



In partnership with



# Donor Matrix

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## Guyana

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### Description of local stakeholders

Guyana has many public and private institutions that directly or indirectly focus on the expansion of private sector activities. The country, compared to other countries in the region, has a well-developed framework for growth and development that has been presented to the general public and that over time has been implemented. The framework is provided by the National Competitiveness Strategy and the Low Carbon Development Strategy. These two strategies guide government policy as it relates to private sector growth, and are summarized in this section. Three public institutions are also analyzed and presented in this report, GoInvest, the investment promotion agency of Guyana, the Competitiveness Unit that was designed to implement the National Competitiveness Strategy, and the Small Business Bureau which supports the development of small businesses. To these public institutions, this report presents the most relevant private sector institutions that represent the private sector in Guyana: the Private Sector Commission, the Consultative Association of Guyana Industries, the Georgetown Chamber of Commerce, the Guyana Chamber of Commerce and Industry, the Guyana Manufacturing and Services, the Tourism Association, the Guyana Gold and Diamond Association, the Guyana Rice Development Board, and the Guyana Tourism Authority.

The list of participants and issues is very large and does not necessarily correspond to the size of the economy. To some extent there is “over representation” as too many actors play too many roles, in many cases overlapping as the companies and their representatives are members of several institutions. Fragmentation and overcrowding are a problem as the private sector cannot speak with one voice, and diverging agendas do not help move forward important reforms. This is an issue that would be presented as a recommendation for stronger coordination between private sector actors in Guyana, later in this report.

**National Competitiveness Strategy (NCS) and the NCS Unit.** Launched in 2006 after significant consultations, this strategy is an ambitious attempt to increase competitiveness.<sup>1</sup> The strategy includes 245 actions that are designed to improve competitiveness, are measurable, and increase rankings of the country, especially in the World Bank Ease of Doing Business surveys. The NCS actions are divided into core policies, sector policies, strategic sub sector policies, and overarching enablers. Core policies focus on improving the business climate, and include competition and consumer protection, infrastructure, human resources and access to finance. Sector policies focused on actions that would facilitate the expansion of economic activities in the sugar, rice, and non-traditional agricultural products, and tourism. Strategic sub sectors were identified as those that could help diversify the economy into promising businesses in its infancy or yet to develop, in fruits and vegetables, aquaculture and forestry. Finally, overarching enablers focused on how to implement the NCS and on the public-private arrangements that would be necessary for taking concrete actions with support from all relevant actors.

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<sup>1</sup> Guyana National Competitiveness Strategy. Enhancing National Competitiveness. A National Competitiveness Strategy for Guyana. Government of Guyana in Partnership with the Private Sector.

It is common for many countries, and actors within countries, to prepare comprehensive strategies. It is not common to follow through on them. Guyana is an exception as the NCS was used by government to develop an implementation plan, which was supported by an IDB loan, the Support for Competitiveness Program that facilitated the creation of the National Competitiveness Strategy Unit empowered to implement the strategy. The NCS also received significant support from other donor funded projects, such as the Agricultural Support Services Program, the Agricultural Diversification Program, and the Guyana Trade and Investment Support.<sup>2</sup> Because of these efforts, the NCS by 2013 can show concrete results: 57 out of the 245 actions proposed in the plan have been completed, 83 are at late stages of completion, and 72 are at early stages of implementation.<sup>3</sup> Some of the most relevant actions completed include: the Secretariat of the Competition Commission was created to serve as a consumer protection agency that would implement the 2011 Consumer Protection Bill; implementation of the Value Added Tax (VAT) and Excise Regime; lowering the Corporate Income Tax from 45% to 40% for commercial companies and from 35% to 30% for non-commercial companies, still high by regional standards but improving; the Commercial Court is functioning providing services for dispute resolution; using real estate for collateral lending from commercial banks and more generally facilitating the development of land and property markets; and passing legislation and the establishment of a Credit Bureau, CreditInfo, that started functioning in September 2013.

In spite of the partial success of the implementation of the NCS, much remains to be done. As noted the NCS Unit, which has been leading the implementation of the strategy, was funded by an IDB loan. This project is at late stages of execution and resources have been almost exhausted. Moving forward, the work done by the NCS Unit should be continued.

**Low Carbon Development Strategy (LCDS).**<sup>4</sup> Approved in 2010, this document is a statement of Guyana's approach to sustainable development, in particular to the protection of forests and a commitment to a low carbon development. The strategy, and the current agreement for its implementation with Norway, in essence leverages Guyana's large rain forest assets and recognizes, and values, the opportunity cost of deforestation. The implementation of the Low Carbon Development Strategy (LCDS) commits Norway to pay Guyana annual installments based on performance criteria linked to preserving its rain forest. The initial package is worth US\$250 million for five years, starting in 2009, which would be paid out of a World Bank administered trust fund named Guyana REDD-Plus Investment Fund (GRID).

