PD-ABB-591

APPENDIX D
A.I.D. EVALUATION SUMMARY - PART I

1. BEFORE FILLING OUT THIS FORM, READ THE ATTACHED INSTRUCTIONS.
2. USE LETTER QUALITY TYPE, NOT "DOT MATRIX" TYPE.

IDENTIFICATION DATA

A. Reporting A.I.D. Unit:
Mission or AID/W Office: USAID/Rwanda
(ES# _____)

B. Was Evaluation Scheduled In Current FY Annual Evaluation Plan?
Yes [ ] Slipped [X] Ad Hoc [ ]
Evaluation Plan Submission Date: FY 90 Q 2

C. Evaluation Timing
Interim [ ] Final [X] Ex Post [ ] Other [ ]

D. Activity or Activities Evaluated (List the following information for project(s) or program(s) evaluated; if not applicable, list title and date of the evaluation report.)

Project No.	Project /Program Title	First PROAG or Equivalent (FY)	Most Recent PACD (Mo/Yr)	Planned LOP Cost (000)	Amount Obligated to Date (000)
696-0121	Private Enterprise Development Project (PEDP)	FY 1984		$5,000	$5,000

ACTIONS

E. Action Decisions Approved By Mission or AID/W Office Director

Action(s) Required	Name of Officer Responsible for Action	Date Action to be Completed
1. To conduct a BAS former survey clients to draw maximum learning from investment in BAS.	TNS	Aug/Sept. 90
2. To have a meeting with KIAKA to clarify misunderstandings on TNS last review report and continue BAS assistance to KIAKA if necessary and desired by KIAKA.	TNS	Jan 90
3. To prepare summative report on lesson learned from EPI investigations which did not lead to TNS actions.	TNS	Jan 91
4. To convene project monitoring committee meeting for Feb. 1990. Members of the Committee are from AID, MINIMART, MINAFFET, TNS.	USAID MINIMART MINAFFET	June 90
5. To designate one technical ministry to monitor TNS activities.	MINAFFET	June 90

(Attach extra sheet if necessary)

APPROVALS

F. Date Of Mission Or AID/W Office Review Of Evaluation: (Month) February (Day) 28 (Year) 1990

G. Approvals of Evaluation Summary And Action Decisions:

	Project/Program Officer	Representative of Borrower/Grantee	Evaluation Officer	Mission or AID/W Office Director
Name (Typed)	Daniel Mivumbi	Paul Sevier	Henderson M. Patrick	James A. Graham
Signature				
Date				8/27/90

ABSTRACT

H. Evaluation Abstract (Do not exceed the space provided)

The Private Enterprise Development Project (PEDP) is a five year project with a LOP of $5,000,000. The project was designed in 1984 to promote the development of the private sector in Rwanda with an emphasis on agro-businesses. This was to be accomplished through direct technical and management assistance to enterprises and by contributing to an improved institutional and policy environment. In August 1984, the project designer, TNS, signed a CA to implement the project.

In October-November 1989, a team headed by REDSO/PDO conducted the Final Evaluation of the project. The evaluation purpose was to assess whether the project had met its objectives, and to provide guidance for mission to prepare follow-on private sector activities.

The main evaluation findings follow: (1) Under the BAS component the project was successful in training businesses to use improved accounting; but the cost per intervention was very high; (2) The target clients, as planned in PP, under MAP component were met, but the majority of these clients will continue to need TNS services beyond the PACD; and (3) The policy study component had minimal achievements, and the CPA training project component was the least productive.

The evaluators concluded that: (1) Project activities have scattered resources without sufficient TNS follow-through, and suggested narrowing project activities; (2) TNS has gained valuable experience in the private sector, and this experience should be transferred to local development institutions; and (3) AID and GOR did not sufficiently assist TNS with project monitoring, and with the establishment of collaborative relationship with local institutions.

The team made many recommendations, such as: (1) to survey former BAS clients; (2) to maintain BAS services to KIAKA artisan cooperative through PACD; (3) to disseminate lessons learned under EPI; (4) to set up a project monitoring committee; and (5) to designate one technical ministry which will be responsible for the monitoring of TNS activities.

COSTS

I. Evaluation Costs

1. Evaluation Team Name	Affiliation	Contract Number OR TDY Person Days	Contract Cost OR TDY Cost (U.S. $)	Source of Funds
Deborah Z. Prindle	REDSO/ESA/PDO			
George P. Butler	Ernst and Young, Washington, D.C.	PDC-2028-Z-7186-00	$20,500	PDS
Bernard Ntihabose	MINIPLAN	PO-696-90-101	$ 1,565	PDS

2. Mission/Office Professional Staff Person-Days (Estimate) 10

3. Borrower/Grantee Professional Staff Person-Days (Estimate) 10

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A.I.D. EVALUATION SUMMARY - PART II

SUMMARY

J. Summary of Evaluation Findings, Conclusions and Recommendations (Try not to exceed the three (3) pages provided)
Address the following items:

- Purpose of evaluation and methodology used
- Purpose of activity(ies) evaluated
- Findings and conclusions (relate to questions)
- Principal recommendations
- Lessons learned

Mission or Office:	Date This Summary Prepared:	Title And Date Of Full Evaluation Report:

1. Purpose of the Private Enterprise Development Project

The project purpose was originally to promote the Rwandan private sector, especially agri-business initiatives, through technical assistance to enterprises and contributing to an improved institutional and policy environment. In 1987, after three years of operation, the project purpose was amended as follows: "to promote the development of the private sector in Rwanda with an emphasis on agri-businesses, but also inncluding productive services and in some cases commercial enterprises. This will be accomplished through the provision of technical assistance to enterprises, assistance in technology adaptation, support to training institutions, and by contributing to an improved institutional and policy environment".

2. Purpose of Evaluation

The final evaluation was undertaken from October 17, 1989 through November 7, 1989 to:

- Assess project achievements;
- Recommend activities to be undertaken under an extension to the Cooperative Agreement through June 1990; and
- Propose activities, for consideration under a new private sector project to be designed for FY 91.

3. Study Method

The evaluation was carried out by a team of three external evaluators during a three week period. The first two weeks, the team visited and interviewed some businesses, cooperatives and local institutions which have been assisted by TNS. The team also reviewed relevant documents prepared by USAID/Kigali, TNS, and other projects. In addition, GOR relevant ministries, USAID/Kigali, and TNS briefed the team on the scope of work for the evaluation.

During the third week of the evaluation, the team draft the evaluation report and negotiated preliminary recommendations with GOR, USAID, and TNS; and finalized the report.

4. Findings and Conclusions

Findings

Business Advisory Services (BAS)

Under the BAS project component 100 interventions were planned to be provided as short term advisory services to private sector businesses through 4 years. From July 1985-July 1989, at least 100 potential clients were contacted, and 53 enterprises received short term BAS. The average cost of services per business served was $28,300. The evaluation team estimated that 33% of the BAS interventions had sufficient impact to justify that cost. TNS did not open the 2 branch offices called for in the PP; and this contributed to the high per client cost and to the reduction of number of clients served. Amendment No. 2 to the CA in 1987 for expanding BAS to non-transforming SMEs was not implemented; this was an area of activity TNS was not equipped to undertake.

Management Assistance Program (MAP)

The PP projected services to 4 MAP clients. TNS methodology was the provision of a full time enterprise co-manager over a long term period.

Three cooperatives have received MAP services, and of these, two are still TNS MAP clients. In addition, since end-1987, TNS has been providing MAP type of services to two additional clients under a new project component (not designed in the PP), namely Enterprise Promotion Initiative (EPI). The evaluation team believes that the MAP's output target has been met. The evaluation team noted, however, that the educational level of the cooperative members is very low. The cost of MAP through June 30, 1989 was approximately 8% of project funds. The evaluation team believes that only a limited number of prospective MAP clients (SME) could generate sufficient income stream to justify the cost of these services.

Enterprise Promotion Initiative (EPI)

The EPI started in earlier 1988, to assist Rwandan entrepreneurs in overcoming new enterprise start-up constraints, and to contribute to off-farm employment generation.

Under this project component TNS has generated more than 16 project ideas. Of these project ideas, TNS has selected two which are having MAP type of services: a charcoal production project and a sunflower oil production project. Through June 30, 1989 the cost of EPI has been approximately $573,000. The evaluators believe that it is still too early to assess the impact and the efficiency of EPI services as the two activities now underway are still in the phase of technology and cost assessment. It is reasonable, however, to assume that EPI, if successful, could impact large economic sub-sectors, and thereby justify its high initial costs.

The Training Program

The first component of the training program was to provide assistance to 2 local training institutions for strengthening their capability to promote the private sector.

TNS has provided assistance to more than 12 institutions involved in SME development. Even though TNS has exceeded the output target set out in the PP, no systematic capacity building in training has been given to any of these institutions.

The second component of the training program was to provide CPA training to 12 Rwandans. Only 9 Rwandans received some CPA training in Kenya and none of them completed the training program. The CPA training was the least cost effective intervention, absorbing 17% of project funds without producing a single CPA graduate.

The third component of the training program was short term training. It was expected that 300 persons would participate in short term seminars. In addition, 150 business persons were to receive on-the-job training. Under this training component 743 participants from businesses, cooperatives and institutions benefited from the project; funds were effectively spent under this component. Participants interviewed expressed their satisfaction about the training they received. These training sessions have represented an opportunity for entrepreneurs to discuss their common problems.

Policy Dialogue with the GOR on Private Enterprise

The PP projected 3-4 project implementation studies and 4 policy issue studies. TNS completed 4 studies to assist in project implementation. Under the policy issue studies project component, TNS completed one policy study. To avoid duplication with PRIME this activity was discontinued, and efforts were reoriented to the creation of training guides and manuals.

5. Conclusions

TNS through BAS, MAP, EPI and training activities has gained valuable experience in the development of the private sector in Rwanda. The evaluation team concluded however, that the activities need to be narrowed on the basis of lessons learned about factors in client selection, effective service delivery, and success or failure of enterprises. Collaborative relationships with local institutions need to be established to disseminate lessons learned from past investments, and to ensure that sustainable capacity for private sector service delivery extends beyond PACD. Continuation of expensive investment in EPI and MAP assistance to a small number of cooperatives can only be justified if collaboration for development of a less in-depth assistance package for relevant sub-sectors and educational levels of cooperators can be orchestrated through IWACU and other local institutions. Neither A.I.D. nor the GOR followed through with sufficient involvement in assisting TechnoServe with project monitoring, guidance, and the establishment of collaborative relationships with local institutions and other private sector projects.

6. Principal recommendations

(a) Assistance to DUTERIMBERE a women organization - should be emphasized, to increase the project's impact on women. TechnoServe should collaborate to develop a program for DUTERIMBERE's staff training through June 1990 that focuses on systems for the rapid appraisal of credit applications and credit portfolio management.

(b) To increase impact on women, TechnoServe should emphasize contact with female cooperatives in its collaboration with the Abiyunze association for sunflower oil enterprise creation.

(c) TechnoServe should collaborate with MINIMART to survey all former BAS clients, to draw the maximum learning from those investments.

(d) A summative report should be prepared on lessons learned from EPI investigations which did not lead to TechnoServe actions, for wide dissemination during a seminar for interested parties (e.g. MINIMART, Chamber of Commerce, ARDI, ILO, PRIME, IWACU, etc.).

(e) Alternatives to A.I.D. funding for a continued TechnoServe presence in Rwanda should be explored as soon as possible. As a pre-requisite for any A.I.D. funding beyond June 1990, TechnoServe should be required to provide a 25% matching contribution from its own core resources and other donor or GOR contributions.

(f) TechnoServe should not establish its own credit or loan guarantee fund. TechnoServe resources are best used to train staff institutions which are providing credits to SMEs.

(g) A.I.D. should chair a project monitoring committee with representation from A.I.D., MINIMART, MINAGRI, MIJEUMA, TechnoServe, IWACU, and PRIME.

(h) The GOR should immediately and formally designate one technical ministry which will be responsible for the monitoring of TechnoServe activities.

(i) The Technical services of relevant ministries should use the results attained by TechnoServe, especially in the EPI program, to create a favorable policy and institutional environment for the promotion of SME activities. However, these services should also express their opinion on the validity of TechnoServe findings, with necessary guidance. To this end, the GOR should participate actively in the Monitoring Committee-a forum for periodic dialogue on project activities. The GOR should also initiate opportunities for more informal discussions with TechnoServe in future.

(j) Since TechnoServe often orients its interventions towards rural areas where rural development actions should benefit from MINAGRI technical guidance, MINAGRI should collaborate with TechnoServe with the goal of replicating TechnoServe interventions. For examples, MINAGRI could make an effort in the future to multiply improved sunflower seed through its Gitarama Agricultural Project or the BGM Bugesera-Gisaka and Kibungo II Projects.

7. Lessons learned:

— In the design of private sector projects in future, a pilot exploratory phase of 18-24 months should be undertaken, to develop better knowledge of the client base, best methods for reaching these clients, and means of collaborating with local institutions. After that pilot phase, a rigorous review of results should be undertaken, to focus continued investments on a narrower range of the most productive interventions.

— Development of collaborative relationships with local institutions needs to be fostered early-on, if post-project status is to transfer project-initiated responsibilities to other institutions.

ATTACHMENTS

K. Attachments (List attachments submitted with this Evaluation Summary; always attach copy of full evaluation report, even if one was submitted earlier; attach studies, surveys, etc., from "ongoing" evaluation, if relevant to the evaluation report.)

COMMENTS

L. Comments By Mission, AID/W Office and Borrower/Grantee On Full Report

TECHNOSERVE RWANDA COMMENTS ON FINAL EVALUATION

The evaluation largely meets the demands of the scope of work. Many recommendations made are appropriate and should be implemented.

There are, however, fundamental differences in philosophy and ideas between the evaluation team and TechnoServe (TNS). On the basis of more than 20 years of experience in management, enterprise development, and training in Africa, TNS remains convinced that a long-term and programmatic approach to enterprise development is more appropriate than the "project" approach of "quick fixes" and one-time interventions, perceived by TNS to be the orientation of the evaluation team.

TNS does not share the evaluation team's opinion that TNS should have a limited life in Rwanda. Recognizing the extended period of time required to create or turn around enterprises and the historically weak tradition of entrepreneurial spirit and development in Rwanda, TNS believes that it has a long-term role in Rwanda and as a result the life of its enterprise development activities cannot be neatly defined with a beginning and end within the scope of a "Project".

TNS shares the evaluation team's belief that there should be an effective transfer of TNS experience and expertise to local institutions. What would appear (to the evaluation team) to be a fairly straightforward process of skill and experience transfer is not necessarily obvious to TNS. Taking into account the highly reticent and complicated nature of the Rwandan social environment and the fact that TNS is a foreign PVO, it is unlikely that a given local organization is capable nor even willing to assimilate TNS skills and experience. Further indigenizing the TNS Rwanda program and collaborating, to varying degrees, with multiple Rwandan PVOs on specific project activities is a more workable approach to capability transfer.

The evaluation team's emphasis on measuring the impact of TNS development projects on the basis of "quantifiable" indicators and that if a project has not met its quantifiable goals the logical conclusion is that the Project in question is a failure - is problematic to TNS. While quantifiable indicators are useful and necessary, TNS believes they are generally inadequate measures of the "development effect" of a program of activities such as TNS's. As a process of fostering the creativity and thinking of local business people, the impact and effect of TNS activities cannot be measured immediately after its application but only over a longer period of time.

Among contradictions and irregularities identified in the evaluation report, the following have been noted in particular: 1) TNS questions the method and judgment used in the evaluation team's conclusion that only 33% of enterprises assisted under the Business Advisory Service's Component were cost justified; additionally, it is, TNS's belief that the evaluation team missed the distinction between interventions and clients and speaks pejoratively of "only" 53 enterprises assisted when the 100 interventions called for were largely met; 2) On the one hand, the evaluation team concludes that the Management Assistance Program (MAP) approach has been the most technically effective method of assisting businesses and is potentially cost effective; On the other hand, the team calls for a new client relationship which is ulikely to be more cost effective than the MAP approach; 3) The evaluation team calls for innovative project activities but yet recommends that TNS not learn any new tricks or venture into new enterprise promotion areas; 4) TNS is criticized for not having assured long-term collaborative mechanisms with IWACU and other local development organizations; the Team fails to acknowlege that there has been resistance on the part of local PVOs in this regard and that it is not for a lack of trying on the part of TNS; 5) It is TNS's belief that the evaluation team did not take the necessary measures to understand adequately the general purpose of the Enterprise Promotion Initiative (EPI) activity of the Program; 6) Although there was "not a single successful CPA graduate", the evaluation team fails to fully appreciate that the absence of degrees does not signify that considerable and valuable skills tranfers did take place under the CPA training program; 7) It is not evident to TNS that the opening of branch offices would have necessarily contributed to a lower per-client cost and increase in the number of clients served; 8) TNS disagrees with the evaluation team that changes called for in Ammendment No. 2 in the CA in 1987 were never implemented. It is TNS's position that there was an expansion to reach non-transformation micro and small enterprises through a nation-wide business seminar program under the Training and Institutional Development component of the Program; 9) The evaluation team failed to put the relationship between the client KIAKA and TNS into adequate perspective and failed get TNS's point of view on reasons for KIAKA's internal management difficulties; in this regard and in a more general sense, the evaluation team did not spend an adequate amount of time listening to TechnoServe and better understanding how we work and why.

Mission's Comments: While TNS has had some accomplishments in Rwanda, its effectiveness was overshadowed by its poor relations with the GOR and its inability to work with local institutions which could have been helpful to TNS. The GOR frequently questioned the cost-effectiveness of TNS programs, particularly the BAS and the CPA components. Indeed, TNS poor relations with the government recently culminated in the GOR asking that the TNS Director be replaced.

USAID/Rwanda agrees with the conclusions of the evaluation report. Both the GOR and the Mission agree with the evaluation report conclusions that TNS's approach to private sector development in Rwanda must be reviewed. During the PP design of the Rural Enterprise Development Project (REDP), the Mission will further assess its own private sector approach and will determine what role TNS will play, if any, in the new project.

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OUTLINE OF BASIC PROJECT IDENTIFICATION DATA

1. Country : Rwanda

2. Project Title : Rwanda Private Enterprise Development

3. Project Number : 696-0121

4. Project Dates :
   a. First Cooperative Agreement : August 30, 1984

   b. Final Obligation Date : FY 90 (planned)

   c. Most Recent Project Assistance Completion Date (PACD) : June 30,1990

5. Project Funding : (amounts obligated to date in dollars or dollar equivalents from the following sources)

a. A.I.D. Bilateral Funding (grant)	US$4.064
b. Other Major Donors	US$0
c. Host Country Counterpart Funds	US$0
Total	US$4.064

6. Mode of Implementation : Cooperative Agreement

7. Project Designers : TechnoServe
   USAID/Rwanda
   REDSO/ESA

8. Responsible Mission Officials : (for the full life of the project)

   a. Mission Director(s) : Emerson Melaven and Jim Graham

   b. Project Officer(s) : Michael Fuchs-Karsch and Henderson Patrick

9. Previous Evaluation(s) : May 31,1986
   February 1988

9'

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Acronyms

A.I.D.	U.S. Agency for International Development
ARDI	Rwandan Association for the Promotion of Integrated Development (local PVO)
BAS	Business Advisory Services (TechnoServe)
BP	Popular Bank of Rwanda
BRD	Rwandan Development Bank
CCIR	Chamber of Commerce of Rwanda
COTAGIRWA	Leather Tanning Cooperative
Duterimbere	Rwandan Branch of Women's World Banking
EPI	Enterprise Promotion Initiative
FY	A.I.D. Fiscal Year
GOR	Government of Rwanda
ILO	International Labor Office
IWACU	Cooperative Research and Training Center
KIAKA	Association of Artisan Cooperatives
LOP	Life of Project
MAP	Management Assistance Program
MIJEUMA	Ministry of Youth and Association Movement
MINAFET	Ministry of Foreign Affairs
MINAGRI	Ministry of Agriculture
MINIMART	Ministry of Industry and Artisans
MINIPLAN	Ministry of Planning
MULPOC	Multi-national Center for Programming and Implementation of Projects within the Economic Commission for Africa (U.N.)
NGO	Non-Governmental Organization
PACD	Project Activity Completion Date
PIO/T	Project Implementation Order/Technical

PP	Project Paper
PRIME	Policy Reform Initiatives in Manufacturing and Employment (USAID)
PVO	Private Voluntary Organization
RCO	Regional Contract Officer (A.I.D.)
REDSO/ESA	Regional Economic Development Services Office for East and Southern Africa
SME	Small and Medium Enterprise
USAID	U.S. Agency for International Development (Rwanda)

I. EXECUTIVE SUMMARY

A. Development Objectives of Project

A.I.D.'s Rwanda Private Enterprise Project (696-0121) was designed in July 1984 "to promote the Rwandan private sector, especially agri-business initiatives, through technical assistance to enterprises and by contributing to an improved institutional and policy environment. " (see PP Logical Framework in Appendix F). On August 30, 1984, a $4 million Cooperative Agreement was signed between A.I.D./Rwanda and TechnoServe Inc. to implement this project purpose over a four year period through August 30, 1988. On May 28, 1987, Amendment No. 2 to the Cooperative Agreement amended the project purpose as follows :

"To promote productive enterprises with an emphasis on agri-businesses, but also including productive, service, and in some cases commercial, enterprises through direct TechnoServe and management assistance to enterprises and by contributing to an improved institutional and policy environment".

B. Purpose of Evaluation

Prior to August 1988, the USAID/Rwanda Mission Director signed an action memo authorizing a no-cost PACD extension through June 30, 1990, but a PID/T was never prepared to implement this decision. Subsequently, the REDSO RCO advised USAID in August 1989 that TechnoServe has operated under an expired Cooperative Agreement since August 30, 1988. The present final project evaluation was undertaken from October 17, 1989 through November 7, 1989 to :

a) assess project achievements,

b) recommend activities to be undertaken under an extension to the Cooperative Agreement through June 1990, and

c) propose activities, for consideration under a new private sector project to be designed for FY 91.

