

**USAID GEO**  
**Guyana Economic Opportunities**

**2002 Annual Report**

*Submitted by:*

**Chemonics International Inc.**

*In association with:*

**Management Systems International, Inc.**

*To:*

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## Acronyms and Abbreviations

CBTPA	Caribbean Basin Trade Preference Act
COP	Chief of Party/Project Director
FPA	Forest Products Association
FTAA	Free Trade Area of the Americas
GEO	Guyana Economic Opportunities (Project)
GMA	Guyana Manufacturers' Association
GNBS	Guyana National Bureau of Standards
GOG	Government of Guyana
GO-INVEST	Guyana Office for Investment
IPED	Institute of Private Enterprise Development
IR	Intermediate Result
IT	Information Technology
MFTIC	Ministry of Foreign Trade and International Cooperation
MOF	Ministry of Finance
MSI	Management Systems International
MTIC	Ministry of Tourism, Industry and Commerce
NGO	Non-Governmental Organization
PMP	Performance Monitoring Plan
PSC	Private Sector Commission
PSIP	Public Sector Investment Program
PSO	Private Sector Organization
SBA	Small Business Act
SME	Small and Micro-enterprise
SO	Strategic Objective
THAG	Tourism and Hospitality Association of Guyana
USAID	United States Agency for International Development
WTO	World Trade Organization

## **Introduction: 2002 Overview**

Despite serious constraints, the Project made excellent progress under all intermediate results during 2002. Institutional strengthening assistance continued at Go-Invest and the Bureau of Standards and the Ministry of Foreign Trade signaled its willingness to proceed with a trade policy strategy. Focus under IR2 began to move away from advocacy training to target strengthening the ability of members of private sector organizations (PSOs) to reach external markets and seek potential investors. Activities included a chamber to chamber business exchange to Brazil and the development of company profiles for those interested in finding new buyers of their products or new input suppliers. The GEO SME export promotion component got off to a good start during 2002, beginning with market surveys to identify product potential in a number of export markets. The New Guyana Marketing Corporation (NGMC) was added as a client and stakeholder and work began on improving the quality of Guyana's fresh produce exports.

Political tensions and increasing crime and violence characterized the business and investment climate for much of 2002. The crime and violence have reached such a level as to inhibit the free movement of Project staff and technical consultants to areas east of Georgetown. There were also serious delays in the implementation of some activities, which although approved at the annual stakeholders' conference, were put on hold by the USAID Mission. However, with the arrival of the new Mission Director, these problems were quickly resolved and we were given the go ahead, albeit much later than planned.

This report is divided into four sections: activities undertaken during the year, progress toward meeting performance results and targets, activities planned for the next quarter, and a financial report. Status of critical assumptions, any operating problems or outstanding issues are reported, as needed, under these four report sections.

### **I. Activities and Accomplishments During the Reporting Period**

#### **A. Activities under IR 1: Increased Capacity to Implement Economic Policy for Growth with Equity**

Activities under IR1 focused primarily in three areas: seminars on important economic issues and policies, on policy and regulatory reform and on technical assistance/institutional strengthening of Government agencies and Ministries. We report activities below according to the agency or Ministry with which the Project worked.

##### ***Go-Invest***

Project assistance to Go-Invest focuses on three key areas: institutional strengthening, information technology and information products on investment and exports, and policy and regulations as they relate to investment and exports.

### *Institutional Strengthening Activities*

GEO assistance to Go-Invest began two years ago with an institutional assessment. Since then, the Project has provided additional assistance to implement many of the recommendations of the assessment.

- *Development of an Annual Work Plan* – Few Government agencies prepare detailed annual work plans or set performance targets. GEO provided assistance to Go-Invest to review progress in the implementation of its mid-term action plan which was developed last year and to assist the Agency in preparing its annual work plan for 2002. A basic outline was developed with Agency staff. Go-Invest completed the work plan on its own, developing milestones, indicators and performance targets to permit management and staff to monitor implementation.
- *Team Building Exercise and Agency Retreat* – Since a new CEO was appointed to Go-Invest in 2001, the Agency, with GEO assistance has undergone significant changes, not only in its organizational structure but also in the way that it conducts business. Early in 2002 GEO provided the services of a facilitator to assist Go-Invest in preparing for and implementing a team building retreat intended to promote a participatory and team approach to Agency planning and implementation. The responses from both staff and management in an evaluation form completed at the end of the retreat and in discussions with individual staff members were overwhelmingly positive. A common outcome cited by many was the very positive effect of being able to step back from all the changes going on and to examine positive and negative aspects of the work in an open and non-threatening atmosphere. Both staff and the CEO have indicated their desire to repeat the exercise at the end of the year.
- *Client Satisfaction Survey* – An initial survey was conducted with clients who used Go-Invest services in 1999. The results of that survey were used extensively later in recommending ways and means of improving Go-Invest performance. The 1999 survey is also used as the baseline for measuring the impact of GEO assistance to Go-Invest. The results of the survey of clients who used Go-Invest services during 2002 showed continued improvement in the way the agency is viewed by its clients. The percentage of respondents who rated the services they received as satisfactory or better has increased from 43% in 1999 to 96% in 2002. Another key impact indicator used to track Project and Go-Invest performance showed further reductions in the time required to process requests for duty free concessions, for land titles or leases, and for discretionary incentives such as tax holidays. Details of the results of the survey are reported more fully in Section III of this report.

### *Information Technology and Information Products*

- *IT Technology* - Information technology and the ability to share information widely and quickly is a key component of GEO assistance to Go-Invest. Information products such as the *Investor Roadmap*, fact sheets, basic country and agency information are now available. Concurrent to the development of the information products, GEO is helping to

strengthen Go-Invest information systems. During the 2002 the following activities were undertaken:

- *IT Assessment* - Recommendations included hardware and software upgrades and in-house training for the Agency's IT person.
- *Go-Invest E-mail System* – Previously Go-Invest had been using the UNDP's SDNP system as its internet service provider (ISP). However, the SDNP system is overloaded and extremely slow. Under SDNP Go-Invest had been allocated only a single email address, insufficient for its seven technical officers and numerous administrative staff. GEO set up a new email system whereby Go-Invest staff have their own email address in the form: [my\\_name@go-invest.info](mailto:my_name@go-invest.info). Having the *Go-Invest* name on the email address gives a much more professional image. Previously technical officers had been using personal *Yahoo* or *Hotmail* email accounts, even for business purposes.
- *Go-Invest Website* – Work has begun to provide assistance in revamping the Go-Invest website. Although there is a lot of useful information on the website, it tends to be wordy and not as user friendly as it could be. Although the Go-Invest IT person has left the agency, GEO will continue to work with the technical officers and management to build a professional and high quality website. This work will continue next year.
- *Monitoring and evaluation tracking system* - Several of the technical assistants that GEO has provide to Go-Invest have noted the need to institute a database management/client tracking system which will enable the agency to better track client contacts and requests and to monitor the impact of their efforts in promoting investment and exports. GEO provided assistance in developing such an M&E tracking system. The initial work has been completed. Once Go-Invest installs a server, the tracking system will be reconfigured and any bugs identified during the start-up phase will be corrected.
- *Investor Roadmap* The Investor Roadmap, developed last year, has become an important tool for Go-Invest in providing information to investors to facilitate their navigation of the many agencies, regulations and permits needed to start and operate a business in Guyana. The Roadmap has been distributed to 36 public sector ministries and agencies (national, regional and local) as reference materials for their staffs and the public. Fifteen private sector organizations have copies of the Roadmap and fact sheets to assist their members. Nine embassies and foreign diplomatic delegations to Guyana also have the Roadmap. In addition, as indicated in previous reports, the Roadmap, fact sheets and relevant permit/authorization forms are all available on the Go-Invest website. Follow up assistance on the *Investor Roadmap* during 2002 included:
  - *Investor Roadmap Update* – Go-Invest is now responsible for the making the information in the Roadmap available to potential investors and businesses and for ensuring that the information contained in the Roadmap is accurate and kept

up to date. GEO assisted the Agency to update the section of the Roadmap dealing with investments incentives and set up a system for annual updates.

