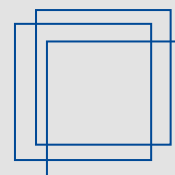


GUYANA ON ITS WAY TO HIGH-VALUE MARKETS:

**FINDING EXPORT POTENTIAL
IN THE VEGETABLE AND
FRUIT SECTOR**

MARKET ANALYSIS REPORT

CONSULTANTS:
SEAN KIRWAN
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Executive summary

Within its strategic plan, the Ministry of Business in Guyana identified that export diversification should be bolstered such that the economy is not so dependent on volatile commodity prices. This assignment fills a research gap by specifically focusing at the higher end of the value chain, examining in detail the challenges faced by actors associated with the processing and export of value added products from Guyana to high value international markets.

This report builds upon work already conducted and presented in a separate report¹. This first stage of the assignment presented findings from a sector selection exercise, designed to identify sectors where opportunities for intervention to promote inclusive growth existed.

This report adopts a market systems approach to analysis by focussing on bottlenecks and constraints in the supporting functions and rules to target high growth, high potential value chains. By addressing constraints in these supporting functions and rules impact can be a) more sustainable by addressing structural issues that prevent the private sector from thriving; and b) more wide spread by creating the conditions for other private sector actors to benefit and grow.

To realise growth built on substantial increases in exports of value-added products, it will be necessary for actors to invest in significant upgrades to production and export quality and quantity. In this light three supporting systems (**finance**, **market research** and **product development**, and **standards**) were selected as the most significant.

At the centre of the market system analysis is an examination of how supporting systems of functions and rules constrain core actors from improving performance. This is defined in one of three ways: as an absence, insufficiency, or mismatch in the provision of necessary goods and services.

Financing options are currently extremely limited with most processors financing growth organically. There are few financial products that are tailored to the sector and low levels of uptake. This limits growth generally and is a significant constraint to exports that need both significant working capital reserves and capital expenditure on upgrades to meet international market demands.

To target high-value international markets, processors also need to be able **to understand and respond to market demand**. There is currently limited capacity to identify high growth international markets, make connections to large-scale buyers and tailor product development to meet their needs.

The application and implementation of **grades and standards** for international export is the final piece of the puzzle. It is an integral component of being able to access high value markets. Public sector support for market research, product development and grades and standards is sometimes disjointed and under significant resource constraints.

1. S. Kirwan, K. Craig., Promoting export-led growth in value added products in the fruit and vegetable sector in Guyana: Sector selection report, ILO, 2017

In response to these challenges this report considers the good or service that needs to be provided in the future and makes recommendations on how this could be achieved given capacities and incentives structures.

Recommendations in the finance supporting system:

- Provision of financial literacy support in the short-to-medium term by: commercial finance providers offering embedded support services as a part of their product offering, SBB and technical support agency programmes.
- Promote competition and innovation in financing by: government lines of credit conditional on innovation, MoB advocacy and review of regulation to encourage competition.

This can create the foundation for future development where a large and growing agri-processing sector produces a high-quality pipeline of loanable propositions. Where banks and the public sector collaborate to increase outreach, and engage more customers because it is a commercially sound strategy. Where new entrants to the finance sector are encouraged and where product innovation is the norm to compete for lucrative relationships.

Recommendations in the market research and product development supporting system:

- Promote and support market research and formal product development processes as a part of financial literacy training.
- Develop the offer in the one-stop-shop, delivering high quality market information, market linkages and information services on how to export. Ensure coordination between all relevant government bodies.
- Investigate the reinstatement of Trade Facilitation Officers in overseas posts.
- Investigate innovative ways for IAST to better engage the private sector and promote product innovation.
- Promote private sector provision of testing services.

This can support a diverse and vibrant private sector that invests in international market research, market linkages and high-quality and responsive product development. It would be supported by a proactive public sector through a one-stop shop run by Go-Invest for international market information, product advice and consumer linkages and a support network of Trade Facilitation Officers operating in target international embassies. IAST can become more responsive to the needs of MSEs, with sophisticated private sector provision of testing becoming established for larger enterprises that can afford the investment.

Recommendations in the standards supporting system:

- Increase coordination between MoB, BNBS, GAFDD, GMC and Go-Invest. Champion the one-stop-shop as a key platform for trade and investment promotion
- Upscale GAFDD capacity to meet rising need. Investigate paid-for-services.
- MoB to champion nucleus business models with MSEs feeding semi-processed product into larger processors. Support of a technical support agencies in the proof of concept phase.

GNBS, GAFDD, GMC, and Go-invest, with support from IICA and FAO, can substantially increase coordinate in the development and dissemination of standards with a clear focus on usability for the private sector. The Go-Invest one-stop-shop will be a good access point for all standards information relating to exports. The online platform is substantially under-utilised at present and could bring together a wealth of existing information on standards, markets and suppliers that could support significant growth in exports. Support services would then be delivered under the coordination of a fully resources GAFDD with support from technical agencies (IICA and FAO) where needed. Innovation in business models would support the integration of MSEs into international value chains.

This content of this report has been validated with government and private sector representatives at a full day workshop (See Annex 3 for attendance list).



BACKGROUND

Within its strategic plan, the Ministry of Business identified that export diversification should be bolstered such that the economy is not so dependent on volatile commodity prices. Currently, 92% of exports are commodities, minerals (gold and bauxite) and primary agriculture products (sugar and rice), and only 8% are from some form of value-added products.

In an effort to better balance the export focus, the government has indicated that future economic growth should be directed toward improving the output of value-added products in sectors with opportunity for export growth. This new growth and focus should be inclusive and directed to “foster economic inclusion with a focus on micro and small enterprises (MSEs)”².

To achieve this goal, the government of Guyana has asked the International Labour Organization (ILO) to support an analysis of its fruit and vegetable sectors to identify growth and export potential, seeking to address the underlying constraints that might hinder productivity enhancement and sector growth.

This assignment fills a research gap by specifically focusing on the promotion and expansion of value-added products and exports to support inclusive growth in the fruit and vegetable sector. It is explicit in its focus at the higher end of the value chain, examining in detail the challenges faced by actors associated with the processing and export of value added products from Guyana to high value international markets.

This is not to underestimate or de-emphasize the challenges present at the production-end of economic growth; however, in targeting finite analytical resources, this study builds upon the strong foundations of existing work³ in production and market linkages to develop analysis and recommendations centering on agro-processing and exports.

It also fills a gap through the utilization of a market systems lens for analysis. There is a detailed existing corpus of research examining challenges to inclusive growth from the

2. From Ministry of Business' Strategic Plan 2016-2020.

3. K. Craig. A Shepherd., Capacity Building in Value Chain Analysis and Development for Agricultural Exports, 2017

perspective of actors engaged in core transactions in the value chain – namely farmers, middle-men, wholesalers, retailers, processors and exporters, with a good understanding of the areas of constraints that face these actors – access to finance, market identification and linkages, access to inputs etc. Less focus has been paid to the challenges that exist in the provision of these goods and services at the interface between supporting goods/service markets and the value chain itself.

This analysis seeks to fill this gap by moving through a process of selection to examine challenges at the interface between supporting systems and the core value chain and making recommendations that explicitly deal with challenges in these supporting systems.





OBJECTIVE

The assignment will collect and analyze information to enable policy-makers and private sector actors to:

1. make an informed decision about the potential and relevance of sub-sectors and value chains, and to ascertain whether interventions to develop these sectors would be feasible;
2. identify possible interventions that can help value chain actors (private and public) and MSEs (micro and small enterprises) capitalise on the economic opportunities in the sub-sectors and value chains with strong potential for inclusive growth and systemic change. These interventions will focus in supporting systems and the interface between these and core value chain transactions.

This report builds upon work already conducted and presented in a separate report⁴. This first stage of the assignment presented findings from a sector selection exercise, designed to identify sectors where opportunities for intervention to promote inclusive growth existed and to help focus further analysis.

During the sector selection exercise, the research team undertook a process of selection using inclusion and exclusion criteria to identify two target value chains for promotion. Mango and hot pepper both showed: strong potential for export-led growth and diverse processed product lines with scope for expansion; good potential to support development objectives through the inclusion and formalisation of MSEs and the creation of employment; feasibility to intervene, with interested and able private and public-sector actors.

The research team also undertook a high-level analysis of areas of underperformance in the value chains and made the recommendation to focus on the limited extent to which processors currently export to high-value international markets. This led to an identification of three supporting systems for further analysis - finance, market research and product development, and standards.

4. S.Kirwan, K. Craig., Promoting export-led growth in value added products in the fruit and vegetable sector in Guyana: Sector selection report, ILO, 2017

This market analysis will thus focus on bottlenecks and constraints in the supporting functions and rules with a focus on these supporting systems as they relate to the mango and hot pepper value chains. This will lead to clear recommendations which the research team believes will have positive impact on not only inclusive growth in the selected value chains but across the agro-processing industry more generally.

These recommendations were intended to help inform the strategy and budget for Ministry of Business (MoB) in the coming year and will form a key part of the National Value-Added Export Strategy (NVAES) and the Export Competitiveness Plans (ECV), which are flagged for development within the Ministry of Business' Strategic Plan 2016-2020. The recommendations of the analysis will provide a basis for how Guyana can diversify its economy with inclusive value-add initiatives.





METHODOLOGY

Building on the ILO guidelines for value chain development for decent work the research team undertook analysis according to the following research areas⁵:

3.1 Identifying key actors, underlying causes and understanding incentives in the supporting systems

The first step undertaken was a validation of identified areas of underperformance relating to processing and export activities in the mango and hot pepper value chains. This will support a refinement of analysis in the identified supporting systems through a better articulation of the needs in the core and the mismatches between demand and supply currently in existence.

