



IMCC

**INVESTMENT PROMOTION AND EXPORT  
DEVELOPMENT PROJECT  
(IPED)  
FINAL EVALUATION REPORT**

*Submitted to*

*The United States Agency for International Development  
Barbados*

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November 6, 1992

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Dear Mr. Grossman:

**Ref: INVESTMENT PROMOTION AND EXPORT DEVELOPMENT PROJECT  
(IPED)  
FINAL EVALUATION REPORT**

Per our various discussions, IMCC is pleased to submit its addendum to the above titled final report in support of the Regional Development Office/Caribbean's (RDO/C) efforts to appraise the impacts of trade and investment programs to date in the Eastern Caribbean Region. The purpose of this addendum is to evaluate the steps the Eastern Caribbean Investment Promotion Service (ECIPS) is undertaking to institute our recommendations. We are persuaded that ECIPS is undertaking positive steps which enhance data collection, report maintenance and generation, and verification procedures. Our review is contained as an addendum in the Executive Summary.

IMCC is appreciative of the opportunity to assist the RDO/C and USAID/Barbados in this important endeavor. Should you have any questions or require further information, do not hesitate to contact either me or Dr. Clifton Barton by telephone or fax at the above numbers.

Very truly yours,

Paul B. Pieper  
Director

## TABLE OF CONTENTS

	PAGE
EXECUTIVE SUMMARY	
CHAPTER I - INTRODUCTION	
CHAPTER II - DEVELOPMENT OBJECTIVES OF THE PROJECT	
CHAPTER III - PURPOSE OF THE REVIEW	
CHAPTER IV - EVALUATION METHODOLOGY	
A.    General Approach	IV-1
B.    Evaluation Constraints	IV-2
C.    Post-site Visit Activities	IV-4
CHAPTER V - UTILIZATION OF ECIPS RESOURCES	
A.    Overall Performance	V-1
1.    Findings	V-1
2.    Conclusions	V-2
B.    The Operations and Performance of ECIPS, the IDCS, and the U.S. Business and Commercial Center	V-3
1.    ECIPS	V-3
2.    The IDCS	V-8
3.    The U.S. Business and Commercial Center	V-8
CHAPTER VI - ASSESSMENT OF THE CURRENT SITUATION	
A.    Overview	VI-1
B.    ECIPS Accomplishments to Date	VI-1
C.    ECIPS Weaknesses	VI-2
D.    Other Findings	VI-2
E.    Summary Observations	VI-5

## TABLE OF CONTENTS

	PAGE
<b>CHAPTER VII - FUTURE DIRECTIONS</b>	
A. Redirecting Business Opportunities	VII-1
B. Changed Mix of Promotional Efforts	VII-1
C. Next Steps	VII-2
<b>CHAPTER VIII - COMPARISONS WITH OTHER INVESTMENT MODELS</b>	
<b>CHAPTER IX - COMPUTATIONAL ANALYSIS OF ECIPS REPORTING AND SUCCESSES</b>	
A. Introduction	IX-1
B. General Assumptions for Formulas and Calculations	IX-1
C. Summary of Computational Analysis	IX-2
1. Data Quality	IX-4
2. Data Blending	IX-4
3. Comparative Analysis	IX-4
D. Review of ECIPS Reporting	IX-5
1. Success Generated by ECIPS Reported to Data	IX-5
2. IMCC Labor Value Assessment of ECIPS Successes	IX-7
3. IMCC Differential Assessment of ECIPS Report	IX-7
4. IMCC Summary Reports by Category	IX-12
E. Concluding Comments	IX-17
1. Results of the Price Waterhouse Management Audit	IX-17
2. Present Project Performance	IX-18
3. Verifying Participating Companies	IX-18
4. Employment Contributions	IX-19
<b>CHAPTER X - SPECIFIC RECOMMENDATIONS/NEXT STEPS</b>	
A. Introduction	X-1
B. Program Activities	X-1
C. Management Activities	X-2
D. Concluding Remarks	X-3

APPENDICES

A - LISTING OF DOCUMENTS REVIEWED

B - STATEMENT OF WORK

C - ORIGINAL SUCCESS GENERATED BY ECIPS REPORTED TO DATE  
(REVISED 4/6/92)

## EXECUTIVE SUMMARY

### BACKGROUND

The purpose of this evaluation is to assess the overall performance of the Investment Promotion and Export Development (IPED) project since 1987 in achieving the goals and purposes of the project as well as the specific performance of the organizations funded under the Organization of Eastern Caribbean States (OECS) Grant components of the IPED project.

The objectives of this evaluation are (1) to provide the Regional Development Office/Caribbean (RDO/C) and the OECS with a review of the progress to date on the development and implementation of IPED's trade and investment programs and (2) to assist in the selection of further programs and activities to be accomplished in the final two years of the project which will improve and expand the capabilities of the Eastern Caribbean Investment Promotion Service (ECIPS), the OECS and the national promotion agencies and the U.S. Business and Commercial Center in successfully bringing U.S. and other foreign investment to the Eastern Caribbean (EC) as well as assisting the Eastern Caribbean private sector to gain access to the U.S. market.

### UTILIZATION OF ECIPS

The general conclusion of the evaluation team is that the ECIPS-IDC (National Investment Development Centers) approach has been effective during the past five years in terms of developing a regional capability to undertake trade and investment promotion planning activities. It has accomplished many of the institutional strengthening objectives of the current grant agreement. However, in terms of delivering cost-effective trade and investment promotion services to businesses, the current institutional arrangements have a number of inherent weaknesses that should be addressed in future trade and investment promotion efforts.

The principal findings of this evaluation regarding the validity of the IPED project design and its basic institutional arrangements are as follows:

- 1) *The ECIPS-IDC investment promotion model has resulted in a strengthened capacity of the OECS members to undertake investment promotion activities.*
- 2) *ECIPS has been largely successful in demonstrating the value to OECS members of having a U.S.-based window that represents the region and works on behalf of regional interests in promoting new business opportunities.*
- 3) *The ECIPS-IDC model has been a useful mechanism for providing the governments of the region with a first-hand introduction to the problems of identifying and developing new international business opportunities.*
- 4) *The ECIPS-IDC model, in spite of its value as a training exercise, has not proved to be*

*a cost-effective means of delivering trade and investment promotion support on a continuing basis.*

The ECIPS-IDC efforts have demonstrated that the OECS member countries have the capacity to manage a regional trade and investment program in a professional manner and help stimulate growth in new industries. The weakness of the ECIPS-IDC model suggests the need for a strategy which keeps public-sector-funded business development efforts focused on supporting growth of new opportunities through targeted promotional efforts tied to business climate improvements. The ECIPS-IDC experience also suggests that once a regional capability has been established to manage trade and investment promotion efforts, more concentration should be directed to identifying specialized commercial service suppliers who can be used to service established businesses and serve in a catalytic role to identify and launch new business opportunities.

### **ASSESSMENT OF THE CURRENT SITUATION**

The IPED project has been successful in achieving many of the objectives described in the 1987 project amendment. This includes strengthening national and regional capabilities to promote investments in the region by way of the following:

1. A significant level of new employment has been generated in export manufacturing and service industries.
2. Project activities have played a catalytic role in introducing new business opportunities to the region.
3. Both public sector and private sector representatives have been trained in business development techniques and approaches and are now in a position to proceed to the next stage of sophistication.

The ECIPS operation has been able to demonstrate its value as a regional representative of trade and investment interests to the member OECS states. There appears to be adequate support for ECIPS' continuation of its representational and management role in supporting trade and investment promotion efforts of the OECS member states in the U.S. market. However, ECIPS' approach for providing investment promotion services, using in-house resources in conjunction with local IDC support, has not proved to be particularly cost-effective.

### **FUTURE DIRECTIONS**

The next stage of business development activities will require a refocusing on the types of business opportunities which are pursued as well as adjustments in the tools and approaches that are used to pursue such opportunities, attract them to the region, and maintain growth in these new and existing business sectors.

Maintaining future export growth within the region will require:

- Targeting of new types of business opportunities beyond labor intensive manufacturing and assembly.
- Expanding the search for new capital sources and ideas.

Pursuing the next round of business opportunities will require a changed mix of promotional efforts and new approaches to attract investments, develop co-ventures, and promote trading relationships. Specifically, it will require:

- A greater involvement and strengthening of specialized business intermediaries and services.
- An increased participation of EC private sector representatives in planning business development strategies and other related activities.
- A decreased public sector role in providing business promotion services but continuing participation in business development efforts.

## COMPUTATIONAL ANALYSIS

Table ES-1 presents the summary results of IMCC's findings. These findings were based on two essential sources:

1. *ECIPS Documentation* - As part of its review, the IMCC evaluation team reviewed available relevant documentation and data.
2. *Independent Confirmation* - Employing generally accepted and standard auditing practices, the evaluation team verified ECIPS investment data *wherever possible*.

### 1. DATA QUALITY

Under Coopers & Lybrand, a data-base system was developed and introduced to capture investment activity in the EC Region which was turned over to ECIPS upon termination of this firm's services.

The IMCC evaluation team noted with concern that the collection, extraction, and verification of data was very difficult.

### 2. DATA BLENDING

*The IMCC evaluation team have considerable misgivings with respect to what appears the mixing*

TABLE ES-1

COMPARATIVE SUMMARY OF RESULTS  
DRAWN FROM FIGURES IX-2 & IX-3

**TOTAL CONTRACT VALUES**

ECIPS REPORTED (FIG. IX-2)	IMCC VERIFIED (FIG. IX-3)	DIFFERENTIAL
\$31,210,000	\$2,408,800	\$28,801,200

**STATED EMPLOYMENT AND ESTIMATED LABOR VALUE**

ECIPS REPORTED	IMCC ESTIMATED	DIFFERENTIAL
633	207	426
\$2,468,700	\$807,300	\$1,661,400

**ESTIMATED COST PER LABOR YEAR BASED ON \$2,500,000 SPENT**

BASED ON ECIPS REPORT	IMCC ESTIMATED	DIFFERENTIAL
\$3,949	\$12,105	(\$8,156)

**ESTIMATED ROI BASED ON \$2,500,000 SPENT**

BASED ON ECIPS REPORT	IMCC ESTIMATED	DIFFERENTIAL
-1.3%	-67.8%	-66.5%

of Cooper & Lybrand data with those of ECIPS. However, it was ECIPS' responsibility to follow-up leads provided by Coopers & Lybrand. Data did not appear to give clear delineation for which party's success or results. On several occasions during the verification process, IMCC evaluators were informed by company executives that Coopers & Lybrand, not ECIPS, were responsible for their investment. While they praised ECIPS' efforts (in some instances), they nonetheless gave investment credit elsewhere.

### 3. COMPARATIVE ANALYSIS

Table ES-1 presents the IMCC evaluation team's summary findings of its independent confirmation of the ECIPS report. The results are as follows:

1. *Variance of Investments* - ECIPS reported a total contract (investment) value of US \$31.2 million during the course of its stewardship. Independent verification was only able to identify investment values of US \$2.4 million for the same period, a difference almost US \$29 million.
2. *Differences in Employment* - ECIPS identified 633 new jobs as a result of its activities. The IMCC evaluation team appraised these at approximately US \$2.5 million. Independent verification could only identify an estimated 207 new positions with an estimated value of slightly in excess of US \$800 thousand. This represents a variance of approximately 67% in jobs created. The appraisal of employment income for both ECIPS and IMCC's calculations were derived under the formulas defined in Chapter IX of this report.
3. *Disparities in Costs* - Applying data based on ECIPS' reporting, the IMCC evaluation team noted a discrepancy of over US \$8 thousand in costs associated to create one labor year. The variance represents US \$3.9 thousand for ECIPS and US \$12.1 thousand for IMCC.
4. *Poor ROLI Performance* - In either case, the IMCC evaluation team noted poor Return on Labor Investment (ROLI) performance with ECIPS adjusted data indicating a -1.3% return, while IMCC determined a -67.8% return.

### SPECIFIC RECOMMENDATIONS/NEXT STEPS

In summary, it is the evaluation team's opinion that *ECIPS is providing a valuable service as a program, but is performing a disservice by not maintaining readily accessible centralized and verifiable historical records for auditing purposes.* The main difficulty in assessing ECIPS' performance to date was poor record keeping. Since ECIPS was favorably supported by the IDCs and participating companies in general, the evaluation team concludes that a trade and investment program's overall effectiveness and reception may be enhanced through the formation

of standard reporting and document maintenance.

## 1. PROGRAM ACTIVITIES

In order to preserve the progress which has been achieved under the IPED project and to enable EC investment and trade promotion efforts to move to the next stage, the evaluation team recommends the following program activities:

- 1) The project should be extended for a period of approximately 12 months to provide an orderly transition to a follow-on project. This time period would enable RDO/C to complete the negotiations and project development actions which will be required.
- 2) The schedule for shifting the funding of ECIPS staff costs and administrative expenses to OECS governments should be accelerated so that ECIPS would be in a position to continue its basic representational functions without any additional USAID funds by the conclusion of the 6-12 month project extension.
- 3) Immediate steps should be taken to design a new trade and investment promotion program which will enable EC businesses to participate in a new set of international business opportunities, supported by appropriate governmental policy reform and manpower development initiatives.
- 4) New promotional efforts should focus on strengthening the role of EC private sector organizations and firms in managing and using the services of specialized commercial service suppliers and intermediaries to pursue new business development efforts.
- 5) USAID funding for future trade and investment promotion programs should focus on demonstrating the value of specific types of commercial services, provided primarily on a cost-sharing basis.
- 6) The IDCs and other government development agencies should continue to participate in promotional efforts in order to coordinate policy reform, infrastructure development and training initiatives with private-sector-led business promotion programs. However, they should not endeavor to provide business development or promotional services themselves.

## 2. MANAGEMENT ACTIVITIES

The evaluation team strongly recommends that more stringent management measures be required and introduced with respect to trade and investment promotion efforts.

The evaluation team concurs with Price Waterhouse's recommendations regarding data capture, maintenance and verification.

In summary, the evaluation team's recommended actions for this activity are the following:

- 1) Introduce management control systems which promote cost-effective tools for evaluating on-going performance.
- 2) Produce reliable reports on key project indicators and maintain verifiable (auditable) records documenting reported successes and accomplishments.
- 3) Develop and implement the capability to:
  - Increase efficiency;
  - Focus follow-up efforts; and
  - Analyze data.
- 4) Develop and introduce management and system controls and procedures which promote maintaining current data and the attendant verification process.
- 5) More forcefully link future USAID funding to the implementation of these aforementioned measures.
- 6) Budget for reasonably frequent management, operations, systems, and accounting audits to assure the above.

Management activities which promote and support these activities are presently underway and contained in the addendum to this Executive Summary.

### 3. CONCLUDING REMARKS

The evaluation team believes that OECS communities benefit from the ECIPS experience. Trade and investment programs are, by their very nature, an evolutionary process and EC progress in these matters is clear.

It is indicated, however, that the OECS now should demonstrate an independent capacity to usefully (i.e.: cost-effectively) develop trade and investment promotion to the region.

The evaluation team further recommends that future trade and investment activities be private sector initiatives. OECS should now consider the support for the private sector management of these activities, for example, utilizing regional exporter associations. This suggested approach is directed at the removal of government and parastatal institutions from the trade promotion process and the placement of the main thrust with the private sector.

**REPORT ADDENDUM TO FINAL EVALUATION REPORT  
ORIGINALLY SUBMITTED JUNE 1992**

**1. INTRODUCTION**

The purpose of this addendum is to determine the measures that the Executive Director of the Eastern Caribbean Investment Promotion Service (ECIPS) has undertaken since the issuance of the IPED Final Evaluation Report of June 1992. Further, this postscript briefly evaluates the Executive Director's planning with respect to ECIPS reporting and provides some additional recommendations for supporting and promoting the Executive Director's efforts.

**2. RECAPITULATION OF KEY MANAGEMENT BACKGROUND**

The current ECIPS Executive Director took over management in August 1991. During the preceding 12 month period the organization lacked a permanent Executive Director and this lack of presence and direction appears to have affected the overall performance of the program and the organization. In addition, the original contractor database for tracking and reporting ECIPS activities and progress experienced hard-drive damage resulting in the loss of data perhaps in the range of 10-15%. Data loss was due to the gradual erosion of the hard disk which also affected the current and prior weeks back-up, during this period when permanent leadership was absent. This was observed by Price Waterhouse.

The present Executive Director has directed efforts to recover as much lost data as possible, in addition to introducing a more refined automated reporting system to serve ECIPS' evolving requirements. Besides data recovery and the introduction of an improved reporting system, the Executive Director reported to IMCC that ECIPS faced the following inadequacies:

- "No obvious linkages existed between lead tracking and results";
- "Prospect qualification process was too lenient" (not rigorously structured);
- "Prospect follow-up activities were inefficient"; and
- "Reporting did not generate correlations between prospects and results".

In December 1991 and January 1992, the Executive Director, recognizing the need to overcome deficiencies in the data base and its management, sought technical help from Price Waterhouse. The latter study was done in early March and resulted in their report of March 1992 on the *Information Systems Solutions for ECIPS*. Addressing these issues, the Executive Director proceeded to introduce stricter management oversight, incorporating the recommendations from the Price Waterhouse report, USAID, and the subsequent IMCC audit of the overall program.

### 3. CURRENT MANAGEMENT ACTIONS

ECIPS, under the Executive Director's leadership, clearly is undertaking measures which address the concerns expressed by Price Waterhouse, USAID, and IMCC. Management adjustment activities underway are the following:

1. *Improving Data Analysis Capability* - ECIPS is seen to be undertaking positive measures for resolving the observations and concerns observed both by Price Waterhouse and IMCC in the area of data analysis.
2. *Increased Management Control Procedures* - ECIPS is strengthening management control and reporting by introducing more rigorous activity reporting; improved data capture and entry procedures; and identification of reasons for investment/non-investment outcomes.
3. *Expanded Case Filing Capability* - ECIPS is instituting measures for improved case filing for data integrity and auditing. By the Fall of 1992, they will have introduced country jacket files for each participating nation and are presently putting into place individual company jacket files with relevant correspondence and print-outs. These files will be maintained by ECIPS with updated copies to be held by participating IDCs.
4. *Developing Data Exchange Strategies* - ECIPS proposes to develop data/information exchanges with the local IDCs for supporting its verification and analytical efforts in two ways:
  - "Each reported success is to be backed up by a file with supporting documentation...and verification from the investing company and the local IDCs providing information on:
    - the size (in dollars) of the investment
    - the number of employees actually hired
    - the dollar value of foreign exchange expected to be earned annually
    - reporting to ECIPS by the IDCs, changes in employment data on a quarterly basis
    - the expected life of the new project, if a subcontract."
  - "The OECS-EAS and the ECCB should be given the above information in order to provide to governments further detailed economic data.... This should be done on a quarterly basis."

#### 4. ASSESSMENT OF CURRENT MANAGEMENT EFFORTS

IMCC is encouraged by the proactive measures undertaken by ECIPS' Executive Director to address the management issues indicated both by Price Waterhouse and IMCC. The Executive Director recognizes that the integrity of efforts can best be substantiated by rigorous data and procedural controls. Present actions suggest that he is utilizing both reports as blueprints to effect reforms to ECIPS reporting and progress evaluations.

In sum, the Executive Director has developed and continues to develop management controls and procedures which can enhance ECIPS reporting reliability.

#### 5. SUGGESTIONS FOR FUTURE ACTION

The Executive Director will benefit from continued support in his efforts to improve both organizational and reporting functions in ECIPS. The following suggestions are proposed:

1. *Continue Improved Reporting* - The Executive Director values the concept of labor year valuations and intends to incorporate it within the ECIPS data structure. It is recommended that job creation be reported in labor year valuation on all future ECIPS reports describing labor/investment activities. The Executive Director has alluded to this measurement in his proposed actions.

In addition, it is suggested that additional reports be generated from information already extant in the database. These can include: (i) cost per investment activity; (ii) investment or trade activity process life-cycles (how long does it require before the process is complete); and (iii) profiles of most likely investments or trade activities based on past records.

2. *Clarify Data Blending* - The Executive Director recognizes that in certain instances both Coopers & Lybrand and ECIPS share the credit for investment activities. We agree that shared investment should be credited to both parties when appropriate. This is suggested under the principle that it may have required the efforts of both to successfully conclude the investment. It is suggested that ECIPS rigorously identify these cases and account for them accordingly in the case files. In other instances where shared credit cannot be substantiated under independent verification, we recommend that reference be dropped from future reporting.
3. *Complete Company Jacket Files* - It is essential that ECIPS complete individual and comprehensive jacket files. These should include a complete record of correspondence, individual company reports, and other relevant data to be updated regularly (quarterly). In the cases where a long history exists, we leave it to the judgement of ECIPS whether such records requires compilation or

whether they should include all references from June 1991 onward.

