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**FINAL EVALUATION AND
SUSTAINABILITY PLAN FOR THE
SWAZILAND BUSINESS MANAGEMENT
EXTENSION PROGRAM**

FINAL REPORT

U.S. Agency for International Development

Prepared for: US AID/Swaziland

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EXECUTIVE SUMMARY

The Business Management Extension Program (BMEP) is entering a critical stage in its existence. In less than two years, BMEP will lose the grant from its primary, and for some time only, donor source, the U.S. Agency for International Development (USAID), which still supports more than 70 percent of the organization's costs. Aside from this change in funding, shifts in the Swazi economy and other market dynamics will occur that will have an impact on micro and small enterprises and on BMEP.

These factors have prompted the need for this report and the process that will flow from it. In this report, the evaluation team examines BMEP's strengths, weaknesses, and performance in three vital areas: organizational capacity and structure, market viability, and financial position. The question underlying the examination of these three areas is: If and how BMEP can sustain itself over the long term?

KEY THEMES

Five themes in management choice have been identified and are found throughout this report. During the transition period from almost-full funding to no funding by USAID, managers and board members of BMEP will need to deal with the following types of issues.

- Time spent on the cultivation of external contacts and relationships in contrast to time spent on internal management;
- Cultivation of a broad assortment of potential supporters to avoid overlooking a prospective source of income, in contrast to concentration on those with the greatest likelihood for success;
- Diversification of the program to attract a variety of funding sources as opposed to concentration of the program in areas of core emphasis;
- Concentration on a more upscale beneficiary market capable of paying for training and extension support as opposed to a primary focus on the neediest populations who may be the least able to compensate for services; and
- A shift in the culture of the organization to reflect a more businesslike ethos versus continuing responsiveness to the concerns of equity and social responsibility.

They are difficult issues because they involve a determination of the appropriate balance point between alternative possibilities.

KEY FINDINGS

BMEP is a sound organization. Its significant attributes include:

- **A well-recognized and respected director;**
- **A good reputation among clients, government, and other service providers for offering a quality training and consulting service that is needed in the community;**
- **Service to a niche generally not addressed by other institutions;**
- **Appropriate course content for its market;**
- **An interested and intellectually engaged board of directors;**
- **Staff who know their own strengths and weaknesses, can pick up and adapt new ideas, and are willing to learn; and**
- **A client base that values and is willing to pay meaningful fees for BMEP's services.**

BMEP, which does small enterprise training and consulting and has a small credit project, is operating in a market area in which there is considerable opportunity to develop a strong and diversified funding base from multiple sources. Meanwhile, it is important to remember that unless and until there is a stronger and broader consensus around fundamental guiding principles, the program will find it immensely difficult to define and pursue a clear and focused course.

BMEP offers two major products — training and extension — and in both areas the program has largely met the requirements of the 1992 revised Cooperative Agreement with USAID. Between October 1, 1992, and August 26, 1994, BMEP conducted 7 full-time training programs with 104 people attending — 65 males (63 percent) and 39 females (37 percent). Of those participants, 42 percent (44 individuals) were or are active extension clients of BMEP.

At present the three extension officers each have the USAID-required 20 active extension clients. Turnover is difficult to determine under the present recording or reporting system. A reasonable estimate is that, over the two-year period, 100 clients were reached.

Neither the quality nor size of the credit portfolio has satisfied the standards set, although there has been improvement in collections since the hiring of a credit officer. It seems unlikely that the credit program will ever have the performance or impact necessary to justify retaining it.

Training is a major product of BMEP, and BMEP should strive to be at full production. However, BMEP training staff are grossly underused. If use of the training department is not substantially increased, no level of service charges will push BMEP anywhere near self-sustainability.

BMEP business development officers (BDOs), or extension officers, also went through a staff utilization exercise similar to the one done with the training staff. Assuming there will be four BDOs, there will be approximately 880 person-days per year to provide business advisory and consulting services. The new plan reflects the intention to move this unit from 364 billed days of work in 1995 to 482 in 1997. There is room for further productivity, but this represents a good start.