Identify the key actors in the supporting systems, how they are linked and organized

“Drawing up a clear picture of the key actors in the value chain and the supporting systems, as well as the linkages between them, is crucial to guide subsequent analysis of areas of low performance, and the underlying causes of this low performance.”⁶

5. ILO publication, Value Chain Development for Decent Work, Second Edition (2015). http://ilo.ch/empent/areas/value-chain-development-vcd/WCMS_434362/lang--en/index.htm.

6. Value Chain Development for Decent Work, Second Edition (2015), p 31.

Identify underlying causes of the market system's underperformance

“Initial research has resulted in the identification of low performance areas for both value chains and the supporting functions and rules associated with each. To intervene successfully and sustainably, there need to be analysis to identify the underlying causes of this low performance.”⁷ Figure 1 below shows a stylised representation of a market system. The key take home is the level of interconnection – both backwards and forwards within the value chain but also among multiple supporting functions and rules. Analysis that will inform transformative intervention must drill back into these interconnections. For example, if it is found that lack of finance is preventing upgrading of processing facilities, we should not stop our enquiry there. We need to identify the underlying causes of this lack of information by asking ‘why can’t processors access the finance they need to upgrade facilities?’ Answering this question will require analysis of the interconnected actors within the core and supporting systems and the development of an understanding of roles, incentives and capacities.

Understand incentives and capacities of all market actors to contribute to a solution

“Incentives are the reasons that market actors do what they do. The most powerful incentive in the private sector is usually profit (the ‘bottom line’), but incentives also include reputational concern, winning votes from the electorate, a sense of obligation to certain groups, fulfilling an organization’s mandate, or social and environmental responsibility.

Understanding what drives behaviour helps to identify why market actors are not performing certain functions or rules effectively. But even if incentives are present, market actors may not have the capacity to act on them. Knowledge of both market actor incentives and capacities is required for projects to explain why constraints exist, and therefore why the target groups have been unable to take advantage of value chain opportunities open to others.”⁸

3.2 Expanding analysis from core value chain transactions to supporting systems: Identification and prioritisation of supporting functions and rules

In addition to supporting recommendations for target value chains, analysis in the first report identified and analysed key supporting functions and rules. This supported a prioritisation exercise that saw the selection of three key supporting systems that had the greatest influence on the ability to value chain actors to increase processing and exports. Future efforts may wish to focus on alternative systems listed in figure 1.

Rapid assessment of constraints and prioritisation

The analysis began by identifying all the supporting functions and rules that have bearing on the performance of the target value chains. To ensure that research was targeted at the most relevant constraints, the research team then linked each supporting function to the step in the value chain and to which it was most relevant (there are several instances where the supporting function is relevant throughout e.g. finance). Reflecting the overall vision of the

7. Ibid, p 31.

8. Ibid, pp. 31-32.

assignment in concentrating at the processing/export/retail end of the value chain, the research team prioritised supporting functions and rules that had greatest importance for actors in these stages of the value chain. A qualitative selection exercise was then undertaken based on primary and secondary research that identified the most significant constraints for processors, retailers and international consumers (figure 1).

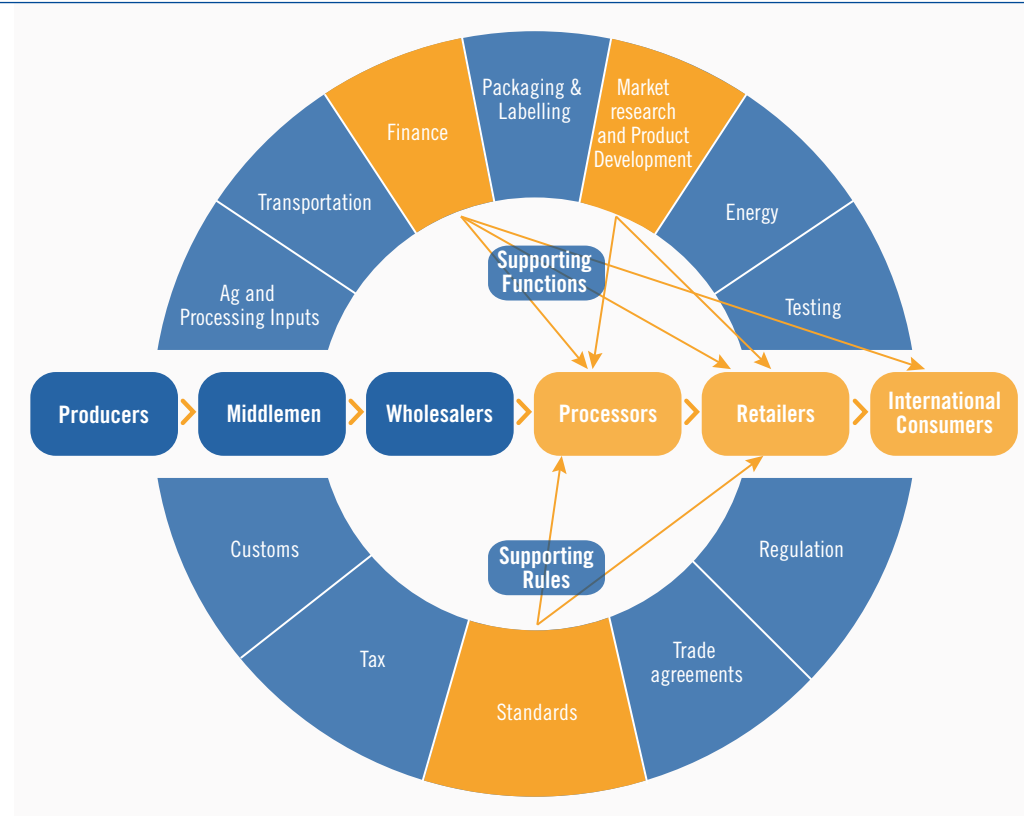
To realise growth built on substantial increases in exports of value-added products, it will be necessary for these actors to invest in significant upgrades to production and export quality and quantity. In this light three supporting systems (finance, market research and product development, and standards) were selected as the most significant:

Financing options are currently extremely limited with most processors financing growth organically. A more complete understanding of the finance sector as it relates to agri-business will support concrete recommendations for improving access to finance where it is most needed.

Agro-processing in Guyana is currently predominantly targeted to the domestic market. To upgrade to a high-value international market focus, processors need to be able **to understand and respond to market demand**. Being able to identify high growth international markets, make connections to large-scale buyers and tailor product development to meet their need are crucial preconditions to growth. A full understanding of the interplay between private and public institutions in this area is a vital foundation to build this capacity in the sector.

Finally, the application and implementation of **grades and standards** for international export is an integral component of being able to access high value markets. The ability of Guyana's processors and exporters to implement standards is lacking. A greater understanding of how implementation can be supported and expanded will be an important part of the broader aim.

Figure 1:
Identification of key
supporting function
and rule systems which
constrain growth in
agro-processing and
exports (common to
chili and mangos)



3.3 From system maps to performance related recommendations

The following sections present evidence and analysis against the three research areas for each of the three supporting systems. The research areas map to a market systems approach to generating clear recommendations for actions that will improve systemic performance.

Identifying actors in the supporting systems, how they are linked and organized

Drawing up a clear picture of the key actors in the value chain and the supporting systems, as well as the linkages between them, is crucial to guide subsequent analysis on the underlying causes of this low performance.

This section provides an important context to any analysis of constraints and development of solutions. It presents a clear picture of relevant actors on both the supply and demand side between the value chain and supporting systems and it outlines the nature of products and services currently being provided.

At this point it does not present any analysis on whether these products and services are sufficient or are being provided by the 'right' actors. This is addressed in later sections. It does, however, highlight when there is a clear and obvious absence of an actor currently operating in Guyana.

Identifying underlying causes of the market system's underperformance

Identification of constraints

At the centre of the market system analysis is an examination of how supporting systems of functions and rules constrain core actors from improving performance. This is defined in one of three ways: as an absence, insufficiency, or mismatch in the provision of necessary goods and services. For example, it could be: (a) that there is no access to finance for a processor; (b) that the financial products are not suitable for the processors needs; or (c) that finance is provided, but as a grant by government, which will be unsustainable in the long-term.

A key starting point in understanding constraints is then to identify the issue in supply and demand between supporting and core systems. We present analysis below on what the key demands of core actors are and the extent to which these are met or not by supporting systems.

From constraints to diagnosing root causes

To fully understand constraints and to make clear and actionable recommendations it is necessary to develop diagnostics beyond a simple identification of the problem. In market systems analysis, this is known as analysing root causes. This involves both a deeper interrogation of the incentives and capacities of the actors identified above, as well as a consideration of any external supporting systems that are relevant to these interactions. For example, finance is itself a supporting system to the implementation of standards, as finance is a necessary requirement for capital expenditure to upgrade facilities in line with international certification.

This section presents each identified constraint in turn with detailed analysis of the root cause for each. This helps to frame recommendations in the concluding section.

Understanding incentives and capacities of all market actors to contribute to a solution

Building on the diagnostics presented, we present in this concluding section recommendations responding to identified root causes. Recommendations follow a consistent format to facilitate action. For each we present details on the nature of the good or service to be provided in the future and outline how, and by whom, it could be provided in both the long and medium term.

This aligns with the original logic of constraining factors falling into one of three groups – absence, inadequacy or a mismatch. By presenting a vision for how a critical good or service could be provided in the future we also present a response to each identified constraint.







4

FINANCE

4.1 Actors in the supporting systems, how they are linked and organized

Actors:

- Commercial Banks
- Institute of Private Enterprise Development (IPED)
- Small Business Bureau (SBB)
- Development programmes with credit/grant components
- Credit Unions

Products and services offered:

There are five large **commercial banks** operating in Guyana - Republic Bank (RB), Guyana Bank for Trade and Industry (GBTI), Citizens' Bank, Demerara Bank and Scotia Bank. All five offer a series of financial products for customers including credit cards, overdraft facilities, multi-purpose loans and limited working capital products.

