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FOSTER PARENTS PLAN
INCOME GENERATING PROJECT
ANNUAL REPORT - YEAR II

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I. INTRODUCTION

The format for the second annual report to USAID is that of an information manual on income generating projects. Frequently, annual reports are "turned in" as a requirement and serve no purpose other than that of reporting, which is admittedly valuable. However, we suggest that annual reports can and should have utilitarian value at the Field level. This year, the annual report could serve as a guide at the Field level. It will therefore not summarize information from field reports, but will basically consist of findings and actual/useful tools which the various field offices have discovered and utilized in order to better manage income generating projects. We feel that this manual will reflect what has been accomplished in the past two years of the matching grant. Also, this format and its utility should facilitate a sharing of lessons learned with all PLAN Field Offices, not just those in the Income Generating Project. From the PLAN/International point of view, we would hope that this manual will become the basis for a new and needed chapter in its Program Manual on how to promote and manage income generating projects.

II. EXECUTIVE SUMMARY

The evaluation and training components for income generating projects have dominated the IGP during the second year of the matching grant. Evaluation and training have been the focus of our staff time. Staff efforts in these two areas have made the greatest contribution to the progress made this year and have set the stage for the third year of the project. Our success in providing effective and appropriate evaluation and training reflect the calibre to which PLAN aspires.

Training

To upgrade and/or equip participants with the necessary skills in managing their IGPs, the Field Office staff conducted training courses in various aspects of small business management, vocational occupation, crop production, animal husbandry and agro-forestry. These training courses were selected based on what the staff identified as training needs of the IGP participants they are respectively assisting. A small business trainer/promoter was employed to provide assistance and consultancy in IGP training to the different involved field offices. This position was approved at the time of the U.S. AID annual review last year.

An IGP trainers' training course was conducted for our staff from Bali, Nepal, Sri Lanka and Khon Kaen, Thailand by the joint staff of World Education, Inc. and PLAN International. A major result of that training experience was a regional training capability never before realized by PLAN in Asia. In effect, we now have staff trained in small business promotion that are capable of training others. World Education, Inc., is only one of the agencies with which PLAN has established a working relationship to the benefit of staff and client families. While Kenya and the Philippines illustrate many differences, they are similar in that both have a wealth of resources upon which a PVO can draw for training. The small business promoter is a key to the continuing responsibility

for matching needs and training facilities. In addition, having monitored all of the World Education training courses in four countries, he has the responsibility for follow up in each of these areas with the training provided by World Education.

In evaluation, the workshop held in Bangkok in June 1986 was also a first for PLAN, International in Asia. For many it was the first time in which they left their country of birth. With all of their varied backgrounds, they came together, communicated, shared experiences, and learned together the effective ways of implementing income generating projects. The proceedings have been bound and circulated. Finally, a number of special studies have been completed and reported. They are listed in the text of this report which we hope will serve as the basis for an income generating project manual and a chapter in the International Headquarters Program Manual.

In addition to evaluation and training, notable progress has been made both in institution building and in institutionalizing the provision of credit as a major focus of income generating projects. The IGP funded study of the numerous credit unions in Indonesia has laid the basis for more successful financing of income generating projects. The Bicol, Philippines, has done extension work in the promotion of village associations. The continuing ability of these village associations to remain self-supporting will ensure that credit is available for income generating projects long after PLAN departs. Egypt is perhaps the most difficult country presently in the IGP in terms of creating mechanisms for credit disbursement. They are however continuing to discuss with local financial institutions ways in which this credit can be provided. Additionally, they are exploring the possibility of guilds which will not only be appropriate for credit disbursement but also for policy influence on the local level. This is a development which could be quite innovative and challenging. Cairo and Bombay are making great strides in the promotion of income generating projects in urban

areas. A future conference dealing with income generating projects in urban areas is being considered.

The IGP, with matching funds from U.S. AID, has opened more doors to PLAN, has fostered new relationships, and in the final analysis, has broadened our concept of what an integrated program should be. The IGP has enabled more creativity and innovation within the resources and skills development sector of our programming.

The field posts participating in the IGP have initiated projects much too numerous to list or evaluate separately. Foster Parents Plan believes that it is uniquely capable of generating an extremely high number of experiential data components on which to base future evaluations of income generating projects. We can state with some degree of surety that we have accomplished the task with a high level of cost effectiveness.

If U.S. AID considers the total number of individual projects, cultures, economies, and institutions within which PLAN has worked in the IGP over the last two years, the degree of cost effectiveness becomes clearer. The difficulty, of course, is the ability to generalize across these variables and the extent to which lessons learned in one context can be applied in others. This difficulty notwithstanding we have attempted to draw some conclusions (please see subsequent section entitled "Major Findings").

AID's grant to Foster Parents Plan has assisted us in greatly expanding the number and variety of income generating projects within participating countries. We were able to experiment with a large number of different methods to disburse credit to the poor. We have spent a good deal of time searching for those areas where training was both effective and cost efficient. Technical assistance in a variety of forms has been sought and applied to projects (i.e. introduction to production technologies, financial assistance, marketing assistance, business counselling, etc.). And, finally, we have begun the process of institutionalizing credit programs locally which will be self-supporting when

PLAN leaves the area. These latter approaches will also set the stage for the gradual process of policy transformation on the local scene beneficial to the entrepreneur and small business in general.

III. OBJECTIVES FOR THE SECOND YEAR OF THE INCOME GENERATING PROJECT

- A. To more aggressively promote feasibility studies, that is, careful planning to increase product quality and to create, if they do not already exist, viable neighborhood markets.
- B. To seek out and encourage cross linkages, that is, promote businesses which complement other projects such as a saw mill which can tie in with a housing project which, in turn, has as its purpose better health in the home; or vocational education courses which also teach entrepreneurship.
- C. To promote staff retraining. As we have agricultural extension agents so do we need small business extension workers (called in some places, Small Business Promoters).
- D. To increase and improve services related mainly to production, raw material supply and market demand. The law of supply and demand applies to a social agency, a professional development agency and it applies to the rich and the poor without discrimination.
- E. To promote the use of the IGP to improve our evaluation capability, always documenting and sharing methodology with all PLAN field offices.
- F. To conduct a survey of handicraft production and where possible to support PLAN/USA in its handicraft marketing efforts.

IV. SUMMARY OF ACCOMPLISHMENTS

- A. To more aggressively promote feasibility studies, that is, careful planning to increase product quality and to create, if they do not already exist, viable neighborhood markets.

It would appear that the emphasis put on feasibility studies is beginning to be recognized and felt. In this regard, samples of failures as much as successes have been helpful. Although different processes are in use, each field post requires from an applicant an approved feasibility study before any financial assistance is extended. The simplicity or complexity of the feasibility study being asked depends on the income generating project cost, size and type. The applicant's active participation in the preparation of the feasibility by doing it her or himself, by being assisted by the staff of PLAN/cooperating agency and/or association officers, or through business planning seminars. In Nepal, where PLAN has successfully negotiated with local banks a credit mechanism designed to give access to credit for the poor, local bankers have worked with PLAN to evaluate the loan proposals of borrowers.

It is a relatively easy matter to blame the failure of IGPs on the lack of adequate market knowledge. To use the experience and to promote even more forcibly than before the need to know the market is critical. In the Bicol, Philippines, the Associations which make loans to the participating families require that the families go to the market and learn about the market before any projects are approved and funded.

In Egypt, loan applicants are asked to identify alternative markets that could offer better terms than what they already have.

Our experience has shown that to maintain the viability of these income generating projects, participants have to concentrate on exploring opportunities in supplying the local markets. They are not able to demonstrate the capacity to produce the quantity and quality required by the export market or big institutional buyers.

B. To seek out and encourage cross linkages, that is, promote businesses which complement other projects such as a saw mill which can tie in with a housing project which, in turn, has as its purpose better health in the home; or vocational education courses which also teach entrepreneurship.

Difficulties have been encountered in identifying feasible income generating projects using this conceptual approach. Some attempts are being made to demonstrate this objective.

In Bali and Yogyakarta, Foster families and other members of the community were provided with seedlings of fruit bearing banana trees. In about five years' time, the participants are expected to earn income out of the fruits they will harvest. The banana trees will provide, in a year's time, sources of animal feeds and firewood for the family. At the same time, these trees will contribute to the critical water conservation needs of the communities involved in the project.

In Embu and Meru, Kenya, associations of Foster families initiated small irrigation and earthdam projects. These projects supply water, not only for farming needs, but as well as that of the families' cleaning/washing needs. These water projects also enable them to regularly plant vegetables both for commercial and home consumption purposes.

C. To promote staff retraining. As we have agricultural extension agents so do we need small business extension workers (called in some places, Small Business Promoters).

Training is one of the areas in which the project has made its greatest strides during Year II of the matching grant. This progress was expedited by the employment of an additional staff person in small business promotion and training. Four program countries participated in an income generating training course specifically developed for PLAN by World Education, Inc. All the line staff of PLAN Egypt underwent training in small business planning which was con-

ducted by the Ministry of Industry of Egypt. PLAN Embu sent two IGP staff for training in small business development. All these training activities were directed towards equipping the PLAN staff with the necessary skills to effectively assist IGP participants.

In a recent survey all participating field offices indicated a need for a specialized promoter for small business development and further generalized training.

- D. Increase and improve services related mainly to production, raw material supply and market demand. The law of supply and demand applies to a social agency, a professional development agency and it applies to the rich and the poor without discrimination.

Supply and demand has been a central theme from the preliminary studies done before the project started, and has been emphasized throughout both orientation sessions and in the most recent training offered by World Education. It is encouraging to talk with PLAN line workers today and to hear them talk about supply and demand and to insist that families be sure of the raw material supply and the market demand before they support a project.

It is clear that emphasis placed on training and training material has had a positive impact on social workers who are responsible for project evaluation prior to loan or grant approval. The application forms and demand analysis forms insure that raw material sourcing and market considerations have been given adequate weight.

- E. Promote the use of the IGP to improve our evaluation capability, always documenting and sharing methodology with all PLAN field offices.

The IGP field offices have taken a great leap forward this past year in their systems for monitoring and evaluating income generating projects. The proceedings of the evaluation workshop held in Bangkok, were released in June 1986, and have been shared with all field offices. The participants of the workshop felt that the present PLAN International systems did not generate the

information they needed to make decisions about PLAN projects and they worked very hard to come up with an evaluation system that would work for them "back home." While the workshop members recognized the need for reporting and accountability, it was generally felt that the present evaluation system was a reporting system and was lacking in terms of field utility and in particular it was lacking usefulness as a management tool.

F. Conduct survey of handicraft production and where possible support PLAN/USA in its handicraft marketing efforts.

An extensive survey of crafts produced by PLAN field offices was completed during Year II of the IGP. The primary emphasis for the survey was to identify those field offices who might be able to utilize an offered exchange of technology by Pier One Imports of Houston, Texas. Pier One was attempting to locate an intermediary partner who could bring their worldwide buyers closer to the actual producers. They presently are three intermediaries away from the local producers in all countries from which they export. They were willing to transfer marketing, export, and quality control technology worldwide had our small business development efforts been of sufficient size. At present PLAN was only able to coordinate export technology in a non-IGP country.

Handicraft promotion was a programmatic thrust for PLAN/USA as a supportive element to small business development in the field. A catalog sales program to a U.S. market was planned for those products which had already demonstrated their ability to generate a profit at the local level. The program was designed to be non-disruptive to the field and to avoid any hurried attempt to rush products to market. By requiring that crafts be locally profitable field efforts concentrated on quality control production scheduling and other business needs.

V. MAJOR FINDINGS

A. COMPARATIVE ADVANTAGE OF PLAN INTERNATIONAL

Foster Parents Plan International has a very large comparative advantage in its drive to effect increased income amongst the poorest sectors of the society. Assisted PLAN families generally come from the poorest sector of the communities. PLAN stays in a community on a long-term basis and has the staff to assist families directly. These two single factors of target population identification and long-term presence cannot be underemphasized in evaluating the cost effectiveness of our income generating program. Secondly, many PVOs and income generating projects carried out by others have had great difficulty and expense in identifying entrepreneurs amongst the poor. Because of our normal in-depth interviewing upon entrance to our program, the identification of possible entrepreneurs has been greatly simplified. An additional advantage emerges, that is it is widely known that one of the most beneficial aspect of the PVO's work within the income generating field is the provision of capital. Foster Parents Plan has for quite some time been involved in providing capital even though it was primarily through grants rather than loans. Nevertheless, Foster Parents Plan has streamlined several methods and the experience in the disbursement of capital to individuals and groups. Finally, Foster Parents Plan has years of experience in organizational training and a significant capability of assisting directly those involved in income generating projects.

B. MAJOR TYPES OF IGP PARTICIPANTS

The IGP participants of PLAN can be broadly classified into three categories:

1. Those families engaged in income-generating activities where these activities are their primary source of income.

a. Cottage industries

These families, mostly found in urban areas or major population centers, are those that are engaged in the production and/or retail sale of consumer items such as leather goods, clothes, food stuff, handicrafts, etc. Nearly all have had production experience in their trade for several years and have not expanded their operations from the original size. Their operations are usually family affairs, headed by the father, with the mother and children providing the needed additional labor. Many of these have been forced to stop and start their business when family emergencies drained the small amount of capital needed to maintain their business on a regular basis. It has been our experience that small amounts of capital from \$70 to \$130 are sufficient to revitalize their economic activity and provide additional employment from one-half to one per business. All of the additional labor usually comes from the immediate family. The number of times that a neighbor is hired part-time is not significant.

It should be noted and stressed that whenever a family emergency arises which saps the capital of these businesses the temporary interruption of economic activity should not be judged as a business failure. Using the simple calculation of total sales minus raw materials one would find that the business was generating income at the time the family emergency arose. The frequency with which this has been found especially in urban areas is striking and has unknown implications for both government and PVO health programs. Further, there is a secondary impact on credit institutions. In many cases these businesses have relied in the past on local money lenders who charge usurious rates. In some instances when given the opportunity to partake of a different

credit institution and lower interest rates, they reject the opportunity in favor of their previous money lender even if he charges outrageous interest. The reasons are by now clear. The money lender serves almost all the financial needs of the poor, from their business activity to their family emergencies. Unless credit institutions created by PVOs or local governments can serve more than just the business needs of the client it will be difficult for the small businessman to give up the security of the local money lender.

b. Crop production

Primarily coming from the rural areas, these families are engaged in cereal and/or vegetable production. Like their counterparts in the urban areas, they have engaged in these income generating activities for several years, maybe even for generations. Besides financial assistance, what they need are inputs on how to improve their production techniques and identify better marketing outlets. Consequently, they do not need extremely costly and time consuming training activities to be carried out by the private voluntary organization. Their expansion opportunities are limited by a lack of access to capital, new and appropriate technology, better production inputs and land.

2. Those engaged or who have been engaged in livestock raising to supplement their family income.

Livestock raising has been a tradition in most farming communities, both for crop producers and farm laborers. However, many of them raise livestock more as insurance against emergency needs of the family rather than for income generating purposes. When a family emergency arises, the livestock are sold and it takes quite some time before they can raise enough money to buy replacements. Although they

could be skilled in the care and management as well as marketing of the livestock that they raise, their opportunities to maximize income from the livestock and sustain the project are lost.

3. Those who are engaging for the first time in the kind of income generating activities they have chosen.

Many clients are interested in engaging in an income generating activity to have a major or supplementary source of income. The skilled laborer who is unemployed, underemployed or underpaid wants to start a business using his or her production skills. Others simply want to switch to another income-generating activity that will provide enough profit for the basic needs of their families. There are those whose main source and other income augmenting activities do not present any potential for further increases in their income. They too would want to engage in additional income generating activities that they have never tried before. Dealing with these clients means assisting them to develop their small business management skills - tasks that require more of the staff time in providing training, business counselling and developing their achievement motivation.

C. PLAN INPUTS TO IGP PARTICIPANTS

The broad classifications of the types of PLAN IGP clients should be the basis upon which the amount and degree of assistance to be provided to them can be designed. However, the field posts should exert effort in identifying the actual needs of their clients in order to help them realize their maximum income generating potential. What we are suggesting is that while all the poor are in need of assistance, cost effectiveness analysis points us towards certain types of clients in order to maximize the usefulness of monies directed towards income generating projects. For example, attempting to train unskilled rural family members who desire to undertake off-farm employment is an extremely time consuming and costly affair. On the other hand, mechanisms to assist the cottage

manufacturer who has pre-existing skills and marketing expertise are extremely cost effective and efficient.

Many PLAN clients already engaged in cottage industries only need additional capital to expand their operation and increase their profits. But there are also those who do not actually need additional capital, but need instead improvements in their production techniques and in identifying better market outlets. Some would need all of these to enable them to maximize profits.

The size of the land being tilled by the farmer client of PLAN are usually small. The meager size of their farm limits their income potential. Coupled with this, they lack the capital to buy the necessary farm implements or inputs to maximize their harvests. There are those who do not only need capital, but need as well an introduction to modern but appropriate technology which should be incorporated into their traditional ways of raising crops.

Clients who engage in livestock raising to augment family income seem to be the easiest to assist. All they need are production skills upgrading and the capital to purchase livestock which they could raise themselves using their years of experience and without further assistance from PLAN. However, most of these clients should be helped to change their attitude toward raising livestock as an insurance against emergency needs. They should be encouraged to view livestock raising in a more "businesslike" manner if they are to maximize the profits in this income-generating activity. The change in their attitude could also lead to their receptivity to improved care and management of their livestock. There are also those who need assistance in identifying market trends and outlets in order to get the best selling price for their produce. Nevertheless, without the necessary land their ability to expand their livestock holdings is limited and consequently the other technical inputs will have only a negligible effect on increased income.

Clients who are engaging in a business venture for the first time would obviously need the most assistance from PLAN. They need capital to start their

business. Their entrepreneurial or small business management skills should be developed in relation to the type and size of the income-generating project they are engaging in and their level of understanding. These call for the provision of training activities, consultancy services, and closer monitoring. The risk or failure in these ventures is extremely high. Thus the capital placed towards these activities should be labeled and thoroughly understood for what it is -- venture capital. It should be noted and understood that the uses of this type of capital, i.e. venture capital, are fundamentally different from those provided through the normal lending practices of a bank.

To summarize, helping IGP participants maximize profits from the income-generating activities they are already engaged in or have the experience for is more cost-effective. They need fewer inputs from PLAN. However, this does not mean that "first timers" should not be assisted; their sheer number in relation to those who have IGP experience show they should not be ignored if PLAN is to really reach out to all of its clients. Nevertheless funding sources should understand and be fairly specific in the degree to which they wish their funds utilized for venture capital or for more normal activities akin to the lending procedures of most financial institutions.

In reviewing the literature published so far by U.S. AID and other PVOs on this subject, one would note the relatively low repayment rates for most types of credit institutions. Whether it be banks, cooperatives, credit unions, or solidarity groups, the repayment rate for credit mechanisms seem to be extremely low. It is perhaps because PVOs and other funding sources have not noted or paid attention to the fundamental differences between venture capital for new and inexperienced businesses and the more secure types of investments where risks are relatively low that the repayment rate appears to be somewhat dismal.

D. INSTITUTION BUILDING

Another major finding is institution building. PLAN does not intend to stay in a community forever. When it leaves, it envisions a community that is self-

reliant. In line with this, the IGP countries have begun to focus on building community-based organizations that "can play an active role in the social and economic development of the community when PLAN support is phased out." Some field posts have helped organize community associations; others are strengthening existing organizations, while some are working through new and particularized interest groups. One common feature that these community-based organizations have is that they are being built to eventually attempt to oversee the five sectors in which PLAN works (financial assistance, health, education, community development and resource and skills development). Within these organizations, various committees are set up, one of which could be a committee for resource and skills development and income-generating projects.

The responsibilities of the IGP committee would vary, depending on the situation in the field post. These could be any combination of the following:

1. Identify IGP participants.
2. Conduct IGP orientation training.
3. Assist members in the preparation of business plans.
4. Screen/Recommend for Approval IGP proposals.
5. Administer Loans - release and collections.
6. Coordinate with concerned Government and/or Private Agencies
7. Assist member in identifying market outlets
8. Monitor and evaluate IGP's of members
9. Others

The range of responsibilities given to an IGP committee depends on several factors. Some of these factors are:

1. Organizational set-up
2. Capabilities of the members of the IGP Committee
3. Availability or willingness of regular banking institutions to administer loans to clients
4. Number of IGP clients to be served

5. Diversity of types of IGP's
6. Amount of funds to be administered
7. Size of projects
8. Others

Admittedly, the expected responsibilities of the IGP committee are formidable if we are to consider their level of education, experience and time availability. In terms of skills, these could be developed through PLAN's usual strategy of involving the families in planning, implementing and evaluating projects. But this involvement is not enough; it has to be coupled with a specialized training program (for the IGP Committee) in order to accelerate the development of their capabilities in effectively managing the IGP program by themselves within a reasonable time frame. Time availability could be solved by dividing the responsibilities among the members of the IGP committee so that no one person has to devote his/her full time to it.

In helping these organizations operationalize their IGP committees, PLAN staff should always be conscious that:

1. IGP is only one of the major activities. While it contributes to improvement of the overall welfare of the target families, it should be considered in relation to the other sectors.
2. Policies and procedures that the organization would use as guidelines should be "simple, realistic, implementable and understandable" to their member.
3. It takes time to develop the participants' capability to manage their own affairs, but there are strategies to accelerate these processes.
4. The organization being built will be the institution that will be left behind to work for its community's social and economic development.

E. EVALUATION AND TRAINING

Needless to say institutionalization of income generating activities as a major priority could not occur without a thoroughly trained staff capable of

guiding clients and providing them with technical assistance. A major accomplishment of the IGP during the past year was the convening of the national staff responsible for evaluation. This workshop gave us the first PLAN regional meeting on the subject of evaluation for income generating projects. The workshop was created on a decision making model, with participants actively determining what information was needed in order to make the decisions they would be called upon to make in their own locale. During the workshop, various data collection and record keeping forms were created and will be field tested by individual participants when they return to their local field post. The procedures of the workshop have been circulated.

Also noteworthy is the number of studies completed or currently being implemented in the various IGP field offices. A list of these appear in Appendix A. While strides have been made in the direction of evaluation and training for local staff, we see the continuing need for more sophisticated research like impact evaluation to be undertaken by outside consultants. In this regard, a number of field posts with or without the assistance of the Bangkok office have located a very great deal of Asian talent in this area. We are using it and recommend that the practice be continued.

F. MARKETING INTERMEDIARIES

There seems to be a bias against marketing intermediaries commonly referred to as "the middleman". Many staff tend to believe that all middlemen are "evil," out to exploit the ignorant producer. Thus, there is a tendency to immediately encourage and help the IGP client eliminate the "evil" without really weighing the consequences of eliminating a marketing intermediary or the benefits that the client gets by marketing through that individual.

The middlemen have been found to play a vital role in linking the producers to the consumers. In doing so, they incur costs, take the risk of breakage, pilferage and price fluctuations, and invest their own capital. They also must make enough profit to support their families. Many small producers are quite

happy marketing their products through them. They have computed the cost efficiency for doing so. Primarily however, the middleman tends to serve as a consistent purchaser of items produced. This consistency has the functional benefit of smoothing out income flow for the producer. Thus a sweater manufacturer can sell his sweaters all year long rather than only in the winter. A purse manufacturer can be paid immediately for his product rather than waiting until they are sold by the retail outlet. A producer of vegetables and produce can consistently sell his products without having to have transportation to the urban market. The number of examples where our individual IGP client depends greatly on these marketing intermediaries and would not disrupt the channel are too numerous to mention.

Of course there are "evils" among the middlemen, but not all of them. The clients could be taught current marketing practices such that middlemen who are operating in an inefficient market or in a corrupt and exploitative one could be bypassed. Further, there is some usefulness to the grouping of IGP clients who are producing the same product in order to give them leverage in dealing with marketing intermediaries. It is not necessarily that they are dealing from a position of strength but rather that they are reducing the cost of the marketing intermediaries in gathering and transporting the products.

