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AN EVALUATION  
OF  
THE USAID/CAIC PROJECT 538-0043

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EXECUTIVE SUMMARY

A strong, unified private sector is an important ingredient for promoting significant economic growth in the Caribbean. As a central private sector body for the region, the Caribbean Association of Industry and Commerce (CAIC), has a responsibility for helping to create the kind of climate in the region's economies which is conducive to both the expansion of existing businesses and the attraction of new private sector investment.

The objective of AID's cooperation with CAIC, which began in June 1981, was to enhance CAIC's administrative capacity so that it could play a leading role in the revitalization of the region's private sector. In order to achieve this objective, the following outputs are required:

1. CAIC must have the administrative ability to adequately represent the private sector's interests in the region and to assist its allied institutions in becoming more active at the local level;
2. CAIC's actions must result in a mobilization of resources among the region's private sector; and
3. The efforts of CAIC and its affiliates must have a direct impact on the region's production and productivity.

The initial phase of this process is well underway. The Association has been revitalized and a permanent Secretariat in Barbados has been established. By the end of 1982, CAIC had filled most of the proposed staff positions, prepared a strategy statement, conceptualized the departmental programmes after discussions within CAIC and with relevant aid donors, agreed upon funding levels and begun to implement projects.

In the next phase of its activities, CAIC focused its attention on its dual role as advocate for the private sector and provider of action-oriented programmes. The underlying intent or "bottom line" of this programme effort was to help initiate new private sector investment and expand existing businesses. To attain this objective, programme activities were initiated in four functional areas:

- . Organizational Affairs and Business-Government Relations
- . Training
- . Technical Assistance, Research and Data Collection
- . Economic Development

According to its member organizations, CAIC's major accomplishments, to date, are its recognition as a viable spokesman for the region's private sector and its ability to mobilize the private sector to join together to address issues of major concern at the regional level. CAIC's efforts to mobilize the private sector at the national level through its local affiliates have been less successful. The impact of CAIC's efforts on increasing the

production and productivity of the region, which is the ultimate objective of this project, has been the most difficult to assess due to the lack of systematic follow-up and measurement of relevant CAIC activities.

Having revived its regional reputation and delivered action-oriented programmes, CAIC has attained a level of project maturity which requires refinement of present programme activities in order to present a package of services based upon a country-by-country strategy. This next phase of project activity should allow CAIC to maximize its impact on its member organizations beneficiaries by means of a more efficient allocation of its limited staff and financial resources. To further its objectives, CAIC will need to improve its fiscal management; increase its resource base; develop an integrated work plan; and monitor and evaluate its activities on an on-going basis.

#### Scope of the Evaluation

This evaluation addresses two areas of inquiry: (1) Is CAIC meeting its fundamental objectives under the Cooperative Agreement; and (2) Is CAIC's management structure functioning effectively in implementing the terms and conditions of the Agreement and in preparing itself for future self-sufficiency? This evaluation of CAIC's performance has been based upon a review of all project-related documents and correspondence between CAIC and AID as well as interviews with RDO/C management staff, CAIC's Executive Director, the staff of each CAIC department and private sector individuals familiar with CAIC's activities.

## I. INTRODUCTION

In response to the terms of reference established for the second evaluation of the USAID/CAIC Project No. 538-0043, this report will reflect the results of two areas of inquiry: (1) Is CAIC meeting its fundamental objectives under PSIAP Cooperative Agreement; and (2) Is CAIC's management structure functioning effectively in implementing the terms and conditions of the Cooperative Agreement and in preparing itself for future self-sufficiency?

### A. METHODOLOGY

The first of the two areas of inquiry has been approached using as a basis the Work Plans which were developed by each of the CAIC departments and approved by the USAID Mission. These plans define, in more-or-less specific terms, the objectives of each CAIC program component and the activities projected under each component for the course of the year under consideration.

The Work Plans also constitute an updating of the activity/performance expectations of CAIC - acknowledgement having been made of satisfactory achievement of many of the project's original objectives with the AID formalization of "follow-on assistance" in August 1982. This evaluation accepts the assumption implicit in the development, review and approval of the work plans: that satisfactory performance of the CAIC departments against their approved work plans would constitute satisfactory CAIC progress toward its fundamental objectives.

The primary focus of the first area of inquiry, therefore, has been an analysis of the performance of each CAIC department, using its work plan as basic evaluation criteria. Interviews with recipients of CAIC services are the basis for impact assessment and are used to measure CAIC's contribution to the strengthening of national private sector organizations. However, sufficient data was not collected by CAIC to perform an economic analysis of the project.

As specified in the scope of work for this evaluation, the second area of inquiry - CAIC management - has included:

- . An assessment of CAIC activity management;
- . An assessment of the extent to which CAIC management has considered and employed the recommendations offered by Catherine Pearson in her March, 1982 evaluation of the CAIC project;
- . An examination of the CAIC - RDO/C working relationship;
- . An analysis of CAIC's efforts to become self-sufficient, including its current and projected relationships with donors.

This evaluation has been conducted in two parts. On August 22, 1983, Bill Phelps of RDO/C and Mike Deal of AID/W began a thorough review of all project related documents, including correspondence between CAIC and RDO/C management and internal AID and CAIC communications. Beginning on August 23, in-depth interviews were held with RDO/C management staff, CAIC Executive Director, Patterson Thompson, the staff of each CAIC department and the following individuals:

- . Mr. Henry Vieira, President, Barbados Manufacturers Association;
- . Mr. Al Knight, President, Barbados Chamber of Commerce;
- . Mr. John Goddard, Former President of CAIC Board of Directors;
- . Mr. Ornan Monplaisir, Former President, St. Lucia Chamber of Commerce;
- . Ms. Ruth McFarlane, Executive Director, St. Lucia Chamber of Commerce;
- . Mr. Andrew Proctor, Resident PDAP Advisor, St. Lucia;
- . Mr. Will Kelsick, President, St. Kitts Chamber of Commerce;
- . Mr. Michael King, President, St. Kitts Manufacturers Association;
- . Mr. Ricky Skerritt, Executive Director, St. Kitts Chamber of Commerce;
- . Mr. Donald Marsden, Resident PDAP Advisor, St. Kitts;
- . Mr. Noel Walling, President, Antigua Chamber of Commerce;
- . Mr. Clarvis Joseph, Professional Trainer (currently under contract with the Organization of Eastern Caribbean States); and
- . Mr. Allen Roger, Canadian High Commissioner.

Although the findings from this initial period were compiled, the evaluators did not have time to complete the project. On March 10, 1984, Elizabeth Warfield of AID/W arrived in Barbados to update and complete the evaluation. Additional in-depth interviews were held with the CAIC Executive Director and the head of each CAIC department. Interviews with recipients of CAIC services were not possible due to a lack of time and travel funds. Thus, this second phase served to update the work plan activities of the various departments, while relying upon recipient impact observations of the Phelps/Deal team.

## II. BACKGROUND

### A. PROJECT HISTORY

In order to place this project in its proper context, a brief review of the project's history is necessary. The goal of this grant project, signed in June, 1981 and authorized for \$US400,000, is to mobilize the indigenous private sector for increased production and productivity so as to improve the economic base of the region. The purpose is to strengthen the administrative capacity of the Caribbean Association of Industry and Commerce (CAIC) to promote and stimulate private investment and productive employment in the countries of the Caribbean.

The project's cooperative agreement has been amended four times. Amendment No. 1 dated June 3, 1982, reprogrammed the original budget to more accurately reflect projected expenditures under the project. This was necessary due to initial delays in hiring several program managers and the relatively rapid implementation of the AID-financed training program. It was again amended on August 24, 1982, at which time the Mission provided additional assistance totalling US\$700,000. This Amendment No. 2 provided assistance to finance the agreed upon work programmes and to initiate three new activities: support for Junior Achievement expansion and the establishment of two pilot funds, the National Private Sector Fund (NPSF) and a Technical Assistance Fund (TAF). The third amendment was signed on December 16, 1982 to permit authorization of NPSF activities on an item by item basis.

In compliance with the terms of the original grant agreement, a detailed, in-depth evaluation was conducted by Catherine Pearson of Caribbean/Central America Action (C/CAA) in March 1982. The purpose of this evaluation was to review progress to date and to determine what role, if any, AID could have in developing a follow-on project. In order to provide additional time to implement the NPSF and TAF, a fourth and final amendment was approved on August 30, 1983 which extended assistance to CAIC until March 1, 1984.

### B. CAIC

CAIC was established approximately 26 years ago as a regional federation of national business organizations to foster economic and social development of the Commonwealth Caribbean by promoting trade, commerce, industry, agriculture and tourism. Then, as now, CAIC sought to represent and safeguard the view that the private sector has a role to play in the economies of this region. In part, the role has been to define and advocate the role of the private sector in the region's mixed economies. Another aspect of CAIC's role is to devise and implement action-oriented programs aimed at strengthening the private sector institutionally throughout the region, while offering a range of services which address specific business requirements.

The basic, underlying aim of these programs is to promote and stimulate private investment and productive employment in the region. To address some of the national and regional goals, CAIC plans:

- . to help raise the level of managerial, technical and supervisory skills;
- . to promote the expansion of intra and extraregional trade;
- . to increase foreign exchange earnings through increased exports;
- . to facilitate development efforts in private sector investment; and
- . to increase the use of indigenous raw materials in regional manufacturing.

### III. PERFORMANCE OF CAIC DEPARTMENTS

To address these critical development tasks, CAIC designed an administrative division of functional expertise to reflect the broad range of programme activity in separate, but related areas. The four departments are:

- a. Organizational Affairs and Business/Government Relations
- b. Training
- c. Technical Assistance/Research and Data Collection
- d. Economic Development

The objectives of each department and the performance of the proposed work plans will be discussed below.

#### A. ANALYSIS

An analysis of the number and types of project activities which have assisted the region's private sector to increase production and productivity and which have strengthened the national level private sector organizations.

