

PDA 958

PD- AA 9-45Y
SN- 24030
App SC. Ch 8, HB 2 (TM 3:35)

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET	1. TRANSACTION CODE <input type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete	Amendment Number _____	DOCUMENT CODE 3
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2. COUNTRY/ENTITY Worldwide	3. PROJECT NUMBER 931-1090
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4. BUREAU/OFFICE ST/RD	5. PROJECT TITLE (maximum 40 characters) Small Enterprise Approaches to Employment
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6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY 09 30 90	7. ESTIMATED DATE OF OBLIGATION (Under "B." below, enter 1, 2, 3, or 4) A. Initial FY 78 B. Quarter 4 C. Final FY 89
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8. COSTS (\$000 OR EQUIVALENT \$1 =)						
A. FUNDING SOURCE	FIRST FY 78			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	760		760			
(Grant) FVA/PVC	(0)	()	()	(823.3)	()	(823.3)
(Loan)	()	()	()	()	()	()
Other U.S.						
1. Missions				6,500.0		6,500.0
2. Core	760			4,284.0		4,284.0
Host Country						
Other Donor(s)						
TOTALS	760		760	11,607.3		11,607.3

9. SCHEDULE OF AID FUNDING (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) SDA	106	840		2,534.0		875.0		3,409.0	
(2) ARDN	103	840				875.0		875.0	
(3)									
(4)									
TOTALS								4,284.0	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)							11. SECONDARY PURPOSE CODE
100	730	740	830	860	970		960

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)							
A. Code							
B. Amount							

13. PROJECT PURPOSE (maximum 480 characters)	
To expand employment and income opportunities for the poor in developing countries by increasing the demand for labor through the promotion of small enterprises.	

14. SCHEDULED EVALUATIONS Interim MM YY 09 83 MM YY 09 86 Final MM YY 09 90	15. SOURCE/ORIGIN OF GOODS AND SERVICES <input checked="" type="checkbox"/> 000 <input checked="" type="checkbox"/> 941 <input type="checkbox"/> Local <input type="checkbox"/> Other (Specify)
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16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

Increase Life-of-Project authority through FY 1990, at spending level of \$4,284,000 for ST/RD core funds, \$823,300 for FVA/PVC funds, and approximately \$6,500,000 for mission funding. The total cost of the project will be \$11,607,300 through 1990.

17. APPROVED BY	Signature ST/RD, Christopher Russell	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
	Title Director, ST/RD	
	Date Signed MM DD YY 09 30 90	MM DD YY _____

PROJECT AUTHORIZATION
AMENDMENT

NAME OF COUNTRY/ENTITY: Worldwide

NAME OF PROJECT: Small Enterprise Approaches
to Employment

NUMBER OF PROJECT: 931-1090

1. Pursuant to Section 106 of the Foreign Assistance Act of 1961, as amended, the Small Enterprise Approaches to Employment project which is centrally funded, was authorized on June 29, 1978. That authorization is hereby amended as follows:

- a. The authorization is extended from FY 1985 through FY 1990.
- b. The life-of-project cost for core funding is increased by \$1,506,000 to \$4,284,000 of S&T/RD funds.
- c. FVA/PVC funds are estimated at \$823,300 over the life of the project.
- d. Mission add-on funds are estimated to be \$6,500,000 over the life of the project.
- e. Authorization is given for use of Agriculture, Rural Development and Nutrition (103) funds.
- f. Source/origin authorization is inclusive of Code 941 countries for services totalling up to \$500,000.

2. The authorization cited above remains in force except as hereby amended.

APPROVAL: R. K. Zagorin
Ruth K. Zagorin
Agency Director for Human Resources

DATE: MAY 15 1985

Clearances:

G. Eaton, ST/PO [Signature] Date 5/14/85

0768A

ACTION MEMORANDUM FOR THE AGENCY DIRECTOR FOR HUMAN RESOURCES FOR THE BUREAU OF SCIENCE AND TECHNOLOGY

10 MAY 1985

FROM: ST/RD, Christopher Russell

SUBJ: Project Authorization Amendment: Small Enterprise Approaches to Employment Project (931-1090)

Problem: Your authorization is requested to extend the Small Enterprise Approaches to Employment Project (SEAE) through 1990, increase the core funding from \$2,778,000 to \$4,284,000 and authorize the project level of funding to include up to \$823,300 in funding from FVA/PVC. An increase in mission and regional bureau funding from \$2,226,400 to \$6,500,000 is also requested. The total cost of the project is \$11,607,300.

Discussion: The SEAE project has identified a range of problems and needs of the small and micro-enterprise sector and the methods of assisting the sector. The results of the Program for Small Enterprise Development in the Small Capital Enterprise Sector (PISCES) have indicated the roles of intermediary organizations and some of the crucial needs that exist within these organizations in order to expand assistance to a larger proportion of the sector.

Through the amendment of the SEAE project paper, research to study the different kinds of organizations involved in assisting small and micro-enterprises will be pursued. This research will focus on the environments in which these intermediary organizations work, their ability to meet their objectives and how those are influenced by donor organizations, the cost-effectiveness of these organizations and how that can be improved, and other issues that can be addressed to make their work more efficient, and help expand their programs.

In addition, the project will develop training modules for PVOs. These organizations are currently the most active in working in small enterprise development, and because of their existent networks and programs combining social and financial inputs, they provide assistance that is unavailable elsewhere to the sector. The training will upgrade the skills of PVOs in areas such as marketing, management, accounting, raw materials acquisition, and improving cost-effectiveness.

These components will be combined with technical assistance and field pilot training programs to exchange information between the researchers and the technical consulting staff. Training modules will be refined after being tested in the field. Workshops to disseminate the results of the research and of the training module methodologies will be held.

This project will be core funded by both ST/RD and FVA/PVC. ST/RD will provide \$1,750,000 in SDA and ARDN funding during the life of the project. FVA/PVC has indicated interest in collaborating on this project, and will

provide partial funding for the PVO Training Curriculum Development component, up to approximately \$823,000 (subject to availability of funds). Also included in the total cost of the project is approximately \$4,283,600 in additional mission add-on funds for technical assistance and field tests of the training modules.

Recommendation: That you approve the amended Small Enterprise Approaches to Employment project by signing the attached PAF amendment.

Clearances:	Michael Farbman, ST/RD	<u>[Signature]</u>	Date	<u>5/11/85</u>
	Robert McClusky, ST/RD	<u>[Signature]</u>	Date	<u>5/11/85</u>
	George Eaton, ST/PO	<u>[Signature]</u>	Date	<u>5/14/85</u>

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AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT PAPER FACESHEET	1. TRANSACTION CODE <input type="checkbox"/> A ADD <input checked="" type="checkbox"/> C CHANGE <input type="checkbox"/> D DELETE	PP 2. DOCUMENT CODE 3
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3. COUNTRY/ENTITY WORLDWIDE	4. DOCUMENT REVISION NUMBER 4
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5. PROJECT NUMBER (7 digits) 931-1090	6. BUREAU OFFICE A. SYMBOL ST/RD B. CODE 10	7. PROJECT TITLE (Maximum 40 characters) Small Enterprise Approaches to Employment
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8. ESTIMATED FY OF PROJECT COMPLETION FY 9 0	9. ESTIMATED DATE OF OBLIGATION A. INITIAL FY 7 8 B. QUARTER 4 C. FINAL FY 8 9 (Enter 1, 2, 3 or 4)
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10. ESTIMATED COSTS (\$000 OR EQUIVALENT \$) -						
A. FUNDING SOURCE	FIRST FY 78			LIFE OF PROJECT		
	B. FX	C. L.C.	D. TOTAL	E. FX	F. L.C.	G. TOTAL
AID APPROPRIATED TOTAL	760		760	4,284.0		4,284.0
GRANT FVA/PVC				823.3		823.3
LOAN						
OTHER U.S. 1. MISSIONS				6,500.0		6,500.0
2.						
HOST COUNTRY						
OTHER DONOR(S)						
TOTALS	760		760	11,607.3		11,607.3