The idea is to assist the staff in understanding the importance of marketing intermediaries in the general market process. Once these are understood the staff teach the IGP participants strategies on how to avoid exploitation or how to take advantage of inefficient markets.

G. CREDIT MECHANISMS

One of the informal sector's greatest need is access to capital, either through loans or grants. PVO's have an acknowledged comparative advantage in the provision of grants, but the provision of credit is a continuing dilemma. This area of endeavor needs extremely close scrutiny and a critical evaluation of existing mechanisms for the provision of credit to the poor. If any existing

mechanism worked, it would have been proliferated en masse by now. If any credit mechanism were capable of producing enough profit to pay administrative overhead, provide loans over the inflation rate, maintain loan loss reserves, and grow, these models would have been adopted and institutionalized.

Different schemes are being implemented by different field posts in extending financial assistance to the IGP participants. In Bicol, funds are provided to associations (with about 250 members each) for extension as loans to members. Credit Unions are utilized in Bali and Yogyakarta to extend loans to PLAN members. In Meru and Embu, Kenya, loans are extended to individuals through a private financial institution that agreed to administer the funds for PLAN. In Nepal and Sri Lanka, the same kind of arrangements were made with banks. Small interest (members in or with the same type of project) groups were utilized in Mindoro as well as in Sri Lanka, Nepal and Embu. Mindoro also funded a federation of farmers' groups that extended loans in kind (production inputs) to members. Egypt has extended part loan/part grant to individuals.

Group administered loan encountered a lower rate of repayment than that experienced by financial institutions. Several reasons could be attributed to this situation. Majority of loans extended were for high risk projects such as crop production, livestock raising and handicraft production. The groups are still in the process of enhancing their knowledge and skills in assessing feasibility studies and loan collection procedures. Finally, it should be obvious that a great bulk of the loan applications from the PLAN participants, who are all poor, will be "poor risks". And, it should also be obvious that to ask a poor family to put up what little collateral they may have is to ask the advisor to become personally involved at a high level of responsibility.

Several strategies were implemented by the different field offices to remedy the situation. Majority of the field offices had their IGP concerned staff trained to enable them to better facilitate and accelerate the development of the staff's and/or groups' loan administration capabilities. The field posts

also linked with other private and government agencies in providing technical assistance to individual borrowers to minimize the risks of their IGPs. Six field offices have also tied up with financial institutions in the administration of loans to PLAN participants.

The last strategy cited puts a PLAN field office in a dilemma. Although some concessions are given to PLAN participants, financial institutions still use much stricter criteria in extending loans to them. It will tend to exclude IGPs that cost very little (about US \$75 and below). Furthermore, these financial institutions do not always have branches in all the locations covered by the PLAN field office. Thus, access to credit for many PLAN participants would not be realized.

H. TECHNOLOGY TRANSFER FROM ABROAD

Large firms and multinationals are willing and able to assist efforts designed to stimulate small businesses. They are willing and able to provide technology, training, and managerial know-how. The most effective transfers of technologies are those created through a commercial relationship where both sides benefit. There are, however, significant impediments to the successful relationship between a PVO income generating project and a very large business.

1. Differences of scale -- businesses prefer a much larger scale of endeavor before they wish to involve themselves in a project oriented toward technology transfer.
2. The speed with which the two sectors approach a project is much different.
3. Philosophical differences on the part of both organizations' staff.

Nevertheless, large businesses can play a role in income generating projects especially as this related to exports. Production within IGP projects should always be oriented towards the local market and proven financially viable locally before export is a consideration. PVOs, however, can play a very useful role in the promotion of trade links and export promotion. While relevant in only a

minority of cases, products of export quality can be assisted through the normal international linkages of PVOs. The technical assistance normally required for such an endeavor would be far in excess of what an income generating client could afford but more likely cost effective and efficient if carried out with the assistance of PVO staff.

I. PVO MANAGEMENT AND INSTITUTIONALIZATION

After two years of experimentation and learning PLAN International is returning the management of the IGP grant to headquarters. This action was coincidentally necessitated by the retirement of E. Glenn Rogers and actions necessary to begin the institutionalization of IGP as a major program priority throughout all of PLAN's field locations. While the regional format assisted greatly the first two years of implementation the learning process which comes from hands-on management was bypassing those responsible for other field locations. Key departmental managers and functions such as evaluation were having difficulty tracking IGP progress.

Regional management contributed greatly to the speed with which local resources and technical assistance could be brought to bear on IGP efforts. A variety of economics were realized by the closeness of regional management to field efforts. In the end, however, the lessons and experiences of two years needed a wider managerial following. Thus, the Program Director will oversee the IGP in year three, with the active involvement of the program coordinators such that an integrated and functional learning process can unfold.

J. MAJOR CONSTRAINTS

A variety of major constraints to successful income generating projects have been identified during the first two years of our project. These include those listed below without extensive explanatory remarks.

1. Capital markets
2. Country infrastructure
3. Government regulatory and taxation policy

4. PVO staff skill levels
5. Inefficient markets due to corruption
6. Administrative costs associated with multiple small loans
7. PVO program transitions

VI. TRAINING FISCAL YEAR 1984, 1985 AND 1986

A. IGP Participants

The majority of the small business management training courses conducted by the field posts were on IGP identification and development. These training courses were used as opportunities for the clients to acquire skills in business planning and also to study whether the IGP's they are interested to engage in will really generate income for them. Thus, the basic principles applicable and the inter-relationship of production, marketing, finance and personnel were also taken up to give them a simple/better perspective on aspects to consider in managing their IGP's. Special training courses were also given in entrepreneurship, simplified book-keeping, cash box management, salesmanship and other IGP related skills.

Vocational Skills Training courses were directed towards the acquisition of employable and/or upgrading of skills. Many of these vocational courses were for traditional local industries existing in the different field posts. This emphasis on local industries assures employment and an increase in income is realized through increased production. Some field offices augment vocational skills by providing employment assistance either by identifying employment opportunities for the course graduates or teaching them how to seek employment. Several of the course graduates were also observed to have gone into businesses of their own.

Crop Production Training courses were accomplished to upgrade the technical skills of clients engaged in vegetable and cereal farming. These courses covered topics ranging from land cultivation to storage to irrigation management. These courses are seen as strategies through which the income of the farmers could be increased without necessarily engaging in new income generating activities. Most of these crop production training courses were conducted in Kenya, Sri Lanka, India, Khon Kaen and Mindoro.

It should also be pointed out that courses designed to increase crop production should not be undertaken simply for the sake of increasing production. Based on market pricing projections, crop diversifications are at times more economically viable than increases in one particular type of crop. Thus, staff must be aware of supply and demand projections for individual crops before they can intelligently suggest either an increase in a particular crop or diversification.

Animal Husbandry Training courses were held prior to the implementation of livestock projects. As in crop production, these courses were directed towards the upgrading of technical skills of the clients who are mostly farmers and at one time or another have raised livestock. Before they are assisted to purchase animals, they are taught about modern care and management appropriate to the type of livestock they will be raising, and existing conditions in their respective communities.

Agro-forestry Training courses were also conducted prior to the implementation of agro-forestry projects. These projects are geared towards reforestation and soil erosion control and at the same time income generating for the participating clients. The participants were taught the care and management of fruit trees and fast growing trees such as leucana and acacia manygeum. Obviously, the clients will only generate income from the fruit bearing trees after several years, but the fast growing trees will provide the clients with firewood for family consumption and sale, and leaves as feed for their livestock in less than a year. This type of project is being implemented extensively in Bali and Yogyakarta.

Summarily most of the training courses were conducted in coordination with concerned government and private agencies. Efforts have always been exerted to work with these agencies even at the training stage since they usually have the expertise and knowledge of local conditions and can provide monitoring support to the clients during project implementation.

B. STAFF

To be able to assist the clients more effectively several PLAN staff were trained as trainers in the promotion of IGP. Forty-five members of the PLAN/Egypt staff were trained by the Design Center of the Ministry of Industry of Egypt. The topics covered were not only in small business management, but included how to train and assist the small entrepreneur. The training was specifically designed for the urban setting of Cairo. This training was also augmented by consultancy services being provided by the Design Center to PLAN clients, especially in the production aspect of their IGP's. PLAN Bombay and H.D. Kote also conducted training for IGP trainers for their staff. They utilized resource persons from their own respective areas.

The services of World Education, Inc. (WEI) were hired to initiate a course on training of trainers for rural income generating projects. Four field posts, Bali, Khon Kaen, Sri Lanka and Nepal, participated in this training course. The training course covered the whole training process and topics on the management of income generation activities. Particular emphasis was put on training methods, techniques that are effective in relation to the topics and levels/attitudes of the target IGP clients of PLAN. It was designed based on the IGP experience of PLAN and WEI in Asia and Africa. Two staff from each field post participated in the initial training in Sri Lanka. Next the participants conducted one training for their own staff with assistance from WEI. Subsequent training will then be conducted by the two participants on their own. As of the end of fiscal year 1986, Bali and Sri Lanka have conducted the initial training for their staff. Nepal and Khon Kaen will conduct their training in July and August, respectively. All four field posts have planned to have all their line staff undergo the same training course.

The staff of PLAN/Bicol, together with Association leaders, underwent a training course on Community Development Management. Part of the course is a module on economic development. Among others, the module covered topics on

objectives, constraints, resources and opportunities for economic development. This module led to the identification of projects that would most likely lead to income generation for the clients and the associations to which they belong to. The initial training for the staff and Association leaders was conducted by the Institute of Cultural Affairs. Subsequent trainings in each location were conducted by the staff and the leaders for all the members of their respective associations.

Two IGP staff from PLAN Kenya also attended a trainer's training course to better equip them with skills in managing IGP training and providing assistance to community workers and clients.

PLAN Yogyakarta, Madakasira and Khon Kaen conducted or sent their staff to basic technical training in areas such as animal husbandry, crop production and fishing. These trainings equipped the staff with more knowledge and skills in the technical aspect of the IGP's that many of their clients are engaged in or are planning to put up.

As can be seen from the type of training courses that the PLAN staff underwent, these courses were geared towards equipping staff with the necessary knowledge and skills to effectively help their clients generate more profit from their traditional, as well, as new income producing activities.

Please see Appendix B for summary of training courses conducted and Appendix C for WEI's training proposal.

VII. EVALUATION

Evaluation of Income Generating Projects 2nd Annual Report

As the IGP enters the third and final year of implementation, considerable progress had been made in its evaluation efforts. Even though PLAN has its own evaluation system known as the Integrated Evaluation and Research Process (IERP), in practice it had been used more as a reporting mechanism to fulfill the requirements of the International Headquarters and less for decision making at the field level. Under this system evaluation was misunderstood as something to do after implementation of a project and consequently no serious effort was being made to monitor the projects.

With the introduction of the IGP, certain changes occurred in the evaluation of projects in IGP field offices. Since the IGP stresses the increase of income, profits and sustainability, project planners and implementers at the field level had to think more carefully. They started thinking more about feasibility, viability and sustainability of projects not only after implementation but also during the planning and implementation of projects. At the same time International Headquarters also encouraged the field offices to stress evaluation by requesting them to start their own evaluation units at the field level. In addition to these encouragements from the Bangkok IGP office and from International Headquarters, the orientation workshop held in Bangkok in 1985, and findings of a number of studies conducted on IGPs in some of the IGP field posts, encouraged field offices to emphasize monitoring and evaluation. While the Bangkok orientation workshop stressed the importance of monitoring and evaluation as components of the project cycle, the studies conducted at the field level, mostly by local consultants, indicated that lack of feasibility studies, proper monitoring and follow-up were major factors contributing to project failures.

As it exists now in all IGP field posts, senior management as well as the other program staff recognize the importance of monitoring and evaluation. In

most of these places they have already hired evaluation persons, but in some field posts there are no separate evaluation staff. Sometimes some of the field posts cannot find qualified persons as evaluators, while in some other places field directors feel that the evaluation is the responsibility of all the program staff and there is no necessity of hiring evaluators as such. Even in places where there are evaluation staff, many have no evaluation background and sometimes they have just transferred from another department to become the evaluation persons. The workshop on evaluation held in Bangkok in May 1986 was designed to assist local staff who had direct responsibility for evaluation to improve their evaluation capabilities and considerable progress has been made in the IGP field posts during the past two years. All the IGP field offices now think about evaluation and this augurs well for the future of income generating projects.

All field offices are improving their monitoring and evaluation procedures. While some of the field posts have already established comprehensive evaluation systems, others are still in the process of development. The evaluation system of PLAN/Mindoro, which was released in March 1986, is a good example of a comprehensive evaluation system. PLAN/Bicol is a good example of a study the results of which will contribute substantially to the development of monitoring and evaluation tools.

In PLAN/Egypt, as the first step for improving monitoring and evaluation procedures, they have already developed a detailed small business (IGP) evaluation format. This includes a number of reviews of the business during its life cycle, starting from the original application for financial assistance. Once the business is approved and funded, it will be monitored regularly. Whenever needs are identified for modifications, improvements, or for additional technical assistance, clients are referred to appropriate personnel or institutes for instruction. These procedures were begun in June 1986. Similar efforts are also being made in PLAN/Kenya where a detailed manual is being prepared to

insure consistency in the administration of the loan program, to standardize the identification and selection of entrepreneurs and to make sure that sustainability has been adequately considered. According to the manual, the loan applicants must examine the feasibility and viability of the projects and provide adequate information to monitor the project.

Some of the field posts have identified the lack of sufficient baseline information as a major problem for impact evaluation and efforts are being made to collect baseline information. PLAN/Nepal has already conducted a household survey for this purpose. CASP/PLAN in Bombay has already developed a comprehensive evaluation format which they can use also for baseline data collection. As mentioned above, PLAN/Mindoro's evaluation system provides such baseline information on client families.

In some of the field offices where they have been continuing with income generating activities for some time and when they want to expand such activities further, special evaluation studies are conducted with the assistance of external consultants. Two studies conducted on credit unions and livestock in Bali are examples of such evaluation studies. Studies on credit unions in Yogyakarta and Bali examined the capability of CUs and their inter-lending bodies to handle additional capital for promotion of income generating activities. The study of livestock projects in Bali was to examine how well the program is doing and what improvements can be done in the implementation of livestock projects in the future. All these studies have been completed and the recommendations will be used in future planning, implementation and evaluation of projects.

Lack of adequate training in evaluation was identified as a need in some of the field posts and efforts were made to train local staff in monitoring and evaluation. Such a training program was conducted in Sri Lanka by a local consultant for evaluation staff as well as for other program staff. PLAN/Kenya organized a one week evaluation workshop for its senior management staff in order to train them in monitoring and evaluation of their projects.

The IGP office in Bangkok observed the need for training in monitoring and evaluation for all the local staff of the IGP field posts, and the field directors of the IGP field offices have shown interest in such training. As a result, a workshop in evaluation was organized in May 1986, in Bangkok, for all the local staff in IGP field offices who are involved directly in IGP evaluation. During the workshop, participants identified the shortcomings of the existing evaluation system and also identified the role of evaluation mainly as the provision of information for decision making. Workshop participants working in small groups identified the major decision problems in their field posts and developed indicators which they can use for collection of data to obtain the information to tackle the identified problems. At the end of the workshop participants began to develop certain data collection tools which could be used in a variety of field posts with little modification.

The major activity for the next year in relation to evaluation is to follow up the outcome of the workshop and to assist all the IGP field posts in the collection of adequate evaluation information for decision making.

VIII. TECHNOLOGY EXCHANGE

The technology exchange function of the IGP was located in the United States to accomplish three goals related to income generation:

1. To locate and secure agreement from U.S. firms on the exchange of technology overseas.
2. To network among existing PVOs in order to keep up to date on what other PVOs were doing and developments in evaluation methodology, and
3. To conduct development education exercises to interested and involved audiences.

All three of the above objectives have been successful during the first two years although the particular usefulness of the technology exchange function to field operations remains to be demonstrated. Contacts with major corporations involved in marketing, manufacturing, sales, and research elicited very positive responses concerning the new orientation of PVOs to stimulate small business activity abroad. In areas of solar technology, crafts marketing, textile production and export, customs regulation, textile sizing and design, sales and marketing training techniques, and plastics; major corporations were willing to voluntarily participate and in some cases to work in joint projects. Unfortunately, in all these cases the simple size of the efforts they felt necessary for a cost effective approach was much larger than the beginning nature of our field enterprises.

Only in Bolivia where PLAN had organized a production cooperative of 1,500 was the size of the field project large enough to effect a direct transfer of technology. And, even here, the country was not part of the official IGP project. Working with volunteer professors from the Rhode Island School of Design and a U.S. based import business, the necessary design, style, and marketing changes to adjust Third World products to U.S. markets were successfully completed. The first year's increase in total sales will approximate \$10,000.

Project margin: will rise substantially as well as the individual incomes of an unspecified number of workers.

Further, PLAN has given the institutionalization of the process top priority. Local managers, export supervisors, quality control staff and independent communications training has gone hand in hand with project development. PLAN should be able to step aside as middleman in FY 87 with direct contractual arrangements solidified between the Bolivian business and their U.S. importers. PLAN assisted in the necessary connections to local authorities with all the legal workups completed for formal incorporation.

Further, technology transfer has been provided by Mobil Solar, a subsidiary of Mobil Corporation. Mobil encouraged an approach to their Solar Division in order to determine the feasibility of transferring solar technology to India. Recent government changes and a reduction of import quotas on solar technology from 152% to approximately 75% presented a marketing opportunity for Mobil. A need which had been identified by our Indian staff for electricity in rural villages for their water pumping, irrigation, or small amounts of electrification in the village was seen as a result for attempting to find a company willing to transfer solar technology to India. Before the change in governments the previous government had emphasized solar technology development from local Indian companies but the quality and price of their products was almost ten times higher than the American counterpart. The prospect of a joint demonstration project with PLAN International, an Indian company, and our joint efforts with an Indian PVO appealed to Mobil Solar as a possible marketing device into the Indian market.

Networking within the United States has kept the project abreast of changes and findings of other PVOs working in income generation. A list of contacts in the field of other PVOs were provided, and when found, government agencies in host countries having small business promotion efforts were identified. In

nearly all cases, the government agencies program had specifications which ruled out participation of micro-enterprises and the very poor.

The technology exchange function also passed along to the field intermediate documents on evaluation being prepared by the small enterprises evaluation project conducted by PACT. The concentration on both economic and social indicators fit well with an evaluation model being prepared in Mindoro, the Philippines. This evaluation model greatly simplifies the ability to evaluate income generating projects along both economic and social indicators by reducing the number of variables which need to be collected and quantified.

The technology exchange function also generated a new program within the U.S. National Office designed to assist field efforts at income generation by developing U.S. markets for export quality goods. A crafts catalog program was approved by the Board of Directors in 1986 to market crafts to our 70,000 Foster Parents.

In the area of development education, presentations to 20 businesses on our new efforts to stimulate the informal sector was accomplished during the last year. The Board of Directors at the U.S. National Office received three in-depth briefings during the year as well as the support staff at the U.S. National Office. Participation at a seminar for corporations involved in international development further spread our knowledge and interest in working collaboratively with the corporate sector.

Year III will change the focus of the effort to much smaller companies and possible interventions. The focus on training for international home office staff, production of an educational slide show, and further outreach and networking efforts will take place in Year III.

IX. COUNTRY SPECIFIC - MAJOR ACCOMPLISHMENTS**A. EGYPT**

1. 57 Businesses financed
2. Interim credit mechanism created - Revolving Loan Fund
3. 3 Job related training projects
4. Two week training course by ILO and the Ministry of Industries Engineering and Industrial Design Center
5. Technical Training Agreement signed with Ministry for follow-up technical training in business skills
6. Of 57 loans only 3 are in arrears and only 1 business failure
7. Egypt believes this sector has strongest overall impact on self-sufficiency goal.

B. KENYA

1. Embu
 - a. Technical assistance and credit to 4200 PLAN families
 - b. Food and livestock production up 10%
 - c. 8 groups financed in small business - employment up 5%
 - d. New emphasis - 15 individual entrepreneurs financed
 - e. Annual income per family up 5%
 - f. Introduction of individual business loan scheme received enthusiastic response - 212 prospective entrepreneurs were screened.
2. Meru
 - a. 3384 received technical assistance and credit
 - b. 813 non-PLAN families received technical assistance and credit
 - c. 6 groups and 9 individual businesses received credit
 - d. 2 technical coordinators hired and PLAN promoters trained
 - e. Successful applicants received basic business skill training
 - f. Loans given were in terms of implements rather than cash

C. INDIA

1. Bombay

- a. Registration of 4 major manufacturing projects with government and problem specific training
- b. 3 new businesses started: envelopes, uniforms, college canteen
- c. Salemanship Training Course
- d. PLAN and Bank of Maharashtra cooperative agreement on 41 loans

2. MADAKASIRA

- a. Projects in pottery, carpentry, blanket weaving, flower growing, knitting, etc. initiated
- b. Policy dialogue with government over land tenure and income generating strategies

D. INDONESIA

1. Yogyakarta

- a. Experience suggests that "individual ownership of productive resources gives better results than group or communal ownership. People work harder for their own benefit". Too many individual projects to list.

2. Bali

- a. Agriculture and livestock projects implemented in conjunction with Department of Agriculture
- b. 20 local credit unions capitalized for credit provision to IGPs

E. PHILIPPINES

1. Bicol

- a. P1,281,872 capital loans and grants to 608 individuals
- b. Impact evaluation study
- c. Out of 375 loans only 25% fully repaid
- d. 5 Day IGP evaluation workshop

- e. Outreach to technical assistance centers, small business advisory centre and agriculture department

F. THAILAND

1. Khon Kaen

- a. 10,900 PLAN and non-PLAN families assisted in agriculture, silk production, one credit scheme and courses in weaving, mechanics, dress-making, and barbering

G. NEPAL

- 1. Major cooperative credit agreement with local bank

H. SRI LANKA

- 1. Major credit agreement with Bank of Ceylon

X. USAGE OF FUNDS

As reported at the time of the first annual review with USAID of the matching grant, reference was made to the loan policy of the various IGP field offices. It will be recalled that one of the major premises upon which this project was based, was strong support for loans rather than a continuation of handing out money; hence, the Bangkok office has been monitoring loan policies and practices. But not only that, the Bangkok office has also been monitoring trends in budgeting and expenditures. The sector of particular interest to the IGP is line 16 of the budget and monthly financial statement called Resource and Skills Development. This sector is only one part of the total budget and only one part of the integrated program approach PLAN advocates and practices. Within the Material Aid and Services budget there is the R&SD Sector and within it, is line 16.31, small business projects. A part of our monitoring process uses information taken from data already available as:

total line 16 expenditures - trends 1984-1987 (see table I)

total line 16 as a percentage of the total MA&S expenditures -
trends 1984-1987 (see table II)

line 16.31 as a percentage of line 16 - trends 1984-1987

(also see table III)

In FY 1985, the total amount of funds expended for line 16 projects amounted to \$692,538. In FY 1986, this total for all IGP field offices jumped to \$1,054,386. This represented a 66% increase over the 1985 figure. In the budget projections for FY 1987, this figure of \$1,054,386 spent in FY 1986 will increase to \$2,028,743. This represents another very substantial increase of 50 percent over the 1986 figures. It underlines the field's growing understanding of IGP objectives and a very strong commitment to Resource and Skills Development, which in fact is human development.

