

# GUYANA

## DEVELOPMENT OF A MICRO-ENTERPRISE TRAINING SERVICES MARKET

MIF PROJECT (ATN/MH-6750-GY)

FINAL EVALUATION  
WILLIAM A. ELLIS, CONSULTANT

OCTOBER 21, 2004

# **DEVELOPMENT OF A MICRO-ENTERPRISE TRAINING SERVICES MARKETING PROGRAM – MIF ATN/MN-6750-GY**

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### **EXECUTIVE SUMMARY**

The evaluation includes a critique of the present project and recommendations for a future project.

**The Present Project.** The original Multilateral Investment Fund training project, MIF-ATN/MN-6750-GN, supported by the USAID and CIDA, totaled \$1.435,000. Disbursements to date are \$1,325,000.

The project has been highly successful. It has achieved its basic objective of stimulating demand for training and creating a large, efficient market of training services in response to the demand. It exceeded the quantitative targets by over 20%: over 43 thousand vouchers were distributed, and over 34 thousand paid, benefiting 50 training institutions and 8,707 trainees,

The project design was creative, motivating the private sector and addressing a major gap in the Guyanese human resource context. Public sector technical training is of poor quality and addressed to workers rather than to micro-entrepreneurs. The project is also a notable example of effective donor collaboration.

The project is consistent with the Government's policy on skills training and employment opportunities (STEP), which places high emphasis on the role of the private sector.

The project had three components:

- An information and referral service, used for promotion and for a flow of information between training institutions and potential trainees.
- A voucher program that subsidized around three-fourths of the training courses and created an explosive increase in demand for training.
- A Training Technology Development Fund, designed to improve teaching methodology. Expected demand did not materialize because of rigid eligibility criteria.

The program was well managed by the Project Coordinating Unit. After careful review, sixty-nine training institutes and 5,740 courses were approved. All were constantly monitored for quality.

Micro-enterprise trainees expressed a high degree of satisfaction., as documented in the comprehensive Beneficiary Satisfaction Survey of August

2004. The great majority could cite significant improvements in their business activities and personal capabilities.<sup>1</sup> Even if the average productive gains for the students were only 2%, the training would more than pay for itself.

As designed, the project operated in a free market environment: Trainees were free to study where they choose. Training institutions, some created as a result of the project, designed courses in response to the demand.

However, the market may have responded imperfectly, for lack of orientation and information. Several areas of high potential, e.g. construction skills, agribusiness, repairs, were overlooked. The project would have benefited by an initial needs assessment and by feedback from the business community. With a few exceptions, courses included very little practical business content. The information and referral system, supported by a comprehensive database on trainees and training institutions, did not include market information.

Financial sustainability, or even significant progress toward that goal, did not result. Economic conditions did not improve, as hoped. Recent annual GNP growth rates have been under 1%. Trainees' incomes are low, many below the poverty level. Nearly all the training institutions are heavily dependent on the vouchers. Therefore, with the end of the voucher subsidies demand for training will fall by around two-thirds. Some of the training institutions will not survive, and all will be forced to retrench.

Financial self-sufficiency, in Guyana's economic circumstances, continues to be an unrealistic goal. But this is true of virtually all social programs and should not detract from the overall success of the program.

### **The Recommended Future Project**

The consultant strongly recommends that the Guyanese business community and the donor community support a continuation of subsidized micro-enterprise training. After a successful start, with the establishment of a quality network of training institutions, and a large latent demand, yielding significant returns for both trainees and society, it would be a waste of past gains not to build on the experience.

In Guyana's present depressed economic conditions, substantial training subsidies will continue to be required, if demand is to be maintained at near past peak levels. The bulk of the costs would have to be financed by international donors.

A future training project should have greater focus on economic and employment opportunities, and should concentrate on value-added activities and on creating

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<sup>1</sup> The Satisfaction Survey did not attempt to quantify business gains or identify specific success stories. Replies were very general.

competent entrepreneurs. Several changes from the past project are recommended

First, the project will require a new executing agency, with broad representation in the business community, with technical capacity to provide general orientation, and the ability to make a modest financial contribution and to provide logistic support.

Second, the project should focus more on priority sectors and on skills deficit fields such as construction, agri-business, and repairs. The free market system should be retained, but will work better with more market information available to all parties. A needs assessment, for guidance, not for centralized command decisions, should be undertaken before the new project becomes operational. The PCU, in approving institutions and courses, should orient the program toward skill areas of high priority and avoid courses where the market demand appears to be saturated. Care should be taken to screen out trainees of limited potential. These tasks would require addition of a business specialist to the project executing unit staff.

Third, the project should have wider geographical, particularly in rural areas. Opportunities for activities related to value-added processing of agricultural products should be sought.

Fourth, the new project should emphasize business as well as technical skill, both by insuring that an adequate number of business courses were offered, and by stimulating rudimentary business content in all courses, e.g. bookkeeping and marketing. A new project should explore ways by which larger businesses, in need of skilled labor, could sponsor trainees and later guarantee them employment.

Fifth, to facilitate introduction of new courses requiring equipment, tools, and software, a fund would be established for this purpose. This will facilitate courses on construction skills, for example.

Sixth, two new categories of promising trainees should be considered: young people without business experience but with clear potential, and those who have lost jobs in the formal market and show an interest and aptitude for business.

Seventh, the level of voucher distribution should not be increased (or be lowered somewhat). The executing agency should emphasize quality control and not feel pressure to meet quantitative targets. A G\$3,000 voucher value for poorer students seems appropriate, but means-testing experiments should be made, e.g. lower voucher lower values for repeaters and for trainees from established businesses.

## 1.0 INTRODUCTION.

MIF Project, Development of a Micro-enterprise Training Services Marketing Program, ATN/MH-6750-GY, was approved in November 1999, declared eligible for disbursements in March 2001, and is eligible for disbursement through November 2004. The original project was valued at \$1,435,000, including contributions of \$900,000 from MIF, \$200,000 by USAID, and \$230,000 by CIDA.

