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SUBJECT MINISTER AND MEMBERS OF THE SMALL BUSINESS COUNCIL (SBC)



HON. DOMINIC GASKIN

Minister of Business



Mr. Sukrishnalall Pasha, Chairman



Mr. Mohamed Qualander, Vice Chairman



Mr. Derrick Cummings, Secretary



Mr. Dhaneshwar Deonarine, Member



Ms. Donna Levi, Member



Mr. Patrick Zephyr, Member



Ms. Manjula Brijmohan, Member



Mr. Patrick Sukhlal, Member



Mr. Yogieraj Das, Member



Mr. Kwabina Griffith, Member



Mr. Daniel Gajje, Member



Mr. Mohindra Chand, Member

ACRONYMS

ACCA	Association of Certified Chartered Accountant
ADF	Amerindian Development Fund
BDS	Business Development Services
CDB	Caribbean Development Bank
CDP	Cluster Development Programme
CEO	Chief Executive Officer
CFC	Common Facility Centre
CI	Conservation International
EDI	Entrepreneurial Development Institute of India
EDPs	Entrepreneurship Development Programs
ECLAC	Economic Commission for Latin America and the Caribbean
GAPA	Guyana Agro-processors Association
GBTI	Guyana Bank for Trade and Industry Commerce
Go-Invest	Guyana Office for Investment
GRA	Guyana Revenue Authority
GRIF	Guyana REDD+ Investment Fund
GMSA	Guyana Manufacturing & Services Association
IMF	International Monetary Fund
IPED	Institute of Private Enterprise Development
IDB	Inter-American Development Bank
LCDS	Low Carbon Development Strategy
LED	Local Economic Development
MBA	Master's Degree in Business Administration
MOU	Memoranda of Understanding
MSBD	Micro and Small Business Development Project.
MSED	Micro and Small Enterprise Development Project
MSMEs	Micro, Small and Medium Enterprises
NPTAB	National Procurement and Tender Administration Board
PFI	Partner Financial Institutions
PTI	Partner Training Institutions
RDC	Regional Democratic Council
EAFRD	European Agricultural Fund for Rural Development
SBB	Small Business Bureau
SBC	Small Business Council
SBDF	Small Business Development Fund
SME's	Small and Micro Enterprises
UWI	University of the West Indies
VAT	Value Added Tax
WADNET	Women's Agro-Processors Development Network

TRANSMITTAL LETTER TO THE MINISTER

The Honourable Dominic Gaskin, M.P.
Minister of Business
229 South Road, Lacytown
Georgetown
Guyana

Dear Minister,

The Small Business Council (SBC) presents its compliments and has the honour to submit for your attention and presentation to the National Assembly the Annual Report on Small Businesses in Guyana for the period January 1st, 2014 to December 31, 2014.

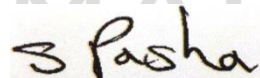
The report is submitted in accordance with Section 4(1) (c) of the Small Business Act No. 2 of 2004 and covers the following:

- progress made in addressing developmental issues and streamlining administrative procedure relating to small businesses;
- initiatives by the Government to facilitate access to financing by small businesses;
- the status of procurement by the Government from small businesses
- the recommending of fiscal incentives to small businesses;
- statistics relating to the small business sector.

Attached also is the draft statement of receipts and payments.

With warmest personal regards.

Yours sincerely,



.....
Mr. Sukrishnalall Pasha
Chairman
Small Business Council

SMALL BUSINESS
BUREAU

CHAIRMAN'S REVIEW



Consistent with its mandate, the Small Business Council (hereafter referred to as the Council) submitted its Small Business Policy and Reform Agenda to the Minister of Business for 2014 and 2015. The Council also commissioned three (3) concept notes to support the small business sector. The studies were completed during 2014 and forwarded to the Minister for his approval. Through regular statutory meetings, the Council ensured the Small Business Bureau (hereafter referred to as the Bureau) was effectively supervised and managed as stipulated in the Small Business Act No. 2 of 2004. Additionally, the Council approved and adopted an Accounting Policy and Procedure Manual to strengthen the governance framework of the Bureau.

2014 was a momentous year. During this fiscal period the Bureau initiated the Mutual Guarantee Scheme under the Micro and Small Enterprises Development (MSED) Project that was officially launched one year ago. Eighteen (18) Micro, Small and Medium Enterprises (MSMEs) qualified for collateral guarantees; paving the way for these businesses to access concessional finance. Loans for twelve of these businesses - which amounted to \$80.3 million - were approved by the three (3) Partner Financial Institutions (PFIs) during 2014.

The Grant Committee was also officially established in August 2014 to administer the Grant Component of the MSED project. For the four (4) months ending December 2014, the Grant Committee reviewed 80 grant packages and approved 25 totaling \$7.4 million. Through the grant scheme and mutual guarantee scheme approximately sixty seven (67) jobs were directly created and/or sustained.

During 2014 the Council established a Training Committee which assisted the Bureau in crafting a road map to accelerate the training component of the MSED Project. A total of 830 persons were trained across Guyana in various areas such as basic record keeping, market research, water treatment, water sanitation, basic business management, and business proposal preparation. Particular focus was placed on the latter to assist MSMEs to access the grants under the MSED project.

In an effort to improve its visibility and reach, the Bureau also conducted numerous public awareness sessions in the ten administrative regions in Guyana. This was buttressed with a country-wide public communication campaign to sensitize MSMEs of the MSED Project. These initiatives saw a marked expansion in the number of MSMEs registered with the Bureau. During 2014, the number of registrants increased by eighty-nine percent (89%) bringing the total number of registrants of the Bureau up to 4,135.

The institutional capacity of the Bureau was enhanced through the provision of training to staff members. The Training and Development Officer benefitted from specialized training in Cluster Management and Development from the

Entrepreneurial Development Institute of India (EDI). Three additional staff members were recruited during 2014.

Outlook

The economic outlook for Guyana remained positive. Indeed, the Honourable Minister of Finance in his Budget Presentation projected economic growth at 3.4 percent for 2015. Coupled with the buoyancy in the economy, the successful implementation of the MSED project and other initiatives targeting MSMEs are expected to spur further growth and development in the small business sector.

Conclusion

On behalf of the Council, I would like to take this opportunity to thank the staff of the Bureau for their unwavering commitment to the advancement of the small business sector in Guyana. The success achieved during 2014 would not have been possible without the support from our clients and key partners such as the Partner Training Institutions (PTIs), Partner Financial Institutions (PFIs) and Inter-American Development Bank (IDB). In this regard, we wish to thank our clients and partners.

SMALL BUSINESS
BUREAU

INTRODUCTION

The second Annual Report of the small business sector is presented in accordance with Section 4(1) (c) of the Small Business Act No. 2 of 2004. The report is structured thus: **Part I** discuss the progress made with respect to addressing developmental issues and streamlining administrative procedures relating to small businesses. **Part II** reports on the initiatives undertaken by the Government to facilitate access to financing by small businesses. **Part III** speaks to the status of procurement by the Government from small businesses. **Part IV** outlines initiatives recommended by the Council to advance the small business sector. **Part V** provides important statistics relating to the small business sector.

In March 2004, the Small Business Act No. 2 of 2004 (**hereafter referred to as the Act**) was enacted to establish the legal and institutional framework to stimulate the growth and expansion of the small business sector. In particular, the Act created the Small Business Council (SBC), Small Business Bureau (SBB) and Small Business Development Fund (SBDF).

According to section 4 of the Act, the functions of the SBC are:

- (a) to review draft legislation proposed by the Government relating to small business or to matters of the private sector and economic development in which small business may become involved and submit comments thereon to the Minister;

- (b) to prepare and submit annually to the Minister, a Small Business Policy and Administrative Reform Agenda, including recommendations for the addressing of developmental issues, the granting of incentives to small business and the facilitation of measures affecting them;
- (c) to prepare the Annual Report on Small Business in Guyana for submission to the Minister, not later than ninety days after the end of each financial year; the report shall contain information on –
- (i) progress made in addressing developmental issues and streamlining administrative procedures relating to small businesses;
 - (ii) initiatives by the Government to facilitate access to financing by small businesses;
 - (iii) the status of procurement by the Government from small businesses;
 - (iv) the recommendation of fiscal incentives to small businesses;
 - (v) statistics relating to the small business sector;
- (d) to maintain a register of approved small businesses under this Act;
- (e) to supervise, manage and give directions to the Small Business Bureau;
- (f) to establish contact and linkages with other organizations, both local and overseas, with similar goals and objectives; and
- (g) to pursue all legal and lawful courses in furtherance of the goals and fulfillment of this Act.

Meanwhile, the Small Business Bureau (SBB) was established to be the secretariat of the SBC. Based on Section 4(2) of the Act, the Bureau is responsible for the following:

- (a) promoting developmental issues relating to or affecting small business at the governmental level;
- (b) coordinating programmes for small business development with funding provided by the Government and other agencies;
- (c) monitoring and implementation of this Act;
- (d) reporting quarterly to the Small Business Council;
- (e) preparing for the approval of the Council the draft of the Annual Report on Small Business in Guyana; which shall include:
 - (i) initiatives by the government to facilitate access to financing by small businesses;
 - (ii) the level of procurement by the Government from small businesses;
 - (iii) the recommending of fiscal incentives to small businesses;
 - (iv) statistics relating to the small business sector

As noted earlier, the Act created the Small Business Development Fund (SBDF) to provide for:

- (a) support and access to financing for small businesses;
- (b) non-financial services and assistance to help small businesses improve their productivity and competitiveness;

(c) institutional support for organizations representing, promoting, supporting and strengthening small business;

(d) funding the expenses of the Council and the Bureau.