4. *Improve Information Dissemination* - While ECIPS plans to introduce a ready data exchange between the IDCs and itself, *we recommend that this be considered a top priority item for immediate action.* Dissemination of information among the IDCs and ECIPS is crucial to data validity. The management audit revealed that field verification and data collection was extremely difficult. We suggest that ECIPS encourage and support the Executive Director's efforts in effecting information exchanges.
5. *Introduce Quarterly Reviews* - We suggest that ECIPS provide quarterly management reviews to assist the Executive Director in achieving his information objectives. The purpose of these reviews are to provide program activity guidance as well as monitor implementation progress by the ECIPS Directorate.

We are confident that these suggestions, as implemented, will enhance ECIPS performance.

## I. INTRODUCTION

This evaluation of the Investment Promotion and Export Development (IPED) Project was undertaken by the Interamerican Management Consulting Corporation (IMCC) as part of the Private Sector Bureau/ Office of International Business Development's (PRE/IBD) field support services under the Market and Technology Access Project (MTAP). Funding for the evaluation was provided partly through a buy-in to MTAP from Regional Development Office/Caribbean (RDO/C) and partly from MTAP core funds provided by PRE.

Initial interviews in Washington, D.C. were carried out in the first two weeks of March, 1992 with the Eastern Caribbean Investment Promotion Service (ECIPS) staff. Subsequent interviews were conducted in five Organization of Eastern Caribbean States (OECS) member countries and Barbados during the period from March 23-April 10. The IMCC evaluation team included Clifton Barton, IMCC's Director for Trade and Technology Services, and Raymond Manoff, IMCC's Director for Export Programs and Product Development.

A draft report was submitted to USAID/BARBADOS in late April, with attendant USAID comments returned in May. The IMCC evaluation team compiled this final report based on two main factors:

- USAID/BARBADOS' commentary with respect to the draft submission of May 1992; and
- Follow-up activities verifying ECIPS reports detailing its achievements from 1987 to 1992.

Therefore, this document represents the final report of the evaluation of the ECIPS program by the IMCC evaluation team.

## II. DEVELOPMENT OBJECTIVES OF THE PROJECT

The *goal* of the IPED project is to increase productive employment in the Eastern Caribbean (EC) countries. The *project purpose*, under the current amendment, is to develop a national capacity in the Eastern Caribbean to identify and promote private investment in productive, export-oriented businesses.

The current phase of IPED marks a departure from the earlier efforts under the Project Development Assistance Project (PDAP) which used the services of an outside contractor to promote investments in the EC region. Under the original PDAP design, an outside contractor (Coopers and Lybrand) was retained to implement a comprehensive program of trade and investment promotion, using primarily expatriate staff stationed in the individual countries of the region and in the U.S. The primary measures of success under this phase were the number of ventures promoted and the level of employment that was generated as a result of these new business activities.

In the current phase of the IPED project, the emphasis has been on the development of national and regional capabilities to promote investments, including the development of a new regional investment promotion organization, ECIPS, and the strengthening of national investment promotion organizations. The project goal -- *to promote productive employment in the region through new trade and investment activities* -- was retained for the current phase and efforts were made to improve project reporting so the results of project activities in achieving the project goal could be measured.

One of the objectives of the amended project was to strengthen the operations of ECIPS to the point that it could become a sustainable organization requiring no additional USAID funding. The attainment of this objective -- *sustainability* -- required that it demonstrate the value of its services (i) to the individual governments of the region, on one hand, and (ii) to the members of the private sector or the region, on the other. This required not only meeting both the broader set of development objectives which the OECS member governments are pursuing, but also the specific commercial and business development objectives of the regions private sector.

### III. PURPOSE OF THE REVIEW

The objectives of this evaluation were:

1. To provide RDO/C and the OECS with an analysis of progress to date on the development and implementation of trade and investment programs funded by IPED;
2. To assist in the selection of further programs and activities to be accomplished in the final two years of the project which will improve and expand the capabilities of ECIPS, the OECS, the national promotion agencies (IDCs), and the U.S. Business and Commercial Center; and
3. To enable these expanded capabilities to successfully bring U.S. and other foreign investment to the EC, as well as assisting the EC sector to access the U.S. market.

The Scope of Work for the evaluation specifically tasked the IMCC evaluation team to review the following areas:

- Overall project performance from the May 1987 Amendment to the Grant Agreement up to the present;
- The performance of ECIPS and the National Investment Promotion Agencies; and
- The program and plans of the U.S. Business and Commercial Center.

Based on these reviews, the evaluation team was directed to suggest ways to improve and/or sustain momentum in the existing program and move the project further toward self-sustainability by the new Project Action Completion Date (PACD), including suggesting mechanisms and existing programs which RDO/C could tap or buy into:

- To improve and expand the promotional efforts of ECIPS and its agencies;
- To develop promotional activities in Asia; and
- To take better advantage of opportunities which may become available through the Enterprise for the Americas Initiative (EAI).

In addition, the evaluation team was asked to provide recommendations regarding the design of an appropriate trade and investment information system for: (i) ECIPS; (ii) the U.S. Business and Commercial Center; (iii) the IDCs; and (iv) regional private sector organizations.

## IV. EVALUATION METHODOLOGY

### A. GENERAL APPROACH

This evaluation is based on data obtained from several sources, including:

- Personal interviews;
- Reviews of relevant project documents; and
- Comparative information on trade and investment promotion activities in other countries.

During the initial period of the evaluation, interviews were conducted in Washington, D.C. with the current Executive Director of ECIPS, Mr. John Arrindell and his staff. These interviews focused on:

- ECIPS current operations;
- Results obtained to date;
- ECIPS' plans for the current year;
- General work approach;
- Staff capabilities and responsibilities; and
- Finance and budget issues.

In addition, IMCC staff met in New York City with the chief Trade Promotion Officer for the government of St. Lucia. This discussion focused on the work approach of the St. Lucian office in New York as well as the relationship of this operation with ECIPS/Washington.

Following the interviews in Washington, D.C. and New York, one team member, Mr. Raymond Manoff, visited five of the OECS member countries including:

- Antigua;
- St. Kitts/Nevis;
- Montserrat;
- Dominica; and

- St. Lucia.

In each country meetings were held with the principal government officials who had responsibilities for trade and investment promotion efforts, including representatives of the local investment promotion offices (IPOs) or IDCs. Interviews were also conducted with a selected group of private sector representatives including representatives of business associations, members of the ECIPS board, and available representatives of firms that have received assistance from ECIPS and the IPED project.

## B. EVALUATION CONSTRAINTS

### 1. OVERVIEW

In the short period of time available for this evaluation, the evaluation team was not able to conduct a complete review of firms assisted by the IPED project. Instead, the evaluation effort focused on a sample of firms in order to verify information about the number of companies assisted, the types of services received, company views on the value of the services received, and general quantitative indicators such as value of orders received or new business generated as a result of ECIPS promotional efforts. It was not possible during the time period available to provide meaningful figures on increases in employment or total foreign exchange earnings attributable to IPED project activities.

After concluding these visits to OECS member countries, Mr. Raymond Manoff and Dr. Cliff Barton jointly conducted a series of interviews in Bridgetown, Barbados with: (i) USAID project staff and senior management; (ii) the director of the U.S. Business and Commercial Center; (iii) the general manager of the Barbados Industrial Development Center; (iv) the IESC representative; and (v) the Chairman of the Board of Directors for ECIPS.

In addition to personal interviews, the evaluation team conducted a comprehensive review of project documents, including project papers, grant agreements, progress reports, work plans and business plans, previous evaluation reports, and other materials from the project files. A complete listing of documents reviewed is contained in Appendix A of this report.

In analyzing the performance of ECIPS and the other organizations involved in implementing the current phase of the IPED project, the evaluation team has drawn on comparative studies of trade and investment promotion programs carried out in other countries. Comparative materials included: (i) the results of the Center for Development Information and Evaluation (CDIE) review of the Latin America/Caribbean Bureau (LAC) trade and investment programs, (ii) research findings produced under the Market and Technology Access Project, as well as (iii) recent studies produced by the Trade Policy Group of the World Bank.

## 2. EMPLOYMENT DATA QUALITY

The IMCC evaluation team recognized the importance of capturing employment generation data. It appreciated that the prime mission for ECIPS is the creation of long-term, sustainable employment in the EC Region. Consequently, the evaluation team chose to regard employment as a basis for project employment and clearly regard sustained employment generation to be among the appropriate evaluation indicators for the assessment of a USAID supported trade and investment program.

The evaluation team, however, has had limited data available to it regarding ECIPS employment generation or investment promotion performance. Its primary source -- in fact sole documented source -- was the ECIPS report entitled: *Success Generated By ECIPS Reported To-Date (Revised 4/6/92)*, contained in Appendix C of this report. This single page document purports to accurately summarize the five year life-of-project numerical output of ECIPS.

Concerned about the validity of this ECIPS data, IMCC sought independent verification of the figures presented in the ECIPS report and recalculated the employment and investment achievement of ECIPS using data requested from the several project beneficiaries identified by ECIPS.

The team observed that the ECIPS performance report does not differentiate between the *full-time employment* created by new industries (that recruit and identify full time staff) and *limited term employment* (measured in work-years/work-order) for employment that results from contract production orders. Without an analysis of work-years actually generated, as is now the case, ECIPS reporting employment generated is meaningless.

The evaluation team identified the estimated work-years of employment that was delivered by ECIPS interventions. This also considered estimated employment generated by the 807 limited-term contract production activities, since 807 short term production order facilitation has been the predominant life-of-project employment generation activity of ECIPS. The results of this analyses is discussed at length in Chapter IX entitled: *Computational Analysis of ECIPS Reporting and Successes*.

## 3. INTERVIEWEE AVAILABILITY

The number of interviews conducted were based on: (i) beneficiary availability; (ii) IDC cooperation; and (iii) RDO/C official appointments.

The IMCC evaluation team interviewed the *total* number of ECIPS beneficiary companies in the following OESC member states:

- 1 beneficiary company in Antiqua;

- 2 beneficiary companies in St. Kitts; and
- 0 beneficiary companies in Montserrat.

The single ECIPS beneficiary in Dominica was not available for interviewing. Required RDO/C programmed full-time official visits for the two days spent in St Lucia left no time for effective visits to the 16 beneficiary firms. (Additionally the St. Lucia IDC did not schedule or offer to assist in factory visits.)

#### 4. ABSENCE OF SUSTAINED AND VERIFIABLE DATA

The IMCC evaluation team's experience confirmed RDO/C's report that adjustments in ECIPS/OECS management over the life of the ECIPS activity (1987-1992) has resulted in a 1992 absence of a sustained and verifiable life-of-project data base. The current absence of structured project data was reportedly recognized by ECIPS management in August 1991 with the arrival of the current ECIPS Director.

#### C. POST-SITE VISIT ACTIVITIES

Schedule and information constraints hampered the comprehensive collection of information as well as, the evaluation of IPED project activities. Consequently, a draft report was submitted to USAID/Barbados for review and comments while the IMCC evaluation team sought additional, verifiable data with respect to ECIPS performance.

During the intervening period, the team gathered whatever additional information was available for incorporation into this final report. This collection effort included:

- Directly contacting relevant IDCs; and
- Participating companies

to determine the level and extent of the program's impacts. *It should be noted, however, that the IMCC evaluation team was unable to collect and/or verify all the necessary information to its satisfaction.* The additional information contained in this evaluation reflects the cooperation and responsiveness of the EC organizations and companies contacted.

## V. UTILIZATION OF ECIPS RESOURCES

### A. OVERALL PERFORMANCE

A basic task of this evaluation is to determine the extent to which the presently designed structure of the project has been able to address the development constraints stated in the project's goal and purpose. Specifically, has the ECIPS-IDC investment promotion model proved to be in the course of the past five years a useful and appropriate one for the countries comprising the OECS?

#### 1. FINDINGS

The general conclusion of the evaluation team is that the ECIPS-IDC approach has been effective during the past five years in terms of developing a regional capability to undertake trade and investment promotion planning activities. It has accomplished many of the institutional strengthening objectives of the current grant agreement. However, in terms of delivering cost-effective trade and investment promotion services to businesses, the current institutional arrangements have a number of inherent weaknesses that should be addressed in future trade and investment promotion efforts. A detailed analysis of this is provided in Chapter IX, entitled: *Computational Analysis Of ECIPS Reporting and Successes*.

The principal findings of this evaluation regarding the validity of the IPED project design and its basic institutional arrangements are as follows:

- 1) *The ECIPS-IDC investment promotion model has resulted in a strengthened capacity of the OECS members to undertake investment promotion activities.*

IPED activities have been successful in strengthening local business development capabilities. These activities have provided a significant learning experience regarding the effectiveness of (i) different types of promotional activities in attracting investments; (ii) developing leads for potential co-venture opportunities; (iii) promoting the EC region as a good place to do business (in selected channels); and (iv) facilitating new business ventures in specific industries such as data entry and 807 assembly operations.

- 2) *ECIPS has been largely successful in demonstrating the value to OECS members of having a U.S.-based window that represents the region and works on behalf of regional interests in promoting new business opportunities.*

This success can be measured by the growing commitment by OECS members to assume funding responsibilities for the basic staffing and administrative costs needed to maintain ECIPS as their joint representative to the U.S. market. This success is amplified by the fact that countries which have received little or no benefit from the business development initiatives of IPED still maintain that a regional representational window to the U.S.

market is valued and worth maintaining.

- 3) *The ECIPS-IDC model has been a useful mechanism for providing the governments of the region with a first-hand introduction to the problems of identifying and developing new international business opportunities.*

It has brought government officials to the table; provided learning and training opportunities related to international business development; and has conveyed useful information regarding the costs and benefits of different types of business promotion methods and requirements for supporting new types of business development.

- 4) *The ECIPS-IDC model, in spite of its value as a training exercise, has not proved to be a cost-effective means of delivering trade and investment promotion support on a continuing basis.*

The IDC relationships have proved to be weak links to the local business communities in terms of delivering services to local businesses or matching international opportunities with local needs and resources. By relying primarily on the IDCs as the local institutional link to ECIPS operations, the IPED project has not achieved sufficient participation or proactive involvement by the private sector leadership of the region.

By assuming responsibility for providing business promotion services in-house, ECIPS has been unable to exploit the efficiencies which were possible by enlisting the services of specialized intermediaries who are thoroughly familiar with specific industries and who are in the business of providing specialized business support and development services for specific industries on a regular commercial basis. Consequently, ECIPS-IDC promotional activities to date have been high cost and have not provided a natural bridge to services which could be maintained on a commercial basis.

## 2. CONCLUSIONS

The ECIPS-IDC efforts have demonstrated that the OECS member countries have the capacity to manage a regional trade and investment program in a professional manner and help stimulate growth in new industries. The ECIPS program has led to an increased OECS member commitment to continuing joint efforts to undertake trade and investment promotion efforts.

The weakness of the ECIPS-IDC model, in terms of delivering business services for established businesses, however, has important implications for the next stage of trade and investment promotion efforts for the EC region. First, it suggests the need for a strategy which keeps public-sector-funded business development efforts focused on supporting growth of new opportunities -- through targeted promotional efforts tied to business climate improvements -- rather than attempting to service existing businesses once they are fairly well established. Second, the ECIPS-IDC experience suggests that once a regional capability has been established to manage trade and investment promotion efforts, less emphasis should be placed on providing

business services through in-house resources and more effort should be given to identifying specialized commercial service suppliers who can be used to service established businesses and serve in a catalytic role to identify and launch new business opportunities.

The original assumption during the planning stages of the ECIPS project conjectured that OECS member States would utilize parastatal institutions. This approach could usefully generate commercial development action plans as well as provide the business facilitation services needed for effective trade and investment promotion has not been demonstrated through the ECIPS-IDC model. With the limited exception of St. Lucia, this project structure has proven generally unworkable.

## **B. THE OPERATIONS AND PERFORMANCE OF ECIPS, THE IDCS, AND THE U.S. BUSINESS AND COMMERCIAL CENTER**

### **1. ECIPS**

As indicated in the background section of the scope of work (presented in Appendix B of this report), ECIPS was tasked in 1987 by USAID/Barbados and OECS to continue the trade and investment promotion services that had been delivered by the PDAP activity. Coopers and Lybrand, the PDAP management contractor (1981-1989), was retained by USAID (1987-1989) to provide training for the transfer of the PDAP activity, as modified, to ECIPS management and with the oversight of ECIPS to be managed by the OECS.

The PACD for this USAID/Barbados supported phase to ECIPS arrived in April 1990 when OECS members could, reportedly, not agree on the issues of ECIPS value or levels and sources of ECIPS funding. A new support agreement was developed in July 1990 between USAID/Barbados and participating OECS members to jointly fund limited support of ECIPS until October 31, 1992. The current Director of ECIPS has been in place since September, 1991.

ECIPS functions to facilitate new business development in the EC region and is nominally focused on the promotion of investment. ECIPS is not structured to collect or transmit general trade data though it does seek to discover and transmit specific "lead" information to client countries. ECIPS is not structured to provide technical support to trade promotion activities. With a staff of three investment facilitators, ECIPS has focused its investor sourcing efforts on trade show and conference attendance in the general pursuit of "trade leads". Although directed to investment promotion activity, ECIPS has, in practice, generally delivered only limited-term contract production orders for existing electronic and some garment industry firms. These production contracts are primarily for 807 assembly operations already established in the region. In addition to 807 related assembly, ECIPS has been successful in facilitating some new investments in data entry activities.

ECIPS support has not been utilized to any significant degree by any of the OECS states other than St. Lucia. (St. Lucia has its own trade representative in New York who has utilized the ECIPS trade show data quite extensively).

Between November, 1987 and March 1992, ECIPS reports that thirty four projects involving offshore (U.S.) buyers and/or investors were developed. The ECIPS progress report of March, 1992 indicates that twenty five of the contracts were fixed-term sub-contract purchases of electronic assembly manufactures or data-entry services. This sourcing of sub-contract activity for existing industry represents 74% of the ECIPS activity since its inception. An additional nine contracts are reported as "joint ventures" or "new facilities". These nine projects are located in Grenada and St. Lucia.

The general history and character; the long and short-term employment generation value; as well as the current status of all of the projects reported by ECIPS is unclear. Comprehensive individual sub-project case files have not been maintained nor made available to the IMCC evaluation team by ECIPS. Under these circumstances, the reviewers sought to examine ECIPS beneficiary firms on-site and to report upon as many of these projects as possible during visits to five of the eight participating States. *Current ECIPS progress reporting does not provide the comprehensive data needed for a cost-benefits analysis of the ECIPS activity.*

From the end of September 1991, a newly appointed ECIPS Washington management has made a useful effort to relate the trade-show and conference attendance activities of ECIPS to the actual needs of the ECIPS client countries. This is a recent effort and it has not yet provided identifiable results. The IMCC evaluation team identifies a general weakness in trade promotion management within the several participant OECS countries as well as a lack of effective coordination of the trade interests of these States with ECIPS/Washington.

Private-sector and public-sector representatives interviewed during the course of this evaluation provided a wide range of opinions regarding the value of ECIPS services. The following discussion presents some of the views which were expressed by persons interviewed in Barbados and each of the five OECS member countries which were visited.

a) *Barbados*

Barbados is not a member of the OECS and is neither a contributor to nor beneficiary of the ECIPS activity. The team met with Mr. E. Anton Norris, Dep. General Manager for Corporate Services - Barbados Industrial Development Corporation ( B/IDC). Mr. Norris indicated that Barbados maintains its own Trade & Investment (T&I) operations and operates independently of the OECS. Mr. Norris indicated that he feels that the Barbados IDC performs well in carrying out the trade and investment promotion interests of Barbados. Mr. Norris saw both ECIPS and Eastern Caribbean States Export Development Agency (ECSEDA) as assets needed by OECS members having no other windows to export trade.

b) *Antigua*

Antigua is not a current contributor to or beneficiary of the ECIPS activity. OECS officials in Antigua, however, report that the Government of Antigua currently plans to renew budget support to ECIPS.

The team met with Dr. Carlyle Mitchell, Director, Economic Affairs, OECS. who indicated his belief that ECIPS, "if restructured", could add significantly to area trade development. This same sentiment was expressed by Jack Kelsick, OECS, Trade Promotion Officer. "Restructured," was understood to refer to a leaner and more "business-like" ECIPS which would effectively respond to the T&I interests of OECS members. (It was left unclear who would take a pro-active ECIPS guidance role within the member States, i.e.: government, private sector, or a "mix" of both,)

c) *St. Kitts/ Nevis (SKN)*

#### 1. Ministry of Trade and Industry

SKN has been, but is not now a current budget supporter of the ECIPS operation. Discussions with L. Sydney Osborne, Permanent Secretary, Ministry of Trade and Industry noted that the SKN FY92 refusal by the Government to fund ECIPS was made on the basis of the perceived limited value of ECIPS to SKN economic development. Mr. Osborne noted that of the five "projects" developed by ECIPS on behalf of SKN, four were sub-contract deliveries to the same firm (Electrofab).

