

GEO

Guyana Economic Opportunities

Investor Roadmap Follow-up: Reducing Administrative Barriers to Investment

**Prepared by
James Butcher**

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Chemonics International Inc.

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Management Systems International Inc.

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Acronyms Used

APHIS	Animal & Plant Health Inspection Service
CARICOM	Caribbean Community
CARIBCAN	Caribbean Canadian trade agreement
CBH	Central Board of Health
CBI	Caribbean Basin Initiative
CHPA	Central Housing & Planning Authority
EPA	Environmental Protection Agency
FDD	Food and Drug Department
FSPS	Fire Services Prevention Section
FTAA	Free Trade Area of the Americas
GEO	Guyana Economic Opportunities Project
GNBS	Guyana National Bureau of Standards
GO-Invest	Guyana Office of Investment
GGMC	Guyana Geology and Mines Commission
GOG	Government of Guyana
GSWC	Georgetown Sewage & Water Commission
IRD	Inland Revenue Department
MERCOSUR	Southern Common Market
OSH	Occupational Safety and Health Commission
SOW	Scope of Work
UK	United Kingdom
USDA	United States Department of Agriculture

1 Introduction

The genesis for this assignment into looking at administrative barriers to investment¹ in Guyana results directly from the previously developed *Guyana Investor Roadmap* (December 2000) and the corresponding *Beyond the Roadmap* (March 2001) report. The Investor Roadmap was developed by the Guyana Office of Investment (GO-Invest) with assistance from the Guyana Economic Opportunities (GEO) Project. As a result of the Roadmap exercise several “how to” guides on various aspects of investment in Guyana were created and a number of findings and recommendations for investment process improvement in Guyana were identified. Readers are encouraged to read the *Guyana Investor Roadmap*, and the *Beyond the Roadmap* reports to put the recommendations in context.

2 The Need for Investment Environment Improvements

Reducing administrative barriers and establishing an efficient, predictable investment environment is a critical component of increasing private sector participation in Guyana’s formal economy. Such barriers include excessive bureaucratic regulations, a not always transparent policy implementation, and a lack of basic information about the investment process. Administrative barriers can also be seen in areas such as standards, civil servant mind-sets, public sector leadership and coordination, etc. These barriers affect the development of a dynamic private sector by retarding the investment and growth of certain industries thereby costing the Guyanese business community time and money.

Increasingly, the ease of doing business in a country has become a major variable in multinational corporate decisions about where to invest. One recent study on investment across 67 emerging economies from 1978 to 1995 showed that “while investors are willing to negotiate, they seek stability and transparency, preferring clear-cut and consistently implemented regulations to individual privileges gained through wheeling and dealing.”² Similarly, a case study conducted on Intel’s decision of where to locate a major production facility showed that, “reports of corruption or instability, or political strife are likely to keep countries far from an investor’s list of possibilities.”³

¹ Investment in this report is used in the broadest sense to cover domestic business creation and operation as well as international foreign direct investment and partnership with local business.

² “Foreign Direct Investment and Its Determinant in Emerging Economics” Siskin K.S. Wilhelms. United States Agency for International Development, Bureau for Africa, Office of Sustainable Development African Economic Policy Paper Discussion Paper Number 9. July 1998. pp. 2.

³ “Attracting High Technology Investment; Intel’s Costa Rican Plant” Debora Spar. The World Bank, Foreign Investment Advisory Service; Occasional Paper 11. 1998. pp. 22.

The need to create an efficient and predictable investment environment is widely recognized by most public sector agencies in Guyana. This is not to say that the knowledge about how to change procedures, simplify the investment process, eliminate agency overlap, and reduce corruption exists throughout the government. Indeed, each agency interviewed during this assignment had its own perspective on process improvement, and willingness to participate in streamlining the process varied from agency to agency.

One example of an investment process inefficiency cited by various agencies is the lack of knowledge about, and adherence to, the regulatory process prior to certain private sector investment decisions. Often, regulatory agencies⁴ are advised of an investment after the fact. In some cases lack of compliance can be seen as a deficiency in knowledge about the investment process, but often the avoidance of recognized procedures results from attempts to limit delays and denials in seeking governmental approvals. This practice of not seeking approvals is not an uncommon practice in the private sector for some processes and procedures. The resulting issues raised by many of the public sector officials interviewed are symptomatic of a larger need for increased interagency communication and cooperation. Some examples of the issues raised are:

- a difference in opinion regarding a common purpose in providing government service (i.e. regulation vs. investment promotion);
- overlapping mandates, and;
- an avoidance by some agencies of following stated investment procedures in order to avoid known administrative barriers.

Given the sometimes large discrepancies between agency targets with actual times to complete approvals, supply permits or other administrative tasks in the investment/business process, few would deny that reducing administrative barriers or delays would help improve the business and investment environment. Where reliable information is available, this report incorporates international best practices in other similar developing country environments as well as an agenda consistent with the existing programmatic focus of the GEO Project and the international donor community's programs in Guyana.

3 Purpose

It should be noted that the present report is not meant to be an all inclusive set of recommendations for improving or eliminating all bureaucratic red tape or for improving the public service in general. Instead the objective is to identify areas and agencies where improvements may be possible and to make recommendations on steps the GEO Project and Project partners may want to consider, within the context of the project mandate and resources.