The resources received from the trust fund are being invested in seven priority projects/issues: (i) the Amaila Falls hydroelectric project; (ii) accelerating Amerindian land titling; (iii) funding the Amerindian Development Fund; (iv) expanding fiber optic infrastructure; (v) provide micro finance;

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<sup>2</sup> IDB US\$26.65 million loan Support for Competitiveness Program approved in 2006; IDB US\$22.5 million loan Agricultural Support Services Program approved in 2004; DFID £1.3 million grant Guyana Agricultural Diversification Program; USAID two phases of grant funding for the Guyana Trade and Investment (US\$7.6 and US\$7.3 million).

<sup>3</sup> National Competitiveness Strategy. Monitoring and Evaluation Review: 2006-2012. May 31<sup>st</sup> 2102. National Competitiveness Strategy Unit.

<sup>4</sup> A low-carbon development strategy. Transforming Guyana's economy while combating climate change. Office of the President, Republic of Guyana. May 2010.

(vi) establishing a Centre for Bio-Diversity and Low Carbon Development; and (vii) monitoring, reporting and verification systems for the LCDS.

There is no formal connection between the NCS and the LCDS, however, they complement each other. The current priorities of the LCDS have significant impact on competitiveness, and therefore on private sector growth, especially in recognizing the need for more energy at lower cost (priority i); property rights (priority ii); modernizing infrastructure (priority iv); and expanding credit (priority v).

**GoInvest.** The Guyana Office for Investment is a public institution that promotes private sector investment. Modeled after similar institutions throughout Latin America and the Caribbean, GoInvest channels interest in investing in Guyana by providing information, sponsoring trade shows, and facilitating the processes for investors. GoInvest has prioritized the following sectors:

- Agriculture & Agro-Processing- Includes seafood & aquaculture, processing (fruit juice concentrates and pulp, vegetable flour), fresh fruits & Vegetables, Livestock (poultry, beef, mutton, pork & goat meat, INPUTS (seeds, fertilizers), Machinery & Equipment, Sugar Cane & Rice
- Light Manufacturing- Textiles & Garments, Pharmaceuticals, Building & Construction, Packaging
- Services- Financial, Medical, Environmental, Transportation, Retail/ Commercial, Housing, Fashion, Music & other Entertainment, Machining
- Energy- Includes Petroleum & Gas Exploration, Solar Power, Hydro Power, Bio-fuels, Bio-diesel, Wind Power, Cogeneration from Rice Husk/ Bagasse & Biomass Power
- Tourism- Resorts/ Hotel, Restaurants, Recreation (Cruise ships, yachting, bird watching, fishing), Tour Operators
- Wood Products- Downstream Wood Processing( flooring, decking, moulding, doors, shingles dimensional lumber, furniture, plywood & veneers
- Information & Communication Technology- Includes Business Process Outsourcing (BPO), Call Centres (inbound/outbound), Software Development, Medical & Legal Transcription
- Mining - some mining projects, laboratories and machinery

GoInvest facilitates investment in these priority sectors by providing significant incentives for investing in Guyana. General incentives include:<sup>5</sup>

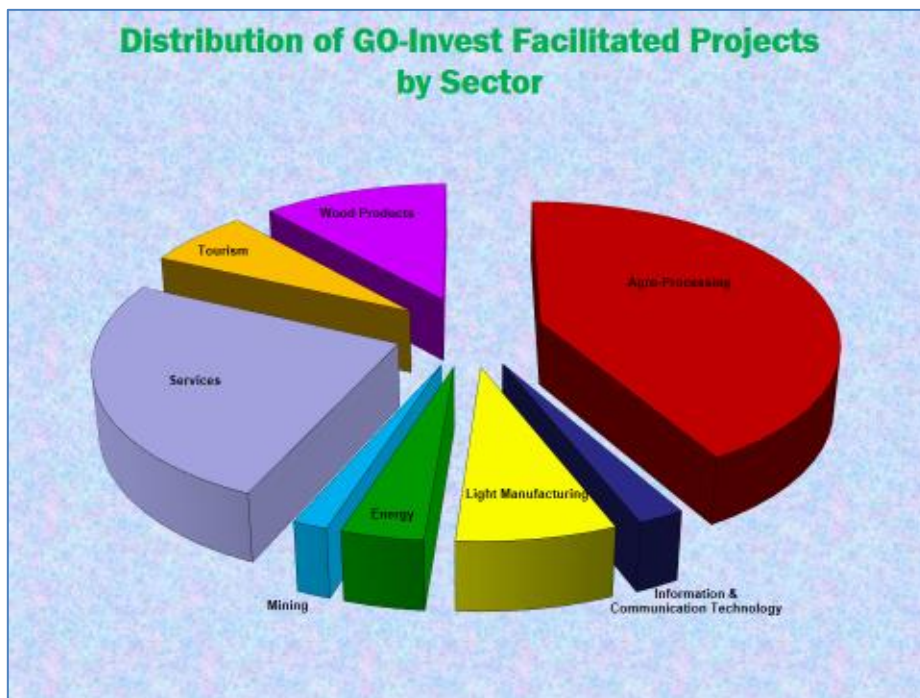
- Exemption from Customs Duty on most plant machinery and equipment, raw materials used in manufacturing
- Exemption from Customs Duty and zero VAT on raw materials and packaging for manufactures that export 50% or more of their products
- Unlimited carryover of losses from previous years
- Accelerated depreciation of plant and machinery for approved activities
- Full and unrestricted repatriation of capital, profits and dividends
- Benefits of double taxation treaties with the U.K., Canada, Kuwait and CARICOM

