

CLASSIFICATION
PROJECT EVALUATION SUMMARY (PES) - PART I

Report Symbol U-447

1. PROJECT TITLE CARIBBEAN MARKETING ASSISTANCE			2. PROJECT NUMBER 538-0102	3. MISSION/AID/W OFFICE RDO/C
			4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY) <u>538-85-05</u>	
			<input checked="" type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION	
5. KEY PROJECT IMPLEMENTATION DATES			6. ESTIMATED PROJECT FUNDING	7. PERIOD COVERED BY EVALUATION
A. First PRO-AG or Equivalent FY <u>83</u>	B. Final Obligation Expected FY <u>85</u>	C. Final Input Delivery FY <u>85</u>	A. Total \$ <u>789,090</u> B. U.S. \$ <u>789,090</u>	From (month/yr.) <u>September 83</u> To (month/yr.) <u>December 84</u>
				Date of Evaluation Review <u>3/14/85</u>

8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
<p>1. RDO/C should continue to support the project at current monthly rates of expenditure</p> <p>2. The US/Caribbean partnered EDSs should develop realistic activity plans for the period April '85-December '85.</p>	<p>RDO/C Management</p> <p>Partnerships</p>	<p>Amendment signed 6/13/85</p> <p>Completed 5/21/85</p>

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS

<input type="checkbox"/> Project Paper	<input type="checkbox"/> Implementation Plan e.g., CPI Network	<input type="checkbox"/> Other (Specify) _____
<input checked="" type="checkbox"/> Financial Plan	<input type="checkbox"/> PIO/T	_____
<input type="checkbox"/> Logical Framework	<input type="checkbox"/> PIO/C	<input type="checkbox"/> Other (Specify) _____
<input type="checkbox"/> Project Agreement	<input type="checkbox"/> PIO/P	_____

10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT

A.	<input type="checkbox"/> Continue Project Without Change
B.	<input type="checkbox"/> Change Project Design and/or
	<input checked="" type="checkbox"/> Change Implementation Plan
C.	<input type="checkbox"/> Discontinue Project

11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)

Peter Medford, GPS *RM* D/DIR: TJBrown *TS*
 Darwin Clarke, SPS *AW*
 Gilmore Rocheford, Partners Regional Representative *GR*
 Blaine Jensen, PRM *BJ*
 Charles Connolly, A/PSA *CC*

12. Mission/AID/W Office Director Approval

Signature: *James S. Holtaway*
 Typed Name: James S. Holtaway, RDO/C DIR.
 Date: *July 24, 1985*

13. SUMMARY

The project is being implemented in accordance with a design modification which occurred in June 1984 providing for the establishment of in-country offices to house locally hired coordinators who would monitor program activities. Over the past 9 months the project has begun to yield the results expected at its inception. As a result of the varying levels of development of the three Caribbean territories chosen the project has taken on a different character in each of the territories. The major focus of the Barbados/Capital District program is to provide technical assistance and marketing contacts to medium sized manufacturers. The major focus of the St. Lucia/Rockland County Program is to provide technical assistance and direct marketing services to small producers in the handicrafts and agro-processing industries, while that of the Dominica/Dutchess County program is training related to business development on the island.

14. EVALUATION METHODOLOGY

The objective of the evaluation were (1) to determine to what degree exports have increased as a result of the project, (2) to determine the degree to which project activities have improved the competitive position of Caribbean entrepreneurs leading to increased sales of their products and services to the U.S., Eastern Caribbean region, and local markets, and (3) to assess the cost-effectiveness of the project design, as amended, in achieving these goals.

The evaluator reviewed files and materials on the project as well as interviewed the project monitors from RDO/C and the Partners of America. She also visited the responsible committees both in the Caribbean and in New York to discuss the specific objectives of each committee and project related activities undertaken by the partnerships. She also interviewed individuals from the Caribbean territories who had participated in project activities.

15. EXTERNAL FACTORS

No changes of consequence have occurred during life of project to date.

16. INPUTS

The effectiveness of the inputs is a function of the quality monitoring which can be provided particularly by the Caribbean partnerships. This role has been served by the local project coordinators who commenced duties last September.

17. OUTPUTS

Since the hiring of the local coordinators nine months ago measurable results have occurred and accomplishments are now reaching the first years targets.

18. PURPOSE

The purpose of the project is to execute marketing strategies which could open new export markets for Caribbean products in the U.S. market particularly New York State. Some \$216,000 in orders, some of which have since been filled, were obtained by Barbadian manufacturers as a result of a trade mission to Albany in 1984.

19. GOAL

To increase the sale of Caribbean produced goods in the U.S. market. To date measurable progress has been made towards goal attainment. See item 18.

20. BENEFICIARIES

The primary beneficiaries have been and will continue to be the medium and small entrepreneurs and their employees in the three caribbean territories of Barbados, St. Lucia and Dominica.

21. UNPLANNED EFFECTS

Not pertinent at this time.

22. LESSONS LEARNED

For any marketing effort to have a chance of success part-time voluntary participation is not enough. There must be full-time on site agents and sufficient resources allocated to facilitate continuous contact and timely follow-up on request for marketing assistance"

Also there must exist in the prospective exporting countries the necessary management and production capabilities and there must be an understanding of import-export regulations by all parties concerned.

**AN EVALUATION OF THE
PARTNERS OF THE AMERICAS
CARIBBEAN MARKETING ASSISTANCE PROJECT**

**Heather A. Clark
February 1985**

**Prepared for the US Agency for International Development/Regional
Development Office (Barbados Mission)**

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I. EXECUTIVE SUMMARY

A. Purpose of the Evaluation

The evaluation report of the Caribbean Marketing Assistance Project (CMAP) has been prepared for the USAID/Regional Development Office (Barbados) to assist in determining the future of the CMAP for the period April 1985- April 1986. The evaluation can also be useful to the National Association of the Partners of the Americas (NAPA) and the Partners Economic Development Sub-Committees (EDS) in Barbados/Capital District (Albany), Dominica/Dutchess County and St. Lucia/Rockland County in analyzing the present status of the project and planning for the future.

To assist the project principals in determining the future of the project, this evaluation provides recommendations and conclusions regarding the following :

1. the current status of the project in terms of the ability to provide effective and timely marketing activities;
2. the appropriateness of the Partnership structure in conducting successful marketing activities; and,
3. the cost effectiveness of the CMAP in providing marketing services in the context of a) the uniqueness of the project, and b) as compared to other marketing services.(Scope of Work, pg.8)

B. Timing

This evaluation takes place 21 months after the initiation of the three year pilot project in April, 1983; 7 months after the project revision in June, 1984; and, 5 months after the local CMAP coordinators were hired in September, 1984. During the September 1984 meeting of the joint Caribbean and US management team, USAID and the Partners agreed that the status of the project would be assessed at a meeting in December 1984. The parties agreed that if the project was on track and could be continued, then an evaluation would be carried out during the first quarter of 1985; if

the project had not improved significantly, the project would be phased out by the end of April 1985 and no evaluation would take place. During the December 1984 meeting, the Partners and USAID representatives agreed that the project had progressed to a stage where an evaluation was merited.

C. Summary Conclusions

Current Status of the Project: Provision of Effective and Timely Marketing Assistance

o The redefinition of the project which took final shape in June 1984 recognized a number of the factors that the original project failed to take into consideration, mainly: 1) the complexity of the project; 2) the need to develop a viable management structure, through the hiring of local coordinators, which could support the complex task of marketing; and, 3) a more realistic appraisal of the export potential of the majority of small businesses in the Caribbean. By refining the project, mainly to improve the competitive position of producers in the local, regional and international markets, a more realistic objective was devised.

o Over the past year, the CMAP project management team has done an excellent job in turning a poorly designed, managed and implemented project into a project that has begun to yield the results expected in the original project.

o The CMAP, viewed by Partners as an entrepreneurial and risk taking endeavor, was designed to provide a representative sample of the variations among smaller Caribbean economies at three different levels of development. As such, the CMAP is not a comprehensive program, but rather, combines three different projects in each of the three participating partnerships. The major focus of the Barbados/Capital District program is to provide technical assistance and marketing contacts to medium sized

manufacturing industries. The major focus of the the St. Lucia/Rockland County program is to provide technical assistance and direct marketing services to small producers in the handicrafts and agro-processing industries. The major focus of the Dominica/Dutchess County program is training related to business development on the island.

- o A comparison of the original log frame with CMAP accomplishments to date, reveals that the project , after two years of operation, is just beginning to reach the targets intended to be accomplished during the first year.

- o An original assumption of the project was that the creation of strong diversified EDS with the initial support of local coordinators, would enable the EDS to continue the project through their own efforts. Partners' experience with the project over the past 20 months indicates that the complex nature of marketing and the demands for continuous contact that a marketing assistance project requires, make it impossible to carry out the project by relying on voluntary committee activity alone. Project management on a day-to-day basis is required. Given this set of circumstances it seems clear that the project cannot function without a local coordinator in place.

- o No designs for project continuity after the USAID funding period were discussed in the original proposal or in the revised proposal. As a result, the EDS participating in the pilot project are presently undertaking activity without a clear idea of how that activity will be supported or continue in the future. Further, as the project activity takes place there is no clear end in mind; the EDS have not developed a strategy for project continuity with a clearly defined end which they can work towards:

- o Although communications and the time it takes to implement projects have greatly improved, timely communications and delays necessary to undertake joint efforts of the US/Caribbean EDS continue to

be problems. An annual plan for the period April 85-86 combined with a strategy for project continuity will 1) assist the respective EDS in placing priority on activities; 2) improve project implementation by eliciting timely responses from their Partners; and 3) enable the EDS to determine future fund raising strategies.

The Cost Effectiveness of CMAP and Collaboration with Other Marketing Programs

o Total USAID investment in the project during the period April 1983-June 1984 was US\$79,456. An additional amount estimated at US\$54,560 was contributed to the project by Partners, Caribbean and US organizations and project participants. Total costs are conservatively estimated at US\$ 134,000, while an estimate of total direct benefits in quantifiable terms will not exceed US\$ 10,000/year. While benefits generated during the first year of any project are generally low, and no additional costs will be expended by outside agencies to continue to yield the yearly benefits, the benefits generated under the initial project design are not now nor likely to become commensurate with project costs. Many of the project activities developed during this period, were outside the export orientation of the project at that time. However, the majority of the project activities developed during that period improved the competitive position of local producers and businessmen in the local market.

o Total USAID investment in the project during the period July 1984 to December 1984 was US\$83,104; additional contributions include US\$41,250, yielding a conservative estimate of total cost of US\$124,354 for this period. An estimate of total direct benefits, in quantifiable terms, is approximately US\$ 275,250. Some of the program investment in training, technical assistance and direct sales contacts will not yield results until later in 1985. The majority of the project activities implemented during this time period are directly related to the revised project objective of

improving the competitive position of the local producer in the local and/or regional, as well as the international (US) markets. The majority of the activities carried out under this period of the project are also directly related to the original project goal, to increase the sale of Caribbean produced goods in the US market.

- o Considering the time it took to develop activities consonant with project objectives and the cost of implementing the project in comparison with benefits under the initial project design, the present project design 1) is more effective in producing results; and, 2) produces benefits that are more commensurate with project costs.

- o Initial discussions with USAID determined that the CMAP objectives and design are significantly different from other USAID funded efforts in the region. There is little basis for comparison between CMAP and other marketing assistance programs presently operating in the Caribbean, including the CCAA/CAIC Twin Chambers Project.

- o Currently, in each of the three program areas, the EDS are working closely with governmental export promotion organizations and those private organizations involved in business development. Many representatives from these local organizations are members of the EDS or the Partners local committee.

The Appropriateness of the Partnership Structure in Conducting Successful Marketing Activities

- o The Partnership mechanism, unique in some respects, includes both advantages and constraints to project implementation. The major advantages built into the Partnership model are 1) the ready access to US markets, 2) the ability of local sub-committees to attract business community members who are involved in marketing, export promotion,

trade and development, 3) the ability of the EDS to access human and financial resources outside the Partnership, and 4) the ability of the EDS to access the national Partners financial resources.

o Although the uniqueness of the Partnership mechanism presents some clear advantages to project development, the model also presents constraints. Constraints include: 1) ready access to the US by virtue of the Partnership linkage does not automatically imply ready access to the US market for Caribbean products; 2) EDS difficulty in openly and quickly communicating with each other; 3) limited resources which cause activities to be delayed, postponed or cancelled; 4) EDS difficulty through the partnership mechanism in utilizing shared resources, e.g. the New York consultant.

o Some of the major constraints to project implementation have been resolved. The major constraint to further project progress is the lack of any clearly defined plans for project continuity; the project will not be able to function through the work of voluntary committee members alone. Because there is not a built in mechanism for continuity within a Partnership structure, the CMAP project is not entirely suited to the Partnership mechanism.

D. Overall Recommendations

Considering the momentum that the project has gained since the hiring of the local CMAP coordinators, project costs in relation to benefits, and the consistency of CMAP activities with regard to revised project objectives, USAID should continue to support the CMAP at its current rate of expenditures. This recommendation is contingent upon the ability of the local EDS and Partners National Office to respond positively to the recommendations included in the body of this report and to present a

proposal and budget for the period April 1985-1986 that reflects those recommendations.

- o The timing of the USAID decision on future support of the project is critical. If USAID decides to continue to support CMAP through April 1986, as recommended by this evaluation, the remaining amount of the originally obligated budget for Year 3 of the project, approximately US\$65,000, should be released to ensure project support from April 1985 until additional USAID funds are approved. If USAID decides not to grant the incremental funding for the third year of the project, the remaining amount of the originally obligated budget should be released to ensure an orderly phase out of project activities and project personnel.

- o The US/Caribbean partnered EDS should put together a realistic annual plan for the period April 85-86. Plans should be specific and include concrete activities to be undertaken during the year. The rationale for each activity as it relates specifically to marketing, and the overall objectives of the project within the context of the country should be clearly indicated. Specific targets to be met by the end of the grant period as well as intended results and benefits in quantitative and qualitative terms should be included.

- o The plan should include only activities which are realistic and manageable within the coming year. Where an annual plan has incorporated a viable strategy for continuity beyond April 86, activities which will result in benefits after April '86 should be included.

- o Each US-Caribbean EDS should identify a strategy for project continuity and determine what steps must be taken during the year to ensure project continuity. This strategy should be presented along with the annual plan for April 85-86.

II. Evaluation Methodology

A. Objectives of the Evaluation

The objectives of this evaluation are 1) to determine to what degree exports have increased as a result of the project, 2) to determine the degree to which project activities have improved the competitive position of Caribbean entrepreneurs which will eventually lead to increased sales of their products and services to the U.S., the Eastern Caribbean region, and local markets, and 3) to assess the cost-effectiveness of the project design, as amended, in achieving these goals. (Scope of Work, pg. 4)

As identified in the scope of work, the evaluation includes an assessment of the following specific project objectives:

1. to establish viable functioning partnerships with local Economic Development Sub-committees (EDS) in three Caribbean countries of St. Lucia, Barbados, and Dominica and counterpart New York State Partnership areas;
2. to recruit and orient local coordinators and paid consultants who are appropriate, experienced, and well qualified to provide marketing assistance to Caribbean businessmen;
3. to identify and recruit Partners volunteers in Partnership areas, to provide technical assistance to Caribbean entrepreneurs in marketing products and in providing services that are competitive in reference to design, quality control, safety standards, labeling, and pricing for the U.S. and other markets;
4. to provide individualized, custom-designed training to Caribbean business people and their employees as identified by Caribbean Partnership Sub-committees; and,
5. to facilitate the marketing of goods and services from the Caribbean, through such promotional activities as trade missions to the United States which offer face-to-face business opportunities.

