing the needs of small and vulnerable countries , Addressing climate change, renewable energy, environmental sustainability and food security, Infrastructure for competitiveness and social welfare |

II. Objective and Justification

To support the Government of Guyana in the preparation of loan GY-L1060

The Government of Guyana has requested support from the Bank for the preparation of an investment loan for the agricultural sector (GY-L1060).

Most agricultural production is realized along the coastal regions where the more fertile lands are found and accessible land is situated. Sediment from the Amazon and other rivers contribute to enhance soil quality, however flooding and water management remains a challenge. In Guyana's hinterlands (southwest and northwest), savannahs and forest dominate the landscape. In the Upper Berbice region, intermediate savannahs, close to the main agricultural areas, are used for extensive livestock rearing on medium to large farms.

Small farmers produce most of the fruits and vegetables grown in Guyana; they produce 80 percent of the grain crops, 60 percent of the coconuts, and 40 percent of the coconut oil. Non-traditional agriculture in Guyana typically characterizes farming systems that are small in scale, uses low-level technology, and are labor intensive. Nontraditional agriculture has been moving slowing away from its associative subsistence farming. There is, however, a tendency to continue employing traditional agricultural practices, in large part due to an absence of supportive and extension services to encourage farmers to adopt improved methodologies for increasing production and productivity. Productivity in these small farms is low, compared with other countries with similar production systems. Yields of corn, beans, and small scale rice production are 40% lower than in the Caribbean and 60% lower if we compare them with South America. Livestock production is concentrated in poultry, with cattle and small ruminants produced mainly in small farms, with similarly low productivity.

This low productivity reduces competitiveness and incomes and increases the stress on natural resources. By increasing productivity, Guyana will increase incomes of small farmers and reduce pressure on natural forest and water. Expected investments through a loan GY-L1060 will help Guyana to increase productivity and optimize the use of natural resources. The loan will facilitate the strengthening of research and innovation facilities managed by the National Agricultural Extension and Research Institute (NAREI) and the Guyana Livestock Development Authority (GLDA). At the same time, the Sanitary and Phytosanitary (SPS) system will be strengthened to facilitate access to key export markets. Both activities will result in technical assistance and training for small farmers in the hinterlands and the intermediate savannahs. Farmers will receive also support to improve the management of water, soil and pastures, to increase productivity, reduce CO₂ emissions and reduce pressure on forests. This TC will support the GoG in the preparation of the necessary studies to prepare the loan and have it approved by the Bank's Board.

The preparation of loan GY-L060 requires a review of research and innovation programs currently being implemented in Guyana. Also, transfer of research and innovation results to farming will be analyzed to evaluate the feasibility of increasing their scope or tailor their dissemination to small farmers. Because part of the investment will be focused on livestock, the SPS activities of the MoA and other agencies will be analyzed. Market access greatly depends on the supervision and monitoring of certain diseases and protocols.

III. Description of activities and outputs

Component 1: Technical and feasibility studies

1. One report/analysis of the research and innovation system in Guyana. Includes a proposal for strengthening research and innovation for cattle, pastures and other initiatives prioritized by the Ministry of Agriculture will be developed.
2. One report/review of the Sanitary and Phytosanitary (SPS) capability of Guyana, with a focus on livestock, and particularly cattle.
3. One report/evaluation of the needs of repairs, updates of, and new infrastructure. This evaluation will include buildings and small rural infrastructure required to reduce production costs and increase the likelihood of produce reaching the expected markets. The study will review preliminary designs prepared by the MoA; hydrology and proposals for water catchment infrastructure, and other public investment.
4. One report/economic analysis and design of impact evaluation of project.
5. One report/review and design of an Agricultural Information System for Guyana. This includes the preparation of preliminary studies for an Agricultural Census; data needs for policy making; and training.
6. One report/productivity analysis and data collection at the farm level..

Component 2: Fiduciary and environmental safeguards analysis

1. One report/review of the financial and fiduciary strengths and weaknesses of the Ministry of Agriculture.
2. One report/Environmental and Social Safeguards analysis

Outcomes

Name:

Components

Name: Component 1: Technical and feasibility studies

Description: Will strengthen research and innovation for ag initiatives & SPS capability. Will help in the design technical assistance for farmers.

Name: Component 2: Fiduciary and environmental safeguards analysis

Description: Fiduciary analysis will result in recommendations for the design in terms of strengthening the capacity of the Ministry of Agriculture to implement the project and inform the consolidated project budget, draft procurement plan, draft Project Execution Plan (PEP), and draft Project Manual of Operations to be prepared by the GoG.

IV. Budget

Indicative Budget

| Activity/Component | IDB/Fund Funding | Counterpart Funding | Total Funding |
|--|-------------------------|----------------------------|----------------------|
| Component 1: Technical and feasibility studies | \$ 163,000.00 | \$ 0.00 | \$ 163,000.00 |
| Component 2: Fiduciary and environmental safeguards analysis | \$ 37,000.00 | \$ 0.00 | \$ 37,000.00 |

V. Executing agency and execution structure

This TC will be implemented by the Bank, through INE/RND. The MoA will be the main local counterpart and will participate in the review and approval of the final reports. The MoA will provide support and facilitate access to data and information to the consultants that will implement the studies.

The MoA and the MoF requested the Bank implement this TC. The MoA has experience in the implementation of studies for loan preparation. The MoA has designated a team that will work with the Bank and consultants during the implementation of this TC. The Aide Memoire for the identification mission summarizes the discussions related to the studies, technical cooperation and preparation of this TC.

VI. Project Risks and issues

The Bank will retain ownership of datasets and survey materials generated by the studies commissioned by the TC. Datasets and reports will be available to the public.

VII. Environmental and Social Classification

The ESG classification for this operation is [C]