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**An Evaluation  
of the Private  
Enterprise  
Development  
Support  
Project**

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## PREFACE

Development Alternatives, Inc. (DAI) conducted a mid-term evaluation of the Private Enterprise Development Support Project II (PEDS II) implemented by Ernst and Young, formerly Arthur Young. The evaluation, done entirely from the United States, is proactive and addresses the future direction and choices for the remaining years of the project. The evaluation is based on interviews with staff at the U.S. Agency for International Development (A.I.D.), Ernst and Young (E&Y), managers of the subcontracting firms, and questionnaires returned from field missions that were involved with PEDS II.

The report is divided into four sections. Section One describes the role of PEDS II in the overall strategy of the Private Sector Initiative. Section Two assesses the PEDS II project, as viewed by the Private Enterprise Bureau (PRE), E&Y, the field missions, and the subcontractors. Section Three discusses the future of PEDS II in light of the assessment, and Section Four presents the lessons learned from the project.

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## EXECUTIVE SUMMARY

The U.S. Agency for International Development (A.I.D.) has funded three PEDS projects under its Private Enterprise Initiative: PEDS I, which ended in 1987; Interim PEDS, a relatively minor project nearing completion; and PEDS II, a major project with \$20 million in funding which started in 1987 and will be completed in 1992. Development Alternatives, Inc. (DAI) was asked to focus on PEDS II in its evaluation.

PEDS II was designed to increase A.I.D.'s capacity to achieve broad-based economic growth by developing institutions that promote sustainable growth, and by encouraging government policies and regulatory reforms that support private sector initiatives. PEDS II is to assist the A.I.D. field missions to develop private sector strategies, programs, and policies, and to design and implement projects that address constraints to the development of a dynamic private sector in developing economies.

### PEDS AND THE PRIVATE ENTERPRISE INITIATIVE

The Private Enterprise Initiative was undertaken by A.I.D. in 1981 to strengthen the role of the private sector in developing countries as a part of the development strategy of the Agency. The creation of this new initiative prompted considerable debate and controversy. Critics of the initiative felt that it was a departure from A.I.D.'s commitment to meet the basic human needs of the poor in developing countries, or questioned what role a public sector institution could or should play in the promotion of strictly private sector entities. The controversy delayed the thorough development and integration of the initiative into A.I.D. policy.

The initiative has since matured; its tenets are generally accepted throughout A.I.D. and the development community. The most visible sign of its maturation is the development of a Private Enterprise Bureau (PRE) within A.I.D. that has the organizational power and voice to advance the initiative's agenda for the development of the private sector. By 1985, PRE had a better understanding of the private sector and began implementing projects like the Center for Privatization and PEDS II that addressed concerns of the initiative.

PRE saw PEDS II serving four primary functions -- as a technical resource, an advocate, and as a networking and information resource.

### ASSESSMENT OF THE PEDS II PROJECT

#### The PEDS II Portfolio

PEDS II has provided diverse technical assistance in over 65 work orders, in a broad range of disciplines, to bureaus, missions, and country field projects. The work has been conducted in over 30 countries with each major geographic region represented. It has included technical assistance in strategy development, surveys, and a wide range of specific topics in the area of private sector development. No discernable trend exists that enables the observer to typify the work conducted to date.

The assignments undertaken under PEDS II have covered a wide range of substantive areas. The 77 identifiable pieces of work (65 task orders) have been categorized by the evaluators into nine assignment types. The bulk of the work was

in four of these assignment categories: policy or institutional assessments, A.I.D. strategy, and project design. Sector assessments, project or program assessments, seminars, implementations, and a number of miscellaneous jobs made up the remainder of the work. In sum, the PEDS II work is diverse in the type of assignment, the origin and mix of funding, the geographic location, and the contractor.

## **PEDS II Management**

The PEDS II project has been well managed by PRE and E&Y, which have worked closely together to respond to the requests from the individual field missions. PEDS II functions as a centrally funded project that can be used to provide technical assistance on a cost plus fee basis.

PRE manages all of the marketing for the project, and negotiates with the field missions over the scope of work and the split between mission and bureau funds. E&Y, or one of the subcontractors, fields the teams. The performance is monitored by E&Y, which assures the quality of the final product. E&Y does this through a full-time staff of three, fully funded by the contract. The availability of this staff is the primary reason for the successful implementation of the project.

The mission response to the PEDS II activity has generally been positive. According to the survey results, missions chose the PEDS II project for the reputation of the firms involved, or on personal knowledge of previous work done by the firm. The mission survey also indicated satisfaction with the quality and the responsiveness of the technical assistance teams, and the reports done under the PEDS II project. The missions were also satisfied with the ease of contracting under the mechanism.

The PEDS II project anticipated a broad demand for assistance in private sector development from PRE, host country governments, private enterprises, and A.I.D. field missions. To meet the broad scope of work, E & Y assembled 13 subcontractors. Nearly 85 percent of the work orders were completed by E&Y or the four main subcontractors: Stanford Research Institute, Management Systems International, James Austin Associates, and The Services Group.

The two most frequent negative comments from the subcontractors were about the lack of a unifying strategy for the work being done, and the underutilization of their firms on the project. The concern over the strategy of the project was based on the lack of a project core to develop replicable methodologies for implementing strategies and surveys, and for creating forums for disseminating knowledge in their subject areas. The underutilization comments were over the lack of clear guidelines for use, and their inability under the project, to market their firms.

## **The Cost-Effectiveness of PEDS II**

One impressionistic observation encountered frequently in discussions with Agency officials is that PEDS II seemed to be a relatively expensive source of technical assistance. To assess accurately the cost-effectiveness of PEDS II, the evaluator would, if feasible, compare the cost of similar products or services. However, in this case it was not feasible. Since competitive bidding was the basis for A.I.D.'s selection of Ernst and Young during the procurement process, there is some presumption that, ex ante, Ernst and Young was best able to provide the requested services at the least cost to the government.

A second basis of comparison for the evaluator is against other types of contracting vehicles, comparing both the quality of services provided and the cost of the services. In spite of important differences, PEDS II can be compared to an Indefinite

Quantity Contract (IQC) providing technical assistance. Evidence from the mission survey presented earlier suggests that PEDS II does provide superior services when directly compared with other contracting vehicles, usually IQCs.

PEDS II can deliver superior quality over most other contracting vehicles because IQCs do not permit direct billing of contract management time to ensure quality, while PEDS II does. It is difficult to compare other operational costs of PEDS II with an IQC. To the extent that PEDS II provides quality services while remaining within the acceptable level of costs, it satisfies the criteria of cost effectiveness.

## **Conclusions**

From most indications, PEDS II appears to be a sound project. In an environment where agreement on "what works" is rare, there is consensus among the interviewed groups -- PRE, E&Y, the subcontractors, and the missions -- that PEDS II, as a project team, as a contracting mechanism, and as a supplier of specific services, works well.

From the viewpoint of PRE, PEDS II is a success because the project has carried out a large number of diverse projects worldwide, with positive feedback from the missions that have used its services. PEDS II has also been successful in sensitizing missions to privatization issues, and to the initiative's agenda. Ernst and Young also views the project as a success, pointing to a strong record of management of the project, and recognized quality in the provision of the technical assistance teams and the final reports. Both PRE and the field missions report a high degree of satisfaction in the quality and timeliness of the work completed.

The missions are generally pleased with most aspects of the project. The mission survey uncovered no real problems in the contracting vehicle, its use, or the quality of work done under the project. The determination of the final impact on the development of the private sector is inconclusive. Missions report that there has been too little time to evaluate the real impact.

For a project with a host of subcontractors, and what at first might appear to be a confusing organization, there are remarkably few complaints from this group. For the most part, the subcontractors spoke of the absence of development and use of replicable methodologies, and in some cases the underutilization of their firms.

## **THE FUTURE OF PEDS II**

There was fairly consistent agreement on ways to improve the performance of PEDS II. The major issues that PEDS II needs to address are discussed below.

### **Issue 1: Developing a Core Agenda**

The development of a project core agenda -- a unified strategy outlining the strategic issues, themes, and methods of implementation to achieve the goals of the project -- would strengthen the project and focus project resources.

Possible topics for core development fall into three broad areas: (1) methodology development, (2) information dissemination, and (3) testing private sector development assumptions.

Methodology development consists of the creation and dissemination of analytical tools for use by the missions, to gather and classify data on the private sector that can be used in the development of strategy or policy dialogue. One example that has already been developed and gained acceptance is the *Manual for Action in the Private Sector* (MAPS), developed by Austin Associates, and used as an approach to mission strategy formulation.

Information dissemination should be included in the core agenda to stimulate further thinking on private sector development and to disseminate reports on the work already done. Areas of interest should include inventories of regional bureau private sector activities; reports of mission activities; production of newsletters; and training information for mission directors and private sector officers.

The core agenda could also be used to test the assumptions of private sector development as well as include ways of evaluating the work already completed and measuring the impact on the private sector. This can include a review of PEDS II activities, an establishment of baseline private sector data, and a review of mission strategies and programs developed to determine the potential for development impact.

## **Issue 2: The Organizational Issue**

As the Private Sector Initiative has gained acceptance and attracted increased attention, activities under the name of private sector development have proliferated. In addition to the Private Enterprise Bureau, each of the regional bureaus has developed a private sector office. The relationship between PRE and these regional private sector offices is unclear. PRE and the regional private sector offices have developed their own, independent, contracting vehicles. Also, in addition to PEDS II, PRE has the Center for Privatization and the Financial Markets Project. Latin America and the Caribbean has a Private Sector Initiatives Project, which started in 1986. There are also several IQC firms available to missions and bureaus that provide services similar to those of PEDS II.

Particular attention needs to be paid to the relative roles of PEDS II vis-a-vis the regional private sector support contracts. PEDS II is appropriately positioned to push forward the state of practice and to draw together and disseminate the lessons learned worldwide. There is little to be gained by encouraging competing contracting mechanisms for technical assistance to missions in the private enterprise field. Finding the best roles for PRE and the bureaus will require greater coordination among the missions, regional bureaus, and PRE.

## **Issue 3: The Developmental Impact of PEDS II**

A project like PEDS II can have impact in at least two areas. The first, in the attainment of its goal to advance the private sector agenda to the A.I.D. missions, and the second, the actual developmental impact on the host country private sector and economy.

Even in a time of worldwide political movement towards the private sector, individual missions would have a more difficult time developing private sector strategies without PEDS II. By providing assistance to the missions, PEDS II has proved to be a useful tool to enable PRE to advance the agenda of the Private Sector Initiative into the mainstream of development thinking at the missions.

There is considerable distance, however, between PEDS II assistance to a mission and measurable developmental impact on the private sector or the economy. Measuring the impact of each of PEDS II programs and projects on the respective economies and

synthesizing the results is far beyond the capability of a project evaluation conducted from Washington.

PEDS II offers an excellent vehicle, through a developed core agenda, for testing the assumptions behind the "ideology" of the Private Sector Initiative and developing a better understanding of how to tailor programs and projects to avoid potential pitfalls. The projects can be used to determine if the objectives are worthwhile, and if the developmental assumptions behind private sector development are valid. The two impact studies conducted through PEDS II, Kenya and the Dominican Republic, indicate that there has not been sufficient time to determine impact, that accurate baseline data does not exist, and that there is not a convenient starting place for the measurement of impact. PEDS II should develop these tools needed to assess the impact of private sector development on the host country economies.

## **LESSONS LEARNED AND RECOMMENDATIONS**

The following are lessons learned from the evaluation of the PEDS II project. They are divided into three areas: project management, the contract mechanism, and the development impact on the private sector.

### **Project Management:**

1. Permanent staff are more likely to be used by prime and subcontractors to fill the short-term technical assistance positions when the contract allows full cost recovery.
2. The probability of obtaining competent project management is increased when core funds are used to pay for project staff. Permanent full-time staff of a contractor, when funded in the contract, make effective managers of a project.
3. High-quality technical assistance in specialized technical fields can be contracted through small "boutique" contracting firms.

### **Contract Mechanism**

4. A centrally funded contract administered by the Bureau is an appropriate vehicle to develop widespread involvement in the problem identification and strategy development process at the mission level.
5. The missions use contracting vehicles that provide reputable, quality firms on convenient terms.
6. The contract provides a method for the missions to risk an experiment in ground-breaking activities without risking their own money.
7. Cost sharing is a way of moving forward both the central agenda and the mission agenda at the same time.

**Development Impact**

8. The absence of a strong core agenda leads to the conduct of small unrelated work orders that rarely reach the critical mass required to develop a concrete body of knowledge.
9. A large number of subcontractors are difficult to manage and provide overlapping capacity to provide technical assistance.
10. Projects that employ several subcontractors should have a clearly defined system for allocating work orders, and an indication of what each of the subcontractors expects from the contract.

## INTRODUCTION

This report presents the results of an evaluation of the A.I.D. Private Enterprise Development Support (PEDS) Project. The goal of PEDS is to enhance A.I.D.'s capacity to promote broad-based economic growth by developing institutions to promote long-term economic growth, and by encouraging government policy and regulatory reform in areas impacting the private sector. The project's purpose is to assist A.I.D. field missions in the development of private sector strategies, programs, and policies, and to assist in the design and implementation of projects that address constraints hindering the development of dynamic private sectors in developing economies. The goals and purpose were to be achieved through the provision of technical assistance to field missions in the areas of private sector strategy development, program development, and program and project support.

PEDS has been implemented in three contractually distinct phases:

- Phase I (PEDS I) began on September 30, 1985 and expired on September 30, 1987. This phase was implemented by Coopers and Lybrand, Inc. under the terms of contract DPE-2028-C-00-5074-00 for \$1,199,853. Funds were exhausted by March 1987.
- The Interim Phase (PEDS Interim) was contracted to WPI, Inc. as an 8(a) set-aside in July 1987 to provide for a continuation of services in the hiatus cause by the early conclusion of PEDS I.
- Phase II (PEDS II) is a five-year continuation of PEDS implemented by a consortium of contractors led by Ernst and Young (formerly Arthur Young, Inc.). The third contract (PDC-2028-Z-00-7186-00) in the amount of \$19,120,334 began on September 30, 1987 and will expire September 30, 1992.

This evaluation focuses on the activities conducted in PEDS II, and serves as a mid-term evaluation for that phase of the overall PEDS series of contracts dating to 1985. The decision to concentrate the evaluation on PEDS II was made in conjunction with the Bureau for Private Enterprise (PRE) and was based on the dollar size of the contracts, the amount of work performed under the contracts, the current status of the contracts (PEDS I funds were exhausted nearly three years ago), and the current relevance to the field of private sector development. The evaluation is proactive in nature, reviewing work to date completed under the PEDS contract, but focusing on future directions and choices for the remaining years of the PEDS II project.

