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INTER-AMERICAN DEVELOPMENT BANK
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**Final Report
(July 2007)**

SOCIAL ENTREPRENEURSHIP PROGRAM

A PILOT PROJECT FOR ENTREPRENEURSHIP PROMOTION

(Project No. SP/TC-0208013-SU)

**With the compliments of:
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PREFACE

With great pleasure we present this final report of the Social Entrepreneurship Program. Being the executing agency of a project of such a kind, gave the Chamber the opportunity to contribute more to the promotion of entrepreneurship in Suriname. We look back at three successful years of implementing and executing and gaining invaluable experience and strengthening of the internal organization.

We thank the IDB for the trust put in the Chamber and the continuous support throughout the project.

A special word of thanks to the members of the Project Steering Committee, who devoted lots of their time to give guidance and support to make this project a great success.

EXECUTIVE SUMMARY

The Social Entrepreneurship Program was proposed to design and test an integrated model for promoting the creation and development of new businesses in Suriname. The objective of this pilot project was to contribute to the expansion of the country's entrepreneurial base and generation of new and sustainable jobs for the people of Suriname.

The project consisted of a non-reimbursable Financing Component and a non-reimbursable Technical Cooperation Component.

The purpose of the non-reimbursable financing was to provide small loans to business start-ups amongst post-secondary students. The available resources were a complement to the Technical Cooperation component, which had to elevate the appreciation and respect for entrepreneurship in Suriname.

The Technical Cooperation Component sought to support the creation of a new generation of entrepreneurs in Suriname, and included four general components:

- I. Entrepreneurial training for post-secondary students;
- II. The creation of a walk-in entrepreneurship support center with specialized staff to help with the practical information and "next steps" for anyone who wants to start, improve or expand a business;
- III. Promotion of an entrepreneurial culture through public information campaigns and the dissemination of case studies of successful entrepreneurs; and
- IV. An assessment of potential gaps in addressing the existing barriers to new venture creation and recommended actions for the Bank to fill these gaps.

The project was expected to have a direct impact on the following groups:

- 1) Post secondary students who presently do not see entrepreneurship as a career option;
- 2) Other new and fledgling business people that will benefit from the services provided by the entrepreneurship support center;
- 3) The general public and decision makers, whose view of entrepreneurship will be improved through this project.

Other beneficiaries of this project are those individuals who benefited from the increased employment, increased services, and hopefully increased economic stability that are an outcome of a stronger entrepreneurial class.

With regard to the first component “Entrepreneurial training for post-secondary students”, the training was introduced within the Anton de Kom University of Suriname as a certificate course. There was enthusiasm among both lecturers and students, but due to organizational challenges, not enough students were trained in this new concept of entrepreneurship.

According to the projects’ requirements, the Entrepreneurship Support Center (ESC) was established. This center not only offers business development services to the business community but also to potential and starting entrepreneurs. One of the most valuable services of the ESC is the training “Business Start-Up & Business Planning”. From October 2005 till March 2007 approximately ninety five (95) trainees participated in this course which resulted in the establishment of eight (8) new businesses and twelve (12) jobs.

To promote a culture that is receptive towards entrepreneurship various activities were undertaken such as a Start of the Year Award Program, promotion and publicity of the training for post-secondary students and the existence of the ESC. The changes in the entrepreneurial culture and attitudes were measured through a baseline study and a follow-up survey at the start and finish of the project.

During the gap assessment for addressing barriers to business creation in Suriname a listing was made of the identified gaps and all aspects related to medium and small enterprises. This resulted in a tough report which was presented to the IDB in order to take those necessary steps in contributing to entrepreneurship in general in Suriname.

1. INTRODUCTION

This Final Report of the Social Entrepreneurship Program (SEP) is submitted in accordance with the project's reporting requirements. The purpose of this report is to measure the actual contribution of this project to the promotion of business creation in Suriname.

This report covers the total duration period of the program, from April 2004 till April 2007. During the execution of the program focus was given to all the components of the program.

Following the introduction the composition of the report is as follows:

- Fulfillment of all conditions of the project prior to the disbursement;
- Establishment of the Project Steering Committee;
- Signing of contracts with consultants to the project;
- Program activities;
- Conclusions and recommendations.

2. FULFILLMENT OF CONDITIONS OF PROJECT

During this first half year, focus was given to the fulfillment of both the Special and General Conditions of the agreement and the establishment of all initial administrative formalities:

2.1 Selection of a project coordinator

On April 8, 2004 Ms. Chantal Elmont, staff member at the Chamber of Commerce and Industry, was appointed as project coordinator. She has been involved since the beginning. At that time Ms. Chantal Elmont was working at the Chamber for 4 years.

2.2 Signed agreement with a local financial institution for the management of the loan program

Eight financial institutions were summoned to interest them in the management of the loan program. Positive reactions were received from two commercial banks and one credit union. After negotiations, an agreement was reached with the Hakrinbank N.V. This bank did a proposal to leverage the amount up with 100%. The contract was signed on September 28, 2004.

2.3 Preparation of Terms of Reference for consulting services and contracting of an international consultancy firm

The Terms of Reference was ready by the second week of June 2004 and send to a short list of consultancy firms which were recommended by the IDB. Except for the short list from the IDB database, some other consultancy firms within the region were also approached. A total of ten firms were approached for the consultancy activities. All ten firms responded enthusiastic and showed their interest in this project.

On July 20th, 2004, the Chamber received standard bidding documents from the IDB which needed to be filled in by the Chamber. On August 17th, 2004 the Chamber received no-objection from the IDB for the use of these documents.

On August 20th, 2004 the bidding documents were mailed to the ten firms. The deadline for the submission of their proposals was set on September 20th, 2004. After requests from several firms, due to delay in transportation through the Caribbean and the United States of America caused by hurricane Ivan, the deadline was postponed with one week to September 27, 2004 at 12.01 hours.