11. PROPOSED BUDGET APPROPRIATED FUNDS (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. 1ST FY 78		H. 2ND FY 79		K. 3RD FY 80	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN
1) SDA	106	840		760		500		100	
2) ARDN	103	840		0		0		0	
3)									
4)									
TOTALS				760		500		100	

A. APPROPRIATION	N. 4TH FY 81		O. 5TH FY 82		LIFE OF PROJECT		12. IN-DEPTH EVALUATION SCHEDULED MM YY 0 3 8 8
	P. GRANT	Q. LOAN	R. GRANT	S. LOAN	T. GRANT	U. LOAN	
1) SDA	350		350		3,409.0		
2) ARDN	0		0		875.0		
3)							
4)							
TOTALS		350		350		4,284.0	

13. DATA CHANGE INDICATOR. WERE CHANGES MADE IN THE PID FACESHEET DATA BLOCKS 12, 13, 14, OR 15 OR IN PRP FACESHEET DATA BLOCK 12? IF YES, ATTACH CHANGED PID FACESHEET.

1 = NO
 2 = YES

14. ORIGINATING OFFICE CLEARANCE	15. DATE DOCUMENT RECEIVED IN AID/W OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
SIGNATURE	MM DD YY MM DD YY
TITLE Christopher Russell, Director ST/RD	
DATE SIGNED	

Small Enterprise Approaches to Employment
Project Paper Amendment

Employment and Small Enterprise Division
Office of Rural and Institutional Development
Bureau for Science and Technology

April 10, 1985

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Small Enterprise Approaches to Employment
Project Paper Amendment

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Best Available Document

Small Enterprise Approaches to Employment Project Paper Amendment

1. Background and Rationale for the Project Paper Amendment

Summary of Proposed Amendment

The project paper for Small Enterprise Approaches to Employment (931-1090) is being amended to build on the learnings derived from the Program for Investment in the Small Capital Enterprise Sector (PISCES) sub-project, the Small Business Capacity Development Project, and other initiatives in the Agency focusing on small enterprise development. These projects have generated much valuable information on small and micro entrepreneurs, their needs, and their economic role in JOCs.

Only recently has the development community begun to understand the economic importance of the small business sector. Estimates show that 30-60% of the economic activity of IDJ urban areas is comprised of small and informal sector enterprises. Because of the relatively recent recognition of the importance of this sector, organizations with programs in many different fields of development are applying their efforts to include assistance to these businesses. Much information has been generated over the past few years in PISCES and similar projects on how to assist the entrepreneurs, and size of the more accessible knowledge base has been replicated and tested. Results from this work have been analyzed and a broad-based knowledge of the assistance needs of the small enterprise has developed. An area that merits further attention, however, is the capabilities and assistance needs of the organizations that support their entrepreneurial activities.

Not much is known about how different types of intermediary organizations (such as financial institutions, training/management centers, private voluntary organizations [PVOs], non-governmental organizations [NGOs], business organizations, and universities, to name a few) approach this sector. Clearly, the skills that each offers varies, and their relative effectiveness in often pursuing attainment of completely different goals: i.e., gains in social benefits, policy changes, increased income of the entrepreneurs, empowerment of the organization, etc. Discussions with development professionals and other organizations indicate the need for guidance in determining which organization will best address specific problems such as increasing access to credit, training entrepreneurs in bookkeeping, or targeting the best mix of entrepreneurs in a given economic environment.

This amended project will assist the small/micro enterprise sector through training, or upgrading the capacity of the intermediary organizations to provide relevant and efficient support. This will be done in two ways:

1. Research to ascertain the particular characteristics of intermediary organizations, their strengths and weaknesses, and areas of improving their outreach and efficiency and

2. Development of training materials to improve intermediary organizations' skills in program planning and technical areas related to enterprise development

Technical assistance will be available to missions both to assist their efforts to address small enterprise development activities, and also, at their invitation, to provide testing of methodologies and training materials generated under the project. Further discussion of the goals and activities of the amended project will be found in Section II of this document.

The new subproject proposed here will be a five year project with initial funding in FY 85, and final funding in FY 89. The project activities will continue thru FY 90.

A. Small Enterprise Approaches to Employment Project Activities to Date

The Small Enterprise Approaches to Employment Project (SEAE) was authorized in 1978. The primary purpose of the project is to identify approaches and to design programs and projects which improve employment opportunities, productivity, and enterprise viability in the small enterprise and informal sectors in LDCs. The original project consists of three complementary subprojects. The first two subprojects below have been completed and evaluated. The Housing/Industry Subsector Studies subproject will end at the end of FY 87; no more funding is planned for that subproject.

1. Evaluation Component

The purpose of this subproject is to develop and test out a method for evaluating small enterprise development projects. Development Alternatives Inc., was contracted to develop a preliminary methodology following a state-of-the-art review of previous small enterprise project evaluations. The methodology has been tested out through four field-level evaluations of small enterprise development projects to assess project impacts on employment, incomes, and enterprise viability. Based on these field tests, the contractor has refined the methodology and developed a handbook which provides guidelines for evaluating small enterprise assistance projects. Outputs to date include one state-of-the-art review of methodologies for evaluating small enterprise projects; four field evaluations of small enterprise projects; one handbook on guidelines for evaluating small enterprise projects; and two workshops to discuss project findings.

2. PISCES Component

The Program for Investment in the Small Capital Enterprise Sector (PISCES), the second subproject of SEAE, is focused on identifying effective approaches for assisting the smallest enterprises of the poor in the informal sectors of LDCs. The target group includes micro-enterprise with less than five employees) and self-employed workers engaged in small-scale production, trade, and service activities. Phase I consisted of case studies of 25 indigenous projects which provide assistance to informal sector and very small enterprises to identify their common elements of success. Phase II focused on designing, implementing and evaluating pilot assistance projects which incorporate the elements of success identified in Phase I.

Local organizations carry out the projects in collaboration with USAID missions in four countries (Egypt, Kenya, Costa Rica, and the Dominican Republic). The objective of both Phase I and II is to identify approaches to assist micro-enterprise development which USAID missions can support. PISCES I and II have been carried out by ACCION International/AITEC as the main contractor and Partnership for Productivity and the Development Group for Alternative Policies as subcontractors. Outputs of Phase I include one major research publication on approaches to assisting the smallest economic activities of the poor and two workshops which discussed the project findings. Outputs of Phase II include: four field demonstration projects; three regional workshops for local organizations carrying out micro-enterprise assistance projects; eleven interim monitoring/evaluation reports on field demonstration projects; one final report (including four case studies of the field demonstration projects and a synthesis of the evaluation results); and two Washington-based workshops to review project findings.

