

PD-ABG-695
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ACTION MEMO FOR THE DIRECTOR, RDO/C

DATE: July 21, 1993

TO: Mosina H. Jordan, Mission Director
FROM: P. Medford, TDO
SUBJECT: Small Enterprise Assistance Project (SEAP)
(538-0133) Project Authorization Amendment

Action Requested: That you approve (i) Project Authorization Amendment #9 which increases the life-of-project funding from \$20.710 million to \$20.810 million and adds the Republic of Guyana (Guyana) as a beneficiary country and (ii) an increase in the IESC grant by \$400,000, including \$100,000 for activities in Guyana.

Background: SEAP was authorized on February 25, 1986 with a PACD of February 24, 1991 and an authorized sum of \$10.0 million. The authorization was subsequently amended several times, the most recent being on May 17, 1993 when the LOP funding was reduced to \$20.710 million and the PACD shortened to September 30, 1994.

The participating countries under SEAP are Antigua and Barbuda, Barbados, Dominica, St. Kitts/Nevis, Grenada, Montserrat, St. Lucia and St. Vincent and the Grenadines. SEAP provides credit, technical assistance and training to micro, small and medium enterprises in the participating countries through a network of institutions.

Discussion: Based on the Government of Guyana's continuing commitment to the Economic Reform program, following elections in October 1992, A.I.D decided to reestablish a modest development program in Guyana. RDO/C was given responsibility for managing the Guyana program per the Guyana workplan (State 040828 dated February 10, 1993) and took the decision to extend the Mission's Eastern Caribbean strategy to Guyana for the near term.

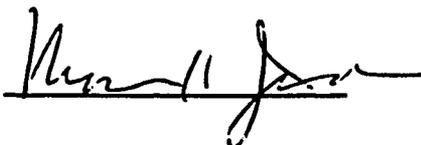
In FY 1993, RDO/C is addressing Guyanese development needs through a transition program in which existing Eastern Caribbean projects, where appropriate, are being expanded to include Guyana activities, while a separate Guyana program is developed for phase-in in FY 1994. One short term area of need identified as important for Guyana is assistance to the private sector.

Since 1991, the International Executive Service Corps, (IESC) has been providing technical assistance and training to small, medium and micro enterprises in the Eastern Caribbean through a grant under SEAP. IESC has submitted an amendment to the original Eastern Caribbean proposal for a continuation of that program as well as a separate proposal for a similar program of assistance in Guyana. In a mission review of the Guyana proposal it was decided that it is more efficient to provide support to a Guyana program at this time through an amendment to the existing IESC SEAP grant. That, however, would require an amendment to the SEAP authorization to include Guyana as a participating territory and to provide funding for a program of activities. The TDO recommends that the authorization be amended accordingly with \$100,000 provided for Guyana activities.

Justification: The proposed inclusion of Guyana in the amendment is consistent with the Mission's current strategy for Guyana. The IESC's competence to deliver services to the private sector is well established and their performance on the Eastern Caribbean program to date has been satisfactory.

Authority: Pursuant to Section II, B, of Delegation of Authority # 752, dated September 14, 1992, you have the authority to amend the Project Authorization if the amendment does not result in a total life of project funding of more than \$100 million, does not present significant policy issues and does not require issuance of waivers that may only be approved by the Administrator or an Assistant Administrator. All of these criteria have been met.

Recommendation: That you approve (1) Project Authorization Amendment #9 which increases the LOP authorized amount from \$20.710 million to \$20.810 million and adds Guyana as a beneficiary country and (2) an increase in the IESC grant by \$400,000, including \$100,000 for activities in Guyana.

Approved: 

Disapproved: _____

Date: 7/23/93

Clearances:

PDO:EMcPhie(In Draft)
PDO:WMcPhie(In Draft)
PDO:HMarwitz(In Draft)
CONT:MHorween(In Draft)
DD:BBurnett(In Draft)