Besides the international bidding the Chamber also held a local bidding in October, 2004 for the carrying out of a baseline study and the writing of 12 case studies. Three local and one international consultant competed for the contract.

The **bid opening** of the Technical Proposals (international bidding competition) took place on September 27, 2004 at the Chamber of Commerce and Industry. There were 5 proposals.

Opening of the Price Proposals took place on October 15, 2004.

The bid evaluation committee strictly followed all the rules set forth by the IDB for this process.

The bid opening of the Technical Proposals (local bidding) took place on November 1st, 2004. The Price Proposal opening took place on November 12th, 2004.

After negotiations an agreement was reached with GFA Consulting Group GmbH, a German firm. From all firms which submitted proposals, this firm made the best offer.

2.4 Preparation of the Terms of Reference of the Gaps and Opportunities analysis for business creation

The TOR for the Gap and Opportunities assessment was already prepared in the project document.

2.5 Signed agreement with the Anton de Kom University of Suriname for the management of the Post Secondary Education component

A signed agreement with the University of Suriname for the management of the Post Secondary Education Component was also part of the conditions prior to the first disbursement. There was quite some confusion regarding the operating guidelines for this post secondary education component. After intensive negotiations over a period of six months, we finally reached an agreement on October 4, 2004.

3. ESTABLISHMENT OF THE PROJECT STEERING COMMITTEE

On July 23rd 2004 a Project Steering Committee (PSC) was installed. The task of this Steering Committee was to monitor the project and adjust where and when necessary. The members of this Steering Committee were Mr. Henk Naarendorp and Mrs. Monique Sookdewsingh - Nouh Chaia (Boardmembers at the Chamber), Mr. Wilfried Roseval and Mrs. Urly Lemen (coordinator and focal point from the University), Mr. David Chin Kwie Joe en Mr. Paul Wong (entrepreneurs). After five months Mr. Roseval was replaced by Mr. Murvyn Sijlbing.



Members of the PSC at a meeting with GFA Consultant, Mrs. Christine Fröhlich-Lassimo during GFA's first assignment, a needs assessment.

The Project Steering Committee had its sessions every first Friday of the month and whenever needed.

4. SIGNING OF CONTRACTS WITH CONSULTANTS

4.1 *Contract between Chamber of Commerce and Industry and GFA Consulting Group GmbH*

After negotiations an agreement was reached with GFA Management GmbH, a German firm. From all firms which submitted proposals, this firm made the best offer (quality and price based). The following reports were amongst the deliverables:

- Implementation plan for the consultancy;
- Course material including curriculum and training methodology;
- Report on business plan competition;
- Operations manual for the Entrepreneurship Support Center (ESC);
- Three year work plan for the ESC;
- Marketing strategy note;
- Proposal for entrepreneurship award competition.

4.2 Contract between Chamber of Commerce and Industry and Stichting Wetenschappelijke Informatie (SWI)

To carry out the baseline study and the writing of 12 case studies on local successful and originally failing but later successful entrepreneurs, Stichting Wetenschappelijke Informatie (SWI) was contracted.

The results of the study from SWI will contribute to the development of a strategy for the Entrepreneurship Support Center (ESC) and the strategy to foster the entrepreneurial culture in Suriname.



Signing of the contract between KKF and SWI on January 27th, 2005. On behalf of the KKF the contract was signed by Mr. R. Ameeralli (President) and Mrs. R. Ramdat (Secretary) and Mr. J. Menke (Chairperson) signed on behalf of SWI.

4.3 Contract between Chamber of Commerce and Industry and Klinkers Public Policy Consultants

To carry out an investigation about the gaps and opportunities available for the IDB group to provide continued support for the improvement of the environment for new business creation and the development of the micro and small enterprise sector, an international consultant in the person of Dr. Leo Klinkers was contracted. This investigation was carried out at the end of the Social Entrepreneurship Program. The agreement was signed on March 26th, 2007.

5. PROGRAM ACTIVITIES

The **general objective** of the project was to encourage more people, with a particular focus on young people, poor people, women and indigenous people in the Paramaribo region to explore entrepreneurship as a career option and to contribute to the expansion of the country's entrepreneurial base and generation of new and sustainable jobs for the people in Suriname.

The **specific objectives** were:

- (i) to enhance the population's entrepreneurial skills to generate new business ideas and to start and develop new small businesses;
- (ii) to promote a culture that is more conducive to the creation of new businesses;
- (iii) strengthen the business support community; and
- (iv) to identify the existing gaps in activities underway to remove barriers to business creation in Suriname, and recommend a Bank response to help to create a more conducive environment for business start-ups.

Program Components:

The project had two components: (i) a non-reimbursable Financing component; and (ii) a non-reimbursable Technical Cooperation component.

Financing Component

The IDB made available an amount of US\$ 50,000 to provide small loans (US\$ 1,500 – US\$ 2,000) to University Students for up to 40 businesses. The local counterpart had to contribute to this amount an additional US\$ 25,000. After negotiations the Hakrinbank N.V. decided to leverage the amount up to US\$100,000 to provide bigger loans (up to a maximum of US\$ 5,000) for the start-ups.

Unfortunately the University students made no optimal use of the available funds. Only two (female) students started a business. One student showed interest for the loan to expand an existing business but hasn't submitted her business plan as yet, and one students' application is still pending because she needs to apply for a business license to start her restaurant with a loan from this project (*see report Hakrinbank N.V.*)

The student ventures are:

- copy business (Ms. Razia Taus)
- sandwich bar (Ms. Ilse Zarks)
- print shop (Ms. Anjelic Baldew - expansion)
- restaurant (Ms. Galaxy Rokadji – still pending).

