



Guyana

Population ¹	779,004
Area (km ²) ¹	214,970
GDP per capita (USD) ¹	6,145.84
TES (Mtoe) ²	0.92
Energy intensity (toe/10 ³ 2015 USD) ²	0.26
CO ₂ emissions - energy (MtCO ₂) ³	2.4

Data by Orbis Crossborder Investment on completed energy projects and deals from 2015-2021⁴

Target industry	Number of projects and deals	Project CapEx and deal value (million EUR) by source country
Extraction of natural gas and crude petroleum	1 new project	United States of America: 1 project of 4 mEUR
Support activities for other mining and quarrying	1 acquisition deal	Value of 1 deal (United States of America) is N/A

Sources:

1. The World Bank 2018
2. ©IEA (2021), World Energy Balances (<https://www.iea.org/data-and-statistics>). All rights reserved.
3. ©IEA (2021), CO₂ Emissions from Fuel Combustion (<https://www.iea.org/data-and-statistics>). All rights reserved.
4. Orbis Crossborder Investment (2021), Bureau Van Dijk. Guyana is the destination country of the investment. Data represents the period 1 April 2015 - 1 April 2021 (accessed on 1 July 2021). For more information see Annex II of this report.

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

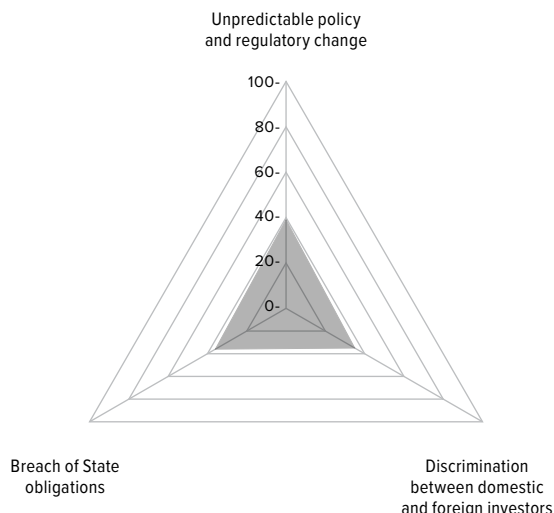
Of the three risks assessed in EIRA, *discrimination between domestic and foreign investors* and *breach of State obligations* are lower compared to *unpredictable policy and regulatory change*.

Guyana’s performance is good on three indicators and moderate on one indicator. *Management of decision-making processes* is the highest-scoring indicator at 65, followed by *rule of law* at 64. Its score on *regulatory environment and investment conditions* stands at 62, while *foresight of policy and regulatory change* is at 45.

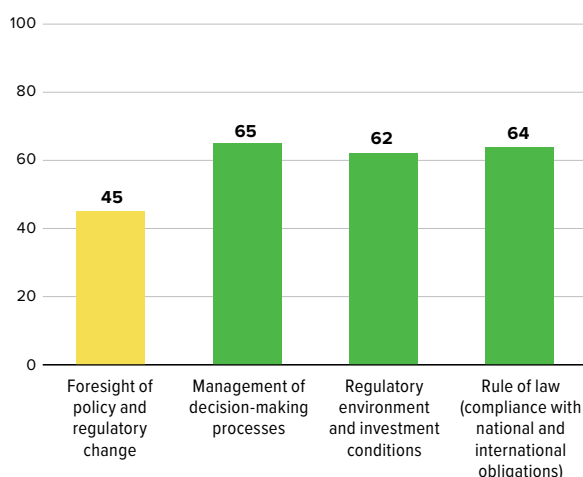
On a more detailed level, Guyana’s sub-indicator performance is good. *Management and settlement of investor-State disputes* is the highest-scoring sub-indicator at 70, followed by *transparency* at 67. Its performance on the sub-indicators *regulatory effectiveness* (65) and *institutional governance* (63) is good. On *restrictions on FDI* its score stands at 60. Next are the sub-indicators *communication of vision and policies* and *respect for property rights* at 59 and 58, respectively. *Robustness of policy goals and commitments* is the lowest-scoring sub-indicator at 30.

