



Annex A – Terms of Reference and Scope of Services GUYANA

GUYANA ENHANCING THE NATIONAL QUALITY INFRASTRUCTURE FOR ECONOMIC DIVERSIFICATION AND TRADE PROMOTION (GY-L1059)

TERMS OF REFERENCE PROGRAMME COORDINATOR

BACKGROUND AND JUSTIFICATION

- 1.1 Guyana has experienced a 4.5% average economic growth during 2009-2014 primarily due to the expansion of mining and agricultural exports and to the high prices of commodities such as gold.¹ However, in 2015, as the price of international commodities declined, economic growth slowed to 3% highlighting the vulnerability of the economy to its high concentration in few sectors. Services (59.7%), Agriculture/Agro-processing (18.1%) and Mining (20.3%)² together make up more than 90% of Guyana's Gross Domestic Product (GDP). Guyana's private sector is small and fragmented consisting of mainly micro, small, and medium-sized enterprises with a few large enterprises operating in the extractive industries.³ "As of October 2013 the Small Business Bureau's database included 6,756 businesses, of which about 2,500 had been validated as active businesses (About 73% of registered businesses in Guyana employ fewer than five people, while 22.3% employ 5-15 people and 4.7% employ more than 15).
- 1.2 Guyana's has a relatively small local market and growth is dependent on exports. 82% of Guyana exports products are concentrated in less than 10 products, mainly within the mineral and agricultural sectors where 45% of exports were attributed to gold, 18% to rice, 6.6% to raw sugar and 3.5% to crustaceans.^{4, 5} As the production cost of rice and sugar in Guyana makes it hard to compete with other countries, there is a strong need to diversify exports in other agricultural products.⁶ Even though Guyana has a strong advantage as a supplier of agricultural products in the Caribbean region and in other markets, non-traditional exports, including fresh produce and agro-processed goods, have only amounted to 0.6% of all exports in average during the 2011-2014 periods. Guyana's exports are concentrated, as five countries make up approximately 63% of its export market.^{7, 8} Most exporters of non-traditional goods consist mainly of

¹ Guyana Private Sector Assessment Report (PSAR). 2014. Bureau of Statistics Data.

² Figures are for year 2013 as determined from Bureau of Statistics 2014 Report on GDP at Current Basic Prices.

³ Guyana Private Sector Assessment Report.

⁴ Observatory of Economic Complexity 2016.

⁵ The economy is highly dependent on raw materials and unprocessed foods, as the main contributors to the economy are agriculture, forestry and fishing (19% of GDP), mining and quarrying (10%), agroindustry (7%) and services (66%). Source: Bureau of Statistics.

⁶ Wenner. 2016. Guyana's Petro Caribe Rice Compensation Scheme has Ended. Assessment and Policy Implications.

⁷ Export penetration in overseas markets, as measured by an index of export market penetration of 1.49 WITS. 2014.

⁸ United States, 26.9%; United Kingdom, 12%; Venezuela, 9.6%; Canada, 8.4%; and Jamaica, 5.86%.

Small and Medium Sized Enterprises - SMEs. Currently SMEs that export face challenges in terms of their product certification, as many have to carry out the required testing abroad as only two accredited laboratories are in Guyana. In addition, they face the, higher costs and risks of losing shipments due to rejection⁹. Most firms sell their goods and services only to the domestic market, with 15% reporting that they sell to the Caribbean region and 3.8% selling beyond the Caribbean.¹⁰

