



USAID Guyana Trade and Investment Support

A Joint Government of Guyana - U.S. Government Project

Year 1 Annual Report 2004 - 2005

Submitted by:
CARANA CORPORATION

To:
**United States Agency for International Development
Georgetown, Guyana**

Under Contract Number: 504-C-00-04-00111-00



Implemented by the CARANA Corporation

**55 Main Street, Georgetown, Guyana,
Tel: (592) 223 - 7144, Fax: (592) 223 - 7143**

TABLE OF CONTENTS

I. INTRODUCTION.....	1
A. GUYANA’S DEVELOPMENT CHALLENGE.....	1
B. PROJECT OVERVIEW	2
II. YEAR 1 ACTIVITIES AND ACCOMPLISHMENTS.....	3
A. OVERVIEW OF FIRST YEAR ACTIVITIES	3
A.1. <i>Catalyzing Informed Discussion on Competitiveness, Trade and Investment Issues</i>	3
A.2. <i>Providing Inputs that Contribute to Increased Trade</i>	4
A.3. <i>Deepening Networks Within Guyanese Export Clusters</i>	4
B. FIRST YEAR START-UP, ADMINISTRATIVE AND MANAGEMENT ACTIVITIES	5
C. IR 1: KEY TRADE AND INVESTMENT POLICIES, STANDARDS AND PRACTICES ARE CONSISTENT WITH NEGOTIATED OBLIGATIONS AND INTERNATIONAL BEST PRACTICES	6
C.1. <i>Creating Awareness for Informed Discussion</i>	7
C.2. <i>Strengthening Institutional Capacity and Trade Facilitation</i>	9
D. IR 2 - INCREASED COMPETITIVENESS IN THE EXPORT OF VALUE-ADDED PRODUCTS AND SERVICES IN THE NON-TRADITIONAL SECTOR	10
D.1. <i>Cluster Development Component</i>	10
D.2. <i>Agro-processing Cluster Activities</i>	11
D.3. <i>Forest Product Cluster Activities</i>	13
D.4. <i>Seafood/Fisheries Cluster Activities</i>	14
D.5. <i>Tourism Cluster Activities</i>	16
D.6. <i>Cross-Cluster Activities</i>	17
E. KNOWLEDGE MANAGEMENT.....	18
III. ACTIVITIES PLANNED FOR YEAR 2	19
ANNEX 1 – FINANCIAL REPORT.....	21
ANNEX 2 – PROJECT PROFILES	22

I. INTRODUCTION

This annual report provides an overview of first year activities under the Guyana Trade and Investment Support (GTIS) Project supporting the USAID/Guyana’s strategic objective (SO)—*Environment for Sustained Growth of Value-Added Exports Strengthened*¹ and the ultimate goal of achieving a significant increase in the value of non-traditional exports, particularly in the agro-processing, forest products, seafood/fisheries and tourism sectors. This report is divided into four sections, including 1) an overview of Year 1 activities; 2) activities supporting Intermediate Result (IR) 1: *Key trade and investment policies, standards and practices are consistent with negotiated obligations and international best practices*; 3) activities supporting IR 2 *Increased competitiveness in the export of value-added products and services in the non-traditional sector*; and 4) an overview of activities planned for Year 2. Two annexes are also attached, including Year 1 financials, and comprehensive profiles on the rationale, activities and results—realized and expected—from each GTIS sub-task.

A. GUYANA’S DEVELOPMENT CHALLENGE

Guyana is a poor country that needs to expand its economy through export growth and diversification. To date, political and economic factors have impeded the development of investments necessary to put the economy on a cycle of sustainable growth. While government and private stakeholders generally agree on the need to find ways to achieve export-led growth, neither side has properly “reacted” to implement the reforms or adopt the practices and systems to meet the requirements of modern economies. The private sector has not yet learned how to produce and sell the quality and types of products demanded by regional and international markets. At the same time, the public and private sectors have jointly failed to establish and nurture the institutions, rules, and processes necessary for Guyana to take advantage of the opportunities open to newly liberalized trade regimes, particularly within the context of the CSME. The following table summarizes some of the principal challenges to Guyanese export-led growth.

Private Sector	Public Sector
<ul style="list-style-type: none"> • Firms focused on traditional commodities that are dependent on deteriorating trade preferences • Firms unable to design, produce, or deliver products according to international standards • Firms unable to identify market opportunities or unable to develop and maintain sales channels • Sectors burdened with poor infrastructure, poor local services, lack of financial support, and uncertain investment climate • Firms lack understanding of sound business and financial management practices 	<ul style="list-style-type: none"> • Inability to retain scarce qualified and experienced human resources • Lack of, or outdated, equipment, including networking capabilities • Centralized decision-making requires cabinet-level decisions for broad sets of issues • Poor intra-governmental interaction (despite NACEN) • Poor ties to regional institutions (despite presence of CARICOM Secretariat) • Lack of support from private sector in development of trade positions and modern regulations and legislation

Prior to the GTIS project, most key Guyanese stakeholders, in both the public and private sectors, recognized the need to address these issues. They did not, however, have a sound vision—based on public-private consensus—or the necessary tools, to effectively tackle these challenges and focus on industry success factors that determine competitiveness, thus resulting in lost opportunities to expand trade and investment. The GTIS program aims to reverse this trend.

¹ GTIS project has completed fifteen months of implementation (June 2004 – September 2005). We are submitting the first annual report in order to calibrate annual project reporting with the USAID fiscal year ending September 30.

B. PROJECT OVERVIEW

GTIS is a four-year and three-month long project funded by USAID and implemented by CARANA Corporation in association with the Economic Competitiveness Group (ECG) and the Citizen Development Corps (CDC). The project is designed to help Guyana create and implement a vision that will enable the private sector to maximize Guyana's benefits from international trade agreements and position firms to exploit emerging export opportunities through support to enterprises, private sector organizations, and government institutions. Ultimately, the project aims to *strengthen the environment for sustained growth of value-added exports*. This will be achieved through progress under two intermediate results (IRs), including:

- 1) **Intermediate Result 1:** Key trade and investment policies, standards and practices are consistent with negotiated obligations and international best practices, which include two sub-IRs:
 - *IR-1.1:* Human and institutional capacity to prepare negotiating positions and implement negotiated commitments strengthened.
 - *IR-1.2:* Country trade policy consultative process that fosters: a) public-private consensus on policy, regulatory and legislative priorities; and b) increased domestic support for negotiating positions and international commitments.
- 2) **Intermediate Result 2:** Increased competitiveness in the export of value-added products and services in the non-traditional sector, which includes two sub-IRs:
 - *IR-2.1:* Technical and business development services provided.
 - *IR-2.2:* Institutional capacity strengthened to identify and foster links among firms.

These outcomes are supported by a parallel track of activities under four GTIS project components:

- ***Strengthening Trade Policy and Guyanese Enabling Environment*** - Improving Guyana's ability to negotiate and implement trade agreements, as well as identify ways to enhance the business environment, thus ensuring that exporters are able to turn existing trade agreements into real market opportunities and attract new investment.
- ***Developing Public-Private Consultative Processes*** - Strengthening consultative processes between the Government and civil society to increase the public's awareness of developments in trade negotiations and to empower Guyana's private sector to better influence trade, business, and investment policies, which are necessary for businesses to compete.
- ***Cluster Development and Market Assistance*** - Strengthening the ability of firms within targeted Guyanese clusters to collaborate, meet critical success factors, attract investment, establish linkages with international markets, and effectively market their goods.
- ***Technical Assistance and Supply Chain Development*** - Providing technical assistance for firms and supply chains to develop the systems, standards, and capabilities necessary to grow and respond to the demands of an increasingly competitive global market.

Through these activities, the GTIS project is expected to help catalyze a significant increase in non-traditional value-added exports. Specifically, the project will:

- *Help increase the share of non-traditional value-added exports to total exports from 25.6 percent in 2004 to 30.1 percent by 2008.*
- *Help increase exports in the agro-processing (7 percent growth per annum), non-timber forest products (10 percent per annum), seafood (5 percent per annum), and tourism (11 percent per annum) sectors.*

II. YEAR 1 ACTIVITIES AND ACCOMPLISHMENTS

A. OVERVIEW OF FIRST YEAR ACTIVITIES

In addition to setting up the office and administrative procedures, the major focus of the first year involved establishing GTIS' credibility among Guyanese stakeholders and gaining momentum in project planning and implementation. Throughout the year, GTIS identified interested partners and beneficiaries with whom the project will work, and engaged in ongoing consultation and collaboration to identify, design and implement sub-tasks that support the project's overall objectives. In all, GTIS has implemented 27 sub-tasks involving; 1) technical and financial assistance; 2) workshops, training and cluster group facilitation; 3) diagnostics and analysis; and 4) procurement of equipment, hardware and software.

GTIS activities have aimed to address critical success factors that impact Guyana's ability to exploit emerging export opportunities. This has been achieved, in part, by approaching Guyana's challenges through a sector-specific lens that focuses primarily on key issues that constrain sector competitiveness, market access and new investment in key value-added export clusters—agro-processing, forest products, seafood/fisheries, and tourism. Even policy issues are examined, prioritized and approached through this sector perspective. The use of this 'lens' is facilitated through the involvement of '*Cluster Working Groups*', sector assessments and analyses, and consultation with stakeholders within specific cluster and value-chains. Throughout the process, GTIS has placed an emphasis on integrating the private sector into the design and implementation of the project, recognizing that private citizens, firms and organizations must play a role developing Guyana's vision for increased competitiveness and sustained export growth. In general, first year activities have contributed to three main themes:

A.1. Catalyzing Informed Discussion on Competitiveness, Trade and Investment Issues

In order for Guyana to develop an environment conducive to the sustained growth of value-added exports, it is critical that both the public and private sector are engaged in an ongoing dialogue on issues related to competitiveness, trade, business and investment. In the past, a lack of appreciation for the role of government and private sector actors, a lack of formal and informal spaces for consultation, and a lack of awareness of critical issues have limited dialogue in Guyana.

GTIS brought together public and private stakeholders to enhance awareness and discuss issues that impact Guyana's ability to improve the business environment and take advantage of emerging business opportunities in the following ways.

- A GTIS-sponsored a summit entitles "*Converting Opportunities into Business*," which brought together about 200 of the country's business and government leaders, including the President of Guyana, to emphasize the need to build Guyana's international competitiveness and embrace opportunities from trade, particularly within the Caribbean Single Market Economy (CSME or CARICOM),
- Ongoing cluster working group activities in GTIS target sectors involve interactive discussions among private, government and institutional stakeholders to identify issues impacting cluster competitiveness and develop initiatives to strengthen clusters and expand exports.
- An ongoing GTIS civil society outreach program has organized a series of workshops creating awareness and facilitating discussion on a wide range of trade-related topics including 1) services opportunities in the CSME; 2) trade and labor; 3) identifying trade negotiation priorities and positions; 4) CSME and the law; 5) business and investment issues; 6) the media and reporting on trade; and 7) corporate governance.

- Technical assistance to the Private Sector Commission (PSC) in the evaluation of a proposed VAT law has helped private sector engage the government in the development of tax reform likely to have a large impact on the business environment.

This outreach effort is having two impacts. First, it is supporting an engaged and informed national policy dialogue on competitiveness issues, which leads to the development of sound initiatives and policies that enhance the country's ability to expand value-added exports. Second, the outreach activities are placing pressure on the government to engage the private sector and work with the GTIS project to participate in technical assistance activities intended to meet project objectives.

A.2. Providing Inputs that Contribute to Increased Trade

In many cases, a number of intermediate steps are required before for Guyanese firms and clusters can achieve a substantial increase in exports. Throughout its first year, the GTIS project has implemented projects designed to 'set the stage' for Guyana to become more competitive, access markets, establish market linkages and observe a significant rise in export sales in the near future. Examples include:

- Institutional support to enhance laboratory testing capabilities allows the Food and Drug Department (FDD) to test and certify food products as Aflatoxin safe², helping remove a critical technical barrier to trade (TBT) and facilitating market access for exports of both raw and processed peanut products. This, coupled with a training program for peanut product entrepreneurs, is expected to help some peanut processors double export production.
- A multi-firm technical assistance program is helping furniture manufacturers develop and design product lines, enhance quality, enhance production efficiency and prepare promotional material in anticipation of a major furniture trade show in the U.S. The combination of improved product lines and better marketing will result in a significant number of sales after the May 2006 show.
- A market study in Jamaica has resulted in potential (and promising) business linkages between Guyanese exporters and Jamaican buyers. Already, two Jamaican businessmen have visited Guyana to explore possible deals in the agro-processing and forest product sectors.
- Support for Guyana's participation in a major tourism trade fair in Germany helped raise the profile of Guyana's tourism product, leading to Guyana's inclusion in a number of travel magazines, and tour operators planning trips to Guyana.
- A rapid response training program on turtle exclusion devices (TEDs) helped ensure that Guyana avoided being banned from exporting shrimp to the U.S. A ban would have resulted in a near collapse of the country's \$50-60 million shrimp export industry.

A.3. Deepening Networks Within Guyanese Export Clusters

One major focus of GTIS Year 1 activities has involved the facilitation of Cluster Working Groups in the agro-processing, forest product, seafood/fisheries and tourism industries. These ongoing activities, which include cluster-wide meetings involving representatives from firms, industry associations, government agencies and academic institutions, and multiple 'action task force' meetings, foster networking and collaboration in efforts to improve the competitiveness of their respective clusters. Not only does this collaboration facilitate the development of cluster strategic action plans in the short term, but the resulting networking leads to improved supply chain coordination and increased inter-firm cooperation in the production and marketing of goods. Given that many firms have traditionally acted within a vacuum, this

² Aflatoxins are a carcinogenic mold that can be fatal to humans if consumed in sufficient quantities.

increase in collaboration reflects a change in the private sector mindset as entrepreneurs recognize how their own competitiveness is driven, in part, by factors that impact the entire cluster.

B. FIRST YEAR START-UP, ADMINISTRATIVE AND MANAGEMENT ACTIVITIES

The following section presents a brief overview of activities involving the launch, management and implementation of the GTIS first year program:

- ***Project launch, work plan and PMP*** - Upon the signing of the GTIS contract in June 2005, CARANA home office staff and an interim Chief of Party (COP) worked to set up project offices (in the same facility as the GEO project), hired project staff, begin introducing the project to Guyanese stakeholders, and developed an initial pipeline of activities. Responding to an urgent request from the GOG and USAID, the interim GTIS COP organized a corporate governance regulatory review and conference.

The permanent COP took residence in Guyana in September 2004. He continued collaboration with USAID and Guyanese stakeholders to identify and design GTIS activities for inclusion in the Year 1 Work Plan, approved in November 2004. GTIS management worked with CARANA home-office staff and USAID to develop the GTIS Performance Monitoring Plan (PMP) with measurable indicators and benchmarks addressing the project's SO and IRs.

- ***Cluster market assessments*** - Within weeks of the project launch, GTIS carried out cluster market assessments in the agro-processing, forest product, seafood/fisheries, and tourism clusters. GTIS interviewed 25 Guyanese firms and 117 industry experts and representatives from foreign companies. This helped GTIS and its stakeholders determine where Guyana is situated among current and potential competitors and what Guyana and its firms must do to attract the attention of international buyers and investors and successfully expand exports and investment. This information is being used as a resource for cluster group activities and the design of GTIS interventions that respond to real market opportunities and address critical factors that help determine success in the global marketplace.
- ***Proposed GTIS corporate governance component*** – Responding to requests from the Government of Guyana (GOG) and USAID interest, GTIS developed and executed a proposal for a corporate governance component to be added to the project. The proposed component would have involved long-term collaboration with the Guyana Securities Council (GSC) and contribute to the fostering and development of corporate governance within Guyana's securities market. Activities included providing an advisor to assist the GSC staff on securities regulatory best practices, draft legislative changes, and advise on strategic and tactical aspects of leading a regulatory organization. At the time, however, funding for the added component was not available.
- ***Floods in January*** - In January of 2005, Guyana suffered from severe floods throughout Georgetown and the surrounding areas. Although the GTIS staff continued working through the floods, there was a disruption of some activities. For example, a USAID/GTIS stakeholder meeting planned for January 18th was canceled, as was a 'project launch' activity planned for January 27th. In addition, a travel ban lasting from mid-January through February 18th forced GTIS to cancel a number of cluster meetings and postpone technical assistance activities in the furniture sector.

In response to the flooding the USAID mission requested that GTIS monitor food prices and availability. GTIS conducted twice-weekly surveys on prices and possible shortages. The GTIS team also visited a number of firms to evaluate the impact of the floods on their operations.

- ***GTIS Summit: Converting Opportunities into Business*** - In May 2005, GTIS held a special event entitled “*Converting Opportunities into Business*” to formally present the project to the Guyanese public. Over 200 of the country’s business and government leaders attended the meeting, which involved presentations by the US Ambassador, the GTIS COP, the Economic Competitiveness Group (ECG), and the CARANA home-office manager for GTIS to introduce the project’s ongoing work, emphasizing efforts to strengthen cluster competitiveness. Two known Guyanese and Jamaican entrepreneurs discussed their experiences building internationally competitive, export-oriented companies in the region. Their remarks sought to encourage the Guyanese business community to look beyond its country’s challenges and embrace opportunities from trade. The President of Guyana presented his view of Guyana’s development challenges and called upon the private sector to embrace a more entrepreneurial spirit, seeking to develop competitive products for international markets instead of its more traditional approach of asking the government for protection and regulatory/tax breaks. The event was filmed and repeatedly broadcast on local television. The event was important in increasing public awareness of the GTIS project while raising the profile of the issues it aims to address.
- ***Advising development of National Competitiveness Strategy*** – The ongoing discussion of competitiveness issues has prompted the GOG to develop a national competitiveness strategy. GTIS has played an advisory role in the consultations leading up to the draft strategy. Portions of the strategy integrate work and objectives of the GTIS project.
- ***Cooperation with Inter-American Development Bank (IDB)*** – GTIS staff have cooperated with the IDB as it develops a competitiveness program likely to start in 2006. The initiatives in the upcoming program are expected to build upon, and complement, GTIS activities. As such, collaboration with the IDB will remain a priority.
- ***Collaboration with government stakeholders*** – Collaboration with GOG agencies has yielded mixed results. Although the implementation of most activities has proceeded according to schedule, planned activities involving some agencies have had to be rescheduled. In particular, GTIS hoped to implement a number of training and technical assistance activities involving Go-Invest and the Ministry of Foreign Trade and International Cooperation (MOFTIC). While officials from these agencies are cooperative, they have not taken a proactive role in the identification, design and follow-up of activities. Part of this can be explained by busy schedules and internal personnel shortages that create timing conflicts for consultation and implementation meetings. Nevertheless, a more proactive engagement would facilitate the design and execution of projects that will strengthen the ability of the GOG to facilitate trade and attract investment. GTIS continues to engage these counterparts to identify projects that contribute to GTIS objectives.

C. IR 1: KEY TRADE AND INVESTMENT POLICIES, STANDARDS AND PRACTICES ARE CONSISTENT WITH NEGOTIATED OBLIGATIONS AND INTERNATIONAL BEST PRACTICES

During Year 1, GTIS carried out 12 sub-tasks designed to 1) create awareness—particularly on the part of the private sector—of trade, business and investment issues as a means to facilitate public-private dialogue leading to business policy and trade negotiating agendas that improve the enabling environment and enhance Guyana’s ability to maximize the potential benefits resulting from regional and multilateral trade agreements; and 2) support the institutional capability of the GOG to participate in trade negotiations and implement policies, standards and practices that reflect Guyana’s trade commitments and international best practices. This section provides brief details on the activities carried out under this IR during Year 1. More comprehensive project profiles with details on the activities carried out and their respective results/outcomes are included in Annex 2 “GTIS Project Profiles.”

C.1. Creating Awareness for Informed Discussion

There are concerns that Guyana's trade negotiation and policy agendas are driven largely by the GOG, with limited civil society input. This is due, in part, to the fact that the private sector, as well as the general public, are not sufficiently aware of the benefits, opportunities and risks of trade liberalization, and do not have the capability to effectively identify, prioritize and advocate trade, business and investment policies that reflect their interests. In response to these concerns, GTIS provided a combination of workshops and technical assistance to 1) enhance the private sector's understanding of trade, business and investment issues, particularly within the context of the CSME; and 2) increase private sector involvement and influence in the development of Guyana's trade and policy agendas that impact the business environment for exporting firms. While focused on the private sector, all activities have included government representatives as a means to facilitate public-private dialogue. In many cases, awareness-building activities deliver demographic-specific information, which helps ensure its appropriateness, usefulness and acceptability in the eyes of different groups.

These activities are based on the premise that private sector engagement will lead to policy and trade negotiation outcomes more likely to benefit Guyanese exporters and receive domestic support. In general, Guyanese stakeholders are eager to have access to the information provided in awareness building activities and show a keen interest in engaging in policy dialogues. Most workshops end with participants stating that GTIS should continue organizing events targeting different groups and provide incrementally more advanced information. Most events were covered by the media, which attracted positive attention to the GTIS project and the issues the project addresses.

- ***Regulatory review and workshop on corporate governance*** – In response to a request from the Government of Guyana, GTIS carried out a review of Guyana's securities market framework within the context of efforts to strengthen the operating environment and the legal and regulatory framework for growth and expansion of the Guyana Stock Exchange. GTIS worked closely with the Guyana Securities Council (GSC) and Guyana Association of Securities Companies and Intermediaries Inc. (GASCI) to 1) identify weaknesses in the 1998 Securities Industry Act and make recommendations to strengthen the law through amendments, regulations and rules; 2) recommend steps to enhance the institutional capacity of the GSC and GASCI; and 3) make recommendations for private sector-driven Code of Corporate Governance.

Using the information obtained from the regulatory review as a resource, GTIS held a workshop on 'building a corporate governance culture' for government officials and private sector representatives. Key topics included the five pillars of corporation governance, the relevance of corporate governance for improving business management and profitability and attracting investment, as well as a discussion of international best practices in relation to disclosures and transparency, independent boards of directors, and the rights of shareholders. The workshop was intended to encourage businesses to adopt sound corporate practices and help the government develop regulations that reflect international norms. Over 60 government and private sector representatives attended the workshop, which was held in September 2004. After the workshop, the corporate governance experts spent one-on-one time with key opinion makers and stakeholders to provide advice. The presenters also took part in a television interview discussing the importance of corporate governance that was aired multiple times after the workshop.

As noted above, GTIS proposed the addition of a corporate governance component that responded to government and private sector interest in improvement of corporate governance statutes and practices.

- ***Workshop: business opportunities from liberalizing service in the CSME*** – In collaboration with the CARICOM Secretariat’s CSME Unit, GTIS sponsored a workshop for public and private stakeholders to discuss service sector opportunities arising from the CSME and steps that Guyana should take—in terms of policy, workforce development, upgrading services and marketing—in order to take advantage of these emerging opportunities. Close to 30 participants attended the workshop.
- ***Workshop on trade and labor: ensuring the rights of workers*** – In March 2005, GTIS held a two-day workshop to update and inform workers and their representatives of their rights under various trade agreements—particularly the CSME—and how they can play a more assertive/decisive role in shaping the outcome of negotiations. Approximately 50 members of the Guyanese and Caribbean labor communities attended. The workshop was organized in collaboration with the USAID LAC Trade project and the Guyana Trade Union Congress.
- ***Workshop on identifying trade negotiating priorities and positions*** – GTIS held a three-day seminar in April 2005 designed to educate the private sector and civil society on Guyana’s current and ongoing trade negotiations and provide guidance on how to identify its interests and priorities before and during the negotiation process in order to effectively influence negotiated outcomes. The workshop not only involved instruction, but also a lively discussion between both private sector and government officials on actual trade negotiation priorities for Guyana. An important result of this interaction was a realization by both the public and private sectors of the importance of each party’s role in the trade negotiation process. Approximately 25 private and public sector representatives attended the workshop, which was located at the Lake Mainstay Resort. This workshop was organized in collaboration with key stakeholders from the private sector, including the PSC, the Guyana Manufacturers Association (GMA) and regional chambers of commerce.
- ***Workshop for women lawyers on the CSME and the law*** – Guyana’s vast regional and multilateral trade agreements bring an array of new legislation and legal obligations. In May 2005, GTIS held a one-day workshop on the CSME and the law for women lawyers to help ensure that the legal fraternity is able to inform citizens of the rights under trade agreements, deal with legal questions or disputes arising from the agreements, and provide advice and counsel to those interested in seeking business opportunities resulting from the agreements. Approximately, 25 lawyers, most of them women, took part. The workshop was held in collaboration with the Guyana Women’s Lawyers Association.
- ***Workshop on trade business and investment issues*** – GTIS held a two-day workshop targeted towards small and medium sized enterprises (SMEs) to discuss a range of trade-related investment issues and concerns regarding the business environment. Prior to the workshops, many SME participants had limited knowledge of the trade and investment issues that impact their businesses. As result of the workshop, SMEs are able to have a stronger voice in Guyana’s policy dialogue. The workshop also provided a forum to have a discourse on how Go-Invest can best meet firms’ needs and identify ways to improve the business environment in Guyana. Most of the 25 participants represented SMEs, with a few government officials present to help facilitate a public-private discussion. GTIS collaborated with Go-Invest and the PSC to organize this workshop.
- ***Media training on the CSME*** – In July 2005, GTIS held a 3-day workshop to enhance the ability of Guyanese reporters to gather and disseminate accurate information on the CSME and other trade issues. Media reporting can have a large impact on the ability of citizens to engage in a public-private policy dialogue. Approximately 15 reporters from Guyana’s print and broadcast media attended the workshop, which was organized in collaboration with the CSME Unit and the Association of Caribbean Media Workers.