By 1997, the first full year after the transition period, the financial model reveals that BMEP could support a little more than 50 percent of its recurring expenses out of internally generated income. Because recurring expenses are scheduled to rise approximately at the rate of inflation and staff utilization and productivity are expected to be markedly improved by 1997, BMEP will require an estimated long-term subsidy of not less than 40 to 45 percent of its total expenses over the long term.

KEY RECOMMENDATIONS

1. BMEP will have to incorporate new skills and increased capacity if it is to make a successful transition to a sustainable organization. The team strongly suggests that the board be expanded by two people and that those new slots be filled with people who will augment the board's diversity and can help in managing the organization financially, while assisting in the fundraising task. Furthermore, BMEP staff and management should expect to realign and increase their duties and levels of responsibility.

Everyone, from the board of directors on through the rest of the organization, will have to contribute more to the organization. The evaluation team tried to recommend evolutionary versus revolutionary changes to take advantage of the organization's strengths and not cause unmanageable stress during the transition. Significant tasks over the next 18 to 24 months for the board to undertake are a comprehensive strategic and marketing plan and a process of board strengthening and development. Strengthening of the board will be facilitated in part through the planning process itself, but also through explicit training in the role of boards and other pertinent topics. Training exercises will set the direction and specific path for the organization. In addition, the process of board strengthening is expected to lead to tangible action steps and outcomes, and will allow all those involved in BMEP to gain a sincere sense of ownership in the organization.

2. BMEP should phase out its loan program. The team does not foresee any detriment in client interest for BMEP training and advisory services if the organization phases out its loan program. There are too few clients in the market who have received BMEP loans, and the public perception of BMEP is as a training institution. No surveys taken by this team or by previous consultants revealed any correlation between clients wanting BMEP training and advisory services and thinking they could also receive loans.
3. Training materials should be organized by topic modules. A module folder should include all relevant material to prepare for and deliver a training session. Organizing session designs in this manner should reduce future planning and prep time. A trainer should be able to pick the module from the shelf, review the plan and adapt for personal style, copy materials, and facilitate the session without much effort. The ability to develop and deliver these modules will be critical to BMEP in two respects. First, it represents a key element of the model that BMEP must use to potential donors and clients. Second, the ease and flexibility of using modules will lead to much better ability to raise productivity.
4. Another way for BMEP to operate more profitably and expand its impact is to offer contract training, in which BMEP presents training presentations for other organizations on a contractual basis. BMEP has become successful in this area and effort should be concentrated to nurture this type of work. Contract training frequently requires delivery to an established group of people. Recent examples are the retirement training of the Central Bank employees jointly funded by STRIDE and the Central Bank and the rural training for Women's Income-Generating Groups funded by the United Nations Development Programme. Often the clients request products similar to those already in use at BMEP, and it is recommended that BMEP remain within its product line when pursuing new clients. It is also recommended that BMEP devote the time-consuming business of identifying multiple rural groups, but that it continue to work with agencies that are currently working with established groups.
5. The organization needs to develop a monitoring system. Now that the external requirements will be removed, the organization should focus on quality of service and impact of service, and not solely on number of clients contacted. It should be comprehensive in the methods, approach, frequency, and reporting requirements. Plans to tie it to the staff evaluation system should also be included.
6. Finally, it is vital for BMEP to cultivate and develop a broader array of contacts and liaisons with potential donors, as well as with referral and support organizations, particularly in Swaziland and the Southern African region. In conjunction with this recommendation, the evaluation team strongly suggests that USAID Swaziland work with its staff and with BMEP to find a way to extend the period over which USAID provides the remaining grant funds available to BMEP. It is estimated that, because of a favorable exchange rate, there will be approximately E480,000 remaining in the grant for BMEP at the November 1994 end of the current contract.

