



USAID Guyana Trade and Investment Support

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

Year 2 Annual Report 2005 – 2006

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

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TABLE OF CONTENTS

I. INTRODUCTION.....	1
A. GUYANA’S DEVELOPMENT CHALLENGE: DIVERSIFICATION AND EXPORT EXPANSION.....	1
B. GTIS’ MARKET-LED APPROACH TO EXPANDING EXPORTS IN GUYANA	2
II. YEAR 2 ACTIVITIES AND ACCOMPLISHMENTS.....	3
A. OVERVIEW OF YEAR 2 ACTIVITIES.....	3
B. IR 2: INCREASED COMPETITIVENESS IN THE EXPORT OF VALUE-ADDED PRODUCTS AND SERVICES IN THE NON-TRADITIONAL SECTOR.....	4
<i>Agro-processing Cluster Activities.....</i>	5
<i>Forest Product Cluster Activities</i>	6
<i>Aquaculture Cluster Activities.....</i>	8
<i>Tourism Cluster Activities.....</i>	9
<i>Cross-Cluster Activities.....</i>	12
C. IR 1: KEY TRADE AND INVESTMENT POLICIES, STANDARDS AND PRACTICES ARE CONSISTENT WITH NEGOTIATED OBLIGATIONS AND INTERNATIONAL BEST PRACTICES.....	12
<i>Strengthening Institutional Capacity for Trade Facilitation and Trade Negotiations.....</i>	13
<i>Creating Awareness for Informed Discussion.....</i>	15
III. YEAR TWO ADMINISTRATIVE AND MANAGEMENT ACTIVITIES.....	16
<i>Change in Project Leadership.....</i>	16
<i>End of Trade Policy Manager Position.....</i>	16
<i>Trade Policy and Trade Capacity Building Work Program Review.....</i>	16
<i>Knowledge Management</i>	17
<i>Monitoring and Evaluation</i>	17
<i>Donor Coordination.....</i>	17
IV. ACTIVITIES PLANNED FOR YEAR 3	17

I. INTRODUCTION

This annual report provides an overview of Year 2 activities under the Guyana Trade and Investment Support (GTIS) Project. The GTIS Project is a four-year and three-month long project funded by USAID and implemented by CARANA Corporation. The project is designed to support the USAID/Guyana's strategic objective (SO)—*Environment for Sustained Growth of Value-Added Exports Strengthened* and the ultimate goal of achieving a significant expansion in the value of non-traditional exports, particularly in the agro-processing, aquaculture, tourism and value-added wood products sectors. This will be achieved through progress under two immediate results (IR):

- *IR 2: Increased competitiveness in the export of value-added products and services in the non-traditional sector*
- *IR 1: Key trade and investment policies, standards and practices are consistent with negotiated obligations and international best practices*

By supporting enterprises, private sector organizations and government institutions, the GTIS project expects to catalyze a significant increase in non-traditional value-added exports. 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.*

The Annual Report is divided into five sections, including 1) an overview of Year 2 activities; 2) activities supporting IR 2: *Increased competitiveness in the export of value-added products and services in the non-traditional sector*; 3) activities supporting IR 1: *Key trade and investment policies, standards and practices are consistent with negotiated obligations and international best practices*; 4) Year 2 administrative and management activities; and 5) an overview of activities planned for Year 3.

A. GUYANA'S DEVELOPMENT CHALLENGE: DIVERSIFICATION AND EXPORT EXPANSION

For years, public, private and donor stakeholders have agreed that Guyana will only achieve economic growth through sustained export growth and diversification. Industry players repeatedly proclaim their desire to move away from traditional exports (e.g. rice, sugar, timber, bauxite, gold, etc) into value-added export markets more likely to result in increased job creation and income generation. Yet they have not found ways to effectively identify and penetrate value-added markets where Guyanese producers, manufacturers and exporters can compete. The failure to expand exports into these markets is not due to a lack of demand, ability, or production capacity, but the result of an information gap between the market and Guyana, leading to two negative outcomes.

1. Most Guyanese firms in non-traditional export industry clusters are not fully aware of the opportunities that exist in global markets, particularly those in North American and Europe. Even if they are aware of these opportunities, they have neither the market exposure nor the contacts necessary to establish relationships with buyers. Nor do they sufficiently understand the demands and expectations of global buyers—in terms of standards, specifications and best practices—that they must meet in order to be considered credible suppliers. Without this actionable information, it is difficult for firms to take the steps needed to penetrate these markets.
2. Guyana is not considered a player in global aquaculture, fresh produce, tourism or value-added wood products markets. Potential buyers have only a limited understanding of what Guyana has to offer—in

terms of potential product offerings and productive capacity—outside of its traditional export products. In many respects, it has been “off the map” in the eyes of many buyers.

Over time, this paradigm caused Guyana to miss opportunities to expand exports and reach towards its development potential. It has also led to a race to the bottom where only buyers interested in raw materials (e.g. raw timber, bauxite, gold) or low value-added products (e.g. rice, sugar, some seafood) do business in Guyana. It has also contributed to under-investment in productivity and quality upgrades within target sectors, making it even harder for Guyanese companies to be considered credible in the eyes of global customers.

In order to reverse this trend, Guyana needs to transform the way that it looks at the global market, and move from a supply-driven, and somewhat insular model, towards an outward-looking, market-led model that responds to market information obtained through interactions with global buyers, investors, and industry players. Guyanese firms need to engage the global market to determine what to produce and how to produce it, all the while making investments to upgrade quality, productivity and product design. At the same time, government officials must look to the market to determine the policy and regulatory issues MOST affecting exporters’ ability to access, penetrate and compete in global markets and focus the efforts and resources required to address these issues. For this to happen, public, private and donor stakeholders must work together to establish a platform from which Guyana’s exporters can have access to the market contacts, information and industry best practices needed to close deals and become dynamic players within the modern global economy

B. GTIS’ MARKET-LED APPROACH TO EXPANDING EXPORTS IN GUYANA

The GTIS Program is implementing a market-led, export development program involving initiatives that bring Guyana to the market and provide firms and organizations with the tools to respond to the demands of today’s competitive wood products, agribusiness, aquaculture and tourism markets. This includes:

- ***Ongoing support through a series a market linkage activities*** that 1) raise the credibility and positioning of Guyana as a place to do business; 2) provide a venue for Guyanese firms and industry representatives to establish market contacts and engage influential buyers and investors in key markets; 3) help Guyanese firms translate market contacts into deals. This includes support for membership in key international industry associations and participation in trade shows, alongside ongoing matchmaking support as international buyers show interest in Guyana.
- ***Firm and supply chain level assistance aimed at addressing critical issues*** impacting their ability to access markets and respond to buyers’ demands. This includes work in the areas of product design, quality assurance, and productivity and standards compliance, as well as efforts to facilitate investments in ‘common’ goods needed to meet industry-specific requirements, such as cold storage facilities—for fresh produce and aquaculture exports—and kiln drying facilities—for high value wood products. Whenever possible, the project will attempt to identify potential buyers willing to partner in the provision of ‘embedded’ services in order to strengthen the capacity of their global supply chains.
- ***Working with sector-specific organizations and regulatory bodies to improve the enabling environment for Guyanese exporters to identify, access and penetrate international markets.*** This includes 1) support for institutional marketing capacity within the FPMC, NGMC and GTA; 2) providing government agencies mandated to regulate quality and Safety and Phyto-sanitary (SPS) standards with the laboratory and testing capabilities necessary to enable exporters to comply with international standards; 3) support policy, regulatory and institutional improvements that reflect international best practices and industry success factors.