In addition to assessing project progress in meeting the specific objectives, mentioned above, the evaluation provides an analysis of intended results and methodologies employed in project implementation and management, specifically with regard to:

1. the degree to which trade between the Caribbean and the United States and elsewhere has increased in quantifiable terms as a result of the project;

2. the degree to which the Partnership mechanism is an effective instrument in achieving trade gains and market access, or in providing technical assistance which may make both of these possible in the future;

3. the effectiveness of Partners project management at all levels in Washington, New York State and the Caribbean;

4. a brief assessment of the Peace Corps participation in the project;

5. a comparative analysis of how the Partnership mechanism functions in a marketing project in countries at various levels of development; and,

6. to a limited extent, a comparative analysis of the Partnership model with other approaches to provide marketing assistance in the three participating countries. (Scope of work pgs.5-8)

B. Evaluation Activities

- o Five days were spent working at the National Association of the Partners of the Americas (NAPA) offices in Washington. A review was conducted of files and materials pertaining to the CMAP program, including volunteer technical assistance reports, EDS reports, and CMAP project

coordinator reports. Discussions were held with the CMAP project manager, the Partnership Servicers for the three Partnerships involved in the CMAP and the Partners' president.

- o Sixteen days were spent visiting Caribbean and New York based local committees. Visits to the three US local committees in the Capital District, Dutchess County and Rockland County comprised of one day each, and visits to three Caribbean local committees in Barbados, St. Lucia and Dominica, comprising a total of twelve days, were made to discuss the specific objectives of each local EDS, the role played by the sub-committee within the local Partnership committee, and EDS activities undertaken by the Partnership. Discussions were held with the Partners' regional representative for the Caribbean, EDS chairmen, EDS project beneficiaries, local CMAP coordinators, the New York consultant, collaborating institutions, and, where possible, local Partners' committee presidents. (A list of institutional and personal contacts is presented in Appendix I.)

- o Interviews with EDS members and local project coordinators included a discussion of the objectives and the structure of the EDS, collaboration among EDSs, problems encountered in project implementation, changes in direction or emphasis in the local program, plans for the future, and support necessary to improve present program operations.

- o Site visits were made in Barbados, St. Lucia and Dominica to projects that have received technical assistance and/or have participated in the CMAP program.

- o Two meetings were held with USAID Barbados Mission staff including the Private Sector Office, the Evaluation Office and the PVO Office. During the initial meeting with USAID, two important aspects of the scope of work were defined. First, the only USAID funded project that resembled the Partners CMAP was the Caribbean/ Central America Action (C/CAA)

/Caribbean Association of Industry and Commerce (CAIC) sponsored Twin Chambers Program. Secondly, rather than attempting a comparative analysis of cost effectiveness of CMAP in relation to similar USAID funded projects, the evaluation should concentrate in determining, to the extent possible, the cost effectiveness of the original project design in comparison with the present project design. In essence, are the project benefits worth the costs?

o In order to meet the EDS members and local CMAP coordinators, the newly appointed USAID project manager accompanied the evaluator to St. Lucia and Dominica and to project sites in Barbados.

III. THE CARIBBEAN MARKETING ASSISTANCE PROJECT (CMAP)

A. Project Background

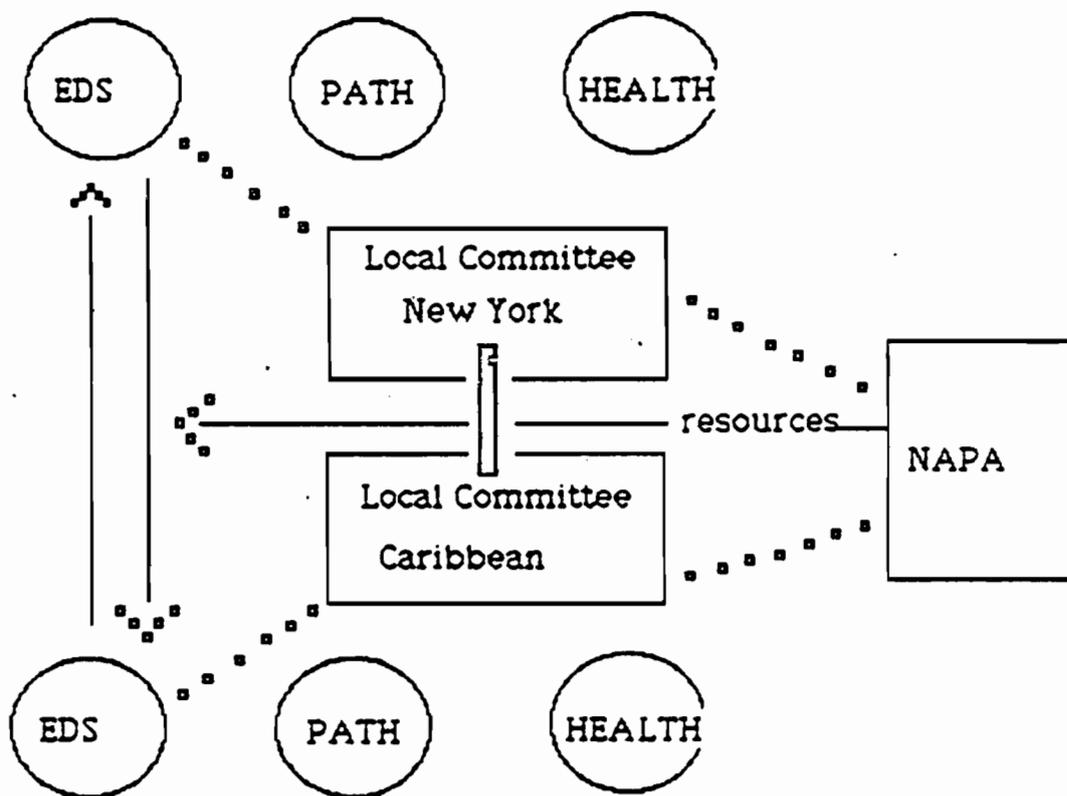
The National Association of the Partners of the Americas (NAPA), incorporated as a private non-profit organization in 1966, provides a variety of services and management support to 55 affiliated Partnerships. A Partnership combines a US State/region with a Latin American or Caribbean country/state/region. Each Partnership has a 'local committee' which is legally incorporated in both the Northern and Southern country/state where it operates. Each local committee has a board of directors and/or chairman, president, executive director, coordinator, depending on the local by-laws of the organization. Each local committee has a number of sub-committees with specific program attributes, such as agriculture, economic development and community education. (An organizational diagram of the Partnerships is presented in Chart I.)

The CMAP was designed by the National Association of the Partners of the Americas (NAPA) and currently involves the Economic Development Sub-Committees (EDS) in three Partnerships: Barbados-Capital District, St. Lucia-Rockland County and Dominica-Dutchess County. Over an 18 month period, Partners submitted three project concept papers to USAID/RDO (Barbados) before the final proposal was submitted in February 1983 and approved by USAID in April 1983.

While the intent of the project, to foster and support private enterprise development in the Caribbean, remained the same, the focus of the project was modified over the 18 month period. Initially the project intended to support and develop small and micro enterprises to produce for the local, regional and international markets in 8-10 Caribbean Partnerships. (Concept Paper-Partners of the Americas Caribbean Basin Small Enterprise Development Program, December, 1981) The project focus

CHART 1: Working Model of a Partnership

Sub-Committees (New York State)



Sub-Committees (Caribbean)

Source: Regional Office Central America

was then honed to promote Caribbean small businesses to export locally made products to the United States in three Caribbean Partnerships of Barbados, Dominica and Belize. (Concept Paper-Partners of the Americas Small Business Assistance/Export Promotion Program, July 1982) The main objective of the final project proposal was to provide comprehensive marketing assistance to Caribbean manufacturers and businesses in the three Caribbean Partnerships of St. Lucia, Dominica and Barbados. (Caribbean Marketing Assistance Project, February 1983)

In all stages of the project's development, Partners stressed the entrepreneurial, risk taking nature of this pilot project by using a private voluntary organization and its volunteer members in efforts that were to foster private enterprise development.

Over a two year period, from April 1983 to April 1985, an operating program grant (OPG) in the amount of US\$ 270,000 has been extended to Partners for the support of the CMAP program.

The approved CMAP proposal was originally designed to increase exports from the Caribbean to the US (New York) by using the Partnership structure. Through this mechanism, Economic Development Sub-committees in Barbados, Dominica and St. Lucia could request assistance from the US counterpart Economic Development Sub-committees in Capital District, Dutchess County and Rockland County, respectively. The project also called for one Peace Corps volunteer on each of the three islands, to carry out day-to-day activities, and follow up on requests for assistance.

During the first year of the project the EDS's in the Caribbean and in New York had difficulty in maintaining volunteer interest and participation. While the makeup of the Sub-committee's finally stabilized, approximately one year after the project was initiated, few of the EDS members who signed off on the original proposal remained involved with

the Partnership. The Peace Corps Volunteers did not work out for a variety of reasons. As the first year of the project came to an end, none of the three islands had PCV's; the US and Caribbean EDS's had changed management several times; there had been three different NAPA project managers; and, few project activities had been carried out.

In late 1983, Partners considered re-structuring the project with respect to 1) redefining the role of the EDS; 2) refocusing the CMAP activities with regard to the project development responsibilities of the EDS and the participating businesses; and, 3) re-assessing the role of the Peace Corps volunteers. (Concept Paper-Proposed Restructuring Plan, December 1983). From January to June 1984, Partners conducted negotiations with USAID/RDO-Barbados regarding the objectives, management and future of the project. At one point, Partners felt that it would be in the best interests of all parties to terminate the project. This possibility was discussed with the USAID project manager. Both parties agreed a final effort at salvaging the project could be made by substantial restructuring. Partners agreed to continue managing a revised and restructured project.

The project was revised in June, 1984 by mutual agreement of the Partners management and USAID. While the original goal of the project, to increase the sale of Caribbean produced goods in the US market, was maintained, the project objectives were broadened to emphasize short term project activities which would eventually lead to increased trade. These project activities, the majority of which were incorporated into the original project proposal, were identified in the revised project proposal as follows:

- increasing service to local and regional markets;
- supporting marketing research/assessment missions'
- providing technical assistance in the areas of product development, design and quality control;
- supporting observational training visits; and,
- promoting trade missions.

Thus, the project was redefined to include assistance in production which would increase the local producers' competitive position in the local, regional and international (US) markets.

In addition to a revision of the project objectives, the project management structure was modified to include salaried local coordinators on the three Caribbean islands. (A diagram of the CMAP management structure is presented in Chart 2.) The original three year project budget was accelerated to provide for additional salaries, management and administrative support. The cost of project implementation rose from approximately US\$ 5,600/month for the 14 month period from April 29, 1983-June30, 1984, to approximately US\$ 14,000/month from July, 1984 to the present. Under this budget revision, the project, originally scheduled to continue to April 1986, would spend all but approximately US\$ 65,000 of the total obligated budget by April, 1985.

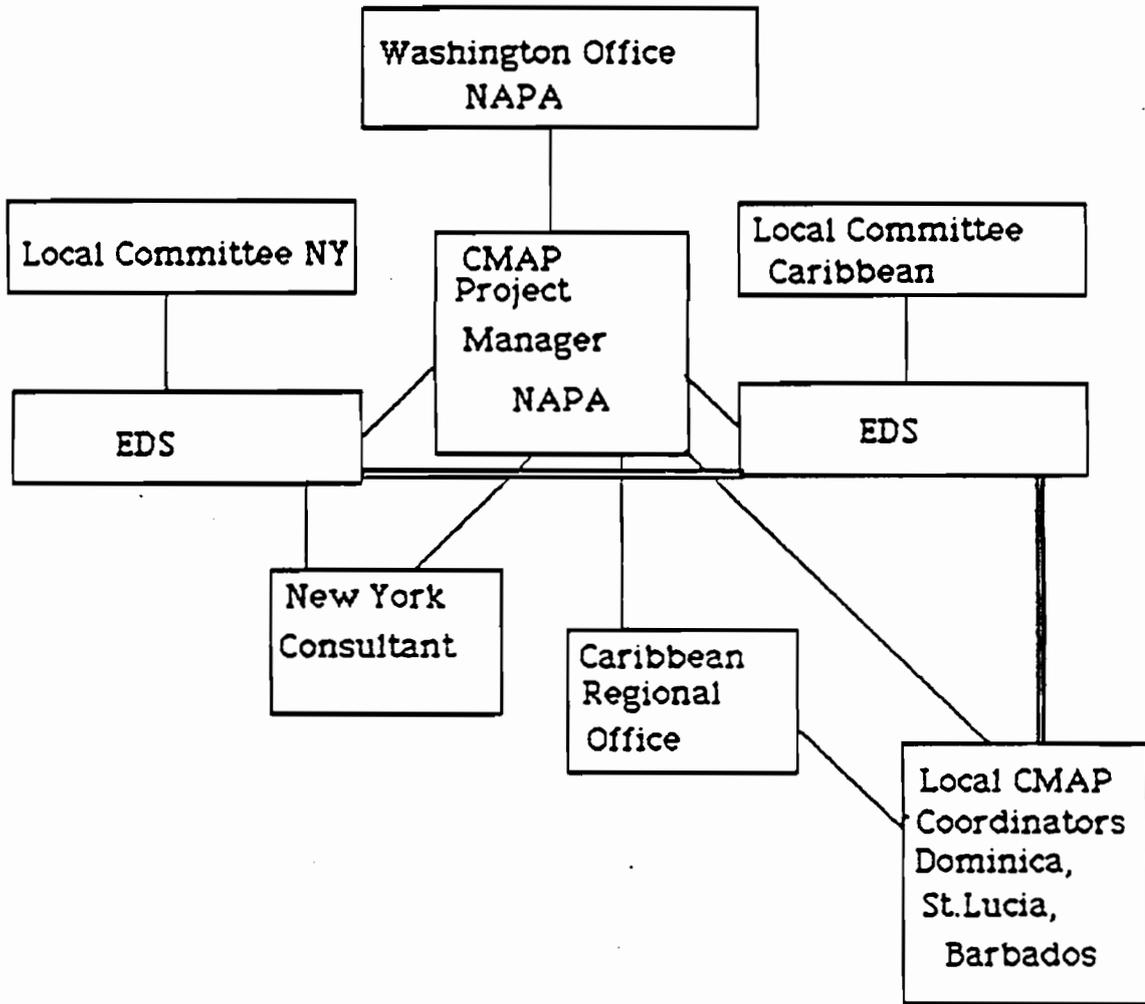
B. Early Lessons

Findings

A number of factors contributed to the lack of progress during the first 16 months of the project. The major factors that impeded the progress of the project were:

- o Project Design: The original project design supported the export potential and manufacturing base of Barbados. St. Lucia and Dominica were built into the pilot project in order to provide a representative sample of the variations among smaller Caribbean economies. The project design, however, did not include the provision of the necessary management or production support for businesses in Dominica and St. Lucia to produce for the US market. A more thorough analysis of Dominican and St. Lucian businesses during the project design phase would have revealed that intensive training in product development, production management and

Chart 2: CMAP Project Structure



business management would be necessary before Dominican and St. Lucian businesses could take advantage of US export contacts.

- o Project Organization: The project was designed to take advantage of an organized and operational EDS and overall Partnership committee. Although there were minor changes in the EDS in both Albany and Barbados, the major actors remained the same. Thus the Barbados/Capital District EDS maintained a certain continuity of committee members, retained the interest of its members, and had an established base upon which to recruit additional members.

- o Partnerships were built into the project with little analysis given to 1) the make-up and ability of the EDS to carry out the project and 2) the level of development and strength of the Partners local committee's organization.

- o Within three months after project initiation, two of the three Caribbean EDS members who had originally signed off on the project proposal were no longer involved in the Partnership due to pressing professional commitments. As a result of the early changes in EDS leadership, the majority of the project participants had no clear understanding of the project objectives.