The individual CAIC department work plans, which were developed by CAIC and approved by RDO/C have been used as the evaluation criteria for conducting this analysis. The plan/performance sections are based upon the July 1983 to March 1984 work plans. The evaluation commentary and recommendations incorporates the findings and observations of both Warfield and the Phelps/Deal team. The latter group, however, dealt only with the July 1982 to June 1983 work plans. The assumption in both cases has been that satisfactory CAIC performance against the work plans constitutes satisfactory progress toward project objectives.

Analysis has also been made, and observations offered, regarding the degree of relevancy of the work plans to the needs of the CAIC affiliates and their communities, as these needs have become better understood and further refined throughout the course of the program year.

Finally, the budget of each department will be analyzed in terms of the proposed and actual expenditures for each programme as a reflection of the departmental priorities. The most recent billing submission to AID (December 1983) will serve as the basis for this analysis.

B. ORGANIZATIONAL AFFAIRS/BUSINESS-GOVERNMENT RELATIONS  
DEPARTMENT

1. The Work Plan and Performance

The primary objective of this department is to strengthen the institutional capacity of national private sector bodies, thus enhancing their ability to act in unity in representing their specific interest in issues of concern to the entire private sector. Ancillary objectives of this department are to promote intra-private sector dialogue and communication within the region and to cultivate relationships with governmental and other regional public sector bodies as well as international institutions.

To implement these objectives, the department proposed the following activities in its July 1983-March 1984 work plan (with percentages indicating their relative share of the proposed budget):

- a. National Private Sector Fund (38%)
- b. Organization Management Programmes for Caribbean Chamber Executives\* (20%)
- c. Junior Achievement Programme (9%)
- d. Twinning (3%)
- e. "Free To Choose" (30%)

The total amount of AID funds budgeted for this Department's programme was BDS\$328,263.

a. National Private Sector Fund (NPSF)

a) The Plan: To fund projects submitted by local private sector organizations in the following territories:

- |             |                    |
|-------------|--------------------|
| 1. Antigua  | 7. Guyana          |
| 2. Barbuda  | 8. Montserrat      |
| 3. Barbados | 9. St. Kitts-Nevis |
| 4. Belize   | 10. St. Lucia      |
| 5. Dominica | 11. St. Vincent    |
| 6. Grenada  |                    |

\* This activity is considered part of the National Private Sector Fund for budgetary purposes, but is considered as a separate item in the work plan. For the purposes of this budgetary analysis, it is treated as a separate item.

The projects proposed under the NPSF were aimed at strengthening the Chamber/Private Sector Organizations through income-generation, while simultaneously contributing to national economic development. Three projects, one each from Belize, Guyana and St. Lucia, had already been submitted to and approved by AID. In order to satisfy the AID requirement that each Chamber have adequate managerial capacity to carry out the activity prior to its initiation, the Training Department planned field trips to the above territories. Visits to St. Vincent and St. Kitts to assist in project development were also to be undertaken during this work plan period.

b) Performance: The activities proposed under the work plan are in various stages of development. In the case of Belize, the field trip to assess management capability was undertaken and the funds for the proposed handicraft project were disbursed. The Guyana Training project has been approved and the funds are soon to be disbursed. St. Lucia has yet to follow through on its project proposal. Due to a cash flow problem, the department's staff could not travel to St. Vincent and St. Kitts to assist in project formulation.

b. Organization Management Programmes for Caribbean Chamber Executives

a) The Plan: To build up a cadre of trained persons capable of managing national private sector organizations. Two participants from each of the ten countries included in the NPSF were to attend a Training of Chamber Managers and Executives Workshop in Miami in late November/early December. The Programme Manager planned to attend a Coordinating Committee meeting for this workshop in September.

b) Performance: Fourteen participants attended the Second Caribbean Organization Management Workshop. Of this total, two each were from Barbados, Belize, Antigua, St. Lucia, St. Vincent, Grenada and CAIC, with one each from Dominica and St. Kitts.

c. Junior Achievement (JA) Programme

a) The Plan: To continue to support the JA programme in St. Lucia, St. Kitts-Nevis and Dominica. The department planned to send Trinidadian and Barbadian J.A. experts to these territories to assist in the establishment of JA programmes.

b) Performance: The proposed activity did not occur during this work period due to the inability of the local chambers to identify an individual to work with the programme.

d. Twinning

a) The Plan: To form closer relationships between CAIC affiliates and carefully chosen U.S. Chambers of Commerce. The purpose of the Twinning Chamber Programme is to instill in Caribbean Chambers of Commerce a sense of what Chambers should be accomplishing in terms of community outreach and to develop programmes aimed at improving socio-economic growth in the territory as a whole. Combined CAIC/CCAA twinning exercises were to be conducted in Dominica, St. Lucia, St. Kitts-Nevis, St. Vincent, Montserrat, and Antigua.

b) Performance: While the chambers of Barbados, St. Lucia and Antigua have been twinned, the department has not been able to travel to monitor the progress of these efforts due to a cash flow problem. The Programme Manager, however, did participate in and co-chair the meeting of the Cooperating Chambers (Twinning) which was held in Miami just prior to the Seventh Miami Conference.

e. Dissemination of Information on The Free Enterprise System -- "Free To Choose"

a) The Plan: To educate the Caribbean people on the value of the free enterprise system. The department planned to rent out this film series produced by Milton Friedman to its affiliates and other interested organizations.

b) Performance: The film has not been purchased.

f. Public Relations

This departmental function was not included in the work plan, since it was not supported by AID funds. To accurately judge the performance of this department, a discussion of this activity is necessary, since at least sixty percent of staff time is devoted to public relations work. The public relations activities of this department include the magazine Calling the Caribbean, the new newsletter "Inside CAIC", radio programmes, press releases, press conferences and communications with international organizations. Calling the Caribbean was originally intended as a vehicle of communication for CAIC and its affiliates. Ranging in size from 20 to 24 pages long, the magazine has changed from a monthly to a bimonthly and more recently to a quarterly publication in order to accommodate its increased size and scope. Despite attempts to be self-supporting through advertisement, the publication has been operating at a loss.

In addition to Calling the Caribbean, CAIC now produces a four page newsletter to keep members informed of happenings within the organization's Secretariat. Titled "Inside CAIC", this newsletter was established at the specific request of its members, some of whom felt the articles in Calling the Caribbean were too long.

The fifteen minute radio program, "Caribbean Business World", has been aired bi-weekly since October 1982. Since CAIC has been unable to secure regular sponsors for the program, the Neal and Massey Company and the Matalon Group are currently providing financial assistance. CAIC has also encountered problems with the distribution and timing of the programme.

Other media activities of the department include press releases dealing with CAIC events, the organization's position on important issues and announcements of services offered by CAIC. The department has developed and maintained a good rapport with the press and media channels.

2. Evaluation Commentary and Recommendations

The Organizational Affairs/Business-Government Department cannot be judged solely on the merits of its performance of the work plan, since seventy percent of this department's activities were funded from CAIC's membership contributions and thus were not included in the work plan. The AID funds were essentially targetted for the strengthening of the local private sector bodies. Yet, this department is also responsible for promoting dialogue and communication within the region's private sector and for cultivating relations with governmental and regional public sector bodies as well as with international institutions and donor agencies.

According to Phelps/Deal's discussions with CAIC member organizations, CAIC's major accomplishments over the past two to three years have been its role in unifying the private sector on a regional basis and in establishing itself as recognized, viable spokesman. To the extent that these are its objectives, the Organizational Affairs/Business Government Relations Department has been quite successful. CAIC's ability, however, to coordinate and project private sector interests at the national level in order to effectively influence public policy, which is one of the stated objectives of this department, is still considered deficient by CAIC's membership.

Since policy dialogue at the regional and national level are not mutually exclusive activities, the Organizational Affairs/Business-Government Relations department could resolve the situation by adopting a two-fold approach. First, the various communication tools of the department could serve to explain the relevance of CAIC's policy initiative at the regional level to the local private sector organizations. Second, this network could be used to discuss national issues, which are not specifically addressed in the regional forums. In this way, CAIC's image would be enhanced and the organization's ability to respond to local issues might result in increased sponsorship of the various media activities, such as the magazine and the radio programs.

The department's performance of AID-funded activities, as proposed in the July 1983-March 1984 work plan, has been marginal. While certain activities involving staff travel were postponed due to cash flow problems, those relating to the strengthening of local institutions had trouble getting off the ground.

As of the December 1983 billing, only twenty-five percent of the programme budget funded by AID for this department had been expended. The programmes can be rank ordered by their relative share of actual expenditures (BDS\$80,959):

-  
-  
Organization Management Programmes for Caribbean Chamber Executives (58%)  
National Private Sector Fund (42%)  
Junior Achievement Programme (0%)  
Twinning (0%)  
"Free To Choose" (0%)

Of total NPSF expended, ninety percent went to the CBI Investment Promotion Conference. This activity, which was not included in the work plan, involved assistance to the regional public and private sectors for the preparation of their "country exhibits" for the First Miami Exposition during the Seventh Miami Conference on the Caribbean at the end of November.

a. Strengthening of National Private Sector Bodies

The NPSF was proposed as one of several means for strengthening the national private sector bodies. In addition to fulfilling this objective, the projects proposed under the NPSF were to serve as a source of income generation for the local chambers while simultaneously furthering

national economic development. The design of this component, however, was flawed in two respects. First, most of the local chambers were not equipped with sufficient organizational unity and managerial capability to develop the proposed projects, a point which was made by both the Executive Director and Programme Manager. Second, the lack of linkage between program and overhead costs, especially staff travel, further impeded successful implementation of the NPSF. In order to assist in project formulation and assess the managerial capability of the local chamber for undertaking the proposed project, the Organizational Affairs/Business-Government Relations Department's staff was required to travel. Yet, staff travel was not an authorized expenditure under the NPSF.

The question then arises as to how to address this organizational and managerial weakness at the local level. The problem of strengthening the local chambers can be defined in terms of a "vicious circle" with the local private sector bodies unable to attract an adequate membership base which would provide sufficient funds for hiring staff, purchasing office equipment and renting office space in order to provide services which would, in turn, increase the membership and revenue base.