- 1.3 A National Quality Infrastructure (NQI) is the ecosystem that supports the development, adoption and compliance of standards to promote product quality. It is comprised of the institutions, norms, and regulations, metrology and testing infrastructure and public and private stakeholders that develop, supervise or adopt quality standards. The main institution involved in the NQI, related to export promotion in Guyana is the Ministry of Business (MoB), who has responsibility over the Guyana National Bureau of Standards (GNBS) and Guyana Office for Investment (Go-Invest). The GNBS is the agency responsible for developing national standards and is governed by a National Standards Council, whose members (Chambers of Commerce, the Guyana Manufacturers' and Services Association, Regulatory bodies, Private Sector etc.) are appointed by the Minister of Business. Go-Invest, the Ministry of Agriculture (MoA) and the Ministry of Public Health (MoPH) play an important role in Guyana NQI. There is a growing consensus that patterns of economic development are associated with structural change in exports and increased export diversification.¹¹ Access to international markets, product development and industrial upgrading of Small and Medium Sized Enterprises (SMEs) depend on the adoption of quality standards.
- 1.4 The National Quality Infrastructure (NQI) addresses the market failure of information asymmetry for producers and consumers seeking quality products that meet international standards and also the regulatory failure of limited government control on quality both for exports and imports. The NQI is a public good, as the fixed cost of development of patterns and metrics are relatively high and should be available to all consumers, large and small firms, regulatory bodies, etc¹². The existence of an NQI is a necessary condition for the functioning of innovation systems, for enhancing the productive capacity of the economic actors in a country and for promoting exports.
- 1.5 The globalization trends have increased the importance of quality standards that are shared internationally among supply chains, countries, and economic sectors¹³. Several studies have identified that the existence of an NQI can: (i) increase the productivity of firms; (ii) support innovation; (iii) reduce transactions costs between suppliers and customers; (iv) allow for entry into new, sophisticated markets; (v) generate synergies and information; (vi) allow for

⁹ Gaps and Needs Assessment. 2014

¹⁰ Ibid.

¹¹ Samen, Salomon. World Bank. 2010. Export Diversification: Key Concepts, Theoretical Underpinnings, and Empirical Evidence.

¹² Finchelstein D. et al. 2016

¹³ Guash, 2007.

protection of consumers and the environment ¹⁴: The main beneficiaries of a well-functioning NQI are the firms who benefit from economies of scale, access to foreign markets, integration in global value chains, reduction of information asymmetry, diffusion of technology, fair competition and support for innovation. Consumers benefit with information, better quality products, environmental protection and consumer protection¹⁵.

- 1.6 Diversification of exports by transitioning into non-traditional, high productivity, and more knowledge-intensive areas may assist Guyana in competing in more value added products and services. Economic diversification, including export diversification, requires a supportive and complementary NQI system. Access to existing and new markets require compliance, in most cases mandatory, with technical requirements that are standards-based and include: food safety, good agricultural practices, good manufacturing practices, quality standards, animal health, plant health, environmental, social, safety, information security, efficiency and certification standards. This requires a quality infrastructure with laboratories that are able to generate precise and accurate results.¹⁶ In addition, innovators need the support for accurate metrology, testing and standardization of new products.
- 1.7 Guyana's National Competitiveness Strategy, states the need for economic diversification. The Government has listed the following sectors as key diversification and growth opportunities: (i) Agriculture/Agro-processing; (ii) Forestry; (iii) Mining; (iv) Manufacturing; (v) Energy; (vi) Tourism; and (vii) Information technology and Services.¹⁷ Guyana's private sector is small and fragmented consisting of mainly micro, small, and medium-sized enterprises with a few large enterprises operating in the extractive industries.¹⁸ In order to facilitate economic diversification in the local and external markets and provide recognition for the Guyanese brand in the international markets,¹⁹ there is a need to modernize the NQI in Guyana.
- 1.8 **Rationale for intervention and main challenges to be addressed.** In an increasingly global economy, with integrated production and consumer networks, countries need to offer high quality products and to deliver them in a timely manner. The prior requires quality standards and modern accredited²⁰ testing facilities.²¹ Recent studies²² show that services provided by a NQI are necessary for economic growth, diversification and targeting new markets. In the case of Guyana, the production and trading of goods and services face a number of non-compliance risks in both the local and export markets with significant impact on competitiveness including: (i) rejection of products at border inspection point; (ii) increased costs due to delays while inspections/test are

¹⁴ Lambert. 2010, Gonzalves, 2010. Gonzalves. 2011. Finchlestein, 2016

¹⁵ Gonzalves. 2010.

¹⁶ Needs Assessment Report for SAL.

¹⁷ Kandhi, R. and Edmondson, H. 2014. Consultancy for Needs Assessment for State of the Art Testing Metrology Facilities.

¹⁸ Guyana Private Sector Assessment Report.

¹⁹ Needs Assessment for the State of the Art Testing and Metrology Facilities. 2014.