The project is consistent with the Government's skills training and employment program (STEP), which places a high priority on the role of the private sector.

The final evaluation was prepared in October 2004, by William Ellis, consultant, in compliance with Annex A of the Project Document, (paragraph. 5.05), and the Terms of Reference of the consulting contract. The evaluation also makes recommendations for a new project.

## 2.0 ATTAINMENT OF OBJECTIVES

Annex A, 1.01, of the project agreement reads: **"The project's general objective is to test and demonstrate the feasibility of establishing, on a small scale, a sustainable market for training services to microenterprises in Guyana, in order to improve their competitiveness and productivity."**

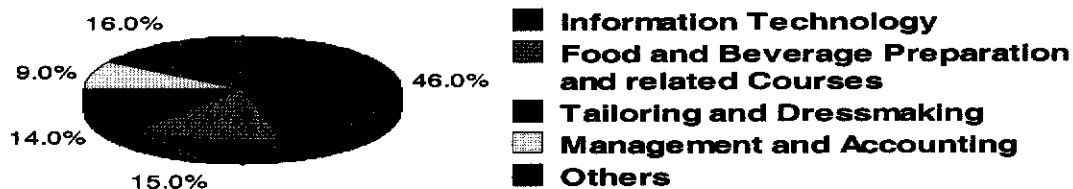
The project has clearly established a vigorous training market. It has stimulated both the demand and supply sides. Fifty training institutions actively participated (of 69 registered), 5,740 courses were approved in 50 subject areas, and over 8,700 clients utilized the vouchers. Some of the 50 participating institutions were formed to take advantage of the voucher program.<sup>2</sup>

As the program matured, clients were given wider choices. Training institutions responded to market demand by offering new courses. During the course of the program, computer training became by far the most popular subject and was available in every geographical area. (See Chart 1 for subject breakdown.)

The Satisfaction Survey<sup>3</sup> interviewed 344 clients. . The feedback indicated positive results in terms of expanded business volume, customer base, and range of services. Clients also indicated increased knowledge and self-confidence, which would yield future benefits. However, no specific examples of success stories were included. In depressed areas it is harder to identify financial benefits; training alone cannot compensate for the poor economy.

<sup>2</sup> Training institutions had to be operating for six months to be eligible. Therefore, new institutions could only enter later in the project.

<sup>3</sup> Beneficiary Satisfaction Survey of Micro-Enterprise Training Services Marketing Programs, prepared by Technical Publishing and Advisory Services, August 2004. We did not attempt to duplicate or verify the survey.

**CHART 1 Percentage of Courses Utilized**

**Financial Sustainability** was an important aspect of the project objectives. Clearly, the level of demand generated by the present program is unsustainable without the vouchers. Surveys have indicated that more than 70% of voucher recipients could not have undertaken training without vouchers. Presumably that would be just as true in the future. Visits to training institutions confirm this fact; they already see or foresee enrollment reductions of 20% to 100%. Some will be forced to close. The majority will soldier on, reducing staff and, in some cases, cutting their fees. The stronger institutions will survive at much lower levels. Overall, demand will fall in the order of two-thirds.

This reduction should not come as a surprise. The economy has been virtually stagnant during the project period. The great majority of past and future trainees simply cannot or will not pay the full cost of the training.

For such a program to succeed, a subsidy is both necessary and fully justified. Technical training is subsidized even in high-income countries. In Guyana, the public training institutions have seriously deteriorated and cannot come close to providing the quantity and quality of training needed by the society. The voucher is proven to be an efficient form of subsidy for clients who cannot be served by public institutions.

Social justice is also involved. Public secondary and technical schools are 100% subsidized. But only 33% of those in the microenterprise sector finish secondary school,<sup>4</sup>. The voucher system gives them a "second chance". If subsidized public schools are justified, so is the voucher system. Both yield benefits to society, as well as to the students, and it is right that society should bear part of the cost.

<sup>4</sup> Donors Memorandum of 1999.

The next question is: Who should pay for the subsidies? The Guyana Volunteer Consultancy made a valuable contribution in office facilities but was unable to make a financial contribution. It is unlikely that another executing agency could do much better.

To maintain the private sector, free market character of the program, it was probably wise not to ask the Guyanese government to make a counterpart contribution. In any case, it is unlikely that the government would give such a program a priority for its limited funds. The conclusion is unavoidable: the lion's share of the voucher subsidy and operating costs of a future program must once again come from foreign donors.

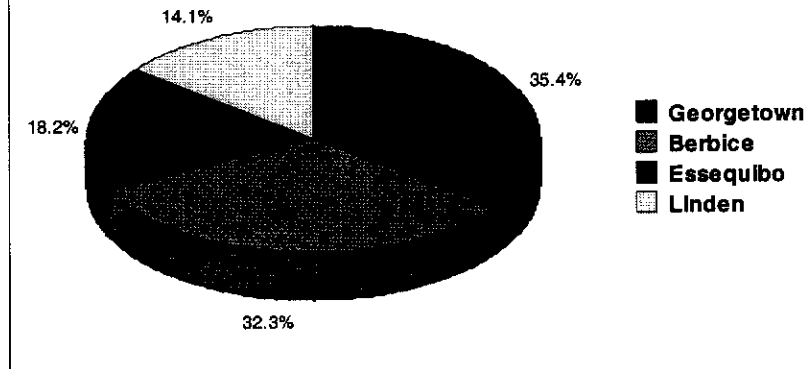
A third aspect of sustainability involves the training institutions. Without the vouchers some will not survive and all will be weakened. It will be a pity for the country and the micro-enterprise sector to lose this asset built by the past program.