- *Roadmap Addendum for Forestry and Mining* – The basic Roadmap provides general information which is needed by investors and businessmen in all sectors: taxes, building permits, social security regulations, health and safety, etc. However, the mining and forestry sectors are very large and important sectors for the Guyana economy and the regulations covering investment and operation in these sectors are sufficiently different to warrant separate sections. Draft versions of these addendum are currently under review by the agencies and private sector organizations responsible for these sectors.
- *Electronic Versions of Permit Applications and Business Forms*. Copies of all forms needed to start a business were included in the *Investor Roadmap* and are also available on the Go-Invest website. However, the forms are in PDF format and the legibility of many is poor. The Project provided assistance in converting the forms into electronic format so that they can be easily downloaded from the internet or distributed on computer disk. Both options will permit users to complete the various forms and applications using a word processor. Previously, only the EPA, out of the 19 agencies included in the Roadmap, had electronic versions of their forms. Having the ability to obtain the necessary permit and application forms throughout the country will greatly facilitate businesses, particularly those who up to now have had to travel to Georgetown to obtain copies.
- *Exporter's Handbook* – Similar to the *Investor Roadmap* for investors, the *Exporter's Handbook* is intended to answer the most frequently asked questions of exporters and potential exporters and to provide information and information sources pertaining to exporting. Topics include, preparing for export; finding markets; agents and distributors; contracting; quality and environmental issues; packaging and labeling; export documentation; and financing, insurance and getting paid. A draft is currently under review.
- *Information Factsheets* – To date there has not been much information available to give potential investors or interested buyers when these investors and buyers visit Guyana, or when Guyana participates in tradeshows abroad. In 2002, the Project began assisting Go-Invest in developing such information products. Two factsheets, one providing basic information about Guyana and the second describing the activities and role of Go-Invest were developed as models for other such information products.
- *Market Information Training* - Almost two years ago, the Export Promotion Council was merged with Go-Invest. To date, Go-Invest has provided little export data and market information to exporters. In 2002 the Project sponsored a training program for the Go-Invest staff on how to find, analyze and report product specific market information for foreign markets. The New Guyana Marketing Corporation (NGMC) was also invited to send members of its staff to the training. The NGMC focuses on non-traditional

agricultural exports. The training was centered on using internet based data and information. During the week-long training program (which was presented twice), participants developed four product/market surveys of products that are or could be important for Guyanese exporters. Very professional surveys were produced for the market for frozen shrimp in the U.S. and the U.K and for pineapple juice in the same two markets. It is planned that product surveys will be developed and updated on a regular basis.

- *Administrative Barriers to Investment* - In working with local businessmen in developing the *Investor Roadmap*, an often heard complaint was the long delays between applications and approvals at various steps in the process. For some agencies there is also a vast difference between their own target turnaround time for permits and applications and the actual time required. It is also increasingly clear that the ease of doing business in a particular country is as, if not more important, than the concessions offered in a business's location decision. During 2002 the Project worked with Go-Invest to develop a program to target these long administrative delays. Recommendations include finding ways and means to improve interagency coordination, process audits to increase agency efficiency and staff training.

### **The Guyana National Bureau of Standards (GNBS)**

With Guyana's small population and therefore limited market, the focus of investment promotion and economic development must rest primarily on export growth. Key to this growth will be Guyana's ability to compete on an equal basis in world markets. To successfully compete under coming WTO and FTAA agreements, Guyana's products must be able to meet increasingly stringent international standards. The Project is providing assistance to strengthen the Guyana National Bureau of Standards (GNBS) so that it can better carryout its role of informing the private sector about international standards and in ensuring their application.

- *Team Building Exercise* – The Project piggybacked the assistance to Go-Invest in organizing and implementing its team-building retreat to organize a similar retreat for the Bureau of Standards. As with Go-Invest, the Bureau has undergone considerable change over the past two years. GEO assistance in developing a strategic plan, a communication strategy, and a training program have all had an impact on how the work is organized and performed within the Bureau. Both the staff and management felt that it was time to step back to review the work over the past year, to discuss the changes and identify any modifications in both activities and procedures that might improve Bureau performance. As with Go-Invest the evaluation of the retreat by the staff was overwhelmingly positive. The Director has indicated that changes recommended during the retreat are already being implemented.
- *IT Assessment* - In conjunction with the work at Go-Invest, the Project undertook an assessment of the IT network and computer system at the GNBS. Again the objective is to improve both internal and external communications, so that the Bureau will be better able to inform producers, importers and exporters about the standards requirements for



their products. The assessment at the Bureau indicated that the physical environment in the Bureau's building is not adequate, that at a minimum a lockable, airconditioned office was necessary for a server. In addition, it was found that most computers in the Bureau were either non-functioning or too old to support the Bureau's informatic needs. The Director of GNBS is working with the Board of Directors to find the necessary financing to upgrade the premises and to replace some computers.

### **The Ministry of Foreign Trade and International Cooperation**

- *Trade Policy Strategy* – The Project provided assistance to the Ministry of Foreign Trade and International Cooperation to develop a national trade policy strategy. A draft was submitted and very well received by the Minister by mid-year. However, the Project and the Ministry were told to put the work on hold pending a determination of whether the work would duplicate the planned work of the Inter-American Development Bank (IDB). As of the end of December 2002, the IDB project had not materialized.
- *Trade Policy Review* – As part of the Trade Policy Strategy, GEO recommended that the Ministry request WTO to perform Guyana's Trade Policy Review (TPR). The TPR is a useful exercise for a country to determine where it stands in meeting the necessary preparation for WTO agreements. GEO's Trade Policy Expert interceded with the WTO to move up the date of Guyana's review.

### **New Guyana Marketing Corporation (NGMC)**

The NGMC is responsible for the promotion of non-traditional agricultural exports. The Agency is under the direction of the Ministry of Fisheries, Crops, and Livestock. Since NGMC is involved in export promotion, the GEO Project invited the agency to send members of its staff to the training program we sponsored for Go-Invest on developing market bulletins. Since that time, the agency has become a full partner in GEO SME Export program. Many of the activities described under IR3 having to do with export promotion and SME training are carried out in collaboration with NGMC. Here we list the activities specifically aimed at the agency itself.

- *Institutional Assessment* – The General Manager and the Board of Directors of NGMC requested GEO assistance in undertaking an institutional assessment to determine whether the organizational structure, personnel skills and operating procedures are appropriate given the organization's stated purpose, objectives and mandate. This is also a necessary first step if GEO is to assist the agency in providing improved information and services to exporters and producers about markets, prices, quality, packaging, etc. The assessment is currently under review by the Ministry.

## Other Activities under IR1

- *Remittances* – At the request of the Mission and the Embassy, the Project sponsored two activities dealing with foreign remittances. The staff economist at the Private Sector Commission was funded under the GEO Project to attend an IDB sponsored regional conference on the impact of foreign remittances in the Caribbean. Upon his return, he presented the results of the conference at a public seminar. The GEO Project also sponsored a study of the importance of foreign remittances to Guyana. The results were again presented at a public seminar. The findings indicated that remittances are probably close to US\$100 million per year, almost double the officially reported figures. Recommendations included ways to reduce transactions cost on money transfers so as facilitate remittances which can have a positive developmental impact.

## B. Activities under IR 2: Strengthened Private Sector Organizations Capable of Influencing Public Policy

Although assistance in teaching the techniques of advocacy to private sector organizations continued during the year, the focus has shifted more toward investment and export promotion at the level of the firm and the PSO. At the beginning of the Project GEO began working with four regional chambers of commerce and three of the Georgetown and product based PSOs (THAG, GMA and FPA). The response from the regional chambers in working with GEO has been much more forthcoming and the results of their advocacy initiatives have been very good. The Project is now working with 9 regional chambers plus their umbrella organization, the Association of Regional Chambers of Commerce (ARCC).