²⁰ The formal recognition of the technical competence of the certifying body and testing or calibration laboratories. (Sanetra. 20017. A National Quality Infrastructure)

²¹ Guasch, Racine, Sanchez and Diop. 2007. Quality Systems and Standards for a Competitive Edge. Directions in Development. World Bank Publication.

²² Gonzales, Gothner and Rovira. 2014. *Midiendo el impacto de la infraestructura de la calidad en América Latina: experiencias, alcances y limitaciones.* Documento CEPAL. PTB.

being done in overseas laboratories; (iii) disruptions in trade, loss or inability to expand into new market; (iv) loss of revenue where inaccurate measurements and test results are used; and (v) inability to command premium price where quality and safety products are not defined. Guyana's Unit Rejection Rate in the United States markets in the 2012 Report was 0.2 per million dollars of export, higher than the average of countries with similar income and is not competitive when compared with the two larger exporters (Jamaica and Trinidad and Tobago) of food from CARICOM to these markets.²³ On the other hand, SMEs in Guyana often lack the knowledge, expertise, and resources to adopt and implement high quality and standards.²⁴

1.9 **Guyana does not have a fully developed NQI.** The GNBS has the responsibility for standardization which entails a process of formulation and application of standards, technical regulations, conformity assessment procedures and metrology.²⁵ However, the laboratory facilities of the GNBS are not adequate for performing their role as the central body for developing, promoting and verifying conformity on the adoption of standards as the appropriate metrology, calibration and testing require controlled environments in terms of temperature, humidity, and vibration, among others.²⁶ The GNBS needs to boost its capacity to support the ecosystem of the NQI by providing the platform for producing competitive goods and services, including the provision of services for testing needs of the exporters (particularly non-traditional exporters and SMEs) to comply with the required standards for internal and external markets. Depending on the product and the market, exporters must comply with standards often established by a large company, or by an organization representing a particular interest (i.e. Fair Trade) or by the Organization for Standardization. In addition, there are mandatory technical regulations such as the ones established by the World Trade Organization. Exporters, in particular SMEs, must use testing services from accredited laboratories in order to acquire the required certifications.^{27, 28}

1.10 **The current infrastructure for laboratories and equipment are not adequate for supporting exports, protecting local consumers and the environment and promoting innovation.** The current laboratory facilities and equipment of the GNBS have severe limitations in terms of space and environmental conditions. Without the proper GNBS infrastructure, all the other laboratories in the system face challenges for accreditation and compliance with conformity.²⁹ The state of the current laboratory infrastructure is inadequate to

²³ UNIDO. 2012. Trade Standards and Compliance Report

²⁴ Gutierrez, J.J. 2015 Economic Sector Work: Sistema Nacional de la Calidad. Bien Público para la Competitividad(Draft). Guash 2007.

²⁵ GNBS Strategy. 2011.

²⁶ There are various quality services for evaluating whether manufacturers produce and deliver their products in accordance with the corresponding specifications. These include testing laboratories, equipment calibration laboratories, and certification and inspection bodies. There are other specific standards to ensure the technical competence of these services and their correct implementation is confirmed by an accreditation. In Guyana, the GNBS is the only laboratory conducting calibration of measuring devices for mass, electrical measurements and temperature but does not have the physical conditions to control temperature and humidity, among others.

²⁷ The GNBS Standards Catalogue 2012 lists 20 standards as having mandatory status. The World Trade Organization Report by Measures 2009, states that Guyana makes minimal use of technical regulations.

²⁸ In Guyana, Metrology support is required by at least 20 agencies, and testing in at least 39 instances to determine compliance with regulations. In the case of metrology, ministries/agencies use external service provided by the GNBS.

