

TC Document

I. Basic Information for TC

▪ Country/Region:	GUYANA
▪ TC Name:	Strengthening Governance For Increased Trade Facilitation In The Port Of Georgetown Guyana
▪ TC Number:	GY-T1161
▪ Team Leader/Members:	Lucenti, Krista (INT/TIN) Team Leader; Zamora Murillo, Edgar (INE/TSP) Alternate Team Leader; Calatayud, Maria Agustina (INE/TSP); Greco, Maria Sofia (LEG/SGO); Larsson, Mikael (INT/TIN); Liddell, Clevern Anneliese (CCB/CGY); Marquez, Christian John (INT/TIN); Rospide, Maria De La Paz (INT/TIN); Umana, Mario Alberto (INT/TIN); Younge, Dwayne (INE/TSP)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	N/A
▪ Date of TC Abstract authorization:	07 Aug 2019.
▪ Beneficiary:	Co-operative Republic of Guyana (GY)
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC Strategic Development Program for Countries(CTY); OC Strategic Development Program for Integration(RIN)
▪ IDB Funding Requested:	US\$500,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	24 months
▪ Required start date:	July 15, 2019
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	INT/TIN-Trade & Investment
▪ Unit of Disbursement Responsibility:	CCB/CGY-Country Office Guyana
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Economic integration

II. OBJECTIVE AND JUSTIFICATION

2.1 **The objective of this Technical Cooperation (TC)** is twofold: (i) to improve trade facilitation and logistics activities at the Port of Georgetown, Guyana, and (ii) to increase institutional capacity of the Maritime Administration Department (MARAD). Building on recommendations to improve operational efficiency in a previous Port Site Location study ¹, this TC will advance implementation of specified recommendations at the Port of Georgetown. The TC will also identify areas for improvement in MARAD's institutional capacity, provide technical assistance in capacity building and institutional governance in relation to the impending increase in trade and maritime transportation related to oil and gas activities, and to assist the

¹ MTBS (2019). Site Selection for a New Deep-Water Port in Guyana. Mimeo. This study was financed through a technical cooperation (GY-T1098) for use by the Government of the Co-operative Republic of Guyana and was unpublished.

agency in complying with its international obligations, including various instruments of the International Maritime Organization (IMO).

- 2.2 **Justification:** The port of Georgetown plays a key role in Guyana's economy and accounts for around 80-90 percent of the country's trade in terms of volume and weight.² However, efficiency gains are needed to improve trade facilitation in and competitiveness of Guyana's port sector, to increase capacity, and to enable future transit transport between Guyana and Brazil.
- 2.3 To support these objectives, the IDB previously commissioned a technical assessment to provide a recommendation for the location of a deep-water port through the identification of viable alternatives for locating the proposed facility, including marine- and land-related infrastructure. Throughout the assessment, the impact of envisaged industrial and logistics facilities and the role of other key factors were taken into consideration, including climate change, international trade, developments in the oil and gas sector, and social issues.
- 2.4 At the same time, preparing for and eventually constructing a new deep-water port has a six- to ten-year time horizon. Given the urgency of improving efficiency of the Guyanese maritime sector in a shorter time frame, the assessment also made recommendations for investments and reforms needed immediately. The "interim solution" takes the existing situation as the starting point – i.e. it will assess ways to boost the efficiency and competitiveness of the Port of Georgetown in a manner that causes the least amount of disruption to current terminal operators. In order to reduce the transaction costs and time to import and export cargo at the Port, the focus of the interim solution is: 1) a spatial/operational solution to enhance port operations; 2) regulatory/institutional improvements, i.e. more facilitating trade measures; 3) adoption of technology platforms and other operational efficiency tools, e.g. Port Community System and; 4) an investment plan for the interim solution.
- 2.5 Operational efficiencies must be complemented by a strengthening of the institutional framework. MARAD – as a traditional National Maritime Administration Department – has the primary responsibility to uphold all safety measures so that passengers and crew members alike can be safe along the country's waterways and rivers. In addition, MARAD's Ports and Harbours Division is responsible for the management and development of the Ports in Guyana. Considering these responsibilities, MARAD needs institutional strengthening to align the agency with international best practice, prepare for the increased demand on resources due to enterprise in the energy sector, and assist them to comply with obligations in the IMO's instruments such as the FAL Convention.
- 2.6 **Complementarities:** This TC complements other national operations that support global and regional integration, as well as transport efficiency, including the program, Establishing a Single Window for Trade (GY-L1064). The TC is also a follow-up to the Brazil-Guyana Land Link and Deep-Water Port (GY-T1098) technical cooperation. The program is also consistent with other trade and port facilitation initiatives in the Caribbean, including the Trade Sector Support Programme (BH-L1016), Improving Transport Logistics and Competitiveness in Suriname (SU-L1057), and Single Electronic Window for Trade and Business Facilitation (TT-L1044).

