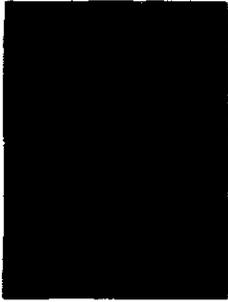


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GUYANA ECONOMIC OPPORTUNITIES

Contract Number 504-C-00-99-00009-00



FINAL REPORT

November 30, 2004



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Introduction

"The GEO Project has had an important impact on how we view our work and how we go about exporting and promoting investment. . . . When we look back in 5 or 10 years, any development that has occurred will be because of the foundation that USAID has helped build."

Geoffrey DaSilva, CEO Go-Invest

Although a final report is not a contractual requirement, we believe that it is important to provide a written record for those who follow and who we hope will build on the foundation laid under USAID's Guyana Economic Opportunities (GEO) project. This document is not a detailed listing of the myriad of activities undertaken or a recording of the numbers of persons trained or studies completed; these are all thoroughly detailed in the quarterly and annual reports. Instead, what we have provided is a broader overview of what worked and what did not work, why we chose a particular path or paths and what paths remain to be taken, and a record of the lessons we learned along the way, so that those who follow may have an easier journey. In recounting our own journey, we rely heavily on examples of our successes, challenges, and the best practices that evolved as we worked with various entrepreneurs, officials, and institutions.

I. Project Overview

USAID's Guyana Economic Opportunities (GEO) project was implemented by Chemonics International Inc., in association with Management Systems International (MSI). GEO was initially planned as a five-year (1999-2004), US\$6.1 million economic growth project under the Mission's Strategic Objective 1 (SO1): Expanded Economic Opportunities for the Urban and Rural Poor.

A. The Project Setting

During much of the 1970s and 1980s, Guyana was characterized by a socialist political regime and an increasingly state-run economy. It also is generally conceded that the government had remained in power for almost 3 decades through rigged elections. A combination of low international prices for primary commodities, high fuel prices, and economic mismanagement led to a near collapse of the economy by the mid-1980s. Foreign reserves were counted in days of imports instead of months, the economic infrastructure was disintegrating, and outward migration reached such high levels that the overall population growth rate was negative. Against this backdrop, by 1989 the government had little choice but to accept an IMF structural adjustment program.

The initial impact of the IMF/World Bank program, agreed to in 1989, was very positive. The government abandoned state-dominated policies and adopted pro-market reforms. Inflation and interest rates were brought under control and the exchange rate was stabilized. Production and export of Guyana's primary commodities (timber, bauxite, sugar and rice) soared and GDP growth averaged a strong 7 percent through the mid-1990s. Much of this growth, however, was a

recouping of prior losses. By 1997, for example, the production of rice, which had tripled compared to the late 1980s, had reached only the levels previously attained in the 1960s. All sectors were in need of capital to re-tool and expand if the growth rates of the first half of the decade were to be maintained. Increasing political and ethnic tensions in the lead up to and following the presidential elections of 1997 also helped to slow earlier economic gains.

Although the government of Guyana (GOG) had accepted the private sector as the primary engine of economic growth, many key public sector institutions, regulations, and legal frameworks were not yet in place. While average national income had risen substantially, the urban and rural poor were yet to experience the benefits of the improved economy. Guyana's economic recovery was also hindered by land conflicts, housing shortages, and rising unemployment. It was within this context that USAID developed its economic growth program as part of its assistance strategy for Guyana. The overall aim of this strategy under its Guyana Economic Opportunities (GEO) project was to increase the government's capacity to implement economic policy, improve the climate for private investment, strengthen private sector involvement in public policy, and increase support to small and microentrepreneurs. The underlying premise was that a more streamlined regulatory and policy environment, coupled with a dynamic private sector, would lead to increased investment and greater economic opportunity for all Guyanese.

B. The USAID Results Framework and GEO Partners

The Results Framework

The original strategic objective (SO) of the Mission economic growth program was to increase economic opportunities for Guyana's urban and rural poor. Four intermediate results (IRs) supported this SO:

- IR 1 Increased capacity to implement economic policy
- IR 2 Improved climate for private investment
- IR 3 Strengthened capacity of the private sector to influence public policy
- IR 4 Increased services available to support small and micro enterprises

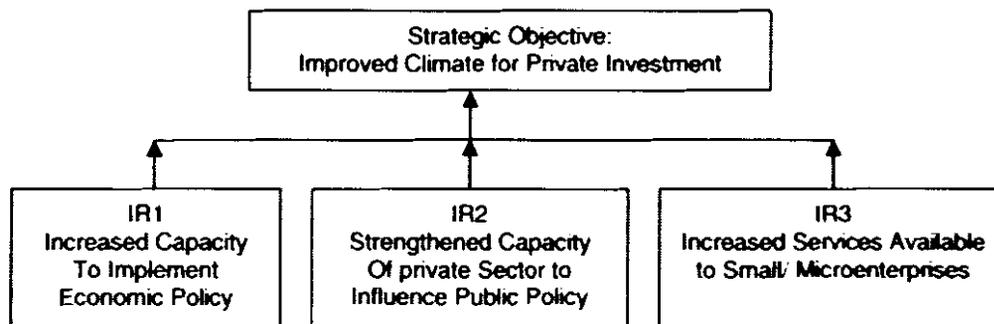
In 2000, the Mission modified its country strategy and the SO1 strategic objective. IR2, improved climate for private investment, was elevated to become SO1, with the other three original IRs remaining unchanged. The final SO1 results framework under which the project operated is depicted in Figure 1. Later, we discuss in more depth the activities, problems, successes, and impacts under each intermediate result. Below we provide a brief overview of each IR. It should be noted that the IRs themselves were closely linked and many of the activities undertaken could have as easily fit or been reported under another IR.

GEO at a Glance
Final Budget: \$6,391,848
Period: April 1999 – June 2004
Key Results:
<i>Advocacy & Policy Reform:</i>
<ul style="list-style-type: none"> • Small Business Act and Investment Law enacted • National Trade Strategy developed • Government agrees to tax reform • Regional chambers of commerce lead advocacy efforts
<i>Investment/Export Promotion:</i>
<ul style="list-style-type: none"> • Investor Roadmap developed • Investment processing time cut in half • Beef exports resume after 30 years • Fresh produce exports up 70 percent

IR 1: Increased capacity to implement economic policy. After the Mission's modification of its strategy and SO1 in late 2000, all of GEO's activities with government ministries and agencies were regrouped under IR1. Although by the end of the project we had registered major impacts in strengthening policy-related agencies and their ability to implement economic policy, the early going was difficult. Go-Invest, which by the end of the Project had become one of our closest implementing partners, was initially slow to accept GEO assistance. The kick-off to their involvement and an event which has had a lasting effect on the agency, was a study tour organized to visit well-functioning, successful export and investment promotion agencies in the Caribbean. The then minister of trade who participated, and who is now the CEO of Go-Invest, still keeps a checklist of future improvements for his agency based on that initial trip in 2000.

Perhaps of greater concern was the initial low interest on the part of both the public and private sectors on issues relating to preparations for upcoming trade agreements and negotiations (IR1.2) for WTO and FTAA. It was only after a series of national seminars that different sectors began to realize that agreements were due to come on line shortly and that in many respects Guyana was ill-prepared. By the end of the project, assisted by a restructuring of ministries in 2000, coupled with a better awareness of the importance of the looming changes, both the private and public sectors were much more involved in working on trade issues.

USAID/GEO Results Framework (Revised)



IR2: Strengthened capacity of the private sector to influence public policy. Whereas results under IR1 were at first slow in coming, the impact of GEO assistance in strengthening the advocacy skills of PSOs was almost immediate. During start-up, the project worked with most of the Georgetown-based (and sector-based) private sector organizations and the four then-existing regional chambers of commerce to develop strategic plans to help them to better articulate their goals and objectives, to identify resource needs, and to determine how the project could best assist. Of the original seven or eight PSOs that developed plans, only the regional chambers took the next step (and many succeeding steps) of turning their objectives into action plans. If other IRs were slow in starting, IR2 and particularly the regional chambers, brought immediate and long-lasting results. On their own initiative the original four chambers later helped businesses in other communities to start new chambers, and then created a national umbrella organization to give them a stronger voice on local, regional, and national issues.

IR3: Increased Services Available to Small and Microenterprises. Early focus under IR3 was on strengthening Guyana's only SME financial institution, the Institute for Private Enterprise Development (IPED). Largely a creation of and funded by the U.S. government under previous PL480 programs, at project start-up IPED was only beginning to recover from a downward spiral that saw loans in default and at risk reach 30 percent of its portfolio. Initial work under GEO was to shore up IPED's procedures, to provide training in delinquency management, and to implement improved management systems and procedures. Within two years the percentage of loans either in default or at risk had fallen below 10 percent. Concurrent with assistance to increase access to micro-

financing, a quick survey was conducted to determine the strengths and weaknesses of small firms to identify their assistance needs, in addition to credit. With a small population and highly competitive sectors where SMEs dominate, there is little room for domestic growth for most products. Therefore, for much of the last three years of the project, GEO efforts focused on export expansion for nontraditional products.

Impressive results under IR3 led in part to the mission's new strategy which focuses on trade policy and export promotion.

Work commenced almost immediately at project start-up in developing investment and export promotion informational products, and in improving business laws and regulations. However, it wasn't until work on advocacy training and a reorientation of project focus toward export promotion under IR3 had significantly progressed that many of these policy and promotional initiatives came to fruition. This again underscores the interrelatedness of project activities and impacts across and between the different activities and intermediate results.

Table 1. GEO Partners

Agency/organization	Activities/programs
Ministry of Finance	- Project coordination
Ministry of Tourism, Industry and Commerce (MTIC)	- Competition policy - WTO/FTAA awareness - Tourism Promotion
Ministry of Foreign Trade and International Cooperation (MOFTIC)	- Trade policy planning and formulation - Institutional strengthening - Human resource development
Guyana Office for Investment (Go-Invest)	- Investment & export promotion - Institutional strengthening - Human resource development - Legal and regulatory environment
Guyana National Bureau of Standards (GNBS)	- Institutional strengthening - Human resource development - Standards development
New Guyana Marketing Corporation (NGMC)	- Institutional strengthening - Human resource development - Export quality training - Export marketing - Exporter and farmer training programs
Private Sector Commission (PSC)	- Economic policy reform - Advocacy
Tourism and Hospitality Association of Guyana (THAG)	- Strategic planning - Tourism marketing and promotion
Forest Products Association (FPA)	- Strategic planning - Marketing
Guyana Manufacturers' Association (GMA)	- Strategic planning - Institutional strengthening - Advocacy and policy reform
Association of Regional Chambers of Commerce (ARCC) and the individual nine to ten regional chambers	- Institutional strengthening - Advocacy training - Business development, export and investment promotion - Policy/regulatory reform
Institute for Private Sector Development (IPED)	- Institutional strengthening - Human resource development

GEO Partners and Stakeholders

In developing the overall GEO project implementation plan, annual work plans, and specific activities, Chemonics and USAID worked with an impressive number of partners and clients. Although work with some agencies, ministries, or private sector organizations may have been limited to one or only a few activities, others continued to work with GEO over the life of the project. We were extremely fortunate to have a strong core of committed partners. It is through their dedication and hard work that GEO was able to have an important impact on the investment climate, in strengthening the advocacy skills of PSOs, and in promoting non-traditional exports. An overview of the main GEO partners and the types of project activities undertaken with each are shown in Table 1.

Although the organizations listed in Table 1 represent what might be considered our strongest partners and those with whom GEO worked the closest, they by no means represent our only clients. We also worked, although on a more limited, less permanent basis, with the Bank of Guyana (anti-money laundering and remittances), the Small Business Association (the Small Business Act), the Beacon Foundation (peanut production and agricultural extension), the Guyana Youth Corps (institutional assessment), and the Small Business Development Finance Trust (micro-credit). In addition, the Office of the President was directly involved in some activities (e.g. anti-money laundering); it also participated in most of the project's annual stakeholders conferences. Finally, there were a multitude of direct beneficiaries of GEO assistance in the training programs, workshops, seminars and through direct assistance sponsored by the project. Although some may have been members of the PSOs and/or agencies listed in Table 1, many were not, and were simply individual firms and entrepreneurs eager to learn new methods for operating their businesses, improving product quality, or accessing new markets.

C. Key Challenges

Although we were blessed with interested and dedicated partners, implementation of the GEO project was not without its challenges. Many of these challenges can be traced to Guyana's post-independence economic and political development. From the early 1970s through much of the 1980s, Guyana followed increasingly socialist economic policies, which by 1989 resulted, according to some estimates, in the State controlling almost 80 percent of economic activity. Imports of most food items, capital goods, and replacement parts were either banned outright or severely restricted. By the late 1980's, the result was an economy on the verge of collapse, a rapidly deteriorating economic infrastructure, and an educational system falling apart due to lack of resources.

Absorptive capacity. A major impact of the deteriorating economic, social, and political situation was emigration of many of the most skilled individuals who qualified for overseas jobs. Into the early 1990s, despite the adoption of an IMF-sponsored structural adjustment program, overall population growth was negative. Although this trend slowed after the 1992 elections, emigration remains high. Guyana's exodus included the most skilled and qualified labor as well as managers. Increasing political tension and an explosion in the level of crime over the past few years, have served to exacerbate the situation. The overall result, and a key constraint which affected project implementation, was the dearth of qualified persons in both the public and private sectors. As an example, some ministries and agencies are at 50 percent of staff strength.

Thus, project activities had to be well planned and sufficiently spaced over time to permit partners to participate in project sponsored training programs, for example, while still leaving time to complete their normal work.

The impact of a closed society. A second factor, also a result of Guyana's socialist experiment and a strictly enforced policy of self-sufficiency and import substitution, was that Guyana has almost an entire generation of businesspeople and entrepreneurs who had little or no experience with exporting. Policies of import substitution, tightly controlled foreign exchange, and decreasing production in all sectors left little for export. As a result, few firms and businesspersons had experience in international trade; their equipment was old, which affected quality; and they had little knowledge of regional or international markets, how to access those markets, or how to negotiate contracts. Due to Guyana's increasing isolation during the 1970s and 1980s and resulting emigration, the project was faced with a relatively inexperienced entrepreneurial class. While Haiti and Nicaragua are both listed as being poorer than Guyana, their economies are much more export-based, and the business sectors have much more international experience. Thus assistance was needed at a much lower level than would normally be the case elsewhere in the Caribbean or South and Central America.

Mistrust and lack of cooperation. Business in general is based on the self-interest of the firm and the entrepreneur. However, there are times when everyone in a product sector or the overall business sector must work together, whether to push for policy reform or to cooperate to fill a large order that a single firm alone might not be able to handle. Guyana's business community tends toward mistrust and jealousy, and often lacks a spirit of cooperation. There were noticeable exceptions, such as Denmor Garments, whose CEO recognized the need for and encouraged the development of a more vibrant garment industry. He realized that he could actually benefit, despite increased competition, from a growing number of new companies if this would make Guyana more widely known for its textiles and garments. The advocacy work of the regional chambers and ARCC was also an exception, made more striking by the lacking or half-hearted advocacy campaigns by many other business organizations. Again, these instances unfortunately are the exceptions, which made working with PSOs more difficult due to a lack of a common vision and willingness to share information, resources, and perhaps most important, their time.

Politics. Guyana is a small country with a small population. With less than one million inhabitants concentrated along the coast, everyone's business is soon known by everyone else. Projects such as GEO operate in a fishbowl. Care must be taken not to be seen to be siding with one faction or another, or taking sides on certain issues. Even the appearance of favoring one group or one association over another can cause problems. Such problems can never be completely avoided, so it is extremely important to keep all planning and activity implementation as transparent as possible. It is also extremely important to keep as many organizations and groups as possible informed of the project's activities. Several such instances arose during GEO implementation which unfortunately resulted in delays.