- o At the time of project initiation, Partners had just begun organizing the St. Lucia/Rockland County and the Dominica/Dutchess County Partnerships. The Partners local committees were still in a nascent stage of organization. Therefore, little direction, organizational or managerial support was forthcoming from the overall Partnership. As one former chairperson of the Partners local committee so aptly put it "we had difficulty in focusing on getting anything done; we were still at the stage of trying to get a letter answered."

o Project Planning: Too little analysis was done of the suitability of the project objectives with respect to the in-country business sector and the EDS ability to carry out the project. The majority of the EDS didn't understand the project objectives and there was no active overall Partners committee to help define them. Within this context, it is easy to understand why no planning of activities with respect to project objectives was ever undertaken. With the exception of Barbados/Capital District, no activities were carried out, or activities carried out under CMAP auspices had little to do with promoting and marketing Caribbean exports to the United States.

o Due to the difficulties presented in project planning, neither Partners nor the EDS clearly defined the focus of the project with respect to 1) the target clientele and, 2) whether the nature of the project was to increase the competitive position of privately owned for-profit commercial enterprises or whether the project was intended to have some direct social benefits in assisting the poor to improve skills, increase income or find employment.

o Project Management: The project management structure and the individual roles within that structure were well defined on paper. However, as the project developed and the major actors changed, the management structure became unclear. Individual roles and the management structure itself was interpreted differently by the different parties involved. At one time, two different people were considered the project manager, yet neither one had a clear idea of the project manager's function.

o The role of the New York consultant was left undetermined. Ostensibly, the New York consultant's role was to assist the EDS when the

EDS could not find the appropriate resources within the Partnership area. Yet, no system of communications was developed to ensure that this system of referrals and assistance was implemented. Consequently, few EDS ever consulted the consultant and the consultant was not informed of projects where he could have lent assistance. An animosity developed between the paid consultant and some volunteer committee members who did not want to work with someone who was paid to do what they volunteered to do. Neither the volunteer committee members nor the paid consultant understood the consultant's role.

o Although the idea of using PC volunteers to support the day to day project operations was a good one, certain managerial problems, personality conflicts and unclear lines of authority among Partners, Peace Corps and the Peace Corps volunteers with respect to the job duties and responsibilities made the situation unworkable.

Summary and Conclusions

Although Partners designed the project within the spirit of entrepreneurial risk taking, Partners underestimated the complexity of project as follows:

1. the nature of marketing Caribbean exports in the US, including a) requirements for continuous contact and timely follow-up; extensive planning and analysis; comprehensive understanding of import-export regulations; and support from national credit and banking facilities; b) a knowledge of import-export administrative procedures, such as arranging letters of credit, insurance, freight, etc; production organization and management required to meet quality, standards, volume; and competition from domestic producers and other exporters to the US; c) the training required to bring production and management up to standard; and d) financial resources required to bring production up to standard and to support marketing efforts;

2. the level and quality of management support required to undertake this task;

3. the ability of the Partnership mechanism to promote or impede such an effort;

4. time available to businessmen to support such an effort;

5. the number of potential business prospects with exportable products able to compete in the US market, especially in St. Lucia and Dominica; and,

6. the time and investment required to support these industries to a level where simply making the contacts for export without providing production and management assistance, i.e. "leading the horse to water", would be enough.

C. CMAP: June 1984 to Present

Over the past year, the CMAP project management team has done an excellent job in turning a poorly designed, managed and implemented project into a project that has begun to yield the results expected in the original project.

From late 1983 to mid-1984 Partners' deliberations with USAID produced a decision to devote as much time as necessary and the resources available to develop a manageable marketing assistance project that could meet project expectations.

The redefinition of the project which took final shape in June 1984 recognized a number of the factors that the original project failed to consider, including the following: 1) the complexity of the project; 2) the need to develop a viable management structure, through the hiring of local coordinators, which could support the complex task of marketing; and, 3) a more realistic appraisal of the export potential of the majority of small businesses in the Caribbean. By refining the project, mainly to improve the competitive position of producers in the local, regional and international markets, a more realistic objective was devised.

The CMAP, designed to provide a representative sample of the variations among smaller Caribbean economies at three different levels of development, is not a comprehensive program. CMAP combines three different projects in each of the three participating partnerships. The major focus of the Barbados/Capital District program is to provide technical assistance and marketing contacts to medium sized manufacturing industries. The major focus of the the St. Lucia/Rockland County program is to provide technical assistance and direct marketing services to small producers in the handicrafts and agro-processing industries. The major focus of the Dominica/Dutchess County program is training related to business development on the island.

The different natures of the programs are due mainly to 1) the different industrial and business environments in which the program takes place; 2) the potential of the export industry and the natural resource base of the countries in which the program takes place; 3) the make-up and interests of the EDS in each US and Caribbean Partnership; and 4) the resources available in the New York partner area.

D. Findings and Recommendations

A comparison of the original log frame with CMAP accomplishments, reveals that in two years, the project has reached the majority of targets intended to be accomplished in one year. The major shortfalls are in the number of enterprises assisted and the development of marketing assistance plans and strategies. (See Appendix 4 for original log frame.)

A number of factors that originally impeded the project's development, still exist, but to a much lesser degree.

Program Policy-Findings

o Neither NAPA nor the Partners local committees have taken a policy position on the issue of a private non-profit organization directly assisting private for profit commercial enterprises in improving their competitive position. The business nature of the project, especially in the case of Barbados/Capital District, is substantially different from other Partners' activities which are intended to assist people at the lower end of the economic scale, provide social services or inter-cultural experiences. The issue of assisting privately owned companies still causes concern among some of the three participating EDS, and within some of the Partners' local committees.

o To date, Partners has not developed an overall policy on providing assistance to private for profit enterprises. The lack of such a policy is reflected in programmatic and administrative policies which are not geared

towards supporting business development and in some cases inhibit it. For example, 1) even though NAPA practice supports the policy of providing loans and not grants to commercial ventures, there is no clear policy statement to that effect; 2) local EDS recommend grants to commercial ventures when the Partners have access to a loan fund; and, 3) although several exceptions have been made specifically for this project, Partners' general regulations stipulate volunteer travel must be for a minimum of 10 days. Businessmen can rarely leave their business for extended periods of time.

Program Policy-Recommendations

- o Partners management has been flexible on administrative policies regarding travel for businesses involved in the CMAP. Travel policies and the 10 day minimum should be re-examined and continued to be interpreted in a flexible manner if Partners wishes to emphasize projects which involve business.

- o In three cases, the absence of a strict policy on providing loans or grants to commercial ventures has delayed project implementation for over a year. The determination of loan policy is the responsibility of the local committees. By informing the EDS and the local committees that no grants will be approved for commercial ventures, Partners NAPA management can motivate local committees to establish loan fund guidelines and decrease delays in project implementation.

Project Design: Continuity-Findings

- o CMAP was originally envisaged as a pilot project with potential to continue within the three original Partnerships and to expand to other Partnerships in the Eastern Caribbean region. Yet, no designs for project continuity were discussed in the original proposal or in the revised proposal. As a result, the EDS participating in the pilot project are presently undertaking activity without a clear idea of how that activity will

be supported or continue in the future. Further, as the project activity takes place there is no clear end in mind; the EDS have not developed a strategy for project continuity with a clearly defined end which they can work towards.

Project Design: Continuity-Recommendations

o Each US-Caribbean EDS should determine a strategy for project continuity which should include an analysis of how the project will continue and what steps must be taken during the year to ensure project continuity. This strategy should be presented along with the annual plans for April 85-86.

Project Design: Organization-Findings

o An original assumption of the project was that the creation of strong diversified EDS with the initial support of local coordinators, would enable the EDS to continue the project through their own efforts. Partners experience with the project over the past 20 months indicates that the complex nature of marketing and the demands for continuous contact that a marketing assistance project requires, make it impossible to carry out the project by relying on voluntary committee activity alone. Project management on a day-to-day basis is required. Given this set of circumstances it seems clear that the project cannot function without a local coordinator in place.

Project Design: Organization-Recommendations

o Some options for project continuity and diverse project organizational configurations emerged in discussions with the various EDS. Each EDS should analyze the following options:

1) the ability of the Caribbean and US EDS to provide the management and financial support to continue the employment of the local coordinators and raise necessary project funds. This analysis should present a realistic

assessment of the project costs, the amount of funds that can be raised and the continuity of such fund raising efforts.

2) the ability of the project to become self-sufficient with the coordinators working on a commission basis or with funds for fixed salaries generated from client sales and/or purchases. This analysis should include both a break-even analysis and a cash flow analysis to determine the viability of operating the project as a commercial venture.

3) the ability of the project to be supported by a local institution with similar goals and activities that will agree to collaborate on this project together with the local Partners. Presently, each coordinator works out of an office provided by a local institution (NRDF in St. Lucia, IDC in Dominica) or works closely with an organization with similar objectives (Barbados Manufacturers Associations (BMA), Export Promotion Corporation (EPC) in Barbados). Each local institution presently undertakes complementary activities and enjoys a strong Partnership association through the EDS or the local committee. The analysis of local institution support should include:

- a) how the CMAP can best be accommodated within the local institution's program;
- b) the complementarity of the CMAP with the local institution's program;
- c) how the project will be supported financially;
- d) what management structure will be necessary to support the project; and,
- e) how the US/Caribbean EDS can best support project activities.

o The present strengths and weaknesses of the project indicate that the third organizational option is currently the most viable alternative for all three Partnerships. Within the Partners general structure, development projects which are initiated by Partners and subsequently supported by local organizations have the best chance for success and continuity. By April 1986, the project should have progressed to a level where the local organization, by accommodating the project, will gain not only an experienced staff member, but a marketing concept, marketing ties and a marketing assistance project.

o The Barbados/Capital District EDS may have difficulty in identifying a local institution with similar activities and objectives. The Barbados/Capital District EDS should 1) investigate local institutions that can accommodate the program, specifically the EPC, the BMA and the newly

organized National Development Foundation; and 2) investigate the possibility of seeking funding from USAID or private industry to continue the support of the program.

Project Design: Expansion-Findings

o In discussions with Partners staff, concern was expressed regarding the expansion of the project to other Eastern Caribbean Partnerships. In projects as complex as CMAP which require a great deal of management support, a sub-committee cannot be built by simply making resources available. The committee must be organized, have a functioning working relationship, and have the management support in place before a project of this nature can be undertaken.

Project Design: Expansion-Recommendations

o Based on the experience of the three Partnerships participating in the pilot project, expansion of the CMAP should not be considered unless interested, viable, organized and functioning EDS are operating in both sides of the Partnership.

o Partnerships not currently involved in the CMAP should be encouraged to use other program resources to provide training and travel grants in the area of marketing assistance, but the support of a full scale marketing assistance project cannot be justified unless the respective EDS are in place, organized and functioning.

o The project should not be expanded to other Eastern Caribbean Partnerships within the life of the USAID grant. Grant resources should be utilized to support on-going efforts within the three participating Partnerships.

Planning and Reporting-Findings

o Although communications and the time it takes to implement projects have greatly improved, timely communications and delays necessary to undertake joint efforts of the US/Caribbean EDS continue to be problems. An annual plan for the period April 85-86 may assist the respective EDS in placing priority on activities and eliciting timely responses from their Partners.

Planning and Reporting-Recommendations

o The US/Caribbean partnered EDS should put together a realistic annual plan for the period April 85-86. Plans should be drawn up by the local CMAP coordinators in collaboration with the Caribbean EDS. Plans should be sent in advance to the US EDS, and a joint meeting should be held to formalize plans for the April 85-86 period.

o Plans should be specific and include concrete activities to be undertaken during the year. The rationale for each activity as it relates specifically to marketing and the overall objective of the project within the context of the country should be clearly indicated. Specific targets to be met by the end of the grant period as well as intended results and benefits in quantitative and qualitative terms should be included.

o Plans should include an activity schedule, expected responses by each EDS, the deadline for responses, responsibility for carrying out activities and the human and financial resources necessary to support activities. The sources of these resources should be indicated.

o The plan should include only activities which are realistic and manageable within the coming year. Where an annual plan has incorporated a viable strategy for continuity beyond April 86, activities which will result in benefits after April '86 should be included.

- o Reports should be written with respect to annual plans. Coordinator reports should emphasize results, benefits, problems and possible solutions rather than strictly reporting activities.

Project Management and Administration-Findings

- o The project management team seems to be functioning smoothly. The local coordinators have been able to implement project activities in a considerably short period of time. In some cases, the coordinators have been able to organize in three months what it took the voluntary committee 18 months to complete.

- o To some extent, the role of the New York consultant is still vaguely defined. The consultant is still not being used by two of the three committees. In one case this is because of the nature of the activities carried out by the CMAP, and, in the other because of the relationships already established between the US and Caribbean EDS.

- o The quarterly meetings, necessary to refine the project and begin anew, now seem excessive.

- o Although NAPA requested each EDS to draw up a monthly budget in order to set up an operating fund, some coordinators still operate out of pocket. Expenses are re-imbursed upon presentation of receipts. This operating procedure puts undue constraints on the coordinators' operations, especially since the bi-monthly salary checks reach the coordinators late.

- o In some cases, implementation of specific project activities is constrained by the lack of operating funds, such as funds available to rent a meeting room for courses.

- o As the coordinators become more familiar with their duties and responsibilities, the direct management assistance necessary from the national and regional offices will decrease.

Project Management and Administration-Recommendations

o The Rockland EDS is operating with one member, and the likelihood of recruiting new members within the coming year is low. The St. Lucia/Rockland EDS and the local coordinator have been able to establish a working relationship with the New York consultant. In order to promote the St. Lucia/Rockland CMAP, the New York consultant should be hired on a retainer basis to exclusively support the St. Lucia/Rockland CMAP.

o Under this recommended arrangement, the reporting function of the New York consultant should be transferred to the Washington office.

o The quarterly meetings can be easily reduced to six-monthly meetings. A joint meeting should be held to review the annual plans and budgets for the April 1985-86 period, and, a joint meeting should be held in October-November to review progress toward establishing an on-going program post-April 1986.

o Although Partners has established an operating fund for the payment of monthly coordinator expenses, the procedures are not going smoothly. The coordinators in some cases are still advancing salaries for payment of the institutional expenses, or delaying payment of rent and expenses due to the organizations housing the coordinators. Partners should re-examine the operating procedures of this fund and determine whether the problem lies in the lack of proper presentation of receipts on the part of the coordinators or the timing involved in receipt presentation and re-imburement.

o Every effort should be made to ensure that the coordinators' salaries reach them on the date due. Partners should investigate use of telex transfers, mailing checks in advance of the date due to ensure timely arrival of funds, or including enough money in the operating fund to pay the coordinators in country. Paying the coordinators in advance, and only once a month is also an option to be considered.

o As part of the April 1985-86 planning process, Partners should examine the management time spent on the project and budget accordingly.

o As part of the April 1985-86 planning process, Partners should consider making available additional operating expenses from the project budget. Every effort should be made to seek local contributions to a project activity, such as free advertising, course registration fees and contributions of meeting rooms. In cases where unsuccessful attempts to seek local contributions will seriously constrain the implementation of a project activity, expenses should be made available from the project budget. These funds are small amounts in support of individual projects, such as funds to rent and reserve a meeting room for a workshop.

E. Cost Effectiveness

Introduction

The CMAP attempts to establish contacts between US and Caribbean businessmen, while the actual business negotiations and follow-up are left to the businessmen themselves. Therefore, data on quantifiable project benefits to individual producers as well as individual producers' investments to achieve benefits is incomplete. Data on total program costs is also incomplete, specifically contributions from local and US organizations and project participants. An accurate benefit-cost analysis to establish the project cost benefit ratio cannot be presented. However, a general analysis of project costs in relation to project benefits under each of the two different project designs can be determined by analyzing 1) project costs with respect to benefits under each of the two different project designs, 2) project activities with respect to project objectives under each of the two different project designs; and 3) time required to carry out project activities under each of the two different project designs.

Project Design-April 1983-June 1984

From April 29, 1983 through June 30, 1984, Partners spent US\$79,456 of USAID CMAP funds to implement the CMAP. (See Appendix 5 for financial information.) In addition to this amount, total contributions from other sources were approximately US\$54,560. (See Table 1 for total program costs.) During that time, there were few concrete project activities, and those that were developed took a great deal of time.

