

## **FINALISING THE “ENHANCING NATIONAL COMPETITIVENESS” DOCUMENT**

*In July, 2005, the Office of the President and the Ministry of Tourism, Industry and Commerce released a draft policy discussion paper entitled: “Enhancing National Competitiveness: Implementing the National Strategy”.*

*This document sets out the process for finalising the paper.*

### **1. Background**

The Enhancing National Competitiveness document sets out the Government’s initial assessment of the actions necessary to deliver a step-change in the competitiveness of Guyana’s economy, in order to support the next wave of economic growth.

These actions are summarised in a set of policy recommendations.

The Government wants these policy recommendations to be reviewed and analysed by a wide group of stakeholders, in order to gather analysis and build consensus on how the recommendations, and the overall strategy, can be improved. In particular, the Government wishes to support the active engagement of the private sector in this process.

### **2. Strong Support from Government and Private Sector Commission**

On September 9, 2005 and September 22, 2005, His Excellency, President Bharrat Jagdeo delivered two key-note speeches, which placed this work within the context of his overall economic vision for the country. The President emphasised the Government’s desire to work with the private sector in identifying as much consensus as possible around the actions that should take place to improve the competitiveness of the economy:

“I want to re-state that my Government’s principal strategic economic objective is to generate economic growth and enhanced national competitiveness.....we are taking practical steps to make this priority a reality. My staff have led work across the Government to produce a draft policy discussion paper setting out how we envisage the next wave of this vital work. They are working with the private sector to build consensus around the priority actions that we will move to implement as soon as possible.

I have welcomed the work that members of the private sector have done so far in working with my staff to broaden the consultations on our next wave of policies, and hope that this continues. Without this practical, action-oriented,

problem-solving approach, it is difficult to deliver the change that supports the highly successful private sector which is a fundamental cornerstone of my Government's economic vision."

The Private Sector Commission welcomed the President's speeches, as well as other statements of the Government's desire to work with the private sector on this issue. In a letter dated 22 September 2005, Mike Correia, Vice Chairman of the PSC, said:

"..... we strongly endorse his [President Jagdeo's] desire for a Government – Private Sector partnership. The Private Sector Commission is very committed to future work in this regard.

The "Enhancing National Competitiveness" document has been discussed extensively by the PSC Council, and has garnered strong support. The PSC looks forward to the upcoming collaboration with the Government to further develop the document and to identify priority initiatives that can be immediately implemented."

### **3. Moving Forward in the Consultation Process**

Against this background of strong commitment from both the Government and the Private Sector Commission, a meeting was held on Friday, 21<sup>st</sup> of October, where PSC members met with officials from the Office of the President, the Ministry of Tourism Industry and Commerce, the IDB and CIDA. Also present were members of three consulting firms who have been engaged by the Government to help the Government and the private sector in their work to advance the implementation of measures which aim to enhance national competitiveness.

At this meeting, the process to finalise the draft policy discussion paper was further discussed.

At subsequent meetings between representatives of the Private Sector Commission, others from the Private Sector, the Office of the President and the Ministry of Tourism, Industry and Commerce, the process set out in the following sections was agreed upon:

### **4. Consultation Process**

The draft policy discussion paper sets out an action plan through which policy recommendations will be implemented. The plan outlines two categories of competitiveness-enhancing policy measures for prioritisation:

- a. Short to medium term measures are "quick wins" to enhance competitiveness which can be implemented before the end of 2006.
- b. White Paper measures are those to be included in a parliamentary White Paper on Competitiveness, which will outline the updated vision and strategy for enhancing national competitiveness. The consultation exercise

for the white paper will be extensive, and the Government and Private Sector Commission hope that the appropriate parliamentary entities will engage with this process.

With these in mind, the process to finalise the policy discussion paper was agreed as follows:

4.1 *Produce Initial Draft Enhancing National Competitiveness Document – July 2005 [DONE]*

4.2 *Conduct First Wave of Consultation with Stakeholder Group: 1 September 2005 – 3 February 2006*

Both the Government and the Private Sector Commission wish to see as comprehensive a consultation process as possible, and the draft document has been made available for review through a variety of channels.

Particular attention is being given to gathering feedback from three key groups of stakeholders:

- Private Sector Individuals, Companies, and Organisations – the Private Sector Commission is leading the consultations with this group. Further details about this aspect of the consultation process are set out in Section 5.
- Government Ministers and officials – the Ministry of Tourism, Industry and Commerce is leading the consultations with this group. A Government Steering Committee, chaired by the Minister of Tourism, Industry and Commerce, co-ordinates competitiveness policy issues.
- Donor Agencies which have chosen to become engaged with the consultation process – the Office of the President is leading the consultations with this group. A series of meetings has already taken place; these will continue.

4.3 *Produce Second Draft Policy Discussion Document – 17 February 2006*

This second draft will identify the first tranche of “quick wins”, and incorporate feedback received during the first wave of consultation. The “quick wins” will move to implementation as soon as possible.

Although feedback relating to all areas of the national competitiveness strategy will be included, there will be particular focus on four policy areas:

- Investment Promotion

- Export Promotion
- Developing Fast-Track Sectors
- Strengthening Public Private Cooperation

These four areas have been chosen because they are covered under the Government's upcoming Competitiveness Programme, which is receiving funding from the Inter-American Development Bank (IDB).

The Government, the PSC and the IDB worked together to finalise the Terms of Reference for consultancies to cover each area. Four teams of consultants have been engaged, and are already working with the Government, the private sector and other stakeholders to finalise the details of this programme.

#### 4.4 *Second Wave of Consultation with Stakeholder Group 1 April 2006 – 30 September 2006*

The details of this wave will be determined, and communicated, in time.