- *Advocacy* - Although many of the issues are local concerns, the regional chambers, through ARCC also have a growing voice on national issues. Below are examples of some of the impacts resulting directly from GEO Project assistance:
  - After lobbying, 3 chambers now have representatives on 9 boards or oversight committees of their respective regional governments (e.g. health and safety, environment, education, etc.). Previously there was no representation.
  - Two chambers now provide input into the capital budgets in their regions.
  - The national Government is now taking seriously the issue of illegal logging after intensive lobbying by 2 chambers.
  - The National government has agreed to study the development of 2 new industrial sites and upgrading of a third after a joint advocacy campaign by ARCC and 3 chambers.

Other campaigns have raised the awareness on local and national issues such as building an all weather road to Brazil, getting farm animals off the roads, and copywrite legislation. etc. If nothing else, the regional chambers, ARCC and their members are now players in local matters and on the national stage. They meet on an as needed basis to discuss their concerns with Cabinet ministers, ambassadors of foreign delegations, and

the President of the country. When a delegation from Brazil came to discuss the proposed Guyana-Brazil road, Guyana's Prime Minister invited ARCC and the chambers to participate in the discussions. During a recent serious crime wave, ARCC was instrumental in organizing, with other business organizations, a successful 24 hour total shut down of the business sector throughout the country as a means of voicing its strong concern to the politicians.

- *Business Exchange Visit to Brazil* – In helping to develop strategic plans for PSOs at the beginning of the project, common goals that emerged for each was to increase investment in their respective regions and to help grow their members businesses. Toward this end, GEO provided assistance in planning and organizing a chamber-to-chamber business exchange with 2 sister chambers of commerce in northern Brazil in an area bordering Guyana. Other than Project funding of our Private Sector Advisor, the participants paid all their own expenses, including air and ground transportation, accommodations and meals. Sixty-one members from 8 of the regional chambers participated in the 4 day visit. The GEO Project Private Sector Advisor worked with a core of 5 members and their umbrella organization's (ARCC) executive secretary in the planning and execution so that they would be able to implement similar business exchanges in the future on their own. In response to the exchange, several businesses have identified new suppliers of equipment and goods, one sawmiller is in discussion for the sale of lumber to a firm in Brazil, several investment proposals have been generated, and a group of Guyanese pharmacists is exploring the possibility of group purchases of less expensive drugs from Brazil.

If anything, the assistance of the GEO Project has brought home to the participating PSOs that there are things that they can do, and should do, to promote their regions and their own businesses. They now realize that they do not have to wait on the Government for everything. This new found empowerment has manifested itself in follow-up activities, most of which the PSOs and their members are doing on their own:

- 17 of the participants on the initial trip to Brazil recently attended an industrial fair in Brazil.
- Based on the success of the Brazil trip, 6 members from two regional chambers made an exploratory trip to neighboring Surinam to discuss the possibility of a similar business exchange with Surinamese chambers.
- Initial plans are being made through ARCC, the umbrella organization, for a similar trip to Venezuela, possibly next year.

#### **Firm Level Impacts Already Evident**

Mr. Nateram Ramnaran participated in the business exchange to Brazil, and while there purchased a new fruit press which will allow him to expand his small fruit juice manufacturing business. Known locally in his town in the Pomeroon Region of Guyana as "Juice Man", Nateram says even with transportation costs he saved G\$300,000 (US\$1650) in purchasing the machine in Brazil. In a country with an average GDP/capita of US\$750 this represents a significant sum. The "Juice Man" has already purchased a second machine since his return, enabling him to produce more and at a lower cost.

- *Development of Business Profiles* - Partly as a result of success in making contacts in Brazil, with Project assistance, 300 firms from 12 private business organizations developed short business profiles of their own firms. The profiles are to assist the businesses to identify buyers for their products, sources for their inputs or items for resale, or potential investors or joint venture partners. On their own, the PSOs have taken the responsibility for copying, binding and distributing the profiles to sister PSOs in Brazil, Canada and the U.K., with plans to send them to other countries as well. One chamber alone has received over 100 responses to the profiles from firms in Canada.

The impacts at the firm level are real and growing. However, for the USAID program, the real success of this assistance has been in the empowerment of the PSOs and their members. They have seen that they can make a difference. They no longer have to wait on the assistance of the government or a donor to improve their businesses and to join in world trade. That 3 out of the 4 follow-up activities noted above were or are being done without any project assistance is a very positive sign for sustainability.

Finally, the introduction of the participants to international business, even if only to a neighboring country, was a first for some of the chamber members. For some it was the first time to leave their country. For much of the past 2 decades, until the early 1990s, Guyana lived in almost total isolation from the outside world, leaving few businessmen with international business experience. More such outward trips are critical if Guyana is to catch up and be able to compete.

### **C. Activities under IR 3: Increased Services Available to Support Micro and Small Enterprises**

For the first half of the Project, GEO focused on increasing the access to and availability of financial services and credit to small and microenterprises. Much of the work concentrated on institutional strengthening of IPED. Late in 2001, in consultation with GEO partners, we developed an SME program to target non-financial assistance to SMEs. Given the small domestic market and the competitiveness of the sectors where SMEs predominate, the GEO program focuses on promoting and expanding exports.

- *SME Export Action Plan* – The SME Export Action Plan developed during the reporting period, lays out the approach and some of the initial activities aimed at increasing the ability of SMEs to export. Key to the approach is to start with the market and work backwards: for which products currently produced (or could be produced) is there a demand? The second feature is to work with SMEs so that they will “listen to the market”: what is right and wrong with the products currently (or could potentially be) exported? Third, work on the factors identified above to improve, increase and enhance their marketability or exportability. Finally, to assist SMEs to make those necessary linkages with importers in other countries. Activities will be built around market information, market linkages, and where necessary policy or regulatory reform.

- *Market Surveys* – The initial step was to compile a list of products currently produced by the SME sector in Guyana and identifying those that have potential for growth. Agro-processing, handicrafts, fresh produce and fish/shellfish products are the main SME products that are currently being exported. Market access and market information were two of the key obstacles cited by many SME exporters. Given the small size of firms and their limited production/export volume, initial market surveys were conducted in Toronto, New York City and London where large Guyanese expatriate communities (estimated at over 130,000 in Toronto and over 350,000 in NYC) could provide a ready market for “Guyanese” products. These market assessments have identified possible market niches, listed problems and constraints to entering the respective markets and provided contacts for buyers, wholesalers and retailers who are either currently or potentially interested in handling products from Guyana. The UK assessment also included valuable information on the potential and requirements for exporting organic products to England. Late in the year, similar market studies were undertaken in the Caribbean, where the potential market is not the Guyanese diaspora, but rather indigenous markets and Caribbean agro-processors looking for new input supplies.

The results of these market surveys were presented in seminars in Georgetown and Linden and will be presented in other regions early next year. In addition, the written reports will be available in hard copy and on the Go-Invest website.

- *Post Harvest Handling* – Based on the results of the rapid market assessment and from discussions with SMEs and exporters in Guyana, it is clear that the quality and timeliness of Guyanese products is a very serious concern. For fresh produce, there was a common message of uneven quality of Guyanese exports. An initial assessment of post-harvest handling techniques confirmed that much of the damage to fresh produce exports occurs after harvest and during packing and transportation. Follow-up technical assistance and training were provided in the following areas:
  - *NGMC Packinghouse Protocol* – GEO’s new partner in the SME program, the New Guyana Marketing Corporation (NGMC), requested assistance in undertaking an assessment of and providing recommendations for improving its central packaging facility. After the pink mealy bug was discovered in Guyana, the importation of fresh produce from Guyana was stopped to most Caribbean countries to prevent the spread of the pest. Under a phytosanitary/inspection protocol established with Barbados, exports have been re-established with that country as long as all exports pass through the NGMC packinghouse, established specifically for that purpose. At the facility all fresh produce undergo inspection and are certified for export to Barbados by the Plant Health Service of the Ministry of Fisheries, Crops and Livestock. The NGMC has begun to implement some recommendations.
  - *Mango Hot Bath Treatment* – At certain times of the year, anthracnose can be a serious problem for mangoes. One exporter related that he lost 60% of a recent shipment to Canada due to anthracnose. GEO assisted the NGMC to set up a

simple and inexpensive demonstration hot bath treatment which should reduce losses to under 10%.