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

RISK LEVEL



INDICATOR PERFORMANCE

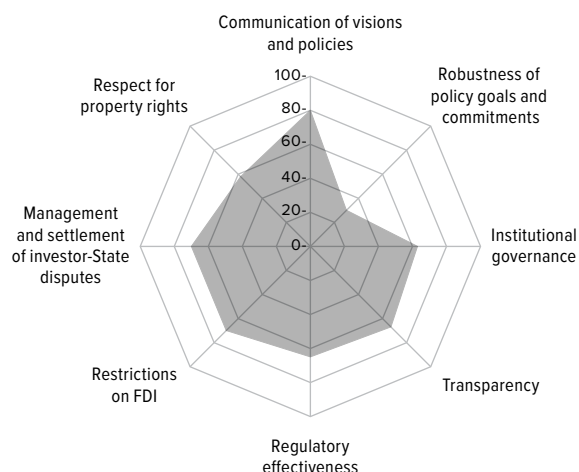


YEAR-ON-YEAR COMPARISON

RISK AREAS	2020	2021
Unpredictable policy and regulatory change	44	42
Discrimination between domestic and foreign investors	37	36
Breach of State obligations	36	36

INDICATORS	2020	2021
Foresight of policy and regulatory change	41	45
Management of decision-making processes	63	65
Regulatory environment and investment conditions	62	62
Rule of law	64	64

SUB-INDICATOR PERFORMANCE



Foresight of policy and regulatory change

QUICK FACTS

The Green State Development Strategy 2020-2040, the Power Sector Policy, and the Hinterland Energy Strategy are the main documents shaping Guyana's energy sector.

Guyana ratified the Paris Agreement in 2016.

STRENGTHS

Though Guyana's economy is now receiving a significant boost from oil production, it remains committed to pursuing a low carbon development trajectory. The Government is updating the draft Low Carbon Development Strategy to meet the current development context. The updated Strategy will address the challenges that have arisen since its first version in 2009, analyse the impact of hydrocarbon expansion, and foresee Guyana's smooth transition to clean energy production and consumption. The 2021 State budget highlights that the Government will diversify energy production, facilitate large-scale private investment in energy infrastructure, and create an enabling business environment. In 2020, the President of Guyana declared plans to install 400 MW of new hydro, gas-fired, solar and wind generating capacities over the next five years. Moreover, the Government intends to allocate USD 135 million towards developing renewable energy projects in 2021. The Guyana Energy Agency (GEA) has recently announced tenders to install new generating capacities in remote locations.

With the Natural Resource Fund Act no. 12/2019, Guyana established a sovereign wealth fund, the National Resource Fund (NRF), to manage income generated from the country's natural resources. The Act establishes a Public Accountability and Oversight Committee to supervise the NRF. The Committee consists of 22 members, including civil society, the business community, legal and consumer associations, regional councils, and academia. It is required to develop bi-annual activity reports and submit these to the President of Guyana and the National Assembly. The NRF's monthly financial reports from 2020 onwards are publicly available on its website.

AREAS FOR IMPROVEMENT

The Government should update its low carbon development strategy. It may also consider developing a hydrocarbons production and trade strategy, given the country's recent discovery of new oil reserves. This hydrocarbon strategy could define measures and actions to mitigate global oil price volatility risks, further diversify the economy through long-term strategic investments in various sectors of the economy and ensure proper allocation of revenues accumulated in the NRF.

The Government of Guyana should improve the policy monitoring process by conducting an independent analysis of their implementation and making recommendations to increase the public administration's efficiency.

Management of decision-making processes

QUICK FACTS

The Office of the Prime Minister of Guyana is responsible for developing the national energy policy. The GEA implements the local energy policy.