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<sup>5</sup> GoInvest has a contract template used for all sectors. We did not have access to this template, and the information provided in this list comes from the press as reported in the FIEL inception report.

- Exception from Customs Duty and zero VAT on items approved under an Investment Agreement between the government and the business
- Removal of taxes on equipment used for generating electricity from non-traditional or renewable sources for both household and commercial purposes
- Exemption from Excise Tax on items approved under an Investment Agreement between the government and the business
- Zero rate VAT on exports
- Tax holidays

**Figure 1: GoInvest distribution of projects by sector, 2013**

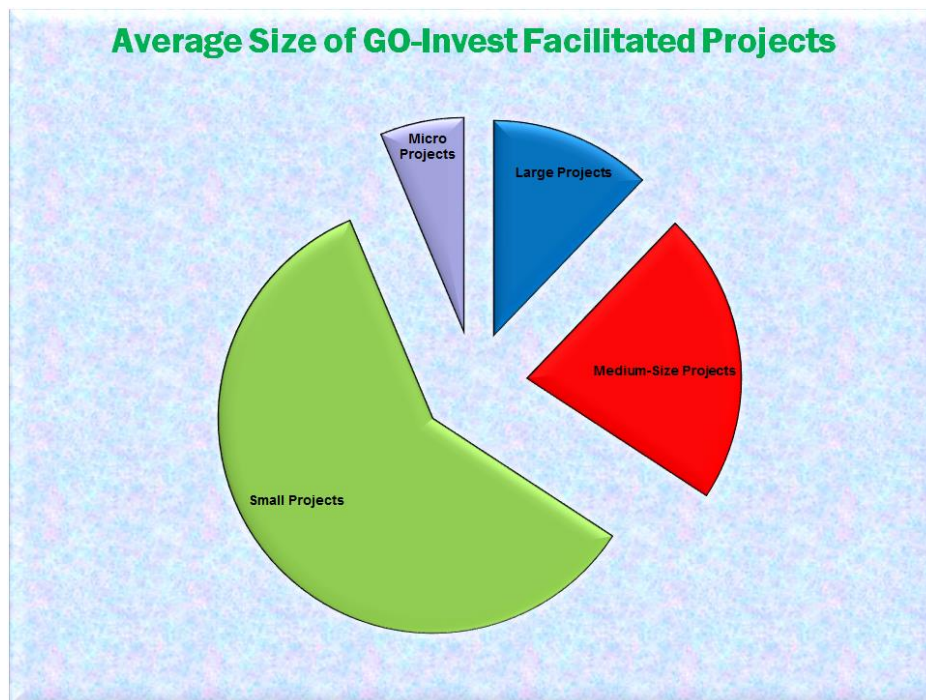


Source: GoInvest presentation to the Cross Border Agriculture Investments in the Caribbean meeting

Although detailed information about the results of this institution are somewhat limited, there are some indicators that point towards success. **Error! Reference source not found.** shows the distribution of projects facilitated by GoInvest by sector. The largest sectors that have attracted investments in the country are agro-processing, services, wood products, and light manufacturing. **Error! Reference source not found.** shows that the majority of investments were related to small projects. A highlight of the work of GoInvest is the investment by Interamericana Trading Corporation (ITC), a Barbados corporation with multi sector investments throughout the region, that in February 2010 signed a Memorandum of Understanding for investing in the Large Scale Integrated Farm Project in the Rupununi Savannahs. ITC created Santa Fe Inc. as a Guyanese affiliate, and was granted fiscal concessions for investments in growing rice, soya beans and cow peas, in addition to cattle, sheep and goats. Longer term plans call for additional investments in aquaculture, fruits and grains—maize and sorghum. Santa Fe employs about 60 people, that farm 1,000 acres of rice using zero tillage technology, and has invested in mills and silos.

