

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

GUYANA

ESTABLISHING AN ELECTRONIC SINGLE WINDOW FOR TRADE IN GUYANA

GY-L1064

PROJECT PROFILE

This document was prepared by the project team consisting of: Mario Umana, Team Leader (INT/TIN); Krista Lucenti, Alternate Team Leader (TIN/CTT); Ana Arias Urones (INT/TIN); Takiyah De Four (INT/CTT); Claudia Stevenson (IFD/CTI); Paula Louis-Grant (FMP/CGY); Ivan Alonso Gaviria (FMP/CGY); Margarita Gómez (INT/TIN); Katryn Persaud (CCB/CGY); Javier Jimenez Mosquera (LEG/SGO).

Under the Access to Information Policy, this document is subject to Public Disclosure.

PROJECT PROFILE

GUYANA

I. BASIC DATA

Project Name:	Establishing an Electronic Single Window for Trade in Guyana		
Project Number:	GY-L1064		
Project Team:	Mario Umana, Team Leader (INT/TIN); Krista Lucenti, Alternate Team Leader (TIN/CTT); Ana Arias Urones (INT/TIN); Takiyah De Four (INT/CTT); Claudia Stevenson (IFD/CTI); Paula Louis-Grant (FMP/CGY); Ivan Alonso Gaviria (FMP/CGY); Margarita Gómez (INT/TIN); Katryn Persaud (CCB/CGY); Javier Jimenez Mosquera (LEG/SGO)		
Borrower:	Cooperative Republic of Guyana		
Executing Agency:	Ministry of Business		
Financial Plan:	IDB (Ordinary Capital):	US\$	3,000,000
	IDB (Concessional Ordinary Capital):	US\$	3,000,000
	Total:	US\$	6,000,000
Safeguards:	Policies triggered:	B.01; B.02; B.03; B.07; and B.17	
	Classification:	C	

II. GENERAL JUSTIFICATION AND OBJECTIVES

- 2.1 The Co-operative Republic of Guyana (“Guyana”) is poised to emerge as a significant oil producer by mid-2020. In the last few years, several oilfields have been discovered offshore Guyana, with first oil production projected for as early as 2020 and Exxon Mobil and Hess corporation committing US \$500 million and \$475 million in investment respectively. To date, Guyana’s growth has not been inclusive: The Inequality Adjusted Human Development Index (IHDI) is relatively high: 0.518 (2016)¹. Guyana’s institutional framework has not translated economic returns into improved outcomes in human development or an enhanced environment for the private sector.²
- 2.2 Guyana’s economic growth is contingent on the development of its external sector. Exports are concentrated in six commodities; bauxite, gold, rice, shrimp, sugar, and timber which represent 90 percent of total exports.³ Real gross domestic product (GDP) grew by 2.1 percent in 2017, down from 3.4 percent in 2016 due to weaker mining output and performance in the sugar sector.⁴ Imports are concentrated in construction vehicles and refined petroleum.

¹ UNDP Human Development Report 2016 <http://hdr.undp.org/en/countries/profiles/GUY>

² IDBG Country Strategy with The Cooperative Republic of Guyana 2017–2021. IDB, 2017.

³ International Monetary Fund, 2017. Article IV

⁴ See International Monetary Fund, 2018. [Guyana: Staff Concluding Statement of the 2018 Article IV Mission](#), May 9, 2018.

