



Guyana

Population ¹	779,004
Area (km ²) ¹	214,970
GDP per capita (USD) ¹	4,979.00
TPES (Mtoe) ²	N/A
Energy intensity (toe/10 ³ 2010 USD) ²	N/A
CO ₂ emissions - energy (MtCO ₂) ³	N/A

Data from Orbis Crossborder Investment on energy projects and deals completed between 2015-2020⁴

Target industry	Number of projects and deals	Project/deal type	Project CapEx and deal value (million EUR)
Extraction of natural gas and crude petroleum	1 project	new project	4m EUR total project CapEx
Support activities for other mining and quarrying	1 deal	acquisition deal	Deal value n.a.

Sources:

1. The World Bank 2018
2. ©IEA, World energy balances, 2020, www.iea.org/data-and-statistics, webstore.iea.org/key-world-energy-statistics-2019
3. ©IEA 2020, CO₂ emissions from fuel combustion, www.iea.org/data-and-statistics, webstore.iea.org/key-world-energy-statistics-2019
4. Orbis Crossborder Investment (2020), Bureau Van Dijk. Guyana is the destination country of the investment. Data represents the period 1 April 2015 - 1 April 2020. For more information see Annex II of this report.

Guyana's overall risk level against the assessed areas is **low**.

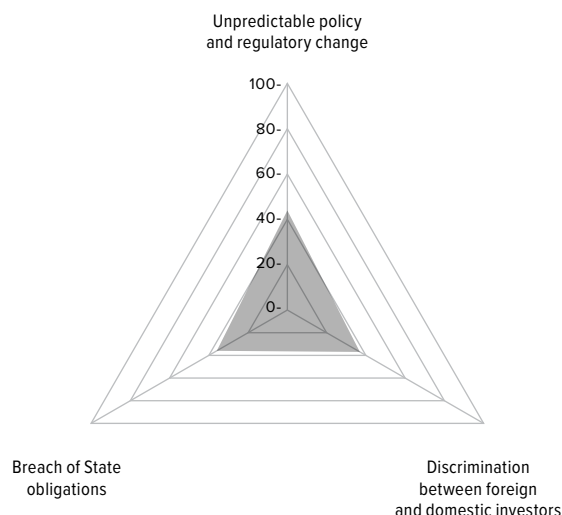
Among the three risks assessed in EIRA, *breach of State obligations* and *discrimination between foreign and domestic investors* are lower compared to *unpredictable policy and regulatory change*.

Guyana's performance is good on three indicators, and moderate on one indicator. It has a score of 64 on the indicator *rule of law*, 63 on *management of decision-making processes*, and 62 on *regulatory environment and investment conditions*. Its score on *foresight of policy and regulatory change* is 41.

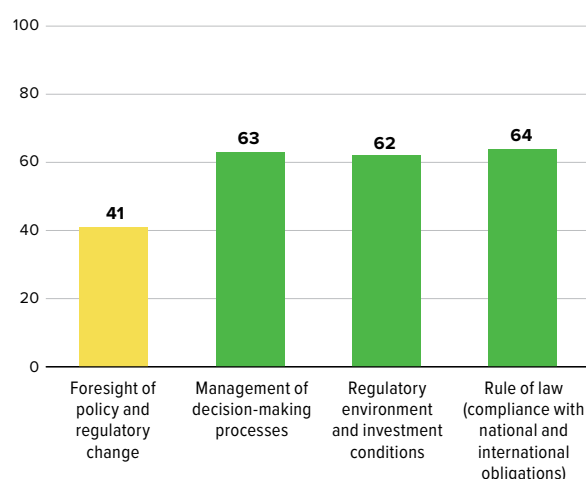
On a more detailed level, Guyana's sub-indicator performance is moderate. The highest-scoring sub-indicator is *management and settlement of investor-State disputes* at 70, followed by *regulatory effectiveness* at 65. The sub-indicators *institutional governance* and *transparency* are both at 63. Its performance on the indicators *restrictions on FDI* (60), *respect for property rights* (58), and *communication of vision and policies* (50) is moderate. On *robustness of policy goals and commitments* it has a low score of 31.

While Guyana has the relevant policies and measures in place, there is potential for improvement. Attention should be given to increasing the robustness of policy goals and commitments.