- *Plastic Sleeving for Bananas and Plantain* – Plastic sleeving, or bunch covers, are used throughout the world by banana and plantain producers to reduce losses from insects, to improve product look by reducing peel scaring and increasing size and uniformity. They are not available or used in Guyana. GEO assisted NGMC to test and demonstrate the use of the bunch covers. The response of producers who have seen the results has been very strong. GEO is now working with local agricultural input suppliers to import the bags.
- *Packaging* – Most exporters are using inferior packaging that is not up to international standards. Cardboard cartons are over-packed and are not strong enough to withstand the rigors of transportation. The airlines complain that they are unable to stack produce boxes more than three boxes high due to over-packing and the poor quality of the cartons. Examples of proper packaging materials and packaging techniques were demonstrated to exporters and NGMC staff. The Project is also working with the sole domestic container manufacturer in an attempt to improve the quality of locally made cartons.
- *Waxing* – Demonstrations in the use of waxing of produce such as cucumbers, cassava and sweet potatoes as a means to prolong shelf life were presented to exporters and producers in Linden and Georgetown.
- *Heat Treatment for Root Crops* – Heat treatment of root crops is another method of prolonging the shelf life of root crops. The method was introduced to the NGMC and some exporters and producers. Follow-up demonstrations will be held early next year.
- *Use of Cool and Cold Storage* – Probably the most critical factor affecting the field to market quality of fresh produce is the need to maintain a cold/cool chain. Little or no cold storage is available in Guyana at any stage. GEO has begun working on this problem with suggestions as to packaging, transportation, low cost cool mini-containers, and recommendations for cold storage facilities at the NGMC packinghouse.
- *Transportation* – The quality and availability of transportation is an issue throughout the various steps in shipment of fresh produce from farm to the final export market. During 2002, GEO provided information and recommendations for the proper packaging, ventilation, stacking, etc. during in-country transportation and in shipment to final overseas destinations. The Project is also working with shippers to find additional means of reaching export markets. One example is that of a U.S. cargo airline, Amerijet, whose jets arrive in the Caribbean full, but generally have excess capacity on their return to Miami.

- *Post-Harvest Handling Technical Bulletins* – The Project is working in collaboration with NGMC; the Ministry of Fisheries, Crops, and Livestock; and Guyana’s national agricultural research institute (NARI) to produce technical bulletins on post-harvest handling techniques for the major fruit and vegetables that are currently, or could be, exported. Two types of bulletins will be produced for 18 crops and post harvest processes. One version is more technical and is targeted to agricultural extension agents and a second, more simple two page factsheet is being developed for producers and exporters. Last year bulletins were completed for:
  - Pineapples
  - Bananas and plantain
  - Eggplant
  - Mangoes
  - Hot water treatment for mangoes
  - Packaging
  - Transportation
- *Export 101 and 102* – The Project worked with Go-Invest and NGMC to develop an introductory course in exporting. The initial presentation of the courses targeted Go-Invest and NGMC clients; 40 SME exporters, including several NGMC staff persons attended the course. Topics included, analyzing your business; assessing strengths and weaknesses; determination of optimal production levels; customer relations; finding export markets, pricing, getting paid in international transactions, etc.
- *APHIS* – The North American market assessment undertaken earlier in the year pointed out a large difference in the types and quantities of products exported to Canada compared to the U.S. Phytosanitary requirements for the importation of fresh produce are much less stringent in Canada than they are in the U.S. As a result, exports of mangoes, for example, to Toronto vary from 15,000 to 30,000 lbs per week, whereas mangoes from Guyana have not been approved by the USDA’s Animal and Plant Health Inspection Service (APHIS). With a Guyanese expatriate population three times as large in NYC compared to Toronto, and a West Indian and ethnic population also many times larger, meeting APHIS requirements for exports to the U.S. offers the potential for greatly expanding SME fresh produce exports. GEO initiated a visit by the APHIS Regional Director for the Caribbean and a plant inspection expert to visit Guyana, assess the current pest control procedures in Guyana, and provide training to the Plant Health Division in the Ministry of Fisheries, Crops and Livestock on how to undertake pest risk analysis – a first step in acquiring APHIS approval for crop exports to the U.S. As a result of the work with APHIS, 4 new crops were approved for export to all U.S. ports, including southern ports, where they had previously not been permitted.
- *Training for Butchers* – In 2002 Guyana was declared free of foot and mouth disease, effectively lifting the export ban which had lasted almost thirty years. The export of beef and other animal meat offers strong potential, particularly to Guyana’s Caribbean neighbors. GEO provided training to butchers interested in learning the standards

required for wholesale and retail cuts in international markets. One firm has signaled its intention to begin exporting.

- *Trade Secrets – Exporter Handbook* – GEO is working with Go-Invest and NGMC to produce a handbook for exporters. Modeled on the *Trade Secrets* publication of the ITC, the handbook will provide basic information and answer frequently asked questions about exporting. The handbook will deal with such issues as business and marketing plans, sources of market information, dealing with agents and distributors, pricing and the international requirements for packaging, labeling, etc. The handbook will also serve as a companion to the Export 101 and 102 courses. Sections of the handbook will be made available as factsheets on particular topics for clients of Go-Invest and NGMC, and the information will also be available on the Go-Invest website. A draft is currently under review.

#### **D. Problems Encountered and Constraints to Implementation**

The GEO Project hosted a stakeholders' conference in November 2001 to review the draft work plan for 2002. Among the stakeholders in attendance were the Minister of Foreign Trade, the CEO of Go-Invest, the Head of the Guyana Revenue Authority, two Presidential Advisors, the heads of 7 private sector organizations and the GEO CTO from the Mission. The draft workplan was approved after some modifications. When submitted to the Mission a few weeks after the conference, however, the Mission did not approve 4 activities and put another 4 on hold pending discussions between the Office of the President and the Mission. These discussions did not take place until June 2002. The CTO then met with a representative of the Ministry of Finance (who was not involved in the GEO Project) and decided that 12 of the 36 activities in the work plan should be cancelled, even though some had already been started. In essence 33% of the work plan which had been approved by the private sector and high level Government officials was first put on hold and then cancelled.

After the arrival of the new Mission Director in July 2002, we were given an almost immediate go ahead to proceed with the activities which had originally been approved at the stakeholders' conference. Although we appreciate the quick action of the new Director in reversing the cancellation and the continuing support the Project is now receiving, the fact remains that a third of Project activities were delayed by almost nine months.

## **II. Activities Planned for Next Quarter (January – March 2003)**

### **A. IR 1 Implementation of Economic Policy**

#### ***Go-Invest***

- *Wood Products Sector Awareness Tour* – In collaboration with Go-Invest, the Project will sponsor an awareness/study tour to High Point, North Carolina to introduce



representatives of the Guyana wood product sector to the requirements and standards necessary to compete in international markets.

- *Go-Invest Website* – Work will continue on updating and improving Go-Invest’s website. A Go-Invest staff member will be trained in up-dating and maintenance.
- *IT Upgrade and Training* – USAID has approved the purchase of a server and several computers, which are necessary to improve the Agency’s ability to communicate and provide information to potential investors and exporters.
- *M&E/Client Tracking System* – After installation of the server, GEO will finalize the M&E/Client Traching system, which is currently being tested by the agency.
- *Staff Training* – GEO will begin to organize the secondments of two agency technical officers to undergo training and to work for up to a month in internationally recognized successful national export and investment promotion agencies.