Nevertheless, Mr. Osborne alleges that ECIPS could have clearer value if structured to respond to the particular demand needs of local industry. He identified these needs as an "upscale" development of industrial employment which would depart from the low tech and low pay jobs identified with 807 opportunities. He viewed ECIPS as essentially delivering only 807 contract work.

Also, Mr. Osborne noted that the generation of 807 sub-contracts for garment and electronic assembly firms had been of some use to St. Kitts as well as St. Lucia. (However, he also commented that this same service was also being delivered at less cost by U.S.commercial intermediaries.)

Mr. Osborn indicated, however, that SKN could benefit from ECIPS if this service could be consistently and effectively responsive to changing SKN needs for T&I promotion. Mr. Osborne indicated that the SKN private sector perhaps could and should continue to take a significant role in guiding the work of ECIPS, but within Government of St. Kitts participation and oversight.

#### 2. Electrofab

The team also met with the President of Electrofab, Mr. John Mallalieu. He acknowledged that his firm was a significant and appreciative beneficiary of the ECIPS activity. Further, Mr. Mallalieu indicated his belief that SKN was now beset by a "shortage of trainable labor" and that ECIPS needed to adjust or better yet "cease" its "807 oriented" services and now help to limit the generation of labor-intensive industry entries into SKN. He did not know of the mechanism in SKN that could effectively communicate this change of direction to ECIPS. He hoped that ECIPS would remain in place and was willing to consider private sector (funding) support for

ECIPS but based upon a private sector management of ECIPS services.

### 3. St. Kitts Chamber of Commerce and Industry

The team met with selected members of the Board of Directors of the St. Kitts Chamber of Commerce and Industry: (i) Alexis Knight, Executive Director; (ii) Colin Mallalieu, Nova Foods; and (iii) Sam Frank, President. This group generally concurred that SKN "needed" new commercial development concepts, but they were as generally unclear on how this was to be managed as well as ECIPS' actual business/exports promotion value. ECIPS, it was pointed out, had sourced 807 sub-contract production opportunities for only two SKN firms during its 5 year work history. This discussion turned to the responsibility of the private sector for economic growth planning and a more pro-active SKN private sector use of assets such as ECIPS. This group finally identified a need for SKN commercial representation in the U.S. that would better respond to SKN economic growth interests. They felt, however, that they needed help with economic opportunity identification and promotion activities.

### 4. Anquilla Trading and Development Co. Ltd.

The team met with Michael L. King, Chairman of The St. Kitts, Nevis, Anquilla Trading and Development Co. Ltd. (TDC). Mr. King directs a large trade and investment in SKN and alleges that ECIPS would be useful if it responded to private sector direction and not to government functionaries. He concurred that SKN development could significantly benefit from a better managed ECIPS operation. Mr.

King suggested that USAID/Barbados might look at focusing on the OECS private sector development activities (e.g., CAIC in St. Lucia) "as a vehicle to enable a better private sector participation in the utilization of ECIPS".

### 5. Summary

In sum, both Government and the private sector appear to value the "concept" of ECIPS as a logical and, in future, a possibly cost-effective commercial growth asset for the several States of the region. Both groups generally expressed their disappointment with the development and performance of ECIPS. Moreover, both groups expressed (with varying degrees of conviction) that ECIPS was a useful asset that needed "fixing" and that SKN should have and would eventually benefit from a U.S. based trade window.

#### *d) Montserrat*

The team met with Reuban T. Meade, Chief Minister, Ministry of Finance and Economic Development. Mr. Meade made plain that his government valued the ECIPS trade window notwithstanding the fact that the ECIPS activity has not yet produced a single trade or investment contract for this State. He suggested that if ECIPS in the future was able to focus more effectively on the specific trade and investment interests of Montserrat (and as identified by Montserrat and not by ECIPS), his Government would be content with its on-going support of

ECIPS. Mr. Meade noted that ECIPS was the "only game in town" for a small Caribbean State and that Montserrat would continue "to play" within an expectation that the professional performance of ECIPS would improve.

A conversation with Mrs. Esternella West, Economist, Development Unit and with Mrs. Dora F. Browne, Executive Director, Montserrat Chamber of Commerce and Industry indicated a disappointment with the ECIPS performance. These officials noted that Montserrat was a quite small island having very limited human and natural resources that could not seriously support much more than tourism. Still, they do have economic growth needs and hoped to have the services of an ECIPS that would deal more intimately with their problems and not just "send them 807 people and paper that they don't much need".

e) *Dominica*

The team met with W. Ken Alleyne General Manager and with Michael A. Fadelle, Investment Promotion Officer, National Development Corporation. Mr. Irwin LaRocque, Permanent Secretary, Ministry of Trade was reported to be unavailable for these conversations. The team also met with Mr Michael Astaphan, the Chairman of the Manufacturers Association. Mr. Astaphan indicated his conviction that both ECIPS and ECSEDA were excessively responsive to governments and this was simply inconsistent with the delivery of useful cost-effective commercial services. He pointed out that ECIPS had not delivered a single project to Dominica in all of its five year history and that this performance failure was, in his judgement, a clear result of ineffective government management of a trade promotion asset. Michael Astaphan stated that ECIPS was very much needed but only if directed at some useful level of input by the islands private sector with government oversight and participation but not exclusive management.

The team met with Justin O.A. Vincent, Executive Director, Eastern Caribbean States Export Promotion Agency (ECSEDA). The technical trade promotion approaches of ECSEDA were discussed. It was indicated that ECSEDA provides both facilitative and technical services to selected Caribbean client firms. Mr. Vincent saw a need for a commercially useful offshore trade promotion activity to be delivered by both ECIPS and ECSEDA resources. ECSEDA is not well placed in external markets and does not (yet) have structured external trade representative relationships.

f) *St. Lucia*

The team met with members of the St. Lucia National Development Corporation ( Andre Elwin, Andre Alexander, and Roston Taylor). A meeting with Mr. Charles Cadet, Advisor to the Minister of Trade, Industry and Tourism, and Anthony Severin, Permanent Secretary followed. Further meetings with Mr. Terry Deligny, (private sector), Director, Bryden & Partners Ltd. and Mr. Hollis Bristol, Director, J. Bagasse & Co. were held. A final meeting with Mr. Vaughn Lewis, Director, OECS took place.

St. Lucia has been a relatively intensive user of the ECIPS asset. The Government of St. Lucia supports the trade promotion activities of a national trade promotion officer (Patrick Sylvester) based in New York City. Mr. Sylvester has some twenty years of direct trade promotion experience and has accessed ECIPS generated trade show activities and business leads. The thrust of St. Lucian trade and investment actions via ECIPS and Mr. Sylvester "together" has reportedly resulted in the delivery of sixteen sub-contract production orders for electronic assembly and two orders for apparel sub-contract production. Of this total of eighteen total projects, however, it was reported that seven sub-contracts were for a single firm (Caribbean Electronics). One firm received four contracts (Gold Electronics -- now defunct) and others received two each (Data Key International, Soft Furnishings, and Caribbean Data). One firm received a single (1) contract (Manumatics).

In sum, only six firms reportedly were assisted directly by ECIPS and the St. Lucia IDC over the five year project period. Support to these six firms represents 53% of the reported ECIPS achievement over the five year project period.

## 2. THE IDCs

The institutional strengthening activities directed to the national IDCs have produced mixed results. In some cases, such as St. Lucia, the IDC is functioning in an active manner. In other cases, such as St. Kitts, the IDC has effectively ceased to function.

Overall, the IPED activities appear to have produced some positive results in the individual countries of the region, particularly in terms of: (i) staff training; (ii) the development of promotional materials; and (iii) the ability to undertake basic investment planning and support. The IDCs, however, have not proved to be an effective link to the local private sectors, in terms of identifying needs and arranging for the delivering of appropriate services.

## 3. THE U.S. BUSINESS AND COMMERCIAL CENTER

The U.S. Business and Commercial Center has developed an impressive set of basic resources to support the growth of U.S.-EC co-ventures. In a short period of time, the current director has initiated a number of business support efforts, such as the production of a regional trade and investment newsletter and the provision of trade and investment information services that could play a very useful role in current and future trade and investment promotion programs. Although past efforts do not appear to have been closely coordinated with the overall ECIPS-IDC program, the Center appears to hold a strong potential for shifting its operations to a more commercial basis and to develop fee-for service arrangements that would allow it to continue to provide trade and investment information services and business advisory support on a highly cost-effective basis.

Co-locating the U.S. Business and Commercial Center with other business service providers in Bridgetown, such as the International Executive Service Corps (I.E.S.C.) and the Chamber of

Commerce and Industry would also appear to offer some positive advantages, by helping to generate economies of scale in terms of attracting clients, benefitting from referrals, achieving visibility, and sharing resources such as data bases.

## VI. ASSESSMENT OF THE CURRENT SITUATION

### A. OVERVIEW

The IPED project has been successful in achieving many of the objectives described in the 1987 project amendment. This includes strengthening national and regional capabilities to promote investments in the region by way of the following:

1. A significant level of new employment has been generated in export manufacturing and service industries.
2. Project activities have played a catalytic role in introducing new business opportunities to the region and demonstrating the values of such activities to the economic well being of the region and its member states.
3. Both public sector and private sector representatives have been trained in business development techniques and approaches and are now in a position to proceed to the next stage of sophistication in terms of techniques employed and business opportunities targeted.

The ECIPS operation has been able to demonstrate its value as a regional representative of trade and investment interests to the member OECS states. There appears to be adequate support for ECIPS' continuation of its representational and management role in supporting trade and investment promotion efforts of the OECS member states in the U.S. market. However, ECIPS' approach for providing investment promotion services, using in-house resources in conjunction with local IDC support, has not proved to be particularly cost-effective.

The following sections present what the evaluation team perceives as the principal strengths and weaknesses of ECIPS operations and performance.

### B. ECIPS ACCOMPLISHMENTS TO DATE

- *Credible Program of Investment* - ECIPS has developed a credible program of investment promotion, in a relatively short period of time with modest levels of funding;
- *Useful Catalytic Role* - ECIPS has played a useful catalytic role in promoting trade and investment transactions in the areas it has focused on — primarily 807 assembly operations for garments, electronics, and data entry activities; and

- *Value of a Regional Approach* - ECIPS has been largely effective in demonstrating the value of a regional approach to trade and investment promotion to its member states.

### C. ECIPS WEAKNESSES

- *Poor Management* - Lack of management continuity has had a negative effect on its ability to maintain a consistent program of services over the period of this evaluation;
- *Inadequate Channeling* - Links with IDCs has not provided an adequate channel for enabling ECIPS to tailor services to meet local development needs or private sector interests;
- *Costly Means of Promotion* - ECIPS investment promotion operations, while useful in providing EC governments and businesses with a window to the U.S. market, have not provided a particularly cost-effective means of promoting trade and investment transactions ;
- *Insufficient Use of Intermediaries* -ECIPS has not used (U.S.) commercial trade intermediaries to source sub-contract business and has instead sought to do this substantive work "in-house" by the discovery of trade leads solicited at trade shows or via cold-calling efforts; ECIPS support to link producers with appropriate private service suppliers (sales reps and manufacturers reps) is likely to have been much more cost-effective than efforts to provide trade promotion support to established firms from in-house ECIPS resources; and
- *Absence Of Private Sector* - The absence of a predominant private sector involvement for the direction of the ECIPS asset has decreased the usefulness of ECIPS services to private businesses.

### D. OTHER FINDINGS

- *Employment of Services Varied* - Utilization of ECIPS services or benefits from these services varied considerably within the region:
  - some countries, such as St. Lucia received some benefit and participated continuously in ECIPS programs;
  - others, such as St. Vincent and Montserrat, received no benefits at all;
- *Benefits Levels Varied* - The ability to benefit from ECIPS services partly depended upon either:

- the level of effort expended by local IDCs and private sector firms to take advantage of the opportunities that were developed; or
- the types of business opportunities or services that ECIPS was able to deliver were not appropriate for particular country environments (e.g.: if a country had little ability to take advantage of 807 operations or data entry opportunities, ECIPS services would be of little benefit); and
- *Continuing Effective and Affordable Program Required* - In spite of weaknesses in the current ECIPS program, the goals and objectives as well as the economic growth needs that generated ECIPS still remain very much in place:
  - the economic development problems of the EC region have not gone away; We conclude, therefore, that an effective and OECS affordable offshore trade promotion window is still needed;
  - both the public and private sector correspondents involved in this review are as generally agreed that "something workable" is needed to manage OECS, i.e.: Caribbean LDC's commercial interests abroad;

This sentiment is strong enough to suggest that the OECS, effectively and together, will provide funding to support a U.S. based trade promotion facility that is actually structured to deliver both professional trade and investment promotion management and cost-effective business services.

- *Need for Accurate Project Performance Data* - ECIPS is missing the reporting system needed to provide a structured periodic accounting which is necessary for effective USAID project monitoring. Several key trade and investment project issues are usefully considered in the monitoring of a USAID support to a trade and investment program. In the case of ECIPS this reporting might include:
  - U.S. Participant Company Case History Files (including the materials developed by the earlier Coopers and Lybrand activity);
  - Comprehensive Country Files;
  - Periodic Statistical Reporting that Includes:
    - .. Investor Data for New Activities by country:
      - \$ U.S. investment values;

- verified start-up employment;
- employment up-down changes via periodic report;
- case history write-ups (at start-up); and
- periodic performance report and evaluation.

.. Offshore Production Contract Performances by country:

- \$ U.S. amount of work-order (production contract);
- period of work-order; and
- labor-payment value of work-order expressed in labor years of employment.

.. Summary Employment Generation Report including:

- employment change via new investment activity and via production contract part-time employment.

Effective and concurrently collected project data is essential to the quality of trade and investment project performance. This is particularly true for projects having significant statistical data requirements for minimal USAID performance evaluation needs and the management of USAID risk.

In the ECIPS circumstance, the quality of evaluation analyses for project task performances such as: (i) the identification of unit/job/costs; (ii) employment growth or decline; (iii) gender impact and levels; and (iv) categories of investment, remain dependent upon the quality of well structured and verifiable data. This set of project data is not in evidence. The data derived from the work of Coopers & Lybrand resulting from significant RDO/C investment and, reportedly transferred to ECIPS, has not been preserved by ECIPS.

Despite this and in recognition of the need, ECIPS project management -- recently -- is reported to have made an effort to return to primary IDC records as well as to existing ECIPS records in an attempt to reconstruct a meaningful performance history of the ECIPS activity.

## E. SUMMARY OBSERVATIONS

*A comparative study of trade and investment promotion activities generally leads to the conclusion that effective trade promotion activities are essentially and necessarily private sector dominated operations.* The findings of this evaluation suggest that these lessons apply to the ECIPS experience as well:

- A successful OECS offshore trade development facility will be required to recognize this reality.
- A current challenge to the OECS community is the acceptance by OECS member Governments of the optimum and limited role of governments for the effective promotion of trade.
- There is a useful role for governments as close observers of as well as regulators of the trade process.
- Government is seen to have a critical role in trade development as a generator of useful commercial trade policy and legislation.
- Governments that meet their obligation to provide for a legal and regulatory climate that, in fact, supports free trade make a critical and necessary input for the needs of national commercial success as well as the increase of national wealth.

The substantive trade and investment activities per se, however, are necessarily and best led by an active private sector with the support of government.

## VII. FUTURE DIRECTIONS

### A. REDIRECTING BUSINESS OPPORTUNITIES

The next stage of business development activities will require readjustments concerning:

- The types of business opportunities which are pursued; as well as
- Changes in the tools and approaches which are used to:
  - pursue such opportunities;
  - attract them to the region; and
  - maintain growth in these new and existing business sectors.

Many of the immediate opportunities for export growth -- particularly through the attraction of 807 assembly operations and other quota sensitive business activities -- have already been exploited. Such activities will not warrant major attention in the future, whereas a limited scope may exist for their diversification and reinforcement of the gains that have been made.

Maintaining future export growth within the region demands:

- Targeting new categories of business opportunities beyond labor intensive manufacturing and assembly including new service industries incorporating more (i) sophisticated data and information services; (ii) specialty tourism; and (iii) an expanded array of business support services.
- Expanding the search for new capital sources and ideas, for example, by intensifying efforts to attract Asian capital and entrepreneurship for targeted sectors.

### B. CHANGED MIX OF PROMOTIONAL EFFORTS

Pursuing the next round of business opportunities will require a creative blend of promotional efforts and new approaches to (i) attract investments; (ii) develop co-ventures, and (iii) advance trading relationships. Specifically, this dictates:

- Greater involvement in and improvement of specialized business intermediaries and services able to help develop and service new investment and trading ventures.

- Increased participation of EC private sector representatives in planning, selecting, and funding business development strategies and specialized services required to exploit new opportunities.
- Decreased public sector involvement in providing business promotion services but continuing participation in business development efforts through supportive policy/regulatory reform efforts and training programs.

This evaluation suggests that the IPED/ECIPS project goal, providing an affordable and commercially cost-effective OECS managed trade and investment promotion window to the U.S., can be realized. The ECIPS experience provides a good basis from which to build future efforts, provided that pragmatic decisions are taken which address the weaknesses of this model and build upon its strengths.

### C. NEXT STEPS

An OECS managed trade and investment promotion program should consider taking the following steps in moving to the next stage of operations:

- 1) Reduce costs of current core staffing costs and administrative costs to a level where they could be supported by OECS member contributions. This step could be accomplished in a number of ways, including:
  - a. Decrease office support costs by moving ECIPS staff from a full-time dedicated office to a shared office arrangement with a firm or organization which is engaged in similar but non-competing trade and investment promotion activities (for example: the IESC/TIS facilities in Stamford, CT). This measure could achieve some savings in the short-term until the OECS legation is established in Washington, D.C.
  - b. Lessen full-time staff allotments and rely on part-time representatives or consultants operating on a basic retainer and incentive payments.
- 2) Increase private sector involvement in ECIPS decision-making through adjustments in the composition and role of the Board of Directors.
- 3) Develop more client-responsive services by instituting cost-sharing measures to fund business services provided through the program.
- 4) Utilize USAID funds to launch new trade and investment promotion services or programs rather than using scarce funds to support salary and administrative costs of basic ECIPS operations. Examples of USAID-funded programs might include efforts to attract Asian investments from capital surplus areas such as Hong Kong and Taiwan or business

33

development programs targeted at new business opportunities such as specialty tourism and off-shore business services.

- 5) Implement actively new service delivery approaches which reorient ECIPS services to:
  - a. Providing assistance in identifying, selecting, and engaging a network of motivated commercial intermediaries.
  - b. Reducing efforts to provide business services directly using in-house staff.
- 6) Join forces with other USAID-funded trade and investment promotion programs such as the IESC-TIS program, MTAP, or new efforts being planned for PLE's Center for Trade and Investment Services (CTIS) in order to achieve economies of scale in key areas such as:
  - a. Developing and managing trade and investment information systems.
  - b. Monitoring industry trends, the development of business leads and the identification of business clients seeking new trade and investment opportunities in specific sectors.

In many cases, carrying out joint efforts with other such programs (through buy-in arrangements that are available in USAID's centrally-funded trade and investment programs) could result in substantial cost savings or efficiency gains compared to a stand-alone trade and investment program for the EC region.

- 7) Explore ways in which ECIPS and ECSEDA operations could join forces to expand representation or coverage of key market areas or industries outside of the Eastern Caribbean region.

## VIII. COMPARISONS WITH OTHER INVESTMENT MODELS

### A. INTRODUCTION

In determining the cost-effectiveness of the IPED project and its positive impacts on ECIPS, the IDCs, and the U.S. Business and Commercial Center, it is instructive to compare its results with those of other investment models.

This chapter presents a summary comparative analysis with the CINDE experience in Costa Rica. It is noted that the comparison is derived from available data for the periods 1986 and 1987 and is only meant as a benchmark for possibly comparing ECIPS' cost-effectiveness.

### B. CINDE PERFORMANCE

Figure VIII-1 entitled, *Summary of Costs for the Private Agricultural and Agroindustrial Council (CINDE) of Available Data*, introduces labor year performance data generated over the two year period from 1986 through 1987.

During this period CINDE was able to produce a total of 29 labor years for a total cost of slightly under US \$300 thousand or at a cost of somewhat in excess of US \$10 thousand per labor year. Because the comparison of CINDE with ECIPS cover differing intervals of time, average costs were calculated to enhance the meaningfulness of the correlation. As such, it was determined that the average costs illustrated in Figure VIII-1 well-served this purpose.

### C. ECIPS AND CINDE COMPARISONS

Figure VIII-2 displays the comparisons between CINDE and ECIPS performance, employing an average labor year cost to represent the former.

Utilizing ECIPS labor calculations, it would appear that CINDE was out performed by a differential of 61%. Taken at face value, CINDE's average labor year costs exceeded those of ECIPS' by slightly over US \$6 thousand. When comparing the IMCC evaluation team's estimated labor year costs against those of CINDE, it is evident that the ECIPS performance exceeded those of CINDE by approximately 20% or US \$2 thousand.