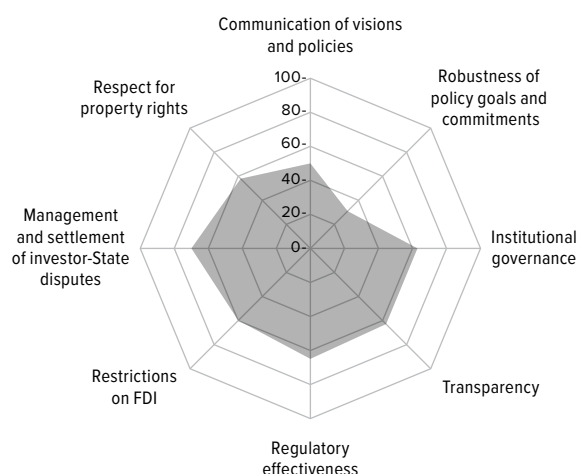
RISK LEVEL



INDICATOR PERFORMANCE



SUB-INDICATOR PERFORMANCE



Foresight of policy and regulatory change

QUICK FACTS

The Green State Development Strategy 2020-2040 states Guyana's long-term development agenda towards a green economy.

Guyana ratified the Paris Agreement in 2016 and submitted its first NDC.

STRENGTHS

The Green State Development Strategy 2020-2040 sets ultimate targets for the energy sector and provides the overarching framework for the national energy policy. The Strategy aims to create a modern energy sector in Guyana. One of its central targets is the transition to 100% renewable electricity generation by 2025. Within the same timeframe, the Strategy seeks to achieve 100% grid-connectivity for rural households and uninterrupted 24-hour electricity supply to the main regional towns. A Draft National Energy Policy was prepared in 2017 to update the Energy Policy 1994. In 2018, the Government organised public consultations on this draft policy. The overall goals of the draft policy are to secure a stable, reliable, and economical supply of energy, reduce dependency on imported fuels, promote the use of domestic resources, and ensure the environmentally sound and sustainable use of energy. The country also has in place the Guyana Power Sector Policy 2010 with a 15-year long-term outlook. This policy provides measures for energy efficiency and conservation, reduction of distribution and transmission losses, expansion of solar electricity generation, hydropower, wind and bio-fuel sources, and access to financing through the Clean Development Mechanism.

The Ministry of Public Infrastructure and the Guyana Energy Agency (GEA) ensure the implementation of the energy policy. The Ministry of the Presidency, and its Department of Energy, monitor the petroleum exploration sector. Additionally, the Guyana Geology and Mines Commission (GGMC) also monitors oil and gas activities. The Office of Climate Change (OCC) leads the development and implementation of national policies and actions on climate change.

AREAS FOR IMPROVEMENT

The Government must adopt a new national energy policy as soon as possible. Although the Green Development Strategy describes Guyana's overall objectives for the energy sector, the lack of a specific policy may hinder the sector's development and the achievement of its ultimate goals. The country needs to set detailed short-, medium- and long-term targets. Quantifiable and time-bound targets will ensure that implementation measures have an impact and will help the Government take result-oriented decisions. The targets must be kept ambitious yet achievable. They should take into account the country's existing infrastructure and institutional resources.

Management of decision-making processes

QUICK FACTS

GEA, upon the request of the Minister of Public Infrastructure, develops the national energy policy.

The Ministry of Business formulates policies for promoting and facilitating private investment.

The Guyana Office for Investment (GO-Invest), established in 1994 as a semi-autonomous body, advises the Government on national investment policies.

Guyana enacted the Access to Information Act 2011 to secure access to information held by public authorities.

STRENGTHS

The legislative power in Guyana is vested in the National Assembly. Bills passed by the National Assembly must receive the President's assent to become law. The Investment Promotion Council is established by the Investment Act 2004 to ensure cross-sectoral cooperation in encouraging investments. The Council comprises officials from government ministries and agencies, as well as members of private business organisations. The Guyana Office for Investment serves as the primary point of contact for investors and is responsible for liaising with government agencies throughout the investment process. It provides information necessary to commence business operations in Guyana and assists with the establishment of investments.

The Access to Information Act 2011 sets the criteria to classify information as confidential and restricting access to it. The Natural Resource Fund Act 2019 was passed by the Parliament in January 2019 to increase transparency and accountability. The Act establishes a Natural Resource Fund to efficiently manage the natural resource wealth of Guyana according to international best practices, including the Santiago Principles. Guyana is also trying to improve transparency through its EITI membership. For example, it intends to release data on the revenues expected from the new oil and gas industry. The Public Procurement Commission was established in 2016 as an independent body to ensure fair, competitive and cost-effective procurement of goods and services. Efforts are also underway to strengthen the legal framework discouraging money laundering and financial crimes.