According to Section 7(2) of the Act, the fund shall consist of:

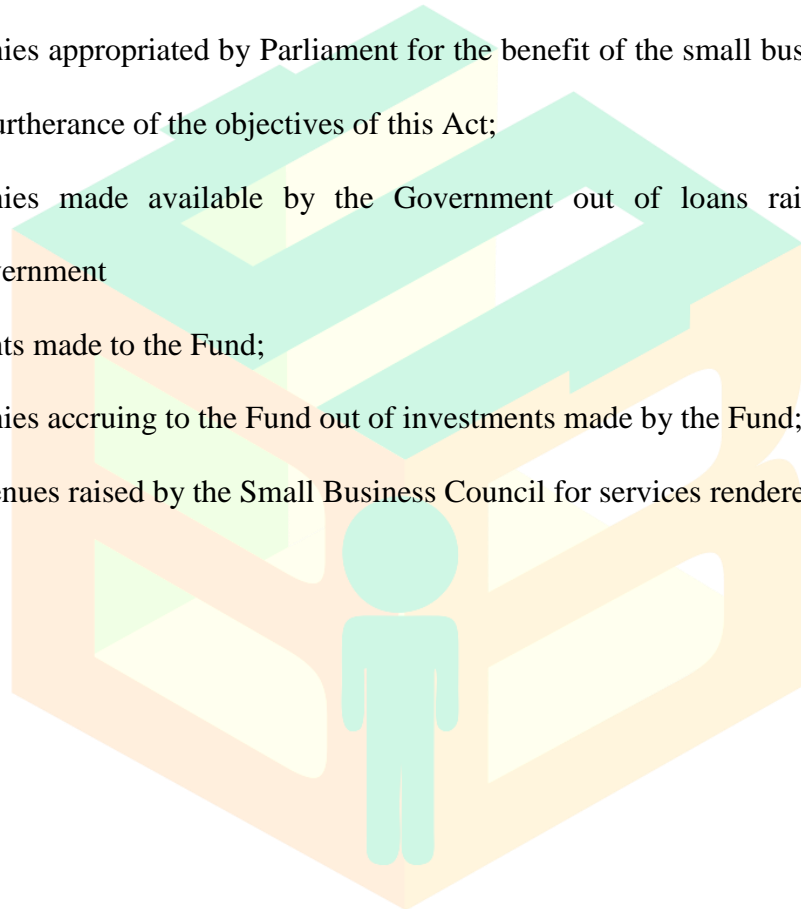
(a) monies appropriated by Parliament for the benefit of the small business sector in furtherance of the objectives of this Act;

(b) monies made available by the Government out of loans raised by the Government

(c) grants made to the Fund;

(d) monies accruing to the Fund out of investments made by the Fund; and

(e) revenues raised by the Small Business Council for services rendered.



SMALL BUSINESS BUREAU

**PART I:
ADDRESSING DEVELOPMENTAL ISSUES AND STREAMLINING
ADMINISTRATIVE PROCEDURES RELATING TO SMALL
BUSINESSES**

During the review period the Bureau, with the support and guidance of the Council, continued to forge alliances with strategic partners to promote the growth and development of the small business sector. The Bureau initiated talks with the Guyana Revenue Authority (GRA), National Insurance Scheme (NIS) and Deeds Registry with the aim of facilitating the registration of MSMEs. These negotiations will culminate with the signing of Memorandum of Understanding (MOU) during the first quarter of 2015; paving the way for MSMEs to be registered as well as become NIS and GRA compliant with minimal hiccups.

The Bureau also continued to aggressively expand its register of approved businesses as required by the Act. During 2014 a total of 1,950 MSMEs were added to the register of approved businesses (see **Figure 1**). The number of businesses added to the register during 2014 was more than five (5) times higher than the previous year. As at end-December 2014 the total number of businesses registered with the Bureau stood at 3,951; compared with 556 businesses during 2010.

SMALL BUSINESS
BUREAU

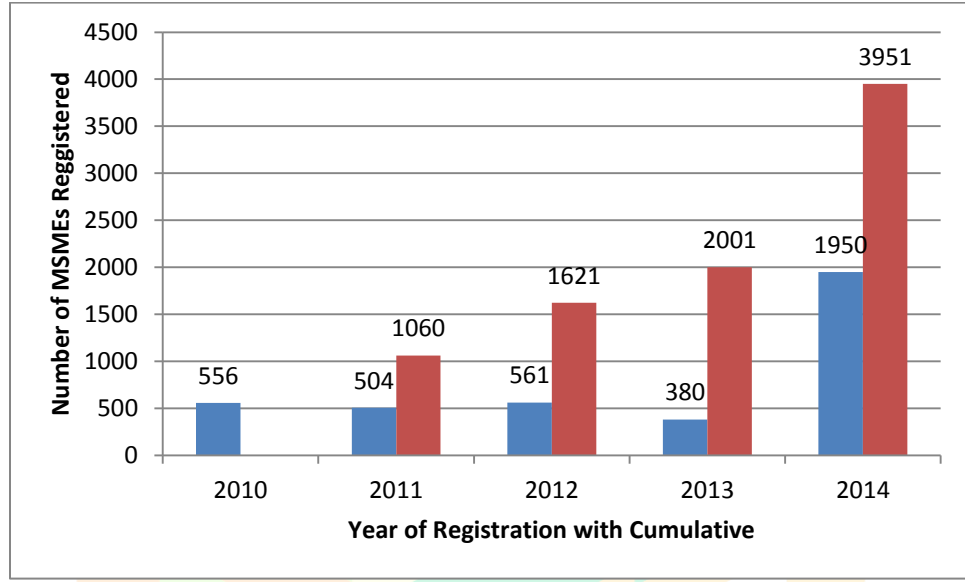


Figure 1: Businesses registered with the Bureau; 2010-2014

Source: Small Business Bureau (SBB)

The largest number of new registrants were involved in the cultivation of fruits and vegetables (724), followed by Low Carbon Agriculture and Agro-Processing (499); and professional and business services (312). Together these businesses accounted 78.8 percent of the total number of new registrants. Table 1 show the registrants of the Bureau based on economic sectors between 2010 and 2014.



SBB collaborates with CUSO and IICA to host awareness session in Region

Table 1: New Registrants based on economic sectors; 2010-2014

Economic Sectors	2010	2011	2012	2013	2014
Fruit and Vegetables	244	281	21	29	724
Agro-processing	30	24	11	21	36
Apiculture	0	4	1	0	18
Aquaculture	0	0	0	1	10
Arts and Craft	114	79	14	32	29
Internet and Computer based services	6	1	3	5	20
Sustainable mining	0	0	0	0	1
Low Carbon Agriculture and Agro-processing (excluding livestock)	12	11	14	19	499
Eco-Tourism	1	1	0	4	7
Energy efficient transportation and logistics	11	4	203	12	3
Professional and business Services	101	70	36	200	312
Sustainable forestry and wood processing	10	5	4	9	11
Business process outsourcing	0	0	0	0	0
Bio-ethanol	0	0	0	0	0
Low carbon energy production and/or distribution	0	0	0	0	0
Low carbon manufacturing activities	7	11	4	17	30
Publishing and printing	11	5	0	3	13
Entertainment, music and performing arts	2	1	0	7	8
Others	7	7	250	21	229
Total	556	504	561	380	1950

Source: Small Business Bureau (SBB)

Most of the new registrants operate in Regions 4, 5 and 6. The total number of new registrants from these regions approximated 76 percent of the new registrants (Table 2).

Table 2: New Registrants by Administrative Regions; 2010-2014

Administrative Regions	2010	2011	2012	2013	2014
Region 1	5	4	4	3	1
Region 2	19	25	13	14	144
Region 3	40	29	64	31	145
Region 4	209	151	259	261	650
Region 5	225	250	126	5	613
Region 6	30	22	65	7	228
Region 7	3	0	2	2	0
Region 8	1	0	0	0	0
Region 9	9	5	6	13	1
Region 10	15	18	22	44	168
Total	556	504	561	380	1950

Source: Small Business Bureau (SBB)

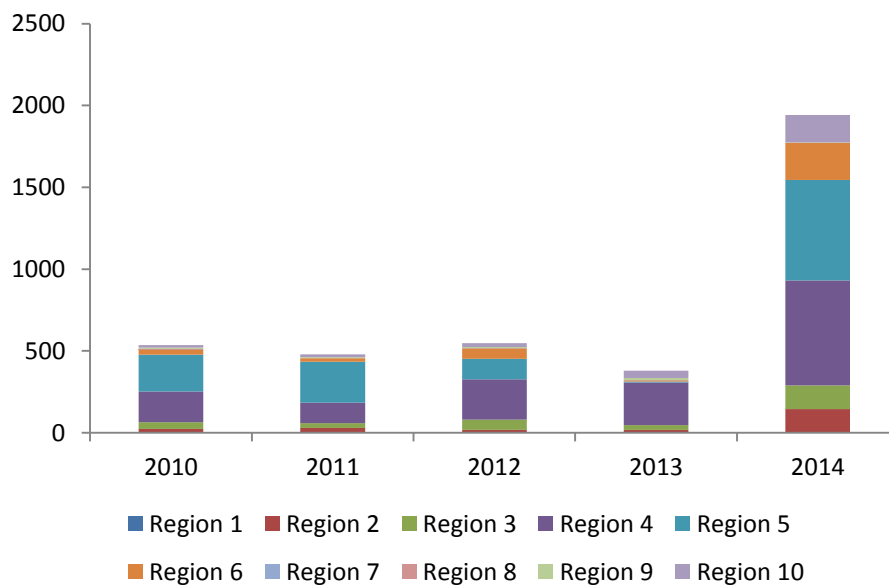


Figure 2: Graph Showing Regional Distribution of the SBB's Registrants form 2010 -2014

The new registrants added to the Bureau's database were almost equally represented in terms of gender. Table 3 shows that 49.9 percent of the new registrants were male and 49.8 percent female and the remainder not stated.