Concurrently, USAID/Rwanda is preparing necessary documentation to extend the Cooperative Agreement through June 30, 1990, and add at least $300,000 to increase total LOP funding to $4.3 million. Should TechnoServe become part of the new FY 91 project, additional bridge funding will be needed, as the new project will not be able start before June, 1991.

C. Study Method

The three person external evaluation team included an Enterprise Management Economist from the Government of Rwanda's Ministry of Plan (MINIPLAN), a Regional Project Development Officer from A.I.D.'s Regional Economic Development Services Office for East and Southern Africa (REDSO/ESA/Nairobi), and a U.S. independent

consultant in Private Sector Development. The team spent approximately two weeks visiting and interviewing businesses, cooperatives, and local collaborating institutions that have been assisted by TechnoServe in Kigali and its environs, Cyangugu, Bugarama, Ruhengeri, Gisenyi and the Lake Muhazi area. (See Appendix C "Individuals Contacted"). Relevant documents prepared by A.I.D., TechnoServe, and other projects were also reviewed. (See Appendix B "List of Documents Consulted".) Briefings on the team's scopes of work (see Appendix A "Evaluation Scopes of Work") were also obtained from the GOR Ministries of Foreign Affairs (MINAFFET) and Industry and Artisans (MINIMART), USAID/Kigali, and TechnoServe. During the third week of fieldwork, the team drafted the English version and French summary of the evaluation report, negotiated its draft recommendations with the GOR, A.I.D., and TechnoServe, and finalized the English version of the report . Translation of the main report into French continued thereafter with assistance from two of the team members.

D. Findings

The first project component specified that 100 interventions were to be provided as short term advisory services to private sector businesses. Over the past 4 years from July 1985- July 1989, though at least 100 interventions were provided, only 53 enterprises received short term business advisory services (BAS) from TechnoServe, including 34 sole proprietorships, 11 cooperatives, and 8 corporations. The team was able to interview 10 of these clients. Services included training in the use of an improved accounting system in almost all cases. Additional services, provided in some cases, included cost basis and profitability analyses, technical production advice, advice on the rescheduling of past credit, and/or assistance in the preparation of new bank loan applications. Dividing the total cost of this project component by the number of clients served, the average cost of services per business was $28,300. Based on the team's findings, this cost could be justified by the potential value of increased production and employment, or the applicability of lessons learned to similar businesses, in only 33% of the cases.

The second project component involved the establishment ~~of~~ of a long term management advisory program (MAP). TechnoServe's methodology involved the provision of full time enterprise co-management assistance over a long term period.

Three enterprises (all cooperatives) have received MAP services, and of these, two are currently still TechnoServe MAP clients, including the CAVECUVI rice production cooperative, and the Abakunda-Kulima vegetable production cooperative. As the latter has recently been resuscitated by TechnoServe assistance, TechnoServe is providing full enterprise management, rather than co-management services. This vegetable enterprise really involves new enterprise creation, so it involves the full set of risks discussed under the Enterprise Promotion Initiative (EPI) below, particularly the risk that the coop will be unable to assume full management functions given the low level of education of its members, and that profits will be inadequate to fund an outside salaried manager and an accountant (a division of responsibilities that will be essential for financial controls against misuse of cooperative funds).

The CAVECUVI rice cooperative has been TechnoServe's most successful MAP client, as co-management assistance from TechnoServe has contributed to the doubled yields and much higher profits demonstrated by the graphs in Appendix 6. Assistance to CAVECUVI is at a critical point, and would probably require sustained follow-through beyond the planned PACD of June 30, 1990, to ensure the full transfer of management functions to the salaried CAVECUVI employees now being trained by TechnoServe.

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SOCORWA, a cooperative which sews uniforms on contract for public and private sector clients (including the military) is the only client which received MAP services which were prematurely terminated by TechnoServe. In this instance, SOCORWA seems to have benefitted enough from TechnoServe co-management to increase its profitability enough to get current in its debt repayments. TechnoServe terminated its MAP contract after discovering misuse of funds by SOCORWA's own salaried manager.

The PP set a target of four clients for the MAP component. Though only the three clients discussed above received the MAP assistance envisaged in the PP, the evaluation team believes that this target has been met, as two other clients are receiving MAP-type services under the Enterprise Promotion Initiative (EPI). EPI was not designed into the PP, but in mid-1987, TechnoServe decided to undertake a systematic series of 16 rapid exploratory studies of promising rural industry ideas, with the goal of identifying a small number of ideas for new enterprise creation. From this broad spectrum of ideas (see Appendix I "List of EPI Product Ideas Explored"), two have led to the provision of MAP-type services which, it is hoped, will lead to new enterprise creation- charcoal and sunflower oil production, and a third is being implemented by a local NGO (Duhamic) with some TechnoServe assistance. First, a charcoal production cooperative in the Nyungwe Forest area, established with TechnoServe assistance, in collaboration with a UNDP project, is receiving intensive often resident management assistance from a TechnoServe advisor who is assigned full time to the charcoal sub-sector. The educational level of cooperative members is very low, and some form of long term assistance for several years would still be needed to establish this enterprise. Second, an association of cooperatives, known as Abiyunze, is receiving MAP-type intensive advisory services to test sunflower oil production, but after 2 seasons of oil pressing, the association is still not convinced that the activity will be profitable, given the technologies available -their productivity, cost, and manual labor requirements. A mechanism for the annual import of quality hybrid seed will also be needed. Furthermore, member cooperatives have not empowered Abiyunze to create an enterprise, and the association itself has no track record in this or in obtaining the necessary credit. Thus, even more uncertainty surrounds the future of this EPI investment, for these reasons, though success could impact a large number of Abiyunze member cooperatives, as well as a large number of cooperatives in the different areas of the country where sunflower can be grown.

Three other project components remain to be discussed. First, 36 short term two-day group training seminars were given to 743 participants from businesses, cooperatives, and institutions through June 30, 1989, in various locations throughout the country. (See tables in Appendix D). This far exceeds the PP target of 14 seminars, plus 25 on-the-job training sessions, since on-the-job training was certainly provided to all 53 BAS

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clients, all 3 MAP clients, and 2 EPI clients. Seminar themes covered topics such as basic accounting, personnel and business management. Participants interviewed were satisfied with the training they received, and this activity helped to open doors to collaboration with local institutions.

Seminar training will be better understood if all seminars for entrepreneurs and cooperatives are conducted only in the local language Kinyarwanda in future. The PP expected TechnoServe to collaborate closely with two local training institutions in this activity, but this PP output has not been achieved, as collaboration has been limited to one or a few short term seminars per collaborating institution, not situated in the context of a long-term local capacity-building effort. Though the local Chamber of Commerce offices have assisted with the identification of participants in most cases, the Chamber has not received assistance that would enable it to continue giving such seminars on its own.

Under the training project component, CPA training was to be given to 9-12 Rwandans. At a total cost of $628,000, nine participants received some CPA training in Kenya. Although no candidate completed the entire program, they all received valuable accounting training, and gained on-the-job experience through work assignments with the training firm. The investment dragged on much too long (3 years), however, given the low level of trainee performance incrementally demonstrated throughout this period. This was the least productive project component, partially the fault of project design, in which it seemed to be an unnecessary add-on, not directly linked to support for local institutions or other project activities.

The final project component called for the production of 7-8 studies as follows : 3-4 studies designed to assist with implementation, by providing a database on private enterprises and TechnoServe clients and, early in implementation, an assessment of institutions which support private sector development, as a basis for the establishment of collaborative relationships; and 4 policy studies to become the basis for dialogue with the GOR on private sector policy reform. Actual achievements under this component have been minimal, in part because A.I.D.'s PRIME project began at the same time as TechnoServe's project, and PRIME clearly had a broader mandate for its role in production of policy reform studies and GOR dialogue on these issues. Only one TechnoServe study focussed on a policy topic -The "Special Guarantee Fund Study". Four major implementation studies were undertaken to investigate the demand for TechnoServe services, the agro-industry sector, marketing, and training institutions, though the collaborative relationships envisaged were not developed. The minimal achievements under this component are off-set, to some extent, by TechnoServe's on-going effort to develop training manual publications (e.g. "A Guide to How to Launch an Enterprise in Rwanda", now in draft; "A Guide to Management Training", already published in French and

Kinyarwanda; "A Guide to Personnel Management in Enterprises in Rwanda, including the Work Code", already published; "A Guide to Marketing by Small and Medium Enterprises", to be published in 1989). Two more manuals are planned in accounting and accessing and using credit. In view of TechnoServe's project experience and areas of expertise, production of these types of manuals is the best use of remaining funds for this component, to disseminate lessons learned from business advisory services to date.

E. Conclusions.

Project activities have scattered resources too widely, without sufficient follow-through on any component. Some components (e.g. EPI and some MAP activities) were started too late in the project, given its planned PACD even as extended. Further, abrupt changes in TechnoServe policy cut off individual clients, and cooperatives that were not working on sub-sectoral types of production most of interest to TechnoServe (e.g. TechnoServe's recent focus on cooperatives producing charcoal, vegetable, and sunflower oil). This policy change has been problematic, since no other local institution can currently step in to replace TechnoServe in offering services to individual entrepreneurs. TechnoServe has gained valuable in-depth case study business experience through BAS, MAP, and EPI activities, and this experience needs to be disseminated to local institutions working with credit, cooperatives, and appropriate technology. The evaluation team concluded that activities need to be narrowed on the basis of lessons learned about factors in client selection, cost-effective service delivery, and success or failure of enterprises. Collaborative relationships with local institutions need to be established to disseminate lessons learned from past investments, and to ensure that sustainable capacity for private sector service delivery extends beyond PACD. Continuation of expensive investment in EPI and MAP assistance to a small number of cooperatives can only be justified if collaboration for development of a less in-depth assistance package for relevant sub-sectors and educational levels of cooperators can be orchestrated through IWACU and other local institutions. Neither A.I.D. nor the GOR followed through with sufficient involvement in assisting TechnoServe with project monitoring, guidance, and the establishment of collaborative relationships with local institutions and other private sector projects. For example, A.I.D. has not brought the PRIME and TechnoServe Project Managers together periodically, for mutually beneficial discussions of their respective project achievements, constraints, and collaboration. Also, A.I.D. never established the project monitoring committee called for in the PP, which would have included participation by A.I.D., TechnoServe, and the GOR. GOR involvement in the project is minimal, and this has strained relationships with TechnoServe.

F. Recommendations

1. Recommendations for Action by TechnoServe and USAID

Assistance to Duterimbere should be emphasized, to increase the project's impact on women. TechnoServe should collaborate to develop a program for Duterimbere's staff training through June 1990 that focuses on systems for the rapid appraisal of credit applications and credit portfolio management.

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2. Recommendations for TechnoServe

(a) Since CRS is not interested in enterprise creation, collaboration with CRS should be limited to the development of sources of supply for improved seeds, the evaluation of oil press technology yields, and the publicity for sunflower oil production.

(b) To increase impact on women, TechnoServe should emphasize contact with female cooperatives in its collaboration with the Abiyunze association for sunflower oil enterprise creation.

(c) TechnoServe should collaborate with MINIMART to survey all former BAS clients, to draw the maximum learning from those investments. The survey form should extract information sub-sectoral production problems, investment decision/credit repayment problems, successful impacts (employment expansion; increased production, sales, and profits or reduced losses), unsuccessful aspects of TechnoServe service delivery (e.g. overly optimistic business plans, training that has not been fully absorbed, etc.)

(d) Based on the above survey of BAS clients, TechnoServe should identify clients whose current problems could be solved or whose potential could be enhanced by continued BAS services through June 1990, and then use staff resources to address these needs.

(e) Services for the KIAKA artisan cooperative should be maintained through PACD. As soon as possible, a TechnoServe agent should spend a week with KIAKA to clarify misunderstandings on TechnoServe's last review report, especially recommendations on changes in the legal status of KIAKA and its member cooperatives. TechnoServe should continue to train KIAKA staff as a BAS activity, whether or not KIAKA agrees to take action on legal changes recommended.

(f) A summative report should be prepared on lessons learned from EPI investigations which did not lead to TechnoServe actions, for wide dissemination during a seminar for interested parties (e.g. MINIMART, Chamber of Commerce, ARDI, ILO, PRIME, IWACU, etc.). Thereafter, national policy level constraints could be addressed by PRIME project activities.

(g) Alternatives to A.I.D. funding for a continued TechnoServe presence in Rwanda should be explored as soon as possible. As a pre-requisite for any A.I.D. funding beyond June 1990, TechnoServe should be required to provide a 25% matching contribution from its own core resources and other donor or GOR contributions.

(h) As bank credit is readily available, supported by special loan guarantee funds in some cases (ILO micro-enterprise project, Duterimbere Women's World Banking project), TechnoServe should not establish its own credit or loan guarantee fund. TechnoServe resources are best used to train these institutions' staff.

3. Recommendations for Action by A.I.D.,TechnoServe, and GOR

(a) TechnoServe and IWACU should collaborate to conduct a joint field assessment of Abiyunze association's sunflower project which receives MAP assistance from TechnoServe, as a case study on the TechnoServe approach to enterprise development, to identify accounting, management, input supply, and marketing methods that can be incorporated into IWACU' s training of other cooperatives within this sub-sector and for cooperatives in general with the same level of education. This activity should be financed by A.I.D. as part of the design of a new FY 91 Project, and completed no later than March 1990, as an input to preparation of the new project's PID.

(b) A.I.D. should chair a project monitoring committee with representation from A.I.D., MINIMART, MINAGRI, MIJEUMA, TechnoServe, IWACU, and PRIME. The committee should meet every two months in the A.I.D. offices through June 1990, to review lessons learned from TechnoServe , PRIME, and IWACU project activities which are relevant to design of a new future A.I.D. private sector project. The first meeting should be chaired by the A.I.D. Mission Director, to emphasize the importance of full participation in this committee by all organizations. If A.I.D. financing continues beyond June 1990, this standing committee should be maintained.

4. Recommendations for the GOR (MINIMART, MINAFFET and MINAGRI)

(a) The GOR should immediately formally designate one technical ministry which will be responsible for the monitoring of TechnoServe activities. This Ministry should review the annual work plans and semi-annual activity reports regularly submitted by TechnoServe and, without delay, should offer guidance to TechnoServe on program priorities and methodologies.

(b) The technical services of relevant ministries should use the results attained by TechnoServe, especially in the EPI program, to create a favorable policy and institutional environment for the promotion of SME activities. However, these services should also express their opinion on the validity of TechnoServe findings, with necessary guidance. To this end, the GOR should participate actively in the Monitoring Committee to be established by USAID as a forum

for periodic dialogue on project activities. The GOR should also initiate opportunities for more informal discussions with TechnoServe in future.

(c) Since TechnoServe often orients its interventions towards rural areas where rural development actions should benefit from MINAGRI technical guidance, MINAGRI should collaborate with TechnoServe with the goal of replicating TechnoServe interventions. For example, MINAGRI could make an effort in future to multiply improved sunflower seed through its Gitarama Agricultural Project or the BGM Bugesera-Gisaka and Kibungo II Projects.

G. Lessons Learned

In the Cooperative Agreement, responsibilities were assigned to TechnoServe which did not conform to TechnoServe's historical focus on management assistance and enterprise development, for example, policy reform studies. Selection of PVO's to implement private sector projects elsewhere should confine their responsibilities to activities clearly within their areas of expertise. In the design of private sector projects in future, a pilot exploratory phase of 18-24 months should be undertaken, to develop better knowledge of the client base, best methods for reaching these clients, and means of collaborating with local institutions. After that pilot phase, a rigorous review of results should be undertaken, to focus continued investments on a narrower range of most productive interventions. Private sector project design tends to be too ambitious. Expecting a single project to undertake too wide a range of activities, ranging from external CPA training through long and short term business services, support to local training institutions, private sector policy studies and dialogue with the GOR, private sector data base development, etc. is simply too broad an agenda, which is likely to result in inadequate achievement on any of these dimensions.

Development of collaborative relationships with local institutions needs to be fostered early-on, if post-project status is to transfer project-initiated responsibilities to other institutions. In situations where there is no pre-existing local institutional home for a service package which a project plans to develop, the implementing PVO will tend to assume that it can become a permanent institutional presence in the country, despite the finite nature of A.I.D. funding. If new sources of continuation funding do not emerge, this will leave a post-project institutional vacuum, especially since services to small and medium enterprises have no prospect for financial self-sufficiency in countries like Rwanda.

In countries where institutional rivalries are involved, especially where new methodologies are being tested, A.I.D. may need to assume a strong role in creating a neutral forum for institutional collaboration. Frequent on-site monitoring of project activities by A.I.D. staff may be critical to ensuring that the redesign and focussing of innovative project activities happens on a timely basis, before funds are wasted on too broad a spectrum of activities. In such cases, use of a collaborative agreement mechanism may be appropriate, and follow-through by A.I.D. in its responsibilities will be essential. A.I.D. Missions should work to emphasize interaction between the different A.I.D.-financed private sector projects in a country portfolio.

H. Future Directions.

If the necessary local institutional and GOR relationships can be established, and if A.I.D. support for TechnoServe is to continue beyond June 30, 1990, the evaluation team offers the following guidance for the focussing of activities, and changes in methods of service delivery and financing.

First, TechnoServe should be required to assemble a 25% non-A.I.D. contribution to project costs from its own core resources plus GOR and other donor contributions.

Second, a collaborative agreement mechanism or contract mechanism should be used, not an OPG, given the amount of A.I.D. involvement that will be required to provide a neutral forum for institutional collaboration and A.I.D.'s private sector portfolio coordination.

Third, a two step process for client selection should be used, based on lessons learned from the BAS, MAP, and EPI components of the first project, including:

(1) providing a pilot BAS consultation to promising new clients;

(2) developing a sustained program of periodic short term services for the most promising clients as a follow-on to the pilot BAS-type experiment above.

This second step calls for a new kind of client relationship, expected to be more cost-effective than the MAP approach. Resident co-manager assistance would not be provided, but comprehensive multi-faceted assistance could be offered, for several days per client per month over a period of a year or more (if needed).

Fourth, A.I.D. and TechnoServe should consider opening two regional sub-offices, with one full-time staff member in each, to increase TechnoServe's accessibility and reduce time and cost wasted in countrywide travel. The offices could be located in

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either Gisenyi or Ruhengeri in the north, and in Butare or Cyangugu in the south.

Fifth, if collaboration with IWACU and other local institutions can be arranged, EPI activities with cooperatives now underway in sunflower oil and charcoal should be followed through, by intensive assistance to the two MAP-type clients already in process. Other cooperatives or entrepreneurs interested in either sub-sector could also be assisted in the less intensive way described as point four above, to extend TechnoServe's learning in a sub-sectoral approach. To justify this continued investment, collaboration with IWACU and other local institutions will be essential for the extension of lessons learned into work with other cooperatives. If institutional relationships re cooperatives remain difficult to establish, the team recommends that only experimental enterprise creation for entrepreneurs continue in these sub-sectors. Until learning from initial explorations can be consolidated and assessed, no new resources should be devoted to exploration of new EPI product ideas in other sub-sectors, given the high cost, high risk, and long term nature of such investments.

Sixth, for similar reasons, assistance to successful BAS and MAP clients should be seen through for an appropriate duration, to extract full learning from these test cases, and transform this learning into a broader, shallower, more cost-effective package that can be extended by local collaborating institutions (for example, possibly IWACU for cooperatives; MINAGRI for technical support to producers; Duterimbere, ILO, BRD, and BP for credit management; ARDI for appropriate technology dissemination, etc.).

Seventh, the establishment of collaborative relationships with the GOR and local institutions by June 30, 1990, should be a pre-requisite for the design of any new financing agreement. The team does not believe that A.I.D. should finance TechnoServe with a view towards making a Rwandanized TechnoServe office a permanent part of the Rwandan institutional scene, though this does not preclude TechnoServe from seeking other donor and GOR funding for such an agenda of its own. Thus, A.I.D. should only continue financing TechnoServe if this support is specifically designed to strengthen defined local institutions' ability to provide private sector services on their own after the end of A.I.D.'s agreement with TechnoServe. Particular emphasis should be given to staff training and dissemination of lessons learned to Duterimbere, BRD, BP, IWACU, and MINAGRI. On-the-job training of trainers should be given to CCIR, so that CCIR can continue to give business seminars on its own.

Eighth, A.I.D. should assume responsibility for establishing a committee for interaction between the project managers of its entire A.I.D. private sector portfolio, during regular (at least quarterly) group meetings. In addition, A.I.D. should establish and chair a monitoring committee for any continuation of the TechnoServe Project which would also meet at least quarterly

including representation from MINAFFET, MINIMART, TechnoServe, IWACU, PRIME or its follow-on entity, and other key institutional collaborators.

Finally, TechnoServe should continue to work with individual entrepreneurs, corporations, and cooperatives (if an institutional relationship can be established with IWACU and other local institutions) in all types of production which meet both of the following criteria:

(a) Types of production with proven markets and profitability, based on TechnoServe experience with current and former clients; and

(b) Types of production in which TechnoServe has sub-sectoral expertise.

Thus, the team believes that TechnoServe should not abandon sub-sectors in which its past clients have been successful, but rather, that TechnoServe should replicate these experiences by working with new clients interested in developing enterprises in these sub-sectors. The team also believes that both rural and urban clients should be assisted, in view of the small entrepreneurial base available in Rwanda. The team believes that work in the charcoal, vegetable, and sunflower oil sub-sectors should be undertaken with individual entrepreneurs as well as cooperatives.