The concrete results, some outside the scope of export promotion and marketing assistance, that can be attributed to the project during this time

TABLE 1: PROJECT COSTS AND QUANTIFIABLE BENEFITS (US\$)
April 1983 - December 1984

ITEM	CMAP	OTHER PARTNERS	LOCAL ORGS. (NY/CARIBBEAN)	PROJECT PARTICIPANTS	BENEFITS
Albany Fair(4-84)		6,000.00	11,160.00*	10,000.00	
Battery Assembly Dominica(4-84)	included in total amt.		200.00**	1,800.00	4,000.00
Culinary Institute Dominica(5,6-84)		18,000.00*	5,000.00**	2,400.00	6,000.00
Feb Ltd & MGM (7-84)	included in total amt.			30,000.00	250,000.00 (annual)
Flick Chemicals (9-84)	included in total amt.				250,000.00 (annual)
Garment Industry Sales Mission (9-84)	included in total amt.				266,000.00
Miami Garment Sub-Contracting (12-84)	included in total amt.				
St. Joseph Community Center (11-84)		3,000.00**			
Furniture Workshop (12-84)	included in total amt.		1,150.00*	475.00	
Computer Workshop (12-84)	included in total amt.		400.00*	225.00	
Tourism Project Dominica(1-85)	included in total amt.		1,000.00	1,000.00	
Tropicrafts 2-84/1-85)	included in total amt.				none
Rockland Marketing Training (10,11-84)	included in total amt.	2,500.00*	1,000.00	500.00	
Trade Fair St. Lucia(12-84)	included in total amt.				1,000.00
Sales Orders Local(12-84)	included in total amt.				300.00
Sales Order Export(12-84)	included in total amt.				350.00
TOTAL EXPENSES TO DATE		162,560.00	29,500.00	19,910.00	46,400.00

* indicates CAIC contribution

**indicates contribution from training organization

* indicates Partners International Training Grants

**Indicates Partners Small Grant Fund

period are the following:

- one observational training visit for a Dominican in methods of battery assembly. The direct benefits of this project can be estimated at approximately US\$4,000/year. (April '84)

- the organization of the Barbados Trade Show in Albany. Although some direct benefits accrued to businessmen as a result of this activity, they have not been documented. Project reports and discussions with project participants indicate that one Barbados garment manufacturer received orders in an undetermined amount, and that the furniture manufacturers sold their exhibits, again for an undetermined amount. The Show took two years to plan and implement. (April '84)

- nine Dominicans trained in food, beverage and restaurant management at the Culinary Institute of America. Three restaurant owners estimated food wastage decreased by 90%; a conservative estimate of cost savings of 50%. (May 1984)

For details on each activity, refer to the the individual country program sections, below.

Analysis

Total USAID investment in the project during the period April 1983-June 1984 was US\$79,456. An additional amount estimated at US\$54,560 was contributed to the project by Partners, Caribbean and US organizations and project participants. Total costs are conservatively estimated at US\$ 134,000, while an estimate of total direct benefits in quantifiable terms will not exceed US\$ 10,000/year. (See Appendix 6 for project costs compared to benefits.) While benefits generated during the first year of any project are generally low, and no additional costs will be expended by outside agencies to continue to yield the yearly benefits, the benefits generated under the previous project design are not commensurate with project costs.

At this point the project had not been revised to include improving the competitive position of the local producer in the local, regional and international (US) markets. Many of the project activities developed during this period, were outside the export orientation of the project at that time. However, the majority of the project activities developed during that period improved the competitive position of local producers and businessmen in the local market.

Present Project Design July 1984-December 1984

From July 1, 1984 through December 30, 1984, total CMAP expenditures through the USAID grant were US\$83,104. An additional amount estimated at US\$41,250 was contributed to the program by Partners, Caribbean and US organizations and project participants.

As a result of the project activities carried out during this time period, documented financial benefits to Caribbean participants include the following:

- through the September '84 Sales Mission, coordinated for Barbados garment manufacturers, garment orders in the amount of US\$ 116,000 were secured. A US\$50,000 order, included in this amount will not be met;
- through the same Sales Mission, watch orders in the amount of US\$150,000 were secured. Only US\$ 15,000 of this amount have been met;
- a distributorship for furniture refinishing products, worth approximately US\$250,000/year, was established in Barbados between an Albany company and a Barbadian manufacturer;
- import savings of approximately US\$250,000, minus equipment investments of US\$30,000, yielded a total yearly benefit of US\$220,000 for two Barbadian companies;
- a local trade fair in Castries resulted in sales for local producers of US\$ 1,000;
- as a result of the local trade fair and the efforts of the local CMAP coordinator, direct sales in the local market for St. Lucian handicraft producers yielded US\$ 300 and export orders of US\$350;
- The Barbados/Capital District CMAP objectives include promotion of two-way trade between the US and Barbados, therefore, financial benefits can be added as follows: 1) equipment purchase of US\$ 30,000; and 2) furniture refinishing products purchase in the amount of US\$40,000.

Non-quantifiable benefits of the program include the following:

- two St. Lucians involved in the straw products industry trained in marketing;
- one marketing assessment completed for the export of St. Lucian straw products to the US;
- personnel from 19 furniture manufacturing companies trained in furniture refinishing techniques acceptable to the US market. Training included topics such as finishes used in the US, and touch up techniques. The training is expected to yield considerable cost savings to producers in addition to bringing product lines up to US market standards;
- technical assistance in business assessment of computer needs received by personnel from nine companies;
- samples sent to three US firms contacted through Partners sponsored travel to the CBI Miami Exposition by one Barbadian garment sub-contractor;
- through a small grant provided to St. Joseph's Community Center, 60 women are being trained in cottage industry skills.

For details on each activity, refer to the individual country program section, below.

Analysis

Total USAID investment in the project during the period July 1984 - December 1984 was US\$83,104; additional contributions include US\$41,250, yielding a conservative estimate of total cost of US\$124,354 for this period. An estimate of total direct benefits, in quantifiable terms, is approximately US\$ 275,250. (See Appendix 6.)

Some of the program investments, such as the marketing training, technical assistance for furniture refinishing, sub-contracting contacts and direct sales contacts will not yield results until later in 1985.

The majority of the project activities implemented during this time period are directly related to the revised project objective of improving the competitive position of the local producer in the local and/or regional, as well as the international (US) markets. The majority of the activities carried out under this period of the project are also directly related to the original project goal, to increase the sale of Caribbean produced goods in the US market.

Summary and Conclusions

The total USAID project investment of US\$162,560 for both project periods provided estimated benefits in the amount of US\$ 285,250 over the same period of time. The USAID investment of US\$ 79,456 produced yearly benefits estimated at US\$ 10,000 under the initial project design. The USAID investment of US\$83,104 produced benefits estimated at US\$ 275,250 under the present project design.

According to a comparison of estimated costs and benefits of the project to date, rough data on the project's cost effectiveness can be presented as follows: 1) for every dollar of USAID investment, approximately US\$ 0.59 was contributed by other organizations and project participants; 2) every USAID dollar of investment produced an estimated US\$ 1.75 of benefit; and 3) every dollar of total investment produced an estimated US\$ 1.10 of benefit.

Considering the time it took to develop activities consonant with project objectives and the cost of implementing the project in comparison with benefits under the initial project design, the present project design is more effective in producing results and produces benefits that are more commensurate with project costs.

CMAP and Other USAID Sponsored Programs

Initial discussions with USAID-Barbados determined that other USAID funded programs, such as PDAP, CAIC and present NDF programs in the three countries participating in the CMAP program, differed significantly in objective and design from the CMAP as follows:

- The major emphasis of the PDAP program is to attract off-shore manufacturers to the Caribbean region. Marketing of locally produced Caribbean products in the US is not part of the program.

- CAIC is a regional organization that works with the local Chambers of Commerce. As such, the CAIC program is much broader than the CMAP and

includes financing of regional efforts to provide technical assistance to business, conducting workshops, sponsoring seminars, organizing informational networks and providing services to the private sector.

- The NDF's in St. Lucia, Dominica and Barbados provide credit assistance and business counseling to small business whose fixed assets do not exceed EC\$ 20,000. To date, marketing assistance has not been a formal aspect of the NDFs' program.

- The only program that was thought to resemble the CMAP program was the Caribbean/Central American Action (C/CAA) Caribbean Association of Industry and Commerce (CAIC) jointly sponsored Twin Chambers project.

Discussions with CAIC employees, ex-employees and Twin Chambers program participants revealed the following:

- The total budget for the Twin Chambers program was US\$200,000 over a two year period;

- To date, the major activity of Twin Chambers program has been the sponsorship of a series of four executive administration and management training seminars: two in the US and two in the Caribbean. Participants felt the seminars were beneficial, but no follow-up took place. These seminars are focused on paid Chambers' staff, rather than the business community membership.

- An objective of the Twin Chambers program, to stimulate US investment in the Caribbean, has not been reached. According to a member of the Chamber of Commerce, the return visit of US Chamber members to the Caribbean was postponed. The purpose of this visit was to discuss potential US investment in the Caribbean.

- The Twin Chambers program is presently at a stand still while C/CAA and CAIC work out managerial responsibility for the program and the devolution of program management from CCAA to CAIC.

Conclusions

CMAP Comparison

There is little basis for comparison between CMAP and other marketing assistance programs presently operating in the Caribbean.

o With the exception of Barbados, the CMAP program beneficiaries are small businessmen who are not members of the local Chambers of Commerce. CMAP beneficiaries could take advantage of the Twin Chambers project only to a limited extent. Local chambers of commerce in the three program areas, do not have active marketing assistance programs.

CMAP Collaboration

Currently, in each of the three program areas, the EDS are working closely with the export promotion organizations and those organizations that have marketing assistance programs. For example:

1) Barbados: Export Promotion Corporation, CAIC, Barbados Development Bank, Ministry of Trade and the Industrial Development Corporation;

2) St. Lucia: Chamber of Commerce, National Research and Development Foundation, and the National Development Corporation; and,

3) Dominica: Industrial Development Corporation, National Development Foundation, and the Ministry of Trade.

Recommendations

o In each country where CMAP presently operates, the program could benefit by closer ties with the National Development Foundations. The EDS in Barbados is currently attempting to recruit the director of the NDF; the CMAP in St. Lucia works closely and complements the NRDF's credit and business guidance programs; and the CMAP in Dominica could provide technical support and/or marketing assistance to NDF clients, or to previous NDF clients who are now over the EC\$20,000 fixed assets limit.

F. The Partnership Mechanism: The Uniqueness of the Model Advantages and Constraints

o The major advantage and also the most unique aspect of the Partnership model in a project that promotes exports from the Caribbean to the US market, is the ready access the Caribbean Partner has to the US. Because the Caribbean Partner has ready access to the US through the Northern Partner, this does not automatically translate into ready access to the US market. Elements of production, such as quality, standards, volume and prices still have to be met. Generally, the local producer does not have a concept of market competition; he tends to think that he will be able to sell his product in the US, just because it is such a big market, without regard to quality, volume or price. It is in this area that training in the US, technical assistance from the US partner, and efforts on the part of the local coordinator play an important role.

o Another advantage and unique aspect of the Partnership mechanism is the ability of the local sub-committees in the US and the Caribbean to recruit qualified and interested members. For example, in all three Caribbean EDS participating in the CMAP project, members come from export promotion corporations, industrial development corporations, chambers of commerce, national development foundations and private and governmental organizations involved with trade and business development. The EDS in New York are also comprised of members from the business community whose backgrounds include marketing, trade, business development and technical expertise relevant to the project.

o A third advantage is the ability of the functioning EDS to access local human and financial resources outside the Partners network.

o Finally, the ability of the EDS to access Partners financial resources, such as the International Training Grants, has been advantageous to a

number of projects.

Although the Partnership mechanism presents certain advantages in implementing a marketing assistance project, the uniqueness of the model also presents constraints to project implementation.

Organization/Communications

o To the extent that the sub-committee is comprised of interested, committed and qualified individuals who are willing and able to communicate openly with their Northern and Southern partners, the mechanism works well. When members cannot be recruited, are not active, or view the mechanism as a one way relationship, the mechanism fails.

o The extent to which the Partners local committee is functional has a great deal to do with the viability of sub-committees and the projects that they undertake. During the first year of the project, the lack of organization in both sides of two participating Partnerships impeded the progress of the project. The partnership model requires a tested and established two way relationship between the Northern and Southern committees.

o For a Partnership sponsored project to be effective joint planning between the Northern and Southern committees is essential. Joint planning requires time and communication. Due to the distances involved, the time required for planning is lengthened and the costs of communication increase. The hiring of a local coordinator and the provision of funds for communications have relieved the constraints of time and communication, yet project activity is still somewhat constrained by the committee model. The bottleneck seems to lie in identifying and recruiting an appropriate committee member to spearhead a particular activity. Once that person is identified, the activity proceeds.

Resources: Human and Financial

o To the extent that human, technical, and financial resources can be found in the Partnership area, the mechanism works well. When resources are limited on both the Northern and Southern sides of the Partnership, the model is limited --activities are delayed or postponed indefinitely.

o The original project concept that businessmen in the US and the Caribbean could form voluntary committees, organize events and conduct business deals through an extremely complex project as "volunteers" was overly optimistic. For a project of this nature to work well, concentrated management support and attention must be provided on both sides of the Partnership, especially in the Caribbean countries where the project is to be implemented. Full time Caribbean coordinators are absolutely essential. If the project ever reaches a level where direct marketing assistance is provided between the US and Caribbean Partner committees, a US counterpart to the Caribbean coordinators, either supported by Partners or another interested US based organization, may become necessary.

o Hiring a consultant with knowledge and access to numerous business and industrial contacts throughout New York State to provide marketing assistance to the three Partnerships was a good concept. Unfortunately, the role was never defined and systems of communications were never established. In addition, the project did not reach a level of development where the Partnerships could make maximum use of the consultant. Inter-Partnership collaboration and formal systems of communication are essential ingredients in making use of shared resources. Unfortunately, many Partnerships do not have the experience in sharing resources across Partnerships to be able to do it well.

Development Context

o In a more industrially developed country, such as Barbados, it is easier for the US Partners to identify and supply appropriate technical assistance to export oriented manufacturers. The problems confronting middle to large businesses in Barbados tend to be more specifically identified. Therefore, requests for assistance in management, product development or marketing are more specifically drawn. In this context, business problems may be easier to analyze and resolve.

o Problems tend to be singular in Barbados, rather than multifaceted as in the Dominican context where the lack of basic and business infrastructure presents problems of its own. The lack of basic infrastructure tends to complicate a seemingly simple endeavor.

o In Dominica and St. Lucia, multiple problems confront nascent industries. For example, once training is provided in marketing, additional training and technical assistance must be provided in production and business management. In this context, a multi-disciplinary team is often needed to identify the problem, and a multi-skilled technical assistance package is needed to resolve the problems. The Partnership mechanism has not yet been tested under CMAP auspices in putting together a multi-skilled technical assistance package. The ability of the Partnerships to respond will depend on resources known and available to both the Northern and Southern committees.

Summary and Conclusions

The Partnership mechanism, unique in some respects, includes both advantages and constraints to project implementation. Through flexible administration on the part of Partners management over the past year, some of the major constraints to project implementation have been resolved. The major constraint to further project progress is the lack of

any clearly defined plans for project continuity; the project will not be able to function through the work of voluntary committee members alone. Because there is not a built in mechanism for continuity within a Partnership structure, the CMAP project is not entirely suited to the Partnership mechanism.

G. Barbados

Program Definition

The major objective of the Barbados/Capital District CMAP is to promote trade between Barbados and the US with an emphasis on export promotion for Barbados manufacturers. The target group of the Barbados CMAP are medium sized manufacturers: those firms with annual gross sales of US\$ 100,000 - 250,000 and employees of 50-120. The Barbados/Capital District EDS emphasize trade shows for specific industries, observational training visits for manufacturers, and technical training seminars in production techniques and business management as means to achieve project objectives.