Some people interviewed noted that, in spite of the template approved by Parliament detailing the incentives for investing in Guyana, GoInvest and government discretionary approach to identifying investments puts domestic businesses at a disadvantage. In addition, it was noted that GoInvest does not make decisions or provide licenses, it coordinates the actions of other government units and facilitates processes. Some criticize GoInvest for being slow, or for not being able to deliver needed licenses. Some of these criticisms should be addressed as this institution continues to expand.

**Figure 2: GoInvest distribution of projects by size, 2013**



Source: GoInvest presentation to the Cross Border Agriculture Investments in the Caribbean meeting

**Small Business Bureau (SBB).** The Small Business Act, passed in 2004, resulted in the creation of the Small Business Bureau and the Small Business Council. The SBB offers support for the development of small businesses, and offers services such as training, export workshops, formal registration, and trade shows. Through the SBB, small businesses can grow and become successful commercial institutions. Priority areas, in the context of the Low Carbon Micro and Small Enterprise Development Project (LCMSDF), include farming, processing, aquaculture, eco-tourism, business process outsourcing and bio-ethanol. The SBB is a young institution, it only started operations on June 1<sup>st</sup> 2010.

Importantly the SBB collects information about businesses. In efforts to collect information and facilitate the formalization process of small businesses, the SBB keeps a database. The database includes, as of October 2013, 6,756 businesses of which about 2,500 have been validated as active businesses—a number of businesses are not active because they have closed or were improperly

registered in the SBB. According to data collected, small businesses consider the following as their largest constraints.<sup>6</sup>

- Access to affordable finance, specifically relating to monies for working capital, equipment purchase and expansion to existing business premises
- Inability to source packaging materials, especially for the manufacturing sector in the form of bottles, seals and corks
- High transportation costs for farmers to transport goods from other regions to region four
- A general lack of understanding of managing cash flows, and preparing basic financial analysis

The database offers good information that should be expanded. Currently, about 73% of registered businesses employ less than 5 people, 22.3% between 5 and 15, and 4.7% more than 15. Most firms only sell their goods and services to the domestic market, only 15% report selling to the Caribbean, and only 3.8% selling beyond the Caribbean. Inputs are mostly bought from domestic suppliers, although 24% report buying directly from non-domestic suppliers. **Error! Reference source not found.** provides the distribution of firms by sector in the SBB database.

**Table 1: Small Business Bureau firms by sector, 2013**

No.	Priority Sectors	Total
1	Agriculture	<b>702</b>
2	Agro-processing	<b>160</b>
3	Apiculture	<b>21</b>
4	Aquaculture	<b>16</b>
5	Handicraft	<b>375</b>
6	Internet Services	<b>66</b>
7	Mining	<b>1</b>
8	Poultry	<b>47</b>
9	Tourism	<b>33</b>
10	Transportation Services	<b>220</b>
	<b>Other Services</b>	
1	Auto repairs	15
2	Auto Supplies	13
3	Beauty Salons	33
5	Beverage Distributors	14
4	Book Store	7
6	Car wash	9

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<sup>6</sup> Data provided by the SBB.

7	Catering Service	7
8	Clothing	27
15	Clothing and accessories	39
9	Confectionaries	37
10	Construction Materials	5
11	Cosmetology	36
12	Education	7
16	Foams manufacturing	9
17	Food Snackette	57
18	Furniture Stores	26
19	Furniture Rentals	3
21	Grocery Shop	68
22	Home Décor	6
23	Stationery	13
24	Jewellery	19
25	Lumber Yard	9
26	Management Consultancy	5
27	Money Trasfers	1
28	Pharmaceutical	19
29	Photo Studios/ Services	14
30	Refridgeration Services	9
31	Restaurants/cafes	39
32	Sewing & Tailoring	18
33	Shipping Service	2
34	Variety Stores	123
35	Wholesale & Retail Trading	170

Source: Small Business Bureau

**Private Sector Commission (PSC).** Established in 1992, it is the senior institution that represents the private sector in Guyana, and plays a central role as representative of private sector interests to government, unions and civil society. The priority areas for support of private sector growth include: promote projects with high value added; facilitate exports and investment; collect and share information about the private sector; improve governance and security; facilitate the development of alliances, domestic and international, for the expansion of private sector activities; and build up skills and retain them in the country.



Important actions sponsored by the Private Sector Commission include: collaboration with the Council for Technical and Vocational Education and the Board of Industrial Training, submitting proposals to the University of Guyana to restructure curriculum so that students would have the skills demanded by private sector; supported the agenda of the NCS, in particular those activities that would improve transportation, ports, creating a single window automated processing system, improving the business climate and increasing the supply of energy at lower costs than now. Proposals to government presented by the PSC in 2013 that succeeded include: lowering property tax rates to zero for individuals owning less than G\$40 million and the personal income tax rate was reduced to 30%.