The evaluation was conducted entirely from the United States. It is based on interviews with PRE staff, project officers, and geographic private sector officers at A.I.D., the Ernst and Young core staff for the project, the project subcontractors, and survey questionnaires and telephone interviews to A.I.D. field missions.

The report is divided into four major sections. Section One describes the role of PEDS in the overall strategy of the Private Sector Initiative undertaken by A.I.D.; Section Two assesses the PEDS II project as viewed from PRE, E&Y, the field missions, and the subcontractors; Section Three assesses the performance of PEDS; and Section Four provides the lessons learned and recommendations.

## SECTION ONE

### PEDS AND THE PRIVATE ENTERPRISE INITIATIVE

The PEDS project is one component of A.I.D.'s overall private sector program. This section offers an overview of the development of the Private Enterprise Initiative in A.I.D. and the role of PEDS in supporting that initiative.

In 1981, A.I.D. embarked on an effort to significantly strengthen the role of the private sector in its overall strategy and program. This effort, termed the Private Enterprise Initiative, was to confront the characteristic features of developing economies, including the dominance of the economy by the state, and the economic weakness of the poorly developed private sector.<sup>1</sup> The goals of the Initiative were to encourage developing countries to shift their economies to a greater reliance on competitive markets and private enterprise, and to foster the growth of productive self-sustaining income and job producing enterprises to provide for the needs of growing populations.

The Initiative's focus on private sector development led A.I.D. to create programs in three substantive areas. These areas are: policy reform; assistance to private enterprise; and, utilization of the private sector to implement traditional A.I.D. development objectives.

Through policy reform, and the establishment of a "policy dialogue" with host-country governments, AID attempts to eliminate the policy constraints that inhibit the growth and the development of the private sector. Governments are encouraged, for example, to permit increased private sector roles in the marketing of agricultural products and public works construction, and to liberalize legislation concerning business practices, such as import and export licensing and price controls.

PEDS provides assistance to the individual A.I.D. missions to promote and develop private sector development strategies and programs. Another common policy reform objective of the Initiative has been the privatization of government-owned enterprises and of government services. This is being achieved through two complimentary projects. The Center for Privatization, a companion PRE project, provides technical assistance to governments interested in privatizing parastatals.

The second program area of A.I.D.'s private sector development agenda consists of direct assistance to private enterprise. A.I.D. programs assist the private sector by providing credit, training, and/or technical assistance in an effort to strengthen the sector and improve overall efficiency. These programs include institutional development, direct enterprise assistance to enterprises ranging in size from micro through small and medium-sized enterprises, and to banks and other financial institutions. Programs also attempt to develop exports, free trade zones, and foreign investment. Many such private sector projects have been implemented. PEDS has been used to support program activities in these areas.

The third program area focuses on the utilization of the private sector as a vehicle to deliver traditional A.I.D. assistance in the areas of health and population. This is an effort to leverage private sector growth, and reduce the dependency on the government. The emphasis for programs of this type is on the development of financial and managerial self-sustainability. Historically, public sector assistance projects often ceased functioning when donor assistance was discontinued. This component of the

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<sup>1</sup> The Initiative, as described in a report prepared for the House Committee on Foreign Affairs, sought to shift the Agency's emphasis "from a predominantly public sector, or government-to-government, focus to one that emphasized market forces and active private indigenous productive sectors."

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Initiative attempts to develop and refine methods for the involvement of the private sector in areas traditionally reserved for public sector involvement.

While elements of the strategy represented by these three program areas can be found in A.I.D. policy prior to the formalization of the Private Enterprise Initiative, the significance of this change in focus should not be underestimated. The development approach of A.I.D. was significantly changed from a strategy aimed towards enabling governments to better carry on development programs, toward a strategy aimed at channeling its resources to the benefit of the private rather than the public sector. This new focus was accompanied by controversy centered around the issues of channeling resources to the private sector, the perceived departure from traditional A.I.D. goals, and the appropriateness of a government agency providing direct support to the private sector in developing countries. These three issues created a controversy that diverted resources from strengthening the Initiative to defending it, and slowed the work of implementation.

In addition, to the development philosophy and approach, a range of issues had to be resolved concerning the organizational development, and implementation of a new type of program. The design, objectives, and implementation strategy for the program and its projects also had to be developed. In addition to the above points, the Initiative had to overcome perceptions of being another "development fad" as opposed to being a valid development approach.

As the Private Sector Initiative orientation and philosophy matured, its tenets became more acceptable to A.I.D. and the development community. The most visible measure of the acceptance and status of the Initiative was the establishment of a distinct Bureau for Private Enterprise (PRE) within A.I.D. Through PRE, the Initiative found the organizational stature to develop a policy voice in the Agency, and sufficient resources to implement the Initiative.

The PRE role in promoting the Initiative was to serve as a technical resource to regional bureaus and missions in the development and implementation of private sector programs and projects. During its creation as a separate bureau, the charter established for PRE was to:

formulate new methods of assisting development of private enterprise in areas previously untouched by the Agency, and develop models of projects which missions could replicate. As an educator, PRE would provide technical support to missions in the areas of its expertise, and disseminate the methods and models it had developed. It would also train Agency staff in how to work with the private sector and identify opportunities for A.I.D. involvement.

The start-up period of the Private Enterprise Bureau, 1981 to 1985, saw PRE deal with the organizational issues that accompany the addition of any new division into an established bureaucracy. Issues concerning internal competition for resources; jurisdictional disputes; communication channels and networks; and Bureau objectives, policies, and procedures all had to be resolved. By 1985, PRE had resolved the majority of these issues and defined its role within the Agency. Since 1985, PRE's functions have been divided into the following areas:

- Developing, testing and marketing of program strategies to assist A.I.D. missions to address private sector development constraints in developing countries.
- Providing support services to A.I.D. missions to incorporate these program strategies.
- Performing analyses addressing private sector issues in developing countries, to help A.I.D. better understand the role of private enterprise in development.
- Providing grant funding to selected programs which result from PRE program strategies.

- **Financing private enterprise opportunities in developing countries through a Revolving Loan Fund.**

**The above services are focused on the functional sectors of agribusiness, health, intermediate financial institutions, small and medium scale enterprises, and cooperatives.**

**By 1985, PRE, with a more clearly defined mission and implementing structure began looking outward, attempting to become more responsive to the needs and requests of the individual field missions in their process of developing private sector strategies. In this vein, the PEDS project was launched. PEDS was designed to become a key source of expertise to bolster the Bureau's technical capacity to provide improved private sector development support to missions.**

## SECTION TWO

### THE PEDS PROJECT

The Private Sector Development Support Project (I, Interim, and II) is a centrally funded activity designed to bolster the capacity of the PRE Bureau to provide technical assistance to A.I.D. missions and Bureaus in the area of private sector development. PEDS has been characterized by PRE as a "service-oriented, program development and support-type arrangement, whereby A.I.D. missions were assisted in achieving private sector goals articulated and directly supported by host countries."

The PEDS contracts share a common goal: to increase A.I.D.'s capacity to achieve broad-based economic growth by developing institutions to promote long-term economic growth, and by encouraging government policy and regulatory reform to assist the private sector. This principal goal of the PEDS projects is congruent with the first goal of the Private Sector Initiative, to develop a policy dialogue with the host country governments. PEDS is viewed as a mechanism that can help field missions learn about and understand the private sector. This new knowledge and understanding should enable the missions to earn a seat at the policy table and speak with confidence on policy issues concerning private sector development.

The PEDS project purpose, as noted above, is to assist A.I.D. missions to develop private sector strategies, programs, and policies, and to assist in the design and implementation of projects that address private sector constraints in developing economies.

PEDS was envisioned by the PRE Bureau to serve four primary functions:

- **Technical Resource Function** -- to provide Missions and Central Bureaus efficient access to high-quality technical expertise to assist in the planning, implementation, and evaluation of private sector oriented programs and projects;
- **Advocacy Function** -- to establish and enhance the credibility and position of the Private Enterprise Initiative within the Agency's overall program;
- **Networking Function** -- to learn about and gain access to the US private sector; and,
- **Information Function** -- to facilitate data gathering and information sharing.

Promoting cost sharing in PEDS served several purposes. It increased the "stake" of the service buyer in the assistance being provided, and afforded a good balance of mission and PRE influence over the work performed. It also created a meaningful way of prioritizing work orders, based on the willingness of missions to contribute to the cost of services. Finally, cost sharing extended the influence of the PRE core funds in the project.

PEDS I was implemented by Coopers and Lybrand as the prime contractor, with A.D. Little, Free Zone Authority, Development Associates, Management Systems International, and others as subcontractors, from September 30, 1985 to September 30, 1987. Under the contract, 36 activities were funded in Latin America and the Caribbean, Africa, Asia and the Middle East, and the United States. The activities covered a wide spectrum of private sector activities including A.I.D. private sector strategy development, export promotion, technology transfer, free trade zones and industrial development.

Interim PEDS, implemented by WPI, Inc., with an effective date of July 20, 1987, is still active. WPI has completed 15 activities in five countries and has worked in conjunction with the A.I.D. Washington Bureaus in the development of seminars and

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training programs. Interim PEDS was implemented to ensure that there was not a break in the availability of services between the expiration of PEDS I and the signing of PEDS II. It has now shifted to serving primarily as a vehicle for securing training services for PRE.

### The PEDS Portfolio

PEDS II has provided diverse technical assistance in 77 activities in 65 work orders, in a broad range of disciplines to Bureaus, missions, and country field projects. The work has been conducted in over 30 countries dispersed over each of the three geographic regions. PEDS II included technical assistance in strategy development, surveys, and a wide range of specific topics including privatization, free zone development, and investment policy, across the areas of specialty in private sector development. The task orders have been so diverse that no discernable trend exists that unifies the work conducted to date.

The assignments undertaken under PEDS II have covered a wide range of substantive areas. The 77 identifiable pieces of work (65 task orders) have been categorized into nine assignment types as illustrated in Table 1. The bulk of the work can be classified as policy or institutional assessments and A.I.D. strategy or project design. Sector assessments, project or program assessments, seminars, implementations and a number of miscellaneous jobs make up the remainder of the work.

TABLE 1  
PEDS II ASSIGNMENTS AND SOURCES OF FUNDING

Assignment Type	Nbr	Total Cost	Average Cost	Source of Funding		
				Mission	Bureau	Core
Policy Assessment	13	\$367,404	\$28,262	58%	18%	24%
Inst Assessment	14	\$481,290	\$34,378	68%	7%	26%
Sector Assessment	7	\$465,687	\$66,527	37%	20%	43%
Proj/Pgm Assessment	3	\$373,863	\$124,621	60%	0%	40%
USAID Strategy	10	\$646,936	\$64,694	44%	21%	37%
Project Design	13	\$366,893	\$28,223	48%	28%	24%
Seminars	5	\$173,864	\$34,773	20%	48%	32%
Proj Implementation	5	\$441,071	\$88,214	85%	0%	15%
Miscellaneous	7	\$226,136	\$32,305	0%	57%	43%
Total	77	\$3,543,144	\$46,015	51%	18%	31%

Further insight into the diversity of assignments can be seen through a more detailed breakdown of the work in several of the major categories.

#### Policy assessments included:

analysis of investment policy (6 jobs),  
privatization (1),  
macroeconomic policy (2),  
trade policy (2),

industrial policy (1), and  
trade and investment climate (1).

**Institutional assessments included:**

studies of financial institutions (6),  
business assistance institutions (1),  
free trade zones (2),  
import/export (2),  
policy institutions (1), and  
a food technology institute (1).

**Sector assessments included:**

analyses of fisheries (1),  
informal finance (1),  
manufacturing sector (2),  
health care (1),  
microenterprise (1), and  
small and medium industry (1).

The other categories embodied less diversity.

An outstanding feature of the work implemented under PEDS II is its sheer breadth and diversity. Even grouping the 65 work orders into nine types of categories requires each of the categories to have a broad definition. In addition, the mix and source of the funding varies for each of the task orders. These conditions make it extremely difficult to categorize for analytical purposes work orders completed under a project attempting to respond to the range of interests in private sector development.

There were a number of variations in the average cost of the different types of assignments. Program/project assessments were by far the most expensive, averaging over \$125,000 per assignment. These assessments usually involved large teams and major data collection efforts across a range of related A.I.D. projects so the higher costs are not unusual or unexpected. The second ranking group by average costs are the sector assessments, project implementation and strategy development assignment. These are closely grouped, and do not vary significantly. Once again, the size of the team and level of effort inherent in this type of activity account for the costs. The least expensive of the work orders include the designs, institutional assessments and seminars.

Each task order/assignment is funded by a mix of different sources within the Agency. The three sources of funds are the A.I.D. missions, the Washington bureaus, or the PEDS core contract. The mix of funds is determined on an individual basis. Overall, mission contributions are relatively comparable with the total bureau and core expenditures. Project implementation activities use a greater percentage of mission funds than any other type of activity. In these cases the missions assume an average of 85 percent of the cost. This is followed by institutional assessments, project/program assessment, and policy assessments. Clearly the more country specific an individual assignment is, a greater percentage of funding comes from the requesting mission.

Those activities which have implications beyond a single country, such as seminars and some of the regional bureau strategy work, carry a greater load of bureau funding. Strategy, project design, and particular sector assessments also enjoy additional bureau support. This reflects an attempt to offer some inducement for missions to undertake work that has wider potential application and is higher on the bureau priority list than on the individual missions'.

PEDS core funding is relatively uniform across all assignment types except for project implementation, which has a low percentage. Sector assessments, project/program

assessments, and strategy assessments represent the highest average level of core contributions. Given the importance of policy dialogue it is surprising that the core funding amount is less for this category. This probably is an indication that an interest in understanding the policy environment is greater in the individual missions. The variation among individual assignments is in some cases larger than portrayed by the aggregates, but nonetheless, the aggregate costs by type of activity reflect still another aspect of the diversity found in PEDS II.

In addition to the diversity in the types of activity, and sources and mix of funding, there was also considerable geographic diversity. Table 2 divides the 65 task orders into one of four geographic locations:

**TABLE 2**  
**PEDS ASSIGNMENTS BY GEOGRAPHIC REGION**

Region:	Number of assignments:
LATIN AMERICA/CARIBBEAN	16
AFRICA	22
ASIA/NEAR EAST	18
USA/WASHINGTON	9
	-----
	65

PEDS II has completed assignments in the three geographic areas as well as in Washington. The Washington based work was primarily in the development and presentation of seminars. There are no other discernable trends in the type of work done by geographic region. Each region has a mix of the various assessments, strategy and survey work.

### **The Project Management Structure**

The PEDS II project, under the central management of a PRE-based Project Officer, is implemented by the firm of Ernst & Young (E & Y). The PEDS II contract allows individual A.I.D. missions and central bureaus to procure technical assistance for a variety of tasks including policy studies and surveys, country strategy planning, and program and project designs and evaluations. This assistance can be obtained without competitive procurement since the contract has been previously competed for in the same fashion as other A.I.D. contracts. In this particular case, especially since the contract calls for a quick-response capability, the contract can be compared to an Indefinite Quantity Contract (IQC). However, PEDS II is distinguished from an IQC because of the awarding of core funding and the core funded management team.

