# GEO

# Guyana Economic Opportunities

## 1999 Stakeholders Conference

### Conclusions and Recommendations for Project Activities

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## I. Conference Proceedings and Conclusions:

Overall, there were no major disagreements with the conclusions of the rapid appraisal presented by consultants. In most cases, small workgroup sessions served to further specify issues, activities, and priorities. The following provides an analysis of the final outcomes of the conference and is intended to highlight the most important points emerging from the conference. For more detailed information, see Annex A (Conference Proceedings- Flip Chart Notes).

1. IR2: Improved Climate for Private Investment

Three workgroups focused on IR2. At the conclusion of the plenary session, there was a clear and broad consensus that a two pronged approach would be necessary to improve the climate for private investment. One prong should focus on improving the macro environment by 1) finalizing and implementing the investment strategy 2) establishing an investment code and 3) establishing an incentive regime. The second prong should focus on improving the efficiency and effectiveness of Go-Invest as a one stop shop[1]. In some groups, there was a question as to whether the macro environment should be the focus of the project at the outset because it is difficult to sell Guyana (through Go-Invest) without having the right economic environment to promote private investment. However, several participants felt that the effectiveness of Go-Invest needed to be improved at the same time, hence the final consensus on the two pronged approach. It is also worth noting that all groups felt that political will (in terms of reorganizing Go-Invest and decentralizing decision making processes) and political stability are key critical assumptions which underlie the project's success. Several participants also emphasized that policy **implementation** is the key priority, particularly for the investment strategy. Policies need to be transparent, publicized (or at a minimum, available to interested parties), and used as the basis for decision making.

2. IR3: Increased Capacity of the Private Sector to Influence Public Policy

Two groups focused on the private sector where three key issues were raised. First, there must be an attitude of partnership between the public and private sectors which in turn, can facilitate wider access to government. Both workgroups felt that the project should focus on developing a means for building public-private sector partnerships so issues can be vetted. The willingness of the public and private sector to work together in good faith was also noted as a critical assumption by both groups.

[1] Note: Flip chart notes indicate that initially only one group noted Go-Invest as a high priority, however, later plenary discussions reached a different conclusion.

Second, there must be wider access to governmental decision makers. Currently, decision making is focused on individuals, usually at the ministerial level. As a result, decision making can be slow and arbitrary. The key message emerging from the conference is that decision making must be grounded in transparent, clear, and widely accessible policies and regulations. Once this is done, the government should be able to broaden decision making responsibilities to increase its efficiency and responsiveness.

Third, the private sector must improve its own institutional capacity to more effectively advocate on issues of importance. This includes the creation of strategic alliances, improving analytic capacity to support its positions vis-a-vis the government, and generating and providing useful information to its members.

3. IR4: Increased Services Available to Support Small and Micro Enterprises (SME)

One group focused on the SME sector. While the group discussed several priorities, there are four points worth highlighting. First, stakeholders felt that collaboration between organizations would be a key element in reaching more potential clients (this would allow them to increase knowledge and awareness of SME loans on a broader basis), allowing organizations to take advantage of synergies, and providing more opportunities for expanding micro enterprise (e.g. through partnerships with private sector organizations such as local Chambers of Commerce). Second, there was a strong consensus that there must be research on new markets and products to avoid the problem of market saturation, as was identified in the consultant's report. Third, the unique and special needs of Amerindians and other disadvantaged groups must be identified. As one example, the concept of collateral is foreign to Amerindians who live on communal lands. Once these needs are identified, specific training should be designed to target these groups. And finally, the group felt that IPED and Beacon are logical organizations for the project to focus on at this time. However, after the first year, participants encouraged GEO to reexamine whether other organizations could be included.

## II. Evaluation Feedback:

The assessments provided by participants were overwhelmingly positive. Participants clearly appreciated the fact that stakeholders were consulted at the outset of the project. The key themes which emerged from the assessments are as follows:

1. Most Useful Aspects of the Conference:

- Building a Strategy for Guyana: The conference brought together representatives of government, NGOs and the business community in a forum where they could productively participate in building a strategy to increase economic opportunities for Guyanese citizens.

Although participants represented different perspectives and political parties, there was an amazing amount of consensus. Most importantly, the concept of putting Guyana first (above personal and organizational interests) was realized. As one participant commented, "the GOG people that were here did listen and contribute and were not 'attacked' by the private sector representatives".