- 2.3 To efficiently process and manage the new volume of international trade that will be generated by enhanced economic activity, it is imperative to modernize trade-related processes of Customs and the other government agencies' (OGAs) such as agriculture, health, technical standards, and security forces.
- 2.4 The current processes for imports and exports are frequently redundant and cumbersome, requiring multiple face to face interactions between government officers and traders, and a strong reliance on paper documents and manual checks. As a result, Guyana currently ranks 142 out of 190 economies in the Trading Across Borders index of the World Bank. The average international trade operation in Guyana takes 200 hours for exports (versus 53 for LAC; 2.4 for OECD countries) and 156 hours for imports (80 for LAC; 3.5 for OECD).⁵ Aware of this complex environment, the Guyana Revenue Authority (GRA) has initiated the deployment of the Automated System for Customs Data (ASYCUDA), which is expected to be fully operational in early 2019⁶. The proposed operation will further advance Guyana's trade-related automation effort and develop the Electronic Single Window (ESW)⁷ which includes the main OGAs.
- 2.5 The implementation of the ESW will drastically simplify and streamline import and export regulations by enhancing inter-agency collaboration, streamlining procedures and harmonizing data requirements and documents. Furthermore, the ESW would align Guyana with international best practices and commitments under the World Trade Organization (WTO) Trade Facilitation Agreement and facilitate the participation of Small and Medium Enterprises (SMEs) in international trade.⁸
- 2.6 ESWs modernize trade, optimize revenue collection and improve security at the borders.⁹ Evidence suggests clear benefits from ESW implementation: Rwanda estimates that cargo clearance time was reduced by over 85 percent to just over 1 day while the cost fell by the same percentage.¹⁰
- 2.7 In view of this, the Government of the Cooperative Republic of Guyana requested a programme to support the implementation of an ESW.¹¹ This operation will also support the Government's medium-term strategic vision to improve institutional capacity and create a prosperous climate for private sector

⁵ [Doing Business Report 2018](#). Trading Across Borders Indicator.

⁶ ASYCUDA is the Customs Ledger System and as such, one of the pillars for the deployment of the ESW.

⁷ An Electronic Single Window is a single-entry point for parties involved in trade to comply with all export, import and transit-related regulatory requirements. It connects all government agencies involved in international trade, facilitating the processing of all documents for imports and exports. [Single Window for Trade, UNECE](#).

⁸ For more information on single windows and lessons learned from IDB and worldwide projects, see this [document](#).

⁹ See Christian Volpe, *Out of the Border Labyrinth* (2016)

¹⁰ [Trademark East Africa](#). Press release. March 30, 2016.

¹¹ The official request to the loan is included in the Aide Memoire of Identification Mission

development.¹² The Government has listed the creation of an information and communication technology–enhanced framework as a priority.¹³

- 2.8 **Objectives.** The overall objective of the programme is to **improve the trade facilitation performance** of Guyana through the **modular development of the Electronic Single Window**¹⁴. **The main outcome will be** the simplification of trade procedures, and a reduction in time, costs and carbon footprint, while increasing revenue, transparency and accountability.
- 2.9 **Component 1. Modernization of the regulatory, institutional and operating environment (US\$650,000).** The objective of this component is to set the foundation for the development of a fully-fledged single window environment in Guyana. The specific activities to be financed under this component are the following:
- (i) **Business process reengineering.** This includes: (i) mapping all current customs processes, as well as processes of other agencies that will be included in the ESW; (ii) reengineering of processes based on international best practices and development of Standard Operating Procedures for Customs and OGAs; (iii) harmonization of data elements and simplification of documents across Customs and OGAs, in line with UN/CEFACT Rec 35.
 - (ii) **Regulatory review.** This activity will support the Business Process Reengineering activity through the analysis of the trade-related regulatory framework of Guyana to identify inconsistencies, outdated regulations, and propose recommendations for improvement in line with international best practices.¹⁵
 - (iii) **Institutional strengthening.** The implementation of an ESW requires enhanced and modern institutions. This activity will: (i) analyze the current organizational structures and human resource policies of Customs and OGAs; and (ii) propose reforms and improvements in line with international best practices.
- 2.10 **Component 2. Design and Deployment of Guyana’s ESW. (US\$3,050,000).** The specific activities to be financed under this component are the following:
- (i) **Development of a cloud-based license, certificate and permits (LCPs) module.** Fully interoperable with ASYCUDA, this module will serve as the single-entry point and management system for all LCPs issued by the OGAs for imports and exports. It is anticipated that traders will be able to obtain online, as a minimum, the following LCPs: health

¹² Priority areas until 2020 according to the past three [Budget Speeches](#): (i) infrastructure (ii) renewable energy and energy conservation; (iii) public sector management and governance; (iv) information and communication technology–enhanced framework; and (v) climate change adaptation/resilience.