The contract with Ernst & Young provides for three full-time permanent staff to administer the contract. They staff, launch, and monitor the technical assistance teams, ensure completion of the activity to mission satisfaction, and manage the relationship with the subcontractors. An important function of this staff is to act as the quality control point for the teams and the final reports completed under the contract. The employment of this staff under the project represents another important contractual difference between the E & Y PEDS contract and an IQC firm. An IQC holder is unable to bill time against the contract for the purposes of monitoring the work done under the contract.

The PRE Project Officer markets the services available under the contract, determines what work is to be done and negotiates the scope of work and the amount of the buy-in with the individual field missions. E&Y has no responsibility for the marketing of the services offered by the project. The PRE Project Officer retained this responsibility, allowing even more time for the Contractor's staff to dedicate to the actual implementation of the work effort.

PRE introduced the field missions to the availability of the PEDS project through a worldwide cable. Individual missions responded with requests to have specific activities conducted by the project. For a number of reasons, including the increased attention to private sector work, the reputation of the contractor, the reputation of the project, and the possibility of receiving core funding to conduct the activity, the missions submitted frequent inquiries. PRE evaluated the requests, and based on the appropriateness of the proposed activity to be conducted by the project, negotiated with the mission over the amount of core funds used and the amount of mission funds to finance the activity. By determining the amount of core funds that will be used in a certain activity, PRE has a powerful tool to influence the type of mission activity that gets funded. However, if PRE is unwilling to provide core funds, the mission still has the alternative of contracting through an IQC or other mechanism, but must pay the full cost of the activity out of the mission budget.

Once the funding is negotiated and the scope of work has been developed jointly by PRE and the mission, PRE notifies E&Y. The three-person team at E&Y then decides to field the team or pass the activity to one of the specialized 13 subcontractors. There is no prearranged determination by number or dollar amount, to divide the work among the subcontractors. The subcontractors were chosen for their particular areas of expertise in certain private sector fields. This recognized expertise is usually sufficiently recognizable to the E & Y staff that the distribution of the work is clear.

Once the subcontractor is chosen, it then becomes responsible for the fielding of the team. Most of the subcontractors use staff members to conduct the actual assignments in the field. This is a means of ensuring a quick response and providing quality control. Staff members represent a known quantity for each of the subcontractors. Their abilities and availability are known immediately and they provide a high measure of reliability and accountability.

Communication with the mission requesting the technical assistance is the responsibility of PRE. PRE relays the information to E&Y, who then passes it on to the involved subcontractor. While this appears to be a circuitous route that conceivably can cause delays and problems, it has nonetheless worked well because the contract provides E&Y with sufficient staff to implement the activities and PRE has effectively managed the work and relationship with E&Y. This system was deliberately established to achieve the project goal of creating the institutional framework within A.I.D. that had the capacity to assist in the implementation of the activities outlined in the Private Sector Initiative.

The "circuitous" communication channel from mission to PRE to E & Y to subcontractor, was established to help PRE deal with the number of subcontractors involved in the project. PRE did not want to manage each of the individual subcontractors, or have the entire group repeatedly contacting the field missions. It reserved the role of contact with the missions for itself, and delegated the role of coordinating the subcontractors to E&Y.

This communication structure placed the Project Officer at PRE in direct communications with each of the A.I.D. missions worldwide. The PRE Project Officer also was in the midst of negotiations with each of the 30 missions that eventually received PEDS assistance. This central point of contact, and entre, into the missions represents an important tool for PRE to communicate and influence the individual

missions in regard the advancement of the Private Sector Initiative, as well as the development of individual mission strategies for private sector development. This structure helped to position PRE as a leader in private sector development, by providing a focal point for the individual missions to contact and seek help as they developed their own initiatives.

### The Mission View of the PEDS Vehicle

A PEDS Evaluation Survey was prepared by the evaluators to be delivered to the missions that had received assistance under the PEDS contracts. The survey was developed to determine how the missions selected the PEDS contracting vehicle, how they viewed the technical assistance they received, and how the technical assistance and contracting mechanism compared to other technical assistance and contracting mechanisms used by the mission. The survey was cabled by PRE to all A.I.D. missions. Only a half dozen missions responded to this cable, however, so the evaluators sent another copy of the questionnaire by fax to Private Sector Officers at 25 of the 28 missions who had actually used the PEDS project. Follow-up by telephone and fax encouraged additional responses. A copy of the questionnaire and a tally sheet of responses appear in an annex.

The following table presents the mission responses to the question ranking the importance of various factors in choosing among contracting vehicles:

TABLE 3  
CHOOSING AMONG CONTRACTING VEHICLES  
(Scale: 5=Very Important; 1=Unimportant)

FACTOR:	# OF RESPONDENTS	MEAN
Reputation of Firm	18	4.22
Access to Expertise	16	4.00
Personal Knowledge	16	3.63
Cost	17	3.47
Marketing by A.I.D./W	13	2.40

Table 3 ranks the factors missions used in selecting a contracting vehicle from high importance (5) to low importance (1). The highest ranking factor was the reputation of the firm and/or the individuals used to complete the assignment. This was followed closely by the firm's access to needed expertise and the personal knowledge the mission or project officer had of the firm or individuals providing the technical assistance. These two factors indicate that the firm of E&Y is well regarded and widely known by the missions for their work in the private sector, and are perceived by the missions as having access to the type and quality of expertise needed. It also indicates that the missions are more interested in the high quality of services than in price or availability.

The next most important factors in the missions' choice of contracting vehicles was cost. The cost factor of the mechanism ranked fourth in order of importance to the missions. The availability of central funding to absorb at least some of the cost was evidently not very important. Apparently the missions would be willing to pay for the quality that the project advertises and attempts to provide. No conclusions can be made concerning the overall cost of this project to the Agency from responses made by the individual missions.

The low ranking of "bureau marketing" can be interpreted in two ways. One, was that there was little marketing on the part of PRE, or two, the mission did not feel pressure to use the vehicle even though it was being marketed by PRE.

Table 4 compares contracting mechanism and results from PEDS with those obtained from other contracting mechanisms:

**TABLE 4**  
**PEDS RATING AS COMPARED TO OTHER CONTRACTING MECHANISMS**  
(Scale: 5=Superior; 3=Average; 1=Inferior)

ELEMENT:	# OF RESPONDENTS	MEAN
Ease of Contracting	19	4.29
Team Quality	20	4.20
Responsiveness	18	4.14
Speed of Fielding Team	18	3.92
Quality of Deliverables	18	3.92
Problem Solving	17	3.74
Cost to Mission	17	3.62
Cost to A.I.D.	17	3.26

The field missions appear to be extremely satisfied with the results of technical assistance teams fielded under PEDS compared to teams fielded under other contracting mechanisms. Grouped near the top were responses to the questions concerning the quality of the team, the ease of contracting, the responsiveness to mission needs, the timely response in fielding a team, and the quality of deliverables. These five factors, all ranked near 4 on a scale of 5, are from the mission point of view, probably the most important points to consider when managing short-term technical assistance teams. The ease of contracting is especially indicative of the management of the project given the circuitous communication channels established.

Assuming good management on the part of PRE and E&Y, it was perhaps the structure of the contract, which allowed these management skills to prevail in the provision of quality technical assistance. The contract includes funding for a permanent full-time contractor core staff to manage the staffing, launching, and monitoring of the assignments. It pays full cost on a cost-reimbursable plus fixed fee basis. The availability of the tested management capability of E & Y, and the use of experienced, accountable staff in managing and staffing the technical assistance teams has contributed to the effective project management.

The ease of contracting indicated by the missions must also be attributed to the careful attention to detail the PRE project officers provided during the critical start-up time of PRE and the project.

The missions also rank the quality of the reports and the contractors response to problem solving above average. The high ranking in these categories are once again attributable to core staff availability to perform quality control functions and manage the overall process. It is interesting to note that the cost questions once again score the lowest indicating that the buy-in feature or cost -savings to the mission is not a significant feature of the use of the project.

Table 5 ranks the impression of the missions on the impact that the PEDS work has had on the missions:

**TABLE 5**  
**PEDS IMPACT ON MISSION & PRIVATE SECTOR**  
(Scale: 5=High Degree; 1=None)

AREA:	# OF RESPONDENTS	MEAN
Deliverable Used by Mission	18	3.75
Dialogue with Host Government	17	3.47
Mission Private Sector Agenda	16	3.44
Longterm Economic Growth	14	3.14
Private Sector Growth	14	2.86

The actual impact of the PEDS work is the most difficult to determine. Many of the responses were tempered by the caveat that not enough time had passed to properly measure the impact of the technical assistance. Clearly the result of a policy study or survey, the formation of issues to take to the policy table, the promotion and of policy change, and the results of implemented policy change take time to manifest themselves. For these reason the results tend to be lower than those in the other sections. However, an indication that there is impact comes from the responses to the questions asking the usefulness of the work to the mission, and the influence the work has had on the mission. Most missions found the work useful. The utility was probably in generating awareness and discussion of private sector development at the missions. This awareness is a vital first step in the development of an overall strategy. Most also report that the work has influenced the mission planning process and/or the mission strategy.

The response to the questions asking if the activity had promoted the private sector or the institutions of the private sector are discouraging, but it is a task that requires an investment of time beyond that available under the immediate project input. Telephone questions elicited several mission responses to the effect that it was "too early to tell."

#### **The Subcontractor View of PEDS**

The PEDS project anticipated a broad demand for technical assistance in private sector development to PRE, host country governments, enterprises, and A.I.D. field missions. The contractor's scope of work called for capability to provide expertise in the following 15 technical assistance disciplines:

- 1) Policy analysis related to private sector constraints;
- 2) Sector assessment and analysis;
- 3) Enterprise management, (small and medium scale);
- 4) A.I.D. private sector strategy development;
- 5) Legal and regulatory reform;

- 6) Private enterprise financing;
- 7) Export promotion;
- 8) Marketing;
- 9) Production technology;
- 10) Economic analysis;
- 11) Financial market institution
- 12) Management and financial training;
- 13) Investment and merchant banking;
- 14) Commercialization of technology; and
- 15) U.S. state and regional development.

The technical assistance list is demanding in terms of the breadth and mix of disciplines included. The range is broad and all encompassing written with the intention of developing one project capable of servicing all of the needs of the Private Enterprise Initiative from the development of PRE private sector strategy to specific production technology for individual host-country enterprises. The technical assistance disciplines are intended to be used for host-country government assistance, A.I.D. mission assistance, PRE assistance, and enterprise or project assistance. In addition to having the capacity to provide technical assistance to those four very different users, the contractor had to provide for a range of capabilities to satisfy possible requests for specific technical assistance to enterprises in areas loosely defined as marketing and sector surveys.

To meet these diverse demands in a timely manner E & Y instituted subcontracting relationships with 13 subcontractors. Several of the subcontractors are small service providers in specialty private sector areas. These "boutique" consulting firms were included to provide timely expertise in a number of the specialty areas. The majority of the work orders have been completed by E & Y and a group of four main subcontractors. E & Y, and the four most frequently used subcontractors were represented on nearly 85 percent of the completed work orders.

The subcontractors can be divided into three groups: the most frequently used, those occasionally used, and those that haven't been used. The first group, the most frequently used, are listed below:

1) **Stanford Research Institute, (SRI) International**, a non-profit, research and consulting institute specializing in engineering, science, and business consultancies. The International Policy Center, a division of the institute based in Washington, D.C. , specializes in economic policy, investment promotion, and finance. The client base for the I.P.C. is approximately 80 percent A.I.D. with the remainder a mixed group of public and private sector clients.

2) **Management Systems International (MSI)**, a Washington, D.C. based management consulting firm specializing in enterprise development and management and entrepreneurship training in developing countries. The majority of work done by MSI has been through A.I.D. and government agencies, with some private sector clients.

3) **James E. Austin Associates**, a consulting firm based in Cambridge, Massachusetts specializing in strategic management consulting in developing countries. Approximately 60 percent of their clients are public sector, including A.I.D. The remaining 40 percent is based in the private sector. Austin Associates developed the

*Manual for Action in the Private Sector (MAPS)*, a methodology for developing strategies for private sector development.

4) **The Services Group (TSG)**, an Arlington, Virginia based consulting firm specializing in economic policy and export promotion. TSG's work is about evenly divided between A.I.D. and other public sector clients.

A second group of subcontractors are those that have been used occasionally. This group was represented on approximately 15 percent of the work orders and is made up of the following firms:

5) **Multinational Strategies (MNS), Inc.**, a New York based consulting firm specializing in country-risk analysis, and financial services such as valuations and portfolio analyses. The client base of MNS is almost exclusively private sector including large clients such as Exxon and IBM.

6) **Ferris & Company**, is a securities brokerage house. George Ferris has worked with E & Y and A.I.D. as a consultant on private sector issues since 1960. He specializes in financial markets analysis, mobilization of domestic credit, and capital market formation.

7) **MetaMetrics, Inc.** is a Washington, D. C. based consulting firm specializing in economic policy and economic development. The firm also has experience in the private sector development of health and water programs. MetaMetrics works primarily with A.I.D. and other public sector clients.

8) **RONCO Consulting Corporation**, is a Washington, D. C. based consulting firm that provides technical assistance in diverse areas of international development. The client base of RONCO is primarily A.I.D. and other public sector clients.

9) **Trade and Development International Corp. (TDI)** is a consulting firm based in Needham, Massachusetts, specializing in economic development. TDI has a mix of A.I.D. and other public sector clients, but concentrates on small and medium sized international businesses.

10) **Robert Carlson Associates, Inc.** a consulting firm based in West Chester, Pennsylvania specializing in industrial development. The firm has a mix of A.I.D. and other public sector clients as well as private sector clients.

The third group of subcontractor were not used at all.

11) **Elliot Berg Associates, Inc.**, based in Alexandria, Virginia and specializing in economic policy. Berg Associates has a mix of A.I.D., other public sector, and private sector clients.

12) **Reilly, Curtis, Malet-Prevost, Colt and Mosel**, a law firm located in London, England. The firm was used as a mechanism to contract Terrence Reilly, a capital markets specialist.

13) **Dimpex Associates**, an A.I.D. contractor, formerly based in New York City and no longer in the consulting business.

The following table provides the number of opportunities and the percentage use for each of the subcontractors. The total number of opportunities totals 89 and was arrived at by counting each time the firm was represented on one of the 65 task orders. Thus, if firm X and firm Y were both represented on one team it was counted as an opportunity for both.