²⁹ There are 20 existing main national laboratories (public and private) that provide different testing services.

allow the GNBS to perform its role as the sector entity that verifies conformity with the adoption of standards with the aim of supporting economic diversification, innovation and exports. The provision of services in a more adequate and modern facility will contribute to a more effective and efficient operation of the entire NQI contributing to the achievement of the expected outcomes. The main limitations and gaps of the GNBS laboratories in the system are: (i) unsuitable laboratory facilities that lack the proper physical conditions to assure reliability; (ii) absence of a laboratory facility to perform tests for consumer protection and the dynamic sectors; (iii) limited calibration capacity in terms for temperature, moisture, pressure, force, volume and electricity;³⁰ (iv) lack of adequate equipment and consumables; (v) outdated test methods that no longer meet the needs for the industry requirements; (vi) lack of accreditation and participation in proficiency testing programmes; and (vii) insufficient trained staff for performing tests and calibrations and maintenance of the equipment.³¹ In addition, asymmetries within the existing laboratories in terms of physical and testing capacity, human resources and information cause an inefficient use of the existing resources. The facilities at the existing GNBS facility used to provide other services offered by the GNBS to support the promotion of the National Quality Infrastructure are inadequate to provide services such as Training, Conferences and sensitization sessions for local stakeholders. New office facilities and modernized conference facilities will also be provided for the GNBS to house its staff and provide Business Support Services to local businesses and key stakeholders.

- 1.11 **Need to implement an export and investment strategy.** The Government of Guyana is pursuing economic diversification, focusing on boosting the more dynamic sectors of Guyana's economy, in particular: (i) agriculture/agro processing, (ii) forestry, (iii) mining, and (iv) manufacturing. In addition, the government is implementing specific policies to accelerate the development of non-traditional agriculture and non-traditional exports. There is a need to develop further strategic planning in the area of export promotion and investment attraction, including a revision of the institutional framework, with the goal of connecting regional and global value chains.
- 1.12 **Government strategy, priorities and actions.** Considering the modernization of traditional sectors such as sugar, rice, forestry, and mining, the MOB has been carrying out actions to support economic diversification and productivity, value added and export readiness, and supporting new growth and diversification in new sectors (specifically in non-traditional agriculture, aquaculture, business process outsourcing/ information technology, and tourism) all encapsulated under a socially and environmentally sustainable framework. Due to the size of the economy, economic diversification actions entail accessing new markets for non-traditional products.

There are only two accredited labs in Guyana: the Guyana Rice Board Laboratory and the Eureka Medical Lab got accredited on May 2015 and March 2016 respectively. (ISO/IEC 17025).

³⁰ Unsuitable type of construction materials to ensure a sterile environment, layouts that may conduce to cross contamination, locations subject to flooding, poor ventilation, humidity and direct sunlight. Needs Assessment Report, 2014.

³¹ Ibid.

- 1.13 In this regard, the Ministry of Business has been considering the implementation of a National Quality Infrastructure to support economic diversification and exports through the enhancement of the NQI and through a National Export and Investment Promotion Strategy. Specific objectives are: (i) to enhance the capacity of the NQI; (ii) to improve facilities for the NQI; and (iii) to enhance the capability of export and investment promotion.
- 1.14 The Inter-American Development Bank (IADB) and the Government of Guyana will provide funding through loan operation GY- L 1059. This programme includes financial support for critical NQI requirements as well as the construction of new facilities for the GNBS to provide training, metrology and testing services to support the NQI.
- 1.2. This Project will finance the development of a National Export and Investment Promotion Strategy, the development and strengthening of a network of laboratories to support the enhancement of the NQI and the construction of new facilities to house the GNBS office, testing and metrology facilities.
- 1.3. The Project will provide institutional support to the GNBS and the network of laboratories to facilitate accreditation to the ISO/IEC 17025 standard.
- 1.4 The Project will provide support to Go-Invest to develop the National Export and Investment Strategy.
- 1.5. The Project will be supported by a Programme Coordinating Unit (PCU), based in the Ministry of Business, under the strategic direction of the Permanent Secretary. The specific function of the PCU will be: (i) technical execution of the Programme; (ii) selecting and hiring consulting services; (iii) reviewing consulting services; (iv) managing contracts and processing payments; (v) reporting periodically to Permanent Secretary of the Ministry of Business, the Executive Director of the GNBS, the Executive Director of Go-Invest and the Bank on the activities of the Project; and (vi) preparing progress reports, in addition to supervising the administration of the Programme.
- 1.7. The PCU will be composed of the following full-time team: (a) an Engineer to provide technical support during the design, construction and initial operation (laboratory and office design construction); (b) an information technology officer; (c) a procurement officer with experience in contract management; (d) an administrative assistant (e) an officer to develop the technical specifications and provide support on equipment (f) an environmental and social officer to carry out environmental and social monitoring, (g) a monitoring and evaluation officer, (h) a finance controller and (i) two component coordinators depending on the needs of the GNBS and Go-invest.