Table 3: Distribution of new registrants by Gender

Gender	2010	2011	2012	2013	2014
Male	331	338	352	194	974
Female	193	132	180	172	971
Not stated	32	31	29	14	5
Total	556	501	561	380	1950

Source: Small Business Bureau (SBB)

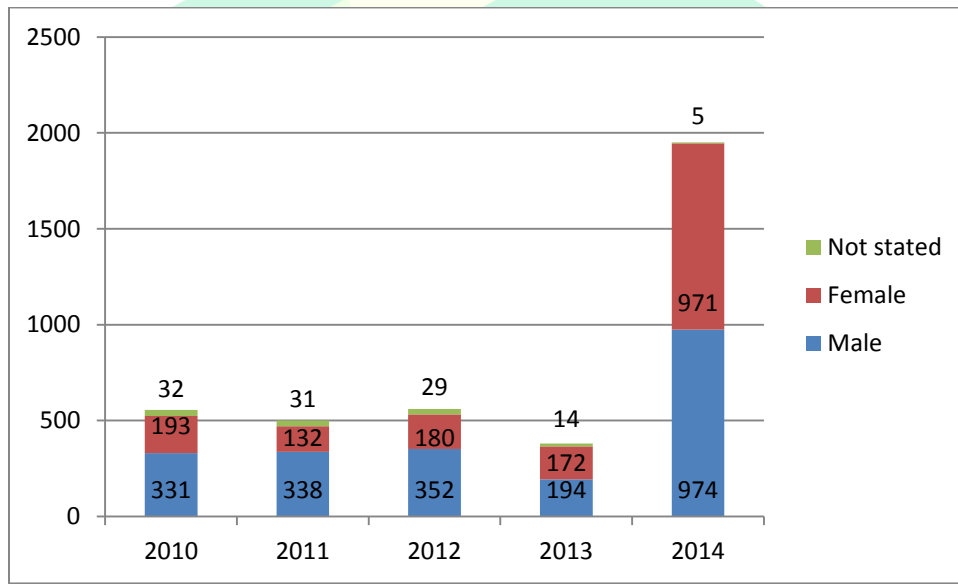


Figure 3: Graph Showing Distribution of Registrants by Gender from 2010-2014

The vast majority of businesses added to the database were not registered. Table 4 shows that 57.0 percent of the new registrants were not formally registered. Only 9.9 percent of these businesses were registered while 32.9 percent were in the process of being registered.

Table 4: New Registrants classified by status of business; 2010-2014

Status of Business	2010	2011	2012	2013	2014
Registered	38	9	13	82	193
Not registered	517	487	543	295	1,112
Not stated	1	5	5	3	642
Total	556	501	561	380	1950

Source: Small Business Bureau (SBB)

The increase in the number of registrants may be attributed to the country-wide public awareness sessions undertaken by the Bureau during 2015 (see Part 5 where the activities of the Bureau are discussed).



Data Collection Exercise – Onderneeming Village, West Coast Berbic

SMALL BUSINESS BUREAU

PART II **INITIATIVES UNDERTAKEN BY THE GOVERNMENT TO FACILITATE ACCESS TO FINANCING BY SMALL BUSINESSES**

Numerous initiatives were pursued by the Government to enhance access to finance by small businesses. Some of the notable initiatives include the Women of Worth (WoW), Agricultural Export Diversification (AED) and MSED Project.

The Small Business Bureau was tasked with the successful implementation of the MSED Project; which seeks to encourage the expansion of low carbon businesses thereby supporting Guyana's thrust to a "green economy". Specifically, the MSED project offers approved MSMEs the following:

- **Collateral guarantees** of up to forty percent (40 percent) of the loan amount secured from Partner Financial Institutions (PFIs). In an effort to encourage participation by PFIs the Government of Guyana (GOG) granted these institutions various concessions. The interest rate MSMEs are required to pay for loans under this scheme is six (6 percent).
- **Interest subsidies** not exceeding 5 percent.
- Grants not exceeding G\$300,000 for eligible start-up businesses and businesses which are desirous of recapitalizing.
- Multi-faceted training that is tailored to meet the needs of eligible MSMEs.

SMALL BUSINESS
BUREAU

Collateral Guarantees

During 2014, the Bureau signed Loan Agreements with two new Partner Financial Institutions, namely, Republic Bank (Guyana) Limited (RBL) and Institute of Private Enterprise Development (IPED). This brought the total number of PFIs up to three (3) at end-2014. Together the financial institutions allocated GY\$590 million for the collateral guarantee scheme with GBTI, RBL and IPED allocating \$100 million, \$200 million and \$290 million respectively.

Table 5: Partner Financial Institutions (PFIs) Disbursement Ceiling

Partner Financial Institutions	Disbursement Limit
Guyana Bank for Trade and Industry (GBTI)	100,000,000
Republic Bank (Guyana) Limited (RBL)	200,000,000
Institute of Private Enterprise Development (IPED)	290,000,000
Total	590,000,000

During the period under review twelve (12) MSMEs benefitted from low interest loans under the collateral guarantee scheme. The total value of these loans was G\$80.32 million. **Figure 2** shows the distribution of the beneficiaries by economic sectors. It is evident that MSMEs in the fruits and vegetable and low carbon manufacturing activities were the most significant beneficiaries (29 percent each). This was followed by low-carbon agriculture sub-sector with 14 percent of total loans.

The vast majority of beneficiaries came from Regions 3 and 4. Eleven of the beneficiaries - which accounted for 89.7 percent of the loans – operated in these regions (see **Figure 3**).

Figure 4: Distribution of loans approved in 2014 by economic sectors

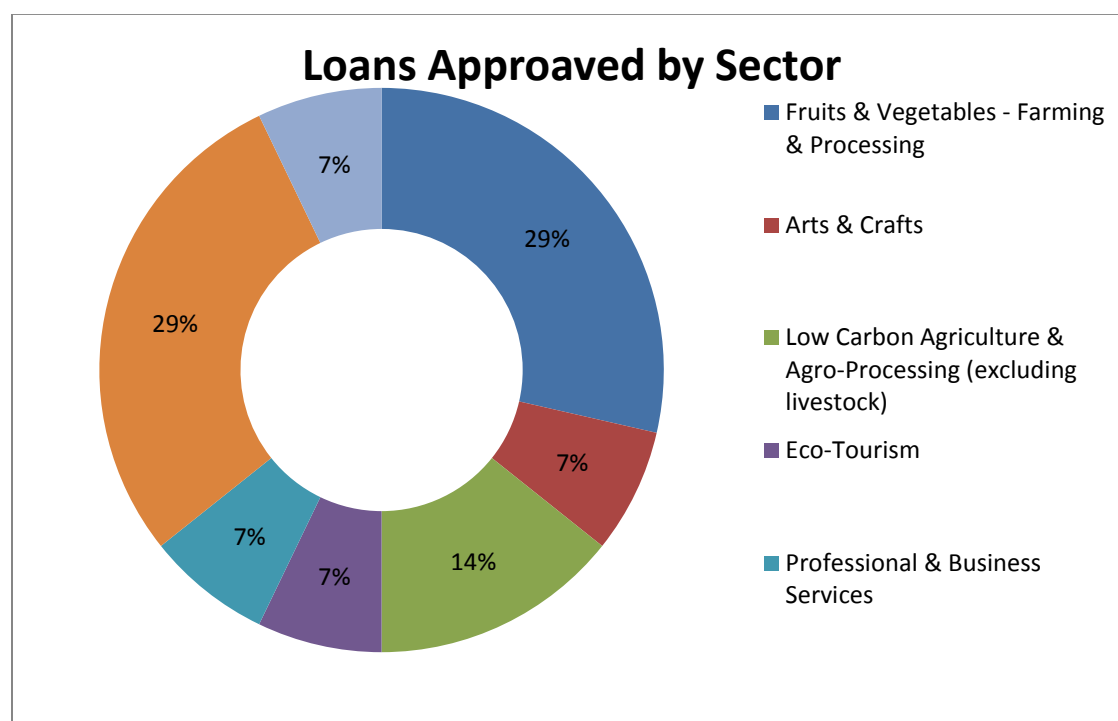


Table 6: Distribution of loans approved in 2014 by administrative regions

Code	Sectors	No.	M	F	Amount	Current Jobs
1	Fruits & Vegetables - Farming & Processing	4	2	2	12,737,000	7
2	Apiculture	-	-	-	-	-
3	Aquaculture	-	-	-	-	-
4	Arts & Crafts	1	1	-	3,000,000	4
5	Internet & Computer-Based Services	-	-	-	-	-
6	Sustainable Mining	-	-	-	-	-
7	Low Carbon Agriculture & Agro-Processing (excluding livestock)	2	1	1	1,250,000	4
8	Eco-Tourism	1	1	-	30,000,000	10
9	Energy-Efficient Transportation & Logistics	-	-	-	-	-
10	Professional & Business Services	1	-	1	3,068,000	2
11	Sustainable Forestry & Wood Processing	-	-	-	-	-
12	Business Process Outsourcing	-	-	-	-	-
13	Bio-Ethanol	-	-	-	-	-
14	Low Carbon Energy Production and/or Distribution	-	-	-	-	-
15	Low Carbon Manufacturing Activities	4	4	-	36,900,000	9
16	Publishing & Printing	-	-	-	-	-
17	Entertainment, Music & Performing Arts	1	-	1	3,600,000	4
Total GYD		14	9	5	90,555,000	40