### ***Guyana National Bureau of Standards***

Three of the activities programmed with the GNBS and listed below were in the 2002 GEO work plan but were put on hold by the USAID Mission (see Section I-A above). These activities were again approved in the 2003 Work Plan and Stakeholders’ Conference. Work is expected to begin next quarter:

- *Conformity Assessment System* – Conformity to product standards will soon be required under most of the international trade agreements (WTO, FTAA, etc.). At present there are some 20 organizations in Guyana involved in inspection, testing and certification activities. If local inspections are not accepted in foreign markets, Guyana will either not be able to enter some markets or it will have to rely on inspections upon arrival. GEO will assist the Bureau, and through it the other organizations involved in conformity assessment to develop a plan for the putting in place a national conformity assessment system that will enable pre-shipment inspections to be accepted in foreign markets. Agricultural products will be the key focus of the conformity assessment system.
- *Competence Testing and Calibration Laboratories* – In order for test results from Guyana to be accepted by other countries, the test and management procedures of the laboratories themselves must meet international standards: ISO 17025:1999. GEO will assist the Bureau to develop a training manual and conduct a train the trainer course for both private and public sector representatives involved in laboratory testing.
- *ISO 9001:2000 – Quality Management Systems* – Meeting international standards (ISO 9000 for quality and ISO 14000 for environmental standards) is imperative if Guyanese industries are to compete in world markets. Since 1995 the Bureau has been working with industries to promote Quality Management Systems through training and technical assistance. The ISO 9000 series has recently been revised and hence industries in

Guyana and the Bureau will have to align their systems to the new standard. GEO will assist the Bureau in preparing a Training Manual and then conduct a Training of Trainers course on ISO 9001:2000 standards

- *IT Upgrade and Computer Training* – Similar to Go-Invest, GEO is assisting the GNBS to upgrade its IT hardware and software so that it better communicate and inform its clients and partners.

### ***New Guyana Marketing Corporation***

Specific technical assistance and training to be provided to NGMC next quarter will depend on the agency's and the Ministry's reaction to the institutional assessment completed last year and currently under review.

- *Strategic Plan* – If the recommendations in the assessment are approved, the first step would probably be to assist NGMC in developing a strategic plan – to identify its objectives and goals, determine strengths and weaknesses; set targets, etc. It is likely that such an exercise would identify additional areas for training and technical assistance.

### ***Ministry of Foreign Affairs and International Cooperation***

- *Assistance in Implementing the Trade Policy Strategy* – The draft Trade Policy Strategy developed was widely distributed for review. GEO will assist in organizing a public seminar to discuss and finalize the draft. After finalization the Project will provide assistance in its implementation.
- *Trade in Services Seminar* - GEO will assist the MFTIC in preparing a joint public/private sector workshop, the purpose of which is to inform and obtain feedback from the private sector on what Guyana's position will be on trade in services.

### ***Ministry of Tourism, Industry and Commerce***

The Ministry of Tourism, Industry and Commerce has requested assistance in developing a series of awareness seminars on key trade policy issues under its mandate.

- *Competition Policy* - Earlier in the Project, GEO assisted the MTIC to present an initial general awareness seminar on competition policy. To follow-up, the Ministry has asked GEO assistance in organizing a workshop which will elicit private sector input into the development of Guyana's competition legislation.
- *Developing of a "Market Guyana" Plan* – The Project will assist the Guyana Tourism Authority to develop an action plan to implement the recommendations for a "Marketing Guyana" program.

### ***Other Activities Planned Under IRI***

- *Anti-Money Laundering* – The Office of the President, through the USAID Mission Director, requested GEO assistance in undertaking an assessment and recommendations on the status of Guyana’s policy, legislation and procedures vis a vis anti-money laundering.
- *Investment Code and Small Business Act* – The President, again through the USAID Mission Director, has indicated that he would like to sit down to discuss two pieces of draft legislation (the Investment Law and the Small Business Act) that were prepared by the private sector with assistance from the GEO Project. The Project will facilitate the meetings.

### **B. IR2 Private Sector Organization Strengthening**

- *Information Technology* – GEO will provide computer hardware and training to qualified regional chambers of commerce to improve their ability to communicate with members and access needed information on the internet.
- *Seminars on Banking and Finance* – GEO will develop and begin implementing a series of seminars on banking and finance aimed at the private sector. Possible topics include, alternative sources of capital: equity financing and joint ventures; banking and banking services, leasing as a means to business start-up and stock markets.
- *PSC Website* – GEO will continue assistance previously provided to the Private Sector Commission in developing its website and in providing training in its management and maintenance.

### **C. IR3 Small and Micro-Enterprises Development**

- *Assessment and Planning Exercise for the Volunteer Youth Corps (VYC)* – GEO will assist in undertaking an assessment of the current capabilities and funding of the VYC.
- *Assistance to the Beacon Foundation* – The Beacon Foundation and other organizations are working with Amerindian communities in the Rupununi. GEO will assist with technical assistance and training for post harvest handling, processing, and marketing of agricultural commodities.
- *GEO SME Export Program* - Activities next quarter for the SME Export program will include:

- *Market Study of Northern Brazil* - An assessment will be undertaken for the potential of Guyanese exports to northern Brazil. Similar to previous market studies, the survey will identify product potential, competing products, prices, and provide lists of importers and wholesalers.
- *Market Seminars* – The market seminars presented late last year will be continued in different regions of the county.
- *Export 101 and 102* – Direct follow-up assistance will be provided to those who participated in the original courses. If sufficient interest exists, the courses will be presented again both in and outside of Georgetown.
- *Post Harvest Handling Training* – Work will continue on improving post harvest handling and the quality of produce.
- *Labeling* – GEO will work with NGMC and GNBS on providing information and training on improving the quality of labels and in meeting international labeling standards and requirements.
- *Importer-Exporter Linkages* – Work will begin assisting local producers and exporters to make linkages with potential buyers and importers in key markets.

### **III. Progress Towards Development Results**

#### **A. Overview**

The response and participation of most GEO partners remain strong. For the 2002 Annual Report we provide the status on the following indicators<sup>1</sup>:

- Client satisfaction with services provided by Go-Invest
- Average time to process investment applications
- Improved application of commercial/investment regulations and policies
- Progress in meeting WTO commitments
- Membership in private sector organizations
- Number of advocacy campaigns undertaken by PSOs
- Private sector influence on public policies
- Number of loans disbursed by IPED
- Number of individuals receiving loans at IPED
- Number of clients assisted with non-financial services

For some indicators, as for example those for PSO membership, the Project has surpassed the original targets. For others, as for example, the number of clients and loans by IPED, have not been met over this past year due to the downturn in the economy and the crime situation. It is recommended that the Mission and Chemonics review the current indicators and make any necessary adjustments for next year.

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<sup>1</sup> As noted in previous Project reports, we are no longer reporting on the use of a management information system developed for the Project Cycle Unit of the Ministry of Finance.

**E. SO Level Performance Results**

<b>STRATEGIC OBJECTIVE 1:</b> Improved Climate for Private Investment			
<b>APPROVED:</b> 9/4/01		<b>Country/Organization:</b> Guyana	
<b>RESULT NAME:</b> SO level - Improved Climate for Private Investment			
<b>INDICATOR:</b> Improved Satisfaction of Potential Investors			
<b>UNIT OF MEASURE:</b> Percent of potential investors reporting expectations met or exceeded.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1999 (B)		43%
<b>SOURCE:</b> GO-Invest Survey	2000	-	-
	2001	50%	94%
<b>INDICATOR DESCRIPTION:</b> Go-Invest will conduct a survey of its registered investors to determine the level of potential investors reporting met or exceeded expectations.	2002	60%	97.1%
	2003	75%	

The satisfaction of clients using Go-Invest service remains very positive, reflecting a new client oriented attitude at the agency as well as more and better information products now available.