Increasing crime. During 2002 and 2003, Guyana was hit with a severe crime wave which forced curtailment of work in some areas. Although the crime situation had improved somewhat by the end of the project, caution continued to be the watchword for consultants working in certain areas at certain times.

II. Major Accomplishments and the GEO Approach

Despite many challenges, the GEO project was able to build up an impressive array of successes and measurable results. Detailed descriptions of all GEO activities are in the annual work plans and project reports. Instead of repeating these details, we focus on the major project accomplishments and the approaches used during implementation. The discussion and examples are grouped below into the following categories: institutional strengthening, policy and advocacy, and export promotion.

A. Institutional Strengthening

Stronger organizations and institutions were a key objective under the GEO project. Budgetary constraints in both public agencies and private sector organizations meant that many were understaffed. In addition, the outward migration mentioned earlier has taken its toll, particularly on the pool of qualified managers and administrators. The result in Guyana is that the staffs of many of the institutions are young and inexperienced. The Chemonics approach to institutional strengthening took different paths, depending on potential partner organizations' expressed needs, state of institutional development, and the level of interest. Institutional strengthening should not be measured merely in terms of outputs, such as number of staff persons trained or number of policy papers written. Instead, under GEO, the focus was on the introduction of new ideas and new processes. By definition, institutional development should be measured by the degree of adoption and sustainability of these new methods and skills.

Study tours. Two key organizations with which GEO was mandated to work were Go-Invest, Guyana's investment and export promotion agency, and IPED, the principal small and microlending institution. Early in the project, neither organization voiced specific needs for assistance and neither seemed particularly interested in the types of technical assistance and training that we could provide. Both were interested, however, when we proposed study tours to visit well-known and well-functioning regional institutions that provide the same or similar services as their own. The CEO of Go-Invest, several of his officers, the minister of trade, and two representatives from the private sector visited investment and export promotion agencies in Trinidad (TIDCO) and Costa Rica (CINDE). The general manager of IPED and several members of the staff visited several micro-finance institutions in Bolivia (BANCO SOL, FUND-PRO and FIE). Both tours had a significant impact on the participants and led to immediate requests for various types of assistance based on what the participants had seen and learned. In the particular instances of IPED and Go-Invest, a lack of information about what their own institutions could and should be doing may explain their initial reluctance to work with the project. Having the participants meet with their peers in similar institutions proved an excellent means to get both institutions on board.

Assessments. With the exception of the two study tours, an institutional assessment was the typical starting point for working with agencies and organizations. Again, depending on the particular organization, these assessments could be comprehensive organizational and technical evaluations or more informal facilitated discussions among staff and management. Whatever the type of assessment, the objective was threefold: first to identify the strengths, weaknesses, and areas where assistance was needed; second, to identify those areas where GEO could provide

assistance; and finally—and perhaps most important—to obtain the buy-in to the assessment process, to the results of the assessment, and to the role that the project would play, at least initially. Fundamental restructuring and re-organization resulted for both Go-Invest and NGMC, whereas the assessment results for the regional chambers and the Bureau of Standards focused more on program development. Common to all was an identification of training needs.

Planning. Perhaps the most important element of GEO's assistance to strengthen the various institutions was, for some, the introduction of planning; for others, it was the strengthening of the planning process. Ten of the private sector business associations developed strategic plans, as did the Bureau of Standards. Assistance to the Ministry of Foreign Trade included the development of a trade policy strategy and an action plan for its implementation. NGMC and Go-Invest have instituted annual work plans with end targets and intermediate milestones. Although GEO was instrumental in initiating the first plans, the process itself is becoming institutionalized. The CEO of Go-Invest, for example, continues to use a work plan originally developed in 2000 as the basis for each annual update.

Client Databases

The Bureau of Standards is developing quality standards and recommendations for many products. Previously, the Bureau sponsored a half-hour television program and a weekly "Standards Column" in the newspaper in an attempt to keep clients informed. In developing a communications strategy, it was learned that few clients, if anyone, watched the television program or read the newspaper column. Each topic covered in both mediums was of interest to only a few persons in the sector or product covered and no one could anticipate when his or her sector would be the topic.

To better target clients, the GEO Project helped the Bureau to develop a client database by sector or product so that most jewelers, as an example, could be contacted directly about a new standard, an up-coming training program, or product specific information. Similar databases were developed for Go-Invest and NGMC, greatly improving and speeding up information flows. Although not completed by the end of the project, the goal was to develop a mailing system so that clients with internet access received emails, those with fax machines were faxed, and letters sent via the post for those with neither a fax nor an email account.

Team building. Culturally or by tradition, Guyana's organizations, both public and private, tend to be very hierarchical with little delegation of authority. The proper management of any organization greater than a certain size, however, requires sharing responsibility, information, and decision-making. In an attempt to foster a more open management style and to obtain greater feedback from staff for planning purposes, GEO facilitated team-building exercises for several institutions. Staff retreats were also held for several organizations, including GNBS, Go-Invest and several PSOs. The results were mixed. Although most participants praised the initial retreats, it is not clear what will be the long term impact of the resulting two-way dialogue and the opportunity for having a say in organization decision-making. Only two organizations are continuing the annual retreats on their own, fewer than we had expected.

Communications. Closely allied to the sense of working as a team was the need for better communications both within the organizations and with those outside each institution. Assistance was provided in developing communication strategies for Go-Invest, GNBS, NGMC and the regional chambers. In addition to better information between management and staff and among various divisions of the organization, better flows of information outside the organization were also needed to keep superiors abreast of activities, progress, problems and successes of the organization. In developing the strategies, it also became evident that the institutions' clients (farmers, businesspeople, investors, etc.) often did not have a clear understanding of the role of the agency/organization, the services it could or should provide, or how the agency's assistance could be accessed. As with many other interventions under GEO, the means chosen by each organization were not always the same. Although all of the organizations began to make better use of the media (news releases, press conferences), Go-Invest and NGMC are now using various television talk shows to communicate messages to their clients about what the organizations are doing, the successes and impacts for individual exporters and investors, and to inform the public and clients of upcoming activities. ARCC hosts an annual press day, to which government officials and representatives of other PSOs are invited to discuss ARCC's progress over the past year and plans for the next.

Staff training. The various assessments, retreats and team building exercises, and specific training plans identified the technical, administrative and managerial training needs of project partners. Table 2 presents a list of the training programs developed and implemented under GEO. Several topics were covered, from computer and internet use to writing skills and each agency's technical areas.

B. Policy and Advocacy

Policy development and strengthening policy implementation were important to achieving results under all three intermediate results. Key to the success of changing policy were the lobbying and advocacy efforts of the private sector. A necessary component to the drafting and ultimate adoption of two key pieces of legislation was the dialogue between the business sector and the government. Below, we first review progress made in developing a coherent trade policy and the current status of its implementation. The process of developing and enacting the investment law and Small Business Act is then described. Finally, we review the advocacy efforts of various private sector organizations over the life of the project, with particular emphasis on ARCC and the regional chambers.

Box 2. GEO-sponsored Training Programs	
Agency/organization	Type of Training
Guyana Office for Investment (Go-Invest)	<ul style="list-style-type: none"> - Market research - Investment targeting - Export 101/102 (with NGMC) - Business writing - The internet as a business tool
New Guyana Marketing Corporation (NGMC)	<ul style="list-style-type: none"> - Post harvest handling - Labeling & packaging - Market research - Business writing - Business use of the internet
Guyana National Bureau of Standards (GNBS)	<ul style="list-style-type: none"> - Communications - Conformity assessment - ISO 9000 (management) - ISO 14000 (environment) - ISO/IEC Guide 65 (Product Certification) - ISO/IEC 17025 (lab cert.)
Ministry of Foreign Trade and International Cooperation (MOFTIC)	<ul style="list-style-type: none"> - Trade policy analysis - Trade policy strategy - Data analysis
Institute for Private Sector Development (IPED)	<ul style="list-style-type: none"> - Delinquency management - Credit terms and loan pricing - Cash flow lending

Trade policy. As alluded to earlier, interest in matters relating to WTO/FTAA and other multilateral agreements was initially very low. The ministry responsible for trade matters, the then-Ministry of Trade, Tourism, and Industry (MTTI), responded slowly to suggestions that Guyana needed to begin preparations for WTO and FTAA. Perhaps the feeling was that CARICOM and the Regional Negotiating Machinery (RNM) would handle these matters.

- *Trade awareness and issue specific-workshops.* In an effort to make politicians, the public service, and the business community more aware of the importance of upcoming trade negotiations, the GEO project organized a series of seminars. Several seminars focused on such agreements as the WTO, FTAA, and Caricom's own single market economy (CSME). More detailed workshops were also organized on specific trade issues such as competition policy, trade in services, and the Caribbean Basin Initiative (CBI). The key objective in all of these seminars was to inform the audience about the ways in which these agreements and specific trade issues would likely impact them personally and directly, rather than as some theoretical concept that the government alone should address. The result was that by late 2001 (two years into the project) there was a growing awareness in both the public and private sectors that free trade, regional trade agreements, and an increasingly global economy were already knocking at the door, and that Guyana needed immediately to focus on these issues.
- *Trade policy strategy.* After the 2001 national elections the new minister of foreign trade (in a new Ministry of Foreign Trade and International Cooperation) recognized the need to prepare for the negotiations leading up to the planned start-up of WTO and FTAA in 2005. GEO provided assistance in developing an overall trade policy strategy that would guide Guyana through the negotiations. The strategy called for a coordinated approach to trade policy among the approximately 20 agencies involved in various trade issues. The strategy provided for a mapping of Guyana's existing rights and obligations under WTO (and by reference FTAA); it prioritized Guyana's trade objectives over primary, secondary, and tertiary issues; and identified key market access issues upon which to concentrate. Of the 20 action items identified for the first year of the strategy, 19 had either been completed or were ongoing by the end of the project. GEO has had a significant impact in developing Guyana's trade policy, first facilitating a recognition of the importance of trade policy, trade issues and impending negotiations, and second, in helping the various agencies to begin necessary preparations.
- *Trade policy review (TPR).* One of the first items on the trade policy action agenda was to undertake a mapping of Guyana's existing commitments and obligations under WTO. The GEO project's trade specialist was able to move Guyana up to the top of WTO's list for trade policy reviews (TPR). The TPR is the WTO's official assessment of a country's overall readiness for full participation or accession into the World Trade Organization. By moving Guyana to the top of the list, the Ministry of Foreign Trade was able to make an immediate and official determination of Guyana's standing. The review was completed in late 2003; it provides a blueprint of the critical issues remaining to be addressed.

- *Trade capacity building strategy.* At the 2002 Quito Ministerial, trade ministers of FTAA countries approved the Hemispheric Cooperation Program (HCP). The HCP is intended to strengthen the capacities of smaller economies to participate in negotiations, implement their trade commitments, and maximize the benefits of hemispheric integration. To access assistance in strengthening trade-related capacities, the FTAA Consultative Group on Smaller Economies (CGSE) asked that

GEO Training Assists Trade Negotiations

In addition to assisting to develop Guyana's overall national trade policy strategy, the Project also provided very practical training to ministry staff. Although MOFTIC is the lead Ministry for trade policy issues, many other agencies and ministries also play important roles. The GEO Project implemented a very practical hands-on training program in which the participants researched and prepared the Government's briefing papers for the 5th Ministerial meeting of the WTO held in Cancun, Mexico in 2003. In all, 12 persons from eight agencies and the private sector participated in the training and jointly developed the briefing book. As a group and working in teams, the participants analyzed Guyana's recent trade data, researched tariff and non-tariff barriers of Guyana's leading trade partners, identified critical constraints and opportunities, and made recommendations on Guyana's positions in the areas of agriculture and trade in goods. At the conclusion of the exercise, Customs Officer Iqram Ali remarked that "this multi-agency approach should be used in all future preparations for trade negotiations."

countries wishing to benefit from such assistance develop a capacity-building strategy. The project helped the Ministry of Foreign Trade to develop Guyana's capacity-building strategy. The work involved identifying the capacity-strengthening needs of 20 ministries, agencies, and private sector organizations with a role in trade matters. The HCP will provide resources for the implementation of the strategy to further strengthen Guyana's trade policy capacity and the private sector's ability to compete.

Specific policy initiatives. In addition to trade policy, requests for assistance were received from both the private sector and the government for a variety of policy issues. Two of these, the investment law and the Small Business Act, though protracted in their development, could have an important impact on the business and investment climate. The development of both pieces of legislation underscores the GEO approach: a reiterative process and wide participation. GEO work on migrant remittances and anti-money laundering are already having an effect and both represent the project's ability to react quickly to new opportunities and unexpected requests for assistance.

- *The Investment Law.* Drafting an investment code has long been on the private sector's agenda and predates the GEO project. The Private Sector Commission (PSC) introduced it again during a presidential summit with the private sector in 1999. The president challenged the private sector to provide a draft. Although countries rarely enact investment codes or laws today, the private sector understood that it was important for Guyana to make a strong statement about its break with its socialist policies of the past. The law's purpose is to clearly lay out both the rights and obligations of investors in Guyana. Such a code is intended to give a certain level of comfort to an investor, either domestic or foreign, that his property and ownership will be protected.

Over the first 6 months of 2000 the project helped the private sector to draft an investment law based on Guyana's particular needs and circumstances. The drafting followed an iterative process of formulation, review, editing, re-drafting, review, etc. In the final stages, the Private Sector Commission held workshops throughout the country to discuss the law and to obtain feedback. Although submitted to the government in early 2001, no action was taken until 2003. Through lobbying by the private sector and gentle nudging by the USAID mission, the president finally agreed to meet with the private sector to review, discuss, and finalize both the investment law and the Small Business Act (see below). Both were finally tabled in parliament in July 2003, and enacted and finally signed into law in March 2004. Although it was too early by the end of the GEO project to assess the impact of its enactment, Go-Invest is already using the law in its investment promotion activities.

- *The Small Business Act.* As with the investment law, the president challenged the private sector to produce draft legislation. The Office of the President ultimately asked the project to provide assistance. As with the investment law, a reiterative and participatory approach was used in drafting and obtaining private sector input into the proposed legislation. The seven then-existing regional chambers of commerce provided assistance in organizing chamber members and other businesses in their communities to participate in workshops held throughout the country to discuss various drafts. The overriding purpose of the legislation is for the government to recognize the importance of and focus on including small businesses in the decision-making process on issues that directly impact small companies. As with the investment law, the Small Business Act was finally enacted a couple of months before the end of the project. However, its provisions for government procurement from small businesses, simplified registration, and having an input into policies affecting SMEs all bode well for a stronger, more vibrant small business sector.
- *Remittances.* The high outward migration was noted above as a key challenge to implementation, especially because of the exodus of highly skilled persons. Emigration can also have a positive influence through the remittances sent back home. At the request of the mission and the U.S. embassy, the project undertook a rapid survey to determine the importance of remittances in Guyana. Although government figures put remittances' annual value at about US\$50 million per year, the GEO-sponsored study estimated the figure at well over US\$100 million. A later survey of remitters in the U.S. and recipients in Guyana indicated that the actual value is probably more than \$200 million, making it significant in relation to Guyana's GDP, estimated in 2003 to be approximately \$720 million. The two national seminars, organized and sponsored by the project team, drew a large attendance, and the topic of remittances, and in particular the estimated magnitude of remittances, was hotly debated. The two surveys and seminars served to highlight the importance of remittances and kindled spirited discussion of ways that remittances can be used to better foster development in Guyana.