Project Activities and Results

Since June 1983, the Barbados/Capital District EDS have developed activities under the CMAP as follows:

- five observational training visits; three of which were successful in identifying US companies to provide the requisite technical assistance;
- three activities that fall into the general category of trade missions, sales missions and manufactures expositions;
- three short term technical assistance seminars: two in furniture refinishing and one in computer use and management; and,
- efforts on the part of the coordinator to source supplies of raw materials (Gommier wood in Dominica, and fresh fruits in St. Lucia) for Barbados manufacturers.

For a complete list of projects that have taken place under the Barbados/Capital District CMAP, refer to Table 2.

Project activities undertaken by the Barbados/Capital District CMAP, resulted in the following:

- o Approximately 30 firms/organizations have benefitted from the

TABLE 2: BARBADOS CHAP ACTIVITY 1983-1985

ACTIVITY	DATE	TYPE	*BENEFICIARIES	PROJECT STATUS
Hooper Garment Industry	11-83	observational training visit		no appropriate training found
Creative Hands	11-83	identification of US manufacturer to provide TA in production & design; identification of markets for stuffed toys; grant request.	20 producers	Vermont Teddy Bears Identified; Creative Hands production too small to consider. Grant/loan negotiations on-going.
Albany Trade Fair	4-84	Trade mission	20 companies 40 people	completed
St. Joseph's Community Action Group	5-84 to 11-84	Grant for equipment purchase thru community education center	60 women	completed
Feb Ltd/ Passorno Paints	7-84	observational training visit	1 trainee	completed
MGM	7-84	observational training visit	2 trainees	completed
Mohawk	7-84	furniture industry assessment mission	(see below)	1st step in process
Flick Chemicals	9-84	observational training visit	1 trainee	
Garment Industry Sales Mission (New York/Dallas)	9-84	marketing contacts	5 companies	completed
Mohawk Furniture Refinishing Workshop	12-84	product development technical assistance seminar	19 companies	completed
Gommier Wood supply	12-84	sourcing raw materials Dominica	1 company	on-going
Fresh Fruits	12-84	sourcing raw materials St. Lucia	1 company	on-going
Miami Exposition for Garment sub-contracts	12-84	sub-contract market contacts	1 company	completed
Computer Workshop	1-85	technical assistance & assessment of business problems re computer needs	9 companies	completed

Barbados/Capital District CMAP.

o Barbados Trade Show. It took the voluntary EDS two years to organize the Barbados Trade Show. The show resulted in contacts for future project activities and technical assistance, rather than in sales through direct contacts as the committees and manufacturers had originally hoped. One garment manufacturer received a small order, and the furniture manufacturers sold their exhibits. No data exists on the amount of direct sales or the number of orders received by Barbados manufactures as a result of the trade show. Estimates, however, from both the Albany and Barbados EDS concede sales and orders were low in relation to what was expected.

The real benefit from the Barbados trade show was in the contacts established that would later yield technical assistance and business negotiations between Barbados manufacturers and US based companies. Included in this category are 1) the Mohawk Wood finishing products company which later held two workshops in Barbados, received orders for products, and arranged a distributorship with a Barbados manufacturer; 2) a computer exhibition, which later developed into an in-country seminar in analyzing business problems with respect to computer needs; and 3) an observational training visit to Albany for a Barbados paint manufacturer to learn the operation of color separation equipment.. The idea for a Barbados garment manufacturers sales mission was also developed as a result of the Barbados Trade Show. Both the Capital District and Barbados EDS estimate that tourism from Albany to Barbados has increased by an undetermined amount as a result of the Trade Show.

o Sales Missions and Expositions. As a result of the Sales Mission for Barbados garment manufacturers held in September 1984, one garment manufacturer received an order for US\$50,000; one manufacturer received a trial order for US\$66,000; a watch maker received orders,

estimated by the Barbados CMAP coordinator, of US\$150,000; and a third garment manufacturer received orders of an undisclosed amount. While the CMAP was successful in making contacts for Barbados producers for orders of approximately US\$266,000, orders actually filled by the manufactures were approximately US\$81,000. The first garment manufacturer went into receivership shortly after the mission; the second garment manufacturer will deliver on his US\$66,000 trial order, his first exports to the US; and the watch maker delivered only US\$15,000 worth of orders because 1) the purchaser of a US\$ 10,000 order paid for the order after 4 month delay and 2) a second order of US\$5,000 was stolen upon arrival at its destination.

As a result of CMAP sponsored participation of a Barbadian manufacturer at the CBI Miami exposition for 807 garment sub-contracting industries in December 1984, one garment sub-contractor has three potential sub-contracts from US firms. Samples have been sent recently and orders are expected.

o Observational Training Visits. Through the two observational training visits of Feb Ltd, a Barbadian paint manufacturer, and MGM Ltd., a Barbados graphics firm, and the subsequent business transacted, an investment in equipment of approximately US\$25,000-35,000 is expected to yield US\$250,000/year in import savings.

Through one observational training visit, an initial in-country seminar on furniture refinishing, and subsequent business transactions, a furniture refinishing joint venture in the form of a distributorship in Barbados has been established. The annual gross sales of the distributorship are estimated to be US\$250,000/year. Negotiations to set up a plant in Barbados are now underway between the Barbados firm and the Albany, NY company.

o In-Country Workshops. The furniture refinishing seminar is expected to improve the competitive position of Barbados furniture manufacturers in the US market in three major ways: 1) by having provided technical assistance to manufacturers on techniques and finishes suitable for the US market; 2) by providing refinishing products through the distributorship; and, 3) by saving costs of product replacement by having provided technical assistance on refinishing furniture that is minimally damaged in shipment.

- A computer seminar held in January 1985, in which 9 companies participated, and the subsequent business analyses done in-country are expected to 1) improve the business management capability of the participating firms, and 2) enable the firms to make use of previously purchased computer hardware that is not presently being used. Additional seminars in assisting businesses in financial and business management, especially at the mid-management level are planned for the CMAP program.

o Skills Training. Through resources made available by the Partners' community education program, the Barbados/Capital District EDS requested and received a grant for the St. Joseph's Community Action Center. The Center is presently engaged in training 60 young women in knitting and garment production. The objective of the project is establish cottage industries in knitting and embroidery to replace the smocking industry which previously employed a number of women involved in the St. Joseph's Center.

o Inter-Island Collaboration. Efforts of the CMAP coordinator to source raw materials for Barbados manufacturer's through communications with his counterparts in St. Lucia and Dominica are under-way. Although nothing concrete has resulted from this activity to date, it seems to be a

worthwhile pursuit with some export potential for Dominica and St. Lucia.

- Efforts of the coordinator in Barbados to access CAIC funds in support of travel for seminar participants from Dominica and St. Lucia have been successful. Two participants from Dominica and one from St. Lucia attended the furniture refinishing workshop.

- Both the St. Lucia and Dominica EDS were requested to participate in the Tourism Promotion Project which is to be organized by Barbados/Capital District EDS in March-April, 1985.

Summary and Conclusions

Of the three participating Partnerships, the Barbados/Capital District CMAP has produced the highest quantifiable results. Although the target group is medium sized manufacturers, the majority of the manufacturers benefitting from the program 1) employ over 100 people when they have orders to fill; 2) have the plant capacity to produce more than they currently produce; and, 3) have the potential to increase employment, in some cases upto 50%, if new markets can be found.

The Barbados/Capital District EDS have maintained a stable membership with a good grasp of the problems confronting Barbadian manufacturers in the US export market. The Barbados EDS enjoys a wide representation of all local institutions involved in the business and export community, such as CAIC, the Barbados Association of Commerce and Industry, the Export Promotion Corporation, and the Barbados Manufacturers Association. Due to the diverse membership the EDS can readily identify gaps in local institution's programs as well as avoid duplication of efforts.

Recommendations

o Up to this point the Barbados/Capital District CMAP has developed activities that clearly relate to marketing and export promotion. Care must be taken, however, to avoid justifying every project in terms of "improving the local producer's competitive position". Due to the proven capacity of the Barbados/Capital District CMAP to promote exports, every project undertaken should be clearly analyzed for 1) its potential to promote exports, and 2) its relation to local, regional and international marketing.

o Although reporting from the CMAP coordinator is excellent more emphasis should be placed on reporting the tangible and quantifiable results of the activities carried out under CMAP auspices rather than a narrative description of activities.

o The April 1985-1986 annual plan should include a strategy for program continuity after the USAID grant terminates in April 1986. The strategy should identify steps that must be taken during the year to ensure project continuity. The EDS should 1) investigate the possibility of collaborating more closely with local institutions that may be able to accommodate the program in the future, and 2) investigate the possibility of seeking financial support from outside sources to continue the program.

H. St. Lucia

Program Definition

The overall objective of the St. Lucia CMAP is to develop small traditional industries by providing them technical, organizational and direct marketing assistance. The EDS has made a conscious decision to concentrate on industries that have the potential to provide both employment opportunities and create centers of development within the country. Thus, the target groups identified are those industries that make use of domestically available raw materials, have a potential for export, can provide employment and can generate development in backward linkage industries. The industries that currently have been identified to receive assistance under the CMAP are the handicrafts industry and the agro-processing industry.

Project Activities and Results

The activities of the CMAP in St. Lucia fall into four major areas: 1) six-week training sessions; 2) direct marketing assistance provided by the local coordinator; 3) coordination of client referrals to the National Research and Development Foundation (NRDF) for credit services and business guidance; and, 4) provision of organizational and technical assistance to local producers in order to improve the marketability of production.

Since June 1983, the St. Lucia-Rockland County EDS has developed activities under the CMAP project as follows:

- a six week training seminar in marketing was designed and held in Rockland County for two St. Lucians involved in the straw products industry;
- as part of this marketing course, one market research/assessment study for the marketing of St. Lucia straw products in the US was carried out by the seminar participants who met with US importers of straw goods;

- one local trade fair was held in Castries for 25 local producers;
- the CMAP coordinator is providing organizational assistance for marketing to honey producers;
- the NRDF and the CMAP coordinator have made three export contacts through the National Development Corporation in New York for handicraft producers, as well as local sales contacts for local producers.

For a complete list of project activities that have taken place or are planned under CMAP auspices, refer to Table 3.

Of the three programs, the St. Lucia program is most consistent with the export orientation of the original project objectives; most clearly defined in terms of overall objectives, activities and clientele; and most consistent with the concept of marketing assistance since the project develops activities that deal 100% with marketing. Ironically this is the Partnership that was originally most disorganized, and developing the most diverse activities with respect to the CMAP and the Partnership structure. The CMAP is presently implemented with a non-functioning Northern EDS.

o The factors that have contributed to the successful attempts to rebuild and restructure the St. Lucia CMAP program are the following:

- The one active person in the Northern EDS is a marketing professional;
- Although the EDS in St. Lucia was almost totally re-organized six months ago, the members are committed and interested in the program. The EDS in St. Lucia has defined the program objectives with respect to the business environment in St. Lucia, has agreed on priorities, and has consciously targeted clientele;
- Activities to be considered under CMAP auspices are discussed with respect to their relation to marketing assistance and the overall objectives of the project before decisions are made on project support. Participation in activities organized by other

TABLE 3: ST. LUCIA CMAP ACTIVITY 1983-1985

ACTIVITY	DATE	TYPE	*BENEFICIARIES	PROJECT STATUS
<u>Aunt Lucy's Agro-Processing</u>	4-84 to 6-84	Direct Marketing Assistance: search for US buyers	16-20 producers	two buyers identified: one not interested in meantime Aunt Lucy's folded.
<u>Rockland Community* College Marketing Course</u>	10-84 to 11-84	Training	2 involved in straw products industry, representing (70 producers-potential 200 families)	completed
<u>Straw Goods* Marketing Research</u>	10-84 to 11-84	Market Research (part of course)	(see above)	completed
<u>Trade Fair St. Lucia</u>	12-84	Trade Fair	25 producers	completed
<u>Honey Producers</u>	12-84 to present	Organizational Assistance for Marketing	15 producers	on-going
<u>Wood Products</u>	10-84 to present	Direct Marketing assistance	5 potential producers	on-going
<u>Furniture Refinishing</u>	1-85	Training (in collaboration with Barbados EDS)	1 producer	completed
<u>Tourism Project</u>	12-84 to present	Marketing of St. Lucia	1 direct/tourism undefined potential promotion for handi-crafts & garments.	on-going
<u>Aunt Lucy's</u>	1-85	Direct Marketing Assistance; sourcing of bottles		
<u>Natural Jewelry</u>	1-85	Direct Marketing assistance	undefined	on-going
<u>Viking Traders</u>	1-85	Direct Marketing Assistance & Regulations		
<u>Workshops*</u>	(course follow-up)	Product Development for Marketing	undetermined	future plans

* Indicates linked activities.

CMAP participating partnerships are taken advantage of and refined to fit within the marketing focus of the project. For example, St. Lucia will participate in a tourism promotion plan developed by the Barbados/Capital District EDS. As part of the St. Lucian participation, one St. Lucian will receive theoretical training in advertising and marketing of tourism from the Rockland EDS chairman. Upon completion of the training she will run the St. Lucian exhibit and program in the Albany and Rockland areas as part of practical training in tourism promotion. Displays of St. Lucian handicrafts will form part of the exhibit.

- The local CMAP coordinator's professional experience and practical knowledge have contributed a great deal to the CMAP's revitalization.

The CMAP project activities in St. Lucia have resulted in the following:

- o Marketing Strategy. The St. Lucia CMAP seems to have developed a sound strategy for marketing assistance to the straw products industry. The marketing training program designed by the Rockland EDS chairman (and only committee member) provided both theory and first hand practical experience in marketing to the two course participants who represent the straw products programs of the Youth Development Program (previously support by a USAID grant) and the Blind Welfare Workshop. Through the course, the participants researched the US market for straw products, identified and met with straw products importers, and, perhaps most importantly became familiar with the production and managerial problems of competing in the US straw products market. These problems, identified most often as contributing to the non-competitive nature of the handicrafts industry in St. Lucia, are quality control for design and standardization of production, competitive pricing structure, volume production, and discipline required to meet orders in a timely fashion. (See Appendix 3 for the market assessment report on the potential for export of St. Lucian straw products to the US.)

Now that the problems of US export marketing are understood by people involved in the industry, and export contacts have been made, follow-up activities are planned in business management for producers, especially with regard to product costing.

The ultimate success of developing a US export market for St. Lucian straw products will depend on both business management training for producers and training in the organization of production.

o The Trade Fair and Direct Marketing Assistance. The Trade Fair, held in Castries in December, 1984 generated market contacts for 25 local producers. Fourteen producers sold products totaling EC\$ 2,670. To date, trial export orders to Antigua and St. Thomas as a result of the fair total EC\$1,000. In addition, the St. Thomas export contact is interested in 12 straw product lines currently produced by the Youth Development Program. A contact in Tortola is interested in establishing a standing order for 500 spice baskets a week.

To date, EC\$ 850 worth of sales in the local market have been made as a result of direct marketing contacts made by the coordinator for local producers.

Export order contacts have been made by the local coordinator through referrals from the National Development Corporation in New York via the NRDF in St. Lucia. Two contacts established are interested in natural jewelery and one, who plans a visit to St. Lucia in February, is interested in wood carvings.

Presently, the chairman of the Rockland EDS, is investigating the interest and potential of bannana paper production with St. Regis Paper Industry in Rockland County.

o Working Capital Fund. The St. Lucia Chamber of Commerce received a small grant in the amount of US\$5,000 from USAID to support

the expansion of the Youth Development Program's markets by establishing a retail outlet in Castries. To date, the grant has not been disbursed by the Chamber, and establishing a retail outlet in Castries would not be the best use of funds to achieve the objective of expanded markets. The problem is meeting present market demand with competitive quality products at competitive prices, rather than establishing an additional physical market outlet. The funds, however, can be put to use in establishing a working capital fund to facilitate production and marketing of straw products, an idea which the St. Lucia EDS is pursuing.

o Client Referrals. Additional activities implemented by the CMAP coordinator include referrals of clients to the NRDF credit and business counseling program. Since both programs are relatively new, a formal relationship has not yet been established between the two programs. Clients have been referred by the CMAP to the NRDF and by the NRDF to the CMAP. This process is facilitated by CMAP/NRDF office sharing.