The poor performance of the NPSF suggests the need for a new approach to the institutional strengthening component. One possible alternative is the model which has been developed by CAIC for recommendation to the LDC territories and which would be adopted within a defined period of time. The essential features are the sharing of common premises, staff and equipment with some internal subdivision of duties to allow proper focus on matters relating to:

- 1) Trade and Commerce
- 2) Manufacturing Industry
- 3) Training and Industrial Relations

These three subject areas have traditionally been the province of the Chamber of Commerce, the Manufacturers' Association and the Employers' Federation, respectively. To promote successful collaboration among these groups, CAIC will have to smooth over the competing interests of these private sector groups. It has been suggested that implementation of this model would be immeasurably assisted by some tangible inducement, in the form of funding for a limited period, on some matching basis. AID's reluctance to provide staff support in the past is understandable. Commitment to the purpose of this project, however, suggests the need for a new approach. Given CAIC's definition of the problem, AID might consider providing assistance to the national private sector bodies in the LDC territories based on the following conditions:

- 1) That it be on a matching funds basis
- 2) That it be provided for a limited period of time
- 3) That it be linked with increased membership support
- 4) That it be related to a specific developmental activity

b. Interdepartmental Coordination

Discussions with CAIC member organizations revealed the need for greater coordination among CAIC's departments. In consonance with the model proposed above, an integrated programmatic approach to organizational development should be developed leading to clearly defined targets and based on a strategy tailored to the needs and capacities of each individual chamber. As the communications arm of CAIC, the Organizational Affairs/Business-Governmental Affairs should play a lead role in planning and coordinating the various departmental activities as well as maintaining the ongoing bilateral communications deemed necessary for such an endeavor. A conscious decision must be made on the part of the Executive Director that this intertwining of department activities must begin with the development of integrated work programmes and a restructuring of the internal organization of CAIC so as to facilitate a team approach to project implementation. The end product would be a package of services which would enable CAIC to present a more cohesive image to its local affiliates.

To summarize, the Organizational/Business-Government Relations Department has been instrumental in the revitalization of CAIC, especially in establishing its role as a regional spokesman for the private sector. The department's role in promoting intra-private sector dialogue and communication has had an impact on achieving a greater sense of solidarity among the private sector at the regional level. The department has been less successful in promoting policy dialogue at the national level. Furthermore, substantial progress remains to be made in the terms of strengthening of the local private sector bodies. A new approach based on a country-by-country strategy and a packaging of CAIC services is recommended.

### C. TRAINING DEPARTMENT

The CAIC training programme is designed to identify private sector training needs and serve as an administrative coordinating center and funding conduit for the provision of training programs to businesses and business associations in the Caribbean. A major objective of this activity during the past year was to assist in upgrading the skill-base available to the region's private sector in terms of both improving ongoing business performance and providing better human resources for potential industries.

#### 1. The Work Plan and Performance

In the July 1983 to March 1984 work plan, the Training Department proposed to streamline its activities in order to concentrate upon a smaller, more relevant group of target areas. The following areas of concentration were proposed (with percentages indicating their relative share of the proposed budget):\*

- a. In-house or on-the-job training programmes (17%)
- b. Assistance to small businessmen (36%)
- c. Top management programmes (24%)
- d. Training of Trainers programmes (14%)
- e. Follow-up and Evaluation (Minimal)
- f. Special Sessions (5%)

The total amount of AID funds budgetted for this department's programme costs during this period was BDS\$170,613.

\* An additional line item not discussed in the work plan was Conference Travel (5%).

#### a. In-House or On-the-Job Training Programmes

a) The Plan: Based on requests received from private firms or businesses and on recommendations from CAIC's technical assistance department. Considered to be more direct and developmental to the Association's affiliates, these on-the-job training exercises would include specific problem identification through managerial diagnosis followed by, the design of specially-tailored training programmes to address the identified difficulties. The subsequent monitoring of the firm in question would assess relative degrees of success or failure, thus acting as a feedback mechanism to improve the quality of CAIC service.

In an effort to reduce overall programme costs, the On-the-Job Training Programmes and the Small Business workshop were to be held concurrently. It was further anticipated that where feasible, some of the owners/managers selected for the Small Business Development programmes would come from the same companies where on-the-job training was being performed.

In addition, the department proposed to offer an on-going series of special workshops and seminars for key business executives and staff of Chambers and Manufacturer's Associations to improve office management.

b. Performance: Performance has improved in this category since the previous work plan, with two of the six planned on-the-job training sessions as well as one unscheduled session having been undertaken. In October, diagnostic trips were made to industrial concerns in Antigua, Montserrat and Belize during which the following number of companies were visited: Antigua (4), Montserrat (5), and Belize (13). Four-day training courses were held in each of these countries with the actual training course occurring in the evening and clinical work with the individual firms being held during the day. The other on-the-job training programmes scheduled for the month of October did not take place due to a cash flow problem. However, the Training Department, in collaboration with TARD did conduct a seminar workshop for sewing machine mechanics in St. Kitts, but further diagnostic work will need to be performed in St. Kitts before conducting the scheduled on-the-job training session.

While noting that the in-house training for local Chambers and Manufacturer's Associations would focus upon the office staff rather than the executive directors and presidents of these organizations, the training department has yet to perform any of these in-house sessions.

b. Assistance to Small Businessmen

a) The Plan: To work cooperatively with other regional agencies and donors - CDB, BIMAP, USAID, CIDA - in devising collaborative programmes for owners and managers of small businesses. Eight courses were scheduled during the July 1983-March 1984 period. They were to cover the following topics: general operations; management techniques; effects of inflation and rising energy costs; recurring problems of small businesses; motivation and customer relations; planning for growth; banking and record keeping; financial management; business planning and policy and accounting and control. In addition, two workshops on purchasing, costing and pricing for small businessmen were to be held in St. Kitts and St. Lucia.

The training department also planned to offer two workshops on 'Starting up a Small Business', one in St. Kitts or Antigua for the Leeward Islands, the other in Barbados for the Windward Islands. Topics to be discussed during these 2-3 day seminars included: conceptualizing and developing a venture; preparing applications and projects for loan financing; record keeping and basic accounting principles; purchasing and costing mechanisms; legal regulations surrounding the establishment of a business; and marketing and sales.

b) Performance: As planned, the Training Department conducted four small business development workshops were conducted (2 in Belize, 1 each in Montserrat and Antigua). These sessions lasted 2 days each and averaged 15 participants per seminar. Other activities included two half-day workshops on pricing, costing and purchasing in St. Kitts and St. Lucia, with an average of 18 participants per session. In addition to the proposed content, these workshops also covered the topic of 'Managing Businesses in Turbulent Times for Small Businessmen'. The 'Starting up a Small Business' workshops were not conducted.

c. Top Management Programmes

a) The Plan: Directed towards CAIC Directors and senior executives from among members and affiliates. One top management course was scheduled during the July 1983-March 1984 period. Focussing on areas of traditional and on-going weaknesses in Caribbean management, the course would cover the following topics: finance and cost accounting; marketing and market research; planning and forecasting; organizational diagnosis and development; human and industrial relations. Current topics such as Production-sharing and Group Marketing would also be discussed.

The work plan also cited two other seminars directed towards top executives. The first seminar, "Strategies for Utilizing CBI", was to examine the following areas: an overview of trade and investment component of the CBI; strategies for market presentation under the CBI; and avenues for joint venture arrangements. Conducted in collaboration with the Economic Development Department, this programme was designed for the Presidents of Manufacturers' Associations or persons involved in exporting to third countries.

The second seminar included in this category was the Junior Management programme. While similar in content to the top management courses, this programme was designed for the junior level of management.

b) Performance: The CBI Promotion seminar was held in Barbados on November 10 and was immediately followed by the Top Executives' Consultation on November 11-12. The former was attended by fourteen participants from the Windward Islands and Barbados, while the latter conference had forty-six regional participants attended.

At the Top Executives Consultation, the Japanese style of management as well as the Yugoslavian method of worker participation were presented by a Harvard Business Professor and a CARICAD representative, respectively. A member of the Barbados Central Bank attempted a synthesis of these two styles and presented a Caribbean model of management.

The Junior Management seminar was held in Guyana from November 16-18. Forty-four junior managers participated in the seminar.

d. Training of Trainers

a) The Plan: Involving a training of trainers programme based on the response from similar programmes held in 1982-83. The overall objectives of the programme were to introduce participants to a systematic and logical approach to training and identify possible ways of improving their own techniques. In addition, the programme was designed to improve and develop participants' training skills in the areas of planning, implementing, coordinating and evaluating training sessions. Participants would be drawn from Chamber affiliates in the Leeward and Windward Islands and Belize. One session was scheduled for the July 1983-March 1984 period.

b) Performance: The department sponsored a regional Training of Trainers' Workshop for Human Resource Development Practitioners. Twelve persons representing seven countries attended the five-day programme held in Grenada.

e. Follow-up and Evaluation

a) The Plan: To provide additional training in greater depth to participants who attended previous programmes and to evaluate the impact of each programme. No specific follow-up activities were scheduled during the July 1983-March 1984 period. Continuous evaluation of each training programme however, was to be conducted in order to assess its impact on a specific territory in terms of the participant's performance on the job and the consequent improvements in the organization's productive capacity. Reports were to be prepared at the end of each programme. The department would conduct an overall evaluation every six months, followed by an annual report at the end of the year.

b) Performance: Evaluation reports were completed at the end of each programme. An overall evaluation, however, has not been conducted since the end of 1982. The department indicated that the 1983 evaluation would be performed at the end of the present work plan, which has been extended from December 1983 to March 1, 1984.

f. Special Sessions

a) The Plan: In addition to the five activity categories listed above, the work program also included two special sessions: the Private Sector pre-Independence Symposium in St. Kitts and the AID Donors Coordination Meeting.

The "Pre-Independence Symposium" in St. Kitts was designed in collaboration with the local chamber for the purpose of bringing together leaders in the private and public sectors to discuss the challenges confronting the nation upon achieving Independence.

b) Performance: The "pre-Independence Symposium" was held in St. Kitts on July 28-29. Public and private sector leaders met with the Prime Minister to discuss a strategy for economic development. The AID Donor Coordination Meeting did not take place.