Quoting again from Annex A, 1.02: **"...the project will seek to reduce the asymmetrical and insufficient flow of market information to both the supply and demand sides. To achieve this, the operation proposes: (i) to establish information and referral services to entrepreneurs; (ii) to temporarily stimulate demand through the use of direct, partial subsidies (vouchers); and (iii) to induce and accelerate the adapting of suppliers' capacity to meet specific small and micro enterprises (SMEs) training requirements."**

(i) Information and Referral Services: This component consists of a database with details on the training institutions, including their course offerings, and on the trainees' business background and interests. The database was useful for promotion and for providing guidance to potential trainees on the course availabilities. However, it did not provide "market information" in a broader sense, i.e., trends in the labor and commodity markets that would be useful for planning purposes.

(ii) Vouchers. The numbers speak for themselves. A total of 34,380 vouchers were disbursed, superseding by 23% the project target of 28,000. The number of trainees was 8,700, superseding by 24% the project target of 7,000. Less than a third of the trainees would have undertaken the training without the vouchers. The 8,700 trainees represent nearly 3% of the Guyanese active work force and nearly 6% of the microenterprise sector, hardly insignificant numbers. Trainees' families and employees also benefit. Considering the short duration, the voucher program may have had a broader impact than any previous Guyanese training project.

**Chart 2 Percentage of SMEs Registered on The Program by Location**



(iii) The Training Technology Development Fund was established in the amount of \$150,000 (50% in co-payments by recipient institutions) to improve training methodology. Only \$3,134 was utilized. Two training seminars were attended at the Guyana Training Agency. Only one training institution received an allocation from the Fund. Despite diligent promotion efforts by PCU, little interest could be generated. Three reasons can be cited. First, the 50% co-payment requirement was a serious inhibitor. Second, the fund could only be used for pedagogical training and not for equipment, tools, software, etc. that would have increased course quality and variety. Third, training institutions had little experience with receiving training themselves, did not see the need, and were skeptical of the value.

### **3.0 RESULTS REGARDING DISTRIBUTION AND UTILIZATION OF VOUCHERS, AND PREFERENCES OF MICRO-ENTERPRISES.**

The PCU did an efficient job of voucher distribution. Within six months of the eligibility for first disbursement (March 2001), PCU had hired a staff, approved institutions and courses, started promotion activities, and began the actual distribution of vouchers (September 2001). The numbers distributed steadily increased to a peak of 1500-2000 monthly in late 2002.

As the project developed, the PCU pursued less promotion on its own and cancelled an advertising contract. In its place, an effective cost sharing arrangement was developed to assist training institutions to do their own advertising. Still, word of mouth recommendations by satisfied trainees was by far the most effective means of promotion.



Approved training Institutions and courses were gradually increased. A total of 69 institutions were registered, of which 50 were active. PCU had to drop only two institutions because of poor performance. A total of 5740 courses were approved. Approval of institutions and courses involved thorough on-site inspections and follow-up supervision.

Fifty different subject matters were available for trainees. Demerara offered 30, Berbice 20, Essequibo 16, and Linden 11. In several instances more than one institution provided the same subject matter in the same geographical area, creating a competition for trainees.

The unique feature of the voucher concept is that it is demand driven. Preferences of the potential clients ruled. They were not faced with "take it or leave it" choices. As the program matured, more and more courses were offered. The institutions saw the vouchers as a financial and professional opportunity, and were motivated to design new courses, improve their curricula, hire new teachers, and adjust schedules to attract trainees. New institutions appeared to capitalize on the opportunity.

#### 4.0 REVIEW OF ACTUAL EXPENDITURES AGAINST THE BUDGET.

SOURCE OF FUNDING	APPROVED CATEGORY	BUDGET (US\$)	ACTUAL (US\$)
IDB/MIF	Total	900,000	899,979
	Information, referral sys.	100,000	125,530
	Vouchers	380,000	349,892
	TTDF	50,000	1,567
	Program coordination	174,000	293,937
	International Tech. Assis.	145,000	118,474
	Evaluations, surveys	30,000	10,596
USAID	International Technical Assistance	119,000	119,000
	Promotion	50,000	50,000
	Evaluation	31,000	31,000
CIDA	Voucher Fund	180,000	176,806
	TTDF	25,000	0
	International TA	25,000	9,433
Training Institution	TTDF	75,000	1,577
GVC	General Support	30,000	35,875(in kind contributions)
Total		1,435,000	1,324,550

The only significant variations from the budget involved the TTDF, which was virtually unused, as explained above, and the CIDA contribution, which was 81%

utilized. The unused amounts of the TTDF component, from the USAID and CIDA contributions, were transferred to the voucher account.

## **5.0 PERFORMANCE OF THE GUYANA VOLUNTEER CONSULTANCY**

Before the project was even underway, two key staff members resigned and were not replaced.<sup>5</sup> GVC effectively became a shell. Only one member of its board was actively involved. Expected contributions of policy orientation, general supervision and technical assistance on business aspects and market information did not materialize. The lack of staff led to a delay in the project initiation.

The GVC, however, did provide excellent office space, furniture and utilities as its in-kind counterpart contribution.

Given the limited capacity of the GVC, the Project Coordinating Unit became a stand-alone executing agency. Under the capable leadership of Mr. Felix Gerard, and with its competent staff, PCU did an outstanding job<sup>6</sup>. Branch offices were opened in Berbice, Essequibo and Linden for promotion and supervision. Training targets were substantially exceeded. Sixty-nine training institutions were selected, advised and supervised. An effective database was installed. The quality contribution of the international consultant firm, GAMA, during the installation phase of the project, was critical.

The task of the PCU was to administer a market-driven project, which it did effectively. It was not asked to set training objectives or priorities, to ration vouchers according to priorities, or to promote new courses. The lack of this orientation is a weakness of the project, but not a valid criticism of PCU, which was not intended or equipped to meet this need.

From the design stage forward, the project was market driven – responding to the needs of the trainees and the promotional and technical capacity of the training institutions to meet those needs. We are not arguing for a "father knows best" centrally planned training program. But we think the project could have been more pro-active in exploiting market opportunities, with guidance from GVC, an adequately staffed PCU, and the donors' coordination committee.