Technical Cooperation

The technical cooperation component included four general components:

5.1 Entrepreneurial training for post secondary students

The objective of this component was to provide post secondary students with the knowledge necessary to run their own businesses (basic business skills), an understanding of the importance and continuous process of business planning, and practical, hands-on experience in starting-up a new business.

Preceding the '*entrepreneurial training for post secondary students*' was a train-the-trainer program. This train-the-trainer program was carried out by GFA Consulting Group GmbH and was officially launched on March 8th, 2005. The opening was done by the Minister of Finance, drs. Humphrey Hildenberg.



(from right to left)The Chairman of the board of the University, Dr. G. Rusland, the Minister of Finance, drs. H. Hildenberg, Mrs. Marion van Embriqs - policymaker at the Ministry of Finance and the President of the KKF, Mr. R. Ameeralli were also present at the official launching of the train-the-trainers program at the Anton de Kom University of Suriname

The following indicators were set to meet:

1) Curriculum introduced into the University to train post secondary students

The first assignment that was carried out by GFA Consulting Group was a 'needs assessment'. During this assessment GFA adapted their standard training material to the Surinamese situation (e.g. currencies, common names, etc). The

original program intended to train students in business skills during one full college year. The GFA concept however was in such a way, that students could be trained intensively during a three-weeks training program. After negotiations with the exam commissions of both the Faculties of Social Sciences and Technology the training material/ curriculum was approved and introduced into the University in the form of a three-weeks training course.

2) 15 professors certified in trainer program

Fifteen lecturers from two faculties at the University (Technology and Social Sciences) were recruited by the University to improve training and moderation skills and knowledge on business-planning. Three became Master Trainers with licenses to continue training students at the University during the program and also after the project finishes. The Chamber of Commerce and Industry recruited 10 additional persons to improve their training and moderation skills and knowledge on business-planning. Six became Master Trainers with licenses to provide the training for the Chamber to all others who are interested during the program and also after the project finishes.



Some participants actively participating at the train-the-trainers workshop (March 2005).

The set up of the training-of-trainers program was as follows:

- *A training techniques seminar held from March 8th till 11th, 2005*

GFA's C3 training methodology and style is based on knowledge and principles of modern adult learning and recognizes that adults learn best by their own action and experience. It doesn't see the participant as a recipient but in the centre of all activities. The trainers function as facilitators. Working in groups and learning from others is encouraged, also with respect to future cooperation and networking of the participants in their day to day work.

- *C³ START – Training of Trainers course held from May 9th till 20th, 2005*

This training was geared towards acquainting trainees with the technical concepts of writing a business plan. More specifically, the objectives of the training were to:

- (i) familiarize the participants with the basic elements of a business plan;
- (ii) make participants actually write a business plan, and
- (iii) participants practice acting as a trainer.

- *C³ START – Training coaching sessions held from July 11th till 22nd, 2005 and from February 6th till 17th, 2006*

The objective of these coaching sessions were to create a better understanding for participative learning methods, as well as to improve the facilitation and presentation techniques of the trainers during a current C³-START.

All trainees who went through the coaching sessions became licensed Master Trainers. This means that they have successfully accomplished the full C3 training cycle and that they are qualified to independently educate the target groups.

3) 33 student participants in post secondary program yearly

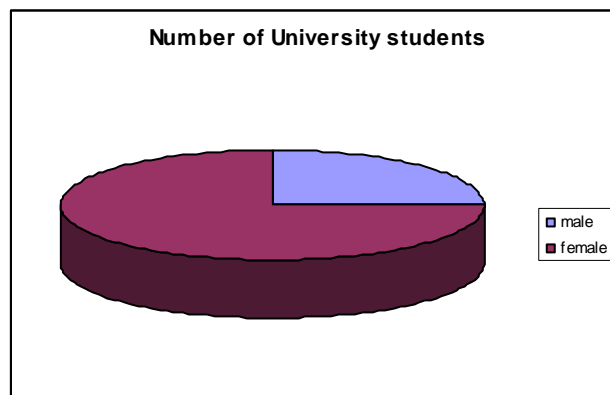
When the training was at first promoted amongst the students by the Chamber, approximately 100 students registered for the course. Due to organizational challenges at the University and the non-entrepreneurial focus of both lecturers and students only four trainings were offered at the University. In total 63 students (25% male and 75% female) were trained during three weeks training courses.



University students during the training Business Start-Up & Business Planning

The University charged a small fee for course attendance but exceptions were made for those students who were not able to pay.

The topics that the students chose to elaborate in business plans were very diverse. Some of the business plan ideas are copy centers, restaurants, rental apartments for interns, bakeries, advertisement agencies, etc.



4) 100 student mini ventures

The set-up of the C³ START training guided the student in writing a business plan. These plans, with a capital need of maximal US\$ 5,000 could get financed through the loan program (Financing Component) to really start their business. Unfortunately the students who attended the course did not have the intention of starting a business, but to get credit points for their regular study:

- two students received a loan, a third and fourth loan are in process (see reporting Hakrinbank N.V.): One student, Ms. Razia Taus started a copy business in January 2006. Unfortunately, due to a decline in school performance and a fast depreciation of the copier, she had to close down after being in business for only one year.



University student Razia Taus at the opening of her copy business, January 2006.

- eight business plans were submitted for financing, but after careful consideration of the Hakrinbank N.V., these plans were considered either not feasible enough, or the requested amount would be used for other purposes than specified in the “Operating Guidelines for the Financial Component”.

5) 100 student internship placements

Three students who attended the course at the University were placed as Entrepreneurial Apprentices at the Entrepreneurship Support Center (ESC) to act as navigators for the clients of the ESC and support and encourage those interested in moving ahead in entrepreneurship.