Between 1985 and 1986 our CASP/PLAN project in Bombay showed an outstanding 284% increase in funds spent in this sector. Herein lies a kernel of true integration, linking IGP and urban programming. Urban programming could very well be spearheaded by income generating projects which are at the very heart of the reason why the people flock to the cities in the first place or conversely, leave the rural areas where after tireless efforts, employment opportunities just do not exist. The lowest growth rate we experienced in this same period was Mindoro, but in the following year, the increase amounted to 41%. Mindoro's commitment to IGP has been beneficial to thousands of families and its enthusiastic interest in evaluation has been exceptional. After a quiet period of training and reorganization, but not too much implementation, Sri Lanka is showing the highest percentage of increase in line 16 projections of FY 1987. The average projected increase for FY 1987 is 60% marking a consistently upward allocation of funds to this sector which includes income generating projects.

The second indicator in our monitoring process is line 16 as a percentage of the total funds to be expended on programs. Here the figures are not as startling. In 1985, line 16 averaged approximately 16% of the total program budget - same in 1986. Projections for FY 1987 reflect a healthy upward trend at 24.5% of the total program budget. Noteworthy is the fact that all of the IGP field offices have small business project plans for FY 1987. In two of the field offices, Yogyakarta and Nepal, where a cash grant is given, no small business projects appear on line 16.31, but they are a part of the financial assistance program which appears on another line. Clearly the support and enthusiasm have been strengthened within the region and income generating projects are improving.

The third indicator is the percentage of small business projects, line 16.31, in relation to the total line 16 expenditures. As might be expected, it is the urban program in Egypt which allocates the highest percentage (seventeen percent) to small business projects. Yet, the more integrated rural programs also

allocate a high percentage of funds to the small business endeavors as indicated in excerpts from the following H.D. Kote, India report:

"Since the Bank could not stand up to the commitment, a decision had to be taken to release funds from MYRADA/PLAN H.D. Kote Project Budget directly to the groups for programs they have designed. The amount given to the group will form as a revolving capital and thus more beneficiaries will be getting assistance from this fund. In order to create internal pressure for strict repayment the beneficiaries are selected in such a way that a percentage of the beneficiaries - FC and Target Group families - are left out so that they act as a pressure group to ensure proper recovery. The necessary accounting training and internal audit system have been established so that proper handling of funds by the groups is ensured. The economics of each activity was worked out and the beneficiaries were educated on the economics of each activity in the NFE Centers. They are made aware of the increased margin they could get out of any particular activity and the percentage they could pay out towards the loan and the net increase they will see in their annual income. These exercises have amply demonstrated the people's keenness to give priority to economic support programs other than community welfare programs. The temptation to ask for roads, drainages, buildings is on the decrease. Considerable increase in the demand for agriculture, animal husbandry, small business, etc., is on the increase. The FY 87 Budget will have larger proportion of allocation in the income generating activities."

A concern of the field staff has been the handling of the loans. Who should handle the loan? Is PLAN a bank or should it even try to act like one? As everyone knows full well, local situations vary and this seems to hold whether one is talking about religion or money. One recent report from Egypt illustrates the point:

"Implementation of these projects has been slow; although there are a number of proposals pending. As noted, we have been unable to identify collaborating financial institutions to participate in this sector. The concept of

small local credit unions or banks specializing in credit at this scale is not well known in Cairo. As one banker put it when approached, 'This isn't banking ... we lend money to people who have money'. PLAN did not want to get away from the loan concept, but finally decided on keeping the idea but using the loan repayment mechanism as a sort of capital accumulation scheme whereby loan repayments are deposited in the family bank account. This at least provides the fiction of a repayment concept and hopefully will pave the way for a true loan scheme to be developed about some sort of credit union or guild."

In the final analysis, social agencies should be social agencies and banks should be banks, but when the social agencies need the services of the banks, they should be able to get them as a straightforward business proposition. Table IV indicates how we are progressing. We now have five field offices which have been able to work out arrangements with the local banks and our entrepreneurs are beginning to learn how to use the banks. They will have to when PLAN is gone and this learning process figures heavily in our attempts at sustained development.

The loan policy survey initiated during the first year of the matching grant will be continually monitored as a useful and informative data base has already been established.

TABLE I

INCREASE/DECREASE OF LINE 16 EXPENDITURE SINCE 1985

| Field Office | Total Line 16 Expenditure US\$ | | | % increased/ decreased 1986 over 1985 | | % increased/ decreased 1987 over 1986 | |
|----------------|--------------------------------|------------------|------------------|---|---------------|---|---------------|
| | 1985 | 1986 | 1987 | de- crease | in- crease | de- crease | in- crease |
| | Naga | 154,248 | 213,000 | 192,317 | - | 38.1 | 10.8 |
| Mindoro | 113,427 | 120,000 | 203,632 | - | 5.8 | | 41.1 |
| Sri Lanka | 24,904 | 33,886 | 109,636 | - | 26.5 | | 69.3 |
| Kenya | 132,265 | 278,000 | 249,731 | - | 110.2 | 11.3 | |
| C/P Bombay | 9,836 | 28,000 | 79,676 | - | 284.7 | | 64.9 |
| M/P H.D. Kote | 167,367 | 215,500 | 175,078 | - | 28.8 | 23.1 | |
| M/P Madakasira | 21,946 | 58,000 | 157,056 | - | 164.3 | | 63.1 |
| Bali | 68,545 | 108,000 | 287,231 | - | 57.6 | | 62.4 |
| Yogyakarta | - | - | 275,692 | - | - | | NA |
| Egypt | - | - | 145,756 | - | - | | NA |
| Nepal | - | - | 152,938 | - | - | | NA |
| TOTAL | 692,538 | 1,054,386 | 2,028,743 | | 34.3 | | 48.0 |

TABLE II
MA&S EXPENSES AND LINE 16 EXPENSES SINCE 1985

| Field Office | Line 16 As a % MA&S Expenses | | | Line 16.31 (Small business) Sector as % of Line 16 | | |
|----------------|------------------------------|------|------|---|------|------|
| | 1985 | 1986 | 1987 | 1985 | 1986 | 1987 |
| Naga | 18.0 | 26.0 | 20.0 | 1.36 | 23.9 | 13.0 |
| Mindoro | 19.0 | 24.0 | 33.0 | 10.0 | 13.3 | 6.0 |
| Sri Lanka | 10.0 | 9.0 | 18.0 | 49.0 | NA | 0 |
| Kenya | 12.0 | 20.4 | 20.0 | 5.0 | 7.2 | 11.0 |
| C/P Bombay | 5.0 | 8.7 | 16.0 | 26.3 | 59.8 | 8.0 |
| M/P H.D. Kote | 34.0 | 33.3 | 25.0 | NA | 10.4 | 2.0 |
| M/P Madakasira | 22.0 | 5.3 | 40.0 | NA | NA | 11.0 |
| Bali | 5.0 | 4.0 | 27.0 | NA | NA | 6.0 |
| Yogyakarta | - | - | 16.0 | - | - | - |
| Egypt | - | - | 21.0 | - | - | 17.0 |
| Nepal | - | - | 34.0 | - | - | - |

XI. OBJECTIVES FOR YEAR III OF THE IGP

- A. Continue developing the capabilities of the:
 - 1. Staff in providing effective training and extension services to participating IGP groups and individuals
 - 2. Participants in managing their IGPs
- B. Each field office will be able to strengthen/implement the most effective IGP financial assistance schemes suitable to the situation in his respective area.
- C. Prepare a manual (and other materials) based on the successes and failures experienced and that could serve as a guide or resource book for other PLAN field offices.
- D. Continue to support the IGP evaluation series with more emphasis on project accomplishments now that more general basic studies are completed.

XII. SOME TOOLS FOR IGP PROMOTION

In the interest of saving time and avoiding duplication, continued communications is needed among the IGP countries. Some field offices are working on manuals of operation to guide them in the setting up of procedures for implementation of income generating projects. Sri Lanka and Kenya worked out procedures and Bicol is in the process of doing so. The content of most manuals have at least parts which are applicable in the variety of field offices - see GUIDELINES FOR PLAN (KENYA) ASSISTANCE TO SMALL ENTERPRISE PROJECTS, Appendix A. Its coverage of issues is almost complete, covering subjects such as selection of entrepreneurs, group formation and organization, project finances including loans and technical assistance.

While the target population and geographic location of the PLAN program is determined before IGP enters the picture, an analysis of the area is necessary before any IGP is even attempted. All field posts have time and time again heard the IGP staff talk about and even plead for an analysis of the market, that is, the supply of and the demand for the project which the family wants to produce. Several field offices are using the Market survey and demand analysis distributed at the Bangkok workshop over a year ago. Sri Lanka has designed and is using a modified survey form. While sharing of information is desirable, one must be careful to not import a format which tends to collect information inappropriate for a particular area. With that warning, the Sri Lanka model, ANALYSIS OF PROJECT AREA is attached in Appendix B.

Perhaps one of the most talked about issues among PLAN's entrepreneurs is the subject of grants and loans. Indeed, valiant efforts have been made to come up with an alternative to the cash grant. This is not new. PLAN has been talking about it for years and progress certainly is notable, but we have a way to go. In any event, almost all IGP field offices have taken a look at various loan application forms if they have not borrowed one from the local banks or better yet, designed one to fit the particular local situation.

The sample loan form we have chosen to share with the readers is the one from Nepal - see Appendix C.

In our search for an answer to the cash grant/loan issue, it is only logical that we would be led into a consideration of the institutions available locally for the handling of the loans. These are credit unions, cooperatives, banks, associations, etc. India will be handling loans through the banks with the banks having their own funds to be lent. Kenya will also be working with the banks, but they have no money so this has involved a deposit from PLAN and in fact it is PLAN's money that is being lent. As in many other things in development, institution building requires an economic base if it is to be sustained. Credit unions, like banks, must charge interest, that is, must make money or they do not stay in business long. This holds true for any institution, in the building of which PLAN might be involved. In Bicol, PLAN has organized and been the moving force behind the formation of associations. These associations will not survive unless they differ from those drawn up for individuals or groups of individuals. In a sense, PLAN in Bicol is using the association as a bank since PLAN provides grants to the associations and the associations, in turn, provide loans to the entrepreneurs. How it is done appears in Appendix D, PLAN/BICOL, GUIDELINES FOR ASSOCIATIONS GOING INTO A RELENDING PROGRAM.

As indicated in other parts of this report/manual, interest and enthusiasm for evaluation are high in PLAN programs in Asia. Fear, or to borrow an expression, "the mystique of evaluation" is waning. The "who is to do evaluation?" and "how is it to be done?" are more frequent and more open questions than just a short year ago. The proceedings of the evaluation workshop held in Bangkok in May 1986 have been circulated and contain a number of possible evaluation tools. Ever since then, progress has been made, particularly in Egypt, where a five year step by step monitoring system has been set up. To begin with, however, a new income generating project is monitored every month for five months. The SMALL

BUSINESS EVALUATION FORM and the BUSINESS COMPONENTS AND ACTIVITY FOLLOW-UP FINDINGS appear in Appendix E.

The most comprehensive studies completed this second year of the income generating project have been those done in Bicol and in Mindoro. These two field posts were two of three field offices which have been in the IGP, as we know it, since the beginning. Still, two years is a very short time to measure impact. Mindoro combines a progress monitoring system along with a potential for measuring impact. PLAN/Mindoro has designed an alternative to the PROJECT EVALUATION FACESHEET - see Appendix F. This PEF provides a system for numerical scaling of (1) participation, (2) financial management, (3) technical assistance and (4) technical success. The result gives one a numerical total overall rating of the income generating project.

Some of the more specialized agencies have more experience in small business promotion than does PLAN. Some of that experience is not helpful, but a lot of it is and we have drawn heavily on the experience of others. This makes sense from a technical point of view. Our project from its inception, has advocated drawing on resources from within the region and generally this has been a very sound basis of operation. There are numerous examples; the two samples included in this manual are the agreement drawn up between PLAN/Egypt and The Engineering and Industrial Design Development Center in Cairo (Appendix J). The second sample (Appendix K) is model provided by IH and used in a consultancy between the PLAN Bangkok Office and the Thailand Partnership for Productivity office.

What we have accomplished has been supplemented by information circulated through the Bangkok Bulletin (Appendix L) and most recently, by our own field generated information in a report called The Listening Post. See Appendix

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT

INCOME-GENERATING MATCHING GRANT PROJECT

PROJECT MANAGEMENT

ACTUAL EXPENDITURES

YEAR II - PLAN FISCAL YEAR 1986

1 JULY 1985 - 30 JUNE 1986

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT

INCOME-GENERATING MATCHING GRANT PROJECT

SUMMARY

ACTUAL EXPENDITURES

YEAR II - PLAN FISCAL YEAR 1986

1 JULY 1985 - 30 JUNE 1986

| | <u>PLAN</u> | <u>AID</u> | <u>TOTAL</u> |
|-----------------------------|-----------------------------|----------------|------------------|
| Project Management | | \$ 214,061 | \$ 214,061 |
| Egypt | \$ 29,950 | 33,362 | 63,312 |
| Kenya | 102,533 | 136,720 | 239,253 |
| Bombay, India | 68,394 | - | - |
| H.D. Kote/Madakasira, India | 316,980 | - | 316,980 |
| Bali, Indonesia | 212,158 | 82,122 | 294,280 |
| Yogyakarta, Indonesia | 93,046 | 320,500 | 413,546 |
| Nepal | 64,159 | 2,160 | 66,319 |
| Bicol, Philippines | 91,982 | 90,264 | 182,246 |
| Mindoro, Philippines | 79,904 | 81,173 | 161,077 |
| Sri Lanka | 28,805 | 33,864 | 62,669 |
| Khon Kaen, Thailand | <u>30,770</u> | <u>9,546</u> | <u>\$ 40,316</u> |
| | \$1,118,681 | \$1,003,772 | \$2,122,453 |
| 10% Indirect Costs | <u> </u> | <u>100,378</u> | <u>100,378</u> |
| | \$1,118,681 | \$1,104,150 | \$2,222,831 |

PROJECT MANAGEMENT EXPENSES

OPERATING BUDGETBANGKOK PROJECT OFFICE

| | <u>AID</u> |
|---|--------------|
| <u>Personnel</u> | |
| Director: Salary and Salary-Related | \$37,484 |
| Staff Salaries | <u>2,434</u> |
| | \$39,918 |
| <u>Office Expenses</u> | |
| Travel | \$43,997 |
| Vehicle-Related Costs | 2,148 |
| Rent | 16,280 |
| Utilities | 1,012 |
| Equipment | 4,321 |
| Repairs, Maintenance and Service | 1,040 |
| Postage/Telephone/Telecommunications/Cables | 7,569 |
| Office Supplies, Stationery and Printing | 1,445 |
| Insurance | 285 |
| Bank Charges | 254 |
| Other | <u>806</u> |
| | \$79,157 |
| Total: | \$119,075 |

PROJECT MANAGEMENT EXPENSES

| | <u>AID</u> |
|---|--------------|
| <u>Training</u> | |
| Assistant Director for Training | \$ 7,500 |
| Books, Publications, Training Materials | 525 |
| Other | <u>68</u> |
| | \$ 8,093 |
| <u>Evaluation</u> | |
| Assistant Director for Evaluation* | \$20,033 |
| Indonesian Credit Union Evaluation | |
| Consultants | 5,120 |
| Other Expenses | <u>1,123</u> |
| | 6,243 |
| Mindoro Evaluation System | |
| Consultant | 6,300 |
| Travel | 4,239 |
| Data Processing and Report Preparation | <u>2,274</u> |
| | 12,813 |
| Other | <u>491</u> |
| | \$39,580 |
| <u>Project Costs</u> | \$ 169 |
| <u>Conferences</u> | |
| Bangkok Orientation Workshop, June 1985** | \$ (440) |

World Education Training

| | |
|-------------------------------|--------------|
| Consultants*** | \$ 20,000 |
| Workshop Expenses - Bangkok | 2,133 |
| Workshop Expenses - Sri Lanka | 4,803 |
| Field Travel Expenses | <u>6,195</u> |
| | \$ 33,131 |

Evaluation Workshop

| | |
|-----------------------------|---------------|
| Consultant | \$ 1,400 |
| Workshop Expenses - Bangkok | 2,669 |
| Field Travel Expenses | <u>10,384</u> |
| | \$ 14,453 |
| Total: | \$ 47,144 |

Summary

| | |
|--------------------|---------------|
| Operating Expenses | \$119,075 |
| Training | 8,093 |
| Evaluation | 39,580 |
| Project Costs | 169 |
| Conferences | <u>47,144</u> |
| | \$214,061 |

* Assistant Director for Evaluation was paid through a contract with the Asian Institute of Technology, which also included computer processing, secretarial and other services.

** The \$440 represents credits to the Bangkok Orientation Workshop held in June 1985, which were not posted until July 1985 after the close of the fiscal year.

*** World Education consulting fees came to \$26,961. \$20,000 of this was paid in FY 86 and appears in these financial statements. The final payment of \$6,961, as well as some travel expense reimbursement, was made in FY 87 and does not appear here. These expenditures will appear in the accounting for Year 3.

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT
 INCOME-GENERATING MATCHING GRANT PROJECT

EGYPT

ACTUAL EXPENDITURES

YEAR II - PLAN FISCAL YEAR 1986

1 JULY 1985 - 30 JUNE 1986

| | <u>PLAN</u> | <u>AID</u> | <u>TOTAL</u> |
|-------------------------------------|-------------------|--------------|--------------|
| 15.12 Lighting | \$ 3,891 | - | \$ 3,891 |
| 15.14 Community Center Construction | 5,066 | - | 5,066 |
| 16.01 Salaries | 2,811 | - | 2,811 |
| 16.02 Salary-Related | 940 | - | 940 |
| 16.13 Animal Husbandry | 2,205 | \$10,721 | 12,926 |
| 16.31 Small Business Development | 6,767 | 2,607 | 9,374 |
| 16.33 Employment Opportunity | 3,331 | - | 3,331 |
| 16.50 Special Services Fund | 1,694 | - | 1,694 |
| 16.61 Vehicle-Related Costs | 1,557 | - | 1,557 |
| 16.68 Equipment | 910 | - | 910 |
| 16.81 Other | 778 | - | 778 |
| 16.90 Technical Assistance | | 11,119 | 11,119 |
| 16.92 Training | | 7,889 | 7,889 |
| 16.93 Evaluation | <u> </u> | <u>1,016</u> | <u>1,016</u> |
| | \$29,950 | \$33,362 | \$63,312 |

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT

INCOME-GENERATING MATCHING GRANT PROJECT

KENYA

ACTUAL EXPENDITURES

YEAR II - PLAN FISCAL YEAR 1986

1 JULY 1985 - 30 JUNE 1986

| | <u>PLAN</u> | <u>AID</u> | <u>TOTAL</u> |
|--------------------------------------|-------------------|--------------|--------------|
| 15.21 Leadership Training | \$ 17,123 | \$ 1,101 | \$ 18,224 |
| 16.01 Salaries | 46,320 | | 46,320 |
| 16.02 Salary-Related | 2,284 | | 2,284 |
| 16.11 Grain Storage and Cereal Banks | | 2,705 | 2,705 |
| 16.12 Erosion Control/Reforestation | | 2,455 | 2,455 |
| 16.13 Animal Husbandry | | 22,772 | 22,772 |
| 16.14 Fruits and Vegetables | | 3,214 | 3,214 |
| 16.15 Irrigation | | 16,964 | 16,964 |
| 16.26 Agricultural Training | | 42,326 | 42,326 |
| 16.31 Small Business Development | | 40,601 | 40,601 |
| 16.61 Vehicle-Related Costs | 14,188 | | 14,188 |
| 16.62 Travel | 1,189 | | 1,189 |
| 16.68 Equipment | 17,215 | | 17,215 |
| 16.73 Supplies | 491 | | 491 |
| 16.80/16.92 Training | 3,319 | 244 | 3,563 |
| 16/81/16.94 Other | 404 | 2,950 | 3,354 |
| 16.90 Technical Assistance | <u> </u> | <u>1,388</u> | <u>1,388</u> |
| | \$102,533 | \$136,720 | \$239,253 |

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT

INCOME-GENERATING MATCHING GRANT PROJECT

BOMBAY

ACTUAL EXPENDITURES

YEAR II - PLAN FISCAL YEAR 1986

1 JULY 1985 - 30 JUNE 1986

| | <u>PLAN</u> | <u>AID</u> | <u>TOTAL</u> |
|----------------------------------|-------------|------------|--------------|
| 15.21 Leadership Training | \$ 4,490 | - | \$ 4,490 |
| 15.30 Coops/Credit Unions | 26,393 | - | 26,393 |
| 16.01 Salaries | 5,331 | - | 5,331 |
| 16.02 Salary-Related | 533 | - | 533 |
| 16.31 Small Business Development | 24,198 | - | 24,198 |
| 16.33 Employment Opportunity | 6,353 | - | 6,353 |
| 16.62 Travel | 223 | - | 223 |
| 16.68 Equipment | 176 | - | 176 |
| 16.80 Training | <u>697</u> | | <u>697</u> |
| | \$68,394 | | \$68,394 |

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT
INCOME-GENERATING MATCHING GRANT PROJECT

H.D. KOTE/MADAKASIRA

ACTUAL EXPENDITURES

YEAR II - PLAN FISCAL YEAR 1986

1 JULY 1985 - 30 JUNE 1986

| | PLAN | AID | TOTAL |
|-------------------------------------|------------|----------|------------|
| 15.10 Feeder Roads/Street Repair | \$ 3,119 | - | \$ 3,119 |
| 15.12 Lighting | 9,345 | - | 9,345 |
| 15.14 Community Center Construction | 19,898 | - | 19,898 |
| 15.21 Leadership Training | 1,659 | - | 1,659 |
| 15.30 Agricultural Credit | 32,860 | - | 32,860 |
| 16.01 Salaries | 17,891 | - | 17,891 |
| 16.02 Salary-Related | 2,981 | - | 2,981 |
| 16.11 Grain Storage & Cereal Banks | 5,370 | - | 5,370 |
| 16.12 Erosion Control/Reforestation | 12,028 | - | 12,028 |
| 16.13 Animal Husbandry | 29,433 | - | 29,433 |
| 16.14 Fruits and Vegetables | 725 | - | 725 |
| 16.15 Irrigation | 9,271 | - | 9,271 |
| 16.16 Fisheries | 2,317 | - | 2,317 |
| 16.18 Agricultural Implements | 2,025 | - | 2,025 |
| 16.26 Agricultural Training | 1,424 | - | 1,424 |
| 16.28 Demonstration Plot/Model Farm | 5,423 | - | 5,423 |
| 16.30 Agricultural Credit | 119,676 | - | 119,676 |
| 16.31 Small Business Development | 25,768 | - | 25,768 |
| 16.61 Vehicle-Related Costs | 10,537 | - | 10,537 |
| 16.62 Travel | 1,358 | - | 1,358 |
| 16.64 Evaluation | 44 | - | 44 |
| 16.68 Equipment | 2,754 | - | 2,754 |
| 16.73 Supplies | 572 | - | 572 |
| 16.30 Training | 306 | - | 306 |
| 16.81 Other | <u>196</u> | <u>-</u> | <u>196</u> |
| | \$316,980 | \$ - | \$316,980 |

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT

INCOME-GENERATING MATCHING GRANT PROJECT

BALI

ACTUAL EXPENDITURES

YEAR II - PLAN FISCAL YEAR 1986

1 JULY 1985 - 30 JUNE 1986

| | <u>PLAN</u> | <u>AID</u> | <u>TOTAL</u> |
|-------------------------------------|-------------------|--------------|--------------|
| 15.10 Feeder Roads/Street Repair | \$ 21,126 | | \$ 21,126 |
| 15.11 Bridge Construction | 30,045 | | 30,045 |
| 15.13 Animal Husbandry | 11,230 | | 11,230 |
| 15.30 Coops and Credit Unions | 88,787 | \$13,030 | 101,817 |
| 16.12 Erosion Control/Reforestation | 3,188 | | 3,188 |
| 16.13 Animal Husbandry | 12,094 | 19,377 | 31,471 |
| 16.14 Fruits and Vegetables | 1,778 | 11,680 | 13,458 |
| 16.15 Irrigation | 39,996 | 9,897 | 49,893 |
| 16.16 Fisheries | | 1,890 | 1,890 |
| 16.31 Small Business Development | 2,358 | | 2,358 |
| 16.33 Employment Opportunity | 1,556 | 16,499 | 18,055 |
| 16.90 Technical Assistance | | 1,975 | 1,975 |
| 16.93 Evaluation | <u> </u> | <u>7,774</u> | <u>7,774</u> |
| | \$212,158 | \$82,122 | \$294,280 |