Financial products are generally non-sector specific, with only GBTI and RB offering agri-sector specific loans through a government backed line of credit. Interest rates vary from 4%-17% depending on the nature of the loan or who the recipient is (see Annex 1 for costs associated with loans). While the length of loan is offered at as high as 10 years, in reality most agri-businesses would be unlikely to be granted this arrangement. Repayment terms tend to be shorter and more expensive than for other sectors.

Paperwork needed to secure a loan is broadly consistent with other financial institutions, including a bankable business plan, registration details, financial statements (for up to 3 years in the past and 3 projected), proof of ownership on collateral and tax receipts (see Annex 2 for a full list).

The Institute of Private Enterprise Development (IPED) is a not for profit, tax exempt, non-governmental organization that provides finance and other services to micro and small business entrepreneurs in Guyana.

Its loans are smaller, with three primary products offered: Micro loans of G\$360,000-G\$750,000, Vending loans up to G\$ 20million and Micro-Boost loans up to G\$100,000.

Repayment terms are substantially more expensive, reflecting the added risk of lending to this segment of the market, with interest rates from 15%-40%. The maximum loan period is five years.

In addition to financial products, IPED also offers other services including business guidance, technical assistance and training.

The Small Business Bureau (SBB) is a semi-autonomous Government agency whose strategic focus and objectives are as follows:

- To raise the visibility of small businesses;
- To make it easier for small businesses to access government services and permits;
- Policy advocacy for an improved environment for small businesses;
- To implement programs to encourage small businesses to grow and develop, providing more value-added and jobs;
- To serve as a point agency for expertise and data on small businesses;
- To establish and facilitate sector clusters and networks for business development and innovation⁹.

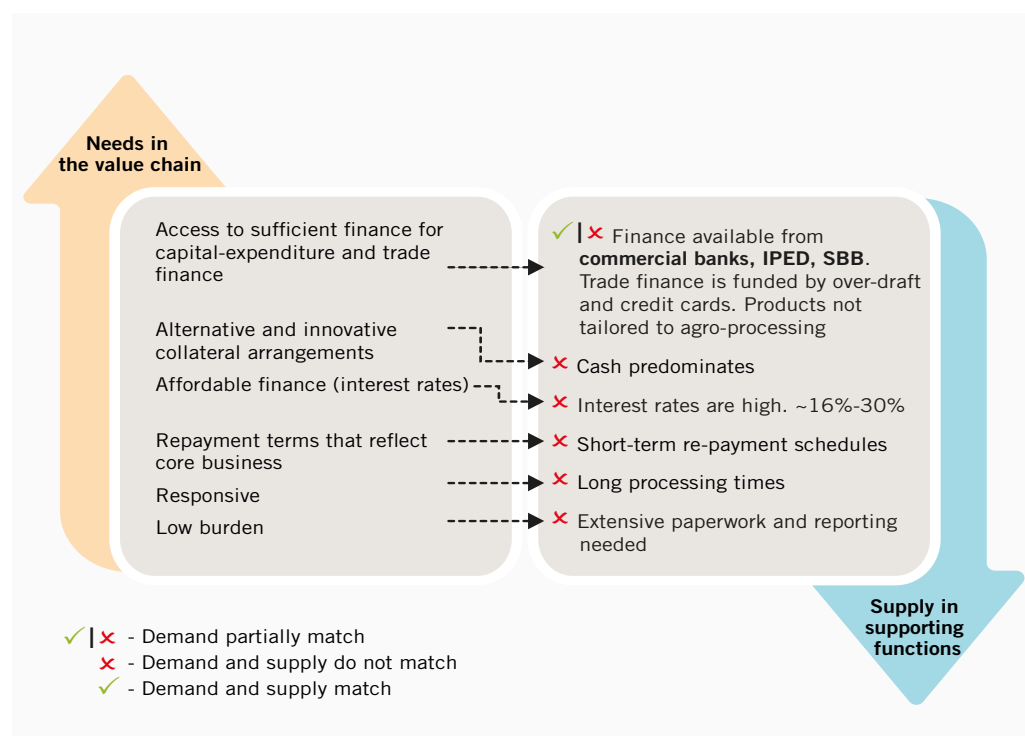
The SBB has also been implementing a Credit Guarantee Fund which is being administered by RB and GBTI. GBTI will provide 80% financing and the borrower the other 20% as equity contribution. RB will provide 75% financing and the borrower the other 25% as equity contribution. The interest rate charged is between 6 – 8%.

This fund will be used to guarantee 40% of the collateral requirements for the RB or GBTI bank loan to reduce the perceived risk of the borrower and increase the likelihood of their business plans being approved for financing. The borrower must provide the other 60% of the collateral requirements for the loan.

There is currently no **Development Bank** in Guyana, though this model has been tried in the past.

9. SBB website, <http://minbusiness.gov.gy/small-business-bureau/>, accessed 08/17

4.2 Identification of constraints



Demand:

Research indicated that agro-processors and exporters need financing for: (a) capital investment to make the necessary upgrades in technical expertise and infrastructure to meet international, high-value market standards; and (b) trade finance or financing for operating costs associated with filling an order.

Importantly, they need this finance to be made available in products that are tailored to their specific business models. In the agriculture sector, this generally means longer-term repayment schedules – reflecting both seasonal production and longer periods for the realisation of return on investment - and the need for alternative collateral arrangements to cash.

In addition to these sector specific requirements, agro-processors also struggle with common issues in accessing finance – that the process is time-consuming and slow and that the requirements are overly burdensome. This is particularly the case for MSEs that have recently entered the market and do not have the capital reserves to mitigate any delay or put already stretched resources into meeting bureaucratic requirements.

Supply:

In general, the products available through the existing financial providers are not meeting these needs: interest rates are high, with short-term re-payment schedules, long processing times and extensive paperwork and reporting.

Interest rates at commercial banks ranged between 4% and 16.25% depending on the type of collateral offered. While the lower end of this range is affordable, the necessary collateral arrangements and maturity of business needed preclude many actors in the agro-processing industry.

Cash collateral predominates and processing times can be long and the administrative burden of accessing a loan is substantial. This has the cumulative effect of making loans from commercial banks largely inaccessible for processors and exporters in the fruit and vegetable sectors.

While the guarantee system operated by the SBB does overcome some of the challenges presented in accessing capital from a bank, the cost, administrative burden and time constraints remain.

While IPED and programme credit schemes have aimed to address this shortfall, their success in meeting key requirements is mixed. Though IPED has specific knowledge of agriculture and a mandate to offer loans for micro and small businesses, these loans are often inaccessible to MSEs due to the high interest rates of up to 41.6% for the micro loan facility. In addition, it is compulsory that 20% of the loan amount be held as cash collateral for the micro loan.

Compounding this are the many additional costs that are associated with borrowing, such as having to take out a life insurance policy which results in the low-income borrower having to pay premiums in addition to loan repayments, legal fees etc. Some financial institutions such as Citizens Bank and IPED add the insurance premium to the loan amount, thereby increasing the loan and associated costs. A Comparison of the Lending Requirements of Financial Institutions as at September 2015 is shown in Annex 1. Annex 2 shows the Type of Fees Charged and Other Costs associated with the Credit Facility the Major Financial Institutions.

These factors are reflective of two features of agroindustry financing: that investment is perceived as, and indeed it, relatively high risk and that there is limited specialist understanding of the risk models associated with the sectors. The high impact of adverse weather events and outbreaks of disease, the volatility of agri-markets, and the challenge of securing buyers in advance all contribute to making agri-business a specialist and difficult sector for financing.

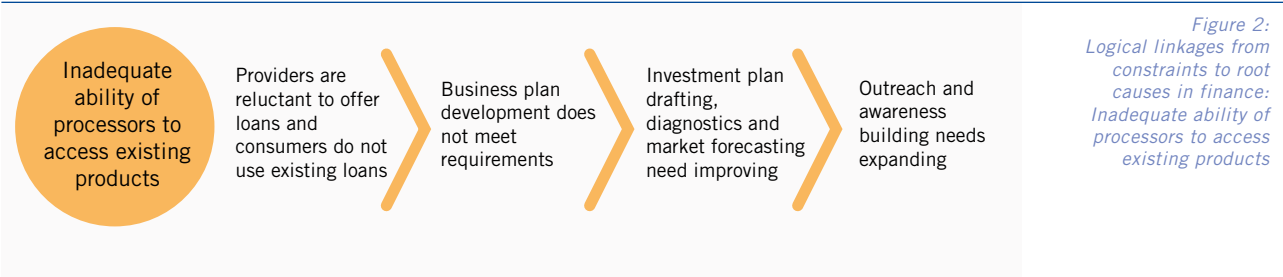
CONSTRAINTS:

- Inadequate ability of processors to access existing products
- Absence of appropriate products on offer

4.3. From constraints to diagnosing root causes

A detailed diagnostic of the constraints at the interface between the core value chain and finance supporting system reveals problems on both the demand-side and supply-side of key relationships. On the demand-side, consumers of finance in the agroindustry are unable to meet the requirements needed to access the types of finance that they require.

Equally, on the supply-side, the sort of tailored products and services that consumers in the agroindustry would require do not currently exist. The way forward will lie somewhere between the two, where incentives and capacities are aligned and a commercially sustainable relationship between actors of many types in the agroindustry and financial providers can be established.



All financial providers face challenges in extending credit to early-stage and MSE businesses regardless of the sector. These challenges are compounded by a focus on agro-processing. The risks are generally higher than in other sectors and lenders need a strong business basis on which to release funds.