There were no student internship placements in existing businesses. Since Suriname is a very small society entrepreneurs are ‘reserved’ about having others look at the way they run their business. That made it difficult to place students as interns.

6) two business plan competitions held

The concept of business plan competition changed after the first training at the university. Since not every student was interested in really starting a business at the moment, the loan program was opened not only to the student with the best business plan, but to all students who wanted financing (to a maximum of

US\$ 5,000). A transparent process for judge selection was developed by GFA Consulting Group. An independent panel of judges consisting of Mr. Ewald Refos, director of the Association of Trade and Industry, Mr. Nagib Nouh Chaia (director of Carimega N.V.) and Mrs. Carole-Ann Partoredjo – Feurich (lecturer at the Technology Faculty) were reviewing the business plans. However, the jury was in fact unnecessary since every student's plan (who wanted financing) was sent to the Hakrinbank N.V. Four sets of business plans (50 plans in total) were reviewed by the jury.

7) 40 loans in place as result of the business plan competitions
(see reporting Hakrinbank N.V.)

8) Post Secondary program established and operational

The C³ START training program has been introduced within the University, approved by the exam commissions of both the faculty of Social Sciences and the Technology Faculty and was being offered as a certificate course. After evaluation by the University the training can be introduced as a discipline, accessible to every student who is interested in entrepreneurship.

5.2 The establishment of a walk-in Entrepreneurship Support Center (ESC)

The objective of this component was to provide practical and personalized information to potential and new entrepreneurs in all aspects related to starting, running and improving a small business.

The following indicators were set to meet:

1) ESC established and operational

The ESC was established at the KKF head office (now branch office) at the Mr. Dr. J.C. de Mirandastraat 10, Paramaribo. The official opening was done by the Minister of Trade and Industry on September 8th, 2005.

The ESC mission statement is as follows:

“We promote entrepreneurship and provide in effective support/ assistance and training for starters and entrepreneurs who want to develop themselves”.



From left to right: Mrs. R. Ramdat (Secretary KKF), Mr. M. Tuur (Permanent Secretary of the Ministry of Trade & Industry), Mr. S. Binda (Boardmember KKF), ex- minister of Trade & Industry Mr. S. Gilds, Mr. R. Ameerali (President KKF) and Ms. C. Elmont (coordinator ESC) at the opening of the ESC.

2) ESC sustainability plan completed

An operations manual and sustainability plan was written by GFA Consultants. This manual was to give advice and orientation towards ESC staff members and to assist when implementing and operating the center. It basically covered the different steps to get started and run the center. The service package of the ESC are the classic Business Development Services (BDS) cover many different types of support such as information, training and consulting, business planning, matchmaking, market research, etc. A client tracking system was also created in order for the ESC to stay in touch with the clients.

3) 4 staff hired

The project coordinator of the Social Entrepreneurship Program was also appointed as coordinator of the ESC. Three students were placed as Entrepreneurial Apprentices in the ESC to act as navigators for the clients. Furthermore, four specialists were hired to provide assistance to the ESC on call such as advisory services, coaching, training, etc. In total eight staff were hired.

4) 5 staff training sessions conducted

Capacity building sessions were held by GFA Consulting Group GmbH for ESC Manager and navigators.

All three navigators went through the full course of Business Start-Up & Business Planning. In this way they would be able to assist entrepreneurs in the different aspects related to writing a business plan, starting and running a business.

The ESC staff was given the task of collecting information at public institutions, utilities and private companies to be used for a booklet called "Cost of Doing Business in Suriname". Apart from gathering the factual information, the purpose was also to let the ESC staff feel the "pain" and obstacles entrepreneurs have to face when dealing with these institutions.

A detailed feedback session on the business plans they drafted during the START – training course conducted in July 2005. This feedback was part of the "on-the-job" training provided by the consultant.

One session which was focused on familiarizing ESC – staff with the services the unit had to deliver or channel to the clients, discussing their terms of references

as well as making them aware that their role is more that of a “navigator” rather than a direct deliverer of services.

5) 3,000 would be entrepreneurs have received assistance (1000/ year)

Approximately three persons are entering the ESC daily. At the end date of the project (after being operational for 19 months) approximately 1140 would be entrepreneurs, existing entrepreneurs, students, foreigners and others have received assistance through the ESC.

Most of the clients approached the ESC for the following services:

- The procedure of how to legally start a business;
- Assistance in writing a business plan;
- Finding foreign companies from where Surinamese entrepreneurs can import goods, materials or equipment (especially the Caribbean region and Brazil);
- Finding markets for local entrepreneurs to export goods.



A street vendor visiting the ESC for assistance in how to apply for a street vendor's license.

6) 250 workshop participants

Two workshops were organized:

- One two-day workshop for 100 students, graduates and drop-outs; the purpose of this workshop was to impart these young people with skills on how to apply for a job or start an own business. Special guest during this workshop was Mr. Clive Grossett from the Jamaica Heart Trust Institute who gave a motivational speech to the youngsters.

The different topics during this workshop were:

the Government as employer	Mr. Maurits Hassankhan - Minister of Home Affairs
Rights and duties of the employee/ employer	Mr. Ferdinand Welzijn - Association of Trade and Industry

Some aspects of the position of employees in the society	Mr. Michael Miskin – Treasurer of the CLO
What does an employer look at when placing an employee in a position	Mr. Gilbert van Dijk – former KKF Boardmember/ entrepreneur
Working and studying	Mrs. Jenny Simons – Parliamentarian
Drop outs	Mr. Richenel Trustfull – Director of Youth Affairs
Youth and employment	Mr. Melvin Bouva – Chairman of the Youth Parliament
Entrepreneurship as career option	Ms. Chantal Elmont – KKF

Besides these presentations labs (working sessions) were held. The topics of the labs were among other things were:

- Applying for a job; what is that?
- Who are you?
- How do you look for a job?
- The application letter
- the job interview

The trainers were Mrs. Grace Malm - Lackin and Mr. Stanley Cruden.