2. Evaluation Commentary and Recommendations

In discussions with CAIC member organizations, the training program was universally mentioned as being the most tangible evidence of CAIC's impact in the region, especially in the LDCs. When asked about the results of CAIC's program over the past 2-3 years, next to CAIC's role in unifying the private sector and establishing itself as a recognized, viable spokesman, training was cited as the most important accomplishment. The training program has helped solidify CAIC's position among its member organizations, revitalizing long-standing, but vacuous business linkages by providing a service which responded, in large part, to needs expressed by the members organizations themselves.

Given the very ambitious work plan and the training department's limited staff (2 professionals and a secretary), the performance under this component of the grant agreement has been quite impressive. Most of the activities called for in the work program were carried out as planned and for

those activities such as on-the-job-training and small business programs, which did not meet projected levels, it appears that the training department would have been able to undertake them if cash flow problems and secondment of the department head to membership drives in the latter part of the year had not intervened.

As of the December 1983 Summary of Billing, only thirty-six percent of the proposed programme budget for this department had actually been spent. The department's programmes can be rank ordered by their relative share of actual expenditures (BDS\$62,858):

1. Training of Trainers (34%)
2. Assistance to Small Businessmen (33%)
3. Top Management Programmes (14%)
4. In-House or On-the-Job Training Programmes (8%)
5. Special Sessions (6%)
6. Conference Travel (5%)

a. Needs Assessment

An evaluation of the effectiveness of these training efforts was beyond the scope of this evaluation. It was evident, however, that efforts were made to tailor the training program to identified needs. In July-August, 1981 a needs assessment was conducted by CAIC which included a questionnaire and personal interviews of chamber executives and a limited sampling of local businessmen. The Microbusiness Study performed by Chris Julliard and Gordon Moreau (1982) served as a key background document for the Small Business Development Seminars. In response to CAIC inquiries regarding local training needs, the St. Kitts chamber actually hired its own consultants to conduct an assessment. The general response to CAIC sessions among the chambers surveyed for this evaluation was very favorable. It did become apparent, however, that the training effort could be greatly enhanced if it was structured in a more focussed approach. This could be done by developing a concerted strategy based on updating the needs assessment and more closely relating it to the diagnostic work for technical assistance requirements presently being undertaken by the technical assistance department. Less reliance should be placed on local chamber staffs to identify needs. Local chambers including those with hired staff, neither have the time to spend doing the necessary legwork nor are they familiar with the methodology necessary to realistically evaluate firm-level requirements. CAIC doesn't have this capacity either and thus consideration should be given to using local consultants to perform this task. This assessment should identify targets to the degree possible so that evaluation of training program results can be more easily quantified.

b. Recruitment of Participants

The recruitment of businessmen for training courses should also be better directed so as to avoid widely varying educational backgrounds and levels of job skills/experience among participants. CAIC should reduce its reliance on advertisements of upcoming training sessions for recruitment of participants and focus instead on a more direct linkage to the needs assessment.

c. Overlap with Other Training Programmes

The evaluation team also explored the appropriateness of continued CAIC involvement in training, given AID's support of BIMAP and CARICOM and the existence of other institutions which could perform this service (e.g., the University of the West Indies - UWI). The existence of or possibilities for creating a Business Administration School at UWI was not investigated during the evaluation but should be pursued. With respect to BIMAP, the Barbados Chamber of Commerce and the Manufacturers' Association both indicated that CAIC's training efforts were duplicative and that BIMAP was more appropriate for their needs. However, they admitted this was probably not the case for the LDCs. We learned that BIMAP has designed a few training efforts which include participation by businessmen from the LDCs and CIDA has recently funded a pilot small business development course. The scope of the new AID financed project with BIMAP as well as on-going BIMAP training programs need to be assessed more carefully before judging the degree to which CAIC programs would be duplicative. In St. Lucia, we learned that there has been overlap with CARICOM training programs during the past year. CAIC and CARICOM both offered customer relations courses within a month of each other. Nevertheless, CAIC's use of AID funds under its Regional Training project with CARICOM for private sector training programs, did help to jolt CARICOM into activity after a fairly long period of little or no activity. In order to avoid an overlap with these institutions, CAIC should concentrate its effort on those training needs which can be dealt with on a short-term, practical and location-specific basis.

d. Role as Facilitator/Coordinator

The Pearson evaluation conducted in March, 1982, recommended that CAIC avoid relying solely on in-house staff for its training programs and adopt a role of facilitator or coordinator, drawing more upon existing expertise outside of CAIC to conduct training sessions. Over the July 1982-March 1984 period, CAIC's training department has made significant progress in this area. Local consultants and resource people have been used on a number of occasions to complement CAIC staff. Emphasis has also been placed on training trainers with mixed results. For example, the trainers trained in St. Lucia were the executive secretary of the chamber and an employee of a local business, neither of whom has the time to take away from their jobs to conduct training sessions on their own. In general, it was found that the trainers required additional direction as well. The concept of training trainers is an appealing one given the limited CAIC training staff. In practice however, the program should be reviewed carefully so as to assure that its objectives can be achieved.

e. Interdepartmental Coordination

As mentioned previously, discussions with CAIC member organizations pointed to the need for CAIC to more closely integrate its activities. For this department, this approach suggests an integration of training efforts with national private sector organizational development efforts. The chamber management institute sponsored by C/CAA and the U.S. Chamber of Commerce held in St. Croix in May, 1983, was held in very high regard by those local chamber

members who attended. CAIC could respond to a definite need in national organizations by providing chamber management advice. Suggestions for approaches to be considered include the following: (a) scholarships for chamber staff (not Board members) to spend an internship period in selected U.S. or regional chambers (St. Kitts mentioned a desire to visit the Trinidad chamber, for example). Reaction to similar scholarships funded by CIDA for visits to Canadian chambers was very favorable; (b) CAIC could sponsor roundtable discussions of chamber staffs from the various countries to exchange ideas on common problems; (c) CAIC could circulate information on what chamber strengthening activities were actually producing results so that other chambers could profit from the experience; and (d) conduct chamber management courses and follow-up sessions along the line of the St. Croix workshop.

Related to the need for CAIC training programs to incorporate an organization development thrust to chamber management, training efforts should also tie in more directly to the programs undertaken by the economic development and technical assistance department so as to present a package of services to member chambers, as discussed in the previous section, rather than a series of seemingly unrelated programmes, which is a common perception among the chambers visited. The CAIC training staff could perhaps more appropriately conduct orientation seminars for national chamber staffs on the CAIC programs and how to assess them. The rapport demonstrated to date by the training department indicates that they can play a very important role in communicating the package approach to the national chambers and in coordinating with other divisions in making the approach work.

To summarize, the Training Department has been quite successful in meeting the goals of its proposed work plan. However, the direction of this work plan should be modified according to an updated, systematic needs assessment, with greater emphasis upon meeting the needs of the LDCs. To avoid a duplication of effort, CAIC must assess its comparative advantage in delivering training relative to that of other institutions. The emphasis upon CAIC as a facilitator or coordinator of training programmes should continue. When designing the proposed budget and evaluating the programmes performed greater consideration should be given to the cost-effectiveness of the training programmes. Finally, coordination among the various departments in providing and communicating a package approach to the national chambers should be emphasized.

D. TECHNICAL ASSISTANCE RESEARCH AND DATA  
COLLECTION DEPARTMENT (TARD)

The major goal of the TARD for the period in question was "to enhance the effectiveness of business performance by providing technical assistance in areas such as production, marketing, management, communication and training".

1. The Work Plan and Performance

Substantial contribution to the goal was proposed by TARD via several specific activities (with percentages indicating their relative share of the proposed budget):\*

- a. Operation of Technical Assistance Fund (54%)
- b. Regional Commodity Conferences, Seminars, Workshops (28%)
- c. Brokerage and Clearing House Function (not measurable)
- d. Roster of Consultants (not measurable)
- e. Information Services (2%)
- f. Market Research/Supply Demand Studies (0%)
- g. Coordination with Donor Agencies and Other Organizations (1%)

The total amount of AID funds budgeted for this department's programme costs, including the Technical Assistance Fund was BDS\$378,457. TARD's programme budget represented the largest amount or 37% of CAIC's AID-financed programme funds.

\* Thirteen percent was budgeted as uncommitted funds.

a. Operation of Technical Assistance Fund (TAF)

a) The Plan: To provide short-term immediate services to small and medium sized businesses to meet specific needs in relation to production, management, marketing, technical training and communications, feasibility studies and pilot projects. Companies holding direct corporate membership in CAIC will apply for technical assistance under the Fund. Where the firm is not an existing corporate member of CAIC, it must undertake to become a member within one month of receiving a visit under this scheme. Personnel will be drawn from a CAIC Consultative skill bank comprising both regional and donor supplied expertise. All recipients will pay a fixed minimum fee determined by the size of businesses. Consultancy assistance to individuals and companies will be supplied at cost with repayment to be determined on the basis of:

- . Size of enterprise
- . Employment created
- . Foreign exchange savings and earnings
- . Members ability to pay

b) Performance: The recruitment of an Industrial Engineer in May has significantly increased the level of activity under this fund. By the end of 1983, 84 companies had been contacted by CAIC. Forty-five replies were

received, of which 37 indicated a need for technical assistance. Of those companies who qualified under the above criteria of the TAF, seven companies received direct assistance, while an additional two requests have been approved. Twenty-two more requests are being processed. This group may be categorized under the following headings: 1) training internships for which nine requests have been received, and 2) consulting services, for which eleven requests have been received.

Of these eleven requests, three were from Guyana, on which USAID has put a temporary hold. Two of the eleven requests were proposed for collaboration with IESC. AID's delay in processing one of these requests resulted in the technical assistance no longer being needed, since the project was already on stream. This delay was due to the need to render a policy decision with respect to AID's assumption of the local share of the financial responsibilities for IESC services. As for the other requests for consulting services, TARD is actively searching for the necessary expertise.