- ***Technical assistance for VAT consultation and implementation*** – As a rapid response to an urgent request from the PSC, GTIS consultants reviewed a draft VAT bill put before parliament and presented a list recommendations for changes that reflected international best practices and incorporated the concerns of the private sector. While the introduction of a VAT would represent a milestone in improving the business climate, it had been sent to parliament with limited scrutiny, review and consultation, and there were concerns that flaws in the bill could create serious problems for the private sector and the government during the implementation stages. Since the GTIS review was completed in August 2005, the PSC has used the document as a resource to inform its members, develop position papers, and lobby the government to make appropriate changes to the bill.

C.2. Strengthening Institutional Capacity and Trade Facilitation

Throughout Year 1, GTIS worked with MOFTIC and other trade-related agencies to identify and implement projects to strengthen the GOG's capacity to participate in trade negotiations and implement policies and standards that reflect trade commitments and international best practices. In one case—Aflatoxin training and laboratory development—GTIS not only supported the institutional capacity of a trade-related agency, but helped address a key market access issue impacting agro-processing exports.

- ***Strengthening IT capacity within MOFTIC*** - Responding to a request from MOFTIC, GTIS inventoried the Ministry's IT capacity, and purchased approximately \$18,000 in hardware and software (e.g. Desktops/laptops, servers, printers, scanner, accessories, licenses, etc.) to help it function at a higher level of efficiency and improve access to the information required to guide its trade policy, negotiation and implementation responsibilities. In an effort to enhance the long-term sustainability of USAID's investment and reduce the potential personnel costs to MOFTIC, GTIS chose to use an off-site (in the U.S.), yet secure, online networking tool as the backbone for MOFTIC's system. This alleviates the need for a more expensive server and minimizes the personnel burden required to keep the network operational. As of September 2005, the hardware and procurement had been purchased. Installation, configuration and training in the new IT capacity are planned for mid-October.
- ***Establishing a knowledge management system for MOFTIC*** – GTIS is working with MOFTIC to establish a user-friendly trade data management system to provide better access to the trade data used to prepare trade negotiating positions and formulate sound policies. As of September 2005, GTIS had procured the hardware and software required to establish the knowledge management system, using a Google Mini-search Appliance. The installation, configuration and training of MOFTIC staff on the use of the system will take place in October/November 2005. In the past, the absence of a data management system constrained the ability of Guyana to actively participant in trade negotiations.
- ***Aflatoxin training and laboratory development for the Food and Drug Department (FDD)*** – At the request of the Ministry of Agriculture, GTIS worked with the FDD to establish the institutional capability to test and certify that Guyanese products are Aflatoxin safe. Aflatoxins—a mold found in some food products—can be fatal to humans. Products that cannot be certified face significant trade barriers that limit access to many export markets. GTIS procured over \$20,000 in testing equipment and supplies required for aflatoxin testing and provided FDD staff with the training necessary to carry out regular testing and certification procedures using internationally accepted practices. This new laboratory capability is expected to enhance public safety and open access to new export markets within the agro-processing sector. Already, the ability to certify peanut products is expected result in new exports to the Caribbean and other markets. This activity was carried out in multiple procurement and training phases between April and August 2005. This activity is also categorized as an IR 2 activity.

- ***Rapid assessment of operation and administration of containerized cargo*** – In response to a request from USAID and the Guyana Revenue Authority (GRA), the GTIS project conducted an assessment to identify potential initiatives designed to help the GRA’s IT Department improve its procedures and systems related to container tracking, documentation flow, acceptance of values, and the examination of containers as a means to facilitate trade. The assessment included recommendations for ‘quick hit’ and long-term initiatives to improve the movement of containerized cargo using IT investments and process re-engineering, ultimately leading to an integrated container e-tracking system. This activity was carried out during April 2005.

As noted above, GTIS was unable to provide as much technical assistance to strengthen MOFTIC’s institutional capacity as was originally planned. For example, training programs for MOFTIC staff were delayed or cancelled due to the fact that that staff could not be made available. Assistance under this Intermediate Result was instead channeled to the FDD, GRA and outreach activities. This emphasis appears to be creating a more responsive attitude. Recent consultations with the Ministry have been fruitful and promise increased momentum in this area.

D. IR 2 - INCREASED COMPETITIVENESS IN THE EXPORT OF VALUE-ADDED PRODUCTS AND SERVICES IN THE NON-TRADITIONAL SECTOR

During its first year, GTIS carried out 14 projects aimed at setting the stage for a sustained expansion of value-added non-traditional exports. While both public and private sector actors have recognized the need to take steps to enhance competitiveness in non-traditional sector, key stakeholders rarely worked together to develop a vision to address critical success factors or translate opportunities enhance competitiveness into action. Activities under IR 2 have helped Guyanese firms and clusters upgrade product design and production, access new markets, and establish market linkages, while at the same time facilitating a consultative process aimed at developing initiatives to improve cluster competitiveness. This section provides brief details on the Year 1 activities carried out under this IR. More comprehensive project profiles with details on the activities carried out and their respective results/outcomes are included in Annex 2 “GTIS Project Profiles.”

D.1. Cluster Development Component

Although the GTIS aims to expand non-traditional exports as a whole, the project is placing a particular emphasis on increasing the competitiveness of the agro-processing, forest products, seafood/fisheries and tourism clusters. The GTIS cluster development component, conducted in collaboration with the Economic Competitiveness Group (ECG), plays an integral role in this effort. For the most part, the component is based on the premise that for Guyanese clusters to become more competitive, individual firms and stakeholders must collaborate to develop and implement initiatives that address constraints to competitiveness and take incremental steps towards upgrading the ability of firms to access and compete in international markets. Working with relevant industry associations and government agencies, GTIS has facilitated a range of working group meetings for each GTIS target cluster. These meetings are designed to mobilize cluster participants, increase their understanding of competitiveness issues, deepen intra-cluster networking and collaboration, create a common vision for success, and develop action plans intended to increase cluster competitiveness, ultimately leading to the expansion of exports. The cluster component includes three distinct phases, two of which have been completed:

Phase 1: Conduct Cluster Internal Analysis

- Initial assessment of cluster potential – Meetings with cluster leaders to determine whether there was interest in collaborative efforts to improve the competitiveness of the cluster.
- Cluster Mapping – Interviews with a sampling of stakeholders to identify players along the cluster supply chain and map relationships between producers/suppliers and exporters.

Phase 2: Cluster Strategy Development

- Launched cluster working groups – Identified and recruited cluster working group members and co-chairs; established roles for existing business associations and relevant government agencies in cluster working group process.
- Held first working group session – Introduced participants to the concepts of cluster competitiveness; facilitated discussion of their cluster’s structure and priority cluster challenges; helped identify a vision of the potential for the cluster based on product and market data, and shared views of the participants; began raising questions of what is needed for the cluster to become more competitive.
- Held second working group session – Worked with participants to explore a range of priority actions that would address the challenges and requirements for the cluster to become more competitive. These action initiatives focused on business-to-business actions, business collaboration with the government and business-to-institution interaction.
- Divided into “Action Task Forces” to further develop initiatives that address cluster specific issues.
- Held third working group session - Refined and finalized initiatives that will help the cluster achieve its vision. Drafted action plans for the implementation of selected initiatives.
- Developed an integrated strategic action plan that incorporates analytical information and the outcomes of the working group process into a coherent competitiveness strategy for Guyana.

Phase 3, which will be implemented in Year 2 of GTIS, will focus on continued collaboration, the execution of cluster development initiatives and the institutionalization of the cluster working group process (to achieve sustainability). As the project progresses, GTIS will work with USAID, cluster working groups and appropriate government agencies to identify, design and execute high impact cluster development activities. Already, GTIS is moving forward on initiatives in the agro processing, forest product and tourism clusters. Discussions of specific cluster working group outcomes are presented by sector below.

D.2. Agro-processing Cluster Activities

Guyana’s agro-processing cluster is regarded as a non-traditional export sector with significant growth potential, with the abundance of arable land and Guyana’s geographic proximity to Caribbean markets. A number of factors, however, constrain exports, including the cost and availability of raw inputs, high production costs, expensive and unreliable transportation, inadequate compliance to safety and phytosanitary (SPS) standards, weak product development and inconsistent product quality. Furthermore, the sector is relatively fragmented, with limited intra-cluster linkages. The GTIS project is carrying out a number of activities designed to help agro-processing firms meet international success factors, create a cluster vision, enhance cluster competitiveness, upgrade product quality and development, and improve access to export markets. Partners include the Guyana Manufacturing Association (GMA), the New Guyana Marketing Corporation (NGMC), Ministry of Agriculture, and the Food and Drug Department (FDD).

- **Cluster market Assessment: agro-processing** – In August and September 2004, GTIS conducted a market assessment for the agro-processing cluster in order to obtain a clear understanding of market

opportunities for Guyanese agro-processing exports and determine critical factors that determine success in the global market place. GTIS interviewed six Guyanese firms and 27 industry experts and representatives from foreign companies in the agro-processing industry. The interviews provided insight on where Guyana is situated among current and potential competitors, and what Guyana must do to 1) attract the attention of international buyers and investors, and 2) successfully expand exports and investment in Guyana's agro-processing industry. This information is being used to inform cluster development efforts and ensure that GTIS interventions focus on those issues that determine whether or not international buyers or investors will do business with Guyana's agro-processing firms or supply chains.

- ***Facilitation of agro-processing cluster working group*** – Starting in early 2005, GTIS facilitated the launch of a cluster working group for the agro-processing cluster, using the activities highlighted under section D.1 above. The working group has a total of 60 participants representing a broad cross-section of processors, fresh fruit exporters, suppliers, government officials and members of the academic/agricultural research community. This cluster stands out as having particularly dedicated 'champions' who are genuinely interested in the cluster development process and coming up with sound ideas. There has been so much attention paid to the sugar and rice industries that agro-processors are excited to have a forum to discuss ways they can expand exports. The cluster working group has held two working group meetings involving all participants. Since the second session, the cluster has broken up into four different 'Action Initiative Task Forces' to develop cluster initiatives under the headings of research and product development (3 meetings), access to finance (3 meetings), creating an ethical private sector (2 meetings), and institution building (3 meetings).

As a result of the meetings, participants have identified a number of areas to focus cluster development efforts. These include strengthening supply chain linkages, forming a non-traditional agribusiness association of exporters and producers, exploring development finance opportunities for agro-producers, addressing deficiencies and constraints to finance, strengthening R&D capabilities, enhancing linkages between farmers and Guyana's agriculture research institutions, and the establishment of common cold storage and food drying facilities. In the short-term, GTIS plans to provide technical assistance to improve packaging facilities and post-handling of fruits and vegetables in an effort improve that segment of the supply chain. GTIS will collaborate with USAID and the Cluster Working Group to determine which of the other initiatives to implement using USAID funding.

- ***Aflatoxin training and laboratory development for the FDD*** – (See Section C.2 above) Between April and August 2005, GTIS provided the testing equipment and training necessary to develop the institutional capacity to test and certify that certain food products are aflatoxin safe. In the past, the inability to certify products has disproportionately impacted the peanut industry. For example, while there has been a glut in the domestic supply of peanuts, peanut producers have been unable to export excess peanuts, even though there is significant demand in the CARICOM region. Furthermore, many Guyanese agro-processing firms that produce value-added peanut products (i.e. peanut butter) have had to import peanuts from certified sources to ensure that they are able to export. This not only impacts the competitiveness of Guyana's processed peanut products, but also represents a lost market opportunity for Guyana's peanut producers, most of who come from Amerindian communities. Already, Guyana's agro-processors are beginning to respond to the opportunities emerging, in part, from the new market access.
- ***Training of peanut sector entrepreneurs at University of Georgia*** – There enormous growth potential for Guyanese agro-processors if they can exploit the large demand for peanut products in the Caribbean. In general, however, entrepreneurs are not exporting to these markets. This is due in part to the lack of aflatoxin certification (see above), and a lack of the experience, state-of-the-art

technical know-how, and skills necessary to process and export quality peanut products on a regular basis. Responding to a request from Guyanese firms involved in peanut processing and marketing, GTIS provided support for advanced training in the product development, storage, post harvest handling, processing, packaging, quality control and marketing of peanut products. The training was held at the University of Georgia and involved representatives from five agro-processing firms. The trainees spent 8 days in the facilities of the Department of Food Science and Technology (DFST) at Griffin, Georgia, and two days on fieldtrips touring peanut processing plants and other sites of interest. While at DFST, the trainees spent approximately one-third of their time in lectures and discussion sessions and two-thirds in a pilot plant and quality evaluation labs, receiving practical training. With the combination of the new market access obtained through Aflatoxin certification and the increased capabilities resulting from the training, a number of Guyana's peanut processors are expecting a significant increase in demand. For example, one company is adjusting its business plan and considering new capital investments in order to double production, with an aim to make inroads into the Trinidadian market.

D.3. Forest Product Cluster Activities

Guyana's abundant supply of high quality raw forest materials presents an opportunity for processed or value-added products—including furniture, doors and molding—increasing the value of its natural resources (as opposed to exporting solely raw or sawn lumber). With a diverse range of wood species not currently used, the cluster is in a position to develop unique products for niche markets abroad. Furthermore, the cluster could access new high-end markets through international certification (e.g. SMARTWOOD) for the use of sustainable resource management practices. Already a few firms export value-added wood products to the Caribbean, UK and U.S, however, the cluster's exports are constrained by inadequate regulations, out-dated technology, equipment and processing techniques, a lack of skilled management and technical operators, high production costs, and weak product development and marketing. Furthermore, inter-firm cooperation and supply chain coordination is weak, leading to a fragmented cluster. GTIS is working with firms and local stakeholders to upgrade product design and quality to meet international standards, create a cluster vision, enhance cluster development, and market value-added wood products. Partners include the Forest Products Association, the GMA, the Forestry Commission and Ministry of Agriculture.

- ***Cluster Market Assessment: Wood Products*** – Using the same approach used to carry out market assessments in other target clusters, GTIS interviewed seven Guyanese firms and 34 industry experts and representatives from foreign companies in the wood products industry to determine opportunities for Guyanese products, identify industry success factors and outline steps that Guyanese firms, supply chains and policy makers must take to improve performance in the global marketplace. The information has helped to inform the forest product cluster working group and guide the development of GTIS interventions aimed at increasing the export of non-timber, value-added forest products.
- ***Facilitation of forest product cluster working group*** – One of the first working groups facilitated by the GTIS project carrying out the activities outlined in section D.1 above, the Forest Product Cluster Working Group has a total of 45 participants, representing sawmill operators, furniture manufacturers, crafts manufacturers, timber companies, government officials and the Forest Products Association. The working group has held three main cluster working group meetings involving all participants, and has broken up into four different 'Action Initiative Task Forces' to develop cluster initiatives under the headings of marketing (5 meetings), training (6 meetings), applied research and development (4 meetings), and raw materials (2 meetings).

As a result of the meetings, participants have identified a number of areas to focus cluster development efforts. This includes upgrading the capacity of the Guyana Technical Institute (GTI) to

provide training in design, production and use of jigs for wood processing, exploring opportunities to develop and market products made from lesser-known wood species, establishing a common kiln-drying facility, strengthening supply chain linkages to improve quality and reliability of inputs, and study tours, market introduction and familiarization trips. Progress in this working group has been encouraging given the fact that at the beginning of the process, a few key stakeholders were reluctant to collaborate with other firms within the cluster. This was due to a fear that collaboration would 'help their competitors.' Gradually these stakeholders came to understand that their own competitiveness was determined, in part, by factors impacting the competitiveness of the cluster as a whole.

To date, the GTIS project has implemented a few activities related to the initiatives highlighted by the cluster group. This includes a feasibility study on the establishment of a common kiln-drying facility, and a project focusing on furniture product design and development for export and coordination of market launches (see below). Furthermore, GTIS plans to provide technical assistance to help upgrade GTI's capability to provide jig training.

- ***Furniture product design and development for export and coordination of market launches*** – In order for Guyanese furniture manufacturers to compete globally, they must differentiate themselves from low cost competitors. One way to do this is through upgrading product quality, developing new products and improving marketing efforts. In response to a request from a group of Guyanese furniture manufacturers, GTIS has been carrying out a year-long program to help three firms design, prototype, produce and promote products to be launched at the International Contemporary Furniture Fair held in New York in May 2006, while at the same time providing technical assistance in plant design and production efficiency. This activity is intended to help some of Guyana's leading manufacturers expand exports in the U.S., Europe and Caribbean. In one case, the GTIS design consultant is working with two firms—one that manufactures cane products and one that produces hardwood products—to develop a joint furniture line. Prior to this, such collaboration was unheard of in Guyana. In addition to the one-on-one assistance, the consultant presented a workshop for 15 manufacturers that produce for the local market. The event focused on strategies and designs for the local market, highlighting the need for improving quality for local customers as a means to practice producing at the level of quality required for export sales.
- ***Feasibility analysis of establishing a common kiln-drying facility in Guyana*** – One factor constraining the manufacture of quality wood products is the lack of a sufficient supply of properly dried wood. This is due, in part, to inadequate investment in kiln-drying facilities. In August 2005, GTIS responded to requests from the Forest Product Working Group, the Guyana Forest Product Association and the Guyana Forest Commission to investigate the market for kiln dried wood in an effort to promote investment in new facilities. In an activity to be carried into October/November 2005, GTIS is conducting a feasibility study to compare the costs and potential for a common kiln drying facility, as opposed to investments in smaller, individual facilities. GTIS will provide advice on the types of facilities, equipment and drying methods most appropriate for Guyana's timber species and the production of value-added wood products. It is hoped that the analysis will help attract new investment in kiln-drying facilities and establish a reliable supply of properly dried wood that will allow Guyana's manufacturers to be able to access markets with higher quality and design standards, ultimately leading to increased export values.

D.4. Seafood/Fisheries Cluster Activities

While Guyana is well known for the quality of its fish, shrimp and prawn exports, the cluster is constrained by the rising cost of fuel, financing and required capital investments. Many of Guyana's seafood and fisheries products are commodities that can be bought elsewhere for equal or lower prices,

requiring the cluster to differentiate itself from competitors through quality, product development, added value, and marketing, while remaining price competitive. Furthermore, there are concerns over the long-term sustainability of some species, raising questions over the extent to which the sector can increase exports without significantly adding value per volume of catch. While the cluster is well developed, the inter-firm linkages are not and there is a low degree of understanding between segments of each others' processes and requirements, hence weakening the efficiency and competitiveness of supply chains. GTIS is working with firms and cluster stakeholders to address issues of sustainability and natural resource management, to meet international standards, and enhance cluster competitiveness. Partners include the Guyana Trawlers and Seafood Processors Association, the GMA, Fishermen's Cooperatives, and Ministry of Fisheries, Crops and Livestock.

- ***Cluster market assessment: fisheries and seafood*** - In August and September 2004, GTIS interviewed two Guyanese firms and 12 industry experts and representatives from foreign companies in the seafood and fisheries industry to get an understanding of where Guyana is situated among current and potential competitors and what Guyana and its firms must do to attract the attention of international buyers/investors and successfully increase exports and investment. The information has helped to inform the seafood/fisheries cluster working group and will be used to guide the development of interventions in the seafood and fisheries sector.
- ***Facilitation of seafood/fisheries cluster working group*** – GTIS initiated seafood/fisheries cluster working group activities in April 2005. The fisheries cluster has a total of 30 participants representing a cross-section of the fisheries sector, private firms and public officials. This represents the lowest level of attendance and reflects a lower level of interest in the cluster development activity than in other sectors. This is due in part to the fact that existing cluster organizations sufficiently provide a forum for collaboration, such that cluster meetings were less critical. GTIS responded to this reality by shifting its focus from facilitating a new cluster organization to working more exclusively with the Guyana Trawlers and Seafood Association to promote collaboration with the sector. Currently, GTIS is working with the Association to identify initiatives aimed at improving natural resource management, quality control, cold-storage facilities and packaging to maintain value of catch, and exploring ways to increase the value per volume of catch.
- ***Assessment of the sustainability of the fisheries sector in Guyana*** – While the GTIS project is expecting to carry out technical assistance activities that target fisheries/seafood firms, supply chains and clusters, concerns over the sustainability of current fishing practices and catch volumes—particularly in regards to shrimp—require that development interventions in the fisheries sector adequately address natural resource management issues. In April 2005, GTIS conducted a rapid assessment involving interviews with hundreds (500+) of Guyanese fishermen, trawler owners, processors, exporters and government officials, to address issues of fisheries resource management and highlight options for the industry to grow without threatening sustainability. The assessment provided a full range of recommendations, including ways to improve fisheries resource management, increase catches among under-exploited, yet high value, finfish resources, and techniques to increase the value per volume of catches through enhanced product development, quality control, standards, processing, and marketing. Currently, the assessment is being used by the Guyana Trawlers and Seafood Processors Association as a roadmap for the development of potential private sector led initiatives in the fisheries sector. Other recommendations may be implemented under the auspices of the cluster working group and/or in collaboration with the Fisheries Department.
- ***Workshop for turtle exclusion device (TED) inspections*** – In response to an urgent request by the Ministry of Fisheries, Crops and Livestock, and the Guyana Trawlers and Seafood Processors Association, GTIS rapidly implemented a training program for Guyanese shrimp boat operators and government inspectors on the use and inspection of turtle exclusion devices (TEDs). TEDs are

devices that allow turtles to escape from shrimp nets while keeping the catch inside. Because the Guyanese shrimp industry had been slow to comply with new U.S. TED requirements for shrimp imports, there was a risk that U.S. inspectors would not certify the industry, causing Guyana to be banned from exporting to the U.S. GTIS conducted a two-day seminar in May 2005 that provided training for both government inspectors and the private sector companies working in the shrimp industry. A TED instructor discussed the U.S. regulations and provided a demonstration of proper use and inspection of the TEDs, both in the classroom and at the Wharf. The format of the GTIS training followed that used by the National Oceanographic and Atmospheric Agency (NOAA) in their seminars and symposiums. Because of the training, Guyana not only passed, but also exceeded the certification requirements. If Guyana had failed to meet certification requirements, the impact on the \$50-60 million shrimp export industry could have been devastating.

D.5. Tourism Cluster Activities

Guyana has a wide array of truly unique attractions to offer tourists and reinforce its growing image as a nature and adventure destination. With worldwide growth in the adventure and cultural tourism segments and narrow market niches such as bird watching, a variety of opportunities exist for the industry to attract new visitors. A number of issues currently limit the industry's growth, including significant competition from other eco-tourism and nature/wildlife regional destinations, the relatively low quality and standards of tourism products and services, poor tourism infrastructure, and weak marketing. As a result, Guyana's current visitor profile primarily consists of either business visitors or members of the diaspora. While Guyana's tourism firms have a strong sense of collaboration and understand that their success depends on the overall attractiveness and marketability of Guyana's overall tourism product, there is a lack of overall vision for the industry, and marketing efforts are poorly organized. GTIS is working with tourism firms and cluster stakeholders to raise standards, market the Guyanese tourism product, create a cluster vision and enhance cluster competitiveness. Project partners include Tourism and Hospitality Association of Guyana (THAG), the Ministry of Tourism, Industry and Commerce, and Guyana Tourism Authority (GTA).

- ***Cluster market assessment: travel and tourism*** - Using the same approach used to carry out market assessments in other target clusters, GTIS interviewed five Guyanese firms and 48 industry experts and representatives from foreign companies in the travel and tourism industry to determine opportunities for the Guyanese cluster to attract new visitors, identify industry success factors and highlight steps that Guyanese tourism enterprises, the tourism cluster and policy makers must take to make Guyana a more attractive tourism destination. Conducted during August and September 2005, the market assessment is being used to inform activities within the tourism cluster working group and guide the design of GTIS interventions in the tourism industry.
- ***Facilitation of tourism cluster working group*** – Given keen interest of cluster stakeholders to collaborate towards developing a vision to enhance the competitiveness of the tourism sector, GTIS moved early to facilitate the tourism cluster working group. To date, the Working Group has a total of 43 participants from a cross section of tour operators, tourism associations, government officials and hotel owners. The working group has already held three main cluster working group meetings involving all participants. In between the second and third working group meetings, the cluster group broke up in to four different 'Action Initiative Task Forces' to develop cluster initiatives under the following headings of marketing (4 meetings), product development (5 meetings), strategy (2 meetings) and training (5 meetings). In order to better inform its action initiative, the training task force created a survey on the industry's training needs that will be distributed as part of a GTIS-funded Needs Assessment for the Tourism industry.

As a result of the meetings, participants have identified the following areas to focus cluster development efforts: creation of a national tourism and hospitality strategy/program, develop new tourism products such as bird watching, yachting, freshwater sports fishing, and indigenous tour packages, development of a 5-year marketing plan and study tours, market introduction and familiarization trips. Over the coming months, GTIS will collaborate with USAID, the Cluster Working Group and the Guyana Tourism Authority to determine which initiatives to implement using USAID funding. This will likely include a tourism training program and a variety of assessments and technical assistance assignments to support product development and marketing efforts.