The GTIS project focuses on cost-effective, high-impact, and market oriented activities that result in quick wins—such as the millions of dollars in signed and potential deals for value-added wood products achieved in Year 2 with only \$60,000 in GTIS resources—while laying the foundation for long-term competitiveness and export-led growth. In particular, achieving rapid export increases and new private investment is critical to 1) demonstrate to Guyanese firms and skeptics that Guyana can indeed compete in non-traditional export markets; 2) develop a positive track record to raise Guyana’s credibility and possibilities in the eyes of international industry players; 3) transform the way that both the public and private sector view and respond to opportunities in international markets.

In addition to targeting quick, yet sustainable wins, the GTIS project strives to be flexible and opportunity-driven. In today’s dynamic global economy, exporters throughout the world must be able to adjust to changing market trends and consumer demands. Unless they are flexible and open to these changes, they will ultimately be unable to compete. Similarly, a market-oriented program like GTIS must remain flexible and opportunity-driven in order to provide the services most needed by firms/supply chains trying to penetrate international markets. Within this context, the GTIS team will consistently look to international buyers, local industry players and government officials to determine activities that utilize USAID funding in the most effective manner.

II. YEAR 2 ACTIVITIES AND ACCOMPLISHMENTS

A. OVERVIEW OF YEAR 2 ACTIVITIES

In its second year of implementation, the GTIS project observed accelerated progress in the expansion and diversification of non-traditional exports attributed to USAID-funded initiatives. This is an outcome of GTIS’ market-led initiatives that help firms and industry players establish global market linkages and address issues limiting their ability to meet the demands and standards of international buyers. For example, GTIS enabled representatives from the aquaculture, value-added wood products and tourism sectors to join international industry associations and participate in industry specific trade shows, all-the-while providing firms with matchmaking assistance as they nurtured the subsequent business relationships. This approach is exposing the global market to what Guyana has to offer, raises its credibility as a place to do business, and enlightens Guyanese companies to the opportunities and demands of the global market. Already, participating firms are reporting a significant increase in orders from buyers in the U.S., Europe and elsewhere. In the value-added wood products cluster alone, GTIS’ collaborative marketing efforts with the Forest Product Marketing Council have helped lead to an estimated \$15 million in signed or pending export deals.¹

While increases in export figures are always something to celebrate, it is the nature of the deals and export opportunities resulting from GTIS-supported activities that underscores their real promise. GTIS-recipient firms are in the process of introducing new, higher valued products not previously exported, and in the case of aquaculture and birding tourism, moving into export sub-sectors that are all but new to Guyana. For example, in aquaculture, GTIS facilitated the establishment of the National Aquaculture Association of Guyana (NAAG), a joint public-private organization aimed at supporting the emergence of an export-oriented aquaculture cluster and the initiation of exports in 2007. Just as important as this diversification, Guyanese companies are using their new awareness of the market and interaction with potential buyers to produce new or improved products, invest in upgrades and adapt the way they do business to reflect industry best practices.

As firms engage the market, many require assistance to develop the capacity to meet new and expected orders. In Year 2, GTIS provided firms with a range of technical assistance to improve quality in design

¹ Transactions expected to be completed through end of FY 2007.

and production, develop products and services, adopt international standards (ISO), price out products, and strengthen their supply chains, as well as facilitating firms efforts to obtain the financing and investment they need to grow and flourish. In one case, GTIS provided support for product design and marketing for a furniture manufacturer, resulting in a profile in Oprah's O Magazine. GTIS has followed up with supply chain management support to make sure the manufacturer is able to respond to an estimated \$1 million in subsequent orders.

GTIS initiatives go beyond interventions focusing on firms alone, but also integrate efforts to strengthen sector-specific regulatory frameworks and the capacity of public institutions mandated to facilitate trade and improve the enabling environment for GTIS target sectors. Examples include support for Ministries of Agriculture and Health to establish a poultry testing laboratory, which is critical for gaining access to poultry export markets in the CARICOM region; working with the Guyana Forestry Commission to set up a legal verification system so that international buyers can be assured that sustainable logging practices are being used; and supporting the Forest Product Marketing Council (FPMC), New Guyana Marketing Corporation (NGMC), Guyana Tourism Authority (GTA) in their marketing and promotion efforts.

In addition to these sector-based activities, GTIS has also taken steps to improve Guyana's ability to access international markets through sound trade policies and informed participation in global trade negotiations. This includes an on-line training course in international trade and commercial diplomacy for trade officials and private sector representatives; support to inform services trade liberalization and Guyana's participation in services negotiations being held under the auspices of the E.U. Partnership Agreement (EPA) and WTO General Agreement on Trade in Services (GATS); and IT and data management support to facilitate the access and utilization of trade-related information/data within the Ministry of Foreign Trade and International Cooperation (MOFTIC).

Throughout year 2, GTIS activities were implemented against the backdrop of Guyana's launch of its National Competitiveness Strategy during the Presidential Summit in May and ongoing high-level public-private-donor consultations regarding its execution. Once again, these events and the wider NCS process highlighted GTIS' importance and relevance in Guyana's development agenda. More than ever, GTIS is regarded by all parties involved as a critical strategic, intellectual and technical partner. For example, the Guyana Investment Guide, produced by GTIS and launched alongside the NCS at the Presidential Summit was praised as an important component to efforts to attract investors and buyers to Guyana; Chief of Party Carl Larkins has served as a strategic advisor for the NCS, participating in the Competitiveness Steering Council and the Donor Harmonization Group; and GTIS' public-private collaboration has helped accelerate the design and implementation of national initiatives in the aquaculture, forest product and tourism sectors.

Together, GTIS activities are helping create an environment where Guyanese firms are able to identify and penetrate markets in the Caribbean, U.S. and Europe. Already, a new sense of excitement and anticipation is noticeable among counterparts who see opportunities to reach new markets, expand exports and become more competitive, even if significant challenges remain in Guyana's overall operating environment.

A discussion of the activities carried out during Year 2, by intermediate result (IR) is provided below.

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

A majority of GTIS Year 2 efforts and financial resources focused on a market-led export promotion program designed to facilitate a significant increase in non-traditional exports, introduce new export products in international markets, provide exporters the information, knowledge and technological

transfer needed for them to respond to market demands, and transform the way that Guyanese firms operate within the context of global markets. Most activities involved joint public-private sector collaboration with GTIS playing a supportive and catalytic role in translating opportunities into reality. Some activities resulted in new export deals (e.g. up to \$15 million in value-added wood products), while others laid the foundation for the introduction of new products and services and higher exports in the next year. Year 2 activities, by specific industry cluster focus, are presented below.