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II. Evaluation Purpose and Study Questions

The Private Enterprise Development Project final evaluation team was given several scope of work documents and briefings. These included :

* USAID CABLE, KIGALI 03551;
* Attachment to contract agreement between Ernst and Young and the independent evaluation consultant;
* Evaluation Terms of Reference, prepared by the Government of Rwanda;
* A similar Terms of Reference prepared by the Ministry of Industry and Artisans;
* Verbal briefings from the Rwandan Government's Ministry of Foreign Affairs (MINAFFET) and Ministry of Industry and Artisans (MINIMART), and from USAID/RWANDA's Director, Project Development Officer, Program Office, and Assistant Project Development Officer; and
* List of evaluation questions from TechnoServe.

These were condensed and summarized by the evaluation team into the scope of work which follows.

Scope of Work

A. Assess progress toward achievement of project objectives including, for each project component, major factors contributing to achievement or non-achievement.

Review the Business Advisory Services component assessing its management, impact, and cost-effectiveness, and recommend improvements or alternative approaches.

Review the Training Program especially its response to small and medium scale enterprise needs, the needs of collaborating organizations and, to the extent possible, the impact of management and accounting seminars on participating small entrepreneurs.

Review the Enterprise Promotion Initiatives component, particularly its relevance and its impact on employment generation and creation of new enterprises in rural areas.

B. Assess the mix of project activities in terms of achievement of objectives, impact on Rwandan private sector development, and relationship between impact and cost, and propose possible more cost-effective approaches to achievement of the same objectives.

C. Assess the roles of the Government of Rwanda, USAID and TechnoServe Inc. USA in cooperative support of the project, and suggest ways to improve cooperation and support.

D. Recommend an appropriate mix of activities for the future including discussion of activities to be continued or abandoned under a project extension through June 1990, possible focus for a new private sector project, and primary beneficiaries.

In addition to the foregoing, the evaluation team was requested to give special attention to :

* Relationship between TechnoServe and the Ministry of Industry and Artisans (MINIMART);

* Relationship between TechnoServe and the Cooperative Training Center (IWACU);

* Possibilities for the transfer of TechnoServe's activities to local institutions.

III. Evaluation Team Composition and Methodology

The three person evaluation team which began work on October 17, 1989, in Kigali included :

Team Leader :	Deborah Zubow Prindle, A.I.D Regional Project Development Officer, REDSO/ESA/Nairobi
GOR Representative :	Bernard Ntihabose, Economist, MINIPLAN, Ministry of Planning
Independent Consultant :	Georges P. Butler, Ernst and Young, Washington D.C.

After briefings in Kigali conducted by USAID/Rwanda, the Ministries of Industry and Artisans and Foreign Affairs, and by TechnoServe, the team reviewed relevant documents and undertook 2 weeks of field visits to TechnoServe clients, institutions engaged in private sector development, and other private sector organizations such as banks and consulting firms.

The interviews were designed to determine the quantity and quality of TechnoServe services and collaboration, the needs these addressed, and impact.

The team's final 9 days, November 1-9, 1989, were spent assessing the field work; compiling the evaluation findings and related recommendations; presenting these in summary form to USAID/Rwanda, TechnoServe, and MINIMART; incorporating feed back; and preparing the final evaluation report in English and French.

The team gratefully acknowledges the assistance and cooperation of TechnoServe/Rwanda, USAID/Rwanda, and the GOR, especially the GOR's provision of a MINIPLAN economist to be a member of the evaluation team.

IV. Project Context

A. Economic

Economic constraints to SME development in Rwanda are onerous :

* The small population is 90% rural and has low per capita income and purchasing power.

* Rwanda is not strategically located, geographically, to compete for export markets.

In-country transportation costs are high increasing supply and marketing costs, and detracting from enterprise viability.

* There are few urban centers; logistics of contacting clients are difficult; and assembly of a critical mass to make training cost- efficient is often not possible.

* Rapid population growth and intensive subsistence small holder farming create a shortage of land for new crop production.

Some economic opportunities exist :

* There is an unsatisfied demand in Rwanda for cooking oil and cooking fuel.

B. Social

Key social constraints are highlighted below:

* There is a low level of general education, skill training, and language comprehension, so even urban training in French will not be universally understood.

* Rapid population growth creates the need for multiplier factors in all interventions.

* Women who are not widows have no role in cooperatives, except the few cooperatives that are female only, and they do not represent the family outside the home. They cannot open bank accounts in their own name.

C. Political

Key political constraints are summarized below:

* Urban area regulatory authorities have barred small and micro-enterprises from operating in towns and have forced them to operate clandestinely, from temporary and remote places of business.

* Due to limitations on imports, supplies of raw materials for small enterprises are unreliable and inconsistent in price and quality.

* The importation of tools, equipment, and materials requires complicated, time-consuming, application for foreign exchange and permits.

There are also some recently established and traditional political encouragements for SME's :

* SME's qualify for tax advantages.

* Special guarantee funds are being established to improve SME's access to credit.

* The GOR has had a long term interest in fostering cooperative development, so there is an acceptance of group activity.

* Increasing amounts of technical assistance and equipment are available to SME's, sometimes without cost.

* Pilot policy reform is underway in Ruhengeri and Kigali to allow micro-enterprises to have permanent urban business locations and permits to conduct business within city and town limits.

D. Institutional

The project's institutional environment is complex. Two GOR ministries are involved in the monitoring of TechnoServe activities : (1) MINAFFET signed a project agreement with TechnoServe for its in-country operations and this ministry wishes to retain responsibility for project guidance, but (2) MINIMART is the technical ministry most likely to benefit from lessons learned from project activities, through it has no formal role in project agreements. As TechnoServe is financed by a Cooperative Agreement with A.I.D., there is no bilateral grant agreement between A.I.D. and the GOR, and this contributes to ambiguities in the GOR's relationship to the project. A third ministry should also become involved in TechnoServe activities, the Ministry of Agriculture (MINAGRI). As TechnoServe focuses on the agricultural sector, it currently employs its own agronomic and veterinary advisors to assist its clients with technical production choices and problems. This would not be sustainable after PACD, potentially creating a void in services to entrepreneurs. As MINAGRI is the only Rwandan institution with a decentralized network of agricultural and veterinary extension agents, the Rwandan Development Bank is now attempting to negotiate a no-cost contract that will commit MINAGRI to a role in agricultural credit support. TechnoServe's experience could be used to provide training to the MINAGRI agents that will be experted to provide these services to BRD borrowers.

The evaluation team interviewed a number of local organizations with mandates to provide services that could continue the impact of project activities beyond PACD. First, IWACU is a nonprofit private organization financed by A.I.D. and other donors to work with the establishment and training of cooperatives nationwide. Though an increasing share of TechnoServe BAS and MAP services are being provided to cooperatives, especially in rural areas, no mechanism has been created for collaboration between IWACU and TechnoServe. To date, IWACU has no direct experience with TechnoServe pilot MAP actions in rural cooperatives, and thus no appreciation of the learning possible from these case studies, or the replicability of lessons learned. Though over 50 different projects and organizations are working with cooperatives in the country, only IWACU has a national mandate for providing services to cooperatives, so establishment of this linkage is essential by PACD.

Second, a number of local institutions are providing credit to entrepreneurs and cooperatives, supported in some cases by special loan guarantee funds. For this reason, credit availability is not a constraint in enterprise creation. Most of TechnoServe's clients have loans from either the Popular Bank (BP) or the Rwandan Development Bank (BRD) on attractive terms including an initial grace period of up to one year before repayment starts, and a low 9% interest rate for agricultural sector credit. Non-agricultural loans are charged 10-13% interest. Long term (up to 13 years) financing has been made available by BRD. Larger clients use the BRD, as minimum loan value is 200,000 FRw, and the BRD can draw upon its $235,000 ILO guarantee fund for micro-enterprise when needed, or the GOR Special Guarantee Fund.

The BP is really a national federation of decentralized savings and credit cooperatives organized at the communal (local government) level. The 120 grass roots branches each have financial autonomy in according small loans which range from 3,000 -1,000,000 FRw. Large loan applications are sent to BP's central office in Kigali for appraisal. For loans to cooperatives, the BP also manages loan guarantee funds from MIJEUMA (Ministry of Youth and Associations) and IWACU, which can match 33% of loan value up to 1,000,000 FRw. For loans to women, Women's World Banking has established a local women-run PVO, Duterimbere, which will be endowed with a loan guarantee fund of 7 million FRw, including 5 million FRw of counterpart funds generated by A.I.D.'s PRIME Project. Provisionally, Duterimbere provides a guarantee in the amount of 35% of loan value, but negotiations are underway on an agreement which will redistribute risk as follows : 25% Duterimbere, 50% Women's World Banking, 25% BP. Though only 8 loans have already been accorded under this program, totalling 1.2 million FRw, Duterimbere has an enormous backlog of 600 loan applications to review. Duterimbere's small staff of 10 includes only five professionals able to undertake this review, thus there is a need for a

sustained program of staff training from TechnoServe to develop Duterimbere's capability in rapid appraisal of credit anplications and credit monitoring.

Though appropriate technology dissemination is always linked to broader management and accounting services in TechnoServe interventions, there are a number of Rwandan institutions that could disseminate TechnoService's findings on appropriate technology choices more widely, if institutional collaboration to thi end is developed. For example, ARDI, a local PVO, could provide training in sunflower oil technology for a wider group of potential producers. IWACU and other organizations have encouraged TechnoServe to take a stronger role in the introduction of appropriate technologies in future.

There are a few Rwandan private sector consultant firms that have the core skills on staff (full or part time) to offer short term business advisory services (e.g. set up accounting systems, undertake economic feasibility studies, etc.). However, the team found that the cost of obtaining these services would far exceed the resources of targeted small and medium enterprises. For example, GENIE is one such firm, whose clients are usually large public or private sector firms seeking computerized survey analyses or database services. It would cost 300,000 FRw to hire a GENIE staff member to provide a month of business advisory services (e.g. to undertake a feasibility study). Only a large firm could afford this cost. As this sum could fund a University-educated in-house staff member for a whole year, large firms would prefer to develop their own in-house staff capability in almost all cases.

There is no other donor-funded project in Rwanda which provides business advisory services to individual SME entrepreneurs. A cessation of A.I.D. subsidies for TechnoServe's services would thus leave an institutional vacuum in this function. At current service delivery costs, there is no way to achieve the PP goal of transferring these functions to a private sector Rwandan firm without continued donor subsidies.

The ILO has, however, created a micro-enterprise project now in its pilot phase, in collaboration with MINIMART, Swiss Cooperation and the Rwandan Chamber of Commerce, to assist with enterprise start-up. This serves a different, lower income group than the TechnoServe client base. This support to the "Informal Sector in Rwanda " project works to change national policies that discourage micro-enterprises in urban centers, and to strengthen artisans' associations.

Cooperatives, as institutions, were introduced in Rwanda in about 1960, so there is a long history of GOR promotion of the cooperative mode of enterprise creation. Many of the early cooperatives fell apart because the low educational level of members required them to rely on a single better educated member or a salaried manager, who often misused cooperative funds and

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left the coffers empty. The legal status of cooperatives is often poorly defined. To date, BRD and BP have been willing to accord bank credit, even in the absence of legal status, though special guarantee funds or individual members' guarantees are sometimes required. Many cooperatives are really informal entities, and even those with legally registered statutes have often not established any formal mechanism for redistribution of profits, or the transfer of membership shares over time. For example, CAVECUVI cooperative was initially established by members who were exploiting 108 hectares of rice paddies. At present, the original farmers retain full cooperative membership rights, though they are renting out their land to tenants in many cases. There is no mechanism for the transfer of cooperative land to actual current cultivators, and thus no means of according them full membership rights and control over cooperative resources. Since cooperatives are tax exempt, except from certain communal taxes, some entities have been registered as cooperatives, to reap these advantages, even though they are really corporations created by absentee investors who hire both workers and management staff (e.g. COCHABRICORU).

V. Progress towards the Project Purpose

The team concluded that the MAP program has been the most technically effective method of assisting businesses to date, and as this component absorbed only 8% of project funds, it could be a cost-effective way of providing services if knowledge gained from these independent case studies can be transformed into more effective accounting and management training materials for wider dissemination by IWACU and other local institutions.

The MAP approach to providing business services is particularly controversial and risky. First, it is unclear how long assistance will need to be continued in order to produce results. Second, it is difficult to implant a structure that is sure to continue. Third, the concept of TechnoServe co-management encourages dependence. Despite these risks, the MAP approach provides an unusually deep experience with the problems of cooperative creation and management, experience which is only useful if the findings can be transferred to other cooperatives in a less expensive way.

Short term institutional and internal training (almost 15% of project funds) has also been effective as a means of bringing entrepreneurs together to discuss common problems, and opening doors to institutional collaboration. Institutional training requires more long term planning and execution.

It is still too early to assess the impact of EPI services, as the two activities now underway (charcoal and sunflower oil production) are still at the phase of technology and cost assessment, and enterprises have not yet been established. Both activities will require at least six more months of almost full time assistance from a TechnoServe advisor, and up to two years of periodic follow-up thereafter, at a minimum, before viable enterprise creation would even be possible, and there is no guarantee of success.

Under the EPI component, many sectors were explored, but only charcoal and sunflower oil production were priorities worth intensive staff time. TechnoServe needs to produce a summative report on lessons learned from investigations which did not lead to TechnoServe actions, for dissemination to a seminar of interested parties (e.g. MINIMART, Chamber of Commerce, ARDI, etc.). Before the viability of sunflower oil production can be fully assessed, intensive work on the establishment of imported seed supplies and continued technology assessments will be needed. It is unclear whether the Abiyunze association will be empowered by its member cooperatives to obtain credit for the purchase of required equipment, and the charcoal cooperative is only in its early stages of establishment. As about 16% of project funds have already been spent on EPI activities, and with the incertainties involved in estimating future costs, it is impossible to assess the cost- effectiveness of this approach.

The CPA training in Kenya was the least cost-effective intervention, absorbing over 17% of project funds without producing a single successful CPA graduate and impacting only 9 trainees. The team found that this activity added unnecessary complications to the project design, and that it was not directly linked to other project components. The small businesses targeted by the project could not afford the services of CPA's trained in Kenya, and the trainees were not pre-recruited for specific jobs upon their return. Other, potentially more cost-effective options for introducing Anglophone accounting systems into Rwanda could, in any event, have been considered. At the cost of over a half million dollars for this component, a resident trainer could have come to Rwanda to upgrade one or more in-country training programs at the technical school or university level, even though CPA degrees could not have been awarded. A more numerous group of trainees could have been affected by an in-country training activity, if local training centers had been receptive to this approach. Another option could have been external training of accounting faculty. In future, if long term external training is necessary, this will require more careful selection of participants, to find candidates with more extensive work experience, commitment, and defined institutional roles to assume upon their return to Rwanda. Closer follow-up on trainees by the Kenyan sub-contractor would have alerted TechnoServe to implementation problems sooner. Two of the trainees have remained in Kenya to gain additional job experience in an Anglophone accounting firm, and if they return to Rwanda, the investment will produce some benefits.

BAS investments (41% of project funds) were also discouraging, as only 53 businesses benefitted from this investment, at an average cost of $28,300 per client, and many of these clients are at risk of imminent default on loans, because of higher production costs, lower production and earnings than expected, quality control problems, and other factors in the debt structure of the enterprise prior to TechnoServe assistance, or caused by price and quality problems of inputs in the sub-sector (e.g. egg production). Nevertheless, in other sub-sectors, some highly successful case studies were produced by this assistance, involving considerable business expansion and earnings increases in some businesses as a result of Technoserve assistance, in businesses with dynamic entrepreneurs (e.g. pig and dairy production).

Less than 1% of project funds were spent on studies, on a limited range of topics, mainly linked directly to sub-sectoral analyses and assessment of demand for TechnoServe services. Given the limited scope of this component, it has absorbed on appropriately small share of project resources.

VI. Project Components: Evidence and Conclusions

The purpose of the $4,064,000 project undertaken by TechnoServe in cooperation with USAID/Rwanda running from September 1, 1984 through August 31, 1988 (soon to be extended through June 30, 1990) was ambitious. The excerpt below from page 2 of the Project Paper (PP) depicts a sort of "umbrella" private sector development institution providing a complete spectrum of services, not only to beneficiaries, but also to ministries determining policy direction, and voluntary agencies involved in private sector development.

" The purpose of the Project is to promote small and medium scale private enterprise in Rwanda through direct technical assistance to enterprises, and by contributing to an improved institutional environment. The Project will :

a) strengthen the management, administrative and technical capability of entreprises and institutions,

b) increase the flow of private investment by improving the quality of loan applications and analysis,

c) develop and implement basic financial and accounting systems for entreprises,

d) increase the transfer of appropriate technologies, both management and production, into the private sector,

e) provide educational opportunities for training professional accountants, and

f) strengthen capabilities of Rwanda institutions to promote private enterprise and provide appropriate training."

The end-of-project status and magnitude of outputs in the Logical Framework Matrix (Annex B of the PP) were relatively modest for a $4 million investment, and became the basis for TechnoServe's organizational structure and operating components :

1. Business Advisory Services (BAS) and Management Assistance Programs (MAP) were to be provided to enterprises, thereby strengthening their financial status, marketing, technical production, and management capability. For the BAS component, 100 interventions were to be completed. Under the MAP component, 4 businesses were to be assisted. During implementation, the Enterprise Promotion Initiative (EPI) was established to create new enterprises, though this was not proposed in the PP.

2. Assistance was to be provided to at least 2 development training institutions, thereby increasing the capability of the institutions to promote private enterprise and administer appropriate training. Fourteen short term

seminars in business management topics were also to be given. In addition, 25 on-the-job training programs were to be executed. Finally, 9-12 Rwandans were to be trained as professional Certified Public Accountants (CPA's).

3. Three or four studies to guide project implementation were to be completed to provide data on the structure and functioning of the private sector, and a database on TechnoServe clients. One of these studies, an assessment of institutions which support private sector development, was to be undertaken early in the project, to facilitate the establishment of collaborative relationships. In addition, four policy studies were to be completed and used, via dialogue with the Government of Rwanda (GOR), as the basis for policy improvements leading to an expanded role for the private sector in national development.

Technoserve's activities are discussed separately below in terms of evidence of achievements, impact, costs, problems, constraints, and conclusions.

A. Business Advisory Services (BAS)

The table below shows the actual number of TechnoServe clients, and the number interviewed by the evaluation team :

	Through 6/30/89 Actual n°	Number Interviewed by Eval. Team
Sole proprietorships	34	6
Coops, Pre-coops,	11	3
Corporations	8	1
Total	53	10

Evidence of Achievement

Business Advisory Services were provided to 53 enterprises. The sample interviewed indicates that the services provided by TechnoServe were of good quality, and that BAS resulted in management improvements, and had positive impacts on beneficiaries. For some businesses, however, factors outside the scope of TechnoServe services are likely to result in business failure despite the training and advice received. Some examples are cited below :

SORWATOM Tomato Paste Factory

The Rwanda Development Bank (BRD) asked TechnoServe to provide advisory services to SORWATOM, a tomato paste tinning factory owned by 10 shareholders and financed partly by a 10 million FRw BRD loan. A cost accounting system was installed by TechnoServe during a 2 month period; this enabled the corporation to change a substantial annual net loss into a moderate profit (9 Million FRw during the first 6 months of 1989). At the present exchange rate of 80 FRw = $1, this is equivalent to $112,500.

TechnoServe services had a positive impact on 10 shareholders, 100 direct employees, and 1,000 farmers who supply 20 million FRw of tomatoes to SORWATOM annually. An indirect beneficial impact resulted from SORWATOM's ability to supply local demand and reduce importation, and from the corporation's plan to export half its production to Zaire, thereby improving Rwanda's trade balance.

SEBAHUTU Narcisse, Kigali and NZAMWITA, Cyangugu Farms

These are two of nine egg-producing BAS clients. Though business planning, management, and accounting services assisted these entreprises to obtain credit and then start up, evidence acquired from the two farms visited indicates that egg producers are all in financial difficulty due to feed-related low productivity. Anticipated beneficial impacts have not been realized, and several enterprises and bank loans are now in jeopardy.

Jacques MUTIGANDA, Gisenyi, Bakery

This son of a bakery owner gives credit to TechnoServe's BAS for management improvements which enabled the bakery to reschedule and become current on its formerly troublesome BRD loan repayments. Because the business is operating profitably with annual gross sales of approximately 4.5 million FRw, beneficial impacts accrued to 8 employees, 10 independent bicycle vendors who earn 150 FRw per day each, and the Gisenyi community which enjoys good quality bread and rolls.

NTIRUBABALIRA Michele, Piggery, Kigali

The sole proprietorship piggery obtained business planning, management, accounting, and technical animal husbandry services as well as access to credit, via TechnoServe's BAS. The enterprise is presently profitable and doubling in size.

Four Seasons Farm

This sole proprietorship dairy farm has received 3 years of intensive TechnoServe assistance including a TechnoServe-organized study and observation trip to a dairy farm operating in Kenya, assistance in obtaining a 30 million FRw 13-year loan from BRD, and assistance in importing 100 Holstein cows from Zimbabwe.

The farm employs 41 persons. Its business plan projects profitability in 4 years. This TechnoServe intervention is expected to encourage milk production in Rwanda. The proprietor also imported Holstein cows for the GOR, and he plans to breed his own imported cows for sale to other local producers.

COCHABRICORU, Ruhengeri, Chalk Production Factory

This cooperative in Ruhengeri used to produce chalk on a contract basis for a water purification company. As its obsolete kiln could no larger purify chalk adequately for client specifications, the quality of the chalk produced deteriorated, and the cooperative lost its major customer. Despite intensive BAS inputs, including organization of a consultation visit from a Kenyan chalk producer and a site visit for COCHABRICORU to inspect the Kenyan producer's facilities, the cooperative is now non-operational, having failed to follow BAS recommendations to upgrade its kiln facilities. Instead, the cooperative spent its loan funds on an oversized, multi-purpose building which was not needed for its chalk production activity.

The cooperative's board tends, unfairly, to blame TechnoServe for the cooperative's financial predicament and to fault TechnoServe for discontinuing advisory services too abruptly.