² Ibid.

- 2.7 **Synergies:** This technical cooperation is consistent with the areas of intervention identified in the [*IDB Country Strategy with the Cooperative Republic of Guyana 2017-2021*](#), in particular, the pillars of facilitating private sector development and delivering critical infrastructure. The programme also aligns with the [*IDB Update to the Institutional Strategy \(UIS\) 2010-2020*](#) (AB-3008) and with the development challenges of: economic integration, by increasing access to foreign markets by reducing the cost of importing and exporting goods; the cross-cutting theme of institutional capacity, by strengthening of the technical capacities of MARAD. In addition, the TC aligns with and contributes to the 2016-2019 Corporate Results Framework (GN-2727-4) (CRF) by promoting the provision of inclusive infrastructure and infrastructure services. The TC is also aligned with the priorities (trade facilitation and logistics) defined in the *Integration and Trade Sector Framework Document* (GN-2715-6). This intervention is also aligned with the IDB's [*Infrastructure Strategy "Sustainable Infrastructure for Competitiveness and Inclusive Growth"*](#) (GN-2710-5) and the *Transport Division Sector Framework Document* (GN-2740-7), specifically with the strategic principles of providing technical assistance for planning and developing infrastructure that contributes to the economic growth. This TC also aligns with the Strategic Development Program for Integration's focus on supporting borrowing member country efforts to participate in and implement trade agreements, promote trade, investment, and cross-border and regional initiatives; and the Strategic Development Program for Countries' focus on strengthening the capacity of Public Agencies in small and vulnerable countries to design, plan, and assess public policies.
- 2.8 **Expected results.** This TC will provide inputs and technical assistance for the facilitation of trade at the port and ensuring institutions are sufficiently strengthened to manage increased flows of goods into Guyana.

III. DESCRIPTION OF ACTIVITIES AND OUTPUTS

- 3.1 **Component 1. Development of a Technical Proposal and Roadmap for Improving Trade Facilitation at the Port of Georgetown (US\$150,000).** This component will finance the development of the overall vision for the Port of Georgetown including a technical proposal and roadmap for optimization of the institutional framework and operations in the Port of Georgetown to improve trade facilitation and logistics activities, which will serve as an input for a larger programme to support implementation. Among others, it will propose the number of participating operators, the scope of activities, and a zoning plan. Importantly, it will consider any future developments in Guyana, including the development of the deep-sea water port currently envisioned, and activities in the oil and gas sector.
- 3.2 **Component 2: Strengthening of the Maritime Sector (US\$250,000).** This component is geared towards providing technical assistance and institutional strengthening to MARAD in order to improve its governance of the Maritime Sector. It includes financing a legislative and regulatory review of the Maritime Sector and MARAD; support for MARAD through training and knowledge transfer to align the agency with international best practice in Maritime Administration and to prepare for the strain on resources due to increased activity in the energy sector; and assistance to comply with IMO's obligations in the FAL Convention, including a gap analysis for the implementation of a Maritime Single Window.
- 3.3 **Component 3. Diffusion and Project Management (US\$100,000).** Based on the technical proposal (Component 1) and training needs (Component 2), this