- A one-day workshop with thirty students from the IMEAO. During this workshop a new training technique on entrepreneurship was tested on the students. The evaluation at the end of the day showed us that all students (100%) were very satisfied with the training style and the learning by doing concept.

Furthermore the concept of organizing workshops based on the interest of the ESC clients was slightly changed into a training program.

The training “Business Start-Up and Business Planning” is being offered through the ESC every other month. There has been worked with small groups (10 – 15 persons), since the essence of individual guidance to all participants must not get lost. During eight courses approximately 100 participants were trained in writing a business plan.

Data gathering

Throughout the entire training program we have gathered some interesting data. This data will be displayed in the following tables and graphs.

➤ **Age and sex of the participants**

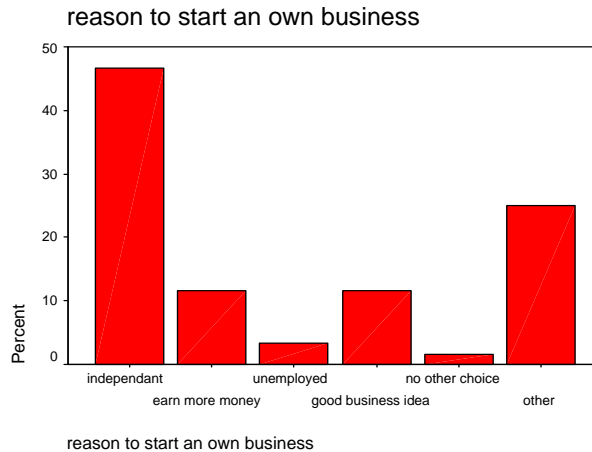
Looking at the distinction between the sex and age of the participants, we see that there is a balance between the participation of males and females. If we look at the age of the participants, we see that approximately 70% is not older than 40 years (*table 1*).

SEX * AGE Crosstabulation

Count		age					Total
		20-30	31-40	41-50	51-60	> 60	
sex	male	15	14	18	1	2	50
	female	16	23	4	2		45
Total		31	37	22	3	2	95

*Table 1: sex * age*

- 30% of the participants already had an existing business while 70% did not have a business at the time they attended the course.
- For almost half of the participants (48%) the reason for having their own business is because they want to be independent; 15% want to have their own business because they want to earn more money and approximately 15% said because they have a good business idea (see graph below).



- only one-quarter of the participants intend to start a business in the production sector while three-quarter choose the services sector. The types of business activities vary from apartment rental, internet café, consultancy bureau, catering, graphic design, beauty salon, etc;
- ***A short evaluation a certain period of time after the training shows the following results:***

Sex	Age	Activity	Start date after attending the course	Number of employees
female	31	Optician	13 months	2
female	28	Graphic design	2 months	0
Male	28	Import business	2 months	2
Male	26	Print shop, web designing	10 months	1
Male	26	Internet café, GSM services	3 months	2
Male	52	Metal turning shop	2 months	1
Female	34	Dietary advice consultancy	10 months	0
Male	27	Office Furniture	6 months	4

Some remarkable results were also the complete U-turn in the management of two existing companies. The comments of these entrepreneurs were as follows: *"thanks to the training I saved my business from bankruptcy"*.

- The extent in which the training contributed to the start-up or improvement of the business is presented in the pie chart below.



- Some responses to the question “Why did you decided to participate in the training Business Start-Up & Business Planning”, are:
 - “Organizational skills how to set up a business. I joined a young business who wants to undertake in the same sector as me”;
 - “I always wanted to be my own boss. I don’t have the exact idea as yet, but to know what I need to look for, I decided to start attending the training”;
 - “As part of my planning (in advance of the official start of my business) gain more knowledge, be aware of things that I might be confronted with in the future and to know how viable my idea is”;
 - “Gain more knowledge in order to be able to plan bigger activities”;
 - “For further development and expansion of my business”;
 - “As an entrepreneur you need to have knowledge about entrepreneurship; to measure the experience that I already have with that what you learn”;
 - “Because I know how important it is to have a Business Plan”;
 - “To gain more insight and understanding on how to start my own business and to keep it running”;
 - “To learn more formulas”;
 - “To have a broader scope on how to do business”;
 - “The license policy of the Ministry of Transport, Communication and Tourism states that airline companies have to submit a business plan when requesting for a license. Now I know better how to analyze these business plans”.

7) 25 high school field trips completed

In stead of organizing field trips to different schools, two workshops for students were organized (*see indicator 6*).

5.3 The promotion of an entrepreneurial culture

The objective of this component is to promote entrepreneurship as a viable option for employment and advancement within the Surinamese society. The GFA consultant recommended the KKF to focus on the promotion of the ESC instead of trying to change the entrepreneurial culture in Suriname at short notice.

The following indicators were set to meet:

1) 36 media coverage of events promoting entrepreneurship

Since the signing of the contract with the IDB in April 2004, the KKF placed an advertisement in KKFact's (weekly edition in the daily newspaper 'De Ware Tijd') at least twice a month. All aspects related to the program were advertised, e.g. promotion of the trainings, the services of the ESC, the Starter of the Year Award program, etc. Aside from reports from the media who were present at different occasions and gave free publicity, the Chamber had own newspaper advertisements (a total of 72) through their own KKFact's. Besides newspaper articles, there were also a total of 15 KKF radio programs (of 15 minutes) devoted to the promotion of entrepreneurship.

Furthermore, a local advertisement agency, Falcon Advertising, Promotion and Services was contracted to set up a media campaign for the promotion of the training Business Planning & Business Start Up, the ESC and entrepreneurship in general.