KIAKA, Artisans' Cooperative Association, Gisenyi

Perhaps the most comprehensive and far-reaching BAS intervention has been the provision of services to the KIAKA mixed artisanal association of cooperatives. Its management committee decided to select one assistance organization, either TechnoServe or IWACU. They chose TechnoServe. Three years of TechnoServe management, accounting and marketing consultations, plus personnel training, have been well executed, relevant, and useful, according to the committee.

The association includes 14 different production groups totaling 80 artisan members and 60 employees. It attracts assistance from Europe, including volunteer trade skill trainers and equipment grants from a wide range of small PVO's. Dutch bilateral aid funded construction of some of its builidings. It functions as a development center for the Gisenyi prefecture and endeavors to create employment by encouraging young residents to provide ideas for new income-generating products.

A Belgian advisor is assigned to assist MIJEUMA's Gisenyi Regional Office with enterprise creation. He has been associated with KIAKA for many years, and he places a high value on the BAS intervention, but he fears that BAS might be discontinued suddenly, and irresponsibly, because of TechnoServe policy changes in Kigali.

Cost of BAS.

TechnoServe's cost of contacting over 200 potential clients in order to end up with 53 actual BAS clients through 6/30/89 was approximately $1.5 million, or about 41% of the project budget. This suggests an average expense of $28,300 per beneficiary. Based on the sample interviewed, the evaluation team estimated that 33% of the BAS interventions have had sufficient impact to justify that cost, though about 50% of the businesses have done well since receiving BAS services.

Failure on the part of TechnoServe to open the 2 branch offices called for in the Project Paper contributed to the high per-client cost and the reduced number of clients served.

The limited aggregate of token fees collected for services rendered is being held in abeyance for GOR private sector support, hence it has no impact on the cost of BAS.

Problems and Constraints Encountered in Providing BAS

The Project Paper may have overestimated the number of enterprises in Rwanda which would be candidates for and receptive to BAS interventions, probably because project designers expected BAS to cover the whole spectrum of private enterprises, including the informal and micro-subsectors which include a large number of enterprises engaged in wholesale and retail trading and services.

TechnoServe's self-determined policies and experience are geared towards providing services to rural, group-owned, community-based, agricultural enterprises. In fact, TechnoServe USA's most recent brochure describing Technoserve's capabilities specifically excludes the provision of services to micro-enterprises.

In Amendment No. 2 to the Cooperative Agreement in 1987, TechnoServe agreed to expand BAS to reach non-transforming small and medium scale enterprises (SMEs) and micro- enterprises, in order to comply with what was perceived as USAID/Rwanda's and the GOR's expectations re the client base to be assisted by the BAS component. This change was never implemented, as it would have pushed TechnoServe into an area of activity it was not equipped to undertake.

Conclusion

TechnoServe's implementation of its BAS component has only affected a small number of businesses. This has contributed to disappointment in TechnoServe's performance on the part of the GOR and USAID/Rwanda. Another contributing factor was an early misunderstanding concerning TechnoServe's focus and its target beneficiaries. Finally, probably the most significant factor impairing progress towards achievement of the BAS component has been the failure of TechnoServe to transfer capacity in private sector service provision to other local institutions.

B. Management Assistance Program

The table below shows the LOP projected number of MPA clients, the actual number to date, and the number visited by the evaluation team.

	PP Projection	Actual	Visited
MAP clients	4	3	3

The PP projected assistance to 4 MAP clients. TechnoServe has signed MAP contracts with 3 clients. The actual and past MAP clients are :

SOCORWA, uniform manufacturing cooperative employing handicapped workers, a former MAP client;

CAVECUVI, rice producing cooperative, a current MAP client

Abakunda-Kulima, vegetable producing cooperative, a current MAP client

Evidence of Achievement

MAP interventions are intensive, comprehensive, and administered over whatever period of time is required to assure that the client has competent management, financial stability, and profitability, or incipient profitability. MAP services may include business planning, obtaining financing, acquiring equipment and materials, establishing management and accounting systems, selecting and introducing production technologies, and usually provision of a professional co-manager to work full-time with the enteprise until its own management becomes self-sufficient.

Clients are selected for MAP interventions because TechnoServe has judged them to have a potentially high developmental impact, receptive owners, and a reasonable chance of success. The MAP clients observed during the evaluation had either become profitable operations, or they appeared to be on the way to achieving that status. For example :

SOCORWA

From February through December 1987, TechnoServe and SOCORWA were parties to a MAP agreement, jointly preparing a business plan to prevent SOCORWA from having to close down. SOCORWA had run out of operating capital as a result of inefficient production, reduced sales, and incompetent management.

Four TechnoServe staff members provided assistance and on-the-job training in cost analysis, pricing, quality control, accounting, marketing, and in working with SOCORWA's bankers to arrive at a rational plan for restructuring its financing.

Despite a disagreement which caused the cessation of TechnoServe assistance, SOCORWA now provides full time employment for 30 handicapped cooperative members and 19 non-member employees. Uniforms fabricated by SOCORWA supply the Rwandan army and large enterprises.

It appears that this intervention saved 49 jobs of which 30 are held by difficult-to-employ handicapped persons. The intervention was instrumental in tripling gross sales, from 8 million FRw in 1986 to 22 million FRw in 1988, and 28 million FRw projected for 1989. Financial results improved from a loss in 1985 and 1986 to the cooperative's current 18% net profit on sales. At present, SOCORWA up-to-date on lown repayments, and planning expansion.

CAVECUVI

CAVECUVI is a rural rice producing cooperative benefitting marketedly from intensive on-going TechnoServe assistance, including installation of a TechnoServe staff member as co-manager. The cooperative has tripled sales, improved from a loss to a profitable operation, and paid off substantial amounts of tax and social security arrears. The concurrent Irrigation Project, financed by another donor, has also contributed to these positive impacts by increasing the availability of water.

Positive impact has accrued to members, to the Cyangugu community, and to the GOR, in terms of progress towards rice self-sufficiency, as a direct result of TechnoServe's MAP intervention.

Abakunda-Kulima Cooperative

Since TechnoServe's first contact with this 66 member vegetable-producing cooperative in early 1989, TechnoServe's intervention has increased to the level of full time involvement of one TechnoServe staff member and part time involvement of others. Assistance has focussed on structural organization, business planning, marketing, management, and improving and diversifying technical production.

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The cooperative has started to generate income at the rate of approximately 1 million FRw annually. There are indications that operating profit will be 25% of sales. One positive impact is that a productive community activity which involved 144 persons, prior to the cooperative's disintegration in 1986, is being reactivated.

Cost of MAP

The cost of MAP through June 30, 1989 was approximately 8% of project funds, estimated to be $275,000. TechnoServe/USA amortizes MAP cost over 10 years of expected improved client revenue.

Problems and Constraints

Only a limited number of prospective clients for TechnoServe MAP services could generate a sufficient income stream to justify the cost of these services. The concept that professional management assistance from an outside organization will justify its cost in terms of increased profit is relatively sophisticated. Enterprises in Rwanda with management able to accept that concept tend to be large enterprises with funds that can access commercial consultants or increase in-house professional staff. This makes them ineligible for TechnoServe assistance.

Conclusions

TechnoServe's MAP component may not have achieved its quantitative objective (number of MAP clients), but it certainly achieved its qualitative objective, and also developmental impact. Because there are few, if any, other private sector development organizations willing and able to assume responsibility for the success of a client enterprise, and to follow through until success is assured, investment in existing MAP clients should be seen through, as case studies. In Rwanda, where private sector development is a priority goal, there is great need for an organization which can be instrumental in creating successful "model" enterprises which can be replicated nationwide.

C. Enterprise Promotion Initiative (EPI)

Anyone trying to start a new enterprise in Rwanda faces many constraints. Some are environmental, and others relate to restrictive GOR policy, import and transportation difficulties, deeply ingrained traditional production practices, marketing problems, and generally low levels of discretionary income.

High priority objectives for TechnoServe set forth in its agreement with USAID/Rwanda include :

* Promote income-generating employment in rural areas via adding value to agricultural produce and local raw materials.

* Create off-farm employment by focussing on agri-business activities which have backward and forward linkages and utilize appropriate technologies.

Early in 1988, TechnoServe decided to start a separately managed Enterprise Promotion Initiative which would assist Rwandans to overcome new enterprise start-up constraints and contribute to off-farm employment creation. A commodity sub-sector approach was required to determine the feasibility of new agri-enterprise proposals and to assure that constraints could be overcome and markets developed. TechnoServe studied 16 rural industry ideas in order to end up with 3 which appeared to have enough potential feasibility to warrant pilot project experimentation.

The process is time- and effort-consuming. Information pertaining to material availability, transport costs, prices, market dimensions, etc. must be obtained by field study and trial-and-error because there is very little private sector statistical data available.

TechnoServe has two major enterprise initiative underway, and a third idea was passed to another organization for implementation. Working with Abiyunze, a rural association of cooperatives, TechnoServe hopes to get a model sunflower seed oil production unit in operation using a simple technology and manpower. The evaluation team visited the cooperative association and observed that enthusiasm for sunflower seed oil extraction may take a while to emerge, even through initial experiments have proved its potential profitability.

Another TechnoServe initiative, in collaboration with UNDP, works with a charcoal-producing cooperative being trained to use a more efficient, less technically wasteful conversion technique. the quality of the charcoal produced has improved, and the income derived from sales increased. The evaluation team was not able to visit this project. The TechnoServe staff member overseeing the initiative indicated that the cooperative is now organized, has legal status, and has contracted with the Forest Preservation Authority to buy wood. There evidently is still work to be done to convince the cooperative that the new production technique, which takes longer than the traditional one, increases profitability.

The third initiative, weaning food production, is being implemented by a local NGO Duhamic, with occasional advice from TechnoServe. EPI is a long-term development process possibly requiring as much as 5 years of intervention. After 21 months, TechnoServe appears to have developed a systematic step-by-step procedure for selecting viable proposals and getting experimental production underway. TechnoServe's EPI has been able to initiate collaborative contacts with several PVO's and NGO's also promoting new technologies and income generating activities (e.g. CRS sunflower oil production at nutritional centers).

Cost of EPI

Through June 30, 1989, the cost of TechnoServe's EPI has been approximately $573,000, the bulk of which was spent in 1988 and the first half of 1989. Hence, EPI costs $382,000 annually or approximately 38% of TechnoServe's annual budget. It is reasonable to assume that EPI, if successful, could impact large economic sub-sectors, and thereby justify its high initial costs. Morever, no agency except TechnoServe appears to have the resources to undertake EPI. Though expected impact is long-term, TechnoServe's investment in this activity may need to be extensive before return is measurable.

EPI's major constraint is the low level of education among potential beneficiaries. Other constraints include the paucity of land available for new crops, and the high cost of imported equipment and materials.

Conclusions

TechnoServe has invested a substantial amount of its resources getting positioned to promote new enterprise initiatives. TechnoServe has acquired valuable commodity sub-sectoral information, and is probably the only organization with the resources and know-how required to follow through on such an initiative.

D. Certified Public Accountant Training

The Project Paper expected that 9 to 12 Rwandan candidates would complete a CPA training program, to create a cadre of professionally trained Rwandan accountants who could contribute toward development of an external audit system in Rwanda.

In January 1987, 9 candidates were selected by TechnoServe and approved by USAID/Rwanda, MINIMART, and the Rwandan Association of Accountants. After completing a "crash" English language course, they left for Kenya to start a 3 year training program in Nairobi. At the end of this program, they were to have passed all examinations to qualify as professional Certified Public Accountants (CPA's). The sub-contractor in Kenya which managed the Rwandans' training, Pannell-Bellhouse-Mwangi (PBM), had been selected by TechnoServe and USAID/Rwanda from 3 competitive bidders who responded to a Request for Proposals sent out by TechnoServe.

Evidence of Achievement

Many detailed reports have already been written on this undertaking, so the evaluation team limited its observations to review of these documents and discussions with TechnoServe personnel.

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One of the candidates was sent back to Rwanda by the contractor in October 1988. Of their own volition, six left the program and returned to Rwanda in June 1989, having completed only a portion of the CPA training, ranging from 25% to 50%. Two of the candidates are still in Nairobi acquiring practical auditing experience as paid employees of PBM, the training program sub-contractor, though their enrollment in CPA training also ended in June 1989. As PBM is already working in Rwanda as the Rwandan Development Bank's auditor, it may eventually open a Kigali office, and employ these two Rwandans back in Kigali.

The CPA program achieved roughly 33% of its purpose, in that 7 candidates completed, on the average, 1/3 of the training, and 2 completed more than 1/2 and obtained additional practical experience with a reputable, international accounting firm.

Cost of the CPA Training Program

Over the LOP, the CPA Training Program cost $628,000.

Problems

The evaluation team diagnosed the CPA training program's problems as follows :

* The program design did not foresee the discomfort and pressure Rwandan trainees would feel while working in a foreign country, language, business, and social environment, and the consequent need for more frequent interludes for home visits;

* The sub-contractor failed to assess the seriousness of the trainees' "malaise" and failed to work with TechnoServe toward program revision; and

* Difficulties with the program caused higher than budgeted general and administrative expenses and the unforeseen expenses usually encountered when terminating a sub-contract before its completion.

E. Short Term Training

1. Business and Management Skill Training

The Project Paper states that TechnoServe will improve basic business skills by conducting short training courses in accounting, business planning, personnel management, marketing and other aspects of business management to meet identified needs. Over the LOP, it was expected that 300 persons would participate in short term seminars.

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In addition, 150 business persons, including managers and employees, were to receive on-the-job training as a component of TechnoServe's BAS, MAP, and institutional training activities. These objectives were accomplished.

Evidence

The evaluation team talked with the Chamber of Commerce representative in Ruhengeri, where CCIR had publicized two-day TechnoServe seminars on basic accounting, business and personnel management. He believed that all who attended were pleased with the quality of the courses. Because the seminars were conducted in French, this excluded many entrepreneurs from attending.

Several of the BAS clients interviewed by the evaluation team had attended TechnoServe seminars; all said they had benefitted from this chance to discuss common problems with other businessmen.

2. Strengthening of Local Training Institutions

The Project Paper assigns responsibility to TechnoServe for strengthening the capability of local institutions to promote private enterprise. The magnitude of outputs expected was modest and called for two development training institutions to be assisted by TechnoServe.

The purpose of TechnoServe assistance to other parallel institutions was to disseminate TechnoServe's expertise to wider, more diffused, groups of entrepreneurs and to mobilize private sector support among national and local authorities, Chamber of Commerce offices, and banks.

Evidence

The evaluation team held discussions with 6 of the 12 non-governmental institutions which had received training from TechnoServe, or collaborated with TechnoServe in organizing and conducting training of groups wanting to undertake entrepreneurial projects.

TechnoServe has conducted training, or provided assistance in project planning, feasibility analysis, accounting, and general management to 12 institutions involved in SME development. A number of training recipients were women trained in, or for, Duterimbere, Women's Network ("Reseau des Femmes"), and other institutions.

TechnoServe's output has exceeded, by far, the number of institutions to be assisted per the Project Paper, but no prolonged, systematic, capacity-building training has been given to any of these institutions. Persons interviewed gave high rating to the quality of TechnoServe training and other forms of assistance. For example :

Women's Network (100 members)

This NGO's objectives are to train professional female extension workers to stimulate income-generating projects by encouraging and assisting them to find activities, credit, and training.

TechnoServe conducted 2 seminars for Network members. About 20 members attended each seminar. One was on "consciousness-raising" and the other on identification of SME projects.

The Network's Director said that the seminars were of high quality and well received. The Network has recently requested that TechnoServe conduct another seminar, and it expects to ask TechnoServe to conduct 5 or 6 seminars per year for Network members.

CRS

TechnoServe helped CRS to promote sunflower oil production, by providing economic analysis and imported seeds from Kenya. CRS focusses on nutritional improvement, not enterprise creation. CRS will soon provide manual oil presses to three Church-run nutritional centers.

Duterimbere

This national branch of Women's World Banking plans to ask TechnoServe to conduct training programs for its future credit beneficiaries on how to select a viable income-generating activities. The organization has also requested assistance with the training of its professional staff, to accelerate its review of credit applications and improve its ability to monitor credit.

Problems

TechnoServe may not always be able to respond to the increasing need for training on the part of NGO's, especially because it appears that they are expecting TechnoServe to train their staff in credit administration and their borrowers in financial management. TechnoServe's staff time is best used to transfer training capacity to other local institutions, and to upgrade these institutions' staff skills. To date, TechnoServe is not establishing long term cumulative training plans for its client institutions. In some cases (e.g. assistance to the ECA MULPOC), TechnoServe has not received credit as the institution providing training, as its staff have presented themselves to the recipient training institution as individuals, not TechnoServe representatives. This situation needs immediate correction.

Conclusion

Though TechnoServe has far exceeded expectations in providing short term training to institutions, in-depth collaboration and transfer of training capacity has not been effected. The close collaboration between TechnoServe and the Chamber of Commerce envisioned in the Project Paper has not materialized, because CCIR appears to be focused on international trade and commerce more than on SME development. This is the only TechnoServe activity that has been directly concerned with women.

TechnoServe's records show that through June 30, 1989, thirty-six two-day seminars on 15 different elements of business management and institutional development were attended by 743 participants. The geographic distribution of the SME seminars follows:

Kigali	:	50%
Gisenyi	:	18%
Ruhengeri	:	18%
Cyangugu	:	7%
Butare	:	7%

		100%

TechnoServe exceeded its projected outputs of number of training seminars and persons trained as follows :

	Project Paper	Actual
Number of Seminars	14	36
Persons attending seminars	300	743
On-the-job training	25	58

There was no way to estimate the number of persons trained on-the-job, though it is safe to assume that all 58 enterprises received some on-the-job training under BAS, MAP, and EPI. There was also no way for the evaluators to measure impact, which is likely to be cumulative and measurable only in terms of generally increased SME activity.

Cost of Training Seminars

Through June 30, 1989, TechnoServe spent $603,322., including general and administrative and overhead expenses, on training seminars.

Thus average cost per seminar was $16,759, or $812 per person trained. TechnoServe's seminar costs appear reasonable in the light of required preparation, travel, and the quality of the training.

Conclusions about Short Term Training

The SME seminars provided opportunities for businessmen to discuss common problems, but they did not help with the recruitment of clients for TechnoServe.

Because the seminars had to reach several levels of beneficiaries, seminars for entrepreneurs and cooperatives should have been conducted in wholly in Kinyarwanda, though seminars for training institutions can be conducted in French.

F. Policy Dialogue with the GOR on Private Enterprise

Under the policy analysis component, it was expected that TechnoServe would acquire and disseminate information on the nature of the private sector in Rwanda. Via dialogue with the GOR and other institutions, TechnoServe would create a be ter

understanding of the private sector as a first step toward encouraging and facilitating sectorial growth. To this end, according to the PP, TechnoServe would :

* Conduct 3-4 project implementation studies :

1. To assess the needs of institutions which promote private sector development.

2. To develop a data bank on the private sector, including TechnoServe's own clients

3. To analyze the market for TechnoServe services

4. To conduct technology feasibility studies

* Conduct 4 policy issue studies on subjects such as credit policies, business registration requirements, export-import regulations, etc.

It should be noted that when the USAID-funded PRIME (policy reform) project started in approximately January 1985, it became evident to USAID/Rwanda and TechnoServe that policy issue studies would be in PRIME's province more than in TechnoServe's, through this was never finalized in PP or Cooperative Agreement Amendments.

Evidence of Achievement

TechnoServe completed 4 studies to assist in project implementation :

* A demand analysis for TechnoServe services.

* An agro-industry survey.

* A vegetable oil sub-sector survey.

* A survey of institutions which provide training to the private sector.

TechnoServe also completed one policy study on special guarantee funds. All studies, surveys, and analyses were widely distributed to relevant ministries.

To avoid duplication of PRIME functions, TechnoServe discontinued policy issue studies, and instead published 3 guides for TechnoServe clients and the private sector in general :

* A management training guide.

* A personnel management guide, to which was annexed the Rwanda Work Code because it was an otherwise difficult document for SME's to obtain.

* A PME marketing guide.

* A fourth guide on "How to Start an Enterprise", now in final draft form.

Though client reactions could not be assessed, because the document has not yet been published, the guide on enterprise creation appears to be thorough and well reaserched. TechnoServe has information in its client files which, in fact, comprises a data bank, but the information is not yet organized and coded for automated access.

Conclusions

TechnoServe survey and analysis findings did not become a basis for constructive dialogue between TechnoServe and the GOR. In addition, the guides and manuals did not foster the close working relationship between TechnoServe the Chamber of Commerce envisioned in the Project Paper.

Cost of Policy Analysis Component

Through June 30, 1989, TechnoServe spent approximately $34,000 on studies, surveys, manuals, and guides. This averages $4,250 per document prepared, published, and distributed. In comparison with A.I.D.'s usual cost for such documents, costs were very low. This was possible because a large amount of staff time was used for their production.

Impact

The personnel management guide which includes the Work Code attained the widest general distribution, i.e. 900 copies, most of which were able to be sold at 500 FRw per copy, indicating a real client need for this document.

Unfortunately, the lack of TechnoServe/GOR dialogue limited the impact of TechnoServe's carefully researched surveys and studies on the private sector and impacts in GOR policy. A prevailing atmosphere of institutional turf protection, peculiar to Rwanda, has had a negative impact on information sharing.

VII. Recommendations to be Implemented during a Project Extension

A. Recommendations for Action by TechnoServe and USAID

Assistance to Duterimbere should be emphasized, to increase the project's impact on women. TechnoServe should collaborate to develop a program for Duterimbere's staff training through June 1990 that focuses on systems for the rapid appraisal of credit applications and credit portfolio management.

B. Recommendations for TechnoServe

1. Since CRS is not interested in enterprise creation, collaboration with CRS should be limited to the development of sources of supply for improved seeds, the evaluation of oil press technology yields, and the publicity for sunflower oil production.