Agro-processing Cluster Activities

With an abundance of arable land and fresh water, and an ideal climate that allows for a year-round growing season, Guyana should be exporting far more non-traditional (NT) agricultural products, such as fresh produce and processed foods, than the annual \$6.8 million figure observed in 2005. Unfortunately gaps in producers/exporters awareness of new global opportunities—and thus dependence on traditional exports—poor packaging and handling techniques, and issues related to safety and phytosanitary (SPS) standards inhibit Guyana from taking advantage of export opportunities in North American, European and regional markets. Responding to these issues, GTIS' 2006 work program included initiatives that helped lay the groundwork for the introduction of Guyanese products (e.g. bull-nose peppers and livestock) into export markets and initiated activities aimed at improving packaging and handling.

- ***Support for Export of “Bull nose” Peppers*** – GTIS, in collaboration with the New Guyana Marketing Corporation (NGMC), National Agricultural Research Institute (NARI), Laparkan (a transport and logistics firm) and Guyana Agribusiness Association (GABA) initiated a pilot project (to continue into Year 3) to produce a special “bull nose” hot pepper for an identified US export market. The project involves the identification of a buyer, support for the provision of inputs (e.g. seedlings), packaging and handling according to buyers' needs and marketing and promotional activities. Approximately, 25 farmers are involved from different areas of Guyana. This project should see the export of up to 20,000 lbs within a year, amounting to \$350,000 in new fresh produce exports. It is hoped that this format of collaboration among the various stakeholders could be duplicated in the production of other high potential export products such as pumpkins, plantains and pawpaw.
- ***Post-harvest Handling Training for Fruits and Vegetables*** – Approximately 40% of produce is lost due to bad post harvest handling, particularly during the transportation and holding stages. In order to help maintain the value of Guyana's fresh produce exports and meet quality demands of buyers, GTIS collaborated with the NGMC and other agribusiness stakeholders to find appropriate and cost-effective remedies. In February, a GTIS post-harvest handling expert conducted six workshops in Regions 2,3,5,6 and 10. Approximately 160 farmers received training in techniques of pre- and post-harvest handling. GTIS also worked with NGMC to find a mechanism to introduce plastic crates for the transport of fruits and vegetables from farm to market place/ processing site. Caribbean Containers Limited was considered a candidate to produce 6,000 specialized crates for the export of various products for a pilot initiative under development for Year 3. In addition, GTIS is working with the NGMC and Laparkan to explore ways to improve cold-storage facilities at the New GMC processing plant at Sophia and at Laparkan Air Cargo's facility at the airport. In the past, the lack of a cold chain has limited the growth of fresh produce exports.
- ***Support for Development of Livestock Exports to Regional Markets*** – In response to an ongoing export potential for livestock (beef, sheep and goats) to the Caribbean region, GTIS supported analyses aimed at providing the information needed to initiate 'next steps'. In one activity, a GTIS consultant completed a feasibility study and business plan for the use of up to 5,000 acres of pastureland for production of 50,000 sheep and goats. If initiated, this business plan could result in 400,000 lbs of annual exports to regional markets. In another activity, GTIS collaborated with the

Ministry of Agriculture to carry out a livestock census in Regions 5 and 6, considered the key areas for the possible production of beef for export. A livestock census is required for Guyana to export beef to the CARICOM Region.

- ***Workshop on Accessing Credit*** - At the request of the Agro-processing Cluster Working Group, GTIS sponsored a workshop in collaboration with Development Finance Limited South America (DFLSA) and Microfin. Representatives from the two financial institutions discussed their products and services and informed participants on the requirements and process for obtaining loans. Participants had an opportunity to ask questions and receive feedback from the companies. Thirty (30) people attended, some of whom have already approached DFLSA for credit.

Forest Product Cluster Activities

With vast forest resources covering more than three-quarters of its landmass and containing over 1,000 tree varieties, Guyana is well placed to expand its role as a supplier of a wide range of wood products. In many respects, however, this potential is yet to be realized. While the country exports significant volumes of wood products every year, its product offering is relatively limited. Most export activities involve products that 1) have undergone limited processing, with little value added (e.g. rough sawn lumber, pilings); and 2) primarily utilize a small number of species. For years, Guyanese industry players have proclaimed their desire to move away from the country's traditional timber exports and move into value-added wood products markets but did not have the information, market exposure or the tools to do so.

In its second year, GTIS embarked on an aggressive initiative to raise the profile and credibility of Guyana's value-added wood products sector, establish new market linkages and facilitate business relationships resulting in new export deals. These efforts are expected to result in up to \$15 million in new exports in 2007. These activities were complemented by initiatives aimed at improving product design and quality, enhancing supply chains and the improving the availability of inputs in order to raise the long-term competitiveness of the cluster.

- ***Market Linkage Support to Forest Product Marketing Council and Industry Stakeholders*** – Beginning in March, GTIS embarked on an ambitious initiative aimed at significantly increasing the level of value-added wood products exports. Activities focused on catalyzing Guyanese engagement with potential buyers in the U.S. market. Initially, GTIS provided the funding necessary for the FPMC and a number of wood products companies to obtain membership in the International Wood Products Association (IWPA), followed by support for Guyanese participation in the Association's fair and convention in Arizona. The trade show provided a platform for GTIS, FPMC staff, and company representatives to engage a number of market movers, including the Head of the IWPA. This activity was complemented by promotional trips to the U.S. by GTIS and FPMC staff and ongoing matchmaking and relationship building between potential buyers and Guyanese firms.

This market exposure successfully raised buyers' interest in Guyana as a sourcing location. As of September 2006, a number of wood product buyers had sent representatives to scope out potential suppliers. At that time, contracts worth upwards of \$3 million had been signed. With a number of deals pending or under negotiation, this activity could still result in up to \$15 million in new exports annually. The deals include products that 1) have never been produced for export before; 2) capture higher prices than those offered in local or traditional export product segments; 3) give value to wood cuts that were previously scrapped; 4) and commercialize lesser-known species. Some Guyanese firms have hired new employees or established sub-contracting networks with a number of small sawmills in order to respond to the size of the new orders. As an added benefit, at least one of the buyers has sent wood products specialists to Guyana to work with local suppliers as they prepare the

initial order. These embedded services are facilitating the critical knowledge and technology transfer needed for the sector to upgrade the level of quality and productive capacity in order to be more competitive in global markets.

The long-term impact of this activity has yet to be seen. As of September, international wood products companies were considering investing in offices and/or production facilities in Guyana, as well as increasing their demand for Guyanese products. In addition, a number of potential buyers, including Lowes (US), have shown an interest in buying from Guyana but have not visited yet. The GTIS project hopes the dramatic results of its market linkage activities in the value-added wood products sector will help change Guyana's consistent bias towards the export of raw timber to maximize the value potential of the country's forestry resources in a more sustainable manner.