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT

INCOME-GENERATING MATCHING GRANT PROJECT

YOGYAKARTA

ACTUAL EXPENDITURES

YEAR II - PLAN FISCAL YEAR 1986

1 JULY 1985 - 30 JUNE 1986

| | <u>PLAN</u> | <u>AID</u> | <u>TOTAL</u> |
|-------------------------------------|-------------------|--------------|--------------|
| 15.11 Bridge Construction | \$15,892 | | \$ 15,892 |
| 15.30 Coops/Credit Unions | 12,327 | | 12,327 |
| 16.01 Salaries | 4,694 | | 4,694 |
| 16.02 Salary-Related | 446 | | 446 |
| 16.12 Erosion Control/Reforestation | 20,542 | 155,481 | 176,023 |
| 16.13 Animal Husbandry | | 52,220 | 52,220 |
| 16.14 Fruits and Vegetables | 8,056 | 76,239 | 84,295 |
| 16.15 Irrigation | 6,376 | | 6,376 |
| 16.16 Fisheries | 544 | 5,145 | 5,689 |
| 16.18 Agricultural Implements | 15,894 | | 15,894 |
| 16.31 Small Business Development | | 6,401 | 6,401 |
| 16.33 Employment Opportunity | | 3,334 | 3,334 |
| 16.61 Vehicle-Related Costs | 2,902 | | 2,902 |
| 16.73 Supplies | 1,003 | | 1,003 |
| 16.80/16.92 Training | 4,324 | 11,554 | 15,878 |
| 16.81/16.94 Other | 46 | 1,111 | 1,157 |
| 16.90 Technical Assistance | | 3,458 | 3,458 |
| 16.93 Evaluation | <u> </u> | <u>5,557</u> | <u>5,557</u> |
| | \$93,046 | \$320,500 | \$413,546 |

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT

INCOME-GENERATING MATCHING GRANT PROJECT

NEPAL

ACTUAL EXPENDITURES

YEAR II - PLAN FISCAL YEAR 1986

1 JULY 1985 - 30 JUNE 1986

| | <u>PLAN*</u> | <u>AID**</u> | <u>TOTAL</u> |
|----------------------------------|-----------------|----------------|-----------------|
| 15.10 Feeder Roads/Street Repair | \$ 3,807 | | \$ 3,807 |
| 15.21 Leadership Training | 522 | | 522 |
| 16.13 Animal Husbandry | 41,046 | | 41,046 |
| 16.14 Fruits and Vegetables | 519 | | 519 |
| 16.15 Irrigation | 1,088 | | 1,088 |
| 16.26 Agricultural Training | 761 | | 761 |
| 16.30 Agricultural Credit | 1,324 | | 1,324 |
| 16.31 Small Business Development | 4,122 | | 4,122 |
| 16.33 Employment Opportunity | 1,809 | | 1,809 |
| 16.50 Special Services Fund | 746 | | 746 |
| 16.51 Special Projects | 8,415 | | 8,415 |
| 16.92 Training | | \$1,835 | 1,835 |
| 16.93 Evaluation | | <u>325</u> | <u>325</u> |
| | <u>\$64,159</u> | <u>\$2,160</u> | <u>\$66,319</u> |

* PLAN Match expenditures as of April 1986

** AID expenditures as of May 1986

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT

INCOME-GENERATING MATCHING GRANT PROJECT

MINDORO

ACTUAL EXPENDITURES

YEAR II - PLAN FISCAL YEAR 1986

1 JULY 1985 - 30 JUNE 1986

| | <u>PLAN</u> | <u>AID</u> | <u>TOTAL</u> |
|----------------------------------|-----------------|-----------------|------------------|
| 15.30 Coops/Credit Unions | \$ 7,679 | | \$ 7,679 |
| 16.01 Salaries | 34,018 | | 34,018 |
| 16.02 Salary-Related | 1,489 | | 1,489 |
| 16.10 Grain Cultivation | 7,586 | | 7,586 |
| 16.13 Animal Husbandry | 1,674 | \$16,342 | 18,016 |
| 16.14 Fruits and Vegetables | 275 | | 275 |
| 16.16 Fisheries | 1,689 | | 1,689 |
| 16.18 Agricultural Implements | 6,361 | | 6,361 |
| 16.26 Agricultural Training | 1,821 | | 1,821 |
| 16.31 Small Business Development | 3,979 | | 3,979 |
| 16.61 Vehicle-Related Costs | 4,708 | | 4,708 |
| 16.62 Travel | 5,547 | | 5,547 |
| 16.64/16.93 Evaluation | 706 | 13,268 | 13,974 |
| 16.68 Equipment | 138 | | 138 |
| 16.80/16.92 Training | 2,234 | 330 | 2,564 |
| 16.90 Technical Assistance | | 261 | 261 |
| 16.91 Project Costs | | | |
| Farmers' Federation | | 48,443 | 48,443 |
| Coconut Sawmill | | <u>2,529</u> | <u>2,529</u> |
| | <u>\$79,904</u> | <u>\$81,173</u> | <u>\$161,077</u> |

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT

INCOME-GENERATING MATCHING GRANT PROJECT

BICOL

ACTUAL EXPENDITURES

YEAR II - PLAN FISCAL YEAR 1986

1 JULY 1985 - 30 JUNE 1986

| | <u>PLAN</u> | <u>AID</u> | <u>TOTAL</u> |
|--|-------------------|---------------|---------------|
| 15.10 Feeder Roads/Street Repair | \$ 3,370 | | \$ 3,370 |
| 15.12 Lighting | 486 | | 486 |
| 15.14 Community Center Construction | 6,278 | | 6,278 |
| 15.16 Flood Control | 1,156 | | 1,156 |
| 15.21 Leadership Training | 19,858 | | 19,858 |
| 16.01 Salaries | 13,888 | | 13,888 |
| 16.02 Salary-Related | 328 | | 328 |
| 16.13 Animal Husbandry | 6,352 | | 6,352 |
| 16.14 Fruits and Vegetables | 2,563 | | 2,563 |
| 16.31 Small Business Development | 11,661 | | 11,661 |
| 16.33 Employment Opportunity | 23,648 | \$26,713 | 50,361 |
| 16.62 Travel | 888 | | 888 |
| 16.73 Supplies | 133 | | 133 |
| 16/80/16.92 Training | 1,232 | 2,911 | 4,143 |
| 16.81 Other | 141 | | 141 |
| 16.90 Technical Assistance | | 19,321 | 19,321 |
| 16.91 Project Costs | | | |
| Product Catalogue Printing and Mailing | | 4,361 | 4,361 |
| Upland Farm Project | | 9,723 | 9,723 |
| 16.93 Evaluation | <u> </u> | <u>27,235</u> | <u>27,235</u> |
| | \$91,982 | \$90,264 | \$182,246 |

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT

INCOME-GENERATING MATCHING GRANT PROJECT

SRI LANKA

ACTUAL EXPENDITURES

YEAR II - PLAN FISCAL YEAR 1986

1 JULY 1985 - 30 JUNE 1986

| | <u>PLAN</u> | <u>AID</u> | <u>TOTAL</u> |
|-------------------------------------|-------------------|---------------|--------------|
| 15.10 Feeder Road/Street Repair | \$ 2,138 | | \$ 2,138 |
| 15.11 Bridge Construction | 2,086 | | 2,086 |
| 15.14 Community Center Construction | 18,924 | | 18,924 |
| 15.16 Flood Control | 1,715 | | 1,715 |
| 15.21 Leadership Training | 341 | | 341 |
| 15/30 Coops/Credit Unions | 11 | | 11 |
| 16.01 Salaries | 2,523 | | 2,523 |
| 16.02 Salary-Related | 1,006 | | 1,006 |
| 16.10 Grain Cultivation | | \$ 3,415 | 3,415 |
| 16.13 Animal Husbandry | | 10,963 | 10,963 |
| 16.28 Demonstration Plot/Model Farm | | 2,133 | 2,133 |
| 16.31 Small Business Development | | 10,963 | 10,963 |
| 16.33 Employment Opportunity | 23 | 540 | 563 |
| 16/81/16.94 Other | 38 | 109 | 147 |
| 16.90 Technical Assistance | | 4,899 | 4,899 |
| 16.92 Training | <u> </u> | <u>\$ 842</u> | <u>842</u> |
| | \$28,805 | \$33,864 | \$62,669 |

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT

INCOME-GENERATING MATCHING GRANT PROJECT

KHON KAEN, THAILAND

ACTUAL EXPENDITURES

YEAR II - PLAN FISCAL YEAR 1986

1 JULY 1985 - 30 JUNE 1986

| | <u>PLAN</u> | <u>AID</u> | <u>TOTAL</u> |
|--------------------------------------|-------------------|------------|--------------|
| 15.12 Lighting | \$ 937 | | \$ 937 |
| 15.14 Community Center Construction | 6,252 | | 6,252 |
| 15.21 Leadership Training | 5,645 | | 5,645 |
| 15.30 Coops/Credit Unions | 1,801 | \$ 381 | 2,182 |
| 16.10 Grain Cultivation | 2,679 | | 2,679 |
| 16.11 Grain Storage and Cereal Banks | 8 | | 8 |
| 16.13 Animal Husbandry | 227 | 5,836 | 6,063 |
| 16.15 Irrigation | 1,422 | | 1,422 |
| 16.16 Fisheries | 5,179 | | 5,179 |
| 16.18 Agricultural Implements | 339 | | 339 |
| 16.28 Agricultural Training | 418 | | 418 |
| 16.28 Demonstration Plot/Model Farm | 2,481 | | 2,481 |
| 16.31 Small Business Development | | 2,723 | 2,723 |
| 16.33 Employment Opportunity | 2,865 | | 2,865 |
| 16.51 Special Projects | 517 | | 517 |
| 16.92 Training | | 49 | 49 |
| 16.93 Evaluation | <u> </u> | <u>557</u> | <u>557</u> |
| | \$30,770 | \$9,546 | \$40,316 |

| | <u>PLAN</u> | |
|-------|--------------------------------|------------|
| 15.10 | Feeder Roads/Street Repair | \$ 3,119 |
| 15.12 | Lighting | 9,345 |
| 15.14 | Community Center Construction | 19,898 |
| 15.21 | Leadership Training | 1,659 |
| 15.30 | Coops/Credit Unions | 32,860 |
| 16.01 | Salaries | 17,891 |
| 16.02 | Salary-Related | 2,981 |
| 16.11 | Grain Storage and Cereal Banks | 5,370 |
| 16.12 | Erosion Control/Reforestation | 12,028 |
| 16.13 | Animal Husbandry | 29,433 |
| 16.14 | Fruits and Vegetables | 725 |
| 16.15 | Irrigation | 9,271 |
| 16.16 | Fisheries | 2,317 |
| 16.18 | Agricultural Implements | 2,025 |
| 16.26 | Agricultural Training | 1,424 |
| 16.28 | Demonstration Plot/Model Farm | 5,423 |
| 16.30 | Agricultural Credit | 119,676 |
| 16.31 | Small Business Development | 25,768 |
| 16.61 | Vehicle-Related Costs | 10,537 |
| 16.62 | Travel | 1,358 |
| 16.64 | Evaluation | 44 |
| 16.68 | Equipment | 2,754 |
| 16.73 | Supplies | 572 |
| 16.80 | Training | 306 |
| 16.81 | Other | <u>196</u> |
| | | \$316,980 |

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT

INCOME-GENERATING MATCHING GRANT PROJECT

SUMMARY

BUDGET

YEAR III - PLAN FISCAL YEAR 1987

1 JULY 1986 - 30 JUNE 1987

| | <u>PLAN Match</u> | <u>IGP</u> | <u>TOTAL</u> |
|---------------------------|-------------------|----------------|----------------|
| Project Management | | \$ 159,165 | \$ 159,165 |
| Egypt | \$ 114,890 | 61,207 | 176,097 |
| Embu, Kenya | 52,271 | 77,429 | 128,700 |
| Meru, Kenya | 78,010 | 62,274 | 140,284 |
| Bombay, India | 58,824 | 67,660 | 126,484 |
| H.D. Kote, India | 169,512 | 42,553 | 212,065 |
| Madakasira, India | 151,630 | 42,553 | 194,183 |
| Bali, Indonesia | 324,245 | 60,409 | 384,654 |
| Yogyakarta, Indonesia | 142,358 | 175,000 | 317,358 |
| Nepal | 120,603 | 149,000 | 269,603 |
| Bicol, Philippines | 3,260 | 192,317 | 195,577 |
| Mindoro, Philippines | 155,302 | 76,086 | 231,388 |
| Badulla, Sri Lanka | 32,974 | 21,999 | 54,973 |
| Gampola, Kandy, Sri Lanka | <u>60,041</u> | <u>27,911</u> | <u>87,952</u> |
| | \$1,462,920 | \$1,215,563 | \$2,678,483 |
| Indirect Costs (10%) | <u>-</u> | <u>121,556</u> | <u>121,556</u> |
| | \$1,462,920 | \$1,337,119 | \$2,800,039 |

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT

INCOME-GENERATING MATCHING GRANT PROJECT

PROJECT MANAGEMENT

BUDGET

YEAR III - PLAN FISCAL YEAR 1987

1 JULY 1986 - 30 JUNE 1987

| | <u>AID</u> |
|---|------------------|
| <u>Personnel:</u> | |
| Project Director Salary | \$ 9,000 |
| Assistant Director - PLAN/US (2/3 Salary and Travel) | 35,000 |
| Assistant Director for Training | |
| Salary | 18,000 |
| Office Expenses | 2,000 |
| Travel | <u>15,000</u> |
| | 35,000 |
| Assistant Director for Evaluation | 20,000 |
| (AIT Contract) | |
| | <u>\$ 99,000</u> |
| Close Bangkok Project Office | \$ 10,000 |
| Philippines Training Workshop | 8,000 |
| Training Manual - Kenya | 10,000 |
| Other Training/Conferences | 17,165 |
| Evaluation | <u>15,000</u> |
| | \$ 60,165 |
| Total: | \$159,165 |

Exchange Rate: 1.45

Egypt - 126

| | Local Currency | US Dollars |
|--|-------------------|---------------|
| IGP BUDGET | | |
| 16.90 Technical Assistance | 20,000 | \$ 13,793 |
| 16.91 Project Costs | 36,000 | \$ 24,828 |
| 16.92 Training | 22,750 | \$ 15,690 |
| 16.93 Evaluation | 10,000 | \$ 6,896 |
| | <hr/> | <hr/> |
| IGP Budget Total: | 88,750 | \$ 61,207 |
| PLAN MATCH | | |
| 15.10 Feeder Roads/Street Repair | 15,000 | \$ 10,344 |
| 15.12 Lighting | 15,000 | 10,344 |
| 15.14 Community Centers/Public Buildings | 10,000 | 6,896 |
| 15.21 Leadership Training | 1,000 | 689 |
| 15.30 Coops/Credit Unions | 3,000 | 2,068 |
| | <hr/> | <hr/> |
| Line 15 Subtotal: | 44,000 | \$ 30,341 |
| 16.01 Salaries | 23,911 | 16,490 |
| 16.02 Salary Related | 8,424 | 5,809 |
| 16.13 Animal Husbandry | 10,000 | 6,896 |
| 16.31 Small Business Development | 35,778 | 24,674 |
| 16.33 Employment Opportunity | 36,120 | 24,910 |
| 16.50 Special Services (R&SD) | 2,500 | 1,724 |
| 16.61 Vehicle Related | 2,020 | 1,393 |
| 16.62 Travel | 200 | 137 |
| 16.68 Equipment | 290 | 200 |
| 16.80 Training | 3,000 | 2,068 |
| 16.81 Other | 360 | 248 |
| | <hr/> | <hr/> |
| Line 16 Subtotal: | 122,603 | \$ 84,549 |
| PLAN Match Total: | 166,603 | \$114,890 |
| GRAND TOTAL: | 255,353 | \$176,097 |

Exchange Rate: 17.45

Egypt - 126

| | Local Currency | US Dollars |
|--|-------------------|---------------|
| IGP BUDGET | | |
| 16.90 Technical Assistance | 20,000 | \$ 13,793 |
| 16.91 Project Costs | 36,000 | \$ 24,828 |
| 16.92 Training | 22,750 | \$ 15,690 |
| 16.93 Evaluation | 10,000 | \$ 6,896 |
| | ----- | ----- |
| IGP Budget Total: | 88,750 | \$ 61,207 |
| PLAN MATCH | | |
| 15.10 Feeder Roads/Street Repair | 15,000 | \$ 10,344 |
| 15.12 Lighting | 15,000 | 10,344 |
| 15.14 Community Centers/Public Buildings | 10,000 | 6,896 |
| 15.21 Leadership Training | 1,000 | 689 |
| 15.30 Coops/Credit Unions | 3,000 | 2,068 |
| | ----- | ----- |
| Line 15 Subtotal: | 44,000 | \$ 30,341 |
| 16.01 Salaries | 23,911 | 16,490 |
| 16.02 Salary Related | 8,424 | 5,809 |
| 16.13 Animal Husbandry | 10,000 | 6,896 |
| 16.31 Small Business Development | 35,778 | 24,674 |
| 16.33 Employment Opportunity | 36,120 | 24,910 |
| 16.50 Special Services (R&SD) | 2,500 | 1,724 |
| 16.61 Vehicle Related | 2,020 | 1,393 |
| 16.62 Travel | 200 | 137 |
| 16.68 Equipment | 290 | 200 |
| 16.80 Training | 3,000 | 2,068 |
| 16.81 Other | 360 | 248 |
| | ----- | ----- |
| Line 16 Subtotal: | 122,603 | \$ 84,549 |
| PLAN Match Total: | 166,603 | \$114,890 |
| GRAND TOTAL: | 255,353 | \$176,097 |

Exchange Rate: 17.50

EMBU, Kenya - 155

| | Local Currency | US Dollars |
|--|-------------------|---------------|
| IGP BUDGET | | |
| 16.90 Technical Assistance | 40,000 | \$ 2,286 |
| 16.91 Project Costs: | | |
| 16.13 Animal Husbandry | 195,000 | \$ 11,143 |
| 16.15 Irrigation | 60,000 | 3,428 |
| 16.26 Agricultural Training | 540,000 | 30,857 |
| 16.30 Agricultural Credit (Collateral) | 236,517 | 13,516 |
| 16.31 Small Business Development | 160,000 | 9,143 |
| 16.91 Subtotal: | 1,191,517 | \$ 68,087 |
| 16.92 Training | 30,000 | \$ 1,714 |
| 16.93 Evaluation | 20,000 | \$ 1,143 |
| 16.94 Other | 73,483 | \$ 4,199 |
| IGP Budget Total: | 1,355,000 | \$ 77,429 |
| PLAN MATCH | | |
| 15.21 Leadership Training | 136,940 | \$ 7,825 |
| Line 15 Subtotal: | 136,940 | \$ 7,825 |
| 16.01 Salaries | 509,200 | \$ 29,097 |
| 16.02 Salary Related | 53,466 | 3,055 |
| 16.61 Vehicle Related | 156,090 | 8,919 |
| 16.62 Travel | 4,050 | 231 |
| 16.73 Supplies | 3,600 | 205 |
| 16.80 Training | 26,433 | 1,510 |
| 16.81 Other | 7,520 | 429 |
| Line 16 Subtotal: | 760,359 | \$ 43,446 |
| PLAN Match Total: | 897,299 | \$ 51,271 |
| GRAND TOTAL: | 2,252,299 | \$128,700 |

Exchange Rate: 17.50

Meru, Kenya - 156

| | Local Currency | US Dollars |
|--|--------------------|--------------------|
| IGP BUDGET | | |
| 16.90 Technical Assistance | 5,750 | \$ 329 |
| 16.91 Project Costs: | | |
| 16.13 Animal Husbandry | 170,000 | \$ 9,714 |
| 16.15 Irrigation | 442,000 | 25,257 |
| 16.26 Agricultural Training | 377,800 | 21,588 |
| 16.30 Agricultural Credit (Collateral) | 80,000 | 4,571 |
| 16.91 Subtotal: | ----- 1,069,800 | ----- \$ 61,130 |
| 16.92 Training | 7,500 | \$ 429 |
| 16.93 Evaluation | 5,750 | \$ 329 |
| 16.94 Other | 1,000 | \$ 57 |
| IGP Budget Total: | ----- 1,089,800 | ----- \$ 62,274 |
| PLAN MATCH | | |
| 15.21 Leadership Training | 200,000 | \$ 11,428 |
| Line 15 Subtotal: | ----- 200,000 | ----- \$ 11,428 |
| 16.01 Salaries | 580,445 | \$ 33,168 |
| 16.02 Salary Related | 60,947 | 3,482 |
| 16.12 Erosion Control & Reforestation | 10,000 | 571 |
| 16.28 Demo Plot/Model Farm | 30,000 | 1,714 |
| 16.31 Small Business Development | 257,000 | 14,685 |
| 16.61 Vehicle Related | 169,840 | 9,706 |
| 16.62 Travel | 4,050 | 231 |
| 16.68 Equipment | 11,500 | 657 |
| 16.73 Supplies | 4,200 | 240 |
| 16.80 Training | 27,833 | 1,590 |
| 16.81 Other | 9,440 | 539 |
| Line 16 Subtotal: | ----- 1,165,255 | ----- \$ 66,582 |
| PLAN Match Total: | 1,365,255 | \$ 78,010 |
| GRAND TOTAL: | 2,455,055 | \$140,284 |

Exchange Rate: 11.75

Bombay, India - 241

| | Local Currency | US Dollars |
|----------------------------------|-------------------|---------------|
| IGP BUDGET | | |
| 16.91 Project Costs | | |
| 16.31 Small Business Development | 575,000 | \$ 48,936 |
| 16.33 Economic Opportunity | 210,000 | 17,873 |
| | ----- | ----- |
| 16.91 Subtotal: | 785,000 | \$ 66,809 |
| 16.93 Evaluation | 10,000 | \$ 851 |
| IGP Budget Total | 795,000 | \$ 67,660 |
| PLAN MATCH | | |
| 15.21 Leadership Training | 50,000 | \$ 4,255 |
| 15.30 Coops/Credit Unions | 500,000 | 42,553 |
| | ----- | ----- |
| Line 15 Subtotal: | 550,000 | \$ 46,608 |
| 16.01 Salaries | 119,208 | \$ 10,145 |
| 16.02 Salary Related | 12,105 | 1,030 |
| 16.62 Travel | 3,600 | 306 |
| 16.68 Equipment | 1,300 | 110 |
| 16.80 Training | 5,000 | 425 |
| | ----- | ----- |
| Line 16 Subtotal: | 141,213 | \$ 12,016 |
| PLAN Match Total: | 691,213 | \$ 58,824 |
| GRAND TOTAL: | 1,486,213 | \$126,484 |

