

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	GUYANA/CCB - Caribbean Group
▪ TC Name:	Removing barriers to growth by creating more local opportunities in the oil and gas value chains in Guyana
▪ TC Number:	GY-T1152
▪ Team Leader/Members:	Stevenson, Claudia (IFD/CTI) Team Leader; Navarro, Juan Carlos (IFD/CTI) Alternate Team Leader; Dohnert de Lascrain, Sylvia Eva (IFD/CTI); Pilgrim, Valarie (IFD/CTI); Grant, Kayla Sharee (IFD/CTI); Espinasa Vendrell, Ramon Juan (INE/INE); Balza Angulo, Lenin Humberto (INE/INE); Nunes Da Cunha, Natascha (INE/INE); Sucre Pantin, Carlos Gustavo (INE/INE); Peters, Mark Christopher; Liddell, Clevern Anneliese (CCB/CGY); Lopez de Valles, Maria Fernanda (IFD/CTI); Jimenez De Arechaga, Maria Del Pilar (LEG/SGO); Anganu, Jaiwattie (IFD/CMF)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	27 Jul 2018
▪ Beneficiary:	Cooperative Republic of Guyana
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	\$ 400,000.00
▪ Local counterpart funding:	\$ 0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Individuals
▪ Prepared by Unit:	Competitiveness, Technology and Innovation Division
▪ Unit of Disbursement Responsibility:	Institutions for Development
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation ; Institutional capacity and rule of law

II. Objective and Justification

- 2.1 Remove barriers to growth by promoting the linkages, between Guyanese and foreign enterprises within Guyana's oil industry firms, which will increase the opportunities for nationals to actively participate and engage in the economic activity spurred by recent oil findings.
- 2.2 Guyana's economy has been traditionally highly concentrated in mining and agriculture. Although Guyanese economy has experienced steady growth in the last decade, the high concentration makes the economy vulnerable to external shocks and changes in international conditions. On the other hand, the recent oil findings of offshore oil reservoirs, with first oil production projected for 2020 will bring to Guyana a new set of economic opportunities as well as challenges. The current proven reserves, plus the recent new discoveries will create changes in the overall economic structure of the country and have the potential to not only increase the countries' GDP but also to promote structural economic transformation. If Guyana manages to take advantage of the growth opportunities by involving local companies and employers in the new economic reality, the impact of the new oil discoveries will be maximized. This Technical Cooperation (TC) provides recommendations in the form of detailed action plans for (i)

increasing the supply of more advanced business support services to the local private sector to improve the competitiveness of existing businesses and increase the rate of ideation and deal flow, in areas where there are gaps in the supply of services to the oil industry, including support/indirect services; (ii) increasing access to education and training to develop skills critical to the development of the local private sector; and (iii) stimulating activity in sectors related to the supply of support/indirect services to the oil industry.

III. Description of Activities and Outputs

- 3.1 Component 1. Boosting local capacity for integration of Guyanese human capital into the oil economy. This component will finance a gap analysis of the current education and training offer in Guyana and will develop a strategic plan to: (i) Adapt current curriculum in the University or tertiary institutions to provide professions associated to the petroleum activity; (ii) Liaising with other universities in the region to provide specialization in different areas; (iii) Providing scholarships for international programs in engineering, advanced degrees in the areas related; and (iv) invest in a minimally adequate research capability in areas relevant for the oil industry. Component 2. Linking local firms to the oil and gas economy. This component will support: i) a prospective study on the new economic activities that will emerge as part of the indirect effects of off-shore oil exploration and their complementary activities; ii) an analysis of potential value chain mostly in the indirect areas of the oil and gas value chain and (iii) analysis of financial constraints for SMEs to participate in the existing value chains. Component 3. Dissemination, Coordination and Monitoring. This component will support (i) consultations with stakeholders to validate findings and obtain inputs into the development of recommendations and action plans; (ii) the hosting of workshops to discuss the findings and agree on next steps towards implementation of the Action Plans; and (iii) general coordination, monitoring and reporting activities.
- 3.2 **Component I: Boosting local capacity for integration of Guyanese human capital into the oil economy.** Finance a gap analysis of the current education and training offer in Guyana and develop strategic plans.
- 3.3 **Component II: Linking local firms to the oil and gas economy.** Support a prospective study on the new economic activities and support a series of analysis in different areas related to oil and gas value chain and analysis of financial constraints.
- 3.4 **Component III: Dissemination, Coordination and Monitoring.** Support consultations with stakeholders to validate findings and obtain inputs, host of workshops to discuss the findings and general coordination, monitoring and reporting activities.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Boosting local capacity for integration of Guyanese human capital into the oil economy.	\$ 150,000.00	\$ 0.00	\$ 150,000.00
Linking local firms to the oil and gas economy.	\$ 200,000.00	\$ 0.00	\$ 200,000.00
Dissemination, Coordination and Monitoring.	\$ 50,000.00	\$ 0.00	\$ 50,000.00

V. Executing Agency and Execution Structure

- 5.1 The execution will be carried out by the Bank, through Competitiveness and Innovation Division (IFD/CTI) in coordination with the IDB Country Office in Guyana and the Ministry of Business. The Ministry of Business will oversee all the coordination activities with all the relevant stakeholders.
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VI. Project Risks and Issues

- 6.1 The main risks for this TC are, first, the buy in from the academic institutions to make changes in their academic curriculums in the short term. This risk will be mitigated by providing evidence from results from other countries. Secondly, the difficulty in identifying value chains and setting the participants up to the standards required. This risk will be mitigated by addressing the gaps through the TC. In addition, working closely with other partners too.

VII. Environmental and Social Classification

- 7.1 The ESG classification for this operation is "undefined".