Figure 5: Distribution of loans approved in 2014 by administrative regions

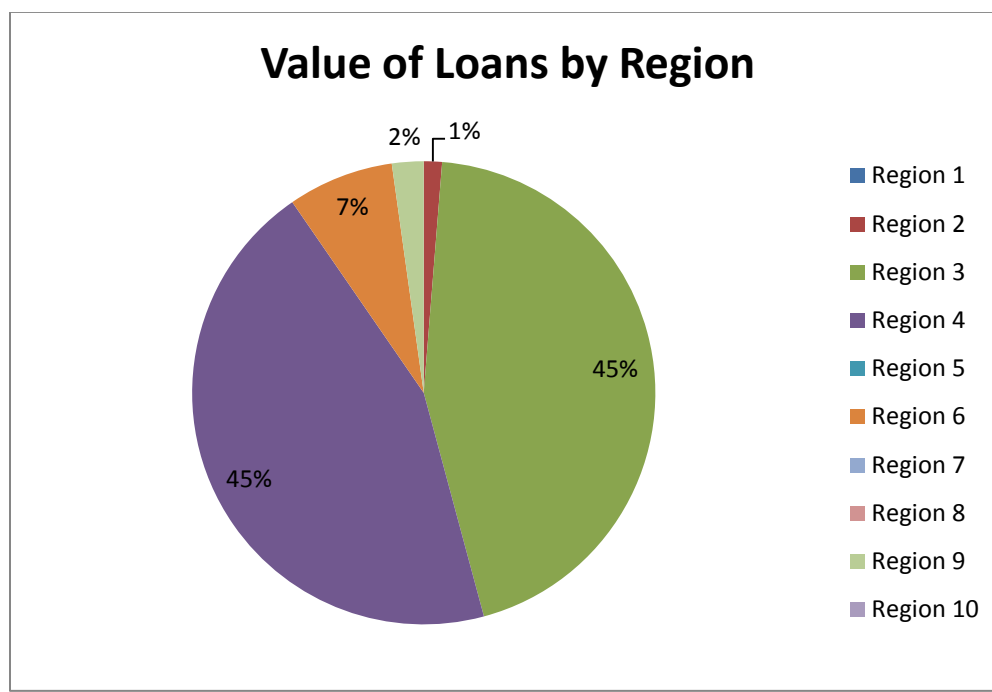


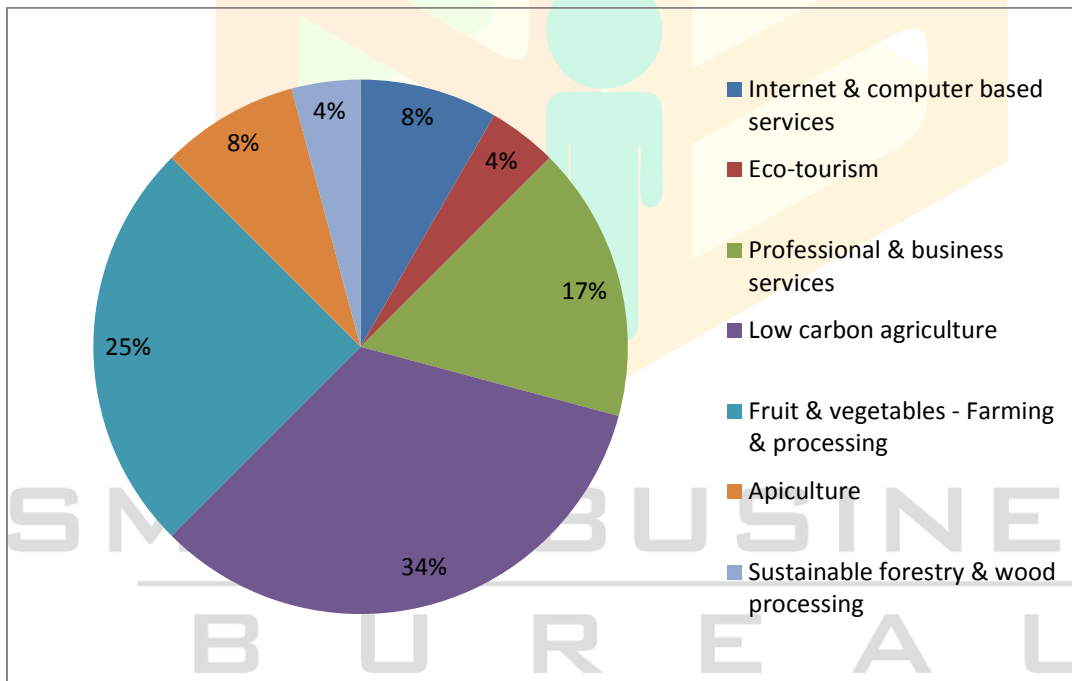
Table 7: Distribution of loans approved in 2014 by administrative regions

Admin Region	No.	M	F	Amount	Current Jobs
Region 1					
Region 2	2	1	1	1,150,000	1
Region 3	3	2	1	40,337,000	3
Region 4	6	3	3	40,368,000	23
Region 5					
Region 6	2	2	-	6,700,000	10
Region 7					
Region 8					
Region 9	1	1	-	2,000,000	3
Region 10					
Total	14	9	5	90,555,000	40

Grants

The Grant Committee (GC) was officially formed in August 2014. A Grant manual was also developed and approved during the year. For the four months ending December 2014, the GC approved twenty three (23) grant applications from 80 which were reviewed. The total sum approved in grants was approximately seven million, four hundred thousand (\$7.4 million). Figure 4 shows that the fruits and vegetable and low-carbon agriculture sectors accounted for the largest share of grants; approximately fifty nine percent (59 percent) of the total grants went to businesses in these sectors.

Figure 6: Distribution of grants approved in 2014 by economic sectors



Together the Collateral Guarantee and Grant schemes created/sustained approximately 67 jobs.

MSED Training

During 2014 the Bureau signed MOUs with two Partner Training Institutions (PTIs), the Kuru-Kuru Co-operative College and Partners of the Americas (Guyana) Chapter, paving the way for the training of MSMEs in Basic Business Management, Business Plan writing, Food Safety, Market Research, Packaging and Labelling, Basic Record Keeping and Financial Management, Shelf Life, Taking your Business to the next Level, Vision to Venture, Venture Out for Women. Nine Hundred and Twenty Six clients from the SBB register benefitted from training under the programme for 2014. A total of GY\$23.42 million dollars was expended under this component of the MSED project.



SBB conducts technical training in Kabakaburi, Region Two

PART III

REVIEW OF SMALL BUSINESS SECTOR: 2014

The small business sector contributes significantly to the social and economic development of Guyana. According to Wenner and Chalmers (2001), MSMEs accounted for 40 percent of total employment and contributed approximately 28 percent of Gross Domestic Product (GDP) in 1998. Like many countries in Latin America and the Caribbean, SMEs are stymied by numerous constraints, among which include the high cost of borrowing, inadequate advisory services and limited capacity of owners to manage their businesses. The relatively high failure rate of MSMEs is responsible for the aversion of lending institutions to extend credit to these businesses (Pasha, 2015).

In Guyana, MSMEs access funds from commercial banks, micro-finance institutions, private lenders, and various initiatives developed and implemented by the Government of Guyana.

Micro-finance institutions

The Institute of Private Enterprise Development (IPED) and Small Business Development Trust (SBDF) are the two micro-credit agencies which supports MSMEs in Guyana. During the review period, these institutions offered approximately 6,009 loans to MSMEs. More than 90 percent of the loans were provided by IPED and the remainder by SBDF.

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Table 8: Number of loans by micro-finance Institutions

	2010	2011	2012	2013	2014
IPED	5,449	5,002	4,814	5,107	5,472
Men	1,704	1,807	1,876	3,235	3,383
Women	1,399	1,217	1,139	1,872	2,089
Joint - Men and Women	2,346	1,978	1,799	-	-
SBDF	685	710	722	597	537
Men	316	264	260	215	184
Women	224	273	322	278	249
Joint - Men and Women	145	173	140	104	104
Total	6,134	5,712	5,536	5,704	6,009
Men	2,020	2,071	2,136	3,450	3,567
Women	1,623	1,490	1,461	2,150	2,338
Joint - Men and Women	2,491	2,151	1,939	104	104

The total value of loans approved during 2014 amounted to \$3,580 million of which IPED granted \$3,142 million and SBDF extended \$439 million (Table 7). The average loan size for the IPED was \$574.1 thousand and \$803.5 thousand for SBDF (Table 7).

Table 9: Value of loans by micro-finance Institutions

Value of loans approved (Millions)	2010	2011	2012	2013	2014
IPED	1,937	2,399	2,716	2,661	3,142
SBDF	274	409	440	440	439
Total	2,211	2,808	3,157	3,101	3,580
Average size of loans (Thousands)					
IPED	355.0	479.6	564.3	521.0	574.1
SBDF	400.3	576.2	610.1	737.4	803.5

According to Table 8 approximately 59.4 percent of the loans were extended to businesses owned by men and 38.9 percent went to businesses owned by women during 2014. Only 1.7 percent of the loans were extended to businesses jointly owned by men and women (Table 8).

Table 10: Classification of loans by recipient

	2010	2011	2012	2013	2014
IPED	100	100	100	100	100
Men	31.3	36.1	39.0	63.3	61.8
Women	25.7	24.3	23.7	36.7	38.2
Joint - Men and Women	43.1	39.5	37.4	-	-
SBDF	100	100	100	100	100
Men	46.1	37.2	36.0	36.0	34.3
Women	32.7	38.5	44.6	46.6	46.4
Joint - Men and Women	21.2	24.4	19.4	17.4	19.4
Total	100	100	100	100	100
Men	32.9	36.3	38.6	60.5	59.4
Women	26.5	26.1	26.4	37.7	38.9
Joint - Men and Women	40.6	37.7	35.0	1.8	1.7

The loans provided by the micro-finance institutions created and/or sustained approximately 13,542 jobs during 2014, 19.1 percent higher than the 11,371 jobs created/sustained in 2013.