The Ministry of Natural Resources (MNR) develops and implements policies on the exploration and utilisation of natural resources.

The new Ministry of Tourism, Industry and Commerce has taken over the functions of the former Ministry of Business.

STRENGTHS

The Government is implementing the national energy and environmental policies at the local and central level through the Office of the President, the Office of the Prime Minister, the Ministry of Public Works, the MNR, and the Ministry of Local Government and Regional Development. Since 2019, the World Bank is implementing the Guyana Petroleum Resources Governance and Management Project to develop a comprehensive legal and regulatory framework for Guyana's petroleum sector in line with best practices. Within the project's lifetime (2019-2023), the Government plans to submit to the National Assembly several legal acts, including the Petroleum Commission Bill and the Local Content Bill.

Guyana is taking measures to strengthen transparency, public participation and stakeholder engagement in the law- and policy-making process. On 27 August 2020, the President of Guyana appointed members to the newly established Advisory Panel on Local Content. Following their appointment, the Panel members reviewed the existing and draft local content policies in the petroleum sector. They also prepared guidelines to develop an updated local content policy and legislation based on consultations with various stakeholders. The Panel submitted its final report on this issue to the MNR in November 2020. In April 2021, Guyana published its second EITI report for the year 2018. It has also published its third EITI Work Plan for 2021-2022. The main priorities under the 2021-2022 Work Plan are the compilation of accurate data, the dissemination of information obtained under the EITI Standard to promote stakeholder dialogue, and the timely reconciliation of the information supplied under the EITI Standard.

AREAS FOR IMPROVEMENT

The Government may consider establishing a standing council comprising State institutions, development partners, foreign investors, business associations and academia to improve the country's investment climate. Such a council can serve as a platform for public-private dialogue, review the existing investment-related legislation, policies and strategies and provide recommendations to develop future investment plans. It can also advise the Government on measures to remove entry barriers for new investors.

Regulatory environment and investment conditions

QUICK FACTS

The Public Utilities Commission (PUC) Act no. 19/2016 states that the PUC will undertake regulatory, investigative and enforcement functions in various sectors, including energy.

The Office of the Prime Minister grants operational licences for the electricity sector.

STRENGTHS

The Government of Guyana is making efforts to ensure greater electricity access for its people and reduce tariffs for all end-users, particularly those in the hinterlands. The 2021 State budget recognises the need for securing energy supplies at a competitive cost and, in this light, removes Value-Added Tax on electricity and water supply services. Meanwhile, the recent discovery of petroleum reserves has prompted the Government to set up an appropriate policy and regulatory framework for the sub-sector. In February 2021, the MNR published the updated Oil and Gas Master Plan, which evaluates oil and gas utilisation projects and contains a roadmap for 2021-2040. Over the last five years, the International Monetary Fund reviewed the country's Production Sharing Agreement (PSA) framework and, in 2017, provided the Government with recommendations to modify it. Among other things, it recommended revising the fiscal regime to maximise the Government's share in upstream oil and gas revenues. Based on the recommendations, the Government announced in 2020 modifications to its model PSA.

Over the last years, the Guyanese oil and gas sector has attracted the attention of investors. The average daily production of crude oil is expected to reach 750,000 barrels by 2025. As of January 2021, the country's total income derived from oil production was USD 185 million. To ensure that benefits arising from the oil and gas sector percolate to the local communities, the Government has prepared a new draft Local Content Policy (LCP). The MNR circulated this draft policy for a discussion with stakeholders on 15 February 2021. The LCP establishes the Petroleum Commission of Guyana (PCG) to ensure international operators and contractors comply with the LCP's provisions when procuring services and goods. The PCG is also expected to monitor licences or contracts awarded by the Government and examine exploration, appraisal and development plans and programmes. A Local Content Secretariat will be established to monitor and report on the performance of the industry operators.