Summary and Conclusions

The individual activities carried out by the CMAP in St. Lucia are consistent with the overall program objective of providing marketing assistance to local producers to improve their competitive position in the local, regional and export (US) markets. The project activities are linked to one another and the project is implemented with a clearly defined goal, methodology and clientele in mind. Further, the program addresses the problems of the local producer on the lower end of the economic scale and emphasizes assistance to local industries that will contribute to the development of the country in other ways than employment creation alone.

Of the three Partnerships participating in the CMAP, the St. Lucia program is the most oriented towards a direct marketing assistance

program. Despite organizational problems, the program has been able to produce tangible results within a few months.

The major investments in marketing training will take some time to produce more tangible results. The ultimate success of the straw products export industry will depend on the ability of the CMAP to provide or to broker business and production management training.

Although project progress is hampered by the lack of a Northern counterpart EDS, the professional background and interest of the EDS Rockland chair, and only member, has assisted the CMAP in implementing activities related to marketing.

Recommendations

To enable the CMAP in St. Lucia to continue and increase the project's present rate of success, activities must take place within the next year as follows:

1. Either the Rockland EDS must recruit additional interested and qualified members, or additional management support must be provided to the St. Lucia-Rockland EDS from NAPA or the New York Consultant. Due to the proximity, the expertise, and the established relationship of the New York consultant with the St. Lucia EDS & coordinator and the Rockland EDS, hiring the New York consultant on a retainer basis to exclusively support the St. Lucia/Rockland CMAP is the best solution to the problem.

2. Access to working capital to promote marketing efforts is a problem presently experienced by the program. USAID should authorize the St. Lucia Chamber of Commerce to disburse the US\$ 5,000 as a working capital fund.

3. The straw products export industry is off to a good start. Its ultimate success will depend on the development of business and production management skills within the industry. The CMAP should

provide or broker business management and production management training to the industry. The local CMAP coordinator and the EDS in Rockland can provide valuable resources in organizing, designing and implementing such a program.

4. The EDS in St. Lucia should investigate the potential for the EDS to make use of the Partners rotating loan fund to support CMAP activities. The EDS should be encouraged to develop policies and procedures on the use and terms of the fund which are complementary to the NRDF's credit fund. In that way the CMAP will not be restricted by default to supporting certain clients.

5. The April 1985-1986 annual plan should include a strategy for program continuity after the USAID grant terminates in April 1986. The strategy should identify steps that must be taken during the year to ensure project continuity. The EDS should investigate the potential of working more closely with the NRDF in the coming year and after April 1986.

F. Dominica

Program Definition

Since the project's inception, the Dominica EDS has referred to the project as the Caribbean Marketing and Production Assistance Project (CMPA). According to the EDS in Dominica, the major objectives of the CMPA are 1) to create employment and 2) to expand production of small firms through product diversification. Since small firms compete in the local market with international firms, the EDS in Dominica sees its main tasks as 1) improving the competitive position of local producers in the local market, 2) broadening the product base of local firms to enable them to export; and , 3) improving the production and business management skills of local producers. The Dominica EDS emphasizes training as a means to achieve these project objectives.

Project Activities and Results

The activities of CMPA in Dominica fall into four major areas: 1) six week training sessions; 2) observational training visits; 3) tourism development; and, 4) arranging marketing contacts for Dominican handicrafts in the US.

Since June, 1983, the Dominica-Dutchess Country EDS have developed activities under the CMAP project as follows:

- a six week training seminar was held for nine Dominican restaurant owners at the Culinary Institute of America in Dutchess County. Training topics included food, beverage and dining room management;
- three requests for direct marketing contacts for Dominican products were generated by the Dominican EDS. The products included hand made quilts, straw products and hot sauce/guava cheese. These requests have been sent to the Dutchess County EDS in order to assess potential markets for these products.

- one quotation has been given on brochure production for potential marketing of straw products;
- two requests for the sourcing of packaging materials (dry soups and bamboo boats) have been developed;
- one request for sourcing of production material (cloth remnants) for a quilting cooperative has been developed;
- two requests for financing for tools/equipment purchase for two local industries have been developed;
- two volunteer travel grants for a tourism development project have been awarded; and,
- two training sessions at Marist College, one in Business & Financial Management and one in Computer Training in Hotel Reservations and Inventory Control, are being planned to take place in 1985.

For a complete list of project activities that have taken place under CMAP auspices, refer to Table 4.

Although the list of project activities in the Dominica/Dutchess CMAP program is long, the number of activities that have actually been developed, and then the number of activities that have actually yielded results or accrued benefits are few. To date the only project activities that have been implemented that have yielded tangible results are the six week seminar at the Culinary Institute where the participants received training in food, beverage and restaurant management, and the observational training visit for battery assembly.

o Six Week Training Seminars. According to participants in the Culinary Institute training program, three establishments have been able to decrease wastage by 90% by learning new food preparation techniques and recipes for dishes using food that was previously discarded. A conservative estimate of the value of decreasing wastage, indicates

TABLE 4: DOMINICA CMAP ACTIVITY 1983-1985

ACTIVITY	DATE	TYPE	*BENEFICIARIES	PROJECT STATUS
<u>Battery Assembly</u>	4-84	observational training	1 producer	completed
<u>Culinary Institute</u>	5-84	training (6 weeks)	9 producers	completed
<u>Ironcrafts</u>	2-84 to 11-84	brochure production	undefined	none
<u>Candlemakers Cooperative</u>	2-84 to present	machine purchase	17 producers (potential)	on-going discussion
<u>AGAPE Cooperative</u>	2-84 to present	1. sales contact; 2. source of materials	25 producers (potential)	on-going discussion
<u>Paul Joseph & Company</u>	2-84 to present	1. source of peckaging materials 2. training in peckaging	1 company; 6 employees (potential)	on-going discussion
<u>Root's Brothers Cooperative</u>	2-84 to present	1. identification of pecking material (boxes) 2. tools purchase 3. NY market investigation	5 part-time producers (potential)	on-going discussion
<u>Moreau's Manufacturing Centre</u>	2-84 to present	1. technical training (germents) 2. obtaining US sub-contracts 3. training in business management	1 company; 18 employees; (potential)	1.OAS provided; 2. no interest from US manufacturers; 3. Marist training possible.
<u>Marist College Middle Management Training</u>	12-84 to present	training (6 weeks) in management/ marketing and accounting/ finance	12 (6 in each) trainees	course due to begin summer of 1985
<u>Tourism Project</u>	11-84 to present	marketing Dominica to special interest groups	undetermined	Dutchess County tourism show; volunteer travel to Dominica to investigate existence of trails(1-85); planning trip for US travel agents (Dutchess) to visit Dominica Spring '85
<u>Marist College Computer Training</u>	1-85 to present	training in hotel reservations & inventory control	undefined	on-going
<u>Dominica Straw Products</u>	1-85 to present	test of samples in Dutchess county markets	undefined	on-going
<u>P.W.Bellot & Co.</u>	1-85	marketing assistance for hot pepper sauce & guava cheese	undefined	on-going

operating costs have decreased by 50% in some cases. Management and planning techniques addressed in the course have assisted businesses in costing catering and banquet services before providing them. Course participants are now actively engaged in providing training to restaurant personnel through the auspices of the Dominica Hotel Association. Two course participants are engaged in training unemployed youth in cooking through the Ministry of Education's Youth Division.

A program is presently being developed by the EDS Dutchess-Dominica at Marist College for training in business management & marketing and financial management & accounting. Plans are also underway to support a computer training program at Marist for hotel reservations and inventory control.

o Observational Training Visits. Battery assembly training has enabled one business to import parts and assemble batteries locally, at a lower cost to the final consumer. The business has estimated that US\$4,000, or approximately 50% of annual sales are due to the training received through the Partners' program. Since the business now assembles domestically what was previously imported, the business is given duty free concessions on imports. The estimated annual demand for batteries in Dominica is approximately 2,000 batteries. Present capacity of the operation is estimated conservatively at approximately 700 batteries/year. Government policy may restrict the importation of pre-assembled batteries if the business can fill the domestic demand for the product. Although this is likely to produce a monopoly on the domestic market, the intention of the project, in this case, to increase the competitive position of local producers in the local market has been fulfilled; however, fostering a competitive business environment, outside the scope of the project, may be inhibited by government policy.

o A tourism development project is underway as a result of a tourism seminar that took place in Dutchess County. Two members of the Appalachian Mountain Club (one sponsored by Partners) have visited Dominica to investigate the potential of Dominica to attract special interest groups such as hikers, naturalists and bird watchers.

o Direct marketing assistance. Direct marketing assistance contacts that were originally identified by the Dominica EDS in February 1984 are still in the stage of discussion between the two committees. The lack of progress on these projects is due to a number of factors which include: 1) considerable delays, misunderstandings, lack of communications and follow-up on the part of the EDS, 2) the inability of Dominican industries to produce the quantity and the quality at the price required by the US market, and 3) the inability of Dominica producers to purchase the quantities required by US suppliers.

-AGAPE cooperative is a prime example of 1) the lack of understanding between the two committees, and 2) the issue of product quality and price. When the project was originally discussed the Dutchess EDS requested the EDS in Dominica to find out whether the cooperative was interested in quilt making on a sub-contracting basis. Inspired by the high prices hand-made quilts can get in the US, the Dominica EDS sent quilt samples and prices to the Dutchess EDS in order to find direct retail markets. Although the quilts were priced competitively with US hand made quilts, the quality of production in terms of stitches per inch and the weight of the cloth was not. If the Dutchess County EDS cannot find a retailer ready to purchase the quilts at the quoted price, which seems to be highly likely, the samples will be returned to Dominica.

-Tropicrafts brochure is a prime example of misunderstanding between the producer and the local EDS committee. The EDS committee in Dutchess got a quote on the cost of printing a brochure. Tropicrafts is unwilling to cover the cost of printing a brochure. as an investment in reaching wider markets. It is debatable whether

Tropicrafts originally understood that the business would have to cover the costs of brochure production. Although the EDS Dominica has looked for financing for the Tropicrafts brochure, no organization is willing to cover these costs. The EDS-Dominica carries this project in reports as an active project although Tropicrafts has no intention of continuing with the project. The EDS-Dutchess has not been informed of this development by the EDS Dominica.

- The Candlemakers Cooperative is a prime example of delays in EDS activity. In early 1984, the candlemakers cooperative requested a grant for purchase of equipment. Since that time USAID has given the cooperative a grant to purchase the equipment. No action has been taken on the request for equipment purchase through the provision of a loan to the Candlemakers Cooperative since the EDS in Dominica has not developed guidelines for the use of the rotating loan fund.

- Paul Joseph & Co. LTD requested assistance from Partners in obtaining foil packages for dry soup. The minimum order the US company would fill was 400,000 packs.

Summary and Conclusions

According to both the EDS in Dominica and Dutchess County, the hiring of the CMAP coordinator has increased the level of activity in the program. The level of efficiency as indicated by the decreased response time and the time it takes to implement a project can also be directly attributed to the hiring of the CMAP coordinator.

The organization of the EDS has helped to organize the Partners local committees in both Dutchess County and Dominica.

The most successful activities carried out under CMAP auspices have been the six weeks training seminars that make use of the Partners International Training Grants. Presently, it is difficult to see why this activity is carried out under CMAP auspices and different from activities carried out by other Partners' sub-committees outside of the CMAP project. Further, it is difficult to assess the successful activities of the EDS as they relate to marketing assistance, except in the broadest sense of improving

the competitive position of local producers in producing for the domestic market. The project goal of developing activities that will improve the competitive position of local producers eventually enabling them to export is unlikely to be fulfilled in this case.

Recommendations

For the Dominica/Dutchess CMPA project to address the problem of improving the competitive position of local producers, a more aggressive overall program plan which focuses on discrete activities is necessary.

1. The Dominica/Dutchess County EDS should put together an annual plan which identifies an overall program objective, develops specific activities which will achieve that program objective, and focuses on a specific target group which will be assisted by the project. Without this basic plan, the direction of the Dominica/Dutchess CMPA program will continue to be unclear.

2. To improve communications and response time between and within both sides of the EDS the annual plan should contain specific activities; the plan should indicate which activities trigger which responses from the two sides of the Partnership; responsibilities on each end of the Partnership should be clearly designated; and, deadlines should be set for beginning and completing each activity. The Coordinator should take charge of implementing the plan.

3. Again, to improve communications between and within the EDS, reporting should be done with reference to the annual plan. Projects should not be carried on the books indefinitely; when a project is over, impossible to complete, or unsuitable to be developed, neither EDS should be reluctant to let the other know and inform the other of the reasons why.

4. Over the coming year, the Dominica/Dutchess CMPA project should focus on the two approaches that have worked well over the past year: the 5-6 week training sessions for groups of people, and short term observational training visits for single producers in specific technical fields. In addition, the Dominica/Dutchess EDS should investigate the possibility of complementing overseas training with short courses to be implemented in Dominica for producers with similar managerial and technical problems. In all cases, the EDS should concentrate on what is realistic and manageable within the coming year.

5. Once the target group of the project is determined, selection criteria for course participants should be clearly defined and enforced. Course participants should be selected with regard to the overall objectives of the project. Since additional training will generally yield marketable skills, course participants should have an investment in Dominica and should actively be involved in operating their own businesses at the time of selection. If the requisite number of prospective candidates who meet the selection criteria cannot be found in Dominica, the EDS Dominica should consider offering placements to suitable candidates from St. Lucia, where the CMAP program is similar.

6. The EDS in Dominica should assign top priority to determining procedures for the operation of loan fund monies available to the local Partners via NAPA. Because the loan fund procedures have not been determined several projects have not yet come to fruition. The EDS finds itself in a double bind: commercial ventures will not be approved for grants; and, the EDS cannot provide soft loans because the procedures have not yet been determined. The operation of a loan fund seems to be a natural activity for the EDS. No grants should be given to commercial ventures regardless of prevailing business attitudes in Dominica or

previous Partners grants to commercial ventures. Awarding grants to commercial ventures serves to reinforce negative business attitudes that the program in some senses is attempting to address.

7. The CMPA and the local coordinator operate out of the Industrial Development Corporation (IDC) office in Dominica. According to the EDS and the local coordinator the objectives of the CMPA are more compatible with the IDC than with other organizations currently operating in Dominica. The actual CMPA project activities, however, are complementary with a number of other organizations operating in Dominica, among them, the National Development Foundation (NDF). As part of the planning process for 1985-86, the EDS should develop a strategy that will ensure the CMPA's complementarity with local organizations presently operating in Dominica. Once the CMPA project is more clearly defined it can play an important part in implementing project activities, such as business and technical training, that are complementary to the activities of local organizations.

9. The St. Lucia and Dominica CMAP are addressing similar problems in the development of the business sector. It would be to the advantage of both programs if the coordinator in Dominica could visit the St. Lucia program in order to exchange views on the direction and working methodology of each of the two programs, and to hold discussions on how the two programs can collaborate in the future.

Appendix 1

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Contacts:

Washington, DC

Partners NAPA Office:

Dick Fletcher, Project Manager, CMAP

Alan Rubin, President

Jim Cooney, Partnership Servicer, St. Lucia/Rockland County

Barbados

USAID:

Don Soules, USAID, PVO Office

Peter Medford, Private Sector Office

Darwin Clarke, Evaluation Office

Bill Phelps, Private Sector Office

Charles Connley, Private Sector Office

Peter Orr, Private Sector Office

Partners:

Gilmore Rocheford, Caribbean Regional Representative

Granville Farley, CMAP Coordinator-Barbados

Carl Clarke, Chairman EDS

Henry Viera, Deputy Chair EDS

Ike Douglas, EDS

Lonnie Taylor, EDS

Phillip Williams, EDS

Sandra Hooper, EDS

Project Beneficiaries:

Mr. Ho, H & K Knitting

Mr. Begida, Time Products

Mr. Watterson, E.J. Watterson Co.