3. Housing/Industry Subsector Studies Component

The first phase of this subproject focuses on the urban shelter sector and was intended to assess the relationship between housing construction/upgrading and employment. One key objective was to provide guidance to the Agency concerning how to maximize the employment impact particularly from Housing Investment Guarantee Projects and particularly in small scale enterprises. This subproject was implemented under a contract with Michigan State University (MSU) and carried out housing/employment surveys in six countries: Columbia, Tunisia, Kenya, Zambia, Sri Lanka and Peru. Outputs of the first phase consisted of over thirty articles, working papers and books by project staff, a series of workshops for AID professionals held in Washington, and substantial data sets useful to host countries for shelter sector and employment planning. The second phase of this project is currently being implemented also by MSU (under a cooperative agreement), although by an expanded faculty team, to match the expanded terms of references. In addition to developing further the Phase I shelter data sets, Phase II is providing small scale enterprise applied research capacity to assist in project development and more directly in small enterprise development in LDCs. The subproject focuses on three key areas related to SSE development: working capital needs of SSEs; subcontracting; and the potential of small businesses operated from the home. In addition to continuing working in some of the Phase I countries, this subproject has provided applied research and technical support services through USAIDs in Egypt, Indonesia, Zambia and Bangladesh. Throughout its life this phase of the subproject will produce a series of technical assistance products related to SSE project development, publications (including a forthcoming update of the Liedholm/Chuta non-farm employment state-of-the-art paper), and reporting/training workshops.

B. Rationale for the Project Amendment

1. Need for Small and Micro Business Assistance

The SEAE project and other Agency initiatives in this area by ST/RD, FVA/PVC and several USAID missions, have been working to identify the assistance needs of small and micro-enterprise, the types of assistance strategies which improve incomes, employment and enterprise viability, and types of institutions which effectively reach and assist this enterprise sector.

Project results to date show that the assistance needs of small and micro-enterprises include a range of financial and non-financial inputs (i.e. credit, management assistance, management and vocational training, marketing, supply, procurement assistance, technology transfer, group formation, infrastructure, and policy analysis, etc.). The strategies for delivering these inputs and the combinations of inputs necessary vary according to, for example, the level of enterprise (e.g. number of employees, value of assets, volume of production or sales, etc.), its geographic location (urban vs. rural), whether it is an established business or a new enterprise activity, the skill levels of the owners, the sector in which it operates (e.g. manufacturing, trade, or service) and other contextual factors. The policy environment in which enterprises operate is an important factor in determining the ease with which they maintain an existence. The organizations which support enterprise development will be encouraged to include in their programs plans and activities designed to promote policies conducive to the small/micro enterprise sector. This factor is seen as one of several areas in which intermediary organizations can enhance their current capacity to assist the private sector.

Moreover, the process of assisting small and micro-enterprises varies according to the type of institution through which assistance is delivered. A range of public and private sector institutions currently assist this sector:

- o banks and other financial institutions;
- o representational institutions, such as business associations, chambers of commerce, cooperative federations, etc.;
- o business service agencies including public sector business advisory services, investment promotion agencies, parastatal small business programs, private consulting firms, etc.;
- o universities, research, and training institutions, for example, vocational training centers, business schools, management training institutes, public and private universities, etc.;
- o international private and voluntary agencies (PVOs) such as Technoserve, Partnership for Productivity, ACCION/AITEC, CAKE, Foster Parents Plan, etc; and

- o local non-governmental organizations (NGOs) including non-profit community development organizations, national development foundations, other foundations, church organizations, etc.

Small business and micro-enterprise support institutions provide a critical link in promoting the process of small business and micro-enterprise development. The first component of the project will address all of the above-named institutions in order to expand and improve the small/micro enterprise sector. The second component, PVO Training Development, will address a specific type of organization, PVOs, which has proven to be a leader in promoting small enterprise development. In the Report to the President from the President's Task Force on International Private Enterprise it is recommended that the involvement of PVOs in private enterprise development be increased. "AID should increase its support and utilization of PVOs that assist private enterprise development ..." (December, 1984, p. 160.). Special attention, then, will be paid to PVOs.

First of all, these organizations already have existing networks within the poorer communities that are the end-targets of this project. This foundation of experience and knowledge is not found in banks, chambers of commerce, investment promotion agencies, etc., and the numbers of such institutions beginning to contemplate assistance to the sector is still very small.

Second, PVOs will be useful in providing a bridge mechanism both to "graduate" entrepreneurs from assistance provided through such non-profit organizations to banks, and also to expose banks to the potential market for their services that is to be found in this sector. Already some PVOs are requesting that the entrepreneur they assist open checking and savings accounts within local banks, and they channel the loan disbursement and payments through the bank. This mechanism assists the entrepreneur to become familiar with more formal financial procedures and also creates a credit history within the bank for such an individual. The banks are, in the process, becoming aware of the small entrepreneur and thus more likely to recognize the potential of working with this sector. However, in the first instance, banks have not been willing to implement programs assisting small/micro enterprises themselves; thus, the PVO link is an educative first step.

Finally, PVOs are already involved in many assistance programs, and until the gap is filled elsewhere, will continue to support this sector. The concern then is to assist them to become more expert in this field and promote cost-effectiveness which will allow for a broader use of available resources. PVOs are themselves aware of this issue; a recently begun dialogue among PVOs involved in small enterprise development addresses this concern in a newly proposed activity designed to enhance their expertise evaluating such projects.

2. Relation to AID Policy

This project is also consistent with AID's policy on Institutional Development (see A.I.D. Policy Paper - Institutional Development, March, 1983). The project promotes

institution building (in this case of small and micro-enterprise support institutions) "which 1) enhance's a country's ability to marshall its own human and financial resources for development; 2) expands people's opportunities to undertake successful development by providing increased incentives for investment; 3) provides individuals with opportunities to acquire skills, resources and services needed to enhance their productivity, income and well being, and; 4) increases the likelihood that A.I.D. and host country resources will foster development that can be sustained after external assistance is withdrawn" (A.I.D. Policy Paper on Institutional Development, p.1). Basic to this project is the goal of enhancing support institutions' capacities to develop their institutional learning capacity, transfer technologies to the entrepreneurs, improve their own management systems as well as those of the enterprises they support, and, through provision of training, benefit the institutions and their beneficiaries.

C. Conceptual Framework

There are two fundamental and interdependent requirements for successfully carrying out programs and projects which assist small and micro-enterprise development: resources and the capacity within local institutions to effectively channel these resources to enterprises.

Many institutions which support enterprise development have in the past been oriented to serving larger scale formal enterprises. This is partly due to the perception that small and micro-enterprises have limited potential for growth and efficient use of resources, and are difficult and costly to reach. However, recent research under SEAE has shown that for the productive centers analyzed in the four countries of the study, the enterprises consistently have higher value added and economic profit ratios compared to large scale enterprises (Liedholm, 1984). In addition, PISCES II found that one job was created for approximately every \$1,000 of credit to the small/micro enterprise sector; this compares with figures of one job per every \$6000 to \$10,000 worth of credit to larger scale businesses. The micro/small scale sector, then, uses resources efficiently and plays an important role as a source of income and employment for a large segment of the population in IDCs. PISCES and other studies (Kilby, 1984) also show that the few existing small and micro-enterprise assistance programs and projects in place are reaching and assisting the sector in a cost-effective manner. Thus, there is ample justification for assisting small and micro-enterprise development, and devoting resources to support these efforts.

Previous efforts to assist small and micro enterprise development through local institutions show the need for institutional upgrading in several areas as described above. Korten's (1980) learning process approach to community organizations and rural development is relevant in building program strategies and organizational competence to assist small and micro-enterprise development. The learning process approach recognizes that determinants of success cannot be found in easily replicable project variables. Rather, successful projects work out models responsive to beneficiary needs in a particular time and place, and build a strong

organizational capacity to make the program work. Success is closely related to the degree of "fit" between program design, beneficiary needs, and the capacities of assisting organizations. Korten suggests that new programs should progress through three stages: learning to be effective, learning to be efficient, and learning to expand. A key to project success is not pre-planning, but building an organization with a capacity for embracing error, learning with its members/clients, and building new knowledge and institutional capacity through action.