By building a stronger institution and actively seeking to meet the needs of its client market with better designed and delivered training and consulting services, BMEP will set the foundation for achieving financial sustainability. With the three pillars of sustainability in place — organizational sustainability, market sustainability and financial sustainability — BMEP will be a truly viable and sustainable institution.

SECTION TWO

ORGANIZATIONAL SUSTAINABILITY

This section addresses the organizational capacity of BMEP to strengthen its funding base and discusses a range of measures that BMEP could consider to diversify and deepen financial support. It places a heavy emphasis on the organizational and managerial antecedents that must be put in place before BMEP can become a financially viable enterprise. It also deals with important issues that BMEP will have to address if it is to design and implement a credible fundraising and development program.

BMEP has been successful in designing and implementing training programs and extension services for small businesses and emerging and potential entrepreneurs in Swaziland. The growth and maturation of the organization has been supported almost entirely by a single USAID grant, and BMEP has not, until now, been required to diversify its funding base or engage in the process of cultivating alternative sources of support.

The program is now entering an important transitional period marked by the approaching termination of USAID support. During the next 18 to 24 months, the organization will have to design and begin to implement a program of financial and institutional independence. Not only will BMEP have to locate, cultivate, and gain access to alternative funding sources, but it also will need to address a variety of organizational and governance issues central to the task of building effective independence and autonomy.

Some issues are straightforward, such as the compilation of a prospective donors list. Others are more intangible, such as the rearticulation of a clear and broadly felt sense of organizational mission that derives from BMEP's own sense of identity and purpose. Although USAID oversight has been reasonably light-handed, the existence of a predominant donor with the full panoply of regulations, reporting requirements, and evaluation procedures has provided a guiding framework that BMEP will have to replace with its own systems, procedures, and unique organizational style once the USAID grant terminates.

The transition period offers an important opportunity and a significant challenge. During this period, BMEP must restructure and reposition itself as a sustainable and growing organization if it is to play a continuing role in Swaziland's development. It is critically important that BMEP approach the transition period in a structured and systematic fashion and that the organization think through the sequence of interlocking activities that will need to be accomplished during this period.

During the transition period, BMEP will need to deal with the following types of issues which are difficult because they involve a determination of the appropriate balance point along a continuum of alternative possibilities:

- **Balance time spent on the cultivation of external contacts and relationships with time spent on internal management;**
- **Cultivate a broad assortment of potential supporters so as not to neglect a prospective source of income, in contrast to concentrating on those with the greatest likelihood for success;**
- **Diversify the program to attract a variety of funding sources as opposed to concentrating the program in areas of core emphasis;**
- **Focus on the neediest populations, who may be the least able to compensate for services, or concentrate on a more upscale beneficiary market capable of paying for training and extension support; and**
- **Shift the culture of the organization to reflect a more businesslike ethos while remaining responsive to the concerns of equity and social responsibility.**

A. GENERIC ORGANIZATIONAL CHARACTERISTICS

Nongovernmental and voluntary organizations (NGOs and PVOs) that are institutionally stable and have developed a strong financial base of support frequently show some or all of the following attributes:

- **A popular and sharply focused program area.** Although perhaps obvious, organizations that function in an active and popular program area will find it easier to attract financial support, strong board members, and motivated and technically qualified staff. It is equally important for NGOs to carefully and sharply define their area of comparative advantage to develop a distinct identity — and to ensure donors of established technical and managerial competence.
- **An effective planning process.** Successful, growing organizations need to spend an increasing amount of time on developing both tactical and strategic plans of action. This includes in particular the development of a long-range strategic plan. A strategic plan that is taken seriously, reviewed annually, and revised as conditions dictate is an extremely important institutional mechanism for providing thematic coherence to the diverse activities of the organization. It is especially important for organizations that are about to embark on a fundraising effort because it imposes a framework of principles to ensure that the external message the organization sends is consistent with what it does. Market planning is also important both to clearly identify market opportunities for the program and to chart a careful fundraising effort that is targeted and cost-effective. An annual marketing plan should articulate a strategy, identify categories of support, and assign responsibility for

implementation. The preparation of a marketing plan is important because it gives strategic meaning to numerous fundraising activities and provides a basis for later evaluation of the effort.

