

A Message from the President

Here in Washington, D.C., the winds of winter and the winds of change seem to be converging. We look back on the bumpy road our nation's economy has been traveling as we look forward to the rather special opportunities we see emerging.



“Rather special” from an IESC business perspective is our new trade development program under the U.S. Department of State’s Middle East Partnership Initiative (MEPI). The program’s goals are to harmonize and refine trade policies in Oman, Yemen, Algeria, Bahrain and Lebanon and to move them toward conformity with World Trade Organization guidelines. Tarek Nabhan, IESC’s Vice President of Global Operations, has been working with our program partners as well as economic ministry officials and private business leaders as the program gains traction. Tourism, agriculture and specialty food exports are among the areas of concentration. As we go to press, our people on the ground in Bahrain are exploring new extensions to our in-process work on that country’s export and trade development policy.

Also commanding our attention is the new Ghana “Agricultural Credit Programme” underwritten by the Millennium Challenge Corporation (MCC). We’re pleased to have been chosen as the lead implementer to develop the capabilities of selected financial institutions in providing credit and financial support to Ghana’s underserved agricultural industry. In Ghana, financing for small agricultural businesses has traditionally been hard to come by, and we’re excited about integrating our knowledge of small enterprise financing with our extensive on-the-ground experience in West Africa.

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Can Surfing The Sahara Be Far Behind?

There’s no electricity in the dusty, rural town of Kolokani in Mali. But the people of Kolokani can often be found seated at a Desert PC working on documents, making digital copies, editing digital photos, publishing flyers and brochures, and doing research on small business export opportunities. And they’re doing it in a well-equipped digital technology center that could only be dreamed about a few short years ago. It’s all part of a diverse set of well-focused initiatives and pragmatic technological capabilities put in place to help Malians cross the digital divide.

The Kolokani Cybertigi is the latest in a growing network of portable, privately-owned and locally-staffed technology centers. Set up by our Geek-corps experts under a cooperative agreement from USAID and in cooperation with the Peace Corps, Cybertigis bring cutting edge technology to Malians in the most remote regions of their country.

According to program manager Olivier Alais, Cybertigis come in two varieties — connected and standalone. The connected variety provides access to the World Wide Web, a capability that’s not yet possible throughout Mali. “But there’s a lot to be

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New Agricultural Credit Opportunities in Ghana

Just over half a century ago, The Republic of Ghana became the first West African nation to dissolve its colonial bonds with Great Britain. Today, with nearly 25 million people and a land area just slightly smaller than Wyoming's, Ghana's natural resources and commitment to good governance are making it one of Africa's brightest economic stars. Its Gross National Product has quintupled since the year 2000.



Mike Hammes emphasizes the importance of innovative approaches in our new Ghana program

We're pleased to be playing a new role in Ghana's continuing growth and financial progress. This July, we were picked by their Millennium Development Authority (MiDA) to be the lead implementer in a \$10 million program to help their financial institutions provide credit and innovative financial support to Ghana's agricultural sector. The MiDA is a Ghanaian governmental body responsible for implementing the initiative they developed jointly with the Millennium Challenge Corporation (whose mission is to reduce global poverty through the promotion of sustainable economic growth.) We're advising Ghanaian officials and private sector representatives on the management of a \$40.7 million revolving credit fund. The fund is designed to improve agricultural credit flow, but with a new twist. Part of it involves rewards for participating financial institutions that have demonstrated special resourcefulness and success in lending to agricultural organizations.

Titled the "Agricultural Credit Programme" (ACP), the program is scheduled to run for four years. It will use resources

from two other partnering organizations, *Developpement International Dejardins of Canada* and *Pentax Consultancy*, a leading Ghanaian consulting firm.

"We've been active in Ghana for several years," comments Mike Hammes, IESC's Director of Financial Services. "So we're familiar with the local business and economic environment. For example, we recently completed a financial sector development program to improve access to trade financing for local companies."

What's distinctive about the new program? According to Mike, "It's more targeted to the critical, under-served players in the agricultural sector. And, there's a recognition that innovation is going to be key. We'll be working with selected financial institutions to nurture new approaches, new products and new delivery mechanisms."

Our program office has opened in Accra, with supporting offices in Ghana's Northern Region and the Afram Basin, with a combined start-up staff of about 15 people.

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Olivier Alais (top right) and colleagues in a Cybertigi.

done offline at the standalone sites. There are the typical 'copy center' capabilities, and users can access an offline Wikipedia encyclopedia called Moulin. It's filling a need that can do nothing but expand."

Our Geekcorps personnel have completed delivery of 10 Cybertigi kiosks. That means more than 44,000 Malians now have direct ICT access. And along the way, we also developed The Desert PC, an efficient, low-power computer that runs on a single solar panel and can withstand heat and dust. The Desert PC has become must-have equipment in environments like Mali's. Last year, it won a coveted industry award as one of the most innovative products available to help people in developing countries.