Table 11: Number of jobs created/sustained

	2010	2011	2012	2013	2014
IPED	10,140	9,974	9,628	9,489	10,342
SBDF	1,886	2,207	2,207	1,882	3,200
Total	12,026	12,181	11,835	11,371	13,542

PART IV
REVIEW OF SBB's OPERATION

Financial Operation

The Government of Guyana allocated approximately twenty nine million dollars (\$29 million) for the SBB during the financial year 2014; an increase of 26.9 percent over the allocation of approximately twenty three million dollars (\$23 million) one year prior. The figure below depicts the increase in budgetary allocations.

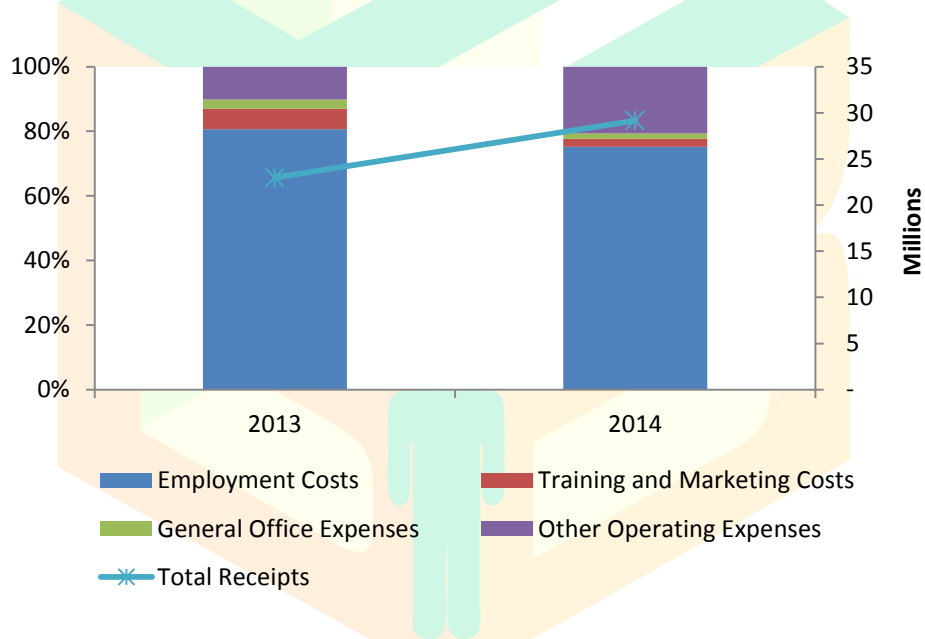


Figure 7: Comparative Expenditure - 2013 and 2014

During the 2014 fiscal year employment cost accounted for 75.2 percent of total expenditure of the Bureau. Other operating expenses (which include local travel and subsistence, other goods and services purchased, refreshment and meals) accounted for 20.7 percent of total expenditure while training and marketing costs and general office expenses represented 2.5 percent and 1.7 percent of total expenditure respectively during the period under review.

The Bureau's operational activities revolved around the following core areas:

- strengthening the institutional capacity of the Bureau and governance system
- successful implementation of the MSED project to support access to affordable finance by MSMEs
- creating strategic alliances
- streamlining the administrative procedures relating to small businesses
- marketing and public awareness
-

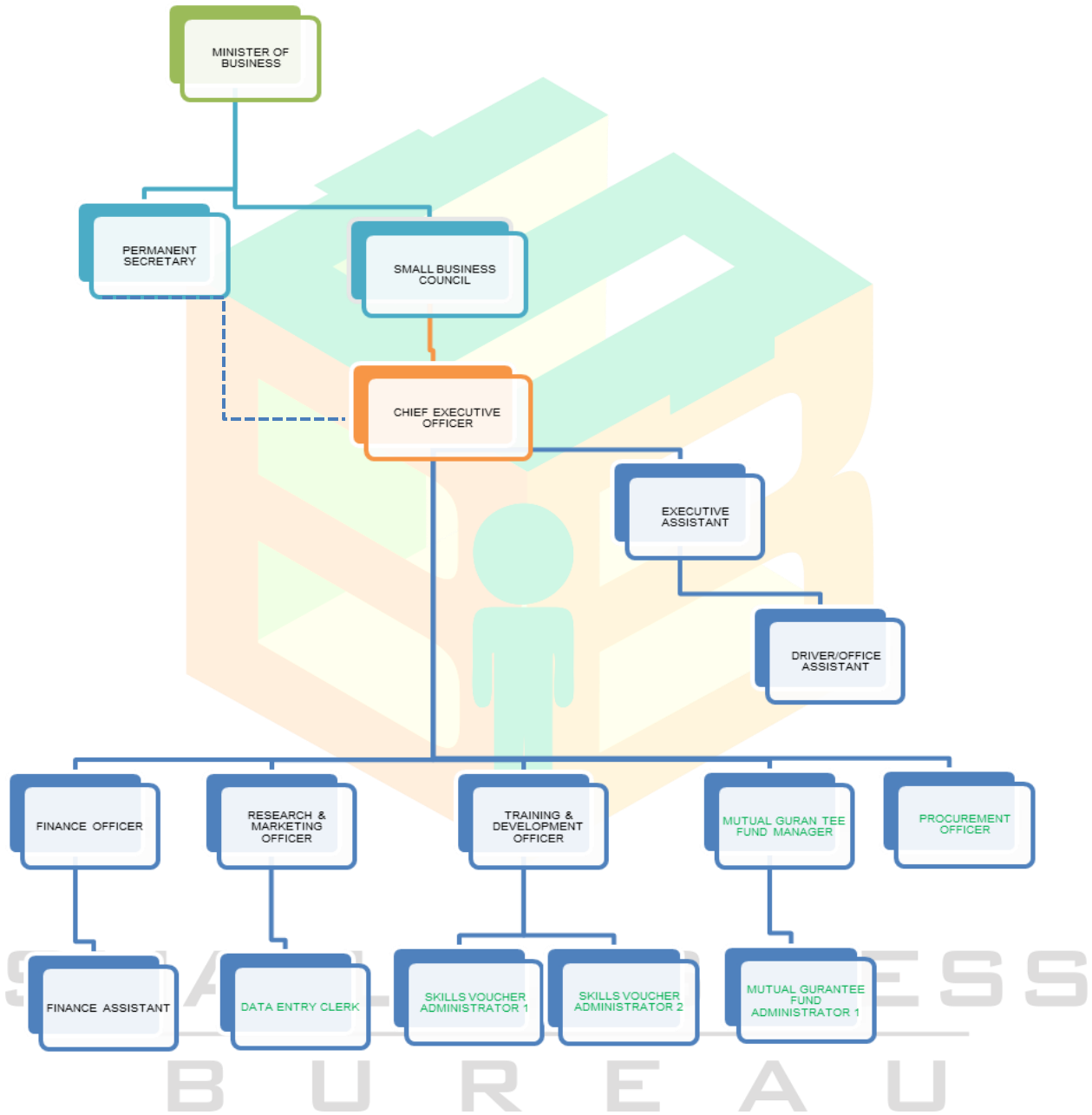
Institutional Strengthening

The Bureau added four new staff members in 2014. A Fund Administrator, Data Entry Clerk, Finance Assistant and Office Assistant/Driver were added to the Bureau's establishment. This move was aimed at enhancing the capacity of the Bureau to deliver on its mandate as set out in the Act.

Due to the expansion in the operational activities associated with the implementation of the MSED project, the Bureau is still working with a staff complement that is below what is considered optimal. For the MSED Project two positions remains vacant. In the coming year the Council and Bureau will work towards filling the vacant positions. An assessment will also be undertaken in 2015/2016 to determine the future staffing needs of the Bureau to cope with its additional responsibilities from the MSED project and those prescribed by the Council. To ensure greater operational efficiency and accountability, the Council approved an Accounting Policy and Procedure Manual during 2014. This manual will be reviewed and updated every year to cater for new and emerging issues that relates to the operation of the Bureau.

ORGANIZATIONAL CHART

POSITIONS FUNDED BY GoG	
POSITIONS FUNDED BY IDB	



PART V

INITIATIVES TO FOSTER THE SMALL BUSINESS SECTOR

During 2014, the Small Business Council formulated a multi-year Small Business Policy and Reform Agenda that would serve to promote MSMEs locally. The document was submitted to the Minister for onward transmittal to Cabinet.

The Small Business Policy and Reform Agenda essentially sought to:

1. Develop a comprehensive legal and institutional framework to support the creation and expansion of small businesses
2. Expand the range of funding options available to SMEs
3. Foster entrepreneurship across the country to accelerate the creation and expansion of small businesses
4. Empower disadvantaged communities
5. Support the creation of business cluster so as to improve the survivability and growth of small businesses
6. Establish robust database on SMEs to support the preparation of annual report and evidenced based research that would aid policy formulation

SMALL BUSINESS
BUREAU

1. Develop a comprehensive legal and institutional framework

The small business sector is governed primarily by the Small Business Act of 2004 and other legislation; which directly impact on the creation and expansion of Small and Medium Scale Enterprises (SMEs). Over the next two years, the Small Business Council (SBC) proposes to review all the existing local legislation in conjunction with similar legislation and best practices within and outside of the Caribbean. The review exercise, which is aimed at developing a comprehensive legal and institutional framework, will focus on:

- converting the Small Business Bureau (SBB) into a ‘one-stop shop’ that would provide all the information and support services to the small business sector;
- simplifying the procedures for establishing (or registering) small businesses;
- extending the range of fiscal incentives for small businesses;
- strengthening the existing institutional and regulatory framework to support the creation and expansion of small businesses;
- strengthening coordination among key stakeholders with responsibility for the small business sector;
- lobbying for the adoption of the ‘Small Business Test’ - that is, a rule which requires that all new legislation should be examined to ensure they are not injurious to small businesses;
- simplifying the existing procurement guidelines with respect to Government contracts for products and services in order to ensure that small businesses benefit fully from section 11 of the Small Business Act of 2004.