An early impact has already been felt from the remittance work. In the seminar and report from the first survey, the costs of transfers from the five or six transfer companies operating in Guyana were widely reported in the media. Although the dominant transfer company strongly denied that its costs were higher than its competitors, within six weeks the company had reduced the costs of its transfers by more than 10 percent, making it less expensive to send remittances to Guyana. Also as a result of the project's work, the government, with support from hometown associations abroad and the donor community, is now seeking ways to further reduce transfer costs and to further involve these associations in Guyana's development. Several associations have contacted USAID to determine how they can assist and collaborate, and the banking sector is trying to determine how it can become a less expensive and simpler conduit for remittances.

- *Anti-money laundering.* Money laundering and the drug trade are issues high on the agendas of the U.S. Department of State and the U.S. Government. Given the crime and corruption usually associated with the illicit drug trade and the huge sums of money involved, stopping money laundering is also a priority of the Government of Guyana. The project undertook an assessment of Guyana's current anti-money laundering program, reviewed the current legislation and regulations covering it, and assessed the capability of the private banking sector to identify and report suspected instances of illegal money transactions. As a direct result of this assistance, modifications have been made to banking laws and the anti-money laundering legislation, banking regulations have been modified to provide specific reporting procedures, commercial bank employees have been trained in spotting suspicious transactions, and the government has set up and staffed a Financial Investigation Unit (FIU) in the Ministry of Finance to oversee all anti-money laundering activities.

Private sector advocacy. The institutional-strengthening activities and the drafting of specific legislation, such as the investment law, were important components of the project's goal of improving the climate for private investment (SOI) and strengthening the implementation of policy (IRI). However, they do not by themselves necessarily mean that laws would be enacted or policies changed. The third and critical element is a private sector able to work with the government when needed or pressure the government into action when required, to make certain that the desired changes occur. In such a small society as Guyana, lobbying and advocacy rarely can be conducted anonymously. Instead, advocacy often becomes a personal issue between those lobbying for change and those who are expected to change. It is this often personal nature and the smallness of the society that have made advocacy particularly challenging in Guyana. Nonetheless, the GEO project has been successful, though at times on a bumpy road, in strengthening the private sector's ability to advocate for change.

In some instances and for some issues, the private sector, in whole or in part, has been involved in active lobbying for particular changes or new policies. The investment and small business laws are two examples where most PSOs participated in developing, debating, or lobbying for enactment. In other instances (e.g. local or regional issues), only one or two PSOs may have been involved. Below, we briefly describe the advocacy work of two project partners, both of which have been particularly successful.

Guyana Manufacturers' Association (GMA). Two issues have been on the policy agenda of the GMA for several years:

- *Development banking.* Lack of financing or access to credit is an often-heard complaint of businesses, and, in particular, Guyana's manufacturing sector. In reality, credit is available, but long-term financing is more difficult to obtain. Manufacturers cite the need to retool and make long-term investments in order to compete in international markets. As with the investment law, creating a development bank was raised at the Presidential Summit with the private sector in 1999. The president again charged the private sector, in this case the GMA, to submit a proposal. At the GMA's request, the GEO project provided assistance in exploring the feasibility and options for starting a development bank in Guyana. As in many countries, Guyana has had experience with government-run development banks. As in many other countries the experience has not been positive in the long term, with the financial assets of the banks gradually being eroded by bad loans, high default rates, insufficient oversight, and mismanagement.

Through GEO assistance, the GMA explored the various options; measured the costs, benefits, and problems associated with each; and explored the feasibility of each model. The gamut of options ran from a new, fully state- or government-owned bank at the one extreme (which the government was against) to a wholly privately owned bank at the other extreme (to which the private sector was not willing to contribute), with various combinations of the two in between. One option recommended by the project's banking expert was to convince an existing development bank operating in the region or beyond to open a subsidiary or a credit window in Guyana. After a thorough review, this is the option the GMA decided to pursue.

A Trinidadian development bank, Development Finance Limited (DFL), was invited to visit Guyana and to talk to the membership. Over the next year, several visits were made in both directions in search of common ground and a means to introduce development banking, with longer term loans to Guyana. As a first step, the DFL began to offer financing to Guyanese businesses through its bank in Trinidad. The GOG became involved when the issue of start-up concessions was raised (tax holiday, duty free concessions, etc.). Although the tripartite negotiations were long and at times one or the other party threatened to pull out, the DFL finally announced in 2004 that it had reached agreement and that a branch office would be opened in Guyana.

- *Taxation.* A second issue of major importance to manufacturers is taxation. Guyana currently has a consumption tax with rates varying between 20 percent and 40 percent, depending on the product. The levying of the tax and tax collection are even more controversial due to the often less-than-transparent system of tax rebates for certain products or sectors. In addition, some imported manufacturing inputs are not taxed, whereas the same locally made inputs can be, creating an unfair advantage for those using imported inputs. The GMA had been pushing for tax reform prior to the

GEO project, but not in a systematic fashion. GEO assisted the GMA's advocacy efforts, first with a review of the tax system in general and then with a more detailed look at the effects of the consumption tax. The GEO/GMA analyses and reports were presented to the minister of finance. The project also sponsored a national symposium on the value-added tax (or VAT), which the GMA believes should replace the current, often unfair, consumption tax. The forum included presentations by an international tax expert well schooled in various tax systems, a regional tax expert who had helped introduce a VAT in neighboring Trinidad and Barbados, the head of the Barbados Chamber of Commerce and Industry to relate the experience of VAT introduction, and a local tax expert (and GMA member) to assess Guyana's readiness for a VAT.

Although the consumption tax has not yet been replaced by a value added tax, the GMA was partially successful in obtaining some change in how the consumption tax is applied. The government has signaled its agreement in principle to eventual introduction of a value added tax. With GEO assistance, both the private and public sectors now have a better idea of what a VAT is, how it operates, how long it will take to introduce, and the problems that likely will arise. It is a first step. The VAT is now expected to be introduced after the 2006 national elections.

ARCC and the regional chambers of commerce. There have been important successes in lobbying for change, both at the national level (the investment law, tax reform) and at the sectoral level (Small Business Act). However, it is in working with the regional chambers of commerce and their umbrella organization, the Association of Regional Chambers of Commerce (ARCC), that the project has most improved the ability of the private sector to influence public policy. As noted earlier there were only four regional chambers of commerce at the start of the GEO project in 1999, representing the business communities in Linden, Essequibo, New Amsterdam, and the Upper Correntyne. Of the approximately eight PSOs with which we began work, the four regional chambers were by far the most interested and willing to devote their time and resources to strengthening their own chambers and to learning the art of advocacy.

The project team used a "learn-by-doing" approach in teaching advocacy skills. Chamber members are business people who are fully occupied with business matters, in some instances simply trying to stay afloat. We realized that they did not have time to read about advocacy techniques or to learn these techniques in a classroom setting. The GEO advisor did most of his work with the chambers in the evenings and on weekends, when members were more readily available. In developing each chamber's strategic plan (a first step for GEO assistance), one task was to identify and agree on one or several key policies that the chamber members would like to change. Although each of the chambers ultimately identified several issues at both the local and national level, we encouraged each to focus on one manageable local or regional issue. One of the first techniques discussed and employed was the issuing of a press release to inform the media on a given issue and desired policy change. The GEO advisor wrote most of the early press releases as examples for each chamber to follow. Gradually, chamber members began composing their own releases with the advisor editing, each time reviewing and explaining the subtle changes and why they were made. Today, all of the chambers are comfortable with issuing press releases.

Other techniques included letter-writing, identifying potential advocacy supporters and opponents, and negotiating.

Many counterparts held the belief that, in general, meetings are an inefficient use of time. GEO addressed this concern through direct training on how to most effectively conduct a meeting with a minister, an ally, or an opponent. Specific points covered and put into practice included:

- Don't overload the agenda or the meeting with topics to be covered. Focus on one or two key points or issues.
- Script the chamber's presentation beforehand: State issues and questions succinctly to avoid taking too much time and to ensure the correct message is communicated.
- The tone of the meeting should be open and non-threatening.
- Offer the chamber's assistance on the issue, don't just request government action.
- Solicit pledges and commitments. Suggest a joint press release if appropriate.
- Hold a review session afterwards to evaluate the meeting. What happened and why? How could the meeting have gone better?
- Follow up.

Getting Farm Animals off the Road

In the 1970s and 1980s, during the government's national self-sufficiency program, farmers were encouraged to increase dairy and beef herds in order to better meet consumer needs along the coast. Large numbers of cattle can still be found in populated areas, causing disputes between farmers and herders. The cattle, which usually sleep on the main roads at night, are also a danger to motorists, particularly for farmers going to early morning markets. The Upper Correntyne Chamber of Commerce, situated in eastern Guyana along the Surinam border, chose this as its first advocacy issue and proceeded to write letters, and hold meetings, seeking better enforcement of existing laws. Despite its best efforts, the chamber had little effect on local government control of stray animals until the chamber invited the DCM from the U.S. Embassy to speak at a chamber luncheon. In his luncheon speech the DCM congratulated the chamber for its efforts to control stray animals. His remarks were picked up by the media and reported widely in the local press. Although the DCM was criticized by the Government for getting involved in local matters, the chamber's advocacy initiative was instantly known throughout the country and a new tactic was thereby discovered. A few words by a diplomat greatly expanded the media coverage the chamber could receive on policy issues. Ambassadors and officials from donor agencies soon became the favorite speakers at chamber functions.

Table 3. Advocacy Issues and Impacts of the Regional Chambers of Commerce

Chamber	Issue	Impact or result
Upper Correntyne chamber	Development of a tourist beach in the Upper Correntyne region	The minister of tourism appointed a committee to study the issue with a chamber member named as committee head. Later beach cabanas and washroom facilities were built.
Bartica, Rupununi and West Demerara chambers	Chamber representation on regional committees and government boards	All three chambers are now represented on various boards including health, education, infrastructure and development—a first in Guyana.
Linden chamber	Wanted a say in how regional capital expenditure budgets are allocated	The chamber is now asked by the regional government to review, comment, and make recommendations on the capital projects in the region's annual budget. Two other chambers are now working on the same issue in their regions.
Essequibo, Linden, and Berbice chambers and ARCC	Rehabilitation of the road to Brazil	A maintenance contract has been signed. Moreover, when a governor from a region in northern Brazil visited Guyana to discuss an all-weather link, ARCC was invited by the prime minister to send a delegation to the talks. The important impact: ARCC and the chambers have been viewed as players – they are now invited to the table on important policy issues.
ARCC	Better regional health facilities	The minister publicly committed to not only decentralizing the delivery system, but also to placing members of ARCC chambers on the regional health committees that he plans to establish.
Upper Correntyne and Linden Chambers	Better service from GPL (the electric utility company)	The general manager of the utility traveled to Upper Correntyne to meet with the Linden chamber. The chamber and the community reported improved service after their intense lobbying campaign.
Several chambers and ARCC	Decentralization of government services so that businessmen would not have to travel to Georgetown for permits, registration, etc.	As a result of lobbying by the Upper Correntyne and Berbice chambers, a local general registry office was opened in New Amsterdam and another is planned in the Essequibo region.
Essequibo chamber	Improved sanitation and solid waste pick-up in Anna Regina, the regional capital	The chamber successfully obtained a grant (from USAID's DG project) to fund a 4-month public awareness campaign. Garbage collection has been intensified as a result.

Mistakes were made along way, but the chambers learned by doing. Some of the lessons learned included:

- Be prepared for the long haul: advocacy rarely results in quick wins. Some of the issues in Table 3 took years.
- You rarely win 100 percent of what you want: be ready to compromise and be prepared to give up something in return.
- Know your friends and foes, but treat them all with respect: on the next issue, the friend may be the foe and the former foe now your ally.
- Follow up: a person you are trying to convince to change something rarely sees an incentive to remember to do so.

The results of GEO's input and the success that the chambers and ARCC have had exceeded our expectations. Although most were local issues, the chambers have lobbied and been successful at the regional and national levels. In Table 3 we list a few of the issues and the impact of the

advocacy efforts of the various chambers and ARCC. Table 3 is not a complete list of the issues on which the chambers and ARCC worked; success still eludes them on many others.

For the final two years of GEO, the project played a more advisory—rather than a training—role. In most projects, there is a noticeable drop in the activity of partner agencies or institutions once donor support stops. This has been true with ARCC and the chambers, but to a much lesser extent than we have seen elsewhere. Most of the chambers and ARCC continue to be involved in local community issues, and ARCC continues to be a force for change at the national level. As a final example of an advocacy effort and also as an example that ARCC and the chambers are standing firm on their own feet, at the height of a crime wave that was terrorizing the nation in the spring of 2003, ARCC organized a successful one-day shut-down of the entire business sector across the country to express its concerns at perceived government inaction. From a beginning of four independent chambers five years ago, in part through USAID/GEO assistance, the chambers have become leaders in their communities and their umbrella group, ARCC, has become a recognized force at the national level.



First ARCC Chairman Bhookmohan at a chamber-to-chamber meeting in neighboring Boa Vista, Brazil where plans for joint cross-border lobbying efforts for the Guyana-Brazil road were planned.

C. Export Promotion

The third large component of GEO activities, and one which, again, cuts across and includes goals and activities under all three IRs, was the project's export promotion program. Although not specifically defined under the original scope of the contract, export promotion became a major focus of GEO and has resulted in significant sector- and firm-level impacts.

Background. During the first two years of GEO, the major focus of project activities under IR3 was increasing access to credit and strengthening Guyana's sole small and micro-finance institution, the Institute for Private Enterprise Development (IPED). In identifying other areas in which to assist small and micro-enterprises (SMEs), the project undertook an assessment and review of the SME sector in 2001 to determine: in what productive sectors small businesses operate; what are their major concerns, problems, and constraints to growth, and in what industry or locations is the greatest opportunity for growth? The assessment's first conclusion was that, in Guyana, the usual division of large, medium, small and micro-sized firms was perhaps not appropriate. The largest firms (15 to 20 companies) are much more self-sufficient, experienced, and generally have better business acumen. They do, of course, have problems, but the problems are generally different from those faced by smaller companies. Hence, it was determined that, given Guyana's small population and small business sectors, GEO's focus should extend beyond a traditional definition of small- and micro-enterprise and also include medium-sized firms.

A second finding was that Guyana's small business sector is generally competitive domestically. With a limited domestic market (total population less than a million) there is little room for growth. Helping one small baker to grow his firm, for example, does not mean that we will then all eat more bread; instead, it would probably mean that the market share of other bakers would fall. Therefore, the second pillar of the SME support program was to focus on exports. The third key outcome from the assessment was that we knew what SMEs were doing (predominantly fresh produce, agro-processing, fish and seafood, value-added wood products, handicrafts, and tourism) but since Guyana's economy had been closed for most of the past two decades, it was not certain what Guyana's SMEs could sell and where products could be sold. Thus, looking at the export market and market demand became our third pillar, and it pointed us to what was needed next.

Market demand. With import substitution and self-sufficiency the hallmark of the government's economic policy over the latter part of the 1970s and most of the 1980s, exporting during that period was limited mainly to the state run-parastatals (sugar and bauxite) and primary products such as rice, gold and timber. At project start-up, most producers in other sectors had little or no experience in exporting and there was no clear picture of what products were or could be in demand. A series of GEO-sponsored rapid reconnaissance surveys identified the potential for Guyanese non-traditional export products. Since agro-processing and food products were identified as industries in which SMEs tend to dominate, and because of the small size and limited production capacity of Guyanese companies, the first markets targeted for market surveys were in New York, Toronto, and London, where large Guyanese populations seemed to offer the potential demand for home-country products. In addition to confirming demand for some products, the surveys also identified key problems and constraints in accessing these markets. Problems identified, which became the focus of later training programs and technical assistance, included the poor reputation of Guyana's products and exporters in those markets: poor quality, inferior packaging and labeling; and failure of producers and exporters to meet delivery deadlines and promised quality and quantities.