George Viera, Flick Products

Mazie Welsh, St. Joseph's Community Center

St. Lucia

Partners:

Claudia Jean Baptiste, CMAP Coordinator St. Lucia

Primrose Bledman, Chairman EDS

John Elliott, EDS

Clem Bobb, EDS

Jim Mogal, EDS

Tony Atkinson, Ex-Chair EDS

Pat Charles, NRDF

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Project Beneficiaires:

Anthony Hernan, Youth Development Program
Terrencia Gaillard, Blind Welfare Association
Aunt Lucy's Agro-processing

Dominica

Partners:

McCarthy Marie, CMAP Coordinator Dominica
Peter Azille, President Dominica Partners
Mike Fadelle, EDS Chairman
Alex Dechamps, EDS
Sheridan Gregoire, EDS
Verieux Mourillon, EDS
Janice Armour, EDS

Project Beneficiaries:

Thomas Carbon
Culinary Institute Course Participants: including owners of the La Robe
Creole, Guyeve, Portsmouth Hotel, Continental Inn, and 2 private caterers.
Clement Richards-Candle Makers Cooperative
Diane Farley, NDF/PC volunteer
Mrs. Volney, Tropicrafts

Capital District

Jim Covert, Chairman EDS
Bill Diamond, EDS
Anne Roberts, President Partners Capital District

George Cooper, Consultant CMAP Project

Rockland County

Gene Moynihan

Dutchess County

Skipp Paterson, Chairman EDS
Mary Kay Vrba, President Partners Dutchess County
June Pierson, Ex-President Partners Dutchess County

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SCOPE OF WORK FOR THE EVALUATION
OF THE CARIBBEAN MARKETING ASSISTANCE PROJECT (CMAP)

Background

The OPG with Partners of the Americas for the Caribbean Marketing Assistance Project was signed in April, 1983. The project was designed to increase exports from the Caribbean to the U.S. (New York) by utilizing the structure of the Partners of the Americas Partnerships. Through this mechanism, Economic Development Subcommittees on three islands in the Caribbean (Barbados, Dominica, and St. Lucia) could request assistance from the respective U.S. counterpart Economic Development Subcommittees in New York (Capital District, Dutchess County and Rockland County respectively). The project also called for Peace Corps Volunteers on each of the three islands, to carry out day-to-day activities, and follow up on requests for assistance. As this is the first time such a project has been attempted through the Partnership model, this is considered to be a pilot project. Under this model, the make up of the committees consists of local volunteers both in the Caribbean and in New York.

Progress in the first year was much slower than expected, for principally two reasons:

1. Economic Development Subcommittees both in the Caribbean and in New York had difficulty in maintaining volunteer interest and participation. There were numerous changes before the makeup of the Subcommittee's finally stabilized, approximately one year after the project was initiated.

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2. The Peace Corps Volunteers, for various reasons, did not work out, and as the project reached its first year of implementation (April, 1984) none of the three islands had PCV's.

To meet the need for stronger support of the project, Partners Management in Washington committed significantly greater resources and personnel of its own to the CMAP. Even with this stronger project management, this need for day-to-day assistance to the volunteer committee in the Caribbean was clearly evident.

As a result, in June, 1984, both the project budget and scope were amended, principally to incorporate the following project design changes:

1. The original purpose of the grant--increasing Caribbean exports to the U.S. market--remained paramount, but the focus of support for project activities was amended to emphasize short term project activities which would eventually lead to increased trade:

- o Possibilities for increasing service to local and regional market;
- o Recognition of the role of marketing research/assessment missions;
- o Technical assistance in the areas of product development, design and quality control;
- o The value of observational training visits;
- o Promoton of trade missions.

2. For each participating Eastern Caribbean Island, a local project coordinator would be used, to serve as the principal catalyst for all project activities of the Economic Development Subcommittees.

3. The level of support costs (including communications, transportation, and office facilities,) was increased to accommodate the addition of local coordinators and, to assure that the Economic Development Subcommittees would have all the tools necessary to carry out their responsibilities.

4. Budget allocation for program management was changed to reflect actual costs incurred by Partners.

5. A system of quarterly meetings, which would bring together representatives of the three Caribbean Economic Development Subcommittees was set up to provide a forum in which the status of the project, problems encountered, and future project plans could be discussed. This not only would serve as a more effective management tool, but also as a mechanism to encourage inter-island coordination.

6. The budget for the remainder of year two of the project was thus adjusted to make these project design changes possible. The cost of project implementation rose to about \$20,000 a month to carry the project through April 1985.

7. The amendment also included funding for a project evaluation to take place on or about January, 1985. This evaluation would establish whether or not the results achieved under the new approach were: (1) consistent with the objective of the project as amended; (2) cost effective; and (3) merited additional funding after April 1985 at the post-June 1984 level.

Current Status

The initial quarterly meeting held in St. Lucia in September, was highly successful. Present were the Partners' management team volunteers from the EDC's from New York and the Caribbean the newly hired project coordinators, and the USAID project Managers.

Reports since that time have indicated that progress in project implementation has indeed accelerated, the coordinators are fully occupied, and are getting results.

Objectives

The objectives of this evaluation are (1) to determine to what degree exports have increased as a result of this project, (2) to determine the degree to which project activities improved the competitive position of Caribbean entrepreneurs and eventually would lead to increased sales of their products and services to the U.S., regional, and local markets, and (3) to assess the cost-effectiveness of the project design, as amended, in achieving these goals.

The evaluator will also assess to what extent the following specific objectives have been met:

1. to establish viable functioning partnerships with local Economic Development Sub-Committees in three Caribbean countries of St. Lucia, Barbados, and Dominica and counterpart New York State Partnership areas.
2. to recruit, and orient local coordinators and paid consultants who are appropriate, experienced, and well qualified to provide marketing assistance to Caribbean businessmen.

3. To identify and recruit Partners volunteers in Partnership areas, to provide technical assistance to Caribbean entrepreneurs in marketing products and in providing services that are competitive in reference to design, quality control, safety standards, labelling, and pricing for the U.S. and other markets.

4. To provide individualized, custom-designed training to Caribbean business people and their employees as identified by Caribbean Partnerships Subcommittees.

5. To facilitate the marketing of goods and services from the Caribbean, through such promotional activities as trade missions to the United States which offer face-to-face business opportunities.

Scope of Work

The evaluation will require travel to New York State Economic Development Subcommittees in Albany, Dutchess and Rockland counties, and to the Caribbean Economic Development Subcommittees in St. Lucia, Barbados, and Dominica. In each case, the evaluator will assess the degree to which each Subcommittee has contributed to the achievement of project objectives, described above. Activities will include interviews with present and former committee members and with beneficiaries, and a review of all appropriate documents available.

More specifically, the evaluator will ascertain the following:

1. The degree to which trade between the Caribbean and the United States and elsewhere has increased (in quantifiable terms) as a result of the project. This will also include (a) increased capacity to export and (b) processes set in motion to increase export capacity. To determine this, the evaluator will conduct:

- (a) an inventory of all projects, proposals, and requests for assistance.
- (b) An evaluation of each project completed or in process, including: (1) a definition of the objective for each project, as it pertains to marketing; (2) the cost of each project, including an estimate of support costs; (3) the level of participation by the Partnerships both in New York and in the Caribbean, (4) the quantitative results in terms of increased funds, and (5) other positive results including the up-grading of skills, production processes, and the provision of equipment which would lead to future marketing success.
- (c) Evaluation of the effectiveness of each technique used in achieving the project objective, including: (1) market research assistance; (2) observational training visits, (3) product development, design, and quality control, (4) trade missions, and (5) brokering and clearing house functions.
- (d) Where the full-time Caribbean project coordinator was involved, the evaluation should determine the effectiveness of the coordinator in assisting in the achievement of project objectives. Constraints to effective completion of tasks should also be identified.

2. The degree to which the Partnership mechanism is an effective instrument in achieving trade gains and market access, or in providing technical assistance which may make both of these possible in the future. To determine this the evaluator should ascertain: (a) The membership and level of activity in each Economic Development Sub-Committee throughout the life of project; (b) the understanding by the membership of Partners' goals and project objectives; (c) The performance of Caribbean EDS in generating projects and processing applications; (d) the performance of New York EDS in responding to requests from the Caribbean (e) the degree to which independent, self-sustaining contacts have been established as a result of project activities and (f) the compatibility of partnership linkages i.e. Barbados/Capital District, St. Lucia/Rockland County, Dominica/Dutchess County.

3. Effectiveness of Partners project management at all levels in Washington, New York State and the Caribbean.

4. A brief assessment of Peace Corps participation in the project.

5. A comparative analysis of how the Partnership mechanism functions in a marketing project in countries at various levels of development:

- (a) Barbados (more developed)
- (b) St. Lucia (intermediate)
- (c) Dominica (less developed)

6. A comparative analysis of the Partnership model with other approaches to provide marketing assistance.

(a) This analysis would identify what other marketing services are available to the small businessmen in the three participating countries, for example national development foundations, chambers of commerce, public finance corporations, etc. Also the analysis would indicate whether or not the Partnership is providing a unique service otherwise not available to the islands.

(b) Where services are similar to those provided by other organizations, the evaluator, to the extent possible will determine the costs involved, and perform a cost comparison analysis.

Summary and Conclusions

From the results of the above analyses, the evaluator will provide conclusions to include the following:

1. The current status of the project in terms of the ability to provide effective and timely marketing activities.
2. The appropriateness of the Partnership structure in conducting successful marketing activities.
3. The cost effectiveness of the CMAP in providing marketing services in the context of (a) the uniqueness of the project, and (b) as compared to other marketing services.

Recommendations

1. Evaluator will recommend whether or not the project should be continued for another year.

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2. Evaluator will identify changes required in order to make the project more effective with regard to the following:

- (a) Support to and performance of the project coordinators.
- (b) Partnership management--in New York, Washington and the Caribbean.
- (c) Inter-Partnership coordination.
- (d) Improved cost-effectiveness in providing marketing services.

3. Manner in which project effectiveness can be improved through increased coordination with other organizations in the region which provide marketing services.

Drafted by DRSoules/A,FRM:mof

Clearance

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Business Department

THE MARKET FOR
STRAW GOODS
IN THE
UNITED STATES

PREPARED FOR
ECONOMIC DEVELOPMENT SUB-COMMITTEE
THE ST. LUCIA ASSOCIATION
OF PARTNERS OF THE AMERICAS

NOVEMBER 15, 1984

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PROLOGUE

During 1983, more than 59,000,000 straw baskets were imported into the United States; not one of these baskets came from St. Lucia.

INTRODUCTION

Approximately 2,000 St. Lucian families, most of whom are at the lower end of the economic scale, are engaged in the hand crafting of straw products. Until now, these products have been sold to tourists and for local use.

This study was undertaken to determine the size and scope of the market for straw products in the United States, and how St. Lucia might participate in such a market.

The authors wish to acknowledge, with gratitude, the grant from Partners of the Americas which made this research project possible. Our thanks also to the kind people of Rockland County, New York who tutored and guided our research and made our stay so pleasant.

It is hoped that this research will provide a new focus for the handicraft industry in St. Lucia and provide a basis for its organization and penetration of the United States market.

RESEARCH OBJECTIVES

The objectives of this study are:

1. To identify specific straw products (and related product standards) that have a high potential for sale in the U.S. Market.
2. To determine the total volume of straw products imported into the United States.
3. To determine price and quantity relationships for straw goods in the U.S. market.
4. To determine the time factor for shipments, method of shipment used, and traditional method of payment.
5. To determine U.S. Customs Regulations that pertain to imports of straw products from St. Lucia.
6. To identify possible buyers of straw products in the New York market.
7. To recommend a plan designed to enable the St. Lucia straw industry to gain entry into the United States market.

RESEARCH METHODOLOGY
HOW THE STUDY WAS CONDUCTED

The study was conducted in three phases.

Phase I - Research of Secondary Data

Researchers surveyed all possible sources of secondary data for data and/or information related to the market for straw goods. These included, but were not limited to.

- Trade Associations
- Trade Magazines
- Trade Show Operations
- Books in Print
- Periodicals
- U.S. Customs Service
- U.S. Department of Commerce

It is interesting to note that with the exception of Import Statistics furnished by the U.S. Department of Commerce, little secondary data is available on straw goods in the U.S. The researchers confirmed that the straw goods industry in the U.S. does not have trade associations or trade publications. This is probably due to the fact that there are relatively few importers who specialize in straw goods and account for practically all straw imports into the U.S.

Phase II - Telephone Survey of Straw Importers and Wholesalers

Researchers then culled through gift industry Supplier Directories and the Business-To-Business Yellow Pages to develop a list of straw goods importers and wholesalers in the New York City area. The primary focus of this list was on importers and wholesalers of baskets. United States Import Statistics indicated that approximately 14 percent of all straw baskets imported into the U.S. in 1983 came through the New York City Customs District.¹ This suggested that an in depth study of the New York City area would provide a realistic basis for understanding the size and characteristics of the entire U.S. market.

¹The New York City, New York Customs District (District Code 10) includes New York City; Albany, N.Y.; Newark, N.J.; Perth Amboy, N.J. and JFK International Airport.

Accordingly, a Telephone Survey Questionnaire(Appendix) was developed and all individuals on the list telephoned. The majority were cooperative and helpful, and furnished a great deal of information.

Phase III - Personal Interviews with Straw Goods Importers

The Research team then spent several days in the field conducting personal "in-depth" interviews with leading importers. Samples of St. Lucian straw products were presented to the importers for their evaluation.

SUMMARY OF FINDINGS

Size of the Market

The United States represents a substantial market for straw products, primarily baskets, in which St. Lucia has not participated in until now.

Table 1 summarizes U.S. import data for selected straw products which are currently being handcrafted in St. Lucia for the domestic and tourist consumption.

The straw product classifications are:

- #4400 Baskets and bags of unspun vegetable materials, nspf.
- #5700 Floor coverings, unspun vegetable material.
- #6400 Articles nspf, of unspun fibrous material nspf.

With respect to baskets, it is interesting to note that approximately 42.7 percent of all straw baskets entering the United States in 1983, entered through U.S. Customs Districts on the East Coast of the country-- within easy shipping distance of St. Lucia. (A detailed listing U.S. East Coast Customs Districts is shown as Table 2.)

TABLE 2

LIST OF U.S. CUSTOMS DISTRICT
CODES AND DESCRIPTIONS

01 Portland, Maine	16 Charleston, S.C.
02 St. Albans, Vt.	17 Savannah, Ga.
04 Boston, Mass.	18 Tampa, Fla.
05 Providence, R.I.	19 Mobile, Ala.
06 Bridgeport, Conn.	20 New Orleans, La.
07 Ogdensburg, N.Y.	21 Port Arthur, Tex.
09 Buffalo, N.Y.	23 Laredo, Tex.
10 New York City, N.Y.	24 El Paso, Tex.
11 Philadelphia, Pa.	52 Miami, Fla.
13 Baltimore, Md.	53 Houston-Galveston, Tex.
14 Norfolk, Va.	54 Washington, D.C.
15 Wilmington, N.C.	55 Dallas-Forth Worth, Tex.