- **A compatible organizational structure.** Organizational structure and staff capacity should reflect the importance of fundraising and thoughtfully balance the demands of fundraising with the important ongoing tasks of running the organization. It is important that fundraising not be treated as another task simply added to an already full list of management tasks. Fundraising can be technically complex, labor-intensive, and pull senior management away from core management responsibilities. The fundraising function can generate significant internal staff tensions. For these reasons, the design and initiation of a fundraising effort need to be done carefully and should be based on a comprehensive review of responsibilities, functions, and relationships.
- **Board involvement.** Structured and supportive participation by the board of directors in the development process can provide the outreach, access, and public credibility critical to building a strong base of donor support. Board members can make key introductions and can sometimes be directly involved in fundraising appeals. More generally, the board can provide enthusiasm, psychological support, and much-needed praise for a task that can be difficult and frustrating. Alternatively, the absence of board interest, support, and understanding of the development effort can have a devastating impact on its success. An understanding of this role and of the responsibilities and functions of board members and staff is not easy to develop and frequently requires a deliberate institutional effort.
- **A broadly shared set of organizational values.** It is important that the board and staff of an organization share approximately the same set of values with respect to why the organization exists and how it should operate. This is particularly important with social service organizations because the staff of these groups are frequently motivated by a devotion to perceived principles. Acquiescence to a set of common values facilitates decision making, reduces internal conflict, and gives definition and focus to everything the organization does. Understanding these values — particularly when they are implicit and unstated — is extremely important to effective management.

B. ASSESSMENT OF BMEP'S ORGANIZATIONAL CAPACITY TO DIVERSIFY ITS FUNDING BASE

An important and central component of BMEP's transition to organizational autonomy will be the development of strategic and marketing plans that will chart a course to financial sustainability. These plans will need to be based on a candid assessment of BMEP's strengths and weaknesses so that the organization can capitalize on its considerable assets and so that

corrective actions can be taken when needed. This process of self assessment should be done internally so that the BMEP board and staff have full ownership of the conclusions and broad agreement with regard to emerging implications. The following assessment is based on the generic principles and lessons identified briefly above.

1. The Donor Market for BMEP Services

BMEP operates in an important and currently popular area. Training for small and emerging business is a priority for the Government of Swaziland and, in general, for the bilateral and multilateral donor community. The activity is of potential interest to local companies and particularly to local lending organizations interested in stimulating the development of a capable, informed, and thriving private business sector.

Several expatriate PVOs have active programs in small enterprise development and have developed considerable technical expertise while concentrating exclusively in that area. In addition, numerous South African NGOs, several of which receive USAID support, working in small enterprise development and could potentially provide support and guidance to a sister organization in Swaziland.

BMEP's activities are of possible interest to private American foundations and to the multilateral donors. The World Bank has indicated interest in supporting BMEP and the United Nations Development Programme (UNDP) provides assistance through a small grant program.

Finally, BMEP is in a position to begin to cultivate and appeal to those individuals who have benefitted from its services and are increasingly in a position to make direct charitable contributions. In summary, BMEP is operating in a market area where considerable opportunity exists to develop a strong and diversified funding base from multiple sources.

2. The BMEP Product

BMEP has designed and implemented an effective training and small business extension program. Although this report contains several recommendations for improving the content and delivery of BMEP's operations, it does not raise fundamental issues with respect to the overall value of the program. Nonetheless, from a fundraising and financial sustainability perspective, there are several concerns that BMEP board and staff need to consider:

- **Program focus.** To its credit, BMEP is energetically reviewing a list of initiatives and new directions that would strengthen its funding base and expand its impact. These include contract training to private companies, training support for retrenched government employees, and tailored courses to meet a special market demand.
- **Defined market.** At the same time, BMEP has had difficulty in sharply defining its area of comparative advantage and in reaching consensus with respect to the

primary beneficiary population that it should serve.¹ Finding the right balance between new initiatives and preservation of a core focus is a dilemma that most voluntary organizations have to deal with. It is problematic in BMEP's case because the organization is preparing for a transition to independence and financial autonomy. Diversification across too broad a spectrum will alienate donors and make it difficult for BMEP to articulate a persuasive and coherent argument on the pivotal and unique role it can play in Swaziland's development.