- ***Green Globe 21 Training*** – In September 2004, GTIS provided financial support for the GTA to send a product development officer to participate in a Green Globe 21 training course for assessors. Green Globe 21 is a global benchmarking, certification and improvement system that promotes sustainable practices in travel and tourism. To date, tourism enterprises and communities from approximately 50 countries—but not Guyana—participate in the program. By having a trained assessor, the GTA is better positioned to provide guidance to Guyanese tourism firms on how they can meet Green Globe 21 standards, support tourism standardization in sustainable practices in the tourism industry, and certify compliant firms. By taking steps to develop sustainable tourism services and having a credible certification and grading capability, Guyana could better market its products to environmentally-savvy tourists, while also enjoying the environmental benefits from sustainable practices.
- ***Support for GTA to attend the ITB German Travel and Trade Fair*** – In March 2005, GTIS provided financial support for the GTA to attend the ITB German Travel and Trade Fair, a major promotional event for the European tourism market. Participation in the show is an important way to create international recognition of the Guyanese tourism product and establish market linkages within the European tourism market, which has a keen interest the type of nature tourism product Guyana offers. Attendance at the show helped the GTA make contact with tour operators and travel agents from all over Europe and helped get Guyanese tourism products added to travel brochures, catalogues and package programs. The Guyanese representatives to the show are confident that participation in ITB 2005 secured thousands of dollars in business for Guyana that would not have occurred otherwise, and helped stage a platform for increased market awareness of Guyana as a tourist destination, possibly leading to a sustained increase in tourist visits from Europe.
- ***Tourism standards and certification consultations*** – Between May and August 2005 GTIS collaborated with the Ministry of Tourism, Industry and Commerce (MTIC), the National Bureau of Standards, the GTA, and THAG to carry out nation wide consultations on the development of regulations governing tourism standards and certification. The development of these standards is required under the recently passed “Tourism Licensing and Certification Act,” and part of an ongoing effort to bring the tourism sector more into line with international standards. GTIS supported six consultations in Georgetown, Berbice, Essequibo, Bartica, Linden and Letham. Each consultation involved approximately 25 to 30 participants from tourism enterprises and business associations. During each consultation, regulatory officials presented the proposed regulations and provided participants with the opportunity to comment or make recommendations for improvements. With the end of the consultation period, the private sector’s comments have been submitted to the Cabinet for possible inclusion in the final draft of the regulations.

D.6. Cross-Cluster Activities

In addition to activities that focus on specific clusters, GTIS is designing and implementing cross-sector activities.

- ***Completion of Guyana Investors Guide*** – Responding to a request from Go-Invest, GTIS completed an investment guide to provide accurate information on the Guyana’ business environment and various investment and business opportunities. This guide is expected to be used as a marketing tool for Go-Invest and other stakeholders as they interact with potential investors. The completion of the investment guide has been a priority of the GOG for a number of years and represents a step forward in ongoing efforts to increase the level of foreign direct investment in Guyana. While the guide was completed and submitted to USAID and GO-Invest in August 2005, Go-Invest has yet to approve the guide, delaying its final production and distribution.
- ***Market survey of export potential of Guyanese products to Jamaica*** – At the request of Go-Invest, GTIS carried out a rapid market survey in Jamaica to identify specific opportunities—and potential buyers—for value-added and non-traditional Guyanese exports in the agro-processing, forest products, seafood and tourism industries, among others, as well as to obtain information on customer preferences, market prices, standards and overall market conditions that would determine the success of Guyanese products and services in the Jamaican market. This information will be used to help determine which Guyanese products to promote during a trade show to be held in Jamaica in January 2006.

While the final report for the survey, which was completed in August 2005, has yet to be disseminated, GTIS has been providing a list of Jamaican businesses/companies interested in trading with Guyanese counterparts to Go-Invest and firms in Guyana. Already, this has helped establish potential deals in the agro-processing, seafood and garments industries. For example a large processor and exporter of fresh and processed foods in Jamaica was expected to visit Guyana at the end of September to seek out business contracts through the New Guyana Marketing Corporation and large farmers. In addition, a Jamaican fashion and garment company worked with Go-Invest to schedule to visit Guyana and met with fashion designers on Sept 15-16.

E. KNOWLEDGE MANAGEMENT

The GTIS project has made an effort to disseminate information on project activities/events, analyses and outcomes.

- ***Brochure*** - In early 2005, GTIS developed an attractive brochure that described the project objectives, the specific components, and how stakeholders can gain access to GTIS services. This brochure is given to interested persons and distributed at GTIS events.
- ***Website*** - In February 2005, GTIS launched its project website – www.gtisproject.com. Visitors to the website are able to find information on the project, details on all GTIS activities or events, and a library of project documents. In order to facilitate knowledge management across USAID activities in Guyana, the GTIS website includes a comprehensive library of relevant documents from the previous Guyana Economic Opportunities (GEO) project. The website is updated regularly.
- ***GTIS Project Profile Document*** - In September 2005, GTIS drafted project profiles for all GTIS activities carried out during the first year of the project. These profiles include an overview of and the rationale for each respective project, links to GTIS intermediate results, partner counterparts, activity details, and a discussion of realized or potential outcomes of the project. These profiles are included in a comprehensive document for distribution to USAID and other stakeholders. The entire document can be found in Annex 2.

III. ACTIVITIES PLANNED FOR YEAR 2

In 2006, GTIS will continue to build on its approach, which focuses on Guyana's critical industry success factors that create an environment for sustainable growth. With the project focusing on specific opportunities, Guyanese private and public sector stakeholders will further develop their capability to be more proactive participants in the local, regional and global economy.

Consultation and collaboration with stakeholders was the hallmark of GTIS' first year activities. Project staff will continue building relationships with project partners and design and execute projects that strengthen policy development and implementation, improve the enabling environment, and enhance the public-private consultative process. GTIS will continue to provide technical assistance in product development, upgrading, standards, and marketing that increase the competitiveness of firms, supply-chains and clusters.

The work planned for Year 2 includes new activities and initiatives, as well as follow-up activities for those tasks initiated in 2005. These include the installation and training for the new IT capacity and knowledge management systems for MOFTIC that will be completed in October 2005; and activities under the *Furniture product design and development for export and coordination of market launches* will continue, culminating with attendance at the International Contemporary Furniture Fair in New York in May 2006.

During its second year, GTIS will emphasize developing and designing activities that support IR.2.1: *Technical and Business Development Services Provided* to develop the capacity of firms and supply chains to succeed in regional and global markets. This will be achieved through the delivery of focused business diagnostics, support for product development, production upgrades, standards compliance and marketing, and interventions that strengthen supply chain linkages. The experience and knowledge gained from the analyses, cluster activities and stakeholder consultations during Year 1 will provide the groundwork necessary to successfully mobilize resources under this IR.

Under IR 2.2: *Institutional capacity strengthened to identify and foster links among firms*, activities under the cluster development component will shift from the development of strategic action plans, towards the execution of cluster initiatives to increase cluster competitiveness, as well as the institutionalization of the cluster working group process. The project will also play an aggressive role helping firms and supply chains in targeted clusters effectively identify and exploit new market opportunities, with the aim of achieving significantly increased exports. This will be accomplished through targeted market studies, facilitating relationships between Guyanese exporters and foreign buyers, purchasing agents and companies interested in establishing a supplier base in Guyana, support for international marketing efforts, and strengthening the capability of Go-Investment to attract investment. In the case of the seafood industry, where many trawlers have stopped fishing due to high fuel prices, GTIS will explore ways to stem the potential reduction in 2006 exports and increase profitability in the face of high costs.

GTIS activities to support IR 1.2: *Country trade policy consultative process that fosters: a) public-private consensus on policy, regulatory and legislative priorities and b) increased domestic support for negotiating positions and international commitments* will continue in earnest. GTIS plans to carry out a civil society outreach plan (CSOP) that increases the awareness of trade, investment, business and competitiveness issues among different demographic segments of Guyanese society, while providing private sector representatives with the tools to play a more effective role influencing Guyana's trade negotiating and policy agenda.

GTIS staff will continue to cultivate counterpart buy-in on activities likely to have a long-term effect on the government's ability to develop and implement trade policies that reflect Guyana's trade

commitments and international best practices under IR 1.1 *Human and institutional capacity to prepare negotiating positions and implement negotiated commitments strengthened*. Activities will help strengthen the GOG trade-related knowledge management systems, address gaps in the implementation of trade obligations, improve administrative processes, and facilitate progress towards addressing Guyana's trade-related legislative and regulatory priorities. In the event that collaboration lags with some agencies, GTIS will focus resources towards agencies interested in proactively designing and executing high-impact initiatives.

Finally, GTIS will continue to customize its response to include both private sector and government requests that are consistent with project objectives.

ANNEX 2 – PROJECT PROFILES



USAID Guyana Trade and Investment Support

A Joint Government of Guyana - U.S. Government Project

GTIS PROJECT PROFILES

**Up-to-date through
September 2005**

Submitted by:
CARANA CORPORATION

To:
**United States Agency for International Development
Georgetown, Guyana**

Under Contract Number: 504-C-00-04-00111-00



Implemented by the CARANA Corporation

**55 Main Street, Georgetown, Guyana,
Tel: (592) 223 - 7144, Fax: (592) 223 - 7143**

Table of Contents

Overview	2
GTIS Program Impact Matrix	3
Intermediate Result 1: Key trade and investment policies, standards and practices are consistent with negotiated obligations and international best practices	4
Regulatory Review and Workshop on Corporate Governance	5
Workshop: Business Opportunities From Liberalizing Services in the CSME	8
Workshop on Trade and Labor: Ensuring the Rights of Workers.....	10
Rapid Assessment of Systems for Tracking Containerized Cargo.....	12
Workshop: Identifying Trade Negotiating Priorities and Positions	14
Workshop for Women Lawyers: CSME and the Law	16
Workshop: Media Training on the CSME	19
Strengthening IT Capacity within MOFTIC.....	21
Establishing a Knowledge Management System for MOFTIC	22
Technical Assistance for VAT Consultation and Implementation.....	24
Intermediate Result 2: Increased competitiveness in the export of value-added products and services in the non-traditional sector	27
Market Assessments in Agro-processing, Seafood, Tourism and Forest Products.....	28
Support for Green Globe 21 Training	30
Support for the Guyana Tourism Authority to Attend the ITB – German Travel And Trade Fair	31
Facilitation of Forest Products Cluster Working Group.....	33
Facilitation of Tourism Cluster Working Group.....	37
Facilitation of Agro-processing Cluster Working Group	41
Facilitation of Seafood/Fisheries Cluster Working Group	45
Furniture Product Design and Development for Export and Coordination of Market Launches	48
Assessment of the Sustainability of the Fisheries Sector in Guyana.....	52
Aflatoxin Training and Laboratory Development for Guyana Food and Drug Department	54
Workshop: Turtle Excluding Device (TED) Inspections	56
Tourism Standards and Certification Consultations.....	58
Guyana Investment Guide	60
Market Survey of Export Potential of Guyanese Products to Jamaica.....	61
Training of Peanut Sector Entrepreneurs at University of Georgia	63
Feasibility Analysis of Establishing a Common Kiln-drying Facility in Guyana.....	65

OVERVIEW

This document contains project profiles for activities carried out by the Guyana Trade and Investment Support (GTIS) Project between September 2004 and September 2005. Each profile includes a brief description of the project, its objectives, counterpart organizations, activities, and results (in terms of both outputs and impacts). The profiles below are categorized by the specific intermediate results (IR) for which they are intended to support.

GTIS Project Intermediate Result Categories

IR-1: Key trade and investment policies, standards and practices are consistent with negotiated obligations and international best practices

- **IR-1.1:** Human and institutional capacity to prepare negotiating positions and implement negotiated commitments
- **IR-1.2:** Country trade policy consultative process that fosters: a) public-private consensus on policy, regulatory and legislative priorities and b) increased domestic support for negotiating positions and international commitments

IR-2: Increased competitiveness in the export of value-added products and services in the non-traditional sector

- **IR-2.1:** Technical and business development services provided
- **IR-2.2:** Institutional capacity strengthened to identify and foster links among firms

Note: Due to the cross-cutting nature of the project, many activities impacted more than one intermediate result.

By reviewing the profiles below, it is clear GTIS sub-projects have 1) increased public and private awareness of trade, business and competitiveness issues—particularly in the context of the CSME; 2) helped deepen business networks; 3) facilitated public-private dialogue; and 4) provided a range of inputs that strengthen Guyana's ability to participate in trade negotiations, access markets, and become more competitive within the global economy. Together, these activities contribute to *a strengthened environment for sustained growth of value-added exports, expected to lead to increased annual levels of exports in selected sectors – Agro-processing, non-timber forest products, seafood/fisheries and tourism – and an increase in total non-traditional exports.*

More specifically, GTIS projects have contributed to progress in the following development areas:

- Trade, business and investment policies
- Participation in trade negotiations
- Implementation of trade commitments
- Institutional and trade capacity building
- Private Sector Awareness
- Private-Public dialogue/ consensus
- Standards/ TBT/ Market Access
- Marketing/ Export Development
- Firm / Supply Chain Upgrading
- Cluster Chain Competitiveness

Progress towards the intermediate results and the development areas are achieved through a combination of 1) technical and financial assistance; 2) workshops, training and cluster group facilitation; 3) diagnostics and analysis; and 4) procurement of equipment, hardware and/or software.

The 'GTIS Program Impact Matrix' provides a brief overview of programming areas, development impacts and types of activities involved in each GTIS sub-project.

GTIS PROGRAM IMPACT MATRIX
September 2004 – September 2005

GTIS Sub-projects (Chronological order by IR)	IR Coverage						Development Impact Areas (Realized and Potential)										Activity			
	Intermediate Result 1	Intermediate Result 1.1	Intermediate Result 1.2	Intermediate Result 2	Intermediate Result 2.1	Intermediate Result 2.2	Trade, business and investment policies	Participation in trade negotiations	Implementation of trade commitments	Institutional / Trade capacity building	Private Sector Awareness	Private-Public dialogue/ consensus	Standards/ TBT/ Market Access	Marketing/ Export Development	Firm / Supply Chain Upgrading	Cluster / Supply Chain Competitiveness	Technical/ Financial Assistance	Workshop / Training/ Cluster Group	Diagnostic / Analysis	Equipment / hardware/ software Procurement
Intermediate Result 1: Key trade and investment policies, standards and practices are consistent with negotiated obligations and international best practices																				
Corporate Governance	*		*				*				*							*		
Business Opportunities (Services) From CSME	*		*	*					*		*			*				*		
Trade and Labor: Ensuring the Rights of Workers	*	*	*				*	*			*	*						*		
Assessment of Operation/Administration of Cargo	*	*		*			*				*								*	
Identifying Trade Negotiating Priorities/ Positions	*	*	*				*	*			*	*						*		
Women Lawyers: CSME and the Law (WS)	*	*					*		*		*							*		
Trade, Business and Investment Issues	*		*				*	*			*	*						*		
Media Training on the CSME	*		*								*	*						*		
IT Capacity within MOFTIC	*	*							*	*	*							*		*
Knowledge Management System for MOFTIC	*	*							*	*	*							*		*
VAT Consultation and Implementation	*		*				*				*	*						*		*
Intermediate Result 2: Increased competitiveness in the export of value-added products and services in the non-traditional sector																				
Market Assessments in GTIS target sectors				*										*		*			*	
Green Globe 21 Training	*			*								*				*		*		
Support for the GTA to Attend the ITB				*		*								*			*			
Forest Products Cluster Working Group				*		*					*		*	*	*			*	*	
Tourism Cluster Working Group				*		*					*		*	*	*			*	*	
Agro-processing Cluster Working Group				*		*					*		*	*	*			*	*	
Seafood/Fisheries Cluster Working Group				*		*					*		*	*	*			*	*	
Furniture Product Design, Development, Marketing				*	*	*							*	*			*	*		
Assessment of the Fisheries Sustainability				*					*				*	*					*	
Aflatoxin Training and Laboratory Development	*	*		*		*			*			*			*		*	*		*
Turtle Excluding Device (TED) Inspections				*					*			*			*		*	*		
Tourism Standards and Certification Consultations	*		*	*							*	*						*		
Guyana Investment Guide				*									*						*	
Market Survey for Exports to Jamaica				*		*							*	*					*	
Training of Peanut Sector Entrepreneurs				*	*								*	*	*	*	*	*		
Feasibility Analysis for Common Kiln-drying Facility				*		*								*	*			*		

**INTERMEDIATE RESULT 1: KEY TRADE AND INVESTMENT POLICIES,
STANDARDS AND PRACTICES ARE CONSISTENT WITH NEGOTIATED
OBLIGATIONS AND INTERNATIONAL BEST PRACTICES**

- **Performance Indicator 1:** Milestone Index on Guyana's participation in negotiation, trade related obligations and international best practices
- **Performance Indicator 2:** Percentage of Guyanese (sample) who are aware of CSME functions (i.e. free movement of people and goods) and feel that the CSME will benefit them

IR-1.1: Human and institutional capacity to prepare negotiating positions and implement negotiated commitments strengthened

- **Performance Indicator 1:** Scorecard rating on Guyana's participation in negotiated trade related obligations and international best practices
- **Performance Indicator 2:** Number of staff from public trade institutions and private sector representatives trained in trade negotiations and trade policy implementation

IR-1.2: Country trade policy consultative process that fosters: a) public-private consensus on policy, regulatory and legislative priorities and b) increased domestic support for negotiating positions and international commitments

- **Performance Indicator 1:** Number of private sector and NGO representatives trained in trade, business or sector related topics

Sub-projects (in chronological order)

- **Workshop: Corporate Governance**
- **Workshop: Business Opportunities From Liberalizing Services in the CSME**
- **Workshop on Trade and Labor: Ensuring the Rights of Workers**
- **Rapid Assessment of Systems for Tracking Containerized Cargo**
- **Workshop: Identifying Trade Negotiating Priorities and Positions**
- **Workshop for Women Lawyers: CSME and the Law**
- **Workshop: Trade, Business and Investment Issues**
- **Workshop: Media Training on the CSME**
- **Strengthening IT Capacity within MOFTIC**
- **Establishing a Knowledge Management System for MOFTIC**
- **Technical Assistance for VAT Consultation and Implementation**

Regulatory Review and Workshop on Corporate Governance

Overview: Publicly traded companies and related corporate governance are new phenomena in Guyana. The Guyana Association of Securities Companies and Intermediaries Inc. (GASCI), Guyana's stock exchange, has only been in operation since June 2003. Only thirteen companies currently trade on GASCI, and trade volume and value is extremely low. The Exchange is open only once a week, on Mondays. During the past year 10.5 million shares have been traded, representing just US\$513,000. Despite the small size of Guyana's economy, these trading statistics indicate that investors are leery of buying shares on the exchange either because they lack adequate information about a company or because they are not familiar with the trading process, existing opportunities, and or potential investment returns.

In view of the fledgling stock market in Guyana, most market stakeholders (government officials, regulatory agencies, the judiciary, publicly-trade companies and financial intermediaries) are not familiar with the role corporate governance plays in capital formation and economic development. While many organizations, such as GASCI, the Guyana Securities Council (GSC), and the Private Sector Commission (PSC) provide information about, and training on, corporate governance, Guyana is just beginning to understand the benefits good corporate governance brings its businesses. Equally challenging is the business culture, which is predicated on a "trust me, I'll do the right thing" approach to business. Traditionally, companies have operated in a closed and confidential manner, revealing little or nothing about their operations. However appealing this approach might be for company owners, it is not likely to stimulate investment and economic growth. Continued education is needed before a significant cultural change can take place.

In response to a request from the Government of Guyana, GTIS carried out a review of Guyana's securities market framework and an organized a one-day workshop on "Building a Corporate Governance Culture" for the government officials, private sector, and civil society representatives.

Link to Project Indicators: This activity supported:

- *IR-1: Key trade and investment policies, standards and practices are consistent with negotiated obligations and international best practices by promoting international standards of corporate governance that can lead to greater investment and a healthier business environment*
- *IR-1.2: Country trade policy consultative process that fosters: a) public-private consensus on policy, regulatory and legislative priorities and b) increased domestic support for negotiating positions and international commitments through the training of private sector representatives on critical corporate governance issues that impact the business and investment environment (Performance Indicator 1)*

Counterparts: This activity was implemented in collaboration with the Guyana Securities Council (GSC) and the Guyana Association of Securities Companies and Intermediaries Inc (GASCI)

Timeframe: September 2005.

Activities: This activity involved two related tasks. For the first task, GTIS carried out a review of Guyana's securities market framework to contribute to efforts to strengthen the operating environment and the legal and regulatory framework for growth and expansion of the Guyana Stock Exchange. GTIS worked closely with the Guyana Securities Council (GSC) and Guyana Association of Securities Companies and Intermediaries Inc (GASCI) to identify weaknesses in the 1998 Securities Industry Act (SIA), Regulations 2002 and make recommendations to strengthen the laws through amendments, regulations and rules. GTIS also reviewed operations of GASCI and made recommendations for

improvement and the development of a Code of Corporate Governance. As key output, the review provided a

Based in part on the information gained from the regulatory review, GTIS held a one-day workshop where three presenters addressed a number of corporate governance issues under the theme "Building A Corporate Governance Culture". Key topics included the five pillars of Corporate Governance, the relevance of Corporate Governance to Guyana, a review of the securities market, and the positive correlation between good corporate governance and foreign direct investment. Special emphasis was placed on disclosure, transparency, independent board of director members, and the rights of shareholders.

After the seminar, the corporate governance experts met privately with selected seminar participants to obtain feedback and provide one-on-one advice.

Results: This regulatory review and workshop contributed to ongoing efforts to strengthen trade and investment through expanding the awareness of factors that impact Guyana's overall business environment. The information helped Guyana take another step towards building a culture where business practices and government regulations reflect international best practices in corporate governance. The application of these principles will improve the management, and thus success, of Guyanese businesses, facilitate the growth of Guyana's fledgling securities market and help attract both domestic and foreign investment. Specific outputs of this workshop included:

Guidance for steps to improve corporate governance – The regulatory review provided expert guidance for on steps to improve the regulatory framework and ways that the private sector governs itself, while recommending actions to strengthen the capabilities of both public (e.g. GSC) and private (e.g. GASCI) institutions to formulate and enforce sound corporate governance policies. As such, the review can be used as a roadmap for future initiatives, including those funded by donors such as USAID.

Informed public-private discussion on corporate governance – During the workshop over 60 government, private sector, and civil society participants discussed international corporate governance best practices within the Guyanese context. Discussions surrounded presentations from three corporate governance experts:

- The first expert discussed the roles and responsibilities of management and shareholders, shareholder rights, equitable treatment of shareholders, Guyana's legal and regulatory framework and Guyana's proposed code of ethics.
- The second expert discussed economic development and corporate governance, transparency and disclosure, interlocking boards of directors, and financial accounting and reporting standards.
- The third presenter, who is a former member of the U.S. judiciary, presented legal issues germane to corporate governance, illegal conduct and examples from cases around the world.

This informed discussion helped provide business leaders with information on ways to bring their business practices in alignment with international norms, while at the same time providing the government with guidance for developing corporate governance regulations.

Enhanced dissemination of information within the private sector – Guyana's discussion on corporate governance extended beyond this workshop. The presentations, which had been filmed, were broadcast over the local television channels for a number of weeks after the workshop. In addition to the workshop, the corporate governance experts were asked to take part in media interviews that were broadcast publicly. Furthermore, as workshop participants were influential leaders in the Guyanese business

community, their increased familiarity with corporate governance issues is likely to be passed on through discussions with colleagues, company managers and private sector associations throughout Guyana.

Follow-on Activities: After the workshop, the possibility of a USAID-funded initiative to help strengthen GSC regulatory capacity and contribute to the fostering and development of corporate governance within Guyana's securities market was discussed. While an MOU was developed with the GSC, funding is not yet available.

Workshop: Business Opportunities From Liberalizing Services in the CSME

Overview: There is a concern that Guyana's private sector is not sufficiently aware of, or able to take advantage of, business opportunities resulting from regional trade integration under the CARICOM Single Market and Economy (CSME). This seminar discussed emerging trade opportunities in the CSME service sector and facilitated a public-private sector discussion on steps that could maximize the potential of these opportunities. The seminar was part of the broader public education initiative of the CARICOM Secretariat's Barbados based CSME Unit, which responds to stakeholders' demand for information on CSME developments and supports national public education programs.

This event was part of a series of workshops organized to enhance the private sector awareness of ongoing trade negotiations and regional liberalization efforts in order to 1) increase their involvement in current and future bilateral, regional and multilateral trade negotiations to ensure that the outcomes incorporate the interests and needs of the private sector; and 2) increase their ability to respond to/take advantage of the liberalization processes. These seminars responded to concerns that Guyana's position in trade negotiations has been driven largely by the Government of Guyana, and that the Guyanese private sector is not fully aware of the benefits, opportunities and risks of trade liberalization.

Link to Project Indicators: This activity supports:

- **IR-1:** *Key trade and investment policies, standards and practices are consistent with negotiated obligations and international best practices through increasing the number of Guyanese who are aware of CSME functions and feel that the CSME will benefit them (Performance Indicator 2)*
- **IR-1.2:** *Country trade policy consultative process that fosters: a) public-private consensus on policy, regulatory and legislative priorities and b) increased domestic support for negotiating positions and international commitments through training private sector and NGO representatives in trade, business or sector related topics (Performance Indicator 1)*

Counterparts: This seminar was carried out in collaboration with the Private Sector Commission (PSC), Guyana Manufacturing Associations (GMA), Association of Regional Chambers of Commerce (ARCC) and CARICOM Secretariat's CSME Unit from Barbados. The seminar was covered as part of the CMSE Outreach program.