- 1.8. The PCU will coordinate with a Project Steering Committee (PSC). The PSC will be established to provide guidance on strategic and policy issues related to the Programme. The PSC will be composed of the Minister responsible for the Business sector (as Chairperson), representatives of the Ministry of Finance, the Guyana Energy Agency, GNBS, Go-Invest, MOB and the Programme Coordinator (PC) as its Secretary. The Bank will participate in the PSC as observers. The PSC will meet at least twice per year.
- 1.9. In addition to the PSC, the PCU will also liaise with a Monitoring Unit (MU). The MU will support the Ministry of Finance and MOB in tracking and measuring progress against the PTs; for which the hiring of an international expert will contribute to the generation of regular, standard reports on the achievements of CDP's targets. The proposed mechanism will allow for quality communication between all stakeholders and the swift adoption of strategic decisions on a routine basis.
- 1.10. Taken together, the key work of the PCU will be to ensure that the Programme meets its objectives and provides support for critical infrastructure requirements for the GNBS as well as support to Go-Invest and the MOB. This support should increase Guyana's overall export performance, facilitating increased diversification and investments.

OBJECTIVES

- 2.1. The objective of the consultancy is for a Programme Coordinator (PC) to be part of the fulltime team comprising the PCU. The Programme Coordinator will be responsible for the overall implementation of the Programme and for the coordination with all the relevant stakeholders involved.
- 2.2. The PC will report to Permanent Secretary Ministry of Business (PSMOB).
- 2.3. The PC will work in direct coordination with the PS-MOB, ED-GNBS, ED- Go-Invest, the management level of these Departments and the network of laboratories to ensure that the components of the Programme are implemented in a timely and effective way.

TYPE

- 3.1. The Programme Coordinator should have:
 - i. A Bachelors of Science Degree in the Natural Sciences or Civil Engineering or related field at a minimum or equivalent or five years professional experience or a combination of education and experience in the field, Project Management, Economics, Public Policy, Management or a related discipline; Master's degree will be an asset.
 - ii. Relevant experience in the following areas: programme and project analysis and design, implementation, monitoring, evaluation and reporting. The coordinator's experience should include work in

areas that are relevant to the Programme such as developing of the National Quality Infrastructure in similar economies.

iii Experience in the areas of quality, standards, laboratory infrastructure is preferred.

3.2 Additionally, the following areas of experience will strengthen the application:

- i. Programme/project management experience;
- ii Experience leading teams;
- iii Experience working with the Government to develop a National Quality Infrastructure, construction of energy efficient buildings including laboratories to meeting international requirements (ISO/IEC 17025 standard and OIML guidelines);
- iv Knowledge and experience in the areas of Metrology, Conformity Assessment, Standardisation and Information Management;
- v Knowledge and experience implementing projects funded by multilateral institutions.

Skills: The individual should demonstrate (i) good report writing skills combining quantitative and qualitative elements of analysis; (ii) effective communication and team working skills; (iii) excellent project management and problem solving skills; (iv) maturity, strong interpersonal skills and ability to take ownership and work independently and effectively.

3.3. Starting date and duration: This project will commence on **December 01, 2016** for an estimated length of one (1) year and an opportunity for renewal.

3.4. Place of work: The Programme Coordinator will work from an office at the Project Coordinating Unit of the Programme located at the Ministry of Business in Georgetown, Guyana

3.5. Fluency in English is a prerequisite.

3.6. Familiarity with Guyana's business culture is desirable.

ACTIVITIES

4.1. Under the supervision of the Permanent Secretary, the Programme Coordinator will be responsible for the preparation of technical specifications and support for the selection of consulting firms, review of products and services prepared by consulting firms, budget administration, logistics, local technical support and coordination among key stake holders. More specifically, the PC's activities include, but are not limited to, the following:

- i. Ensure that Programme goals are fulfilled
- ii. Supervising the work of a full-time team: (a) an Engineer to provide technical support during the design, construction and initial operation (laboratory and office design construction); (b) an information

technology officer; (c) a procurement officer with experience in contract management; (d) an administrative assistant (e) an officer to develop the technical specifications and provide support on equipment (f) an environmental and social officer to carry out environmental and social monitoring, (g) a monitoring and evaluation officer, (h) a finance controller and (i) two component coordinators depending on the needs of the GNBS and Go-invest.