- ***Product design/prototypes and market launches of contemporary furniture for export*** – In order for Guyanese furniture manufacturers to compete globally, they must differentiate themselves from low cost competitors. One way to do this is by upgrading product quality and listening to buyers to develop new products they want. As part of an initiative lasting more than one year, GTIS worked with Liana Cane and the Wai-Wai Amerindian community to design and prototype a line of contemporary furniture for export. FY 2006 activities focused on preparing for the launch of the line at the International Contemporary Furniture Fair (ICFF) held in New York in May 2006. The fair represents the top 2 percent of the furniture and accessories market in the U.S., with a particular focus on high-end, specialized furniture products. GTIS and the participating firms showed the furniture line and took part in a number of events to publicize the line's launch, including an appearance on the Today Show, and a web-documentary produced by the New York Times. While at the fair, these products were selected from over 600 exhibitors to receive the Editors Choice Award for Craftsmanship, one of only 12 awards given. This recognition has raised brand awareness and made Guyana synonymous with contemporary design and quality manufacturing.

The success of the launch has exceeded expectations. The newly designed products have been consistently covered in the design press, both in the U.S. and abroad, including Azure Magazine, Metropolitan Home, Dwell, and Redizione Flair. Articles on the new line appeared in the New York Times, the Boston Globe, the Globe and Mail, and Newsweek. Part of the line will be featured in Oprah's Home Magazine this fall. The publicity has resulted in a good deal of interest, including key industry players such as Crate & Barrel and Room and Board. As of September, there have been over 300 inquiries on the line. It is expected that the initial shipments will amount to \$120,000. The GTIS project and Liana Cane estimate that the new line could result in up to \$1 million in new exports as more than 1000 sets (approximately 5000 pieces) could be ordered over the next year.

- ***Follow-up to Prototype and market launch at ICFF: CDC Volunteer Supply Chain Management and Production Support*** – The success of Liana Cane/Wai Wai furnishing line's launch created a good challenge: making sure that the companies are able to respond to an expected increase in orders resulting from Oprah's O Magazine. As part of the sub-contract with the Citizens Development Corps (CDC), a volunteer industrial engineer worked with Liana Cane, Summerson's (a sub-contracted manufacturer) and suppliers of wood inputs to help organize a supply chain able to supply kiln-dried wood and produce selected furniture pieces at a consistent level of quality. Assistance included pricing, production planning, factory management and quality control.
- ***Support for Design/Quality of High-end Doors*** – In 2005, Guyana Furniture Manufacturers (GFM) identified a buyer for high-end doors, a market contact that could lead to monthly shipments as high as \$225,000. In order to meet the demands of the buyer, it needed to take steps towards improving the door's quality and design. To assist, GTIS mobilized two wood products specialists to carry out a

technical analysis on the door designs and the company's capacity to produce the high-end doors and provided recommendations for new investments in equipment, tools, designs and process flows. Once these recommendations are implemented and GFM secures raw materials from a timber concession owned by Puruni Wood Products (see activity below), the company is expected to export 900-1,000 of the newly designed doors each month.

- ***Timber Inventory with Puruni Wood Products and GFM*** – In order to increase the utilization of its productive capacity (and respond to the order discussed above) GFM needed to secure a reliable source of raw material. GFM established a sister company, Puruni Wood Products, and purchased a concession. GTIS provided assistance for the completion of a Timber Inventory and Forest Management Plan as well as some of the other regulatory requirements that must be complied with before the company can harvest logs from its concession. The plan developed by the GTIS consultant was approved by the GFC. Once operational, Puruni is expected to produce a minimum annual yield of 36,000 cu mt logs / 17,000 cu mt of sawn lumber, valued at US\$9.3 million. Approximately 50 percent of its production will be used by Guyana Furniture Manufacturing Company for downstream processing, thereby improving its supply chain and enabling the company to significantly increase utilization of its existing capacity
- ***Upgrade of Guyana Technical Institute (GTI) Training Capacity*** – One of the cluster action plans outlined by the Wood Product Cluster Working Group in 2005 involved workforce development efforts to strengthen the pool of workers able to meet the needs of the wood manufacturing industry. These efforts focused on raising the training capacity of the GTI. One leading local manufacturer offered to provide training free of charge if the GTIS project helped upgrade the equipment needed for the training activities. In January, GTIS delivered a double spindle Moulder/shaper purchased from Ritter Manufacturing in the US. The shaper was installed and the tutors of the Institute trained in the use of this machine for mass production in manufacturing. The training curriculum was revised to reflect the needs of manufacturers and training initiated. This investment will likely see a significant longer term return as the facility will annually train approximately 20 students who will be readily absorbed by manufacturing, and the shaper itself will have a life span of more than 20 years.
- ***Supporting supply chain linkages for wood sector/establishment of Kiln-drying facility*** – The lack of widely available kiln-drying facilities is recognized as an impediment to the expansion of the wood product cluster into high value-product markets that require wood products with specific moisture content specification. In response to cluster/sector priorities during 2005, GTIS continued to explore ways to catalyze investment to establish kiln-drying facilities in Guyana in the Berbice area, where discussions with industry players suggest that a facility is most needed to expand higher-value wood product exports. At the end of Year 2, GTIS was in discussions with a number of potential kiln-drying investors with possibilities for joint ventures and a credit arrangement with Development Finance Limited (DFL).

Aquaculture Cluster Activities

While Guyana's marine resources have always played an important role in the economy, issues related to sustainability and the commercial viability of key marine species (i.e. shrimp and sea bob) have raised concerns. This has led many public, private and donor stakeholders to pay more attention to the export potential of the country's fledgling aquaculture sector, where recent feasibility and market studies suggest that Guyana existing irrigation system (initially designed for rice) and proximity to U.S. markets provides an opportunity to become an exporter of fresh tilapia to North American markets.

After placing an initial focus on the marine seafood sector in Year 1, the GTIS project decided to focus more resources on the aquaculture sector where the opportunity for growth potential was greater and

concerns over sustainability and natural resource management less pressing. This decision was also influenced by the fact that the Government's National Competitiveness Strategy placed a significant emphasis on aquaculture as a sector for "fast track development." GTIS worked with a group of interested entrepreneurs, GO-Invest, IPED and the manager of the government-run aquaculture research center at Mon Repos to develop an action plan focused on success factors necessary for the successful development of the sector. The plan focuses on establishing linkages with the international aquaculture industry, the establishment of an aquaculture association, investment attraction and efforts on developing or securing sources for inputs such as fingerlings and feed. GTIS collaborated with other donors, particularly DFID in market and investor identification activities. Year 2 activities included:

- ***Support for establishment of National Aquaculture Association of Guyana (NAAG)*** – Responding to the need for an organizing body for the mobilization of the aquaculture cluster, GTIS funded the cost of registering NAAG as an NGO and served as the office for the weekly meetings held by the Secretariat.
- ***Support for market linkage activities*** – When working with a nascent, export-oriented cluster, it is critical to 1) understand industry best practices and the demands of the market; and 2) attract the attention of potential investors and buyers. To achieve this, GTIS supported Guyanese membership with the American Tilapia Association (ATA) and the World Aquaculture Society and sponsored NAAG participation at the International Symposium on Tilapia Aquaculture (ISTA) in Veracruz, Mexico in September. The ISTA is a gathering place for tilapia biologists, researchers, industry suppliers, farmers, and seafood marketers from around the world. During the conference, Guyanese representatives identified suppliers of 'supermale' tilapias, a preferred breed, learned about the ways to carry out polyculture (breeding of shrimp and tilapia), visited intensive aquaculture farms in Mexico and made connections with potential buyers and investors. Negotiations are pending with exports for at least one major buyer scheduled to begin in 2007.
- ***Feasibility study for large aquaculture enterprise at Von Better*** – GTIS co-funded a feasibility study with the Kayman Sankar Group of companies to examine the potential of developing 2000 acres of land for large-scale aquaculture production. A proposal was made to pool capital under a single joint stock company to finance the facility. The feasibility study, conducted by the Jamaica Boilers Association concluded that the site was ripe for development and that export opportunities justified the cost of investment.