- Interaction: One of the most useful aspects of the conference was that it brought representatives of the government, NGOs, and the business community together and provided a forum for interaction on topics of mutual interest (i.e. it facilitated networking among the participants and increased their awareness of issues). Secondly, participants noted that trust and ownership were increased.

2. Areas for Improvement:

- Participation by the Ministry of Finance (MOF): The issue most often mentioned was the lack of participation by the Minister of Finance, because this Minister is a key decision maker on economic issues.

- Objectives and Logistics: Two participants commented that objectives for the conference and the break out groups should be more clear. Three participants mentioned that a one day conference might be preferable. However, another participant commented that he/she wanted more time to discuss proposed activities.

- Rapid Appraisal Presentations: One participant commented that the rapid appraisal summaries (consultant presentations) should "add to" the written materials; they appeared to be too superficial.

## III. Continued Participation and Confidence of Stakeholders

GEO has clearly begun the project on a positive note by bringing various stakeholders together to work toward common objectives. The challenge will lie in maintaining the momentum gained by the conference. Participation and feedback should be incorporated as a part of how GEO does its work over the long term. The key issues are a) who should participate and b) which points in the process are most appropriate for participation. The following are some recommendations to maintain participation and confidence in the project by stakeholders:

1. Demonstrating Results: GEO should deliver quick and visible results in an area where there was broad consensus, to maintain stakeholder confidence that their participation is important and will produce results. These results, and other successes should be communicated to stakeholders,

particularly in the early phases of the project. This could take the form of a very simple newsletter or a letter from the Chief of Party to stakeholders to follow up on the conference (e.g. what we've accomplished since the conference).

2. Expanding the Stakeholder Network: GEO should set up an informal session or sessions with organizations not represented at the conference due to space limitations. The purpose of such sessions would be to 1) report the conclusions and outcomes of the conference and 2) to elicit additional feedback on the issues, activities, and priorities identified.

3. Ministry of Finance: It would be useful to brief the new minister of finance (once selected) as soon as possible on the outcomes of the conference. It may be useful to emphasize the level of consensus which resulted (participants were able to place Guyana first), the fact that government officials were well received and appreciated during the conference, that participants most often mentioned the absence of the MOF as a drawback, and the fact that the MOF missed an important opportunity to convey its thinking and demonstrate its leadership.

4. Mid Term Feedback: At some midway point in the project, it may be useful for GEO to hold a mid term conference or series of meetings to assess how the project is doing. Optimally, the same participants (or at a minimum the same organizations) would be represented. Such a gathering could be shorter and more informal, or might even take place in the form of "working meetings". It may be useful to consider the optimal timing of a mid term stock taking exercise vis-a-vis the planned evaluation (at 18 months). It could be done prior to the evaluation to identify priority issues for the evaluation to focus on or after the evaluation in order to inform stakeholders on the outcomes of the evaluation and to get their assistance and commitment to solving any problems which are highlighted by the evaluation. Alternatively, it could be done further downstream, and used to assess whether issues raised in the evaluation have been addressed.

5. Performance Monitoring (PM): One important aspect of reengineering is that performance monitoring and evaluation systems incorporate customer and stakeholder input, both in the design of the system and during the course of the year as performance is assessed and reported. Some specific recommendations and next steps for designing the PM system is provided below, in section E. Particularly, during the R4 reporting period, the project team should gather to examine performance data, analyze the data (why are certain phenomena occurring, particularly when performance is better or worse than expected), identify any emerging trends in performance, and resulting management issues and solutions. Some of this data should reflect customer feedback (if possible and cost effective). Secondly, stakeholder feedback should also be incorporated into the SO team's analysis. If customer and stakeholder feedback is incorporated, the team should highlight this fact in the R4 report by discussing how feedback *influenced* the team's decisions.

6. SO Teams: The mission has mentioned that it would like to establish an extended SO team to include a select group of stakeholders. This team would function like an advisory committee for "big picture" issues. This will provide another important entry point for stakeholder participation. However, this should not preclude GEO from including partners and customers on a more day to day working level, if that is useful. This would likely include people at different levels of organizations. For example, the GEO team may want to include a key staff member(s) on the Private Sector Commission who is responsible for conducting analysis or compiling data if those types of activities are being discussed in a particular team meeting.

## IV. Processing and Incorporating Conference Outcomes

Following the conference, we recommend that the SO team gather to review final outcomes of the conference as well as any additional feedback provided by other stakeholders. The purpose of such a session would be to reconfirm the key themes heard from stakeholders and to determine specifically how this will impact the project, in terms of the priorities around activities and how activities should be sequenced. In addition, the issue of which activities can be undertaken immediately to produce quick results should also be addressed.