### D. CONCLUSIONS

If any inferences may be drawn from this comparison, then it may be judged that ECIPS' success from a labor year cost is significant. Under both calculations (ECIPS and IMCC), the IPED project demonstrates a reasonable cost-effective approach for producing these results. However, it must be stated that comparisons of this nature should be considered skeptically because of differences in data measurements.

Chapter IX entitled, *Computational Analysis of ECIPS Reporting and Successes*, offers a more informed view and appraisal of the ECIPS program in terms of costs and returns.

**FIGURE VIII-1**

**SUMMARY OF COSTS FOR THE PRIVATE AGRICULTURAL  
AND AGROINDUSTRIAL COUNCIL (CINDE) OF AVAILABLE DATA**

SUMMARY OF COSTS FOR THE PRIVATE AGRICULTURAL AND AGROINDUSTRIAL COUNCIL (CINDE) OF AVAILABLE DATA

Summary of the realized services during 1987

Private Sector

Labor years	Procap cost <sup>1</sup>
17	\$134,044

Financial Sector

Labor years	Procap cost <sup>1</sup>
3	\$44,653

TOTAL 20 \$178,698

Cost per Labor year \$8,860

Summary of the realized services during 1986

Private Sector

Labor years	Procap cost <sup>1</sup>
4	\$67,640

Financial Sector

Labor years	Procap cost <sup>1</sup>
4	\$45,228

TOTAL 9 \$112,868

Cost per Labor year \$13,224

AVERAGE LABOR YEAR COST	
Average Labor year	15
Average Cost	\$145,783
Average Labor year cost	\$10,054

\* \$1 = c 60.90

**FIGURE VIII-2**  
**COMPARATIVE ANALYSIS OF CINDE AND ECIPS LABOR COSTS**

COMPARATIVE ANALYSIS OF CINDE AND ECIPS LABOR/COSTS

ESTIMATED LABOR YEAR COST		DIFFERENTIAL	% DIFFERENTIAL
ECIPS	CINDE		
\$3,949	\$10,054	(\$6,105)	-61%
IMCC	CINDE		
\$12,105	\$10,054	\$2,051	20%

50

## IX. COMPUTATIONAL ANALYSES OF ECIPS REPORTING AND SUCCESSES

### A. INTRODUCTION

This chapter presents a detailed discussion of ECIPS' successes to date. The data, serving as the foundation for the analysis, was provided by ECIPs. However, the IMCC evaluation team's audit of this data did not increase the team's confidence levels in the data's completeness or accuracy.

Wherever possible, the evaluation team sought independent confirmation of the data given. In cases where independent data was not available, the IMCC evaluation team chose to follow generally accepted standards of management auditing practices not to accept statistics without independent verification. *While this is a conservative approach, it is generally considered a prudent action under management, operating, and accounting practices.*

### B. GENERAL ASSUMPTIONS FOR FORMULAS AND CALCULATIONS

Taking the report data, the evaluation team performed several computations to arrive at the monetary value of labor as a direct consequences of ECIPS efforts. These computations were based on the following assumptions:

1. *Direct Labor Represents 33.3% of the Investment* - Financial analyses of any investment accounts for plant and equipment, raw materials, and personnel. Under EC circumstances, personnel costs reflect approximately one third of the total investment (plus or minus a point). These costs may vary depending on location, local labor laws, and other considerations. The IMCC evaluation team chose this standard measurement for computing the labor value of each investment and is based upon the use of this labor cost factor in St. Kitts by Electrofab.
2. *One Labor Year Equals US \$3,900* - Employment factors may vary between long and short-term, and hence these distinctions should be calculated. The IMCC evaluation team believed that such an analysis was essential for defining the longer-term effects of ECIPS. The amount of US \$3,900, representing a labor year, was calculated as an average annual wage for those industries served by ECIPS in the EC Region.
3. *Long-Term Employment Is 5 Years* - In assessing the long range effects of ECIPs, the evaluation team defined long-term employment as 5 years or greater. It was concluded that periods of less than this did not constitute a strong improvement in a sustainable employment base.

The evaluation team determined that additional values were needed to determine the overall cost-benefits of the program. As such, calculations were computed to determine this factor. In

summary the following was determined:

4. *Cost Per Labor Year* - This was arrived at by dividing the number of labor years into the total project cost.
5. *Return on Labor Investment* - The ROLI was calculated by dividing the total estimated labor value by the total project cost.

Furthermore, three additional assumptions and criteria were established to assist in the computations and evaluations of ECIPS:

6. *Total Project Expenditures* - IMCC chose the amount of US \$2.5 million as the base expenditure for the project. While there may be differences in accounting and measurements for project expenses, it was assumed that this amount was a fair estimate of ECIPS participation costs related to this project.
7. *Independent Verification* - IMCC established the criteria for independent verification within generally accepted standards and procedures for management audits. In the event that verification was unobtainable, data was disregarded and thus not included in the IMCC calculations.
8. *Cost of Capital and Present Values* - IMCC did not factor into its computations financial criteria such as costs of capital, present, and future values. While these are appropriate financial measures, IMCC determined that these calculations were not absolutely essential for evaluating the costs and returns of this project.

### C. SUMMARY OF COMPUTATIONAL ANALYSIS

Table IX-1 presents the summary results of IMCC's findings. These findings were based on two essential sources:

1. *ECIPS Documentation* - As part of its review, the IMCC evaluation team reviewed all relevant documentation/data provided by ECIPS. This documentation is presented as Figure IX-1 in this chapter.
2. *Independent Confirmation* - Employing generally accepted and standard auditing practices, the IMCC verified ECIPS investment data *wherever possible*.

The following table is drawn from these two sources.

**TABLE IX-1**  
**COMPARATIVE SUMMARY OF RESULTS**  
**DRAWN FROM FIGURES IX-2 & IX-3**

IX-3

48

TABLE IX-1

COMPARATIVE SUMMARY OF RESULTS  
DRAWN FROM FIGURES IX-2 & IX-3

**TOTAL CONTRACT VALUES**

ECIPS REPORTED (FIG. IX-2)	IMCC VERIFIED (FIG. IX-3)	DIFFERENTIAL
\$31,210,000	\$2,408,800	\$28,801,200

**STATED EMPLOYMENT AND ESTIMATED LABOR VALUE**

ECIPS REPORTED	IMCC ESTIMATED	DIFFERENTIAL
633	207	426
\$2,468,700	\$807,300	\$1,661,400

**ESTIMATED COST PER LABOR YEAR BASED ON \$2,500,000 SPENT**

BASED ON ECIPS REPORT	IMCC ESTIMATED	DIFFERENTIAL
\$3,949	\$12,105	(\$8,156)

**ESTIMATED ROI BASED ON \$2,500,000 SPENT**

BASED ON ECIPS REPORT	IMCC ESTIMATED	DIFFERENTIAL
-1.3%	-67.8%	-66.5%

## 1. DATA QUALITY

Under Coopers & Lybrand, a data-base system was developed and introduced to capture investment activity in the EC Region. This data-base was turned over to ECIPS upon termination of this firm's services.

The IMCC evaluation team noted with concern that the collection, extraction, and verification of data was very difficult. *This was characterized by the seeming inability of ECIPS to provide the most elementary additional information in assisting the verification process.*

## 2. DATA BLENDING

*The IMCC evaluation team have considerable misgivings with respect to what appears the mixing of Cooper & Lybrand data with those of ECIPS.* On several occasions during the verification process, IMCC evaluators were informed by company executives that Coopers & Lybrand, not ECIPS, were responsible for their investment. While they praised ECIPS' efforts (in some instances), they nonetheless gave investment credit elsewhere.

## 3. COMPARATIVE ANALYSIS

Table IX-1 presents the IMCC evaluation team's summary findings of its independent confirmation of the ECIPS report. The results are as follows:

1. *Variance of Investments* - ECIPS reported a total contract (investment) value of US \$31.2 million during the course of its stewardship. Independent verification was only able to identify investment values of US \$2.4 million for the same period, a difference almost US \$29 million.
2. *Differences in Employment* - ECIPS identified 633 new jobs as a result of its activities. The IMCC evaluation team appraised these at approximately US \$2.5 million. Independent verification could only identify an estimated 207 new positions with an estimated value of slightly in excess of US \$800 thousand. This represents a variance of approximately 67% in jobs created. The appraisal of employment income for both ECIPS and IMCC's calculations were derived under the formulas expressed in the previous section.
3. *Disparities in Costs* - Applying data based on ECIPS' reporting, the IMCC evaluation team noted a discrepancy of over US \$8 thousand in costs associated to create one labor year. The variance represents US \$3.9 thousand for ECIPS and US \$12.1 thousand for IMCC.

4. *Poor ROLI Performance* - In either case, the IMCC evaluation team noted poor ROLI performance with ECIPS adjusted data indicating a -1.3% return, while IMCC determined a -67.8% return.

The following sections present and discuss in greater detail the results of these findings.

#### **D. REVIEW OF ECIPS REPORTING**

This section details ECIPS reporting of the success it has generated in support of IPED. The following presentation reviews, at length, in comparison to several factors:

- Employment generated;
- Industry categories served;
- Revenue generated; and
- ROLI vis-a-vis total project expenditures.

#### **1. SUCCESS GENERATED BY ECIPS REPORTED TO DATA**

Figure IX-1 presents ECIPS successes as of 6 April 1992. This report identifies 37 companies which have entered into a businesses association with a local firm with a sum total investment value of US \$31.2 million. This will result in 1,968 projected employment or a 334.7% increase over starting employment levels.

The division of these ECIPS reported investments may be described as follows:

- 18 representing electronics and computer assembly/manufacturing;
- 6 originating from general manufacturing;
- 5 representing textiles and garments-related concerns;
- 5 deriving from the services sector; and
- 1 each representing cement, agribusiness and import/export sector.

**FIGURE IX-1**  
**SUCCESSSES GENERATED BY ECIPS REPORTED TO DATE**  
**(REVISED 4/6/92)**

## SUCCESS GENERATED BY ECIPS REPORTED TO DATE\*

Investing U.S. Company	Local Ecips Contracting Company	Ecips Country	Type Industry/Prod.	Of Investm.	\$ Value	Of Investment	Starting Employment	Projected Employment
<b>**Country: Antigua/Barbuda</b>								
1 Hydro Electronics	Electro Assembly	AN	PC Board	7C	15,000	02/15/89	10	20
1 Milwaukee Electronic Corp.	Electro Assembly	AN	Electronics	7CT	15,000	07/08/88	3	8
1 P.Q. Controls Inc.	Electro Assembly	AN	Electronics	7C	15,000	02/01/89	10	20
1 Teletronics	Electro Assembly	AN	Elect. CATV	7CT	15,000	06/15/89	10	20
1 Zyron Systems Inc.	Electro Assembly	AN	Electronics	7C	15,000	09/15/88	10	20
<b>**Subtotal**</b>					75,000		43	88
5								
<b>**Country: Dominica</b>								
1 Qualie Limited	P.W. Bellot & Co.	DO	Agro	7J	50,000	01/15/88	6	16
1 O'scas Trading & Shipping		DO	Import/Export	7J	n/a	02/29/92	5	0
<b>**Subtotal**</b>							11	16
2								
<b>**Country: Grenada</b>								
1 Bartholomew Roland	Harvest Rest. & Bar	GR	Rest. & Bar	7N	30,000	06/15/89	6	8
1 Bentex (Grenada) Limited	Bentex(Grenada) LTD	GR	Hearing Aids	7N	0	08/01/89	1	10
1 Datalogic	Datalogic	GR	Data Entry	7DSR	70,000	08/15/89	60	300
1 Southwest Cupid	Cupid Foundation LTD	GR	Lingerie	7D	15,000	07/01/89	25	600
1 United Ready Mix (concrete)	United Ready Mix	GR	Cement/Concrete	7J	500,000	04/15/90	7	15
1 Shelby Group	Shelby Group	GR	Gloves	7N	n/a		70	200
<b>**Subtotal**</b>					615,000		169	1133
6								
<b>**Country: St. Kitts &amp; Nevis</b>								
1 Airtex Productions	Electrofab	SK	PC Boards	7C	5,000,000	02/01/89	10	
1 Clifton Precision	Electrofab St. Kitts	SK	SM Motors	7C	10,000,000	12/15/88	20	
1 Ohaus Scale Corp.	Electrofab St. Kitts	SK	Electronics	7C	5,000,000	12/15/88	10	
1 Goguen Industries	Custom Coils	SK	Coils	7CT	n/a	09/91	n/a	0
1 Harvey Hubell	Electrofab	SK	PC Boards	7C		01/92	25	50
<b>**Subtotal**</b>					20,000,000		65	50
5								
<b>Country: St. Lucia</b>								
1 Topsville	209	SL	Apparel	7C	n/a	1989	35	35
1 Topsville	Pyramid Garments	SL	Apparel	7C	n/a	1989	20	20
1 Allied Electronics Serv.	C'Bean Electronics	SL	PCB & Cable	7CD	20,000	03/15/89	5	9
1 Clifton Precision	Manumatic	SL	Sm Motors	7C	5,000,000	12/15/88	31	120
1 Codenell Tech. Corp.	Gold Electronics	SL	PC Boards	7C	5,000,000	01/15/89	15	
1 Data Development Inc.	Caribbean Data	SL	Data Entry	7DU	100,000	04/01/89	22	42

1 Data Entry Company	Data Key Int'l	SL	Data Entry	7C	250,000	08/02/88	23	130
1 Healthtech Inc.	Gold Electronics	SL	PC Boards	7CQR	15,000	01/01/89	10	
1 Healthtech Inc.	C'Bean Electronics	SL	PC Boards	7C	20,000	03/15/89	5	9
1 Hydro Electronics	Gold Electronics	SL	PC Boards	7CTR	20,000	06/15/88	38	80
1 Hydro Electronics	C'Bean Electronics	SL	PC Boards	7C	00	09/15/89	5	9
1 P.Q. Controls Inc.	C'Bean Electronics	SL	Electronics	7CT	20,000	12/15/88	11	12
1 SMR Apparel Trim Inc.	Soft Furnishings	SL	Apparel Trim	7JT	10,000	03/15/88	24	74
1 Spruce Production	Data Key Int'l	SL	Data Entry	7CQ	00	04/21/88	1	80
1 Zyron Systems Inc.	Gold Electronics	SL	Electronics	7C	15,000	05/01/88	33	0
1 Astro Med Inc.	C'Bean Electronics	SL	Cables	7CT	n/a	1990/1991	5	10
1 Mupac	C'Bean Electronics	SL	PC Boards	7CT	n/a	08/91	2	1
1 Midwest Ent	Data Caribbean	SL	Data Entry	7CT	n/a	10/91	5	0
1 Newwabe Electronics	C'Bean Electronics	SL	PC Boards	7CT	n/a	07/91	5	0
**Subtotal**					10,470,000		300	681
19								
**TOTAL**				Total Value U.S.\$	\$31,210,000+			
36								

NB. VALUE REFERS TO VALUE OF EXPORT OR VALUE OF INITIAL INVESTMENT

FOR TYPE OF INVESTMENT COLUMN 7C = SUBCONTRACT; 7D = SUBSIDIARY; 7N = NEW FACILITY; AND 7J = JOINT VENTURE  
AS OF MARCH 20, 1992

## 2. IMCC LABOR VALUE ASSESSMENT OF ECIPS SUCCESSES

The evaluation team determined that the ECIPS report, presented in Figure IX-1, did not fully describe the labor value impact on each participating OECS member. Therefore, Figure IX-2 on the following page gives the IMCC assessment of total labor value *impacts solely founded on the ECIPS report*, employing the assumptions and calculations described in Section B.

In performing the appraisal, it was observed that the ECIPS report of activities generated 2,665 years of employment or the equivalent of 533 long-term positions contributing to a sustainable employment base. It was noted, however, that only 9 of the 37 ECIPS reported companies provided for long-term positions, a level of 24.3%. Both electronics and general manufacturing were the leaders with each holding 48% of the long-term positions with a combined total of 98%.

Furthermore, the evaluation team determined that additional values were needed to determine the overall cost-benefits of the program. As such, calculations were computed to determine this factor. In summary the following was determined:

- *Cost Per Labor Year* - This was arrived at by dividing the 2,665 labor years into the total project cost of US \$2.5 million. This resulted in a cost of US \$938 per labor year.
- *Return on Labor Investment* - The ROLI was calculated by dividing the total estimated labor value of US \$10.3 million by the total project cost. This resulted in a ROLI valuation of 415.7%.

Based on this analysis, it may be inferred that the ECIPS investment was positive. However, as previously stated, *independent verification provides an alternative conclusion*.

## 3. IMCC DIFFERENTIAL ASSESSMENT OF ECIPS REPORT

The IMCC evaluation team performed an analysis of the of the ECIPS successes as of 6 April 1992, employing the assumptions cited previously. The results are displayed in Figure IX-3 on the following pages.

Crucial to this assessment was the independent verification of ECIPS data. In many cases (as cited in the Figure IX-3 footnotes), either no independent substantiation was obtainable or it became evident during the confirmation process that *the ECIPs report frequently confused the efforts of Coopers & Lybrand for its own*. Moreover, there was a mixing of data, further complicating the issue of data verification. For example, Manumatics noted that (i) investment assistance was provided by and credit should be given to Coopers & Lybrand and (ii) that the level of attributable investment was US \$1.3 million, not the US \$5 million as cited by ECIPS.



**FIGURE IX-2**

**IMCC LABOR VALUE ASSESSMENT OF ECIPS SUCCESSES GENERATED REPORT**

*Jb*

IMCC LABOR VALUE ASSESSMENT OF  
ECIPS SUCCESSES GENERATED REPORT

COUNTRY/ COMPANY	INVESTMENT TYPE	US \$ VALUE	IMCC ESTIMATED LABOR VALUE	IMCC ESTIMATED LABOR YEARS
<b>ANTIGUA</b>				
Hydro Electronics	7C	\$15,000	\$4,995	1
Milwaukee El'tronics Corp.	7CT	\$15,000	\$4,995	1
P.Q. Controls Inc.	7C	\$15,000	\$4,995	1
Teletronics	7CT	\$15,000	\$4,995	1
Zycron Systems Inc.	7C	\$15,000	\$4,995	1
<b>Sub-Total</b>		\$75,000	\$24,975	6
<b>DOMINICA</b>				
Quale Ltd.	7J	\$50,000	\$16,650	4
O'seas Trading & Shipping	7J	n/a	\$0	0
<b>Sub-Total</b>		\$50,000	\$16,650	4
<b>GRANADA</b>				
Bartholomew, Roland	7N	\$30,000	\$9,990	3
Bentex	7N	\$0	\$0	0
Datalogic	7DSR	\$70,000	\$23,310	6
Southwest Cupid	7D	\$15,000	\$4,995	1
United Ready Mix (Conc.)	7J	\$500,000	\$166,500	43
Shelby Group	7N	n/a	\$0	0
<b>Sub-Total</b>		\$615,000	\$204,795	53
<b>ST. KITTS &amp; NEVIS</b>				
Airtex Products	7C	\$5,000,000	\$1,665,000	427
Clifton Precision	7C	\$10,000,000	\$3,330,000	854
Ohaus Scale Corp.	7C	\$5,000,000	\$1,665,000	427
Goguen Industries	7CT	n/a	\$0	0
Harvey Hubell	7C	n/a	\$0	0
<b>Sub-Total</b>		\$20,000,000	\$6,660,000	1,708

57

IMCC LABOR VALUE ASSESSMENT OF  
ECIPS SUCCESSES GENERATED REPORT  
(CONT'D)

COUNTRY/ COMPANY	INVESTMENT TYPE	US \$ VALUE	IMCC ESTIMATED LABOR VALUE	IMCC ESTIMATED LABOR YEARS
<b>ST. LUCIA</b>				
Topsville	7C	n/a	\$0	0
Topsville	7C	n/a	\$0	0
Allied Electronic Serv.	7CD	\$20,000	\$6,660	2
Clifton Precision	7C	\$5,000,000	\$1,665,000	427
Codenell Tech Corp.	7C	\$5,000,000	\$1,665,000	427
Data Development Inc.	7DU	\$100,000	\$33,300	9
Data Entry Co.	7C	\$250,000	\$83,250	21
Healthtech Inc.	7CQR	\$15,000	\$4,995	1
Healthtech Inc.	7C	\$20,000	\$6,660	2
Hydro Electronics	7CTR	\$20,000	\$6,660	2
Hydro Electronics	7C	\$0	\$0	0
P.Q. Controls Inc.	7CT	\$20,000	\$6,660	2
SMR Apparel Trim Inc.	7JT	\$10,000	\$3,330	1
Spruce Production	7CQ	\$0	\$0	0
Zycron Systems Inc.	7C	\$15,000	\$4,995	1
Astro Med Inc.	7CT	n/a	\$0	0
MUPAC	7CT	n/a	\$0	0
Midwest ENT	7CT	n/a	\$0	0
Newwabe Electronics	7CT	n/a	\$0	0
Sub-Total		\$10,470,000	\$3,486,510	894

<b>GRAND TOTAL</b>	<b>\$31,210,000</b>	<b>\$10,392,930</b>	<b>2,665</b>
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TOTAL PROJECT AMOUNT SPENT	\$2,500,000
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COST PER LABOR YEAR	\$938
---------------------	-------

RETURN ON LABOR INVESTMENT	415.7%
----------------------------	--------

In summary, IMCC's evaluation of the ECIPS report concluded the following:

- *Total Identifiable Investment Value* - Independent substantiation identified a total of US \$2,408,800 as the investment amount directly attributable to ECIPS' efforts. This is at variance with ECIPS' reporting of US \$31,210,000 generated investments.
- *Total Identifiable Estimated Employment* - Utilizing the assumed direct labor criteria and labor year values, IMCC identified a total of 207 labor years versus ECIPS' report of generating 633 new positions. We believe that in addition to the mixing of data, ECIPS blends together short-term positions with permanent positions. As a consequence instead of 127 ECIPS extrapolated long-term positions (calculated on the 633 positions), the IMCC evaluation team was able to identify an equivalent of only 41 long-term jobs.
- *Cost Per Labor Year* - Based on the previous computations, IMCC estimated that the cost per labor year accrued by ECIPS was in excess of US \$12 thousand. This is at direct variance with ECIPS' implied labor year cost of almost US \$4 thousand. In either case, *it does not appear financially effective to spend over US \$12,000 to secure a US \$3,900 position.*
- *Estimated Labor Value* - As a consequence of the cost per labor year, it then may be derived that the total labor value represented the annual income (US \$3,900) multiplied by the total number of jobs. Employing this calculation, the IMCC evaluation team determined that the total estimated labor value was somewhat over US \$800 thousand, as opposed to ECIPS' inferred value in excess of US \$2.4 million.
- *ROLI* - The ROLI could serve as the main evaluator of ECIPS' performance. Simply put, it represents the return on investment in terms of labor created. Since a primary mission of ECIPS' is the creation of employment, the IMCC evaluation team considers this a fair measurement for determining the organization's effectiveness. In both cases, the ROLI indicates a negative return. Employing ECIPS' inferred calculations this return is a -1.3%, indicating a somewhat declining position in terms of the original investment's value. When considering, however, the IMCC calculation of -67.8%, ECIPS' performance takes on a new perspective. In commercial terms, this would signify that the original USAID investment of US \$2.5 million now may be valued at about US \$805 thousand, a loss of 67.8% — an unacceptable amount.