The media campaign consisted of 4 radio commercials, 4 television commercials and one jingle. These commercials were broadcasted during two months (May – June 2007) at three radio stations (Radio 10, Apinti and Rapar) and four television stations (STVS, ATV, Apinti and SCCN).

2) 12 case study reports distributed

The case study reports were delivered by the local consultant (Stichting Wetenschappelijke Informatie) and were used by GFA Consulting Group GmbH as a source of information about entrepreneurship in Suriname. Furthermore, the reports are for perusal at the Chamber to anyone who is interested in the topic.

3) 50% of post secondary students using materials (case studies)

As mentioned earlier, GFA's C3 concept (Creation of Competence through Competition) was based on a different methodology: learning by doing. The reports however are available for students who want to learn more and are interested.

4) Implementation of three annual awards ceremony (1 per year)

Instead of an Entrepreneur of the Year Award program, a "Starter of the Year" award program (SOY) was developed in June 2005 by a GFA consultant. The ESC started to promote this award program at the end of May 2006 through weekly advertisements in KKFact's and KKF radio programs. Furthermore a personal invitation was sent by e-mail to all new entrepreneurs registered at the Trade Register of the KKF. The e-mail was sent to 880 entrepreneurs. Only four persons showed their interest in the SOY Award. The winner, Mr. Raymond Tawjoeram (owner of Caribbean Heavy Equipment Educational Center) was pronounced at the opening of Jaarbeurs 2006 (the Annual General Trade Fair) on November 24th, 2006. The winner received a brand new laptop as prize.

5) 1% of business people (KKF members) participate in Awards competition

Looking at the number of interested people in the award program (only four), can be stated that this competition was not successful (*see indicator 4*).

6) 3 media coverage events about award winners

There were two media coverage events for the SOY award program 2006: one at the opening ceremony of the JAARBEURS 2006 and one via KKFact's. All media (radio, television and newspapers) were present at the opening ceremony of the JAARBEURS 2006 and did their reporting about the SOY as well.

7) Participants survey complete (Baseline and final results)

The baseline survey was carried out in 2005 and the follow-up survey in 2007. The purpose of these surveys was to obtain information and insights about actual and potential entrepreneurs in Suriname, in order to enable the Entrepreneurship Support Center (ESC) to adjust its policies. The main objectives were:

- To identify (potential) entrepreneurs and the way they differ from non-entrepreneurs;
- To assess changes in the general perception of entrepreneurship and the business environment of (potential) entrepreneurs and non-entrepreneurs.

These surveys also intend to address problems related to the operating environment:

- The constraints related to the policy and institutional framework;
- The procedures and problems of the legal and regulatory framework;
- The main services offered and the obstacles for the development of entrepreneurship.

The focus was on three populations: entrepreneurs, potential entrepreneurs and persons aged 18+ selected from households (non-entrepreneurs) with the purpose to identify trends, differences and similarities among these categories.

Some typical results/ characteristics are:

- Most micro entrepreneurs (with an invested capital less than US\$ 50,000) obtained the start-up capital from own savings or borrowed from family and friends. Most medium sized enterprises borrowed the initial capital from a bank;
- Most businesses of the potential entrepreneurs had grown from the start, while approximately half was perceived as sustainable growth. The personal contribution to the growth was attributed particularly to personal attitudes such as hard working and perseverance. To a lesser extent it was expressed in terms of organized qualities such as management and kind approach to customers. Competition is considered the most important external factor with a negative impact on growth of the business;
- Both surveys indicate that the Surinamese small-scale sector is closely linked with households as a survival strategy. The market focus is also mostly on the local households rather than the local enterprise sector;
- Most entrepreneurs in the three samples started the business because of personal interest (61%). However, a relative high proportion of micro entrepreneurs were motivated by an 'unfavorable economic situation' with the primary goal to survive (18%). This differs from entrepreneurs of medium

- sized and larger firms who are often driven by 'personal interest' and doing business in a pure economic way;
- For the category 'entrepreneurs' the operating environment remains a serious problem. Both the 2005 and 2007 surveys indicate red tape to be a persistent obstacle in the starting phase as well as the adult phase of the business. The principle obstacles mentioned are 'the problem of getting a license', 'lack of cooperation between government institutions and ministries' and 'long waiting period for completion of documents';
 - The vast majority of the entrepreneurs (63% in 2005 and 87,5% in 2007) did not approach any organization or business advisory bureau for assistance to solve their problems. The businesses requesting assistance were micro businesses employing less than 10 persons;
 - Regarding growth of the business from the start in 2005 and 2007, the surveys indicates that at least half of the micro firms became larger in terms of capital investments since the beginning; they had grown from an initial investment of < US\$ 5,000 towards an enterprise with a total investment between US\$ 10,001 and US\$ 50,000. Most interesting are the nine enterprises with an initial investment of US\$5,001 – US\$25,000, of which one firm (a real estate business) had grown towards an enterprise with a total capital investment today of over 1 million US dollars, a second firm in the trade sector had a total capital investment of US\$50,001 – US\$100,000, and a third firm (construction business) between US\$125,001 – US\$250,000 (see table hereunder)

Initial investments and Total Investments today

Initial Investment US\$	Total investments until now US\$					Total
	<10,000	10,001-50,000	125,001-250,000	500,001-1,000.000	>1,000.000	
<5000	6	5				11
5001-25000	1	5	1	1	1	9
50001-125000				1	1	2
125001-250000					2	2
250001-500000				1	1	2
>500000					2	2
Total	7	10	1	3	7	28
	25.0%	35.7%	3.6%	10.7%	25.0%	100.0%

Entrepreneurial attitudes

A principal personal characteristic of successful entrepreneurship is perseverance and related attitudes such as courage, determination, forcefulness and coping with adversaries. Management and related characteristics as well as customer-focused traits are among the important personal qualities of successful (potential) entrepreneurs. Important dimensions of weak entrepreneurship across the three sub samples are weak leadership, instable personality and poor organizing and management qualities.