If the program were to be resumed, under a new project agreement, GVC should not be considered as the Executing Agency. GVC wishes to rebuild its business

<sup>5</sup> In fairness to GVC it lacked funds for staff hires. Its training programs were virtually stopped because they were declared ineligible for voucher. Also, it lost a contract with the Canadian executive service corps.

<sup>6</sup> Although the PCU has now been terminated, the principal evaluator had the opportunity to work with the PCU staff, including field trips, during the Mid-Term evaluation, and had an excellent impression.

training program (which could be eligible under a new voucher program). rather than act as an executive agency for a new voucher program.

The database is a valuable product of the project. It includes bio-data on students, and details on the training institutions, including course offerings. The donors should see that it is maintained and put to good use, whether or not there is a new voucher program.

## **6.0 ASSESS PROJECT RESULTS AND IMPACT ON MICROENTERPRISE SECTOR**

There continues to be a strong case for expanded technical training as an integral part of a human resource strategy.

### **6.3 Background**

The 1999 Donors Memorandum estimated that there were 52,000 micro-enterprises, employing half the Guyanese labor force.<sup>7</sup>, either as owner-operators or employees. The term micro-enterprise covers a wide range of activities, from prospering businesses with several employees to part-time vendors. The great majority is in the unregistered, informal labor market where few statistics are available. Many modest activities were started as a survival strategy, to avoid complete unemployment. Because a large proportion of those involved have received little or no technical training, productivity is low.

Assume that micro-enterprises represent nearly half the active labor force, that the productivity of this sector is half that of the labor force as a whole, and that labor's share of GNP is 60%... It follows from these assumptions that the micro-enterprise sector, a neglected target group, would generate close to 20% of GNP.

Per capita income is slightly less than \$1,000, making Guyana the second poorest country in the hemisphere, after Haiti. The 1999 Living Conditions Survey indicated an absolute poverty level of 35% and extreme poverty of 19%. In developing countries with large informal labor markets the micro-enterprise sector, including small-scale agriculture, generally has poverty rates far higher than does the population as a whole. Thus there is a social justice argument for the project.

Guyana has a tradition of an educated population. Literacy and primary school enrollment indices are high. But the quality of public education has declined over the past decades. Only 83% of primary school graduates continue into

<sup>7</sup> The CIA country website estimates the current Guyanese labor force at 418,000. Eliminating the unemployed, officially estimated at 9% but probably much larger, would yield an active labor force of around 350,000. The micro enterprise sector employment, including the agricultural sector, is upwards of 150,000.

secondary schools and a much lower number finish secondary school. The Donors Memorandum estimates that only one-third of individuals in the micro-enterprise sector have finished secondary school.

Public school graduates (and certainly dropouts) are generally ill equipped to compete in the formal labor market, and public technical schools are of low quality. The project gives many a "second chance" to acquire skills needed to compete in the market and to improve their living standard.

The Guyana Poverty Reduction Strategy Paper cites the deterioration of social services as one of the primary causes of poverty: "Managers frequently cite the low educational levels in specialized skills as one of the constraints to their entrepreneurial development. Vocational training facilities, also, began to experience shortages of the teachers and equipment necessary to provide adequate training in technical skills.

Guyana devotes a relatively low share of its national budget (14%) and GNP (1.2%) to education.<sup>8</sup> After on-going operational expenses are met, few resources will be available for quantitative improvements in the formal educational system, including improved teacher salaries, much less the informal educational system. Therefore, the private sector and the donor community must continue to assume a large share of the burden for human resource development.

The 8,700 voucher recipients represent nearly 6% of the total microenterprise population. The total labor force is around 420,000<sup>9</sup> (including the unemployed). Given the age distribution, an estimated 15,000 enter the labor force each year and the same number leave because of death, retirement and migration. Therefore, the 8,700 trained by the project in a little over two years are equal to nearly a third of the entrants into the labor force in the same time period. Over time, quality training could significantly influence the quality of the future micro-entrepreneurial class, some of whom will eventually build large-scale businesses.

The goal of the project, and of society as a whole, is not to increase the number of microenterprises. There are too many already. Many reflect the failure of the economy to generate adequate job opportunities in the formal labor market. Rather, training objectives are two-fold: first, to increase the number of successful microenterprises with growth prospects, and to reduce the number of the marginal ones, by enhancing the capacity of their owners and workers to compete in the formal labor market.

A trained labor force is a necessary but not a sufficient condition for a growing economy. Training alone can not compensate for the many negative factors in

<sup>8</sup> Ministry of Finance data for 2003.

<sup>9</sup> CIA website, Guyana country report

the Guyanese economy. But without training, the odds of economic success are even longer.

## 6.2 Financial Return on the Project Investment

Studies in other countries, where better data are available, indicate that returns to human resource investments can be extremely high, particularly in primary and technical education. (Education of women yields even higher returns, in part because of the effect on birth rates. Note that around 80% of the trainees were women.)

The return on investment will obviously vary with the quality and relevance of the training. The Satisfaction Survey and similar surveys made by PCU, and our own observations, indicate that in general the training provided by the project was of high quality. Trainees are perhaps the best judges. Quality of the training institutions varies, but we did not see any that we would rate as unsatisfactory<sup>10</sup>. (If they were, the lack of students would soon put them out of business).

Relevance is critical. Potential trainees may not be capable or knowing whether the material will be useful in terms of business or employment opportunities. With the vouchers, the courses are virtually free and the trainees may not think too hard about the relevance of the material. There are cases where the market for certain skills may be approaching saturation e.g. catering, cake making, hair-dressing.

In the ideal world, the training institutions would supply what the market required, but in the real world, they are limited by their knowledge of markets, the teaching skills available, and lack of funds for training equipment. . Given these limitations, the project as a whole has provided a remarkable variety of courses. However the selection of courses may not reflect the priorities of the real labor and business markets.