**TABLE 6**  
**SUBCONTRACTOR USAGE**

FIRM	FREQUENCY	PERCENTAGE OF USE
E & Y	35	39
SRI	15	17
TSG	9	10
AUSTIN	6	7
MSI	5	6
TDI	5	6
RONCO	2	3
MNS	2	3
FERRIS	1	1
META	1	1
CARLSON	0	0
REILLY	0	0
DIMPEX	0	0
OTHERS	8	10
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<b>TOTAL</b>	<b>89</b>	<b>100</b>

These 13 subcontractors were assembled by E & Y for the specific expertise each brought to the project. The anticipated work under PEDS was not pre-allocated under any formula based on number of work orders or dollar amount. Instead, E & Y and the subcontractors agreed that the work orders would be distributed to the contractor that had the most applicable expertise. E & Y would serve as the gatekeeper and distribute request to the subcontractor that best fit the proposed scope of work.

Assembling this number of subcontractors without a detailed plan for dividing work orders could be construed as a formula for disaster. The subcontractors' expectations concerning the amount, frequency, and type of work they expected to receive vary considerably. SRI and MSI had high expectations of being involved in the core management of the project, and they were not. Others, most notably MNS, didn't anticipate core involvement but expected more frequent work orders than the two they received.

It is not surprising that in a project with 13 subcontractors, and no detailed subcontracting arrangement that actual utilization levels differ from expected levels. What is surprising is that the variances in most cases has not been serious. E & Y was mentioned by most of the subcontractors as having successfully managed PEDS in terms of number of work orders completed, quality of technical assistance provided and responsiveness to PRE.

Subcontract comments focused on two areas for improvement: the lack of a unifying strategy for the work being done, and the their underutilization in the project. The group of subcontractors that were most frequently used were understandably less concerned with the frequency and division of the work orders, than with the direction of the project. While they felt that they could work more frequently, especially if they could market their individual firms, they seemed more concerned with the overall direction of the project. Their major concerns were over the lack project core activities for the development of replicable methodologies for implementing strategies and surveys, and for creating forums for disseminating new knowledge in their subject areas.

At least two of the subcontractors developed methodologies in their area of expertise, that could be replicated in other countries. Austin Associates and the MAPS strategy and MSI and the Program Level Evaluation are the leading examples. They argue that the development of methodologies to study and compare specific subject area of several countries is a useful and valuable tool that can advance the private sector agenda in A.I.D. missions. At a minimum it allows for refinement of survey and studies, useful comparisons from country to country, and improved efficiency on the part of the implementers as they continuously gain new experience and insight in the technique. From a business standpoint it is also a good investment in that it provides a product for the implementer to establish professional credentials, and to provide a more efficient way of implementing work orders.

These subcontractors voiced concerns that under the current mandate of PEDS to provide a far-reaching range of services, they had not received the opportunity to develop such methodologies. They argue that this weakness of the central core of the PEDS project does not encourage the development of new technology, or advance the field of private sector development. They want to move away from providing a mixed bag of technical assistance to replicating and diffusing work that had already been done.

The subcontractors in the group occasionally used expressed concerns over their perceived underutilization in the project. Some, but not all, of the subcontractors felt that the terms concerning their use were too vague from the beginning of the project. In at least one case the firm faults itself for being a "novice" in A.I.D. contracting mechanism to fully exploit their role in the project. Several subcontractors in both groups felt their concerns over lack of core and underutilization were related to the restrictions they faced on marketing their products or firms.

### **The Cost-Effectiveness of PEDS**

One impressionistic observation encountered frequently in discussions with Agency officials is that PEDS seemed to be a relatively expensive source of technical assistance. In discussion, it became clear that this impression was based on second-hand information and not based on any first-hand knowledge of actual pricing information. The only concrete opinions recorded emphasized the added cost of securing the services of the PEDS subcontractors through the prime as opposed to purchasing services directly from the firms.

To accurately assess the cost-effectiveness of PEDS, a basis for comparison is required. Such analyses depends on comparing the cost of similar products or similar services. It is then that PEDS could be determined to be relatively cheaper or more expensive than other similar projects. However, the only strictly valid comparison that can be made across suppliers willing to provide a similarly defined product was conducted during the competitive bidding process. Since this was the basis for A.I.D.'s selection of Ernst and Young during the procurement process, there is some presumption that, ex ante, Ernst and Young was best able to provide the requested services at the least cost to the government.

A second basis of comparison is against other types of contracting vehicles. Both the quality of services provided and the cost of the services should be compared. Given that PEDS has not actively pursued a core agenda and has, instead, primarily served as a source of technical assistance, it is legitimate to compare it to an IQC, in spite of some important differences. PEDS is differentiated from an IQC in several important respects:

- PEDS is thought to be capable of offering superior management of the technical assistance process because such management and administration are built-in as direct cost items in the contract rather than as a component of indirect costs.

- PEDS may provide A.I.D. access to individual and institutions not ordinarily accessible through alternative contracting mechanisms.
- PEDS provides the option of cost sharing between PRE, the regional bureaus and the mission.<sup>2</sup>

A standard for measuring quality lies in the comparison of the firms and consultants used under PEDS to see if they are distinct or are available under other contracts. The answer is generally yes for both the firms and the consultants. The Ernst and Young corporate name may bring considerable credibility in private sector work, and is true in varying degrees for the subcontractors, but for the most part they, the subcontractor, and most of the consultants used are available through other mechanisms as well.

Other standards to be used to measure the quality the contracting mechanism include quick response capability, and the final product quality. The idea of "quick response" capability for contractors is not new, however, it is emphasized in PEDS. Virtually every scope of work for an IQC or "buy-in" type contract demands such a capacity. The missions rate PEDS higher than other mechanisms in both areas. The higher ratings are probably attributable to the quality control stemming from the availability of management time in the contract.

Evidence from the mission survey presented earlier suggests that PEDS does provide superior services when directly compared with other contracting vehicles, usually IQCs. This information is, of course, somewhat biased by the fact that the respondents are among those who have used the PEDS project. Nonetheless, it is the most reliable indicator we have of product quality.

PEDS can deliver superior quality over most other contracting vehicles because IQCs do not permit direct billing of contract management time to insure quality. Under an IQC, the cost of servicing technical assistance assignments is included in the fixed multiplier rather than as a direct cost to the contract. Under PEDS, the contract absorbs the cost of PEDS staff which provide services that otherwise would be included in the supplying firms' overhead. It is clearly more expensive to permit billing of contract time. It is also more cost effective to purchase the quality services that direct billing of management time insures.

It is difficult to compare other operational costs of PEDS with an IQC. Structurally PEDS is similarly priced to most 2 year old IQCs, with average costs compared to multipliers in the 1.9 to 2.<sup>3</sup> range. PEDS probably is more expensive than some of the recent IQC awards which have average multipliers in the 1.3 to 1.9 range. The Agency has recently altered the structure of pricing under IQCs. In the past, suppliers under IQCs were allowed separate multipliers for different types of personnel - full time staff, associates, and consultants. Recently changes have restricted IQCs to

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<sup>2</sup> The incremental funding (buy-ins) issue is interesting. PEDS II differed from PEDS I in that missions were required to contribute to the overall cost of the project support whereas in PEDS I, the entire effort was funded from the core contract. The target has been 50 percent incremental funding; the idea being to "bring forth the most serious LDC buyers and maintain a disbursement rate which reflects true market demand."

<sup>3</sup> PEDS can essentially be viewed as an IQC with two multipliers -- one for full-time staff on one for consultants. In addition, however, the PEDS contract has the capacity to subcontract with firms under the consultants category which means that some of the consultants budget is associated with payment of indirect costs, fringe and fee. It is also difficult to allocate the full time staff of Ernst and Young among their various task orders and administrative activities.

a single multiplier for all types of direct labor. This cost structure encourages firms to utilize consultants rather than its in-house staff.

One of the Agency's assumptions about the supply of technical assistance is that there is no difference between the quality of consulting services by full-time staff of supplier firms compared with associates or "pure" consultants.<sup>4</sup> A contract structured as PEDS which allows for focused management and administrative attention to recruitment and quality control is an important example in which management time and staff use contribute to quality and cost effectiveness.

Hence the issue is not whether the operational cost of the contractor are paid via direct or indirect charges, but the level of the costs. A marginally higher level of costs resulting in the provision of superior services or services otherwise unavailable under alternative contracting mechanisms cannot be considered overly expensive. To the extent that PEDS provides quality services while remaining within the acceptable level of costs, it satisfies the criteria of cost effectiveness.

### Conclusions

From most indications PEDS II has worked well. From almost any view PEDS appears to be a sound project. In an environment where agreement on "what works" is rare, there is a consensus among the interviewed groups: PRE, E & Y, the subcontractors, and the missions, that PEDS -- as a project team, as a contracting mechanism and as a supplier of specific services -- works well.

From the viewpoint of PRE, PEDS II is a success because the project is one of the tools that the Bureau has used to carry the message of the Private Enterprise Initiative to the missions. The number geographic distribution of the mission using the PEDS vehicle, combined with the diversity of the tasks undertaken point to a broad interest and demand for assistance in the development and implementation of private sector development programs. This is further underscored by the fact that the tasks were undertaken with some mission funds, and were not simply fully-funded PRE activities handed to the missions.

The organization of PEDS II placed PRE in a leadership role to the individual missions. By accepting oversight responsibility and negotiating power with the missions, PRE is in a position to become familiar with the private sector development strategy of each of the missions, and to a large degree help to shape and implement the strategy.

Ernst and Young views the project as a success, pointing to a strong record of management of the project, and recognized quality in the provision of the technical assistance teams and the final reports. Both PRE and the field missions report a high degree of satisfaction in the quality and timeliness of the work completed. In filling 65 tasks orders on a worldwide basis one would expect a few mishaps. A review of the task orders indicates that there have been remarkably few cases in which the individual missions were unhappy with the team or the final product. In these cases the management team eventually assured satisfaction by sticking with the problem until it was resolved. The same management team that began the project for E & Y is still in place, a point that is important is providing consistent management.

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<sup>4</sup> "A.I.D. is not concerned with the employment status of the individuals performing the work since a responsible contractor is going to provide a quality product each time regardless of the category of the individual utilized. Also, most agree that IQC holders have access to the same personnel resources." Correspondence between the A.I.D. Associate Assistant to the Administrator for Management and Development Alternatives, Inc, June 15, 1989.,

As the results of the mission survey indicate, the feature of the contract that allows E & Y to pay for staff to monitor the contract work helps to provide the quick-response, high-quality nature of the work done under PEDS.

The missions are generally pleased with most aspects of the project. The mission survey uncovered no real problems in the contracting vehicle, its use, or the quality of work done under the project. The results of the mission survey lead to the conclusion that the PEDS work ranks among the better work done at the mission level. The determination of the final impact on the development of the private sector is inconclusive. Missions report that there has been too little time to realistically evaluate the real impact.

For a project with a host of subcontractors, and what at first look might appear to be a confusing organization, there are remarkably few complaints from this group. For the most part the subcontractors spoke of the absence of the development and use of replicable methodologies, and in some cases the underutilization of their firms.

There appear to be no serious flaws in PEDS, and in fact much to be praised. For the most part, the problems that are identifiable are attributable to the early transitional phase of the entire Private Enterprise Initiative and PRE, as well as the start-up pains of a new major contract. These issues should be thought of as mid-course adjustments and refinements to help steer a project already on course to an even better defined objective.

## SECTION THREE

### FUTURE COURSE OF PEDS

There was fairly consistent agreement on issues to improve the performance of PEDS that were identified during the course of this evaluation. In varying degrees, each of the four viewpoints represented by PRE, E&Y, the subcontractors, and the field missions have identified the issues and embarked on strategies to improve overall performance.

There are three main issues to be treated in the evolution of the PEDS Project:

#### ISSUE 1: Developing the Core of PEDS

PEDS II has performed well in its role as a technical resource supplier of short-term technical assistance to A.I.D. missions and regional bureaus. More than 70 assignments have been carried out in the first two-and-a-half years of the project. These assignments have been staffed with high quality advisors and have often been on the leading edge of development work in support of the private sector. PEDS exploration of new private sector development work, including the MAPS strategy, and development of resources to conduct the work, has created a potential to systematically build and disseminate a knowledge-base for more widespread use. Considering the experience and resources of PEDS it is now positioned to play an increasingly important role in providing leadership and defining the state of private sector development, and in the synthesis and dissemination of the most recent work in the field.

To be effective in this role the project must harness the talents and energies expended in the current nearly limitless scope of work. The project should use its talents to move the field of private sector development in a preconceived direction rather than in an unspecified or random direction. This can only be achieved through the development of a project core agenda. The project core agenda, is a unified strategy outlining the strategic issues, themes, and methods of implementation to achieve the goals of the project in the development of the private sector. The core agenda focuses the project creating impact through the strength of the project, rather than diluting the impact and strength through fragmented discrete pieces of work.

In considering how the core agenda is to be established and implemented the following points should be considered:

- The core agenda should be developed by those with expertise in the central areas of private sector development, and the time available to carefully develop and implement the core.
- The core staff at the prime contractor, as currently constituted, is fully utilized in the management of provision of technical assistance teams.
- As a core agenda is created and promoted, the project risks being perceived as having its own agenda and losing the appearance of being responsive to individual missions. This is a "rap" often heard from missions about centrally-funded projects in the portfolio of other Bureaus.
- Care must be taken to ensure the objectivity of a core agenda. Many of the firms participating in PEDS have vested interests in promotion of their specialty areas. These firms have a good deal to contribute in evaluating or synthesizing work in their fields.

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- The development of a core agenda is likely to create additional concern in other central bureaus over the relative individual role of central Bureaus.

Possible topics for core investigation fall into three broad areas: 1) methodology development, 2) information dissemination, and 3) testing private sector development assumptions.

### **Methodology Development**

Methodology development consists of the creation and dissemination of analytical tools for use by the missions, to gather and classify data on the private sector that can be used in the development of strategy or policy dialogue.

**MAPS.** One of the principle contributions of PEDS I that has been carried over through PEDS II is the Manual for Action in the Private Sector. MAPS is a systematic approach to mission strategy formulation, program design and project development. It was created under PEDS I by James Austin and Associates in response to common recurring problems that were observed in the way many A.I.D. missions planned their private sector programs. In particular, missions have relied on a limited circle (and sometimes a biased one) of contacts to identify constraints and opportunities for program activity. Menus of program options and potential implementing institutions were far from comprehensive and strategy often did not build sufficiently on ideas that had some genuine ownership in the private sector. Moreover, adequate steps were not taken to build consensus within the A.I.D. mission for the private sector strategy.

The MAPS methodology involves systematic descriptive work, survey data collection and analysis, use of sector-specific focus groups, and joint strategy development. It has been (or is being) applied at varying degrees of intensity and with varying degrees of success in Costa Rica, the Dominican Republic, Sri Lanka, Lesotho, Swaziland, Botswana, Cameroon, Ghana, Kenya, Zaire, and Rwanda. Mission response to MAPS has generally been enthusiastic.