**Investment/Export Promotion Agency Responds to Client Needs**

Go-Invest is the agency responsible for investment and export promotion in Guyana. At Project startup only 43% of the Agency's clients were satisfied with the services provided. In 1999 it took 7 months to process requests for duty free concession and 19 months to obtain long-term leases for land. As a result in part of GEO Project technical assistance and training and new informational products now available, client satisfaction has jumped to over 95% in 2002 and the time necessary to obtain duty free concessions and longterm leases has decreased by over 60%. The number of clients served per year has jumped from 90 in 1999 to 157 in 2002. New investments have increased from US\$50 million in 1999, compared to approximately US\$123 in the 16 months ending September 30, 2002.

<b>STRATEGIC OBJECTIVE 1:</b> Improved Climate for Private Investment			
<b>APPROVED:</b> 9/4/01		<b>Country/Organization:</b> Guyana	
<b>RESULT NAME:</b> SO level - Improved Climate for Private Investment			
<b>INDICATOR:</b> Average time to process investment applications.			
<b>UNIT OF MEASURE:</b> Number of months	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1999 (B)		Duty Free 7 Land 19 Discretionary 10
<b>SOURCE:</b> Go-Invest	2000	—	—
	2001	Duty Free 5 Land 16 Discretionary 8	Duty Free 2 Land 7 Discretionary 4
<b>INDICATOR DESCRIPTION:</b> Average time, in months, between the date of application to the date of decision. The data will be disaggregated among the following categories because each category implies significantly different processing times:  Duty Free Concessions  Land for Investment  Discretionary Concessions	2002	Duty Free 3 Land 12 Discretionary 6	Duty Free 2.65* Land 6.82* Discretionary 3.63*
	2003	Duty Free 1 Land 8 Discretionary 3	
<b>COMMENTS:</b> This indicator is important for GEO and Go-Invest to track because one of the primary functions of Go-Invest is to speed up the process for investors to obtain final decisions. If this process is improved, it will be indicative of a better investment climate.			

\* Go-Invest continues to make excellent progress in reducing the amount of time necessary to obtain duty free and discretionary concessions and land leases. The Agency has registered over a 60% increase in the amount of time between application and granting of concessions since the baseline measurement in 1999. Although 31 clients responded to the client satisfaction survey, the number of responses to these indicators is small: 14 firms responded concerning duty free concession; 7 for land; and 5 for discretionary concessions. The CEO of Go-Invest has sent a follow-up letter to firms that have not responded to the original questionnaire, urging them to respond. The above figures will be updated later if/when more responses are received.

<b>STRATEGIC OBJECTIVE 1:</b> Improved Climate for Private Investment			
<b>APPROVED:</b> 9/4/01		<b>Country/Organization:</b> Guyana	
<b>RESULT NAME:</b> SO level - Improved Climate for Private Investment			
<b>INDICATOR:</b> Improved application of commercial/investment regulations and policies.			
<b>UNIT OF MEASURE:</b> Scale. Steps taken toward the implementation of an investment code.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1999 (B)	—	—
<b>SOURCE:</b> GEO Project	2000	Steps 1, 2, 3, 4	Steps 1, 2
	2001	Step 5	Steps 2, 3
<b>INDICATOR DESCRIPTION:</b>  (Stage I) Investment Code is in place. Steps: 1- Code is developed. 2- Draft Code is Vetted. 3- Code is revised. 4- Code is finalized.  (Stage II) Investment strategy is implemented and enforced. Steps: 5- Applicable laws are revised (these will be defined). 6- Key laws are passed by Parliament (these laws must be refined). 7- Information regarding laws is disseminated (knowledge and awareness increased). 8- Laws are enforced (laws are generally applied through court cases or other mechanisms).	2002	Steps 6, 7	
	2003	Step 8	
<b>COMMENTS:</b> Applicable laws will be defined as they become apparent. In addition, elements of enforcement will also likely require further definition. Progress of this indicator will not necessarily be linear; hence it depends heavily on SO team/RP team analysis. Note, while this indicator is subject to a number of external influences, it is a critical factor in the achievement of the overall objective. In addition, GEO (as well as its predecessor project) has played an important role in helping to move this forward.			

After a very effective start to GEO assistance in developing a draft investment law over two years ago, we are disappointed that the process did not progressed. A series of private sector consultations on the draft act were completed in late 2000. There were several issues raised about certain sections of the draft and GEO provided assistance in developing position papers on these issues. In July of 2001 the government submitted a modified version of the draft act to Parliament. Since the tabling in Parliament there has been lobbying by various members of the



private sector to revisit the Government's version. In December the President indicated that he is willing to sit down with the private sector to discuss the Investment Code. GEO will assist in organizing and facilitating the meeting in early January 2003.

## F. IR1 Performance Results

### *Meeting WTO/FTAA Obligations*

<b>STRATEGIC OBJECTIVE 1:</b> Improved Climate for Private Investment			
<b>APPROVED:</b> 9/4/01		<b>Country/Organization:</b> Guyana	
<b>RESULT NAME:</b> SO Level - Improved Climate for Private Investment			
<b>INDICATOR:</b> Percentage of WTO Obligations Met			
<b>UNIT OF MEASURE:</b> Percentage	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1999 (B)	—	—
<b>SOURCE:</b> GEO Study	2000	TBD	—
	2001	TBD	—
<b>INDICATOR DESCRIPTION:</b> GEO is planning a study in which a consultant will prepare a matrix of policies which must be met to comply with WTO obligations. The study will provide a current status (the baseline) and appropriate targets for the next four years.	2002	TBD	
	2003	5	
<b>COMMENTS:</b> Baseline and targets will be developed as a part of an upcoming study.			

Although no major progress was made in meeting WTO commitments and obligations last year, the Project did assist the Ministry of Foreign Trade and International Cooperation to develop a national trade policy strategy. In next year's work plan, the Government of Guyana and the Ministries tasked with the following trade areas have agreed to work with the project to identify and define Guyana's position in up-coming negotiations and meet existing commitments:

- Trade in Services
- Market Access
- Subsidies, anti-dumping and countervailing duties
- Competition policy
- Electronic commerce

#### D. IR2 Performance Results

One indicator used to measure performance is the increase in membership in PSOs with which the Project works. Each PSO has its own definition of what it considers a “member” in good-standing. For some, only those who have fully paid their annual dues are considered members. For others, there is grace period of varying lengths where a firm is still considered a member, even though dues are not up to date. We report both figures - members and financial (dues paid) membership. The breakdown between the two categories of membership numbers as of December 1, 2002 is presented below.