Here are examples of areas poorly covered by the project:

- Construction skills such as carpentry, masonry, and electrical wiring.
- Agri-businesses. A higher percentage of GNP is generated in agriculture than in industry, but there are virtually no related courses.
- Auto and appliance repairs
- Foreign languages, e.g. Portuguese

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<sup>10</sup> One of the evaluators visited 14 training institutions in 2002 when courses were underway.

### **6.3 Hypothetical Calculation of Benefits:**

As explained above, labor income represents 60% of GNP, and the microenterprise sector accounts for 20%, or around \$150 million annually. The voucher program reached 6% of the sector with an annual income of \$9 million. Thus if the productivity of the average trainee were increased by 5%, the aggregate effect on GNP would be \$450,000. Presumably, the gains would be repeated each year (but not compounded.) If so, the total project cost of \$1.4 million would be returned in three years. If the average productivity gain were 3%, the projects would "pay off" in five years.

Estimation from the standpoint of the 8,700 trainees yields the same result. We have assumed that the 150,000 individuals in the micro-enterprise sector have a gross income of 20% of GNP, or \$150 billion. Annual Income per worker is thus \$1,000, and for the 8,700, \$8.7 million. A 5% increase in their annual income (productivity) amounts to \$435,000. A 3% increase amounts to \$260,000.

Assume that the courses cost on average \$25 (including the voucher) and the average trainee takes four courses in a year, for a total cost of \$100. If he increases his annual income by 5%, or \$50 he will pay off the cost of the training in two years. The return on the investment would be 50%. The annual rate of return on his investment would be 10% for each 1% increase in his productivity. The calculations are the same whether the trainee pays the full cost or uses vouchers). These are averages, of course; actual returns would vary widely.

### **6.4 Other Factors Affecting Project Returns**

On the positive side, the increases in income calculated above will enjoy a multiplier effect if the added income of the trainee is the result of a value-added process that generated additional goods and services in the community. The additional income will circulate in the community and stimulate further production and trade

On the negative side, if a trainee is a peddler, for example, and simply takes a larger share of a fixed market then he is in a zero-sum game. He may gain but someone else will lose and the community as a whole will benefit little.

A project should have screening mechanisms to insure that the first group is favored in the selection process. As explained above, little effort was made to favor the first group and discourage the second group.

### **06.5 Social Benefits**

Lastly, in viewing the impact of human resource investments, one should look at the collective prospects for young people who still have 30-50 active years ahead. Many of the trainees are now in dead-end situations, with few future

prospects. The project gives them a new lease on life, and a vision of future possibilities. Many would never have had such a chance if were not for the project. The Satisfaction Survey stresses the self-esteem and self-confidence that many trainees have gained. Surely Guyana is better off with such a pool of trained resources, even if, when the economy is in the doldrums, the returns are not self-evident. A prosperous microenterprise sector is also a safety valve in an economy suffering from high unemployment, poverty, crime and related social ills.

## 8.0 RECOMMENDATIONS FOR A FUTURE PROGRAM

The consultant strongly recommends that the multi-donor voucher program be continued. The project has yielded high economic, social and personal returns, both to the individuals involved and to the society as a whole.

A new project should be a second phase, building on the experience of the present project, but with more focus, stronger linkages to the business community, more emphasis on value-added activities, and more attention to building entrepreneurial skills. Therefore, several modifications from the present program are recommended:

First, a new executing agency should be selected. The GVC has not indicated an interest in continuing, if the project were reinitiated. A promising candidate is the Association of Regional Chambers of Congress, which currently has ten member chambers distributed around the country. The Association could work in conjunction with the Georgetown Chamber, which is currently not a member of the ARCC. Other possibilities are the Small Business Association and the Institute of Private Enterprise Development (IPED). All three institutions are currently received donor assistance on other projects. The institution selected should have broad representation in the business community, with technical capacity to provide general orientation, and the ability to make a modest financial contribution and to provide logistic support.

not to be selected

Second, the project should focus more on priority sectors and on skills deficit fields such as construction, agri-business, and repairs. The free market system should be retained, but will work better with more market information available to all parties. A needs assessment, for guidance, not for centralized command decisions, should be undertaken before the new project becomes operational. The PCU, in approving institutions and courses, should orient the program toward skill areas of high priority and avoid courses where the market demand appears to be saturated. Care should be taken to screen out trainees of limited potential. These tasks would require addition of a business specialist to the project executing unit staff.

Third, the new project should attempt to broaden the geographical coverage and to give a higher priority to agri-business. Agriculture constitutes the largest and

the poorest component of the labor force. Opportunities for value added processing of agricultural products seems like an obvious priority. PCU was geographically limited, largely to the coastal areas, partly for lack of travel funds.

Fourth, the new project should emphasize business as well as technical skill, both by insuring that an adequate number of business courses were offered, and by stimulating rudimentary business content in all courses, e.g. bookkeeping and marketing. Third, a new project should explore ways by which larger businesses, in need of skilled labor, could sponsor trainees and later guarantee them employment.

Fifth, to facilitate introduction of new courses requiring equipment, tools, and software, a fund would be established for this purpose. This will facilitate courses on construction skills, for example. Institutions should bear part of the cost, but perhaps less than half as required in the past project.

Sixth, two new categories of promising trainees should be considered: young people without business experience but with clear potential, and those who have lost jobs in the formal market and show an interest and aptitude for business. In the prior program, the trainee selection criterion of previous business experience was applied loosely. Better candidates could be found if the two groups cited above were eligible.

Seventh, the voucher component should be held to the same level as the previous program, or perhaps reduced somewhat. Emphasis should be on quality – reaching promising entrepreneurs – rather than quantity. THE PCU should not be under pressure to reach quantitative targets. A smaller number of vouchers available should force some prioritizing and rationing on the part of the PCU, as opposed to the first-come first-served approach of the past. This would require (i) a more critical approval of courses, from the standpoint of both the nature of the course and the quality of the instruction, and (ii) a watchful eye to insure that the vouchers were distributed on the basis of the economic value of the courses and the potential of the candidates, admittedly subjective judgments. The executing agency would be expected to provide guidance to assist the PCU to make these judgments.