Client demand. The initial SME sector assessment and early export market surveys identified some of the challenges to expanding export markets, and the problems and weaknesses of companies and their products. The next step was to determine with whom the project should work and what issues should be tackled first. It was decided that given the relatively small size of the economy, the project would not pre-select sectors, firms, or products. Instead sufficient resources could be found to assist most client firms or associations requesting assistance. Among the first steps was to provide the market information obtained from the rapid assessments to as wide an audience as possible. Although we understood some of the problems reasonably well, we decided that conclusions about issues or constraints to be addressed first should be joint decisions, thereby obtaining client buy-in to the project and ownership of GEO activities. Thus, GEO export activities were based first on market demand and second on client demand for GEO services.

Sustainability. To help build sustainability of GEO assistance post-project, it was decided from the beginning to work through existing institutions, rather than setting up an independent GEO export promotion center. Go-Invest (responsible for all government export promotion activities) and NGMC (for non-traditional agricultural products) became the conduits for project assistance.

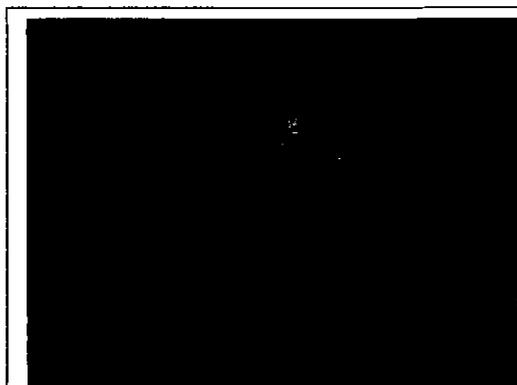
GEO was thus able to work directly with and affect the export capabilities of individual firms and sectors, while at the same time teaching new methods and introducing new techniques to Go-Invest and NGMC.

Training. GEO's firm-level training began with basic courses that walked inexperienced and potential new exporters through the export process. Export 101 and Export 102 were practical in nature, included a limited number of participants per session to ensure maximum interaction and participation, and were taught on weekends when producers and exporters would be available. Key areas covered in the export series included:

- The decision to export
- The skills of successful export managers
- The export market: where to export and targeting markets
- Market research
- Costs and pricing
- The importance of customer relationships
- Quality and standards
- Packaging and labeling in international markets
- Getting paid

A second series of training programs focused on improving the quality and export marketability of Guyana's products, using the demand of potential clients and sectors to prioritize training topics. The first sector targeted for improvement was fresh produce. With plentiful land and being well-placed geographically on the northern tip of South America, Guyana has long been viewed as the potential bread basket for the Caribbean. At project start-up, however, total fresh produce exports were less than US\$500,000 per year.

Assistance included upgrading procedures, standards, and packaging at Guyana's only packinghouse, and training programs were developed to improve post-harvest handling. The post-harvest training was first presented to NGMC, NARI, Ministry of Agriculture extension agents, and to interested personnel from a variety of local and donor-funded projects. Trained



Marketing Specialist Jim Krigbaum makes a point during Export 102



Collapsed single-ply cartons on air cargo pallet.



GEO post harvest handling expert David Picha reviewing procedures with NGMC GM Nizam Hassan at the packinghouse.

NGMC staff initially shared responsibility for the training of farmers and exporters with GEO staff, but by the end of the project they were presenting the workshops to farmers on their own. Among the topics covered were proper timing and method of harvest, cold storage and maintaining the cool chain, transportation, packaging, the use of banana/plantain bunch covers, a demonstration hot bath treatment to kill fruit flies, waxing, and heat treatments.

Quality standards. Assistance to the Guyana National Bureau of Standards (GNBS) was an integral part of the GEO export promotion program. Responsible for developing and monitoring standards, the bureau plays a critical role in ensuring quality of both imports and exports. Assistance included strengthening the bureau's ability to develop and enforce standards, creation of a national conformity assessment program, and training in ISO 9000 and 14000 certification. The bureau was also instrumental in developing quality management standards for small businesses based on ISO 9000, and in helping local laboratories to obtain ISO17025 certification, which will permit Guyanese exporters to use local test results to meet health and safety requirements in international markets. The ability to have these tests performed locally will speed up import inspection procedures and greatly reduce the time and cost for Guyanese exporters.

Market information. An important constraint identified by exporters and producers was a lack of information about potential markets, market demand characteristics, and in particular possible contacts in those markets. Since these problems were identified during the earlier assessment of the domestic SME sector, this information was included in later rapid reconnaissance surveys. The surveys provide the following information:

- Current demand for products that Guyana either currently produces or could produce
- Characteristics of that demand in terms of quality, quantity, and timing
- The country that is currently supplying the product (either domestically or through imports)
- Guyanese exporters and products currently in the market, and how they are viewed
- Prices, either retail and/or wholesale, at a point in time during the survey
- Finally, and perhaps most important for many companies, each report provides a detailed list of importers, wholesalers, and retailers for each sector covered, and includes contacts and identifies products in which buyers may have expressed an interest. These contact lists also include the relevant government agencies in the importing country which deal with permits, licenses, inspections, and certification needed to import and sell a given product.

The original concept in undertaking the North American and U.K. market studies was to target the Guyanese diaspora and in particular to identify market opportunities for Guyanese processed agricultural and food products. Subsequently, in working with NGMC and Go-Invest, additional rapid reconnaissance surveys were conducted in the Caribbean to identify other potential market niches. Instead of targeting finished food products in the Caribbean, it was believed that there might be greater opportunities for agricultural and semi-processed agricultural products as inputs to regional processors. Value-added wood products, fish and seafood, and other products were also included in investigating the market potential on seven islands.

Other informational products were developed to enhance entry into export markets through the production of technical bulletins on quality, initially for the fresh produce sector. Post-harvest handling and resultant poor quality were identified as important problems for Guyana's fresh produce exports. A series of technical bulletins was developed to cover best practices and methods for harvesting and handling fresh fruits and vegetables from the field, during transport, at the packing house, and to final destination. Bulletins were developed for sanitary requirements, cold storage and maintaining the cold chain, washing and waxing, hot bath treatments and the use of banana/plantain bunch covers. In addition, crop-specific post-harvest handling bulletins were developed for more than 30 crops which are either currently exported or for which opportunities may exist. A more detailed bulletin, developed in conjunction with NGMC and the National Agricultural Research Institute (NARI), is intended for extension personnel, projects, and more advanced producers and exporters. Simpler one-page fact sheets on produce handling were developed for farmers and less-experienced exporters.

Market linkages. A final component of the export promotional activities under GEO was to facilitate linkages between Guyana's producers and exporters, and importers in other countries. As noted earlier, producers of non-traditional products have little experience in identifying new markets, making contacts, or negotiating and closing deals. Even for more traditional exports, such as logs and timber, firms have generally been able to wait to be contacted by interested buyers, rather than having to pursue potential clients. Several means were used to bring Guyanese exporters and producers in contact with buyers. Specific sections of the Export 101/102 course addressed these issues. In addition, the rapid market surveys also provided information and contacts for potential buyers and importers in a number of countries. Other means included participation at trade shows and exhibitions, and facilitated one-on-one linkages with potential buyers.

Trade shows. The project had a dual objective in promoting attendance and later participation in a series of trade shows: first, to introduce producers and potential exporters to the world outside Guyana to see the quality of products that is required; and second, to give Guyanese exporters the opportunity to meet and interact with importers. Trade shows were also used as training exercises for Go-Invest and NGMC staff to give them experience in planning and facilitating attendance at future shows, and in assisting with buyer-seller linkages. Below, we provide an overview of some of these shows and highlight some of the impacts that are already being felt.

- High Point North Carolina.* Many manufacturers in the GMA and the Forest Products Association (FPA) had lamented the lack of contacts and markets for their wood products in the U.S. It was evident from talking with them that few had experience with the U.S. market or understood market requirements in terms of quality or quantity. The project, therefore, organized a study tour to the U.S. to see first-hand how the market for value added wood products operates. The area in and around High Point, North Carolina is the furniture capital of North America and the home of the twice-annual International Home Furnishing Show. High Point is also the center of one of the largest clusters in the world for companies involved in the value-added wood sector: furniture manufacturers, woodworking machinery, tools and equipment, wood importers, lumber dealers, and a host of subsidiary companies that provide inputs to the furniture and other woodworking industries. Representatives from 12 Guyanese firms involved in the wood products sector (furniture, lumber and flooring, molding and siding, etc.) and an export promotion officer from Go-Invest participated in the tour. Participants paid for their own flights, while the project arranged accommodations and set up the various meetings and visits.

Prior to departure, the project helped participants to develop individual company information and product bulletins, as well as fact sheets about Guyana's hardwoods, wood products, and Guyana itself. Samples of Guyana's commercial hardwoods were given to each of the companies and their representatives.

The tour was successful in achieving the objective of making the participants aware of the U.S. market and market requirements. Key findings and conclusions from the participants upon their return to Guyana were:

The High Point Wood Products Awareness Tour



Discussing furniture at the trade show



A look at U.S. hardwood flooring



Modern equipment demonstration



Checking quality

- Guyana's furniture manufacturing has a long way to go in terms of quality and design.
 - The U.S. market is huge and Guyana as a country (let alone an individual firm) probably can not meet the minimum quantity per order – even for products such as molding and hardwood flooring.
 - Firms will need to learn to work together to fill larger orders.
 - The sector should target niche markets (e.g. the high end housing market) where demand is lower and where tropical hardwood interiors products could demand a premium.
 - Kiln-dried wood is an absolute necessity for the U.S. market.
 - Firms need to re-tool to meet quality and quantity standards.
 - In the short term most firms should focus on regional markets in preparation for expansion.
- *Building and Interiors Trade Show.* Whereas High Point was primarily an awareness tour, the next step in GEO's assistance was to begin showcasing Guyana's products. Based on lessons learned at High Point, the wood product sector's first foray into an international market was closer to home at Trinidad's Building and Interiors Trade Show (BITS). Since most of the firms had never participated in an international show, the project provided assistance in designing and building a booth that would enable the companies to showcase their products. Assistance was also provided to improve the quality of participants' promotional materials. A major promotional effort was undertaken to ensure high attendance at Guyana's booth. Guyana's Honorary Consul to Trinidad was enlisted to assist with television appearances, ads, and press releases, and the project developed a database of Trinidadian companies which might be interested in buying or distributing Guyana products. A total of 500 invitations to visit the tradeshow and the Guyana booth went to Trinidadian firms. An afternoon "Guyana Lime" (featuring Guyana rums and traditional food) was also organized to enable potential buyers and distributors to meet informally with Guyana's manufacturers.

Building and Interiors Tradeshow



The Guyana Booth



The results of Guyana's first venture to an international wood products trade show were impressive. Of the 11 participating Guyanese firms, 1 cemented a distributorship with a Trinidadian firm, 2 companies received orders for their products, and 2 others entered negotiations for possible sales. All of the firms gained valuable experience in participating in exhibitions and shows and all continued to learn about marketing their products, marketing their firms, and the need to market Guyana.

- Guyana Trade Expos.* With the positive results in the wood products sector, Go-Invest requested GEO assistance with other potential export sectors. Working with both Go-Invest and the firms, the project was instrumental in organizing and implementing a Guyana Expo to Barbados. The exposition highlighted all of Guyana's current and potential export products, including wood products, food and agro-processing, fresh produce, garments and the budding fashion sector, jewelry, tourism, and handicrafts. More than 60 companies and individuals were represented. The project again assisted Go-Invest to develop a database of Barbadian firms to ensure full attendance of relevant companies at the expo. Coupled with strong prior advertising and promotion, it is estimated that more than 30,000 persons visited the four-day show. The results at the firm level were again impressive. Forty-one firms visited the Go-Invest booth to register interest in importing a variety of products: 10 companies expressed interest in investing in Guyana or in possible joint ventures. The reaction of and impacts on some of the firms that participated in the Guyana Trade Expo in Barbados are summarized in Table 4.

Table 4. Firm-Level Impacts of the Guyana Trade Expo to Barbados

Company	Product	Exporter Comments
Newton's Arts & Crafts	Handicrafts	"Good retail sales; 10 wholesale orders"
Laparkan	Shipping	"Two bookings made for the following month"
The Village Couture	Garments	"Four wholesale purchases – potential sales to upscale department store, Cave Shepherd"
Wood Associated Industries	Wood products	"Significant orders; company needs to increase production capacity"
Strangroen Enterprise Ltd.	Rice	"A lot of orders; I need to decide which I can handle and not be stretched too thin."
L-Mart Furniture	Wicker & wooden furniture	"Orders for hotel room furniture from two hotels, one to furnish 25 rooms and the other could reach a total of 400 arm chairs. (potential value: US\$250,000)"
Tradewind Marine Ltd.	Wooden furniture	"Two hotel orders for patio furniture."
Banks DIH, Ltd.	Beverages, snack foods	"Excellent; Now need to decide whether we go with one or several distributors of our products in Barbados."

Two additional trade expos in Toronto and Trinidad featuring all of Guyana's potential export products were held toward the end of the project. Project assistance was reduced as it was felt that Go-Invest could take over more of the organization and implementation. GEO continued to provide support for promotional activities and ensuring turnout. The success of previous trade shows has spread by word-of-mouth and as a result of press conferences and presentations by participants upon their return. Work is still needed to improve the quality of Guyanese products, individual booths and displays, and firms' promotional materials. However, the series of trade shows has been a success. Guyanese companies now know better what is required in regional markets; they have experience in presenting and marketing products, are becoming better at negotiating and, perhaps most important, the businesses are growing.

- *The World Travel Mart and Tourism Familiarization Tour.* From project start-up the tourism sector, and in particular eco- or nature tourism, had been identified as having considerable potential for growth. With 90 percent of Guyana's population located within 10 miles of the coast, much of Guyana's interior remains untouched. Although we saw the potential, neither the ministry charged with tourism nor the private sector's tourism association showed much interest in working with GEO or in requesting assistance. Toward the end of the project, however, the newly created Guyana Tourism Authority (GTA), a semi-autonomous agency, requested project assistance in helping to prepare Guyana's tourism operators for attendance at the annual World Travel Market (WTM) in London. WTM is the largest European trade show for the travel industry. Assistance included improving promotional literature, helping to design Guyana's booth, and organizing a "Guyana Night" at the WTM so that Guyana's contingent could meet one-on-one with key European tourism companies. One Guyana tour operator commented that, after having no luck in making contact with several tourism firms targeted at previous shows, due to the new and more professional quality of Guyana's participation at the 2003 show, these firms are now pursuing him.

As a follow-up to the success at WTM and to maintain momentum in the sector, GEO proposed a familiarization (FAM) tour of Guyana for North American tour operators. As is the case in other sectors and with other products, unknown is unsold. Since tourism exports a knowledge of Guyana, it is important for those who package and sell tours to experience first-hand what Guyana has to offer. As with other activities and other trade shows, the familiarization tour had multiple objectives: first to begin to inform the outside world and North American tour operators about what Guyana has to offer. Unfortunately most people are not familiar with Guyana, and others may only have heard of it because of the tragic events of Jonestown almost 30 years ago. A second objective was to begin to forge linkages between tour operators in North America and the local resorts and tourism operations. The final objective was a training exercise for GTA, THAG, the ministry, and local operators in how to plan, organize and implement this type of marketing tour. A key part of this learning exercise was the direct feedback that each of Guyana's operators received about their resorts from the 12-member North American contingent.