A rating scale was developed to measure attitudes and personal characteristics of entrepreneurs based on a 4-point scale of four clusters of interrelated personal attitudes: Determination, alertness, hard work and perseverance.

In the 2005 household survey the rating on the four clusters resulted in higher means for 'entrepreneurial' persons than 'non-entrepreneurs' (i.e. persons with no firm or plans to become an entrepreneur). However, in 2007 there was hardly any relevant difference.

Comparison of non-entrepreneurs, potential entrepreneurs and entrepreneurs in 2007 on the mean scores on the four clusters shows that on each of the clusters the scores are lowest for the non-entrepreneurs. The conclusion is that generally spoken the selected personal attitudes - Determination, alertness, hard work and perseverance - are relevant to indicate differences between non-entrepreneurs and entrepreneurs.

5.4 Gap Assessment for addressing the barriers to business creation

The objective of this component was to carry out an assessment of work currently being done on the identification of the legal, bureaucratic and other business creation in Suriname, as well as to the current and planned interventions that will begin to address these, and to recommend what actions the IDB could take to fill the identified gaps, in order to create a more conducive environment for business start-ups, and for the development of the micro and small enterprise sector in general.

Since the budget available for carrying out this component was very limited, the consultant could not carry out an in-depth research, but did a quick-scan to identify

the gaps and opportunities for medium and small enterprises, offer suggestions on how to eliminate those gaps and submit proposals on taking advantage of the opportunities.

The gaps that were identified and listed are:

- The gap between the government and business community in general and medium and small enterprise sector in particular, is very wide. Within decades, the government has managed to turn itself into an enemy of society and businesses.
- Years ago, the government took a wrong turn by the founding of state-controlled and state-owned enterprises. This has caused at least two gaps. Firstly, the business community cannot compete in a normal manner, but it must fight against government support. Secondly, the community - due to the government's use of revenues from state-controlled enterprises as a subsidy mechanism within a social safety net - has no idea of the real costs. A government dependent on state-controlled enterprises creates a virus that will damage the economy's vitality.
- The gap between what entrepreneurs should know and be able to do on the one hand and the real knowledge and experience available on the other hand, is much too big. Many entrepreneurs do not know what they are doing, and therefore do not make it. Entrepreneurship driven by poverty - called 'hosselen' in Suriname - is often the cause of this.
- The gap between the funds needed to start or expand and the practical impossibility of obtaining these funds on the other hand, cannot be overcome by many entrepreneurs. This is à fortiori the case for female entrepreneurs and entrepreneurs from the interior.
- The lack of knowledge within government and business community about the possible effects of the Cotonou-agreement and of the likely operationalization in term of the FTAA-system constitutes a gap between economic wish and economic reality.

- The focus of the government on new structures and knowledge without any insight into the principles of steering change processes takes up all time, money and energy.

Aspects of medium and small enterprise

One weakness of medium and small enterprise is the fact that most small entrepreneurs are not able to build any form of social security, either collectively or independently. For that reason, many have no health insurance, disability compensation, pension or retirement plans and insurance against risks such as fire and theft.

The problem of medium and small enterprise is that attention is mostly paid to the macro-economic factors for growth and development of business. This means an emphasis on imports for trade and consumption, and not on the productive capacity of Suriname's medium and small enterprises. Therefore, little attention is paid to quality improvement, there is little or no feeling for developing and adjusting a business plan, for improving and renewing productivity, for drawing attention to products and services through marketing, people do not know the way to product financing, credit services, investment planning and operating budgets, education and training, and information.

A few listed barriers to entrepreneurship are:

1. applying for and processing licenses take much too long. When a Limited Liability Company is founded, it takes an eternity before the Articles of association are approved; this can take up to two years in Suriname, versus the Caribbean, where approval is obtained within two days;
2. no affordable starting or investment capital. Obtaining credits from banks is a long tale of misery. Particularly for young starting entrepreneurs. Negotiations with banks take a long time. Too many securities and guarantees are required. Besides that, the interest rates are excessively high;
3. commercial banks are not inclined to consider and process credit applications by micro-enterprises because of the administrative work;
4. banks offer no advisory services to borrowers, and neither do savings and credit unions;

5. no affordable work and floor space for starting entrepreneurs. Rents charged for such facilities are sky-high. Even when young entrepreneurs join forces to set up joint operations in one building, they often cannot pay the rent;
6. the government makes no land available as it has no clear zoning policy. Buying land is also difficult for the entrepreneur because he does not have the capital available for the high purchasing prices charged;
7. entrepreneurs consider taxes and laws and regulations as major bottlenecks. Procedures are unclear and long;
8. the training courses on entrepreneurship offered are expensive and the young entrepreneurs lack the resources to pay for those;
9. training institutes seldom or never provide a follow-up support program, while entrepreneurs need further support;
10. young entrepreneurs cannot fall back on a mentor program. Entrepreneurs need advice and support, even after the start;
11. the high costs for business consultancy services are a bottleneck for young entrepreneurs in approaching potential advisors. If they make use of such services anyway, they often find the quality disappointing, often because the advisor/ consultant has little or no feeling for their world;
12. little or no attention is paid to entrepreneurship in the educational system;
13. entrepreneurs have no sound board. There is a lack of entrepreneur networks, professional associations or branch networks. It is essential for young entrepreneurs in particular to meet and discuss visions, plans, etc. together before taking a decision. Only a few networks of entrepreneurs can support them in this, but services are not optimal yet. The new generation of entrepreneurs needs networks;
14. there is a lack of conferences, seminars and events for entrepreneurs with as theme "young entrepreneurship". The entrepreneur is looking to meet colleagues, role models and success stories in order to be stimulated in his own initiatives.