Many small business and micro-enterprise assistance efforts evolve through a similar learning process. The purpose of this project is to facilitate this learning process within institutions, recognizing that many currently are progressing through the "effectiveness" stage, and beginning to enter the "efficiency" and "expansion" stages. Within the context of a learning process approach, the project will provide technical assistance, training, and applied research to facilitate the establishment of planning processes and to develop strategies within institutions to lower costs, improve staff planning and technical skill areas related to enterprise development, and expand outreach.

The SEAE project and other Agency activities to date have centered primarily on questions of effectiveness (i.e. what combinations of inputs and processes of delivery seem to work at what respective levels of enterprise?). The amended SEAE project will focus on questions of efficiency and expansion of small and micro-enterprise projects. The project recognizes that effectiveness cannot be separated from efficiency and expansion, and that there is a continuing need to improve and refine the design of projects and programs which accelerate the process of small business and micro-enterprise development.

An important assumption in building the capacity of small business and micro-enterprise assistance programs is that outside resources will be available to these institutions for the implementing programs and projects.

The project approach also recognizes that many organizations with small enterprise assistance programs have broader goals than enterprise development per se and that their programs and beneficiaries differ accordingly. The technical assistance, training, and research activities will be sensitive to this issue.

Finally, the project approach will be responsive to the needs of local institutions, and cognizant of the diversity of context, institutional forms, policy environments, and enterprise needs in different countries.

II. Description of the Amended Project

A. Purpose

The purpose of the amended project is to improve the capacity of local institutions to assist small business and micro-enterprise development.* The focus will be on improving the effectiveness and efficiency, lowering the

costs, and expanding the outreach of the programs and projects within local institutions which assist this enterprise sector. These objectives will be accomplished through four related project activities:

- research on issues related to improving the efficiency, lowering the costs, and expanding the outreach of programs and projects;
- development and testing of training materials to improve staff skills within local institutions in program planning and management and in technical areas related to small enterprise development;
- direct technical assistance to local institutions to upgrade their capacity to assist small and micro-enterprise development and to development professionals in programs and projects which support the development of these institutions; and
- workshops to disseminate the findings and results of these project activities.

* For the purposes of this project, small enterprises will be generally defined as business outside the home with more than 10 and up to approximately 50 employees. Micro-enterprises are generally defined as enterprises of more than marginal subsistence level which are mostly located outside the home and have at least one hired employee.

Component 1: Small Business Support Organizations

Component 1 of this project will consist of research around all institutions which are in some way involved in assisting small and micro-enterprises, be it through credit delivery, technical assistance, training, etc. The research will explore the characteristics of these support institutions, the effects of their assistance objectives on their mode of operation, the effects of donor objectives on their programs, their development impact, and their strengths, weaknesses and assistance needs.

The current knowledge base provides the following generalizations and areas where specific attention will be focused. To expand and improve effectiveness of assistance to the small and micro-enterprise sector, most support institutions, be they PVOs, training management centers, financial intermediaries or other organizations, need upgrading in some or all of the following areas:

- o planning, administering, and managing small and micro-enterprise assistance programs and projects;
- o improving the planning and technical skills of staff in areas related to enterprise development;
- o identifying strategies which lower the costs and improve the efficiency of delivering services to small and micro-enterprises;
- o developing approaches to expand program and project outreach to larger numbers of enterprises; and
- o coordinating efforts with other small business and micro-enterprise support institutions.

The amended project, Component 1, will address the institutional upgrading needs of small business and micro-enterprise support institutions through a coordinated set of activities. The focus will be on increasing the effectiveness and efficiency and expanding the outreach of small business and micro-enterprise support programs and projects. The research mentioned above will be supplemented by technical assistance to practitioners in the field, and will be provided at mission request. This technical assistance will address the programs and problems of small enterprise development in LDCs, thus also providing the opportunity for gathering further research data that will broaden the base of the research program.

Finally, dissemination of the conclusions from the research will be accomplished in several ways. Publication of reports and studies will occur throughout the project, with a major summary document submitted during the final year. These will be sent to appropriate AID officials as well as other field practitioners and organizations involved in small and micro-enterprise development. In addition, at least one conference for practitioners will be held to provide intense exposure of the research and its applicability to small and micro-enterprise assistance in the field.

Component 2: PVO Training Development

Within the range of small enterprise institutions, PVOs constitute a particular subset which is perhaps more effective in reaching and assisting enterprise development among the very poor and women, particularly in rural areas. The PISCES component of SEAE has focused on this enterprise group. The project results of this and other Agency efforts in this area suggest the following conclusions:

- o PVOs are perhaps the most appropriate institutions for delivering enterprise level assistance to clients in the smallest enterprise sector due to their effective outreach into poorer communities, especially among women;
- o PVOs typically operate in a decentralized fashion, which is necessary to reach the geographically dispersed clientele in this sector, especially in rural areas;
- o most clients do not have access to more conventional means of enterprise level support;
- o the types of micro-enterprise assistance which community-based, international PVOs provide include: skills training, management assistance, marketing assistance, credit, raw materials acquisition, group organizing, and representation of clients with public officials (e.g. assistance in securing licenses and in legal matters) in combination with community development activities;
- o micro-enterprise assistance projects are particularly effective in meeting the needs of women workers as this is the sector of the workforce where they are most active;
- o a combination of social and economic inputs -- which is the approach of many PVOs -- is a particularly effective strategy for increasing incomes and stabilizing enterprise activities among poorer groups in the informal sector; and
- o the promotion of group skills training and income generation projects is an effective strategy for introducing rural women and youth -- groups traditionally engaged in agricultural subsistence production activities -- into the cash economy.

The unique institutional characteristics of PVOs and their effective outreach into the micro-enterprise sector suggests a crucial need within the context of the amended project for an intensified effort to upgrade the capacity of this subset of institutions.

Component 2 will therefore concentrate on upgrading the skills and effectiveness of PVOs. This will be accomplished through a program consisting of training design and delivery, based both on data on PVO support institutions gathered in Component 1, and also on field experience and

exposure of the research staff during the project. Training programs addressing particular PVO needs for upgrading will be tested in specific situations as requested by missions. While the training will specifically address the needs of U.S.-based PVOs, it is recognized that NGOs in LDCs have similar goals and problems and that training programs designed for PVOs will often apply to NGO situations. Thus, missions may also request and fund such training programs to be specifically applied to an NGO or a combination of local PVO and NGO institutions.

In addition to the design of training and conducting of training programs, workshops will also be held to disseminate these programs. The workshops will present the training programs to the U.S. staff of PVOs, staff involved in promotion and support of small and micro-enterprise field programs. The workshops may also include transfer of the skills necessary for PVOs to begin training their own staff and further dissemination of the ability to upgrade capacities of support institutions.

The overall amended project activities are consistent with the original goals and objectives of the SEAE project and build on its findings and results to date. Moreover, there is increasing interest and involvement by USAID field missions in promoting small and micro-enterprise development through local institutions, including PVOs and NGOs. Developing the capacity of local institutions to assist small enterprise development is viewed by many missions as integral in promoting rural off-farm employment and enterprise development, and is consistent with Agency policies to promote institutional development and private sector development.

In order to promote employment through the development of small enterprises, there must be a local capacity to channel needed inputs into this sector. The upgrading of the capacity of small business and micro-enterprise support institutions provides a means for channeling increased resources to this enterprise sector.

B. Major Areas of Project Focus

To summarize, the major areas of project focus will be to upgrade the capacity of local institutions and PVOs to improve the efficiency, lower the costs, and expand the outreach of programs and projects assisting small and micro-enterprise development. The results or expected outputs of the project will be:

- o improved efficiency and expanded outreach of small and micro-enterprise assistance programs and projects in those institutions receiving direct technical assistance;
- o identification of program strategies and development of projects to develop the capacity of local institutions to assist small and micro-enterprise development in missions receiving technical assistance;

- o development of training materials to improve PVO staff skills within organizations in planning processes and in technical areas related to enterprise development;
- o expertise within local management training institutions to conduct training courses using the above training materials;
- o improved understanding of effective approaches to assist small and micro-enterprise development and of how to increase the efficiency, lower the costs, and expand the outreach of programs and projects through the applied research activities; and
- o dissemination of lessons and results from the above project activities to representatives of support institutions and donor agencies.