2. Widening the range of funding options for SMES

One of most significant binding constraints to the small business sector is access to finance on terms and conditions which are reasonable. It is envisaged that this constraint will be addressed with the implementation of the Micro and Small Enterprises Development (MSED) project. Notwithstanding, the Small Business Council (SBC) proposes to actively explore avenues for expanding the Small Business Development Fund in accordance with the Small Business Act of 2004.

Additionally, the Small Business Council (SBC) proposes to explore avenues for expanding the range of financing options available to the small business sector such as: leases, grants from external sources, etc.

3. Fostering Entrepreneurship

- I. Section 11 of the Small Business Act of 2004 states that government will use its best endeavour to ensure that at least twenty (20) percent of the procurement of goods and services required annually by the Government is obtained from small businesses.
- II. The MSED Project is a GRIF (Guyana REDD+Investment Fund) funded project established to support small businesses involved in low carbon type economic activities. Under the project, small businesses would benefit from collateral guarantees for loans not exceeding \$30 million, interest subsidy and grants.
- III. According to section 7(2) the Small Business Act of 2004, the Small Business Development Fund shall consist of: monies appropriated by Parliament; loans raised by the Government, grants made to the Fund, revenues raised by the Small Business Council for services rendered and monies accruing to the Fund out of investments made.

The Small Business Bureau (SBB) currently provides an extensive range of Business Development Services which includes business management skills training and technical skills training. This is essential for enhancing the management capacity and entrepreneurial spirit of small business owners; which in turn have implications for the level of new business creation. In an effort to further develop the management capacity of small business owners, as well as, the entrepreneurship spirit across Guyana, the Small Business Council (SBC) will:

- lobby for entrepreneurship training at all levels in the educational systems, particularly at secondary, technical and tertiary institutions;
- encourage modular approaches to training that considers the level of development and training needs of business owners who approach the Small Business Bureau for training;
- encourage the adoption of a holistic approach to training by the Bureau that will ensure the simultaneous development of various skills by small business such as: managerial skills, technical skills and personal (or life) skills;
- encourage ‘customized’ training programmes tailored for low carbon economic activities; and
- utilized distance learning modalities where possible to ensure maximum reach.

4. Empowering disadvantaged groups and communities

It is widely accepted that small businesses are an effective vehicle for alleviating poverty and improving the livelihood of poor or disadvantaged groups/communities. In this regard, the Small Business Council (SBC) will collaborate with other relevant institutions and agencies to ensure that poor communities access the various facilities offered by the Small Business Bureau (SBB).

In this regard, the Small Business Council (SBC) will:

- accelerate its small business outreach programmes in poor communities;
- introduce community-based business programmes in poor communities;
- introduce matching grants to be drawn from the Small Business Development Fund;
- involve community-based groups/entities, non-governmental organization and local government agencies in the formulation and implementation of community-based business projects; and
- collaborate with other agencies to establish business incubators in regions with communities which are considered poor and/or vulnerable.

5. Supporting the development of business clusters throughout the country

In order to ensure the survival of small businesses the Small Business Council (SBC) will work to establish business clusters throughout the country. It is envisaged that the clusters will provide:

- a vehicle for the promotion of social integration as they will comprise members with varying background;
- avenues for individuals to improve their standard of living based on collective effort rather than individual effort;
- opportunities for job creation and poverty alleviation; and
- improve the survivability and growth of small businesses

Community-based groups/entities, non-governmental and local government agencies will be involved to identify and create viable clusters. Additionally, members of the clusters will be

provided with relevant training and support to ensure the clusters operate effectively and are competitive. Further, the clusters will be promoted as an alternative to other forms of businesses such as, sole proprietorships, partnerships and public enterprises which often seek to maximizing profits or shareholders' wealth.

6. Establish robust database on Small and Medium Scale Enterprises (SMEs)

The Small Business Council (SBC) is required by section 4(1) (2) of the Small Business Act of 2004 to prepare Annual Reports on the small business sector in Guyana. Based on the Small Business Act of 2004, the Annual Reports should provide information on:

- progress made in addressing developmental issues and streamlining administrative procedures relating to small businesses
- initiatives by the Government to facilitate access to financing by small businesses
- status of procurement by the government from small businesses
- the recommending of fiscal incentives to small businesses
- statistics relating to the small business sector

Consistent with this statutory obligation, the Small Business Bureau (SBB) will conduct annual surveys to capture relevant information on the small business sector. Additionally, the Small Business Bureau (SBB) will develop a Memoranda of Understanding on Information Sharing with the following agencies that collect data from small business:

- 
- a) Deeds Registry
 - b) Financial Institutions with microcredit windows
 - c) Bank of Guyana
 - d) National Insurance Scheme (NIS)
 - e) Guyana Revenue Authority (GRA)
 - f) Bureau of Statistics
 - g) Institute of Private Enterprise Development (IPED)
 - h) Small Business Development Finance Trust (SBDFT)
 - i) Regional Democratic Council
 - j) Neighbourhood Democratic Council
 - k) Ministry of Communities
 - l) Ministry of Social Protection
 - m) Ministry of Education
 - n) Ministry of Agriculture
 - o) Guyana Small Business Association
 - p) Chambers of Commerce
 - q) Skills and Knowledge for Youth Employment (SKYE)
 - r) Guyana Agro-processors Association (GAPA)
 - s) The New Guyana Marketing Cooperation (GMC)
 - t) Private Sector Commission (PSC)
 - u) Inter – American Institute for Cooperation on Agriculture (IICA)
 - v) Canadian Executive Service Organization (CESO)

The information collected will be used to develop a comprehensive database to support the preparation of the Bureau's Annual Reports as well as evidenced based research to guide policies related to the small business sector in Guyana.

7. Progress made in implementing the Small Business Procurement Programme

Resident in the Small Business Act No. 2 of 2004 (Section III, Sub-section 11, and Para (1) to (3) – Procurement of Government from Small Businesses) is the provision that:

- (1) The Government shall use its best endeavours to ensure that at least twenty percent of the procurement of **goods and services** required annually by the Government is obtained from small businesses and for this purpose, the council shall **prepare annually a Small Business Procurement Programme**.
- (2) Procurement shall be at competitive prices and in accordance with the provisions of the **Procurement Act 2003** and the regulations in force.
- (3) For the purpose of giving effect to subsection (1), the Council shall prepare annually for submission to the Minister **an annual report on the progress made in implementing the Small Business Procurement Programme**, forming part of the Annual Report on Small Businesses.

The aforementioned implies the following:

- The SBA No. 2 of 2004 expressly states that ‘goods and services’ are the focus of the intended programme
- That preparation of a Small Business Procurement Programme (SBPP) is required annually
- The Procurement Act of 2003 the reference point of the SBPP; and the clauses expressed and related to the SBPP in the SBA 2004 is secondary to the said Procurement Act of 2003.
- That a report on the progress made in implementing the Small Business Procurement Programme is required annually

The definitions for the terms ‘goods and services’ in accordance to the primary legislation as it relates to the SBPP are as follows:

- Part I, Section 2, Subsection (g) of the Procurement Act No. 8 of 2003 defines goods as: “goods” includes raw materials, products, equipment and other physical objects of every kind and description, whether in solid, liquid, or gaseous form, and electricity.
- Part I, Section 2, Subsection (o) of the Procurement Act No. 8 of 2003 defines services as: “services” means services of a general nature other than consulting and construction services.

The aforementioned implies that even though commentators and stakeholders see the intent of the SBPP leading to the provisions for procurement goods, services (inclusive of consulting services) and infrastructural works; the act clearly limits the provisions to goods and services only.

This gave rise to the need for consultations to occur in 2015/2016, with the view of informing policy and administrative reforms for the purpose of submission to the Minister of Business for tabling in parliament by the close of 2016.

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Initiatives for 2015/2016 with a Preview of the Council's 2020 Vision

Goal	Objective	2015/2016 Activities	Benefits or other information (High impact activities highlighted in Purple)	2020 Vision
To have the Bureau's services known and accessed throughout Guyana	1 Raise the visibility of small businesses and the SBB	1 Develop and implement a marketing and communications strategy for promotion of SBB's services and programmes	<ul style="list-style-type: none"> Assurance of best implementation of media mix for maximum impact of dissemination of information Clients fully aware of services offered by the Bureau and benefits derived Opportunity to monitor our strategy's impact/contribution to potential client response 	<ul style="list-style-type: none"> Fully functional web based platform for small businesses to benefit from the following: <ul style="list-style-type: none"> A remote interface for interim registration Access to information regarding procurement and procurement opportunities, and Road maps for start-ups in the various sectors and subsectors Have the country fully aware and convinced of the great benefits of a Micro and Small Enterprises registering with the Bureau
		2 Launch interactive website for increased interface, information dissemination and gathering	<ul style="list-style-type: none"> Remote mode of interface with clients offered Opportunity to pre-register on line (pending confirmation by SBB staff) Road map to startup in various sectors and subsectors provided Information on procurement opportunities and government procurement system offered 	
		3 Participate in and facilitate participation of small businesses in local and regional expositions	<ul style="list-style-type: none"> Opportunity to assess emerging business climate and identify innovative startups for nurturing (5 High growth MSEs will be identified and promoted locally and regionally) Enable subsistence and fledgling operators to showcase their product 	
		4 Compile Annual Report for Minister of Business's presentation to Parliament	<ul style="list-style-type: none"> 250 Annual Reports disseminated Stakeholders and public awareness of Bureau's successes, initiatives and 	