Exchange Rate: 11.75

Madakasira, India - 244

| | Local Currency | US Dollars |
|--|-------------------|---------------|
| IGP BUDGET | | |
| 16.90 Technical Assistance | 50,000 | \$ 4,255 |
| 16.91 Project Costs: | | |
| 16.13 Animal Husbandry | 200,000 | \$ 17,021 |
| 16.31 Small Business Development | 250,000 | 21,277 |
| | ----- | ----- |
| IGP Budget Total: | 450,000 | \$ 38,298 |
| PLAN MATCH | | |
| 15.10 Feeder Roads/Street Repair | 20,000 | \$ 1,702 |
| 15.14 Community Centers/Public Buildings | 80,000 | 6,808 |
| 15.21 Leadership Training | 324,260 | 27,596 |
| 15.30 Coops/Credit Unions | 12,000 | 1,021 |
| | ----- | ----- |
| Line 15 Subtotal: | 436,260 | \$ 37,127 |
| 16.01 Salaries | 112,200 | 9,548 |
| 16.02 Salary Related | 45,200 | 3,846 |
| 16.12 Erosion Control & Reforestation | 190,000 | 16,170 |
| 16.13 Animal Husbandry | 146,250 | 12,446 |
| 16.14 Fruits and Vegetables | 12,000 | 1,021 |
| 16.15 Irrigation | 250,000 | 21,276 |
| 16.18 Agricultural Implements | 119,000 | 10,127 |
| 16.28 Demo Plot/Model Farm | 12,000 | 1,021 |
| 16.31 Small Business Development | 200,000 | 17,021 |
| 16.33 Employment Opportunity | 70,460 | 5,996 |
| 16.61 Vehicle Related | 77,100 | 6,561 |
| 16.62 Travel | 16,300 | 1,387 |
| 16.68 Equipment | 82,100 | 6,987 |
| 16.73 Supplies | 6,300 | 536 |
| 16.80 Training | 4,500 | 382 |
| 16.81 Other | 2,100 | 178 |
| | ----- | ----- |
| Line 16 Subtotal: | 1,345,510 | \$114,503 |
| PLAN Match Total: | 1,781,770 | \$151,630 |
| GRAND TOTAL: | 2,281,770 | \$194,183 |

Exchange Rate: 1200

Bali, Indonesia - 246

| | Local Currency | US Dollars |
|---------------------------------------|-------------------|---------------|
| IGP BUDGET | | |
| 16.91 Project Costs: | | |
| 16.13 Animal Husbandry | 37,480,810 | \$ 31,234 |
| 16.14 Fruits and Vegetables | 25,550,000 | 21,292 |
| 16.15 Irrigation | 3,070,000 | 2,500 |
| 16.16 Fisheries | 6,460,000 | 5,383 |
| | ----- | ----- |
| IGP Budget Total: | 72,490,810 | \$ 60,409 |
| PLAN MATCH | | |
| 15.10 Feeder Roads/Street Repair | 21,236,500 | \$ 17,697 |
| 15.11 Bridge Construction | 33,100,000 | 27,583 |
| 15.13 Market Places/Slaughter Houses | 10,650,000 | 8,875 |
| 15.21 Leadership Training | 600,000 | 500 |
| 15.30 Coops/Credit Unions | 51,322,140 | 42,768 |
| | ----- | ----- |
| Line 15 Subtotal: | 116,908,640 | \$ 97,423 |
| 16.12 Erosion Control & Reforestation | 17,192,000 | 14,326 |
| 16.13 Animal Husbandry | 36,983,355 | 30,819 |
| 16.14 Fruits and Vegetables | 74,997,350 | 62,497 |
| 16.15 Irrigation | 111,319,700 | 92,766 |
| 16.18 Agricultural Implements | 3,750,000 | 3,125 |
| 16.31 Small Business Development | 20,373,500 | 16,977 |
| 16.33 Employment Opportunity | 2,000,000 | 1,666 |
| 16.61 Vehicle Related | 700,800 | 584 |
| 16.68 Equipment | 4,875,000 | 4,062 |
| | ----- | ----- |
| Line 16 Subtotal: | 272,191,705 | \$226,822 |
| PLAN Match Total: | 389,100,345 | \$324,245 |
| GRAND TOTAL: | 461,591,155 | \$384,654 |

Exchange Rate: 1200

Yogyakarta, Indonesia - 245

| | Local Currency | US Dollars |
|--------------------------------------|-------------------|---------------|
| IGP BUDGET | | |
| 16.91 Project Costs: | | |
| 16.13 Animal Husbandry | 10,000,000 | \$ 8,333 |
| 16.14 Fruits and Vegetables | 168,000,000 | 140,000 |
| 16.16 Fisheries | 200,000 | 1,667 |
| 15.30 Agricultural Credit | 12,000,000 | 10,000 |
| 16.31 Small Business Development | 18,000,000 | 15,000 |
| | ----- | ----- |
| IGP Budget Total: | 210,000,000 | \$175,000 |
| PLAN MATCH | | |
| 15.30 Coops/Credit Unions | 50,000,000 | \$ 41,666 |
| | ----- | ----- |
| Line 15 Subtotal: | 50,000,000 | \$ 41,666 |
| 16.01 Salaries | 6,912,880 | \$ 5,760 |
| 16.02 Salary Related | 1,168,295 | 973 |
| 16.13 Animal Husbandry | 22,000,000 | 18,333 |
| 16.14 Fruits and Vegetables | 10,000,000 | 8,333 |
| 16.15 Irrigation | 20,000,000 | 16,666 |
| 16.16 Fisheries | 2,000,000 | 1,666 |
| 16.18 Agricultural Implements | 12,000,000 | 10,000 |
| 16.25 Agriculture/Landlease/Purchase | 12,000,000 | 10,000 |
| 16.30 Agricultural Credit | 12,000,000 | 10,000 |
| 16.33 Employment Opportunity | 18,000,000 | 15,000 |
| 16.61 Vehicle Related | 2,947,000 | 2,455 |
| 16.73 Supplies | 750,000 | 625 |
| 16.80 Training | 757,500 | 631 |
| 16.81 Other | 300,000 | 250 |
| | ----- | ----- |
| Line 16 Subtotal: | 120,835,675 | \$100,692 |
| PLAN Match Total: | 170,835,675 | \$142,358 |
| GRAND TOTAL: | 380,835,675 | \$317,358 |

Exchange Rate: 21

Nepal - 268

| | Local Currency | US Dollars |
|--|-------------------|---------------|
| IGP BUDGET | | |
| 16.91 Project Costs: | | |
| 15.21 Leadership Training | 29,000 | \$ 1,381 |
| 16.13 Animal Husbandry | 1,171,000 | 55,762 |
| 16.15 Irrigation | 607,000 | 28,905 |
| 16.26 Agricultural Training | 83,000 | 3,952 |
| 16.30 Agricultural Credit (Collateral) | 39,000 | 1,857 |
| 16.31 Small Business Development | 100,000 | 4,762 |
| 16.33 Economic Opportunity | 200,000 | 9,524 |
| 16.51 Special Projects | 900,000 | 42,857 |
| | ----- | ----- |
| IGP Budget Total: | 3,129,000 | \$149,000 |
| PLAN MATCH | | |
| 15.14 Community Centers/Public Buildings | 300,000 | \$ 14,285 |
| 15.21 Leadership Training | 50,000 | 2,380 |
| | ----- | ----- |
| Line 15 Subtotal: | 350,000 | \$ 16,665 |
| 16.01 Salaries | 50,160 | \$ 2,388 |
| 16.02 Salary Related | 1,320 | 62 |
| 16.13 Animal Husbandry | 1,500,000 | 71,428 |
| 16.16 Fisheries | 330,000 | 15,714 |
| 16.30 Agricultural Credit | 300,000 | 14,285 |
| 16.62 Travel | 500 | 23 |
| 16.81 Other | 800 | 38 |
| | ----- | ----- |
| Line 16 Subtotal: | 2,182,780 | \$103,938 |
| PLAN Match Total: | 2,532,780 | \$120,603 |
| GRAND TOTAL: | 5,661,780 | \$269,603 |

Exchange Rate: 23

Mindoro, Philippines - 278

| | Local Currency | US Dollars |
|--|-------------------|---------------|
| IGP BUDGET | | |
| 16.91 Project Costs: | | |
| 16.13 Animal Husbandry | 450,000 | \$ 19,565 |
| 16.26 Agricul. Trng. (Farmers' Federation) | 460,000 | 20,000 |
| 16.28 Demonstration Plots/Model Farms | 240,000 | 10,435 |
| 16.33 Economic Opportunity (Saw Mill) | 55,000 | 2,391 |
| | ----- | ----- |
| 16.91 Subtotal: | 1,205,000 | \$ 52,391 |
| 16.92 Training | 260,000 | \$ 11,304 |
| 16.93 Evaluation | 285,000 | \$ 12,391 |
| | ----- | ----- |
| IGP Budget Total: | 1,750,000 | \$ 76,086 |
| PLAN MATCH | | |
| 15.14 Bridge Construction | 206,000 | \$ 8,956 |
| 15.21 Leadership Training | 147,200 | 6,400 |
| 15.30 Coops/Credit Unions | 285,200 | 12,400 |
| | ----- | ----- |
| Line 15 Subtotal: | 638,400 | \$ 27,756 |
| 16.01 Salaries | 897,350 | \$ 39,015 |
| 16.02 Salary Related | 32,897 | 1,430 |
| 16.10 Grain Cultivation | 184,500 | 8,021 |
| 16.13 Animal Husbandry | 578,740 | 25,162 |
| 16.14 Fruits and Vegetables | 23,600 | 1,026 |
| 16.15 Irrigation | 57,700 | 2,508 |
| 16.16 Fisheries | 230,000 | 10,000 |
| 16.18 Agricultural Implements | 217,000 | 9,434 |
| 16.31 Small Business Development | 281,700 | 12,247 |
| 16.51 Special Projects | 135,000 | 5,869 |
| 16.61 Vehicle Related | 187,200 | 8,139 |
| 16.62 Travel | 108,000 | 4,695 |
| | ----- | ----- |
| Line 16 Subtotal: | 2,933,687 | \$127,546 |
| PLAN Match Total: | 3,572,087 | \$155,302 |
| GRAND TOTAL: | 5,322,087 | \$231,388 |

Exchange Rate: 23

Bicol, Philippines - 280

| | Local Currency | US Dollars |
|--|-------------------|---------------|
| IGP BUDGET | | |
| 16.90 Technical Assistance | 500,000 | \$ 21,739 |
| 16.91 Project Costs: | | |
| 16.13 Animal Husbandry | 520,000 | \$ 22,609 |
| 16.14 Fruits and Vegetables | 90,000 | 3,913 |
| 16.15 Irrigation | 20,000 | 870 |
| 16.18 Agricultural Implements | 72,000 | 3,130 |
| 16.31 Small Business Development | 562,500 | 24,457 |
| 16.33 Economic Opportunity | 1,674,000 | 72,783 |
| | ----- | ----- |
| 16.91 Subtotal: | 2,938,500 | \$127,762 |
| 16.92 Training | 684,800 | \$ 29,774 |
| 16.93 Evaluation | 300,000 | \$ 13,042 |
| | ----- | ----- |
| IGP Budget Total: | 4,423,300 | \$192,317 |
| PLAN MATCH | | |
| 15.14 Community Centers/Public Buildings | 75,000 | \$ 3,260 |
| | ----- | ----- |
| Line 15 Subtotal: | 75,000 | \$ 3,260 |
| PLAN Match Total: | 75,000 | \$ 3,260 |
| GRAND TOTAL: | 4,498,300 | \$195,577 |

Exchange Rate: 28

Badulla, Sri Lanka - 276

| | Local Currency | US Dollars |
|--|-------------------|---------------|
| IGP BUDGET | | |
| 16.90 Technical Assistance | 45,971 | \$ 1,642 |
| 16.91 Project Costs: | | |
| 16.13 Animal Husbandry | 300,000 | \$10,714 |
| 16.30 Agricultural Credit | 50,000 | 1,786 |
| 16.31 Small Business Development | 90,000 | 3,214 |
| 16.32 Handicrafts | 75,000 | 2,679 |
| 16.91 Subtotal: | 515,000 | \$18,393 |
| 16.92 Training | 25,000 | \$ 893 |
| 16.93 Evaluation | 10,000 | \$ 357 |
| 16.94 Other | 20,000 | \$ 714 |
| IGP Budget Total: | 615,971 | \$21,999 |
| PLAN MATCH | | |
| 15.10 Feeder Roads/Street Repair | 15,000 | \$ 535 |
| 15.11 Bridge Construction | 20,000 | 714 |
| 15.14 Community Centers/Public Buildings | 165,000 | 5,892 |
| 15.21 Leadership Training | 25,000 | 892 |
| 15.30 Coops/Credit Unions | 15,714 | 561 |
| Line 15 Subtotal: | 240,714 | \$ 8,594 |
| 16.01 Salaries | 27,286 | \$ 974 |
| 16.02 Salary Related | 11,027 | 393 |
| 16.12 Erosion Control & Reforestation | 55,000 | 1,964 |
| 16.15 Irrigation | 100,000 | 3,571 |
| 16.18 Agricultural Implements | 48,452 | 1,730 |
| 16.19 Fertilizer/Seed | 208,000 | 7,428 |
| 16.26 Agricultural Training | 70,000 | 2,500 |
| 16.33 Employment Opportunity | 50,000 | 1,785 |
| 16.51 Special Projects | 84,519 | 3,018 |
| 16.62 Travel | 1,500 | 53 |
| 16.64 Evaluation | 1,250 | 44 |
| 16.80 Training | 25,038 | 894 |
| 16.81 Other | 750 | 26 |
| Line 16 Subtotal: | 682,822 | \$24,380 |
| PLAN Match Total: | 923,536 | \$32,974 |
| GRAND TOTAL: | 1,539,507 | \$54,973 |

Exchange Rate: 28

Gampola/Kandy, Sri Lanka - 291

| | Local Currency | US Dollars |
|--|-------------------|---------------|
| IGP BUDGET | | |
| Gampola: | | |
| 16.90 Technical Assistance | 146,000 | \$ 5,214 |
| 16.91 Project Costs: | | |
| 16.26 Agricultural Training | 9,000 | \$ 321 |
| 16.31 Small Business Development | 273,000 | 9,750 |
| 16.33 Employment Opportunity | 15,000 | 536 |
| | ----- | ----- |
| 16.91 Subtotal: | 297,000 | \$10,607 |
| 16.92 Training | 15,000 | \$ 536 |
| 16.93 Evaluation | 10,200 | \$ 364 |
| 16.94 Other | 145,000 | \$ 5,179 |
| | ----- | ----- |
| Total Gampola: | 613,200 | \$21,900 |
| Kandy Sites: | | |
| 16.91 Project Costs: | | |
| 16.12 Animal Husbandry | 18,300 | \$ 654 |
| 16.14 Fruits and Vegetables | 24,000 | 857 |
| 16.31 Small Business Development | 72,000 | 2,571 |
| 16.51 Special Projects | 54,000 | 1,929 |
| | ----- | ----- |
| Total Kandy Sites: | 168,300 | \$ 6,011 |
| Total Gampola and Kandy: | 781,500 | \$27,911 |
| PLAN MATCH | | |
| 15.10 Feeder Roads/Street Repair | 183,000 | \$ 6,535 |
| 15.11 Bridge Construction | 128,000 | 4,571 |
| 15.14 Community Centers/Public Buildings | 210,552 | 7,519 |
| 15.21 Leadership Training | 85,000 | 3,035 |
| 15.30 Coops/Credit Unions | 85,000 | 3,035 |
| | ----- | ----- |
| Line 15 Subtotal: | 691,552 | \$24,695 |
| 16.01 Salaries | 110,568 | \$ 3,948 |
| 16.02 Salary Related | 50,350 | 1,798 |
| 16.10 Grain Cultivation | 48,000 | 1,714 |
| 16.13 Animal Husbandry | 324,000 | 11,571 |
| 16.14 Fruits and Vegetables | 60,000 | 2,142 |

Exchange Rate: 28

Gampola/Kandy, Sri Lanka - 291

| | Local Currency | US Dollars |
|------------------------------|-------------------|---------------|
| 16.15 Irrigation | 15,000 | \$ 535 |
| 16.26 Agricultural Training | 6,500 | 232 |
| 16.28 Demo Plot/Model Farm | 108,000 | 3,857 |
| 16.33 Employment Opportunity | 39,700 | 1,417 |
| 16.51 Special Projects | 220,515 | 7,875 |
| 16.81 Other | 7,200 | 257 |
| | ----- | ----- |
| Line 16 Subtotal: | 989,833 | \$35,346 |
| PLAN Match Total: | 1,681,385 | \$60,041 |
| GRAND TOTAL GAMPOLA & KANDY: | 2,462,885 | \$87,952 |

APPENDIX A

STUDIES COMPLETED IN 1986

AN EVALUATION OF CREDIT UNIONS - A CASE STUDY IN BALI, INDONESIA

by Peter Hagul

LIVESTOCK EVALUATION AND PROGRAM DEVELOPMENT STUDY. BALI, INDONESIA.

by Lucy Fisher

AN EVALUATION OF PLAN/MINDORO, PHILIPPINES INCOME GENERATING PROJECTS - VOL. I
PROGRESS AND IMPACT: VOL.II DATA FILE.

by Reymundo M. Uriarte

IGP IMPACT EVALUATION STUDY, PART I. THE BICOL (NAGA), PHILIPPINES.

by Aniceto B. Oliva

ETHNO-CULTURAL ASPECTS OF PLAN CREDIT UNION DEVELOPMENT.

by Wolfgang Hennig (not yet officially released)

WORKSHOP PROCEEDINGS/REPORTS

A WORKSHOP ON IGP EVALUATION - A SUMMARY REPORT. SRI LANKA.

by Mohottige U. Sedere

A WORKSHOP ON FEASIBILITY STUDIES AND PROJECT PROPOSAL WRITING - A SUMMARY
REPORT. SRI LANKA.

by Mohottige U. Sedere

PROCEEDINGS OF THE WORKSHOP ON EVALUATION OF INCOME GENERATING PROJECTS.
THAILAND.

by Abeyrama, T., editor

APPENDIX BLISTING OF IGP RELATED TRAINING COURSES

| <u>Type of Training</u> | <u>Clients Trained</u> |
|---------------------------------|------------------------|
| Small Business Management | 11,468 |
| Vocational Skills | 1,196 |
| Crop Production | 3,891 |
| Animal Husbandry | 1,815 |
| Agro-Forestry | <u>16,803</u> |
| Total Number of Clients Trained | <u>35,173</u> |

| <u>Type of Training</u> | <u>Staff Trained</u> |
|--------------------------------------|----------------------|
| Trainer's Training for IGP Promoters | 135 |
| Economic Development Opportunities | 74 |
| Agricultural Skills | <u>199</u> |
| Total Number of Staff Trained | <u>408</u> |

APPENDIX C

A PROPOSAL
TO FOSTER PARENTS PLAN
FOR TRAINING SERVICES
RELATED TO INCOME GENERATION ACTIVITIES
IN
SRI LANKA, THAILAND, NEPAL AND INDONESIA

* [This proposal was accepted and completed during 1986]

World Education, Inc. proposes to provide training services related to income-generation projects to Foster Parents Plan field staff in Indonesia, Sri Lanka, Thailand and Nepal. The goal of the services is to provide PLAN field staff with skills in:

- needs assessment techniques appropriate for use with individual and community-based income generation groups,
- training, and training of trainers (i.e., group formation, group dynamics, training methods/techniques and low-cost/low-technology materials development in support of income generation activities),
- management of income generation activities (i.e., project identification, market analysis, accounting, inventory, management), and
- project evaluation.

These skills will be developed within the context of training for rural income generation projects (IGP), and as such will draw lessons from Foster Parents Plan International's and WEI's experience with IGP in Asia and Africa. At the end of the training effort, PLAN field staff will be able to conduct a needs assessment and market analysis and use those assessments to plan and implement activities that provide the skills, knowledge and attitudes needed to successfully develop income generating activities.

Workshop Design

WEI proposes four workshops, one each for PLAN staff in Indonesia, Thailand, Nepal and Sri Lanka. The first workshop in Sri Lanka will include two representatives from the staff of PLAN's programs in the other three countries. These individuals will, along with two staff members from PLAN's Sri Lanka

operations, serve as co-trainers in the first workshop, thus familiarizing themselves with the approach to training for income generation activities which will take place in their countries at a later date. The training design suggested by World Education also calls for one World Education staff person to participate as the lead trainer in all four training activities, thus ensuring continuity in training content, program offerings, training design and staff development.

The Sri Lanka workshop will be organized according to the following general plan:

Week One: WEI trainers and two PLAN field staff from Sri Lanka (who will be both trainer and trainee during the workshop) will examine PLAN income generation project activities, both in general and in one village specifically, to identify the levels of skills needed for PLAN staff to manage income generation projects and for program participants to accomplish IGP tasks. Once this assessment is complete, PLAN staff skills will be reviewed to identify existing gaps which need to be addressed by training.

Week Two: WEI trainers and the PLAN assistant trainers from each field site will jointly design a training program and training materials to meet the specific needs of PLAN field staff. This activity will be based on the findings of the field assessment of both projects and staff skills carried out during the first week.

Weeks Three and Four: WEI trainers and the PLAN staff (trainers) will implement a training program for village level PLAN workers in Sri Lanka. Training will focus on both the necessary generic skills and opportunities for practical application of newly learned skills in existing PLAN income generation projects. Training in formative evaluation will be an integral part of weeks three and four, thus

contributing to the further development of evaluation skills of PLAN field staff.

Plan of Implementation

Two WEI senior staff, Dr. David Kahler and Dr. John Comings, will spend one week in the U.S. planning the implementation and assembling materials.

One senior WEI staff will travel to Thailand for a PLAN Country Directors' Meeting to finalize the workshop design. He will then travel to Sri Lanka to work with World Education and PLAN field staff on the final design for the first income generation training workshop. He will work with WEI's Asia trainer and Sri Lanka representative and staff from PLAN to implement and evaluate the training design described above. At the same time, WEI staff would undertake preliminary planning of subsequent training activities in Nepal and Indonesia. WEI staff and PLAN staff will complete and evaluate the training programs.

WEI's Asia Trainer will then travel to the other three countries to work with the PLAN co-trainers who attended the first workshop in Sri Lanka to implement training activities at each site.

This implementation plan will ensure that training programs will be conducted in the language of each country: Sinhala, Thai, Nepali and Bahasa Indonesia.

Thus, at the end of the Sri Lankan training, Foster Parents Plan will have:

- a generic training program and prototype materials for training village level field workers that can be adapted to other PLAN countries;
- an adaptation of that program and materials to the Sri Lankan setting;
- two trainers in each of the four countries with a capacity to adapt and implement the training program; and
- PLAN/Sri Lanka village field staff trained to implement a program of income generation.

The other three workshops would follow a similar model. World Education's Asia trainer will work with a local WEI trainer and the two PLAN staff trained in Sri Lanka for one week to help in the adaptation of the program to their country's needs. Then, together, they will implement the training program and evaluate its effectiveness. From those evaluations the design will be improved.

GUIDELINES FOR PLAN ASSISTANCE TO SMALL-ENTERPRISE PROJECTS - KENYA1. INTRODUCTION

This document sets out guidelines and policies to be used in designing, planning, implementing and evaluating small-enterprise projects in PLAN project areas. Discussions have been held with several organizations, both private and public, which are engaged in similar projects and some of their ideas have been incorporated in setting out these guidelines. The PLAN program team has also had a major input in the document through regular consultations and meetings.

This document is divided into three major parts:

1. Sector goals and objectives
2. Small-enterprise group formation and selection
3. Finance and technical assistance to the small-enterprise project.

2. BACKGROUND

In late 1983, PLAN/Kenya initiated an income-generating program with special focus on PLAN families and women's groups. Income-generating group projects have been in existence in PLAN project areas for a long time, but their aims have been multifaceted. The groups have not operated as business entities, the tendency has been to run the projects as social welfare activities. This has been clearly demonstrated by the women's groups, who are normally engaged in social welfare activities such as building houses for individual members, buying utensils, paying school and hospital fees for needy members, etc.

If the program is to succeed, the projects have to be carried out on sound business principles. The aim of initiating and strengthening small income-generating projects is to try and remedy the general situation within PLAN Project areas whereby under and unemployment are experienced. In Gachoka

and Igembe, the economic base is mainly subsistence agriculture and live-stock rearing and these are left to chance due to unreliable rainfall often leading to poverty.