- ● **Project and activity content.** BMEP's training activities are well respected and have yielded generally positive results; however, the evaluation team reached the conclusion that BMEP could strengthen its impact by developing and systematically testing training models that derive from Swaziland's unique circumstances and that are potentially applicable in other situations. This approach would not require significant program changes, although it does imply that BMEP fashion its programs in more rigid and structured fashion than is currently the case and that it articulate its approach using the terminology of a model. A more deliberate emphasis on a model approach would strengthen the theoretical content of what BMEP does, underscore its special qualities and provide benchmarks for evaluation. It would increase BMEP's relevance and attractiveness to new donors by emphasizing BMEP's unique approach and by providing a better-defined experiential laboratory.

3.3. Organization Structure and Staff Capacity

BMEP's current structure was not designed to accommodate a significant development effort and the director and staff of BMEP have no training in fundraising from the private sector and limited experience in dealing with both bilateral and multilateral donors. External relations are currently handled by the director, who prepares the occasional funding proposal when required. As BMEP develops a marketing strategy and begins the process of searching for and cultivating new sources of financial support, it will need to make several changes to ensure that it has the capacity to mount fundraising efforts while at the same time managing the affairs of the organization. Possibilities include:

- ● **An internal organization to allocate some of the director's responsibilities so that she could concentrate increasing time on development;**
- ● **Training for key staff in basic fundraising strategies and techniques; and**

¹ This is evident from discussions with staff and board members. It is illustrated in the current Strategic Plan, which was prepared by outside consultants. The document presents a long list of program initiatives designed to generate revenue and support BMEP's program. Although individually attractive, these proposals are not developed in the context of an overall set of strategic principles and do not address the organizational and managerial implications of having such a diverse structure of activities.

- The addition of staff to handle some aspect of fundraising such as the significant amount of routine correspondence, filing, monitoring, and related clerical work required as an organization begins to develop an external constituency.

These changes are important, not only to strengthen the ability to raise funds, but also because they will have an impact on the ongoing operation of the organization. They will need to be instituted carefully as part of an overall marketing plan and with the full understanding and support of the Board of Directors. It is essential to understand that the development of a fundraising capacity involves a major change in the way in which an organization goes about its business.

4. An Effective Board

In the judgement of the team, BMEP has a strong and highly capable Board of Directors. Although the team has suggestions with respect to new skill categories, it is impressed with the individual qualifications of the current board and with their potential capacity to provide the strategic leadership required during this transition period.² However, the evaluation team is aware of the strong differences that exist with respect to BMEP's program directions and priorities and, in particular, the beneficiary profile on which BMEP should be concentrating.

The clearest division in developmental philosophy seems to be over whether BMEP should try to serve the vast and growing number of very poor, younger, and less educated persons, or try to spur development of viable small and eventually medium-scale enterprises by assisting fewer but more promising entrepreneurs. Both arguments have their merits and faults and have gone on for decades in the development field.

To some degree, these differences reflect and are derived from differing understandings of what BMEP does and the client base that it actually serves. To this extent, differences can be ameliorated through the periodic preparation of factual descriptive information that profiles the BMEP program. However, to an important degree, the differences among board members with regard to BMEP's future appear to derive from strongly held values and deep convictions with respect to development and the social and economic order. These convictions are valid and important. At the same time, the team believes that *unless and until there is a stronger and broader consensus around fundamental guiding principles, BMEP will find it immensely difficult to define and pursue a clear and focused programmatic course.*

To illustrate, the following important decisions will be viewed quite differently unless there is an improved coalescence around guiding principles:

² Although the board should itself conduct a self-assessment, the evaluation team suggests that consideration be given to adding one or two members from the private business sector. Consideration should also be given to including a small business person who has been trained and assisted by BMEP.