A G\$3,000 voucher value for poorer students seems appropriate, but means-testing experiments should be made, e.g. lower voucher lower values for repeaters and for trainees from established businesses.

Lastly, the PCU performed well and a similar structure should be formed to execute a new project. However, it should be staffed with at least one professional with business experience to give guidance on labor market needs and business opportunities. The PCU database is a valuable asset. Donors



should insure that is maintained and utilized, whether in a new project or otherwise.

## 9.0 NEW PROGRAM BUDGET

The recommended program budget (US\$), for three years, would be as follows. Administrative and logistical support, which presumably would be covered by local counterpart, are not included. In other word, the costs below would be covered close to entirely by foreign donors..

Voucher Element. 15,000 vouchers a year @ \$15 dollars each	\$675,000
Training Equipment and Technology Fund (excluding local contr.)	150,000
Program Coordination Unit.	300,000
Initial Needs Assessment and Technical Advisory Services.	100,000
Evaluations and Surveys. Same as past program	60,000
Contingencies. Same as past program	20,000
<b>TOTAL</b>	<b>\$1,305.000</b>

## ANNEXES

### A. EVALUATION OF LOGICAL FRAMEWORK INDICATORS

(Indicators are shown in bold print)

**Total yearly value of program training transactions as a percentage of the total market.** Over the course of the program, vouchers were disbursed at an annual rate of 12,000. At the peak, the annual rate was nearly 20,000. As estimated by the Donors Memorandum, the total population of the micro-enterprise sector was 145,000. Therefore, the annual distribution rate equals 8% of the market; the peak level represents 13%.

**Correlation of supply-demand diversification.** The project was based on a free market concept, with many voluntary choices available for trainees. The training institutions would then respond to the demand. In this sense, the correlation was high. However, diversification was limited by the market information available and, in some cases, by the financial ability of the training institutions to provide courses needed. e.g., construction trades for lack of equipment needed for training.

**Sufficient qualified suppliers to meet the market expansion.** In a quantitative sense, the number of institutions and courses was impressive. However, many subject areas were inadequately covered, including construction trades, agri-business, and repair activities. The project did not meet all potential demand, certainly in these areas.

**Monthly variations in voucher disbursements under 10%.** Excluding the initial build-up period and the final period of decline, during the peak period of 14 months the average variation from the median was 23%.

**Number of queries answered and referrals made.** The PCU did not maintain records of this nature.

**Number of vouchers redeemed by training institutes.** The latest totals are 34,380 vouchers redeemed out of 43,120 issued. (80%)

**Number of TTDF interventions.** One promotion seminar was held in July 2002, and many individual promotional contacts were made with individual institutions. Two training seminars were attended by training institutes and one financial allocation was made

**Number of training Institutes registered and their courses.** Sixty-nine training institutions (fifty active) and 5,740 courses were approved.

**Reports to Training Institutions on trainee preferences and unsatisfied demands.** There is no formal system of reporting, but frequent informal discussions occurred.

**Reports and referrals on available business services and other micro-enterprise training.** No count is available, but PCU made frequent referrals, e.g. to IPED and Scotia Bank for financing.

**Number of posters, newsletters, press articles and announcements, TV and radio spots made. Training institutions and their associations were interviewed.** No count available. PCU estimates that the most effective forms of promotion were word of mouth. After a poor experience with centralized promotion by PCU, a decentralized system was installed; individual training institutions were given G\$6,000 monthly to assist them with their own promotion efforts.

## B. INDIVIDUALS INTERVIEWED

Name	Institution	Tel. No
Dr Walter Chin	Institute of Private Enterprise Development (IPED)	225-8949/3067
Mr. Patrick Zephyr	Guyana Small Business Association (GSBA)	225-1192
Mr. John Bennett	Guyana Small Business Association (GSBA)	225-1192
Mr Hubert Roberts	Consultant	225-192
Hon. Mr. Mansoor Nadir	Ministry of Tourism Industry and Commerce	226-8695
Mr Flavia Rose	St. Francis Community Developers	337-2444-337-4090
Mr.Terrence Simmonds	St. Francis Community Developers (Peace Corp)	337-2446-337-4090
Mr. Delmas Reddock	New Amsterdam Business School	333-4642/333-3366
Ms. Bibi F.F Aleem	Strathaven Community Development Club	625-1706
Mrs. Bhagmatie Joree	Centre For Accountancy Training	228-2753
Mrs Michelle Hardeen	Centre For Accountancy Training	228-2753
Ms. Denise Gordon	Denise Institute For Catering	444-6851/3559
Mrs. Madeline Semple	Total Molding	624-0809
Mr. Oswald Quamina	Linden Economic Advancement Programme (LEAP)	444-4059/4057
Mrs. Williams	Blooming Developers	444-5700/618-9904
Mrs Fruta Small	Excellence Touch Hair Design	442-0743/624-3928
Mrs. Katryan	Roadside Baptist Church Skills Training Centre	338-2586/338-2586
Mrs. Lynch	Adult Education, Berbice Branch	333-4515/333-5210
Mr. & Mrs Dexter Joseph	Windex Internet And Education Centre	442-0570
Mr. Lawrence Lowe	Lawrence Low Jewellery Establishment	225-9680
Ms. Samatha Singh	Global Technology	225-4657
Ms. Washington	Carnegie School Of Home Economics	226-2441
Mrs. Chloe Noble	USAID	225-7315

Mr. Murray Kam	CIDA	227-2081
Mr Harry Dyatt	Guyana Volunteer Consultancy	226-1374
Mr. George Drakes	Guyana Volunteer Consultancy	263-0512
Mrs. Bibi Barakat	Shereene Commercial School	771-4021
Mr. Felix Girard	PCU Micro-enterprise Training Services Market Program	226-3305