TABLE 1
 UNITED STATES IMPORTS
 Of Selected Straw Products
 Calendar year 1983
 (Shown in U.S. Dollars)

	Quantity	Amount		Insurance & Freight	Ins. & Freight As a % of Customs Value	Percent of Total U.S.				
		Customs value	CIF Value			Quantity	Customs Value	CIF Value	Insurance & Freight	
Total U.S. Imports										
4400 Baskets	59,450,073	26,667,798	33,914,126	7,246,320	27.2%	100.0%	100.0%	100.0%	100.0%	100.0%
5700 Flour Coverings	---	5,619,023	7,444,695	1,805,672	32.0%	---	100.0%	100.0%	100.0%	100.0%
6400 Articles, NSPP	---	18,195,858	22,052,574	3,856,716	21.2%	---	100.0%	100.0%	100.0%	100.0%
TOTALS	59,450,073	50,502,679	61,411,195	12,928,716	25.6%	100.0%	100.0%	100.0%	100.0%	100.0%
Totals East Coast										
U.S. Customs Districts # 1-24 and 5255										
4400 Baskets	25,414,824	12,053,318	16,531,260	4,478,442	37.1%	42.7%	45.2%	48.7%	61.8%	61.8%
5700 Flour Coverings	---	3,374,614	4,610,052	1,275,928	38.2%	---	59.1%	61.9%	70.7%	70.7%
6400 Articles, NSPP	---	8,873,085	10,922,577	2,049,492	21.1%	---	48.7%	49.5%	51.1%	51.1%
TOTALS	25,414,824	24,261,017	32,064,879	7,803,862	32.1%	42.7%	48.0%	50.6%	60.3%	60.3%
New York Custom District										
4400 Baskets	8,223,485	3,365,612	4,673,167	1,307,515	38.8%	11.8%	12.6%	13.8%	18.0%	18.0%
5700 Flour Coverings	---	1,372,020	1,944,972	572,952	41.7%	---	24.3%	26.1%	31.7%	31.7%
6400 Articles, NSPP	---	2,804,020	3,372,915	573,906	20.4%	---	15.4%	15.3%	14.9%	14.9%
TOTALS	8,223,485	7,541,652	9,991,054	2,454,373	32.5%	11.8%	15.7%	16.0%	19.0%	19.0%

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The basket data indicate that about one-third of the East Coast imports (13.8% of the U.S. total) entered through the New York Customs District.

There appears to be a crude relationship between Customs and C.I.F. Values and quantity, as in the case of straw baskets. Thus it is possible to develop a rough estimate of quantities for #5700 floor coverings and #6400 articles NSPF. Accordingly, it seems reasonable to suggest the following quantity relationships shown in Table 3 below:

TABLE 3

Percentage of U.S. Total Entering East Coast and N.Y. Districts

<u>Classification</u>	<u>East Coast Districts</u>	<u>New York District</u>
#4400 baskets	42.7%	13.8%
#5700 floor coverings	60.0% E	25.0% E
#6400 Articles, NSPF.	49.0% E	15.0% E

As shown above, U.S. East Coast Customs Districts account for 42.7% of basket imports and an estimated 60.0% and 49.0% respectively of imports of floor coverings and articles, NSPF.

In a similar manner, the New York Customs District, and the large metropolitan market it serves, accounts for 13.8% of all U.S. basket imports, about 25.0% of U.S. floor covering imports and an estimated 15.0% of U.S. imports of straw articles, NSPF.

Thus, it is clear that the East coast of the U.S. (as defined in Table 2) and New York, in particular, represent significant potential for St. Lucian straw products.

Insurance and Freight

In the evaluation of the data in Table 1 it should be noted the insurance and freight costs for #4400 baskets and #5700 floor coverings tend to rise on the east coast compared to the U.S. as a whole, and are even higher in New York. The relevant data are summarized in Table 4 below:

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TABLE 4

Insurance and Freight
as a Percent of Customs Value

<u>Customs Districts(s)</u>	<u>#4400 Baskets</u>	<u>#5700 Floor Coverings</u>
Total U.S.	27.2%	32.0%
U.S. East Coast	37.1%	38.2%
New York	38.8%	41.7%
Memo:		
U.S. West Coast	18.9%	22.9%

One explanation for the disparity in costs as a percent of customs value may be the extreme distances to the U.S. from the principal sources of baskets and floor coverings in the far east, with the west coast being several thousands of miles closer than the east coast.

In sum, it seems reasonable to assume that straw goods shipped from St. Lucia would incur lower insurance and freight costs than those shipped from the far east and thus could be more competitively priced on a landed costs basis.

It should also be noted that St. Lucian straw goods may be imported into the United States duty-free--adding another potential for cost competitiveness.

Characteristics of the Market

Based on telephone surveys and personal interviews, researchers concluded that the U.S. market for straw products consists of a relatively small group of importers. In New York, for example, probably no more than 6 to 8 importers control the market. Characteristically, most of those importers have been in the business for a long time; are well established and highly respected.

The typical channel of distribution is for retailer and manufacturers to buy directly from the importer at wholesale price. There are very few wholesalers positioned between the importer and retailer.

The majority of straw goods are imported from the far east (Philippines, Tiawan, China, etc.)

None of the importers questions, specialize in particular straw products, but rather all carry a wide assortment and appear to carry substantial inventories.

Product standards and quality are enforced by importer agents in the far east, and by frequent visits of importer buying personal. An important point for St. Lucia is that the U.S. market demands standard products of good quality. The New York importers said they reject and "charge back" unacceptable products. Thus if St. Lucia enters this market, its handicrafters will have to adjust to making highly standardized products.

Most importers reported using standard ocean containers--one mentioned receiving 250 containers a year. Letters of credit are used to pay for shipments.

Trade Pricing

Researchers determined that a fairly uniform approach to trade pricing exists among importers and retailers of straw goods.

Among importers, markups ranging from 25% to 100% on landed costs were reported. The higher end of the markup range (100%) appears to represent an element of increased market risk and is reported to be applied to slower moving items.

Among the retail trade there appears to be a uniform markup of 100% of wholesale cost. This markup is consistent with the 100% markup found in similar businesses in the United States, i. e., the retail gift trade.

Conclusion

The foregoing data and analysis, indicates the existence of a substantial market for straw products in the United States.

Interviews with U.S. straw importers revealed an interest in St. Lucian straw products, provided they can be produced to meet required manufacturing standards.

It is concluded that with effective organization of its straw handicraft industry, St. Lucia could exploit its strategic proximity to the United States and is capable of successful penetration of this market.

An outline of a basic plan to accomplish this objective follows.

PROPOSED FUTURE ACTIVITY

A. Follow-up on Research Activities

1. Identify additional U.S. east coast customs districts where large quantities of straw goods are imported.
2. Consult U.S. telephone directories to obtain name and phone of straw importers, thus enlarging list of east coast importers.
3. Prepare price list, shipping information and samples.
4. Mailing to complete importer list.

B. Handicraft Workshops in St. Lucia

1. Quarterly workshops with St. Lucian handicrafters to share information regarding the U.S. handicraft market and U.S. marketing process.
2. Newsletter to keep craftsmen informed of trends and happenings in the market and to distribute educational material.

C. Handicraft Trade Fair--St. Lucia

1. Handicraft Trade Fair scheduled for December 5 and 6 at the Castries City Hall.
 - (a) Intended to create a forum for craftsmen.
 - (b) Develop a public awareness of the St. Lucian craft industry
 - (c) Make public aware of multi-functional use of handicraft items.
 - (d) Act as a device for further research.
2. Prepare 4 page newspaper supplement to invite general public to attend trade fair.
3. Prepare and distribute letters of invitation to all government officials, commercial sector, hotels and tour operators.
(see sample letter attached)

D. Trade Fair--New York

Participate in American and International Crafts Fair in New York, during February 1985.

St. Lucian straw goods will also be represented in a number of other trade shows by virtue of samples placed in the hands of United States importers.

- E. Survey of types of raw material used in handicraft industry.
- F. Organize craftsmen into a more marketing oriented group and develop an appropriate organizational structure that will act as an agent for craftsmen.

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REPORT OF GRANT EXPENDITURES

Name: AID-Caribbean Marketing 321
Source: Agency for International Development
Purpose: To provide comprehensive marketing assistance to Caribbean manufacturers
Amount: \$335,640
Duration: April 29, 1983 - April 30, 1986
Year one budget \$108,948

Date: June 30, 1984

<u>Description</u>	<u>Actual</u>	<u>Budget</u>	<u>Unexpended</u>
Volunteer Travel	\$ 9,638	\$ 32,685	\$ 23,047
Center	-	1,650	1,650
Consultants	12,850	4,500	-8,350
Staff Travel	5,124	6,250	1,126
Office Expense	6,698	9,500	2,802
Communications	<u>6,097</u>	<u>7,000</u>	<u>903</u>
TOTAL	40,407	61,585	21,178
Salaries and Fringe	24,549	29,205	4,656
Indirect costs	<u>14,500</u>	<u>18,158</u>	<u>3,658</u>
TOTAL	<u>\$ 79,456</u>	<u>\$108,948</u>	<u>\$ 29,492</u>

Cash Received To Date: \$ 80,000

Cash Balance: 544

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REPORT OF GRANT EXPENDITURES

Name: AID-Caribbean Marketing 321
Source: Agency for International Development
Purpose: To provide comprehensive marketing assistance to Caribbean manufacturers
Amount: \$270,000
Duration: April 29, 1983 - April 30, 1986
Two Year Budget \$270,000

Date: December 31, 1984

<u>Description</u>	<u>Actual</u>	<u>Budget</u>	<u>Unexpended</u>
Volunteer Travel	\$ 31,726	\$ 34,077	\$ 2,351
Caribbean Center	34,206	68,846	34,640
Consultants	18,057	20,718	2,661
Staff Travel	9,373	12,964	3,591
Promotion	196	6,000	5,804
Evaluation	-	10,000	10,000
Communications	<u>7,310</u>	<u>21,167</u>	<u>13,857</u>
TOTAL	100,898	173,772	72,874
Salaries and Fringe	36,692	53,120	16,428
Indirect costs	<u>25,000</u>	<u>43,108</u>	<u>18,108</u>
TOTAL	<u>\$162,560</u>	<u>\$270,000</u>	<u>\$ 107,440</u>

Cash Received To Date: \$155,000Cash Balance: (7,560)

**Appendix 6: Cost Comparison with Benefits Generated by
 CMAP During Initial Project Design April 83-June 84
 and Revised Project Design July 84-December 84.
 (US\$)**

	Project Period 4-83 thru 6-84		Project Period 7-84 thru 12-84		Total Project Period 4-83 thru 12-84	
	Costs	Benefits	Costs	Benefits	Costs	Benefits
USAID/CMAP Costs	79,456.00		83,104.00		162,560.00	
Other Costs	54,560.00		41,250.00		95,810.00	
Benefits to Producers		10,000.00*		275,650.00**		285,650.00
Totals	134,016.00	10,000.00	124,354.00	275,650.00	258,370.00	285,650.00

Notes: Benefits in all cases do not include total costs to the producer, therefore benefit estimates are considered high.

* Benefit estimate includes 1) \$4,000 of battery sales attributed directly to training;
 2) \$2,000 each for 3 restaurant owners in increased profits over a six month period.

**Benefit estimate includes 1) \$250,000 of import savings, minus \$30,000 for equipment purchase = \$220,000 import savings on a yearly basis which are purchases that will not have to be made due to equipment investment, = \$18,300/month x 6 months = \$109,800.

2) \$250,000/year to distributor divided by 12 months = \$20,800/month x 4 months = \$83,200.

3) \$116,000 worth of garment sales contacts, minus \$50,000 unfilled = \$66,000.

4) \$150,000 worth of watch sales contacts, minus \$135,000 unfilled = \$15,000.

5) Local trade fair sales of \$1,000, plus additional local sales of \$300, plus export sales of \$350 directly attributed to fair and CMAP contacts. Total = \$1,650.

Narrative Summary

Goal

To increase the sale of Caribbean produced goods in the U.S. market.

Project Purpose

Partners of the Americas will implement a marketing assistance project directed at small business entrepreneurs in the Caribbean. The project will focus on three partnerships in the English-speaking Caribbean and will be geared towards improving marketing strategies with the goal of opening new export markets for Caribbean products in the United States — especially the U.S. Partner state of New York. The three partnerships to be participants in this program are Barbados-Capital District (New York); Dominica-Dutchess County (New York); and St. Lucia-Rockland County (New York).

Outputs

First Year

- 18 consultant visits to Caribbean.
- 9 market assessment activities in U.S. Partner area for Caribbean businessmen.
- 95 discrete face-to-face meetings brokered between Caribbean and U.S. businessmen.
- 6 paid local consultancies.
- 14 to 34 short-term observational training opportunities in specific skill area for Caribbean middle management personnel and/or craftsmen/tradesmen.
- 1 comprehensive marketing assistance plan designed implemented, and completed.
- 20 additional assistance projects initiated and partially completed.
- 45 additional enterprises identified and initial needs for assistance and assistance strategy formulated.
- Total of 66 discrete firms participating and receiving assistance from project in Year # 1.

Long Term

1. Strong Economic Development Sub-Committees composed of representatives drawn from a cross section of the Caribbean and New York State business communities functioning within the context of strong partnerships.
2. A cadre of Caribbean businessmen schooled in doing business in the U.S. market and comfortable in their knowledge of this important market area.
3. Product lines brought up to competitive standards.
4. Production techniques designed to optimize quality and minimize costs.
5. Businessmen predisposed to keeping abreast at changes in their industries and able to react to the exigencies of a highly dynamic market.
6. A network of personal acquaintances and contacts providing continued access to U.S. market information.

Objectively Verifiable Indicators

Measure of Goals Achievement

Increases in marketing effectiveness, productivity and income in participating small businesses in the Caribbean.

End of the Project Status (Conditions that will indicate purpose has been achieved)

Increased exportation of products from participating small businesses to markets in the United States.

Magnitude of Outputs

1. Active Small Business Sub-Committees in these three partnerships meeting on a regular basis, and composed of private sector and small business leaders in these countries.
2. Needs and priorities of specific industries in each of the Small Business Sub-Committees determined on a specific country basis.
3. Provision of technical assistance on a regular basis in the area of small business development in each of the three partnerships participating in the project.
4. List of products introduced for export into the United States each year as a result of this project.

Budget

	<u>First Year</u>	<u>Second Year</u>	<u>Third Year</u>	<u>Total</u>	<u>%</u>
AID	\$108,948	\$111,246	\$115,448	\$335,640	42.5
Partners of the Americas and Other Sources	\$136,035	\$151,150	\$166,265	\$453,450	57.5

Inputs (continued)

General (continued)

3. Technical assistance activities directed toward the eventual goal of improving production and directing production towards U.S. markets for export.

Specific

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ANALYSIS

MARKETING ASSISTANCE PROJECT

Means of Verification

Government Level

1. Government statistics on private sector development and exports.
2. Reports of Export Promotion Boards.

Individual Firms

1. Business records of individual enterprises involved in the project.
2. Exports statistics and records of individual enterprises involved in the project.
3. Invoices, shipping lists, vouchers, letters of credit, and other financial data indicating volume of international trade.
4. Records of financial agreements entered into between Caribbean and U.S. firms for the purpose of export.

Partnerships

1. Information available from individual partnerships and their committees involved with this project.
2. Reports prepared by individual sub-committees and local Partner committees.
3. Reports of volunteer technicians and consultants used in the technical assistance aspects of the project.

Partners Washington Office

1. Partner quarterly Project Status Reports.
2. Audit reports.
3. Reports of Washington and Field Staff.
4. Reports from Volunteer Project Assistants.

Important Assumptions

Goal Target

1. Political system in participating countries continues to support the development of private enterprise.
2. Absence of climatic catastrophes in participating countries (hurricanes, etc.).

Purpose Assumptions

1. These three partnerships participating in this project can continue to exist and develop throughout the life of the project.
2. Laws in both the United States and the Caribbean are conducive to export and further trade between the countries.
3. International economic system supports continued expansion of export between developed and less developed countries.

Output Assumptions

1. Capable and appropriate leadership at the local partnership level and within the small business development sub-committees.
2. The quality of program staff and volunteer technicians is sufficient and conducive to the successful implementation of the project.
3. Willingness of U.S. importers to deal with the Caribbeans; market availability in the United States; capacity of Caribbean enterprises to satisfy the demand that will be there.
4. Caribbean products can be brought up to competitive standards — both from point of view of quality and price.

Inputs Assumptions

1. Partners of the Americas maintains its overall program and adequate funding for its supportive projects.
2. Quality direction and management of program by Partners staff and field coordinators.
3. Availability of financial resources to enhance the project.
4. Continued support of the private sector for the goals of this project.