- The definition of the target group with respect to age and income status;
- The relative emphasis on training large numbers versus training for individuals who demonstrate entrepreneurial inclinations and talent;
- The balance between tailored contract training of individuals from government or private sector firms versus training for individuals who voluntarily apply on their own initiative;
- The extent to which BMEP adopts businesslike language and approaches in the administration of its program and in its dealings with its clients, and the extent to which BMEP attempts to cover costs through charging services; and
- The BMEP salary structure and benefit package.

The differences in fundamental approach are exacerbated by several factors, which need to be addressed if the BMEP board is to play a supportive and contributing role. These include:

- Differential understanding of the BMEP program, its history, how it operates, and the financial realities that it faces. This is neither unusual or alarming but it does underscore the importance of a deliberate program of board education;
- Inadequate understanding of the role of a board of directors and of the important difference between policy guidance and operational involvement. This is a deficiency by no means limited to the BMEP board and BMEP staff, and it is one of the most difficult areas to deal with in strengthening board performance. In BMEP's case, the balance point is particularly difficult to determine because of the close physical and parental relationship with Manzini Industrial Training Centre (MITC); and
- Insufficient attention to the structuring and operation of the board. The operations of board of directors need to be structured to reflect the purposes and goals of the organization and the challenges being faced. Deliberate and extensive attention needs to be given to such matters as board rotation, self-evaluation, the identification of needed skill categories, the financial oversight function, the involvement of the board in budgeting and long-range planning, and the establishment and role of standing and ad hoc committees (e.g., nominations, finance, development and program planning, to name the most common).

5. Summary

BMEP operates in an active market area with considerable donor interest in the type of activities that BMEP supports. The prospects for funding are good provided BMEP can deal with programmatic and organizational challenges. BMEP is delivering a needed and credible product, but much can be done to enhance its utility in the eyes of prospective donors. It is particularly

important that BMEP sharpen and better define its institutional focus and that it package its training services to stress their conceptual integrity and potential replicability.

To strengthen its capacity to deepen and diversify its funding base, BMEP will need to restructure internal operations and responsibilities, as well as train, and perhaps augment, staff to allocate adequate time for development. This needs to be done gradually and systematically and as part of an overall strategic plan. A critical issue involves the role of the director and the gradual reallocation of her time to focus on external relations.

Board strengthening and development will be a critical component of BMEP's transition to effective independence. This is perhaps the most difficult challenge that BMEP will face because it involves the capacity to deal with potential conflict. To be successful, board development will need to address the fundamental differences in values and approaches currently represented on the board. It also will be important to strengthen the board and staff's general understanding of the board's role and of the difference between policy and operations, as well as to develop a more effective set of board procedures and operations.

C. IMPLICATIONS FOR BMEP

This brief assessment suggests several important implications that BMEP should consider:

1. BMEP should adopt a long-term strategic approach to the transition period and to the series of individual actions that will together constitute a program of institutional strengthening.
2. BMEP should approach the transition period as a block of time during which it will need to make a variety of institutional adjustments critical to its sustainability as an organization.
3. For the transition period itself, BMEP should adopt a phased and sequential approach that relates the various actions that need to be taken in a systematic and integrated manner. To illustrate, a sequencing scheme is attached as Annex A.
4. Central to all of BMEP's efforts to strengthen its institutional capacity will be its ability to address and clarify those fundamental issues of guiding philosophy and principle that are currently clouding its capacity to sharply articulate its mission.
5. BMEP should place heavy reliance on the planning process to sort through and deal with the multiple and related challenges it will confront during the transition period and beyond. Planning as a management mechanism can help in scheduling, prioritizing, and identifying linkages and relationships that might otherwise be ignored. The process of planning is an effective way of sharpening and communicating values and institutional goals and will be particularly useful with regard to strengthening consensus on the Board.