2. To increase impact on women, TechnoServe should emphasize contact with female cooperatives in its collaboration with the Abiyunze association for sunflower oil enterprise creation.

3. TechnoServe should collaborate with MINIMART to survey all former BAS clients, to draw the maximum learning from those investments. The survey form should extract information on sub-sectoral production problems, investment decision/credit repayment problems, successful impacts (employment expansion; increased production, sales, and profits or reduced losses), unsuccessful aspects of TechnoServe service delivery (e.g. overly optimistic business plans, training that has not been fully absorbed, etc.)

4. Based on the above survey of BAS clients, TechnoServe should identify clients whose current problems could be solved or whose potential could be enhanced by continued BAS services through June 1990, and then use staff resources to address these needs.

5. Services for the KIAKA artisan cooperative should be maintained through PACD. As soon as possible, a TechnoServe agent should spend a week with KIAKA to clarify misunderstandings on TechnoServe's last review report, especially recommendations on changes in the legal status of KIAKA and its member cooperatives. As the recommendations are controversial, TechnoServe should continue to train KIAKA staff as a BAS activity, whether or not KIAKA agrees to take action on legal changes recommended.

6. A summative report should be prepared on lessons learned from EPI investigations which did not lead to TechnoServe

actions, for wide dissemination during a seminar for interested parties (e.g. MINIMART, Chamber of Commerce, ARDI, ILO, PRIME, IWACU, etc.). This might form the basis for continued dialogue on constraints which could be addressed at the national policy level through PRIME project activities.

7. Alternatives to A.I.D. funding for a continued TechnoServe presence in Rwanda should be explored as soon as possible. As a pre-requisite for any A.I.D. funding beyond June 1990, TechnoServe should be required to provide a 25% matching contribution from its own core resources and other donor or GOR contributions.

8. As bank credit is readily available, supported by special loan guarantee funds in some cases (ILO micro-enterprise project, Duterimbere Women's World Banking project), TechnoServe should not establish its own credit or loan guarantee fund. TechnoServe resources are best used to train these institutions staff.

C. Recommendations for Action by A.I.D., TechnoServe, and GOR

1. TechnoServe and IWACU should collaborate to conduct a joint field assessment of Abiyunze association's sunflower project which receives MAF assistance from TechnoServe, as a case study on the TechnoServe approach to enterprise development, to identify accounting, management, input supply, and marketing methods that can be incorporated into IWACU's training of other cooperatives within this sub-sector and for cooperatives in general with the same level of education. This activity should be financed by A.I.D. as part of the design of a new FY 91 Project, and completed no later than March 1990, as an input to preparation of the new project's PID.

2. A.I.D. should chair a project monitoring committee with representation from A.I.D., MINIMART, MINAGRI, MIJEUMA, TechnoServe, IWACU, and PRIME. The committee should meet every two months in the A.I.D. offices through June 1990, to review lessons learned from TechnoServe, PRIME, and IWACU project activities which are relevant to design of a new future A.I.D. private sector project. The first meeting should be chaired by the A.I.D. Mission Director, to emphasize the importance of full participation in this committee by all organizations. If A.I.D. financing continues beyond June 1990, this standing committee should be maintained.

D. Recommendations for the GOR (MINIMART, MINAFFET and MINAGRI)

1. The GOR should immediately formally designate one technical ministry which will be responsible for the monitoring of TechnoServe activities. This Ministry should review the

annual work plans and semi-annual activity reports regularly submitted by TechnoServe and, without delay, should offer guidance to TechnoServe on program priorities and methodologies.

2. The technical services of relevant ministries should use the results attained by TechnoServe, especially in the EPI program, to create a favorable policy and institutional environment for the promotion of SME activities. However, these services should also express their opinion on the validity of TechnoServe findings, with necessary guidance. To this end, the GOR should participate actively in the Monitoring Committee to be established by USAID as a forum for periodic dialogue on project activities. The GOR should also initiate opportunities for more informal discussions with TechnoServe in future.

3. Since TechnoServe often orients its interventions towards rural areas where rural development actions should benefit from MINAGRI technical guidance, MINAGRI should collaborate with TechnoServe with the goal of replicating TechnoServe interventions. For example, MINAGRI could make an effort in future to multiply improved sunflower seed through its Gitarama Agricultural Project or the BGM Bugesera-Gisaka and Kibungo II Projects.

VIII. Lessons Learned for Design of Similar Projects

Evaluation of TechnoServe's progress in Rwanda suggests that some lessons can be learned concerning the selection of a PVO to implement components of a private sector development project.

A thorough investigation of the PVO's area of proven competence should take place before final selection, and assignment of implementation responsibilities. PVO's tend to accept assignments which may include activities outside of their areas of proven competence, because PVO s have trained staff to keep employed, overhead expenses to justify, and because PVO's place a high value on establishing a presence in a new country.

Hindsight indicates that AID/Rwanda and the GOR should have better defined project priorities, operating methods, experience needed, and client focus prior to PVO selection. With such knowledge, the role assigned to TechnoServe in the broad spectrum of activities under this private sector umbrella project might have been narrower, limited to activities within its range of experience, such as providing management assistance and training to community-based agricultural enterprises and introducing new agricultural transformation processes.

Responsibility for a training program to produce Rwandan CPA's would have been recognized as a component outside of TechnoServe's capability, and probably would have been assigned to a different implementing agent with a stronger monitoring capability.

Use of an initial pilot project would have been more cost-efficient. During project design, insufficient data was collected on the number of potential clients for business advisory services, their size and location, and their receptivity to such interventions. Without such information, an initial pilot project of 18 to 24 months duration might provided a more cost-efficient way to determine the appropri.te size program for the client base to be assisted, and the most efficient service delivery structure and methods.

The non-U.S. Government contribution should not have been waived. In reaching agreement with a PVO selected to implement specific project components, it may be wise not to waive the 25% non-U.S. Government contribution required from the PVO. There are advantages to be derived from the contribution requirement :

* The PVO's constituency is involved in generating the 25% contribution which, in turn, assures that the implementing team will have full home-office support;

* The PVO's constituency, usually represented by a board, as a result of its 25% contribution, will exercise close supervision over the field activity and be more rigorous in requiring satisfactory performance than either the host government or A.I.D. would be;

* The host government will perceive the PVO as a contributing agency and consequently might be more supportive than it would be to a PVO perceived as merely an intermediary using donor funds in a more or less independent way.

USAID/Rwanda needs to engage in frequent dialogue with its cooperative agreement partners in order to monitor new, long-term initiatives on a timely basis. If realization of an A.I.D.-financed initiative will require more time than the agreed LOP, USAID/Rwanda should either discourage the initiative, or extend support beyond the LOP if financially feasible and strategically desirable.

To realize private sector development, there must be at least one TechnoServe-type organization with the competence and resources to take an entrepreneurial idea and see it through until it is a viable, replicable enterprise. The organization provioing that service may be criticized as high cost, but pay out may continue over several years and more than offset the cost.

Private sector project design tends to be too ambitious. Expecting a single project to undertake too wide a range of activities, ranging from external CPA training through long and short term business services, support to local training institutions, private sector policy studies and dialogue with the GOR, private sector data base development, etc. is simply too broad an agenda, which is likely to result in inadequate achievement on any of these dimensions.

Development of collaborative relationships with local institutions needs to be fostered early-on, if post-project status is to transfer project-initiated responsibilities to other institutions. In situations where there is no pre-existing local institutional home for a service package which a project plans to develop, the implementing PVO will tend to assume that it can become a permanent institutional presence in the country, despite the finite nature of A.I.D. funding. If new sources of continuation funding do not emerge, this will leave a post-project institutional vacuum, especially since services to small and medium enterprises have no prospect for financial self-sufficiency in countries like Rwanda.

In countries where institutional rivalries are involved, especially where new methodologies are being tested, A.I.D. may need to assume a strong role in creating a neutral forum for institutional collaboration, e.g. creation of a monitoring committee with appropriate governmental, donor, and local institutional representation. Frequent on-site monitoring of project activities by A.I.D. staff may be critical to ensuring that the redesign and focussing of innovative project activities happens on a timely basis, before funds are wasted in too broad a spectrum of activities. In such cases, use of a collaborative agreement mechanism may be appropriate, to clarify the basis for A.I.D.'s involvement, and follow-through by A.I.D. in its responsibilities will be essential.

A.I.D. Missions should work to emphasize interaction between the different A.I.D.-financed private sector projects in a country portfolio. In the case of Rwanda, regular round table discussions of progress, constraints, and collaboration between A.I.D., PVO, and contractor project managers for the A.I.D.-financed private sector portfolio (e.g. PRIME, IWACU and TechnoServe projects) need to be initated.

IX. Recommendations for A.I.D.'s Future Consideration

If the necessary local institutional and GOR relationships can be established, and if A.I.D. support for TechnoServe is to continue beyond June 30, 1990, under interim bridge funding and/or the new

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private sector project to be designed for FY 91 obligation, the evaluation team offers the following guidance for the focussing of activities, and changes in methods of service delivery and financing.

First, TechnoServe should be required to assemble a 25% non-A.I.D. contribution to project costs from its own core resources plus GOR and other donor contributions.

Second, a collaborative agreement mechanism or contract mechanism should be used, not an OPG, given the amount of A.I.D. involvement that will be required to provide a neutral forum for institutional collaboration and A.I.D.'s private sector portfolio coordination.

Third, a two step process for client selection should be used, based on lessons learned from the BAS, MAP, and EPI components of the first project. This would involve:

(1) providing a pilot BAS consultation to promising new clients, to test the client's receptivity, absorptive capacity, and business needs;

(2) developing a sustained program of periodic short term services for the most promising clients as a follow-on to the pilot BAS-type experiment above.

This second step calls for a new kind of client relationship, expected to be more cost-effective than the MAP approach. Resident co-manager assistance would not be provided, but comprehensive multi-faceted assistance could be offered, for several days per client per month over a period of a year or more (if needed).

Fourth, A.I.D. and TechnoServe should consider opening two regional sub-offices, with one full-time staff member in each, to increase TechnoServe's accessibility and reduce time and cost wasted in countrywide travel. The northern office could be located in either Gisenyi or Ruhengeri to serve both regions, and the southern office could be located in Butare or Cyangugu to serve both of these regions.

Fifth, if collaboration with IWACU and other local institutions can be arranged, EPI activities with cooperatives now underway in sunflower oil and charcoal should be followed through, by intensive assistance to the two MAP-type clients already in process. Other cooperatives or entrepreneurs interested in either sub-sector could also be assisted in the less intensive way described as point four above, to extend TechnoServe's learning in a sub-sectoral approach. To justify this continued investment, collaboration with IWACU and other local institutions will be essential for the extension of lessons learned into work with other cooperatives. If institutional relationships re

cooperatives remain difficult to establish, the team recommends that only experimental enterprise creation for entrepreneurs continue in these sub-sectors. Until learning from initial explorations can be consolidated and assessed, no new resources should be devoted to exploration of new EPI product ideas in other sub-sectors, given the high cost, high risk, and long term nature of such investments.

Sixth, for similar reasons, assistance to successful BAS and MAP clients should be seen through for an appropriate duration, e.g. 4 Seasons dairy, Michel's piggery, KIAKA, and CAVECUVI cooperatives, to extract full learning from these test cases, and transform this learning into a broader, shallower, more cost-effective package that can be extended by local collaborating institutions (for example, possibly IWACU for cooperatives; MINAGRI for technical support to producers; Duterimbere, ILO, BRD, and BP for credit management; ARDI for appropriate technology dissemination, etc.).

Seventh, the establishment of collaborative relationships with the GOR and local institutions by June 30, 1990, should be a pre-requisite for the design of any new financing agreement. The team does not believe that A.I.D. should finance TechnoServe with a view towards making a Rwandanized TechnoServe office a permanent part of the Rwandan institutional scene, though this does not preclude TechnoServe from seeking other donor and GOR funding for such an agenda of its own. Thus, A.I.D. should only continue financing TechnoServe if this support is specifically designed to strengthen defined local institutions' ability to provide private sector services on their own after the end of A.I.D.'s agreement with TechnoServe. Particular emphasis should be given to staff training and dissemination of lessons learned to Duterimbere, BRD, BP, IWACU, and MINAGRI. On-the-job training of trainers should be given to CCIR, so that CCIR can continue to give business seminars on its own.

Eighth, A.I.D. should assume responsibility for establishing a committee for interaction between the project managers of its entire A.I.D. private sector portfolio, during regular (at least quarterly) group meetings. In addition, A.I.D. should establish and chair a monitoring committee for any continuation of the TechnoServe Project which would also meet at least quarterly including representation from MINAFFET, MINIMART, TechnoServe, IWACU, PRIME or its follow-on entity, and other key institutional collaborators.

Finally, TechnoServe should continue to work with individual entrepreneurs, corporations, and cooperatives (if an institutional relationship can be established with IWACU and other local institutions) in all types of production which meet both of the following criteria:

(a) Types of production with proven markets and profitability, based on TechnoServe experience with current and former clients; and

(b) Types of production in which TechnoServe has sub-sectoral expertise.

Thus, the team believes that TechnoServe should not abandon sub-sectors in which its past clients have been successful (e.g. piggery, dairy, and artisanal activities), but rather, that TechnoServe should replicate these experiences by working with new clients interested in developing enterprises in these sub-sectors. The team also believes that both rural and urban clients should be assisted, in view of the small entrepreneurial base available in Rwanda. The team believes that work in the charcoal, vegetable, and sunflower oil sub-sectors should be undertaken with individual entrepreneurs as well as cooperatives.

APPENDIX A.

- Evaluation Scopes of work

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AID/W FOR AFR/MDI, MIKE O'REAGAN

E.O. 12356: N/A
SUBJECT: RWANDA - PRIVATE ~~SECTOR~~ Enterprise DEVELOPMENT PROJECT (696-0121): FINAL EVALUATION

1. USAID/RWANDA PLANS TO EVALUATE SUBJECT PROJECT DURING MONTH OF OCTOBER 1989 AND REQUESTS AFR/MDI ASSISTANCE IN RECRUITING A SMALL AND MEDIUM-SIZED ENTERPRISE SPECIALIST (SME) TO PARTICIPATE IN THE EVALUATION.

2. MISSION IS SEEKING AN EXPERIENCED PRIVATE SECTOR ANALYST WITH STRONG FRENCH TO PARTICIPATE IN SUBJECT EVALUATION. THE EVALUATION IS EXPECTED TO LAST APPROXIMATELY ONE MONTH, 10/3/89 THRU 10/30/89. USAID AND THE GOR ARE STILL DISCUSSING THE COMPOSITION OF THE EVALUATION TEAM, HOWEVER, MISSION EXPECTS THAT THE TEAM WILL BE COMPOSED OF 3 INDIVIDUALS: A PROJECT DEVELOPMENT OFFICER; SME SPECIALIST; AND A BUSINESS MANAGEMENT SPECIALIST.

3. THIS EVALUATION WILL CONSTITUTE AN IMPORTANT PART OF THE PRIVATE SECTOR INFORMATION BASE WHICH THE MISSION IS DEVELOPING. [IN THE SHORT TERM, THE EVALUATION RESULTS WILL BE USED TO HELP MISSION DECIDE ON THE LEVEL OF FUNDING AND THE NATURE OF FOLLOW-ON ACTIVITIES FOR THIS PROJECT FOR THE NEXT YEAR. OVER THE LONG TERM, THE MISSION WILL USE THE EVALUATION RESULTS TO HELP DEVELOP ITS PRIVATE SECTOR STRATEGY AND TO DEVELOP APPROPRIATE PRIVATE SECTOR INTERVENTIONS.] THE GOR IS PARTICULARLY INTERESTED IN THE ACTIVITIES OF THE PROJECT AND WILL PARTICIPATE IN THE EVALUATION.

4. FOLLOWING IS SOME BACKGROUND INFORMATION ON THE PROJECT AND A SCOPE OF WORK.

5. BACKGROUND:

IN MID-1984, USAID ASKED TECHNOSERVE TO EVALUATE PRIVATE SECTOR NEEDS, SPECIFICALLY THE NEEDS OF SMALL AND MEDIUM ENTERPRISES (SMES) IN RWANDA, AND TO DESIGN AN APPROPRIATE PROJECT TO RESPOND TO THOSE NEEDS. IN AUGUST 1984, TECHNOSERVE AND AID ENTERED INTO A COOPERATIVE AGREEMENT TO IMPLEMENT THE PROJECT. IN MAY

1987, THE COOPERATIVE AGREEMENT WAS AMENDED, AND THE PROJECT PURPOSE WAS REVISED AS FOLLOWS:

6. "THE PURPOSE OF THE RWANDA PRIVATE ENTERPRISE PROJECT IS TO PROMOTE THE DEVELOPMENT OF THE PRIVATE SECTOR IN RWANDA WITH AN EMPHASIS ON AGRIBUSINESSES, BUT ALSO INCLUDING PRODUCTIVE, SERVICE, AND IN SOME CASES COMMERCIAL ENTERPRISES. THIS WILL BE ACCOMPLISHED THROUGH THE PROVISION OF TECHNICAL ASSISTANCE TO ENTERPRISES, ASSISTANCE IN TECHNOLOGY ADAPTATION, SUPPORT TO TRAINING INSTITUTIONS, AND BY CONTRIBUTING TO AN IMPROVED INSTITUTIONAL AND POLICY ENVIRONMENT."

7. THE PROJECT HAS THREE MAIN COMPONENTS:

A) ASSISTANCE TO SMES - THROUGH THIS COMPONENT TECHNOSERVE IS PROVIDING SHORT-TERM (BUSINESS ADVISORY SERVICES) AND LONG-TERM (MANAGEMENT ASSISTANCE PROGRAMS) ASSISTANCE TO RWANDAN SMES WHICH MEET SELECTION CRITERIA ESTABLISHED FOR THE PROJECT. SERVICES PROVIDED FOCUS ON MANAGEMENT FUNCTIONS (ACCOUNTING, PLANNING, MARKETING, ETC.) BUT OTHER TECHNICAL SERVICES ARE AVAILABLE THROUGH THE USE OF OUTSIDE CONSULTANTS.

B) TRAINING AND INSTITUTIONAL DEVELOPMENT - THIS COMPONENT OF THE PROJECT IS DESIGNED TO AUGMENT AND ENHANCE THE TRAINING OPPORTUNITIES OFFERED FOR THE PRIVATE SECTOR THROUGH "COLLABORATIVE TRAINING ACTIVITIES" WITH LOCAL INSTITUTIONS. TECHNOSERVE HAS DEVELOPED MANUALS AND GUIDES FOR USE BY RWANDAN ENTREPRENEURS. IN ADDITION, A LONG-TERM (3 YEARS) TRAINING PROGRAM FOR RWANDAN PROFESSIONAL ACCOUNTANTS IN KENYA WAS RECENTLY TERMINATED.

C) STUDIES AND POLICY ANALYSES - THROUGH THIS COMPONENT, TECHNOSERVE WAS REQUIRED TO UNDERTAKE A SERIES OF STUDIES AND ANALYSES FOCUSING ON GOR POLICIES WHICH HAVE A DIRECT IMPACT ON THE RWANDAN BUSINESS ENVIRONMENT. THESE STUDIES ARE ORIENTED TOWARDS ENCOURAGING IMPROVEMENTS IN THE POLICY ENVIRONMENT FOR BUSINESSES.
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8. TO CARRY OUT THE SCOPE OF WORK DISCUSSED BELOW, THE EVALUATORS WILL REVIEW: (1) VARIOUS BACKGROUND DOCUMENTS, INCLUDING USAID/RWANDA "BUSINESS CLIMATE STUDY," KHIEM'S ENTERPRISE AND EMPLOYMENT STUDIES, AND THE SUB-SECTOR SURVEYS OF MINIFINECO'S INVESTMENT INCENTIVES STUDY; AND (2) VARIOUS PROJECT DOCUMENTS, SEMI-ANNUAL REPORTS, AND THE EVALUATION OF THE PROJECT COMPLETED IN 1987. THE EVALUATORS WILL ALSO INTERVIEW TECHNOSERVE AND USAID/RWANDA STAFF, TECHNOSERVE CLIENTS, AND OTHERS IN RWANDA FAMILIAR WITH THE ACTIVITIES OF THE PROJECT OR KNOWLEDGEABLE ABOUT THE PROJECT ENVIRONMENT.

9. SCOPE OF WORK:

A. ASSESS PROGRESS TOWARD ACHIEVEMENT OF PROJECT OBJECTIVES. THE ASSESSMENT SHOULD INCLUDE A REVIEW OF EACH OF THE PROJECT'S COMPONENTS AND AN ANALYSIS OF THE MAJOR FACTORS CONTRIBUTING TO THE ACHIEVEMENT OR NON-ACHIEVEMENT OF PROJECT OBJECTIVES. WITHIN THIS CONTEXT, THE EVALUATION TEAM SHOULD:

— REVIEW THE BUSINESS ADVISORY SERVICES MANAGEMENT COMPONENT AND ASSESS THE IMPACT OF THIS SERVICE ON THE DEVELOPMENT OF SMALL ENTERPRISES IN RWANDA. ASSESS THE COST EFFECTIVENESS OF THIS COMPONENT AND RECOMMEND IMPROVEMENTS OR ALTERNATIVES APPROACHES.

— REVIEW THE TRAINING PROGRAM DEVELOPED BY TECHNOSERVE. DOES IT RESPOND TO THE NEEDS OF THE SMALL AND MEDIUM-SIZED ENTERPRISES? ASSESS THE IMPACT, TO THE EXTENT POSSIBLE, OF THE MANAGEMENT AND ACCOUNTING SEMINARS ON THE SMALL ENTREPRENEURS.

— REVIEW THE ENTERPRISE PROMOTION INITIATIVES COMPONENT. DETERMINE THE RELEVANCE OF THIS ACTIVITY AND ITS IMPACT ON EMPLOYMENT GENERATION AND ON THE CREATION OF APPROPRIATE ENTERPRISES IN THE RURAL AREAS.