¹³ [Framework for Guyana Green State Development Strategy](#). Government of Cooperative Republic of Guyana, 2017 p 43.

¹⁴ The full deployment of an ESW will require a phased, continuous technical and financial effort that surpasses the proposed allocation of resources under the proposed loan.

¹⁵ Preliminary Regulatory [Review](#) by Ernesto Fernandez and Teni Housti.

and phytosanitary certificates, imports and export licenses and permits, and certificates of origin. It is expected that this module will also serve as document management system for all the main agencies involved in trade. The LCP module could serve as a Trade Information Portal using natural language processing and will also include an HS code (non-binding) classification tool.

- (ii) **Development of a cloud-based goods declaration module.** This module will interoperate with ASYCUDA and the LCP module in real time to provide customs declaration data to the relevant government agencies for processing of imports and exports. Through this module, government officers from the participating agencies will be able to approve, query or reject import and export operations in an online environment.
- (iii) **Integrated risk management system.** This activity will develop an integrated risk management system (IRMS) to be used by the relevant border agencies in conformance with the WCO Risk Management Compendium as well as the Kyoto Convention guidelines on Customs control for risk management. The system will provide seamless interoperability and compatibility with the LCP and GD modules as well as ASYCUDA. It is expected that this system will drastically enhance border security by identifying high-risk cargo while accelerating the release of low-risk and legitimate trade. It is anticipated that the IRMS will also include sophisticated artificial intelligence and post clearance audit tools.

2.11 **Component 3. Training and IT equipment (1,050,000).** This component will be divided in three main activities:

- (i) Development of a comprehensive training program for government officers in all subject matters related to: (i) border operations (valuation, classification, risk, origin), (ii) single window environments; and (iii) computer literacy.
- (ii) Development of a comprehensive training program for private sector companies and customs brokers to use the new systems.
- (iii) IT equipment. This intervention will support the efforts of the Government of Guyana to modernize and upgrade the national IT infrastructure. It is anticipated that the project will finance the acquisition of modern IT equipment and reliable access to internet (bandwidth) for participating government agencies.

2.12 Preliminary Budget.

PRELIMINARY BUDGET	COST (USD)
Component 1: Modernization of regulatory, institutional and operating environment	\$650,000
Activity 1: Business Process Reengineering	\$275,000
Activity 2: Regulatory Review	\$250,000
Activity 3: Development of Enhanced Organizational Structures	\$125,000
Component 2: Design and Deployment of Guyana's ESW	\$3,050,000
Activity 1: LCP Module	\$1,300,000
Activity 2: Goods Declaration Module	\$450,000
Activity 3: Integrated Risk Management System	\$1,300,000
Component 4: Training and IT Equipment	\$1,050,000
Activity 1: Training	\$450,000
Activity 2: IT Equipment	\$600,000
Monitoring and Evaluation	\$150,000
Project Implementation Unit	\$500,000
Contingencies	\$600,000
TOTAL	\$6,000,000

2.13 **Expected Results.** The project's expected results: (i) optimization and simplification of processes and documents required to import and export; (ii) reduction of time and cost for foreign trade and easier access to international markets; (iii) increased border security through sophisticated risk management techniques; (iv) increased revenue and transparency; and (v) reduced carbon footprint of trade-related processes.