In conclusion, IMCC's analysis of ECIPS' performance to date (derived from ECIPS-provided data) does not present an overly encouraging picture.

**FIGURE IX-3**

**IMCC DIFFERENTIAL ASSESSMENT OF ECIPS 6 APRIL 1992 REPORT**

IMCC DIFFERENTIAL ASSESSMENT OF ECIPS 6 APRIL 1992 REPORT

COUNTRY/ COMPANY	LOCAL COMPANY	INVESTMENT CONTRACT TYPE	ECIPS US\$ VALUE	IMCC US\$ VALUE	ECIPS ESTIMATED EMPLOYMENT	IMCC ESTIMATED EMPLOYMENT	EMPLOYMENT DIFFERENTIAL
<b>ANTIGUA</b>							
Hydro Electronics	Electro Assembly	807	\$15,000	\$1,125	10	0	10
Milwaukee Electr'cs Corp.	Electro Assembly	contract	\$15,000	\$104,000	3	9	-6
P.Q. Controls Inc.	Electro Assembly	contract	\$15,000	\$1,875	10	0	10
Teletronics	Electro Assembly	contract	\$15,000	\$0	10	0	10
Zycon Systems Inc.	Electro Assembly	contract	\$15,000	\$5,800	10	0	10
<b>Sub-Total</b>			\$75,000	\$112,800	43	10	33
<b>DOMINICA</b>							
Quale Ltd. [1]	P.W. Bellot	j-v	\$50,000	n/c	6	0	6
O'seas Trading & Shipping	P.W. Bellot	j-v	n/a	\$38,000	5	3	2
<b>Sub-Total</b>			\$50,000	\$38,000	11	3	8
<b>GRANADA</b>							
Bartholomew, Roland	Hrvst. Rest.	new co.	\$30,000	\$0	6	0	6
Bentex	Bentex L.	new co.	\$0	\$219,000	1	19	-18
Datalogic [2]	Datalogic	new co.	\$70,000	\$0	60	0	60
Southwest Cupid	Cupid Ltd.	j-v	\$15,000	\$28,000	25	2	23
United Ready Mix (Conc.)	U. R. M.	j-v	\$500,000	\$462,000	7	39	-32
Shelby Group	Shelby Grp.	new co.	n/a	\$264,000	70	23	47
<b>Sub-Total</b>			\$615,000	\$973,000	169	83	86
<b>ST. KITTS &amp; NEVIS</b>							
Airtex Products [3]	Electrofab	807	\$5,000,000	\$0	10	0	10
Clifton Precision	Electrofab	807	\$10,000,000	\$1,200,000	20	102	-82
Ohaus Scale Corp.	Electrofab	807	\$5,000,000	\$30,000	10	3	7
Goguen Industries	Custom Coils	807	n/a	\$0	0	0	0
Harvey Hubell	Electrofab	807	n/a	\$0	70	0	70
<b>Sub-Total</b>			\$20,000,000	\$1,230,000	110	105	5

IMCC DIFFERENTIAL ASSESSMENT OF ECIPS 6 APRIL 1992 REPORT  
(CONT'D)

COUNTRY/ COMPANY	LOCAL COMPANY	INVESTMENT CONTRACT TYPE	ECIPS US\$ VALUE	IMCC US\$ VALUE	ECIPS ESTIMATED EMPLOYMENT	IMCC ESTIMATED EMPLOYMENT	EMPLOYMENT DIFFERENTIAL
<b>ST. LUCIA</b>							
Topsville	209 [4]	807	n/a	n/c	35	0	35
Topsville	Pyramid [4]	807	n/a	n/c	20	0	20
Allied Electronic Serv.	C'bn Elect [5]	807	\$20,000	\$20,000	5	2	3
Clifton Precision [2]	Manumtcs	807	\$5,000,000	\$0	31	0	31
Codenell Tech Corp. [1]	Gold Elec.	807	\$5,000,000	\$0	15	0	15
Data Development Inc.	Data C'bn [9]	807	\$100,000	n/c	22	0	22
Data Entry Co.	Data Key Int [6]	807	\$250,000	\$0	28	0	28
Healthtech Inc.	Gold Elect.	807	\$15,000	\$0	10	0	10
Healthtech Inc.	C'bn Elect [5]	807	\$20,000	\$15,000	5	1	4
Hydro Electronics [7]	Gold Elect.	807	\$20,000	\$0	38	0	38
Hydro Electronics	C'bn Elect [5]	807	\$0	\$0	5	0	5
P.Q. Controls Inc.	C'bn Elect [5]	807	\$20,000	\$20,000	11	2	9
SMR Apparel Trim Inc.	Soft Furn.	807	\$10,000	\$0	24	0	24
Spruce Production	Data Key Int [6]	807	\$0	\$0	1	0	1
Zycron Systems Inc. [8]	Gold Elec.	807	\$15,000	\$0	33	0	33
Astro Med Inc.	C'bn Elect [5]	807	n/a	\$0	5	0	5
MUPAC	C'bn Elect [5]	807	n/a	\$0	2	0	2
Midwest ENT	Data C'bn [9]	807	n/a	n/c	5	0	5
Newwave Electronics	C'bn Elect [5]	807	n/a	\$10,000	5	1	4

Sub-Total

\$10,470,000

\$55,000

300

6

294

**GRAND TOTAL**

**\$31,210,000**

**\$2,408,800**

**633**

**207**

**426**

TOTAL PROJECT INVESTMENT

\$2,500,000

COST PER LABOR YEAR

\$3,949

\$12,105

ESTIMATED LABOR VALUE

\$2,468,700

\$805,460

ROI

-1.3%

-67.8%

12

NOTES TO FIGURE IX-3:

IMCC DIFFERENTIAL ASSESSMENT OF ECIPS 6 APRIL 1992 REPORT

- [1] Not confirmed by IDC/Dominica or by IDC/St. Lucia.
- [2] Coopers & Lybrand and not ECIPS were instrumental in this investment as noted by and confirmed by Mariette Boozer and Roger Litz of DataLogic (Grenada) — 6/15/92. IBID confirmation by Edwin Faber, President of Manumatics (6/22/92). In fact, Mr. Faber mentioned that C&L was responsible for generating US \$1.3 million in investments, not the US \$5 million reported by ECIPS and attributed to its efforts.
- [3] Not confirmed by Electrofab SK 5/28/92.
- [4] Telephone number unattainable for confirmation and contact.
- [5] Confirmed by George D. Kimble, President 6/22/92.
- [6] No recollection of the investment by John Dawson, UK M.D. (6/22/92).
- [7] No confirmation possible; no one knows about it; Mr. Pescina has left the company (6/22/92).
- [8] No confirmation possible; company purchased; principals have left the company (6/22/92).
- [9] No telephone answer.

*It must be reiterated that the IMCC evaluation team was extremely concerned about data quality. Data was mixed, missing, and in not an auditable form. Furthermore, it was noted that this data did not appear to be held in a central repository. This is especially troubling, considering that Coopers & Lybrand developed a comprehensive data-base system which appears to no longer exist. As long as data is poorly maintained and reluctantly yielded, a comprehensive and definitive audit cannot be effectively conducted.*

Consequently, IMCC's analysis is totally founded on the data available and extrapolated. The comprehensiveness and validity of this data remains questionable. The evaluation team, however, believes that its analysis is much closer to the mark than the ECIPS reported data of successes.

#### 4. IMCC SUMMARY REPORTS BY CATEGORY

The following figures present a break-down of ECIPS' successes to date by category. These categories are drawn from the data provided in Figures IX-1 and IX-3.

Briefly, the categories and their attendant statistics are as follows:

- *807 Ventures* - These represent over US \$30.4 million of ECIPS' investment activities or a total of 97.7% of the investments accrued as of the date of the report in Figure IX-1. 807 categories are by definition short-term production contracts and by their very nature may not be considered generators of self-sustaining employment. IMCC's independent verification process could only identify US \$1.28 million of contracts, a difference of circa 95.8% in valuation. Utilizing the IMCC verified data presented in Figure IX-2, 807 contracts are circa 53.4% of total investment value.
- *Joint-Ventures* - This category represented only 1.8% of the total investment value generated by ECIPS' efforts. IMCC valued joint-venture contacts at US \$528 thousand, signifying approximately 21.9% of the total investment value as presented in Figure IX-3.
- *New Company Ventures* - IMCC identified that new company ventures signified slightly above 20% of the total investment valuation for an amount of US \$483 thousand. This is at considerable odds with ECIPS' valuation of US \$100 thousand or 0.32% of the total realized investment return.
- *Contract Ventures* - This represents only US \$60 thousand or 0.19% of the total investment value according to ECIPS reporting. Alternately, IMCC identified the investment valuation as somewhat greater than US \$100 thousand, giving this category an almost 4.6% share.

**FIGURE IX-4**  
**IMCC SUMMARY OF ECIPS 807 REPORTS**

65

IMCC SUMMARY OF ECIPS 807 REPORTS

COUNTRY/ COMPANY	LOCAL COMPANY	ECIPS US\$ VALUE	IMCC US\$ VALUE	ECIPS STAT'D EMPLOYMENT	IMCC ESTIMATED EMPLOYMENT	EMPLOYMENT DIFFERENTIAL
<b>ANTIGUA</b>						
Hydro Electronics	Electro Assembly	\$15,000	\$1,125	10	0	10
<b>Sub-Total</b>		\$15,000	\$1,125	10	0	10
<b>ST. KITTS &amp; NEVIS</b>						
Airtex Products	Electrofab	\$5,000,000	\$0	10	0	10
Clifton Precision	Electrofab	\$10,000,000	\$1,200,000	20	102	-82
Ohaus Scale Corp.	Electrofab	\$5,000,000	\$30,000	10	3	7
Goguen Industries	Custom Coils	n/a	\$0	0	0	0
Harvey Hubell	Electrofab	n/a	\$0	70	0	70
<b>Sub-Total</b>		\$20,000,000	\$1,230,000	110	105	5
<b>ST. LUCIA</b>						
Topsville	209	n/a	n/c	35	0	35
Topsville	Pyramid	n/a	n/c	20	0	20
Allied Electronic Serv.	C'bn Electr'cs	\$20,000	\$20,000	5	2	3
Clifton Precision	Manumtcs	\$5,000,000	\$0	31	0	31
Codenell Tech Corp.	Gold Elec.	\$5,000,000		15	0	15
Data Development Inc.	Data C'bn	\$100,000	n/c	22	0	22
Data Entry Co.	Data Key Intl.	\$250,000	\$0	28	0	28
Healthtech Inc.	Gold Elect.	\$15,000	\$0	10	0	10
Healthtech Inc.	C'bn Electr'cs	\$20,000	\$15,000	5	1	4
Hydro Electronics	Gold Elect.	\$20,000	\$0	38	0	38
Hydro Electronics	C'bn Electr'cs	\$0	\$0	5	0	5
P.Q. Controls Inc.	C'bn Electr'cs	\$20,000	\$20,000	11	2	9
SMR Apparel Trim Inc.	Soft Furn.	\$10,000	\$0	24	0	24
Spruce Production	Data Key Intl.	\$0	\$0	1	0	1
Zycron Systems Inc.	Gold Elec.	\$15,000	\$0	33	0	33
Astro Med Inc.	C'bn Electr'cs	n/a	\$0	5	0	5
MUPAC	C'bn Electr'cs	n/a	\$0	2	0	2
Midwest ENT	Data C'bn	n/a	n/c	5	0	5
Newwave Electronics	C'bn Electr'cs	n/a	\$10,000	5	1	4
<b>Sub-Total</b>		\$10,470,000	\$55,000	300	6	294
<b>GRAND TOTAL</b>		\$30,485,000	\$1,286,125	420	111	309

4/15

**FIGURE IX-5**

**IMCC SUMMARY OF ECIPS JOINT-VENTURE REPORTS**

**IMCC SUMMARY OF ECIPS JOINT-VENTURE REPORTS**

<b>COUNTRY/ COMPANY</b>	<b>LOCAL COMPANY</b>	<b>ECIPS US \$ VALUE</b>	<b>IMCC US \$ VALUE</b>	<b>ECIPS STATED EMPLOYMENT</b>	<b>IMCC ESTIMATED EMPLOYMENT</b>	<b>EMPLOYMENT DIFFERENTIAL</b>
<b>DOMINICA</b>						
Quale Ltd.	P.W. Bellot	\$50,000	n/c	6	0	6
O'seas Trading & Shipping	P.W. Bellot	n/a	\$38,000	5	3	2
<b>Sub-Total</b>		\$50,000	\$38,000	11	3	8
<b>GRANADA</b>						
Southwest Cupid	Cupid Ltd.	\$15,000	\$28,000	25	28	-3
United Ready Mix (Conc.)	U. R. M.	\$500,000	\$462,000	7	15	-8
<b>Sub-Total</b>		\$515,000	\$490,000	32	43	-11
<b>GRAND TOTAL</b>		\$565,000	\$528,000	43	46	-3

58

**FIGURE IX-6**

**IMCC SUMMARY OF ECIPS NEW COMPANY REPORTS**

IX-15

IMCC SUMMARY OF ECIPS NEW COMPANY REPORT

COUNTRY/ COMPANY	LOCAL COMPANY	ECIPS US\$ VALUE	IMCC US\$ VALUE	ECIPS STATED EMPLOYMENT	IMCC ESTIMATED EMPLOYMENT	EMPLOYMENT DIFFERENTIAL
<b>GRANADA</b>						
Bartholomew, Roland	Hrvst. Rest.	\$30,000	\$0	6	0	6
Bentex	Bentex L.	\$0	\$219,000	1	19	-18
Datalogic	Datalogic	\$70,000	\$0	60	0	60
Shelby Group	Shelby Grp.	n/a	\$264,000	70	52	18
<b>Sub-Total</b>		<b>\$100,000</b>	<b>\$483,000</b>	<b>137</b>	<b>71</b>	<b>66</b>
<b>GRAND TOTAL</b>		<b>\$100,000</b>	<b>\$483,000</b>	<b>137</b>	<b>71</b>	<b>66</b>

**FIGURE IX-7**

**IMCC SUMMARY OF ECIPS CONTRACTS REPORTS**

**IMCC SUMMARY OF ECIPS CONTRACTS REPORTS**

<b>COUNTRY/ COMPANY</b>	<b>LOCAL COMPANY</b>	<b>ECIPS US\$ VALUE</b>	<b>IMCC US\$ VALUE</b>	<b>ECIPS STATED EMPLOYMENT</b>	<b>IMCC ESTIMATED EMPLOYMENT</b>	<b>EMPLOYMENT DIFFERENTIAL</b>
<b>ANTIGUA</b>						
Milwaukee Elect'cs Corp.	Electro Assembly	\$15,000	\$104,000	3	8	-5
P.Q. Controls Inc.	Electro Assembly	\$15,000	\$1,875	10	0	10
Teletronics	Electro Assembly	\$15,000	\$0	10	0	10
Zycron Systems Inc.	Electro Assembly	\$15,000	\$5,800	10	1	9
<b>Sub-Total</b>		<b>\$60,000</b>	<b>\$111,675</b>	<b>33</b>	<b>9</b>	<b>24</b>
<b>GRAND TOTAL</b>		<b>\$60,000</b>	<b>\$111,675</b>	<b>33</b>	<b>9</b>	<b>24</b>

12

## E. CONCLUDING COMMENTS

This chapter has presented in detail the IMCC evaluation team's assessment of ECIPS' activities to date, as well as its concerns regarding data validity and maintenance. The concluding commentary presents some final observations which are germane to the subject matter discussed herein.

### 1. RESULTS OF THE PRICE WATERHOUSE MANAGEMENT AUDIT

In the weeks prior to this evaluation, Price Waterhouse International was retained by ECIPS. Reportedly, this was as a consequence of RDO/C action. The purpose of this engagement was to provide direction for a belated structuring of an ECIPS data base.

The resulting April 1992 Price Waterhouse report outlines current (1992) ECIPS data management requirements. The Executive Summary of this report confirms much of what the IMCC evaluation team observed, including the matters relating to this chapter. In sum, Price Waterhouse's Executive Summary clearly states that ECIPS needs to:

1. *"...Produce reliable reports on key project indicators and maintaining verifiable records on reported successes, accomplishments...."*
2. *"...Increase efficiency through better utilization of the contact tracking capabilities of the already installed hardware and software on a real-time basis; focussing the follow-up efforts more intensely on only those prospects classified as 'hot'...."*
3. *"...Analyz[e] the data about activities carried out, successes, failures, reasons for failures, problems, opportunities, requirements not satisfied by EC countries. etc. to held in formulating recommendations to EC Governments, directing promotional efforts, etc...."*
4. *"...Keep...the information system current with valid data by enforcing the discipline necessary...."*

Price Waterhouse further recommends the development and installation at ECIPS of a:

5. *"...Financial accounting system structured to report expenses by promotional activity in addition to meeting standard accounting requirements (Tecapro accounting package)...."*
6. *"...Project progress accounting system (using dBase)...."*

7. "...Contact activity tracking system (ACT package)...."

The Price Waterhouse report indicates that ECIPS provides little evidence of having maintained nor is ECIPS in current possession of verifiable historical, fiscal, and/or responsibly developed employment generation data which accurately reflects the ECIPS achievement. More specifically, the Price Waterhouse report indicates that ECIPS has not maintained adequate project files or statistical data essential to meaningful USAID verification of ECIPS reported employment generation and/or investment promotion during the period from 1987 to 1992. The attempt to create this data several weeks prior to the IMCC evaluation has not proved useful since the employment data reported by ECIPS at the close of this assessment does not vary from the information that IMCC received at the outset of this assignment.

2. PRESENT PROJECT PERFORMANCE

The ECIPS project performance data contained in Appendix C was delivered by ECIPS to the evaluation team at the close of the field appraisal (4/8/92). The evaluation team determined that this report, in fact, contained *no significant additions* to the original ECIPS employment generation data which was presented by ECIPS to the evaluation team at the outset of this assessment in February 1992.

Under these circumstances, the evaluation team attempted via current telephone requests to the IDC's in Dominica, Grenada and St. Lucia to further ascertain the ECIPS performance data which might be forthcoming from existing records concerning the history and impact of ECIPS activities.

In addition to these efforts, the evaluation team, wherever possible, attempted contacting (via telephone) the several project beneficiary companies of the area as well as participant U.S. companies to solicit their direct reports regarding ECIPS support.

This suggests that collecting ECIPS performance data in this fashion does not eliminate the possible receipt of misinformation. However, this unavoidable approach does provide current information directly from the IDC's and the participant companies reportedly based on their existing records. These investigative activities were undertaken by the evaluation team in lieu of the opportunity for further direct interviews with project participants. (Some of the indicated ECIPS performance data reported in this chapter was, in fact, was generated during the several interviews which were conducted during the time-limited March/April field evaluation to the area.)