## V. Recommended Next Steps for Setting Up the Performance Monitoring System

The following outlines the steps recommended for setting up the performance monitoring system:

1. Complete a Draft Performance Monitoring Plan (PMP): The first step is to prepare a draft performance monitoring plan focusing on the indicators and their definitions. Work done by the rapid appraisal team and the feedback provided by conference participants should also be considered and incorporated where appropriate. The key issue for the GEO project is to determine what data is necessary for internal management purposes and then secondly what subset of that data is necessary for reporting (i.e. conveying the progress of the project). A couple of points are worth noting:

- Streamlining: GEO is a smaller project with limited staff. It will be essential for GEO to focus on the most critical data necessary to meet both objectives identified above (internal management and external reporting). It will also be important for GEO staff to draw on existing data where possible (as opposed to creating new data collection methods). In addition, it may be a good idea to construct the project's annual report in a way which meets (in substance and timing) R4 reporting requirements so that only one report is needed.

- Levels of Information and Consistency: It is important to remember that while USAID focuses on higher level results (e.g. particularly at the IR level), inputs and outputs must still be tracked by project managers (and can be audited). So, for example, a manger will still likely need to

know the number of people trained as a result of a training program but may eventually report only higher level results (such as the number of people using skills taught in a training course). Most Bureaus request that missions select the same set of results and indicators to report on each year so that progress can be gauged over time.

- Project Stages: The stage of a project is important in determining which level of indicators is appropriate for reporting. So, for example, it is not inappropriate for a start up project to initially report on input/output type data. However, in an R4 report, it is important to outline the linkage of input/output data to higher level results (e.g. a conference was held to accomplish x, y, z, in the longer term). A project nearing completion is expected to show higher level results.

- Focus and Concentration/Demonstrating Impact: The challenge for the project, will be to balance the need for flexibility and gap filling against the need to show higher level results. In the longer term, what parameters will guide the decision making process about which activities will be undertaken to avoid becoming too diffuse? Establishing priorities with stakeholders is certainly one way to approach this. Contribution toward the indicators themselves will be another aspect. However, this is an issue which may require some attention over the longer term; if it does become an issue, it may be useful to give some thought to further identifying other criteria to help keep these activities focused (i.e. how can gaps be filled in a *strategic* way?). The second issue is that GEO will need to capture those instances where it has leveraged other donors and contributed to higher level results. In fact, this may be the only way to bridge the gap between project level IRs and the very ambitious level of the strategic objective.

If staffing resources are limited, GEO may wish to consider using a consultant with expertise in performance monitoring to draft the PMP for the project. If a consultant is used, it is important to maintain ownership of the PMP. Alternatively, if GEO staff prefer to prepare the PMP, examples are available from other missions and there are a number of publications which provide helpful hints on preparing PMPs.

2. Elicit Feedback on the Draft PMP: Once the draft is prepared, we recommend that a "working meeting" be set up with those partners (or customers) who will have to report against the PMP. The purpose of such a session is to a) propose and explain the draft PMP, b) elicit feedback on the PMP and c) whether any elements require further clarification. Special attention should be given to whether indicators are practical and cost effective and whether data is useful to partner organizations in an effort to streamline systems to the greatest extent possible. Secondly, USAID should be consulted on the emerging product so that their reporting issues are incorporated. Finally, it may be useful to consider sharing the draft PMP with select USAID/Washington technical experts in the spirit of "joint planning." While USAID/W does not have to approve PMPs, missions are encouraged to share PMPs with

technical staff who will eventually review R4 reports. In this way, the SO team can incorporate feedback or anticipate potential R4 issues. Technical experts within the regional bureau and G bureau are key, and it is optimal to find out who has responsibilities for Guyana and will be reviewing the R4.

3. Finalize the PMP: Once feedback has been obtained, indicators should be finalized including detailed descriptions and definitions of the indicators. It should be clear to an outside observer, what is being measured by the indicator. For example, if "the number of quality analyses completed" were used as a measure of IR3 (Increased Capacity of the Private Sector to Influence Public Policy), the terms "quality" and "analysis" would need to be defined so that "what counts" is clear and a minimum threshold is established. The remainder of the PMP should then be completed, including data source, method and approach for data collection, etc. Baselines and targets for appropriate indicators should also be identified. Since the R4 period will begin shortly (often, missions begin preparing the R4 in the fall; Washington reviews run from January through the spring), appropriate expectations for this year should be clarified vis-a-vis the Bureau.