AREAS FOR IMPROVEMENT

While the PPP Policy Framework is in place since 2018, Guyana might consider adopting PPP legislation to enhance the interest of private players in large energy infrastructure projects. The PPP legislation should have a well-defined scope, clarify the type and nature of support provided by the State to such projects and describe the rights, responsibilities, and risks for each party.

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 acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards in 2014.

STRENGTHS

In 2020, the Government initiated a reform to upgrade the country's arbitration legislation and promote alternative dispute resolution. It approached a prominent regional legal expert to review the relevant legislation and regulations and provide recommendations on which laws should be abolished or amended, and identify the areas where new legislation is needed. The regional expert gave its first set of recommendations to the Government in December 2020 for consideration and implementation. The main recommendations include utilising the UNCITRAL Model Law on International Commercial Arbitration to modernise the local arbitration legislation and joining international treaties such as the Inter-American Convention on International Commercial Arbitration and the United States Bilateral Investment Treaty.

The property rights of investors are guaranteed by Investment Act no. 1/2004. The Act states that the Government shall take possession of an investor's asset only per the national legislation, through a non-discriminatory process and upon the payment of adequate compensation. The State Lands Act no. 32/1903 regulates land rights in Guyana. The Guyana Lands and Surveys Commission administers long-term land-related leases, mortgages, transfers and renewal rights. Intangible property rights are protected under the Investment Act of 2004. Guyana is a contracting party of the World Intellectual Property Organization and the Paris Convention for the Protection of Industrial Property since 1994. The country has signed BITs with nine countries, of which five are in force and eleven treaties with investment protection provisions, of which ten are in effect.

AREAS FOR IMPROVEMENT

The Government may consider amending the State Lands Act no. 32/1903 to identify "public interest" in the case of expropriation and define the timeframe for providing compensation in such cases.

Considering Guyana's strategic geographic location, it has the potential to become a regional arbitration and mediation hub. Therefore, the Government should consider establishing new arbitration and mediation centres throughout the country.

IMPLEMENTATION STATUS



Guyana

PROPOSED IN	EIRA AREAS FOR IMPROVEMENT	IMPLEMENTATION STATUS AS OF 1 APRIL 2021
Indicator 1		
2020	Adopt a new national energy policy that sets quantifiable short-term, medium-term and long-term targets for the sector's development.	Pending
2021	Conduct an independent study on the policy implementation process and mechanisms to increase public administration efficiency.	Improvement suggested in 2021. Status will be updated in 2022.
Indicator 2		
2020	Consider establishing a one-stop shop or assign this function to the Guyana Office for Investment.	Pending
2021	Create a standing council comprising State institutions, international organisations, development partners, foreign investors, business associations and academia to improve the country's investment climate.	Improvement suggested in 2021. Status will be updated in 2022.
Indicator 3		
2020	Establish, at the earliest, a legal and regulatory framework to support the implementation of the Local Content Policy.	Work ongoing and partially implemented. On 27 August 2020, the President of Guyana appointed members to the newly established Panel on Local Content. Following their appointment, the Panel members reviewed the existing and draft local content policies in the petroleum sector. They also prepared guidelines to develop an updated local content policy and legislation based on consultations with various stakeholders. The Panel submitted its final report on this issue to the Ministry of Natural Resources of Guyana in November 2020.
2021	Consider adopting a PPP legislation to increase the interest of private players in large energy infrastructure projects.	Improvement suggested in 2021. Status will be updated in 2022.
Indicator 4		
2020	Consider establishing an investment ombudsperson to resolve conflicts between investors and public authorities.	Pending
	Step-up efforts to improve the efficiency of the judiciary and reduce court delays.	Pending
2021	Consider amending the State Lands Act no. 32/1903 to identify "public interest" in the case of expropriation and define the timeframe for providing compensation in such cases.	Improvement suggested in 2021. Status will be updated in 2022.
	Establish new arbitration and mediation centres.	Improvement suggested in 2021. Status will be updated in 2022.