- iii. Preparing and updating of the overall implementation schedule of the activities, broken down by component, in coordination with any consultants or contractors hired for the execution of the Programme;
- iv. Preparing, reviewing and submit to the Permanent Secretary approval of relevant Terms of References for the selection process of consultancies, services and procured goods of the Programme;
- v. Ensuring the successful contracting processes of consultancies, services and procured goods as required for the implementation of the Programme;
- vi. Reviewing the deliverables submitted by the consultants, and providers of the Programme;
- vii. Supervising Programme disbursements and budget execution;
- viii. Coordinating execution of activities with consultants and contractors for Programme implementation;
- ix. Liaising with relevant stakeholders to ensure the timely execution of the activities and smooth implementation of the Programme; such stakeholders include but are not limited to the following: (i) Government of Guyana, (ii) the PSC, (iii) MOB Head of Departments as defined in this TORs, (iv) technical staff of GNBS and Go-Invest, (v) the MU, and (vi) external consultants and contractors;
- x. Coordinating the flow of information between all relevant stakeholders which is required for the effective execution of the Programme; such stakeholders include but are not limited to the following: (i) Government of Guyana, (ii) the network of laboratories, (iii) Management team of the GNBS as defined in this TORs, (iv) technical staff of the GNBS, (v) the MU and (vi) external consultants and contractors;
- xi. Preparing all Programme related reports as required by the IDB, as well as other Stakeholders including the Semi-annual reports of Programme progress, and the Annual Operation Plans (AOP);
- xi. Sharing lessons learned with IDB and other relevant stakeholders;
- xii. Any other specific task assigned by Permanent Secretary and pertinent to the implementation of this Programme;
- xiii. Serve as Secretary for the Project Steering Committee (PSC) that will be established and composed of the Minister responsible for the Business sector (as Chairperson), representatives of the Ministry of Finance, GNBS, and Go-Invest.
- xiv. Inform the Steering Committee on the progress of the Programme and incorporate the suggestions regarding strategic direction of the programme.

- xv. Prepare an annual plan of programme activities that includes a detailed timetable of activities per component, the resources needed, targets to be achieved in each activity, and the actions needed to achieve them.
- xvi. Keep an up-to-date timetable of activities for each component, report periodically to the programme's Steering Committee on its progress, and submit any changes for its consideration;
- xvii. Coordinate with the MOB, GNBS and Go-Invest all execution related matters.
- xviii. Produce the programme's budgetary statements and keep them up to date;
- xix. Serve as executive secretariat of the program's Steering Committee.
- xx. Review and submit to the Steering Committee and the Ministry of Business other relevant Program documents, including procurement evaluation reports, financial reports, and the progress reports of the IFS Task Manager;
- xxi. Monitor and update the results Matrix of the Programme;
- xxii. Provide support to the entities involved in the implementation of program's initiatives;
- xxiii. Collect and document evidence of compliance with the programme's targets; and
- xxiv. Assist with the procurement and processing of the contracts required for the implementation of the agreed programme interventions.

DELIVERABLES

- 5.1 Guided by the scope of this consultancy and the general requirements of the programme, the Programme Coordinator will prepare a work plan and monthly and semi-annual progress reports to the Permanent Secretary, Ministry of Business, Executive Director, GNBS and the Executive Director, Go-Invest, in coordination with all relevant stakeholders. These reports will review and measure the progress made against the agreed Performance Indicators.

PAYMENTS

- 6.1 The Programme Coordinator will be paid a monthly salary, at a rate to be negotiated during contracting. Salary will be commensurate with experience.

COORDINATION

- 7.1 The Programme Coordinator will report to Permanent Secretary and shall work in close coordination with the staff of the PCU, MOB, Go-Invest and GNBS.