In 1980, the per-capita GNP for Kenya as a whole was estimated at over Shs. 5,000/-as compared to approximately Shs. 2,000/-in PLAN project areas. In Gachoka Division, the FPPI Baseline Survey (1982) indicates that only 8.9% of the households reported any savings and 44.0% had to borrow funds to meet their expenditure in 1981. For any investment to take place, saving is a must. The people have to be taught how and where to invest and manage their investments wisely. The formation of income-generating projects can lead to higher standards of living for a community and promote rapid development especially in the realization of basic needs. This ties up with the overall program goals of increasing rural productivity and employment with the hope that incomes will increase as well.

These guidelines will be used in attaining PLAN/Kenya goals and objectives in the Resource and Skills Development Sector and specifically in income-generating projects.

1. SECTOR GOALS AND OBJECTIVES

Project in the R.&S.D. Sector will be broadly aimed at increasing food production, employment and income in the agriculture and off-farm related activities through the provision of credit facilities and training. PLAN assistance to income-generating projects in the sector will be geared specifically to women groups and PLAN families.

The two target groups who are based in rural areas are inevitably the backbone of integrated rural development. Rural based small-enterprises often lack credit, banking facilities and relevant training. By initiating

and strengthening the income-generating program, PLAN/Kenya will be creating a viable source of credit and training for women's groups and Foster Family groups with their local communities.

The specific objectives of the small enterprises will be:

- a) To increase real income and employment among PLAN units by 5% per annum.
- b) To encourage joint ventures (co-operation) within the community for development purposes.
- c) To encourage communities to identify, plan, implement and evaluate their own development projects.
- d) To promote savings and investments at both individual and community levels through institutional building at a rate of 2 to 5% per annum.

2. GROUP FORMATION/SELECTION CRITERIA

For the above goals and objectives to be achieved there is need to have a clear cut path on which groups qualify for PLAN assistance. The following criteria should be met:

1. A list of active members must be presented to PLAN as PLAN units projects. Groups should not have less than 10 members and not more than 40. Of this number 50% and above should be PLAN families. The lower limit of 10 members is acceptable for the group to register itself with relevant ministries, namely, Culture and Social Services and Ministry of Co-operative Development.

By registering themselves with the Ministry of Culture and Social Services the groups are not liable for income tax and are eligible for both financial and technical assistance from the government.

Should PLAN deem a group to have achieved a self-sustaining level then the group should register as a private enterprise.

The upper limit of 40 members is viewed by PLAN as a manageable group in both the administration of funds and effective training. However, larger groups which meet other requirements will also be assisted.

2. The group should present a written constitution including the following:

- a) Group objectives (project proposal)
- b) Management and group organizational structure
- c) Management election and appointment system
- d) Group cohesiveness towards the achievement of stated goals.

This will be in form of a written declaration and empirical evidence

- e) Declaration of intent to conform with PLAN policies
- f) The project will be run democratically

(NB: A group by-law guidelines has been proposed to assist the groups on these lines)

3. All group members should be ready to undergo relevant training as deemed necessary by PLAN.

4. The group will have a banking account with a locally chartered bank.

5. The project identified should be economically viable and technically feasible. Projects will only be assisted when a thorough feasibility study has been performed and returns on investments determined. The group, other relevant agencies and PLAN will undertake the feasibility studies.

6. The project identified should not have a detrimental effect on other existing businesses. PLAN should not give overdue assistance to group enterprises which will put individual entrepreneurs out of business.

GROUP ORGANIZATION

PLAN intends to give a free hand to groups on their organizational and management structures. Basic items to consider when structuring a

small enterprise group are flexibility in decision-making, group cohesiveness and motivation and finally the ability to execute decisions which entail division of labor. It has thus been suggested that in the group's constitution, the duties and responsibilities of the members should clearly be stipulated. This will reduce conflicts among members, and create and increase commitment to their projects. It is in view of this that the following recommendations on organization structure have been suggested:

1. Groups be composed of chairman, vice-chairman, treasurer, secretary, committee members and ordinary members. In view of the tasks and responsibilities assigned to the executive committee, the group should determine whether they should get any form of benefits (monetary) or not.
2. Members should attend all relevant meetings. Meetings should be of three kinds:
 - a) General meeting - requiring the attendance of all members which should be held every three months with one month's advance notice. During this meeting, the chairman will present the progress of the project - which should include a balance sheet, prepared by the treasurer. The chairman will convene the meeting. Profits, if any, should be distributed once a year.
 - b) Management committee meeting - should be attended by all committee members. This meeting should be held at least once a fortnight to deliberate on issues pertaining to the project. The secretary or the chairman will be required to convene these meetings.
 - c) Special General Meeting - in case of matters of urgency arising which cannot await a general meeting which the committee is compelled to convene within 14 days.

PLAN representative should be notified and invited to all meetings. Elections of the committee should be held once a year during a general meeting. Up to three group members may contest for each position. Members should be enlightened on their voting rights and on how to vote wisely. They should be able to recognize potential members of the committee who are dedicated to group development and to carry out business profitably and successfully.

The following have been suggested as duties and responsibilities of the executive committees:

Chairman

- a) Chairs all meetings
- b) Ensures committee members are doing their duties
- c) Takes final responsibility for group business performance
- d) Maintains group motivation and cohesiveness
- e) Ensures group's adherence to PLAN policies and group constitution.
- f) Gives a general report on group business progress during general meetings.

Vice-Chairman

- a) Performs all chairman's duties in case of the chairman's absence.
- b) Assists in group activities whenever requested by the chairman.

Treasurer

- a) Maintains all group financial and inventory records, including cash books, credit/loan information and income/expenditure statements.
- b) Prepares income/expenditure statements for general meetings including statements of profit and its distribution.

Secretary

- a) Takes minutes of all meetings.
- b) Sends copies of all minutes to PLAN.
- c) Collects written office reports and hands them to the chairman.
- d) Maintains a file holding all past minutes.
- e) Notifies relevant parties on meetings.
- f) Handles any necessary group correspondence.

It is suggested that a project manager be hired by the group where it is deemed that the management committee does not have the necessary skills to carry out the business. The project manager may be a member or non-member of the group but should be professionally qualified.

3. PROJECT FINANCE AND TECHNICAL ASSISTANCE

Once all group selection criteria are met, PLAN technical co-ordinators, other relevant agencies and the group will examine the proposed project and undertake a feasibility study.

Assistance will be in two forms: financial and technical. This will be effected when the project has been seen to be technically and economically sound. PLAN has to be satisfied that the project will be well-managed both during its implementation and after completion.

Financial Assistance

Financial assistance will be given in the form of a loan with funds deposited with the group's banking account. The reason behind giving a loan as opposed to a grant is that over time a project must be able to demonstrate that it can obtain and repay capital from local financial institutions.

If a project is viable, then the returns accrued from the investment must exceed the prevailing financial institution's interest rate on borrowed funds. This is to say that the group should be able to carry on business once PLAN withdraws. Taking into consideration the ability of groups in

PLAN project areas to manage business on their own, it will be necessary for the groups to be allowed a sufficient period of time, 3 to 5 years, before being treated as any other established private enterprise:

1. By registering the groups with the Ministry of Culture and Social Services, as self-help entities, then the groups are exempted from income tax.
2. The group will be given a grace period before loan repayment, varying between 3 - 12 months, depending on the nature of the project. If returns are expected right from the time of inception, then the grace period will be shorter. A written agreement between the group and PLAN will be drawn to specify the loan repayment.
3. No interest will be charged on the first loan. However, if and when a group seeks a second loan, a small interest will be charged. This will be at about 5% per annum, on a reducing basis, when compared to the prevailing rates (10-16% per annum) imposed by financial institutions.

The loan repayment should not revolve back to PLAN but to a different account in the group's name with PLAN's representative as a signatory. The funds will be considered as a saving and credit account for group members. PLAN will provide technical support to the group during the establishment of a saving and credit union. Individuals will be required to contribute to this fund and a "Share Contribution" will determine the amount a member may borrow from the union. The idea behind individual member contribution is in line with one of R.&S.D. goals, which are to promote savings and investment at both the individual and community levels.

A loan committee will be set up for the following purposes:

1. Consider loan applicants and determine who qualifies for a loan and for what amount.

2. Perform the loan administration and ensure that the loan issued is used for the stated purposes.
3. Ensure that the money is paid back.
4. Ensure that all members have a fair access to the saving and credit facilities.

The following are proposed procedures for the administration of loans:

- a) By virtue of being a member of the group, one is an automatic member of the savings and credit union.
- b) A member should have saved for at least six months - with a minimum share contribution of K.Shs.10/-per month.
- c) All loans shall be restricted only to members and will be given for worthy purposes only.
- d) The rate of interest on all loans inclusive of all charges, incidental to granting of the loan, shall not exceed 1% per month on a declining loan balance.
- e) The maximum amount of a loan granted to a member shall not exceed five times a member's share.
- f) The union will maintain 20% cash reserve of the total share. The cash reserve shall be kept in a deposit account and will not be available for granting of loans.
- g) Loan applications shall be considered in the order in which they are received, provided that whenever there are more applicants for loans than the . are funds available, preference will be given in all cases to applicants for smaller loans. However, when amounts applied for are approximately the same, preference will be given to applicants for loans for shorter periods. Within the foregoing preferences, further priority shall be given to the following:

- i) Members who have never had loans
- ii) Members who have cleared their first loans and have applied for fresh loans.
- h) No member shall be granted a second loan until he/she clears the first loan in full, with exception of emergency loans, e.g. school fees, burial expenses, etc. In case of school fee loans, a check will be written in favor of the school and sent to the school directly.
- i) Repayment: repayment period will be determined by the loan review committee but should not exceed 24 months.
- j) Guarantee: unless the loan applied for is equal to or less than a member's share, it must be secured by at least two guarantors. The total share of the borrowers and those of the guarantors must equal or be more than the loan applied for.
- k) Pledge in the form of a land title deed or assets may be accepted as a security.

For an enterprise to survive in a competitive environment it will be necessary for the group to re-invest a certain percentage of its net income into the business. A recommended 10% to 20% of the group's net profit should be set aside and classified as reinvestment fund. These funds may be used for further expansion of the business in terms of market research studies, production of new goods and so forth. It is further recommended that PLAN contributes 50% per annum to this reinvestment fund. In other words, should a group set aside K.Shs.1,000/-per annum as reinvestment fund, then PLAN contributes Shs.500/-to the same fund. This will not only boost the reinvestment fund but increase motivation of project holders.

2. PLAN TECHNICAL ASSISTANCE

PLAN technical assistance will be highly dependent on the nature of the project. However, from past experience, with the few existing small enter-

prises, it is clear that almost each enterprise will require training in basic leadership skills, general business skills, book-keeping, accounts and marketing. A training needs assessment will be drawn up after the initial project feasibility study is completed. It is also expected that as the business grows, intensified training will be required. Initially, the training will be offered to the management committees who will be expected to train the other members. This, however, is not to say that the rest of the members will be completely ignored by PLAN.

PLAN will offer on-site training packages tailored to meet their needs, especially short-term needs to the whole group. This will assist in members knowing their rights, within the group as well as in avoiding training in the same areas whenever a new management committee is elected.

This training will go a long way in assisting those members interested in venturing into individual enterprises. While the bottom line in all business projects is profit, members will be advised on how to use the money wisely.

Though there will be no guarantee that individual members will use their dividends in the most rational way, it is the author's opinion that training on the proper use of their money will be inevitable. Members will be encouraged to use their money in ways which uplift their living standards. Follow-ups and training evaluation will be carried out to monitor whether training packages offered are compatible to the project needs and overall welfare of the project holders.

All PLAN assisted small-enterprise projects should be planned so that they are self-sufficient within a period of three years. This will ultimately depend on the nature of the project. A lot of intensive technical and

financial assistance will be required during the first year. Close monitoring of projects will be essential to identify and iron out problems. It should be clear that these are only guidelines which are aimed to giving PLAN project implementers something to go by, and there will be a need to refine and perhaps deviate from them depending on situations and circumstances.

SRI LANKA

ANALYSIS OF PROJECT AREA (CONTEXT EVALUATION)

01. Name of the GP area:
02. Name of the Wasama:
03. Location in relation to Badulla town:
04. Extent of the project area under you:
05. How many families are living in your project area:
06. How many of them are enrolled in Foster Child program:
07. Classify the Foster Child families in your GP area on employment on the following table:

| CATEGORY | FREQUENCY | % |
|-----------------------|-----------|-------|
| * Farmers | | |
| * Laborers | | |
| * Carpenters | | |
| * Masons | | |
| * Coolys | | |
| * Government officers | | |
| * Self employed | | |
| * Other (specify) | | |

08. What are the communal distribution figures in your project area?

| Number of families | % |
|--------------------|---|
|--------------------|---|

a) Sinhalese

Up country

Low country

b) Tamil

Jaffna

Indian

c) Muslim

d) Others

09. Do the people of your project area belong to many caste groups?

Yes / No

If yes, what are the caste groups and where do they predominantly live?

..... Caste group; Predominantly live at

10. What are the commercial/centers within your working area other than Badulla town?

Name them. 1.

2.

3.

11. How big are these centers? (UC/TC/VC)

1.

2.

3.

12. Do people sell some of their products in the above centers?

Yes / No

If yes, what are those products?

1.

2.

3.

13. Is water freely available in the area?

Yes / No

How do they find water for agricultural purposes?

Do they depend more on seasonal crops?

Yes / No

If so, what are the types of crops grown?

.....
.....
.....

14. What are the cultivations you find in your project area? (List down in rank order)

| Rank | Cultivation | Rank | Cultivation |
|------|-------------|------|-------------|
| 1 | | 5 | ..... |
| 2 | | 6 | ..... |
| 3 | | 7 | ..... |
| 4 | | 8 | ..... |

15. What are the Industries (small scale or minor crafts) you find in the project area?

| | | | |
|---|-------|---|-------|
| 1 | ..... | 5 | ..... |
| 2 | ..... | 6 | ..... |
| 3 | ..... | 7 | ..... |
| 4 | ..... | 8 | ..... |

16. Do they sell some of their agricultural products?

Yes No

If yes,

What

Where

How do they sell?

18. In your project area how many families do have a

| | No. of <u>families</u> | How big <u>is it</u> | Where do they <u>sell products</u> | How do <u>they sell</u> |
|----------------------|---------------------------|-------------------------|---------------------------------------|----------------------------|
| * Dairy Farm | | | | |
| * Poultry farm | | | | |
| * Goats | | | | |
| * Others | | | | |

Livestock (specify)

19. How do these people in this project area make a living? From where and what do they earn? Do they go out of their villages to earn? Think of all these avenues and write a small account on the "cash flowing" into the area.

20. Who are the people who do the buying and selling of commodities in the project area?

- (a) Businessmen of Village
- (b) Businessmen coming from outside
- (c) When do they buy?
- (d) How do they buy?
- (e) What price do they pay?
(under pay/reasonable)

21. What resources are available in your area?

| | Available | | Do you feel that they take the maximum use of them | |
|-----------------------------------|-----------|----|--|----|
| | Yes | No | Yes | No |
| * Water | | | | |
| * Land for cultivation | | | | |
| * Home gardens | | | | |
| * Unskilled labor | | | | |
| * Skilled labor | | | | |
| * Timber | | | | |
| * Clay (Brick, Pottery, etc.) | | | | |
| * Granite | | | | |
| * Sand | | | | |
| * Agricultural - raw materials | | | | |
| * Others (specify) | | | | |

22. Have you come across any client/s with a strong potentiality for any type of Income Generating activity?

Yes / No

(a) If yes, what were his/her/their anticipated Income Generating activity?

Person I

Person II

Person III

(b) What is the level of literacy of the client/s?

(c) Physical/mental fitness of the client/s?

(d) Relationship to Foster Child?

23. Do you think he/she/they had ever made use of his/her/their identified potentiality?

Yes / No

If yes, When?

What is the present status of the project?

What made it a success/failure?

If no, what prevents him/her/them from making use of the potentiality?

24. Are there any others who are already engaged in the same type of Income Generating activity/activities mentioned above in your project area?

Yes / No

If yes, what is the present status of the project?

Is there a ready market for the products?

Do they make profits?

Do they have plans for expansions?

Yes / No

If yes, by when?

To what an extent?

If no, why?

25. Will your client be able to compete with the one/ones who are already in business?

Yes / No

26 How would you rate your client on the following personality qualities?

(please check)

| | | |
|-----------------|---|----------------------------------|
| Drinking | : | Yes, No |
| Gambling | : | Yes, No |
| Lawfulness | : | Yes, No |
| Optimism | : | Yes, No |
| Laziness | : | Very lazy, Not lazy, Very active |
| Thriftiness | : | Very much, Moderate, Not at all |
| Decision making | : | Very poor, Moderate, Very good |
| Record keeping | : | Very good, Moderate, Very poor |
| Ambition | : | Very much, Moderate, Very little |
| Innovativeness | : | Very much, Moderate, Very little |
| Honesty | : | Very much, Fair, Very little |
| Devotion | : | Very much, Fair, Very little |

NEPALAPPLICATION FORM(Application for credit up to Rs. 20,000/-)

1. Name of Industry:

If the industry is registered in HMG, its registration number -----

2. Address of Industry:

3. a. Owner/Name of the Partners, Age, Address, Past Experience

b. What kind of technical (skills) qualifications and experience does
the applicant have?

4. If the applicant or applicant's family members own any land in their names
give description:

5. Family's present income and its source.

6. Family description of the applicant:

| <u>No. of Adults</u> | <u>No. of Children</u> | <u>Total</u> |
|----------------------|------------------------|--------------|
| | | |

7. Minimum monthly expenditure required for running the family life.

8. At present, is the applicant in any productive job? If yes, state name
of the products and number of workers.

9. Describe briefly the present/proposed industry and other business activities.

10. Present employees in the industry/proposed number.

11. Self invested Rs..... Credit Rs.....
(if the credit is taken clearly state its source, deposit, cleared amount
and rate of its interest)

12. Purpose of taking new credit:

13. Credit amount required.

The above mentioned particulars submitted by me/us is/are true. I/we have not received other loans from any other bank for the purpose to run the above stated industry. There is no legal action what so ever has against me/us. I/we have made you available more details in connection with my/our loan application. If necessary, enquiry can be conducted with the concerning agency. The responsible person from that Bank, or its branch Nepal Rashtiya bank or any other agency may come to my/our industry to check the accounting books or other items for which I/we have no objection.

Date:

Time:

Bank: Nepal Bank Limited

Applicant signature

Note: The applicant should sign this form after consulting the Bank Manager.

(Interview and Estimated Form)
(Application for loan up to Rs. 20,000.-)

Bank - Nepal Bank Ltd.
Branch:
Interviewing Officer

| 14. Subject | <u>Current Production Loan from Last Year</u> | <u>Current and New Production Loan for Future</u> |
|------------------------------|---|---|
| Average Monthly Sale | Rs | Rs |
| <u>Monthly Expenditure</u> | | |
| Raw Materials | Rs | Rs |
| Wages/Bonus | Rs | Rs |
| Money drawn for self | Rs | Rs |
| House/rent/other expenses | Rs | Rs |
| Total Expenditure | Rs | Rs |
| Monthly Savings (a & b) | Rs | Rs |

15. What kind of raw materials needed? Is it possible to get the needed materials easily or not? What sort of arrangements can be made to obtain the raw materials?

16. What sort of arrangement can be made for selling the products?

17. Will the future business be successful or not? (Explain what sort of products will be made, customer and its operation, the way to deal with the opposition party and marketing procedure).

18. Project Estimate

(a) Fixed Capital: Give full details regarding the estimation required for land, housing and machinery items together with invoice.

| <u>Serial No.</u> | <u>Report</u> | <u>Seller</u> | <u>Price (Rs)</u> |
|-------------------|---------------|---------------|-------------------|
| <u>1.</u> | | | |
| <u>2.</u> | | | |
| <u>3.</u> | | | |
| <u>4.</u> | | | |
| <u>5.</u> | | | |

Total

(b) Current Account Description

| | | |
|--|-------|--------------------|
| New Raw materials to be stocked | ----- | Day for production |
| Time taken for raw materials to be refined for production | ----- | Day |
| Time for stocking new products | ----- | Day |
| Sale on Credit | ----- | Day (b) |

Current amount required for

1 to 4 (operating cycle) ----- Day (c)

Money required for raw materials

and other expenses

bxc

30

Rs -----

Rs -----

Rs -----

Minus loan on Credit

Rs -----

Required current amount

Rs -----

Monthly expenses

X

Raw materials transported into cash

(Raw materials, labor charges, etc)

Estimated time

19. TOTAL PROJECT AMOUNT

Fixed Capital (18 a)

Rs

(x)

Own Capital amount (18 b)

Rs

(y)

TOTAL Project amount (x + y)

Rs

Contribution of Owner

Rs

Required Loan amount

Rs

20. Grace period for paying the loan (Explanation)

Write clearly about the grace period (time and the amount to be paid on which the loan has been sought.

Place:

Applicant signature

Date:

Branch/Sub-branch

Bank responsible for interviewing the applicant - Nepal Bank Limited

Manager's Name:

FIAN/BICOL
GUIDELINES FOR ASSOCIATIONS GOING
INTO A RELENDING PROGRAM

1. METHODOLOGY IN FORMULATING LENDING POLICIES AND PROCEDURES

- A. Prior to preparing the PDO, the association should first and foremost, formulate their Lending Policies and Procedures.
- B. It is suggested that in the formulation of policies and procedures, the Board and Project Committee members will undergo a one (1) or two (2) day workshop to be facilitated by the Location Community Workers and Area Technical Officer/Managers.
- C. A workshop style is suggested for the following reasons:
- ensure maximum participation of all members of the Board and Project Committee
 - the participation of Location Community Workers and Area Technical Officer/Managers would ensure that all necessary areas are covered
 - part of building the association's capability in
 - managing its own relending program
 - the learnings in the workshop can also be utilized by association in formulating guidelines for other types of projects in other types of projects in other sectors.
- D. During the workshop, the following basic considerations will be highlighted:
- to keep their policies and procedures SIMPLE, USEFUL and PRACTICAL
 - not to lose track of the ultimate users of the loan services - the small entrepreneurs, farmers, fishermen - sectors who need to be provided the funds at the time that they need it and are not used to paperwork and bureaucracy

- not to come up with rules, regulations and procedures which they themselves would have to "suffer"
- relending activity is a service but seed fund should be made to grow, if not keep intact so relending services would reach a greater number of PLAN and Non-PLAN families.

2. GUIDE QUESTIONS FOR ASSOCIATION IN FORMULATING LENDING POLICIES AND PROCEDURES

A. Eligibility/Priority Criteria - Loan Applicants

- (1) Who would qualify to borrow from the Association's Relending Program?
- (2) If you are thinking of including Non-PLAN borrowers, should criteria applied to PLAN members also be the same for Non-PLAN? If not, what would be your criteria for Non-PLAN to participate in the program?

B. Criteria - Approval of Loans

- What would be your criteria in approving loans?
- Would you expect borrowers to put up a counterpart in the project? If yes, what would qualify as a counterpart?
- If you require counterpart, would this hold true to all loans regardless of amount? If not, what loan amounts should we require a counterpart?

C. The Loan

- Up to what amount will the association lend per borrower?
- What types of business/ventures will you finance? e.g. small business, agri, fishing, livestock, aqua-culture, etc.
- What would be the purposes of the loan you are going to finance? e.g. raw materials, labor, machinery and equipment, fertilizers and chemicals, fishing gears, boats, building, tools, etc.