This is compounded in Guyana, where the agro-processing industry is still small. This means the transaction cost to assess risk and understand business models is high proportional to potential returns.

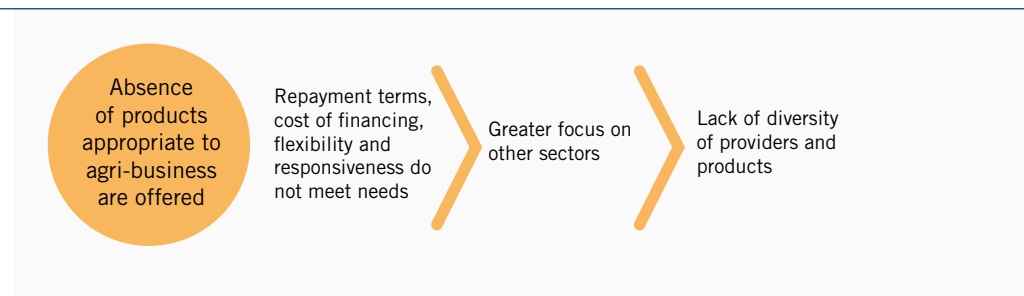
The capacity of most processors and exporters to draft high quality investment and business plans to meet lenders requirements is limited; and many cannot reach the required level for any institution, let alone a commercial bank.

This is not just an issue of the intransigence of financial institutions. Due-diligence is vital to maintain the integrity of the sector. There is a clear need to upgrade the ability of businesses to research and develop sound business plans that can meet financing requirements. This relates to both business management skills as well as linking back into the market research support system. The limited ability of processors and exporters to ex ante identify consumers abroad also limits their ability to present forecasted sales and to therefore access finance.

There is also a challenge in communication and outreach, particularly for MSEs. An evaluation of a micro-financing project (Rural Enterprise and Agricultural Development Project) found that provision must be made for clear communication to project beneficiaries – especially the poor who are unaccustomed to formal financing – regarding the processes, procedures, eligibility criteria of financing facilities. This is especially important when multiple financing modalities are involved as confusion can easily arise in distinguishing the differences.

This reflects a broader challenge in a sector where familiarity with formal financial products is low. Lack of understanding and apprehension among borrowers - especially MSEs - creates a clear barrier to access even for existing products that would be financially accessible.

*Figure 3:
Logical linkages from
constraints to root
causes in finance:
Absence of products
appropriate to agri-
business are offered*



While it is true that processors and exporters need to do more to meet standard financing requirements, there is also an obvious lack of market differentiation for the agro-industry in the financial sector.

This is in part because banks do not currently see agri-business as an attractive proposition due to the small size and challenging risk environment leading to a greater focus on tailoring products to other sectors. This leads to a catch-22 situation, whereby the growth of the sector is limited by access to capital that will only be made available when the sector is bigger.

This is compounded by a lack of diversity of providers and a clear dearth of competition leading to a limit to product diversification and innovation. While specialist providers like IPED look to fill this gap, the diversity of offering in the commercial sector is limited.

ROOT CAUSES

- Limited capacity to draft high quality business and investment plans (1)
- Lack of awareness, unfamiliarity and apprehension(2)
- Lack of competition and innovation (3)
- Lack of focus on agri-sector (4)

4.4 Understanding incentives and capacities of all market actors to contribute to a solution

We envisage a future scenario where a large and growing agri-processing sector produces a high-quality pipeline of loanable propositions. Where banks and the public sector collaborate to increase outreach, and engage more customers because it is a commercially sound strategy. Where new entrants to the finance sector are encouraged and where product innovation is the norm to compete for lucrative relationships.



Figure 4:
Developing
recommendations
from root causes in
finance (1)

With some notable exceptions, it seems unlikely that in the near future the agri-processing industry will develop the financial skill-set to be able to produce a pipeline of high quality investment propositions that would create the sort of critical mass to stimulate change in the provision of financial services.

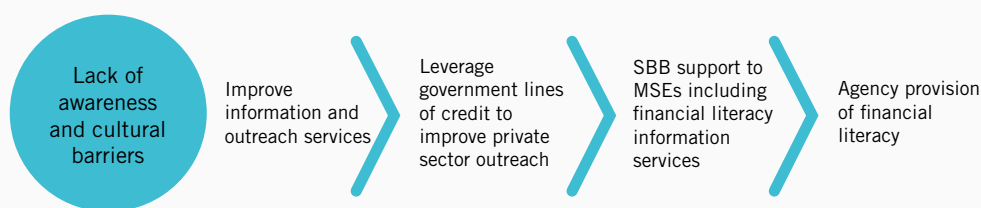
As such the provision of financial literacy support will be necessary in the short-to-medium term. We recommend three modalities for delivery. First, and the preferred mechanism, is for commercial finance providers to recognise the value in offering embedded support services as a part of their product offering. IPED and GBTI have already investigated this option and we believe that there is a clear business case for this to be expanded, particularly considering the scope for profit generation through expansion to international markets. Moreover, by offering simple training and support, financial providers can reduce the riskiness of investments by decreasing the chances of default.

The MoB and the Ministry of Finance (MoF) can support this initiative by developing conditionality in their subsidised lines of credit that they currently provide through RB and GBTI for the agriculture sector.

A second mechanism for the delivery of financial literacy support services is for SBB to continue its support and information services to the MSEs that it is working with.

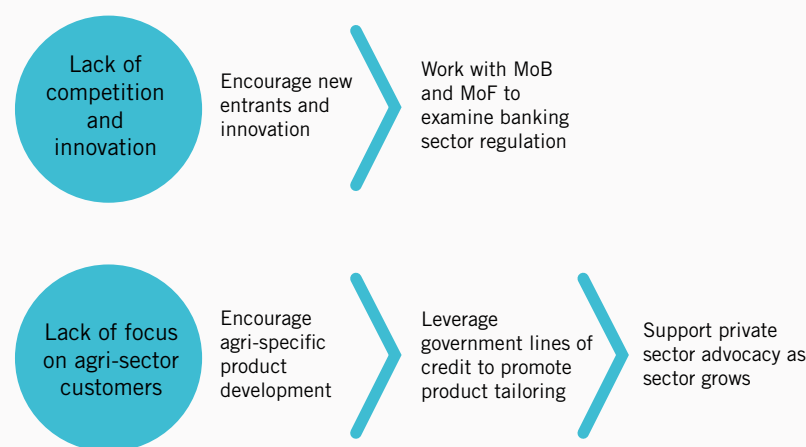
A third mechanism is for MoB to investigate partnerships with technical support agencies for the delivery of time-bounded financial literacy and business training. The ILO developed 'Start and Improve Your Business' training is a good example if this. This should be time-limited and should support the export industry in its early-growth stages.

Figure 5:
Developing
recommendations
from root causes in
finance (2)



In the case of MSEs there is also a clear need to better communicate with and engage business owners and overcome some of the mystique of accessing finance. We envisage this being delivered through the same mechanisms as the financial literacy support identified above and to be an integral part of its design.

Figure 6:
Developing
recommendations
from root causes in
finance (3) and (4)



One way to encourage diversification of product offerings and an increased client-centrism regarding the agri-processing sector is to promote competition and innovation. This can most simply be achieved in the long-term by leveraging the government guaranteed lines of credit for the sector to make innovation and client service conditional on continued engagement.

The MoB should build on its role as an industry advocate and convener and look to support the private sector in the articulation of its needs and mediation of its engagement with the finance sector. The establishment of a working group with a clear mandate and objectives on this and other issues would be a promising start.

Finally, a long-term objective of government policy should be to encourage innovation and increased competition in the finance sector. This would be beneficial for both the agri-processing sector and other sectors as well. We recommend as a starting point as critical review of banking sector regulation to investigate the possibility of tailoring regulation to encourage new entrants and promote innovation even among the existing actors.

RECOMMENDATIONS:

- Provision of financial literacy support in the short-to-medium term by: commercial finance providers offering embedded support services as a part of their product offering, SBB and technical support agency programmes.
- Promote competition and innovation in financing by: government lines of credit conditional on innovation, MoB advocacy and review of regulation to encourage competition.





MARKET RESEARCH AND PRODUCT DEVELOPMENT

5.1 Actors in the supporting systems, how they are linked and organized

Actors:

- Guyana School of Agriculture (GSA)
- Institute of Applied Science and Technology (IAST)
- Caribbean Industrial Research Institute (CARIRI)
- Guyana Marketing Corporation (GMC)
- Guyana Office for Investment (Go-Invest)
- In-house capacity

Products and services offered:

Many private sector actors rely on personal networks and in-house capacity to understand markets and make connections; however, two institutions do play a role in identifying and facilitating exports – the **GMC** and the **Go-Invest**. Both organizations are government institutions that provide support services in marketing and promotion of trade and investment. Both have been involved in overseas trade fairs, exhibitions and promotions, and both organisations provide some information on a formal and informal basis about potential export markets.

In terms of product development, again most processors rely on in-house capacity; however, three public bodies do provide some support services in this area.