6. CONCLUSIONS AND RECOMMENDATIONS

Looking back at the three years execution of the project, it is recommended to see what the project c.q. the Chamber has achieved and to what extent it was successful.

Recommendations from the SWI report

The baseline and follow-up surveys clearly show that the unfavorable operating environment remained a persistent problem in the past two years. Both the 2005 and 2007 surveys indicate the public sector's red tape to be a persistent obstacle in the starting phase as well as the adult phase of the business. It is therefore recommended that the private sector associations in a combined effort with the government institutions give the removal of this principal problem the highest priority in the short term.

Entrepreneurship in Suriname is intrinsically related with the basic characteristic of a predominantly small and micro entrepreneurship and its fluid relation with the informal economy. Policymakers should take this into account to design policies for entrepreneurial development. Related to this reality, two basic policy approaches towards development of entrepreneurship are considered relevant: A social and an economic approach. The social approach focuses on supporting the heterogeneous micro- and small enterprise sector often operating in the Informal Economy, with less or no attention for a purely market focus and international competitiveness. Such policies require social investments among others in human resource development, counseling, consulting and marketing services to support the survival activities of the many poor in a society where income poverty is estimated at over 50%.

In addition to social entrepreneurship, support programs should develop strategies to identify 'economic' entrepreneurs and utilize this potential in the process of business development and economic modernization. This focuses primarily on efficiency and competitiveness, with the aim to contribute to business development and economic growth.

It is recommended that in designing strategies for the development of entrepreneurship one should take account the different types of (potential) entrepreneurs. The resulting policies should target on:

- i) 'Economic' entrepreneurs with the potential to link up with modern business development based on market oriented criteria and international competitiveness, and be incorporated on the longer term in the formal national economy, the regional and international economy.
- ii) Social entrepreneurs composed of persons who lack the potential and qualities to link up with modern business development on the short term. This target group should be supported through entrepreneurial policies aimed at development of products for the local market on the short term, and if possible be transferred on the longer term in programs that focus on modern business development .

Conclusions and recommendations from the Chamber of Commerce and Industry

Positive results:

A group of twenty five (25) educators were trained in, according to Surinamese standards, a whole new concept of business planning based on knowledge and principles of modern adult learning. This method is being used by the trainers who are either actively involved within the program or elsewhere on their own behalf.

The training Business Start-Ups & Business Planning has caught on very well among (potential) entrepreneurs. This training style has been branded as very effective and new and is being organized every other month. Furthermore, it has proven its sustainability and the Chamber will continue offering this training.

During a test case with IMEAO students we have learned that the training style which is base on adult education, is not only effective when used on adults but is also very much appreciated by youngsters.

The execution of the Social Entrepreneurship Program has contributed to the image of the Chamber. The Chamber is now seen as an institution that also provides assistance to (start-up/ potential) entrepreneurs.

The execution of the project created a large spin-off effect in the community. A lot of other institutions see the need for assistance to entrepreneurs and are now undertaking all kinds of activities to promote an entrepreneurial culture in Suriname.

The establishment of the Entrepreneurship Support Center and the offering of business advisory services. Usually the Chamber is the first stop for people who want to undertake business activities. Providing these 'extra' services in one place creates a more convenient situation for entrepreneurs.

Minor points:

The projects' budget was not realistic for contracting international consultancy firms in accordance with the IDB's procedures. The available budget was US\$ 81,000. After tendering (the lowest bid was US\$175,795 and the highest bid US\$414,420) the budget needed shifting in order for the Chamber to be able to contract an the lowest bidder for US\$110,000.

Due to the IDB's procedures when it comes to contracting international consultancy firms (e.g. the financial situation, average annual turnover, ten years of experience, etc) you automatically enter a certain level of the top notch firms, which pushes the consultancy fees up. This, while experienced international consultants could be contracted for more reasonable amounts, what is very important for small countries like Suriname.

Working with foreign consultants is not always a solution and guarantee to get the quality of work that is expected. The IDB should look at the possibility of hiring more local consultants to carry out certain program activities. From the IDB's point of view international best practice should be contracted to transfer knowledge to small countries like Suriname. Practical experience however shows that foreign consultants are often not geared to specific situations in developing countries.

Looking at the extent in which University students participated in the training program and made use of the available funds for starting a business, we can conclude that University students were not the right target group for this project. University students are being educated to become academics and not entrepreneurs.

We should look at the possibility of providing the training to students at the vocational institutions; this target group is more likely to become entrepreneurs.

The University should change the structure of providing the training as a three weeks course as it is now, but promote entrepreneurship by let it become a regular element of University education.

Micro entrepreneurs have difficult access to loans because they often do not have collateral. Since the ESC has seen the need for easily accessible loans, the IDB should consider making the business loans available for all participants of the ESC training courses (students and non-students).

The ESC should work on a more continuous relationship between the ESC and her clients. Many start-up entrepreneurs need continuous assistance to persevere the long process of planning and starting a business and they appreciate technical and emotional back-up to overpower struggles and set-backs.

Looking at the following figures:

- 3% of start-ups amongst the University students (2 start-ups out of 63 University students);
- 8% of start-ups amongst the others (8 start-ups out of 95);
- assistance to 21 entrepreneurs (22%) of existing businesses;
- assistance to 10 employees of institutions for institutional strengthening of organizations (financial institutions, business advisory institutions, Civil Aviation Authority, etc);
- job creation through the newly established businesses for 12 persons,

we can conclude that the Social Entrepreneurship Program was fairly successful. We have to look seriously at a follow-up to continue the support and guidance to (potential) entrepreneurs.