The Industrial Engineer also visited 13 companies in Belize during December, for which follow-up action is presently being undertaken.

b. Regional Commodity Conferences, Seminars, Workshops

a) The Plan: To convene regional commodity conferences to identify and discuss problems and opportunities within the industry/product group, to recommend specific measures to deal with these problems and to establish appropriate mechanisms such as task forces to implement these measures. During the July-December period, activities were proposed in the following commodity interest groups:

- . The Garment Industry
- . The Food Processing Industry
- . The Exporters of Fresh Produce

b) Performance: Activity occurred in two of the three proposed areas. With respect to the Garment Industry, a Regional Garment Investigative Commission was established in early 1983 by the CARICOM Council of Ministers as the result of a workshop sponsored by CAIC in late 1982. As a member of this Commission, the TARD programme manager made field visits to Barbados, Trinidad, Guyana, Belize and Jamaica to test the recommendations submitted in the July interim report among manufacturers, retailers, consumers, trade unions and various governmental bodies. The final report will be submitted to CARICOM in July 1984.

Further garment industry activity included a proposal for a CARICOM Institute of Technology and Fashion, which emanated from a CAIC workshop held in July 1983. TARD assisted the Regional Garment Task Force in convening a meeting with the Fashion Institute of New York during October to discuss the proposal for the institute. A proposal for the feasibility study was submitted to USAID in December 1983. The study has been approved, the contract should soon be signed, and the consultants are scheduled to arrive on March 10.

In response to the need for trained sewing machine mechanics highlighted in the first garment workshop, the Industrial Engineer, in collaboration with the Training Department, planned and implemented a seminar workshop on sewing machine maintenance and repair for seven companies from St. Kitts-Nevis and Montserrat during December 1983. A regional consultant conducted the workshops, each of which was attended by 7-8 participants.

The second commodity group targeted by TARD was the food processing industry. The Regional Agro-Industry Task Force, which was established by the CAIC/JMA Food Conference held in Jamaica on September 12-16, 1983, had its first meeting in Barbados on October 8, 1983. Four areas for priority attention were identified:

- The CARICOM Rules of Origin
- Common protective policy for agriculture and agro-industry
- Licensing systems related to intra-regional trade
- Finance for and incentives to agro-industry

Since the Task Force did not have time to research and write up these proposals for submission in January, CAIC has been requested to research and write up the draft reports. The TARD programme manager visited eight territories during the third week in January to interview food processors on the above issues. The report should be completed in mid-March.

The meeting for Exporters of Fresh Produce has been postponed until April and has been expanded to include producers of Oils and Fats.

#### c. Brokerage and Clearing House Function

a) The Plan: To identify and match technical assistance needs and available resources on an on-going basis. These needs would be met from resources of CAIC or other regional and international programmes, such as IESC and the Technology and Energy Unit (TEU) of the CDB.

b) Performance: Activity in this area has not been recorded on a systematic basis, except for those requests mentioned under the TAF. However, at least forty requests were informally forwarded by the TARD to the TEU. While there has been no follow-up on the referrals, the staff is informally aware of at least five instances of CDB technical assistance resulting from the referrals.

#### d. Roster of Consultants

a) The Plan: To catalogue regional and international consultants according to country of origin and area of expertise. Through this consultative skill bank, CAIC would broker technical assistance to small and medium-sized businesses.

b) Performance: While the size of the skill bank file continues to grow as CAIC becomes better known throughout the area, the bank has been relatively dormant in terms of use. Plans to continually update the skill bank through feedback from clients in terms of recording observations

regarding the quality of services for future users and eliminating poor performers from the Bank have yet to be realized. More efficient management of the skill bank will be necessary in order to respond to the recent acceleration in assistance requests.

e. Information Services

a) The Plan: To respond to requests for technical data and information, such as appropriate technology, supply and production processes, packaging, standards, research and development, storage, marketing, advertising, sales and country access conditions. Data would be collected through the acquisition of technical and trade journals, through commodity workshops for specific product groups and through participation in trade and technology fairs and exhibitions. Technical information would be disseminated through the CAIC newsletter or direct mailings as well as through technical bulletins which would occasionally be published by the department. The TARD also planned to work closely with the proposed ITC/CAIC Trade Information Service for the private sector.

b) Performance: This TARD service has been provided on an informal basis. Data has been collected on specific commodity groups and disseminated on a request basis. Little formal documentation has been maintained regarding the delivery of these services. The Industrial Engineer did report that he has received requests for technical information during his diagnostic visits, which have been promptly processed. Approximately three requests for technical information are received and responded to each week and three direct mailings of technical information have been made each month to CAIC affiliates and their membership.

No specific technical bulletins were produced. Four articles have been published in the CAIC Newsletter "Calling the Caribbean" regarding the services of TARD and providing specific technical information. The department questions whether this quarterly publication provides the most efficient communication medium.

No mention was made of the department's use of the ITC Trade Information Services.

f. Market Research/Supply Demand Studies

a) The Plan: To cooperate with the Economic Development Department in conducting market research and supply/demand surveys.

b) Performance: In response to membership requests for data, special investigations and analysis, TARD has referred at least ten requests during the last year to appropriate agencies or information sources, e.g., a Jamaican request for an analysis of the white potato market potential in the Eastern Caribbean was forwarded to the CARICOM Secretariat for consideration.

g. Coordination with Donor Agencies and Other Organizations

a) The Plan: To convene an aid donors coordination meeting in order to identify programmes of technical cooperation. This department also planned to attend regional meetings involved in policy determination.

b) Performance: As mentioned previously, the AID Donor Coordination Meeting was not convened. Plans to develop an Industrial Cooperation Expert Programme (ICEP) with the Centre for Industrial Development, whereby one or two Industrial Engineers would be attached to CAIC for the purpose of undertaking specific in-plant assignments for short periods, have yet to be realized.

As noted previously, a considerable amount of the TARD Programme Manager's time has been spent providing liaison attention between CAIC and other national, regional and international institutions on matters relating to technical assistance. The TARD manager regularly represents CAIC on task forces, in seminars and at conferences. CAIC representation on the Garment Commission and the Agro-Industry Task Force has required field trips to several countries and attendance at various meetings.

2. Evaluation Commentary and Recommendations

This department's performance in meeting its latest work plan has shown substantial improvement over the previous period. Nevertheless, the activities proposed in the July 1983-March 1984 period once again overstated the capabilities of this department. The improved perception of hind sight leaves little room for doubt that any two of the seven projected activity categories would have been sufficient work for this department.

Feedback from national level leadership in August reflected at once a general lack of understanding of TARD purpose and dissatisfaction with performance. With the increase in TAF activity, it is likely that the perception of TARD by the local private sector bodies may have improved.

a. Technical Assistance

While no contact was made by the Phelps/Deal team with any of the businessmen who received technical assistance through CAIC, they did note in their August interviews that many national organization leaders found TARD activities to be a nuisance rather than an assist. The questionnaire processing for TA requests placed an unwanted additional burden on their time and they generally felt unqualified to efficiently understand and transmit requests for TA from their membership to TARD.

As of the December 1983 Summary of Billing, only three percent of the proposed programme budget for this department had actually been spent. The department's programmes can be rank ordered by their relative share of actual expenditures (\$12,205):

1. Regional Commodity Conferences, Seminars and Workshop (52%)
2. Technical Assistance (48%)

The national organizations have not been interviewed since the Engineer's arrival. However, the accelerated level of TA since his arrival is assumed to have improved the perception of national organizations of TARD performance. As Phelps/Deale observed, "the staff engineer was an important missing ingredient".

Despite progress in the utilization of the TAF, the management of the TA function still needs to be improved. The maintenance of records, processing of requests, management of referrals, follow-up and evaluations are currently handled on a relatively informal basis. Serious development of CAIC's TA capabilities will require formal, efficient management of each of these processes. In addition to his diagnostic work and direct TA provision, the staff engineer should also assume responsibility for the day-to-day management of the TA-related services.

b. Seminars, Workshops and Conferences

Reaction to the Garment Industry Seminar and Food Processing Industry Conference has been generally positive. While some difficulty in recruiting attendees to the former seminar was reported, both activities appear to have been successful. Thus, CAIC's reputation for organizing events has been strengthened.

The evaluation team had limited opportunity to assess the perceptions of the Garment Industry Seminar within the respective industries. National organization leaders are generally pleased with feedback from their membership, and keen interest has been demonstrated in the extensive follow-up activity which had been generated by the seminar. No assessment could be made of the Food Processing Conference due to the time and travel constraints mentioned in the introduction.

The TARD programme manager devotes a large proportion of his time not only to the planning and implementation of these conferences, but also to the follow-up activities and research emanating from them. The Executive Director argues the need for a structural approach to solving the problems - institutional, marketing, financial or technical - which are inhibiting the development of a specific sub-sector and lend themselves to a regional approach. The process so far has been to convene a conference, establish an investigative commission, organize a Task Force and prepare a report with recommendations for submission to the CARICOM Council of Ministers. In the case of the Food Processing Task Force, the private sector individual did not have time to conduct the necessary research and write the draft report. Consequently, the Chairman of the Task Force asked CAIC to perform the necessary work and prepare the draft reports. While the demonstration effect of a working model may justify TARD's role as the Task Force's "think-tank", future consideration should be given to greater assumption of follow through responsibility on the part of the Task Force. Furthermore, once a structure has been established, as in the case of the proposed CARICOM Institute of Technology and Fashion, CAIC should attempt to measure the efficacy of its role in this regional problem-solving exercise, especially as it relates to the national private sector bodies.

c. Information Services

As in the case of technical assistance, this TARD service has been performed on an informal basis. There has been little documentation of activity and no particular strategy has been followed. Only during an interview with TARD staff did it occur to them that the provision of information in response to "drop-in" visits or telephone calls consumed a significant proportion of two TARD staff members' time. Compiling lists of exporters or area manufacturers as well as providing details on such matters as rules of origins employed approximately 50% of their time.

The provision of technical information is an important and appropriate CAIC service. Whether or not it is an appropriate function of the TARD is a reasonable question. Such a function might be placed within a centralized information service associated with either the CBIN or the CAIC library. In any case, the provision of information services should be better planned, clearly documented and assessed on a frequent basis in order to determine its effectiveness and its ability to provide important inputs into the planning of other CAIC operations such as training.