⁴ The Investor Roadmap Manual describes these regulatory agencies as “permit agencies” to include – the Environmental Protection Agency (EPA), Occupational Safety and Health Authority (OSH), Fire Services Prevention Section (FSPS), Food & Drug Department (FDD), Public Health Department/Central Board of Health, Guyana National Bureau of Standards (GNBS), and Manufacturers Registration.

The purpose and corresponding results of this report are twofold:

First the implementation of the Investor Roadmap by GO-Invest is reviewed in Section 4. The Roadmap was officially handed-off in July of 2001 and now, 9 months later, this follow-up demonstrates the impact of the Project on GO-Invest and the investment process in general. Based on this assessment, areas for improvement surrounding the extension, dissemination, and maintenance of Investor Roadmap information are identified.

Second, recommendations for reducing administrative barriers to investment in Guyana are presented in Section 5. These recommendations do not represent an institutional strengthening or public sector modernization initiative per se. Rather, the recommendations focus on very practical measures that can be implemented over the next 18 months by the GEO Project to reduce administrative barriers to investment or, put another way, improve the investment environment in Guyana.

Annex I provides detailed terms of reference for this assignment.

4 Roadmap Implementation

The *Beyond the Roadmap* report gave the following recommendations regarding extensions, dissemination, and maintenance of the information contained in the Roadmap:

- GO-Invest and GEO to establish a calendar for updating the Roadmap, and reviewing the content in its different forms and formats;
- Create a set of sectoral Roadmap extensions;
- Create a set of information sheets and publish the Roadmap on GO-Invest's website;
- Publish the investment related forms in PDF format on the GO-Invest website, have GO-Invest continue to collect new forms related to the investment process, and distribute these forms to the regions using the chambers of commerce and other private sector organizations;
- Make the complete Roadmap and information sheets available to the public agencies in the regions.

The review of Roadmap implementation conducted during the course of this assignment looked at progress made on the items identified in the *Beyond the Roadmap* report as well as the general impact made by the investor Roadmap on GO-Invest performance.

In June 2001, the Roadmap was handed-off to GO-Invest. The Roadmap includes a basic Manual, 28 fact-sheets, and a new section on GO-Invest's website. The investment related forms and the fact-sheets have been made available in PDF format on the website. These materials were initially distributed to a wide audience of public officials and private sector representatives from Georgetown and the regions on 22 June 2001. Annex III contains a list of individuals, agencies, and organizations who have received the manual and fact-sheets. At the handoff,

several meetings were held with Go-Invest staff to discuss the best ways to keep the document up-to-date. GO-Invest agreed that the information contained in the report was only useful to its clients if it was consistently updated and disseminated to the various stakeholders in the investment process.

During this assignment the first round of updates to the Roadmap was initiated. GO-Invest has created a set of edits which are ready to be incorporated into the information set for the annual revisions. A mailing list was created to include all relevant public and private sector entities involved with investment in Guyana. From this mailing list the first updated section on Incentives will be sent. Finally, this revised set of information is being made available to a wider audience in order to increase the original “reach” of the documents. In this regard, it is recommended that the Roadmap be distributed, in both hard copy and on computer disk, to each of Guyana’s diplomatic missions as a source of information for potential overseas investors.

4.1 Further assistance

The roadmap extensions to cover the forestry and mining sectors have yet to be undertaken. GEO should provide assistance for developing these addendums to the Roadmap. These two extensions, as well as one for tourism, were suggested in meetings with GO-Invest and the EPA. Both institutions mentioned the need to provide deeper information for specific investment opportunities. The implementation of this activity is detailed in Section 5.2.4.

4.2 Impact

The GO-Invest staff consistently point out that the information provided by the Investor Roadmap has greatly improved their own knowledge. The staff cited a real impact on their ability to speak with clients from an informed perspective and they were generally enthusiastic about the impact of the fact-sheets on their ability to convey relevant information to their clients. When the Roadmap process began the staff was not aware of all the steps involved with the investment process or at least did not have a clear understanding of the requirements of all the agencies involved. Now staff members are more conversant in the general process of investment in Guyana and are becoming experts in certain aspects of the process. Furthermore, the fact-sheets are used on a regular basis as a means of providing information to clients about specific agency requirements. One member of the GO-Invest staff, when asked about how the Roadmap was used on a day to day basis, said, “the Roadmap is the thing” used to disseminate information to the public.

According to the Result of a 2001 Client Satisfaction Survey For GO-Invest (January 2002), GO-Invest has been able to significantly improve their performance between 1999 and 2001. For example, the average time to process duty-free concessions has fallen from 7 months in 1999 to 2 months in 2001.

Staff at GO-Invest have begun to follow-up with the various government agencies involved in the investment process to realize better coordination in their efforts. Furthermore, the Roadmap information has been made available to all persons or organizations contacting GO-Invest and requiring investment information.

5 Reducing Administrative Barriers

As indicated earlier, these recommendations are not intended to be an overhaul of the system. It is also important to keep in mind that any type of change is difficult and often meets resistance. The steps recommended here are small steps, which if successful may lead to an openness for future changes. Changes of processes and procedures is a sensitive issue. The ultimate impetus, if change is to succeed, must come from within the agency.

5.1 Key principles for success

As stated in the *Beyond the Roadmap* report, good recommendations are "actionable". This action plan draws from this principle and puts forward actionable items that have the best opportunity for "early wins" (see text box) in order to create momentum in policy and procedural reform. Therefore, the approach focuses on practical activities that have been vetted with the public and private sectors and therefore, provide acceptable entry points for reducing administrative barriers to investment.