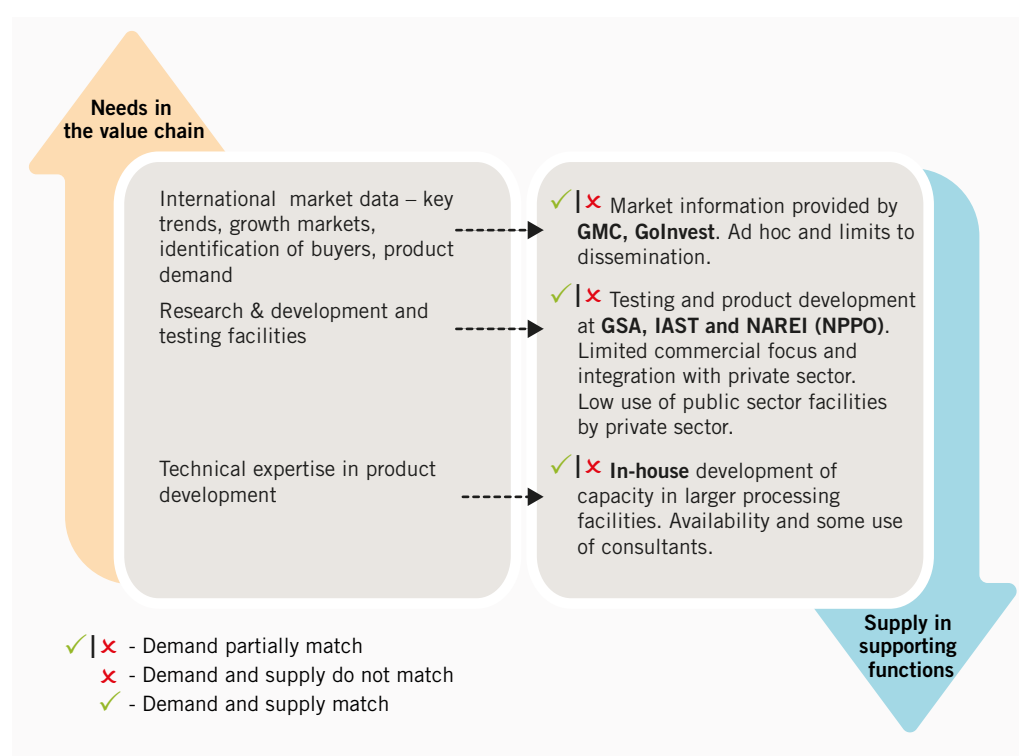
The GSA has an agro-processing unit. Its mandate includes product development which is a service that was added on about five years ago. It was not an original task of the institution, which is primarily geared to teach students. The information available suggests that only one small women's group – the Kuru Kururu Farmers' Crops and Livestock Association – has benefited significantly from inputs from GSA regarding product development.

The IAST is the one public sector institution in Guyana that has a specific mandate to be engaged in product development. The Food and Feeds Department of IAST has the capacity to use extrusion technologies¹⁰ for the creation of food and feed products. To date it has produced a rice breakfast cereal, Risotto Rice, Thai and Vermicelli Noodles. The most recent products are sun-dried tomatoes and a facial lotion from indigenous plants and oils.

In addition, Guyanese agro-processors could utilise the services of the Trinidad-based **CARIRI** but none of them contacted had done so.

CARIRI's state-of-the-art Food and General Microbiology Laboratory specialises in food safety and water quality testing. CARIRI has a history of product and process development mainly in food technology.

5.2 Identification of constraints



Demand:

Research indicated that for the most part, product development is undertaken in-house and most products are being marketed locally through personal networks based on anecdotal data. Where there were exports, these were mainly arranged through personal networks – often based on familial linkages.

10. Extrusion is a process by which a set of mixed ingredients are forced through an opening in a perforated plate or die with a design specific to the food, and is then cut to a specified size by blade. Extrusion enables mass production of food via a continuous, efficient system that ensures uniformity of the final product. Food products manufactured using extrusion usually have a high starch content. These include some pasta, breads (croutons, bread sticks, and flat breads), many breakfast cereals and ready-to-eat snacks.

This has significantly limited the ability of domestic processors to upgrade production in a strategic manner that is geared to a target market. Moreover, without the ability to ex ante identify key markets and customers, the risk of any investment is significantly higher and this is a significant limiting factor in accessing finance.

There is a clear need for a single and easily accessible source of information on international market trends and the identification and communication of key growth markets and product trends and characteristics.

There was also clear demand for trade linkage/facilitation services, identifying and implementing trade deals with international consumers.

In tandem, there is demand for formal and high-quality research and development facilities to support the matching of domestic production to international markets. This includes the provision of high quality testing facilities, which are further discussed in the section on standards.

Supply:

With a few exceptions, in-house capacity is not sufficient to meet the requirements for either market identification or research and product development. Focus is primarily on the domestic market and to see a step-change in the way that product development and marketing for export is delivered it will be necessary for support services to be further developed and utilised.

This shortfall is to a limited extent being met by public agencies, but the services currently being offered are not sufficient to support sustained, long-term growth in processing for export.

International market information and trade facilitation is provided by both Go-Invest and GMC. This is largely ad hoc and based on trade missions and fairs. Moreover, the capacity for support to follow-through on customer leads is limited. While a few processors are currently taking advantage of the services offered, examples of long-term relationships that were established with overseas buyers seemed to be few and far between.

Product development support services are offered by IAST and by GSA, with both agencies offering the use of product development facilities and access to technical expertise. However, there was no evidence to suggest that these services were being significantly utilised by the private sector. In addition, capacity to expand operations in the future seemed limited.

Furthermore, there is a mismatch between the government and private sector aims of both agencies. GSA is also a teaching institution and focuses on the technical aspects of product development rather than the commercial. The information available seemed to suggest that IAST was largely driven by public sector financing programmes and possibly idea generation. It did not appear to be really responding to private sector requests for assistance. In fact none of the agro-processors interviewed had a relationship with IAST or had plans to utilise its services.

CONSTRAINTS

- Inadequate access to international market information
- Inadequate access to testing and product development facilities and support.

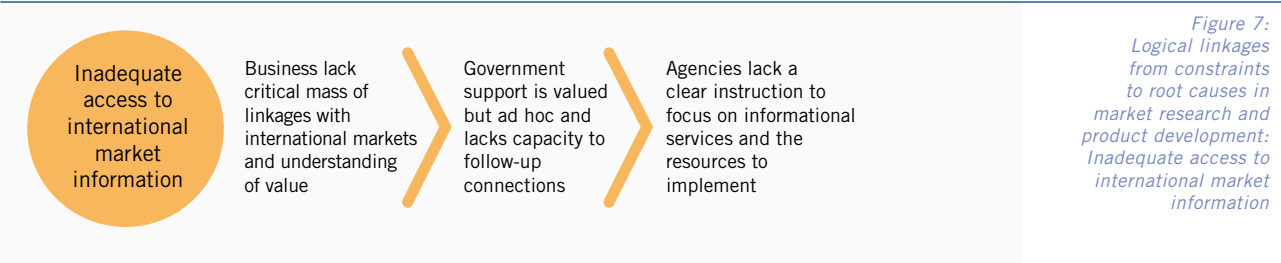
5.3 From constraints to diagnosing root causes

A detailed diagnostic of constraints in the market research and product development services reveal a substantial short-fall in in-house capacity caused by resource constraints as well as a lack of appreciation for the value that ex ante investment in these activities can bring.

In the absence of private sector capacity, this shortfall is not being sufficiently met by public sector institutions, even though in an important, nascent sector there is a strong rationale for a public-sector role.

The root causes for this shortfall lie to some extent in a simple lack of capacity and resources. Government agencies do not have the staff and resources to undertake the detailed research and support scale of product development activities that would need to take place to support sustainable growth.

Perhaps even more importantly, they also lie in the lack of clarity around remit, roles and responsibilities among key government agencies. There is not currently a sufficient level of responsiveness to private sector needs nor coordination between different agencies.



Research indicated a generally poor understanding of macro-market trends in key export markets among processors. Information was generally anecdotal and relied heavily on personal connections or familial networks. This is compounded by the relative lack of development of the sector. Without a critical mass of linkages, processors are often burdened with forging first contacts – significantly more challenging than adding to existing, established trade linkages.

The same observations could be made of the actual relationships established with international buyers, with processors and exporters again heavily reliant on word-of-mouth and personal networks. This situation is caused by two factors. Firstly, the investment needed to undertake research, establish linkages and follow-up leads is high. For MSEs and early-stage enterprises it is often prohibitively high.

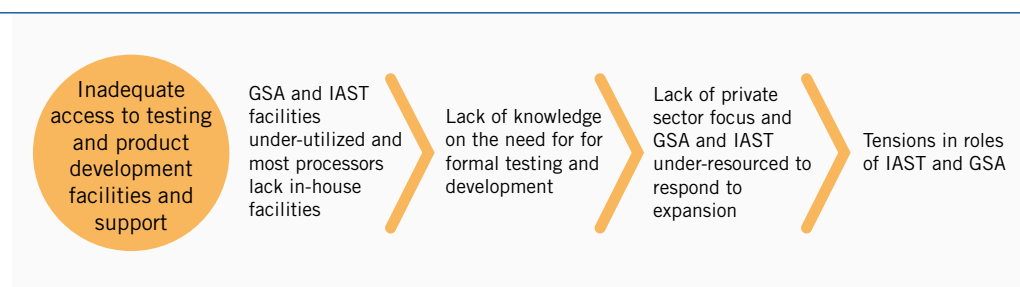
Secondly, a commitment to ex ante investment in research and cultivating leads through on and off-line client management requires a mind-set shift for a processor used to engaging with familiar networks in Guyana. Lead generation and sale close-out are key business skills that are currently lacking.

In lieu of in-house support there are opportunities for enterprises to make use of government services, with both GMC and Go-Invest providing some market information and trade facilitation services. These are, however, mainly ad hoc and primarily take the form of trade fairs and trade visits as well as linkages to donors and support in the case of Go-invest.

These services are valued; however, they do not provide a consistent basis for long-term planning. Nor do they provide sufficient support in the closure of deals to meet the needs of private sector actors.

There is also some confusion between the roles of Go-Invest and GMC, with GMC currently focusing more on fresh produce but with no formal demarcation of efforts.