<b>Private-Sector Organization</b>	<b>Total Membership</b>	<b>Financial Membership</b>	<b>Non-financial Membership</b>
Linden	48	35	13
Essequibo	27	27	0
Berbice	60	60	0
Upper Corentyne	76	32	44
THAG	58	58	0
GMA	98	89	9
FPA	62	17	45
Lethem	42	21	21
Bartica	30	27	3
West Berbice	30	30	0
West Demerara	50	30	20
Mahaica	5	5	0
<b>Total</b>	<b>586</b>	<b>431</b>	<b>155</b>

*Private Sector Influences Public Policies*

<b>STRATEGIC OBJECTIVE 1:</b> Improved Climate for Private Investment			
<b>APPROVED:</b> 9/4/01		<b>Country/Organization:</b> Guyana	
<b>RESULT NAME:</b> IR2: Strengthened Capacity of the Private Sector to Influence Public Policy			
<b>INDICATOR:</b> Membership in Local Chambers of Commerce and private sector associations.			
<b>UNIT OF MEASURE:</b> Numbers of firms who are members of Local Chambers of Commerce and business associations.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1999 (B)	—	Linden 25 Essequibo 55 Berbice 32 Upper Corentyne 60 THAG 54 GMA 125 FPA 62 TOTAL 413
	2000	425	Linden 26 Essequibo 37 Berbice 39 Upper Corentyne 75 THAG 65 GMA 90 FPA 62 Lethem 36 Bartica 18 TOTAL 448
<b>INDICATOR DESCRIPTION:</b> This covers local chambers and business associations which are assisted by GEO. This does not cover the Private Sector Commission because the overall membership numbers will not provide an accurate picture of institutional strength ( there is a small and finite number of potential members; for example, corporate membership is expected to increase by 100% in 2000), therefore its inclusion would distort the numbers. (THAG- Tourism and Hotel Association of Guyana, GMA- Guyana Manufacturing Association, FPA- Forest Products Association)	2001	440	Linden 36 Essequibo 45 Berbice 44 Upper Corentyne 78 THAG 65 GMA 89 FPA 61 Lethem 55 Bartica 18 West Berbice 16 West Demerara 60 Mahaica 14 TOTAL 581
	2002	462	586
	2003	485	
<b>COMMENTS:</b> This can function as a proxy indicator because GEO will assist in strengthening PSOs. The key concept is that if PSOs can demonstrate tangible benefits, membership will likely expand. For example, this could be improved analysis that leads to a greater influence on policy issues. Another example is the provision of services, such as internet access, access to information, advertising, etc. In turn, increased membership is likely to increase revenues, which will lead to greater sustainability over time. GEO will monitor the linkages between increasing capacity and increasing membership to analyze whether there are other factors influencing membership.			

The figures reported in the two tables above report on membership of all the PSOs with which the Project worked last year. To get a better appreciation of membership increases one needs to

look at the same PSOs from one year to the next. The nine PSOs with which GEO worked during 2001, registered a membership increase of 10%. The 12 PSOs with which the Project worked during 2002 registered only a slight increase of membership, from 581 member firms to 586. As with some of the other indicators, it is clear that the crime situation, economic slow-down and political uncertainty have played a role in individual business success and in firm decisions to join the organizations.

<b>STRATEGIC OBJECTIVE 1:</b> Improved Climate for Private Investment			
<b>APPROVED:</b> 7/22/98		<b>Country/Organization:</b> Guyana	
<b>RESULT NAME:</b> IR2: Strengthened Capacity of the Private Sector to Influence Public Policy			
<b>INDICATOR:</b> Number of advocacy campaigns undertaken by private sector organizations.			
<b>UNIT OF MEASURE:</b> Number of campaigns.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1999 (B)		0
<b>SOURCE:</b> Private sector organizations, such as the private sector commission, local chambers of commerce, and business associations which receive assistance from USAID.	2000	7	15
	2001	10	14
<b>INDICATOR DESCRIPTION:</b> A campaign entails an organized and coordinated effort to influence public policy around one or more defined issues of importance to the private sector. A campaign incorporates more than one approach to influence policy, such as letter writing, lobbying, and/or providing interviews to the media on an issue(s).	2002	15	19
	2003	15	
<b>COMMENTS:</b> PSOs are continually involved in trying to influence public policy. Currently most of these efforts are limited to a single activity. In most instances these consist of a meeting with a Minister, the President or other high Government officials. We do not consider these activities as advocacy <i>campaigns</i> as defined above. Therefore, the baseline is no campaigns.			

Following are the new advocacy campaigns that PSOs launched during 2002.

- 7 PSOs – Crime and security situation
- FPA – Cost of forest charges
- Linden Chamber – creation of an industrial estate
- West Berbice chamber – removal of illegal businesses
- GMA – anti-dumping legislation
- GMA – cost and quality of electricity supply

- Berbice chamber – inadequate supply of potable water
- Berbice chamber – rehabilitation of town hospital and mortuary
- Rupununi chamber – cost of electricity
- Essequibo chamber – better garbage disposal
- Essequibo chamber – representation on regional boards/committees
- Essequibo chamber – creation of a town recreational facility
- Essequibo chamber – desilting of the Essequibo River.

Work continued during the year on the following on-going advocacy issues:

- GMA – reducing the consumption tax
- Rupununi chamber and ARCC – the road to Brazil
- Bartica Chamber - Tourism plan for Bartica
- Bartica Chamber - Control of illegal logging
- Upper Correntyne – problems with farm animals running loose
- Increasing investment in the PSOs sector or region
- Strengthening member firms

<b>STRATEGIC OBJECTIVE 1:</b> Improved Climate for Private Investment <b>APPROVED:</b> 9/4/01 <b>Country/Organization:</b> Guyana			
<b>RESULT NAME:</b> IR2: Strengthened Capacity of the Private Sector to Influence Public Policy			
<b>INDICATOR:</b> Private Sector Influences public policies			
<b>UNIT OF MEASURE:</b> Number of public policies.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Private Sector Organizations (PSOs) including the Private Sector Commission (PSC), Local Chambers of Commerce, and Business Associations.	1999	—	0
	2000	Local 4	7
		Nat'l 2	3
	2001	Local 5	5
Nat'l 2		3	
<b>INDICATOR DESCRIPTION:</b> This indicator captures the number of policies, both at the local and national level which reflect a PSO position or point of view as a result of lobbying efforts or campaigns on the part of one or more PSOs.  (Nat'l = national)	2002	Local 5 Nat'l 2	9 4
	2003	Local 5 Nat'l 2	
<b>COMMENTS:</b> While this indicator is not a direct measure of the SO per se, it is used because if the private sector has more influence on public policy, they will have a better business climate to provide more economic opportunities for the poor. The other reason for this indicator is that it tracks whether capacity building of the private sector is having an <i>impact</i> on public policy (which is a culmination of underlying activities). At the national level, policies where PSOs will likely have an impact are; banking policy, WTO related policies, the investment code, and policy related to the function and organization of Go-Invest. At the local level, examples of policy issues which affect PSOs include the establishment of industrial zones, local crime, participation in infrastructure rehabilitation decisions, membership on government boards, etc..			

Advocating for policy change does not usually result in immediate or total success. Success is usually achieved in stages and the organization may not get all that they wanted. The impacts that the PSOs are now achieving are in some instance for advocacy campaigns that were started two or even three years ago. Following are the areas where private-sector organizations had an impact last year from their advocacy efforts:

National issues:

- *Charges and fees in the forestry sector* - The FPA used press briefings and releases, met with Government ministers and made a presentation to the Guyana Forestry Commission in their attempts to obtain a reduction on the fuel tax for the sector and for payment of arrears for forestry concessions. The GFC has agreed to a three year schedule for the payment of

arrears. Although it is not yet in force, the FPA has also been informed that there will be a decrease in the fuel tax for the sector.

- *Crime and security* – Almost all the PSOs with which GEO works were involved in advocating for Government to take a more proactive stance in the fight against crime nationally and for better security and crime prevention locally. ARCC played a major role in formulating the idea for the business community to shut down for 24 hours as a means to show the Government its concern over the crime situation. The shut-down was a total success in the capital and almost as successful in the regions. The activity sent a strong message to the government and politicians.
- *High Consumption Tax* – The GMA has been lobbying for tax reform and for a reduction in the consumption tax for several years now. Previously, the GMA (with GEO assistance) presented a policy white paper to the government. This year, following meetings with the Ministry of Finance and the Guyana Revenue Authority, the Government agreed to intervene in the consumption tax on a case-by-case basis.
- *Increasing Investment – Growing Member Firms* – GEO assisted 12 PSOs to plan and implement chamber - to - chamber exchanges with two chambers of commerce in neighboring Brazil. Advocacy activities included seeking the assistance of the Ministry of Tourism, Commerce and Industry; Go-Invest and the Brazilian Embassy. Reduced airfares were obtained through the intercession of the Brazilian Embassy. 61 members of the 12 organizations made the trip and several firms are in various stages of business dealings with firms in Brazil as a result of the exchange.