“Quick Successes”

Guyana faces a number of challenges in establishing an improved investment environment. It is therefore, critical to begin this important process at a point where the goals are feasible, and tangible results can be realized within a time frame that builds support for further reforms. Small quick gains can provide essential levers that impact public and official opinion.

The approach must gain the buy-in of the government agencies involved and their respective directors and senior managers. The programmatic approach presented below is geared to leave the government agency participants with a desire to:

1. continue their participation;
2. extend the ideas to their respective staff members;
3. remain focused on strengthening coordination between agencies;
4. find areas where further efficiency improvements can be realized.

From the viewpoint of the businessman and potential investor, the investment processes must be transparent and understandable, timely and predictable, and user friendly. The investor is looking for an environment where there are:

Transparent processes

- Published investment information which accurately conveys the investment process;

- Reliable information available to the individual investor regarding the status of their respective application;
- A consistent means of addressing application issues and appealing undesirable determinations;
- Independently audited systems;

Timely, affordable, predictable systems

- Published approval/process times which are adhered to;
- Well coordinated government agencies informed about the investment process as a whole;
- Rationalized, affordable (in terms of time and cost) application procedures.

Service orientation

- Well organized and efficient customer service points;
- Well trained, customer oriented public servants;
- An engaged private sector providing recurring feedback;
- Effective client management by public agencies.

5.2 Recommended Interventions

The following table outlines the five areas for possible Project interventions with specific activities, and prospective participants as identified through interviews. This table will serve as the framework for and as a guide for the remainder of this report. Each subsequent section corresponds with the proposed activities listed in the table.

Exhibit 5a. Interventions

Area of Focus	Proposed Activity	Preliminary participants	Described in
Inter-agency cooperation	Roundtable discussion(s)	<p>The list of agencies who have expressed interest are:</p> <ul style="list-style-type: none"> • Central Board of Health • Customs & Trade Administration • CHPA • Deeds and Land Registry • EPA • FDD • Fire Services Prevention Section • Georgetown City Engineers Dept. • GO-Invest • GNBS • OSH <p>Follow-up with the Lands & Surveys Commission is recommended.</p>	Section 5.2.1
Civil servant performance	Client management training	<ul style="list-style-type: none"> • Customs & Trade Administration • Deeds and Land Registry • GO-Invest • Georgetown City Engineers Dept. • IRD <p>Follow-up will occur in the week preceding and during the 1st roundtable meeting to determine the potential participation of the remaining agencies.</p>	Section 5.2.2
Institutional efficiency	Workflow audit	<ul style="list-style-type: none"> • Customs & Trade Administration • GO-Invest <p>Follow-up will occur in the week preceding and during the 1st roundtable meeting to determine the potential participation of the remaining agencies.</p>	Section 5.2.3
SME specific constraints	<ol style="list-style-type: none"> 1. Trade policy matrix; 2. Duty drawback analysis; 3. US phytosanitary initiative; 4. Export free zone analysis; 5. Exporter and sectoral roadmaps. 	<ol style="list-style-type: none"> 1. To be determined but perhaps the Ministry of Foreign Trade, Ministry of Commerce, or GO-Invest. 2. Customs and Trade Administration; 3. GNBS; Min. Agri. 4. Customs & Trade Administration; Go-Invest 5. To include but not limited to: FDD, GNBS, GGMC, Go-Invest. 	Section 5.2.4
Continuation of on-going GEO activities	<ol style="list-style-type: none"> 1. Trade policy strategy; 2. Electronic investment forms; 3. Electronic investment media; 4. Client management database; 5. Fact-sheets; 6. Service center creation. 	Ministry of Foreign Trade, GO-Invest, GNBS	Section 5.2.5

5.2.1 Inter-Agency roundtable discussions

Many agencies are involved in the investment process. Many of those contacted noted the need for better coordination among themselves. The objective of hosting inter-agency roundtable discussions is to facilitate increased coordination among investment related public sector agencies and officials. It follows that once the investment process as a whole is understood, and agreed to by the governmental stakeholders, an initiative to improve that process is the logical next step. The idea of roundtable discussions between investment related governmental institutions was initiated by GO-Invest and received supportive feedback from all government agencies contacted with the exception of Inland Revenue Department (IRD). In fact, nearly every agency interviewed during the development of this report either initiated discussion about a need to improve coordination or endorsed the idea of using the information collected in the Investor Roadmap to improve interagency coordination.

Two sets of facilitated roundtable discussions are suggested. To successfully carry out these roundtables, the following sequential steps are recommended:

Step 1. Conduct private sector surveys and design possible pilot projects.

A. Survey the private sector to determine areas where improvements in efficiency are needed and to build on areas where performance is deemed appropriate. Furthermore, the survey will be used to provide private sector guidance while avoiding divisive, nonproductive confrontations. The survey will focus on the entire investment process and its components such as building approvals, acquisition of land, application for and renewals of operating permits, etc.

B. Pilot projects/training programs. The purpose of designing these projects is to provide the roundtable participants with suggested modules and interventions for discussion.

Step 2. Build consensus, refine the list of roundtable participants, and accomplish the first roundtable. Both the facilitator(s) will suggest and build consensus for the proposed agenda with the participating agencies. During these meetings the agenda will be refined and a list of agencies willing to participate in the pilot projects will be defined.

Detailed illustrative agendas for both of the roundtable discussions is provided are Annex IV.

Step 3. Initiate the pilot projects with identified agencies.