Figure 8:
Logical linkages from constraints to root causes in market research and product development: Inadequate access to testing and product development facilities and support



Most product development and testing has its roots in the kitchen industries of the informal sector. While the products on offer across the value chain studies had good potential to compete in an international market, there is often little appreciation for iterative refinement and a low capacity to respond to international market demands.

With a few notable exceptions, enterprises in the sector generally had no formal product development and testing facilities. While such facilities do exist at GSA and IAST, these are underutilised. A partial reason for this lies in the culture of self-sufficiency and concern for protection of intellectual property. Companies do not yet recognise the full value of formal development processes and as such do not engage with others during what they consider to be proprietary processes.

Equally, there is a lack of responsiveness to the needs of the private sector in GSA and IAST, stemming from an element of contradiction in their mandates. GSA is both a teaching institute and a product development hub. This dual focus is preventing it from fully committing to outreach and support to private sector actors.

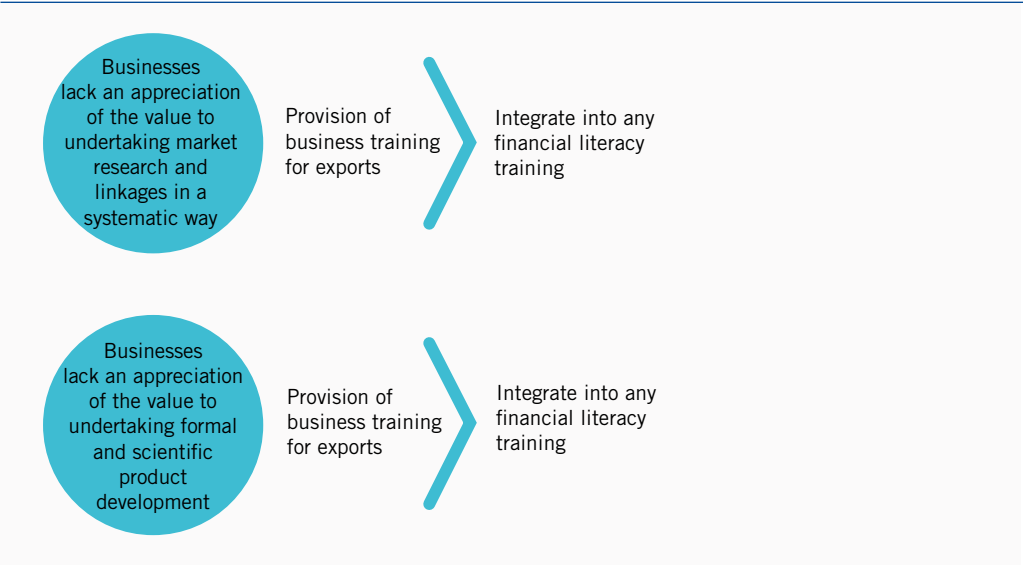
IAST seemed to be more responsive to government-led design and had little engagement with the private sector in origination and early development. Furthermore, both lack the resources to substantially upscale services in response to any significant growth.

ROOT CAUSES

- Businesses lack an appreciation of the value to undertaking market research and linkages in a systematic way (1)
- Government provided market research and linkage services do not adequately respond to demand due to under-resourcing and un-clear mandate (2)
- Businesses lack an appreciation of the value to undertaking formal and scientific product development (3)
- Government provided product development services do not adequately respond to demand due to under-resourcing and un-clear mandate (4)

5.4 Understanding incentives and capacities of all market actors to contribute to a solution

The end goal is a diverse and vibrant private sector invests in international market research, market linkages and high-quality and responsive product development. This would be supported by a proactive public sector through a one-stop shop run by Go-Invest for international market information, product advice and consumer linkages. We propose a support network of Trade Facilitation Officers operating in target international embassies working in tandem with the one-stop-shop and private sector companies in Guyana. We envisage IAST becoming more responsive to the needs of MSEs, with sophisticated private sector provision of testing becoming established for larger enterprises that can afford the investment.



Running a business to export high-value processed goods requires a differentiated skill set to targeting a purely domestic market. Market research, consumer linkages and product development should form an integrated cycle that is responsive and maximises profit. We envisage this being increasingly understood as more enterprises transition to exports; however, in the meantime we propose that training on this be integrated with the financial literacy training outlined above.

This training focus on an articulation of the value of undertaking market research and formal product development, the practical approaches to doing this and on the ways in which this would be integrated into an investment plan to help secure finance.

Given the greater detail of this training, it is likely that this would not be embedded in its entirety into financial service providers offer. As such, both the SBB and technical support agency programmes would be good houses for the generation of this content and supplementing delivery.

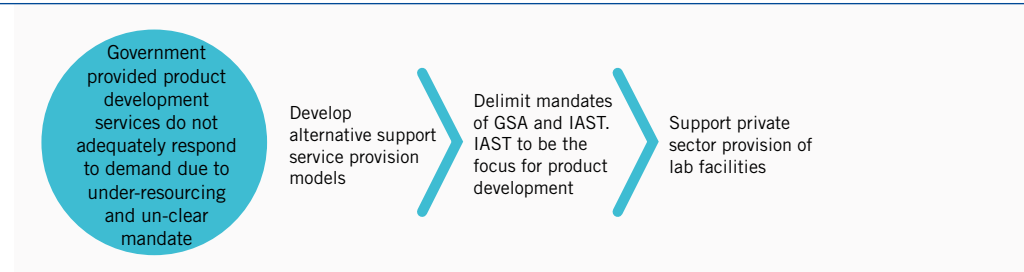


To support an increase in exports, processors and exporters need a single point of access for market information and product trends, trade missions, and customer linkages. We recommend that this point of access be delivered through Go-invest. This would require an expansion of the remit of the agency to include research and horizon scanning as well as an increase in its capacity to facilitate trade linkages. It would also require a higher level of integration between the activities of Go-invest and GMC with a clear delineation of roles. This should be addressed through coordination between the MoB and the MoA.

This can be supported by returning to the Trade Facilitation Officers embedded into international embassies in key territories to combine diplomatic and commercial engagement and support. This should be investigated in collaboration with the Ministry of Foreign Affairs.

While we believe that there is a significant role to be played by the public sector, we also believe that there is a commercial case to be made for private sector provision of high quality market research and trade facilitation services. The business case around this should be investigated, and supported either through the development of a government incentive scheme or through the provision of technical agency support.

Figure 11:
Developing
recommendations from
root causes in market
research and product
development (4)



Public sector support for product development and testing is not currently effective. GSA retains a focus on teaching and is thus limited in the extent to which it can be commercially focused. IAST is not currently responding to the needs of existing agro-processors.

We recommend that IAST is best placed to fulfil this function going forward. Attention needs to be paid to how it can best respond to and support private sector innovation. One suggestion could be through the generation of ideas through challenge funds, whereby support is provided to the winner in a certain area of product development each year.

There are also a number of private sector actors developing testing and development facilities for in-house use. This should be encouraged and business models for the commercial provision of testing services externally investigated.

RECOMMENDATIONS

- Promote and support market research and formal product development processes as a part of financial literacy training.
- Develop the offer in the one-stop-shop, delivering high quality market information, market linkages and information services on how to export. Ensure coordination between all relevant government bodies.
- Investigate the reinstatement of Trade Facilitation Officers in overseas posts.
- Investigate innovative ways for IAST to better engage the private sector and promote product innovation.
- Promote private sector provision of testing services.





STANDARDS

6.1 Actors in the supporting systems, how they are linked and organized

Actors:

- Guyana National Bureau of Standards (GNBS)
- Government Analyst and Food and Drug Department (GAFDD)
- Guyana Marketing Corporation (GMC)
- Technical support agencies

Products and services offered:

The Guyana National Bureau of Standards (GNBS) is the only institution that has the mandate to develop standards as they relate to specifications for grades in Guyana. To date 25 standards (specifications for grades) have been developed for the fresh produce agricultural subsector inclusive of hot pepper - GYS 7: 2010 and mango - GYS 26: 2005 and eight for agro-processing subsector inclusive of “Specification for achar, amchar and kuchela - GYS 492: 2016” which are mango products. Further GNBS has not only been facilitating the development of standards, but has also been promoting standards through education and sensitization of stakeholders in different fora.

However, there are other aspects of quality that relate to the broad definition of standards and a number of organizations and institutions are involved in providing guidance on the acceptable quality and on the implementation of standards. These include:

- Inter-American Institute for Cooperation on Agriculture (IICA)
- Government Analyst and Food and Drug Department (GAFDD)

- National Plant Protection Organization (NPPO) of National Agricultural Research and Extension Institute (NAREI) for fresh produce

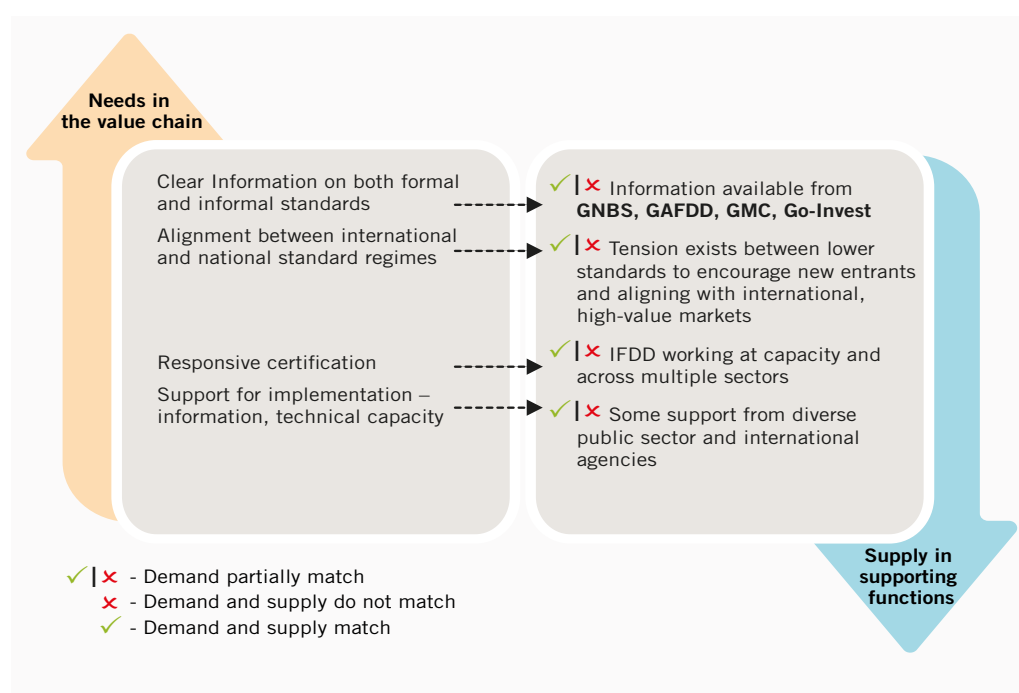
GMC works closely with exporters of fresh produce. Staff provides advice in the field and at the GMC packhouses. The Plant Quarantine Officers of the NPPO inspect produce at the Sophia Packhouse and at the various export points and will only certify produce as acceptable for export if exporters satisfy the cleaning / preparation requirements.