Timeframe: February 2005

Activities: GTIS provided logistical and organizational support for activity that included:

- Coordinating with CMSE Unit to secure the keynote speaker;
- Coordinating with local business associations to ensure attendance from a wide spectrum of the business community;
- Providing funding for travel expenses and conference costs.

The workshop was led by Mr. Ivor Carryl, Program Manager for the CSME Unit.

Results: This workshop contributed to ongoing efforts to 1) increase the business community's awareness of opportunities presented by the CSME, hence increasing domestic support for it and other trade commitments; and 2) promote a consultative process leading towards a public-private consensus on policy, regulatory and legislative formulation designed to enhance Guyana's ability to maximize the benefits of trade liberalization. Specific outcomes of the workshop included:

Informed discussion: Taking advantage of emerging opportunities in CSME services – Close to 30 participants took part in this workshop. Most of those attending were members of the business community who were eager to take advantage of export opportunities within the CARICOM region. In addition to highlighting emerging opportunities in the services sector, Mr. Carryl led a discussion on ways that Guyana could improve its ability to exploit new opportunities in the services sector. He underscored the need for a national CSME strategy (that included a focus on services) and urged that such a strategy be embraced in the legislative agenda. He stressed that Guyana should adopt a non-partisan parliamentary approach to the CSME process and implement public education programs to prepare stakeholders for its introduction. In directing his presentation to the private sector audience, Mr. Carryl recommended that they undertake market research to identify consumer demands and niche markets. He also urged the creation of a website by the private sector to inform stakeholders and service providers on the rights, laws and regulations required by each Member State for participation in the CSME.

Citing the need to broaden their vision as they prepare to enter the CSME, Mr. Carryl told his audience, "Plan for occupation of the regional market, increase regional market access know-how, deepen skills, source skills regionally, and adopt a regional market consumer approach." He also encouraged the establishment of youth entrepreneurship as a mechanism for job creation in the region, and the retention of skills that are constantly being lost to developed countries.

An ongoing discussion of these issues, and forthcoming action and collaboration between the private and public sectors is critical. Without taking steps to improve the ability of Guyana's service providers to become regionally competitive, it is less likely the potential benefits of the CSME will be realized.

Enhanced dissemination of information on CSME and Services in Guyana - The individuals that participated in the seminar were influential leaders in the Guyanese business community. Their increased familiarity with CSME and the services sector is likely to be passed on through training and meetings within their own companies, thereby contributing to a greater awareness throughout the country.

Workshop on Trade and Labor: Ensuring the Rights of Workers

Overview: Workers are almost always impacted—in both positive and negative ways—by regional and multi-lateral trade agreements. Most Guyanese workers, however, are not aware of the rights and protections provided to them under current, and proposed, economic and trading arrangements, such as the CSME, FTAA and various bi-lateral agreements. Nor have they played a significant role influencing the outcome of these negotiations. The two day GTIS workshop “Ensuring the Rights of Workers” informed workers (and their representatives) of labor’s rights under various agreements and how labor can play a more assertive/decisive role in shaping the outcome of negotiations related to the trade and the free movement of labor.

This event was part of a series of workshops organized to enhance the private sector awareness of ongoing trade negotiations and regional liberalization efforts in order to 1) increase their involvement in current and future bilateral, regional and multilateral trade negotiations and help ensure that the outcomes incorporate the interests and needs of civil society; and 2) increase their ability to take advantage of the liberalization processes.

Link to Project Indicators: This activity supports:

- ***IR-1.1:** Human and institutional capacity to prepare negotiating positions and implement negotiated commitments strengthened through the training of private sector representatives in trade negotiation issues (Performance Indicator 2)*
- ***IR-1.2:** Country trade policy consultative process that fosters: a) public-private consensus on policy, regulatory and legislative priorities and b) increased domestic support for negotiating positions and international commitments through training private sector and NGO representatives in trade, business or sector related topics (Performance Indicator 1)*

Counterparts: This activity was carried out in collaboration with the USAID Latin American and Caribbean (LAC) Trade Project and the Guyana Trade Union Congress.

Timeframe: March 2005.

Activities: During this two-day workshop participants discussed:

- Provisions within the CSME, WTO, FTAA and the International Labor Organization (ILO) and their relation to, and impact on, labor within Guyana and the CARICOM region,
- Potential threats to core labor standards posed by the new economic and trading arrangements.
- Practical recommendations for enhancing labor’s knowledge and understanding of the current, and proposed, regional and hemispheric arrangements for new trade and economic arrangements (i.e. CSME and FTAA).
- Strategies for labor to meaningfully insert itself into ongoing negotiations in such a manner as to decisively influence outcomes

Results/Impact Assessment: This workshop contributed to efforts to increase civil society’s awareness of ongoing trade negotiations and the potential impact of negotiated outcomes on different segments of society (e.g. labor). With the information gained from this workshop, participants are better positioned to 1) take advantage of the provisions (e.g. free movement of people) in the CSME and other trade agreements; and 2) actively engage in an informed dialogue leading towards a public-private consensus on Guyana’s trade agenda. Through greater awareness and engagement, members of the labor

community are more likely to support the outcomes of Guyana's trade agreements. Specific outcomes of the workshop included:

Informed discussion of issues facing labor in trade agreements - Approximately 50 representatives from Guyanese and Caribbean labor organizations attended this workshop. Central to the Workshop's discussion was the reality that labor, both in Guyana and the Caribbean, remains unprepared to effectively engage in an informed public-private dialogue. The workshop facilitated a proactive discussion on ways Guyana's labor movement can play a larger role in current and future trade negotiations.

Developing a course of action for Guyanese labor – As a result of the workshop's deliberations, the participants agreed upon a course of action to help increase the effectiveness of its engagement in negotiation processes. Proposed actions included:

- Labor education programs on trade/labor issues - Labor should embark on an urgent regime of education and training (beyond that in the workshop) designed to bring labor leaders and workers abreast of developments relating to the FTAA and CSME processes. Specifically, the participants urged that labor leaders and workers secure access to and study the provisions of the Revised Treaty of Chaguramas. Additionally, the workshop urged that consideration be given to the publication of a booklet that repackaged trade/labour issues to render them easily understandable by the masses of workers.
- “Popping the party” - Regional trade unions and labor organizations must take vigorous initiatives to exert pressures on regional governments and multilateral institutions to accommodate direct labor representation at forums convened to deliberate and reach decisions on impending new economic and trade arrangements.
- Leveraging governments to influence their negotiating positions in relation to trade/labor issues - Trade unions should monitor closely the negotiating positions of their governments in relation to the proposed new economic and trade arrangements in order to ensure that those positions take full account of core labor standards and, where necessary, take action to influence their governments' negotiating positions on workers' rights.
- Protection of vulnerable economic sectors - The labor movement must make special and effective interventions to guard against the weakening and/or destruction of economic sectors (and, by extension, the displacement of labor) that may be vulnerable under provisions of the CSME.

Enhanced dissemination of information on trade and labor in Guyana - The individuals that participated in the seminar were influential leaders in the Guyanese labor movement. Their increased familiarity with labor issues within the context of ongoing trade developments is likely to be disseminated and help contribute to greater awareness throughout the country.

Rapid Assessment of Systems for Tracking Containerized Cargo

Overview: Numerous studies have shown that transport and logistics systems can have a large impact on the competitiveness of a country's exports. Within this context, the development of efficient systems that manage or track shipments at ports of entry and exit can play an important role in facilitating trade. These include:

- Systems that control or track the movement of containers received at the various wharfs (container tracking system) and facilitate inventorying the goods that have been declared "want of entry".
- Systems that control the flow of documents lodged with the customs entry-processing unit, enhancing transparency and reducing administrative delays.
- Systems that enhance transparency in the valuation of imports through the use of a database of established values for imports of similar commodities.
- Systems that allow Customs to be more efficient and transparent when examining containers by only inspecting higher risk consignments (based on risk profiles) and the use of standard operating procedures.
- Systems that allow for more efficient revenue collection.

At the request of the Guyana Revenue Authority (GRA) and USAID, GTS conducted an assessment to identify potential initiatives to help the GRA's IT Department improve its procedures and systems related to container tracking, documentation flow, acceptance of values, and the examination of containers as a means to facilitate trade. GTIS and GRA plan to use this review to identify priority issues, present recommendations and draft action plans/terms of reference.

Link to Project Indicators: This activity supports:

- **IR-1:** *Key trade and investment policies, standards and practices are consistent with negotiated obligations and international best practices through improving GRA's ability to facilitate trade*
- **IR-2:** *Increased competitiveness in the export of value-added products and services in the non-traditional sector through enhancing the movement of goods*

Counterparts: This activity was carried out in collaboration with the Guyana Revenue Authority.

Timeframe: April 2005

Activities: This activity involved a rapid scoping assessment to review systems for container tracking, documentation flow, acceptance of values, and scrutiny in the examination of containers and compare GRA processes and systems with regional and international best practices. This review focused not only on the GRA, but also on related public and private entities involved in the movement, handling and storage of containerized cargo. Activities included:

- A field trip to meet with appropriate GRA officials, shippers, port managers (private), customs brokers and cargo handling and storage providers to consult on the current situation; and on-site visits at the GRA, the port and appropriate storage and handling facilities to review tracking, documentation and processes related to the movement and administration of containerized cargo. This included a review of present IT systems and process engineering.
- Comparing relevant systems and processes in Guyana to regional and international best practices and highlighting priority issues and weaknesses impacting the movement and administration of containerized cargo.

- Developing a recommended plan of action that included a) activities likely to result in ‘quick hit’ improvements in the movement of containerized cargo, including IT investments and process re-engineering that could be implemented immediately using limited resources; and b) medium-to-long term initiatives to improve the movement of containerized cargo.
- Provide the framework for the development of a cargo tracking system

Results: This study contributed to efforts to facilitate the movement of trade goods through Guyanese ports, while at the same time improving the revenue collection and transparency within the GRA. Although it is too soon for the GRA to act upon the assessment, it now has access to 1) information that outlines weaknesses in its cargo tracking systems; 2) a menu of short term “quick hits” that could enhance efficiency with minimal time and investment; and 3) guidance and details on the long-term development of an integrated electronic cargo tracking system. The assessment provided step-by-step information on specific activities and processes that would need to be carried out, changes in documentation, regulatory changes, IT investments and various software/system options (e.g. ASYCUDA, TIMS, etc). If it wishes, the GRA can use this assessment as an action roadmap, and a basis for requesting technical and IT assistance from various donors, including USAID, as it attempts to adopt international best practices in trade facilitation.

Follow-on Activities: As the GRA takes steps towards developing a cargo tracking system, it is likely that it will need technical assistance in process reengineering, IT investment, system installation and staff training.

Workshop: Identifying Trade Negotiating Priorities and Positions

Overview: In general, the Government of Guyana has largely driven Guyana's trade agenda in regional and multilateral trade negotiations, with limited input from the private sector. The workshop "Identifying Trade Negotiating Priorities and Positions" aimed to educate the private sector on current and ongoing trade negotiations and provide guidance on ways to identify and advocate its interests and priorities as these negotiations proceed. If the private sector is able to be more effective in shaping Guyana's trade agenda, negotiated outcomes are likely to be more popular and have a positive impact on businesses, important export sectors, and the wider public.

This event was part of a series of workshops organized to enhance the private sector's awareness of ongoing trade negotiations and regional liberalization efforts in order to 1) increase their involvement in current and future bilateral, regional and multilateral trade negotiations to ensure that the outcomes incorporate the interests and needs of the private sector; and 2) increase their ability to respond to/take advantage of liberalization processes.

Link to Project Indicators: This activity supports:

- *IR-1.1: Human and institutional capacity to prepare negotiating positions and implement negotiated commitments strengthened through training of private sector representatives in trade negotiations (Performance Indicator 2)*
- *IR-1.2: Country trade policy consultative process that fosters: a) public-private consensus on policy, regulatory and legislative priorities and b) increased domestic support for negotiating positions and international commitments, through the training of private sector representatives trained in trade issues (Performance Indicator 1)*

Counterparts: This workshop was held in collaboration with the Private Sector Commission (PSC), the Guyana Manufacturers Associations (GMA) and regional chambers of commerce.

Timeframe: April 2005

Activities: This assignment involved a 3-day seminar at a location outside of Georgetown. GTIS worked with private sector associations to attract and involve businessmen and leaders from different sectors and administrative regions in Guyana. While the seminar was held primarily for the private sector, public sector participants were also invited to allow interaction between the two groups. A practical training program provided an extensive background on current trade negotiations and demonstrated how to best approach the entire trade negotiation process and influence outcomes. The workshop not only provided participants with guidance on how to identify negotiation priorities, but also involved simulated exercises where participants identified and discussed actual trade negotiation priorities for Guyana.

Results: This workshop contributed to ongoing efforts to provide the private sector with the tools and knowledge to engage in a consultative process aimed at facilitating a public-private consensus on Guyana's trade agenda. By strengthening the capacity of the private sector to influence policy development, it is likely that negotiated outcomes will reflect their interests, hence increasing the likelihood that 1) Guyana will be able to take advantage of opportunities resulting from trade liberalization; 2) private sector support for Guyana's negotiation positions and commitments will increase. Specific outcomes of the workshop included:

Increased knowledge of the trade and the negotiation process – Approximately 25 private and public sector representatives attended the 3-day workshop held at Lake Mainstay Resort, outside of Georgetown. Guided by a trade expert, participants discussed issues and identified priorities related to their various

areas of concern (e.g. sector specific) and to Guyana's private sector as a whole. The exposure to trade issues and the subsequent discussions increased participants' awareness, interest and understanding of trade issues impacting Guyana and how these issues can be incorporated into the negotiation process. With this knowledge as a tool, participants are better able to represent private sector interests at both the regional and international level, in a more informed and effective manner.

Facilitating interactions between public and private representatives – The 3-day workshop afforded ample opportunities for public and private engagement (both formal and informal) over issues related to trade policy. The resulting discussions help foster a greater appreciation among the public sector participants of the private sector's trade priorities. In the past, this type of public-private dialogue (involving multiple representatives at one time) has been limited, creating tension between the government and the private sector. By getting the two parties together, the workshop helped facilitate ongoing consultation efforts, not only in issues of trade, but also in the wider scope of Guyana's policy, regulatory and legislative agenda.

Enhancing influence of business community – By providing private sector representatives with the tools to identify and advocate their trade priorities, and the opportunity to engage their public sector counterparts, the workshop helped strengthen the private sector's ability to influence current and future trade negotiations. While the workshop focused on trade, the tools and confidence gained will carry over to other areas, enabling the private sector to be a more effective partner with the government in the development of policies impacting business and investment.

Deepening of business networks in the Caribbean region – The workshop provided an opportunity to strengthen regional business networks within Guyana by bringing together "apex" private sector individuals from throughout the country for a focused and highly informed discussion geared towards developing a consensus on the framing of Guyana's trade agenda. Such networking is invaluable for facilitating regional collaboration and in advocating trade and economic policies at the regional level.

Enhanced dissemination of information within the private sector - The individuals that participated in the project are highly influential leaders in the Guyanese business community. Their increased familiarity with ongoing trade negotiations, as well as Guyana's positions, helps contribute to information dissemination throughout Guyana.

Workshop for Women Lawyers: CSME and the Law

Overview: Guyana's involvement in various regional and multilateral trade agreements brings a vast array of new legislation and legal obligations. Hence, it is important that the legal fraternity is able to 1) inform citizens of their rights and obligations under the agreements; 2) deal with legal questions or disputes arising from the agreements; and 3) provide advice/counsel to those interested in seeking business opportunities resulting from the agreements. This workshop "CSME and the Law" aimed to familiarize Guyana's women lawyers with the rules based international trading system, and more specifically, the legal issues underpinning the CSME and the legislation through which it is operationalized.

This seminar was held with the recognition that all sectors of society must better understand the context and potential impact of Guyana's regional and multilateral trade agreements if the agreements are to receive widespread public support and be effectively implemented.

Link to Project Indicators: This activity supports:

- *IR-1.1: Human and institutional capacity to prepare negotiating positions and implement negotiated commitments strengthened through the lawyers in the legal application/implementation of the CSME agreement (Performance Indicator 2)*

Counterparts: This activity was implemented in collaboration with the Guyana Women's Lawyers Association.

Timeframe: May 2005

Activities: This one-day seminar presented the legal underpinnings of the CSME and international trade agreements and their impact on domestic legislation. Topics included:

- Overview of the rules based trading system
- Concepts of MFN and National Treatment
- Overview of revised CSME Treaty
- Establishment, Services, Capital and Movement of Community Nationals
- Guyana's Movement of Factors Bill
- Dispute resolution in the CSME

Results: This workshop played an important role addressing the ongoing need for Guyana to apply and implement CSME provisions at the micro and local levels. The enhanced knowledge gained by the women lawyers will help ensure that 1) citizens and businesses do their part in the implementation of the CMSE; and 2) the rights of citizens and businesses are protected such that they are able to benefit from the agreement.

Approximately 25 lawyers took part in the workshop, which has been regarded as one of the most interactive of all GTIS sessions. The lawyers discussed a wide range a legal scenarios, particularly related to the movement of people, work permits, and the appropriate court jurisdictions (national or regional) of different legal matters. In addition to the *increased capacity of lawyers to address legal issues brought upon by the CSME*, the workshop is expected to have a few follow-on effects. This includes a *broader dissemination of CSME legal information* as lawyers share their experience with other lawyers, and *raising the profile of women lawyers* as experts in CSME law within Guyana.

Workshop: Trade, Business and Investment Issues

Overview: There is an ongoing need in Guyana for members of both the public and private sector to work together to address key trade-related business and investment concerns through an informed and open dialogue. The seminar “Understanding the Link Between Trade, Business and Investment Issues” helped fill ‘knowledge gaps’ among the representatives from both the public and private sector on trade and investment issues and provided a venue for private sector representatives to discuss their concerns and interests regarding the business environment and trade regime. As opposed to many other workshops that have focused on private sector leaders, this workshop targeted representatives from smaller businesses and regional chambers of commerce that play a more limited role in the policy dialogue than representatives from larger businesses or the Georgetown-based business associations. With greater exposure to these issues, participants can join the cadre of private sector representatives who are willing and able to work with the government to develop policies that will enhance the ability of Guyana to attract investment, become more competitive and take advantage of emerging trade opportunities.

This event was part of a series of workshops organized to 1) enhance the private sector’s involvement in policy development to ensure that the outcomes incorporate the interests and needs of the private sector; and 2) increase the private sector’s ability to respond to/take advantage of liberalization processes.

Link to Project Indicators: This activity supports:

- ***IR-1:** Key trade and investment policies, standards and practices are consistent with negotiated obligations and international best practices*
- ***IR-1.2:** Country trade policy consultative process that fosters: a) public-private consensus on policy, regulatory and legislative priorities and b) increased domestic support for negotiating positions and international commitments, through the training of private sector representatives trained in trade issues (Performance Indicator 1)*

Counterparts: This workshop was held in collaboration with GO-Invest

Timeframe: June 2005

Activities: This activity involved a two-day workshop for small business people and representatives from the public sector to discuss a range of trade and investment issues, including:

- Link between trade and investment in a globalized environment,
- Investment Promotion (domestic and foreign),
- The importance of the enabling environment in attracting investment
- The regional and multilateral debate over the inclusion of investment issues within trade agreements, including the CSME and WTO Agreement on Trade Related Investment Measures (TRIMs)
- Public sector/private sector collaboration in policy development.

Results: This workshop contributed to efforts to improve the consultative process surrounding the development of Guyana’s trade, business and investment policy agendas. It is important that the business community be aware of factors impacting trade and investment in Guyana within the context of the CSME, international trade agreements and Guyana’s business environment. With the information gained from this workshop, participants are in a better position to engage the government as it develops trade and investment policies that may impact their own businesses. With greater private sector engagement, policy

and trade negotiation outcomes are more likely to benefit business and receive greater domestic support. One specific outcome of this workshop is discussed below:

Enhanced awareness within the small business sector – Most of the 25 workshop participants came from the small business sector. It was clear to the presenters and facilitators that the participants had very limited exposure to trade and investment issues that impact their businesses. While many of Guyana's business leaders are more aware of trade and investment issues and play a role (even if somewhat limited) in advocating trade and investment policies, small businesses have a much weaker voice. It is hoped that their involvement in the workshop will help raise the profile of the small business community in the national policy dialogue. The seeds for such further engagement were sown during the workshop, as participants interacted with GO-Invest staff and identified issues that impact their businesses, including crime, bureaucracy, political issues and investment promotion. At the end of the workshop, participants indicated an interest in the formation of a public-private partnership in Guyana aimed at addressing trade and investment issues.

It was clear from post-workshop evaluations that the participants left with a positive opinion towards CARICOM, and by extension, CARICOM investment.

Follow-up activities: At the end of the workshop, the participants and facilitators agreed that the workshops addressing trade, business and investment issues could be more effective by taking sector or cluster specific focuses. Such sector specific workshops are programmed in the coming year.

Workshop: Media Training on the CSME

Overview: The role of the media in disseminating information and generating public discussion on issues of trade, business and investment cannot be underestimated. As such, the media can have a pivotal role on the public's awareness and acceptance of CSME and other trade agreements. It is important that the media is able to understand, analyze and accurately disseminate relevant trade information to all stakeholders. The media-training workshops "Reporting the CSME and Trade Issues - Reporting Guyana's Future" aimed to improve the journalists' understanding of trade related matters in an attempt to provide more focused, accurate and informed reporting. It also sought to sharpen the analytical skills of the media representatives and enable them to prepare more interrogative and informed articles. The seminars focused primarily on reporting on the CSME process, its significance and implications. However, they also provided general training that could be applied to reporting on the different negotiating forums of the WTO, the FTAA and the ACP-EU.

This event was part of a series of workshops organized in response to concerns that Guyanese businesses and the wider society were not sufficiently aware of the benefits, opportunities and risks of trade liberalization. The workshops aimed to enhance public awareness of ongoing trade negotiations and regional liberalization efforts in order to 1) increase private sector involvement in current and future bilateral, regional and multilateral trade negotiations to ensure that the outcomes incorporate the interests and needs of the private sector; and 2) increase their ability to respond to and take advantage of the liberalization processes.

Link to Project Indicators: This activity supports:

- ***IR-1.2:*** *Country trade policy consultative process that fosters: a) public-private consensus on policy, regulatory and legislative priorities and b) increased domestic support for negotiating positions and international commitments, through the training of private sector representatives trained in trade issues (Performance Indicator 1)*

Counterparts: This activity was carried out in collaboration with the CSME Unit, the Association of Caribbean Media Workers, and Guyana Press Association.

Timeframe: June 2005.

Activities: This assignment involved three (3) half day seminars organized around the theme "Reporting the CSME and Trade Issues - Reporting Guyana's Future". The seminars were intended to demystify the CSME and other trading arrangements for those disseminating the information to the public. The seminars provided a background on the CSME and provided the participants with analytical tools to improve the quality and accuracy of their reporting. The sessions included practical exercises where the participants were interviewed on matters related to the CSME.

Results: This workshop contributed to efforts to enhance the public's awareness of the ongoing developments within the CSME by improving mechanisms (i.e., the media) to disseminate accurate information. By having better access to accurate and timely information on the CSME, members of the public are more likely to 1) to take advantage of the CMSE and other trade agreements; 2) actively engage in private dialogue surrounding Guyana's trade policies and trade negotiation positions; and 3) support Guyana's negotiating positions and international trade commitments. Specific outcomes of the workshop are discussed below:

Improving media reporting in free trade issues - Approximately 15 reporters from print and broadcast media organizations took part in the three-day workshop. Participants felt that the media's involvement

in the event would lead to more accurate and frequent reporting on the wider issues relevant to the CSME – not only the political process, but also the potential impacts (both positive and negative) of the CSME vision. It is expected that the participants left the workshop with greater confidence to report on trade issues, the treaties and agreements and the negotiation process, as well as ways to improve business reporting to include the importance of trade in ways the average person will find interesting. Individuals commented that the workshop provided them with:

- A better understanding of the CSME and its implications for Guyana.
- A greater ability to report on the CMSE in a more informed and accurate manner
- An improved understanding of the link between integration, trade and national development.
- A greater understanding of the importance of the media in educating the public about the CSME and its implications for Guyana.

Follow-on Activities: Although the reporters were excited about potential outcome of the workshop, they noted that since the owners and management of media outlets have a significant influence over media content, it is important that another workshop be held for those who manage media outputs. GTIS plans to hold such a session in late 2005.

Strengthening IT Capacity within MOFTIC

Overview: In general, the Ministry of Foreign Trade and International Cooperation (MOFTIC) lacks sufficient IT capacity to effectively develop and implement trade policies and regulations and actively participate in trade negotiations. Responding to a request from the Ministry, this activity helped upgrade MOFTIC's hardware and software capacity as a means to boost MOFTIC's ability to function at a higher level of efficiency and improve access to the information needed guide its trade policy, negotiation and implementation activities.

Link to Project Indicators: This activity supports:

- *IR-1.1: Human and institutional capacity to prepare negotiating positions and implement negotiated commitments strengthened by improving the IT infrastructure required to carry out its trade policy, negotiation and implementation mandate in a more efficient and informed manner (contributing to Performance Indicator 1)*

Counterparts: This activity was carried out in collaboration with the Ministry of Foreign Trade and International Cooperation (MOFTIC).