As mentioned in Step 1, the pilot projects will be designed before the first roundtable discussion to provide an avenue for engaging participants with specific activities which are useful, practical, and desirable. Resulting from the preparation for and implementation of the first roundtable a group of agencies will be determined who are willing to undertake the pilot projects. To maintain momentum for change, the pilot projects will be scheduled to begin as soon as possible following

the first roundtable. The first set of possible pilot projects are described in Section 5.2.2 and 5.2.3 to follow.

Step 4. Hold a second set of specifically focused roundtable discussions

The second roundtable discussion will include groups of agencies involved with specific investment related processes. Although several investment procedures are apparent in Guyana's regulatory system, two procedures seem the most feasible for these discussions:

1. The agencies involved with site development to include:
 - GO-Invest
 - Central Housing & Planning Association
 - Guyana Sewerage and Water Commission
 - Occupational Safety and Health Authority
 - Fire Service
 - Georgetown City Engineers
 - EPA
2. Agencies involved with land acquisition:
 - Central Board of Health
 - Deeds and Land Registry
 - EPA
 - GO-Invest
 - Lands& Surveys Commission

Both roundtable discussions will focus on finding means of strengthening inter-agency cooperation regarding a specific process. During the second roundtable the participants will decide if further meetings are desirable. It can be expected that successful roundtables will lead to further discussions

5.2.2 Client management training

The purpose of the client management training is to strengthen agency staff's ability to manage client's needs, expectations, and complaints. A deficiency of knowledge and a resulting poor attitude toward customer service by Guyana's public servants have been cited consistently by both business people and agency officials. The training programs are meant to:

- Improved general communication skills;
- Strengthen the sense of teamwork and productive collaboration;
- Improve client management;
- Improve management of client's complaints.

In order to achieve these goals, a series of training modules will be developed and presented. Although each agency will schedule and undertake the training separately, the content for several of the training programs will remain the same across agencies.

Potential course topics for the training modules include:

- The patterns of effective communication;
- Building rapport, listening skills, the use of body language in communication;
- Methods for improving service;
- Principles of building and maintaining a professional relationship;
- Serving the unique needs of each client and prospect;
- Proactive client management.

One example of this type of training is a workshop in which GO-Invest staff participated in November of 2001. The training focused on communication skills development and consisted of two Friday and Saturday sessions. The workshop focused on areas for individual, organizational, and managerial improvements in communication and teamwork. Specifically the issues covered included:

- SWOT analysis;
- The organizational mission statement;
- GO-Invest external linkages;
- Management of information;
- Report writing;
- Self confidence and mutual trust;
- Structured planning;
- Monitoring and evaluation systems.

The CEO and staff at GO-Invest considered the workshop useful and similar training program are being planned to further develop these skills. The results of a recent client satisfaction survey at Go-invest indicated a dramatic improvement in the way the agency is viewed by investors, after having adopted a customer orientation as **the** way of doing business.

5.2.3 Work flow audit

The purpose of the workflow audit is to strengthen individual institutions' workflow leading to increased internal efficiency. The audit will systematically dissect the participating agencies' current procedures with the intent of creating improved provision of government service. A reshaped government agency will be trimmer and more efficient and improved workflow will result in productivity gains, a reduction of operational costs and improved service.

The audit will investigate the delegation of responsibilities, organizational structure, method of interaction between staff, document and task management, etc. The audit will explore these

issues at each level of the organization and for each area investigated the auditor will examine such questions as:

- What purpose is the approval/step intended to serve?
- How easy is it to go through the respective approval?
- How long does it take to process?
- What is the cost of each step in terms of time and money?
- What would be lost if the step was eliminated/combined?

The audit will assess the documentation required by the agency. It will determine if these permits and forms are understood by the general public. Recommendations will include:

- the information requested – its purpose, cost, need;
- its relation to information requested by other agencies - in some cases forms might be simplified or combined;
- its ability to be understood by the common investor – a survey might be conducted, for example, to help simplify the form.

The Customs and Trade Administration is particularly interested in pursuing this activity. The suggestions that were generated from the interviews with this agency's officials were very specific. The officials requested that any assistance work through the US Customs Administration which is currently preparing training programs planned for later in the year or the World Customs Organization (WCO) which has several resources available to Guyana's Customs and Trade Administration. With respect to the former, the suggestion was made that GEO supplement the US Custom's trainings and provide a workflow audit at the same time. The alternative proposed was for GEO to supplement the US Custom's training and work with the WCO separately to provide the workflow audit. Specifically, the WCO has a Customs Reform and Modernization Package which could be implemented. Along with this package a Time Release Study would be valuable according to the Customs officials.

5.2.4 SME specific barriers

This assignment intentionally overlapped with the team operationalizing the GEO SME Program. During the assignment several interviews were jointly held with SMEs and SME partners to determine constraints which specifically affect small and micro businesses. As a result the following list of actionable items is recommended for GEO project assistance:

1. **Trade policy matrix.** This activity is recommended to provide a comprehensive guide of the various accommodations and restrictions associated with the trade agreements to which Guyana is a signatory. Specifically, it would review/include among others, WTO, CARICOM, CBI, MERCOSUR, CARIBCAN, FTAA, Lome/Cotonou and identify areas of convergence and divergence, and highlight market opportunities for SME exporters.