The GAFDD falls under the Policy Development and Administration Department of the Ministry of Public Health. The GAFDD serves as a regulatory body, ensuring that consumable goods (drugs, food and beverages) meet international standards and requirements, and are healthy for human consumption. As a result, GAFDD is an integral part of the public-sector system that is involved in trade facilitation. The department also screens imported food items to ensure that they meet local standards before being released to the market for sale.

Most important from the perspective of agro-processors, GAFDD issues an annual Certificate of Analysis. Without this certificate they cannot legally market their products to supermarkets and the hospitality industry even on the domestic market. In addition, the GAFDD issues a Free Sale Certificate for exporters that comply with certain requirements. Importing countries need to see this certification in addition to the Certificate of Analysis before allowing entry into their respective countries.

The GAFDD is currently operating in cramped facilities with limited resources. However, it is noted that the Ministry of Public Health is in the process of constructing a modern multi-million-dollar complex to house the GAFDD. Included in the programme is the construction of laboratories and the procurement of quality control aids and proficiency testing materials. It is not clear whether this will be accompanied by additional resource allocation going forward.

6.2 Identification of constraints



Demand:

When making the transition from the informal production of processed commodities, targeting a low value domestic market, to more formalised production targeting an international market, standards become critical. What these standards entail and the ability to implement them consistently are all vital to supporting sustainable growth in exports of processed goods.

Research indicated a clear demand for consolidated dissemination of relevant standards in a clearly accessible format. This information needs to relate to the formal standards that apply to exports as well as those applicable domestically.

There is also a clear need for support in the implementation of standards. First and foremost, input is needed from the GAFDD in assessment and granting of certificates that allow a company to export. This process needs to be streamlined, quick and responsive.

There is also significant need for further support to implementation for MSEs and new entrants to exporting. Many companies lack the understanding, technical skills and capacity to implement necessary standards. Mentoring, long-term engagement and financial support (linking to the first constraint) are all key needs for many MSEs.

Supply:

Both the design and enforcement of standards are solely the realm of government agencies – specifically the GNBS and the GAFDD. An analysis of both elements of government activity revealed a similarly mixed picture as with the market linkages and product development services.

The GNBS undertakes a robust process for standard design, incorporating international equivalents and industry engagement. A comparative analysis between key international standards, including those for entry to the US, reveal a high level of harmonisation. Certificates issued by GAFDD ensure products are export-ready for key regional and international markets.

The process for attaining a certificate can, however, be slow and the requirement to go through full certification each year is burdensome and introduces additional costs.

MSE processors are also often in need of higher levels of support in both planning for and implementing standards in their facilities. While GAFDD and to some extent GMC do provide formal training and some informal support, this is not sufficient to support a critical mass of processors in the upgrading process.

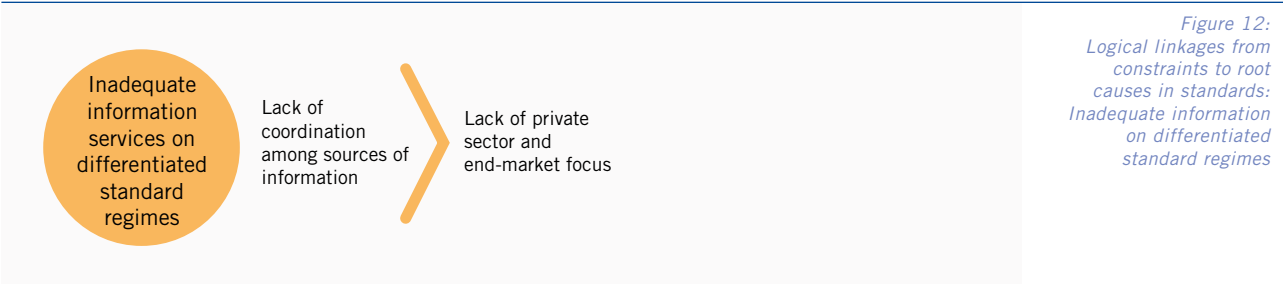
Support from technical support agencies such as IICA does to some extent fill this gap; however, inputs are generally delivered through time limited programmes and a sustainable strategy for long-term service provision is urgently required.

CONSTRAINTS

- Inadequate information on differentiated standard regimes
- Inadequate provision of support services for implementing standards

6.3 From constraints to diagnosing root causes

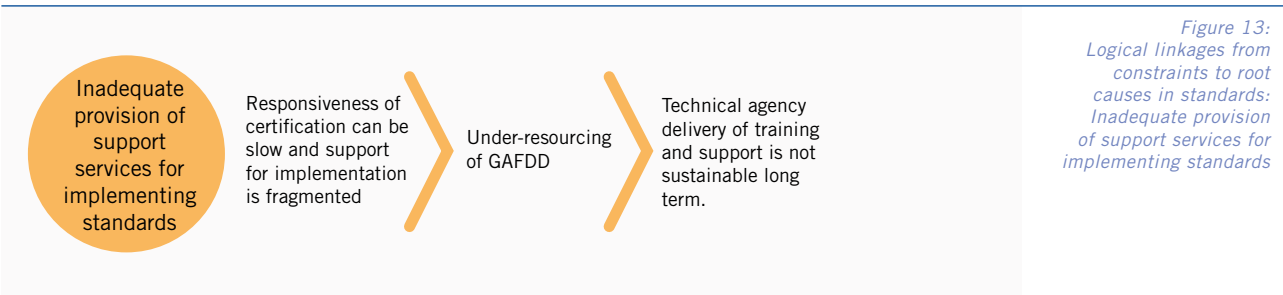
A detailed diagnostic of constraints in the standards supporting system indicates challenges both in the coordination and dissemination of standard regimes; as well as in the ability of certification and support agencies to service private sector requirements.



The design of standards by the GNBS is well aligned with international standards. Discrepancies that do exist are an important component in a domestic strategy to encourage new entrants and the transition from the informal to formal sectors. Any raising of standards would likely have a perverse effect by excluding many MSEs from the formal sector.

There does, however, need to be clear communication between the GNBS that sets standards, the GAFDD regulates and provides information on standards and other dissemination bodies on the requirements for exports. This is specifically the case where requirements diverge from domestic regulation.

This reflects a lack of focus on the end needs of the uses of standards in the private sector, who are ultimately interested in standards not from a compliance perspective, but to increase market access.



This is reflected in two areas of concern. Firstly, in the capacity of GAFDD to respond in a timely manner to requests for export certificates, which need to be renewed on an annual basis. GAFDD is currently stretched in the delivery of this critical service and it is unlikely that it could absorb significant growth without additional resources.

Secondly, in the provision of support services for the implementation of standards by MSEs and other early-stage enterprises that lack the needed expertise. This gap is currently being filled to some extent by GAFDD with training sessions and is being supplemented by technical support agencies – specifically IICA.

The extent to which this model can be sustained if export focused production increased in line with stated aims is questionable given government resources. Any future delivery should look at ways in which the GAFDD may be able to introduce pay-for services to supplement its budget and boost operational capacity. The alternative is either for further allocation of government budget or a continuation of the situation whereby external donors fill the gap.

ROOT CAUSES

- Lack of coordination of public sector agencies to support exports of processed goods (1)
- Limited provision of support services (2)

6.4 Understanding incentives and capacities of all market actors to contribute to a solution

We envisage a future scenario where the GNBS, GAFDD, GMC, and Go-invest, with support from IICA and FAO, coordinate in the development and dissemination of standards with a clear focus on usability for the private sector. The Go-Invest one-stop-shop would be a good access point for all standards information relating to exports. The online platform is substantially under-utilised at present and could bring together a wealth of existing information on standards, markets and suppliers that could support significant growth in exports.

Support services would then be delivered under the coordination of a fully resources GAFDD with support from technical agencies (IICA and FAO) where needed.

Figure 14:
Developing
recommendations
from root causes in
standards (1)



To support a significant expansion in exports of processed goods it is necessary to promote a mind-set shift among the relevant public-sector agencies towards a recognition that standards are a tool through which new markets can be accessed. This should be championed by the MoB with the GNBS, GAFDD and GMC, which should combine efforts to provide integrated information through a single access point. We believe that Go-invest is the best portal for information relevant to exports.