Timeframe: July to October 2005

Activities: This activity involved three main tasks:

- An independent inventory of MOFTIC's IT needs. This list was used to verify a request made by the Ministry and to ensure that the Ministry is suitably provided with the required hardware, software and networking facilities to operate at full capacity.
- Procuring the hardware and software required to establish an IT infrastructure that ensures adequate connectivity and networking.
- Establish (install and configure) a secure on-line network to be used by MOFTIC Staff.

Results: As of September 2005, GTIS inventoried MOFTIC's IT needs and purchased approximately \$18,000 in IT hardware and software for MOFTIC (e.g. Desktops/laptops, servers, printers, scanner, accessories, licenses, etc.) Installation of the software and hardware is expected to be completed before the end of October 2005. In an effort to enhance the long-term sustainability of USAID's investment and reduce the potential personnel costs to MOFTIC, GTIS chose to use a secure, off-site (in the U.S.), online networking tool as the backbone of MOTFIC's system. This alleviated the need for the installation of a more expensive server and minimized the personnel required to keep the network operational.

Although it is too soon to measure the impact of the installation of this much needed IT equipment within MOFTIC, it is expected that the increased IT capacity will significantly boost MOFTIC's institutional capacity to carry out its mandate to develop and implement trade policies and participate in ongoing trade negotiations. In the past, weak IT capacity has limited the Ministry's ability to access critical trade data required to guide policy, to interact with the Caribbean Regional Negotiating Machinery, to provide timely responses to offers resulting from trade negotiations, and to implement trade policies and commitments. Through the upgrade of its IT system, MOFTIC will be able to boost the efficiency and effectiveness of its activities and maximize the use of its limited staff.

Follow-on Activities: The equipment purchased under this project is intended to raise the basic level of MOFTIC's IT capacity. It is anticipated that further IT investment will be required throughout the GTIS project to help address specific needs as they become evident.

Establishing a Knowledge Management System for MOFTIC

Overview: Guyana is presently involved in various regional and international trade negotiations where the ability to access or collect accurate trade data is critical to informing negotiators and ensuring that Guyana's negotiating positions reflect a sound analysis of Guyana's economic condition and standing within the global economy. It is important that staff from trade-related ministries have the ability to easily access data on exports, imports and production, both aggregate and by sector. Furthermore, data needs to be collected in a purposeful manner that lends itself to informed trade-related analysis, as opposed to mere statistical purposes. This requires the existence of centralized knowledge management system that facilitates the collation of available trade and economic data. The Ministry of Foreign Trade and International Cooperation (MOFTIC) and other trade related Ministries presently lack such a management system. Data is not readily available and is currently collected only when a need arises. This results in delays to Guyana's input into the negotiating process. As a matter of fact, in instances where the data cannot be found and provided in a timely fashion it is not even considered when making negotiating offers and/or decisions. This makes it hard for negotiators to ensure that outcomes reflect the needs and interests of the business community.

This project aimed to develop a detailed and user-friendly trade data management system to aid the Ministry in enhancing and improving its preparation for trade negotiations and, generally, its role in trade policy formulation and implementation. It involves technical assistance in collecting and collating the data, establishing a system to house the data, and training in the use, management and updating of the database.

Link to Project Indicators: This activity supports:

- *IR-1: Key trade and investment policies, standards and practices are consistent with negotiated obligations and international best practices by ensuring that trade policies and negotiation positions reflect economic conditions and enhancing the ease of active involvement in trade negotiations (contributing to Performance Indicator 1)*
- *IR-1.1: Human and institutional capacity to prepare negotiating positions and implement negotiated commitments strengthened through the more timely and accessible access to trade data required for informed negotiation positions, and the training of staff from trade-related ministries responsible for trade negotiations and trade policy implementation (Performance Indicator 2)*

Counterparts: This project is being carried out in collaboration with the Ministry of Foreign Trade and International Collaboration (MOFTIC) and other trade-related Ministries

Timeframe: August 2005 – present

Activities: This initiative is designed to facilitate the establishment of a trade data management system and secure server for the Ministry of Foreign Trade and International Cooperation (MOFTIC). Specific activities included:

- Defining system and user requirements for a trade data management system, including hardware and software, network and content options
- Procure required hardware and software
- Install, configure and test data management system
- Provide training in the use and maintenance of the data management system, including train-the-trainer sessions

- Assisting MOFTIC and other related Ministries and agencies in locating, formatting and entering data into an electronic database
- Working with MOFTIC and related Ministries to develop a plan to ensure adequate maintenance and updating of the system

Results: As of September 2005, GTIS had procured \$2,995 in the hardware and software required to establish the knowledge management system, using a GoogleMini search Appliance. The required installation and training will take place in October/November 2005.

Although the actual impact of this activity cannot be determined until the system is installed, uploaded with trade data and utilized by staff from MOFTIC and other trade-related agencies, it is expected that the completed data management system will represent a significant jump forward in the government's ability to be better informed and actively engaged in ongoing trade negotiations. Ultimately, this will result in negotiated outcomes that reflect Guyana's needs and interests, improving the likelihood that its businesses and citizens will benefit from the country's regional and multilateral commitments. This will be achieved through:

Increasing use of trade data in policy formulation – By providing easily accessible and well organized information, the trade data management system will allow staff from trade-related Ministries to conduct more accurate and informed analysis on the potential benefits, risks, and possible negative impact of negotiating offers coming from the Caribbean Regional Negotiating Machinery (CRNM) and other negotiations (e.g. WTO, FTAA). At the same time, the system will facilitate the formulation of policies and negotiating positions that better reflect Guyana's economic conditions and position with regional and international trading systems.

Improving efficiency/use of staff – Having trade data available accessible within one system will 1) enhance the ease of data collection and analysis; 2) negate the need for the often redundant collection of data within different public trade institutions; and 3) minimize need for spontaneous data collection/research. The resulting efficiency gains are likely to result in more timely trade policy/position formulation and faster responses to negotiation offers, while minimizing the time that the Ministries' limited staff must spend conducting research.

Technical Assistance for VAT Consultation and Implementation

Overview: The Private Sector Commission (PSC) has been advocating the introduction of Value Added Taxation for some time as a means of reforming the system of taxation and widening the current tax base. The present high rate of corporate taxation has long been viewed as a major constraint to private sector development. Other taxes, such as the consumption tax and purchase taxes on inputs continue to make Guyanese products internationally uncompetitive and act as a disincentive to investment. In March 2005, the Government of Guyana laid before Parliament the VAT Bill (#3 of 2005) with the intention of having it passed within a month. There had been little discussion with the local business community prior to the bill. Given the potential ramifications of the bill (both positive and negative), the PSC and other private stakeholders wanted time to ensure that the bill received the appropriate scrutiny, review, and consultation to allow for modifications, if necessary. In particular the PSC was concerned about the timing of its implementation. There were worries that the Government's timing was too short to allow either the government or the private sector to change the tax collection/payment system. Unchanged, this could potentially create revenue shortfalls and an undue burden, if not shock, to businesses. Furthermore, members of the private sector were not sure whether the legislation and proposed implementation reflected international best practices.

The PSC successfully lobbied for the Bill to be referred to a Select Committee of Parliament and provided with more time for review and consultation. As such, the PSC, asked GTIS to support an analysis of the VAT Bill as it was originally proposed to identify major (key) issues of importance to the private sector; and to identify areas for adjustment/modification.

Link to Project Indicators:

- *IR-1: Key trade and investment policies, standards and practices are consistent with negotiated obligations and international best practices by facilitating tax reform that could represent a milestone for reducing Guyana's tax burden and improving the business environment (Performance Indicator 1)*
- *IR-1.2: Country trade policy consultative process that fosters: a) public-private consensus on policy, regulatory and legislative priorities and b) increased domestic support for negotiating positions and international commitments through facilitating the involvement of the private sector in reviewing and commenting on important legislation*

Counterparts: This activity was carried out in collaboration with the Private Sector Commission (PSC)

Timeframe: June 2005

Activities: The GTIS hired two local experts, one legal and one accounting, to prepare a submission to the Parliamentary Select Committee in consultation with the PSC and other private sector stakeholders. Specific activities included:

- A review of the Draft Value Added Tax Bill in comparison to international best practices
- Identifying of strength and weaknesses and specific areas of concern to the private sector in the draft
- Determining whether or not the VAT is in conflict with international trade agreements
- Preparing a concept paper for discussions with the PSC and other private stakeholders and for submission to the Parliamentary Select Committee
- Advising the PSC's consultations with the Select Committee

Results: This activity – which was a rapid response to an urgent request from the PSC – helped make a significant step forward in efforts to establish a consultative process that fosters public-private consensus on policy, regulatory and legislative priorities and public support for policy outcomes. As a result of the informed public-private dialogue facilitated by the findings provided in the study, Guyana is closer to achieving a critical milestone in improving its business environment.

Shortly after the PSC request for assistance, local legal and accounting experts hired by GTIS submitted a full review of the proposed VAT tax bill. This included a comprehensive evaluation of the provisions in the original bill and input from extensive consultations with the PSC and other representatives from the private sector. Above all, the assessment demonstrated a concern that although the introduction of a VAT represents a positive step, a flawed bill and weak implementation could have a negative impact on the private sector and possibly lead to a policy reversal as has occurred in some countries. The final submission covered the following issues:

- Administrative issues – Ability of the Guyana Revenue Authority (GRA) and businesses to effectively implement the VAT in the short period stipulated in the bill
- The potential impact on the overall tax burden (regressive), prices, exports and investment
- Lessons from other countries (e.g. Trinidad and Tobago and Korea) in implementing a VAT system
- A line-by-line legal review of provisions in the laws against international best practices. This included comparisons between the Guyanese VAT bill and VAT bills from Trinidad and Barbados, highlighting differences and gaps between international best practices

Upon completion of the evaluation, the GTIS consultants presented line-by-line recommendations of ways the final draft of the bill could be improved. Their final report was given to the PSC, who reviewed the document with its membership and submitted it to the Select Parliament Committee. Since submitting the report, PSC has continued to engage the government and the private sector in consultations to ensure that the contents of the report and its recommendations are incorporated into the final draft of the VAT bill.

Some private representatives feel that if GTIS had not responded to the PSC request, it is likely that the bill would have passed with limited or no private sector consultation. Neither the government nor the private sector would have had the opportunity to understand the benefits and pitfalls of the proposed bill. Since the private sector would have to shoulder a significant part of the burden for implementing this tax, the passage and implementation of the bill without the cooperation of the business community could be a failure.

Specific outcomes of the activity are discussed below:

Facilitating informed public-private consultation over critical business legislation – The VAT activity has enhanced awareness of the potential benefits and flaws of the proposed bill, helping to catalyze an informed discussion between the private sector and its government counterparts. Since the submission of the report, the PSC has continued to hold meetings with its members – under the auspices of a VAT committee – to discuss the findings and discuss ways to lobby the government to incorporate its recommendations. In mid-September, the PSC submitted a position paper to the Select Parliament Committee, using the GTIS report to substantiate its positions. Discussions between the PSC membership and the government are ongoing. As these proceedings continue, there is evidence that the consultations, which are based on informed analysis, are helping to build trust between the public and private sector, a development that will surely contribute to consensus building efforts over future legislative priorities.

Raising profile of Private Sector Commission – The Private Sector Commission is better positioned to be an effective advocate for the private sector and a partner with the government in policy and legislative issues. The VAT activity helped raise the profile of the PSC by 1) providing the information required to alert and educate its membership on what its leadership felt was a critical issue for the private sector; and 2) helping the PSC be seen as a credible source of information and informed opinion. This will help the organization be a more effective private sector leader in responding to future policy and legislative issues. As the PSC proves that it can be an effective tool for private sector advocacy, there is a good chance that its membership base will expand, leading to increased dues/revenues and a greater capacity to have the institutional/human resources capable of carrying out similar analytical activities in the future.

Follow-on Activities: With the VAT bill passed, it is very likely that both the GRA and the private sector will require some level of assistance setting up the administrative, compliance and enforcement procedures required for a smooth introduction to, and implementation of, the VAT.

INTERMEDIATE RESULT 2: INCREASED COMPETITIVENESS IN THE EXPORT OF VALUE-ADDED PRODUCTS AND SERVICES IN THE NON-TRADITIONAL SECTOR

- **Performance Indicator 1:** Growth in non-traditional Export Sales (Percentage)
- **Performance Indicator 2:** Number of Direct Firm Linkages Created that Lead to Increased Non-Traditional Exports
- **Performance Indicator 3:** Average Percentage Growth in Export Sales for Sectors targeted by GTIS program

IR-2.1: Technical and business development services provided

- **Performance Indicator:** Number of firms receiving GTIS Technical and Business Development Services (T&BDS) interventions

IR-2.2: Institutional capacity strengthened to identify and foster links among firms

- **Performance Indicator 1:** Strategic Action Plans Developed that Attempt to Solve Common Problems with Tasks and Timelines
- **Performance Indicator 2:** Percentage completion of milestones/tasks identified in strategic action plans
- **Performance Indicator 3:** Number of business relationships between Guyanese firms and potential buyers facilitated by the GTIS project

Subprojects (in chronological order)

- **Market Assessments in Agro-processing, Seafood, Tourism and Forest Products**
- **Support for Green Globe 21 Training**
- **Support for the Guyana Tourism Authority to Attend the ITB – German Travel and Trade Fair**
- **Facilitation of Forest Products Cluster Working Group**
- **Facilitation of Tourism Cluster Working Group**
- **Facilitation of Agro-processing Cluster Working Group**
- **Facilitation of Seafood/Fisheries Cluster Working Group**
- **Furniture Product Design and Development for Export and Coordination of Market Launches**
- **Assessment of the Sustainability of the Fisheries Sector in Guyana**
- **Aflatoxin Training and Laboratory Development for Guyana Food and Drug Department**
- **Workshop: Turtle Excluding Device (TED) Inspections**
- **Tourism Standards and Certification Consultations**
- **Guyana Investment Guide**
- **Market Survey of Export Potential of Guyanese Products to Jamaica**
- **Training of Peanut Sector Entrepreneurs at University of Georgia**
- **Feasibility Analysis of Establishing a Common Kiln-drying Facility in Guyana**

Market Assessments in Agro-processing, Seafood, Tourism and Forest Products

Overview: The overall aim of the GTIS project is to increase the value of Guyana's non-traditional/value-added exports, with a primary focus on the agro-processing, forest product, seafood/fisheries, and tourism clusters. Designing initiatives to help achieve this aim requires a clear understanding of market outlooks, potential export opportunities for the targeted clusters, identification of critical success factors for the global market place, and investment attraction efforts. Based on this understanding, GTIS and its public and private sector counterparts can focus their export promotion, competitiveness and trade facilitation efforts. As such, the GTIS team conducted rapid cluster market assessments in the initial stages of GTIS to evaluate the opportunities and demands of the external market, compare where Guyanese firms/clusters stood in relation to industry success factors, and identify actions that could improve Guyana's position in the marketplace.

Link to Project Indicators: This activity supports the overall strategic objective "environment for sustained growth of value-added exports strengthened" through an analysis that will inform GTIS of cluster level and policy initiatives.

Counterparts: Not applicable.

Timeframe: August to October 2004

Activities: This assignment included cluster market assessments in four key non-traditional sectors - agro-processing, forest products, seafood/fisheries, and tourism. Key activities included interviews with company executives and industry experts (both international and Guyanese) in each of the target sectors. During these interviews, GTIS obtained information related to international market and investment trends, identified key industry success factors/drivers for both market and investment location decisions. They then highlighted what international market players perceive as the two to three most important items that Guyana must do to be successful in those target industries.

Results: This activity contributed to GTIS efforts to design and implement targeted interventions that respond to real market opportunities and address critical factors that help determine success in the global market place. During the course of four cluster market assessments in the agro-processing, forest product, seafood/fisheries, and tourism clusters, GTIS interviewed 25 Guyanese firms and 117 industry experts and representatives from foreign companies. This helped to get an understanding of where Guyana is situated among current and potential competitors and what Guyana and its firms must do to attract the attention of international buyers and investors to successfully expand exports and investment in the targeted sectors. Specifically, the assessments helped GTIS gain an understanding of the following in each of the targeted sectors:

- Outlook for investments/sourcing abroad – Where and why are companies/buyers/investors from North American, European, Latin America and the Caribbean sourcing/buying products and services for import. Where and why are they investing abroad? Which segments of the particular sectors are most likely to be sourced or invested abroad? What is the position (e.g. image, past experience) of Guyana within this framework?
- What companies/investors in each target sector look for in a country when making investment or sourcing decisions abroad (e.g. policy/regulatory environment, trade regime, incentives, economic/political stability, workforce, size of local market, infrastructure, cost of inputs and utilities, presence of intermediate/support industries, distance from final markets, quality of products). What is the position of Guyana within these factors?

- Major competitors to Guyana for investments or sourcing in each industry and the perception of Guyana's competitive position in respect to competitors.
- The most important things that companies perceive that Guyana would need to offer to be successful participants in the target industries.

These assessments have been used as important resources in GTIS' cluster development activities. The has been information used by the Cluster Working Groups to help develop a cluster vision, identify constraints to competitiveness and develop strategic cluster action plans. Furthermore, the information has been used for the background and rationale for a number of GTIS activities. It is expected that the assessments will continue to be an important resource throughout the GTIS project.

All of the assessments are available on the website for use by Guyanese stakeholders. If they are interested, market oriented exporters can use the information afforded in the assessments as a supplement to their own market research and a resource tool as they take steps respond to the demands and conditions of potential export markets.

Support for Green Globe 21 Training

Overview: Tour operators and tourists from North American and European markets are becoming increasingly environmentally savvy, concerned as to whether the tourism facilities and service providers they use conform to environmentally-friendly/sustainable practices and standards. As such, compliance to international environmental standards can be a critical success factor determining marketability and competitiveness for tourism enterprises, particularly in the nature and eco-tourism markets Guyana wishes to target. Green Globe 21 is a global benchmarking, certification and improvement system developed by the World Travel and Tourism Council (WTTC). Green Globe 21 certifies companies and communities against a global standard for sustainable travel and tourism. Enterprises certified as Green Globe 21 compliant can display a logo and promote themselves as such. There are participants in all continents and over 50 countries—but not Guyana. In order to be certified, tourism enterprises must use sustainability best practices and pass a conformity assessment by an accredited assessor. This activity aimed to help the Guyana Tourism Authority (GTA) develop the capacity to begin benchmarking and accrediting tourism enterprises through providing financial support for a GTA staff member for meet the qualifications to be a Green Globe 21 Assessor.

Link to Project Indicators: This activity supports:

- *IR-1: Key trade and investment policies, standards and practices are consistent with negotiated obligations and international best practices by enhancing that capacity of the GTA to certify tourism enterprises against sector-specific internationally recognized environmental standards;*
- *IR-2: Increased competitiveness in the export of value-added products and services in the non-traditional sector by enabling Guyana to better meet industry-specific success factors (i.e. environmental standards) leading to increased exports in tourism sector (Performance Indicators 1 and 3).*

Counterparts: This activity was done in collaboration with the Guyana Tourism Authority (GTA).

Timeframe: September 2004

Activities: GTIS provided financial support for the GTA to send a product development officer to participate in a 3-day Green Globe 21 training course for Assessors in Trinidad and Tobago. The training provided the provide the knowledge and certification required for the GTA officer to undertakes assessments against the Green Globe 21 Company Standard and the ABC of Green Globe 21 Certification.

Results: This training program contributes to ongoing efforts to help Guyana market itself as nature and eco-tourism destination. While the GTA will need further support to implement an effective Green Globe 21 certification program, the organization is now in a better position to provide guidance to Guyanese tourism firms on how to adopt globally accepted sustainable tourism practices and promote standardization in the tourism sector. More importantly, the GTA is able to certify those few Guyanese tourism enterprises that meet Green Globe 21 requirements and hopefully spark a trend within the tourism industry. It should be noted that Guyana will not only benefit from Green Globe 21 certification for certification sake. By taking steps to adopt sustainable practices, Guyana will enjoy the environmental benefits and increased profitability—often in terms of savings in electricity and water usage.

Follow-on Activities: In order for Guyana to have an effective Green Globe 21 program, significant support is required to 1) strengthen the capacity of the GTA as an assessing organization; and 2) helping tourism enterprises to develop facilities and adopt practices required to the standards.

Support for the Guyana Tourism Authority to Attend the ITB – German Travel And Trade Fair

Overview: While Guyana is still in its fledgling state of tourism, the nature of the Guyanese tourism product has helped gain interest in a number of markets. For example, the German market, which represents some of the most active travelers in the world, has demonstrated a keen interest in eco-tourism. This is due in part to Germans' high degree of environmental consciousness and their propensity to travel to exotic destinations. The ITB German Travel and Trade Fair is regarded as the largest travel show in the world and is well attended German tour operators, UK and North American tour operators, travel agents, media and consumers. Participation in the show is an important way to create international awareness of a particular destination, establish market linkages and be exposed to other products and marketing techniques. In the mid 1990's, Guyana attended ITB on a regular basis and successfully attracted a fair amount of travelers from Germany. In recent years, however, Guyana's participation at the ITB has been sporadic due to financial constraints. Many attribute a drop in German tourists to Guyana's non-attendance at the trade fair. As such, the Guyana Tourism Authority (GTA) requested financial assistance to attend the 2005 ITB trade and travel fair to help maintain Guyana's visibility in the market place, have direct meetings with tour operators from around the world, develop new business leads and meet with the German media.

Link to Project Indicators: This activity supports:

- *IR-2: Increased competitiveness in the export of value-added products and services in the non-traditional sector by increasing the number of direct firm linkages that lead to increased non-traditional exports (Performance Indicator 2), consequently increasing the percentage growth in export sales for sectors, such as tourism, targeted by the GTIS project (Performance Indicator 3) and growth in aggregate non-traditional export sales*
- *IR-2.2: Institutional capacity strengthened to identify and foster links among firms by increasing the number of business relationships between Guyanese firms and potential buyers facilitated by GTIS (Performance Indicator 3)*

Counterparts: This activity was conducted in collaboration with the Guyana Tourism Authority (GTA), The Tourism and Hospitality Association of Guyana (THAG) and a number of Guyanese tourism enterprises.

Timeframe: March 2005

Activities: GTIS supported Guyana's participation in the ITB fair by sponsoring the cost of booth space, the construction of the Guyana booth, exhibitors' fees, the shipment of materials to Germany, and a trade and media event. The GTA and participating tourism enterprises covered the cost of travel, accommodation and other preparation expenses.

Results: The value of market introduction activities cannot be under-estimated. As important as it is for Guyana to develop its tourism product, it is at least as important to effectively market that product. Such marketing is particularly in markets, such as Germany, where tourists have an interest in eco-tourism. Guyana's attendance in the show allows it to be seen alongside other eco-tourism destinations, while at the same time providing an opportunity to demonstrate that Guyana offers a unique tourism product. If Guyana wishes to expand its tourism exports, failing to participate in major trade shows is not an option.

Early reports suggest that GTA's involvement in the travel and trade fair was successful in helping establish market linkages within the German market. On top of the thousands that stopped by the booth, achievements included:

- Several new contacts were made with tour operators/travel agents in Germany, Austria, Switzerland, Holland, Belgium, Russia, Latvia, France and the UK, as well as continued contact with persons already familiar with Guyana.
- A number of tour operators/travel agents have added, or plan to add, Guyana to their brochures and catalogues. These include Wanderlust, Wildlife Expeditions, Caribbean and Sun, Travel World News, Trips Worldwide, DigiTours, Karibik Inside, TTW, MATA, Travel By Travel, Cosmic Travel, etc.
- Many tour operators showed an interest in the potential of multi-destination packages with Guyana, Suriname, French Guiana and other Caribbean Islands.
- Wildlife Expedition International is organizing an Austrian Press Familiarization trip to Guyana.

The Guyanese representatives to the show are confident that participation in ITB 2005 secured thousands of dollars in business for Guyana that would have not otherwise occurred and help stage a platform for increased market awareness of what Guyana has to offer, possibly leading to a sustained increase in tourist visits from Europe.

Follow-up activities: While the GTA was successful in promoting Guyana at the ITB show, only one Guyanese tour operator took part, which reflects the level of preparedness of Guyana's tourism industry, as a whole, to engage in the international marketplace (although financial constraints do play a role). There is an opportunity to improve Guyana's participation in next year's show by helping the GTA and tourism firms prepare for their attendance far in advance, including the development of marketing materials (in multiple languages), practicing effective interactions with tour operators, and organizing parallel promotional activities.

Facilitation of Forest Products Cluster Working Group

Overview: Guyana is well-endowed with an abundant supply of high quality raw forest materials. This not only presents an opportunity for timber exports (considered a traditional export), but also for processed value-added forest products such as furniture, doors and molding. Increased production value-added forest products could allow Guyana to increase exports by maximizing the value of its natural resources (as opposed to exporting solely raw or sawn lumber). This could create an opportunity for the cluster to become a significant sector within Guyana's economy. Already, there are a number of firms that export value-added wood products to the Caribbean, UK and U.S. With a diverse range of wood species not currently used, the cluster is in a position to develop unique products for niche markets abroad. Furthermore, the cluster could access new high-end markets through international certification (e.g. SMARTWOOD) for the use of sustainable resource management.

However, there are a number of constraints that limit the growth of the forest product sector, including government regulations, out-dated technology, equipment and processing techniques, a lack of skilled management and technical operators, high production costs, and weak product development and marketing. Furthermore, inter-firm cooperation and supply chain coordination is weak, leading to a fragmented cluster. Nevertheless, there is strong interest in overcoming these obstacles and a strong entrepreneurial spirit throughout the industry.