Interviews with national organization leaders revealed an inability to differentiate information services from other TARD activities. Thus, assessment of the effectiveness of these services, though deemed desirable, would require a more detailed analysis.

To summarize, the TARD department has substantially improved its ability to service the needs of the local private sector bodies. The TAF has become operational and is responding to requests for technical assistance, although its management function needs to be improved. A Garment Industry Investigative Commission has been established and a feasibility study for a CARICOM Institute of Technology and Fashion, proposed by the Commission, will soon be undertaken. Finally, a Regional Agro-Industry Task Force has been established. The demonstration effect of the working model developed by these workshops and conferences remain to be seen.

## E. ECONOMIC DEVELOPMENT DEPARTMENT

The major emphasis of the Economic Development Department is the promotion of increased trade and investment. Assisting national private sector bodies in the process of project identification as well as developing a private sector development/merchant banking facility were considered the departmental priorities.

### 1. The Work Plan and Performance

The following activities were proposed for the July 1983-March 1984 period (with percentages indicating their relative share of the proposed budget):\*

- a. Caribbean Basin Information Network (25%)
- b. Investment Promotion and Industry Attraction (30%)
- c. Micro-business Development (5%)
- d. Studies (6%)
- e. Attendance at CARICOM Meetings (2%)
- f. Aid Donors Coordination Meeting (3%)
- g. Caribbean Group for Cooperation in Economic Development (CGCED) Meeting (1%)

The total amount of AID funds allocated to this department's programme costs during this period was BDS\$124,441.

\* Uncommitted funds accounted for 26 percent of the proposed budget.

### 1. Caribbean Basin Information Network (CBIN)

a) The Plan: To accelerate information gathering for input into the data base, to market CBIN and to collaborate with the International Trade Centre (ITC) in developing a regional Trade Information Service (TIS). During this workplan period, information on available opportunities in existing businesses was to be gathered from the CDB/ITC Supply Capability Study. Commercial banks, Development Finance Corporations (DFCs) and Industrial Development Corporations (IDCs) would also provide information on potential entrepreneurs. To market the CBIN, the EDD planned to have a brochure prepared by a professional printer and to develop a fifteen-minute documentary film. Finally, the department planned to attend a meeting on establishing a regional TIS, in collaboration with the International Trade Centre (ITC), which would serve to strengthen the CBIN.

b) Performance: The Phelps/Deal evaluation noted in August that no use had been made of the CBIN in the time since the terminal became operational in April, 1983. The machine broke down in August and a terminal without memory was then obtained. The increased transmission costs resulting from the lack of memory have severely curtailed the use of this machine for the transmission of data. Nevertheless, the EDD, has recently gained access to the CDB/ITC Supply Capability Study, which has enabled it to input project profiles for eighty-eight companies with export potential into the CBIN. A new staff member has been hired for this purpose.

The first rough edit of a proposed fifteen-minute documentary film was shown to the CBIN Management Committee at the Miami Conference in late November. According to the department head, the film is being refined and will be released this month. Since AID was urgently requested to provide funds for the production of the film in time for its release at the Miami Conference, the fact that it was not ready in final form is significant, even though the film is said to have future applications.

The proposal for establishing a regional TIS was included in the agenda of a two day CARICOM meeting of Senior Officials on Export Promotion in Jamaica. CAIC has yet to gain access to the ITC/TIS Data Base.

## 2. Investment Promotion and Industry Attraction

a) The Plan: To attract new industry and promote non-traditional exports. In pursuit of these objectives, the following initiatives were proposed: the Joint Venture Workshop, the C/CAA Miami Conference, assistance to the Caribbean Manufacturers' Council (CMC) and attendance at the Regional Food Processing Industry Workshop. The objective of the Joint Venture Workshop, organised by the U.S. Chamber of Commerce and the Caribbean Council, was to bring a cross-section of entrepreneurs from the Eastern Caribbean into contact with potential U.S. joint venture partners. Practical investment and marketing opportunities with the potential for joint venture collaboration would be the focus of the C/CAA Miami Conference.

Following the May 1983 meeting for regional manufacturers, co-sponsored by CAIC and the CARICOM Secretariat, the CMC was formed within CAIC to deal on an ongoing basis with issues crucial to the regional manufacturing sector. The EDD planned to attend a follow-up meeting of the CMC and to conduct research on one of the issues identified in the original meeting.

Attendance at the Food Processing Workshop was requested in order to ensure the success of the programme, to act as a rapporteur and to strengthen EDD's ability to support business development efforts in the food industry.

b) Performance: The EDD sponsored eight participants from the Eastern Caribbean - St. Lucia (3), St. Kitts (2), Antigua (2), and Dominica (1) - to the Joint Venture Workshop held in Washington in late October. Twelve project profiles were prepared for the Workshop. Visits were made to St. Lucia, Dominica, and St. Kitts to assist in the preparation of some of these profiles.

The EDD also sponsored ten entrepreneurs - two each from Dominica, St. Lucia, Montserrat and St. Vincent and one each from Antigua and Nevis - to the C/CAA Conference held in Miami in late November. Staff members visited Montserrat, Dominica and St. Vincent in early November to assist in the preparation of project profiles.

Most of the funds allocated for the CMC were not used since the meeting which was to be held in Trinidad and Tobago was cancelled. However, a meeting was held at CAIC in January.

The EDD Programme Manager attended the Regional Food Industry Workshop organized by the TARD and served as a rapporteur for a discussion of Rules of Origin.

### 3. Micro-business Development

a) The Plan: To attend a workshop at India's Centre for Entrepreneurial Development (CED) on developing entrepreneurial talent. The Programme Manager hoped that a strategy for incorporating an "entrepreneurial-creating thrust" into CAIC's activities would emerge from the workshop.

b) Performance: The Programme Manager attended the twelve day Conference along with 24 other participants and 4 observers from 13 countries. According to Programme Manager's report, the workshop was geared to inform participants of the CED's experience since its establishment in 1970. In addition to classroom lectures, the participants visited support institutions as well as several entrepreneurs who had been direct beneficiaries of the CED program. No information on the course content was provided in the report.

The strategy for promoting entrepreneurial development in the Caribbean will be submitted in the next work plan and will begin with a workshop to sensitize key decisionmakers in the public and private sectors to the issues of entrepreneurial development.

### 4. Studies

a) The Plan: The EDD proposed to undertake several specific studies during the July 1983-March 1984 period. They were to include the following areas:

Levels of Taxation in CARICOM Countries; and  
Price Control Policies in Antigua

b) Performance:

Levels of Taxation in CARICOM Countries/Price Control Policies in Antigua: Both research projects have not been completed.

Other studies not proposed in the work plan have been undertaken. The department completed a report entitled: Patterns of Trade In CARICOM 1979-83). This report formed the basis for part of the submission by the Executive Director to the Council of Ministers' meeting in January 1984 in Guyana. The department also prepared the following paper for submission to that meeting: "A Preliminary Proposal for a Formalized Counter-trade Regime in CARICOM".

### 5. Attendance at CARICOM Meetings

a) The Plan: To attend policy formulation meetings in various CARICOM territories with senior public sector technicians. The meetings would address one or more of the following issues:

Rules of Origin  
 Common External Tariff  
 Common Protection Policy  
 Regional Industrial Programming  
 Harmonisation of Fiscal Incentives

b) The meeting was attended and papers were presented, as mentioned in the previous section. A background paper on the CBIN was also submitted in response to a request by the CARICOM Secretariat.

6. Aid Donors Coordination Meeting

a) The Plan: To initiate a process whereby CAIC can become more involved in the coordination of external assistance flows to the regional private sector.

b) Performance: As noted previously, this meeting did not occur.

7. Caribbean Group for Cooperation in Economic Development (CGCED) Meeting

a) The Plan: To attend the annual CGCED meeting held in Washington in December.

b) Performance: The EDD Programme Manager, along with the Executive Director, attended this meeting in February.

B. Evaluation Commentary and Recommendations

The Phelps/Deal's evaluation in August noted that progress under this component of the grant was considerably less than planned due to work permits problem encountered by the person recruited for the staff assistant position. The position was finally filled in November 1983. Nevertheless, it is still difficult to measure the tangible outputs of the EDD's work in terms of achieving the departmental objectives of increased trade and investment. Research has been conducted on a limited number of themes and conferences have been attended. Yet, there has been no attempt to systematically track and record the results of the EDD's investment promotion activities.

As of the December 1983 billing, fifty-nine percent of the proposed programme budget for this department had actually been spent. The department's programme can be rank ordered by their relative share of actual expenditures (BOS \$74,075):

- a) Investment Promotion and Industry Attraction (61%)
- b) CBIN (23%)
- c) Micro-business development (11%)
- d) Studies (3%)
- e) Attendance at CARICOM Meetings (2%)

## 1. CBIN/Investment Promotion

The CBIN needs to be defined much more precisely in terms of CAIC's overall strategy. Its utility and cost effectiveness are very unclear. To date, CAIC's involvement with the CBIN has shown no evidence of its usefulness as a tool for responding to identified needs. The CBIN does not represent interesting opportunities for facilitating export development and investment attraction.

CAIC has thus far shown very little initiative in taking advantage of existing project identification efforts (e.g. PDAP, CPDF, IDCs) for inputting into the CBIN, although it has undertaken some promotion efforts of its own to identify opportunities. The advantages CBIN offers CAIC with respect to trade and investment information linkages to the U.S. and Canadian business communities serve to enhance its role as facilitator/coordinator of investment promotion activities. In order to fully service its member organizations, CAIC should rely on those organizations whose time and resources are completely devoted to the task of identifying projects at the micro level. This collaboration would allow CAIC to maximize the use of its limited financial and staff resources.

The CBIN's Control Data DEVELOP data base also offers a wealth of production technology information. To date, however, no assessment has been attempted to determine whether the CBIN technology data bases are responsive to the information needs of the region and whether they represent a cost effective alternative to other data sources.