Figure 15:
Developing
recommendations
from root causes in
standards (2)



To meet the substantial demand increases that the desired upscaling of commercial activity targeting international markets, the GAFDD will need to support and additional resources to meet the minimum requirements for testing and certification.

GAFDD is also the best placed agency to understand and develop a strategy to meet the support needs of enterprises in the implementation of standards. We recommend that GAFDD develop a needs assessment and strategy on the sustainable delivery of support services that will enable MSEs and other new-entrants to implement the necessary standards and begin exporting. This initiative should be supported by technical support agencies such as IICA and IFAD in the first instance with a plan for transition to GAFDD remit in the long-term.

GAFDD could also investigate the business case for offering paid for services that leverage its core competencies and could support the expansion of its offer and rising operational costs.

There is also a good business case to be made for support to develop greater specialisation within value chains. Processors of finished products indicated an interest in sourcing semi-processed goods to feed into production lines. This would present a viable commercial opportunity to integrate MSEs into high value export value chains when they may be unable to make the investment in meeting finished product standards as a stand-alone initiative. This would remove the need for public sector provided support services by engaging MSEs in partnership with larger processors that can give in-house support and allow MSEs to focus on semi-processing that has more easily met standards while still connecting them to high-value international markets.

RECOMMENDATIONS

- Increase coordination between MoB, BNBS, GAFDD, GMC and Go-Invest. Champion the one-stop-shop as a key platform for trade and investment promotion
- Upscale GAFDD capacity to meet rising need. Investigate paid-for-services
- MoB to champion nucleus business models with MSEs feeding semi-processed product into larger processors. Support of a technical support agencies in the proof of concept phase.

ANNEX

1 Fees Charged and Other Costs associated with the Credit Facility offered by Financial Institutions

Associated Costs	Citizens' Bank	Demerara Bank	Republic Bank	GBTI	SBB Credit Guarantee Fund	Scotia Bank	IPED Micro Loan	IPED Vending Loan	IPED Micro Boost Loan
Maximum duration of loans	10 yrs.						2 yrs.	5 yrs.	20 weeks
Maximum loan amount							\$360,000 to \$750,000	\$20M	\$100,000
Interest rate (dependent on type of collateral)	Cash 8% Other 11% – 17%	Cash 10% Other 10% – 13%	Cash 4% – 8% Other 16.25%	Cash 8-9% Other 16%	6% – 8%		31.2% – 41.6%	14.75% – 15%	15%
Service Charge			\$6000 to \$150,000 depending on the loan amount						
Legal fees							2% of the loan amount	Between 2% to 3.5% of the loan amount depending on type of collateral.	
Mortgage fees	yes	yes	percentage of the loan amount	yes		yes	No property required as collateral	yes	None
Bill of sale (on vehicles & equipment offered as collateral)	yes	yes	yes dependent on the loan amount	yes		yes	Yes but No vehicle required as collateral	yes	None

Associ- ated Costs	Citizens' Bank	Demerara Bank	Republic Bank	GBTI	SBB Credit Guaran- tee Fund	Scotia Bank	IPED Micro Loan	IPED Vending Loan	IPED Mi- cro Boost Loan
Revenue stamps	yes	yes	dependent on the loan amount	yes		yes	0.1% of the loan amount	0.1% of the loan amount	
Fire Insur- ance (on property mortgaged)	yes	yes	yes	yes		yes	None	0.3% of the loan amount annually.	None
Compre- hensive Insurance (on vehicle offered as collateral)	yes	yes	yes	yes		yes	None	yes	None
Compulsory Life Insur- ance	yes	yes	yes	yes		yes	IPED's Group Life Policy	IPED's Group Life Policy	IPED's Group Life Policy
Late pay- ment fees	yes	yes	yes	yes	yes	yes	yes	yes	None

Source: Peggy D'Aguiar, *Micro and small business financing by commercial banks and Institute of Private Enterprise Development. Partners of the Americas (Guyana Chapter)*. October 2015.

ANNEX



Comparison of Lending Requirements of Financial Institutions as at September 2015

Associated Costs	Citizens' Bank	Demerara Bank	Republic Bank	GBTI	SBB Credit Guarantee Fund	Scotia Bank	IPED Micro Loan	IPED Vending Loan	IPED Micro Boost Loan
Identification	1	1	1	1	1	2	1	1	1
Passport photo of applicant				1			1	1	
Proof of Address	1	1	1	1		1	1	1	1
Business registration (Proof of existence of business)	yes	yes	yes	yes		yes	yes	yes	
Proof of contribution				yes					
Business plan					yes				
Verification of Income e.g. Job letter + recent pay slip, Bank Statement from other banks	yes	yes for 1 yr.	yes for 1 yr.	yes		yes	yes	yes	None
Financial Statements	yes	yes	yes for 3 yrs. projected	Yes 1 past + 1 yr. projected		3 past + 2 yrs. projected			

Associated Costs	Citizens' Bank	Demerara Bank	Republic Bank	GBTI	SBB Credit Guarantee Fund	Scotia Bank	IPED Micro Loan	IPED Vending Loan	IPED Micro Boost Loan
TIN Certificate	yes	yes				yes			
Tax Returns	yes								
References	2						3	3	
Estimates, quotations and/or invoices	yes	yes	yes	yes		yes	yes	yes	
Statement(s) of other indebtedness	yes	yes	yes	yes		yes	yes	yes	
Proof of ownership of collateral e.g. copy of title to property, motor vehicle registration etc.	yes	yes	yes	yes	SBB will guarantee 40% of the collateral requirements	yes	yes	yes	No physical collateral required.
Valuation of property and/or vehicle	yes	yes	yes	yes		yes	yes	yes	
Photo of property or vehicle				2			yes	yes	
Property tax receipts		yes		yes		yes			
Water rates receipt				yes		yes			
Proof of ownership/rental of land			yes	yes			yes	yes	
Land tax receipts			yes			yes			
Licenses/permits				yes			yes	yes	

Associ- ated Costs	Citizens' Bank	Demerara Bank	Republic Bank	GBTI	SBB Credit Guaran- tee Fund	Scotia Bank	IPED Micro Loan	IPED Vending Loan	IPED Mi- cro Boost Loan
Copy of Contract or Agreement			yes	yes			yes	yes	
Proof of own- ership/rental of land			yes	yes			yes	yes	
Land tax receipts			yes			yes			
Licenses/ permits				yes			yes	yes	
Copy of Contract or Agreement			yes	yes			yes	yes	

Source: Peggy D'Aguiar, *Micro and small business financing by commercial banks and Institute of Private Enterprise Development. Partners of the Americas (Guyana Chapter)*. October 2015.

ANNEX

3

List of Workshop Attendees

Value Chain Assessment – Workshop, August 09, 2017 Final List of Participants

No.	Organization	Representative Confirmed
1.	Director, Commerce Department, MOB	Ms. Akeila Glasgow - Commerce Officer
2.	Representative, Business Policy & Strategy Unit	Nichole Haynes
3.	Department of Consumer Affairs, MOB	Lucreatia Hubbard
4.	Department of Industrial Development, MOB	Director Development Analyst
5.	Department of Industrial Development, MOB	Towana Madramootoo Trainee – PSC
6.	Department of Industrial Development, MOB	Kareshma – Work Study Student
7.	Inter- American Institute for Cooperation on Agriculture (IICA)	Dr. Richard Blair, Coordinator for the Caribbean Regional Agenda
8.	Inter- American Institute for Cooperation on Agriculture (IICA)	Dr. Richard Blair
9.	Inter- American Institute for Cooperation on Agriculture (IICA)	Mr. Jermaine Joseph
10.	Inter- American Institute for Cooperation on Agriculture (IICA)	Dr. Maxine Parris-Aaron
11.	New Guyana Marketing Cooperation	Mr. Richard Hanif; Marketing Manger
12.	Guyana Manufacturers & Services Association (GMSA)	Sterling Product Mr. Richard Leo
13.	Consultative Association of Guyanese Industry (CAGI)	Bibi Ramchan
14.	Small Business Bureau	Dr. L. Porter, Chief Executive
15.	Small Business Bureau	Seon Brathwaite

No.	Organization	Representative Confirmed
16.	Anne's Product	Mrs. Anne Bristol
17.	Mangrove Reserve Producers Coop Society Limited	Ms. Janice Fraser
18.	Georgetown Chamber of Commerce & Industry	Eusi Evelyn
19.	Central Corentyne Chamber of Commerce	Krishnanand Raghunandan
20.	C&H Exporters	Charles Anderson
21.	Prestige Manufacturing Enterprise	Alica Chung
22.	Mohammed Manufacturing Ent.	Salima Mohammed
23.	Dave West Indian	
24.	Exporters of fresh produce	Anthony Singh
25.	Institute of Private Enterprise Development (IPED)	Charles Thomas
26.	Institute of Private Enterprise Development (IPED)	Davendra Lakhram
27.	Republic Bank (Guyana)	Mr. Samuel Ram
28.	Republic Bank (Guyana)	Mrs. Tracy Pearson
29.	Guyana Bank for Trade and Industry	Mr. Leroy Adonis
30.	Guyana Office for Investment	Ms. Leanna Damond, Investment Promotion Officer
31.	Guyana Office for Investment	Ms. Alexis Monize – Head of the Research Unit
32.	Ministry of Agriculture	Movita Narine
33.	Ministry of Agriculture	Shellon Bynoe
34.	Guyana National Bureau of Standard	Mr. Keon Rankin
35.	Natural Agricultural Research Extension Institute (NAREI)	Ms. Leticia Frank
36.	Natural Agricultural Research Extension Institute (NAREI)	Indira Persaud
37.	Natural Agricultural Research Extension Institute (NAREI)	R. Raghunauth
38.	Ministry of Social Protection, Department of Labour	Sonja Adonis

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