Planning exercises need not be burdensome and perpetually open-ended if carefully designed and implemented.

BMEP needs to work through three different but closely connected planning exercises:

- **The transition period**, covering the period from the present through final disbursement of the USAID grant, at which point BMEP should have cultivated a stream of replacement income equal to or in excess of the USAID contribution. This plan should deal with revenue flows during the transition period, the design and replacement of systems and procedures, and actions to be taken to strengthen the governance system.
- **A long-term strategic plan** designed to articulate goals and institutional purposes and to provide a thematic road map to staff and board members with respect to the guiding principles of the organization. The strategic plan should contain a description of the market in which BMEP operates, a candid assessment of BMEP's strengths and weaknesses, a vision statement of where BMEP wants to be in five years, and a list of practical steps that the organization plans to take to get there. The plan should be prepared by board and staff and not by an outside consultant, although BMEP may wish to seek external advice on the design of the planning process and assistance in the form of periodic monitoring during the process itself.
- **An effective marketing plan** for BMEP including public relations, fundraising, and the necessary restructuring of BMEP so that it can be in a better position to deepen and diversify its income base. The marketing plan should prioritize among alternative income sources; establish revenue targets by donor source; indicate steps needed to more attractively package the BMEP story; assign responsibility for cultivation, contact, and follow-up; clearly delineate the general and specific responsibilities of board members; describe the research, monitoring, and administrative system; and codify BMEP practice with respect to such things as letters of appreciation, the inclusion of overhead costs, and the collection of donor profile information.

These three planning exercises are closely related. They could be prepared as part of a comprehensive document or, preferably, as separate efforts. The transition plan is a one-time exercise, the marketing plan should be updated annually, and the strategic plan should probably be reviewed annually and seriously revised and updated every three years.

6. **BMEP needs to engage in a systematic process of board strengthening and development.** This process should begin within the next six months with efforts scheduled over a year or for the duration of at least four board meetings. The process should terminate with a two-day board retreat that, if feasible, should focus on the content of the strategic plan. Because of the nature of some of these issues and the value of an outside perspective,

BMEP should employ the services of a facilitator to guide these discussions. Topics for discussion should include the role and functions of boards; relations between board and staff, particularly with respect to the distinction between operations and policy; the mechanics of board operations; the role of committees; and, the process of board turnover and renewal. Prior to these sessions it would be helpful if the director and at least two members of the board could participate in a short-term course on board operations.

7. BMEP needs to take several steps to strengthen its marketing effort. These should be addressed in detail in the marketing plan and placed in strategic context. A few of the more important aspects are discussed briefly below:

- **Case statement.** BMEP needs to fashion a persuasive and carefully worded case statement it can use in approaching donors. The statement should capture the essence of what BMEP does and why it does it. The case statement will provide an integrating preamble to proposals that BMEP will be developing. This document is based on, and derives from, the mission statement but is designed to relate BMEP's program to the interests of potential donors.
- **Program models.** As discussed, BMEP should consider reformatting its program content and delivery to stress the application of testable models.
- **Staff training.** BMEP should consider short-term training courses in fundraising for the Director and perhaps one or two senior staff.
- **A FVO or NGO partnership.** BMEP should consider the possibility of establishing a partnership relation with an organization working in similar areas. Although the evaluation team appreciates the fact that the previous relationship with CARE was not happy or particularly fruitful, it believes that there is significant value in partnership relationships when there is a working atmosphere of equality and mutual respect.

BMEP has much to offer in hands-on experience and considerable expertise in designing and managing training and extension programs; it also has much to learn in fundraising, board development, and donor relations. A partnership relationship can run the gamut from information exchange to direct financial support. The nature of the relationship will evolve over time. USAID can be helpful in nurturing partnerships by providing information with regard to NGOs operating in South Africa and by encouraging exchange efforts between these organizations and BMEP. Annex B lists a few potential South African partners, along with other potential new sources of funds or information.