3. VERIFYING PARTICIPATING COMPANIES

The document entitled: *Success Generated by ECIPS Reported to Date (Revised April 6, 1992)* contained in Appendix C, identifies 36 U.S. companies as investors in ECIPS project activities.

Seven companies are listed twice to indicate distinctive new activities and, therefore, a total of 27 U.S. participating companies are indicated.

Of the 36 activities reported by ECIPS, 28 are identified as "sub-contract" activities. These activities are understood to be fixed term and limited dollar amount production order activities associated with U.S. 807 offshore production of value added products having a local component cost value not to exceed 35% of FOB invoice. These work-orders (purchases) are provided by offshore buyers and generally (unless specified as a joint venture) do not further involve buyer investment.

#### 4. EMPLOYMENT CONTRIBUTIONS

The verifiable sub-contract purchase orders for limited production runs (generally garment, electronic assembly and data entry industries) are seen by the evaluation team to be valuable contributions to the increase and/or maintenance of employment levels for existing local industry sectors. Fixed term contracts, however, necessarily generate limited term employment (work years/per contract) and are, therefore, more usefully reported as a stand-alone employment generation category. The indicated ECIPS generated employment determined by the evaluation team's investigation reflects the actual work/years realized by a specific and limited term 807 production contract activity. As such, summary table were developed for this chapter to demonstrate the impact of 807 production on ECIPS' overall efforts.

## X. SPECIFIC RECOMMENDATIONS/NEXT STEPS

### A. INTRODUCTION

This chapter presents the evaluation team's recommendations from two perspectives: (i) program activities as well as (ii) management activities.

In summary, it is the evaluation team's opinion that *ECIPS is providing a valuable service as a program, but is performing a disservice by not maintaining centralized and verifiable records for auditing purposes.* The main difficulty in assessing ECIPS' performance to date was poor record keeping. Since ECIPS was favorably supported by the IDCs and participating companies in general, the evaluation team concludes that a trade and investment program's overall effectiveness and reception may be enhanced through the formation of standard reporting and document maintenance.

### B. PROGRAM ACTIVITIES

In order to preserve the progress which has been achieved under the IPED project and to enable EC investment and trade promotion efforts to move to the next stage, the evaluation team recommends the following program activities:

- 1) The project should be extended for a period of approximately 12 months to provide an orderly transition to a follow-on project. This time period would enable RDO/C to complete the negotiations and project development actions which will be required. In addition, it would allow the mission the option of conducting short-term field tests of new programs or services as an alternative to the standard program design process.
- 2) The schedule for shifting the funding of ECIPS staff costs and administrative expenses to OECS governments should be accelerated so that ECIPS would be in a position to continue its basic representational functions without any additional USAID funds by the conclusion of the 6-12 month project extension.
- 3) Immediate steps should be taken to design a new trade and investment promotion program which will enable EC businesses to participate in a new set of international business opportunities, supported by appropriate governmental policy reform and manpower development initiatives.
- 4) New promotional efforts should focus on strengthening the role of EC private sector organizations and firms in managing and using the services of specialized commercial service suppliers and intermediaries to pursue new business development efforts.
- 5) USAID funding for future trade and investment promotion programs should focus on demonstrating the value of specific types of commercial services. It should be provided primarily on a cost-sharing basis with the intent of stimulating the development and use

of commercially sustainable services by EC and overseas firms involved in developing co-ventures in the EC region.

- 6) The IDCs and other government development agencies should continue to participate in promotional efforts in order to coordinate policy reform, infrastructure development and training initiatives with private-sector-led business promotion programs. However, they should not endeavor to provide business development or promotional services themselves. Instead, they should endeavor to support and manage service delivery through commercial suppliers in order to implement their own business development goals.

### C. MANAGEMENT ACTIVITIES

Based on this recent experience in attempting to fairly evaluate ECIPS' performance to date, the evaluation team strongly recommends that more stringent management measures be required and introduced with respect to trade and investment promotion efforts.

The evaluation team concurs with Price Waterhouse's recommendations regarding data capture, maintenance and verification.

In summary, the evaluation team's recommended actions for this activity are the following:

- 1) Introduce management control systems which promote cost-effective tools for evaluating on-going performance. These should include the following measures:
  - Develop a project progress accounting system.
  - Institute a more efficient contact activity tracking system.
- 2) Produce reliable reports on key project indicators and maintain verifiable (auditable) records documenting reported successes and accomplishments.
- 3) Develop and implement the capability to:
  - Institute a more efficient contact tracking system.
  - Focus follow-up efforts more intensely only on the highest probability prospects.
  - Analyze data with respect to:
    - activities carried out;
    - successes and failures;

- reasons for failures and problems; and
  - opportunities and requirements not satisfied.
- 4) Develop and introduce management and system controls and procedures which promote maintaining current data and the attendant verification process.
  - 5) More forcefully link future USAID funding to the implementation of these aforementioned measures.
  - 6) Budget for reasonably frequent management, operations, systems, and accounting audits to assure the above.

#### **D. CONCLUDING REMARKS**

The evaluation team believes that OECS communities benefit from the ECIPS experience. Trade and investment programs are, by their very nature, an evolutionary process and EC progress in these matters is clear.

It is indicated, however, that the OECS now should demonstrate an independent capacity to usefully (i.e.: cost-effectively) develop trade and investment promotion to the region.

The evaluation team further recommends that future trade and investment activities be private sector initiatives. OECS should now consider the support for the private sector management of these activities, for example, utilizing regional exporter associations. This suggested approach is directed at the removal of government and parastatal institutions from the trade promotion process and the placement of the main thrust with the private sector.



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## APPENDICES

**A - LISTING OF DOCUMENTS REVIEWED**

**B - STATEMENT OF WORK**

**C - ORIGINAL SUCCESS GENERATED BY  
ECIPS REPORTED TO DATE (4/6/92)**



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**APPENDIX A  
LISTING OF DOCUMENTS REVIEWED**

APPENDIX A

LISTING OF REPORTS REVIEWED

- [1] INVESTMENT PROMOTION AND EXPORT DEVELOPMENT PROJECT  
PAPER - AMENDMENT NO. 2
- [2] LOUIS BERGER PRIVATE SECTOR EVALUATION, JANUARY 1987
- [3] GRANT AGREEMENT BETWEEN USAID AND OECS, JUNE 1987
- [4] PROMOTION OF PACIFIC RIM INVESTMENT IN THE EASTERN  
CARIBBEAN, MAY 1989
- [5] ROBERT NATHAN EVALUATION OF IPED, DECEMBER 1989



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**APPENDIX B  
STATEMENT OF WORK**

SCOPE OF WORK  
IPED PROJECT 538-0119.07

Background: The Investment Promotion and Export Development (IPED) Project was authorized on August 30, 1984 with a life of project (LOP) funding of \$8 million and a PACD of September 30, 1987. The purpose of the project was to develop national and regional capability to identify and promote private investment in productive, export oriented businesses in the Eastern Caribbean. At the time it was designed, the IPED project was seen as a first step in bringing U.S. investment to the decolonizing British Eastern Caribbean states. Neither the local public nor private sector had sufficient expertise and knowledge of the U.S. market and potential investors to design and implement investment promotion programs and trade missions seeking U.S. investment in the region. The project was an umbrella project comprised principally of the Project Development Assistance Program (PDAP) whereby Coopers and Lybrand was contracted to assist the countries in bringing investment to the region, and a two year training program conducted jointly with UNIDO in New York whereby Eastern Caribbean nationals were taught the techniques of investment promotion.

A In 1986, the OECS nation states decided that they wanted to create their own investment promotion agency which would represent the eight island states in the United States with institutional linkages with the industrial development corporations back in the Caribbean. This was a major departure, albeit a logical and progressive step. RDO/C worked with the island governments and the regional private sector to modify the IPED project and to design an amendment which would fund the close down of the PDAP Program and the creation of the Eastern Caribbean Investment Promotion Service and provide technical assistance and training to staff of the eight industrial development corporations. The project also would fund the creation of the U.S. Business and Commercial Center located in Barbados. A \$7.2 million amendment was signed in May 1987 and the PACD amended to April 30, 1990.

83

ECIPS was established in late 1987 and all staff were in place by early 1988. As the OECS governments have little representation in the U.S. the staff of ECIPS not only had to make themselves a name in the marketplace, but they also had to lobby on trade matters for the region, and develop a strategy and program for investment promotion. By mid 1990 ECIPS' promotion system was beginning to yield results. Another component of the project, technical assistance and financial support to the IDCs, received high praise in the project evaluation carried out in late 1989. Equally important, the staff of the IDCs were beginning to see themselves and ECIPS as part of a team. This was a major hurdle to be overcome by the project, as investment promotion heretofore was a very nationalistic endeavor carried out in a climate of steep competition between the islands. The Governments were becoming aware of the advantages of having a regional entity like ECIPS in the marketplace. The U.S. Business and Commercial Center too was playing an important role and liaising with the IDCs and carrying out workshops for the Caribbean private sector on aspects of the U.S. market.

Unfortunately, the OECS Governments were not able to come to an agreement among themselves, and then with RDO/C, on the levels of support they could contribute to ECIPS before the deadline of the PACD. The result of this impasse set back the project significantly. After much discussion it was deemed in the best interest of the Governments and of the promising institution of ECIPS, that the annual budget of the institution be reduced to a level which could ultimately be sustained by the OECS Governments. Although an agreement was reached and an amendment was signed on July 31, 1990 funding the project for a further two years, the uncertainties and delays which had occurred resulted in the resignations of the Executive Director and another staff person from ECIPS and the resignation of the U.S. Business and Commercial Center Director.

84 /

However, it is important to note that the hiatus between Directors and other staff uncertainties did not see the demise of the institution. On the contrary, the remaining staff were loyal to the institution, the ties with the IDC's, whose staff was used to augment ECIPS' very lean staff of three, were deepened as personnel were seconded to Washington to work with the ECIPS, and the Chairman of the Board and the Directors played an executive function until a new Director was in place September 1, 1991. ECIPS is now a stronger institution with very clear objectives functioning on a very lean budget, unlike many other investment and export agencies in the Third World which have become large bureaucracies.

ECIPS is only four years old. The Executive Director of ECIPS has only been in place a few months. He has spent the short time working with his staff and the ECIPS Board to develop a marketing plan for the immediate year and they are also working on a three year strategic plan. This will be presented to the Heads of Government at their meeting in St. Lucia in the last week of January. (1992)

Further, the same scenario characterizes the Business Center. The Director has only been on the job two months. He has just completed his workplan and made his first trip to ECIPS in Washington and attended the recent project team meetings with the IDCs to get their input into his workplan which PSO has just accepted.

Thus, this review of the OECS Grant portion of the IPED project does not occur at a propitious time, as the bulk of the activities and the marketing drive to begin them has only just begun. However, the Mission wishes to review the status of ECIPS, OECS Project Administration and the Business Center to date primarily to assess its successes and programs with a view to establishing the principal directions, programs and activities the project will pursue in the final two years of the Grant.

85

To date, \$4,081,492 has been obligated to the OECS Grant. Of that, \$2,394,888 has been obligated to ECIPS, \$664,535 to OECS Administration and a technical assistance program for the IDCs; \$878,000 to IDC operational and promotion support and \$144,069 to the Business Center. Funds to be obligated this fiscal year are: \$276,645 to ECIPS, \$45,936 for OECS project administration and \$95,931 to the Business Center.

ARTICLE I

Project: Investment Promotion and Export Development Project

Number: 538-0119.07

ARTICLE II - OBJECTIVE

This review will assess the OECS Grant components of the IPED project; that is those activities comprising ECIPS, the eight national promotion agencies call the "IDCs" and the U.S. Business and Commercial Center.

The objectives of the review are (1) to provide RDO/C and the Organization of Eastern Caribbean States with a review of progress to date on the development and implementation of trade and investment programs and (2) to assist in the selection of further programs and activities to be accomplished in the final two years of the project which will improve and expand the capabilities of ECIPS, the OECS and the national promotion agencies and the U.S. Business and Commercial Center in successfully bringing U.S. and other foreign investment to the Eastern Caribbean as well as assisting the Eastern Caribbean private sector to gain access to the U.S. market.

ARTICLE III, STATEMENT OF WORK

The contractor will conduct an review which examines the following areas:

- ♦ Overall Project Performance to Date
- ♦ ECIPS and the National Investment Promotion Agencies
- ♦ The U.S. Business and Commercial Center

The Contractor will then, building on the above, suggest ways to expand the existing program - viz:

- ♦ New Trade and Investment Activities/Export Promotion
- ♦ Trade and Investment Information System

In so doing the Contractor will (1) assess the project programs from the Amendment to the Grant in 1987 to date, including the recently drafted workplans of ECIPS and the Business Center; (2) suggest mechanisms and existing programs which RDO/C could tap or buy into to improve and expand the promotional efforts of ECIPS and its agencies, particularly to develop promotional efforts in Asia and to take better advantage of opportunities which may become available through the Enterprise for the Americas Initiative; and (3) assist in the design of an appropriate trade and investment information system for ECIPS, the U.S. Business and Commercial Center, the IDCs and regional private sector organizations.

In sum, the principal objective of the review is to determine the most appropriate interventions to be funded by RDO/C which will develop effective institutional arrangements for marketing and promoting the Eastern Caribbean resulting in new export oriented businesses.

#### A. Project Performance

The purpose of this section of the evaluation is to assess the performance of the project in meeting the goal and purpose of the IPED Project:

The goal is to increase private sector productive employment in the Eastern Caribbean countries.

The purpose is to develop national and regional capability to identify and promote private investment in productive, export oriented businesses in the Eastern Caribbean.

The first task of the Contractor is to determine to what extent the presently designed structure of the project is able to address the development constraints stated in the goal and purpose. That is, is the project responsive to the trade and investment development needs of the eight participating OECS countries? Whether the project purpose is achievable within the time frame of the present project? Is it appropriate and realistic? Does it address the principal issues which were its raison d'etre? Secondly, the contractor will make recommendations for changes, if necessary, to improve the overall performance of the project.

To achieve this objective, the contractor will examine the End of Project Status (EOPS). The revised EOPS and Outputs are stated in the RDO/C quarterly reports. These figures are based on data provided by the ECIPS Office, the OECS Project Director's Office and the IDCs.

B. ECIPS And the National Investment Promotion Agencies

The purpose of this section of the evaluation is to assess the extent and relevance of the inputs the project has provided to develop and strengthen national and regional capability to promote private investment.

The project has contributed to both the programic and operational support for both ECIPS and the eight OECS investment promotion (or industrial development) agencies during its LOP. However, presently no support to counting operational costs is being provided. Additionally the project contains various mechanisms to foster communication and collaboration between and among the various agencies. While there are other national investment promotion agencies in Latin America and the Caribbean.

87

ECIPS is the only regional investment promotion agency located in the U.S. The regional nature of ECIPS brings with it many unique features which require different approaches and methods from those common to purely "national" agencies; there are also, naturally, more complexities than those experienced by national promotion agencies.

The evaluation team is expected to become familiar with ECIPS' unique features and the project's inherent complexities in their analysis of the methodologies, programs and operations of ECIPS and the IDCs. The evaluators will examine the means of collaboration developed by the parties and assess their relevancy and utility. Specifically the evaluators will examine the following:

1. ECIPS

The evaluation will:

- ◆ Analyze the appropriateness and effectiveness of ECIPS' structure, operations and management, including levels of funding, staffing numbers, structure, role and composition of the Board of Directors and lines of decision-making from the OECS Council of Ministers through the Executive Director of ECIPS. Do these make for effective investment promotion programs? Are there recommendations for improvement?
- ◆ Review the operations and financing of ECIPS, and compare its progress to date over a similar time period with other similar Caribbean and Central American institution funded by USAID operating in the U.S.
- ◆ Evaluate the degree of success with which ECIPS has been able to effectively establish a name in the marketplace itself

as an investment promotion agency representing and promoting the interests of a number of countries in different economic and environmental situations.

- ◆ Assess the extent to which the investment potential of the OECS renders an outreach office such as ECIPS as essential and/or helpful or not, taking into account the various limitations the countries may have, both in terms of financial resources available for promotion, and their intrinsic limitations as offshore investment locations.
- ◆ If ECIPS is deemed as useful and viable, determine which Trade and Investment programs and activities are essential to the success of a region-wide investment promotion agency? To what extent are these sustainable? What is the optional level of funding necessary for ECIPS to be cost-effective? Is additional AID assistance required? If so, what areas should RDO/C continue to fund?

## 2. Investment Promotion Agencies

In the first two years an integral aspect of the project was a program designed to strengthen the capabilities of national investment promotion agencies while fostering cooperation and collaboration between the eight country agencies and the regional agency, ECIPS. When the project was designed these agencies were in various stages of development. Some had been in existence for some time, while others had their genesis during the PDAP phase of the project. A diminution in funding resulted in a cut in funds for operational to support the national agencies. Presently, the project is assisting only in support for promotion activities and material chosen by the General Manager as priorities. The evaluators are asked to assess the overall support to

the IDCs since 1987 and to determine what if any further assistance should be given to the IDC. Specifically:

- ♦ To what degree has the project fostered a regional outlook on investment promotion? Has the project provided an opportunity for closer cooperation among the OECS countries? Assess the extent of collaboration between ECIPS staff and the staff of the IDCs? Which areas are most/least conducive to regional collaboration?
- ♦ Assess the relevance of technical assistance and training programs developed for the IDCs. Is there scope for additional technical assistance and training activities? If so, specify.
- ♦ Should AID assistance continue to support the institutional development of the IDCs? If so, which are the priority areas needing attention and which are most likely to be replicated and sustained once aid has ended?

C. U.S. Business and Commercial Center

The U.S. Business and Commercial Center is a focal point of information for both Caribbean entrepreneurs seeking to export to the U.S. and for U.S. businessmen seeking to establish a business in Barbados and the Eastern Caribbean. The Center also acts as a coordinator and facilitator for programs and financing available to West Indian entrepreneurs, for example the RDO/C - CAIC Small Enterprise Assistance Project. The Center's activities complement the activities of ECIPS and those of the Department of Commerce.

Since Commerce's departure from Barbados and Trinidad, the Business Center is an important presence for U.S. commercial interests. The Reviewers

will examine the past role of the Center as well as the new workplan and assess its importance and relevance of the Eastern Caribbean and as a component of the IPED Project. The Reviewers will also suggest ways in which the Center could or should/not-

- be at least partially self-sustaining
- be further integrated with ECIPS and responsive to the local private sector organizations and entrepreneurs.

D. Future Directions

1. Prospective Trade and Investment  
Activities/Export Promotion

ECIPS, the Business Center, and ECIPS' sister agency ECSEDA (Eastern Caribbean Export Development Agency) are both under five years old and are presently in the process of establishing their marketing strategies and areas of expertise in trade and promotion. In today's fast changing global economy these agencies and the private sector they represent need to have access to programs and intelligence which will allow them to analyze and define realistic targets and objectives. The reviewers are asked to examine the programs available in T & I and determine:

- ♦ opportunities for accessing information on prospective Asian Industry Targeting Plan
- ♦ the implications of the Enterprise for the Americas Initiative for the Eastern Caribbean. Are these programs which ECIPS and its agencies can tap to expand opportunities for Eastern Caribbean manufacturers in exporting, co/and joint ventures.

- ♦ whether there is scope for further collaboration between ECIPS, FOMENTO and the U.S. Department of Commerce, in what areas/sectors? Which sectors offer the best opportunities for success.
- ♦ whether there is scope for developing a project component which focuses on "investment policy services" and "competitive analysis" for ECIPS and the OECS/OECS Governments.
- ♦ whether there is scope for involving the OECS private sector ~~were~~ directly in ECIPS marketing activities.
- ♦ to what extent, given their different sources of funding, ECIPS and ECSEDA can collaborate in joint activities - in what areas?
- ♦ given the financial constraints of the IPED project which of the above should be considered top priorities?

## 2. Trade and Investment Information Network/System

The project personnel are presently engaged in researching the mechanisms available to establish a trade and information system to be accessed by all the components presently involved in IPED and also including regional private sector organizations. The Economic Affairs Secretariat in Antigua is also in the process of developing a better intelligence statistics gathering in the areas of trade, investment,

business climate etc. The system envisaged for project elements would utilize a number of existing programs such as the Organization of American States - SICE and the marketings system established by the Caricom Secretariat - CARTIS, as well as packages developed by USAID's S & T project.

The reviewers will examine the information gathered to date and assist in referring this component for FY '92.

D. Future Directions

1. Prospective Trade and Investment Activities/Export Promotion
2. Trade and Investment Information System

ARTICLE IV: METHODS AND PROCEDURE

It is anticipated that the review will take approximately four weeks of effort in the Eastern Caribbean with a team of three persons.