However, the mechanisms for public-private cooperation agreed as part of producing the second draft of the paper (through the fourth component of the Competitiveness Programme – Strengthening Public – Private Cooperation), will play a strong role in the stewardship of this process.

#### 4.5 *Produce Final Policy Discussion Document – 30 September 2006*

This final document will identify a second tranche of “quick wins”, and incorporate feedback from the second wave of consultation.

It will act as the primary input into the parliamentary white paper process.

The timeline for the parliamentary white paper process will be agreed following the release of the final policy discussion paper.

The white paper process will then take the competitiveness agenda forward to the next stage.

### **5. Consultation Process for the Private Sector during first wave of consultation**

The Government and the Private Sector Commission have agreed that the PSC will lead the process to gather feedback from the private sector. The Government and the PSC will jointly review all feedback received, and ensure that the appropriate experts from both Government and private sector are involved in the discussion of all major issues, with a view to reaching Government / PSC consensus in as many areas as possible.

The following steps are planned.

### *5.1 Encouragement to Participate*

The Private Sector Commission will issue a series of communications asking for maximum participation from the private sector in the consultation process.

This will be done before November 29, 2005

### *5.2 Review of Consultancy Reports*

The PSC and Government are closely liaising with the consultant teams that have been engaged under the IDB-funded Competitiveness Programme to facilitate their discussions with public officials, private sector companies, individuals and organizations.

After December 9<sup>th</sup>, when the consultants' draft reports are submitted, the PSC will receive copies of said reports from the IDB/GoG for further analysis and discussion.

After the consultants' draft reports have been submitted, the PSC will meet to discuss each of the reports, with the respective consulting team.

A similar process will take place between the consulting teams and the Government Steering Committee.

Subsequent to this, both the PSC and the Government will facilitate discussions with key private and public sector leaders around the key policy areas, to arrive at consensus on the findings of the consultants.

It is envisaged that this will involve several focus group meetings early in 2006. These meetings will map to the consultancies; initial suggestions are that four focus groups should meet to discuss:

- Investment Promotion / Red Tape (Nathan team – Group 1)
- Competition Policy / Consumer Protection (Nathan team – Group 1)
- Framework for Export Promotion / Trade Negotiation (Sofreco – Group 2)
- Technology and Skills (Sofreco – Group 2)
- Financing and BDS (Sofreco – Group 2)
- Developing Fast Track Sectors (ETG / IGT – Group 3)
- Facilitating Public / Private Sector Cooperation (ETG / IGT – Group 4)

The Government, the PSC and the relevant consultancy teams will work to ensure that the appropriate mix of government and private sector stakeholders attend the focus groups. At each focus group, the aim will be to achieve gender balance, small business representation, and business leadership from across the country

and from different sectors (who may or may not be members of the PSC). It is envisaged that the focus groups will ideally consist of 5 – 15 members.

Ideally, the focus groups will be held in a coordinated way during one week, but the logistics and schedules of all involved may make this impossible.

### *5.3 Discuss Final Draft Reports of Consultants and produce Second Draft “Enhancing National Competitiveness” document*

The final draft report of the consultants will be discussed jointly between the Government and the PSC, to reach maximum consensus on how recommendations to be taken forward are to be incorporated into a second draft Enhancing National Competitiveness document.

Both the Government and the Private Sector Commission hope that as much consensus as possible will be reached; recommendations which are not endorsed by the PSC will be identified within the second draft policy discussion paper and these areas will continue to be discussed in the second wave of consultation, as described above.

### *5.4 Public / Private Forum: “The Competitiveness Partnership Summit”*

A forum will take place to present the consultants’ final draft and the second draft of the “Enhancing National Competitiveness” document to a wider public audience, as well as to provide a demonstration of public / private dialogue and cooperation.

At the forum, the conclusions of the first wave of consultation will be communicated, as well as the framework for the second wave. Any new public / private dialogue arrangements that have been identified in the first wave will also be explained.

Also, an outline will be given of the IDB-funded programme, which will commence shortly after the forum takes place.

It is proposed that the participation should include 90 – 100 participants (40 business, 30 government, 10 youth, 10 donor community), with a particular focus on ensuring gender balance, and participation from small business and youthful business leaders.

It is suggested that this takes place in late February or early March, 2006.

## 6. Next Steps

Number	Action	Responsibility	Deadline
1	Issue communication to private sector outlining consultation process, and encouraging participation	PSC	November 29, 2005
2	Submit first draft of consultancy reports to GoG and IDB	Consultancy Team Leaders	December 9, 2005
3	Deliver first draft of consultancy reports to PSC	MINTIC	December 12, 2005
4	Provide initial comments from the private sector on first draft of consultancy reports	PSC	December 16, 2005
5	Provide initial comments from the public sector on first draft of consultancy reports	GoG Steering Committee	December 16, 2005
6	Submit second draft of consultancy reports	Consultancy Team Leaders	January 13, 2006
7	Hold four focus groups to conduct detailed review of second draft of consultancy reports	PSC / GOG Steering Committee	January 20, 2006
8	Submit final consultancy reports to GOG / IDB	Consultancy Team Leaders	February 3, 2006
9	Deliver final consultancy reports to PSC	MINTIC	February 6, 2006
10	Finalise IDB-funded Competitiveness Programme	GoG / IDB (during analysis mission)	February 10, 2006
11	Agree process for second wave of consultation	GoG / PSC	February 17, 2006
12	Release Second Draft of “Enhancing National Competitiveness” document	GoG, with support from PSC	February 17, 2006
13	Hold “Competitiveness Partnership Summit”	GoG / PSC	February 24, 2006
14	Commence Second Wave of Consultation (and update this timeline with new milestones for completion of second wave)	GoG / PSC	March 3, 2006
15	Expected Board Approval for IDB-funded Programme	GoG / IDB	March 29, 2006