This activity should also pinpoint the appropriate process and agency(s) where the trade agreements should be implemented. Currently, the Customs and Trade Administration is the default agency responsible for enacting trade protocols; however, the suggestion has been made that a certification unit should exist in the Ministry of Foreign Trade or the Ministry of Tourism, Industry and Commerce. The need for this unit can be seen through the example of the CARIBCAN agreement which has been signed but cannot be enforced due to a missing certification stamp.

2. **Duty drawback analysis.** A duty drawback analysis to determine the best method for allowing the duty free importation of inputs for re-export is recommended. One issue that was cited by small exporters was the inability to receive a concession on imported inputs which were then used in exported products. As a result, many producers are using inferior, therefore less economical inputs and are forced to charge buyers the full domestic market price for their goods resulting in a significantly less competitive product. Common examples used were packaging materials, labels, and bottles and lids.
3. **US phytosanitary initiative.** Guyana is increasingly faced with entrance barriers which limit the available markets for certain products. For example, phytosanitary regulations currently limit the export of Guyanese produce to the US. Under the existing international system it is incumbent on Guyanese exporters to determine if the importing country requires certification guaranteeing the commodity meets that country's phytosanitary regulations; for example, freedom from a particular prohibited insect. These US requirements are the most important to address for Guyanese producers. Phytosanitary certificates are issued by USDA's Animal and Plant Health Inspection Service (APHIS). It is therefore, suggested that GEO initiate and foster communication between United States Department of Agriculture's (USDA) APHIS and the appropriate Guyanese agency such as the National Bureau of Standards or the Ministry of Fisheries, Crops and Industry.
4. **Export free zone analysis.** According to the World Free Zone committee export free zones are, "increasingly becoming recognized as the way to fast track growth because they offer powerful tax, financial and operational benefits for manufacturers and service providers in return for inward investment and job creation for host countries." While the committee is not an impartial source, export free zones are being utilized in many countries around the world to promote foreign investment and economic growth. It has been suggested by the Customs and Trade Administration that the Linden area might be an ideal location for such a export free zone. It is recommended that the GEO project provide a comprehensive analysis on the potential for an export zone in Guyana. Annex V provides examples of export free zones in 33 countries and their accompanying websites for further information.
5. **Exporter and sectoral roadmap extensions.** The Investor Roadmap was developed from the perspective of general manufacturing. Therefore, certain business endeavors

exist which may require the investor to take additional steps in navigating the investment process. As a compliment to the existing information in the Investor Roadmap a number of sectoral Roadmaps are suggested to include:

- the geology and mining sector;
- the forestry sector.

Furthermore, as the GEO's SME program begins to support enterprises' interested in exporting, the creation of an exporter's roadmap will be needed. This roadmap will look at the steps necessary and resources available to export. Topics could include transport, labeling and packaging requirements, market analysis, etc.

5.2.5 Complimentary GEO activities.

Many activities managed by GEO are geared toward promoting a more efficient investment process in Guyana. The points which follow illustrate the activities which GEO has, or is currently, undertaking and are recommended for implementation, and if possible, replication at other willing agencies or continuance with respect to ongoing activities.

Completed GEO activities:

1. **Communications strategy.** GEO has successfully completed communication strategies with both GO-Invest and the GNBS. These strategies were well received by the agencies and would be useful to both the EPA and OSH. Both agencies cited a lack of public awareness about their mandates, procedures, and regulations as significant issues related to their ability to perform their function effectively and efficiently. It is therefore suggested that further discussions occur with these institutions to further assess GEO support for this activity.
2. **Trade policy strategy.** Currently the GEO project is providing the Ministry of Foreign Trade with assistance in developing a trade policy strategy. This strategy development compliments the trade policy matrix mentioned in the previous section and should, if deemed appropriate be incorporated into this initiative.

Current GEO activities. The following activities have been developed by GEO and are ready for implementation:

3. **Electronic versions of investment related forms.** Annex A of the *Investor Roadmap Reference Manual* provides hardcopies of the forms needed to navigate the various agencies involved with the investment process. Similarly, the GO-Invest web site provides these forms online in PDF format. A natural next step in deepening the information available to prospective investors is to create electronic versions of the investment related forms which allow an investor to fill-out the form through a word

processing program rather than manually. With the exception of the EPA, no government agencies interviewed currently provide their investment related forms in an electronic format and all were open to this activity which includes the following benefits:

- Electronic forms allow for overseas and regional investors to eventually submit their form by email or via the website through ftp or html protocols.
 - Electronically formatted forms make the process of rationalizing and simplifying the information requested more practical.
 - The forms can be easily stored and retrieved allowing for an investor to better document their investment process.
4. **Create electronic investment media.** The information currently available to an investor is largely hard copy material. Despite this fact, much of the material exists in an electronic format which is easier and more economical to disseminate to investors. GO-Invest stated that a professional quality CD is needed for trade fairs and in responding to certain investors. Furthermore, while most domestic investors are not at this time using CDs for information of this nature, a series of diskettes would allow GO-Invest to provide information in a more economical and practical manner to the domestic investor. It is recommended therefore, that GEO assist GO-Invest in creating a CD and a set of diskettes containing electronic versions of the investment related forms, the Investor Roadmap Manual and corresponding fact-sheets, and any other relevant investor material developed. These electronic media will contain a GO-Invest label and a “last-updated” date.
5. **Install GO-Invest client management database.** To improve the dissemination of information to private business persons, GO-Invest and GEO have begun discussions surrounding the implementation of a client management database. Implementing this database will assist in the dissemination of investment related information through:
- creation of a mailing lists for interested public and private sector individuals distribute new and updated Investor Roadmap materials;
 - track the actual time that approvals take across the spectrum of investment initiatives thereby allowing for a targeted improvement effort by GO-Invest staff;
 - manage client’s investment initiatives more appropriately through the use of reminders, shared contact information, a collective account of previous contacts, etc.,

One agency which requested assistance similar to the GO-Invest database was the Georgetown City Engineers Department. This agency has basic equipment for electronically managing building plans for businesses; however, they need technical assistance to provide a document management system and training. Further investigation into the exact nature of this assistance is necessary before a recommendation can be made regarding GEO support of this request.