2.14 **Beneficiaries.** In the private sector, all organizations and stakeholders involved in international trade such as exporters, importers, shippers, customs brokers, and freight forwarders. In the public sector, all government agencies involved in imports and exports including, but not limited to, Guyana Revenue Authority, Ministry of Business (National Bureau of Standards), Ministry of Agriculture (Fisheries Department, Livestock Development Agency, Pesticides and Toxic Chemicals Control Board), Ministry of Public Health (Food and Drug Administration), Ministry of Public Security (Police Force) and Immigration Department and the Ministry of Public Telecommunications.

2.15 **Strategic Alignment.** This operation is aligned with the IDB's Updated Institutional Strategy 2010-2020 (AB 3008) goal on Economic Integration (3.7 c), consistent with the IDB Group Country Strategy with the Cooperative Republic of Guyana 2017–2021 (GN-2905) (paragraph 3.1) aiming to support growth by improving the basic conditions that enhance the private sector's role in the economy and the cross-cutting theme of Climate Change and Environmental Sustainability through the adoption and transfer of technologies and innovative approaches that will support the country's effort to mitigate and adapt from the impacts related to Climate Change. The program is aligned with the objectives of

the Integration and Trade Sector Framework Document (GN-2715-6) and the Sector Strategy to Support Competitive Global and Regional Integration (GN-2565-4), and with the IDB Group Climate Change Action Plan 2016-2020 (GN-2848-3, Sec D) Opportunities and Actions by Sector, Subsection 18. Regional Integration and Trade.

- 2.16 The program is also aligned with the priorities of Guyana as listed in the National Development Strategy focused on creating and designing systems that would focus particularly on trade promotion and mobilizing greater exports.¹⁶ In addition, it follows the Framework for Guyana Green State Development Strategy, which outlines Guyana's ICT Strategy centered on improving e-government, e-participation, e-administration and e-services to positively transform Government-to-citizens(G2C), Government-to-businesses (G2B), and Government-to-Government (G2G) interactions.¹⁷ The project is consistent with the implementation of the commitments undertaken by Guyana under the World Trade Organization Trade Facilitation Agreement (TFA).

III. TECHNICAL ISSUES AND SECTOR KNOWLEDGE

- 3.1 The Executing Agency (EA) will be the Ministry of Business through a Project Implementation Unit (PIU). To maximize resource efficiency, the project will use the same PIU of GY-L1059 with a different Project Manager. The lending instrument is an Investment Loan. The execution period planned is 5 years.
- 3.2 Potential risks include: (i) coordination challenges among government entities (ii) insufficient data for monitoring and evaluation; (iii) weak mandate for implementation across Ministries and Agencies. Some preliminary risk mitigation measures are: (i) development of an inclusive governance structure (ii) early engagement of all government agencies and private sector stakeholders; and (iii) assignment of clear roles, responsibilities and objectives to all stakeholders.
- 3.3 **Sector Knowledge.** The IDB is the leading multilateral institution in the development of single window projects in the region. More specifically, INT/TIN is supporting the development of seven single window projects: Trinidad and Tobago (3575/OC-TT); Chile (2539/OC-CH); Peru (3546/OC-PE); The Bahamas (2756/OC-BH); Barbados (2278/OC-BA); and Argentina (3869/OC-AR). The project also benefits from GY-T1098 (assessment for Brazil-Guyana border crossing).
- 3.4 Additionally, this project complements the support to the effort to increase exports of Guyana through the Enhancing of the National Quality Infrastructure for Economic Diversification and Trade Promotion (GY-L1059).

¹⁶ [Cooperative of Guyana National Development Strategy, 2017.](#)

¹⁷ [Framework of the Guyana Green State Development Strategy and Financing Mechanisms, 2017.](#)

IV. ENVIRONMENTAL SAFEGUARDS AND FIDUCIARY SCREENING

- 4.1 This operation will finance soft interventions dealing with trade facilitation and has been classified as Category "C" (Environment and Safeguards Policy OP-703) and therefore no environmental or social risks are anticipated. The deployment of the ESW will reduce the carbon footprint related to manual/physical trade processes, especially Licenses, Permits or Certificates. A capacity assessment of the EA will be undertaken to define areas for strengthening.