				intended interventions		
			5	Mobilize participants and host awareness sessions in regions which has a low ratio of Registrant Count to Population Count in the Bureau's database	<ul style="list-style-type: none"> • Visits to Regions One and Seven (Mabaruma, Bartica and Kamarang) • Visits to Regions Three, Seven and Nine • Twenty four sessions held countrywide in the next Fifteen Months • More Business, Groups and Associations aware of the Bureau's programmes • Number of innovative proposals being channeled through the Bureau increased 	
To facilitate clear directions and ease of entry into the various sectors and subsectors for MSEs	2	Make it easier for small businesses to access government services and permits to start up operations	1	Create and constantly review road map for start-ups to negotiate/enter into the various sectors and sub-sectors of business within Guyana	<ul style="list-style-type: none"> • Website populated with interim information by February 2016 • Startups more aware of the entire process to get into the relevant sector thereby increasing their ability to plan effectively and increasing their probability of success 	<ul style="list-style-type: none"> • Easy and secured access to information from NIS, GRA, & Deeds Registry through the e-governance initiative in order to validate the level of compliance and business status of MSEs
			2	Utilize existing MoUs with Deeds Registry, NIS and GRA to facilitate access to basic services of these entities which small businesses may consider obstacles	<ul style="list-style-type: none"> • Deeds Registry/SBB MoU allows for verification and exchange of Business registration information (Status: active or struck off etc.) • NIS/SBB MoU allows for ease of registration for MSEs into Guyana's Social Security System. • SBB has nevertheless, realized that the current minimum National Insurance 	

				<p>payment for Small Businesses may be onerous for our seasonal operators (small scale poultry etc.) or part-time time operators. A representation will be made for resolution within the next fifteen months</p> <ul style="list-style-type: none"> • GRA/SBB MoU allows for training of our clients, ease in registration for startups and considerations for forgiveness for existing operations or allowance for easy payment terms 		
To have a policy framework which addresses the adversities of MSEs and accentuates the enabling climate which exists	3	Policy advocacy for an improved environment for small businesses	1	Create framework for review of policy and legislation which affect small businesses and the small business environment	<ul style="list-style-type: none"> • Within the next six months the Bureau will be benchmarking its sister agency within the region with the view of developing the framework for continuous and constant review of all legislation and policies that affect small businesses 	<ul style="list-style-type: none"> • Advance at least three policy initiatives through the Small Business Policy and Administrative Reform Agenda • Publish annually at the beginning of the year, as required by the SBA 2004, Government's procurement activities for that year and in the Annual Report for that year the level/percentage of procurement of goods and services from Small Businesses
			2	Identify immediate policies and legislations which affect small businesses that need reform	<ul style="list-style-type: none"> • Build a register of legislation and policies which adversely and positively affect MSEs • Ventilate through the Small Business Policy and Reform agenda those which affect small businesses adversely and make recommendations • Advertise and promote benefits that facilitate an enabling environment for the MSEs 	
			3	Explore or conduct assessment of government's expenditure or procurement of goods, services	<ul style="list-style-type: none"> • Identify categories and trends of expenditure that will allow for easy channeling of MSEs towards 	

			and civil works		
			4 Explore mechanisms and possible policy initiatives/reforms needed for measurement of the level/percentage of procurement from government	<ul style="list-style-type: none"> • Identify mechanisms that can be used to measure level/percentage of procurement from government • Facilitate preparation of a white paper on each possible policy initiative/reform for stakeholder review, contribution and discussions • Submit Small Business Policy and Administrative Reform Agenda on 20% procurement to Minister of Business to be tabled in Parliament 	
Provide support programmes and incentive regimes to facilitate Small Business Growth and Development	4	Implement programs to encourage small businesses to grow and develop, providing more value-added and jobs	1 Continue administration of the Council and Bureau	<ul style="list-style-type: none"> • Council and its secretariat continues operations, fulfillment of its mandate and introduction of new programmes and initiatives 	<ul style="list-style-type: none"> • Fully operationalized Small Business Development/Resource center realized • Active grant fund maintained in order to incentivize entrepreneurs for innovative start up initiatives and incentivize existing small businesses to tap into our credit guarantee scheme (greater impact on jobs created) • Perfect the processes of cluster creation and
			2 Conduct annual needs assessments of small business sector to inform targeted approach for policy initiatives and training	<ul style="list-style-type: none"> • Run general query in the database to identify the pervading constraints and training needs indicated by clients • Conduct bi-annual country wide survey to assess the small business climate and understand general small business needs • Design training programmes and other business development initiatives to target results of assessments 	
			3 Expose clients to general business development and technical skills training	<ul style="list-style-type: none"> • Expose 830 clients to basic business development training and 530 clients to technical skills training • Continue to provide pre- requisite 	

				training for grant recipients	fostering with specific emphasis on the mechanisms that causes clusters to succeed
			4	<p>Develop and improve staff capacity to implement programmes for small business development through training and exposure</p> <ul style="list-style-type: none"> • Provide access to training for SBC and SBB in the following within the next six months: <ul style="list-style-type: none"> ○ “how-to” of helping people to become entrepreneurs (youth and in general), ○ Climate technology, ○ Leadership development, ○ Networking/clustering, ○ Establishing Resource/Innovation Centers (what works and what does not work), ○ Technology and its benefits. 	
			5	<p>Provide Credit Guarantees to small business owners requiring financial assistance, through partner financial institutions</p> <ul style="list-style-type: none"> • Fifty (50) Loans disbursed as a result of the guarantee scheme (15 within the next six months) • Increased production by beneficiary businesses • Seventy (75) Jobs created/sustained. • MSEs brought into formal financial system 	
			6	<p>Review the current design of the interest support scheme to increase uptake</p> <ul style="list-style-type: none"> • Uptake of loans through partnership with Micro Financial Institutions increased • Twenty Five (25) Loans disbursed • Thirty Eight (38) Jobs created/sustained. 	<ul style="list-style-type: none"> • Execute and develop financial instruments which will allow for businesses to graduate from micro to small then unto medium.

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			<p>7 Provide grants to start-ups and micro businesses that are not able to meet the banks' requirements</p>	<ul style="list-style-type: none"> • Two hundred (200) grants disbursed (60 within the next six months) • Two Hundred (200) jobs created/sustained • Business graduated from the limitations of self-financing and family financing to a accessing fund from formal financial institutions 	<ul style="list-style-type: none"> • Partner with all major Financial Institutions and Micro-Financial Institutions in-order meet businesses at their respective geographical location and level of business operation • Implement benchmarked initiatives from regional and international entities in order to cultivate and foster the following: <ul style="list-style-type: none"> • Innovation and technology • Value built and sustained in a supply chain for an identified Sector/Subsector
			<p>8 Increase the number of Partner Financial Institutions by at minimum 1 and expand outreach of existing Financial Institutions.</p>	<ul style="list-style-type: none"> • A widened network for provision of low cost loans to MSEs • The additional Financial Institution to be partnered with within the next three months 	
			<p>9 Create networks and linkages with similar entities regionally and internationally</p>	<ul style="list-style-type: none"> • Benefit from lessons learnt and unique techniques derived for creating entrepreneurs • Benchmarking of entities that have had success in areas the Bureau endeavours to address • Coordinate visits and exchanges to learn from best practices in small business development 	
			<p>10 Create and foster clusters and associations in vulnerable or disadvantaged groups and fledgling subsectors</p>	<ul style="list-style-type: none"> • Develop ten (10) clusters and or association with a specific focus on disadvantaged / vulnerable groups within the next fifteen months • Development of entrepreneurship skills through co-dependency in these communities 	
			<p>11 Commence first phase of Small Business Resource Centre offering administrative and research assistance</p>	<ul style="list-style-type: none"> • Offer print, internet research, scanning and photocopying facilities for MSEs 	

				<ul style="list-style-type: none"> • Continue to offer guidance on proposal writing and other technical assistance as required 	
			<ol style="list-style-type: none"> 1 Undertake and complete a five year costed strategic plan 2 	<ul style="list-style-type: none"> • A costed strategy and detailed guide for the next five (5) years operations to be developed • A baseline for comparative for actual activities conducted and targets achieved against planned developed 	
			<ol style="list-style-type: none"> 1 Review performance of current Low Carbon Micro and Small Enterprise Development Project 3 	<ul style="list-style-type: none"> • Issues, weaknesses and strengths identified to inform second phase intervention 	
			<ol style="list-style-type: none"> 1 Design and develop a second phase intervention for the Low Carbon Micro and Small Enterprise Development Project 4 	<ul style="list-style-type: none"> • Best practices from first phase brought forward • Gaps and issues addressed from first phase • Robust design developed for second phase 	
To be the Information hub for Guyana's small business sector	5	Serve as a point agency for expertise and data on small businesses	<ol style="list-style-type: none"> 1 Solicit consideration through Minister of Business for a direct lobby for inclusion of the Small Business Bureau to be linked to the e-governance database which seeks to link and make possible information sharing between GRA, NIS, Deeds Registry and GOINVEST 	<ul style="list-style-type: none"> • Determination of Clients GRA compliance, NIS Compliance and Business Registration status can thereafter be determined by the click of a button when the project is completed 	<ul style="list-style-type: none"> • Have a robust management information system which can allow for ease of design of responsive policy initiatives, trend analysis, and a representative status of the small business sector
			<ol style="list-style-type: none"> 2 Continue to foster linkages with entities like GRA, Deeds Registry, NIS, Chambers of 	<ul style="list-style-type: none"> • Environment for information sharing beneficial for research fostered and developed 	