GTIS is currently working with the Kayman Sankar Aquaculture farm and a second large farm -East Coast Aquaculture to enhance production of tilapia that will be ready for export by late 2007 on a sustainable basis. These two farms are the most promising as tilapia production has started on them, and their infrastructure is already in place for stepping up production on a commercial scale, but increasingly new businessmen are indicating willingness to commit more land and resources to this venture.

Tourism Cluster Activities

The fact that Guyana's unspoiled beauty, unique cultural heritage and natural attractions make it an ideal destination for tourists has not gone unnoticed by Guyanese stakeholders or donor programs. While Guyana has seen many tourism studies and market strategies, there has been little catalytic action aimed at actually developing the industry. Working with both government and cluster stakeholders, the GTIS program has taken concrete steps towards moving the tourism sector forward. This includes support for activities aimed at raising the quality of Guyana's tourism product and tourism/hospitality services and

raising the profile of Guyana as a destination for global travelers, placing a particular emphasis on the birding tourism sector, a niche market where Guyana has a comparative advantage.

- ***Bird Watching Tourism Development Initiative*** – Through its knowledge of the global tourism industry and level of development of the Guyanese tourism product, the GTIS project determined that the bird watching tourism sector represented a market niche where Guyana could realistically attract new tourism business. This is due to the fact that birders may be willing to look beyond Guyana's shortfalls in tourism infrastructure in order to experience Guyana's unique offering of flora, fauna and rare birds. Working with the GTA, THAG and local tour operators, GTIS embarked on a comprehensive initiative that focused on raising the profile of Guyana's birding tourism offerings within international tourism markets, attracting the attention tour operators and individual tourists and raising the quality of the birding product. Activities in FY 2006 included:

1. A birding marketing action plan that surveyed the strengths and weaknesses and identified target markets and steps needed to effectively raise the attractiveness of the birding sub-cluster and market Guyana in international tourism markets.
2. Strengthening the capacity of the GTA to promote Guyana tourism and develop business linkages in the global marketplace
3. Assistance in the development and upgrade of birding itineraries.
4. The development of world-class promotional materials to be used at trade shows in the U.S. and the UK.
5. Development of a web-site www.guyanabirds.com, complete with information on birding in Guyana, birding itineraries, bird checklists, birding stories and other resources.
6. Support for Guyanese participation at Bird show in the U.S. and UK. This included the American Birding Association (ABA) Fair in Maine and the British Bird Fair in Rutland, UK. GTIS used these events not only for marketing, but also to get international tourism operators' opinion of what Guyana needs to do—in terms of product development, training, quality of services, etc.—in order for the birding tourism sector to grow.

The Birding trade fairs were particularly successful in drawing the attention of international tour operators. A number of bird watching and eco-tourism magazines (e.g. Birds Illustrated, Bradt Travel Guide) have shown an interest in featuring Guyana in their magazines, saying that the often-overlooked South American country appears to be on the cusp of becoming a new niche tourism destination. 20 tour operators agreed to take part in a familiarization tour to take place in November of 2006. It is expected that these market linkages will result in new bird tourism receipts in 2007.

- ***Tourism Training Needs Assessment*** – As part of an initiative requested by the Tourism Cluster Working Group, GTIS worked with THAG, the GTA and the University of Guyana to carry out a training needs assessment for the tourism sector. The survey identified various categories of skills in the hospitality sector where training and/or capacity building is needed to meet both current and future demand/standards for improved service. The needs assessment was used as the basis for tourism/hospitality workforce development program supported by GTIS at the request of the Cluster and MinTIC (see below).
- ***Participation in Caribbean Tourism Organization (CTO) Conference*** – In late May, GTIS sponsored three persons to participate in the Caribbean Tourism Organisation's 2nd Tourism HR Conference in the Dominican Republic. GTIS program staff, the Executive Director of the Tourism and Hospitality Association and the Coordinator designated to manage the implementation of the

Tourism Training Project attended the event to determine which regional standards and guidelines they should focus on in tourism training activities (see above).

- ***Tourism/hospitality training program*** – As a host for matches during the 2007 Cricket World Cup, Guyana has an opportunity to raise global interest in its potential as a tourism destination. To do this, however, Cricket fans must have an overall positive experience. Stakeholders in the Government and the tourism cluster are concerned the relatively poor quality of tourism and hospitality service in Guyana could taint its image. GTIS was asked to support a tourism/hospitality workforce development program. This activity involved the procurement of equipment to upgrade the training facilities at the Carnegie School for Home Economics, a train-the-trainer course for Master Trainers from Carnegie School of Home Economics, THAG, Le Meridien Pegasus, Berbice UG Campus, and UNESCO. From September 2006 to February 2007, these trainers will provide training courses in front desk service, housekeeping and restaurant service.
- ***Interior Design for Hospitality and Hotel Industry*** – In addition to challenges with service quality, Guyana needs to upgrade the attractiveness of its accommodations in order to be considered a tourism destination. Through a cost-sharing activity with 4 hotels in the process of expansion, GTIS hired an interior design specialist to assist in the design and planning stages to ensure that the completed improvements would reflect the design and appearance standards of the international tourism industry. The specialist reviewed building and interior plans and made recommendations to improve the construction and interior design of the rooms. Beneficiaries included Grand Coastal Inn, Brandsville Apartments, BM Hotel, and Tower Hotel. The recipient-hotels have not only praised the assistance, they have incorporated the designer's advice as they expand their facilities. The hotels note that the assistance raised the bar on level of quality of the hotel product offered in Guyana. In order to widen the impact of the specialist's fieldwork, GTIS held a workshop for a wider group of hotels to discuss setting up hospitality standards for the industry. About 30 people attended this workshop.
- ***Support for German ITA Trade Show*** – For the second year in a row, GTIS provided support (rental of booth space, construction, production and shipping of materials, airfare and accommodation for staff) for the Guyana Tourism Authority to attend the ITB German Travel and Trade Show in March 2006. At this event, Guyana continued to make its presence felt in the Caribbean village, as it has been doing over the past 10 years. Approximately 150 persons visited the booth every day over 5 days. Interesting leads included: a journalist travel writer and study tour leader interested in featuring Guyana in one of Germany's trade publications and organizing educational visits for German students; an Ulf Hoffman journalist interested in producing a documentary on Guyana; and MK Tramping interested in adventure tourism. Beacon South America, interested in dual destination packaging, also showed interest in Guyana. German travel trade specialists emphasized the need for the Caribbean to position itself as a more diverse destination and highlighted the need for Guyana to properly brand itself and have the promotional materials (e.g. Explore Guyana Magazine) printed in German.
- ***Linden Tourism Guide and IT Support*** – GTIS collaborated with the Linden Economic Advancement Program (LEAP) to support the development of a tourism guide for a Linden Tourism Association website. These items were prepared in anticipation of Linden Town Week activities that took place in the final week of April. Over 300 overseas Lindeners attended.
- ***Yachting Study*** – At the request of MinTIC, GTA and the tourism cluster groups, a GTIS consultant traveled to Guyana in February to survey opportunities for promoting yacht tourism and develop an action plan to increase tourism arrivals by attracting more yachters to Guyana. The report suggested

that opportunities did exist, however, GTIS management decided the potential gains were not sufficient to warrant the use of USAID funding.