With nearly ten completed MAPS products, there is a unique opportunity for pulling together the learning that has taken place -- both in terms of the process itself and in terms of the tremendous wealth of comparable information on the private sectors of these countries. AFR/MDI is currently considering preparation of an updated MAPS Manual which incorporates the process learning,<sup>5</sup> but no commitment has been made from any source for the stock-taking of MAPS experience.

### **Program Level Evaluation**

A second innovation that is equally interesting, but that has not been as widely tested as MAPS is program level evaluation. Under PEDS II two major program level evaluations have been conducted by Management Systems International, one in Kenya (intended to inform the Mission's upcoming CDSS and one in the Dominican Republic (focusing on the effects on the poor of A.I.D.'s various private sector activities). Each of these exercises involved comparative review of a wide range of A.I.D. private sector activities and generated numerous recommendations for enhancing the overall impact of the programs involved and the complementarity of their various elements.

Each of the two program evaluations undertaken was received very enthusiastically by the Missions involved and attracted widespread interest in A.I.D./W and beyond. In

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<sup>5</sup> Even though the majority of MAPS exercises have been done by Austin and Associates under PEDS, AFR/MDI is reportedly considering updating the manual with the same firm under their own regional MDI project.

contrast to most project evaluations, these studies were able to address major strategic considerations concerned with A.I.D.'s private sector strategy and, more generally, public sector efforts to promote the private sector.

MSI has now developed as part of the PEDS project two distinct methodologies for conducting program level assessment of A.I.D. private sector programs. These exercises offer considerable promise for assisting and informing future A.I.D. private sector activities and should receive serious attention as a possible area of emphasis and "product line" in future PEDS programming.

### **Information Dissemination**

The PEDS library of completed assistance projects is large and growing. The substantive material in the collection is of high quality and of interest to a wide audience in A.I.D. and the development community at large. But to date, there have been only limited and rather cursory attempts to process and share this information with an audience outside of the project team and its various clients. This gap has been noticed by both PRE and the contractors and further dissemination and development of the project library is a concern of both PRE and E&Y.

Included in the core agenda should be a mechanism to stimulate further thinking on private sector development and to disseminate reports on the work already done. Some suggestions for projects or activities:

- An inventory of each Regional Bureau's private sector activities;
- Private Sector Services Directory. Accounts of Private Sector Offices in Regional Bureaus;
- Quarterly reports, newsletters, promotion videos, computer networks, and periodic synthesis papers on major private sector topics (agribusiness, capital formation, etc.) all aimed at providing better dissemination;
- Private sector training as part of the annual A.I.D. mission directors conference; and
- Training information aimed at Private Sector Officers at the mission level.

### **Testing**

The core agenda should also be used to test the assumptions of private sector development as well as to include ways of evaluating the work already completed and measuring the impact:

- Review of PEDS activities to identify what's worked, under what conditions, and why;
- Establishment of baseline private sector data in each country to serve as a basis of comparison to determine if there has been impact on the economy and private sector; and
- Review of the mission strategies and programs developed to determine the potential for development impact.

## **Responsibility for Development of the Core**

Two possibilities exist for the development of a core agenda for the current and subsequent PEDS projects. The lead can be taken by PRE, or the lead can be taken by the prime contractor under the supervision of PRE. Given that PRE has taken the leadership role in setting the overall project agenda and the limited substantive core work through individual task orders, there may be reason to continue that model as the project evolves.

In contrast with centrally-funded projects operated by other Bureaus (particularly S&T), a core defined by individual tasks appears to be a somewhat limiting approach. This may be a difference in the objectives of PRE compared to the more research-oriented S&T Bureau. In typical S&T projects the technical assistance functions are important, but they are generally subordinate to the core research agenda which is spelled out in the scope of work of the project. S&T contractors are selected, in part, because of the technical expertise brought to the applied research agenda in addition to the capacity to service technical assistance assignments. While a similar capacity certainly exists among the PEDS contractors, PRE gives them a much shorter leash in setting the parameters of the core agenda.

Regardless of the particular mechanism used to authorize core work under PEDS, it is clear that PRE ought to make as much use as possible of the conceptual expertise that exists among the contractors in both defining and implementing the agenda. Particularly among a subset of the subcontractors -- SRI, MSI and Austin -- there is strong interest in participating in both the development of a core agenda and in the implementation of the work. This was expected at the time proposals were first prepared and is a critical future direction to make the most of the PEDS project.

## **ISSUE 2: The Organizational Issue of PEDS**

As the Private Sector Initiative has gained acceptance and attracted increased attention, activities under the name of private sector development have proliferated. In addition to the Private Sector Bureau, each of the Regional Bureaus has developed a Private Sector Office. The relationship between PRE and these Regional Private Sector Offices is unclear. PRE and the regional private sector offices have developed their own contracting vehicles.

The Private Enterprise Bureau has PEDS, the Center for Privatization and Financial Markets Project. Latin America and the Caribbean has Private Sector Initiatives Project, which was started in 1986 and awarded to the Institute for Science and Technology. To date approximately 46 work orders have been completed. The Africa Bureau also has its own contracting mechanisms in particular the ATR/MDI support contract with Labat Anderson, Inc. In addition, there are several IQC firms available to both the missions and bureaus. Within the Regional Bureaus, there is some concern with the multiplicity of contracting vehicles, creating considerable confusion over which to use.

In the early stages of the Private Sector Initiative, PRE worked to establish itself as a bureau and acquire the creditability to establish and advance the private sector development agenda. The situation demanded a full-time, seasoned project manager who could clearly be charged with providing high quality, quick response technical assistance teams to meet the missions demand. As PRE matures, the role of providing technical assistance may not be the most advantageous in the promotion of the private sector agenda. It may be more advantageous to develop a leadership role in the research and coordination of private sector development activities.

The individual roles of PRE, the regional offices, and the missions in the promotion of the private sector development agenda represent a fertile ground for study and discussion. Particular attention needs to be paid to the relative roles of PEDs vis-

a-vis the regional private sector support contracts. PEDs is appropriately positioned to push forward the state of practice and to draw together and disseminate the lessons and experience worldwide. There is little to be gained by encouraging competing contracting mechanisms for technical assistance to missions in the private enterprise field. Finding the best roles for PRE and the bureaus will require greater coordination among the missions, regional bureaus, and PRE.

### **ISSUE 3: The Developmental Impact of PEDS**

A project like PEDS can have impact in a least two areas. The first, in the attainment of its goal to advance the private sector agenda to the A.I.D. missions, and the second, the actual developmental impact on the host country private sector and economy.

Measuring direct impact of PEDS on either of these areas is difficult because the variables affecting the development of the private sector agenda are impossible to isolate and the determination of causality is cloudy. It is apparent from the number of requests processed by PEDS for technical assistance that there is a high interest and demand in the field of private sector development on the part of most A.I.D. missions. The willingness of the missions to use PEDS, based on its reputation and availability, must be considered as an important factor in the incorporation of private sector development into the mission strategy. It is however, not the only factor. PEDS and the Private Sector Initiative have the good fortune to be coming of age in a time of worldwide movement toward the private sector as a means of resolving economic problems. How widely used PEDS would have been, were it not for the generally high interest in private sector development in the worldwide community at large is difficult to say.

Even in a time of worldwide political movement towards the private sector, individual missions would have a more difficult time of developing private sector strategies were it not for PEDS. The widespread use of the PEDS vehicle to implement a variety of tasks demonstrates that the field missions recognize the need and importance of creating strategies and programs to develop the private sector, and need help doing it. By providing assistance to the missions, PEDS has proved to be a useful tool to enable PRE to advance the agenda of the Private Sector Initiative into the mainstream of development thinking at the missions.

While the number of work orders completed, the diversity of tasks, and the interest surrounding the project are all indicators of potential impact on the advancement of the private sector agenda, the actual impact of PEDS on the economies of developing countries is inconclusive. Project impact on the economy is difficult to measure with any certainty under any conditions. Much of the work done under PEDS involved preparing the missions to address private sector development. PEDS is only one of many the inputs into the strategy formulation, program development, and project assistance of an individual A.I.D. mission. The strategy, program, and projects in turn impact the economy directly through the creation of employment or products, or indirectly through the shaping of policy.

There is considerable distance between PEDS assistance to a mission and measurable developmental impact on the private sector or the economy. This is a long chain of causality, and underscores the need to be sensitive towards the developmental implications of the stimulation of the private sector and the project. The objectives must be examined, not just impact on mission strategy or programs and projects, but impact on the goals of the Agency's private enterprise initiative itself. It is only now that the study of these objectives is being implemented.

Other PEDS activity was in the design and implementation of programs and projects. It is these programs and projects that stimulate the actual impact on the private sector and economy in developing countries. Measuring the impact of each of

these programs and projects on their respective economies and synthesising the results is far beyond the capability of an evaluation conducted from Washington. It is in the measurement of impact on the economy that the development of the PEDS Core Agenda plays an essential role. The development of a methodology for the missions to use in the preparation of baseline data, the measurement of economic data, and the comparisons both in-country and between countries is vital to have an empirical measurement of direct impact.

The Private Enterprise Initiative has reached a stage of maturity which justifies a more careful examination of the developmental impact of the kinds of activities supported throughout the project. PEDS offers an excellent vehicle for testing the assumptions behind the "ideology" of the Private Sector Initiative and developing a better understanding of how to tailor programs and projects so as to avoid potential pitfalls. The projects can be used to determine if the objectives are worthwhile, and if the developmental assumptions behind private sector development are valid.

There have been two impact studies conducted through PEDS -- Kenya and the Dominican Republic. These impact studies indicate that there has not been a sufficient time frame, that accurate baseline data does not exist, and that there is not a convenient starting place for the measurement of impact. In spite of these problems important questions must be addressed. Once again the development of a methodology is required to ascertain if PEDS having the desired influence on the development of better private sector strategies and programs and/or projects, and if A.I.D. is spending its funds for private sector development wisely.

## **SECTION FOUR**

### **LESSONS LEARNED AND RECOMMENDATIONS**

PEDS, a large centrally funded, complex project has operated in nearly 30 countries, performed 65 task orders in a variety of subject areas in a field of expertise new to the Agency. In the conduct of this activity the project has few detractors and many promoters. The accumulation and application of lessons learned from a project like PEDS, makes a valuable contribution to the development and management of other large centrally funded projects.

The following are lessons learned from the evaluation of the PEDS project are divided into three areas: the project management, the contract mechanism, and the development impact on the private sector.

#### **PROJECT MANAGEMENT**

1. Permanent staff are more likely to be used by prime and subcontractors to fill the short-term technical assistance positions when the contract allows full cost recovery.

E & Y and most of the contractors under PEDS attempted to staff the technical assistance teams with members of their permanent staff. If the team could not be composed entirely of staff, the contractor tried to have staff representation on the team. The use of staff over consultants provides greater accountability, more timely response to fielding the teams, more timely report preparation, and consistent quality in technical assistance. It also develops staff expertise that can be used advantageously on subsequent assignments.

2. The probability of obtaining competent project management is increased when core funds are used to pay for project staff. Permanent full-time staff of a contractor, when funded in the contract, make effective managers of a project.

When permanent staff, who understand the project and the implementing firm, are employed in the project, the project is more likely be effectively managed. The permanent staff supplied by E&Y has successfully managed the PEDS project because of the 100 percent time commitment to the management of project activities. The staff is available to liaise with PRE and the subcontractors, complete task orders, and troubleshoot when the inevitable problems arise. Without core funding for the positions the contractor has a more difficult time allocating personnel to the management of a multi-year contract.

3. High quality technical assistance in specialized technical fields can be contracted through small "boutique" contracting firms.

The capabilities, reputation, and personal knowledge of E&Y by the missions was an important factor in the success of the project in reaching the missions. As the missions began to use the project, the secondary goal of advancing the institution of PRE was also achieved by delivery of the private sector message to the mission by the technical assistance provided by the mission. An important component of the success of the project was E & Y 's capability to provide the specialized expertise that was available through some of the smaller firms including, The Services Group, and Austin and Associates.

## CONTRACT MECHANISM

4. A centrally funded contract administered by the Bureau is an appropriate vehicle to develop widespread involvement in the problem identification and strategy development process at the mission level.

The central bureau needs a mechanism to enter into a dialogue with the individual missions in order to be responsive to their needs. During the contact and negotiations with the field missions over the appropriateness of the proposed work for central funding, the bureau developed an understanding of mission needs and concerns. This is an essential step if the central Bureaus intend to create the institutional framework to advance new initiatives to the missions.

5. The missions use contracting vehicles that provide reputable, quality firms on convenient terms.

Missions are most concerned with finding effective, easy to use contracting mechanisms that provide quality technical teams from reputable firms. The cost savings to the missions from using a buy-in mechanism are not as important to the missions as the quality of the technical assistance.

6. The contract provides a method for the missions to risk an experiment in groundbreaking activities without risking their own money.

In the implementation of any new initiative there are going to be mistakes and duplication. Not everything is going to work. When central bureaus share costs, they assume part of the risk of failure, allowing the missions more freedom to try new kinds of development programs. Central bureaus can assume the role of experimenter more easily than missions.

7. Cost sharing is a way of moving forward both the central agenda and the mission agenda at the same time.

Missions will not use a vehicle unless it satisfies mission needs. Cost sharing provides a vehicle for the creation of a dialogue between the missions and the central bureau. This dialogue enables both the central bureau and the missions to understand each other and forge a mutually satisfactory agenda.

8. The absence of a strong core agenda leads to the conduct of small unrelated work orders that rarely reach the critical mass required to develop a concrete body of knowledge.

Without a strong core a project may be relegated to re-inventing the wheel time after time. The strength of the project has been diluted in attempting to be all things to all parties. No more than a few task orders treated the same subject. With the development of a strong core, activities could be replicated creating a more complete body of knowledge, and achieving greater cost-effectiveness. When a strong core exists, tests and refinements are continuously made that lead to the development of new methodologies or make technological advances.

9. A large number of subcontractors are difficult to manage and provide overlapping capacity to provide technical assistance.

The number of subcontractors should be kept to a more manageable number. Four or five can be available as a core group, with representative sampling available as potential resources. The prime contractor could have the capacity to contract services from a small specialty supplier if the technical expertise required is not available in the core group.

10. Projects that employ several subcontractors should have a clearly defined system for allocating work orders, and an indication of what each of the subcontractors expects from the contract.

While it did not occur in the PEDS project, potentially disruptive misunderstandings could occur among subcontractors. In PEDS, this disruption was avoided by the effective management of the E&Y team.

#### **DEVELOPMENT/PRIVATE SECTOR IMPACT**

11. Missions require varied assistance in the development of private sector strategies and will use the assistance if available in a mechanism that is responsive and timely.

The variety of completed task orders by region and subject area indicates how different the field missions are in their interpretation, development, and implementation of private sector development programs. As the project develops methodologies for the creation of mission strategies and programs the level of impact can be increased.