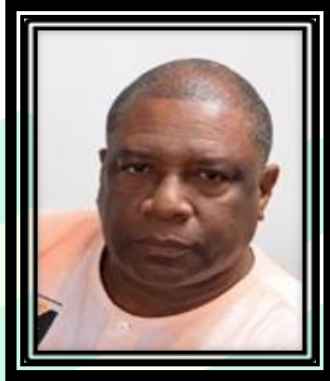
			Commerce, NDC's and the Community Development Council to improve the information sharing mechanism	<ul style="list-style-type: none"> • Research conducted to implement empirically driven interventions
		3	Conduct a country wide baseline survey of the small business sector	<ul style="list-style-type: none"> • A countrywide mapping of the business sector disaggregated by business sector and administrative region at minimum to be completed within the next six months • The Bureau's database populated with new registrants • Bureau has empirical data to drive training interventions and other targeted business development services • A baseline exist for subsequent impact assessment of interventions
		4	Compile monthly information on targets for various activities/interventions disaggregated at minimum by administrative region, gender and business sector	<ul style="list-style-type: none"> • Monthly information produced for management appraisal and decisions • Clearer picture is painted on the successes or deficiencies of the interventions/activities • Redesign of activities within which gaps and deficiencies identified can be facilitated
		5	Complete Management information system with web based interface and reporting functionality for effective data storage and analysis	<ul style="list-style-type: none"> • MIS and Website to be completed by January of 2016 • A framework/shell of the website already exists for review and the database without the reporting functionality also already exists • Excel database currently being sanitized for data migration



SMALL BUSINESS

BUREAU

AGENCY INFORMATION



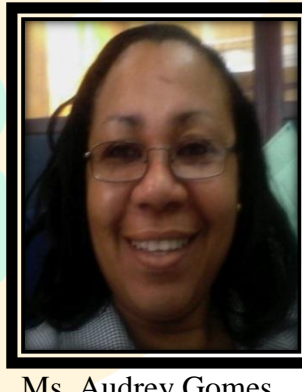
Mr. Derrick Cummings
Chief Executive Officer



Mr. Sven Wills
Finance Officer



Ms. Christina
Samaroo
Research & Marketing
Officer



Ms. Audrey Gomes
Training &
Development Officer



Ms. Rita Mohabir
Executive Assistant



Ms. Gillian Edwards -
Credit Guarantee Fund
Manager



Mr. Christopher
Vandeyar
Procurement Officer



Ms. Karrisiah
Couchman
Data Entry Clerk



Mr. Alwick Prowel
Driver/ Office
Assistant



FINANCIAL STATEMENTS

SMALL BUSINESS

B U R E A U

SMALL BUSINESS BUREAU
STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2014

	Notes	2014 G\$	2013 G\$
Receipts			
Government Subventions - Current	4	29,148,194	22,968,387
Other Income	5	18,920	-
Total Receipts		29,167,114	22,968,387
Payments			
Employment Costs	6	20,232,481	18,544,304
Training & Marketing Costs	7	664,133	1,450,639
General Office Expenses	8	459,723	657,712
Other Operating Expenses	9	5,562,803	2,336,902
Total Payments		26,919,140	22,989,557
Increase/(Decrease) in cash		2,247,974	(21,170)
Cash at the beginning of the year		84,980	106,150
Net Increase/(Decrease) in cash		2,247,974	(21,170)
Cash at end of the year	10	2,332,954	84,980

SMALL BUSINESS BUREAU
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER, 2014

1. Background of the Entity

The Small Business Bureau was established as the secretariat of the Small Business Council via Act No. 02 of 2004 dated 31 March, 2004 and came into operation on the 31st March 2005 via Order No. 15 of 2005. The Bureau is the secretariat of the Council and its responsibilities include the achievement of the goals and fulfillment of the functions of the Council.

Its mission is to enable sustained growth and uniformed diversification of Micro and Small Enterprises (MSEs) within local sectors; with a view to create positive measureable impacts through expert guidance, effectively channeled resources, comprehensive networking and provision of a supporting environment for maximised performance.

In order to achieve its mission, the Bureau endeavours to enable development of the Micro and Small Business sectors to their optimum; through cultivation of entrepreneurship, fostering business cooperation, and solidifying the value chain for maximum contribution to the mainstream economy.

2. Basis of Accounting

The Financial Statements have been prepared from the Bureau's records in accordance with International Public Sector Accounting Principles (IPSAS). The transactions are recorded in Guyana Dollars using the cash basis of accounting.

3. Council Members and Key Management Personnel Remuneration

Small Business Council: The Council was comprised of twelve (12) members for the period under review. Remuneration for the year amounted to \$505,000 and details are as follows:

No.	Name of Council Member	Position	2014 G\$	2013 G\$
1.	Mr. Sukrishnalall Pasha	Chairman	100,000	90,000
2.	Mr. Dhaneshwar Deonarine	Member	52,500	45,000
3.	Ms. Donna Levi	Member	60,000	60,000
4.	Mr. Rajeshwar Ramrattan	Former Member	-	-
5.	Small Business Dev. Finance Trust c/o Ms. Manjula Brijmohan	Member	37,500	37,500
6.	Mr. Patrick Zephyr	Member	67,500	60,000
7.	Mr. Daniel Gaji	Member	30,000	-
8.	Mr. Ramesh Persaud	Former Member	-	7,500
9.	Mr. Kwabina Griffith	Member	37,500	22,500
10.	Mr. Mohamed Qualaner	Member	-	7,500
11.	Mr. Mohindra Chand	Member	7,500	30,000
12.	Mr. Derrick Cummings	Member	52,500	52,500
13.	Mr. Patrick Sukhlall	Member	15,000	-
14.	Mr. Yogieraj Das	Member	45,000	-
			505,000	412,500

3. Council Members and Key Management Personnel Remuneration (cont'd)

Key Management Personnel: Remuneration paid during the period under review is detailed below.

Description	2014	2013
	G\$	G\$
Chief Executive Officer - Annual Salary	3,863,160	3,863,160
Chief Executive Officer - Benefits & Allowances	2,576,614	2,324,243
Total	6,439,774	6,187,403

4. Receipts: Subventions - Current

Current Subventions represent funds appropriated by Parliament through the Ministry of Tourism, Industry & Commerce, which is the Budget Agency.

Description	2014	2013
	G\$	G\$
Subventions received during the year	28,357,000	22,272,000
Subvention for Revision of Wages	791,194	696,387
Total Subventions as at 31/12/2014	29,148,194	22,968,387

5. Receipts: Other Income

The Other Income for this fiscal period represents an initiative by former Minister(ag) to assist the subsistence producers of the Women's Agro-Processors Development Network in finding access to markets. As such, a small quantity of their products were purchased and placed in the Ministry's lobby for resale.

Description	2014	2013
	G\$	G\$
Sales	18,920	-
Total proceeds as at 31/12/2014	18,920	-

6. Expenditures: Employment Costs

Line Item	Description	2014	2013
		G\$	G\$
6116	Contracted Employees - Salaries	12,382,620	11,123,300
6117	Temporary Employees - Salaries	-	180,000
6133	Benefits and Allowances	6,321,841	6,002,228
6134	National Insurance	748,165	682,986
6141	Revision of Wages & Salaries	779,855	555,790
Total		20,232,481	18,544,304

7. Expenditures: Training & Marketing Costs

Line Item	Description	2014	2013
		G\$	G\$
6224	Print & Non-Print Mat.	149,794	755,008
6291	National & Other Events	-	559,943
6302	Training (Including Scholarships)*	514,339	135,688
Total		664,133	1,450,639

**Training was carried out in the following areas during the period under review as*

Description	2014	2013
	G\$	G\$
Internal Audit Training (Client)	24,000	-
Business Plan Writing (Training)	490,339	-
Collaborated TFO/CESO/GACPA Craft Training	-	39,000
Staff Training - Administrative Asst.- Minutes Taken	-	42,400
Taxi Association Training - Code of Conduct	-	54,288
	514,339	135,688

8. Expenditures: General Office Expenses

Line Item	Description	2014	2013
		G\$	G\$
6223	Office Materials & Supplies	205,949	515,796
6243	Janitorial & Cleaning Supplies	182,374	39,174
6271	Telephone Charges	-	16,782
6282	Equipment Maintenance	45,400	65,960
6283	Cleaning & Extermination	26,000	20,000
Total		459,723	657,712

9. Expenditures: Other Operating Expenses

Line Item	Description	2014	2013
		G\$	G\$
6261	Local Travel and Subsistence	1,282,484	555,080
6284	Other Goods & Services Purchased ¹	1,602,006	-
6293	Refreshments and Meals	1,617,518	470,562
6294	Other Operating Expenses ²	1,060,795	1,311,260
Total		<u>5,562,803</u>	<u>2,336,902</u>

¹Details of amounts categorised as "Other Goods & Services Purchased" are as follows:

Description	2014	2013
	G\$	G\$
Short Term Contract for Services	875,100	-
Memorabilia for Expositions	212,816	-
Colaborative Expenses - Business Associations	219,600	-
Events - Dinners et al	64,000	-
Miscellaneous Goods and Services	75,230	-
Purchases from WAD Network to resell	155,260	-
Total	<u>1,602,006</u>	<u>-</u>

²Details of amounts categorised as "Other Operating Expenses" are as follows:

Description	2014	2013
	G\$	G\$
Support to Clusters, Associations et al	449,857	588,110
Council Honorarium	505,000	405,000
Quantities and CAD for proposed office space	-	220,000
Miscellaneous Operating Expenses	105,938	98,150
Total	<u>1,060,795</u>	<u>1,311,260</u>

10. Cash & Cash Equivalents

The sum of Two Million, Three Hundred and Thirty Two Thousand, Nine Hundred and Fifty Four Dollars (\$2,332,954.) reflected as Cash at the end of the financial year 31 December, 2014 equates to the reconciled balance of cash held in the bank account at the Bank of Guyana at that date.



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