To be supplied by Mr. Fordyce

**C. TRAINING INSTITUTIONS AND COURSES GIVEN (Attached)**

Cake & Pastry, Tailoring, Dressmaking, Floral Arrangement, Craft

9. Linden Online, Tel.: 444-6293, Introduction to Computers & Internet, Microsoft Word, Excel, Access, Publisher

10. Linden Management Institute, Tel.: 444-6168, PC Technicians course, PC Network Technicians course, Preparation for CompTIA A+ Exams, Preparation for the CompTIA Network+ Exams, TCP/IP based Local Area Networks, Hands on Operating System Utilities for Support Personnel, The Linux (Open Source) Operating System, Microsoft Office User Specialist (MOUS) Core and Expert Levels, Certified Novell Engineer CNE, Essential Arts of Financial Management, Customer Relations & Public Relations for Small Businesses, Essentials for Company Law, Sale of Goods and Contract Law, Interpersonal Communications Skills Parts 1&2, Shop Floor/Front Line Supervision: Coping techniques for new managers, Hospitality Skills: Preparation for Tourism, Preparation Business Proposals and Business Plans, Developing an E-Business, Small Business Economics Incl. Costing, Linear Programming, PERT, Computing Applications for Management Personnel.

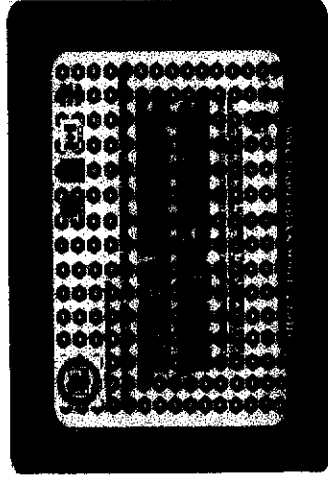
#### **COURSES OFFERED BY INSTITUTIONS IN ESSEQUIBO**

1. Institute of Distance and Continuing Education, Tel: 771-4386: Literacy for Microenterprise Development, Numeracy for Microenterprise Development, Entrepreneurship, Marketing, Garment Making, Floral Decoration
2. Essequibo School of Business Education (Aka Charles's Computer School), Tel.: 771-4535. Elementary/Intermediate Word Processing, Elementary/Intermediate Spreadsheet and Database Management, Windows, Estate Management, Business Management & Accounting.
3. Rotary Community Corps (RCC), Tel.: 771-4791. Dressmaking Stage 1, Dressmaking Stage 2.
4. Rupnarine's Training Centre, Tel.: 774-5070. Typewriting, Excel 2000, Windows 2000, Accounting, English Language
5. Shereen's Commercial School, Tel: 771-4021, 771-4292. Basic Typewriting (1), Basic Typewriting (2), Business Communication (1), Business Communication (2), Fashion Designing and Dressmaking, Cake Decoration.
6. Bina Hill Institute of the North Rupununi District Development Board, Agriculture Training, Skills for Success, Communications Training & Services, Makushi Language Services & Training, Indigenous Skills Training, Community Based Eco-tourism Services, Environmental Research Reduction, Youth Leadership Program.



**Guyana Volunteer  
Consultancy Inc.**

#### **Courses Offered by Approved Training Institutions**



**Main Office:**  
109E, Barrack St.,  
Kingston, Georgetown  
Tel: 226-0203, 63305, 63423  
Fax: 226-7187

#### **Information Offices:**

- Consumer Goods Complex,  
Linden, Tel: 444-4238
- Port Mourant, Shereen,  
Tel: 621-8480
- Henrietta, Essequibo,  
Tel: 626-7954

E-mail: [VoucherInfo@yahoo.com](mailto:VoucherInfo@yahoo.com)  
<http://www.geocities.com/voucherinfo/gvc.html>

Microenterprise Training Services  
Approved Programmes sponsored by:



## COURSES OFFERED BY INSTITUTIONS IN GEORGETOWN

1. Kuru Kuru Co-op. College, Tel No: 225-8433: Marketing Parts 1 & 2, Marketing for Entrepreneur, Record Keeping, Cost Accounting/Stock Verification, Goal Setting and Promotion/Motivation, Certificate in Small Business Management, Certificate in Communication, Attitudes & Customer Relations, Budgeting, Project Planning & Preparation, Elementary Photography
2. Adult Education Association, Tel: 225-0758: Small Business Management, Personnel Management, Office Protocol, Communication in Management, Introduction to Computers, Windows 98, Microsoft Word/Excel/Access/PowerPoint, Lotus Smart Suite, Word Perfect, Refrigeration - Servicing & Maintenance, Radio & Television Electronics, Cake Decoration, Food & Nutrition, Cake & Pastry, Care of the Elderly, Child Care Management, Fabric Making, Floral Arrangement, Hair Dressing, Nail Technology, Facial, Dressmaking, Decorative Cushions, Tie Dye, Curtain Making, Food Preservation, Soft Toys
3. Institute of Distance and Continuing Education, Tel: 225-1488, 227-0407: Supervisory Management, Small Business Management, Marketing Management, Cost Management, Marketing, Accounts, Literacy for Microenterprise Development, Numeracy for Microenterprise Development, Introduction to Computers, Lotus 1-2-3, Word Perfect, Database, Care of the Elderly, Cake Decoration, Floral Arrangement, Garment Construction, Introduction to Entrepreneurship, Business English, Business Maths
4. The Business School, Tel: 223-8704, 226-8906, 225-5261: Small Business Management, Accounting for Small Business, Advertising, Marketing, Record keeping, Introduction to Computers, MS Word/Excel/Access/PowerPoint/ Publisher, Internet & E-Mail.
5. Digitech, Tel No. 226-5968; 223-8919: Use of Computers, Application of Computers - Modules 1-3, Word Processing, Spread Sheet Management, Desktop Publishing, Refrigeration & Air conditioning, Compressors & Control Devices, Introduction to Electricity & Electric Motors, Automatic Controls in Domestic Systems, Management in Computer System Environment, E-Commerce
6. Carnegie School of Home Economics, Tel: 226-2441, 223-8100: Elementary & Advanced Cookery, Elementary & Advanced Cakes & Pastries, Cake Decoration, Wedding Cake/Fondant, Meat Cookery, Vegetarian Cookery, Tie Dye & Fabric Painting, Acrylic Nail, Floral Arrangement, Crochet and Macramé, Elementary and Intermediate Dress Making.
7. Shomath School of Home Management & Mathematics, Tel: 231-6308: Curtain Making - Parts 1&2, Elementary and Advanced Cake Decoration, Cake & Pastry Making,