The team will travel to Bridgetown prior to commencement of the evaluation for orientation and discussion with RDO/C staff. The evaluators will then be expected to travel to the OECS Economic Affairs Secretariat in Antigua, and to several participating OECS countries to conduct interviews and collect data. The Financial Specialist and the Investment Promotion Specialist will also travel to Washington, D.C. to conduct interviews with various agencies and ECIPS staff and collect data from ECIPS. They are expected to do this prior to debriefing USAID and the submission of draft reports.

The evaluators should become thoroughly familiar with the following documents:

1. Investment Promotion and Export Development project paper - Amendment No. 2.
2. Louis Berger Private Sector Evaluation January 1987
3. Grant Agreement between USAID and OECS, June 1987.
4. Blackman and Thomas Long Term Financing Study of ECIPS, April 1989.
5. Promotion of Pacific Rim Investment in the Eastern Caribbean, May 1989.
6. Robert Nathan Evaluation of IPED, December 1989.
7. Project Quarterly Reports and Reports of Project meetings.
8. USAID, OECS and Business Center Project Files. meetings.

The reviewers are expected to submit draft reports of findings and to debrief RDO/C personnel before returning to the U.S. to write the final report. The Team Leader will coordinate and be responsible for the submission of the final report.

The Contractor will follow the guidance indicated in Article III "Statement of Work". Concepts, methods and procedures must be thoroughly grounded on accepted conventional economic and social scientific principles, and as appropriate, on accepted business practices. In all cases the theoretical foundations, assumptions, procedures and data sources must be clearly spelt out.

95

The analysis will make use of existing studies, available statistical data, and information gathered through interviews with key persons in ECIPS, the ECIPS Board, the OECS Secretariat, the General Managers of the National Investment Promotion Agencies and Business Center project personnel.

The Contractor will utilize reports, evaluations and interviews and personal experience with other national investment promotion agencies of the Caribbean region who have offices in the Washington New-York area; particularly Jamaica (JAMPRO), the Barbados IDC, Belize (BEIPU), the Dominican Republic, Honduras and Costa Rica (CINDE), in their analysis of the progress to date, viability and sustainability of ECIPS.

The Team Leader will be responsible for developing work plans and making assignments, including data collection; and identifying public and private sector officials, as well as Mission personnel, to be interviewed. The RDO/C IPED Project Officer will facilitate interview appointments by apprising individuals to be interviewed of the schedule of field trips to be undertaken by the team.

The Team Leader will be responsible for maintaining good communication with the RDO/C Private Sector Office while in the field. The Team Leader will provide the IPED Project Officer with the itinerary of the team members prior to their going into the field. The Team Leader will also maintain good communication with the Executive Director of ECIPS and the Director of the OECS Economic Secretariat.

#### ARTICLE V: REPORTING REQUIREMENTS

##### A. Evaluation Schedule

The evaluation will take place according to the following schedule:

Week 1:       o       Examination of ECIPS component in Washington,

q/b

D.C. Interviews with ECIPS and other investment promotion staff in U.S.

- o Familiarization with other similar investment promotion agencies in D.C. area

Week 2-4

- o Review of material in Bridgetown
- o Briefing of all personnel in Bridgetown.
- o Field work and interviews in select OECS countries including project management in Antigua
- o Debriefing of Bridgetown staff and submission of draft Executive Summary and technical reports.

Week 5:

- o Preparation of penultimate draft in U.S.
- o Draft sent to ECIPS, IDCs, OECS, Business Center after review by RDO/C
- o Draft review by ECIPS, IDCs, OECS and Business Center minimum of 2 weeks; comments sent to contractor

Week 6:

- o Final report sent to RDO/C one week after receipt of comments from RDO/C, ECIPS, OECS, IDCs and Business Center.

B. Reports

1. Final Report

The Final Report must include, but is not limited to, sections on Development Objectives of the Project; Purpose of the Review; Methodologies Utilized; Major Findings including assessment of the validity of the ECIPS-IDC approach to investment promotion and institutional development; assessment of ECIPS' promotion methodology; assessment of the role of national investment promotion agencies in a regional program; assessment of the cost effectiveness of project activities, and whether or not there are other appropriate cost effective alternatives; assessment of the sustainability of project activities at the regional and national level after USAID funding ceases. Under a section to be titled "Future <sup>Dispersed</sup> ~~Directors~~" the Contractors will explore activities and mechanisms which can be implemented in the final two years of the project. The report will also include Lessons Learnt with reference to the above; and Conclusions and Recommendations in separate sections of the report.

a) Conclusions and Recommendations. The report should end with a full statement of Conclusions and Recommendations as indicated in the Statement of Work. The Recommendations will correspond to the Conclusions and will specify the institutions and party/ies who should take the action recommended.

b) Recommendations will also be made as to the objectives, components and programs of a follow-on project.

The Team Leader will be responsible for coordination of the travel and work load and production of the draft and final reports.

ARTICLE VII: COMPOSITION OF EVALUATION TEAM

1.	<u>Position</u>	<u>Work Weeks</u>
1.	Team Leader & Multi Industry Specialist	6 weeks
2.	Trade and Investment	3 weeks
3.	Investment Promotion Specialist (West Indian)	3 weeks

1. Team Leader and Multi Industry Specialist - will be a graduate degree specialist with a minimum of 5 years working experience in trade and investment between the Caribbean and the U.S. particularly in the following sectors: electronics; textiles and garment industries; data entry; agro-processing and the new areas of the information industries. A knowledge of CBI legislation is essential; experience with Caribbean export business and investment promotion programs would be an asset.

2. Trade and Investment Specialist - will be a graduate degree specialist with a minimum of 5 years working experience in trade and investment between the Caribbean and/or Latin and Central America and the U.S. particularly in the following sectors; electronics; textiles and garment industries; data entry; agro-processing and the new areas of the information industries. A knowledge of CBI legislation is essential; comparative knowledge of AID T & I programs throughout the world would be an asset.

3. Investment Promotion Specialist - The Investment Promotion Specialist will be a West Indian professional with at least 5 to 7 years experience in investment promotion as a middle to senior manager with a Commonwealth Caribbean investment promotion agency. Working with an OECS agency and the OECS private sector and/or knowledge of AID projects would be an asset.

ARTICLE IX: BUDGET

1. Appendices. Technical reports of each of the team members, statement of work of the evaluation, a full description of the methodologies used, a bibliography of the documents consulted, and a list of the interviewees should be included in the appendices.

The Team Leader will provide the Mission with a draft Executive Summary and draft Technical Reports prepared by other team members before leaving Barbados. The Executive Summary must stand on its own as a document and include: Development Objectives of the Project, Purpose of the Evaluation, Methodologies Used, Major Findings, Future Directors, Conclusions, Recommendations. The Technical Reports of the other team members will be incorporated into the final report as Annexes. Copies of these will be left with the RDO/C Project Manager. These Technical Reports will be completed before the contractor leaves Barbados.

2. Submission of Reports. The final evaluation report of 15 copies, along with a computer floppy disk with the report in DOS file format, is to be submitted by the Team Leader to the Private Sector Office no later than a week after receipt of comments on the draft report from USAID as indicated in the Evaluation Schedule.

3. PES Evaluation Report. The Team leader will complete the Abstract and the Summary Findings, Conclusions and Recommendations of the "AID Evaluation Summary" from Section H of part I and Section J of part 11 of the form.

#### ARTICLE VI: RELATIONSHIP AND RESPONSIBILITIES

The contractor will receive direction from the Chief, Private Sector Office and the IPED Project Manager. The contractor will maintain close communication and coordination with the Executive Director of ECIPS and the Director of the Economic Affairs Secretariat and the Chief of Finance and Administration of the OECS in Antigua.

ECIPS  
MARKETING PLAN  
1991-1992

**TABLE OF CONTENTS**

	<i>Page Number</i>
1. <i>Summary</i>	2
2. <i>External Environmental Variables and Opportunities</i>	2
3. <i>Objectives</i>	3
4. <i>Marketing Strategy</i>	3
4.1 <i>Target Market</i>	3
4.2 <i>Positioning the OECS</i>	3
4.3 <i>Marketing Goals</i>	4
5. <i>Marketing Action Programs</i>	5
5.1 <i>Trade Shows</i>	5
5.2 <i>Advertising</i>	6
5.3 <i>Brochuras and Presentations</i>	7
5.4 <i>Seminars and Presentations</i>	7
5.5 <i>Public Relations</i>	8
5.6 <i>Direct Mail</i>	9
5.7 <i>Special Projects</i>	10
6. <i>Management and Control</i>	11
6.1 <i>Management</i>	11
6.2 <i>Controls</i>	11

**EXHIBITS I-III**

**Prepared By:**

*John V. Arrindell*  
*and Staff of ECIPS*  
*November 8, 1991*

102

## 1. SUMMARY

*The 1991-1992 Marketing Plan seeks to locate 10 projects (including subcontracts) in the OECS which will employ approximately 400 persons in the next 10 months.*

*To accomplish this objective, ECIPS will spend \$523,404. Out of this budget, \$160,000 will be utilized to fund seven marketing action programs which are expected to generate 1800 investor contacts during this fiscal year.*

*Each Investment Promotion Officer (IPO) is responsible for specific action programs and follow-up of the investor leads. The goal is to persuade qualified prospects to visit the OECS. The IPOs of the IDCs then become involved in the personal selling process as well as providing timely and professional fulfillment of investor's information needs.*

*Finally, a coordinated effort by ECIPS, the IDCs and the particular governments in the selected OECS will result in the attainment of our objectives.*

## 2. EXTERNAL ENVIRONMENTAL VARIABLES AND OPPORTUNITIES

*The present recession in the United States and Canada will probably end in early to mid 1992. Whether the renewal of economic growth will be a sharp surge as in 1983/84 or mediocre growth as some economists are predicting, remains to be seen. At any rate, ECIPS and the OECS countries must continue to market diligently and creatively to take advantage of any economic environment that prevails.*

*We at ECIPS see the EAI and NAFTA not as obstacles, but as new trends in world trade that we must live with and operate successfully within. Essentially, ECIPS/OECS must define our comparative advantages and continuously and assiduously improve them. We have to market our "product" strengths and continue to improve the attributes that are desirable. For example, in tourism, the nature given physical environment that is so attractive and advantageous to us must be supplemented by man-made infrastructure and other necessary tourist related amenities. Another example is in the area of data entry; OECS countries that seek industries could give more attention to improving training in the secondary schools, for such training will surely increase the productivity of labor with benefits to both the workers, employers and host country.*

### 3. OBJECTIVES

ECIPS seeks through its marketing effort, and in cooperation with the IDCs and other appropriate Ministers in the OECS, to locate 10 projects (including subcontracts) which will generate 400 jobs in the OECS during the next 12 months.

### 4. MARKETING STRATEGY

#### 4.1 Target Market

The target market for direct foreign investment in the OECS countries is primarily the United States and Canada. Industries to be concentrated on will continue to be hotel and resort development, and small to medium size firms in the areas of agri-business, electronics, data processing and apparel. Special attention will be given to the urgent needs of individual OECS countries as expressed by the particular government and IDC.

#### 4.2 Positioning the OECS

The most fundamental decision in marketing is the process of positioning the product. Indeed, it is also the most difficult. In our case, ECIPS must clearly define how we would like to present the Eastern Caribbean in the minds of potential investors. In Exhibit 1, we have listed the desirable attributes of the OECS, separated them into primary and secondary, and then attached the investor benefit for each. But the next questions are as follows:

- a) Which of these attributes are the most desirable and or distinctive in the minds of foreign investors compared with our competition which we deem to be Latin American and the non OECS Caribbean?
- b) Should we promote and specifically advertise the OECS with a focus on one dominant attribute or a bundle of characteristics?

It is ECIPS opinion that we have a distinct advantage over our competition with respect to the "Quality of Life" attribute and this is the "position" we will seek to imprint in the perceptions of the executives who make the decisions to locate projects in the Caribbean and Latin America. The other attributes, primary and secondary will of course be used in advertising copy and other promotional tools. We expect to use existing research in this area to sharpen our decision in the next two weeks.

#### 4.3 MARKETING GOALS

The marketing plan will deploy seven major marketing tools which will require an expenditure of \$160,000. (See Budget - Exhibit 2). More effective and efficient use of these resources are expected to generate 1800 investor leads/contacts over the next 12 months. This assumes an average of 150 investor contacts a month which is approximately 19% higher than the monthly average during ECIPS 4 years of existence. Further screening and qualification of contacts should reduce this number to approximately 360 real prospects. These "legitimate" prospects will then be given our full attention for follow-up calls and intensive selling efforts. From these new prospects and the prospects cultivated from prior years, ECIPS expects to generate the investors who will locate new business projects in the OECS.

In essence, the marketing plan is a series of on-going and coordinated activities designed to achieve our objectives. But first, we must get leads and contacts, then prospects - our initial marketing goals.

The process of converting legitimate prospects to actual investors in the OECS is, necessarily, a lengthy one. And for large projects, this may take years. However, during this stage, the IPOs of ECIPS and the IDCs must continue to concentrate on the function of personally selling the OECS and providing timely and accurate information requested by the potential investor. Follow-up and professionalism is critical at this phase and all the elements, ECIPS, IDCs and the relevant government ministries must be in harmony and fully focussed on the attempt of "closing the sale" - that is, to get the investor to locate the project in the OECS.

5. MARKETING ACTION PROGRAMS

5.1

TRADE SHOWS  
1991 - 1992

<u>Name of Show</u>	<u>Target Audience</u>	<u>Cost</u>
<i>Food Pack 01/22-24 1992</i>	<i>Agro-industry and agro processing, equipment suppliers, food wholesalers and distributors, and users, e.g. supermarkets, restaurants (will be done by ECIPS and ECSEDA). ECSEDA will exhibit OECS products and ECIPS will look for companies to set up or joint venture in the Eastern Caribbean.</i>	<i>\$ 2,500 :</i>
<i>Bobbin (Miami) 03/25-27 1992</i>	<i>Apparel companies who want to subcontract or set up own facility.</i>	<i>4,000 :</i>
<i>GME/APPCON 03/11-13 1992</i>	<i>Apparel Contract Manufacturing companies.</i>	<i>3,000 :</i>
<i>RIMS 03/29-04/03 1992</i>	<i>Captive insurance companies looking for new domiciles. Captive insurance companies are generally owned by companies not engaged originally in business of insurance, but are engaged in business with very high risks. A captive may either be a direct writer or a reinsurance company.</i>	<i>5,800 :</i>
<i>Electro 1 05/12-14 1992</i>	<i>Electronic companies looking to subcontract work in PC boards, cables, etc., or companies looking to set up own facility (New York market).</i>	<i>6,000 :</i>
<i>Napcon East 06/15-18 1992</i>	<i>Electronic companies looking to subcontract work in PC boards, cables, etc., or companies looking to set up own facility (Boston market).</i>	<i>4,000 :</i>

<i>Black Expo 08/15-16 1992 or Black Caucus 09/1992</i>	<i>Minority community leaders and business owners</i>	<i>1,700</i>
<i>Bobbin (Atlanta) 09/15-18 1992</i>	<i>Apparel companies who want to subcontract or set up own facility.</i>	<i>4,500</i>
<i>Coilwinding 09/22 1992</i>	<i>Electronic companies looking to subcontract work for coils, toroids transformers, etc., or companies looking to set up own facility.</i>	<i>3,200</i>
<i>Various Sept - Oct 1991</i>	<i>ECIPS has already participated in the following trade shows: Bobbin; South East; Nepcon; Coilwinding and the International Free Trade Zone Conference</i>	<i>15,300</i>
<b>TOTAL COST</b>		<b><u>\$50,000</u></b>

*These shows will be done with the support of the IDCs and the Manufacturers based in the Eastern Caribbean. After each show, information requested will be sent out, followed up by aggressive telemarketing after 2-3 weeks.*

5.2

### **ADVERTISING** **1991-1992**

*ECIPS for the rest of this fiscal year will continue to execute our advertising program in-house. This is necessitated by the modest funds allocated for this activity.*

*We will continue to refine our process of positioning the OECS more sharply as we seek to favorably differentiate the Eastern Caribbean from the rest of our competition. New ads will be created to replace the Opportunity Zone theme and a media schedule for the period, January to August 1992, will be designed.*

*The media to be chosen will be more carefully researched and selected as we try to reach the executives and entrepreneurs who make the decisions for our target industries.*

Our ads will continue to be of the 1/4 to 1/2 page size.  
 We are choosing frequency with less space over large space  
 with less frequency.

TOTAL COST: \$40,000

5.3

**BROCHURES AND NEWSLETTERS**  
**1991-1992**

**Brochures:**

The Eastern Caribbean 6 panel general brochures 9"x 12"  
 and the 6 panel individual OECS brochures 4" x 8 3/4"  
 are being retained. 2,000 of each of the OECS 6 panel  
 brochures have been ordered. The present inventories  
 plus the new printing should be sufficient for the  
 Fiscal Year.

\$ 6,000

**Newsletter:**

The quarterly newsletter will be restarted and published  
 within 30 days and 1,000 will be mailed out hereafter at  
 the end of each calendar quarter. The target audience  
 will remain interested government, business and civic  
 groups in the OECS states as well as in the U.S.A. and  
 Canada. Major activities of ECIPS will continue to be  
 highlighted.

\$ 4,000

TOTAL COST \$ 10,000

5.4

**SEMINARS AND PRESENTATIONS**  
**1991-1992**

<u>Activity</u>	<u>Target Audience</u>	<u>Cost</u>
Miami Conference December 1991	U.S. policy makers, bankers, investors and traders	\$ 8,500

TOP

<i>Puerto Rico Business Forum Feb/March 1992</i>	<i>Puerto Rico companies interested in the Eastern Caribbean - Electronics, apparel, agri- business, hotel development, etc., (FCMENTO - co-sponsor).</i>	<i>5,000 :</i>
<i>Miami Regional Seminar March/April 1992</i>	<i>Small to medium size businesses, also Caribbean and ethnic market - various sectors.</i>	<i>3,500 :</i>
<i>Chicago Regional Seminar May/June 1992</i>	<i>Small and medium size businesses we are seeking to explore mid-west market - various sectors. (Will work with Regional U.S. Department of Commerce, etc.)</i>	<i>3,500 :</i>
<i>Three Individual Head of Government Business Forums May, June, July 1992</i>	<i>Medium to large companies, substantial entrapreneurs, selective sectors. (Joint effort with U.S. Dept. of Commerce and U.S. State Department).</i>	<i>7,000 :</i>
<i>Puerto Rico CBI Business Conference August 1992</i>	<i>Puerto Rico and Puerto Rico-based companies interested in production sharing. All sectors.</i>	<i>2,500 :</i>
	<b>TOTAL COST</b>	<b>\$30,000</b>

*Special attention will be given to prospects realized from these activities by following up via direct mail and aggressive telemarketing which will result in productive investor missions to the OECS*

5.5

### **PUBLIC RELATIONS 1991-1992**

*Press releases, done in-house, will continue to select newspapers and magazines to stimulate interest and attendance at ECIPS promotional activities.*

*A new and aggressive thrust will be engaged in this year in attempting to generate more articles in national newspapers and magazines concerning the attractiveness of the OECS as profitable and pleasurable locations for investment. The modest sum budgeted is to be used in helping to defray the cost of travel and accommodation*

for bona-fide writers interested in doing articles on the OECS.

Opportunities on radio, television and talks to civic and business groups in the US, Canada and the OECS will continue to be exploited.

TOTAL COST

\$5,000

5.6

**DIRECT MAIL**  
**1991-1992**

ECIPS will continue to refine and execute its strategy of direct mail in the following areas:

- a) Before trade shows to let prospects in the area be aware that ECIPS can assist them in their investment efforts;
- b) After trade shows to supply information requested;
- c) Approximately four times a year a special mailing will be made to qualified prospects to keep them informed of happenings in the Eastern Caribbean and to keep the ECIPS/Eastern Caribbean name alive in their minds;
- d) To target sectors, such as, hotel developers, data entry prospects and agroprocessing companies to set up projects in the Eastern Caribbean;
- e) To fellow members of Associations to support the process of networking;
- f) Special mailings to target companies from purchased mailing lists; and
- g) To companies identified as invitees to seminars, conferences and promotion workshops.
- h) An updated version of our present video will be mailed to qualified prospects to further stimulate their interest to visit the OECS.

Aggressive follow-up and telemarketing will follow these activities.