C. Operational Approach

1. Project Activities

As stated earlier, the project will consist of two components. The Small Business Support Institution component will focus on upgrading the capacity of a broad range of small business support institutions which assist the small enterprise sector in general. Activities under this component will include:

- a. research on issues related to improving the effectiveness, lowering the costs, and expanding the outreach of small business and micro-enterprise assistance programs and projects; and
- b. direct technical assistance of small business support institutions such as business associations, public and private sector business advisory services, academic, training, and research institutions, financial institutions, foundations, private consultants and business firms, etc. The project will provide technical assistance in:
 - (1) designing, implementing, and evaluating programs which promote small business development through financial assistance, management, and vocational training, management assistance, marketing assistance, supply and procurement of raw materials, identification of trade and investment opportunities, and infrastructure support;
 - (2) establishing planning processes within local institutions to carry out small business assistance programs and projects; and
 - (3) building technical and administrative capacity within institutions to carry out small business assistance programs and projects.

technical support to development professionals in designing overall program strategies for assisting the small enterprise sector through local institutions and specific projects for upgrading the capacity of small business support institutions.

- c. workshops to disseminate findings and results from the above activities.

The PWO Training Development component will focus more intensively on upgrading the capacity of international PVOs to provide assistance to the smallest enterprises in the informal and micro-enterprise sectors including owner-operated and family-run enterprises with less than five employees, and self employed workers engaged in small-scale manufacturing, trade, and service activities. FVA/PVC has expressed particular interest in supporting management services to PWOs to enhance their skills to implement income generating projects and will support development of training to improve PVO skills; NGOs will be assisted as development officials in the field request and support specific activities to upgrade NGO capabilities. Services provided will include:

- a. development and testing of training materials to improve the skills of PVO staff in planning processes (e.g. conducting feasibility studies, designing outreach and promotion strategies, designing cost-effective implementation strategies, establishing "user friendly" monitoring and evaluation systems, etc.) and in technical areas related to micro-enterprise development (e.g. marketing, credit, management assistance, transfer of simple technologies, raw materials acquisition, etc.). To the extent possible, these training materials will be developed and tested in collaboration with local management training institutions; and
- b. direct technical assistance through pilot training programs to international PVOs and community based NGOs in establishing planning processes related to micro-enterprise program and project design, management and administration, implementation, and evaluation. Technical support will also be provided to development professionals in designing program strategies and projects for assisting micro-enterprise development through NGOs and PWOs;
- c. workshops to disseminate findings and results from the above activities.

D. Technical Assistance Approach

The technical assistance activities will be carried out on request and paid for by USAID missions who will be informed of technical resources available through the project by ST/RD. Examples of some missions current /

involved in (or planning) programs and projects to assist small and micro-enterprise development and where technical assistance may be requested include:

Asia and the Pacific: Philippines, Thailand, Indonesia, India, Sri Lanka, Bangladesh, Pacific Islands

Africa: Kenya, Zimbabwe, Somalia, Liberia, Rwanda, Chad, Malawi, Zambia, Mauritania, Senegal, Togo;

Near East: Egypt, Jordan;

Latin American and the Caribbean: Peru, Ecuador, Dominican Republic, Jamaica, Haiti, Bolivia, El Salvador and Guatemala.

Criteria for the selection of countries in which to provide technical assistance should include one or more of the following factors:

- o availability of resources to support small business and micro-enterprise programs and projects;
- o availability of resources for upgrading the capacity of small business and micro-enterprise support institutions;
- o commitment within local institutions to establish a planning process to effectively and efficiently carry out small business and micro-enterprise support projects;
- o commitment on the part of local institutions to be responsive to the enterprise related needs of beneficiaries, including the poor and women;
- o commitment on the part of local institutions to engage in a learning process in developing programs and projects which meet the needs of small businesses and micro-enterprises; and
- o availability of USAID mission funds to pay for technical assistance under this project and to match core funds in testing out training materials.

The applied research, the development of training materials, and the workshops will be supported by SEAE core funds. Missions will be requested to provide funds for testing out the training materials. To the extent possible, development and testing of these materials will be in collaboration with local management training institutions, to build their capacity to provide staff development training to FVOs and local NGOs involved in enterprise assistance programs and projects. Moreover, to the extent possible, the applied research and training activities will be coordinated with the technical assistance activities. For example, selected FVOs or NGOs requesting technical

assistance may also receive staff training through the project. Or small business support institutions receiving technical assistance through the project may be studied under the research component. Countries in which to carry out the research and training activities will be identified jointly by S&T/RD, FVA/PVC, USAID missions, and the contractors during the initial stage of the project.

E. Coordination with other AID projects

The amended SEAE project will be coordinated with other projects within the ST/RD Employment and Small Enterprise Division, and with other efforts within the S&T Bureau related to institutional development. In addition, the project will be closely coordinated with activities of the FVA Bureau's Office of Private and Voluntary Cooperation which support small enterprise development through PVOs and NCOs. In particular, this project will be coordinated with the efforts of a PVO Small Enterprise Working Group (supported by FVA/PVC) to develop an evaluation sourcebook for PVO small enterprise and income generation projects. FVA/PVC has expressed interest in contributing funds to the core activities under the PVO Training Development component.

III. Implementation

A. Administrative Arrangements

Outside contractors will have primary responsibility for carrying out work under the project. To the extent possible they will be encouraged to subcontract work through host-country institutions and consultants.

ST/RD/ESE will issue a Request for Proposals (RFP) to identify the most qualified resources available to carry out the work. One RFP will cover both components under the project. Potential contractors or consortiums of contractors may bid on one or both components of the project. An AID committee will be formed to review the proposals submitted. The committee may select two separate contractors (or consortiums of contractors) to work on the respective project components, or one contractor (or consortium of contractors) to carry out work on both components.

ST/RD/ESE direct-hire staff will be responsible for day to day management of the project. In addition, a technical specialist in training methodologies and small enterprise development will provide technical back-stopping to the project. Field missions will collaborate with ST/RD and the contractors in drawing up the scopes of work for the field technical assistance assignments. ST/RD/ESE will backstop the technical assistance assignments as required from Washington, while the USAID missions will be requested to backstop the technical assistance teams in the field.

In-country field activities under the training and research components will be carried out with the active interest and, in most cases, funding from the USAID missions. Selection of countries for these activities will be undertaken in collaboration with field missions, FVA/PVC, and the regional bureaus.

ST/RD/ESE direct-hire staff will have overall technical, administrative, and management responsibility for the project within AID/W and will serve as a liaison between contractors, field missions, and other relevant AID offices and activities.

Requirements of ST/RD/ESE staff support to backstop this project include 9 person months of a project officer's time (Michael Farbanan, ST/RD/EED), and 12 person months of a small enterprise/training specialist's time per year for five years.

B. Procedures for Country Selection

Given the increasing USAID interest and involvement in small and micro-enterprise development and the limited in-house technical capacity in this area, we anticipate a positive response to the project. A joint ST/RD and FVA/PVC worldwide cable went out early in 1984 describing AID/W current and planned activities related to promoting small enterprise development through NGOs and PVOs. Mission response to a proposed follow-up activity to PISCES Phase II was very positive. Moreover, mission response to ST/RD's Small Business Capacity Development (SBCD) project, which is similar to the small business component of this project, also has been good. As the SBCD project is scheduled for completion at the end of the FY 1985, we anticipate that this project will meet the continuing mission demand for technical assistance in this area, and will build on the research being conducted under SBCD.