component will finance two separate sets of workshops. The first workshop will present the final proposal for the Port of Georgetown to port and government stakeholders. The workshop will also serve as an opportunity to facilitate agreement and initiate contract negotiations between interested terminal operators and the Government of Guyana. The other workshops will facilitate training related to institutional strengthening for MARAD. This component will also finance a technical coordinator who will support execution of the activities in this TC, including liaising with consultants, terminal operators, and government representatives; seeking consensus on recommendations; and the preparation of the workshops.

- 3.4 The total estimated cost of the technical cooperation is US\$500,000, financed by the RIN (US\$200,000) and CTY (US\$300,000) on a non-reimbursable basis.

Indicative Budget (in US\$)

Component	IDB/RIN	IDB/CTY	Counterpart Funding	Total Funding
Component 1 Development of a Technical Proposal and Roadmap for Improving Trade Facilitation at the Port of Georgetown	150,000	0	0	150,000
Component 2 Strengthening of the Maritime Sector	0	250,000	0	250,000
Component 3 Diffusion and Project Management	50,000	50,000	0	100,000
Total Funding	200,000	300,000	0	500,000

- 3.5 This TC will be supervised by the Trade and Investment Division (INT/TIN) in close collaboration with the Transport Division (INE/TSP) and the Country Office for the Republic of Guyana (CCB/CGY).
- 3.6 **Monitoring and evaluation.** The implementation of the Components of this TC will be monitored by the technical coordinator and in collaboration with the Team Leader. The main purpose of Component 3 is to create a coordination point within the Bank to oversee and monitor all activities undertaken as part of this TC. In this context, Component 3 will coordinate the production of status reports, communication with all relevant stakeholders, logistical and content-related organization for any necessary meetings, and supporting research for Components 1 and 2. The TC will also be monitored closely by the TSP and TIN consultants based in Guyana and Suriname.

IV. Executing Agency and Execution Structure

- 4.1 Responding to the request from the beneficiary, the Bank will be the project's executing agency, through the Trade and Investment Division (INT/TIN), given the highly technical nature of the activities and the fact that it needs a high level of coordination and interdependence. Moreover, both INE/TSP and INT/TIN have been the institutional coordinators, mediators, and interlocutors for all relevant activities for previous TCs related to this (GY-T1098). Likewise, the Bank has the technical experience and capacity to ensure a high quality of products and activities to be carried out for this project.

- 4.2 The execution and disbursement period will be 24 months and the UDR will be CCB/CGY. The activities to be executed under this operation will be included in the Procurement Plan and will be executed in accordance with the Bank's established procurement methods, namely: (i) hiring of individual consultants, as established in AM-650 standards; (ii) contracting of consulting firms for services of an intellectual nature according to GN-2765-1 and its associated operational guides (OP-1155-4); and (iii) contracting of logistics services and non-consulting services according to policy GN-2303-20.

V. PROJECT RISKS AND ISSUES

- 5.1 The risk associated with this TC include the lack of commitment from the terminal operators and other stakeholders in the preparation of the Action Plan for the Port of Georgetown. To date, and in previous workshops, these stakeholders have expressed strong interest in improving performance. This risk will be mitigated by strong engagement by the Country office and the TIN and TSP specialists involved in these activities in Guyana. An additional risk is insufficient commitment or availability of MARAD for participation in training and other capacity building.

VI. ENVIRONMENTAL AND SOCIAL CLASSIFICATION

- 6.1 As this TC involves the procurement of consulting services, it does not pose environmental and social implications. Therefore, classification under Category C is suggested, per the Environment and Safeguard Compliance Policy (OP-703).

Required Annexes:

[Results Matrix_64405.pdf](#)

[Terms of Reference_55405.pdf](#)