B. ASSESS THE MIX OF PROJECT ACTIVITIES AND TECHNICAL ASSISTANCE IN TERMS OF PROJECT OBJECTIVES AND THE POTENTIAL IMPACT OF THE PROJECT ON THE RWANDAN BUSINESS COMMUNITY. DOES THIS PROJECT RESPOND EFFECTIVELY TO THE DEVELOPMENT OF PRIVATE SECTOR IN RWANDA? ARE THE EFFECTS OF THE PROJECT BEING PRODUCED AT AN ACCEPTABLE COST COMPARED WITH ALTERNATIVE APPROACHES TO ACHIEVING THE SAME OBJECTIVES?

C. ASSESS THE ROLE OF THE GOR IN IMPLEMENTING THE PROJECT. HAS THERE BEEN ADEQUATE COOPERATION BETWEEN TECHNOSERVE, THE GOR, AND USAID? SUGGEST WAYS FOR IMPROVEMENT.

D. BASED ON THE FINDINGS, MAKE RECOMMENDATIONS FOR AN APPROPRIATE MIX OF ACTIVITIES FOR A FOLLOW-ON PROJECT. THE RECOMMENDATIONS SHOULD INCLUDE, BUT NOT BE LIMITED TO, A DISCUSSION OF: (A) THE OVERALL ORIENTATION OF A NEW PRIVATE SECTOR PROJECT; (B) SPECIFIC ACTIVITIES WHICH SHOULD BE CONTINUED OR ABANDONED; AND (C) THE

CLIENT BASE, I.E WHO SHOULD BE THE PRIMARY BENEFICIARIES.

10. APPRECIATE AFR/MDI RESPONSE EARLIEST. MISSION PLANS TO USE PDS FUNDS AND WOULD BE WILLING TO BUY-IN TO ONE OF THE EXISTING PRIVATE SECTOR PROJECTS OR RECRUIT PSC. SPEARMAN

UNCLAS SECTION 02 OF 02 KIGALI 03551

EVALUATION DU PROJET
"DEVELOPPEMENT DE L'ENTREPRISE PRIVEE AU RWANDA"

Termes de référence

Le Projet "Développement de l'Entreprise Privée" a été initiée en 1984 par l'USAID. Les activités ont débuté en 1985 et sont réalisées par TechnoServe Inc. L'objectif de ce projet est de promouvoir le développemt du secteur privé au Rwanda en mettant un accent particulier sur le domaine des agro-industries, mais aussi en incluant les activités productives, de service et dans certains cas les entreprises commerciales.

Il était prévu que cet objectif serait réalisé à travers l'assistance technique aux entreprises, l'assistance dans l'introduction de nouvelles technologies, l'appui à la formation du personnel oeuvrant dans les institutions locales et la contribution dans l'amélioration de l'environnement institutionnel et de politique économique.

Pour atteindre ces objectifs, le projet a développé les volets d'intervention suivants:

(a) L'assistance aux petites et moyennes entreprises dans le domaine de gestion, de l'organisation de l'entreprise, etc... Cette assistance pouvant être de courte ou de longue durée.

(b) La formation et le développement institutionnel. Les activités de ce volet consistent en l'organisation des séminaires, souvent en collaboration avec les institutions locales. Les séminaires sont destinés à améliorer la connaissance des entrepreneurs dans le domaine de la comptabilité, du marketing, de la fiscalité, etc...

(c) L'initiative de promotion de nouvelles entreprises. Ce volet se consacre à l'identification et à l'introduction de nouvelles entreprises utilisant des technologies appropriées.

L'évaluation finale aura pour but d'examiner le niveau de réalisation des objectifs définis au début du projet, d'analyser les contraintes rencontrées et de fournir des recommandations sur la façon de poursuivre l'appui au secteur privé rwandais.

L'équipe d'évaluation examinera les différentes composantes du projet et analysera les divers facteurs susceptibles d'influencer, négativement ou positivement, la réalisation des objectifs du projet.

A. Réalisation des objectifs du projet

1. Analyser le volet "Services de Conseil aux Entreprises en Matière de Gestion", relever l'impact de ce volet sur les petites et moyennes entreprises et déterminer la relation coût/efficacité de cette activité.

2. Examiner le programme d'assistance de longue durée aux entreprises. L'efficacité, le coût, l'approche utilisée et l'impact de cette activité devront être analysés.

3. Examiner les activités du volet "Initiative de Promotion de Nouvelles Entreprises". Analyser l'apport de cette activité dans la création de nouvelles entreprises au Rwanda.

4. Analyser le programme de formation des experts comptables entrepris par le projet et réalisé avec la collaboration d'une entreprise Kenyane.

5. Examiner la contribution du projet dans la consolidation de la capacité des institutions locales oeuvrant pour la promotion de l'entreprise privée au Rwanda.

B. **Méthodologie de travail utilisée par TechnoServe dans l'exécution du projet et rôle des autres parties.**

1. L'approche méthodologique utilisée par TechnoServe est-elle appropriée pour réaliser les objectifs du Projet? Quelle cohérence existe-t-il entre ces objectifs et les normes de travail de TechnoServe?

2. Cette méthodologie contribue-t-elle à la satisfaction des besoins du secteur privé?

3. Quel est le rôle du Gouvernement Rwandais dans l'exécution du Projet? Existe-t-il une coopération adéquate entre les différentes parties intéressées par le projet?

4. Indiquer si cette approche permet d'atteindre des effets durables, observables après le projet.

C. **Recommandations**

En se basant sur les résultats des analyses ci-haut, l'équipe d'évaluation apportera des recommandations sur les points suivants:

1. Déterminer les possibilités de poursuivre les interventions en faveur du secteur privé.

2. Proposer des solutions pour remédier aux contraintes identifiées, en vue d'améliorer l'impact du projet.

3. Recommander des approches alternatives susceptibles d'avoir une plus grande efficacité dans l'appui au secteur privé.

Compétence requise pour l'évaluation

L'équipe d'évaluation sera composée de personnes suffisamment compétentes pour procéder aux analyses indiquées dans les termes de référence. Il est proposé que cette équipe soit composée de la manière suivante:

1. Un spécialiste des petites et moyennes entreprises: Cette personne devra justifier d'une bonne expérience dans le domaine des projets de développement des petites et moyennes entreprises, avoir une bonne connaissance dans l'analyse des projets, particulièrement en Afrique. Elle sera un consultant indépendant.

2. Un responsable dans la conception et le développement des projets: Cette personne sera de préférence un fonctionnaire de l'USAID, mais pas de la mission de Kigali; elle aura une bonne connaissance des procédures utilisées par l'USAID et justifier d'une expérience dans le développement des projets pour l'appui du secteur privé.

3. Un spécialiste dans la gestion des entreprises et ayant une expérience dans le domaine de la formation. Cette personne sera désignée par le Gouvernement Rwandais.

4. Un économiste, spécialisé dans le domaine du développement économique et ayant une bonne connaissance des institutions locales. A désigner par le Gouvernement Rwandais.

Cette équipe sera dirigée par le consultant indépendant ou par le responsable du développement des projets/USAID. Le chef d'équipe aura pour rôle de coordonner l'élaboration des rapports.

Période de l'évaluation

L'évaluation est programmée pour la période du mois d'octobre 1989.

Rapports

Le chef d'équipe sera chargé d'élaborer le rapport final, mais au courant de la dernière semaine de la période d'évaluation, toute l'équipe discutera de son travail avec les parties concernées (Gouvernement Rwandais, USAID et TechnoServe).

Terme de Référence

Evaluation du Projet "Développement de l'Entreprise privée au Rwanda" exécuté par TechnoServe

I. Introduction

Le propos de ce document est double. D'abord, il vise à fournir aux évaluateurs un guide méthodologique et des orientations pouvant faciliter leur travail de terrain. A ce titre, un certain nombre de questions sont posées de manière très précise, en vue de les aider à cerner les enjeux et les résultants du processus d'appui à la création des PMI agro-industrielles en milieu rural, aux MPI productives ou de service et dans certains cas aux entreprises commerciales. A cela s'ajoute la réalisation des études et l'analyse de l'environnement économique en vue d'améliorer le cadre institutionnel et juridique dans lequel évolue le secteur des Petites et Moyennes Industries Ensuite, il fournit à tous les partenaires (USAID, TechnoServe, Secteur Privé et Gouvernement de la République Rwandaise) quelques informations utiles concernant le rôle dévolu à la mission d'évaluation et les activités y afférentes.

II. Méthodologie

1. Principe

L'évaluation aura un caractère quadripartite à laquelle participeront les bénéficiaires du projet, les Représentants du Gouvernement et des agences de financement (USAID) et d'exécution (TechnoServe).

Les évaluateurs chercheront à savoir et apprécier les interventions de chacun de ces acteurs au regard des forces et des faiblesses du projet.

2. Méthode

2.1. Le recueil de l'information et son analyse devraient privilégier une approche en termes de processus de développement et de fonctionnement normal des PMI opérationnelles ou de promotion de nouvelles entreprises et technologies appropriées en milieu rural afin de préciser les activités, résultats et effets qui en découlent.

2.2. La mission d'évaluation aura recours à deux sources d'information : l'une immédiate et directe au moyen de la réalisation d'interviews et d'enquêtes sur le terrain; l'autre indirecte à partir de l'examen des rapports et documents du projet provenant du projet ainsi que leurs analyses soit par le Ministère de l'Industrie et de l'Artisanat soit par l'USAID.

2.3. La présentation des résultats et leur analyse se feront par chaque volet d'intervention, à savoir :

a) L'assistance aux petites et moyennes entreprises dans le domaine de gestion, de l'organisation de l'entreprise, etc,... Cette assistance pouvant être de courte ou de longue durée.

b) La formation et le développement Institutionnel. Les activités de ce volet consistent en l'organisation des séminaires, souvent en collaboration avec les institutions locales. Les séminaires sont destinés à améliorer la connaissance des entrepreneurs dans le domaine de la comptabilité, du marketing, de la fiscalité etc.... A cela s'ajoute la formation des cadres rwandais.

c) Etudes et analyse de l'environnement économique. Les résultats de ces études devraient aider le Gouvernement rwandais à améliorer le cadre juridique et institutionnel dans lequel évolue le secteur des petites et moyennes entreprises.

d) L'initiative de promotion de nouvelles entreprises. Ce volet se consacre à l'identification, et aux études de projets visant l'introduction de nouvelles entreprises utilisant des technologies appropriées.

4. La mission travaillera en 4 temps :

4.1. Travail sur le terrain : interviews et enquêtes auprès de divers intervenants. Recueil de l'information nécessaire à répondre aux questions figurant en annexe. (Durée 4 semaines)

4.2. Mise en commun des informations recueillies, élaboration et remise d'un rapport préliminaire contenant les conclusions de la mission et des propositions notamment d'orientation pour une éventuelle suite du projet (1 semaine)

2.4.3. Réunion de synthèse tripartite (Gouvernement, USAI et TechnoServe), analyse des propositions pour l'avenir (1 jour)

2.4.4. Rédaction et remise d'un rapport final de l'équipe d'évaluation (3 jours)

III. Contenu de l'évaluation :

1. Historique

1.1. Origine du projet : accord cadre de coopération et accord de projet, objectif, secteurs

1.2. Evolution des actions

1.2.1. Phase du processus d'appui, analyse des conjonctures particulières, des mécanismes et des événements marquants qui ont déterminé son évolution

1.2.2. Maîtrise de cette évolution par l'ensemble des acteurs du

projet (voir Annexe, point I)

1.2.3. Réalisation, acquis et appuis accordés par rapport aux objectifs initialement retenus.

2. Evaluation des effets économiques directs du projet sur les bénéficiaires (P.M.E. ou institutions locales assistées)

2.1. Accès aux infrastructures

2.2 Elargissement des débouchés (nouveaux produits et marchés)

2.3. Epargne-crédit-investissement productif

2.4. Accès à d autres ressources productives : formation, technologies améliorées

2.5. Effets sur les revenus, l'emploi et les conditions de travail en milieu rural (voir annexe, Point III)

3. Bilan d autres effets induits par le projet

3.1. Meilleure connaissance et reconnaissance des opérateurs du secteur des petites et moyennes entreprises

3.2. Bénéfices tirés par d'autres agents économiques (commerçants, banques, clients) et institutionnels (économies de devises via substitution des importations, impôts et taxes, avantages du code des investissements) (voir Annexe Point IV)

4. Analyse spécifique des principales difficultés rencontrées concernant :

4.1. L application de la méthodologie de travail utilisée par TechnoServe

4.2. Le fonctionnement du projet

4.3. Les relations interinstitutionnelles

5. Conclusions et recommandations

5.1. Conclusions sur la réalisation du projet

5.1.1. Les accomplissements du projet au regard de ses objectifs initiaux (immédiats et de développement). Ecarts et réalisations

5.1.2. Le fonctionnement du projet : relations entre les divers acteurs, appuis fournis, activités entreprises, résultats atteints, gestion et soutien administratif.

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5.2. Stratégies à suivre à l'avenir

5.2.1. Orientations de base : changements nécessaires ou souhaitables à apporter aux objectifs, à la gestion et au suivi du projet

5.2.2. Relations entre les acteurs : redéfinitions des rôles et fonctions à attribuer à chacun d'entre eux. Etat/USAID//Techno-Serve/Secteur privé.

5.2.3. Variantes de l'appui à prendre en considération selon la catégorie des bénéficiaires : artisans, PMI agro-industrielles où PMI autres qu'agros-industrielles.

IV. Organisations Pratique de la Mission

1 Chaque partie propose un évaluateur USAID (1), Gouvernement Rwandais (2 dont un pour la partie Rwandaise et un autre pour le secteur privé) TechnoServe (1). Le financement et les moyens logistiques sur place sont assurés par TechnoServe.

2. L'équipe des évaluateurs s'organise elle-même; elle peut faire appel à des mandats locaux pour des questions particulières.

3. La mission aura lieu du 6 au 21 Novembre 1989.

4. La durée de la mission est de six semaines, réparties comme suit : 4 semaines de travail sur le terrain, 1 semaine de rédaction et remise du rapport préliminaire; 1 jour pour la réunion tripartite et 3 jours pour la rédaction du rapport final.

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ANNEXE

1. Evaluation ayant trait à la maîtrise du Projet par ses acteurs.

A. Eléments d'évaluation concernant l ensemble des acteurs du projet

1. Comment le projet a-t-il mis au point les mécanismes de collaboration entre les différents intervenants : TechnoServe versus les entreprises locales et les institutions de formations locales, TechnoServe versus les institutions publiques et privées sur place, TechnoServe versus USAID.

2. Le projet a-t-il maîtrisé son évolution et l'ensemble des mécanismes de dialogue, de concertation et de contrôle mis en place ? (rapports au Gouvernement rwandais et à l'USAID réunions régulières avec le Représentant du Gouvernement, information à fournir aux services publics et privés, etc...)

3 Quelles ont été les principales contraintes et difficultés à ce sujet ?

B. Eléments d'évaluation concernant la participation du Gouvernement.

1. Quel est le rôle du Gouvernement rwandais dans l'exécution du projet ?

2 Le Gouvernement a-t-il assuré le suivi technique et administratif nécessaire et décision en temps opportun à travers les réunions de concertation)

3 Le Gouvernement a-t-il mis en place des conditions favorables d'ordre institutionnel et juridique favorisant l'évolution des petites et moyennes entreprises notamment :

a) Appui direct par des décisions ou régulations concernant l'accès au fonds spécial de garantie pour les petites entreprises

b) Adaptation des lois et règlements aux particularités des P.M.E. Le Gouvernement a-t-il créé des conditions propices à l'épanouissement du secteur des petites et moyennes entreprises par des politiques commerciales et douanières favorisant l'élargissement du marché pour les biens et les services fournis par les P.M.E. ?

4. Le système bancaire officiel a-t-il assoupli ses conditions d'accès aux crédits pour les P.M.E. et a-t-il mis en place des dispositifs techniques et administratifs appropriés ?

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5. Le Gouvernement considère-t-il comme prioritaire la stratégie de création des P.M.I. agro-industrielles utilisant une technologie simplifiée à forte intensité de main-d'oeuvre ?

6. La politique fiscale est-elle de nature à encourager la promotion des PME ?

C. Eléments d évaluation concernant l'USAID

L'USAID a-t-il assuré efficacement

1. Son rôle technique d'appui au niveau de la conception, de l'organisation et des méthodes d'approche ?

2. La gestion et le suivi du projet ?

3. Le soutien administratif et l appui logistique ?

4. La coordination générale des services de consultation, d'évaluation et d'auto-évaluation concernant les approches essayées et leurs effets sur les bénéficiaires ?

5. Existe-t-il une coopération adéquate entre les différents acteurs intéressés par le projet (Gouvernement, USAID, TechnoServe et clients).

II. Eléments d'évaluation concernant les accomplissements du projet.

Cette section cherche à connaître l'incidence générale, effective ou potentielle, du projet sur les bénéficiaires.

A. Réalisation des objectifs du projet

1. Analyser le volet "Service de conseil aux entreprises en matière de gestion (BAS)", relever l'impact de ce volet sur les petites et moyennes entreprises et déterminer la relation coût/efficacité de cette activité.

2. Analyser le volet "formation et développement institutionnel" à partir du programme de formation élaboré par TechnoServe et destiné aux opérateurs du secteur des PME et aux cadres rwandais, relever l'impact de ce volet sur les bénéficiaires.

3. Analyser le volet "Etudes et analyse de l'environnement économique rwandais", relever l'impact des résultats des études sur les institutions publiques et privées locales

4. Examiner les activités du volet "Initiative de promotion de nouvelles entreprises". Analyser l'apport de cette activité dans la création de nouvelles entreprises au Rwanda.

5. Examiner le programme d assistance de longue durée aux entreprises, l efficacité, le coût, l'approche utilisée et l'impact de cette activité

6. Analyser le programme de formation des experts comptables entreprise par le projet et réalisé avec la collaboration d'une entreprise Kenyane.

7. Examiner la contribution du projet dans la consolidation de la capacité des institutions locales oeuvrant pour la promotion de l'entreprise privée.

Méthodologie de travail utilisée par TechnoServe dans l'exécution du projet

* La méthodologie de travail de TechnoServe est elle définie et transparente ? Quelles sont les normes de travail de TechnoServe ?

* L'approche méthodologique utilisés par TechnoServe est-elle appropriée pour réaliser les objectifs du projet ? Quelle cohérence existe-t-il entre ces objectifs et les normes de travail de TechnoServe ? Indiquer si cette approche permet d'atteindre des effets durables, observables par le projet.

Questions directrices concernant la réalisation des objectifs immédiats

Ces questions sont adressées essentiellement aux bénéficiaires en vue d'apprécier et de mesurer les effets économiques du projet sur les bénéficiaires. Dans quelle mesure, le projet a-t-il :

1. Favorisé l'accès aux infrastructures (parcelles, ateliers, services publics).

2. Favorisé l'accès aux crédits bancaires (pour les petites entreprises) ?

3. Contribué à la promotion de nouveaux produits de consommations et de prototypes d'équipements ?

4. Favorisé l'accès à la formation professionnelle et technique ?

5. Facilité l'accès aux matières premières ?

6. Facilité l'écoulement des produits finis ?

7. Contribué à une rentabilité accrue des investissements et à l'abaissement des coûts des biens et services par une meilleure organisation de la production ?

8. Contribué à l augmentation des revenus en milieu rural ?

9. Contribué à la création d'emplois et à la diminution du sous-emploi visible ?

10. Contribue à améliorer les conditions de travail ?

III. Questions directrices concernant la réalisation des objectifs de développement

Ces questions ont trait plus particulièrement aux réalisations du projet au plan économique et social dans le cadre des grandes options politiques de développement national.

Le projet a-t-il :

1. Aidé le gouvernement à mieux connaître le secteur des petites et moyennes entreprises non encore maîtrisé jusqu'à présent ?

2. Permis une adaptation des politiques et une amélioration des institutions nationales en faveur des P.M.E. ?

3. Oeuvré pour le remplacement des importations d'un certain nombre d'articles pouvant être fabriqués localement ?

4. Favorisé une augmentation du pouvoir d'achat des paysans en milieu rural en créant des emplois non agricoles plus rémunérateurs ?

IV. analyse des principales difficultés rencontrées concernant

1. La méthodologie de travail de TechnoServe

2. Le fonctionnement du projet

3. Les relations interinstitutionnelles.

V. Conclusions et recommandations

1. Quelles sont les principales conclusions que l'on peut tirer de l'exécution du projet ?

1.1. Les accomplissements du projet au regard de ses objectifs immédiats et du développement ? Ecarts et réalisations.

1.2. Le fonctionnement du projet : relations avec les divers acteurs, appuis fournis, activités entreprises, résultats atteints ?

2. Quelle est la stratégie à suivre à l'avenir par le projet ?

2.1. Mise en perspective des orientations générales.

2.2. Quelles seraient, le cas échéant, les changements nécessaires ou souhaitables à apporter en ce qui concerne :

a) Les objectifs du projet ?

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b) La gestion et le suivi du projet ?

c) Le soutien administratif et l appui logistique ? (Quelles sont les recommandations adressées à L USAID, à TechnoServe et au Gouvernement en vue de partager de façon cohérente les responsabilités de chaque partie et d'assouplir les systèmes de gestion du présent projet et des projets futurs ?

2.3. Faut-il concevoir et établir de nouvelles relations entre les acteurs du projet ? Lesquelles ? Quels rôles et fonctions doit-on attribuer à chacun d'entre eux ?

2.4. Observations générales : sur la base de l'expérience acquise grâce au projet, quels sont les facteurs non mentionnés ci-dessus qu'il faudrait garder présents à l esprit lors de la planification des projets futurs de type technoServe ASBL ?