The overall reaction of the tour group was very positive; most felt that Guyana has strong potential in the nature/eco-tourism market. Some general recommendations included:

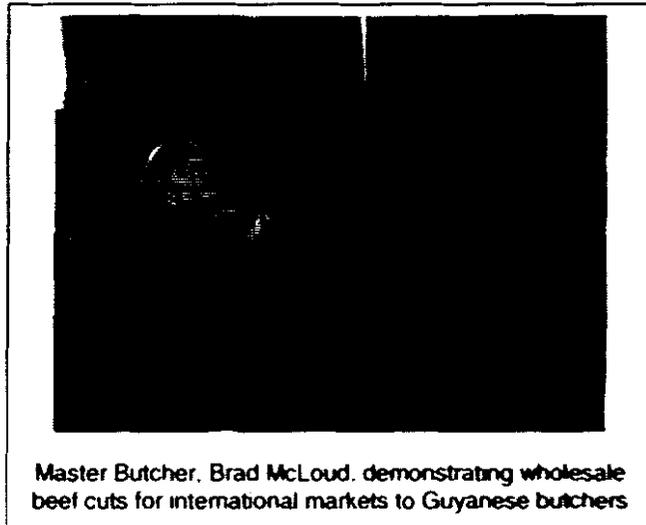
- Improvement is needed in the promotional materials available for Guyana and for individual resorts.
- Birding is a very strong eco-tourism niche and birders are willing to travel to spot a new species. Guyana needs to develop bird tours and appropriate promotional material.
- More cultural interaction is needed with Guyanese and Amerindian communities in the interior.

- One of the most consistent observations across the group was the need to upgrade the presentation skills of and information content provided by tour guides.
- Upgrading of meals. Although the food was generally good, they would have liked to see more local food and more variety.

The group also provided an evaluation of the accommodations and amenities of their visits to each of the 10 resorts and hotels. All indicated a strong interest in including tours to Guyana in their future sales brochures. However, the brochures for 2004 are already published, and the brochures for 2005 have gone to press. Nonetheless one North American operator contacted the Guyanese resorts within a month of the group's return to Canada to plan several packages toward the end of 2004.

Facilitated direct firm-to-firm linkages. In addition to trade shows and inward missions, the project also provided direct assistance to individual firms to make buyer-seller linkages, either through the project itself or in collaboration with partners like Go-Invest and NGMC. Several examples are listed below:

- *Candy sales to COSCO.* GEO's marketing specialist worked with Chico's Candies to identify possible markets in the U.S. A sample was sent to COSCO. Although the candy did not meet its strict quality standards, COSCO nonetheless felt that the product was worth pursuing and is now working with Chico's to improve the quality.



Master Butcher, Brad McLoud, demonstrating wholesale beef cuts for international markets to Guyanese butchers

- *Beef exports.* Guyana is one of the few countries in the Caribbean with the land to support beef production. However, due to hoof and mouth disease, Guyana has been unable to export for almost 40 years. Guyana was declared free of the disease in 2002 and, with assistance from the GEO project, one producer is now exporting to the Caribbean.
- *Honey to Barbados.* After assistance from the project, a local honey producer has improved the quality of his packaging and labeling and the quality of the honey has been improved by reducing the water content. He recently sent his second shipment of honey to Barbados and is expanding the number of hives to meet the increasing demand.
- *Less expensive inputs from Brazil.* While on a USAID/GEO sponsored chamber to chamber exchange in Northern Brazil, Nateram Ramnanan (also known as the

Juiceman) was able to purchase a new juice press at half the cost of purchasing it in Georgetown. He has since purchased two more presses and expanded his operation.

Section IV of this report provides several success stories of firm- and institutional-level impacts from GEO project interventions.

III. Lessons Learned and Best Practices

Although Chemonics was successful in implementing the GEO project, having a positive impact on policy reform, advocacy, and in providing firm-level assistance, the road was not always smooth and there were lessons to be learned along the way. Below, we highlight some of these lessons and underscore some of the best practices which helped make GEO a success.

A. Lessons Learned

Nothing comes easy...or fast. It should be clear by now that, although partners, stakeholders, and the project team may all see a given activity as necessary and important, this is no assurance that the activity can or will be done immediately. The five years of the GEO project are replete with examples: work on the investment and small business laws began in 1999, and neither was enacted until 2004; the GMA's proposal for a development bank was finalized in early 2000 and development bank services, while apparently back on track, still appear to be several months away. Other examples abound, which though perhaps not taking five years, seem to have taken an inordinate amount of time. The message is the same as that we gave to the chambers as part of their advocacy training: don't give up, persistence does (occasionally) pay off.

When partners are ready. Although in the contract Chemonics was responsible for certain results, the contractor is not always in control of whether host country partners are ready and/or willing to work toward the same objective. As an example, assistance in meeting WTO and FTAA commitments was a key result under IR1. However, for the first three years of the project, succeeding ministers responsible for trade showed little inclination to focus on those issues. We needed to approach the problem from another angle, and therefore began with the series of awareness seminars described previously. In another example, at project start-up we had identified the eco-tourism sector as one offering high potential for growth. Again, however, succeeding ministers responsible for tourism and succeeding leaders of the tourism association showed little enthusiasm for assistance. It was only after almost three years that the newly formed Tourism Authority showed interest. From that moment, all in the sector were excited by our assistance and clamoring for more.

Changing personalities. Perhaps a corollary to the lesson above is that working well with an organization does not necessarily mean that the same relationship will continue after a change of leadership. Different heads of the same organization often have different views and priorities for the agency, ministry, or PSO. GEO had an excellent relationship with the first chairman of the private sector commission, a difficult relationship with his successor, and a merely good relationship with the third. The first CEO of Go-Invest was at best marginally interested in GEO assistance for the first year of the project, while his successor became our strongest partner. The lesson learned is that partners, despite AID/GOG SO agreements, are not always as committed to the contractual responsibilities of the contractor. The impact is also not unidirectional; the

willingness of host-country organizations to participate can improve or deteriorate when the personalities involved change.

Living in a fishbowl. With a population of less than 1 million, the majority of whom live on a narrow strip bordering the coast, everyone in Guyana tends to know everyone else's business. This holds for both the project and project staff, as well as for what individual businesses are doing. The result can be jealousy of firms participating in a project-sponsored activity and of organizations that receive assistance. This has the potential to cause—and did cause in some instances—problems for the project.

Follow-up. The GEO project was designed with one long-term technical assistant (LTTA), the COP, two technical assistants for 12 to 18 months, and an abundance of short-term technical assistants (STTA). Although this reliance on STTA sometimes worked well, e.g. in the face of a limited absorptive capacity, a primary weakness was that it did not allow for sufficient follow-up. A larger long-term team would have permitted more of the one-on-one follow-up and the continuous encouragement necessary to keep new initiatives moving forward and new methods properly implemented. Although we brought in a junior manager in the last year of the project, more help was needed.

B. Best Practices

"I think there are two things that made GEO different from other donor projects. First, they asked us what we wanted – they didn't start by telling us what we should or shouldn't do..... The second difference of GEO is that they taught us to start with the market. Other projects have come in and told us, 'here is how you should increase the production of this crop or product.' GEO said.... 'let's see first what can be sold and then we'll work backwards to improve the quality or increase production of those products which have potential.'"

Geoffrey DaSilva – CEO of Go-Invest

Any success of the GEO project is the success of our partners. The partners adopted new techniques, modified or enacted legislation, successfully pushed for reforms, found new markets, and clinched new deals. We and our partners have found some approaches, activities, and methods that worked better than others. We briefly describe some of these below.

Implementation cycle. For each organization or agency with which the project worked, and sometimes for different types of activities with an organization, we generally followed a cycle of assessment, issue/problem identification, joint review, solution(s) proposed, joint review/agreement, implementation, review/evaluation, etc. In only a few instances did GEO embark independently on an activity, and in those few cases it was at the request of the mission, considered a full partner. At each stage, before, during, and after an activity, each step was jointly reviewed by the project and the partner. Scopes of work were reviewed first in draft, reports were reviewed, and if needed, modified before finalization and submission to either the agency or USAID. Evaluations, either formal or informal, were conducted after each training session, seminar or consultancy to evaluate the results and suggest improvements. Some partners indicated that it was the first time they had felt they had ownership of and input into a project.

The participative cycle used was a major means of obtaining partner buy-in, and it contributed to project success.

High-quality STTA. In the lessons learned section above, we indicated that the reliance on STTA was in a sense a negative, in that there was sometimes not enough follow-up. However, the quality of STTA that Chemonics was able to provide and the manner in which it was provided were major factors in the project's success. We identified a solid core of qualified short-term consultants who were willing to return on a periodic basis to provide continuing assistance. What is also striking is that each became committed to Guyana's development, a feeling shared by their Guyanese counterparts which contributed to the project's success. The absorptive capacity was identified as a key constraint earlier in this report. Our core of intermittent STTA helped to overcome this constraint. These exceptional people bear mentioning here:

- Dr. David Picha is a post-harvest handling specialist who was known by all fresh produce exporters and many farmers around the country.
- Dr. Craig VanGrasstek is a trade policy expert who developed an extraordinary relationship with the Ministry of Foreign Trade, helped to forge the National Trade Strategy, and used his personal contacts to move Guyana's WTO agenda forward.
- Jim Scott is a standards specialist who helped the Bureau of Standards and private firms make significant strides toward certification and accreditation of laboratories and environmental and management systems.
- Jim Krigbaum is a marketing specialist who trained exporters throughout the country in export processes and assisted in developing linkages with foreign buyers.
- Cathy Holler is a tourism expert who brought tremendous knowledge and excitement to the tourism sector; her work is already resulting in new tours to Guyana.
- Osborne Nurse is an institutional strengthening specialist who has helped to bring order and planning to a host of private and public sector organizations.

All of these experts were integral to the GEO team and were known and respected by project partners. Their willingness to work on GEO went well beyond earning a salary; they showed a true dedication to the development of Guyana, which was evident to our partners.

Demand-driven activities. Rarely were activities implemented that were not demand-driven by one partner or another. Buy-in and ownership of activities were key to GEO success.

Inclusion. The regional chambers of commerce taught us a valuable lesson: Georgetown is not Guyana. Our willingness to work any time and anywhere was a definite factor in the project's success. The private sector advocacy advisor conducted most of his work in the evenings and weekends, when businessmen are available. Working with the regional chambers also benefited the project. With their assistance, we were also able to bring important policy issues to the regions. The chambers helped by organizing seminars and training programs for their members and others in the business community. Export 101/102 and seminars on export potential were presented in the regions, and drafts of the investment and small business laws were vetted in 8 of Guyana's 10 regions. As noted previously and described more fully in a success story to follow, our greatest impacts from advocacy were the result of our work in the regions.

Communication. A strong communications strategy proved to be essential to obtaining results under GEO. Communicating with an executive director of an organization, the minister, or agency head does not guarantee that the information will filter down to the rank and file. A combination of messages and vehicles was needed, including group meetings at the beginning of the project to explain the purpose, a fact sheet for distribution, and periodic meetings at key points throughout the year. For specific activities, we used newspaper ads, letters to organizations, and emails and telephone calls to individuals to maximize reach. Outside of Georgetown, this often meant using local television stations and working through, for example, the regional chambers of commerce to communicate messages. An annual stakeholders' conference was held to review progress and discuss the work plan for the following year. These meetings usually included several ministers of government, a presidential advisor or two, the heads of key partner agencies, and representatives of the private sector. Again, the purpose was to obtain feedback and to keep everyone informed. Despite these efforts, we still occasionally ran into the "fishbowl" problems discussed above.

Start from the market. On the export promotion side, clearly one of our best approaches/practices was in starting from the market. Many other projects in Guyana and elsewhere have started from the supply side. "Let's improve the quality of these widgets and then export them" ... or "let's grow more Y and then sell it abroad." Too often when starting from the supply side, there may be little or no demand for the widget or for a given crop, however improved. After quickly reviewing the domestic sector to determine what SMEs produce in Guyana, our first step was to assess the market potential in likely export markets, starting with the large diaspora in North America and the U.K., followed by regional markets in the Caribbean and neighboring Brazil. While assessing the demand in these markets, we also determined the demand characteristics: point-in-time prices; and key contacts for importers, wholesalers, and retailers.

Nothing breeds interest like success. For each of the IRs, or in productive sectors where we worked, our goal was quick success. Success can instantly build the confidence of partner organizations, and success has a way of spreading to other organizations and sectors. We were fortunate to have an early impact for some of the advocacy work by targeting simpler and more local issues. Early successes of a few participants in the Export 101 course encouraged others, and interest built quickly by word of mouth. Early work to develop a strategic plan for the Guyana Manufacturers' Association (GMA) led the president of the GMA (who was also on the board of the Bureau of Standards) to request our assistance for the bureau. Similarly, early satisfaction with GEO assistance provided to Go-Invest led the CEO to ask for help for the New Guyana Marketing Corporation (NGMC). GNBS and NGMC ultimately were among our closest partners.

Quick response. Quick response to requests for assistance were also important to overall success of the project for several reasons. First, we strongly believed that it was important to instill a sense of service. Our partners were our clients, and they, in turn, have their own clients. And while emphasizing the importance of quick and responsive service, we set an example by being service-oriented in our relations with government agencies and PSOs. Just as with quick successes, the reputation of a productive project also drew more interest from more agencies and individual firms. Our focus on responding quickly helped us earn a reputation as a "can do" project team.

Linkages: trade shows and study tours. Given Guyana's relative isolation, the project's early use of tours was important in making partners aware of what the "best practices" are outside Guyana, and in generating interest in the services and assistance the project could provide.

Weaning and sustainability. The ideal of any project or donor assistance program is to work itself out of existence—to make the assistance self-sustaining. However, due to the generally short life cycle of donor funding, projects usually end before that point of sustainability is reached. In implementing GEO, we decided to build in as much sustainability as possible along the way. Many training programs were also taught as training of trainers courses, so that Guyanese counterparts could develop the skills, knowledge, and experience to present the course material themselves. Export 101 and 102 are now taught by NGMC and Go-Invest employees. After observing post-harvest handling courses and attending a training of trainers course, the NGMC staff has already presented the post-harvest handling workshop twice on its own. The executive directors of four regional chambers took a GEO-sponsored "business uses of the Internet" course, and a training of trainers supplemental course so that they can provide the same instruction to their members.

A final example is the advocacy work with the regional chambers. In the beginning, the GEO advisor worked closely with the chambers. He wrote the first press release and helped the chamber to write the second release while providing editing suggestions. Although the advisor worked with the chambers for two years, by the second year he was focusing more on investment promotion with firms and less on advocacy. Over the final two years, after the advocacy advisor left, the project played only an advisory role to ARCC when an outside view on an issue was needed. Although there may have been some slippage in their advocacy efforts, the regional chambers and ARCC are here to stay; they are participants in the process, and they continue to be the leaders in lobbying efforts in Guyana.

IV. Unfinished Business

The mission encouraged us to continue to work at full speed up to the end, with the expectation that ongoing work would be completed under its new strategy. In this section we detail ongoing project activities, which, although started, have not been completed. We also identify completed activities which will need more follow-up and suggest possible new activities for the future.

Investment guide. The GOG had requested GEO assistance to develop an investment guide. According to our understanding, the guide would be both informative and promotional about investment opportunities in Guyana. The government wanted the work to carry the name of a well-known international accounting firm in order to lend the guide additional credence. Due to time and budget constraints, Chemonics was not able to begin this work.