12. Private sector development is not a development fad, or political initiative, but has gained widespread acceptance.

The diversity of the work orders that have been completed indicate the need for projects like PEDS. PRE and E&Y agree that the work in private sector development has advanced to the point at which it is now possible to determine several core subject areas for further research. PRE is established and moved beyond the transitional phase. The individual missions are recognizing the need for more attention to private sector development and are engaged in the creation of private sector development strategies.

13. There is a need for baseline data on which to base impact evaluations on the development of the private sector.

Mission survey results indicate that there has not been a sufficient time frame to assess impact, but also that there is not a convenient starting place from which to measure. This problem is not found solely in the area of impact studies for the private sector, but is a frequent occurrence across disciplines.

14. It takes a lot of time to get to the policy table in any meaningful way, implement policy changes, and see the result or impact of policy changes.

Much of the PEDS work has been on the development of a strategy for the missions to examine the private sector. They have indeed begun the long and difficult task of assessing their environments and positions, and charting their course. The next

step will be to become engaged in policy discussions armed with the data and expertise developed as a result of a systematized approach to private sector development.

15. Too broad a list of targeted disciplines for technical assistance creates a mixed bag of service delivery that is hard to organize in a core agenda.

Attempting to provide technical assistance across the spectrum of private sector development disciplines has diluted the potential impact of the project. With experience and maturity, the project should focus on the more frequently used and need services and develop greater expertise in these areas.

**ANNEX 1**  
**SCOPE OF WORK**

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Evaluation of Private Enterprise Development Support Project  
No. 940-2028  
Scope of Work

Background

On September 30, 1985, the Agency for International Development (A.I.D.) entered into the first of three (3) prime contracts under the Private Enterprise Development Support (PEDS) Project (940-2028). The first contract (#DPE-2028-C-00-5074-00 in the amount of \$1,199,853), covering the first phase of the project (PEDS I), was awarded to the firm of Coopers & Lybrand and expired September 30, 1987. However, as of March 1987, 36 activities had been funded and funds under the Coopers & Lybrand contract were exhausted. To avoid disruption of assistance between PEDS I and II, A.I.D. entered into a second (interim) contract with the firm WPI, Inc. The third contract (#PDC-2028-Z-00-7186-00 in the amount of \$19,120,334), covering the second phase of the project (PEDS II), was awarded to Arthur Young & Company on September 30, 1987, and will expire September 30, 1992. The purpose of this evaluation exercise is to conduct an ex post review of the PEDS I project and a mid-term review of the PEDS II activity.

The PEDS I contract called for the contractor to provide services to (a) examine a wider spectrum of private sector enterprises among selected LDCs, (b) determine which types of institutions within those markets should be encouraged and assisted, and (c) recommend generic and specific guidelines which can be used by A.I.D.'s Bureau for Private Enterprise (PRE) and A.I.D. Missions in the assistance effort. These services were to seek to sustain growth of productive, self-sustaining, job-producing indigenous private enterprise in developing countries. A.I.D.'s objectives under PEDS I were (a) to strengthen PRE's capacity to assist A.I.D. Missions through the provision of mechanisms to implement those private sector initiatives, and (b) to develop a model to field test, refine and synthesize information to improve private enterprise programs.

The PEDS II contract scope-of-work calls upon the contractor to make available its facilities and personnel to complete a program to assist PRE in its effort to increase the use of indigenous private enterprise as a viable alternative method of economic development in LDCs through the incorporation of appropriate mechanisms in A.I.D.-funded projects. This will be accomplished through the provision of multidisciplinary long-term key technical assistance to PRE and intermittent short- and long-term multidisciplinary technical assistance to host governments and private enterprises, through A.I.D. Missions. A major purpose of the PEDS II evaluation is to assess the prime contractor's degree of involvement and performance in all disciplines and types of activities set forth in the contract scope of work.

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## I. EVALUATION TITLE

Evaluation of Phases I & II of the Private Enterprise Development Support Project No. 940-2028 (PEDS I and II) of the Bureau for Private Enterprise (PRE), implemented under Contract No. DPE-2028-C-00-5074-00 with Coopers & Lybrand, an interim contract with WPI, Inc., and Contract No. PDC-2028-Z-00-7186-00 with Arthur Young & Company.

## II. EVALUATION PURPOSE

The purpose of this evaluation is to assess the effectiveness, efficiency and impact of activities carried out under the above-referenced project. The evaluation shall assist PRE in its decisionmaking regarding further activities under the current project, PEDS II.

## III. STATEMENT OF WORK

The evaluation shall provide empirical findings to address the questions outlined below; it shall also develop conclusions based on these findings, and recommendations to assist PRE in its decisionmaking regarding future activities. For each issue outlined, the evaluators should separately assess the performance and results of PEDS I and PEDS II, and compare experiences under the two (2) project phases where appropriate. Modifications to this statement of work require the approval of the PRE project officer (see VII, below).

### A. Effectiveness

1. Has the project achieved satisfactory progress toward achieving its goal of fostering the growth of indigenous private enterprise in developing countries?
2. Has PEDS II provided effective assistance to Missions in developing private sector profiles and strategies?
3. Has the private sector development based on the PEDS I "framework" study proven effective in creating private sector strategies?
4. Have the project's field assignments been performed in an effective manner satisfactory to PRE and the Missions? How do Missions rate the quality and timeliness of assistance received?
5. What services would A.I.D. Missions like to access through the PEDS project in addition to those currently available? Assess the current contractor's ability to provide such services.

6. How do Missions assess PRE's promotion of the PEDS projects thus far? What suggestions do they offer to improve that promotion?
7. For PEDS II, assess the assistance delivered to date by the prime contractor, subcontractors and consultants in the various technical assistance disciplines and activities specified in the contract scope of work, Section C.2.(a) and (b), pp 17-21. In assessing performance in those activities and disciplines, have areas of greater or lesser PRE utilization or contractor effectiveness or involvement emerged? Explain.

B. Efficiency/Management Issues

1. Assess relationships between the prime contractors, subcontractors (for PEDS II), and consultants. Have the relationships between subcontractors and the prime contractor functioned in such a way as to generate the greatest degree of effectiveness in project activities? What changes might enhance project performance?
2. Have the prime contractors effectively coordinated the efforts of subcontractors and consultants? Have experiences and "lessons learned" from subcontractor and consultant assignments been assimilated by the prime contractors and disseminated among subcontractors and consultants participating in the project? Have the prime contractors utilized lessons and experiences derived from project assignments to develop methodologies for private sector strategy development?

C. Impact and Sustainability

1. What have been the effects of assistance under the project upon development of private sector strategies and projects by A.I.D. Missions?
2. To what extent has the project helped to initiate change in LDC policy and regulatory environments to enhance individual opportunity?
3. What have been the effects, if any, of project activities on Mission policy dialogue with host-country officials and vice versa?
4. What impact, if any, have the projects had upon the progress of A.I.D.'s private sector initiative, and upon the Agency's planning, programming and funding for private sector development?

#### D. Cross-Cutting Issues

1. To what extent has the project affected the development of LDC institutions -- in both behavioral and physical senses -- to stimulate long-term economic growth in a dynamic, free market?
2. Have the private sector strategies developed through the project incorporated environmental concerns? If so, please describe. If not, is inclusion of environmental concerns advisable?
3. Have the private sector strategies developed through the project included promotion of women's participation in private sector activities? If so, please describe. If not, please offer suggestions to improve promotion of women's interests in future private sector strategies.

#### IV. METHODS AND PROCEDURES

The evaluation team's work plan will follow the framework outlined below.

##### A. Work Plan Preparation

At the start of the evaluation, the evaluation team will meet with PRE representatives to discuss and formulate a work plan. The team will elaborate plans for interviews, research, and report preparation. The team will develop instruments for interview of A.I.D. officers in Washington, and for interview of Mission officers by cable and/or telephone. These instruments will be approved by PRE prior to their use. The PRE project manager will assist in identifying individuals appropriate for interview within the groups listed below.

##### B. Research and Interviews

Research and interviews will include the following:

1. Review of PRE project files, including the PEDS I and II contracts, quarterly reports from the project contractors, and consultants' reports. A representative sample of the total number of subprojects or cases handled by the prime contractors shall be selected for evaluation, provided, however, that the minimum number of cases selected shall be not less than 70; and, provided further that of the total subprojects reviewed five (5) of the subprojects conducted under the Coopers & Lybrand contract and two (2) of the subprojects conducted under the WPI, Inc. shall be evaluated. No less than 63 PEDS II subprojects shall be evaluated.

2. Interview of PRE staff and former staff, as available, involved in management of the PEDS projects.
3. Interview of A.I.D./Washington Regional Bureau staff familiar with activities under the PEDS projects.
4. Interview with PEDS project prime contractors, subcontractors, and consultants.
5. Interview, through brief standard questionnaire administered by cable and/or telephone, of A.I.D. Mission private sector officers in countries where the PEDS subprojects and/or personnel assignments have been completed.

C. Briefing and Report Preparation

Briefings and report submissions will be scheduled as described in Section VI. below.

V. TEAM COMPOSITION

The evaluation team will consist of two (2) persons, including a designated team leader. The team shall collectively possess skills and experience in design and management of development projects utilizing private sector mechanisms. They shall also have experience in evaluating private sector development projects. No foreign language capabilities are required for this work.

VI. REPORTING REQUIREMENTS

A. Not less than two (2) weeks following completion of its research and interviews, the evaluation team will (a) brief PRE management (and, at the discretion of the PRE project manager, each of the project's prime contractors) on its findings, and (b) provide 12 copies of a draft report for review and comment by PRE (and the prime contractors, if deemed appropriate by the PRE project manager). PRE and the prime contractors, as appropriate, will review the draft report and furnish comments to the evaluation contractor within two (2) weeks following receipt of the draft report; prime contractor comments, if any, will be transmitted through PRE. Not less than two (2) weeks following receipt of PRE and any prime contractor comments, the evaluation contractor will provide to PRE 12 copies of the final evaluation report incorporating, as appropriate, the comments of the reviewers. One (1) of these 12 copies shall be on 8 1/2 inch X 11 inch bond paper, unbound and of letter quality suitable for duplication.

B. The evaluation report will contain the following format:

--Executive Summary, of no more than three (3) pages, noting (a) the purpose of the activity evaluated; (b) the purpose of the evaluation and the methodology used; (c) findings and conclusions; (d) recommendations for the activity and its successors; and, (e) lessons learned for other activities and A.I.D. generally;

--Table of Contents;

--Body of the Report, of no more than 30 pages, to include (a) identification of the project, including project number; (b) the purpose of the evaluation and a summary of the evaluation study questions; (c) team composition and study methods; (d) findings of the study concerning the evaluation questions, with supporting analyses; (e) the evaluators' conclusions drawn from these findings; (f) recommendations based on the findings and conclusions; and, (g) lessons learned for decisionmakers planning similar projects. Detailed discussion of technical issues may be included in appendices.

--Appendices, to include the evaluation scope of work; a list of individuals and organizations contacted; a list of any reference materials consulted; and, any detailed technical material.

#### VII. RELATIONSHIPS AND RESPONSIBILITIES

The A.I.D. project officer is Ted Lee, PRE/DP, Room 3208 N.S., Tel. (202) 647-5624; telefax (202) 647-1805.

#### VIII. TERM OF PERFORMANCE

Estimated starting date is August 21, 1989 and estimated completion date is November 1, 1989.

**ANNEX 2**  
**MISSION SURVEY QUESTIONNAIRE**

ANNEX 2

MISSION SURVEY QUESTIONNAIRE

PEDS EVALUATION SURVEY

Please fill in or circle the appropriate response for each of the following questions:

A. PEDS in general -- We are trying to understand how PEDS fits in the array of contracting options available to USAID.

1a. Briefly explain the substantive or functional areas in which consideration would be given to PEDS as a mechanism for procuring short-term technical assistance?

1b. In these areas, what other contracting vehicles would be considered as alternatives to PEDS?

2. In choosing among contracting vehicles, what factors are considered important? Please rate the following factors on a scale of 1-5, according to how important the factor is in determining your contracting mechanism. Use the scale of "Very Important" (5) to "Unimportant" (1).

- 5 4 3 2 1 Cost
- 5 4 3 2 1 Reputation of supplier firms/individuals
- 5 4 3 2 1 Your personal knowledge of the supplier
- 5 4 3 2 1 Access to wide range of expertise
- 5 4 3 2 1 "Marketing" by Washington Bureaus
- 5 4 3 2 1 Other factor \_\_\_\_\_

3. When compared to other contracting mechanisms available to the missions, how would you rate PEDS in:

a. The quality of the teams fielded?

Superior Average Inferior  
I-----I-----I-----I-----I

b. The quality of the deliverables (reports, PIDS, etc.)

Superior Average Inferior  
I-----I-----I-----I-----I

c. The ease of the PEDS contracting mechanism?

Superior Average Inferior  
I-----I-----I-----I-----I

d. The responsiveness of the contractor to mission needs?

Superior Average Inferior  
I-----I-----I-----I-----I

e. The ability of the contractor to solve problems?