A worldwide announcement cable will be cleared in AID/W and dispatched to all missions immediately following contractor selection. In addition to contractor information, the cable will include a description of the project purposes and components and the technical support available through the project. The missions will be asked to inform appropriate local institutions of the procedure for requesting technical assistance and indicate that mission funding is required for technical assistance services. Missions and bureaus will also be asked to identify local institutions that might participate in the research and training components of the project.

Detailed descriptions of the technical support capabilities of the contractor(s) will be made available to the missions on request.

C. Annual Workplan

The annual workplan will constitute the official basis of agreement between AID and the SEAE contractors on the schedule of activities and the planned expenditure of funds. For the Small Business Support Institution component, the first annual workplan will establish a system for fielding technical assistance teams, the criteria for selecting countries in which to work, and a strategy for developing the research methodology. For the PVO Training Development component, the first annual workplan also will establish a system for fielding technical assistance teams, the criteria for selecting countries in which to work, and a strategy for developing the training materials. Workplans for subsequent years will meet standard ST/RD workplan requirements (e.g. a summary of progress to date, identification of problems or bottlenecks in the project, a schedule of activities and budget, etc.).

D. Level of Effort

1. The total level of effort for the overall project will be 630 person months (p.m.) of work by professional and technical experts over a period of five years. Of this total, 254 p.m. will be for core activities and 376 p.m. for field activities. The Small Business Support Institution component will require 340 p.m. of work, 130 p.m. for core activities and 210 p.m. for field activities. The PVO Training Component will require 290 p.m. of work, 124 for core activities and 166 for field activities. The level of effort and activities by component and year are specified below.

In addition, a technical specialist will provide expertise to ST/RD amounting to 12 pm/year for five years.

<u>Component 1</u>	<u>Small Business Support Institutions</u>	(000's)
Project Management and Administration (Core)	\$	558.3
Applied Research (Core)		439.8
Technical Assistance/Applied Research (Mission)		2,357.0
Research Workshop (Core)		50.2
5% Inflation Factor		170.3
	SUBTOTAL	\$3,575.6

<u>Component 2</u>	<u>PVO Training Curriculum Development</u>	
Project Management and Administration (Core)	558.3	
PVO Training Curriculum Development (Core)	305.8	
Pilot Field Training Programs (Mission)	1,722.5	
Training Workshops (Core)	89.3	
5% Inflation Factor	133.9	
	SUBTOTAL	2,809.8

Technical Specialist, ST/RD 321.5

Grand Total 6,706.9

This project will be core funded through a collaborative effort between ST/RD and FVA/PVC. Mission funding will support technical assistance and pilot field training programs.

ST/RD	year 1	year 2	year 3	year 4	year 5	TOTAL
	200.0	350.0	350.0	350.0	350.0	1,600.0

FVA/PVC will provide funding of approximately \$823.3 over the life of the project, subject to availability of funds. Mission funding will be approximately \$4,283.6 over the life of the project.

ST/RD	\$1,600.0
FVA/PVC	823.3
Missions	4,283.6

E. Contractor Project Staffing

Component 1 (over 5 years)

Project Director	30 person months
Project Coordinator	20 person months
Administrative Assistant	30 person months
Research Staff	48 person months
Project Admin Back-Up Staff	30 person months
Technical Assistance/Research Consultants	180 person months
Conference Coordinator	2 person months

Component 2 (over 5 years)

Project Director	30 person months
Project Coordinator	20 person months
Administrative Assistant	30 person months
Project Admin Back-up Staff	30 person months
Curriculum Development Specialist(s)	80 person months
Trainers	96 person months
Conference Coordinator	4 person months

Total Contract Level of Effort in Person Months	630 p.m.
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Technical Specialist, ST/RD	70 p.m.
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Total	700 p.m.
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F. Project Funding

The funding accounts used to provide core funding will be amended from being solely Selected Development Activities funds (SD - 106) to also include Agriculture, Rural Development and Nutrition funds (FN - 103). The addition of the FN account is in recognition of the expanded nature of the project. The new activities will include assisting local organizations to expand their programs, both focusing on efficiency, and on populations that need to be better targeted and who are extremely needy of the kind of assistance that intermediaries can provide. It is anticipated that upgrading the organizations will increase their capacity to reach the rural populations and provide alternatives to farm employment. In addition, many support organizations already have established networks in rural areas. The project will, as part of its program of research, investigate these organizations and use their knowledge and experiences to expand our understanding of how organizations can more efficiently support enterprises in rural areas.

G. Evaluation Plan

Two outside evaluations will be carried out during the course of the project. A mid term project evaluation will be carried out at approximately year 2 1/2. A final project evaluation will be carried out on or about the end of year 5. Issues covered in these evaluations will include:

- progress towards achievement of project goals and objectives.
- unexpected events
- project impacts on institutional development
- contractor performance
- recommendations

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MEMORANDUM

April 12, 1985

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4. CA
[See 1cc
wants this
for his files
or if not
should file]

TO: ST/RD, Christopher Russell
FROM: FVA/PVC, Thomas A. McKay *Thomas McKay*
SUBJECT: Small Enterprise/PVO Collaboration
and Funding Operations
REF: Your Memo of March 5, 1985;
Mine of February 11, 1985.

Thank you for your useful memo and the revised Project Paper Amendment to "Small Enterprise Approaches to Employment."

Overall this project is worthwhile and FVA/PVC would like to participate in it. We support the concept and approach, including the attention to USPVO training.

We are prepared to put in \$75,000 in FY 1985 (Option #3). It is also possible that additional FY 85 funds will be available late in the FY. However, severe outyear budget constraints for FVA/PVC, especially in FY 1986 and FY 1987, preclude our making a firm commitment in the other years at this time.

If additional resources become available we will seek to meet the funding levels proposed in Option #3.

We would hope that early project success will increase demand for Project services, research and other activities among AID Missions and PVOs, and that additional resources can be devoted to the Project as time goes on.

I recognize the difficulty our funding position represents for the overall Project, and wish to keep in close touch with you to ensure that this Project is successfully launched.

Ross Bigelow of my office will participate in the Project Paper Review, April 15.

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PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY 77 to FY 90
Total U.S. Funding \$4,284.0
Date Prepared: April 24, 1985

Project Title & Number: Small Enterprise Approaches to Employment 931-1090

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p><u>Program or Sector Goal:</u> The broader objective to which this project contributes: To increase employment and income producing opportunities for the poor, and thereby, their fuller participation in the benefits and responsibilities of national development.</p>	<p><u>Measures of Goal Achievement:</u> Increased activities among LDC and other small business support organizations promoting programs designed to enhance employment/income opportunities of the poor.</p>	<p>Increases in future AID programming relative to current levels as measured by AID and host country documents and program assistance requests.</p>	<p><u>Assumptions for achieving goal targets:</u> Small enterprise sector in LDCs has capacity for increased expansion and efficiency.</p> <p>Interventions can enhance this capacity.</p> <p>Successful delivery of services enhancing programs of support institutions will be in long-run interests of entrepreneurs.</p>
<p><u>Project Purpose:</u> To perform applied research in conjunction with technical assistance focusing on inputs needed by small enterprise support institutions to increase their efficiency in designing and delivering assistance to entrepreneurs.</p> <p>Developing and testing training modules to enhance the capabilities of support institutions, particularly PWs and NGOs.</p>	<p><u>Conditions that will indicate purpose has been achieved:</u> <u>End of Project status.</u> Small business support organizations recognize need to increase efficiency and seek assistance (through USAIDs or other donors) enhancing their programs.</p> <p>Research data gathered; analyses used in providing technical assistance to missions. Core studies available and requested by assistance organization/donors to upgrade their services.</p> <p>Training materials provided to organizations for improving the quality of services provided.</p>	<p>Additional requests by USAIDs and small/micro enterprise support institutions to assist current or help develop new programs.</p> <p>Improved efficiency of assisted programs and trained staff as shown by higher levels of entrepreneurial employment, higher levels of credit payback, increased entrepreneurial income, bookkeeping systems, and efficient administration and high usage of support institutions.</p>	<p><u>Assumptions for achieving purpose:</u> A significant number of support organizations are interested and capable of working in private enterprise development at the small/micro level.</p> <p>Improvement in small enterprise support sufficient to merit attention can be achieved through staff training and other interventions.</p> <p>Successful improvement in the quality of services provided by support organizations can also positively affect quantity, and will be reflected in increased employment and income of the poor entrepreneur.</p>