USAID, GTIS and Guyanese stakeholders agree that to become more competitive as a whole, players within the Forest Products cluster must collaborate to develop and implement initiatives that address constraints to competitiveness and take incremental steps towards upgrading the ability of firms within the cluster to access and compete in international markets. As part of a larger cluster competitiveness initiative led by the Economic Competitiveness Group (ECG) GTIS launched a Forest Product Cluster Working Group comprised of private firms, the Guyana Manufacturing Association (GMA), The Guyana Forest Products Association and relevant government agencies. This group facilitated a range of working group meetings designed to mobilize cluster participants, develop a common vision for success, and develop action plans intended to increase cluster competitiveness and exports.

Link to Project Indicators: This activity supports:

- *IR-2.2: Institutional capacity strengthened to identify and foster links among firms, by facilitating the development of strategic action plans that attempt to solve common problems and increase cluster competitiveness (Performance Indicator 1)*

Counterparts: This activity is being carried out in collaboration with furniture manufacturers, the Guyana Forest Products Association, the Guyana Manufacturing Association (GMA), and relevant government agencies (e.g. Guyana Forestry Commission).

Timeframe: This is an ongoing activity that began in early 2005. It is expected that GTIS will continue some level of working group facilitation throughout the project's duration.

Activities: This activity involves three distinct phases. To date, the first two phases are complete. Phase Three will continue throughout 2005 and into part of 2006. ECG, under the auspices of the GTIS project, is responsible for facilitating cluster work meetings and the development of cluster competitiveness strategies. The working group itself drives the direction of working group meetings and the development of action plans. Working group participants are expected to commit significant time to guarantee the success of the process. Activities under the three phases are below:

Phase 1: Conduct Cluster Internal Analysis

- Initial assessment of cluster potential – Met with cluster leaders to determine whether there was interest in collaborative efforts to improve the competitiveness of the cluster; Assessment of cluster competitiveness; Assessment of institutional environment impacting clusters.
- Cluster Mapping – Interviewed a limited set of cluster participants to identify players along the cluster supply chain and map relationships between producers/suppliers and exporters.
- Launch cluster working groups – Identified and recruited cluster working group members and co-chairs; established a role for existing business associations (particularly the Guyana Manufacturer Association) and relevant government agencies. *Note: Although this activity usually takes place under Phase 2, stakeholders were keen to begin activities. GTIS/ECG launched this working group as a pilot to gain momentum and develop experience and lessons learned for working groups in other clusters.*
- Held first working group session – Introduced participants to the concept of cluster competitiveness; facilitated a discussion of their cluster’s structure and priority cluster challenges; Helped identify a vision of the potential of the cluster based on product and market data and shared views of the participants; Began raising questions of what is needed for the cluster to become more competitive.

Phase 2: Cluster Strategy Development

- Held second working group session – Worked with participants to explore a range of priority actions that would address the challenges and requirements for the cluster to become more competitive. These action initiatives focused on business-to-business actions, business collaboration with the government and business-to-institutions actions. To move forward, an initiative must have a “champion” willing to lead its development, at least in the early stages of the planning and implementation processes.
- Broke out into “Action Task Forces” or sub-groups within the cluster working group to further develop actions that address specific issues, including research and product development, access to finance, ethical private sector, and institution building.
- Held third working group session to refine and finalize initiatives that will help the cluster achieve its vision. Drafted action plans for the implementation of selected initiatives.
- Developed an integrated strategic action plan that incorporates the analytical information and the outcomes of the working group process into a coherent competitiveness strategy for Guyana.

Phase 3: Execute Cluster Initiatives and Institutionalize Cluster Groups

- Continue cluster working group meetings.
- Initiate technical assistance and market introduction activities to support cluster working group/action task force initiatives.
- Facilitate institutionalization of cluster working group activities within the Guyana Manufacturers Association (GMA).
- Expand public-private collaboration.
- Implement a communication strategy.

Results: This activity is a critical component of both GTIS and national efforts to enhance the competitiveness of key non-traditional export sectors by fostering business-to-business and public-private collaboration to establish a consensus for addressing constraints to competitiveness and undertaking

cluster-driven initiatives to strengthen the capability of the cluster, as a whole, to achieve a sustained expansion of exports. Since the Forest Product Working Group is just about to complete its first integrated cluster action plan, which contains a combination of short and long-term initiatives, it is still too soon to determine the activities actual impact on cluster exports. That said, one could suggest that the participants acceptance of, and involvement in, the cluster working process is an outcome in itself, and serves as a model likely to facilitate inter-firm cooperation and public-private dialogue over sector and policy issues in the future.

The Forest Product Cluster Working Group has 45 participants, including sawmill operators, furniture manufacturers, crafts manufacturers, timber companies, government officials and the Forest Products Association. To date, the working group has held three main cluster working groups involving all participants. In between the second and third working group meetings, the cluster group broke into four different 'Action Initiative Task Forces' to develop cluster initiatives under the following headings:

- Marketing (5 meetings)
- Training (6 meetings)
- Applied research and development (4 meetings)
- Raw Materials (2 meetings)

As a result of these meetings, participants have identified the following areas to focus cluster development efforts:

- Upgrade the capacity of Guyana Technical Institute (GTI) to provide training in design, production and use of jigs for wood processing
- Conduct inventory of Guyanese wood species, with a focus on lesser known/used species to assist in the development of new products
- Initiative to market lesser known/used wood species
- Establishment of a kiln-drying facility
- Strengthening supply chain linkages between wood producers, processors and manufacturers to improve quality and reliability of inputs
- Encouraging production and marketing of value added products
- Study tours, market introduction and familiarization trips

To date, the GTIS project has implemented a few activities related to the initiatives highlighted by the cluster group. These include a feasibility study on the establishment of a common kiln-drying facility, and a project focusing on furniture product design, development for export, and coordination of market launches. Furthermore, GTIS plans to provide technical assistance to help upgrade GTIS' capability to provide jig training.

Outcomes of this activity included:

Increased understanding of clusters and competitiveness - Before the initiation of the forestry working group, many firms operated within a vacuum, focusing solely on their own ability to compete in local or export markets. This is representative of many Guyanese sectors. When asked initially, a number of firms saw no reason for collaboration, in fear that it might help their local competitors 'get an edge'. As part of the cluster working group process, participants were provided with a strong background on the concepts of competitiveness and how they related to the forest product cluster in the Guyanese context. This has helped many (not all) participants understand how their own competitiveness is driven, in part,

by factors that impact the entire cluster. This enlightened view is reinforced by the fact that participants are expected to put this understanding of competitiveness into practice through the collaborative identification of constraints to competitiveness and steps to enhance cluster competitiveness as a whole. With this new understanding of competitiveness, Guyana's forest product cluster is now able to develop, articulate and carry out a vision that will help strengthen the industry and expand value added products.

Facilitating collaboration to enhance cluster competitiveness – This activity has facilitated a level of inter-firm and public-private collaboration within the forest product cluster that had been previously quite limited. Past collaboration was either ad-hoc or involving too few stakeholders to have a wider impact. This activity provided a formal platform, as well as expert guidance, for forest cluster stakeholders to work together to develop a vision and action plan to address constraints to competitiveness and improve the cluster's ability to succeed in the international market place. In addition to the development of the cluster initiatives similar to those listed above, the resulting collaboration will likely lead to improved supply chain coordination, increased inter-firm cooperation in the production and marketing of goods and more effective public-private consultation in the development of policies, legislation and trade agendas that impact that competitiveness of the cluster. In many ways the cluster working group process serves as a model for facilitating public-private consultation towards building a policy consensus at the national level.

Deepening of networks throughout the country – The facilitation of these groups has helped establish and strengthen intra-cluster networks throughout the cluster.

Development of more appropriate and effective cluster initiatives – Action initiatives are based on sector analysis provided by GTIS, other sources and significant consultation within the forest cluster. As a result, the above mentioned initiatives are likely to have a positive impact on the forest clusters because 1) the relevant stakeholders automatically buy into the process, have a self-interest in the eventual outcomes, and are hence more likely to do their part to guarantee success; 2) they address the needs that stakeholders see as the most important to the cluster's success; and 3) they are incorporated into a overall vision of the cluster.

Follow-on Activities: As time progresses, GTIS will work with USAID, the Cluster Working Group and appropriate government agencies to identify, develop, and implement high impact cluster development activities (including some of those listed above) that will result in increased sales and exports within the sector.

One of the critical challenges of the Cluster Working Group is to determine how to ensure that the cluster working groups are sustained beyond the period of the GTIS project. In order to help address this sustainability issue, GTIS is collaborating with the GMA to explore ways to integrate the working group activities into its own mandate and services.

Facilitation of Tourism Cluster Working Group

Overview: Guyana has a wide array of truly unique attractions to offer tourists and to reinforce its growing image as a nature and adventure destination. Current attractions in the interior include Kaieteur Falls, Orinduik Falls, Iwokrama and the Rupununi savannah. There are also a number of parks with significant tourism potential such as Kanuku Mountains National Park and the proposed Pakaraima National Park. With worldwide growth in tourism segments such as adventure and cultural tourism and narrow niches such as bird watching, a variety of opportunities exist for Guyana's tourism industry to attract new visitors. There are, however, a number of issues facing the tourism industry. This not only includes significant competition from other eco-tourism and nature/wildlife regional destinations such as Costa Rica, Belize, and Peru, in addition to destinations in Africa and Asia, but also the relatively low quality and standards of the tourism product and services, the status of tourism infrastructure, and poor international awareness of Guyana's tourism offerings. As a result, Guyana's current visitor profile primarily consists of either business visitors or members of the Guyanese diaspora.

Guyana's tourism firms understand that their success depends on the overall attractiveness and marketability of Guyana's overall tourism product. As such, the tourism cluster has a strong sense of collaboration. Cooperation and networking is common. There is, however, a distinct lack of overall vision for the industry, and marketing efforts are poorly organized.

USAID, GTIS and Guyanese stakeholders agree that to become more competitive as a whole, players within the tourism cluster must collaborate to develop and implement initiatives that address constraints to competitiveness and take incremental steps towards upgrading the ability of firms within the cluster to access and compete in international markets. In particular, many stakeholders from the private sector are enthusiastic to engage in efforts to develop the industry. As part of a larger cluster competitiveness initiative led by the Economic Competitiveness Group (ECG), GTIS launched a Tourism Cluster Working Group made up of private firms, the Tourism and Hospitality Association of Guyana (THAG) and relevant government agencies. GTIS facilitated a range of working group meetings designed to mobilize cluster participants, develop a common vision for success, and develop action plans intended to increase cluster competitiveness and increase tourist visits and receipts.

Link to Project Indicators: This activity supports:

- *IR-2.2: Institutional capacity strengthened to identify and foster links among firms, by facilitating the development of strategic action plans that attempt to solve common problems and increase cluster competitiveness (Performance Indicator 1)*

Counterparts: This activity is being carried out in collaboration with tourism firms, the Tourism and Hospitality Association of Guyana (THAG), and relevant government agencies (e.g. Ministry of Tourism, Industry and Commerce, Guyana Tourism Authority (GTA)).

Timeframe: This is an ongoing activity that began in early 2005. It is expected that GTIS will continue some level of working group facilitation throughout the project's duration.

Activities: This activity involves three distinct phases. To date, the first two phases are complete. Phase Three will continue throughout 2005 and into part of 2006. ECG, under the auspices of the GTIS project, is responsible for facilitating cluster work meetings and the development of cluster competitiveness strategies. The working group itself drives the direction of working group meetings and the development of action plans. Working group participants are expected to commit significant time to guarantee the success of the process. Specific activities under the three phases are below:

Phase 1: Conduct Cluster Internal Analysis

- Initial assessment of cluster potential – Met with cluster leaders to determine whether there was interest in collaborative efforts to improve the competitiveness of the cluster; Assessed cluster competitiveness; Assessed institutional environment impacting clusters.
- Cluster Mapping – Interviewed a limited set of cluster participants to identify players along the cluster supply chain and map relationships between producers/suppliers and exporters.
- Launch cluster working groups – Identified and recruited cluster working group members and co-chairs; established a role for existing business associations (particularly the Guyana Manufacturing Association) and relevant government agencies. *Note: Although this activity usually takes place under Phase 2, stakeholders were keen to begin activities. GTIS/ECG launched this working group as a pilot to gain momentum and develop experience and lessons learned for working groups in other clusters.*
- Held first working group session – Introduced participants to the concept of cluster competitiveness; facilitated discussion of their cluster’s structure and priority cluster challenges; Helped identify a vision of the potential of the cluster based on product and market data and shared views of the participants; Began raising questions of what is needed for the cluster to become more competitive.

Phase 2: Cluster Strategy Development

- Held second working group session – Worked with participants to explore a range of priority actions that would address the challenges and requirements for the cluster to become more competitive. These action initiatives focused on business-to-business actions, business collaboration with the government and business-to-institutions actions. To move forward, an initiative must have a “champion” willing to lead its development, at least in the early stages of the planning and implementation processes.
- Met in “Action Task Forces” or sub-groups within the cluster working group to further develop actions that address specific issues, including research and product development, access to finance, ethical private sector, and institution building.
- Hold third working group session to refine and finalize initiatives that will help the cluster achieve its vision. Draft action plans for the implementation of selected initiatives.
- Development of an integrated strategic action plan that incorporates the analytical information and the outcomes of the working group process into a coherent competitiveness strategy for Guyana.

Phase 3: Execute Cluster Initiatives and Institutionalize Cluster Groups

- Continue cluster working group meetings.
- Initiate technical assistance and market introduction activities to support cluster working group/action task force initiatives.
- Facilitate institutionalization of cluster working group activities within the Guyana Manufacturers Association (GMA) or THAG.
- Expand public-private collaboration.
- Implement a communication strategy.

Results: This activity is a critical component of both GTIS and national efforts to enhance the competitiveness of key non-traditional export sectors by fostering business-to-business and public-private collaboration to establish a consensus for addressing constraints to competitiveness and undertaking

cluster-driven initiatives to strengthen the capability of the cluster, as a whole, to achieve a sustained expansion of exports. Since the Tourism Working Group is just about to complete its first integrated cluster action plan – inclusive of a list of short and long-term initiatives – it is still too soon to determine the activities’ actual impact on cluster exports. That said, one could suggest that the participants acceptance of, and involvement in the cluster working process is an outcome in itself and serves as a model for facilitating inter-firm cooperation and public-private dialogue over future sector and policy issues.

The Tourism Cluster Working Group has 43 participants that represent a cross section of sector stakeholders, including tour operators, tourism associations, government officials and hotel owners. To date, the working group has held three main cluster working groups involving all participants. In between the second and third working group meetings, the cluster group broke into four different ‘Action Initiative Task Forces’ to develop cluster initiatives under the following headings:

- Marketing (4 meetings)
- Product Development (5 meetings)
- Strategy (2 meetings)
- Training (5 meetings)

In order to better inform its action initiative, the training task force created a survey on the industry’s training needs that will be disbursed as part of a GTIS-funded Needs Assessment for the Tourism Industry.

As a result of these meetings, participants have identified the following areas to focus cluster development efforts:

- Development of a national tourism/hospitality strategy/program
- Exploring opportunities/needs to develop products related to bird watching, yachting, freshwater sports fishing, and indigenous tour packages
- Development of a 5-year marketing plan
- Study tours, market introduction and familiarization trips

Over the coming months, GTIS will collaborate with USAID, the Cluster Working Group and the Guyana Tourism Authority to determine which initiatives to implement using USAID funding. These will likely include a tourism training program and a variety of assessments and technical assistance assignments to support product development and marketing efforts.

Outcomes of this activity included:

Increased understanding of clusters and competitiveness – In the past, efforts to strengthen the tourism industry lacked an overall vision towards competitiveness. As a part of the cluster working group process, participants were provided with a strong background on the concepts of competitiveness and how they related to the tourism cluster in the Guyanese context and then shown how to put these concepts into action. With this new understanding of competitiveness, Guyana’s tourism cluster is now able to develop, articulate and carry out a vision that will help strengthen the industry and attract more tourists.

Facilitating collaboration to enhance cluster competitiveness – While the tourism sector has always has a strong sense of collaboration, it has not been able to effectively collaborate to enhance cluster competitiveness. As mentioned above, past collaboration lacked an overall vision for the industry and

was poorly organized. This activity provided a formal platform, as well as expert guidance, for tourism stakeholders to work together to develop a vision and action plan to address constraints to competitiveness and improve the cluster's ability to succeed in the international market place. In addition to the development of cluster initiatives similar to those listed above, the resulting collaboration will likely lead to improved inter-firm cooperation in the development, provision and marketing of tourism services, as well as more effective public-private consultation in the development of policies, legislation and trade agendas that impact that the cluster's competitiveness. In many ways the cluster working group process serves as a model for facilitating public-private consultation towards building a policy consensus at the national level.

Deepening of networks throughout the country – The facilitation of these groups has helped establish and strengthen intra-cluster networks throughout the cluster.

Development of more appropriate and effective cluster initiatives – Due to the fact that they are based on sector analysis provided by GTIS and other sources and significant consultation within the tourism cluster, the above mentioned initiatives are more likely to be effective. This is because 1) the relevant stakeholders automatically buy into the process, have a self-interest in the eventual outcomes, and are hence more likely to do their part to guarantee success; 2) they address the needs that stakeholders are most important to the cluster's success; and 3) they are incorporated into an overall vision of the cluster.

Follow-on Activities: As time progresses, GTIS will work with USAID, the Cluster Working Group and appropriate government agencies to identify, develop and implement high impact cluster development activities (including some of those listed above) that will result in increased sales and exports within the sector.

One of the critical challenges of the Cluster Working Group is to determine how to ensure that the cluster working groups are sustained beyond the period of the GTIS project. In order to help address this sustainability issue, GTIS is collaborating with local business associations (e.g. THAG and Guyana Manufacturers Association) to explore ways to integrate the working group activities into its mandate and services.

Facilitation of Agro-processing Cluster Working Group

Overview: Guyana's agro-processing cluster is regarded as a non-traditional export sector with significant growth potential. Despite good quality soil, demand for Guyanese products from a vast diaspora and its geographic proximity to Caribbean markets, the exports of processed goods are constrained. This is due, at least in part, to the cost and availability of raw inputs (e.g. agricultural inputs), high processing costs (including land, energy, labor, packaging materials), expensive and unreliable transportation, poor product development and a lack of product and quality consistency. Furthermore, the sector is generally fragmented and with few linkages developed between firms and among the sector and agriculture-related institutions. Since the sector lacks an industry-wide association, it does not operate in a coordinated manner. Finally, there is a prevailing lack of awareness among firms and the cluster of Guyana's competitors and where the cluster is benchmarked vis a vi these competitors.

USAID, GTIS and Guyanese stakeholders agree that to become more competitive as a whole, players within the agro-processing cluster must collaborate to develop and implement initiatives that address constraints to competitiveness. They must also take incremental steps towards upgrading the ability of firms within the cluster to access and succeed in international markets, not only in the CARICOM region, but globally. As part of a larger cluster competitiveness initiative led by the Economic Competitiveness Group (ECG) GTIS launched an Agro-processing Cluster Working Group made up of private firms, the Guyana Manufacturing Association, and relevant government agencies and facilitated a range of working group meetings designed to mobilize cluster participants, develop a common vision for success, and develop action plans intended to increase cluster competitiveness and expand exports.

Link to Project Indicators: This activity supports:

- *IR-2.2: Institutional capacity strengthened to identify and foster links among firms, by facilitating the development of strategic action plans that attempt to solve common problems and increase cluster competitiveness (Performance Indicator 1)*

Counterparts: This activity is being carried out in collaboration with agro-processing firms, the Guyana Manufacturing Association (GMA), and relevant government agencies (e.g. New Guyana Marketing Corporation (NGMC)), Ministry of Agriculture).

Timeframe: This is an ongoing activity that began in early 2005. It is expected that GTIS will continue some level of working group facilitation throughout project's duration.

Activities: This activity involves three distinct phases. To date, the first two phases are complete. Phase Three will continue throughout 2005 and into part of 2006. ECG, under the auspices of the GTIS project, is responsible for facilitating cluster work meetings and the development of cluster competitiveness strategies. The direction of working group meetings and the development of action plans are driven by the working group itself. Working group participants are expected to commit significant time to guarantee the success of the process. Specific activities under the three phases are below:

Phase 1: Conduct Cluster Internal Analysis

- Initial assessment of cluster potential – Meetings with cluster leaders to determine whether there was interest in collaborative efforts to improve the competitiveness of the cluster; Assessment of cluster competitiveness; Assessment of institutional environment impacting clusters.
- Cluster Mapping – Interviews with limited set of cluster participants to identify players along the cluster supply chain and map relationships between producers/suppliers and exporters.

Phase 2: Cluster Strategy Development

- Launch cluster working groups – Identify and recruit cluster working group members and co-chairs; establish role for existing business associations (particularly the Guyana Manufacturer Association) and relevant government agencies.
- Hold first working group session – Introduce participants to concept of cluster competitiveness; facilitate discussion of their cluster’s structure and priority cluster challenges; Help identify a vision of the potential of the cluster based on product and market data and shared views of the participants; Begin raising questions of what is needed for the cluster to become more competitive.
- Hold second working group session – Work with participants to explore a range of priority actions that would address the challenges and requirements for the cluster to become more competitive. These action initiatives focused on business-to-business actions, business collaboration with the government and business-to-institutions actions. To move forward, an initiative must have a “champion” willing to lead its development, at least in the early stages of the planning and implementation processes.
- Break out into “Action Task Forces” or sub-groups within the cluster working group to further develop actions that address specific issues, including research and product development, access to finance, ethical private sector, and institution building.
- Hold third working group session to refine and finalize initiatives that will help the cluster achieve its vision. Draft action plans for the implementation of selected initiatives
- Development of an integrated strategic action plan that incorporates the analytical information and the outcomes of the working group process into a coherent competitiveness strategy for Guyana.

Phase 3: Execute Cluster Initiatives and Institutionalize Cluster Groups

- Continue cluster working group meetings.
- Initiate technical assistance and market introduction activities to support cluster working group/action task force initiatives.
- Facilitate institutionalization of cluster working group activities within the Guyana Manufacturers Association (GMA).
- Expand public-private collaboration.
- Implement a communication strategy.

Results: This activity is a critical component of both GTIS and national efforts to enhance the competitiveness of key non-traditional export sectors by fostering business-to-business and public-private collaboration to establish a consensus for addressing constraints to competitiveness and undertaking cluster-driven initiatives to strengthen the capability of the cluster, as a whole, to achieve a sustained expansion of exports. To date, the Agro-processing Working Group has yet to have its third working group session or complete its first integrated cluster action plan, so it is too soon to determine the activities’ actual impact on the cluster’s exports. That said, one could suggest that the participants acceptance of, and involvement in the cluster working process is an outcome in itself, and serves as a model likely to facilitate inter-firm cooperation and future public-private dialogue over sector and policy issues.

The Agro-processing Cluster Working Group is made up of 60 participants, representing a broad cross-section of the sector, including processors, fresh fruit exports, suppliers, government officials and members of the academic community. The participants are very interested and enthusiastic about

becoming a cluster, and their dedication is reflected by the high turnout in cluster meetings and action initiative task forces. To date, the cluster working group has held two working group meetings involving all participants. Since the second session, the cluster has broken up into four different ‘Action Initiative Task Forces’ to develop cluster initiatives under the following headings:

- Breakthrough research and product development (3 meetings)
- Accessible, affordable indigenous finance (3 meetings)
- Ethical Private Sector (2 meetings)
- Institution building (3 meetings)

As a result of the meetings, participants have identified the following areas to focus cluster development efforts:

- Strengthening competitiveness of each supply linkage
- Formation of an association of non-traditional agribusiness exporters and producers
- Evaluating development finance opportunities for agro-producers, addressing deficiencies and constraints to finance (with a focus on mitigating risk assumed by potential lenders).
- Strengthening research and development capabilities and enhance linkages between farmers and Guyana’s agriculture research institutions.
- Product promotion
- Establishment of a common cold storage facility
- Establishment of a common food drying facility

In the short-term, GTIS plans to provide technical assistance to improve packaging facilities and post-handling of fruits and vegetables in an effort improve that component of the supply chain. GTIS will collaborate with USAID and the Cluster Working Group to determine which of these initiatives to implement using USAID funding.

Outcomes of this activity included:

Increased understanding of clusters and competitiveness – Before the initiation of the agro-processing cluster working group, many firms operated within a vacuum, focusing solely on their own ability to compete in local or export markets. This is representative of many Guyanese sectors. As a part of the cluster working group process, participants were provided with a strong background on the concepts of competitiveness and how they related to their cluster in the Guyanese context. This has helped many participants understand how their own competitiveness is driven, in part, by factors that impact the entire cluster. This enlightened view is reinforced by the fact that participants are expected to put this understanding of competitiveness into practice through the collaborative identification of constraints to competitiveness and steps the enhance cluster competitiveness as a whole. With this new understanding of competitiveness, Guyana’s agro-processing cluster is now able to develop, articulate and carry out a vision that will help strengthen the industry and expand exports.