V. OTHER ISSUES

- 5.1 Retroactive financing. The Bank may finance retroactively under the loan, eligible expenses incurred by the Borrower prior to the date of loan approval related to administrative expenses of the PIU, activities 1 and 2 of Component 1, and activity 2 on Component 3 up to the amount U.S. \$ 600,000 (6% of the proposed loan amount), provided that all the requirements substantially similar to those set out in the loan agreement requirements. These expenses must have been incurred or on after the approval date of the project profile, and under no circumstances shall expenditures incurred more than 18 months prior to the loan approval date be included."

VI. RESOURCES AND TIMETABLE

- 6.1 The Proposal for Operation Development (POD) distribution to QRR is expected on July 27th, 2018. Consideration for approval by the IDB Board of Executive Directors is expected on November 7th. The resources needed for project preparation are estimated to be US\$144,170 (US\$50,840 from the administrative budget and US\$93,330 from Technical Cooperation). The technical support for preparation has started through RG-T2964 "Support to Trade and Investment Promotion". Staff time for project preparation will be 0.63 FTEs (see Annex V).

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Safeguard Policy Filter Report

Operation Information

Operation		
GY-L1064 Establishing an Electronic Single Window for Trade and Investment in Guyana		
Environmental and Social Impact Category	High Risk Rating	
C		
Country	Executing Agency	
GUYANA	GY-MB - Ministry of Business)	
Organizational Unit	IDB Sector/Subsector	
Trade & Investment	TRADE	
Team Leader	ESG Primary Team Member	
MARIO ALBERTO UMANA		
Type of Operation	Original IDB Amount	% Disbursed
Loan Operation	\$6,000,000	0.000 %
Assessment Date	Author	
27 Jun 2018	MARIAGO Project Assistant	
Operation Cycle Stage	Completion Date	
ERM (Estimated)	4 Jun 2018	
QRR (Estimated)	10 Aug 2018	
Board Approval (Estimated)		
Safeguard Performance Rating		
Rationale		



Safeguard Policy Filter Report

Potential Safeguard Policy Items

[No potential issues identified]

Safeguard Policy Items Identified

B.1 Bank Policies (Access to Information Policy– OP-102)

The Bank will make the relevant project documents available to the public.

B.2 Country Laws and Regulations

The operation is expected to be in compliance with laws and regulations of the country regarding specific women's rights, the environment, gender and indigenous peoples (including national obligations established under ratified multilateral environmental agreements).

B.3 Screening and Classification

The operation (including [associated facilities](#)) is screened and classified according to its potential environmental impacts.

B.7 Supervision and Compliance

The Bank is expected to monitor the executing agency/borrower's compliance with all safeguard requirements stipulated in the loan agreement and project operating or credit regulations.

Recommended Actions

Operation has triggered 1 or more Policy Directives; please refer to appropriate Directive(s). Complete Project Classification Tool. Submit Safeguard Policy Filter Report, PP (or equivalent) and Safeguard Screening Form to ESR.

Additional Comments

[No additional comments]



Safeguard Screening Form

Operation Information

Operation		
GY-L1064 Establishing an Electronic Single Window for Trade and Investment in Guyana		
Environmental and Social Impact Category	High Risk Rating	
C		
Country	Executing Agency	
GUYANA	GY-MB - Ministry of Business)	
Organizational Unit	IDB Sector/Subsector	
Trade & Investment	TRADE	
Team Leader	ESG Primary Team Member	
MARIO ALBERTO UMANA		
Type of Operation	Original IDB Amount	% Disbursed
Loan Operation	\$6,000,000	0.000 %
Assessment Date	Author	
27 Jun 2018	MARIAGO Project Assistant	
Operation Cycle Stage	Completion Date	
ERM (Estimated)	4 Jun 2018	
QRR (Estimated)	10 Aug 2018	
Board Approval (Estimated)		
Safeguard Performance Rating		
Rationale		

Operation Classification Summary

Overriden Rating	Overriden Justification
Comments	



Safeguard Screening Form

Conditions / Recommendations

No environmental assessment studies or consultations are required for Category "C" operations.