Outputs:

Component 1: Identification of strategies and methodologies to upgrade the capacity of small business support institutions to perform more effectively. Direct assistance to USAIDs and to broad range of local support organizations to enhance their programs for small enterprise support. Dissemination of research results to USAIDs and support institutions.

Component 2: Direct technical assistance to PWs/NGOs and USAIDs in designing programs to effectively provide micro-enterprise support. Developed, tested training materials which will improve the skills of NGO and PW staff in planning/design/implementation and technical areas (marketing, credit, etc.) of micro-enterprise support. Dissemination of training materials to USAIDs and support institutions.

Magnitude of Outputs:

Component 1: Twelve technical assistance teams/yr will work with USAIDs and support organizations to improve their small enterprise programs. Effective programs and projects will be researched and analyzed through the research component, totalling 46 person months through the life of the project.

Component 2: Six technical assistance teams/yr will work with USAIDs and PWs/NGOs providing support to micro-enterprises. Training materials to increase skills of PWs/NGOs will be developed and perfected in these six training programs in each of 4 years.

Program evaluations of assisted projects and organizations.

- Studies, handbooks and training materials submitted and disseminated.
- Workshops in Component 1 presenting research findings and providing forum for exchange.
- Two workshops in Component 2 presenting PW training modules and providing "training of trainers" to appropriate staff.
- Increased activity on part of donors, and support organizations in small/micro-enterprise development.

Assumptions for achieving outputs:

Verifiable improvements have been made in support programs, are identifiable, and can be synthesized and replicated.

Small business support institutions are interested in increasing their efficiency, quality of support, and expanding their programs, and staffs can be trained to achieve these ends.

Sufficient interest/need in private enterprise development to warrant resources of missions.

Inputs:

PISCES project and SBCD project outputs will contribute to knowledge base.

Technical subcommittee guidance provided to project.

Contract with institution(s) to manage, coordinate, implement project and disseminate results of activities.

Funding from collaborating missions/bureaus, including FVA/PVC.

SI/RD staff member(s).

Implementation Target (Type and Quantity)

SI/RD staff member available.

Core SI/RD funding of \$1,750.0 million over 5 year period of project amendment, commencing in FY 85.

Collaborating FVA/PVC resources approximately \$823.3 million over 5 year period also commencing in FY 85.

Collaborating mission/bureau resources of approximately \$4,283.6 over 5 year period.

Timely funding and appropriate expertise are made available, and cooperation secured elsewhere in Agency where appropriate for the various components and activities of the project.

Assumptions for providing inputs:

Resources and staff are available.

Contract(s) with outside executing body(ies) are approved.

Collaboration among supporting bureaus, contractors, FVA/PVC and SI/RD can be achieved.

BUDGET - Scenario #3

COMPONENT 1: Small Business Support Institutions

Project Management/Administration (Core)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Core</u>	<u>Mission</u>	<u>Total</u>
Project Director: 1/2 Time at \$42,000 annual	21.0	21.0	21.0	21.0	21.0	105.0		
Project Coordinator: 1/3 Time at \$25,000 annual	8.4	8.4	8.4	8.4	8.4	42.0		
Admin. Asst: 1/2 time @ \$18,000 annual	9.0	9.0	9.0	9.0	9.0	45.0		
Fringe @ 20%	7.7	7.7	7.7	7.7	7.7	38.5		
Overhead @ 100%	46.1	46.1	46.1	46.1	46.1	230.5		
Travel: 1 trip/yr. @ \$2500/trip	2.5	2.5	2.5	2.5	2.5	12.5		
Per Diem: 1 trip/yr. @ 20 days/trip @ \$90/da	1.8	1.8	1.8	1.8	1.8	9.0		
Other Direct Costs	5.0	5.0	5.0	5.0	5.0	25.0		
Subtotal:	101.5	101.5	101.5	101.5	101.5	507.5		

Fee @ 10%

	10.2	10.2	10.2	10.2	10.2	50.8		
	111.7	111.7	111.7	111.7	111.7	558.3		558.3

Applied Research (Core)

Research Staff: 10 pm/yr @ 20 da/pm @ \$250/da X 4 yr.; 6 pm final yr.	50.0	50.0	50.0	50.0	30.0	230.0		
Travel: 4 trips/yr X 4 yrs. X @ \$2500/trip	10.0	10.0	10.0	10.0	0	40.0		
Per Diem: 45 da/trip @ \$90/da X 4 trips yr	16.2	16.2	16.2	16.2	0	64.8		
Publication/Dissemination	0	10.0	5.0	5.0	20.0	40.0		
Other Direct Costs	5.0	5.0	5.0	5.0	5.0	25.0		
Subtotal:	81.2	91.2	86.2	86.2	55.0	399.8		

Fee @ 10%

	8.1	9.1	8.6	8.6	5.5	40.0		
	89.3	100.3	94.8	94.8	60.5	439.8		439.8

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Component 1 Cont.d

Technical Assistance/Applied Research (Mission)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Core</u>	<u>Mission</u>	<u>Total</u>
Proj. Admin Back-Up Staff: 1/2 person/yr @ \$27,000 annual	13.5	13.5	13.5	13.5	13.5			
Fringe @ 20%	2.7	2.7	2.7	2.7	2.7		67.5	
Overhead @ 100%	16.2	16.2	16.2	16.2	16.2		13.5	
T.A./Research Consultants: 36 pm/yr X 20 da/pm @ \$225/da							81.0	
Travel: 36 trips/yr @ \$2500/trip	162.0	162.0	162.0	162.0	162.0		810.0	
Per Diem: 36 pm/yr X 30 da/pm @ \$90/da	90.0	90.0	90.0	90.0	90.0		450.0	
Secretarial Support: 260 da/yr @ \$65/da	97.2	97.2	97.2	97.2	97.2		486.0	
Other Direct Costs	16.9	16.9	16.9	16.9	16.9		84.5	
	<u>30.0</u>	<u>30.0</u>	<u>30.0</u>	<u>30.0</u>	<u>30.0</u>		<u>150.0</u>	
Subtotal:	428.5	428.5	428.5	428.5	428.5		2142.5	
Fee @ 10%	<u>42.9</u>	<u>42.9</u>	<u>42.9</u>	<u>42.9</u>	<u>42.9</u>		<u>214.5</u>	
	471.4	471.4	471.4	471.4	471.4		2357.0	2357.0

Research Workshop (Core) (1)