What's next? We're now working on a text message server project that will connect people living in the most remote areas of Mali. What's more, we're connecting communities to the Internet through the ubiquitous cell phone. And we're working on "Cyber Kiosk," a way of sharing digital content among major Mali population centers. These innovative solutions have also enabled several communities to set up and operate more than a dozen 20 FM radio stations with access to content and development-related materials pulled from the web. The Geekcorps program that helped establish those

stations in 2007 under a three-year contract has recently been extended and expanded.

Our Geekcorps professionals are constantly seeking new solutions, adapting existing technologies, and designing new approaches when off-the-shelf solutions either aren't available or aren't suited for the environment. At the same time, Malians are gaining key skills and knowledge they can apply to technology businesses.

Multilateral Trade Program Well Underway

Last February, we were awarded primary responsibility for implementing a multi-million dollar multilateral trade program for MEPI, the U.S. Department of State's Middle East Partnership Initiative. MEPI is a Presidential initiative to support economic, political, and educational reforms in the Middle East.

The overall goal of the program is helping public and private sector stakeholders in Algeria, Bahrain, Lebanon, Oman and Yemen analyze and improve their trade capacity and export readiness. Working with us are Booz Allen Hamilton and the Institute for Trade and Commercial Diplomacy. Specific activities and assistance for each country are being shaped by the depth and breadth of their current trading relations, trade and investment agreements in force as well as the government support and structure already in place. After initial assessments, we and other members of the MEPI team are sharing responsibilities for technical assistance and training. Generally, the idea is to work around or remove obstacles and improve the flow of trade among the five countries, with the United States, and with each country's global partners. Depending on assessment-defined needs and priorities, the assistance and action agendas will help these countries better navigate the global trading system and may lead to the implementation of new trade agreements.

Of the five countries involved, Oman has made the most progress. Over the summer, Tarek Nabhan, our Vice President of Global Operations, met with officials from the Omani Ministry of Commerce and Industry and other authorities to get Oman's portion of the new program rolling. Since then, our on-the-ground teams have made great strides in assessing the export potential for Omani SMEs and have worked with the ministry to launch a restructuring plan to improve services and support to the SME community.



Recently, our MEPI team traveled to Algeria to meet with Algerian and U.S. embassy authorities to review Algeria's plans for WTO membership. Our team is now developing recommendations on the training and technical assistance needed to support Algeria's efforts to finalize its accession protocols and procedures. There's still a lot of work to be done, but Algeria's WTO committee is in direct talks with WTO authorities in Geneva to complete the remaining steps and to put forward a final package. Our team expects to return to Algeria in early 2009 to do a baseline assessment of their accession status and to determine what needs to be done to complete the remaining steps. The team will also conduct a series of private sector workshops on WTO basics (that is, rules and agreements) and on how stakeholder engagement can maximize the benefits of membership.

In Bahrain, we're well underway in defining new approaches for improving imports and exports as well as increase foreign direct investment from the U.S. Our assistance is designed to help Bahrain maximize results under the U.S./Bahrain Free Trade Agreement, which has been in place since 2006. As our on-site Senior Trade Adviser, Rudy Vogel, put it recently, "Much good is occurring."



OPIC President and CEO Robert Mosbacher Jr. and Syed Hyder Ali of IGI Insurance Limited.

We're also launching another new program in Haiti. It's part of a five-year USAID Market Chain Enhancement Project to increase employment and incomes in Haiti's agribusiness, handicrafts and tourism sectors. Other opportunities in Central America, the Middle East and Asia continue to appear on the horizon as the rest of our energies focus on maturing programs in Mali, the Republic of Georgia, and Ethiopia. Our strengthened connection with Booz Allen Hamilton has crystallized in Morocco as we work together on a new ministry-funded trade development program. Similarly, our growing association with the Overseas Private Investment Corporation is producing a healthy flow of loan application engagements. Recently, we acted as the catalyst for a new agreement between OPIC and IGI Insurance Limited to provide political risk insurance to companies in Pakistan on OPIC loans. OPIC has also asked us to work with them as an advisor on loan applications.

Internally, we've made changes in our business development, program operations, contracts, and finance functions, welcomed a fresh new cadre of interns and enhanced our professional staff capabilities with support from selected Washington-area volunteers. The outcomes have included a re-tooling of some of our SME training curricula and the creation of more meaningful economic impact measures for our agricultural development programs.

You'll read more about our interests, plans and activities in the pages of this newsletter. As always, we value your interest in IESC and look forward to your comments and questions.

Sincerely,

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President and Chief Executive Officer



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