Some Category "C" operations may require specific safeguard or monitoring requirements (Policy Directive B.3). Where relevant, these operations will establish safeguard, or monitoring requirements to address environmental and other risks (social, disaster, cultural, health and safety etc.)

The Project Team must send the PP (or equivalent) containing the Environmental and Social Strategy (the requirements for an ESS are described in the Environment Policy Guideline: Directive B.3) as well as the Safeguard Policy Filter and Safeguard Screening Form Reports.

Summary of Impacts / Risks and Potential Solutions

Disaster Risk Summary

Disaster Risk Level

C

Disaster / Recommendations

Disaster Summary

Details

Actions

Operation has triggered 1 or more Policy Directives; please refer to appropriate Directive(s). Complete Project Classification Tool. Submit Safeguard Policy Filter Report, PP (or equivalent) and Safeguard Screening Form to ESR.

ENVIRONMENTAL AND SOCIAL STRATEGY (ESS)

- 1.1 The project is going to finance activities to improve the trade facilitation performance of Guyana through the modular development of the Electronic Single Window.
- 1.2 On April 26, 2018, the project team completed the online environmental classification and safeguards form (toolkit). The project was classified as category C since it is an operation that does not cause negative environmental or social impacts.
- 1.3 Although this operation does not require an environmental or social analysis, it is important to specify that the project of the reference will comply with the environmental policies and compliance with safeguards contained in the document. GN-2208-18. In this way, the operation effectively supports the goals of environmental sustainability in the region.
- 1.4 The electronic single window will reduce time and cost for international trade transactions, while increasing transparency and revenue, bringing and overall positive economic and social impact to the country and modernizing processes and technology in accordance to international standards.
- 1.5 In addition, the operating regulations of the operation will include criteria that promote the goods and services acquired and the activities financed will be produced in an environmentally and socially sustainable manner in terms of the use of resources, work environment and community relations.
- 1.6 Additionally, the acquisitions that will be carried out in the execution of the project will promote the principles of economy, efficiency and environmental responsibility.

INDEX OF COMPLETED AND PROPOSED SECTOR WORK

Thematic Area	Description	Responsible	Estimated Date	Documents (references and electronic links)
Design and Technical Aspects	Programme Organizational Chart	INT/TIN	August 7, 2018	
Design and Technical Aspects	Cost-benefit analysis	INT/TIN	August 17, 2018	
Design and Technical Aspects	Preparation of Detailed Budget	INT/TIN	August 7, 2018	
Design and Technical Aspects	Preparation of Results Matrix	INT/TIN	August 7, 2018	
Design and Technical Aspects	Operations Manual	INT/TIN	August 7, 2018	
Design and Technical Aspects	IDB Technical Note: Electronic Single Window	INT/TIN	Completed	https://publications.iadb.org/bitstream/handle/11319/5224/electronicwindow.pdf?sequence=1
Design and Technical Aspects	IDB Technical Note: Interoperability at the Border	INT/TIN	Completed	https://publications.iadb.org/handle/11319/5223
Design and Technical Aspects	10 Years of Single Window Implementation – United Nations	UN	Completed	https://www.unece.org/fileadmin/DAM/trade/Trade_Facilitation_Forum/BkgrdDocs/TenYearsSingleWindow.pdf
Design and Technical Aspects	Single Window Case Studies – United Nations	UN	Completed	https://www.unece.org/fileadmin/DAM/cefact/singlewindow/draft_160905.pdf
Design and Technical Aspects	Single Window Survey – World Customs Organization	WCO	Completed	http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.696.1904&rep=rep1&type=pdf
Design and Technical Aspects	Summary of Lessons Learned in SW Projects	INT/TIN	Completed	https://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=39892581

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