

## Country - Venezuela

1. **Management:** Ensure quality is maintained during any transition. Heed technical staff judgments. Train local staff to senior positions. Be willing to walk away if IFC warnings are ignored. For mature technologies, choose a foreign partner on export sales capabilities.
2. **Agency lines:** Select small banks and nurture the relationship. Provide training in project appraisal. Talk to banks specializing in SMSEs. SMSEs are seldom exporters but often need strategy diagnosis, access to consultants, working capital finance and risk capital.
3. **Equity investment:** Seek more liquid investments when faced with economic, financial market and company volatility. Temper the influence of stock market optimism on the assessment of fundamentals. Negotiate detailed information access from the outset.
4. **Non-market determined pricing:** Reliance on government subsidies or contractual arrangements is risky. Structure the financing to be viable at international prices.

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The above lessons are based on 21 lessons from past IFC investments.  
Last updated January 1999.