Tourism marketing plan. In the past, decisions about attending trade shows or organizing a marketing event have generally been made at the last minute, resulting in a less-than-optimal participation or presentation of Guyana's tourism opportunities. Following assistance provided to the tourism sector in attending the World Travel Mart, it was jointly decided among the project, the tourism authority, and THAG, that a needed next step (after the FAM tour) would be to

develop a marketing plan to determine which marketing activities to undertake; to identify the necessary resources; and to set responsibilities, timelines and milestones.

Labeling seminar. Label quality for many products does not meet international standards. In early 2004 the project sponsored a seminar/workshop on nutritional labeling for agro-processors and food producers. Follow-up assistance was planned, but not implemented, to improve the graphic design and quality of labels currently used. In addition to producers and exporters, Guyanese companies involved in graphic design, marketing and the printing of labels should be invited to attend.

Hardwood flooring bulletin. For the High Point wood products study tour, the project helped to develop promotional products to leave with potential buyers in North Carolina. Each firm or individual was left with samples of Guyana's main commercial varieties of tropical hardwoods and a bulletin describing the characteristics of each species. The group decided that for future promotions and advertising, it would be beneficial to develop a professional-quality bulletin of Guyana's hardwood flooring with pictures of the product, similar to those used by U.S. wood flooring firms at High Point. The project started the work, but did not complete it.

Weinig training. Another lesson learned at High Point by participating firms was the need to improve the finish quality of Guyana's wood products. Potential improvements were better machinery and better maintenance of, and the proper setups for, cutting tools. One of the tool manufacturers visited at High Point, Weinig America, and their local distributor, Farfan & Mendes, offered to share costs with the project to provide a demonstration and training program on the proper maintenance, set-up, and use of woodworking equipment.

Ministry of Foreign Trade IT/network. Early assessments of the ministry and both the National Trade Policy Strategy and the FTAA Trade Capacity Building Strategy noted the need for an improved IT network capacity. The project completed an IT assessment and provided recommendations for equipment and training. The two strategies also both provided recommendations for developing a trade library. Unfortunately, time did not permit the implementation of either activity.

Export 103/104. More than 100 exporters and potential exporters have taken the Export 101/102 course. Go-Invest and NGMC are now able to present the material to other interested clients. Additional training should be developed (perhaps an expanded Export 103 course) to help exporters and domestic firms to calculate product costs, set prices, and learn the art of export contract negotiation.

Bunch cover video. The project helped NGMC to develop an informational/training video on the use of bunch covers to improve the quality and quantity of plantains destined for export. The video was completed, but follow-up may be necessary to ensure that it is widely distributed and aired on local television stations.

Promotion of informational products. Many investment- and export-related informational products were developed over the life of the project in collaboration with Go-Invest, NGMC, NARI, the Ministry of Agriculture and others. Several were completed at the end of the project.

including a rapid reconnaissance survey of the Miami area, surveys of several organic markets in Europe (U.K., Germany, France, the Netherlands), fair trade, and several recently completed post-harvest handling bulletins. Interested exporters and farmers must learn of these products' existence. Newspaper ads, press conferences, distribution of copies to relevant PSOs and inclusion of these materials on relevant Web sites will help to make the information more widely available.

Review of the Go-Invest and PSC Web sites. Work was near completion on the development of websites for Go-Invest and the Private Sector Commission. A final edit of both is recommended and training should be provided to relevant staff in both organizations so that they can update the information on the Web sites.

Updating existing informational products. The information on some promotional materials should be updated. Although the section on concessions and incentives in the investor roadmap was recently updated, other sections were not. Each agency and organization should be asked to review the present information covering their activities, and update as needed.

Investment Law. The investment law was finally signed into law in March 2004. A review of existing legislation covering investment should be reviewed to ensure that these other laws and regulations are in sync with the new investment legislation.

Small Business Act. The Small Business Act was also enacted a few months before the end of the project. Assistance may be needed to help set up the various agencies, boards or committees called for under the Act. In addition, as with the investment law, other existing business laws and regulations should be reviewed to ensure that there are no conflicts with the new act.

Hot bath treatment. At certain times of the year, Guyana has a surplus of mangoes which are left to rot on the ground. Although mangoes are not allowed into the U.S. due to phytosanitary restrictions, they are permitted in Canada where Guyana's Buxton spice variety commands good prices among Guyana's diaspora and the West Indian community. However, anthracnose often means losses of up to 40 percent in transit, lowers the aesthetic quality of the fruit, and greatly reduces shelf life. GEO helped NGMC to build a low-cost, test hot bath treatment which could essentially eliminate the anthracnose, greatly increasing the profitability of mango exports. Some fine-tuning of the test hot bath treatment is needed to make it fully operational.

V. Success Stories

The overriding objective of USAID assistance is to promote change which will have a positive impact on the lives and livelihoods of the Guyanese. In this final section we provide a few short success stories, using several GEO client exporters, businessmen, and organizations, to exemplify USAID's positive impact on the people and institutions it sought to help.

PRODUCERS OVERCOME EXPORTING OBSTACLES

Guyana is once again exporting produce, and sales are rising

On August 6, 1995 Bisram Singh had assembled a 5,000-pound shipment of pineapples, watermelons, and limes for export to Barbados. His produce was collected and packaged as normal and taken to the Cheddi Jagan international airport for shipment. While waiting for the plane to arrive Mr. Singh was informed that the Government of Barbados had issued a statement earlier that day indicating they would no longer be accepting any fresh produce shipments from Guyana due to the discovery of the pink mealy bug. At first Mr. Singh didn't realize the significance of this announcement and expected that his shipment would be delayed but would eventually get through. Three days later when his produce began to rot he realized that his business was in serious trouble. Mr. Singh shifted his export business to domestic wholesale and was forced to drive a taxi for two years in order to supplement his income while waiting for Guyana to eradicate the pink mealy bug.



The pink hibiscus mealy bug can devour 250 different kinds of plants and trees.

The pink hibiscus mealy bug can devour 250 different kinds of plants and trees. Its spread in Guyana caused most fresh produce exports to be banned from 1995 until late 2000 when shipments were slowly resumed. In late September 2001, a year after Guyanese exports to Barbados were resumed, Mr. Singh restarted his export business.

Mr. Singh's first introduction to the USAID/GEO project was shortly after he resumed produce exports. "They informed me of the upcoming programs," he said. Since this introduction, Mr.



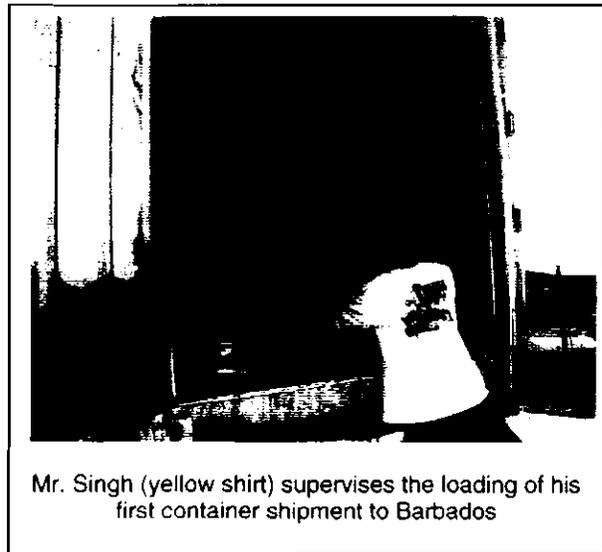
Mr. Singh (left) discusses proper handling methods with GEO post harvest handling specialist Dr. David Picha at the packinghouse.

Singh has been one of the USAID/GEO project's most loyal program participants. "I attend as much as possible—at least I give each new program a good shot."

In fact, Mr. Singh has now participated in USAID/GEO's basic exporting courses (Export 101 and 102) and its post-harvest handling workshops, and has also benefited from market surveys and project-sponsored trade shows in Barbados and Trinidad. "I have been working with USAID/GEO quite a lot. I have been successful in using the services given by USAID/GEO, and information coming out of the project has enhanced my business."

Of particular value, says Mr. Singh, has been the improved quality of his produce which he attributes to the assistance he has received from USAID/GEO's post-harvest handling specialist, Dr. David Picha. "He has assisted me a great deal in exporting," he said. Mr. Singh was especially pleased with the results of initial tests for waxing fruit as demonstrated by Dr. Picha. Mr. Singh explains that waxing adds an aesthetic value to the fruit and results in a longer shelf life, both of which have contributed to his receiving higher export prices. He is also following Dr. Picha's advice and looking at using palettes for containers to reduce the amount of damage and spoilage in handling. What Mr. Singh has learned through the USAID/GEO project is improving his entire supply chain. He is now working to implement a crate system for pineapples that will be used by farmers, which he hopes will further reduce the amount of bruised pineapples from field to packinghouse and packinghouse to final destination. As Mr. Singh explains, "crushed (bruised) pineapples cannot be identified until three days later on the way to the market." Mr. Singh estimates that the pineapples have up to 15 different container changes before reaching overseas markets. Rough handling, he estimates, results in about 20 percent spoilage. With simple changes his losses are now down to less than 10 percent and eventually he hopes to eliminate spoilage completely.

Mr. Singh's initial resumption of exports in 2001 was relatively small with a 3,000-pound shipment of pineapples and watermelons, all of which went to Barbados by air. These 3,000 pound shipments soon grew to 15,000 pounds per month and Mr. Singh found that he was having increasing difficulties getting sufficient air cargo space to meet his clients' demand. In part because of GEO's exporting course (Export 101/102), Mr. Singh says he decided to try sending his produce by refrigerated container. "They encouraged us to 'think outside the box' and so I did," he said. His business has since expanded to 35,000 pounds per month and averaged 40,000 pounds a month last year. This year Mr. Singh's goal is 50,000 pounds per month and he hopes to reach two containers per month, sending one every other week so that his clients will have sufficient time to market his produce and so that Mr. Singh can provide a consistent supply.



Mr. Singh (yellow shirt) supervises the loading of his first container shipment to Barbados

Mr. Singh says that continued assistance from USAID/GEO should focus on transport options, farm certification procedures, and packaging improvements. He believes that these, along with the continued post-harvest handling and Export 101 to 104 courses, will be of great help to the Guyanese exporter. "A lot of people want to export [but] you can't just want to export—you need the knowledge." Mr. Singh attributes Dr. Picha's assistance with helping him achieve such rapid success. "Many things he said I have put into practice or tried such as waxing pineapples. I'm 100 percent satisfied with his assistance. The future is bright for me—I wouldn't think that my future was dim."

REGIONAL CHAMBERS OF COMMERCE LEAD ADVOCACY EFFORTS

An association in Guyana is bringing business opportunities to the regions

Speaking with Muntaz Ali, the current chairman of the Association of Regional Chambers of Commerce (ARCC) and Ramdial Bhookmohan, ARCC's past chairman, it's easy to forget that we are sitting in Georgetown, Guyana's capital, and not in one of the secondary cities where ARCC's membership is located. Both Mr. Ali and Mr. Bhookmohan are passionate advocates for the regional chambers that they helped to unite under ARCC in 2000.

Mr. Ali explains that ARCC was created because much of the country's commerce and policy making traditionally occur in Georgetown whose population of more than 250,000 makes up more than a third of the country's population. Given this, the regional chambers were finding it difficult to advocate and cooperate individually with the Guyana government or with the Georgetown-based private business organizations. As a result, the six regional chambers of commerce from the towns and regions of Linden, Upper Corentyne, Berbice, Rupununi, Bartica, and Essequibo came together in November 2000 to form ARCC in the hopes of giving their individual chambers a stronger, national voice for the businesses in the interior areas where commerce occurs across Guyana's vast 83,000 sq. miles of land.

Mr. Ali gives USAID's Guyana Economic Opportunities project (USAID/GEO) credit for helping the organization to create a meaningful forum for its member chambers. "USAID/GEO's help is just what we needed," says Mr. Ali. "USAID/GEO has helped us implement our strategic plans...they have been a solid mentor."

At USAID/GEO start-up, the project offered assistance to 5 or 6 Georgetown (and generally product-based) private sector organizations (PSOs) as well as the then-existing four regional chambers of commerce. Although all 10 PSOs participated in the first assistance provided—that of developing strategic plans—it was only the four regional chambers that were willing to take it to the next stage of turning the strategic plans into action plans by assigning responsibilities and setting timelines for implementing various activities. In developing their plans, each chamber identified two or three key policy issues which they hoped to change. The project's long-term private sector advisor provided hands-on assistance, using a learn-by-doing approach, to strengthen the chambers advocacy skills.

Working mainly in the evenings and weekends when businessmen were more readily available, the USAID/GEO advisor taught the chamber members how to develop an effective lobbying campaign. Defining the issue, identifying potential allies and opponents, learning to write press releases, researching laws and regulations, learning to use the media, and how to hold a meeting with government officials became the new focus and topics of discussion at chamber meetings. Focusing initially on local issues, the chambers soon began to have an impact on the policies



they had targeted. The Berbice chamber was invited to place representatives on regional government boards; the Upper Correntyne chamber mounted a campaign to get farm animals off the roads where they posed a traffic hazard and interfered with commercial transportation, and for the first time the Linden Chamber was invited to review and give its recommendations for the use of the regional government's annual capital budget.

News travels fast in Guyana and these early successes quickly became known along the coast, where most of Guyana's population lives. These successes also piqued the interest of business leaders in other communities, who increasingly sought out the chamber leaders for information and assistance in creating their own chambers. The chambers and the USAID/GEO project team met with businessmen in these communities to explain the how and the why of creating a chamber and helped them to organize and to develop and register charters. Within a year, the number of chambers had grown from 4 to 6 and today there are 10 regional chambers throughout the country.

Buoyed by the successes in influencing policy at the local and regional levels, the chamber leaders met several times to discuss the feasibility of working together on common local and national issues. The result was the creation, at the end of 2002, of an umbrella organization or federation of the by-then six regional chambers of commerce. The resulting Association of Regional Chambers of Commerce (ARCC) has as its mission the promotion of business development throughout Guyana, with a particular focus on areas outside the capital. By sharing information and resources, and by working together on common issues, ARCC has been able to bring added strength to advocacy issues on the national level. Through the provision of computers, office equipment and internet linkages, the USAID/GEO project has helped to promote this information sharing and helped to promote better private sector coordination throughout the country. ARCC Chairman Ali is particularly pleased about the increased ability to communicate and exchange ideas across Guyana. "If not for USAID/GEO we couldn't have had such a strong link of communication."

Now representing more than 400 mainly small and medium-sized businesses, ARCC is repeating the success enjoyed by the chambers at the local level. For years there has been talk, but no action, in building an all-weather road to neighboring Brazil. The improvement of this vital commercial link is of critical of importance to three or four of the regional chambers, and the road improvement became one of the ARCC focus advocacy issues. When the governor of the State of Roraima from neighboring Brazil visited Georgetown, ARCC and the chambers were invited to participate in the bilateral meetings. ARCC and the chambers had been invited to the table and at the national level. And although USAID/GEO assistance was reduced when the private sector advisor left in 2001, ARCC and the chambers have continued their successful lobbying efforts. When an increasing crime wave threatened to spiral out of control, and with the government seemingly unable to bring it under control, ARCC was instrumental in unifying PSOs to voice the private sector's concern. ARCC and the chambers have gained the respect of the government and other business organizations; they have become full players on the national level.

According to Mr. Ali, "USAID/GEO is just the help that we needed to get things started."