Fait à Kigali, le 28 Août 1989

List of questions from TechnoServe given to Evaluation Team

A. Transparence/Communication/Collaboration
- Qu'est ce que s'est la "transparence"
- Comment ameliorer la transparence de TechnoServe
- Comment ameliorer la communication entre TNS-AID-MINIMART
- Quels sont les souhaits du projet de la part du MINIMART
- Quels sont les souhaits du projet de la part de l'USAID

B. Questions concernant la methodologie de TechnoServe
- Examiner les services rendus par TechnoServe
- Examiner les methodes de selection des clients
- Examiner les types de clients assistees par TechnoServe
- Est ce que la methodologie de TechnoServe est appropriee
- Mettre claire les methodes de TechnoServe

C. La question de mobilite du personnel locale
- Est ce que c'est trop par rapport aux autres projets
- Quels sont les raisons pour la mobilite
- Est ce que les conditions de travail sont assez bonnes
- Quels sont les souhaits du personnel local
- Examiner les procedures de recrutement de TechnoServe

D. L'achevement du programme de formation a Nairobi
- Examiner la situation qui a precipite l'achevement
- Quel est l'impact de ce programme de formation
- Ou sont les participants a ce moment
- Est ce que leur formation est appreciee par leurs employeurs
- Est ce que la gestion du programme par EMEW etait adequate
- Est ce qu'une tel formation est appropriee pour les rwandais

E. Est ce que les objectifs du programme ont etait atteints
- Quel est l'impact des services de gestion du programme
- Quel est l'impact des seminaires dans le pays
- Quels sont les succes du programme
- Quels sont les echecques du programme
- Est ce que les orientations du programme sont appropriees
- Quel etait l'impact des etudes de TechnoServe

F. Recommendations pour une deuxieme phase du programme
- Est ce que TechnoServe est l'organisation indiquee
- Quelles sont les activites a continuer dans le programme
- Quelles sont les activites a abandonner
- Quelles seront les orientations du programme
- Quelles sont les services a fournir par le programme
- Une 2ème formation des comptables a Nairobi
- Le role du volet EPI dans le programme en avenir
- Le role et le nombre du personnel expatrie
- Le role du volet etudes dans l'avenir du programme
- La continuation des seminaires, est ce que c'est souhaite
- Comment ameliorer la transparence et la communication

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Appendix B : List of Documents Consulted.

TechnoServe Reports and Documents.

TechnoServe au Rwanda
Bilan des Activités et Perspectives pour l Avenir, January 1989.

Semi Annual Reports.
Jan - June 1986
July - Dec 1986
Jan - June 1987
July - Dec 1987
July - Dec 1988
Jan - June 1989

Formative Evaluation Report.
May 1986
Stanley A. BARNETT

Mid-Term Review.
February 1988
Mike BESS
(TechnoServe follow-up report may 1988)

Mid-Term Review of CPA Training Program.
August 1988
TechnoServe

Appui au Secteur Non Structure du Rwanda
Mission d evaluation 18 oct. au 26 nov. 1988, rapport final

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Rwanda Private Enterprise Development
Project Number 696 - 01211
July 1984

Cooperative Agreement N° 696-0121-A-00-4011-00.
Aug. 30, 1984
USAID/REDSO
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Action Memo for AID Rep., Rwanda
August 17, 1984
REDSO/ESA

Cooperative Agreement 4011-00
Amendment 1 July 3 1986
Amendment 2 Mai 26 1987

Agreement of cooperation between
The Government of The Republic of Rwanda and TechnoServe Inc.
Dec 26 1984

Surveys and Studies.

Enquete Sous-Sectorielle
Huiles Vegetables au Rwanda
Aout 1988
TechnoServe.

Demand Analysis for TechnoServe Services
December 1985
TechnoServe

TechnoServe Rwanda, Agro-Industry Survey
September 1986
Francis S. Masson

La Prise en charge des Activites de Promotion des Petites et Moyennes Industries et de l Artisanat au Rwanda.
Aout 1988
NUGAWELA Patrick
PRIME

Institutions de Formation en Matiere Commerciale et de Gestion
December, 1985
TechnoServe.

Surveys & Studies (cont'd)

Fonds Spécial de Garantie.
Une Etude de Restructuration
May 1986
Anton B. Derters

Les Moyennes et Grandes Entreprises Rwandaises.
Prime Aug. 1988
NGIRABATWARE Augustin

Etude sur l'Emploi au Rwanda.
PRIME déc. 1987
HUU KHIEM Nguyen

Etude Sous-Sectorielle
Les matériaux de construction du Rwanda
Prime June 1988
HUU KHIEM Nguyen

Etude Sous-Sectorielle.
Le Secteur Construction au Rwanda
PRIME June 1988
HUU KHIEM Nguyen

Guide de Comment demarrer une entreprise au Rwanda
TechnoServe/Rwanda
Novembre 1989, encore sous forme de projet.

Other documents.

The "Effects method" of Project Evaluation
World Bank Working Paper N° 231
March 1976

Rapport de mission à Nairobi (KENYA) du 5 au 9 août 1988 sur l'Evaluation du Programme "Certified Public Accountants" de Neuf Comptables Professionnels Rwandais.

Draft of Preliminary MAPS Phase I Report
Manual for Action in the Private Sector
J. Austin Assoc. Oct. 1989

Climat de l'Investissement et Environnement Opérationnel de l'Entreprise Privée au Rwanda.
September 1987
USAID
MESCHER Micheline

Evaluation of Phase II of OPG N° 696-0122
Cooperative Training Program
May 19, 1989
Management Systems Inc

Human Resources Development Assistance, Rwanda, Training Strategy 1988 - 1992, undated (probably early 1989)
Management Systems Inc.

USAID/RWANDA
Internal Mission Review
July 1988
Management Systems Inc.

Financial Sector Review of Rwanda
January, 1987
Development Alternatives Inc.

Technical Assistance and AID Agency Staff
World Bank Paper n° 28 1984
Jerry M. Silverman

Appendix C : Individuals Contacted.

USAID/Rwanda.

GRAHAM James, Director

HENDERSON Patrick, Project Development Officer

HOWARD Barbara, Program Officer

NIYIBIZI Bonaventure, Ass't Project Development Officer

MIVUMBI Daniel, Ass't Project Development Officer

NDOREYAHO Valens, Agricultural Development Officer

Ministries.

RUHATANA Ignace, Directeur des Etudes et Evaluation
Ministry of Planning (MINIPLAN)

BIROLI Eugène, Division Programmation des Investissements Publics, MINIPLAN

MUNYANEZA Wellars, MINAFFET, Directeur de la Coopération Bilatéral

NGIZIMANA Stanislas, Conseiller juridique au MINIFIN

NZEYIMANA Pie, Chef de Division Amérique et Océanie, MINAFFET

ISHYAKA Godefroid, Division Amérique et Océanie, MINAFFET

KURAZIKUBONE Joseph, Coordinateur National; Projet PNUD-BIT-MIJEUMA

KAMANZI Callixte, Directeur Général, Division PME
Ministry of Industry and the Artisanat, MINIMART

UWILINGIYIMANA Agathe, Directrice de la promotion des Petites et Moyennes Entreprises, MINIMART

BANGAMWABO Emmanuel, Chef de Division aux Promoteurs et aux Entreprises, MINIMART

TechnoServe/Rwanda.

HERNE James G., Director

SEVIER L. Paul, Director of Project Development

KRUSE Gregory B., Project Advisor

NTIRUHUNGWA Jean de Dieu, Project Advisor

DeSANTIS Dennis A., Project Advisor

KABERA Asiel, Administrative Assistant

MUTEMBAYIRE Jacqueline, Cooperative Advisor.

GASANA Thémistoclès, Project Advisor

KAYITARE Bernard, Project Advisor

TechnoServe Clients.

NTIRUBABALIRA Michel, Sole proprietor
Piggery/outskirts of Kigali

GASIRABO Claver, Chief of financial and commercial sect.
SORWATOM/tomato paste canner/Kigali

SEBAHUTU Narcisse, sole proprietor,
Ferme Narcisse, egg production, Kigali.

M et Mme NZAMWITA, Sole proprietor
Egg production, Cyangugu.

NGIRABATWARE Aloys, Directeur SOCORWA
(Société Coopérative de Confection Rwandaise)
Uniform manufacturing Cooperative employing handicapped persons
Kigali

NGIRABAKUNZI Elie, Entrepreneur
Quatre Saisons dairy business

MUTIGANDA Aristarque, President, COCHABRICORU (Chalk and Brick Cooperative)
Ruhengeri

RWENGE Célestin, Former President of Atelier KARIBU, clothes manufacturing
Gisenyi

BENDANTABAHO Onesphore, President of COTAGIRWA (Leather tanning and working Cooperative)
Gisenyi

MUKIZA Eustache, Secretaire of COTAGIRWA

COTAGIRWA (Leather tanning and working cooperative)
Gisenyi

NZABANDORA P.Claver, President of KIAKA (Cooperative mixed artisanal), Gisenyi

TRAGIRAMARIYA Immaculée, Manager, KIAKA

MUNYAMPAMA François, Garagiste, KIAKA

HABIMANA André, accountant, KIAKA

NTURANYE Berchmas, Treasurer, KIAKA

BARYANISHAVU Léopold, Carpenter shop, KIAKA

NTAWUSHIRAGAHINDA Jean, Responsable, KIAKA

GODDING Jean-Pierre, Advisor, KIAKA

TWAGIRAYEZU Jacques, Son of Proprietor/Accountant

Boulangerie/Patisserie du Grand Lac (BOUPAGAL)
Gisenyi

Other Contacts

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NZABAHIMANA François, IWACU Coordinator
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NSENGIYUMVA Aphrodise, Chief of credit sevice, Union of Popular Banks of Rwanda
Kigali.

FRANCOIS André, Bank Conselor provided by Belgium bilateral aid, Rwanda Development BANK (BRD)

RUKEMANGANIZI Janvier, Chief of Projet Monitory Service, BRD.

TechnoServe Institutional Clients.

NIBAKURE Isabelle, Coordinatrice Nationale, Réseau des Femmes, ONG, Kigali.

MUHAWENIMANA Chantal, Secrétaire Permanente de Réseau des Femmes

GAKWAYA Athanase, Secrétaire Exécutif, ARDI
Rwandan Association for the Promotion of Integrated Development, ONG, KIGALI.

DART Thomas, Catholic Relief Service (CRS) PVO, Kigali.

KABILIGI Juvénal, Catholic Relief Services, PVO, Kigali.

NTAMABYALIRO Agnès, Directrice, DUTERIMBERE Women s PVO, Kigali.

NYIRANKULIZA Spéciose, Chargée de Formation, DUTERIMBERE.

MANILIHO Jonas, Responsable de la Promotion Industrielle à la Chambre du Commerce et d'Industrie du Rwanda

UWIMANA Jacques, Representative Chamber of Commerce Industrie Rwanda (CCIR), Ruhengeri.

KWALA KANA Peki, Directeur, Economic Commission for Africa, Multinational Program Center, Project Execution, MULPOC, Gisenyi.

SAFARI Evode, Project Manager, UNDP, Training an support for Charcoal Producers, Kigali.

Abiyunze Inter-Groupement.

HABIYAMBERE Manassé, President d'Abiyunze

SIKUBWABO Sanislas, membre de la cooperative C.O.A.B.

SAGATWA R. Onesphore, President d Abajyamugambi

MUKANKWAYA Thasiana, Umukangurambaga Abiyunze
Animatrice des formations des femmes

CAVECUVI Cooperative.

MUNYAKAZI Yussufu, Président

SEGATARAMA Samuel, Vice-Président

MUVAKURE Thomas, Conseiller

NTILINIGA Jean Bosco, Conseiller

KANAMUGIRE Fidèle, Gérant de la coopérative

MBONYE Asmani, Conseiller

BUREGE Isaac, Magasinier

NGARUKIYE Haruna, Aide-magasinier

MASUMBUKO Jean Damascène, Moniteur agricole

NGAYABAHIGA Evariste, Membre

NGIRIMANA Zabulon, Comptable

BARENGAYABO Jérémie, Caissier

MUGANGA Jérôme, Mécanicien

NZEYIMANA Frédéric, Planton

Abakunda-kulima Cooperative.

MUGABALIGIRA Vincent, Président

NZABALIRWA Célestin, Vice-Président

KARANGWA Pierre Claver, Member of Monitoring Council

MANIRAGUHA Charles, Member of Administrative Council

RWASAMANZI Félicien, Salesman

APPENDIX D

Table 1 : Number of TechnoServe Assistance beneficiaries by Prefecture

Component/Prefecture	Kigali	Gitarama	Butare	Gikongoro	Cyangugu	Kibuye	Gisenyi	Ruhengeri	Byumba	Kibungo	TOTAL
SME Assistance	32	4	7	1	2	1	5	2	2	2	58
1. Business Advisory Services (BAS)	30	3	7	0	1	1	5	2	2	2	53
2. Management Assistance Programme (MAP)	2	0	0	0	1	0	0	0	0	0	3
3. Enterprise Promotion initiative (EPI)	0	1	0	1	0	0	0	0	0	0	2

Table 2 : Number of TECHNOSERVE assistance beneficiaries per activity, sector and by status.

Activity	Total number	Number of individuals enterprises	Number of SARL	Number of SPRL	Number of cooperatives
01. Trade	4	2	0	1	1
02. Manufacturing	10	5	2	2	1
03. Piggery	8	6	0	0	2
04. Cattle	1	1	0	0	0
05. Goats	2	1	0	0	1
06. Poultry	10	10	0	0	0
07. Beekeeping	1	0	0	1	0
08. Artisans	10	5	0	1	4
09. Production and Agricultural marketing products	8	4	0	0	4
10. Agricultural and forestry transformation	4	0	0	1	3
TOTAL	58	34	2	6	16

APPENDIX D

Table 3 : Number of TechnoServe trainees in the seminars for private sector

Training theme	1986		1987		1988		1989 (juin)		TOTAL	
	Nbr sem.	Nbr of trainees	Nbr sem.	Nbr of trainees	Nbr sem.	Nbr of trainees	Nbr sem.	Nbr of trainees	Nbr sem.	Nbr of trainees
Accounting	4	50	3	54	2	66	3	74	12	244
Personnel Policy	0	0	2	39	0	0	0	0	2	39
Loan Policy	0	0	3	39	0	0	0	0	3	39
Entrepreneurship	0	0	3	68	0	0	3	61	6	129
Marketing	0	0	3	58	3	63	4	77	10	198
Feasibility study	0	0	0	0	1	38	0	0	1	38
Financial Analysis	0	0	0	0	2	56	0	0	2	56
TOTAL	4	50	14	258	8	223	10	212	36	743

N.B. : Every seminar lasted 2 days.

APPENDIX E

Cost per Activity Component (in US $) and per year.

LE : Local Expenditures
LE + GA : Local Expenditures + General Administration

Component per year		1985	1986	1987	1988	1989 (juin)	TOTAL	%
A. SME Assistance	LE	114.920	327.935	611.782	602.719	286.702	1.944.058	64,26 %
	LE + GA	136.755	390.243	728.021	717.236	341.175	2.313.430	
Business Advisory Component (short term Assistance) BAS	LE	114.920	327.935	464.155	265.459	59.774	1.232.243	40,73 %
	LE + GA	136.755	390.243	552.344	315.896	71.131	1.466.369	
Long Term Assistance Component (MAP)	LE	0	0	31.761	106.014	92.962	230.737	7,63 %
	LE + GA			37.796	126.157	110.625	274.578	
Enterprise Promotion Initiative Component (EPI) :	LE	0	0	115.866	231.246	133.966	481.078	15,9 %
	LE + GA			137.881	275.183	159.420	572.484	
- Sunflower Programme	LE	0	0	15.309	86.588	68.628	170.525	5,64 %
	LE + GA			18.218	103.040	81.667	202.925	
- Charcoal Programme	LE	0	0	0	0	26.420	26.420	0,87 %
	LE + GA					31 .440	31.440	
- New Products	LE	0	0	20.740	46.589	16.482	83.811	2,77 %
	LE + GA			24.681	55.441	19.614	99.736	
B. Training and Institutional Development	LE	85.967	208.294	381.229	269.498	89.738	1.034.726	34,20 %
	LE + GA	102.321	247.867	453.663	320.703	106.788	1.231.322	
C. Studies & Policy Analysis	LE	15.163	12.463	0	965	0	28.611	0,95 %
	LE + GA	18.044	14.833		1.148		34.247	
D. Halfway evaluation	LE	0	5.977	7.269	4.500	0	17.746	0,59 %
	LE + GA		7.113	8.650	5.355		21.118	
GENERAL TOTAL	LE	216.050	554.669	1.000.282	877.682	376.440	3.025.141	100,00 %
	LE + GA	257.100	660.078	1.190.334	1.044.442	447.963	3.599.917	
%		7,14 %	18,34 %	33,07 %	29,01 %	12,44 %	100 %	

Balance : LE 4.000.000 - 3.025.141 = 974.859
LE + GA 4.000.000 - 3.599.917 = 400.083

Realization Ratio : LE 75,63 %
% LE + GA 90 %

APPENDIX F : LOGICAL FRAMEWORK FROM PROJECT PAPER.

Project Goal:

Increase in domestic value-added and employment provided by private enterprise in Rwanda.

Measures of Goal Achievement:

Increases in the manufacturing and commercial contributions to GDP and to total employment, especially by smaller enterprises.

Means of Goal Verification:

GOR Statistics and selective in depth case studies.

Assumptions:

Private enterprise will help serve the needs of Rwanda's poor majority. Due to lag time for policy impact at goal level major benefits will occur post project.

Project Purpose:

To promote private enterprises, especially agri-business initiatives, in Rwanda through direct technical assistance to enterprises and by contributing to an improved institutional and policy environment.

End-Of-Project Status:

(a) Entrepreneurial skills in finance, management and marketing strengthened;

(b) Management techniques and innovations appropriate to Rwandan business conditions transferred and applied;

(c) Capability of local institutions to promote private enterprise and provide appropriate training strengthened.

(d) Dialogue on-going with the GOR on micro- and macroeconomic and fiscal policies which promote an expanded role for private enterprise in development.

Means of Verification:

Semi-annual Project Reports

Periodic Project Evaluations

Assumptions:

Continued political stability.

Continued strong currency.

Continued GOR view that the private sector is a priority as enunciated in the Third Development Plan (82- 86).

Policy climate does not discourage private sect initiatives.

Project Outputs:

(a) Advisory services provided to a number of enterprises and to institutions supporting private enterprise;

(b) Skills training programs, including short-term in-country courses and seminars, on-the-job training, and third country apprenticeship programs.

(c) Field Investigations to guide on-going project implementation and to support policy dialogue with the GOR on major issues affecting private enterprise in Rwanda.

Magnitude of Outputs:

(a) Approximately 100 interventions will be provided to Rwandan enterprises and institutions over the life of the Project.

(b) Assistance to two institutions offering short term courses over the life of the project; approximately 25 on-the-job training programs; and 12 Rwandan candidates will enter a CPA training program.

(c) At least three studies to guide project implementation (credit survey, institutional needs assessment, economic analyses), establishment of a data base and an estimated three policy studies.

Means of Verification:

(a) Periodic progress reports and consultants' reports.

(b) Periodic progress reports and number of trained Rwandans.

(c) Studies submitted to the GOR and USAID, and computerized data base available.

Project Evaluations

Assumptions:

Assistance provided by the project will be utilized effectively.

Training is an effective means of promoting private sector development.

GOR is receptive to participating in a policy dialogue and continues to be interested in pursuing and investigating policies that will increase the flow of investment into the private sector.