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 and the Office of the President, GTIS completed an investment guide to provide accurate information on Guyana’s business environment and various investment and business opportunities. The guide launched at the Presidential Competitiveness Summit in May 2006. Both the President and the head of GO-Invest remarked that the completion of the investment guide has been a priority of the GOG and represented a step forward in ongoing efforts to bring foreign direct investment to Guyana. The guide is currently being used to promote Guyana to potential international investors.
- ***Export Marketing Workshop*** – GTIS held an Export Marketing Workshop in collaboration with the UNDP EMPRETEC Program in March 2006. Approximately 16 persons in the manufacturing sector participated. Presenters included Uchenna Gibson from Go-Invest Export Promotion division, and Nizam Hassan, Chief Executive of the New Guyana Marketing Corporation. The workshop educated manufacturers on the key issues they must pay attention to when seeking to gain entry into export markets, such as packaging and shipping, the need to pay attention to cultural differences in branding and advertising, and trade show preparation.
- ***Support for ISO 9001 certification*** – Compliance with international standards such as ISO 9001 can play an important role in increasing a company’s competitiveness by 1) encouraging the use of management and procedural techniques that improve quality and efficiency; 2) and enhancing credibility in the eyes of potential buyers, leading to new deals. At the request of the Guyana Bureau of National Standards, GTIS has provided support aimed at increasing the number of Guyanese firms that are ISO 9001 certified. This included 1) training for 34 private sector and GNBS representatives in Quality Management System Documentation and drafting of Level 1 (Quality) Manual and supporting the Level 2 (Procedures) Manual; and 2) support for ISO 9001 conformity assessments and audits for the certification of four companies; Kaman Sankar & Co., GNIC, GNSC, and Aeronautical Aviation School. Only the Aviation School has completed the audit so far and the remaining three firms are expected to be ready for audit next year.
- ***CDC/MBA Executive Corps (MBAEC) Export Promotion and Marketing Specialist*** – Starting in July, a volunteer Export Promotion and Marketing Specialist began working with the GTIS project under a sub-contract with the CDC/MBA Executive Corps program. The volunteer, who will be in Guyana for 15 months, is contributing to the implementation of market GTIS market linkage programs, with an initial focus on the agribusiness sector in preparation for the Fresh Food Summit in October 2006.

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

Although Year 2 activities primarily focused on IR 2-oriented activities, the GTIS project implemented a range of important activities under IR 1. This included support for government institutions with mandates to enhance exporters’ access and competitiveness within international markets through trade facilitations and involvement in trade negotiations, as well as efforts to increase public awareness of competitiveness,

trade and investment issues. Together, these activities contributed to ongoing efforts to improve the overall environment for export expansion. An overview of these activities is provided below.

Strengthening Institutional Capacity for Trade Facilitation and Trade Negotiations

Public-trade institutions in Guyana are constantly facing institutional challenges limiting the extent to which they are able to contribute to an environment that allows businesses and exporters to take advantage of emerging export opportunities. Most often, these challenges involve inadequate equipment or facilities and/or staff that lack the training and knowledge to effectively fulfill their mandate. During its second year, the GTIS project provided targeted training and procurement support to help strengthen the institutional capacity of selected government Ministries and Agencies. This included the establishment of a poultry laboratory to facilitate access to poultry export markets in CARICOM, and a range of assistance to raise the capacity to participate in trade negotiations, particularly in the area of services where past Guyanese involvement has been minimal.

C.1.1 Activities Supporting Trade Negotiations

- ***Strengthening MOFTIC's Capacity to Participate in WTO Services Negotiations*** – In May, MOFTIC urgently requested GTIS' assistance to conduct a review to inform Guyana's participation in a number of regional and international trade negotiations focusing on services, including the WTO General Agreement on Trade in Services (GATS); the CARIFORUM; the EU Partnership Agreement (EPA), and the CARICOM-Dominican Republic Free Trade Agreement, and identify priority areas where GTIS should focus its efforts over the next two and a half years. GTIS responded by mobilizing a team of consultants (including expatriate, regional and local staff) that compiled data on Guyana's service sector (with sub-service sector profiles), conducted consultations with stakeholders across multiple service sectors, and carried out a basic competitiveness assessment of Guyana's services sector. In November 2006, the Team will submit a final report that includes information on the full range of possibilities that the government could take in terms of liberalization
- ***On-line Training Course on Trade Negotiations*** – Since its inception, the GTIS project has worked with MOFTIC to find a way to provide much needed training in trade negotiations without disrupting the day-to-day responsibilities of already scarce staff. As such, it was decided that GTIS would support an on-line training course to selected government staff and private sector representatives that would allow them to complete coursework when their schedules permit. GTIS sub-contracted the Institute for Trade and Commercial Diplomacy (ITCD) to provide an online, module-based program that takes trainees through the steps an accomplished professional in Commercial Diplomacy must follow in advancing the interests of the organization she/he represents in trade policy decisions, trade negotiations and the settlement of trade disputes. It covers the following:
 1. The analytical skills and research methods required for an in-depth understanding of policy issues that affect international business and investment;
 2. The communication and consensus-building skills required for influencing national trade policy decisions and negotiating positions that may impact business positively or negatively; and
 3. The negotiating and dispute settlement skills required for the development of international agreements and the resolution of international disputes

12 students have participated in the six-month course. As of September, two had completed the course and received certificates for their participation.

- ***Development of Knowledge and Data Management System for MOFTIC*** – In the past, the absence of a data management system constrained Guyana’s ability to actively participate in trade negotiations, as critical economic and trade data needed to inform those representing Guyana was not readily available. Furthermore, data and knowledge sharing among different trade-related ministries or agencies was problematic. These conditions make it hard for negotiators to ensure that negotiating agenda and outcomes reflect the needs and interests of Guyana and its exporting community. Between 2005 and 2006, GTIS worked with MOFTIC to establish a user-friendly trade data management system to provide better access to the trade data for government staff. The activity involved the procurement of equipment and software, system configuration, assistance in data uploading and training in the use of the system. With the new data management system, MOFTIC and other public trade institutions are able to carry out more accurate and informed analyses on the potential benefits, risks, and possible negative impacts of negotiating offers from the Caribbean Regional Negotiating Machinery (CRNM) and other negotiations (e.g. WTO, E.U., bilaterals) while at the same time facilitating the formulation of policies and negotiating positions that better reflect Guyana’s economic conditions and position within regional and international trading systems.

