

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	GUYANA/CCB - Caribbean Group
▪ TC Name:	Support to Fiscal Policy and Management in Guyana
▪ TC Number:	GY-T1173
▪ Team Leader/Members:	HARPER, LESLIE ELIZABETH (IFD/FMM) Team Leader; VALENCIA ARANA, OSCAR MAURICIO (IFD/FMM); SOLORZANO SALAZAR, LORENA (CCB/CGY); ALEJOS MARROQUIN, LUIS ALEJANDRO (IFD/FMM); WILLIAMS, DERISE AVIONE (CCB/CGY); DUNBAR, GREGORY A (VPC/FMP); CENTENO LAPPAS, MONICA CLARA ANGELICA (LEG/SGO); KEVISH, MARIA LORENA (IFD/FMM); GONZALEZ SOSA, NATHALIA (IFD/FMM); PAYEN, PATRICIA YAMILEE (VPC/FMP); FERNANDEZ PAINO, IDA MARIA DEL PILAR (IFD/FMM); LOUIS-GRANT, PAULA (VPC/FMP); STEWART, NICHELLE SIOMARA LAVINIA (CCB/CGY)
▪ Taxonomy:	Operational Support
▪ Number and name of operation supported by the TC:	Program to Strengthen Public Policy and Fiscal Management in Response to the Health and Economic Crisis Caused by COVID-19 in Guyana - GY-L1075
▪ Date of TC Abstract:	26 Oct 2020
▪ Beneficiary:	Ministry of Finance
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$700,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	36 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	IFD/FMM - Fiscal Management Division
▪ Unit of Disbursement Responsibility:	CCB/CGY - Country Office Guyana
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Institutional capacity and rule of law; Gender equality

II. Objective and Justification

- 2.1 The general objective of this technical assistance program is to strengthen the efficiency and effectiveness of fiscal policy and management to promote economic and fiscal recovery in the post-pandemic period.
- 2.2 After a decade of robust economic performance, Guyana is poised to emerge as a significant oil producer by the end of 2020. Guyana's growth, however, has not been inclusive. Per capita income remains among the lowest in the English-speaking Caribbean, at US\$7,520 PPP in 2015, and the Human Development Index score stands at 0.64 compared with 0.75 for LAC. Guyana's institutional framework has not been able to translate economic returns into improved outcomes. For this reason, fiscal management has taken on a renewed priority for public policy for the government, especially in its role of funding the transformation and ensuring long-term sustainable provision, and improvement, of public services and infrastructure. This technical assistance program therefore will support the government in the

development of activities needed to improve fiscal management including public procurement, public financial management, public investment and fiscal framework. These activities are associated with conditions of the policy based loan series Program to strengthen fiscal policy and management in response to the health and economic crisis caused by COVID-19 (GY-L1075).

III. Description of Activities and Outputs

- 3.1 **Component I: Public Procurement.** This component will support activities to improve efficiency and value for money in public procurement
- 3.2 **Component II: Public Financial Management.** This component will support key activities needed to improve budgeting and key activities indicated in the PEFA action plan.
- 3.3 **Component III: Public Investment.** This component will support activities that strengthen the public investment management system
- 3.4 **Component IV: Macro-fiscal management.** This component will support activities that will promote fiscal consolidation and strategy in the post-pandemic period.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Public Procurement	US\$200,000.00	US\$0.00	US\$200,000.00
Public Financial Management	US\$150,000.00	US\$0.00	US\$150,000.00
Public Investment	US\$200,000.00	US\$0.00	US\$200,000.00
Macro-fiscal management	US\$150,000.00	US\$0.00	US\$150,000.00
Total	US\$700,000.00	US\$0.00	US\$700,000.00

V. Executing Agency and Execution Structure

- 5.1 The Bank will execute this project.
- 5.2 Bank execution is justified given that the government the government does not have the capacity to manage such a complex program, particularly in a time of crisis with the COVID-19 pandemic. The Bank, on the other hand, has a long track record of executing similar projects as well as highly technical knowledge of fiscal management programs.

VI. Project Risks and Issues

- 6.1 There is also a risk that the government will have competing priorities given the strain that the COVID-19 pandemic has placed on the country. This will be mitigated by continuous technical support and follow up by the IDB team.

VII. Environmental and Social Classification

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