AREAS FOR IMPROVEMENT

To further facilitate new investments, the Government could consider organising a one-stop shop or assign this function to the Guyana Office for Investment. The one-stop shop may act as a single point of entry, either physical or electronic, for the submission and handling of all documents necessary for the establishment of investments in the country. This approach will mitigate complex administrative procedures which may impede the investment process. To achieve its purpose, the one-stop shop must be created in close cooperation with all the authorities involved in the establishment phase and have the power to administrate the relevant procedures.

Regulatory environment and investment conditions

QUICK FACTS

The Public Utilities Commission (PUC) controls and supervises the public utilities in all sectors, including electricity.

The Investment Act 2004 was enacted to attract and facilitate investment.

STRENGTHS

The Ministry of Public Infrastructure is the principal regulatory authority for the electricity sector. Its responsibilities include granting licences to public utilities and independent power producers and approving the development and expansion plans, as well as operating standards and performance targets for the Guyana Power & Light Inc., the principal supplier of electricity. The Minister of Public Infrastructure also adopts regulations on petroleum and petroleum products. GEA can formulate and implement measures for improving the energy market and sources, with the approval of the Minister of Public Infrastructure. The GGMC manages mining in Guyana under the Mining Act 1989. The Act states that before any exploration activity can begin, including for petroleum, the contract holder must obtain the necessary approvals from the GGMC.

Guyana offers a favourable business environment for foreign investment. Foreign investors receive the same treatment as domestic investors. Guyana provides an array of investment incentives, including a flat business tax rate, tax holidays, waivers of customs duties, and export tax allowances. Moreover, there are no currency restrictions, or foreign exchange controls applied, and foreign investors can freely transfer capital, payments and profits outside the country.

AREAS FOR IMPROVEMENT

The Government should expedite the adoption of the legal and regulatory framework to support the implementation of the Local Content Policy 2020. Currently, the Ministry of the Presidency decides whether an investor's plan conforms to the Policy. To facilitate the active participation of the Guyanese workforce and suppliers in the petroleum sector, the Government must develop specific criteria for the investors. Thorough technical studies will help assess the potential future demand and supply of goods and expertise and set realistic targets that will benefit the local industry, economy, and society.

Rule of law

QUICK FACTS

Guyana ratified the Convention on the Settlement of Investment Disputes between States and Nationals of Other States in 1969.

Guyana signed the Convention on the Recognition and Enforcement of Foreign Arbitral Awards in 2014.

Arbitration and mediation in Guyana are governed by the Arbitration Act 1916 and the Alternative Dispute Resolution Act 2010.

STRENGTHS

The Investment Act 2004 stipulates that in the event of a dispute between an investor and the Government on an investment enterprise, the parties may submit it to arbitration under the Arbitration Act 1916 or to the International Centre for Settlement of Investment Disputes. Domestic law does not require the exhaustion of local remedies before going to international arbitration. Final foreign judgements are recognised and enforced in the courts of Guyana through the Foreign Judgments (Reciprocal Enforcement) Act 1961. The country has not made retroactive changes to the law in the last five years.

The Investment Act 2004 protects the property rights of investors. Compulsory acquisition is permitted only in accordance with the procedures established by the law, on a non-discriminatory basis, and with the prompt payment of adequate compensation. Intellectual and industrial property of foreign investors is protected as a form of investment in all five BITs currently in force. In general, there are no restrictions on the transfer of technology.

AREAS FOR IMPROVEMENT

Guyana may consider establishing an investment ombudsman or a similar institution to mediate between investors and Governmental bodies. Such an institution may help investors overcome potential bureaucratic obstacles in the licencing procedure, and address issues arising in the course of the investment activities. The ombudsman will serve as a step before litigation, and promote the fast and effective resolution of grievances against the State.

Guyana should enhance its efforts to develop the efficiency of the judiciary and reduce court delays. The Government needs to increase the human resources and institutional capacity of the court system. It can introduce electronic registry systems and document submission to facilitate communication and information exchange between the courts and the disputing parties. The Government may also relieve the pressure on courts by further developing and using alternative dispute resolution mechanisms.