Conf. Coordinator: 2 pm @ \$2500/mo	0	0	0	0	5.0	5.0		
Research Staff: 2 @ \$250/da X 20 da	0	0	0	0	10.0	10.0		
Travel: Proj. Dir., Proj. Coord., Conf. Coord, 2 Res. Staff @ \$1,500 ea	0	0	0	0	7.5	7.5		
Per Diem: Proj. Dir., Proj. Coord, 2 Res. Staff X 15 da/ea X \$90/da X 4 persons	0	0	0	0	5.4	5.4		
Conf. Coord.: 30 da per diem @ \$90 da	0	0	0	0	2.7	2.7		
Conference Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15.0</u>	<u>15.0</u>		
Subtotal:	0	0	0	0	45.6	45.6		
Fee @ 10%	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4.6</u>	<u>4.6</u>		
	0	0	0	0	50.2	50.2		

COMPONENT 2: FVO Training Development

Project Management and Administration (Core)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Core</u>	<u>Mission</u>	<u>Total</u>
Project Director: 1/2 time @ \$42,000 annual	21.0	21.0	21.0	21.0	21.0	105.0		
Project Coordinator: 1/3 time @ \$25,000 annual	8.4	8.4	8.4	8.4	8.4	42.0		
Admin. Asst: 1/2 time @ \$18,000 annual	9.0	9.0	9.0	9.0	9.0	45.0		
Fringe @ 20%	7.7	7.7	7.7	7.7	7.7	38.5		
Overhead @ 100%	46.1	46.1	46.1	46.1	46.1	230.5		
Travel: 1 trip/yr @ \$2500/trip	2.5	2.5	2.5	2.5	2.5	12.5		
Per Diem: 1 trip/yr X 20 days/trip @ \$90/da	1.8	1.8	1.8	1.8	1.8	9.0		
Other Direct Costs	5.0	5.0	5.0	5.0	5.0	25.0		
Subtotal:	101.5	101.5	101.5	101.5	101.5	507.5		
Fee @ 10%	10.2	10.2	10.2	10.2	10.2	50.8		
	111.7	111.7	111.7	111.7	111.7	558.3		558.3

FVO Training Curriculum Development (Core)

Curriculum Dev. Specialist(s) 36 pm X 20 da/pm @ \$250/da (year 1=4pm: yr. 2=18pm: yr. 3=4pm: 4=4pm: yr 5=6pm	20.0	90.0	20.0	20.0	30.0	180.0		
Travel: 10 trips @ \$2500 ea	5.0	10.0	2.5	2.5	5.0	25.0		
Per Diem: 10 trips @ 30da/trip @ \$90/da	5.4	10.8	2.7	2.7	5.4	27.0		
Publications/Dissemination	0.0	10.0	0	0	20.0	30.0		
Other Direct Costs	2.0	5.0	2.0	2.0	5.0	16.0		
Subtotal:	32.4	125.8	27.2	27.2	65.4	278.0		
Fee @ 10%	3.3	12.6	2.7	2.7	6.5	27.8		
	35.7	138.4	29.9	29.9	71.9	305.8		305.8

COMPONENT 2: Cont.d

Pilot Field Training Programs (Mission)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Core</u>	<u>Mission</u>	<u>Total</u>
Project Admin. Back-Up Staff: 1/2 person/yr @ \$27,000 annual	13.5	13.5	13.5	13.5	13.5			
Fringe @ 20%	2.7	2.7	2.7	2.7	2.7		67.5	
Overhead @ 100%	16.2	16.2	16.2	16.2	16.2		13.5	
Curriculum Dev. Specialist(s): 40pm X 20 da/pm @ \$250/da	0	60.0	60.0	60.0	20.0		81.0	
Trainers: 2 Trnrs/program X 2 mo/prog X 6 prog/yr @ 20 da/pm @ \$225/da X 4 yrs	0	108.0	108.0	108.0	108.0		200.0	
Travel: Curric. Dev. Spec: 20 trips @ \$2500/trip	0	15.0	15.0	15.0	5.0		432.0	
Trainers: 2 trnrs/program X 6 prog/yr @ \$2500/trip	0	30.0	30.0	30.0	30.0		50.0	
Per Diem: Curric Dev. Spec: 40pm X 30 da/pm @ \$90/da	0	32.4	32.4	32.4	5.4		120.0	
Trainers: 2 trnrs/prog X 2 mo./prog X 30 da/mo @ \$90/da X 6 prog/yr	0	64.8	64.8	64.8	64.8		102.6	
Conference Costs @ \$10,000/program	0	60.0	60.0	60.0	60.0		259.2	
Subtotal:	32.4	402.6	402.6	402.6	325.6		240.0	
Fee @ 10%	3.2	40.3	40.3	40.3	32.6		1565.8	
	35.6	442.9	442.9	442.9	358.2		156.7	
							1722.5	1722.5

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COMPONENT 2: Cont.d

Training Workshops (2) (Core)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Core</u>	<u>Mission</u>	<u>Total</u>
Conference Coordinator: 2 pm/conference @ \$2500/mo X 2 conf.	0	0	0	5.0	5.0	10.0		
Travel: Proj. Director, Proj. Coord., Conf. Coord, 2 Curric Dev. Specs; 5 trips X \$2000/trip	0	0	0	10.0	10.0	20.0		
Per Diem: Conf. Coord: 22 da/Conf @ \$90/da	0	0	0	2.0	2.0	4.0		
Proj. Dir, Proj. Coord, 2 Curric Dev. Specs, (4) X 10 da/ea @ \$90/da	0	0	0	3.6	3.6	7.2		
Curric. Dev. Spec (2) @ 20 days @ \$250/da/Conf.	0	0	0	10.0	10.0	20.0		
Conference Cost @ \$10,000/conference	<u>0</u>	<u>0</u>	<u>0</u>	<u>10.0</u>	<u>10.0</u>	<u>20.0</u>		
Subtotal:	0	0	0	40.6	40.6	81.2		
Fee @ 10%	<u>0</u>	<u>0</u>	<u>0</u>	<u>4.1</u>	<u>4.1</u>	<u>8.1</u>		
	0	0	0	44.7	44.7	89.3		89.3

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Technical Specialist for ST/RD
1971 GPP
(000s)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Salary	31.0	32.0	33.0	34.0	35.0
Fringe @ 20%	6.2	6.4	6.6	6.8	7.0
Travel and Per Diem	8.0	8.0	8.0	10.0	10.0
Miscellaneous	2.0	2.0	3.0	3.0	3.0
SUBTOTAL:	<u>47.2</u>	<u>48.4</u>	<u>50.6</u>	<u>53.8</u>	<u>57.0</u>
Overhead @ 25%	11.8	12.1	12.7	13.5	14.3
TOTAL:	<u>59.0</u>	<u>60.5</u>	<u>63.3</u>	<u>67.4</u>	<u>71.3</u>

GRAND TOTAL: \$321.5

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Summary - Senario #3

COMPONENT 1

	<u>Core</u>	<u>Mission</u>	<u>Total</u>
Project Administration/Management	558.3	0	558.3
Applied Research	439.8	0	439.8
Technical Assistance/Applied Research	0	2357.0	2357.0
Research Workshop	50.2	0	50.2
Subtotal:	1048.3	2357.0	3405.3
5% Inflation	52.4	117.9	170.3
	1100.7	2474.9	3575.6

COMPONENT 2 PVO Training Curric. Dev.

Project Administration/Management	558.3	0	558.3
PVO Training Curriculum Development	305.8	0	305.8
Pilot Field Training Programs	0	1722.5	1722.5
Training Workshops (2)	89.3	0	89.3
Subtotal:	953.4	1722.5	2675.9
5% Inflation	47.7	86.2	133.9
	1001.1	1808.7	2809.8

Component 1

Component 2

Technical Specialist

Component 1	1100.7	2474.9	3575.6
Component 2	1001.1	1808.7	2809.8
Technical Specialist	321.5	0	321.5

Total

Total	2423.3	4283.6	6706.9
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