TOTAL COST

\$10,000

5.7

**SPECIAL PROJECTS**  
**1991-1992**

<u>Sector</u>	<u>Target Audience</u>	<u>Cost</u>
<i>Hotel Development Prob. January 1992</i>	<i>Hotel developers wishing to build hotels or joint venture. - Target hotel developers will be asked to join a trade mission to one or two islands (USDOC/ECIPS).</i>	<i>\$ 4,000</i>
<i>Data Entry On-going</i>	<i>Data entry companies looking to set up or subcontract work in the Eastern Caribbean. - Target companies will be worked on to set up a facility if not subcontract (USDOC/DEMA/ECIPS)</i>	<i>3,000</i>
<i>Agro-Processing/ Agribusiness Prob. April</i>	<i>US companies looking to joint venture with Eastern Caribbean companies or to set up own facilities.</i>	<i>2,000</i>
	<i>Sub-Total</i>	<i>\$ 9,000</i>
<i>Multi sector April 1992</i>	<i>Substantial investors in EEC who may benefit from Lomé Treaty (joint effort with West India committee).</i>	<i><u>6,000</u></i>
	<b>TOTAL COST</b>	<b><u>\$15,000</u></b>

*Detailed planning for these projects is on-going.*

## 6. MANAGEMENT AND CONTROL

### 6.1 Management

*Exhibit 3 is the proposed organization chart for ECIPS, based on a total personnel of six. The intention is to make the organization fully focussed on marketing with the Sr. Investment Promotion Officer and the Investment Promotion Officer relieved of any substantive administrative responsibility. All administrative functions are geared towards making the promotional activity function more effectively. Reporting relationships have been simplified and more clearly defined and paperwork has been substantially reduced.*

*A team approach in the preparation of the marketing plan and an evaluation of past promotional activities was used, with each individual given responsibility for specific action programs.*

### 6.2 Controls

*In addition to the quarterly report submitted to the ECIPS Board, the Executive Director will require brief monthly quantitative reports on leads generated and the status of the promising prospects from each of the IPOs. The monthly descriptive reports on IPOs activities have been discontinued.*

*Since each IPO is responsible for specific Marketing Action Programs performance evaluation can be made based on predetermined goals that are set in consultation with the Executive Director.*

*Finally, planning sessions will be held with the IPOs each Monday to focus on our weekly activity goals. At these sessions, tactical corrections will be considered when necessary to make the execution of our marketing action programs more effective and efficient as we work to attain our objectives.*

THE OECS  
ATTRIBUTES/CHARACTERISTICS

EXHIBIT 1

OUR MAIN COMPETITION:

LATIN AMERICA & the non OECS CARIBBEAN

OECS ADVANTAGES/ATTRIBUTES

INVESTOR BENEFIT

PRIMARY:

\* QUALITY OF LIFE; SAFETY,  
NATURAL BEAUTY, RECREATION,  
GOOD SCHOOLS FOR CHILDREN

ESSENTIAL FOR KEEPING MANAGERS  
& SUPERVISORS

\* PRODUCTIVE & AVAILABLE  
- LABOR - "VALUE FOR MONEY"

INCREASES PROFIT MARGINS

\* HIGH LITERACY RATE, TRAINABLE

INCREASES PROFIT MARGIN

\* PROXIMITY TO U.S.; GOOD  
TRANSPORT

QUICK TURN AROUND TIME

SECONDARY:

\* STABLE PARLIAMENTARY  
POLITICAL SYSTEM

NO RISK OF APPROPRIATION,  
PREDICTABILITY AND ORDER

\* PRO-BUSINESS SOCIAL &  
ECONOMIC ENVIRONMENT

NO RISK OF APPROPRIATION,  
PREDICTABILITY AND ORDER

\* TRAINING GRANTS

HELPS WITH INCREASING LABOR  
PRODUCTIVITY

\* FISCAL INCENTIVES, TAX FREE  
AND DUTY FREE

INCREASES PROFITABILITY

\* EASY ACCESS TO GOVERNMENT  
OFFICIALS

QUICK DECISION MAKING

\* TRADE TREATIES, CBI, 807 & 807a  
LOMÉ, CARIBCAN

ACCESS TO US, EEC CANADA

\* NO QUOTAS FOR APPAREL TO U.S.  
UNDER CBI

ALLOWS FOR LARGE OPERATIONS  
WITH ECONOMY OF SCALE

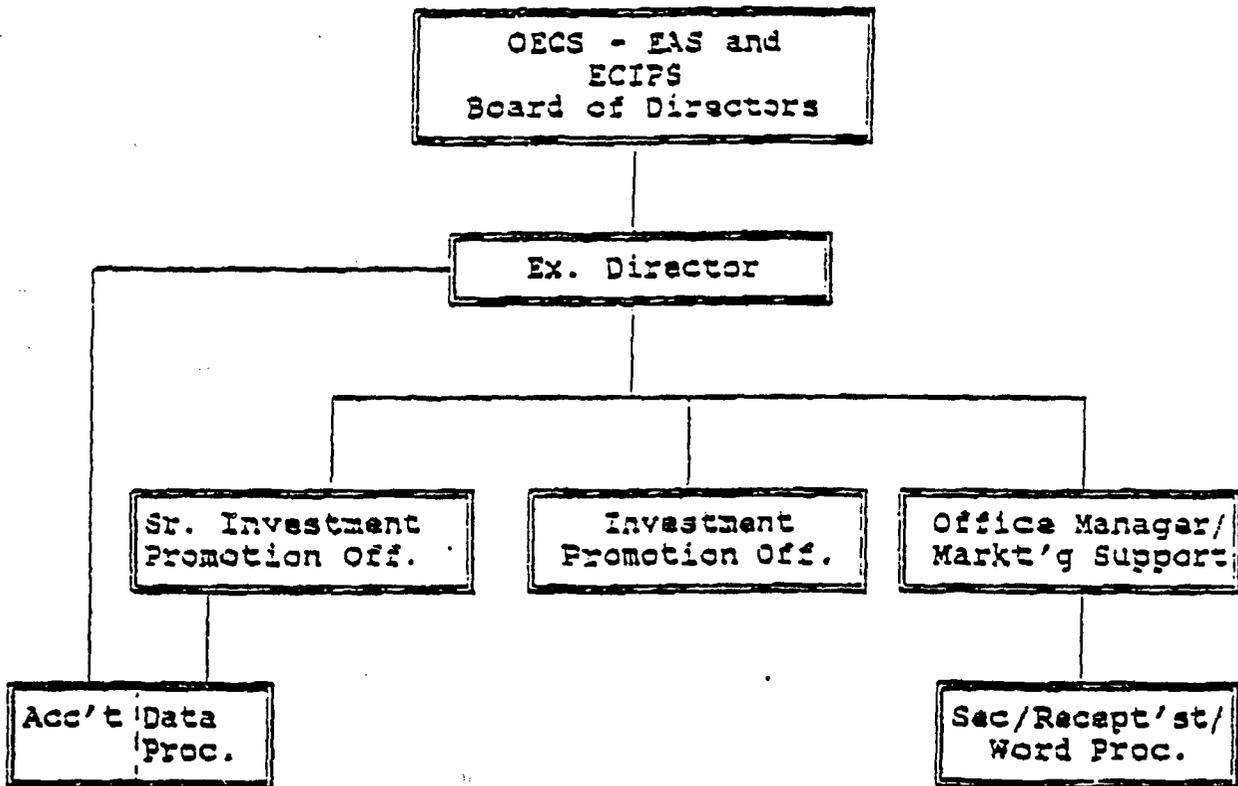
\* AVAILABLE AND SUBSIDIZED  
FACTORY SPACE

INCREASES PROFITABILITY AND  
ALLOWS FOR QUICK STARTS

**ECIPS  
BUDGET  
FOR YEAR ENDING AUGUST 31, 1992**

	<u>EXISTING WORKPLAN</u>	<u>REVISED PROPOSAL</u>	
<b><u>REVENUE</u></b>			
OECS Member Contribution	179,355		279,355
U.S.A.I.D. Grant	376,645	(27,404)	404,049
OTHER	<u>18,485</u>		<u>--</u>
	<u>574,485</u>		<u>583,404</u>
<b><u>EXPENSES</u></b>			
<b>Emoluments:</b>			
Salaries		235,000	
Employee Benefits	<u>267,800</u>	<u>25,544</u>	260,544
Travel	25,000		25,000
Recruitment & Relocation	30,000		3,000
Equipment	--		8,000
Equipment Rentals	--		11,500
Office Supplies	9,500		9,000
Postage	7,200		4,000
Maintenance	4,800		2,500
Rent	45,000		50,000
Telecommunications	24,000		26,000
Refurbishing	2,000		--
Technical Assistance	60,000		10,000
Miscellaneous	19,185		13,860
<b>Promotion</b>			
Trade Shows		50,000	
Advertising		40,000	
Brochures & Newsletters		10,000	
Seminars & Presentations		30,000	
Public Relations		5,000	
Direct Mail		10,000	
Special Projects	<u>80,000</u>	<u>15,000</u>	<u>160,000</u>
	<u>574,485</u>		<u>583,404</u>

ECIPS  
ORGANIZATIONAL CHART



# US BUSINESS AND COMMERCIAL CENTER

## MEMORANDUM

**TO:** Dr. Cecilia Karch, ECIPS Project Advisor  
**FROM:** Lee Farnum-Badley, Director USB&CC  
**DATE:** 18 November 1991  
**SUBJ:** Six-Month Plan

### OBJECTIVE

The US Business & Commercial Center will coordinate efforts with the OECS, ECIPS, and the IDC's to foster Private Sector development in the Eastern Caribbean by helping small and medium size companies formulate and achieve their business goals.

### STRATEGY

The Center's strategy will involve sponsoring conferences and workshops; printing publications; advertising opportunities; utilizing editorial opportunities, and providing one-on-one business counselling.

### GOALS

The Center will serve as an entrepreneurial activist and catalyst in the encouragement of Caribbean businesses and institutions to take advantage of trade, investment and training opportunities, particularly those offered by the Caribbean Basin Initiative (CBI) and the wider Enterprise for the Americas Initiative (EAI). It will also:

- (a) Provide information and technical assistance on exporting to the US, attracting and implementing joint-ventures and promoting business development;
- (b) Promote networking and cooperation among Eastern Caribbean business development groups and entrepreneurs;
- (c) Serve as a 'one-stop' outreach, information, contact and referral point for the CBI and other regional business development programs of the United States government;
- (d) Provide a flexible, quick response vehicle for supporting worthwhile small-scale initiatives and activities that may not fit easily within the scope of established USAID projects, or that are being undertaken by groups that are not the grantees or implementors of large USAID projects.

Memorandum to Dr. Cecilia Karch  
Six Month Plan  
Page 2.

#### PROJECTS FOR THE 1ST SIX MONTH PERIOD

During the six month period ending April 30th 1992, the Center will carry out the following projects:

1. Coordinate the provision of an electronic trade information system network linking ECIPS and the IDC's to data suppliers in the US and Caribbean.
2. Update and reprint the handbook: "Sources of Assistance for Caribbean Business" covering research, business planning, financing, technical assistance, trade and government agency program services.
3. Update and reprint the handbook "Customs Regulations for Preferential Trade Programs". This edition to include regional (CARICOM) preferential trade procedures.
4. Establish a weekly advertising program in the *Week-End Nation* newspaper, and a monthly program in *Cana Business* to announce CBI opportunities as communicated from ECIPS, LA/C, or other sources.
5. Prepare a weekly editorial article on business development for insertion along with advertisements.
6. Reintroduce monthly short coffee meetings between representatives of Barbados-based regional development institutions. A speaker on a chosen discussion topic to introduce the subject on each occasion.
7. Visit ECIPS, LA/C Business Development Center, and C/LAA in Washington for orientation.
8. Visit ESCEDA, the IDC's and their service areas for orientation.
9. Attend the Miami Conference to become informed on latest issues, promote the Center's activities and establish professional relationships.
10. Respond promptly to request for assistance by individual business persons seeking to locate sources of supply, identify procedures, make contacts, resolve bottlenecks, raise finance and generally pursue business opportunities.

US BUSINESS & COMMERCIAL CENTER

CALENDAR OF EVENTS

NOVEMBER '91 TO FEBRUARY '92

NOVEMBER '91

- 12-14 Quarterly meeting of IDC managers & ECIPS Board (St. Lucia)  
22 Coffee meeting "Electronic Trade Information Systems"  
28 Advertisement insertion & editorial - "US Business & Commercial Center"  
24-30 Visit to Washington (C/LAA, OAS, LA/C and ECIPS)

DECEMBER '91

- 01-07 Attend Miami Conference  
06 Advertisement insertion & editorial  
13 Advertisement insertion & editorial  
16-19 Visit Dominica (IDC, ECSEDA) and Antigua (OECS)  
20 Advertisement insertion & editorial  
20 Coffee meeting "Caricom Standards Council"  
27 Advertisement insertion & editorial

JANUARY 1992

- 03 Submission of Quarterly Report  
03 Advertisement insertion & editorial  
06-10 Visit Grenada (IDC) and St. Vincent (IDC)  
10 Advertisement insertion & editorial  
17 Advertisement insertion & editorial  
24 Advertisement insertion & editorial  
24 Coffee meeting  
31 Advertisement insertion & editorial

FEBRUARY 1992

- 03 Workshop in Montserrat "Electronic Information Systems"  
05-07 Visit St. Kitts (IDC)  
07 Advertisement insertion & editorial  
14 Advertisement insertion & editorial  
21 Advertisement insertion & editorial  
28 Coffee meeting

MARCH 1992

- 06 Advertisement insertion & editorial
- 13 Advertisement insertion & editorial
- 20 Advertisement insertion & editorial
- 23-27 Visit St. Lucia (IDC) and Antigua (IDC)
- 27 Advertisement insertion & editorial
- 27 Workshop on "Customs Regulations under Trade Preference"
- 27 Presentation of publication "Customs Regulations" booklet

APRIL 1992

- 03 Submission of Quarterly Report
- 03 Advertisement insertion & editorial
- 06-10 Visit to Washington (LA/C, ECIPS)
- 10 Advertisement insertion & editorial
- 17 Advertisement insertion & editorial
- 19-23 Visit BVI for Quarterly meeting of IDC's & ECIPS Board
- 24 Advertisement insertion & editorial
- 24 Coffee meeting

MAY 1992

- 01 Submission of Six-Month plan

11/78  
Six-month plan

11/78  
IDC meeting (St Lucia)

11/22  
Coffee Meeting

Orientation at ECIPS & LA/C

Miami Conference

Prep database

Visit Dominica Antigua

Coffee Meeting

Quarterly report

Workshop Electronic information systems

(Montserrat)

Visit Grenada St Vincent

Coffee Meeting

Visit St Kitts Montserrat

Publication - Customs regulations for

1/21

3/6

3/13

3/20

3/27

4/3

4/10

4/17

4/24

Trade

Meeting

Workshop Customs regulations

*(Antigua)*

Visit St Lucia Antigua

Coffee Meeting

Quarterly report

Publication Resources for Business

Orientation at LAA & DOC

Six-month plan

Visit BV

Coffee Meeting

122



IMCC

**APPENDIX C**  
**ORIGINAL SUCCESS GENERATED BY ECIPS**  
**REPORTED TO DATE (4/6/92)**

REVISED 4/6/92

TABLE 5

SUCCESS GENERATED BY ECIPS REPORTED TO DATE\*

# INVESTING U.S. COMPANY	LOCAL ECIPS CONTRACTING COMPANY	ECIPS COUNTRY	TYPE INDUSTRY/PROD.	OF INVSMT	\$ VALUE	OF INVESTMENT	STARTING/ PROJECTED EMPLOYMENT	EMPLOY.
** COUNTRY: ANTIGUA/BARBUDA								
1 HYDRO ELECTRONICS	ELECTRO ASSEMBLY	AN	PC BOARD	7C	15,000	02/15/89	10	20
1 MILWAUKEE ELECTRONIC CORP	ELECTRO ASSEMBLY	AN	ELECTRONICS	7CT	15,000	07/08/88	3	8
1 P.G. CONTROLS INC.	ELECTRO ASSEMBLY	AN	ELECTRONICS	7C	15,000	02/01/89	10	20
1 TELSTRONICS	ELECTRO ASSEMBLY	AN	ELECT. CATV	7CT	15,000	05/15/89	10	20
1 ZYCRON SYSTEMS INC.	ELECTRO ASSEMBLY	AN	ELECTRONICS	7C	15,000	09/15/88	10	20
** Subtotal **					75,000		43	88
5								
** COUNTRY: DOMINICA								
1 QUALIE LIMITED	P.W. BELLOT & CO	DO	AGRO	7J	50,000	01/15/88	6	16
1 O'SEAS TRADING & SHIPPING	"	DO	IMPORT/EXPORT	7J	n/a	02/29/92	5	0
** Subtotal **					<del>50,000</del>		11	16
2								
** COUNTRY: GRENADA								
1 BARTHOLOMEW, ROLAND	HARVEST REST. & BAR	GR	REST. & BAR	7N	30,000	05/15/89	6	8
1 BENTEX (GRENADA) LIMITED	BENTEX (GRENADA) LTD	GR	HEARING AIDS	7N	0	08/01/89	1	10
1 CATALOGIC	CATALOGIC	GR	DATA ENTRY	7DSR	70,000	08/15/89	60	300
1 SOUTHWEST CUPID	CUPID FOUNDATION LTD	GR	LINGERIE	7D	15,000	07/01/89	25	600
1 UNITED READY MIX (CONCRETE)	UNITED READY MIX	GR	CEMENT/CNCRTE	7J	500,000	04/15/90	7	15
1 SHELBY GROUP	SHELBY GROUP	GR	GLOVES	7N	N/A		70	200
** Subtotal **					615,000		169	1133
6								
** COUNTRY: ST. KITTS & NEVIS								
1 AIRTEX PRODUCTS	ELECTROFAB	SK	PC BOARDS	7C	5,000,000	02/01/89	10	
1 CLIFTON PRECISION	ELECTROFAB ST.KITTS	SK	SM MOTORS	7C	10,000,000	12/15/88	20	
1 OHAUS SCALE CORP.	ELECTROFAB ST.KITTS	SK	ELECTRONICS	7C	5,000,000	12/15/88	10	
1 GOGUEN INDUSTRIES	CUSTOM COILS	SK	COILS	7CT	n/a	09/91	n/a	0
1 HARVEY HUBELL	ELECTROFAB	SK	PC BOARDS	7C		01/92	25	50
** Subtotal **					20,000,000		65	50
5								
** COUNTRY: ST. LUCIA								
1 TOPSVILLE	209	SL	APPAREL	7C	N/A	1989	35	35
1 TOPSVILLE	PYRAMID GARMENTS	SL	APPAREL	7C	N/A	1989	20	20
1 ALLIED ELECTRONIC SERV.	C'BEAM ELECTRONICS	SL	PCB & CABLE	7CD	20,000	03/15/89	5	9
1 CLIFTON PRECISION	MANUMATICS	SL	SM MOTORS	7C	5,000,000	12/15/88	31	120
1 CODENELL TECH. CORP.	GOLD ELECTRONICS	SL	PC BOARDS	7C	5,000,000	01/15/89	15	
1 DATA DEVELOPMENT INC.	CARIBBEAN DATA	SL	DATA ENTRY	7DU	100,000	06/01/89	22	42
1 DATA ENTRY COMPANY	DATA KEY INT'L	SL	DATA ENTRY	7C	250,000	08/02/88	28	180
1 HEALTHTECH INC	GOLD ELECTRONICS	SL	PC BOARDS	7CCR	15,000	01/01/89	10	
1 HEALTHTECH INC	C'BEAM ELECTRONICS	SL	PC BOARDS	7C	20,000	03/15/89	5	9
1 HYDRO ELECTRONICS	GOLD ELECTRONICS	SL	PC BOARDS	7CTR	20,000	06/15/88	38	80
1 HYDRO ELECTRONICS	C'BEAM ELECTRONICS	SL	PC BOARDS	7C	00	09/15/89	5	9
1 P.G. CONTROLS INC	C'BEAM ELECTRONICS	SL	ELECTRONICS	7CT	20,000	12/15/88	11	12
1 SMR APPAREL TRIM INC	SOFT FURNISHINGS	SL	APPAREL TRIM	7JT	10,000	03/15/88	24	74
1 SPRUCE PRODUCTION	DATA KEY INT'L	SL	DATA ENTRY	7CD	00	04/21/88	1	80
1 ZYCRON SYSTEMS INC	GOLD ELECTRONICS	SL	ELECTRONICS	7C	15,000	05/01/88	33	0
1 ASTRO MED INC	C'BEAM ELECTRONICS	SL	CABLES	7CT	n/a	1990/1991	5	10
1 MUPAC	C'BEAM ELECTRONICS	SL	PC BOARDS	7CT	n/a	08/91	2	1
1 MIDWEST ENT	DATA CARIBBEAN	SL	DATA ENTRY	7CT	n/a	10/91	5	0
1 NEWWAVE ELECTRONICS	C'BEAM ELECTRONICS	SL	PC BOARDS	7CT	n/a	07/91	5	0
** Subtotal **					10,470,000		300	581
19								
** TOTAL **								
36					TOTAL VALUE U.S. \$	\$31,210,000+	588	1968

NB. VALUE REFERS TO VALUE OF EXPORT OR VALUE OF INITIAL INVESTMENT.

FOR TYPE OF INVESTMENT COLUMN 7C = SUBCONTRACT; 7D = SUBSIDIARY; 7N = NEW FACILITY AND 7J = JOINT VENTURE

As of March 20, 1992

124