Project Inputs:

Magnitude of Inputs:

Management Services.....	$1,678,000
Training and Institutional Development.....	$1,816,000
Policy Analyses, Database, Studies.....	$595,000
Commodities.....	$179,000
Inflation and Contingency.....	$604,000 NB: Includes evaluations

Means of Verification:

Technoserve Quarterly Financial Reports

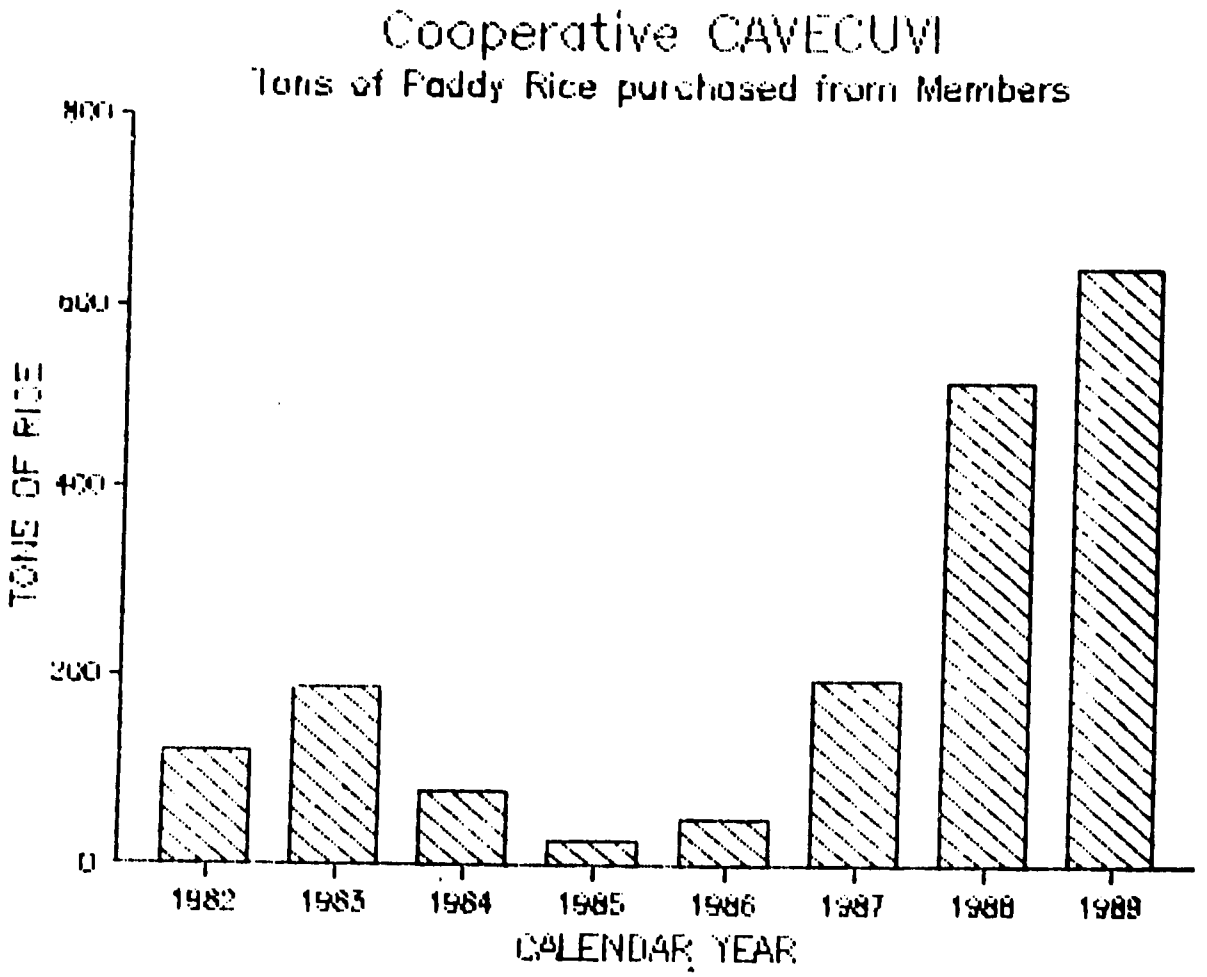
Periodic Audits of Technoserve

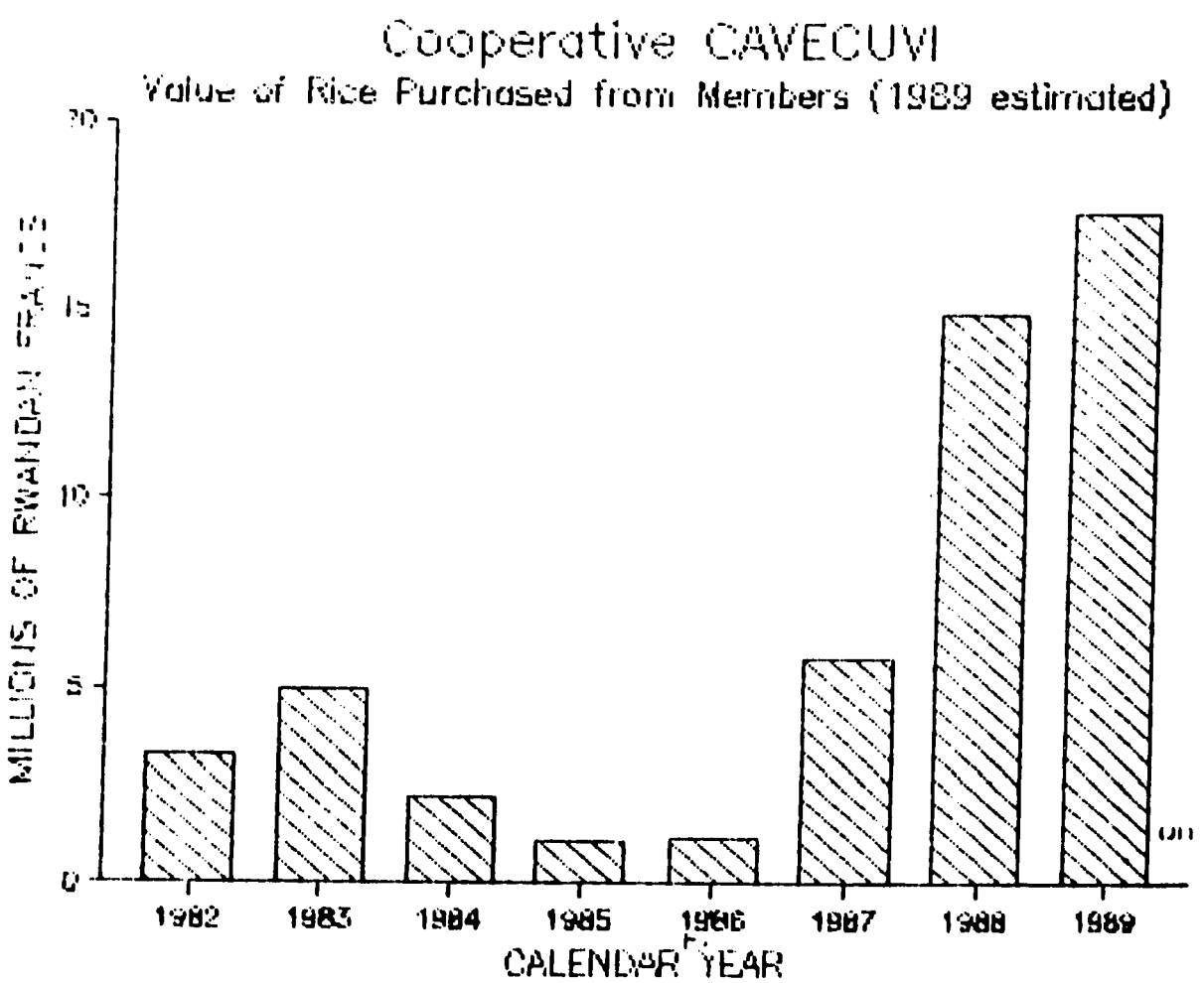
End of Project Financial Report

Assumptions:

Cost estimates are correct.

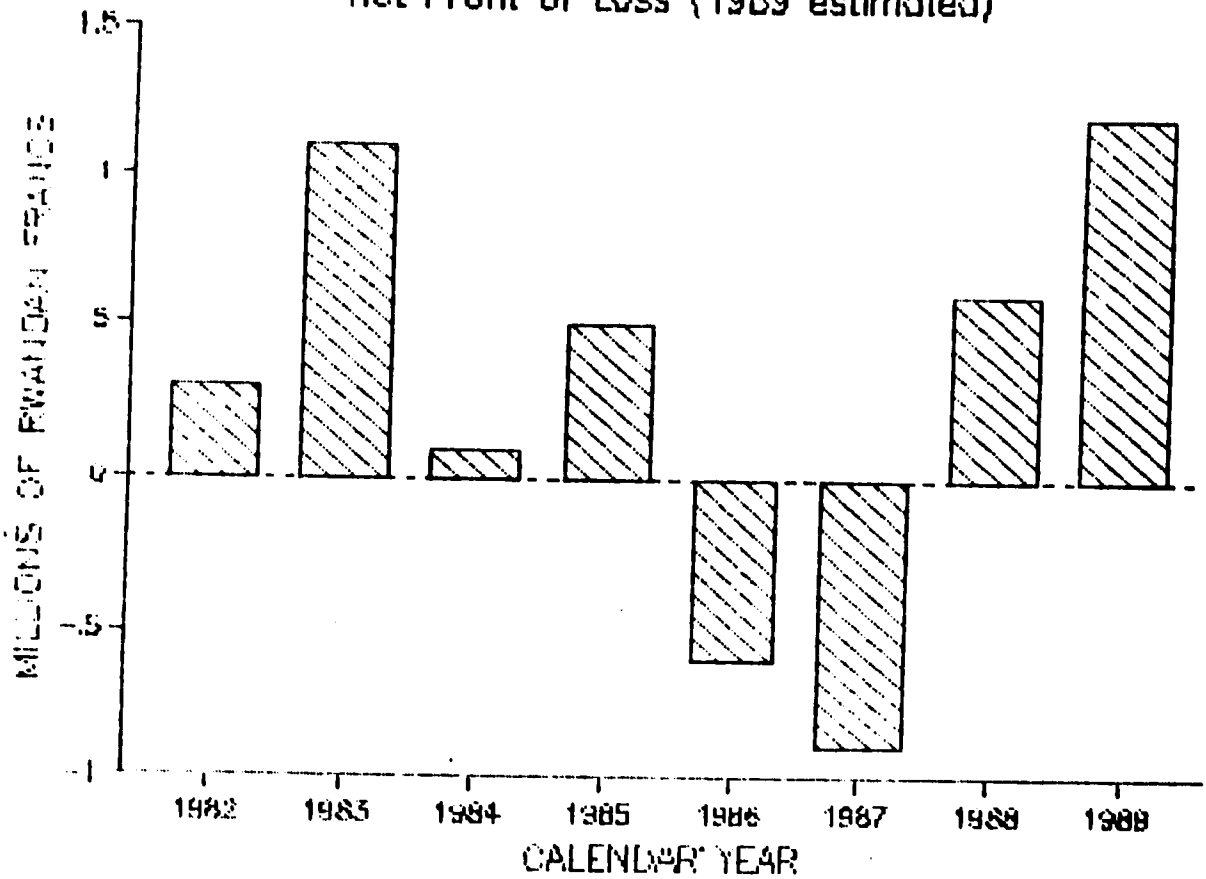
Appendix G : CAVECUVI Cooperative : Graphs of Production and Sales Increases





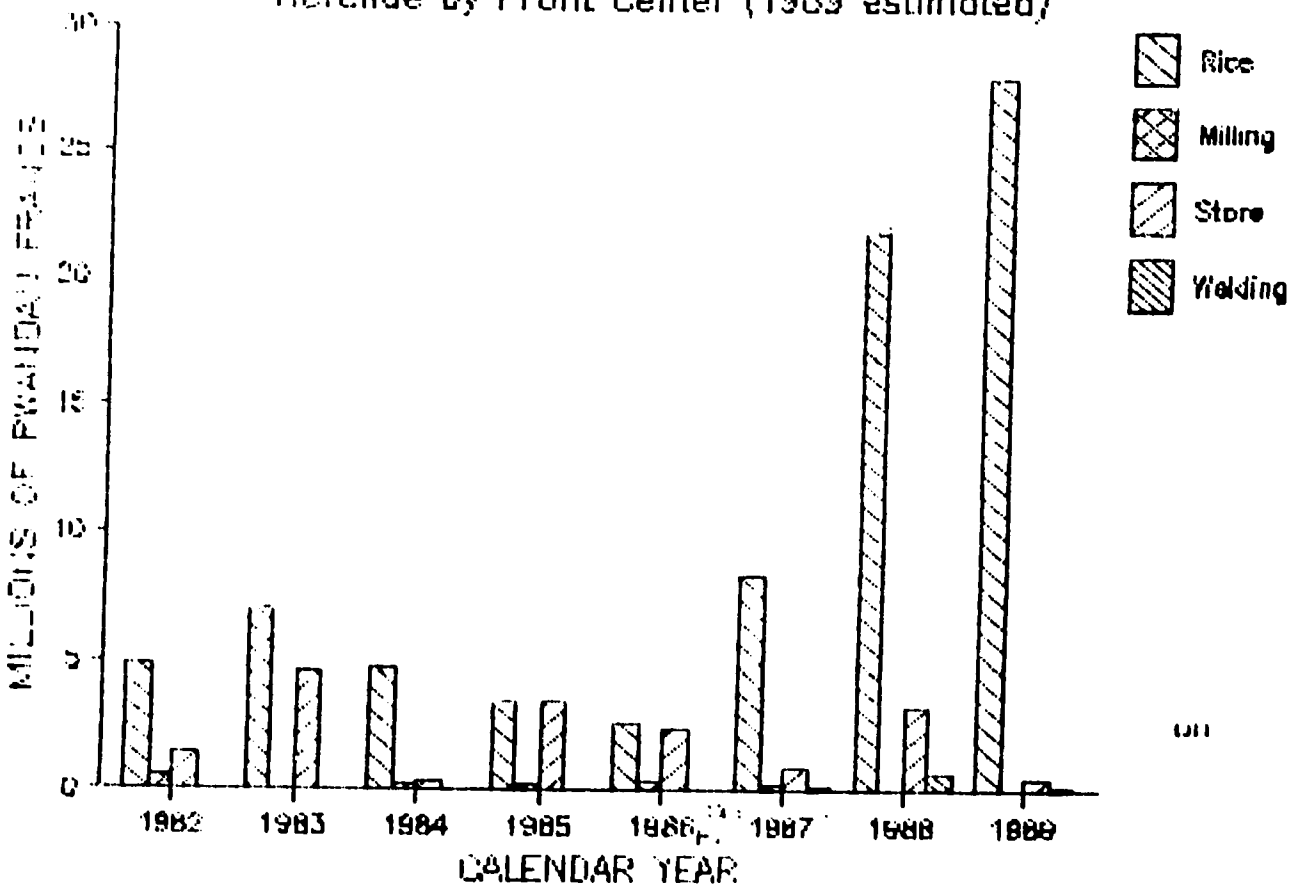
Cooperative CAVECUVI

Net Profit or Loss (1989 estimated)

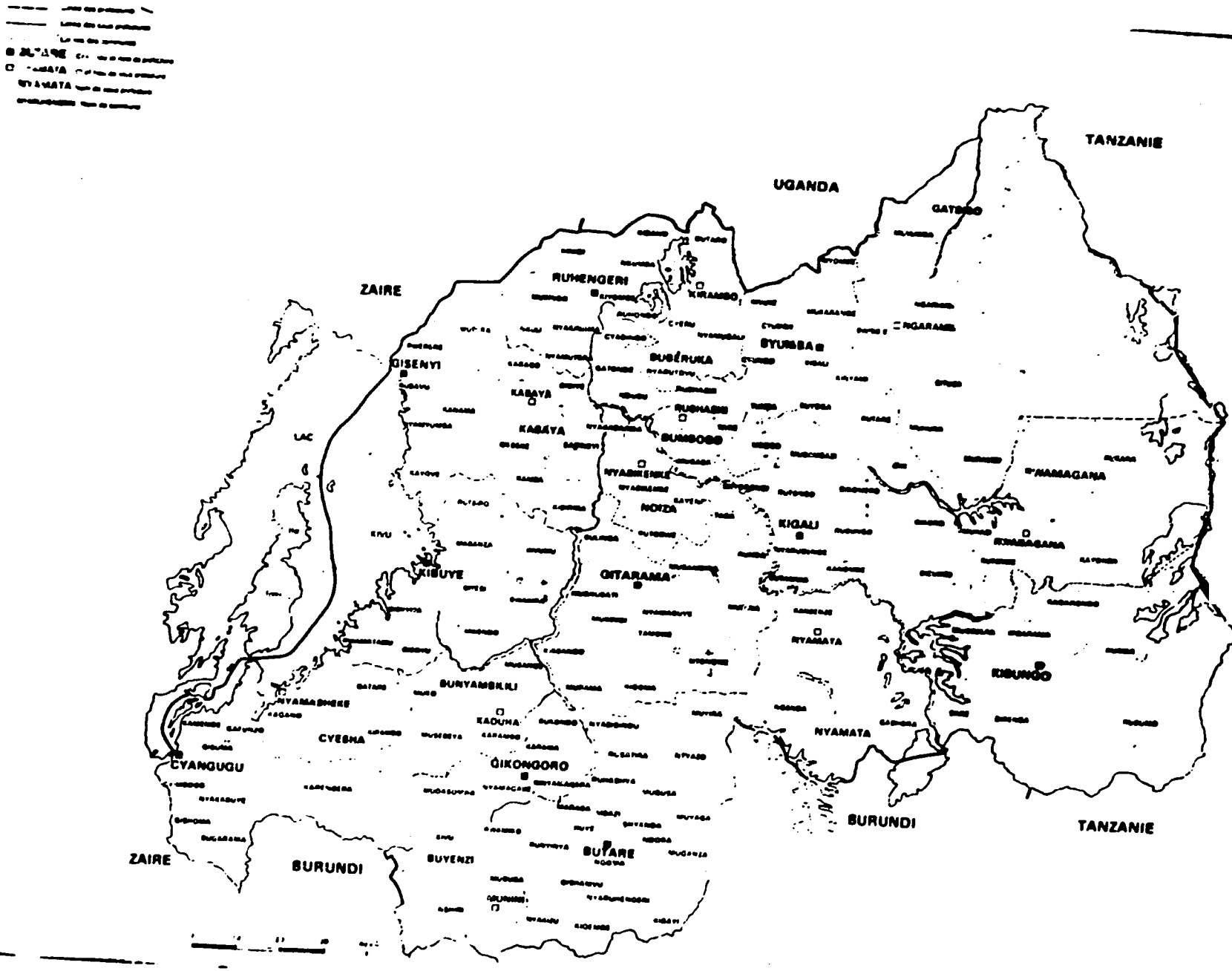


Cooperative CAVECUVI

Revenue by Profit Center (1989 estimated)



Appendix H : Map of Rwanda



Appendix I

Enterprise Promotion Initiative (EPI)

Program	Date Program Started	Constraints	Results Achieved	Future Perspective	Expertise used	Cost US $
1. Sun Flower Seed Oil Program	December 1986	Difficulties finding viable seeds hence need to import	Establishement of a pilot production unit at Ntongwe	Organization of transformation unit	TN's agriculture and management expertise	
		Difficulties in setting up an appropriate production technology	Identification of viable seeds (imported from Kenya)	Making seeds and production equipment available	Expertise of other local institutions with respect to seeds (DRB, BGM, Kibungo II, Africare)	170.525
		Lack of a research program on product	Identification of the appropriate technology	Extension of the activity to other units		
			Establishment of a management system in one pilot production unit		Expertise acquired via trips to other countries	

Program	Date Program Started	Constraints	Results Achieved	Future Perspective	Expertise used	Cost US $
02. Banana juice	August 1987	Difficulty in setting up an appropriate production technology Lack of knowledge of the conditions required to succeed Impossibility of starting a private enterprise in the sub-sector.	Identification of the enzyme which improves extraction	Abandon the program Need for a more extensive study	Consultation of an expert from PRIME	21,911
03. Essential oils (extraction of perfumes from certain essences)	November 1987	-Identification of plant variétés and appropriate production technologies -Access to the European market -Research program to determine quality and cost	Identification of essential oil extraction as having potential	The activity is of interest to cooperatives already managing essence plantations Study to test the market and the appropriateness of the technology	CURPHAMETRA/ UNR Contacts with ITAC FRANCE	7,492

Program	Date Program Started	Constraints	Results Achieved	Future Perspective	Expertise used	Cost US $
04. Production of improved chalk	March 1988	-Lack of an entrepreneur or a cooperative able of starting a viable program	-Identification of an appropriate technology able to improve the quantity and quality of extraction	Abandon the program	Consultant from Kenya Visit to production units outside of Rwanda	10,356
05. To transform manioc (Cassava)	September 1987	Hign official price of manioc Competition among transforming artisans	Identification of products made from manioc * improved flour * starch * glue * alcohol	Abandon the program primarily because of the price of manioc	Expertise TNS/R Consultation from UNICEF expert Expertise PAG	3,806
06. Cereal (baby and infant food)	May 1988	Impossible to promote in rural areas (TNS) because of high level of production sophistication (requiring $ 10 - 15 mm investment)	Identification of the actual feasibility of the project	Continue investigations with DUHAMIC wich already produces infant cereal food and with the Nutrition School of Kansi which also produces cereals	Canadian and Dutch Consultants. Expertise of DUHAMIC ADRI for technology The Experience of MUSALAC in Burundi	22,086

Program	Date Program Started	Constraints	Results Achieved	Future Perspective	Expertise used	Cost US $
07. Papyrus Briquettes (cooking fuel)	May 1988	Product not liked by consumers because of smoke, pot breakage, hard to light and keep burning Difficult to put in place an appropriate technique Risk of environmental damage exploiting the low lands	Nothing since identifying constraints Discovery of an alternative (i.e. charcoal)	Prospect of privatizing the project operating under MINITRAPE	Consultants from the Dutch project MINITRAPE	1,540
08. Animal feeds	November 1988	Difficulty finding entrepreneurs	Comprehensive feasibility study	Interest on the part of cooperative KOPABAMU in Murambi	Expertise TNs	1,163
09. Cement tiles	May 1988	Limited market; inability of one PME to succeed in a rural area (TNs Experience)	Feasability study	Abandon the program	Expertise TNs/Kenya	1,802
10. Mala milk (fermented milk)	September 1988	Lack of transformable milk supply (need 500 litres per day) High official price of milk	Feasibility study in cooperation with KOPABAMU, cooperative of Murambi	Possibility of production via the cooperative which has the potential to produce	Expertise TNs/Kenya	9,129

Program	Date Program Started	Constraints	Results Achieved	Future Perspective	Expertise used	Cost US $
11. Storage of potatoes and sale of seed potatoes	November 1988	Lack of land for cultivation (minimum of 4 hectares required)	Feasibility study which confirmed the viability of the program	Pursue other inquiries especially those with cooperatives which could make land available	Expertise TNs/Kenya Private consultants	2,797
12. Vegetable seed	Idea not yet worked out, only contacts made					136
13. Wood charcoal	December 1988	Access to wood Low level of training among charchoal producers	Organization and assistance to a cooperative of charcoal producers at Gikongoro	Extension of program to other units Organization of associations of producers at regional and national levels	Expertise from project charcoal production of MINAGRI	26,420
14. Fish culture	March 1989	Lack of groups and of fish culture commercialization Problems linked with the management of lowlands	Feasibility study	More profound study Identification of an enterprise or cooperative willing to start a project	Expertise from the Kigembe Project from UNR World Bank Consultant	456

Program	Date Program Started	Constraints	Results Achieved	Future Perspective	Expertise used	Cost US $
15. Bee keeping	March 1989	Lack organization and official informations in the subsector Sales problems (containers relatively expensive) Lack of knowledge re international market for wax	Feasibility study	Modernization of activity program to change bee keeping centers into private enterprises	Expertise of local organizations and institutions having specialized know-how	137
16. Production of mushrooms	August 1989	Difficulties with seed availability knowledge	So far nothing	Feasibility study contacts with potential producers	UNR and Student Group School	Not yet known

Total cost of sub-sector investigation component US$230.756
Administrative costs of component US$200.322

Total cost (up to June 1989) i.e. local expenses US$481:078