- If applicable, will loans be given in cash or in kind?
- What interest rate and fees, if any, are you going to charge? Why? Is it affordable by the borrowers? Are the interest and fees enough to cover the expenses of the association in administering the relending program?
- How long and how often should the borrowers pay back their loans? Should we consider the loan amounts and types of businesses/ventures in determining how long and how often they should pay?
- Do you think you would use the suggested forms? What do you think are the importance of these forms?

D. Review and Approval Procedure

- Who in the association will review and approve/disapprove the loan application?
- Will the association have the same body/persons to review and approve loan applications P 1,000 and below? If you, could they act on the loan applications at least two (2) days upon receipt?
- How long would it take to review and approve/disapprove loans P 1,001 and above?
- To whom will loan applications be submitted?
 - for loans P 1,000 and below for business/venture expansion and loan applicant had previous experience/venture
 - for loans P 1,001 and above and/or loan applicant first time to go into the business/venture
- Will interviews be made and scheduled? If yes, where and when will it take place? Who will inform loan applicant?
- When the loan is approved or disapproved, how and how soon will the loan applicants be informed of the status?

E. Disbursement Procedures

- Loans P 1,000 and below
 - Four loans P 1,000 and below who will disburse the funds?
 - How will the funds be disbursed? Will it be in cash or check form?
 - If cash, how would you go about it without affecting your present financial system and control?
- Loans P 1,001 and above
 - For loans P 1,001 and above, who will disburse the funds? Will the funds be disbursed in cash or by check?
 - Will you disburse the full amount requested one time or do it on a staggered basis?
- What are your financial control mechanisms?

F. Collection Procedure

- Who will collect? Will you utilize the Barangay Collectors? Will you give any incentives or compensation to the collectors? How much? Can the association afford this?
- How long should the money stay with the collector? To whom and where will collections be remitted?
- What specific actions are you going to take if borrowers fail to pay? Who will enforce these specific actions? Are you sure this is realistic and enforceable?
- What forms should you use?

G. Monitoring

- What is the importance of monitoring?
- Who will monitor the individual business/ventures funded by the association?

- loans P 1,000 and below
- loans P 1,001 and above
- Do you think you could use the suggested monitoring sheet for loans P 1,001 and above?
- How often will you monitor?
- What will you monitor?
- If you will identify specific actions that need to be taken as a result of your monitoring activities, what will you do?

PLAN INTERNATIONAL EGYPT

SMALL BUSINESS EVALUATION FORM

A-Sub Office: _____ Zone: _____ P.A. _____
 Partner No: 26- _____ P.C. Name: _____

B-Name of Businessman/Woman: _____
 Age: _____ Literature: Yes ___ No ___ Education: _____ Years
 Relation to P.C.: _____

C-Amount and Type of Funding:
 1 - Plan Grant L.E. _____
 2 - Plan Loan L.E. _____ Monthly Payment _____
 3 - Total Plan L.E. _____
 4 - Family Cash L.E. _____
 5 - Family Equipment:
 (Approx. Value) L.E. _____
 6 - Total Cash (#3 + #4):
 L.E. _____

D-Date of Funding (Received by Business): _____

E-Date First Loan Installment is Due : _____

F-Number of Loan Installments : _____

G-Kind of Business (Principal Activity)

- 1- Production Only _____
- 2- Production and Wholesale _____
- 3- Production and Retail _____

- H-1- Ambulant (on foot) Vendor _____
- 2- Food Cart _____
- 3- Retail Vending Cart _____
- 4- Retail Kiosk _____
- 5- Retail Store _____
- 6- Shoe Repair _____
- 7- Shoe/Purse Manufacture _____
- 8- Sewing _____
- 9- Carpets _____

- 10- Handicraft (specify) _____
- 11- Carpenter _____
- 12- Plumber _____
- 13- Mason _____
- 14- Electrician _____
- 15- General Repair Shop _____
- 16- Mechanic (Auto) _____
- 17- Other (specify) _____

I-Use of Financing 9Start-up Capital

1- Physical Plant Acquisition/Improvement L.E. _____
 2- Equipment/Fixed Assets L.E. _____
 3- Hand Tools L.E. _____
 4- Production Inventory L.E. _____
 5- Retail (Sales) Inventory L.E. _____
 6- Salary/Months L.E. _____/Month _____
 7- Other (Specify) L.E. _____
 _____ L.E. _____
 Total Direct Investment 9Sum 1-7) L.E. _____

Cash Reserve for (Specify)

8- _____
9- _____
10- _____

L.E. _____
L.E. _____
L.E. _____

J-Total Financing

(Must Match "Total Cash" from previous page C-6)

L.E. _____

K-General Notes or Comments of Evaluator:

BUSINESS COMPONENTS AND ACTIVITY FOLLOW-UP FINDINGS

| COMPONENT/ACTIVITY | 1 MONTH | 2 MONTH | 3 MONTH | 4 MONTH | 5 MONTH | COMMENTS |
|--|----------------------------------|---------|---------|---------|---------|----------|
| HUMAN RESOURCES | | | | | | |
| PHYSICAL SPACE | Adequate Safe | | | | | |
| INVENTORY, PRODUCTION | Adequate in quantity for 1 month | | | | | |
| INVENTORY, RETAIL | Replaced regularly | | | | | |
| EQUIPMENT-HAS NECESSARY EQUIPMENT | | | | | | |
| EQUIPMENT - Condition is: | Good, Fair, Poor | | | | | |
| EQUIPMENT - MAINTENANCE | Oiled, Clean, Covered, Etc. | | | | | |
| PRODUCTION SCHEDULE | Exists and is followed | | | | | |
| SALES SCHEDULE IS FOLLOWED | | | | | | |
| RECORD KEEPING: | Accurate | | | | | |
| | Up-to-date | | | | | |
| | Adequate | | | | | |
| LICENSES ARE VALID | | | | | | |
| LOAN REPAYMENTS ARE CURRENT? | | | | | | |
| GROSS MONTHLY INCOME FROM BUSINESS (SALES) | | | | | | |
| NET INCOME | | | | | | |
| AMOUNT SPENT IN LAST MONTH ON INVENTORY | | | | | | |
| AMOUNT SPENT LAST MONTH ON RETAIL/MAINTENANCE | | | | | | |
| AMOUNT SPENT LAST MONTH ON SALARIES | | | | | | |
| | Businessman | | | | | |
| | Employees/Apprentices | | | | | |
| IS THERE A TRAINING OR APPRENTICE ACTIVITY | | | | | | |
| | How many trainees | | | | | |
| | Rate of pay per day | | | | | |
| IS THERE A BANK ACCOUNT (OTHER THAN PLAN) | | | | | | |

2. Some participants feel that the decisions are made for them but some feel that it is the group that makes the decisions.
3. Majority of the participants feel that it is the group that makes the decisions

$$PI = \underline{A} + \underline{B} + \underline{C} + \underline{D} + \underline{E}$$

II. Financial Management Rating

(Please encircle appropriate points)

A. Bookkeeping/Record keeping

1. Project has neither books nor any record keeping system.
2. Project group has book/records but entires are not quite in order.
3. Project group has good/in-order book/record keeping system.

B. Security of Funds

1. Funds are handled by unauthorized/unaccountable people.
2. Funds are handled by authorized/accountable (although not bonded) officers of the group.
3. Funds are handled by bonded, accountable officers of the group or are deposited in banks/coops in the group's name.

C. Use of funds according to PLAN/policy

1. Funds used for personal purposes/could not be presented.
2. Funds used by the group in projects not included in the original plan.
3. Funds used according to plan.

D. Funds intact/accountable

1. Less than 95% of the funds are intact/accounted for.
2. 95% of the funds are intact/partially accounted for.
3. 100% of all funds are intact/fully accounted for.

E. Financial obligations settled including CAF

1. No intention to settle obligations.
2. Delayed or partially settled with intention to pay or too early to tell.
3. All obligations settled in accordance to schedule.

Note: As a general rule, if total of A, B & C is below 8 points, FMR automatically rated 1 point.

$$= \underline{A} + \underline{B} + \underline{C} + \underline{D} + \underline{E}$$

5

III. Technical Assistance Rating

- A. Inaccessible or not availed of.
- B. Availed of trainings, technical advice, etc. as planned.
- C. Availed of more than planned.

IV. Technical Success Rating

(Based on Measure of Performance, Income Statement and Financial Analysis)

Encircle appropriate rating and compute for the average.

- A. Measure of performance (see monitoring form)

| Percentage | Points |
|------------|--------|
| Below 75% | 1 |
| 75 - 95% | 2 |
| 96 - 100% | 3 |

- B. Income Statement and Financial Analysis (Compare the actual figures from the projected and rate accordingly by encircling appropriate number).

B1. Income/Net Savings/Net Profit to the Income

Statement must be attached to this PEF.

- Below Projection 1
- As projected 2
- More than the projection 3

B2. Rate of Return on total project cost

(How does this compare with the projected rate)

- Below Projection 1
- As projected 2
- More than the projection 3

B3. Return of Investments of proponents

(Attach computation)

- Below Projection 1
- As projected 2
- More than the projection 3

B4. Return on operating assets

- Below Projection 1
- As projected 2
- More than the projection 3

B5. Production level/sales at break-even point

- Below projection 1
- As projected 2
- More than the projection 3

$$TSR = a + (\underline{b1} + \underline{b2} + \underline{b3} + \underline{b4} = \underline{b5})$$

5

$$\text{TOTAL RATING} = \text{PI} + \text{FMR} + \text{TAR} + \text{TSR}$$

$$= \underline{\quad} + \underline{\quad} + \underline{\quad} + \underline{\quad}$$

$$= \underline{\hspace{10em}}$$

EIDDC Technical Assistance Program
To Small Scale Industries
In Collaboration With The World Bank
Through the Development Industrial Bank (DIB)

PROTOCOL OF COOPERATION

FOR

CONTINUING AND TECHNICAL ASSISTANCE

TO

PLAN INTERNATIONAL EGYPT

The Engineering and Industrial Design Development Centre (EIDDC) and PLAN International Egypt (PLAN) jointly recognize the importance of small enterprises promotion and development as one of the important approaches to community development and improvement of the quality of life for the Egyptians. PLAN in particular is dedicated to the promotion of individual/family income generating and productive and/or other money-making projects in order to help develop a productive village or community.

PLAN which has been in operation for more than a year now has already made some significant contributions in uplifting living conditions in depressed communities or villages through its various programs in the field of health services, hygiene and sanitation, youth training and development, women training and development, including small enterprises development. The implementation of these programs to benefit community development calls for a more expanded and extensive effort in the effective identification of potential self/family small enterprises, guidance in the development and organization of these enterprises, continuing assistance in the technical, financial and managerial aspects during the commercial operation of these small enterprises.

Both EIDDC and PLAN recognize the need for a continuing coordination of their mutually complementary functions to promote and develop community small business enterprises.

In recognition of the complementary roles of the two institutions, EIDDC and PLAN hereby agree to a Protocol of Cooperation which would ensure the efficient and effective development of small scale business enterprises in Egypt.

PLAN'S OBLIGATIONS

PLAN's responsibilities under this agreement will be as follows:

1. Through their continuing program in community development to promote, identify and assist in the formation of community small enterprises.
2. To assist these very small enterprises in analyzing the technical and economic aspects of identified small enterprises.
3. To provide the services required by the small enterprises in all its life stage; during conception stage, organization stage and commercial operation stage.
4. PLAN may refer to EIDDC as the collaborating agency all aspects of assistance needed and/or requested by small scale enterprises which are beyond their institutional and organizational capabilities.
5. PLAN may consult and/or refer to EIDDC matters which may need further other government interventions in achieving small enterprise development in particular and community development in general.

EIDDC'S OBLIGATIONS

To provide PLAN a continuing assistance and technical back-up support on the following:

1. Continuing counselling assistance on staff training and entrepreneurial guidance on the analysis, preparation, and evaluation of feasibility studies and business plans for small enterprises.

2. Assist PLAN in making representations with other government instrumentalities concerned regarding matters affecting community development programs.
3. Provide PLAN and its staff as well as its business clients the required on the job technical training and/or business management training and guidance.
4. Refer and intercede in behalf of PLAN with other institutions both public and private on matters beyond the scope and capabilities of EIDDC.
5. Provide other advisory and technical assistance on other matters relating to small business promotion, development, organization and operation.

FINANCIAL ARRANGEMENTS

EIDDC is operating on a limited governmental budget in carrying out its planned technical assistance programs to small and medium industries in the country. For this added continuing counselling, assistance and provision of technical back-up support to the programs and activities of PLAN, PLAN will allocate the amount of \$_____ annually to support EIDDC's expanded operation. This amount excludes the cost of specialized organized training programs that may be designed and implemented both for the staff and clients of PLAN, as well as the cost of specific jobs to be done by the specialized shops of EIDDC. Costs involved shall be agreed upon between PLAN and EIDDC on a case to case basis.

JOINT REVIEW

To ensure close cooperation and collaboration between EIDDC and PLAN, there shall be a meeting between management and/or representatives of both institutions, at least once every two months to review the implementation of the programs, review progresses, discuss implementation problems and identify appropriate actions to be taken.

EFFECTIVITY

This cooperation will take effect from _____ 19 ____ to
_____ 19 ____, or upon signing of this Memorandum of Agreement.

WE HEREBY SET ON THIS DATE OUR SIGNATURE AND APPROVALS ON THIS PROTOCOL OF
COOPERATION.

ENGINEERING & INDUSTRIAL DESIGN
DEVELOPMENT CENTER (EIDDC)

PLAN INTERNATIONAL
EGYPT (PLAN)

DR. ENGR. YUSEF K. MAZHAR

DR. WILLIAM T. FARRELL

President, EIDDC

Director

and

PLAN, International

Undersecretary, Ministry of

Egypt

Industry

Date: _____

Date: _____

AGREEMENT BETWEEN FOSTER PARENTS PLAN INTERNATIONAL

AND

PARTNERSHIP FOR PRODUCTIVITY INTERNATIONAL

Foster Parents Plan International, Inc., referred to hereafter as PLAN, hereby contracts for the consultative services of Partnership for Productivity, hereafter referred to as Pfp, to provide evaluation training for the PLAN income generating matching grant project. The Pfp staff representative located in _____ will be responsible to the PLAN Field Director also located in _____ Pfp is represented by _____. PLAN is represented by _____.

PLAN undertakes to pay Pfp under the terms of this contract in the amount of \$ _____. This fee will be paid in US Dollars to Pfp as they may direct. This fee will commence on _____, covering a pre-workshop planning session followed by the actual workshop which runs for five days, _____, 198 _____. The workshop closes at the end of the day on _____, 1985.

In addition, PLAN will pay for travel, room and board and any other reasonable expenses incurred by Pfp staff as related to the workshop. See attachments concerning preliminary planning.

If the consultative services provided by Pfp require additional time than that outlined above, this contract may be extended on the recommendation of the Field Director in _____.

It is clearly understood that PLAN engages Pfp as its income generating project evaluation consultant under existing labor laws of the United States. As PLAN's IGP Evaluation Consultant, Pfp staff members engaged in providing services are not permitted to seek benefits under the labor laws of any other country.

The sole reason and purpose of PLAN activities is a humanitarian one. Pfp undertakes to occupy its staff members solely to that end. Both parties will

conduct themselves in a manner that reflects the professional status of both entities. Throughout, PLAN's identity and independence will be preserved.

FOSTER PARENTS PLAN INTERNATIONAL

Date

Field Director

Date

Consultant, PFP

BANGKOK BULLETIN INDEX

1. November, 1984 Pisces - Program for Investment in the Small Capital Enterprise Sector - Introduction
2. December, 1984 Pisces - Some Common Characteristics of a "Good" Project
3. January, 1985 Group vs. Individual Approach Taken from Entrepreneurship for the Poor Workshop by Malcolm Harper in the Philippines
4. February, 1985 The Young Presidents Organization - 18 Rules to Profit and Success for the Entrepreneur
5. March, 1985 Small Business in the Third World by Malcolm Harper
6. April, 1985 Bankers in the Service of the Poor: IFAD Credit Program - Development 1984:2
7. May, 1985 Impact of Income Generating Projects - EGR
8. June, 1985 Evaluation of the Bangkok Workshop
9. July, 1985 The Role and Perspective of Small Income Generating Projects in Kenya
10. August, 1985 Giving Credit Where it is Due - Banking on the Landless in Bangladesh
11. September, 1985 Volunteers in Overseas Cooperative Assistance
12. October, 1985 Proceedings of the Bangkok Workshop Small Enterprise Development and the Private Voluntary Agency
13. November, 1985 International Credit Union Operating Principles
14. December, 1985 Survey of Loan Policies - PLAN
15. January, 1986 Entrepreneurship Development Institute of India
16. February, 1986 ... More on Pisces
17. March, 1986 The Myth of the Trustworthy Respondent, and the Value of Subjectivity - A Note on Direct Question Evaluation Methods Tom Dichter, Technoserve
18. April, 1986 World Education, Inc. REPORTS Income Generation and Community Development - November, 1985
19. May, 1986 Poverty and Hunger - A World Bank Policy Study

20. June, 1986

The Ethics of Risk
Fred K. Kirschstein

21. July, 1986

PLAN "INCOME GENERATING MATCHING GRANT"

SECOND ANNUAL REVIEW
November 25, 1986

- I. Introductory remarks by Steve Bergen and John Grant
- II. Opening Statement by Ken Phillips (PLAN/USA).
- III. Review of second year activities
 - A. Project Management: Closing of the Bangkok Office and transfer of project direction to Rhode Island Headquarters.
 1. Timing and rationale for closing of Bangkok Office
 2. Status of relationship with AIT
 3. Current allocation of project management responsibilities in Rhode Island. Relative allocation of responsibilities between IHQ and PLAN/USA
 4. Current mechanisms for providing T.A. training and evaluation support to the IGP field offices.
 - B. Status of Activities in the original 3 IGP field offices: Yogyakarta, Indonesia; and Mindoro and Bicol, Philippines. Summary of second year activities: types of IGP projects; organizational structure; and mechanisms for the provision of capital/credit. Plans for year 3 and prospects for sustainability.
 1. Yogyakarta
 - a) Discuss the high rate of expenditure (\$320,000) and rationale for large expenditures on erosion control and reforestation.
 - b) Summary of activities and outputs; relative emphasis on support of traditional livestock and agriculture activities as compared with small business development.
 - c) Role of credit unions.
 2. Mindoro
 - a) Discuss role of the farmers federation.
 3. Bicol (Naga)
 - a) Impact of the field office reorganization on project progress.

b) Results of impact evaluation study.

c) Reason for the low loan repayment rate (25%).

C. Status of Activities in the Field offices included in the Second year. Summary of progress to date, and plans for year 3. Strategy for support of income generating activities.

1. Kenya (Embu and Meru)

- Description of individual loan business scheme
- Discussion of Kenya guidelines for income generating projects
- Reason Kenya chose not to be included in proposal for IGP II

2. Egypt

- Discussion of loan repayment scheme

3. Bombay, Madakasira, and H.D. Kote, India

- Role of MG in strengthening IGP activities since AID funds are not spent in India

4. Sri Lanka

5. Bali, Indonesia

6. Thailand

- Reason Khonkaen withdrew from Matching Grant.

7. Nepal

IV. Summary of accomplishments in relation to second year objective and project goals. Discussion of key issues identified and lessons learned implications for the future.

A. Training

1. Staff retraining and introduction of small business promoters
 - Role of the new small business promoter
 - Progress in hiring/training small business promoters in the field offices.
 - PLAN/World Education training of trainers course for staff from Bali, Nepal, Sri Lanka and Thailand.
 - Utilization of local resources for training of staff in Egypt and in Bombay, and H.D. Kote, India.

- Role of IHQ in staff retraining

2. Training of beneficiaries

- Relative emphasis on small business management in relation to more traditional sectors (crop production, animal husbandry, agroforestry, etc.).

B. Evaluation

1. Results of the evaluation workshop in Bangkok (May, 1986).
2. Role of special evaluation studies.
3. Status of the monitoring and evaluation systems in the different field offices. How many field offices besides PLAN/Mindoro have comprehensive monitoring and evaluation systems in place? How many have collected the baseline information necessary to measure the impact of income generating activities?
4. Role of IHQ in providing technical assistance and training to field offices in monitoring and evaluation.
5. Prospects for developing a general evaluation methodology that will enable PLAN to compare results between field offices and to assess the overall impact of the Matching Grant on employment and income.

C. Guidelines/Procedures for Feasibility Studies and Organization of Income Generating Projects

1. PLAN's degree of success in institutionalizing the use of feasibility studies in all IGP field offices, and progress in establishing common standards for feasibility studies.
2. Progress of field offices in establishing procedures for the implementation of income generating projects. How many field offices have established guidelines/manuals and how do they compare?
3. Role of Bangkok Office and IHQ in providing T.A. and training to the field offices in development of appropriate procedures, and in establishing basic standards for the organization of IGPs.

D. Skills Networking and Technology Exchange

- Role and activities of the skills networking coordinator in the last year
- Degree of success in linking technical resources from the U.S. with PLAN field offices. Lessons learned.

- Status of PLAN USA handicraft marketing efforts

E. Establishment of Credit Mechanisms

- PLAN's degree of success in making the transition from grant to loan support of income generating projects
- Discussion of the different mechanisms used to provide financial assistance to IGPs
 - Banks: Sri Lanka, Nepal
 - Credit Unions: Bali, Yogyakarta, Indonesia
 - Private financial institutes: Meru and Embu, Kenya
 - Local groups/associations: Bicol, Mindoro

F. Establishment of Successful Income Generating Projects and Institutional Bases for Sustainability

- Discussion of PLAN's relative degree of success in supporting different kinds of income generating projects
- Use of community IGP committees to sustain loan programs.
- Lessons learned and implications for the future

VI. FINANCIAL ANALYSIS

1. Analysis of second year expenditures.
2. Discussion of third year budget.

2817J

INCOME-GENERATING MATCHING GRANT PROJECT

YEAR II

| FIELD OFFICE | FEASIBILITY ASSESSMENT | CREDIT MECHANISMS | EVALUATION |
|-----------------------|---|--|--|
| Egypt | Client completes business plan assisted by staff. | Part loan, part grant to individuals. Funded by PLAN. Future tie-up with bank (third year). | 4-person evaluation unit to measure impact. Evaluation systems and forms under development. Baseline data obtained on individual or group carrying out IGF. |
| Kenya | Client completes business plan assisted by staff. Business planning workshops offered. | Loans to groups and individuals. Groups receive funds from PLAN with repayment to group. Individuals receive loans from financial institution. | Evaluation workshop for all staff in April 1986, which defined roles of line staff in evaluation. No special evaluation staff. Forms and systems in place to measure impact. |
| Bali, Indonesia | Client completes business plan assisted by credit union for individual projects. Staff responsible for feasibility study for large projects with information from client. | Grants for agroforestry and livestock projects (groups). Loans through credit unions to individuals. | Line staff responsible for evaluation. System in place for day-to-day evaluation. Special evaluation studies undertaken of credit unions and livestock projects. |
| Yogyakarta, Indonesia | Client completes business plan assisted by credit union for individual projects. Staff responsible for feasibility study for large projects with information from client. | Grants for agroforestry and livestock projects (groups). Loans through credit unions to individuals. | Evaluation coordinator responsible for impact evaluation. Impact evaluation system under development. Day-to-day evaluation system in place. |
| Nepal | Some training for entrepreneurs provided. Other clients are assisted by staff in determining IGF feasibility. | Loans from bank for some individual projects. Grants to development committee to lend to members. Repayment to lender. | Recently hired Evaluation Coordinator responsible for impact evaluation. Impact evaluation system under development. Line staff responsible for day-to-day project evaluation. |
| Bicol, Philippines | Committees trained to assist members of Associations. Associations and PLAN staff assess feasibility. | Grants to Associations, which lend to individual members. Repayment to Associations. | Evaluation Coordinator on staff. Systems in place for process and impact evaluation. IGF evaluation study carried out by outside agency. |

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INCOME-GENERATING MATCHING GRANT PROJECT

YEAR II

| FIELD OFFICE | FEASIBILITY ASSESSMENT | CREDIT MECHANISMS | EVALUATION |
|-------------------------|---|---|---|
| Mindoro, Philippines | Clients complete feasibility study assisted by staff. Orientation and training provided via group meetings | Grants to small and large groups. To small groups, funds extended as part loan, part grant. Loans to large groups. Repayment to groups. | Sophisticated evaluation system in place. 5 person evaluation unit responsible for collection and analysis of data. IGF evaluation study completed. |
| Sri Lanka | Clients complete feasibility study assisted by staff. Orientation and training provided via group meetings. | Grants to small groups which lend to individuals. Repayment to group. At end of Year II, agreement established with bank. | 3 person evaluation unit in place to measure impact. Line staff responsible for day-to-day evaluation. Evaluation training conducted for all staff by evaluation consultant. Evaluation forms and systems in place. |

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AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D C. 20523

November 20, 1986

Ms. Karen Poe
Office of Private and Voluntary Cooperation
Bureau for Food for Peace and Voluntary Assistance
Agency for International Development
247, SA-8

Karen
Dear Ms. ~~Poe~~:

This letter is to invite your participation in the Workshop on Future A.I.D. Directions in Small and Micro-Enterprise Development., Dec. 16-18, 1986 in Williamsburg, sponsored by the Employment and Enterprise Development Division (EED) of S&T/RD and the Center for Development Information and Evaluation (PPC/CDIE)

About twenty Missions are planning to send representatives and many AID/Washington bureaus will be represented as well. Participants will assess small-scale enterprise (SSE) issues and experiences bearing directly on the design, monitoring and evaluation of projects in this sector. Emphasis will be placed on criteria for identifying and justifying SSE projects, considering their costs/benefits to A.I.D. Total participation will be limited to about sixty participants and presentors. The conference results will be distilled into a short written report to top A.I.D. decision makers. We also hope that a summary of workshop proceedings and participants' views will be disseminated to A.I.D. Missions in video cassette form.