The Investment Promotion/CBIN activities of the EDD represented 84% of the actual programme expenditures for this department. Although the EDD sponsored a total of eighteen local entrepreneurs at two investment promotion workshops/conferences for which twenty-two project profiles were prepared, there has been no systematic follow-up on the outcome of these activities. Without information on the specific, immediate results--new jobs, new export orders, a new joint venture--generated by these activities, it is impossible to judge their efficacy. In considering its future financial self-sufficiency, CAIC should assess its investment promotion activities carefully and determine whether the costs of the present approach, especially as it relates to the CBIN, outweigh the perceived benefits.

## 2. Research

It appears that a major portion of CAIC staff time is devoted to this research. While this is an important function of CAIC and has received the full endorsement of the local chambers and manufacturers associations visited, time devoted to it has detracted significantly from other important functions of the EDD, such as export promotion, investment attraction and small business development. Furthermore, the research proposed has not been completed and studies not proposed in the work plan have been undertaken. The Programme Manager explained that the latter studies dealt with issues that should have been addressed by the CARICOM Secretariat. Since the latter organization has not sought the involvement of the private sector in conducting a review of the issues, the CAIC has taken the initiative.

While it is commendable that CAIC has taken the initiative in researching and presenting the private sector perspective on important policy issues, CAIC should, nevertheless, assess the extent to which this research responds to the needs and requests of its member organizations.

According to Phelps/Deal, the Barbados Manufacturers Association requested that CAIC carry out an analysis of the Barbados national budget. CAIC never responded to this request positively or negatively. While CAIC cannot be expected to respond to every request for research it receives, those studies that are undertaken should be based upon a consensus of CAIC's members concerning the priority issues to be addressed. It is important that member organizations have a voice in deciding CAIC's program agenda and that it not be seen as a decision of the executive director or a few influential Board directors. More frequent Board meetings could help dispel the notion that member chambers and associations are not being consulted concerning research topics and other CAIC program activities. In order to be more responsive to requests for research from member organizations, CAIC should consider contracting out for data collection and analysis, thus relying less on in-house staff to perform these tasks.

### 3. Role of EDD

Interviews conducted by Phelps/Deal in August 1983 with national level private sector organizations revealed an almost total lack of understanding of the role of CAIC's EDD. Chamber representatives were aware of CAIC research papers presented at various symposiums, but few were familiar with CAIC outreach activities in the area of economic development per se. CAIC should seriously reconsider its economic development strategy. Structurally, CAIC may be better off creating a separate research division which would incorporate the research activities of both EDD and TARD in order to reduce an overlap of duties and responsibilities.

### 4. Interdepartmental Coordination

Economic development activities should become an integral part of the "package" approach to national level private sector organizational development discussed in the recommendations for the Organizational Affairs and Training Departments. CAIC can assist national business organizations in locating joint venture partners and promoting extra-regional exports through coordination with PDAP, CPDF, CBIN, OPIC, etc. Furthermore, it can help organize trade missions to and from the region, assist local private sector organizations in making presentations at international events, help broker assistance from such groups as CALA and C/CAA, assist with feedback to the CDB in order to expedite its processing of more loans for factory shell construction, etc. In addition to these areas, the EDD should also develop a capacity to advise local chambers on how to set up their own economic development departments and undertake programs which will impact on revenue generation for the chambers. It is worth repeating that these areas should be addressed jointly with other CAIC programs at the national level and not in an isolated fashion.

To summarize, the EDD must reassess its strategy, especially as it relates to investment promotion. In order to evaluate the efficacy of its

actions, the department should track and measure the results of its investment promotion activities. The benefits derived from the research conducted and the variety of meetings/conferences attended should be more directly related and communicated to CAIC's member organizations. Finally, the EDD should make a concerted effort to coordinate its activities with CAIC's other departments in order to provide an integrated "package" of services to CAIC's membership.

#### IV. CAIC MANAGEMENT

The March 1982 Pearson evaluation offered extensive observations regarding internal CAIC management. In addition to noting the substantial progress that AID has realized in the development of the programs of each CAIC component, Pearson cited several problems in the areas of staff and fiscal management. While this evaluation has not attempted an in-depth analysis of staff management, interviews with the staff reveal considerable improvement in several of the assessed management weaknesses.

##### A. STRATEGIC PLANNING

Since the Pearson evaluation, Mr. Thompson has further developed the sense of overall CAIC direction and its application to each of the program components. These strategic developments are documented in, among other places, an August 1982 communication to USAID on the rationale and underpinnings for CAIC work programs, and the individual division work plans for July 1982 - June 1983 and July 1983 - March 1984.

Now, after more than a year and a half of attempting to implement the divisional work plans, there have appeared many weaknesses in the application of overall strategy to programming. Some of these weaknesses have been observed during this evaluation and are treated in its recommendations. Others will become apparent during future months of operation.

Obvious effort, however, has been invested in a strategic planning process. While considerably more (and better informed) effort is necessary, the foundations for program planning and budgeting have been laid.

##### B. FISCAL MANAGEMENT

Also, as noted by Pearson, numerous deficiencies have existed in the AID-CAIC fiscal management relationship. This situation appears to have improved. Project maturity, funding from other local and international sources and simple trial and error have enabled the budgeting, vouchering, reimbursement and fiscal reporting processes to operate at a level of efficiency only slightly lower than normal.

To date, fiscal misunderstandings continue to exist between AID and CAIC. In mid-1983, an issue regarding allowable application of AID funds for CAIC overhead was raised to a level of managerial discomfort. The problem seems to have developed from an original lack of understanding regarding AID policies and less-than-ideal AID-CAIC communications - a natural result of overburdened AID and CAIC management staff. The situation has improved in recent months. The arrival of an AID Private Sector Officer in August and the subsequent growth in communications between the two organizations, aided by the timely submission of work plans, budgets, and progress reports, should help to avert future misunderstandings and to provide a conducive environment for a productive rapport.

The creation of a CAIC Assistant Director for Administration position is recommended as a result of this evaluation in order to provide the necessary day-to-day, inside managerial attention which would facilitate AID-CAIC communications and coordination.

### C. CAIC/AID RELATIONS

As mentioned in the previous section, the relationship between AID and CAIC has not been optimal. CAIC's delay in submitting the requested work plans and AID's delay in processing certain CAIC requests represent two examples of the problems which have plagued successful project implementation. While both the AID and CAIC management staff are overburdened with work, priority must be given to both improving the request turnaround and maintaining a systematic flow of communication between the two organizations in order to avoid future delays and misunderstandings. While the CAIC/AID relationship appears to have improved in recent months, the two parties should nevertheless consider the possibility of convening periodic meetings to ensure continued communications.

### D. STAFF COORDINATION

The serious lack of coordination among senior staff which was observed by Pearson has clearly improved. While still suffering from day-to-day coordination breakdowns, each division appears to be aware of the activities and responsibilities of the others. Several CAIC activities (notably the Garment Industry Seminar of October 1982) have involved the effort of all divisions, and while assignment overlaps and effort duplication were evident, the divisions seem to work reasonably well together.

The improved intra-staff coordination and communication is not, however, apparent at the national organization level. The impression of effort duplication among CAIC divisions was commonly manifest throughout the evaluation interviews - as was general confusion regarding CAIC staff responsibilities, requests for information and offerings of CAIC services.

These impressions have contributed to a tendency at the national levels to feel that CAIC is overstaffed and/or spread out in too many directions. Whether or not these observations are accurate, they do not do justice to the level of effort which CAIC has devoted to its activities. An integrated approach to project planning and implementation, as suggested by the "package" delivery of CAIC's services mentioned previously in this evaluation, would address this perceived - or perhaps real - lack of coordination. Furthermore, this approach would allow a fuller and more efficient utilization of CAIC services by national affiliates as well as a better appreciation of CAIC's value by its affiliates.

### E. STAFF MORALE

There appears to be a substantial degree of staff satisfaction with CAIC internal management. There was no evidence that staff professionals feel as if they are "second class citizens", as was observed by Pearson, and no significant staff morale problems are currently apparent.

Differences of opinion with some CAIC management positions were openly shared by staff during evaluation interviews. The manager of the Technical Assistance Division, for example, understandably feels that CAIC should be staffed with two or three additional engineers in order to more

efficiently generate and respond to requests for technical assistance. In discussions with Mr. Thompson, it became clear that he is both aware and respectful of the division manager's position. Such differences of opinion are to be expected in any organization and will, from time to time, result in occasional frustration for staff at all levels; the "sense of being cut out of the action" which was observed by Pearson over a year ago, however, is less apparent.

The recommendations offered as a result of this evaluation will support Pearson's suggestion that a position of Deputy Director be established. While this recommendation is not based on a need for improvement in staff morale, the creation of such a position could further improve inter-staff communication and reduce potential for the development of morale difficulties.

## F. FINANCIAL VIABILITY

### 1. Overall Financial Status

According to the most recent auditors' report for the period ending June 30, 1983, CAIC's total revenue was BDS\$750,389, while total expenditures were BDS\$880,382. Thus, there was a general fund deficiency of BDS\$129,993, as compared to a surplus of BDS\$5,466 for the previous year. In terms of working capital, CAIC went from a surplus of BDS\$19,331 or 5% of total revenue in August 31, 1981 to a deficit of BDS\$342,969 or 45% of total revenue as of June 30, 1983. As a result of this deficiency, CAIC has frequently encountered cash flow problems which have led to temporary delays as well as cancellations of departmental activities.

The major sources of revenue for CAIC during this period were grants from donor agencies and membership contributions. Donor grants accounted for sixty-one percent (BDS\$458,634) of total revenues. AID provided 85% percent of the grant funds, while CIDA and the EEC contributed the remainder.