Superior Average Inferior  
I-----I-----I-----I-----I

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f. The speed and timeliness of fielding the team?  
Superior                      Average                      Inferior  
I-----I-----I-----I-----I

g. The cost to the mission?  
Superior                      Average                      Inferior  
I-----I-----I-----I-----I

h. The cost to A.I.D. of the contracted service?  
Superior                      Average                      Inferior  
I-----I-----I-----I-----I

**B. PEDS Assignments**

1. To what degree has the work done under PEDS fostered the growth of the private sector or of private enterprises in the country?  
High Degree                      Somewhat                      None  
I-----I-----I-----I-----I

2. To what degree has the work done under PEDS contributed to private sector institutions and stimulated long term economic growth?  
High Degree                      Somewhat                      None  
I-----I-----I-----I-----I

3. To what degree has the PEDS activity influenced the mission's private sector agenda, ie. the planning or funding of mission private sector activities?  
High Degree                      Somewhat                      None  
I-----I-----I-----I-----I

4. To what degree has the work conducted under PEDS been used by the mission, eg. were recommendations incorporated in the CDSS, project designs, policy dialogue, etc.?  
High Degree                      Somewhat                      None  
I-----I-----I-----I-----I

5. To what degree has PEDS activity contributed to the private sector policy dialogue with the host-country government?  
High Degree                      Somewhat                      None  
I-----I-----I-----I-----I

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PEDS EVALUATION SURVEY TALLY

		M-1	M-2	M-3	M-4	M-5	M-6	M-7	M-8	M-9	M10	M11	M12	M13	M14	M15	M16	M17	M18	M19	M20	# Resp	Mean
<b>A:PEDS</b>																							
Cost	2a	3.0	4.0				3.0	4.0	5.0	2.0	3.0	3.0	5.0	3.0	4.0	5.0	2.0	4.0	3.0	3.0	3.0	17	3.47
Repu	2b	5.0	4.0	5.0			3.0	5.0	5.0	4.0	5.0	4.0	4.0	5.0	2.0	5.0	5.0	4.0	5.0	3.0	3.0	18	4.22 ***
Know	2c	5.0	4.0	5.0			3.0	2.0	4.0	4.0	5.0	4.0	5.0	3.0	5.0		3.0		4.0	1.0	1.0	16	3.63
Exp	2d	1.0			4.0		2.0	4.0	4.0	3.0	5.0	4.0	3.0	5.0	5.0	5.0	5.0		4.0	5.0	5.0	16	4.00 ***
Mktg	2e	1.0				3.0		2.0	1.0	2.0	2.0	3.0	4.0	2.0	2.0		3.0	4.0	3.0	2.0	2.0	15	2.40
Team	3a	4.5	4.0	3.0	5.0	4.0	4.0	4.0	4.0	5.0	5.0	4.0	4.5	5.0	4.5	4.0	4.0	5.0	4.5	3.0	3.0	20	4.20 ***
Delv	3b	4.0	3.0	3.0		3.0	4.0	4.0	4.0	5.0	5.0	4.0	4.5	5.0	4.5	4.0	4.0		3.5	3.0	3.0	18	3.92
Ease	3c	4.0	5.0	4.0		5.0	5.0	3.0	4.0	5.0	3.0	5.0	5.0	4.0	5.0	4.0	4.0	5.0	3.5	4.0	4.0	19	4.29 ***
Resp	3d	5.0	5.0	3.0		4.0	5.0	3.0	3.0	5.0	4.0	5.0	5.0	5.0	4.0	4.0	4.0		4.5	3.0	3.0	18	4.14 ***
Prob	3e	3.5		3.0		4.0	5.0	3.0	3.0	4.0	4.0	4.0	4.5	4.0	3.0	4.0	4.0		4.5	3.0	3.0	17	3.74
Fast	3f	5.0	5.0	4.0		5.0	4.0	2.0	4.0	5.0	4.0	5.0	4.5	4.0	4.5	4.0	3.0		3.5	2.0	2.0	18	3.92
CosM	3g	3.5		3.0		2.0	5.0	3.0		5.0	4.0	4.0	4.5	3.0	2.0	3.0	3.0	5.0	3.5	4.0	4.0	17	3.62
CosW	3h	3.0		3.0		3.0	5.0	2.5		3.0	4.0	2.0	3.5	3.0	2.0	3.0	3.0	5.0	4.5	3.0	3.0	17	3.26
<b>B:Assignments</b>																							
PSec	1	2.0	1.0			1.0	1.0		3.0	5.0	4.0	3.0	4.5	4.0	1.0	4.0	3.0		3.5			14	2.86
EGro	2	3.0	1.0			2.0	1.0		3.0	3.0	4.0	3.0	4.5	4.0	5.0	4.0	3.0		3.5			14	3.14
Agen	3	4.0	2.0	4.0		3.0	1.0		3.0	5.0	3.0	4.0	5.0	5.0	5.0	4.0	5.0		3.5	1.0	1.0	17	3.44
Used	4	5.0	3.0	4.0		3.0	4.0		3.0	5.0	4.0	4.0	5.0	5.0	5.0	5.0	3.0	4.0	3.5	1.0	1.0	18	3.75
PolD	5	1.0		4.0		1.0	3.0		5.0	4.0	4.0	3.0	5.0	4.0	5.0	4.0	4.0		2.5	3.0	3.0	16	3.47

**Mission Code:**

**M-1: Thailand**

**M-2: Zaire**

**M-3: Haiti**

**M-4: Guinea/Bissau**

**M-5: Senegal**

**M-6: Mali**

**M-7: Costa Rica**

**M-8: Niger**

**M-9: Barbados**

**M10: India**

**M11: Egypt**

**M12: Botswana**

**M13: Tunisia**

**M14: Kenya**

**M15: Cameroon**

**M16: Philippines**

**M17: Chile**

**M18: Dominican Republic**

**M19: Uruguay**

**M20: Paraguay**

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**ANNEX 3**  
**SUMMARY OF TECHNICAL ASSISTANCE UNDER PEDS**

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ANNEX 3  
SUMMARY OF TECHNICAL ASSISTANCE UNDER PEDS

NUMBER	PRIMARY CLIENT	SUBSTANTIVE AREA & TITLE OF REPORT	TYPE OF ACTIVITY	WORK LOCATION	TEAM COMPOSITION	MISSION CONTRIBUTION	MISSION \$	BUREAU \$	CORE \$	TOTAL \$ SPENT VS BUDGETED:	GENDER/ENVIRONMENT ISSUES
1	JORDAN	"Comparative Assessment: Investment Incentives in Jordan"; evaluates investment climate in Jordan & assesses the government incentives for investment relative to those in seven other countries.	POLICY	OS	Kathleen Heffernan (SRI) James Emery (TSG) John Mathieson (SRI)	49 %	20,000	21,050	2,668	43,718 43,768	G = 0 E = 0
2	TUNISIA	"Private Sector Strategy: USAID/Tunisia." An in-depth study of the private sector strategy in Tunisia as a result of the country's need to reform and liberalize the economy.	STUDY	OS	Stacey Evelynth (RY) Roberto Fernandez (RY) Sydney Lewis (RY)	0 %	0	15,127	17,095	32,222 32,222	G = 0 E = 0
3	DOMINICAN REPUBLIC	"The Impact on the Poor of USAID's Private Sector Program in the D.R." This is an empirical study based on a sample survey of over 500 individuals. It assesses the quality of life before and after employment.	STUDY	OS	Lawrence Cooley (MSI) Marina Fanning (MSI)	50 %	82,000	0	103,217	185,217 185,217	G = 2 E = 0
3A		Panel study to supplement the above study.		OS	MSI	100 %	28,537			28,537	
4	ROD/SP	"Private Enterprise Strategy Options for the South Pacific Region." Objective of this is to assist the ROD develop a private sector strategy for the region.	STRATEGY	OS	John Mathieson (SRI) John Vieder (SRI) William Pintz (RY)	0 %	0	37,928	42,859	80,787 103,731	G = 0 E = 0
5	PHILIPPINES	"The Role of the Land Bank, Retail Banks & other Conduits in Producing Credit for Agrarian Reform." Assesses the previous agrarian situation relative to agrarian reform. Also evaluates rural financial markets as to their capacity to deliver credit.	PROJECT	OS	Frank Rigner Leonilo G. Coronel Victoria Licuanan Gilberto Llanto  All RY Consultants	87 %	68,552	0	0	86,552 88,344	G = 0 E = 0
6	DOMINICAN REPUBLIC	"Private Sector Strategy Assessment" Using MRPS, involves: 1) Articulation of current strategy; 2) Description of local Private Sector; 3) Diagnosis of constraints; 4) MRPS; 5) Strategy Development.	PROJECT	OS	Kevin Murphy Anna Teresa	33 %	45,000	0	91,173	136,173 150,523	G = 0 E = 1
7	RNE	"Implementation Approach for RNE PEDS Project" Involves: 1) A review of RNE Mis-response to changes in regional PEDS Project; 2) Reviews & describes methodology used for contracting; 3) Prioritize use of funds for RNE/PD/PE.	PROJECT	OS	Ludwig Rudell (RY)	0 %	0	3,910	0	3,910 3,910	G = 0 G = 0
8	PRE/FOOD FOR PEACE	Seminar.		OS		0 %	0	0	13,702	13,702 13,702	G = E =

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NUMBER	PRIMARY CLIENT	SUBSTANTIVE AREA & TITLE OF REPORT	TYPE OF ACTIVITY	WORK LOCATION	TEAM COMPOSITION	MISSION CONTRIBUTION	MISSION \$	BUREAU \$	CORE \$	TOTAL \$ SPENT	US BUDGETED:	GENDER/ENVIRONMENT ISSUES
9	BOTSWANA	"Evaluation of Financial Assistance Policy (FAP) & its role in Botswana Business Development" Purpose: To advise USAID & the Government of Botswana on feasible means & to encourage flow of mgt. assistance to the private sector.	STUDY	OS	Caseeroon Smith (TOI) John Menz (TOI)	22 %	13,000	0	45,463	58,463	69,745	G = 0 E = 0
10	ONAN	"A Reconnaissance of Commercial Fisheries in Oman & Recommended Development Actions" Analyzes problems facing fishing industry and its developed constraints.	STUDY	OS	John Maynard (RY)	0 %	0	6,518	7,365	13,883	14,747	G = 0 E = 0
11	AFR/MDI	"Informal Financial Markets: Zaire & Senegal" Purpose: This study is to deepen AID's understanding of informal & formal markets.	STUDY	US & OS	BONCO- Appleby Flaming VanLeeuwen	0 %	0	85,000	76,867	161,867	159,382	G = 2 E = 0
12	Costa Rica	"Securing competitive Advantage: Recommendations for the Corporacion de la Zona Franca & Costa Rica Free Trade Zones". SOI included: 1) Valuation of CZF Zones; 2) Recommendations a strategy for existing zone growth, and; 3) identification of technical assistance in such a strategy.	STRATEGY	OS	TSG- Mark Frazier Godinez Seger Robert Rauth	100 %	72,891	0	0	72,891	80,500	G = 0 E = 0
13	PRE	Briefly Addresses Private Sector problems in various countries; what initiatives were taken to overcome these problems; the implementation of this, and the impact & lessons learned. CASE STUDIES-NO REPORT	STRATEGY	OS	RY & Subs	0 %	0	0	7,933	7,933	7,933	NR
14	AME/PO	Assistance in Project Paper-NO Report.	PROJECT	OS	Sydney Lewis-RY Staff	0 %	0	3,910	0	3,910	3,910	NR
15	HONDURAS	Long-term project, began 7-25-88. NO REPORT	PROJECT	OS	Garcelon (REGENCY)	100 %	183,125	0	0	183,125	358,581	NR
16	REDSO MAURITIUS	Assistance with PP on Industrial Diversification. NO REPORT	PROJECT	OS	Karp (SRI) Rao (TSG) Deolalikar (NSI)	51 %	30,065	0	28,270	58,362	61,838	NR
17	INDIA	( Draft) Assesses the Center for Technology Development in India. Is a PD.	PROJECT	OS	Jim Gollub (SRI)	90 %	15,000	0	1,636	16,636	17,707	G - 0 E - 0
18	JORDAN	"Import-Export Procedures in Jordan" 1) Examines current procedures & regulations in Jordan; 2) Identifies problems experienced by the Jordanian Business Community in dealing w/ I-Ex procedures; 3) Develops recommendations to reform & streamline the import-export procedures.	POLICY	OS	McCue (RY)	46 %	9,500	0	11,151	20,651	21,200	G - 0
18 A						41 %	15,000	0	10,374	25,374	26,156	E - 0
		"Organizational Assessment & Management										

NUMBER	PRIMARY CLIENT	SUBSTANTIVE AREA & TITLE OF REPORT	TYPE OF ACTIVITY	WORK LOCATION	TEAM COMPOSITION	MISSION CONTRIBUTION	MISSION #	BUREAU #	CORE #	TOTAL \$ SPENT VS BUDGETED	GENDER/ENVIRONMENT ISSUES
19	LAC	Plan for the ILD (Institute for Liberty, & Democracy in Peru). Team reviewed ILD Management & helped determine priority activities.	STUDY	OS	Ivey (RY)	0%	0	5,000	10,038	25,000 34,542	G - 0 E - 0
20	BOTSWANA	Design of a small business management assistance program- NO REPORT.	PROJECT		Caeroon Smith-TD?	69%	13,242		5,917	19,159 19,159	NR
21 (No Report for PPC/MID)		"Mali: Women in Private Enterprise" Study addresses: types of enterprises owned by women in Bamako; constraints in doing business; also assesses whether women entrepreneurs need assistance and how USAID can structure its private sector activities to ensure women's participation.	STUDY	OS	Sydney Lewis (RY staff) Karen Russell (RY Consultant)	0%	0	17,392	0	17,392 49,745	G - 4 E - 1
21b	MLI										
22	PPC	Report contains privatization guidelines & seven case studies. Presents argument for financial sector reform & privatization.	POLICY	OS	Kathleen Vickland (SRI) Ronald Ivey (RY) Frank Nieder (SRI)	0%	0	25,000	6,042	31,042 58,623	G - 1 E - 0
23	PPC	NO REPORT-Prepared an investment climate matrix.	POLICY		Frost & Sullivan	0%	0	0	8,520	8,520 8,520	NR
24	GC/PRE	NO REPORT	POLICY		Sarro (RY Consultant)	0%	0	0	8,754	8,754 8,754	NR
25	AFR/MID	25 A-C-NO REPORTS AVAILABLE	PROJECT			0%	0	108,175		108,175 410,000	
25d		"Senegal: An Assessment of the Food Technology Institute (ITA)" Gives a general macro picture of Senegal & its linkages to ITA & the Food Processing Industry; also assesses the Institute & its current work.	STUDY	OS	RONCO- Enger Heron Delvaque	0%	0	18,440	9,929	28,369 43,078	G - 1 E - 1
26	AFR/MID	"Manual for Action in the Private Sector" (MAPS)-designed to assist USAID in promoting economic development through private sector strategies.	STRATEGY		J.E. AUSTIN ASSOCIATES	0%	0	0	0	0 850,000	
26a		Presentation-NO REPORT	PROJECT	US	Kevin Murphy	0%	0	82,909		82,909	
26b		"MAPS: Cameroon" Purpose: To determine the usefulness, content and scheduling of a private sector strategy survey for the Cameroon Mission. "MAPS: Zaire" Purpose: to conduct an assessment of USAID's private Sector Strategy & to recommend possible assistance w/ MAPS in aid-1989.	STRATEGY	OS	Roger Janito Kevin Murphy (Both from J.E. Austin)	0%	0				G - 0 E - 1
			STRATEGY	OS	" "			20,148	20,148	40,295 38,812	G - 0 E - 0
26c		"MAPS: Ghana" Team reviewed Mission's current program & project inventory to provide insights into Mission's goals & objectives, and assessed actual/potential	STRATEGY	OS	" "			27,187	32,235	32,235 64,470	G - 1 E - 1