Christmas Design, Tailoring, Fabric Designing

8. Nayell's School of Cosmetology, Tel: 226-2124: Facial; Hair Cutting, Salon Business, Facial Make-up, Manicure & Pedicure, Air Brush Painting & Free Hand Design, Acrylic Nails & Sculptured Nails, Barbering, Hair Extension & Braiding
9. Kevin's Reflections Beauty Salon, Tel: 225-0140: Barbering
10. Strathavon Community Development Club Inc. Tel: 625-1706: Basic, Intermediate & Advanced Carpentry, Basic, Intermediate & Advanced Joinery
11. 1st Choice Cake Decoration & Creative Craft, Tel: 226-4658: Cookery, Cakes & Pastry, Cake Decoration, Designers/decorative cushions, Bedroom elegance, Embroidery, Fabric Design, Floral arrangement, Bridal accessories, Designer curtains, Crochet/knitting, Soft Toys, Elementary & Advanced Dress Making
12. Triple A & C Craft, Tel: 220-5451, 628-7776 Curtain Design, Crochet, Floral Arrangement, Cakes & Pastry/Cake decoration, Fabric Design, Cookery.
13. Global Technology, Tel: 225-3364, 225-4657. Computer training - Foundation, Programmer, Website developer, Autocad & technician packages, Computa Certificates, Computerized Accounting, Academic courses.
14. Language Services, Tel: 226-2181. How to treat your clients, Spanish Course for Business, Basic 1 & 2
15. Alpha Foundation College, Tel: 626-4438, Sewing, Curtain Designs, Floral Arrangement and Embroidery.
16. Service First, Tel: 220-5681, Telephone Etiquette, Personal Care & Grooming, Customer Service, Attitude, Body Language & Self Esteem, Service & Service Recovery, Floral Arrangement.
17. Abdul's Electronic Servicing & Spares, Tel: 225-0391, Electronics Parts 1 & 2, Audio Parts 1 & 2, Television Servicing Parts 1 & 2.
18. Despats' Creative Craft, Tel: 227-0646, Chinese Cookery, Vegetarian Cookery, Cake Decoration, Cakes & Pastry, Floral Arrangement, Cushion Making, Fabric Designs.
19. Professional Education Programme (PEP), Tel: 227-2556, Accounting & Finance, Management & Supervision, Training & Human Resources, Sales & Marketing, Occupational Health & Safety.
20. Laurence Lowe Jewellery Establishment, Tel: 225-9680, Beginners Course - Sand Paper & Polishing (Part 1), Milling & Pulling Gold (Part 2), Casting of Gold Jewellery (Part 3), Letter Cutting, Earring and Chain Making, Stone Setting and Ring Making.
21. Technical Studies Institute, Tel: 225-9587, Electrical Wiring & Installation, Television Repairs with Electronics, Network Technology - Assembly & Administration, Computer Assembly & Repairs, Air Conditioning & Refrigeration, Windows 2000 server - The Operating System
22. Channel # 2 Television Station, Tel: 263-0411, 263-

1031. Mechanics, Care & Operations (TV Transmitters, Camcorders, Care & Operations (Video Cameras), Computer Graphics, Digital/Analog Editing, Script Writing Presenting, Bridal Floristry & Decorative Craft, Flc Arrangement & Etiquette.

23. Essence By M & J Beauty Salon, Tel: 231-71 Manicure & Pedicure, Short Cuts & Styles, Facial Nails, Nail & Hair Care, Braiding & Weaving.
  24. Accountancy Training Center, Tel: 223-76 Introduction to Business Accounting, Processing Accounting Transactions, Recording Payroll Transactions, Off Organization, Business Communication, Maintaining Financial Records - Introduction, Maintaining Financial Records - Advance, Understanding the Elements of Cost Accounting for Product Cost, Understanding Information Technology Environment, Information Technology Application for Business, Preparing Financial Statements, Interpretation of Financial Statements, Providing Information for Management, Financial Planning, Performance Measurement.
  25. Jean Creative Craft, Tel: 226-9548, Dress Making, Curtain Designing, Decorative Cushions, Fabric signing, Crochet, Cake Decoration, Cake & Pastry, Cookery.
  26. Josenico Technologies Inc., Tel: 223-3121, Introduction to Computers, Windows 2000/XP, Internet Explorer, MS Outlook, Microsoft Office 2002/XP, Micro Excel, Word, Access, Power Point, Project.
  27. University of Guyana Computer Centre: Tel: 25400: Information Technology Classes
  28. The Language Institute, Tel: 231-7303: French Spanish, Dutch classes; Spanish Cookery.
- ### COURSES OFFERED BY INSTITUTION IN BERBICE
1. St Mark's Library and Skills Training Centre Tel No. 624 -2142: Food & Nutrition, Needlework Cake Decoration, Music, Care of the Elderly, English Math for Small Businesses.
  2. Roadside Baptist Church Skills Training Centre Tel No. 338 2586: Business Management & Accounting Windows 98, Word/Excel 97/98, Introduction to Computers, Elementary Typewriting, Garment Making, Fashion Designing, Food & Nutrition/Cookery, Mathematics for Small Businesses, Basic English for Small Businesses
  3. Adult Education Association-Berbice (333-45 333-5210): Child Care, Care of the Elderly, Basic Referral, Floral Arrangement, Cake Decoration, Dry Making, Masonry, Electrical Technology, Radio & Repairs
  4. Mibicuri Library & Skills Training Centre (3-