Membership subscriptions provided thirty-nine percent of CAIC's total revenues for the six month period ending June 30, 1983. The receipt of membership contributions appears to have been relatively steady over the life of the project, as shown below:

<u>Year</u>	<u>BDS\$</u>
1981 (1/2 Year)	288,240
1982	583,900
1983	505,199
1984 (Projected)	734,250

A financial evaluation of CAIC disbursement of USAID funds from July 1982 to June 1983 was conducted by Gordon Moreau in August 1983. The report indicated that CAIC's support fell short by over BDS\$150,000 or approximately US\$76,000 of the amount stipulated in the Agreement, which was US\$440,000 or approximately BDS\$880,000. Since the Agreement states that CAIC's support for the Project could come in "cash or in-kind", the above

amount must be considered as in-kind support. Furthermore, the evaluation noted that the line item, "Non-Program Staff and Administration", had been expended proportionately faster than other items of expenditure. This item can be defined as the estimate of those central Secretariat employment costs and related overheads which would be incurred if CAIC did not engage in any programme activity in the areas of Economic Development, Technical Assistance and Training, which programmes are at present substantially funded by donor contributions. As of December 1983, 84% of the total amount budgeted for this item has been spent. AID's grant agreement stipulated that only US\$270,000 or 18% of total project funds could be spent on this item. As of December 1983, 11% of total AID expenditures had been expended on "Non-Program Staff and Administration".

While the overhead expenditures of the various departments have been approximately on target with CAIC's budget, there has been a definite lag in the programme expenditure rate for those departmental costs funded by AID.

Expenditure Rate of AID-Funded Costs

<u>Department</u>	<u>Programme</u>	<u>Overhead</u>
1. Organizational Affairs	24%	81%
2. Training	36%	95%
3. Technical Assistance	6%	80%
4. Technical Development	59%	73%

To a certain extent, accounting delays may explain the low rate of programme disbursement, especially for the Technical Assistance Department. Despite this qualification, a sizeable amount of AID's programme funding remains to be disbursed in a short period of time.

A full financial analysis was not called for in the scope of this evaluation. Certain factors, such as the recurrent cash flow problems, the tardiness of CAIC's billings, the lack of current accounting information, and the lag in programme expenditure have emerged during the course of this evaluation which indicate the need for further analysis of CAIC's finances. One of the recommendations resulting from this evaluation is that AID conduct a financial analysis and an end-of-project audit of CAIC before providing additional assistance to the organization. Furthermore, when preparing future budgets for its operations, CAIC should attempt to assess realistic levels of programme funding and provide an adequate ratio of programme to overhead costs on the basis of the specific departmental activities.

## V. CONCLUSIONS AND RECOMMENDATIONS

### A. CONCLUDING OBSERVATIONS

The objective of AID's cooperation with CAIC is to help create the conditions that will strengthen the ability of the private sector in the Caribbean to increase its production and productivity. Expansion of the private sector is a major requirement for significant economic growth in the region.

The current CAIC/AID project is designed to enhance CAIC's administrative capacity so that it can play a lead role in the revitalization of the region's private sector. Achievement of this project goal requires three distinct outputs:

1. CAIC must have the administrative ability to adequately represent the private sector's interests in the region and to assist its allied institutions in becoming more active on the local level;
2. CAIC's actions must result in a mobilization of resources among the region's private sector; and
3. The efforts of CAIC and its affiliates must have a direct impact on the region's production and productivity.

The initial phase of this process is well underway. CAIC has been successful in reviving its image as a regional spokesman for private sector affairs. It has helped to mobilize the private sector to join together to address issues of major concern at the regional level. Finally, the actions of CAIC and its affiliates have had a direct impact on making the business climate for private sector activities in the Caribbean more attractive to potential investors.

CAIC's efforts to mobilize the private sector at the national level through local affiliates have met with only partial success. One possible explanation is that achieving unity among the business community on some of the islands requires harmony among groups such as manufacturers' associations, small business associations and chambers of commerce, whose interests at times are not necessarily compatible. A major goal of CAIC during the next period of operation should be to eliminate this problem.

The impact of CAIC's efforts on increasing the production and productivity of the region could not be assessed due to the lack of systematic follow-up and measurement of relevant CAIC activities. Since the Executive Director is aware of and agrees with the need for systematic follow up and measurement, specific emphasis should be placed upon developing appropriate systems for addressing this need.

Having revived its regional reputation and delivered action-oriented programs, CAIC has attained a level of project maturity which requires refinement of present program activities in order to present a package of services based upon a country-by-country strategy. Successful implementation of this approach, however, will require some significant changes in CAIC's method of operations.

Because of the managerial complexity of its task, CAIC has encountered both fiscal and administrative problems during the life of this project which have had direct implications for its financial viability. While much of this comes from the laudable desire to address all of the pressing private sector issues in the region, CAIC has at times been both managerially and financially overextended due to its limited staff and financial resources. In the next phase of its operations, CAIC should accurately target its programmes in order to maximize its impact on its beneficiaries through an efficient allocation of its limited resources. To further this objective, CAIC should make a concerted effort to both increase its resource base and develop an integrated work plan which accurately reflects what it can accomplish during the next project period.

These general observations serve to place the progress of the CAIC project in its proper context. While these observations deal with CAIC's overall objectives, this evaluation has been conducted under the assumption that the work plans of CAIC's departments accurately reflect the project's objectives. CAIC's performance has thus been judged on the basis of its execution of these work plans. This evaluation has also addressed CAIC's management capability in implementing the terms and conditions of the Cooperative Agreement and in preparing itself for future self-sufficiency. While specific departmental recommendations have been included in Section III, the next section will offer recommendations concerning CAIC's management and future funding of CAIC programmes.

## B. SPECIFIC RECOMMENDATIONS

The following specific recommendations should be implemented by CAIC:

### 1. CAIC Management

a. Assistant Director for Administration: To improve CAIC's day-to-day internal management and to ensure its ability to deal with the stringent managerial requirements of an Operation Program Grant, the position of Assistant Director for Administration should be created with responsibilities for:

- . Keeping all staff abreast of new development, options and decisions arising out of the work of the Executive Director, Board or other staff members;
- . Ensuring that the flow of internal and external communication as well as the paperwork required by AID are maintained;
- . Assisting the Executive Director on all matters regarding the strategic planning and organizational management of CAIC; and
- . Making necessary management decisions and representing CAIC in the Executive Director's absence from Barbados.

b. Management Technical Assistance: CAIC should secure the support of management technical assistance on a short-term consultancy basis in order to assist in the design, installation and implementation of management support systems. Critical areas requiring management support include:

- . Fiscal management procedures, especially planning, budgeting and monitoring;
- . Internal financial reporting tools;
- . Intra-staff coordination and communication;
- . AID reporting procedures;
- . Personnel management; and
- . Membership tracking and communication tools.

c. Strategic Planning: The strategy statement, as documented in the August 1982 communication from CAIC to AID should be updated to reflect the present objectives of the organization and their relationship to the departmental priorities. All staff should be involved in updating the statement in order to provide input into the planning process and to ensure maximum departmental coordination.

d. CAIC/AID Relations: Regularly scheduled consultative meetings should be conducted between AID and CAIC to discuss the work plans, progress reports and budget pipelines. For the sake of continuity, one individual from each organization should be assigned as the focal point for communications. The designated individuals should be readily available on a regular basis and should have sufficient authority to make necessary management decisions.

## 2. CAIC Departments

As mentioned in the Evaluation and Commentary sections in Section III, this evaluation recommends that CAIC develop an integrated programmatic approach to organizational development based upon a strategy tailored to the needs and capacities of each individual chamber which would lead to clearly defined targets. Furthermore, funds from AID should not be released from AID until these country strategies have been developed. This intertwining of departmental activities should begin with the development of integrated work programmes and a restructuring of the internal organization of CAIC in order to facilitate a team approach to project implementation. This "package" approach will benefit CAIC by projecting a more cohesive image to its member chambers.

### a. Organizational Affairs and Business/ Government Relations

The National Private Sector Fund has not gotten off the ground. AID should do one of the following:

- . Help CAIC to develop a new approach to the institutional strengthening component;
- . Provide staff support to the local chambers on a matching funds basis to be phased out within two to three years. The results of the support should be directly measurable in terms of increased membership support and a specific developmental activity;
- . Continue the NPSF in its current form, but reduce the overall amount and ensure that sufficient funds are allocated to the department's overhead budget to cover the cost of staff travel to assist in project formulation; or
- . Eliminate the NPSF.

As for the other departmental activities:

- . Funding for the Chamber Management Workshops should be continued on a one meeting per year basis;
- . AID should follow through on its promise to fund the film, "Free to Choose";
- . The funding for the JA programme should be dependent upon the individual country programmes;

- . The Twin Chambers, representing a relatively small expense, should be continued, but provisions should be made for funding staff travel.

b. Training Department

Funding for this activity should continue. Emphasis however should be placed on this department's role as a broker/coordinator of training programs.

- . CAIC should follow through on its efforts to move from general management courses to in-plant and on-the-job training and specific skill weakness workshops.
- . The "assistance to small business" training should be continued.
- . The funding for the Training of Trainers programme should be reduced.

c. Technical Assistance/Research and Data Collection

The TARD has improved its ability to respond to the technical assistance needs of the local private sector bodies.

- . The Technical Assistance Fund should be continued.
- . Funding should be provided for one regional workshop and follow-up activities per year. Financial support should also sought from the subsector affected by these activities.
- . The funding for Trade Fairs as part of TARD's Information Services activities should be reexamined and most likely eliminated.
- . All research and data collection, excluding that which arises from the regional workshops, should be reassigned to the Economic Development Department.

d. Economic Development Department

Funding should be continued for this department based upon a reassessment of its investment promotion strategy.

- . Efforts should be made to coordinate CAIC's Investment Promotion activities with PDAP, CPDF and other related programs. CAIC should redefine its involvement in project identification at the micro level in order to take account of existing opportunities.
- . The level of funding for CBIN should be reduced until CAIC is able to demonstrate its impact on regional development.

- . The Micro-Business strategy, which has been developed as a result of the Programme Manager's attendance at the Center for Entrepreneurial Development workshop in India, should be considered for funding if it shows potential for going beyond the "sensitization of decision-makers" stage. However, IDB funds for a similar project involving the collaboration of CARICOM and the Irish Export Board may be forthcoming.
- . EDD research projects funded by AID should be reduced in scope and should become more responsive to the requests of the local affiliates.