JUICEMAN OF ESSEQUIBO

A businessman in Guyana makes a name for himself

While driving along a narrow paved road in the remote region of Essequibo in northern Guyana, I considered how the man I was meeting, Nateram Ramnanan, had managed to gain the type of notoriety that had rendered his given name superfluous. Throughout the country, he has become known simply as "Juiceman." When we finally arrived at the roads end we were greeted with a view of the Pomeroon River where the harbor's activity was surrounded by a warehouse, several stands selling a range of food from hot sauces to fresh fruits and vegetables, to housewares, and a notorious dock which had floated away due to poor engineering five years earlier. And amongst it all was the "Original Juice Center and Corner Store" which Juiceman owns. Given the dichotomy of his one-name notoriety throughout Guyana against the backdrop of this remote location, my curiosity was piqued as Juiceman emerged from the small office in the back of his juice center and greeted me with a large smile and friendly handshake.

The Original Juice Center is the only retail outlet for Juiceman's product. It sits alongside the Pomeroon River which is a natural corridor for commerce (and the only means of transportation) from the coast into the interior of the Essequibo region. And while Juiceman's remote location affords him a large variety of naturally organic fresh fruits, nuts, and herbs, it also presented him with a daunting challenge when he considered expanding his business. Plentiful inputs for production facilities in remote locations are a typical problem facing Guyanese entrepreneurs. And in fact, the obvious transport challenges facing Juiceman were only a few of those that he described to me as we sipped on samples of Peanut Punch and guava juice.

Juiceman produces a variety of juices ranging from typical tropical fruit varieties such as soursop, mango, and guava to more exotic brands like pumpkin, jamoon and peanut punch. On the day of my visit he let me sample a brand named Mauby Punch which is made from the bark of a local tree and is reputed to be a natural aphrodisiac.



Juiceman's store at the center of a hub of activity in Charity, Guyana.

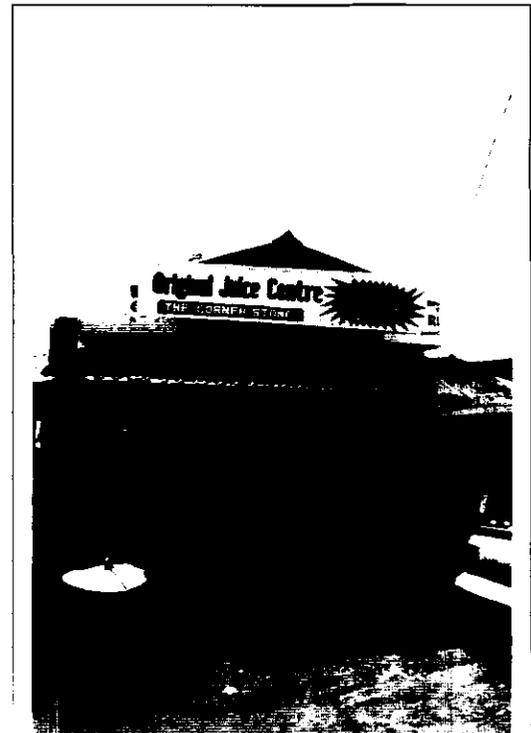
Juiceman has always experimented with creating products based on the various local produce available and documenting not only the production process but also his customers' reactions. He has developed more than 15 varieties of juice in the 10 years of operations and has recently considered expanding his product line to include some of these experimental products. However, following the USAID/GEO Export 101 and 102 courses, he decided against this product line expansion, at least for now. Juiceman realized that expanding the number of products was not the right next step for his business. Instead, based on what he learned in the USAID-sponsored export course, he decided to expand his market and change his product labeling. Juiceman said that this insight and others have helped him to "expand my knowledge—how to prepare

products, make a good decision on expanding the product line, and decide yes or no about going ahead in certain aspects of the business.”

Juiceman then attended USAID/GEO’s labeling course, after which he completely changed the design and content of his labels. They now contain nutritional information (he is still obtaining the data for some labels), and are all one size and the same style allowing Juiceman to better “brand” his product. Similarly, he decided against trying to enter the Canadian market at this point and is instead focusing on the domestic market first and on improving product quality so as to be able to better meet international standards.

Juiceman told me how on a recent USAID sponsored trip to Brazil he had found an industrial juice extractor. He immediately realized the value to his business of this machine, which sells in Georgetown for 365,000 Guyanese dollars but cost only 56,000 Guyanese dollars in Brazil, including transport. The industrial juicer purchased in Brazil has allowed Juiceman to produce smoother juice and it is more efficient than his previous extractor. Since this first trip to Brazil, he has purchased a second extractor and recently acquired a pasteurizer, which has enabled him to prolong the shelf life of his juices.

As a result of this increased capacity and longer shelf-life Juiceman, has increased production and is now selling to Georgetown (bulk juice), Port Kaituma (near the Venezuelan border), and plans a further expansion to Linden. He has even explored the idea of exporting coconut water to Brazil but will need a few years to work out the required refrigerated transportation. Juiceman attributes much of this expansion of his business to assistance he received from the USAID/GEO project. The GEO-sponsored business exchange to Brazil allowed him, “to go to these countries where you can see and learn new things that directly benefit you.” Juiceman also credits the project’s Export 101/ 102 course with helping him to improve his business skills in dealing with clients, in creating good relationships with input suppliers, and in teaching him to market and advertise his products. “I realized from the exporting courses what are wild goose eggs and, instead of chasing these, I’m working to improve my business in a knowledgeable way.”



Juiceman's store at the center of a hub of activity in Charity, Guyana.

“SOUTH AMERICA’S LAST FRONTIER”

Guyana’s tourism industry develops a tag line

What do you have when you combine 215,000 square kilometers of land mass (slightly smaller than Idaho) 97 percent of which is uninhabited jungle, 459 kilometers of coast line, and an entire population less than the size of an average U.S. city? In the case of Guyana, you have a country with an enormous potential for ecotourism.

Kaieteur Falls, the world’s longest single-drop waterfall, is just one of the many natural attractions that can be found in Guyana’s largely untouched, pristine wilderness. Georgetown, the capital, has fine examples of colonial architecture, including the world’s tallest wooden structure, St. Georges Cathedral, which is reminiscent of Guyana’s centuries as a Dutch, French, and finally a British colony. Guyana (which means land of many waters) is a country dominated by mighty rivers, including the Demerara, the Berbice, and the Essequibo, all of which serve as essential highways into the rainforests and jungles of the interior. Very little of the country has been developed and, as such, it remains one of the world’s most exciting destinations for adventure travel and exploration.

Unfortunately, not many adventure/nature tourists are currently choosing Guyana as a destination. Those unfamiliar with Guyana may remember only the tragic events at Jonestown 30 years ago. As the saying in business goes, “unseen is unsold” and this is a key problem which has hampered Guyana’s efforts to attract tourists who might be otherwise drawn to the natural wonder and beauty that lie within its borders. At the request of the Ministry of Tourism, the Guyana Tourism Authority (GTA) and the private sector’s Tourism and Hospitality Association of Guyana (THAG) USAID’s Guyana Economic Opportunities (GEO) project is providing assistance in organizing and promoting tourism to Guyana. This assistance has come in a number of forms. For instance, USAID/GEO helped create the tag line, “South America’s Last Frontier” which was an important first step in defining a common theme among tourism operators and in marketing Guyana tourism abroad.

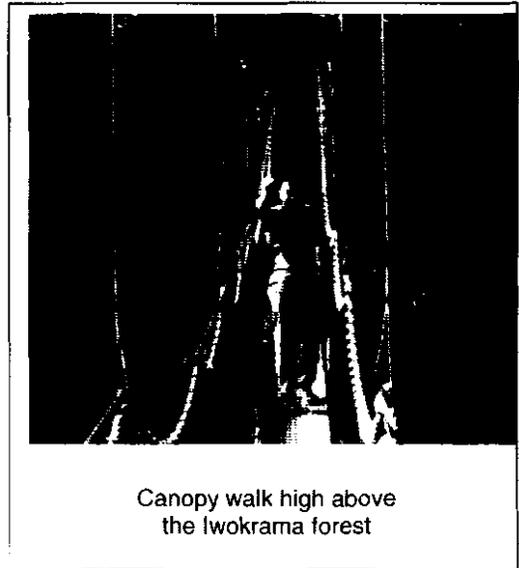
Bernard Lee Yong, general manager of Shanklands Lodge and Tours, has attended the World Travel Market (WTM) in London for many years, but with little to show for his efforts. Although WTM is the premiere trade show for the European travel industry, Mr. Yong had been unable to even meet—let alone interest—important European operators in developing tour packages to Guyana. With USAID/GEO’s assistance for the 2003 show, Mr. Yong notes that the Guyana booth had a much better turnout than in previous years. He attributes this increase to the preparatory work provided by USAID in better preparing GTA and individual operators for the trade fair. Mr. Lee Yong commented that several factors were critical in getting the positive



Kaieteur Falls, where the 400-foot wide Potaro River plunges 822 feet downward from the Pakaraima Plateau, is the world’s longest single-drop waterfall.

response from Guyana's participation last year. Among these factors were a better booth, more media coverage, and a Guyana-sponsored reception to which key members of the tourism media and the most important eco- and European adventure tourism companies in attendance at the show were invited. In part because of USAID's assistance, Mr. Yong made a solid connection, and is now negotiating with three companies that he had targeted unsuccessfully in the past. As Mr. Lee Yong said, "if you do your preparation early, it helps all the way." He also noted that USAID/GEO's assistance for this event and others like it will begin to put Guyana on the adventure tourism map.

The assistance at WTM was followed up in early 2004 with a familiarization tour (FAM) of 12 North American adventure/eco-tourism companies that visited 11 tourism operations throughout Guyana. The FAM had three objectives: first, to increase awareness in North America about Guyana as a nature/eco-adventure tourism destination; second to serve as a training/learning exercise for tourism operators in Guyana, for THAG and for GTA in planning, managing and implementing a FAM tour; and finally to obtain feedback from professional international tourism experts (the North American FAM participants) on how to improve Guyana's tourism image and tourism readiness, and to get recommendations for improving the individual tourism operations visited.



Canopy walk high above the Iwokrama forest

Representatives of 10 tourist operators from the United States and Canada, and a representative of British West Indian Airlines (BWIA), spent 10 days in Guyana visiting a total of 12 interior resorts/sites and over-nighted in 6 of them. A "Guyana Market Place" was organized to showcase local handicrafts in conjunction with the final debriefing held before the group departed at the end of the tour. The reactions of FAM participant were overwhelmingly positive, with the most often heard comment being "We never realized that Guyana had all this to offer." Again: unknown is unsold. The recommendations for improvements were on target, but it was necessary for Guyana's industry to hear them from professionals. The recommendations ranged from improved informational products and maps available at each resort, to better and more out-going guides. Each resort also received a private assessment of its operation.

FAM Tour a Success

After a quick survey of the North American operators in the weeks following the FAM, GEO tourism specialist, Cathy Holler reported, "There will be a great ROI (return on investment) from this FAM as already two of the operators are working together to offer a new tour this fall, another has a small group this summer, and a few of the others are in the planning stage for 2005 and one for 2006. So my estimate is at least six new tours will operate over the next few years," commented Gerry Gouveia, President of Guyana's Tourism Association, "We owe USAID a lot."

Although only a beginning, USAID's assistance has provided a big boost to putting Guyana on the map as a nature/adventure tourism destination. It is also clear that with a few more similar well programmed activities, Guyana's rich multiethnic cultural traditions and untouched rainforests in the Amazon Basin will no longer be unknown or unsold.

CAPOEY HANDICRAFTS BRING IN BUSINESS

Arawak products provide a customer draw for a Guyanese businessman

According to folklore in Guyana, many, many years ago, a group of Native American Arawak Indians discovered the beautiful Lake Capoey. Also according to legend, the lake, which sits deep in the wilderness just off the Essequibo road, was resting calmly below a bright full moon and was so stunning that the group began to exclaim "Oh Capoey" which in Arawak means full moon. Today, it is possible to visit Lake Capoey and see the descendents of this legendary group of Arawaks who settled the area and still live in small villages around the lake.

Many customs and traditions have survived for generations in the Arawak villages and remain today. Among these traditions is the harvesting of tibiriri grass which grows wild in the swampy areas on the lakes edge and is then woven into intricate household items. Now, much like in the past, the villages often weave an excess of baskets, bowls, and unique items. One such craft is a "man-catcher," which is a small cone that fits over a prospective partner's finger and tightens as he tries to pull away. Another piece is a matapee, which the Arawaks tie to trees and pull in order to extract the juice of the indigenous fruits and "ground provisions" such as cassava. Trade in these items allows the Arawak to continue their traditional lifestyle and cope with the challenges facing their community, like logging and the loss of younger generations to jobs in the communities around the lake.



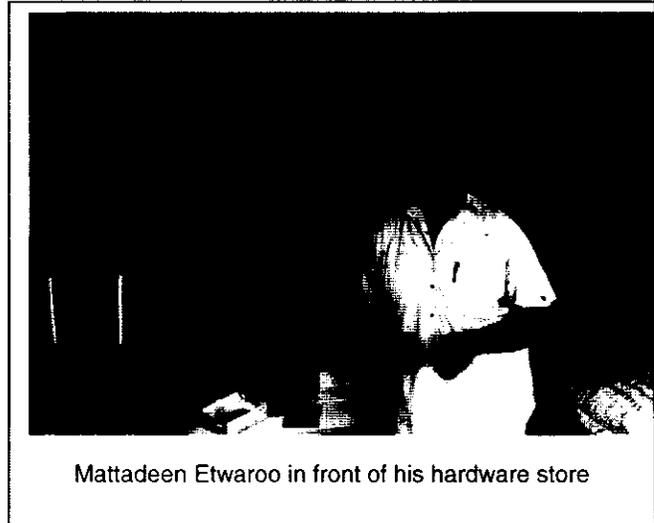
Mattadeen Etwaroo at his General Store in Affiance.

Mattadeen Etwaroo grew up near Lake Capoey, in and around Arawak villages. He now owns a general store in Affiance on Guyana's Essequibo Coast. Mr. Etwaroo has attended USAID/GEO's Export 101 and 102 courses. Although he does not currently export, he says that he gained valuable insight from the courses that has helped him to increase sales and stem the tide of lost customers, who were increasingly going to Georgetown for many of their household and hardware supplies. The Arawak tribe provides some of the handicrafts that Mr. Etwaroo now sells. "The lifestyle is hard but they have a natural way of life and they are trying to change and I am hoping to help them in a small way by selling their goods in my store." By featuring the Amerindian goods, Mr. Etwaroo learned that he can bring customers into his store and keep them in the store longer as they discuss the various featured handicrafts.

Mr. Etwaroo has also changed his approach to buying, marketing, and selling his products because of the courses. Mr. Etwaroo changed the way in which he displays and markets his products. First, he reorganized his shelves according to brand type, placing household goods in one section, canned foods in another, etc. He has also begun to sell certain products as "lead items." When we visited his store, Mr. Etwaroo was selling sandpaper for 40 Guyana dollars, making only a small profit in order to encourage customers to stay and buy other goods.

When Jim Krigbaum, USAID/GEO's Export 101 and 102 course leader, stressed the technique of listening to the market, Mr. Etwaroo took his advice seriously. He conducted research by asking his customers about their likes and dislikes and observing their habits. He came to realize that the local pet bird market provided enough demand to make it advisable to carry pet supplies. Now this product line creates his biggest margins.

As a result of changes in the way he does business, Mr. Etwaroo estimates that he has increased his sales by at least 15 percent. As for the future, he is working to capitalize on another aspect of USAID/GEO's courses which stressed the importance of working with suppliers. Mr. Etwaroo said, "this year I've made it a plan to do more to strengthen my supplier relationships." He also plans to expand his business by researching suppliers from Brazil, where he can procure many of his products for a lower price and where he also intends to explore the possibility of exporting locally made products. While Mr. Etwaroo is not yet exporting, he has gained valuable insights from the Export 101 and 102 courses. According to him they have, "helped me to get organized in my business and have helped me to look more keenly at what works and what does not."