Facilitating collaboration to enhance cluster competitiveness – In the past, the agro-processing cluster has been fragmented and lacked coordination, making it difficult for stakeholders to address cluster-wide issues. The GTIS activity provided a formal platform, as well as expert guidance, for agro-processing stakeholders to work together to develop a vision and action plan to address constraints to competitiveness and improve the cluster’s ability to succeed in the international market place. In addition to the development of cluster initiatives similar to those listed above, the resulting collaboration will

likely lead to improved inter-firm cooperation in the development, production and marketing of agribusiness products, as well as more effective public-private consultation in the development of policies, legislation and trade agendas that impact that the cluster's competitiveness. In many ways the cluster working group process serves as a model for facilitating public-private consultation towards building a policy consensus at the national level.

Deepening of networks throughout the country – The facilitation of these groups has helped establish and strengthen intra-cluster networks throughout the cluster.

Development of more appropriate and effective cluster initiatives – The above mentioned initiatives are more likely to be effective due to the fact that they are based on sector analysis provided by GTIS and other sources and significant consultation within the agro-processing cluster. This is because 1) the relevant stakeholders automatically buy into the process, they have a self-interest in the outcomes, hence, they are more likely to do their part to guarantee success; 2) they address the needs of stakeholders that are most important to the cluster's success; and 3) they are incorporated into the overall vision of the cluster.

Follow-on Activities: As time progresses, GTIS will work with USAID, Cluster Working Group and the appropriate government agencies to identify, develop and implement high impact cluster development activities (including some of those listed above) that will result in increased sales and exports within the sector.

One of the critical challenges of the Cluster Working Group is to determine how to ensure that the cluster working groups persists beyond the period of the GTIS project. In order to help address this sustainability issue, GTIS is collaborating with the Guyana Manufacturers Association to explore ways to integrate the working group activities into its mandate and services.

Facilitation of Seafood/Fisheries Cluster Working Group

Overview: Guyana is known for the quality of its fish, shrimp and prawn exports, but there are a number of factors constraining the competitiveness and exports of the seafood/fisheries sector. For example, many of Guyana's seafood and fisheries products are commodities that can be bought elsewhere for equal or lower prices. Hence there is a need for the Guyanese seafood/fisheries cluster to differentiate itself from competitors through quality, product development, adding value, and marketing, while remaining cost competitive. However, the prices of Guyanese seafood/fisheries products are negatively impacted by the high costs of fuels, financing and required capital investments. At the same time, there are concerns over the long-term sustainability of some species, raising questions about the extent to which the sector can increase exports without significantly adding value per volume of catch.

While the cluster is well developed, the inter-firm linkages are not. Although there are connections within the sector, it is evident that this collaboration is almost exclusively for advocacy efforts (i.e. lobbying for lower fuel prices). There is a low degree of understanding of other cluster/market segments' processes and requirements, weakening the efficiency and competitiveness of supply chains. There is also a wide spread perception within the private sector that the government is incapable of supporting the industry's needs, essentially becoming an obstacle to further cluster development. Most importantly, the private sector does not feel that it has the necessary scientific data to properly manage the fisheries resource.

Guyana may have an opportunity to more aggressively brand and market its premium prawn and sea bob (smaller shrimp) fisheries, which are among the highest quality available in a world increasingly dominated by lower quality aquaculture products. At the same time, expanding the total value of fish products exported through rapid expansion of aquaculture appears both feasible and timely, if it can be done in an environmentally conscious manner.

USAID, GTIS and Guyanese stakeholders agree that to become more competitive as a whole, players within the seafood/fisheries cluster must collaborate to develop and implement initiatives that address constraints to competitiveness and take incremental steps towards upgrading the ability of firms within the cluster to access and compete in international markets. As part of a larger cluster competitiveness initiative led by the Economic Competitiveness Group (ECG), GTIS launched a Seafood/Fisheries Cluster Working Group made up of private firms, the Guyana Trawlers Association, the Guyana Manufacturers Association (GMA) and relevant government agencies and facilitated a range of working group meetings designed to mobilize cluster participants, develop a common vision for success, and develop action plans intended to increase cluster competitiveness and expand seafood/fisheries exports while maintaining the sustainability of the sector.

Link to Project Indicators: This activity supports:

- *IR-2.2: Institutional capacity strengthened to identify and foster links among firms, by facilitating the development of strategic action plans that attempt to solve common problems and increase cluster competitiveness (Performance Indicator 1)*

Counterparts: This activity is being carried out in collaboration with seafood and fisheries firms, Guyana Trawlers and Seafood Processors Association, the Guyana Manufacturing Association (GMA), Fishermen's Cooperatives, and relevant government agencies (e.g. Ministry of Fisheries, Crops and Livestock).

Timeframe: This is an ongoing activity that began in early 2005. It is expected that GTIS will continue some level of working group facilitation throughout project's duration.

Activities: This activity involves three distinct phases. To date, the first two phases are complete. Phase Three will continue throughout 2005 and part of 2006. ECG, under the auspices of the GTIS project, is responsible for facilitating cluster work meetings and developing cluster competitiveness strategies. That being said, the working group itself drives the direction of working group meetings and the development of action plans. Working group participants are expected to commit significant time to guarantee the success of the process. Specific activities under the three phases are below:

Phase 1: Conduct Cluster Internal Analysis

- Initial assessment of cluster potential – Met with cluster leaders to determine whether there was interest in collaborative efforts to improve the competitiveness of the cluster; Assessed cluster competitiveness; Assessed the institutional environment impacting clusters.
- Cluster Mapping – Interviewed a limited set of cluster participants to identify players along the cluster supply chain and map relationships between producers/suppliers and exporters.

Phase 2: Cluster Strategy Development

- Launched cluster working groups – Identified and recruited cluster working group members and co-chairs; established a role for existing business associations (particularly the Guyana Manufacturer Association) and relevant government agencies.
- Held first working group session – Introduced participants to the concept of cluster competitiveness; facilitated discussion of their cluster’s structure and priority cluster challenges; Helped identify a vision of the potential of the cluster, based on product and market data and shared views of the participants; Began raising questions of what is needed for the cluster to become more competitive.
- Held second working group session – Worked with participants to explore a range of priority actions that would address the challenges and requirements for the cluster to become more competitive. These action initiatives focused on business-to-business actions, business collaboration with the government and business-to-institutions actions. To move forward, an initiative must have a “champion” willing to lead its development, at least in the early stages of the planning and implementation processes.
- Broke into “Action Task Forces” or sub-groups within the cluster working group to further develop actions that addressed specific issues, including research and product development, access to finance, ethical private sector, and institution building.
- Held third working group session to refine and finalize initiatives that will help the cluster achieve its vision. Drafted action plans for the implementation of selected initiatives.
- Developed an integrated strategic action plan that incorporates the analytical information and the outcomes of the working group process into a coherent competitiveness strategy for Guyana.

Phase 3: Execute Cluster Initiatives and Institutionalize Cluster Groups

- Continue cluster working group meetings.
- Initiate technical assistance and market introduction activities to support cluster working group/action task force initiatives.
- Facilitate institutionalization of cluster working group activities within the Guyana Manufacturers Association (GMA).
- Expand public-private collaboration.

- Implement a communication strategy.

Results: This activity is a critical component of both GTIS and national efforts to enhance the competitiveness of key non-traditional export sectors by fostering business-to-business and public-private collaboration to establish a consensus for addressing constraints to competitiveness and undertaking cluster-driven initiatives to strengthen the capability of the cluster, as a whole, to achieve a sustained expansion of exports. To date, the Seafood/fisheries Working Group has yet to organize 'Action Initiative Task forces, have its third working group session or complete its first integrated cluster action plan, so it is still too early to determine the activities actual impact on the cluster exports.

The fisheries cluster has 30 participants representing, a cross-section of the fisheries sector, private firms and public officials. This represents the lowest level of attendance of all cluster groups, despite the size and importance of the seafood/fisheries cluster to Guyana's economy. In general, cluster groups turnout, interest and progress has been disappointing in comparison to the other cluster groups. In particular, interest from the private sector has been insufficient.

At the time of the second cluster working group, the Fisheries industry was facing several challenges, including a strike by the Trawler's Association over gas prices, and the sudden death of the owner of Guyana's largest seafood processing plant, who was also a prominent figure in the Trawler's Association. This may or may not have affected meeting turnout. The cluster was able to decide on action initiative focus areas, including: Training, Enforcement & Public Awareness; Marketing & Promoting Finance; Aquaculture Development; Research, Data & Appropriate Technology Development. However, there was no follow up participation in the action initiative task force groups.

Although two working group sessions have been held, little progress has been made towards the development of action initiatives. That said, the participants have shown an interest in the recommendations made by the GTIS-funded assessment on the sustainability of Guyana's fisheries sector. This includes:

- Improving the institutional capability on behalf of the public and private sectors to effectively use fishery resources
- An awareness campaign and training program on fisheries resource awareness
- Improving quality control at landing sites
- Improving cold-storage facilities and packaging to maintain value of catch
- Increasing value per volume of catch.

Given the importance of this sector, it is critical that cluster development initiative continue. In an effort to jump-start the cluster process GTIS, through ECG, is initiating talks with the Guyana Association of Trawler Owners and Sea Food Processors and the Fisheries Department to identify an initiative based on the results of the cluster meetings, and the findings in the report written by Richard Mounsey. Such an initiative could be highlighted to the cluster participants as the fruits of a collaborative effort, with the intent of sparking others.

Follow-on Activities: Despite setbacks in the cluster process, GTIS will hold a third Cluster working group meeting to highlight the potential action initiatives, showcase developments from other clusters, and ascertain whether the low level of participation was due to externalities. If interest is sufficiently weak, the project may suspend the seafood cluster working group activities and work with specific stakeholders (e.g. trawlers association and local supply chains) to develop targeted technical assistance activities.

Furniture Product Design and Development for Export and Coordination of Market Launches

Overview: Guyana's furniture products cluster is regarded as a natural area for export growth. With local availability of high quality and diverse forest materials, a number of furniture firms already produce for the local market, and a few firms export to regional and international markets. Current export values, however, are relatively low given the potential market opportunities. One way the furniture cluster can become more competitive is by taking steps to upgrade product quality, develop new, niche products, and improve the effectiveness of marketing efforts. With fierce global competition in the furniture industry, it is important that they design new product lines that set them apart, rather than produce product ranges similar to low-cost international competitors. This requires a proactive, design-based approach to markets and the unique products offered will capture greater retail and consumer interest.

At the same time, Guyanese manufacturers need to take steps to improve the quality, standards and consistency of their products. As a start, this involves producing quality products for the local market, something that is currently lacking. A 'good enough' mentality for the local market insulates manufacturers from needing to produce goods at the quality needed to succeed in the international market. Furthermore, to improve quality and become more cost competitive, Guyanese manufacturers must take steps to streamline operations, increase the efficiency of the factory layout, and have staff with the necessary operations and management skills.

Finally, Guyanese firms must take steps to more effectively promote their products and establish market linkages abroad. This not only includes the development of promotional materials, but also involvement in international trade shows.

While a number of firms have done a commendable job addressing the above-mentioned issues, they need assistance to move to the next level, one that could greatly enhance their ability to access and compete in regional and international markets. At the request of a group of Guyanese furniture manufacturers, GTIS is implementing a yearlong program to help firms design, produce and promote new products to be launched at the International Contemporary Furniture Fair, New York City in May 2006, while at the same time providing technical assistance in plant design and efficiency.

Link to Project Indicators: This activity supports:

- **IR-2:** *Increased competitiveness in the export of value-added products and services in the non-traditional sector by enabling firms to develop products more likely to succeed in regional and international markets, leading to an increase in exports in the forest product sector (Performance Indicators 1 and 3)*
- **IR-2.1:** *Technical and business development services provided through assistance in design, product development, production and marketing (Performance Indicator 1)*
- **IR-2.2:** *Institutional capacity strengthened to identify and foster links among firms, through assisting firms to prepare for a major trade show, likely leading to relationships with potential buyers (Performance Indicator 2) and promoting collaborative product line development*

Counterparts: This project is being implemented in collaboration with local furniture manufacturers that are currently exporting or have the potential to export.

Timeframe: March 2005 to May 2006

Activities: This activity involves a comprehensive range of technical assistance provided over a year long period preceding the International Contemporary Furniture Fair (ICFF), to be held in New York City from May 20 to May 23, 2006. Activities included:

- Design services – Reviewed and assessed existing product lines and suggested appropriate modifications, both technical and aesthetic, in preparation for launch into export markets. Assistance in the development of a new product line to be manufactured collaboratively by two firms (Liana Cane and Precision Woodworking).
- In Plant Visits – Reviewed and assessed prototype development, factory design and production techniques. Make recommendations for facility upgrades, finishing facilities, and capital investments for volume and lower cost production.
- Market Launches – Work with the 3 firms to prepare for attendance at international trade shows to launch new and improved product lines.
- Organize workshop for manufacturers on *Strategies and Design Development for the Local Market*

Results: Although it is too soon to determine the actual impacts of these activities – which will most likely be seen after the furniture fair – this activity promises to result in an increase of export orders for participating manufacturers and the furniture product cluster in general. By helping firms develop improved furniture products, this activity is helping Guyanese manufacturers set themselves apart from other low cost competitors and addressing two critical success factors in the furniture industry – design and product quality. The offering of unique products and design services will help defray price point competition from Indonesia and Malaysia and will capture greater retail and consumer interest. By helping these firms ‘go to the next level’ in terms of their furniture production and preparation to market/launch their products at a major trade show, the activity is enabling firms to become more competitive, gain access to new markets and establish market linkages with buyers abroad.

During multiple trips to Guyana, Patty Johnson, a well-known furniture design and marketing consultant, has provided a range of product development, production and marketing assistance with four different manufacturers in Georgetown:

- *Liana Cane* – A rattan and cane furniture manufacturer producing for local and export markets. Known as a leading firm in Guyana’s value added wood product industry
 - Identifying products in the existing line for redesign and development for international markets
 - Developing drawings and models for prototypes of products for future development
 - Collaborated in the development and prototyping of a product line to be manufactured in partnership with Precision Woodworking
 - Assisted in the development of promotional materials
- *Precision Woodworking* – Manufacturer of hardwood furniture, doors and molding. Known as the model for the industry in terms of production, but often produces furniture very similar to international competitors
 - Providing advice on furniture types for development and appropriate models for different markets (with focus on the U.S.)
 - Collaborated on developing and prototyping a new product line to be manufactured in partnership with Liana Cane
 - Discussed the Fair Trade Timber Initiative, which could help set them apart in some markets
 - Assisted with their preparations for the International Contemporary Furniture Fair in New York City

- *Samuel Wicker* – Producing high quality woven furniture for local and Caribbean market. They have developed specialized and unique product lines appropriate to their markets. Needs assistance to go to the next level
 - Toured the manufacturer’s facilities and provided suggestions about factory organization and layout of equipment to improve industrial production and safety
 - Reviewed existing products and provided suggestions for improving product quality
 - Stressed the importance of design activity as a way to save materials and increase efficiency in production and illustrated this by making constructive suggestions for existing products
 - Discussed the manufacturer’s future plans for manufacturing and made specific recommendations stressing a rational process for development
 - Discussed the importance of creating a prototyping area
 - Provided advice on the development of marketing research and promotion
- *Irene’s Creative Handicraft* – Manufacturer having a hard time accessing markets in the Caribbean and developing appropriate market lines. Lacks the equipment for consistent standards or quality and is considering an upgrade
 - Reviewing the type of product lines the company would like to bring to local and Caribbean markets.
 - Provided advice on the purchase of new equipment appropriate for the facility, products and market vision

As part of the activity, Ms. Johnson has been working with two firms, Liana Cane and Precision Woodworking, towards the joint development of a product line to be launched during at the furniture fair in New York. As part of this initiative, Liana Cane would produce components made of cane and rattan while Precision Woodworking would manufacture the hardwood components. Getting two Guyanese firms to work together to develop, produce and market a product line is unheard of in Guyana, due to a lack of trust and cooperative spirit within the sector. If successful, this activity could serve as a model, not only in the furniture sector, but elsewhere, for real inter-firm cooperation – beyond cluster groups and business associations – that leads to a stronger export industry. By working together, these firms can produce and market more diverse and comprehensive product lines and overcome size constraints to respond to larger orders.

In addition to the intensive assistance afforded to the four firms discussed above, Ms. Johnson held a half-day seminar for approximately 15 producers from the local market, *Strategies and Design Development for the Local Market*, covered the following topics:

1. Current trends in wooden furniture
2. Achieving Quality – Ergonomics, proper wood joinery, proper use of materials, small power tools for shop/factory
3. A case study of Speke Klein (a small batch production factory/shop in southern Ontario) - Focus on specialization of material, factory set-up and organization
4. What’s going on in the southern hemisphere - A brief overview of the interest in foreign markets in what is manufactured in the southern hemisphere. Introduction to organizations and companies whose interests center on furniture and accessory manufacturers in Brazil, Philippines and Guyana

This workshop is an important step towards creating an awareness of the importance of product quality – even in local markets – while providing guidance on steps local producers can take to upgrade their products. Ultimately, improvements in the local market will lead to a stronger furniture cluster with a greater capacity to meet the demands of international markets.

Follow-on Activities: Over the coming months, GTIS, Patty Johnson and the participating manufacturers will continue to develop prototypes and prepare market launches for the International Contemporary Furniture Fair in New York City. If the firms arrive at the show well prepared, they will gain access to major retailers/distributors of garden furniture and develop the new relationships necessary for successful growth in this sector.

Assessment of the Sustainability of the Fisheries Sector in Guyana

Overview: The fisheries sector presents a potential opportunity for Guyana to expand non-traditional exports. As such, the GTIS project is carrying out technical assistance activities that target fisheries/seafood firms, supply chains and clusters. Concerns over the sustainability of current fishing practices and catch volumes, however, require that development interventions in the fisheries sector adequately consider natural resource management issues. At the request of USAID, GTIS conducted a rapid assessment to determine the current sustainability of the fisheries sector in terms of fish stock, possible over fishing, waste, and realized value per volume of catch; and outlined action plans for enhancing sustainability in the fisheries sector in order to determine the appropriateness and design of USAID-funded interventions in the fisheries sector to be implemented by the GTIS program.

Link to Project Indicators: This activity supports:

- *IR-2: Increased competitiveness in the export of value-added products and services in the non-traditional sector through identifying ways to improve the long term sustainability of the fisheries and seafood sector and ways to improve the value per volume of catch*

Counterparts: The assessment was carried out in collaboration with the Ministry of Fisheries, Crops and Livestock and the Guyana Trawler Owners Association.

Timeframe: April to May 2005

Activities: The assessment involved a number of activities designed to evaluate the present sustainability of Guyana's fisheries sector and design potential initiatives in the fisheries sector that address natural resource management issues. Activities included the following:

- A field assessment to 1) gather available primary data related to fisheries resource management; 2) interview key fisheries stakeholders, including government fisheries officials, scientists, development staff, fish market managers, quality controllers, commercial fishers, processors, company owners, and exporters; and 3) a two day trip at sea on commercial vessels and fish markets to observe practices and validate stakeholder interviews
- Production of a final report that discusses current and future sustainability of the fisheries sector, and specific actions that can be taken on the part of private and public stakeholders. These actions were in the form of illustrative terms of reference for interventions and/or action plans targeting specific stakeholders

Results: This assessment contributed to efforts to increase the value of seafood/fisheries exports without threatening the sustainability of the fish stock by gathering critical information on the state of the industry, current practices and institutional weakness as a means to guide ongoing fisheries activities and to design future initiatives. Already, the Guyana Trawlers Association is using the assessment as a resource document and road map for the development of potential private sector-led initiatives in the fisheries sector. Furthermore, the GTIS facilitated Seafood/Fisheries Cluster Working Group has been using the assessment as a resource for the development of cluster strategic action plans.

The fisheries sustainability assessment involved consultations with hundreds (500+) of Guyanese fishermen, trawler owners, processors, exporters, company officials and senior government officials throughout Guyana's fishing regions. The consultation focused on industry concerns over industry and fisheries resource management. Specifically, these included:

- The seafood lacks a national consensus on industry matters (such as sustainability and natural resource management), and does not have mechanisms through which to foster such a consensus

- Guyana lacks professional fisheries scientists, management and data collection staff. As a result fisheries management is not based on sound scientific evidence
- There is a significant amount of illegal fishing (both by Guyanese trawlers and foreign trawlers)
- Too many boats are pushing down per boat quotas. There is evidence suggesting that the prawn and seabob fisheries could collapse as a result of over fishing
- Export demand for high quality fish is greater than the industry can supply. Over 70 percent of landed catch is unfit for international export markets. There is an urgent need for fishermen to upgrade their quality standards
- The fisheries industry produces a significant amount of waste in by-products/by-catches that could be used to obtain value elsewhere
- There are a significant number of under-exploited, potentially valuable fish offshore, yet the industry does not have the technology to harvest, process and market high volumes of these fish
- Profitability (value per volume catch) could be far greater with improved quality to meet export standards, the development of by-catch products, improved processing equipment and increased marketing

As a result of the information gained from the consultations, the GTIS fisheries expert made the following recommendations:

- Assist fisheries industry to establish a national seafood authority
- Develop a collaborative support program with a USA fisheries institution to gain access to fisheries and natural resource expertise
- Establish a joint government/industry resource monitoring program to be established with data transferred regularly to a USA institution for analysis and management recommendations
- Establish an awareness campaign to disseminate information on natural resource management, quality control and business management in the seafood industry
- Investigate economic potential and required investments for utilization of under-exploited resources
- Identify and utilize simple, cost-effective ways to significantly increase the quality, and hence value of catches before landfall. Identify and utilize techniques to improve processing to increase efficiency, improve product quality and add value to catches
- Support collaboration between fisheries and tourism industries to attract international sport fisheries as a mean to 'add-value' to Guyana's fishery resources

Follow-on Activities: The assessment outlines a number of areas for which the fisheries industry and the government could use assistance. These include 'quick wins' such as training to improve the quality of catch and add-value to products, and longer-term institutional developments in the area of resource management. GTIS is in the process of consulting within the Guyana Trawlers and Seafood and Processors Association and fishermen's cooperatives to identify priorities for interventions.

Aflatoxin Training and Laboratory Development for Guyana Food and Drug Department

Overview: Aflatoxins, metabolites of certain molds found in food products such as peanuts, grains, cereals, corn and some herbs and spices, can have a very harmful effect on humans and animals. As such, the US Food and Drug Administration and the European Food Safety Authority strictly regulate permissible levels (extremely low) of Aflatoxins contained in food and feed. Exporters of products susceptible to Aflatoxin who are unable to certify that their products meet these standards face a critical trade barrier, limiting export potential.

While many Guyanese exports contain a risk of Aflatoxin contamination, Guyana's Food and Drug Department (FDD) previously did not have the sufficient laboratory capacity to certify these products are below the minimum trade levels for Aflatoxins. This has significantly impacted the peanut industry. For example, while there has been a glut in the domestic supply of peanuts, peanut producers have been unable to export excess peanuts, even though there is significant demand in the CARICOM region. Furthermore, many of Guyana's agro-processors that produce value added peanut products (i.e. peanut butter) have had to import peanuts from certified sources to ensure that they are able to export their products. This not only impacts the competitiveness of Guyana's processed peanut products, but also represents a lost market opportunity for Guyana's peanut producers, most of whom come from Amerindian communities.

At the request of the Ministry of Agriculture, the GTIS project provided funding for laboratory equipment and technical training to strengthen the necessary analytical capabilities for the FDD to test for Aflatoxins and certify susceptible products in the hope of helping Guyana's peanut cluster and other products take advantage of export opportunities in CARICOM.

Link to Project Indicators: This activity supports:

- *IR-1.1: Human and institutional capacity to prepare negotiating positions and implement negotiated commitments strengthened, by providing the Food and Drug Department with the analytical capacity to test and certify against international standards.*
- *IR-2: Increased competitiveness in the export of value-added products and services in the non-traditional sector through removal of a critical export constraint, likely resulting in a significant increase in the export of peanut products (Performance Indicators 1 and 2)*

Counterparts: This activity was carried out in collaboration with the Guyana Food and Drug Department of the Ministry of Health.

Timeframe: April to August 2005

Activities: This activity involved the procurement of over \$20,000 in testing equipment and supplies required for Aflatoxin testing (i.e. VICAM Fluorimeters, HPLC systems) and training sessions for FDD staff to ensure that the FDD had the necessary institutional and human resource capability to carry out regular Aflatoxin testing and certification procedures.

Results: With the help of GTIS-funded equipment and training in Aflatoxin testing, Guyana's Food and Drug Department is now able to offer an important laboratory service to Guyanese agribusinesses and the public. Through its new institutional capability to test and certify foods, the FDD can better ensure food safety in the domestic market while helping some Guyanese producers – such as peanut producers and processors – overcome critical Safety and Phytosanitary (SPS) measures that have severely constrained export opportunities.

Although the original terms of reference indicated the training would be carried out over one two-week period, it was decided that two training sessions would be more appropriate. This is due to the fact that U.S. Department of Commerce required a special license to ship the Aflatoxin standards (samples with the dangerous Aflatoxin fungi) that would take 6-8 weeks to clear. As such, the FDD and GTIS decided to conduct portions of the training that did not require the standards in an effort to move the process forward. Furthermore, the GTIS Aflatoxin expert felt that it was important to ensure that FDD had time to practice testing procedures so he could observe their activities during the second training and determine whether they were sufficiently capable to carry out Aflatoxin testing techniques based on international practices. In addition, GTIS expanded the training to include persons with laboratory background (i.e. GUYSUCO and University of Guyana) to increase the local availability of trained analysts, in case FDD staff left the FDD. The training included:

- Discussion on food safety guidelines, international standards and background on Aflatoxin contamination and techniques for testing
- Instruction on the use of Association of Official Analytical Chemists (AOAC) International Official Methods for Aflatoxin Analysis
- Setting up Aflatoxin testing equipment to meet AOAC specifications
- Hands on instruction using the Aflatoxin testing equipment to successfully calculate Aflatoxin levels

In addition to the training, the GTIS consultation worked with the FDD to develop an action plan for the incorporation of Aflatoxin analysis in government food safety standards.