The PSC announced to pursue three projects that they consider priorities for 2013: (i) the creation of a development bank, and preliminary discussions with the World Bank IFC, the European Investment Bank and Venture Capital companies indicate initial interest in this new financial institution; (ii) the creation of an international trade arm of the PSC, that would give the private sector a better position to represent their interests in international trade negotiations and agreements; and (iii) the establishment of a CARICOM private sector group, that would represent the interests of the private sector at the highest level of CARICOM negotiations.

**Georgetown Chamber of Commerce and Industry (GCCCI).** Established in 1890 it is the oldest private sector organization in Guyana, and its membership includes businesses from all sectors and sizes. The GCCCI has an active program that includes the presentation of the “Agenda for Action: Top 20 Barriers to Guyana’s Competitiveness.” The agenda includes:

- Ensuring political and economic stability
- Enacting local government reform and administering elections—noting that Guyana has not held local government elections in 17 years
- Improving the tax system—noting high rates
- Encouraging investments and the use of alternative sources of energy
- Transforming the University of Guyana and expanding training and educational opportunities—to meet the needs of the private sector
- Implementing comprehensive security sector reform—as a proposal to lower crime
- Establishing a development bank
- Ensuring more transparency and accountability in the management of the public and private sectors
- Enacting urgent commencement of the public procurement commission (PPC) and the inclusion of private sector concessions to the mandate of the PPC
- Resolving Guyana’s skills challenge—noting the mismatch between skills supplied and demanded in the market
- Providing a balanced, efficiently managed regulatory protocol and framework
- Establishing a culture of market innovation, research and development
- Accelerating the process of information and communication technology liberalization to make Guyana competitive—opening up the market for communications
- Building modern infrastructure
- Making Guyana a magnet for foreign direct investment
- Building a globally competitive manufacturing sector
- Enacting modern intellectual property laws
- Accelerating the implementation of the NCS

- Strengthening the commercial court
- Strengthening foreign economic diplomacy

The GCCI uses extensively survey tools to identify the needs of their members and their opinion with respect to issues of relevance to the private sector. In 2012 they executed a survey, a needs assessment, to collect information about their membership. The main finding of the survey is that 77.1% of the members point to tax reform as the most important policy issue. Trade relationships of members are extensive and include trading processed manufactured food goods, machinery, agriculture chemicals and products, tires, spare parts, hardware materials, clothing among many more. As previously noted, the small size of the economy does not allow for the creation and growth of a domestic manufacturing sector. The survey also reveals significant trade in services, with Guyanese companies buying the following services: accounting and audit, tax and other related services, multimedia, insurance, risk management and other consultancy, ocean freight, shipping and logistics, and security. An important finding is related to skills needed, but scarce, in the market. According to the survey businesses find it difficult to find skills related to: customer service, human resources, sales, and accounting and finance. Most businesses use web-based applications, however the main tool for marketing is word of mouth.

The GCCI also collects information about their members attitudes toward relevant current issues in the country—the attitudinal survey. The 2013, only the second survey executed, finds that in general GCCI members are optimistic about future prospects, over 91% of respondents noted that their companies made profits in 2012, and 87% rated business activities as strong. The major obstacles for doing business are keeping good employees (42%), high tax rates (31%), and high cost and unreliable supply of energy (22%). Government efforts to support business is rated well, with over 60% of respondents characterizing it as moderately to very supportive. However, corruption is also perceived as a problem. Politics are a concern, as 83% of respondents noted their lack of satisfaction with the performance of Parliament. The most important public investments, according to respondents of the survey, are the Amaila Falls hydroelectric power plant, the Lethem road, interior roads construction and improvements, building a recycling plant, and maritime ports upgrades.

**Consultative Association of Guyana Industries (CAGI).** Established in 1962, the CAGI represents the interests of employers in labor disputes with unions. It is a member of the Private Sector Commission, and takes the lead on labor policy and industrial relations. Members represent most sectors in the economy, including shipping, transport, trade, mining, manufacturing, forestry, construction, insurance and banking among other. A recent issue that required the support from CAGI was changing legislation that established a 40-hour work week, replacing a 48-hour work week. This issue created opposition from private sector representatives as they would have to pay a 50% over regular salary, as regular over time, to workers that work on Saturday. This issue was not resolved and the current 40-hour week is enforced in Guyana.

**Guyana Manufacturing and Services Association (GMSA).** Established in 1963, groups manufacturing and services economic groups, including textiles, pharmaceuticals, construction materials, financial, health, environmental, transportation, trade, entertainment, and education

among other. The largest group measured by sales is beverages, that is actively searching for opportunities to penetrate regional markets.