Mattadeen Etwaroo in front of his hardware store

GO-INVEST UNDERGOES A CHANGE

Guyana's investment promotion agency is reorganized and refocused

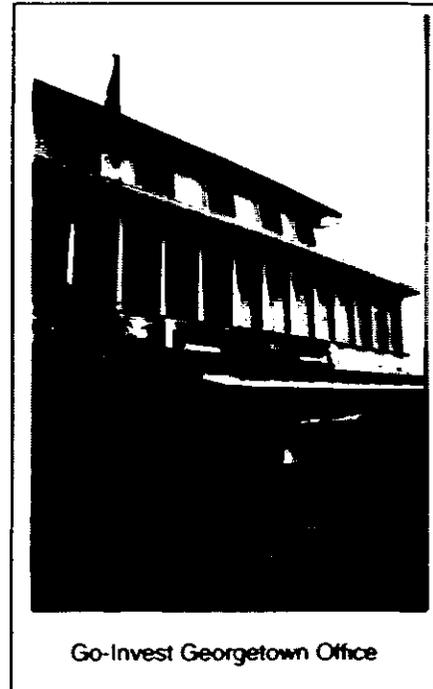
Chion Profit is an investment officer at the Guyana Office for Investment (Go-Invest). Mr. Profit has worked at Go-Invest for the past four years and during this time has witnessed many changes in the way the organization operates internally and interacts with its clients. He credits USAID for many of these positive changes. "USAID/GEO has helped a whole lot in many ways."

USAID/GEO has assisted Go-Invest in a number of areas from process improvements and strengthening human resources management, to helping the institution to become more client friendly and results driven. Chion points to USAID/GEO assisted improvements in the Go-Invest website, the creation of promotional materials such as investor and sector fact sheets, assistance with trade shows, information technology support, and staff training as creating a comprehensive institutional change that has led to a fundamental shift in Go-Invest procedures and client relations. Perhaps in part as a result of USAID's assistance, in a recent UNCTAD report, Guyana moved up from 41st to 17th place on the list of countries having the most conducive investment environments.

Many of the Go-Invest staff who have worked in the institution for more than three years point to the USAID/GEO facilitated staff retreat in 2002 as the point at which Go-Invest changes reached a new level. Although USAID/GEO had been working intensively with Go-Invest previously, the retreat was the first time institutional change had become truly employee-driven. Go-Invest staff participation in the development of a strategy at the retreat marked the first time for many that their views about the organization and its operations were solicited and incorporated into a plan. The retreat, which was professionally facilitated by a USAID/GEO institutional expert, led to seven recommendations from the group on organizational improvement goals for 2003.

In November 2003, 15 months after the seven recommendations were adopted, Go-Invest held a second retreat, without USAID/GEO assistance, to follow up on and evaluate the work plan. During the review of staff recommendations they agreed that six of the seven had been achieved. As Uchenna Gibson, export promotion officer, comments, "the retreat did impact each and every one of us and changes were made at the agency."

Leading up to the retreat, USAID/GEO conducted several institutional assessments, process improvements in information technology, workflow, and organizational focus; and targeted training for Go-Invest staff. Among these process improvements and training events was an investor roadmap. The roadmap documents the processes, procedures, and regulations for starting and running a business in Guyana. The roadmap served as a tool to train both the Go-



Go-Invest Georgetown Office

Invest staff and their governmental counterparts who had previously been unaware of the investment process in its entirety. Now, as Mr. Profit says, the “roadmap is one of the major documents that we use to advise investors.”

As a result of the investor roadmap, a series of fact sheets on investment in Guyana were created. Mr. Profit said that the fact sheets developed through USAID/GEO assistance are “the source” for information for new and existing entrepreneurs coming to Go-Invest. He points out that the fact sheets give practical information of which many in government, including some Go-Invest officers, had not previously been aware. For instance, the roadmap and fact sheets pointed out that it is less expensive to register first and then incorporate. “The Deeds Registry didn’t even realize this!” he says.

The results achieved from the staff training, institutional assessments and the retreat are but a few examples of the ways in which USAID/GEO assistance has positively affected Go-Invest. Geoffrey Da Silva, chief executive officer of Go-Invest, is “very happy with the relationship with USAID/GEO.” Mr. Da Silva particularly likes the fact that when he sits down to discuss initiatives with USAID/GEO he is treated as a partner and, most importantly, “we have a real results orientation.”

Results orientation is the key factor underpinning much of USAID/GEO’s and Go-Invest’s success, in Mr. Da Silva’s opinion. And the results are impressive. As Mr. Profit explains, “since USAID/GEO has started working with Go-Invest, we have cut the processing time. A few years ago, a normal land issue might take two or three years to resolve. Now, leases are granted within a year. Tax concessions were taking six to eight months, now it is averaging eight weeks.” Go-Invest has increased the number of clients it can serve, and the time taken to see the investment process through has decreased, resulting in improved client opinions of Go-Invest. In fact, the percentage of clients that rated their overall satisfaction with GO-INVEST as “satisfactory or better” has increased from 46 percent in 1999 to more than 90 percent by the end of the project in 2004.

The results orientation of USAID/GEO assistance has been amplified through a process characterized by adaptability to the needs of the institution’s clients and a gradual transfer of responsibility for successful activities to Go-Invest officers. For example, Ms. Gibson points to the Export 101 and 102 courses, originally developed and taught by Jim Krigbaum, a USAID/GEO business specialist. Go-Invest staff, along with NGMC staff, attended the courses and were trained separately by Mr. Krigbaum as future trainers. Their training completed, Ms. Gibson and Mr. Hassan at NGMC are now delivering the course on their own.

When a need to create a professional booth for the Trinidad wood products trade show was identified, USAID/GEO stepped in and “really made the difference,” as Chion put it, in mobilizing the team and designing and assembling the booth. USAID/GEO is currently assisting Go-Invest with an assessment of packaging needs for Guyanese products. Ms. Gibson points out that the issue of inadequate packaging available to Guyanese producers was raised at a USAID/GEO-sponsored seminar on packaging and labeling late last year. Gibson sees this planning with USAID/GEO as important because it leads to the most relevant assistance.

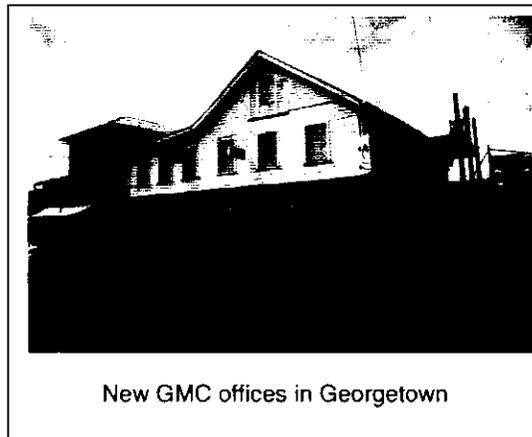
The results orientation is beginning to pay off in ways that Mr. Da Silva had not imagined. For example, the market-oriented export work that USAID/GEO is doing with Go-Invest focuses on practical training, which leads to enterprise growth through increased transactions. Mr. Da Silva noted that other donor agencies which traditionally have had a supply-side approach to assistance are now picking up on the Go-Invest and GEO success and have started to re-orient their projects according to the market-driven approach that is fundamental to USAID assistance. For example, the Canadian International Development Agency (CIDA) used to provide vocational training with very limited inputs from the Guyanese business community; now it is looking at needs and reorienting programs according to the expressed demands of the business community. Even the Chinese are being forced to re-think a bamboo products program when the ministry of finance, the project's counterpart, began to ask about the specific market demand for the products. "USAID-GEO has significantly helped to move the donor projects toward practical and results-driven programs."

GUYANA MARKETING CORPORATION GETS A NEW START

Nontraditional agricultural products capture Guyana's attention

In September 1985, the Guyana Marketing Corporation was restructured. The mandate to expand the market for local agricultural products on the local and external markets was renewed and renamed the New Guyana Marketing Corporation. The New GMC (NGMC), mandate is to promote the production and marketing of non-traditional agricultural exports.

Since this new name's inception, NGMC has struggled to make a significant impact on nontraditional agricultural exports from Guyana. As a result, three years ago USAID's Guyana Economic Opportunities project (USAID/GEO) was approached by the NGMC board chairman, Mr. Geoffrey DaSilva, to see if USAID could assist in NGMC's export promotion program. Mr. DaSilva, in addition to chairing the NGMC board, is also CEO of Go-Invest, Guyana's investment promotion agency. Pleased with the assistance that GEO had been providing to his agency, Mr. DaSilva hoped that USAID would also be able to put NGMC on the right track.



New GMC offices in Georgetown

Instead of jumping immediately into trying to change NGMC, one of the first activities USAID/GEO supported was to undertake a series of rapid reconnaissance market surveys to determine what products—including non-traditional agricultural products—Guyana was currently selling or could possibly sell in regional markets. The market surveys also queried fresh produce importers in those markets about their relations, if any, with Guyanese exporters and their opinions of Guyana's products. These initial surveys served as the basis for subsequent assistance to strengthen NGMC. Says Mr. DaSilva, "one of the best lessons USAID/GEO taught us is to start from the market and work backwards."

The market surveys were also intended to assist exporters of nonagricultural products by identifying market potential and demand characteristics, and to develop a contact list of importers, wholesalers, and retailers in the importing countries. For the fresh produce sector, the surveys provided a roadmap for improvements necessary to the sector's growth and prosperity. Problems identified included uneven quality, late deliveries, and poor packaging. The general manager of NGMC, Nizam Hassan, notes that USAID assistance has been very important in improving his agency's ability to provide assistance to fresh produce exporters. USAID's program included training for NGMC staff and exporters, improvements to Guyana's only packing house facility, market information, and training of exporters and businessmen in the basics of exporting. The latter, a course entitled Export 101 and followed later by Export 102, walked participants through the process of exporting, from determining readiness for exporting, finding markets, and setting prices, to packaging, transportation, and—very important to all businesspeople—how to ensure payment.

USAID/GEO has also worked to improve the operations at the packing house. This assistance has included the installation of a demonstration hot bath treatment for mangos. The hot bath

helps to eliminate anthracnose, which causes black spots on mangos, speeds up decay, and reduces market price. After being installed, the hot bath was used on a pilot shipment to Toronto where the normal loss of 20 percent of the mangos was reduced by half. Currently, USAID/GEO is advising the NGMC on expanding the packing house to meet growing demand by Guyanese exporters.

Since USAID/GEO began working with the NGMC, fresh produce exports have risen dramatically. Exports from the packing house have increased from 498,000 kgs. in 2001, to 698,000 in 2002, reaching a total of one million kilos of produce exported from the facility in 2003. Exports to neighboring Barbados, Guyana's most important market have increased by 70 percent in the three years that GEO has been working with NGMC.

Two things stand out in Mr. Hassan's view. First, he notes, GEO provides hands-on assistance. USAID/GEO's assistance with post-harvest handling through Dr. David Picha has been particularly effective. As Mr. Hassan describes it, "he is practically a household name with some farmers. The kind of assistance he provides is very much needed." It is the simple things that helped the most, such as waxing, de-greening of citrus, and using banana bunch covers. These three issues were identified as constraints in the early market studies. The use of bunch covers to protect plantains while growing can increase the size of the fruit and protects it against insect damage, garnering farmers and exporters a better price. The second observation about USAID, says Hassan, is that its work will be sustainable. "They have taught us how to provide the assistance." Mr. Hassan and a Go-Invest officer are now teaching the Export 101 and 102 courses themselves. Mr. Nizam's staff at NGMC also has taught Dr. Picha's post-harvest handling workshop to three groups of farmers. Says Hassan, "With USAID assistance we're now introducing new techniques to our farmers."

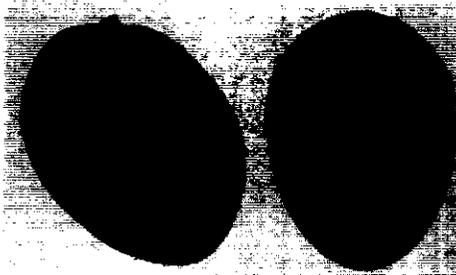
GEO and NGMC Work on Export Quality



In the field: preventing insect damage



Improved packinghouse procedures



Disease prevention and improved quality



Packaging and transportation

BEEF EXPORTS RESUME AFTER A 30-YEAR HIATUS

Guyana producer eyes the Caribbean

Plentiful in rainfall and crisscrossed by mighty rivers, Guyana is truly, as the name implies in the Arawak language, a “land of many waters.” Guyana is also blessed with a huge land mass relative to its small population, with plentiful arable land for agriculture and miles of uninterrupted savannahs for cattle grazing. With such bountiful agricultural resources, it is no wonder that Guyana has long been considered as the potential bread basket for the Caribbean. Unfortunately, Guyana has not yet lived up to that potential. An almost 30-year experiment with socialism and increasing state control of the economy severely constrained private sector development in the post-independence era. With more and more restrictive controls, there was little incentive to produce agricultural surpluses for export. In the cattle and beef industry, restrictive policies were compounded by the emergence of hoof and mouth disease in the 1970s, resulting in a beef export ban that lasted almost 30 years.

With the export ban lifted two years ago, Guyana is once again, through the efforts of one entrepreneur, poised to become a major beef supplier to the Caribbean. Assad Habibula and his family have owned cattle herds and been in the meat processing industry for as long as he can remember. The family’s agribusiness, Rising Sun Abattoir, is located in the Berbice region of northern Guyana, not far from the Surinam border. In addition to raising cattle, the Habibulas

also farm more than 500 hectares of rice and operate an abattoir and butcher shop in the country’s capital, Georgetown. “We were excited when Guyana was finally declared free of hoof and mouth disease,” Mr. Habibula says. “It has taken a long time for the ban to be lifted. We saw it as an opportunity to expand our business by starting to export.” In anticipation of exporting, the Habibulas built a new abattoir on the family farm.

Mr. Habibula says he went to USAID for help, because

he knew that the cuts of beef for international markets are not the same as those in Guyana. “In Guyana,” he explained, “we know the large wholesale cuts like front and hind quarters or sides.” But for the retail market, especially in Guyana’s local open air markets, the cuts are usually hunks of meat with the bone left in. “It doesn’t matter if the bone is broken or if there are chips of bone left in – meat is usually cooked in stews or curry and we want the bone flavor.” But he



GEO meat processing expert Brad McCloud demonstrates a cut to a group of Guyanese butchers, including Assad Habibula (in black shirt) and his father (behind McCloud).

realized that they did not have experience with some of the retail cuts required outside. In response, USAID's GEO project developed a practical training program and offered it to all butchers. "GEO was quick to respond to our request and sent Brad McCloud to train us. But that turned out to be only the beginning of assistance we received from USAID." GEO also recommended changes to the new abattoir to help meet HACCP requirements, provided market information, and helped Mr. Habibula negotiate his first export contract.

"I never expected to get all the help I did when I first went to the GEO office," Mr. Habibula says. "They even met with the Grenadian health officials when they came to inspect our abattoir—to help assure them that we would keep up the necessary health standards ... it got so that if I didn't hear from someone on the project each week, I would ask if they had forgotten about us." With recent beef scares over mad cow and hoof and mouth disease in the U.K., Canada, and the U.S., Mr. Habibula and his family are well positioned to expand their new export business. Rising Sun is now supplying three outlets in Grenada and negotiating with importers in Jamaica and Trinidad. Says Mr. Habibula, "I know we have a long way to go, but I thank USAID and the GEO project for the help they gave us in getting started."



Assad Habibula's father tries his hand at a beef cut during the GEO training program.