#### **Firm Level Impacts Already Evident**

Mr. Nateram Ramnaran participated in a USAID sponsored business exchange to Brazil, and while there purchased a new fruit press which will allow him to expand his small fruit juice manufacturing business. Known locally in his town in the Pomeroon Region of Guyana as “Juice Man”, Nateram says even with transportation costs he saved G\$300,000 (US\$1650) in purchasing the machine in Brazil. In a country with an average GDP/capita of US\$750 this represents a significant sum. The “Juice Man” has already purchased a second machine since his return and plans on buying third, enabling him to produce more and at a lower cost.

*Brazil Trip Follow-up:* The Project sent out a short follow-up survey to see what any impact the business exchange has had on the participants. Responses below are based on 50 of the participants that we were able to contact.

- 17 of the participants had made contacts with Brazilian firms, most of which were to buy Brazilian products. Eight firms have since purchased new products from Brazil.
- 15 of the participating firms have been contacted by Brazilian firms.
- Most of the contacts have been made via e-mail, though 11 participants have made return trips to Brazil since the GEO sponsored trip.
- One firm has completed a joint investment with a Brazilian firm and three other firms indicated that they are in various stages of negotiation for some type of investment.
- Citing problems and constraints encountered in doing business in Brazil, 18 responses mentioned the language barrier and 19 indicated the problem of transportation.

## Local Advocacy Issues:

- *Industrial site in Linden* – The Linden chamber has been lobbying for an industrial site in Region 10 for several years. Working with the Regional Chairman, the Town Council, LINMINE and GUYWA, the Regional Development Council has written to the Lands and Surveys Commission, telling the Commission to identify an appropriate site.
- *Tourism Development in Upper Correntyne* – The Upper Correntyne continued to lobby for the development of Beach 63 as a tourism destination. In 2001 the Minister responsible for Tourism agreed to set up a committee, on which the chamber is represented. This past year the Government awarded contracts for the installation of toilet facilities and for beach cabanas.
- *Security and Policing* – After several press releases and meetings with local officials and the police, the police agreed to present a seminar to the Upper Correntyne chamber members on security and on the use, care and storage of firearms.
- *Stray farm animals* – This has been a continuing issue for the Upper Correntyne over the past several years. During the year the chamber met with rice farmers and cattle herders to discuss the problem of stray animals, which affects traffic on the roads and damage to rice fields. A committee was formed to attempt to seek a solution to the problem between farmers and herders. For the first time farmers and herders will sit down to try to deal with the issue.
- *Closure of an Illegal Market* – After several meetings with regional officials, the West Berbice Chamber was able to help convince the local government to close a market that was operating without authorization.
- *Membership on oversight committees* – As with other regional chambers, the Essequibo chamber convinced their regional and local governments that the chamber should be represented on local boards and committees to have more input into local decisions. The chamber is now represented on 5 regional committees.
- *Desilting of the Essequibo River* – After meetings with the Regional Government and a chamber meeting with the President, work has begun on desilting of the Essequibo River on the western bank. Silting up of the river was affecting water transportation.
- *Rehabilitation of the New Amsterdam Hospital and Mortuary* – Using press releases and meetings with the Minister of Health the Berbice chamber successfully lobbied for the repair of the local hospital and mortuary. Repairs have also started on the roof of the hospital.
- *Rehabilitation of Roads in Lethem and the Rupununi* – many of the regional chambers have sought to have an input in deciding on the annual capital improvements in their areas. Through meetings with the Regional Democratic Council and the Neighborhood Councils, the Rupununi chamber was able to have a public meeting on road rehabilitation. Local roads are now being graded. To show its willingness to assist the chamber itself donated 3 traffic signs.



<b>STRATEGIC OBJECTIVE 1:</b> Improved Climate for Private Investment					
<b>APPROVED:</b> 9/4/01		<b>Country/Organization:</b> Guyana			
<b>RESULT NAME:</b> IR3: Increased Financial and Non-Financial Services Available to Support Small and Micro-enterprises					
<b>INDICATOR:</b> Numbers of loans disbursed.					
<b>UNIT OF MEASURE:</b> Number of loans.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>		
			<b>(M)</b>	<b>(F)</b>	<b>(T)</b>
	1999 (B)	—	837	3042	3879
<b>SOURCE:</b> IPED	2000	(T) 4460	1230	2852	4082
	2001	(T) 4900	164	2458	3562
<b>INDICATOR DESCRIPTION:</b> Disaggregated by region and gender (M=male, F=female, T=total)	2002	(T) 5400	1666	2363	4029*
	2003	(T) 6000			

IPED did not meet either target for last year. Although the number of loans is up from last year, the number of small businesses taking loans decreased for the second year in a row. Many businesses suffered during this period. This is particularly true for many of the street vendors and microenterprises that make up a good proportion of IPED's clientele. Again, IPED's clients would probably be among the first to feel the downturn in the economy as workers incomes fall. In addition, the crime situation has no doubt contributed to the decrease in small business willingness to risk taking loans. In addition, there was a change in management at IPED which may have affected operations at the Institute.

The Project has contacted the new General Manager of IPED on several occasions to see if there is additional assistance that GEO could provide. He has not indicated that he is in need of assistance and GEO has no activities planned with IPED this year. However, IPED is a partner in the Project's SME Export Program.

<b>STRATEGIC OBJECTIVE 1:</b> Improved Climate for Private Investment					
<b>APPROVED:</b> 7/22/98	<b>Country/Organization:</b> Guyana				
<b>RESULT NAME:</b> IR3: Increased Financial and Non-Financial Services Available to Support Small and Micro-enterprises					
<b>INDICATOR:</b> Numbers of individuals receiving loans.					
<b>UNIT OF MEASURE:</b> Numbers of individuals.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>		
		(T)	(M)	(F)	(T)
	1999 (B)	—	504	1676	2180
<b>SOURCE:</b> IPED	2000	2400	533	1893	2426
	2001	2640	780	1820	2600
<b>INDICATOR DESCRIPTION:</b> Disaggregated by region and gender. This indicator is used in combination with numbers of loans disbursed to examine the diversity of clients receiving loans (i.e. one person may receive more than one loan).	2002	2900	1058	1422	2480
	2003	3200			
<b>COMMENTS:</b> Historically, 75% of loan recipients have been women.					

In the 2002 semi-annual report, we proposed targets for measuring the provision of non-financial services to small and micro-enterprises. Below we report the success in meeting those targets.

<b>STRATEGIC OBJECTIVE 1:</b> Improved Climate for Private Investment			
<b>APPROVED:</b> 7/22/98		<b>Country/Organization:</b> Guyana	
<b>RESULT NAME:</b> IR3: Increased Financial and Non-Financial Services Available to Support Small and Micro-enterprises			
<b>INDICATOR:</b> Number of clients assisted.			
<b>UNIT OF MEASURE:</b> Number of individuals.	<b>Type of Service/Training</b>	<b>2002 TARGET</b>	<b>2002 ACTUAL</b>
	Technical bulletins developed	10	8
<b>SOURCE:</b> NGMC, Go-Invest, GEO reports.	<i>Persons trained in:</i>		
	Packing/packaging for export	10	48
<b>INDICATOR DESCRIPTION:</b> This incorporates the number of clients provided with services, training or technical assistance.	Hot water mango treatment	20	17
	Loading/transportation	20	31
	‘Sleeving’ of plantain/bananas	50	33
	Cool chain	20	31
	Wax treatment, longer shelf life	0	56
	Solar drying techniques	0	0
	Curing of root crops	0	56
	Developing business plans	40	40
	Developing export plans	40	40
	Basics of exporting	40	40
	Pricing strategies	40	40
	Proper labeling	25	0
	Persons receiving market info.	100	167
	Quality control assistance	0	0
	<b>COMMENTS:</b>		