The GMSA has identified issues and interventions that would facilitate the expansion of the manufacturing sector in Guyana:

- Cost of energy and unreliable supply
- High trade transaction costs, related to customs delays for import and export transactions. The GMSA proposes accelerating the implementation of the Single Window Automated Processing System
- Promotion of private sector investments and public private partnerships in maritime and air infrastructure, transportation logistics and warehousing
- Creating a development bank
- Comprehensive review of existing mechanisms to facilitate investments in manufacturing
- Increasing the range and quantity of fiscal and financial incentives
- Enforce laws that prohibit trade of smuggled goods
- Application of mandatory incentives/disincentives to ensure compliance with Quality Assurance and Reliability Standards
- Implementation of a continuous Labor Market Intelligence Survey to gauge occupational skill demand and supply. Development of competency based entrepreneurial skills training in the education system. Introduction of a National Training Levy and establishing a skills bureau
- Facilitate the transformation from sole traders to partnerships with local and foreign partners
- Expand the use of ICT to the manufacturing sector
- Providing financial assistance to micro, small and medium enterprises
- Facilitating closer collaboration for research and development

**Guyana Gold and Diamond Miners Association.** This association represents the interests of small miners that are responsible for 100% of gold extraction in Guyana. They directly employ about 15,000 people, and many more indirectly through service providers in air, water and land transportation, security, food, equipment and maintenance. Their largest challenge is access to capital, an issue already presented in the previous section of this report.

**Guyana Rice Development Board (GRDB).** Established in 1995, the GRDB promotes the development of the rice industry, facilitates research, and engages in promotional activities. The GRDB estimates that about 10,000 families are dedicated to the production of rice, with about 105 privately owned rice millers. Counting direct and indirect services related to the rice industry, the GRDB estimates that about 100,000 people, or 14% of the population, is involved in growing and trading rice in Guyana. Such as with mining, the most relevant issue for the expansion and modernization of the industry is access to finance, an issue already presented in the previous section of this report.

In addition to the private and public institutions presented in this section, there are other that represent other productive sectors of the economy, but that are small or represent small sectors. Among those the most important small sectors is tourism. **Guyana Tourism Authority (GTA).**

Created in 2002 as a statutory body, the GTA promotes the development of the tourism industry in Guyana. The main responsibilities of the GTA include: monitoring and regulating the supply of tourism services, collecting data, providing specialized training, design and implement marketing strategies, and improving transportation services. **Tourism and Hospitality Association of Guyana (THAG)**. This is the association of hoteliers, resort owners, travel agents, restaurant owners, jewelry and craft shops owners, and transportation services. THAG organizes owners of hotels, restaurants, and transportation services to provide tourism packages to visitors to Guyana.

### **Description of the donor community**

Because of the past events that required significant efforts from the donor community and private sector to provide debt rescheduling and forgiveness to Guyana, the international community is well organized in support of government. In particular, the effort related to HIPC and enhanced HIPC that triggered the creation of poverty reduction strategies that channeled support from the international community to the country along well-defined issues and projects, resulted in a cohesive approach by donors. As previously mentioned in this report, these efforts also resulted in good planning capacity by government, that as noted has the best budget process in the region. Government takes the lead in organizing the donor community and assigning them areas of support.

In this general context, the following paragraphs describe the work programs of the largest international donors working in Guyana.

**InterAmerican Development Bank (IDB)**. The IDB is the largest donor in the country, with an active program of loans, technical cooperation, studies, and technical advice to government. As previously noted in this report, the IDB was instrumental in supporting government efforts to implement the NCS, and also in the establishment of Guyana's credit bureau, CreditInfo. These two actions may be the largest contribution by any donor, in recent years, to facilitate the expansion of private sector activities and to diversify the economy.

As noted, government defines the parameters of the relationship with the IDB and suggest areas in which the Bank may support government. These parameters are formalized in the IDB Country Strategy with Guyana. The last strategy was prepared for the period 2012-2016, and focuses IDB activities on the following priority areas: sustainable energy, natural resources management, private sector development, and public sector management. The expected lending program to Guyana is US\$82.4 million for the 2012-2016 period, that may increase to US\$103.2 million if the country lends less on concessional terms. This is a very small amount of resources compared to the needs of the country, however, according to the authorities and IDB representatives the value added of interventions is mostly related to the transformational characteristics, not so much about the amounts disbursed—such as the presented examples of the implementation of the NCS or the establishment of a credit bureau.