6. **Fact-sheet updates and new fact-sheet creation.** While the impact assessment conducted as a part of this assignment (and detailed in section 4) showed the important

impact of the Investor Roadmap Fact-sheets on GO-Invest operations, it also revealed a need for further assistance in the maintenance and extension of these fact-sheets. It is recommended, therefore, that GEO provide assistance in creating and distributing an updated series of fact-sheets. This updated series will include:

- additional fact-sheets to cover a basic overview of Guyana; of Go-Invest; of priority sectors, etc.
- GO-Invest, market surveys as described in the *Market Information Training and Needs Assessment* (February 2002), and;
- the newly mapped sectors as previously described;
- development of investment information and process materials for each agency stemming from the workflow audit as described in section 5.2.3. The fact-sheets would be tailored for each agency and at every step in the process provide each with an individual and also codified guide to business creation in Guyana.

7. **Service center creation.** In the communication strategy, it was recommended that GO-Invest create a more efficient, customer oriented access point within the existing GO-Invest building to facilitate improved information dissemination. This activity would allow the GO-Invest officers to focus on clients with specific needs rather than as informational points within the institution and would result in a remodeled entry point for GO-Invest clients that would provide currently available investment information in hardcopy and electronic format.

The GO-Invest customer information center may also serve as a model for other agencies' customer access points. After this remodeling is complete, the GEO might consider working with agencies to create simple customer improvement procedures based upon the GO-Invest model. A preliminary list of these procedures include:

- relevant, consistent information posted at the customer access point of all investment related institutions;
- an expedited service for investors coming to Georgetown from the outer regions;
- the posting of expected time frames for each step in the investment process.
- improve traffic flow (example: a numbering system);
- create better access to process information (posting investment forms, fact-sheets, etc.);
- create a more equitable, organized system for client contact.

Annex I – Scope of work for this assignment

Position: Business/Investment Specialist

Purpose of the assignment: To review the implementation of the investor Roadmap, assist GO-INVEST in identifying areas and agencies where administrative barriers to investment can be reduced or eliminated, and to work with GO-INVEST and the relevant agencies to develop a program of assistance aimed at improving agency performance and speeding up the approval process.

Background: Last year the USAID GEO assisted GO-Invest to develop an Investor Roadmap. The Roadmap details the bureaucratic steps necessary to begin and operate an enterprise in Guyana. As part of this exercise GEO developed marketing materials and web pages aimed at facilitating the distribution of the contents of the Roadmap to potential investors.

Work on the Roadmap also provided a number of findings and recommendations aimed at reducing the administrative barriers to investment in Guyana. Based on some of these findings and recommendations, the GEO project has been asked by GO-INVEST to provide assistance in formulating a strategy for reducing bureaucratic red tape within the investment process. Bureaucracies in general are noted for their resistance to change. It is highly likely that the agencies in Guyana are an exception. A model for success with one or a few agencies will be critical in persuading other agencies to adopt similar streamlining procedures.

Types of initiatives to be explored that would improve the application/permit process include:

- 1) Creation of a harmonized business ID which would follow a business through the entire process and make tracking the process easier.
- 2) Development of investment information and process materials for each agency. This would essentially capitalize on the investment process identified and fact sheets created in the Investor Roadmap process. The fact sheets would be tailored for each agency and at every step in the process provide each with an individual and also codified guide to business creation in Guyana.
- 3) Creation of basic customer service protocols at the various agencies. An often heard complaint is the lack of a process at customer counters. Solutions to be explored might include special windows for out-of-town client as was recently instituted at Customs, numbering system to ensure first come, first serve, etc.
- 4) Process audits, if acceptable to the agencies, would identify redundant or otherwise unnecessary steps in the flow of applications and permit approvals.

This assignment will be undertaken at the same time as a team will be working on operationalizing the GEO SME Program. Work on reducing the bureaucratic red tape in running a business is a key component or factor to be considered in the SME Program. Therefore, the

Investment Specialist will work closely with the SME Team to ensure that considerations specific to SMEs are included in the strategy for administrative reform.

The Approach:

The GEO Business/Investment Specialist will work closely with the CEO and staff of GO-INVEST to review the Investor Roadmap implementation as well as determine the appropriate course of action for addressing the elimination of administrative barriers to investment. Once a course of action has been decided upon, the Specialist will begin to work with one or several agencies to develop an assistance program aimed at increasing the efficiency/decreasing the red tape associated with operating a business in Guyana. In addition, the Investment Specialist will interact directly with the SME Team and SME partners to ensure that bureaucratic constraints affecting SMEs are identified and considered during this assignment.