C.1.2 Activities Supporting Trade Facilitation

- ***Poultry Laboratory and Upgrade of Guyana’s Veterinary Diagnostic Capacity*** – Major markets, such as the European Union and the United States, not to mention the \$350 million CARICOM poultry meat and egg market, require that poultry conform to international sanitary, phyto-sanitary and food safety standards. Guyana lacks the ability to certify its poultry, effectively limiting sales to the domestic market, thereby blocking growth in this segment. In Year 2, GTIS collaborated with the Guyana Food and Drug Department (FDD), the Ministry of Agriculture, and the Guyana Bureau of Standards to establish a poultry diagnostics laboratory. Assistance included the procurement of over \$40,000 in equipment, reagents and other supplies and training for 9 persons in laboratory quality management ISO/EIC 17025. The training was needed to facilitate the international accreditation of the laboratory. The opening of the lab in May represents a milestone in the ability of the Ministry of Agriculture to conform to international sanitary and phyto-sanitary (SPS) and food safety standards. This new testing and disease surveillance capacity will help assure customers that poultry food products are safe and remove a crucial non-tariff barrier to Guyanese exports in the poultry sector, opening up opportunities for a large expansion in Guyana’s agribusiness exports to CARICOM. It will also help develop a system for disease surveillance, which can be used in the event of a bird flu outbreak. Shortly after its opening, a countrywide test for bird flu was carried out and workshops were held sensitizing and teaching farmers about the potential pandemic.

This activity complements IR 2 activities to increase the competitiveness and expand exports in the agribusiness cluster.

- ***Customs Valuation Diagnostic*** – Customs valuation processes an important component of the customs clearance process, in terms of revenue collection, transparency and trade facilitation (process efficiency). Furthermore, customs valuation processes also impact compliance with WTO obligations, specifically under the GATT/WTO Customs Valuation Agreement. Recognizing gaps in the application of international standards and best practices in customs valuation, the Guyana Revenue Authority (GRA), requested that the GTIS project carry out a training needs assessment. GTIS mobilized a customs specialist with extensive experience within the CARICOM region to carry out a rapid training diagnostic and develop scopes of work and training programs targeting importers and customs brokers, WTO customs valuation rules and anti-fraud techniques. The consultant collaborated with Crown Agents, which is currently installing a software program with a customs valuation module. Due to the resources required for a sustainable train-the-trainer program in

Customs Valuation, GTIS management decided not to allocate resources for the training in the near future.

Creating Awareness for Informed Discussion

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. A prerequisite for such engagement is sufficient awareness on the part of public stakeholders; not just the often vocal business community, but also other demographic groups that often do not have a voice, yet impacted by any positive or negative outcomes. During its second year, the GTIS program continued an ambitious civil society outreach and public education program aimed at raising widespread public awareness concerning the CARICOM Single Market and Economy (CSME), launched in early 2006. GTIS activities focused on a variety of groups and used multiple communication mediums. Most events were covered by the media, which attracted positive attention to the GTIS project and the issues the project addresses.

- ***Workshops on CSME*** – As part of its civil society outreach program (CSOP), the GTIS program sponsored 6 workshops targeting diverse groups within Guyanese society and focusing on the CSME: What it is and what it means; Benefits to be gained from the CSME; and Challenges and implications of the CSME. Specific workshops included:
 1. A workshop held on November 21 in collaboration with Junior Chamber of Commerce International (JCI) to discuss how businesses could benefit from implementation of the CSME. 60 people attended.
 2. An NGO Forum held on October 20th at the Demerara Life Conference Facility. The forum was built around the CSME and its implementation. Approximately 60 people attended.
 3. A Trade and Investment Empowerment Workshop for young entrepreneurs held on October 19th and 20th. The workshop focused on the CSME and its implications for young entrepreneurs. GUYBERNET, EMPERTEC, LEAP and IPED were partners in this workshop. Approximately 35 participants attended.
 4. A workshop with Linden Youth Vision on December 3, 2005 provided a forum that facilitated extensive discussions on the benefits of expanding the CSME, specifically in relation to Linden's proximity on the road to Brazil. Approximately 100 people participated.
 5. A Youth for CSME concert was held November 19th in the National Park. The concert attempted to use alternative forms of communications to reach out to a broader audience to disseminate information on the CSME. In this case, the message was particularly geared towards primary and secondary school students. Approximately 400 people participated.
 6. A seminar held in collaboration with the National Youth Development Network (NYDN). The seminar coincided with the launch of the CSME February 3, 2006.
- ***CSME Public Education Initiative*** - GTIS provided support for MOFTIC's CSME Public Initiative, which aims to sensitize wider Guyanese society about the CSME's ongoing role in promoting regional integration. The initiative took place over a month-long period following the official launch of the CSME on February 3, 2006 at the National Cultural Center. The activity primarily targeted youth, but was designed to appeal to a wide cross section of individuals. Activities included the following:
 1. A debating competition open to secondary and tertiary level students
 2. An essay writing competition open to primary, secondary and tertiary level participants

3. A CSME Competition open to all ages
 4. A CSME Library Corner in all the regional public libraries
 5. CSME Forum held at the University of Guyana
 6. A dramatic presentation – The Single Market Shop- performed for primary and secondary schools in the major towns throughout Guyana
 7. A CSME Parade with approximately 2000 participants including schools, youth groups and other NGOs.
- ***Production of Dramatic TV Series on the CSME*** – In an effort to reach an even larger audience than could be achieved through workshops, seminars or print media, GTIS collaborated with MOFTIC and a local producer to develop a series of 8 dramatic presentations dealing with CSME to be shown on television. The scripts of the presentations or shorts were developed in consultation with both public and private stakeholders. The series were strategically placed on national stations to ensure that all regions of Guyana’s viewing population will be able to further understand the CSME and its implications. All of the episodes were completed and distributed in early August. The series was broadcast on national television with copies distributed to secondary schools for viewing as part of their education program.

III. YEAR TWO ADMINISTRATIVE AND MANAGEMENT ACTIVITIES

The following section provides an overview of administrative and management activities relevant to the wider program implementation.

Change in Project Leadership

In March, Carl Larkins took over the role as GTIS Chief of Party. In his first six-months on the job, Mr. Larkins demonstrated a capacity to develop effective export promotion activities that establish market networks with key international players that lead to business deals, as well as an ability to work with government and private sector stakeholders to create a market-led vision to expand non-traditional exports. Mr Larkins is expected to manage the project through its completion.

End of Trade Policy Manager Position

For budgetary and strategic reasons, GTIS Management decided to remove the Trade Policy Manager position from the project’s staffing team. From this point on, Mr. Larkins will manage trade policy activities with support from trade specialists based in the CARANA Home Office.