The IDB work program to support private sector development follows on previous government efforts to increase competitiveness and innovation. According to the IDB the outcomes of actions that they would fund would: improve the business climate by providing incentives for reducing the informal sector, increase access to credit by developing a framework for secured transactions, and

retain skilled labor; improve the regulatory capacity to enforce standards; and facilitate the adoption of modern production technologies and promote exports and diversification.

**Caribbean Development Bank (CDB).** The CDB is funding the construction of community roads and improving the west coast Demerara road. The loans would fund the rehabilitation and maintenance of 240 roads across a number of communities, and improve 30.7 kilometers of highway – Vreed-en-Hoop to Hydronie section of the road and to finance school road safety education program. These are very large loans, for Guyana and for the CDB, with US\$16.4 million and US\$32.2 million respectively.

**The European Union.** The E.U. provides significant grant funding in the context the Guyana Country Strategy Paper 2008-2013 and the Poverty Reduction Strategy Paper 2011-2015 (PRSP), and the appropriations of the E.U. 10<sup>th</sup> EDF NIP, which add to €55.4 million. The E.U. objectives in Guyana may be summarized as: (i) addressing economic and environmental vulnerabilities; and (ii) promoting social cohesion and combating poverty. The country strategy identifies two priority areas: contributing to Guyana’s sector policy on coastal management, and macroeconomic support for the implementation of the Poverty Reduction Strategy.

The PRSP formally recognizes the importance of growth for poverty reduction. The policies that would promote growth include: maintaining a sound macroeconomic framework; providing a business friendly environment for private sector growth; continued modernization of the traditional sectors; emergence and growth in new sectors; and ICT-cross cutting policy to support growth and development.

**World Bank.** The work program of the World Bank in Guyana includes two loans designed to improve teacher education, and to strengthen the University of Guyana science and technology. These operations focus on improving tertiary education. The UG Science and Technology Support, US\$11.4 million, is designed to improve education quality, rehabilitate infrastructure, and improve management.<sup>7</sup> Important activities to execute within this operation include: updating science curricula and funding research in science areas that impact the implementation of the LCDS. The project was approved in 2011 and become effective in December 2012. There are no preliminary results to date.

The project appraisal document provides significant description and analysis of the main issues that the University of Guyana faces, and focuses on the four faculties of science and technology. Of interest to private sector expansion is to improve the local capacity to assess climate change impact on the country’s main economic infrastructure. The University of Guyana has identifies a need to improve the following areas: GIS and remote sensing, climate change modeling, hydrology, ground water management, alternative energy, agriculture resource management, forestry, natural resources management, food and nutrition, and biodiversity inventory. This is an initiative that merits follow up and additional support, if needed, from the donor community.

**USAID.** The work program is designed to address issues in health, economic growth, and democracy and governance. The focus of activities on to facilitate growth are in four sectors: wood products,

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<sup>7</sup> <http://www.worldbank.org/projects/P125288/ug-science-technology-support?lang=en&tab=overview>

aquaculture, agribusiness and ecotourism. USAID recently funded two projects with an impact on private sector expansion.

The Guyana Trade and Investment I&II was a designed to maximize Guyana's competitive advantages and increase non-traditional, value-added exports in Wood Products, Aquaculture, Agribusiness, and Tourism. According to Carana, the consulting company hired to execute this project: *"GTIS II was a four-year, \$7.3 million program designed to maximize Guyana's competitive advantages and increase non-traditional, value-added exports in four primary sub-sectors: Wood Products, Aquaculture, Agribusiness, and Tourism. The project implemented a market-led approach to strengthen targeted sub-sectors and worked with foreign investors, strategic buyers, and anchor firms in Guyana to invest in new capacity, technology, and standards.*

*The GTIS project's market-led approach became the preeminent development model for Guyana. With the exception of forestry, the GTIS project built new promising sectors with the capability of diversifying Guyana's economy from the bottom up. The direct results of GTIS work included \$2.8 million in new investments, \$9.78 million in additional sales, and more than 170 new or enhanced jobs, based on environmentally sound value chain development strategies. GTIS placed particular emphasis on leveraging additional funding from the donor community and leveraged a total of \$1.85 million in donor contributions. In the ecotourism subsector where advertising is of vital importance to promote a new destination, GTIS leveraged over \$6.5 million in articles, advertisements, and television shows on the country's heretofore little known attractions.*

*These results are best seen on the ground where skepticism and pessimism have been replaced with vision and progress, where leading rice farmers in the country have promoted and invested in aquaculture, ecotourism lodges are booked two to three years in advance, multinational forestry companies have made substantial investments in Guyana, and Israeli agriculture experts have introduced cutting-edge farm management techniques."*<sup>8</sup>