Specific tasks:

- Review status of Roadmap implementation.
- Identify agencies willing to work with Go-Invest and GEO to begin the process of reducing bureaucratic red-tape in the provision of permits and approvals
- Identify specific areas where performance might be improved and, given possible agency resistance, those areas which may make the best starting point for introducing change.
- Work with Go-Invest and the relevant agencies to develop a program of assistance aimed at improving agency performance and speeding up the approval process
- Work with SME team and SME partners to identify those areas where administrative and bureaucratic reform might be critical to the success of the SME Program.

Deliverables: An action plan/assistance program for the reducing administrative barriers to investment and the operation of businesses in Guyana.

Annex II. Public Sector Officials and Private Sector Businesspeople Interviewed

Public sector officials consulted:

- J. King De-Mendonca, Central Board of Health
- Lambert Marks, Customs and Trade Administration
- Myrna Pitt, Central Housing & Planning Authority
- Carolyn Paul, Deeds and Lands Registry
- David Singh, EPA
- Food and Drug Department
- Prince A. Dickenson, Guyana Fire Service
- Geoff Da Silva, Cion Profit, Jillian Ross; GO-Invest
- Cephas James, Georgetown City Engineers Department
- Inland Revenue Authority
- Gwen King, Occupational Safety and Health Authority

In association with the team operationalizing the GEO SME programme:

Preliminary visits with SME Partnership Network:

- Manjula Brijmohan, IPED
- Clem Duncan, GMA
- Derek Cummings, GMA
- Geoff Da Silva, Go-Invest
- Roxanne Greenidge, New Guyana Marketing Corporation
- Gordon Studebaker, GEO re: ARCC
- Dr. Mark Bynoe, GEO SME Consultant
- Tom Whitney, GEO Project Director

Meetings with 13 current/potential SMEs and buyers:

- Allan Major, Major's Food Manufacturing (sauces)
- Christopher Chin, Hauraruni Agricultural Development Co. (poultry, fresh fruit)
- Fitzroy Fletcher, Adventure Manufacturing Co. (jams, jellies, juices)
- Rahan Rai, broker and buyer for Bedessee
- Rajendra Mohan, Mohan's Fish Enterprise (frozen fish, fruits, vegetables, spices, peppers)
- Frank Alphonso and Angela Sebastian, Liana Cane Interior Ltd. (cane and nibbi furniture)
- Jit Lall, Prestige Manufacturing and Bottling (sauces and essences)
- Deodat Doodnauth, buyer for Kiskadee
- Pierre Fassbender, Tarakuli Guyana Inc. (fruit cheese)
- Chan Arjune, Arjun Printing and Graphic Arts Services
- Boyo and Brigitte Ramsaroop, Double 'B' Exotic Gardens (cut flowers)

- Bislam Singh, Biso Investments (fresh produce)
- Khemrag Ramkellowan, Caribbean Fruit & Vegetable (fresh produce)

Annex III. Recipients of the Investor Roadmap Manual and Fact-sheets

Ministry of Health	Mayor & City Council - Town Hall	Private Sector Commission
Ministry of Housing & Planning Authority	National Insurance Scheme	Georgetown Chamber of Commerce & Industry
Ministry of Tourism & Industry	Guyana Bureau of Standards	Essequibo Chamber of Commerce & Industry
Ministry of Finance	Guyana High Court	West Demerara Chamber of Commerce
Ministry of Labour	Land & Surveys Commission	Linden Chamber of Commerce & Industry
Ministry of Local Government	Office of the Regional Democratic Council #1	Bartica Chamber of Commerce
Guyana Revenue Authority	Office of the Regional Democratic Council #2	Bartica Chamber of Commerce
Internal Revenue Department Authority	Office of the Regional Democratic Council #3	Upper Corentyne Chamber of Commerce & Industry
Customs & Trade Administration	Office of the Regional Democratic Council #4	Berbice Chamber of Commerce & Development Association
Food and Drug Department	Office of the Regional Democratic Council #5	Brazilian Embassy
Guyana Water Authority	Office of the Regional Democratic Council #6	British High Commission
Environmental Protection Agency	Office of the Regional Democratic Council #7	Canadian Embassy
Central Board of Health	Office of the Regional Democratic Council #8	Chinese Embassy
Food and Drug Department	Office of the Regional Democratic Council #9	EU
Occupational Safety & Health	Office of the Regional Democratic Council #10	US Embassy
Deeds Registry		Venezuelan Embassy
Bank of Guyana		Hon. Council Ireland
Bureau of Statistics		Russian Embassy

Annex IV. Prospective roundtable agendas

The participants in the roundtable discussions will be limited to those government agencies as identified in the Roadmap. The directors of these agencies will be encouraged to bring two to three senior and mid level staff in order to foster deeper linkages between agencies. Agencies already agreeing to participate in the roundtables include:

- Central Board of Health
- Customs & Trade Administration
- CHPA
- Deeds and Land Registry
- EPA
- FDD
- Fire Services Prevention Section
- Georgetown City Engineers Dept.
- GO-Invest
- GNBS
- OSH

The Internal Revenue Authority declined to participate and the Lands & Surveys Commission was not available for interview. However, Lands & Survey is considered important in fostering better intergovernmental coordination and therefore should be especially encouraged to attend.