NUMBER	PRIMARY CLIENT	SUBSTANTIVE AREA & TITLE OF REPORT	TYPE OF ACTIVITY	WORK LOCATION	TEAM COMPOSITION	MISSION CONTRIBUTION	MISSION \$	BUREAU \$	CORE \$	TOTAL \$ SPENT VS BUDGETED:	GENDER/ENVIRONMENTAL ISSUES	
		private sector initiatives that would promote Mission's goals and objectives.										
25d	"	"NIPS: Kenya" This study develops base of descriptive stats on private enterprise operating in Kenya and develops information based on the perceptions of business community regarding investment climate; constraints; effect of gov't policies-done by survey questionnaire.	STUDY	OS	Murphy Janio SanMartin	50 %	132,150	32,588	32,588	197,326	264,300	G - 2 E - 0
" 26e	"	NO REPORT			Caeroon Smith (TDI)	50 %	36,288	12,874	12,874	62,006	64,848	
26f	"	"Improving the Investment Climate in Equatorial Guinea: Analysis & Recommendations" Goal: To describe basic strengths & weaknesses of the investment environment & to suggest ways in which private investment in E.G. can be more effectively encouraged.	STUDY	OS	Peter Boone (SRI) Kathleen Heffernan (SRI)	0 %	0	19,325	19,325	30,650	40,211	
26g	"	"Macroeconomic Assessment of Ghana's Economic Recovery Program & its Impact on Private Sector Development"	STUDY	OS	Boone (SRI) Mendrixson (TSS)		9,170	0	0	9,170	17,500	G - 1 E - 0
" 26h	"	Seeminar on NIPS.	PROJECT	US	RY & Subs			324	324	649	649	
27	BARBADOS	"The Private Sector Strategy for AOD/Caribbean" Recommends a strategy for USAID's future private sector Development program based on: sectoral analysis, business climate, profiles and constraints.	STRATEGY	OS	Martin Beck (RY)	18 %	10,000	0	45,393	55,393	53,337	G - 0 E - 0
28	GURTEMLA	"Preliminary Assessment of Manufacturing Sector" Team surveyed existing manufacturing-related data collecting centers to make recommendations for improvements of these sources. Also identified key constraints to e.s. growth and opportunities for new investments in manufacturing. Interviewed a sample of manufacturers.	STUDY	OS	Robert Carlson (RY Cons) Flora Painter (RY *)	64 %	30,000	0	17,106	47,106	43,686	G - 0 E - 0
" 29	PRE/PO	NO REPORT-A review of Private Sector health care options.	PROJECT	US	Syiek-RY	0%	0	0	1,503	1,503	1,503	
30	THAILAND	"Trade & Investment Climate & Action Plan" Describes & analyzes Thailand's trade & investment climate. Provides recommendations for improvement of mission's strategy.	STUDY	OS	Allen Eisendrath (NSI) John Gardner (NSI)	50%	41,841	0	0	41,841	48,377	G - 0 E - 0
" 30a	"	Strategy statement of T & I.	STRATEGY	OS	Caeroon Smith (TDI)		0	0	14,430	14,430	18,211	" "
31	TUNIS	"Tunisi-American Joint Commission" A Washington meeting to explore issues of in-	STRATEGY	US	Middleton & Hartman (Business International)	0%	0	0	32,298	32,298	32,695	G - 0

NUMBER	PRIMARY CLIENT	SUBSTANTIVE AREA & TITLE OF REPORT	TYPE OF ACTIVITY	WORK LOCATION	TEAM COMPOSITION	MISSION CONTRIBUTION	MISSION \$	BUREAU \$	CORE \$	TOTAL \$ SPENT VS BUDGETED:	GENDER/ENVIRONMENT ISSUES	
		Investment promotion by potential investors.									E - 0	
31a		Coordinate US visit.	PROJECT	OS	Mortan (BI)	100%	34,999	0	0	34,999	37,832	" "
32	GUATEMALA	"Microenterprise Assessment" Purpose: To conduct an assessment of the microenterprise sector; aims to provide data base & management tool for the design of USAID's future program in microenterprise sector.	STUDY	OS	Lawrence Heilman Malon Barash Loni Berliner James Berezin (All MSI)	59%	50,000	0	35,393	85,393	93,659	G - 2 E - 0
33	SOMALIA	NO REPORT-PIP	PROJECT		Nedelcovych & Murray (RY)	96%	31,096	0	1,197	32,292	31,821	NA
34	HAITI	Develop USAID's private sector strategy.	STRATEGY	OS	Cassoon Smith (TDI)	100%	26,659	0	0	26,659	26,659	NO REPORT
35	URUGUAY	"Marketing Strategy Recommendations for Uruguayan Free Zones" Goal: To assist the Direccion de Zonas Francas of the Ministry of Economics & Finance to export sector development.	STUDY	OS	Frazier Gomez Frazier (All TSO)	0%	0	0	63,109	63,109	70,635	G - 0 E - 0
36	JORDAN	"Assessment of Training Needs" (Draft) Identifies training needs in the MOF & develops a training plan to meet those needs. Focuses on: customs, income tax, general supply and treasury and budget.	STUDY	OS	Douglas Ormerod William F. Kennedy Jr. Michael d'Alessandro (RY Consultants)	100%	46,060	0	0	46,060	48,419	G - 0 E - 0
37	BANGLADESH	Design private sector initiative project.	PROJECT	?	Rourke, Deolalikar (RY)	100%	25,000	0	3,623	28,623	38,793	NA
38	"	Design of financial mechanisms for # 37.	PROJECT	?	Bolt (RY)	100%	9,026	0	0	9,026	15,317	NA
39	"	Design a new Board of Investment.	PROJECT	?	Mathieson (SRI)	0%	0	0	3,493	3,493	17,919	NA
40	GUINEA-BISSAU	"DESCO: An Assessment of Training & Technical Needs" Purpose: To address USAID's concerns w/ respect to DESCO Program (lending program). Analyzes DESCO's structures, procedures & human resources to identify potential training & TA needs.	STUDY	OS	Jean-Oliver Fraisse (RY Consultant)	100%	10,315	0	0	10,315	15,000	G - 0 E - 0
41	MAURITANIA	"Mauritania: Recent Economic Developments & Prospects" A summary assessment of selected elements of GOM's adjustment program, based on discussions w/ reps of GOM, bilateral donors & a survey of available analysis.	STUDY	OS	Maurice Samuels (MMS) Stevens Tucker (RY Cons.)	67%	28,983	0	0	28,983	50,451	G - 0 E - 0
42	GUATEMALA	NO REPORT-LT PROJECT.	PROJECT	OS	Lack (S.M. Assoc.)	100%	126,576					
43	NIGER	"Niger: Reform of Foreign Trade Laws & Regulations" (DRAFT) Summarizes studies & recommends actions to revise Niger's foreign trade policies & laws, etc.	STRATEGY	OS	Benjamin Hardy (MMS)	100%	76,256	0	0	76,256	84,773	G - 0 E - 1
44	PHILIPPINES	"The RPEX OF Feasibility Study: An Inde-			James R. Kern (RY Cons.)							

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NUMBER	PRIMARY CLIENT	SUBSTANTIVATIVE AREA & TITLE OF REPORT	TYPE OF ACTIVITY	WORK LOCATION	TEAM COMPOSITION	MISSION CONTRIBUTION	MISSION \$	BUREAU \$	CORE \$	TOTAL \$ SPENT US	BUDGETED	GENDER/ENVIRONMENT ISSUES
		pendent Assessment" Reviews the APEX proposal and studies the rural financial system & makes recommendations to USAID for the improvement of market-based credit in the rural sector. Based on interviews, etc.	STUDY	OS	Rolf Bolt ( " " ) Danilo Cruz-Depaula (RY)	100%	19,840	0	0	19,840	40,000	G - 0 E - 0
45	ORPE VERDE	"A Review of Proposed Legislation in Cape Verde"(DRAFT) Aims at promoting industrial development in Cape Verde & fostering the establishment of offshore banking to assist Gov't in formulating legislation.	STUDY	OS	TSG- Carl Goderez James Esmyr Robert Rauth Keith Richard	73 %	19,800	0	12,406	31,846	29,261	G - 0 E - 0
" 45a	"	Legislative review of the above project.	PROJECT	US		100%	8,094	0	0	8,094	8,100	NA
" 45b	"	Preparation of PIO for above-No Report.	PROJECT	US	Boone, Nader, Kulibaba (SRI)	0 %	0	0	36,059	36,059	65,000	NA
" 46	MAURITANIA	Feasibility Study for industries-No report!	PROJECT	OS	Sydney Lewis (RY Staff)	100%	9,246	0	0	9,246	50,451	NA
" 47	AFR/NDI	NO REPORT-Assessment of potential free trade zones.	PROJECT								375,000	NA
48	KENYA	Draft report on proposed legislation to establish & define powers of Capital Markets Development Authority along with proposed rules & regulations.	STUDY	OS	FERRIS & CO.-Ferris	0%	0	0	10,559	10,559	11,837	G - 0 E - 0
" 48a	"	Continued TR to ONDR.			Evans	100%			19,113	19,113	25,983	NA
" 49	PRE/APC	NO REPORT		US	Painter, Ivey (RY)	0%	0	0	76,639	76,639	200,000	NA
50	EL SALVADOR	"Strategic Assessment of the San Bartolo Free Zone" Purpose: To assess the current organizational, managerial, & operational structure of the SBZ & to arrive at Short term recommendations to improve its economic & financial performance & to propose strategic alternatives for the future.	STRATEGY	OS	TSG- Cecilia Sager Kishore Rao Carl Goderez Babin Deolalikar William Honey	100%	74,196	0	0	74,196	94,318	G - 0 E - 0
" 51	HONDURAS	NO REPORT- LT PROJECT	PROJECT	OS	Regency Int'l-Gaskell	100%	63,737	0	0	63,737	95,850	NA
" 52	INE/RSEAN	Project Design- No Report	PROJECT		RY & SRI	0%	0	98,958	0	98,958	200,000	NA
53	KENYA	"Evaluation of the USAID/Kenya Private Sector Program" Report offers proposals for mid-course corrections of USAID's Private Sector Strategy.	STRATEGY	OS	Lawrence Cooley (MSI) Barbara Brown (RY) Allen Eisendrath (RY)	100%	104,656	0	0	104,656	144,076	G - 0 E - 0
54	MOZAMBIQUE	"Mozambique: Foreign Investment Promotion" Goal: To increase assistance program(GPIE) of foreign investment effectiveness in promoting & attracting investment.	STRATEGY	OS	Miles Mortan (RY Consultant)	50%			21,608	21,608	25,000	G - 0 E - 0
55	PARAGUAY	"A Strategic Plan for Investment Promotion"			Philip Karp (SRI)							

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NUMBER	PRIMARY CLIENT	SUBSTANTATIVE AREA & TITLE OF REPORT	TYPE OF ACTIVITY	WORK LOCATION	TEAM COMPOSITION	MISSION CONTRIBUTION	MISSION \$	BUREAU \$	CORE \$	TOTAL \$ SPENT US BUDGETED	GENDER/ENVIRONMENTAL ISSUES	
		in Paraguay" Team reviewed investment client data from U.S. sources before visiting country. Team interviewed staff & officials of Ministry of Commerce. (DRFT)	POLICY	OS & US	Kathleen Vickland (SRI)	0%	0	0	15,647	15,647	25,000	G - 0 E - 0
56	LIBERIA	"Small & Medium Enterprise Assessment" Review of USAID's program strategy, defines mission's role in addressing the issues affecting small & medium enterprises done by sector assessment. (Interviews, etc.)	PROJECT	OS	Surla, Seydi (Metametrics) Deolalikar, Mescher (TSB)	90%	92,826	0	0	92,826	128,000	G - 0 E - 0
57	PRE/CHILE	No Report.			Kuzynski, Poor (RY)	0%	0	0	3,333	3,333	5,000	NA
58	PRE/COTE D'IVOIRE	Presentation for meeting on Export Development-No Report.	PROJECT		Mortean Associates	0%	0	0	9,307	9,307	15,000	NA
59	ZIMBABWE	Assistance w/ preparation of PP-No Report.	PROJECT		SRI & RY	100%	55,625	0	0	55,625	90,000	NA
60	EGYPT	Assessment of legislation on investment incentives- NO report.	STUDY		Esery (TSB)	0%	0	0	2,333	2,333	6,621	NA
61	SWAZILAND	"Evaluation of the Business Management Extension Program in Swaziland" Review BNEP & assesses its progress to date.	STUDY	OS	John Elise (RY Consultant) Jennefer Sebata ( " )	50%	10,000	0	4,494	14,494	20,000	G - 1 E - 0
62	THAILAND	Program-No Report	PROJECT		Methieson, Deolalikar (SRI) Buffie (SRI)	100%	8,775	0	0	8,775	80,000	NA
63	GUINEA-BISSAU	No Report-Institution building for DESCO.	PROJECT	OS	L. Brine	100%	2,976	0	0	2,976	35,139	NA
64	GUATEMALA	"A National Export Plan" Strategy of plan is to reduce anti-export bias inherited from import substitution policies & to achieve equal treatment for export activities. Makes LT recommendations in realm of macroeconomics, export promotion, telecommunications and transportation.	STRATEGY	OS	Wesley Boles (SRI) Frank Nieder (SRI) Kathleen Vickland (SRI)	100%	10,025	0	0	10,025	65,510	G - 1 E - 1
65	PRE/ITIP	NO REPORT-Institution building.	PROJECT	US	RY CONSULTANTS: Robinson, Parris, Martin, Dudley, Hest, R. Orr	0%	0	0	64,657	64,657	130,000	NA

\* - indicates NO REPORT

ACTIVITY TYPE KEY:

- 1) PROJECT- design, implementation, or evaluation.
- 2) STRATEGY- For mission or Bureau.
- 3) STUDY- Research, surveys, or assessments.
- 4) POLICY- Research for reforms & dialogues.

KEY:

- 0 - No mention
- 1 - Little mention
- 2 - Moderately mentioned
- 3 - Heavily mentioned

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**ANNEX 4**  
**LIST OF PERSONS CONTACTED**



## ANNEX 4

## LIST OF PERSONS CONTACTED

Ted Lee	PRE/
Chris Russel	PRE/
Kathy Gordon	PRE
Carol Grigsby	PRE
Frank Denton	PRE
Russ Anderson	PRE
David Hagen	ANE/
Tom Nicastro	ANE/TR/HRD
Gary Vaughn	ANE/PS
Warren Weinstien	A.FR/MDI
Alexander Shapleigh	LAC/PS
James Schill	LAC/PS
Cliff Barton	IMCC
Cressida McKean	PPC/CDIE
Bob Rourke	Ernst and Young
Sydney Lewis	Ernst and Young
Charlene Robinson	Ernst and Young
Flora Painter	Ernst and Young
John Mathieson	Stanford Research Institute
Kishore Rao	The Services Group
Cecilia Sager	The Services Group
James Austin	J. Austin and Associates
Kevin Murphy	J. Austin and Associates
Cameron Smith	Trade and Developmetn Intenational
Jackie Kay	WPI
David Sears	WPI
Larry Cooley	MSI
Elliot Berg	Elliot Berg Associates
Robert Carlson	Robert Carlson Associates
George Ferris	Ferris & Company
Paul Sacks	Multinational Strategies, Inc.
Clark Anderson	Multinational Strategies, Inc.
Leo Surla	Metametrics
Stephen Edelman	RONCO Consulting Corporation