Specific outcomes of this newly acquired institutional capacity are discussed below.

Enhanced capacity to protect public health and safety – When asked what the primary benefit of the new equipment and training was, Marilyn Collins of the FDD remarked that with the new testing capabilities, the FDD is in a position to better protect the public's health and safety by ensuring that a number of foodstuffs—including baby food, rice, grains, cereals, flour, spices and nuts—are certified safe for consumption. A number of these products are staples in the Guyanese diet.

Open access to new export markets – In an era where compliance with international SPS measures can be a critical success factor for agribusiness exports, having the a laboratory able to certify food safety and standards compliance is a cornerstone to market access. By creating access to credible Aflatoxin certification services, many Guyanese firms in the agro-processing sector can begin exporting to new markets. Firms that had previously been importing inputs (e.g. peanuts) to process products for export, can now purchase them from local producers, increasing demand locally and generating more income opportunities for local farmers. In the peanut industry, this could have a significant impact on the Amerindian farmers who are responsible for a majority of Guyana's peanut production.

Already, Guyana's agro-processors are beginning to respond to the opportunities emerging, in part, from new market access. One firm is considering the necessary investments and marketing efforts to double its production to export peanut products to Trinidad and Tobago. This decision has also been facilitated in the firm's involvement in another GTIS training program designed help peanut processors develop new products, improve quality and marketing for international markets.

Workshop: Turtle Excluding Device (TED) Inspections

Overview: Commercial shrimp fishers throughout the world use a process called bottom trawling, which entails dragging nets across the ocean floor to scoop up the crustaceans along with everything else in their path. Endangered sea turtles are one of the many forms of marine life negatively impacted by this technique, often becoming stuck in the nets and drowning. Bottom-trawling operations are one of the most serious threats to adult sea turtles. The Turtle Excluder Device (TED) was created to lessen the impact of shrimp fishing on sea turtle populations. The TED is a metal grid of bars attached to a shrimp trawling net. It has an opening at either the top or the bottom, which creates a hatch allowing larger animals such as sea turtles to escape while keeping the shrimp inside.

Since 1987 the United States implemented regulations that require all US shrimpers to use TEDs on their trawlers. In 1989 the United States passed a law known as the “shrimp-turtle law,” requiring that all countries exporting shrimp to US markets also use TEDS. In order to export its shrimp, Guyana must receive a yearly certification that its shrimpers comply with the regulations. During a March 2005 inspection visit, an inspector from the U.S. determined that 1) Guyanese shrimpers were not using the TEDs properly; and 2) the Guyanese inspectors tasked with enforcing compliance to the regulation were not adequately qualified. Although Guyana had been certified in the past, there had been changes to the technical specifications of the regulations that the seafood industry was not aware of, and hence unable to respond accordingly. Guyana was given one month to satisfy the updated certification requirements or it would be banned from exporting to the U.S., having a detrimental impact on an industry that exports \$50 – 60 million every year.

In response to an urgent request by the Ministry of Fisheries, Crops and Livestock, and the Guyana Trawlers Association and Seafood Processors Association, GTIS rapidly implemented a training program for Guyanese shrimp boat operators and inspectors so they could demonstrate the ability to ensure proper use of TEDs without assistance.

Link to Project Indicators: This activity supported:

- *IR-2: Increased competitiveness in the export of value-added products and services in the non-traditional sector by ensuring that Guyanese shrimp exporters are able to meet international standards required to access export markets and by preventing a severe fall in shrimp exports (contributing to Performance Indicators 1 and 3)*

Counterparts: This activity was carried out in collaboration with the Ministry of Fisheries, Crops and Livestock, and the Guyana Trawlers Association and Seafood Processors Association

Timeframe: May 2005

Activities: GTIS conducted a two-day seminar that provided training for both government inspectors and the private sector companies working in the shrimp industry. A TED instructor discussed the U.S. regulations and provided a demonstration of proper use of the TED, both in the classroom and at the Wharf. The instructor also demonstrated how to measure the device and nets to determine compliance with the regulations. The format of the GTIS training followed that used by the NOAA in their seminars and symposiums.

Results: This rapid response activity had a major impact on one of Guyana’s most important non-traditional export agencies. Using the information and skills provided by the two-day workshop, Guyana’s shrimp industry and government TED inspectors were not only met, but exceeded the certification requirements when U.S. inspectors returned. Although Guyana will face inspection next

year, the head of the Fisheries Department is confident that the current awareness and inspection capabilities within the shrimp industry are sufficient to ensure certification without further assistance. That said, it is likely that Guyana will need similar assistance if the U.S. regulations were to change again.

Although this activity did not result in an increase in exports per se, it helped ensure that Guyana did not lose access to a very important export market. The head of the Fisheries Department stated that without the assistance, Guyana would not have been recertified. Given that most of Guyana's \$58.3 million in shrimp exports in 2004 were destined for the U.S., failure to be certified would have entailed a loss of millions of dollars in export revenue in 2005. While it is likely that Guyanese shrimp exporters could have found buyers for some of the shrimp, losing access to such an important market could not be easily recovered. The economic impact on the seafood industry, which is already suffering from high diesel costs, would have been devastating.

Tourism Standards and Certification Consultations

Overview: In 2004, Guyana's parliament passed the "Tourism Licensing and Certification Act" aimed at upgrading the tourism sector and bringing it in line with international standards. As part of the Act, the Ministry of Tourism, Industry and Commerce is mandated with the responsibility of developing the regulations that would govern licensing and certification. The Ministry requested that GTIS collaborate with the Ministry, the Guyana National Bureau of Standards, Guyana Tourism Authority (GTA) and the Tourism and Hospitality Association of Guyana (THAG) and assist through nationwide consultations on the development of four standards, namely:

1. The Code of Practice for the Assessment, Licensing, Registration and Classification and Grading of the Accommodation Sector
2. The Code of Practice for the Assessment, Licensing, Registration and Grading of Interior Resorts
3. Quality Management of Restaurant Services
4. Code of Practice of Tour Operators/Tour Guides

Link to Project Indicators: This activity supports:

- *IR-1: Key trade and investment policies, standards and practices are consistent with negotiated obligations and international best practices, through the development of standards that reflect international tourism standards*
- *IR-1.2: Country trade policy consultative process that fosters: a) public-private consensus on policy, regulatory and legislative priorities and b) increased domestic support for negotiating positions and international commitments by facilitating consultation in the development of policies*
- *IR-2: Increased competitiveness in the export of value-added products and services in the non-traditional sector by contributing to upgraded tourism services, which will likely result in an increase in export sales for the tourism sector (Performance Indicators 1 and 3)*

Counterparts: This activity was carried out in collaboration with the Ministry of Tourism, Industry and Commerce, the Guyana National Bureau of Standards, the Guyana Tourism Authority (GTA) and the Tourism and Hospitality Association of Guyana (THAG).

Timeframe: May to August 2005

Activities: To support the Ministry of Tourism, Industry and Commerce's public consultation efforts, the GTIS project assisted by:

- Sponsoring/hosting six consultations throughout Guyana
- Preparing consultation materials/information on proposed regulations
- Organizing logistics for meetings

Results: Between May and August, public-private consultations were held to discuss the proposed standards for the tourism/hospitality sector in six regions – Georgetown, Berbice, Essequibo, Bartica, Linden and Letham. Each consultation involved approximately 25 – 30 participants representing tourism/hospitality enterprises or business associations. During each consultation, regulatory officials presented the proposed regulations and provided participants with the opportunity to comment or make recommendations for improvements. At the end of the consultation period, the private sector's comments will be submitted to the Cabinet for possible inclusion in the final draft of the regulations. Once

implemented, the standards can be considered a milestone towards Guyana's participation in international best practices. Specific direct and indirect outcomes of the consultations included:

Enhancing competitiveness of tourism industry – The standards consultation were an important step towards the development of higher tourism standards within Guyana, part of an ongoing effort on the part of the government and the tourism industry to enhance the quality, and thus competitiveness, of Guyana's 'tourism product.' As Guyana's tourism standards and services come into line with international standards, it will gain access to new markets and possibly be able to attract a wider range of tourists (as opposed current tourist profile made up primarily of businesspeople and members of the diaspora), leading to a growth in visits and tourism receipts.

Facilitating private sector participation in policy formulation – The private sector often complains that the government makes policy and regulatory decisions with little or no input from the stakeholders their decisions may impact. This activity represented a model where the public-private dialogue can be used to reach a consensus on policies that impact the competitiveness of non-traditional export sectors. By including those who will eventually be responsible for applying the standards, the government improved the likelihood that 1) the standards are appropriate and applicable within the Guyanese context; 2) tourism and hospitality firms will support and comply with the standards, increasing their overall effectiveness and impact on upgrading service quality.

Follow-on Activities: Once the tourism/hospitality standards come into force, a number of follow-on activities will be required to enhance their effectiveness. These could include an awareness campaign, training on certification, and technical assistance to help some firms upgrade their services and facilities to meet certification requirements.

Guyana Investment Guide

Overview: The function of GO-Invest is to promote and encourage investment in Guyana. This includes providing potential investors with timely and accurate information on investment opportunities and the Guyanese business climate, organize investment promotion activities, and encourage and assist investors in the efforts to establish businesses in Guyana. Although the availability of business, investment and sector specific information can play a role facilitating investment, GO-Invest has prepared limited publications that it can provide to potential investors. Believing that an investment guide is a critical tool for communicating with investors and the domestic business community, Go-Invest (on behalf of the President of Guyana) requested that GTIS provide assistance the preparation of an Investment Guide.

Link to Project Indicators: This activity supports:

- *IR-2.2: Institutional capacity strengthened to identify and foster links among firms, by providing information that may facilitate new investment*

Counterparts: This activity was carried out in collaboration with GO-Invest

Timeframe: June to August 2005

Activities: GTIS consultants worked closely with GO-Invest to determine the form and content. While the document was to be used as a marketing tool, the guide was also intended to provide a realistic picture of the business environment, including constraints and limitations, so it would be seen as an accurate document. The format was designed to be a ‘living’ document whose data and information could easily be updated with minimal resources.

While some past publications on the investment climate were available for background resources, these were outdated and not comprehensive. As such, GTIS was required to carry out significant primary research. This included:

- Identifying and reviewing all legislation, policy documents and procedural information related to private sector activity
- Conduct interviews with the government regulators responsible for enforcing the legislation/policies/procedures
- Conduct intensive interviews with representative of banks and other financial institutions to determine the variety and nature of the financial products and services available to businesses and investors
- Conduct interviews with private sector individuals (local and foreign) and associations, to identify/verify legal, regulatory procedure and financial requirements.
- Complete a final investment guide for review by the Government of Guyana, USAID and other stakeholders. GO-Invest is responsible for its distribution.

Results: The completion of the investment guide is something that the government has been pursuing for some time. The guide contributes to ongoing efforts to increase the level of foreign direct investment (FDI). An accurate and professionally published investment guide is expected to 1) add credibility to Go-Invest’s investment promotion activities; 2) help increase awareness of improvements in the business environment and existing investment opportunities in Guyana, 3) help improve Guyana’s image abroad; and 4) raise Guyana’s profile as a promising place to do business. Since the investment guide was completed in the end of August 2005, it is too early to determine the actual impact the completion of the guide may have, but regular dissemination of the information provided could play a role in attracting new investment.

Market Survey of Export Potential of Guyanese Products to Jamaica

Overview: Traditionally, Guyana has been known primarily as an exporter of rice, sugar, bauxite and to some, gold and lumber. In order to promote regional and international awareness of the country's diversified range of non-traditional products, the Guyana Office for Investment and Export Promotion (GO-Invest) routinely carries out trade shows in the Caribbean and North America. GO-Invest plans to conduct a Trade Show for Jamaican distributors and wholesalers in January 2006 in order to familiarize these consumers of non-traditional Guyanese products available. In order for this effort to be successful, it is important that GO-Invest, producers, manufacturers and potential exhibitors have sufficient information and understanding of the Jamaican market, as well as current and emerging opportunities for Guyanese products. As such GO-Invest requested assistance from GTIS to carry out a market study in Jamaica.

This assignment is similar to those carried out for a number of Caribbean, North American and European markets under the previous USAID Guyana Opportunities (GEO) project.

Link to Project Indicators: This activity supports:

- *IR-2.2: Institutional capacity strengthened to identify and foster links among firms by providing the information and understanding for GO-Invest and Guyanese firms to effectively promote Guyanese product and establish relationships between Guyanese firms and potential buyers (Performance Indicator 3)*

Counterparts: This activity was implemented in collaboration with GO-Invest.

Timeframe: July to August 2005

Activities: The main focus of this task is a survey of the Jamaican market to determine the scope for exporting Guyana's main non-traditional products there, broadly defined as:

- Forest products – Wooden doors, wooden and nibbi furniture, craft products, mouldings, shingles, floorings
- Tourism - Nature and adventure tourism
- Fresh Produce – Fresh fruits and vegetables such as bora, egg plant, ochroes, pineapples, watermelons, and ground provisions
- Agro-processing – Jams, jellies, peanut butter, hot pepper and hot sauce
- Fisheries – Catfish, snappers, butterflyfish, sea trout, banga mary, and Freshwater Tilapia

The study involved an analysis of the Jamaican market to ascertain:

- a) Guyanese products with likely growth potential in Jamaica. This is to help determine which product to include in the trade show.
- b) Realistic price ranges for selected products.
- c) Approximate demand/market size for selected products (i.e. volume and value consumed, volume and value imported).
- d) Information from main importers, and distributors.
- e) Information on retailers who should be invited to the trade show.

Results: This market study contributes to efforts to identify and penetrate potential export markets. As a result of information obtained the market study, GO-Invest and its affiliated exporters are able to better prepare for the trade show in Jamaica. Through a better understanding of Jamaica's markets, Go-Invest can focus on promoting the products and services most likely to sell, rather than taking a shotgun approach. Furthermore, the advanced timing of the study provides interested Guyanese exporters the opportunity to adjust their products, packaging and pricing to better reflect the preferences and market conditions within Jamaica. In the end, this will likely lead to a more successful trade show with a greater proportion of exporters returning to Guyana with real or potential sales orders.

Although it is too early to determine the success of the trade show (in January 2006), early signs are promising. GTIS has been providing the list of Jamaican businesses/companies interested in trading with Guyanese counterparts to relevant agencies and firms in Guyana, who are in the process of establishing alliances in:

- Agri-business: Agri-ventures, a large processor and exporter of fresh and processed foods in Jamaica is already expected to visit Guyana at the end of September to seek out business contracts through the New Guyana Marketing Corporation and large farmers
- Seafood [especially aquaculture]
- Fashion and garments. Already, Pulse International scheduled a visit to Guyana with Go-Invest to meet with Fashion designers on Sept 15-16.

Follow-on Activities: A few Guyanese firms may require further assistance to effectively utilize the information provided in the study to be successful at the trade show. This may include assistance changing the packaging/appearance of their products according to Jamaican preferences, the preparation of promotional materials and exhibits, and carrying out some of their own marketing research.

Training of Peanut Sector Entrepreneurs at University of Georgia

Overview: The peanut sector is in transition. In recent years, domestic peanut planting and yields have jumped to more than 1.5 million pounds (2004). This is due in part to technical assistance from the Universities of Georgia and Florida and the Beacon Foundation, using funds from the USAID Peanut CRSP. This level of production (combined with continuing exports from low cost suppliers), have led to a glut in the domestic market. At the same time, potential export markets for value-added peanut products from Guyana exist in several English speaking Caribbean countries. For example, CARICOM countries have imported an average some 15 million pounds/year, including shelled, unshelled and value added peanut products. In general, Guyanese entrepreneurs are not exploiting these potential markets. One reason is because Guyanese peanut producers and processors lack the experience, state-of-the-art technical know-how and necessary skills to process and export quality peanut products on a regular basis.

Understanding the need to upgrade their products and production systems to be competitive in the Caribbean market, a number of Guyanese entrepreneurs involved in peanut processing and marketing have requested advanced training in the product development, storage, post harvest handling, processing, packaging, quality control and marketing of peanut products. This activity provided these entrepreneurs with a two-week training course at the University of Georgia aimed at enhancing their ability to successfully export value added peanut products.

This project is linked to another GTIS project, "Aflatoxin Training for the Guyana Food and Drug Department," which upgraded the Guyanese government's laboratory capability to certify that its peanuts are below minimal trade levels for Aflatoxins. The inability to certify Guyanese peanut products as Aflatoxin safe had presented a significant barrier to exporting to international markets.

Link to Project Indicators: This activity supports:

- *IR-2: Increased competitiveness in the export of value-added products and services in the non-traditional sector, by upgrading the capacity and product quality of Guyanese firms, which will likely lead to increased export sales (Performance Indicators 1 and 3)*
- *IR-2.1: Technical and business development services provided, through training for firms currently or planning to export peanuts (Performance Indicator 1)*

Counterparts: This activity was implemented in collaboration with the University of Georgia and the Beacon Foundation.

Timeframe: August to September 2005

Activities: This assignment involved a two-week training course in post-harvest handling, processing, packaging and quality measurements at the University of Georgia. The trainees spent 8 days in the facilities of the Department of Food Science and Technology (DFST) at Griffin, Georgia, and two days on fieldtrips touring peanut processing plants and other sites of interest. While at DFST, the trainees spent approximately one-third of their time in lectures and discussion sessions and two-thirds in a pilot plant and quality evaluation labs, receiving practical training. The lectures and hands-on training were designed to meet both general and specific needs of the individual trainees.

Results: Although it is too soon to measure the outcome of the training – which was completed in early September – initial responses from the participants indicate that it could have a large impact on the small, but promising peanut production and processing cluster through the introduction of 1) potential new products and recipes; 2) modern processing techniques; 3) ways to improve quality and safety standards; and 4) ways to more effectively market peanut products, particularly in terms of responding to customers'

taste and packaging preferences. As a result of these activities, the peanut processors have a greater capacity to compete, particularly within the Caribbean market. As processors expand production for export markets, demand for locally grown peanuts will grow, creating further income generation opportunities for peanut farmers, who are primarily from the Amerindian communities. Specific outcomes are discussed below.

Representatives from five Guyanese agro-processors currently exporting, or planning to export, peanut products (e.g. peanut butter, salted peanuts) traveled to Georgia for the two-week training program. Currently, these firms—which are SMEs—directly employ approximately 120 workers. Topics covered during the training included:

- *Food Product Development; Marketing; Economic Analysis; Impact Measurement*
- *Microbiological Issues Related to Storage & Handling*
- *Nutritional Quality of Peanuts*
- *Developing Recipes*
- *Selection of Packaging Materials*
- *Accessing Appropriate Technologies*
- *Sensory/Consumer Testing* with lab work Sensory Quality Evaluation
- *Assessment of Physical Quality* with lab work in color/texture/viscosity measurements

In the most cases, lectures lasted for about 3 hours a day, with the remainder of the training spent in a pilot peanut processing plant or a laboratory applying what they had learned. At the end of the program, participants visited the state-of-the-art peanut processing facilities of two Georgian peanut companies.

Although they felt that all aspects of the training were useful, interviewed trainees were particularly interested in the recipes for a wide variety of peanut products (e.g. cracked coated peanuts) that they received and produced during the training. One processor is excited that the development of new products based on these recipes will help distinguish his company within both the domestic and Caribbean markets, ultimately leading to new sales.

This training complements another GTIS project that aimed to develop Guyana's capacity to test and certify that peanuts do not have dangerous levels of Aflatoxin, a fungi found in some peanut products that can be fatal if consumed. In the past, the inability to test for Aflatoxin presented a major trade barrier to Guyana's peanut processors. With the combination of the new market access that can be obtained through Aflatoxin certification and the increased capacity resulting from the training, a number of Guyana's peanut processor are expecting a significant increase in production and exports. For example, one company is adjusting its business plan and considering new capital investments in order to DOUBLE production, with an aim to make inroads into the Trinidadian market.

Follow-on Activities: As the peanut sector matures, it is likely that it will continue to need further assistance upgrading and marketing new products. One processor suggested that the sector needs to take steps to establish 'peanut buying points' with proper storage and packaging facilities to make it easier for small peanut farmers to market their goods, and move toward standardization in the peanut industry. This would improve the efficiency of the supply chain as well as the quality of raw inputs.

Feasibility Analysis of Establishing a Common Kiln-drying Facility in Guyana

Overview: In order for Guyanese firms to successfully develop a market for processed, non-timber wood products, they must upgrade the quality of their products. One prerequisite for quality products is the use of wood that has been adequately dried. Very few companies, however, have invested in any form of wood drying systems. Presumably, this is because manufacturers do not have adequate production facilities to match kiln output or justify the cost of an on-site kiln-drying facility; or because potential kiln-drying investors perceive a lack of secure supplies or markets for kiln-dried lumber. As the Guyanese wood product sector matures, there is an increasing demand for accurately dried and sawn lumber for both processing (e.g. furniture, doors, molding) and construction materials. The Forest Products Cluster Working Group facilitated through the GTIS project, Guyana Forest Products Association (FPA) and the Guyana Forestry Commission have all recognized the need for efforts to investigate the market for kiln dried wood and promote investment in kiln-drying facilities. Within this context, there is a particular interest in determining whether the cluster should pursue an investor to establish a common kiln-drying facility able to provide drying services to firms of all sizes (for a fee), or whether the cluster should pursue investing in a number of small kilns to be used by individual firms or small groups of firms.

Link to Project Indicators: This activity supports:

- **IR-2:** *Increased competitiveness in the export of value-added products and services in the non-traditional sector by enhancing the capacity of Guyanese firms in the forest products sector to upgrade the quality, and thus competitiveness of their goods. This will likely lead to an increase in export sales in the value-added forest products sector (Performance Indicator 3) and ultimately the growth of non-traditional export sales (Performance Indicator 1)*
- **IR-2.2:** *Institutional capacity strengthened to identify and foster links among firms through facilitating the completion of tasks identified in strategic action plans developed by the Forest Product Cluster Working Group (Performance Indicator 2), and supporting collaborative efforts to address constraints impacting the forest product sector*

Counterparts: This activity is being carried out in collaboration with the Guyana Forest Commission, the Guyana Forest Product Association (FPA), Guyana Manufacturers Association (GMA) and the Forest Product Cluster Working Group.

Timeframe: August to October 2005

Activities: This assignment included a combination of analysis and strategic recommendations designed to compare the costs and potential from a common kiln-drying facility versus investments in smaller individual facilities. This activity involved extensive interaction with forest product stakeholders. Key activities included:

- A needs assessment of the entire forest industry in Guyana to determine 1) current practices in the timber industry regarding wood uses, local market supply, and export market behavior; 2) current and potential market demand; 3) advantages and disadvantages, supported by a cost benefit analyses, of establishing a common kiln-drying facility for Guyana's forest sector; and 4) a needs assessment of the physical and mechanical requirements and capability of the various types of kiln-drying facilities that would be suitable for Guyana's wood species.
- A feasibility study, cost benefit analysis and SWOT analysis for the potential implementation of a common kiln-drying facility.

- An evaluation of various types of kiln-drying methods and equipment (e.g. solar kiln-drying facilities, dehumidification dryers, di-electric kiln dryers, etc) to determine the type of equipment that would be most appropriate for Guyana’s timber species, from both a technical and economic perspective.
- Recommendations on the most appropriate engineering structures and physical and mechanical properties for kiln-drying Guyana’s timber species (including all densities of wood, moisture content and sizes) – both for value added production (for example, furniture making) and for primary production purposes.
- A 5 year Strategic Plan for the establishment of a kiln-drying facility in Guyana, including an examination of the financial requirements, organizational/management/control requirements and other operational and long term issues.
- Workshops for saw millers and other stakeholders to discuss project findings and to provide guidance to industry representatives on the recommended way forward.

Results: While it is too soon to determine the outcome of this activity, the feasibility study contributed to efforts by Guyana’s forest product cluster to improve the quality and hence, competitiveness of its exported wood products such as furniture, doors and molding. Although parts of the domestic market may purchase furniture constructed of improperly dried wood, international markets are more demanding. This project helps move the cluster towards the establishment of a reliable supply of properly dried wood. By having access to higher quality inputs, downstream producers will be able to produce higher quality, value-added wood products for both the domestic and export markets. Through upgrading their products, Guyana’s manufacturers will become more competitive, able to access markets with higher quality and design standards, ultimately leading to increased export values.

This activity complements other activities being implemented by GTIS and the Forest Product Cluster Group to enhance the cluster’s competitiveness. In particular, this includes the ongoing “Furniture Product Design and Development for Export and Coordination of Market Launches” activity that is helping capable manufacturers design, develop and launch new product lines for export markets.

Follow-on Activities: As this is just the feasibility phase, it is likely that the Forest Product Cluster Group and other members of the sector will require further assistance. Depending on the type of kiln-drying investment that occurs, this could include technical assistance and training in proper drying techniques for different types of wood, and the development and use of alternative drying techniques, such as solar kilns, that could be popular among smaller producers.