Trade Policy and Trade Capacity Building Work Program Review

GTIS management is keen to ensure that USAID funding is cost-effectively allocated towards activities likely to have the largest impact on exports in targeted sectors. Due to the scale of institutional issues facing trade-related agencies, the limited capacity of these agencies to effectively partner on GTIS initiatives, and insufficient funding available to sustainably address critical issues, GTIS management felt it necessary to re-evaluate GTIS activities in the IR 1 arena and develop a new GTIS Trade Policy Agenda. A trade policy expert worked with government and private sector stakeholders to identify trade policy priorities and critical institutional weaknesses, and areas where GTIS/government collaboration would be most appropriate and effective. The review, to be submitted to USAID in October, will provide recommendations on how GTIS could best allocate its resources in the areas of trade policy and trade capability building in collaboration with selected Ministries. An emphasis will be placed on activities

likely to have significant and sustainable impact on public institutions or the trade regulatory environment without requiring a significant amount of resources. Activities likely to facilitate the growth of exports in the near to medium term will receive priority funding.

Knowledge Management

During Year 2, GTIS implemented a communications program that provided USAID, the government of Guyana and the media with regular updates on project activities and successes. This not only raises the profile of USAID's involvement in Guyana's development, but also plays a role in changing long-standing perceptions that Guyana is making little progress in the areas of trade, investment and private sector development. This program will continue through the completion of the project, with regular press releases and success stories.

Monitoring and Evaluation

GTIS continued to implement monitoring and evaluation activities aimed at tracking project performance and measuring impact. Activities included:

- *Ongoing completion of Company Profiles* – GTIS hired a student from University of Guyana to visit firms and complete company profiles. These profiles are designed to collect background information on firms receiving GTIS assistance. Coupled with the company profiles are M&E profiles that will be filled out periodically to determine how GTIS activities have contributed to increases in sales, exports, employment and investment. As of September, 43 company profiles had been completed. The activity is ongoing.
- *Interim Evaluation of Activities in Wood Product Sector* – In August, a CARANA Economist carried out an assessment of the potential impact of market linkage activities. The report, which showed how the resulting deals were leading to higher export prices, new employment, new investment and a more efficient use of forestry resources, was presented to USAID, the President of Guyana and other stakeholders. This type of assessment will be carried out periodically in order to evaluate the effectiveness of GTIS activities, discuss impacts and lessons learned and inform relevant stakeholders of progress made under GTIS initiatives.

Donor Coordination

In addition to its ongoing programmatic activities, the GTIS Team has played an important role in donor coordination and the ongoing development and implementation of the National Competitiveness Strategy. This includes:

- Participation in the Donor Harmonization Group, involving the IDB, IMF, World Bank, DFID, the UNDP, CIDA and other donors to facilitate coordination of donor activities related to the upcoming IDB Competitiveness Activity.
- Assisting the Government (through the Ministry of Tourism, Industry and Commerce) to select the Program Director and Program Coordinator for the Competitiveness activity.
- Serving on the Competitiveness Steering Committee for the implementation of the NCS.

IV. ACTIVITIES PLANNED FOR YEAR 3

GTIS activities over the next year will focus on implementing a market-led approach that provides Guyanese firms with the tools and information needed to increase their visibility and presence in North American and European export markets. At the same time, the project will provide highly targeted

institutional support to government institutions that will enable them to facilitate market access and sustained export expansion. Through its Year 3 activities, GTIS expects to achieve the following results:

- \$10 million in exports in value-added wood products attributable to project activities and introduction of new export products
- At least \$1 million in fresh Produce exports attributable to project activities and introduction of new export products
- \$200,000 in new aquaculture exports (a start from nil)
- \$100,00 in new tourism receipts in Birding Tourism (a start from nil)

Under IR 2, GTIS will continue implementing market linkage programs supporting the expansion of exports in the aquaculture, fresh produce, value-added wood products and birding tourism clusters providing targeted technical assistance aimed at helping firms and supply chains meet the demands and standards of international buyers. Overviews of these programs are provided below.

- *Fresh Produce* – GTIS will collaborate with the Ministry of Agriculture, the New GMC and Guyanese producers/exporters to establish a platform for accelerating the expansion of non-traditional (NT) agriculture exports, particularly in fresh fruits and vegetables. GTIS support will 1) help raise the profile of Guyana's non-traditional agriculture products in North American and European markets through participation in key industry trade shows in the U.S., Canada and Germany; 2) identify new NT agricultural products where Guyana has a competitive advantage; 3) strengthen the ability of the NGMC to interact and establish business linkages in the global marketplace; and 4) connect farmers to the market place and enable them to produce new export products. The GTIS project will also work with the NGMC and local logistics service providers to explore ways to improve packaging and handling and promote investments in cold storage.
- *Aquaculture* – GTIS will facilitate NAAG's efforts to build the foundations of this emerging industry through market linkage and matchmaking activities aimed at locking down long-term deals with international aquaculture buyers and investors, support for the hatchery at Mon Repos, the promotion of pilot venture in commercial aquaculture and ongoing development and implementation of a cluster strategy. The GTIS team and NAAG also plan to approach the USAID Aquaculture CRSP Project for targeted research and training support.
- *Birding Tourism* – GTIS will continue implementing the birding tourism development initiative. Activities will include 1) participation in international birding shows in the US and UK that connect Guyana's tourism global birding tourism industry; 2) facilitating familiarization (FAM) trips involving international tour operators; 3) assistance in product and itinerary development; 4) Production of a Bird's of Guyana checklist with Smithsonian Institute; and 4) ongoing support aimed at raising the capacity of the GTA to promote Guyana tourism and develop business linkages in the global marketplace.
- *Value-added Wood Products* – GTIS will continue to build upon the success of its market linkage activities, which involves membership in key international wood products associations, participation in trade shows, collaboration with the FPMC in business networking and matchmaking activities, and technical assistance to firms targeting improved productivity, quality control, supply chain management, and product development. In order to enhance the overall appeal of Guyana as a wood products source, GTIS will work with the Forest Commission to strengthen its logging verification system to address buyers' concerns of sustainable logging techniques. The project will also work with industry stakeholders to develop a strategic development plan for the sector and include

recommendations for legislation that would promote the production and export of value-added wood products as opposed to raw timber.

GTIS Year 3 and 4 activities to be implemented under IR 1.1 will be identified after the Trade Policy and Trade Facilitation Work Program Review is presented to the new Ministers of MOFTIC and MinTIC in November 2006. The GTIS team will meet with the new ministers, key agencies and private sector representatives to identify 2-4 priority trade negotiation, policy and regulatory reform, and or trade facilitation initiatives that meet the following criteria:

1. Likelihood of having significant and sustainable impact on GTIS target sectors and overall facilitation of trade
2. Demonstrated buy-in and commitment on the part of government counterparts
3. Level of sustainable capacity building achievable through GTIS support
4. Level of buy-in, collaboration or complementarity with other donors

The GTIS project will pay special attention to the policy issues that must be addressed for nascent and/or emerging export clusters, such as aquaculture, bird watching tourism and value-added wood products, to grow and flourish. Given its alliances with both public and private stakeholders, GTIS has a significant comparative advantage working in these areas and will prioritize policy and regulatory issues that will have a dramatic impact on these clusters.

In the area of IR 1.2, the GTIS project will shift its focus away from wider civil society outreach activities in favor of targeted activities that improve the capability of the private sector and its representatives to engage in informed trade, investment and business discussions and influence trade negotiation agendas and policy outcomes. An emphasis will be placed on activities that bring together cluster players to identify critical issues impacting cluster performance.