Attached are copies of the tentative agenda, the cable sent to Missions describing Workshop activities, and a current list of the participant. Also enclosed is a list of documents which we expect participants to read before arriving at the Workshop. If you need copies of any of these publications, let me know. Later you will receive copies of the new monograph by Carl Liedholm and D. Mead, "Small Scale Enterprises in Developing Countries: A Review of the State of the Art," which will be the keynote presentation at the workshop, and a draft ARIES Project Strategic Overview Paper.

The Workshop will be held at the Fort Magruder Inn in Williamsburg, VA. A participant bus will depart from Rosslyn VA, (1601 N. Kent Street (SA-18)--across from the USA Today Building on Wilson Blvd.) about 2:00PM on December 16. Accommodations at Fort Magruder's will cost you \$45.00/night single or double. The Williamsburg per diem is currently \$83.00/day. Costs of the workshop will be covered by ST/RD/EED and PPC/CDIE. However, each A.I.D. staff participant must arrange to pay for his/her own travel and per diem. When you confirm Workshop attendance you will be booked for the evenings of December 16 and 17 in Fort Magruder's. A bus will return with participants to the Washington, D.C. area in the late afternoon of December 18. Please contact Ms. Carol Pearson, Pragma Corporation, (202) 237-9303, concerning logistical arrangements for the Workshop.

Please call me to confirm your attendance and to discuss your participation in the Workshop (703) 235-8964.

I look forward to collaborating with you in our Workshop activities.

Yours sincerely,



Ross E. Bigelow
Enterprise Development Specialist
Employment and Enterprise Development
Division
Office of Rural and Institutional
Development
Bureau for Science and Technology

Enclosures:

- Workshop Agenda
- List of Participants
- Cable to Missions
- List of Publications to be used at the Workshop

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PARTICIPATION -- SSE Workshop-December 16-18, 1986

AID/Washington Staff

AFR

| | |
|------------------|-------------|
| Harthon Munson | AAA/AFR/PRE |
| Charles Buchanan | AFR/PRE |
| Jerry Wolgin | DP/AFR/PAR |

ANE

| | |
|------------------|------------|
| David Cahn | ANE/PD/PRE |
| Richard Williams | ANE/PD/PRE |

LAC

| | |
|----------------|--------|
| Aaron Williams | LAC/PS |
| Stephan Ryner | LAC/DR |

PRE

| | |
|------------------|---------|
| Charles Gladson | AAA/PRE |
| Russell Anderson | PRE/PD |
| Herb Wegner | PRE/PD |

FVA

| | |
|---------------------|---------------|
| Thomas McKay | AAA/FVA/PVC |
| Andrea Mohn-Baumann | PVC/FVA/TR I |
| Karen Poe | PVC/FVA/TR II |

PPC

| | |
|--------------------|--------------|
| W. Haven North | AAA/PPC/CDIE |
| Annette Binnendijk | PPC/CDIE/PPE |
| Jim Cotter | PPC/CDIE/PPE |
| Neal Zank | PPC/PDPR/SP |
| Thomas Dailey | PPC/PDPR/RP |
| Kay Davies | PPC/WID |

S&T Staff

| | |
|---------------------|------------|
| Nyle Brady | SAA/S&T |
| Dennis Brennen | DAA/S&T |
| Christopher Russell | S&T/HR |
| Eric Chetwynd | S&T/RD |
| Michael Farbman | S&T/RD/EED |
| Ross Bigelow | S&T/RD/EED |
| Robert Young | S&T/RD/EED |
| Jan VanderVeen | S&T/RD/EED |
| Ed Smith | S&T/RD/EED |
| Cliff Barton | S&T/RD/EED |
| Frank Denton | S&T/RD/EED |

Congress

Ed Swanson

Hunger Committee

Specialists

Prof. Carl Liedholm
Mr. Jeffery Ashe
Mr. Robert Blayney
Ms. Maria Otero
Mr. Fred O'Regan
Dr. Bish Sanyal
Dr. Judith Tendler
Dr. Robert Hunt
Dr. Galen Hull
Dr. Donald Snodgrass
Dr. Thomas Timberg
Dr. Charles Mann
Mr. Russell Webster
Mr. Pat Carmichael

MSU-Pragma
ARIES Board-Pragma
Consultant-Pragma
Consultant-Pragma
REP/Kenya Project-Pragma
M.I.T./Consultant-Pragma
M.I.T./Consultant-Pragma
Illinois State-Pragma
Consultant-Pragma
HIID (EEPA)
ARIES Director (RRNA)
ARIES (HIID)
ARIES (RRNA)
SEA Project, Barbados (USAID/B)

Facilitators

*Ms. Cressida McKean
*Ms. Carol Pearson

Facilitator/Writer
Manager/Logistics Coordinator

Update 11/20/86:REB:3980o

LIST OF PARTICIPANTS

WORKSHOP ON FUTURE A.I.D. DIRECTIONS
IN SMALL AND MICRO-ENTERPRISE DEVELOPMENT

December 16-18, 1986

USAID Mission Designees

Africa

| | |
|--------------|--|
| Burundi | Charles S. Gordon, Program Officer/OAR |
| Kenya | Beth Rhyne, PSC Project Development |
| Mali | To be named |
| Niger | Abbe Fessenden, Program Officer |
| Sierra Leone | Jam W. Habron |
| Somalia | Edward Birgells, Chief, Project Development Office |
| Zimbabwe | Scott E. Smith, Deputy Director |

Latin America and the Caribbean

| | |
|--------------|--|
| Costa Rica | Ray Baum, Project Development Office/Manager |
| E. Caribbean | Jason Brown, PSC Small Enterprise Assistance Project |
| Ecuador | James Finucane, Private Sector Officer |
| Haiti | James Berezin, Program Officer |
| Honduras | Elisabeth Kvitashvili, Project Development Officer |
| Jamaica | James Lowe, Industrial Development Officer |

Asia and Near East

| | |
|------------|---|
| Bangladesh | Gary Vanderhoof, Project Manager SSE Activities |
| Egypt | Edward Baker |
| Indonesia | James Boomgard, Chief of Party, Cent. Java Enterprise Proj. |
| Nepal | Jean Meadowcroft |
| Yemen | Rufus Long (on imminent transfer to AID/W) |

SPECIFIC AGENDA at 11/12/86

WORKSHOP ON FUTURE A.I.D. DIRECTIONS
IN SMALL AND MICRO-ENTERPRISE DEVELOPMENT

December 16-18, 1986

Tuesday, December 16

- 2:00PM Participants' Bus departs Rosslyn and Washington, D.C. for
Williamsburg, VA
6:00PM Bus arrives at the Fort Magruder Inn, Williamsburg
6:45Pm Registration and Reception
8:00PM Dinner/Evening - Open

Wednesday, December 17

- 8:00AM Opening/Introductions - Employment and Enterprise Division,
S&T/RD
8:10AM Welcome - Dr. Nyle Brady, Senior Assistant Administrator, Bureau
for Science and Technology
8:45AM Keynote Address: Dr. Carl Liedholm, Michigan State University,
"The State of the Art of Small Enterprise Development"
9:30AM Response of Panelists:
Chair: Cressida McKean, Pragma Facilitator
Jeffery Ashe, Consultant
Thomas Timberg, ARIES Project Director
Maria Otero, Consultant
10:15AM Liedholm Response to Respondent Comments
10:30AM Coffee
11:00AM Presentation and Plenary
Scale and Target Beneficiaries
Chair: James Cotter, CDIE Consultant & American Univ.
Special Resource: Carl Liedholm, EEPA & MSU
Robert Blayney, Consultant, Presentor
[Aaron Williams, LAC/DR/PS], Discussant
USAID Representative Discussant
12:30PM Lunch
1:30PM Panel Discussion:
Meeting Needs: Credit, Technical Assistance Etc.
Chair: Ross Bigelow, S&T/RD/EED
Fred O'Regan, Kenya Rural Priv. Enterpr. Proj.
Jeffery Ashe, Consultant, Presentor
Andrea Mohn-Baumann, FVA/PVC, Discussant
Jason Brown, USAID/E.Caribbean SEA Project, Discussant
Herb Wegner, PRE/PPR, Discussant

Wednesday, December 17 (con't)

- 3:00PM Panel Discussion:
Institutional Development: Intermediary Roles and Capacities of
PVOs, IFIs, Business Associations, Etc.
Chair: Bish Sanyal, MIT/Ford Foundation Consultant
Galen Hull, Consultant, Presentor
Pat Carmichael, SEA Proj., Reg. Coord., USAID/E. Caribbean
Scott Smith, USAID/Zimbabwe Dep. Director, Discussant
James Finucane, USAID/Ecuador Priv. Sector, Discussant
Elisabeth Kvitishvili, USAID/Honduras, Priv. Sector,
Discussant
- 4:15PM Coffee
- 4:30PM Panel Discussion:
Cost Effectiveness of Small Enterprise Programs
Chair: Michael Farbman, S&T/RD/EED
Bud Munson, AAA/AFR, Private Sector Development
Judith Tendler, M.I.T. and Consultant (tentative)
Neal Zank, PPC/PDPR
James Boongard, USAID/Indonesia, Cent. Java Enterprise Proj.

Evening Open

Thursday, December 18

- 8:20AM Announcements/Housekeeping
- 8:30AM Presentation and Plenary Discussion:
The Macroeconomic Environment and Policy Reform:
[Chair: Jerry Wolgin, AFR/DP/PAR-tentative]
Robert Young, S&T/RD/EED
Donald Snodgrass, EEPA Project Director & HIID
Carl Liedholm, EEPA & MSU
Tom Dailey, PPC/PDPR
Russ Anderson, PRE/PD
- 10:00AM Small Group Discussions of Critical Issues and Specific
Recommendations
- 11:15AM Coffee
- 11:30AM Plenary Discussion: Directions for the Future of Small
Enterprise Development
Ms. Cressida McKean, Facilitator
- 12:30PM Wrap up Discussion
- 12:45PM Check out/Lunch
- 2:00PM Bus Leaves for Washington

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APPROVED BY: AID/ST/RO/ECKEY:WHD
AID/ES: GWENDOLYN JOE AID/ST/RO/EED: M FARBMAN (DRAFT)
AID/ST/RO/EED: RYOHNG (DRAFT) AID/PPC/COIE: HNORTH (INFO)
AID/PPC/COIE: ABIMENDIJK (PHONE) AID/PPC/PDPR: TDAILEY (PHONE)
AID/AA/AFR/PRE: F JOHNSON (PHONE) AID/ANE/PD/PRE: R WILLIAMS (PHONE)
AID/FVA/PVC: ABRUMANN (DRAFT) AID/LAC/PD/PRE: A WILLIAMS (PHONE) ✓
AID/DAA/PRE: RANDERSON (PHONE)

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C O R R E C T E D C O P Y (TEXT PARA 1)

E.O. 12356: N/A
TAGS: N/A

SUBJECT: PARTICIPATION IN WORKSHOP ON FUTURE A.I.D. DIRECTIONS IN SMALL AND MICRO-ENTERPRISE DEVELOPMENT, DEC. 17-18, 1986

REFERENCE: (A) PISCES MATERIALS AND OTHER SME PUBLICATIONS POUCHED TO MISSIONS IN JUNE 1986

1. SUMMARY. THE EMPLOYMENT AND ENTERPRISE DEVELOPMENT DIVISION (EED) OF ST/RO AND PPC/COIE ARE JOINTLY SPONSING A WORKSHOP ON FUTURE A.I.D. DIRECTIONS IN SMALL-SCALE ENTERPRISE (SSE) DEVELOPMENT, DEC. 17-18, 1986. MISSIONS ARE ENCOURAGED TO SEND A STAFF MEMBER TO PARTICIPATE. PARTICIPANTS WILL ASSESS SSE ISSUES AND EXPERIENCES BEARING DIRECTLY ON THE DESIGN, MONITORING AND EVALUATION OF PROJECTS. EMPHASIS WILL BE PLACED ON CRITERIA FOR IDENTIFYING AND JUSTIFYING SSE PROJECTS, CONSIDERING THEIR COSTS/BENEFITS TO A.I.D. THE CONFERENCE RESULTS WILL BE DISTILLED INTO A SHORT WRITTEN REPORT TO TOP A.I.D. DECISION MAKERS. WE ALSO HOPE THAT A SUMMARY OF WORKSHOP PROCEEDINGS AND PARTICIPANTS' VIEWS WILL BE DISSEMINATED TO A.I.D. MISSIONS IN VIDEO CASSETTE FORM. PLEASE CABLE ROSS E. BIGELOW AT ST/RO/EED CONFIRMING ATTENDANCE AND NAMING A MISSION REPRESENTATIVE. TOTAL PARTICIPATION WILL BE LIMITED TO ABOUT FIFTY PARTICIPANTS AND PRESENTERS. COSTS OF THE WORKSHOP WILL BE COVERED BY ST/RO/EED AND PPC/COIE; HOWEVER, ALL INTERNATIONAL TRAVEL AND PERDIEMS FOR MISSION PARTICIPANTS MUST BE PAID FOR BY THE MISSIONS. END SUMMARY.

2. THE WORKSHOP HAS THE FOLLOWING PURPOSES: (A) TO PROVIDE A FORUM AT WHICH RECENT LITERATURE AND AGENCY SSE DEVELOPMENT EXPERIENCE CAN BE REVIEWED; (B) BASED ON THIS REVIEW, TO FORMULATE A SET OF RECOMMENDATIONS FOR FUTURE AID STRATEGY, POLICY AND ACTION RE THE SSE SECTOR; SO THAT (C) AID DECISION MAKERS CAN MAKE SOME INFORMED DECISIONS ABOUT THE FUTURE SSE PROGRAM AND

POLICY.

3. ST/RO, PPC/COIE, FVA/PVC AND SOME MISSIONS HAVE PRODUCED NUMEROUS DOCUMENTS ON THE ROLE AND IMPACT OF SMALL AND MICRO ENTERPRISES OVER THE PAST SEVERAL YEARS, AND WE FEEL IT IS NOW TIME TO CONSOLIDATE EXPERIENCE AND REFLECT ON IT AS AN AGENCY. IN JUNE, ST/RO/EED SENT MISSIONS SEVERAL PUBLICATIONS DEALING WITH THE FINDINGS OF PISCES II, OTHER SSE PROJECT EXPERIENCE, AND THE NEW ARIES PROJECT (ASSISTANCE TO RESOURCE INSTITUTIONS FOR ENTERPRISE SUPPORT), (931-1090), REF (A).

4. IN ADDITION TO THESE ITEMS, SEVERAL NEW PUBLICATIONS ARE IN THE WORKS AND WILL BE READY IN DRAFT OR FINAL FORM BEFORE OR DURING THE WORKSHOP. THESE INCLUDE:

-CARL LIEDHOLM AND D. HEAD, SMALL SCALE ENTERPRISES IN DEVELOPING COUNTRIES: A REVIEW OF THE STATE OF THE ART. REPORT FOR ST/RO'S SMALL ENTERPRISE APPROACHES TO EMPLOYMENT PROJECT. FORTHCOMING OCTOBER, 1986.

-ROBERT G. BLAYNEY AND MARIA OTERO, SMALL AND MICRO-ENTERPRISES: CONTRIBUTIONS TO DEVELOPMENT AND FUTURE DIRECTION FOR AID'S SUPPORT. REPORT PREPARED FOR S&T/RO/EED. NOVEMBER, 1985.

-CARL LIEDHOLM, ENTERPRISE DEVELOPMENT OVERVIEW, HEARINGS ON THE PRIVATE SECTOR CONNECTION TO DEVELOPMENT. SUBCOMMITTEE ON INTERNATIONAL DEVELOPMENT INSTITUTIONS AND FINANCE; COMMITTEE ON BANKING, FINANCING AND URBAN AFFAIRS; US HOUSE OF REPRESENTATIVES. WASHINGTON, D.C. JULY, 1985.

-STEVE HAGGLADE, CARL LIEDHOLM, AND DONALD C. HEAD, THE EFFECTS OF POLICY AND POLICY ACTIONS ON NON-AGRICULTURAL ENTERPRISES AND EMPLOYMENT IN DEVELOPING COUNTRIES: A REVIEW OF PAST EXPERIENCES, EMPLOYMENT AND ENTERPRISE POLICY ANALYSIS DISCUSSION PAPERS. NO. 1, MARCH, 1986.

-AID PROJECT MANAGER'S HANDBOOK FOR SMALL ENTERPRISE DEVELOPMENT. EDITED BY PPC/COIE. FORTHCOMING DECEMBER, 1986 (REVISED DRAFT).

SOME OF THE AUTHORS OF THESE WORKS AND OTHER TOP SPECIALISTS IN THE SECTOR WILL BE MAKING PRESENTATIONS AT THE WORKSHOP.

5. AID IS CURRENTLY AT AN IMPORTANT DECISIONPOINT WITH RESPECT TO SMALL AND MICRO-ENTERPRISE DEVELOPMENT IN BOTH RURAL AGRICULTURAL AND URBAN ENVIRONMENTS. RESEARCH, INCLUDING ST/RO'S PISCES AND OTHER STUDIES, AND AN INCREASING FLOW OF SSE PROJECT ACTIVITY FROM MISSIONS HAVE MADE SMALL ENTERPRISE ONE OF AID'S KEY THRUSTS IN PRIVATE SECTOR DEVELOPMENT. THE AGENCY IS ALSO GIVING INCREASING ATTENTION TO THE ECONOMIC AND INCOME BENEFITS FROM OFF-FARM EMPLOYMENT, AND RELATED POLICY REFORM AND PROJECT DEVELOPMENT. FURTHERMORE, A SYSTEMATIC PROGRAM TO APPLY RESULTS TO SPECIFIC SITUATIONS IN THE FIELD AND TO NETWORK KEY PERSONS INVOLVED IS UNDERWAY THROUGH THE NEW ARIES PROJECT. WITH THIS GREAT FLURRY OF INFORMATION AND ACTIVITY, AID STAFF NOW NEED TO REFLECT ON LESSONS LEARNED IN THIS SECTOR AND TO THINK OUT STRATEGIES FOR FUTURE INVESTMENT BY THE AGENCY.

6. WE WILL REVIEW THE WEALTH OF LITERATURE AVAILABLE DURING THE WORKSHOP, ASKING VARIOUS PARTICIPANTS TO FOCUS ON A LIMITED NUMBER OF KEY PUBLICATIONS, AND THEIR OWN EVIDENCE, ESPECIALLY CASE EXAMPLES SHOWING COST-EFFECTIVE SSE PROJECTS. SMALLER DISCUSSION GROUPS

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WILL FOCUS ON SEPARATE TOPICS AND DOCUMENTS. THE SPECIFIC PROGRAM IS NOW IN PREPARATION. SUGGESTIONS ARE WELCOME.

7. THE TWO-DAY WORKSHOP WILL BE HELD IN WILLIAMSBURG, DECEMBER 17-18, 1986. A CONTRACTOR HAS BEEN HIRED TO FACILITATE THE WORK AND MAKE ARRANGEMENTS. TRANSPORTATION WILL BE PROVIDED FROM WASHINGTON, DC TO THE SITE. WHILE RECOGNIZING THAT SHE IS A CURRENT INTEREST OF OTHER DONORS AND THE CONGRESS, THE WORKSHOP WILL BE AIMED PRIMARILY AT AID COLLEAGUES. SELECTED CONSULTANTS AS WELL AS AID STAFF SPECIALIZING IN THE SECTOR WILL BE INVITED TO MAKE PRESENTATIONS. TOTAL PARTICIPATION WILL BE LIMITED TO ABOUT FIFTY PARTICIPANTS AND PRESENTORS. COSTS OF THE WORKSHOP WILL BE COVERED BY ST/RD AND FPC/ODIE; HOWEVER, ALL INTERNATIONAL TRAVEL AND MISSION STAFF PERDIEMS MUST BE PAID BY THE MISSIONS. WE HAVE SCHEDULED THE WORKSHOP IN ORDER TO ALLOW MISSION STAFF TO DOVETAIL IT WITH PID/PP REVIEWS AND/OR HOLIDAY LEAVE IN THE STATES.

8. PLEASE CABLE ROSS E. BIGELOW, ST/RD/EED, (TELEPHONE 703-235-3964), BY OCTOBER 15, 1986, CONFIRMING ATTENDANCE AND NAMING A MISSION REPRESENTATIVE. WHITEHEAD

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Bibliography

- (1) Jeffery Ashe, The PISCES II Experience: Local Efforts in Micro-Enterprise Development. Volume I. and Volume II: Case Studies from Dominican Republic, Costa Rica, Kenya and Egypt. Agency for International Development. Washington, D.C. April, 1985.
- (2) The PISCES Studies: Assisting the Smallest Economic Activities of the Urban Poor. Edited by Michael Farbman. Agency for International Development. Washington, D.C. September, 1981.
- (3) Robert G. Blayney and Maria Otero, Small and Micro-Enterprises: Contributions to Development and Future Directions for AID's Support. Report prepared for S&T/RD/EED. November, 1985.
- (4) AID Project Managers Handbook for Small Enterprise Development. Edited by James Cotter, PPC/CDIE. April, 1986 (draft).
- (5) Carl Liedholm, "Enterprise Development Overview, Hearings on the Private Sector Connection to Development." Subcommittee on International Development Institutions and Finance; Committee on Banking, Financing and Urban Affairs; US House of Representatives. Washington, D.C. July, 1985.
- (6) Steve Haggblade, Carl Liedholm, and Donald C. Mead, "The Effects of Policy and Policy Reforms on Non-Agricultural Enterprises and Employment in Developing Countries: A Review of Past Experiences," Employment and Enterprise Policy Analysis Discussion Papers. No. 1, March, 1986.
- (7) Carl Liedholm and D. Mead, Small Scale Enterprises in Developing Countries: A Review of the State of the Art. Report for S&T/RD's Small Enterprise Approaches to Employment Project. Forthcoming September, 1986.