Skills and Knowledge for Youth Employment (SKYE) Project is funded within President Obama Caribbean Basin Security Initiative (CBSI) partnership. It is design to provide young people with market skills so that they may enter and stay in the workforce. According to the U.S. Embassy in Georgetown, *"The work readiness training transfers a set of basic employability skills, knowledge, and behaviors essential to the success of young people as entry-level workers or entrepreneurs. These skill sets were identified as priorities by Guyana's employment sector. The curriculum, adapted to the Guyana employment context, is designed to provide young Guyanese with the foundational skills and knowledge necessary to become healthy, productive employees and community members. This training is one of several program elements to assist youth to gain the self-confidence necessary to find and sustain employment."*<sup>9</sup> The program targets at-risk youth between the ages of 15 and 24, mostly males school dropouts that have been identified through the juvenile justice system. In total the program would train about 1,500 in reigon 4, 6, 9 and 10.

The Skills and Knowledge for Youth Employment (SKYE) project in seeks to strengthen youth's access to justice and equip youth with market-driven skills and attitudes to improve their ability to

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<sup>8</sup> <http://www.carana.com/projects/regions/projectsbyregionworldwide/132>

<sup>9</sup> <http://georgetown.usembassy.gov/pr121312.html>

transition to the workforce. SKYE will target a total of approximately 600 youth beneficiaries who do not have the necessary education, skills and behaviors for integration into the workforce; many will be school dropouts and/or involved in the juvenile justice system. SKYE will also provide capacity building support to local partner organizations, as well as relevant government ministries and the court system. SKYE will work in four regions, which were selected for their high populations of vulnerable youth, high crime areas, and high rates of unemployment.

**UNDP.** UNDP supports Guyana with grant funding to strengthening the institutional capacity of government in the following areas: to increase access to energy services, electricity or cleaner fuels in rural areas; increase individual and institutional capacity for planning Sustainable Land Management (SLM) at the national and regional level; protect biodiversity through the implementation of valuation methodologies, payment of environmental services; strengthen capacity to collect, analyze and disseminate key economic and social data, and to support completion of MDGRs, PRSRs, and the new PRSP; strengthen capacity within the Ministry of Finance to plan, manage and implement, aid effectively according to the 2005 Paris Declaration on Aid Effectiveness.

These projects play an important role is trying to fix one of the main problems for the analysis of private sector development in the country: lack of reliable information. This project follows on two other UNDP funded initiatives: the DISSC (Development of Institutional Social Statistics Capacities) Project which developed tools (PETRs), training materials, and advisory support services to improve the effectiveness and efficiency of statistics and M&E Systems; and the MDGs Support Project, which is expected to track progress of the MDGs.

The project would facilitate the analysis of interventions and their impact on key social and economic targets, mostly performed by the Economic Policy Analysis Unit in the Ministry of Finance.

**CIDA.** CIDA does not have a country-to-country program, but the country benefits from the Caribbean Regional Program. Through the regional program, CIDA has approved grants for social entrepreneurship, basic education, and economic capacity development. According to CIDA, the C\$2.6 million grant Economic Capacity Development *“This project builds on achievements accomplished in a previous project called Environmental Management and Capacity Development. It is community- and private-sector-oriented. It aims to support the poorest segments of Guyana's population, namely the rural poor and hinterland populations. The goal of the project is to promote private-sector-led economic growth that provides sustainable livelihoods and reduces poverty. Improvements to the health, skills, and economic opportunities of miners and the men, women and families in selected communities living near mining operations are also targeted through this project.”*<sup>10</sup>

The resources are distributed among the program has already achieved results: the construction of a plant nursery for the communities of Mahdia and Isseneru provides services that enhance agricultural practices and address gender issues. Produce is sold to miners that work in adjacent areas, therefore ensuring a steady and reliable source of income.

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<sup>10</sup> <http://www.acdi-cida.gc.ca/cidaweb/cpo.nsf/vWebProjSearchEn/8066249DB2400EE9852572F700373024>

**DFID.** DFID £1.3 million grant was provided in the context of the Guyana Agriculture Diversification Program, and is designed to expand aquaculture, tilapia, and no-traditional agriculture exports, such as sweet peppers, hot peppers and butternut squash. The program, implemented by the consulting firm Carana, would create about 1,000 new jobs. This program follows on USAID funded Guyana Trade and Investment.

Recommendations to improve PSD-related information systems and monitoring and evaluation of results

- **Poor follow up of projects.** In general projects are not designed considering sustainability of funded actions. Larger and more focused projects would address this problem.
- **Monitoring and evaluation of projects need to be strengthened.** Larger and more focused projects would benefit from the establishment of monitoring and evaluation systems. Such systems are generally characterized by the definition of baselines of relevant indicators, the definition of targets over time, and the use of evaluations for the modification during project execution and the definition of follow up projects.

**List of projects by donor—attached in MS Excel and MS Access formats.**