The **1st roundtable** meeting will be the key to the roundtable's overall success. As several agencies have conveyed, many discussions have already occurred regarding government service improvement, and many public sector officials are ready to begin actual reforms rather than continue discussions. Therefore, the first roundtable discussion will have six key aspects focused on creating enthusiasm, but more importantly, results:

1. An endorsement by the President (or the next highest available official such as the Prime Minister) who will open the seminar and highlight its importance and stress the importance of improving government efficiency.
2. A short presentation from the investment process expert on creating an efficient and responsive public sector, and examples of success stories from other countries similar to Guyana will lead to the discussion of the pilot projects.
3. The pilot projects will be presented and discussed and participants determined.
4. An actual case study will be presented. The case study will focus on improving governmental cooperation based upon an actual or combination of private sector cases. The case study will be discussed in breakout sessions. The discussion groups will report back the group's recommendations for addressing the case study.
5. The group will discuss the merits of the proposed solutions.
6. Resulting from the group discussion an agenda to improve intergovernmental coordination will be established. As a part of this agenda the possibility for a second set of roundtable discussions focused on specific aspects of the investment process will be

raised. It is expected that buy-in for these roundtables can be established prior to the meetings with key agencies. Step 4 details the focus of these roundtables.

2nd roundtable meetings. The second roundtable discussion will include groups of agencies involved with specific investment related processes. Although several investment procedures are apparent in Guyana's regulatory system, two procedures seem the most feasible for these discussions:

The agencies involved with site development to include:

- GO-Invest
- Central Housing & Planning Association
- Guyana Sewerage and Water Commission
- Occupational Safety and Health Authority
- Fire Service
- Georgetown City Engineers
- EPA

Agencies involved with land acquisition:

- Central Board of Health
- Deeds and Land Registry
- EPA
- GO-Invest
- Lands & Surveys Commission

Annex V. International examples of export free zones

(if using the electronic version of this report highlight the underlined text and left click the mouse while holding the Cntrl key to view the website)

1. Antigua - Antigua & Barbuda Free Trade & Processing Zone Offshore Business - Antigua & Barbuda Free Trade & Processing Zone Offshore Business;
2. Argentina - Comodoro Rivadavia Free Trade Zone - Comodoro Rivadavia Free Trade Zone; Zona Franca Córdoba - Zona Franca Córdoba; Zona Franca Santafesina - Zona Franca Santafesina;
3. Bangladesh - Bangladesh Export is a data base of potential exporters - Bangladesh Export;
4. Bahamas - Freeport Bahamas: Free Trade Zone - Freeport Bahamas: Free Trade Zone;
5. Belize - Corozal, Commercial Free Zone - Corozal, Commercial Free Zone;
6. Brazil - Zona Franca de MANAUS E Amazonia Ocidental - Zona Franca de MANAUS E Amazonia Ocidental;
7. Bulgaria - Bourgas Free Zone - Bourgas Free Zone;
8. Chile - Zona Franca de Iquique - Zona Franca de Iquique; Zona Franca Punta Arenas - Zona Franca Punta Arenas;
9. China - Dalian Free Trade Zone - Dalian Free Trade Zone; Ningbo Free Trade Zone Ningbo Free Trade Zone; Qingdao Free Trade Zone - Qingdao Free Trade Zone; Shanghai City Waigaoqiao Free Trade Zone - Shanghai City Waigaoqiao Free Trade Zone; Tianjin Port Trade Free Zone - Tianjin Port Trade Free Zone; Zhuhai Free Trade Zone - Zhuhai Free Trade Zone;
10. Colombia - Dunia Tex Zona Franca - Dunia Tex Zona Franca;
11. Costa Rica - Metro Free Zone & Industrial Park - Metro Free Zone & Industrial Park; Ultrapark Free Zone & Corporate Park - Ultrapark Free Zone & Corporate Park;
12. Dubai - Jebel Ali Free Zone - Jebel Ali Free Zone;
13. Egypt - Port Said Free Zone - Port Said Free Zone;
14. El Salvador - El Pedregal Zona Franca - El Pedregal Zona Franca;
15. Ghana - Ghana Free Zones Board - Ghana Free Zones Board;
16. Guatemala - Santo Tomas de Castilla's Zone of Free Trade and Industry - Santo Tomas de Castilla's Zone of Free Trade and Industry;
17. India - Madras Export Processing Free Trade Zone India: MEPZ - Madras Export Processing Free Trade Zone India: MEPZ;
18. Iran - Chabahar Commercial - Industrial Free Zone - Chabahar Commercial - Industrial Free Zone;
19. Jamaica - Jamaica Montego Bay Free Zone - Jamaica Montego Bay Free Zone;
20. Japan - Naha Free Trade Zone - Naha Free Trade Zone;
21. Kenya - Kenya Export Processing Zones - Kenya Export Processing Zones;
22. Madeira - Madeira's International Business Centre (Offshore Centre) - Madeira's International Business Centre (Offshore Centre);
23. Mauritius - Mauritius Freeport - Mauritius Freeport;

24. Morocco - Tangier Free Zone - Tangier Free Zone;
25. Nicaragua - Zona Franca Saratoga - Zona Franca Saratoga;
26. Panama - Colon Free Zone - Colon Free Zone;
27. Portugal - Madeira's Interational Business Centre (Offshore Centre) - Madeira's Interational Business Centre (Offshore Centre);
28. Romania - Freezone Eastgate - Freezone Eastgate;
29. Spain - Cadiz Free Trade Area - Cadiz Free Trade Area, This site is in Spanish Español;
30. Syria - Tartous Free Zone - Tartous Free Zone;
31. Turkey - Aegean Free Zone - Aegean Free Zone;
32. United Arab Emirates - Hamriyah Free Zone - Hamriyah Free Zone;
33. Uruguay - Zona Franca de Montevideo - Zona Franca de Montevideo.