D. ORGANIZATIONAL ISSUES FOR BMEP TO ADDRESS

1. Internal Restructuring

The function of cultivating external relations is demanding and time-consuming. This responsibility can rarely be delegated, particularly in the early stages of the development effort. One option is to hire a senior individual to handle fundraising, from formulating strategy to developing proposals to cultivating and making donor contacts. Although this approach merits consideration, significant drawbacks exist that need to be addressed.

The negative implications of hiring a senior individual include the high cost of hiring such a person, the difficulty of delegating an important responsibility of this nature, the priority that donors place on dealing with the director of an organization, and the importance for the director to be personally involved to develop a feel for the market and the fundraising process. In addition, particularly in the early stages of a development effort, it is important to avoid the impression that program priorities are being subordinated to fundraising objectives.

Assuming BMEP does not employ a senior fund raiser, there are several alternative ways to restructure internal operations to free sufficient time for external relations. These ways are not mutually exclusive and can be used in some combination. They are:

- Increased delegation of executive responsibilities to second-tier line officers;
- Assignment of more program development and marketing functions to line staff;
- Creation of a deputy director position to perform some of the internal managerial responsibilities previously handled by the director;
- Establishment of a fundraising committee of the board to handle the operational aspects of fundraising;
- Addition of two new board members from the private business and financial community of Swaziland;
- Employment of an interim fundraising consultant; or
- Provision of added clerical assistance to the director to handle the large and time-consuming administrative tasks associated with fundraising and external relations.

Important pros and cons to each of these alternatives need to be evaluated by management and the board with respect to cost, program impact, internal communications, and such intangibles as management style and personal preference.

2. 2. Transition Planning

A central theme of this report is that the achievement of financial sustainability involves a larger and more complex set of institutional considerations than the single design and implementation of a marketing plan. The long-term capacity of BMEP to deepen and diversify its funding base will come from its capacity to sharpen institutional focus, restructure its internal operation, strengthen its governance system, and cultivate strong partnership relations with prospective donors. BMEP will need to re-adopt or redesign those systems, procedures, and operating practices that were installed in connection with, and as a consequence of, the USAID grant. These alterations will involve a significant recasting of BMEP's entire structure. Because of the magnitude of these changes, the evaluation team believes that BMEP should develop a transition plan that would:

- Identify the financial, organizational, and procedural actions to be addressed during the transition period;
- Establish a process for dealing with these issues and identify responsibility for taking action;
- Establish a time frame and a set of objectives for implementing the changes that need to be taken to strengthen BMEP's institutional capacity; and
- Include an interim financial plan for the transition period that would gradually phase down USAID support in tandem with growing support from other sources.

The transition plan should be done in close collaboration with the board and should describe a phased process of board strengthening and development. Because of the critical importance of phased USAID funding, the plan should be coordinated with the USAID Mission.

SECTION THREE

**MARKET SUSTAINABILITY:
PRODUCTION AND SERVICES**

In the past BMEBME had a wide range of products to produce and sell over the long run, will have to concentrate on a few products to produce and sell over the long run. It is likely that BMEBME will be able to find a few products to produce and sell over the long run. It has achieved more than it has in the past, but it is now in a difficult position. BMEBME will need to carefully introduce and develop a few products to produce and sell over the long run for services at the same time. BMEBME has a three to six month period of time to develop its desired service products. It is important to note that BMEBME must be able to bear the full cost of BMEBME's operations.

BMEBME has already made a significant contribution to the market where a fully professional competitive and private sector is emerging. It is important to note that BMEBME is not to potential health care, sustainability and BMEBME must be more active in planning and marketing more specific products and services and more business like in all its endeavors in order to survive as an organization and to develop its own business. BMEBME must therefore be more active in planning and marketing more specific products and services and more business like in all its endeavors in order to survive as an organization and to develop its own business.

The previous section discussed the organizational aspects of BMEBME's sustainability, staff and board composition and the organizational and planning and other measures that are needed for the organization to be successful. It is important to note that BMEBME must be more active in planning and marketing more specific products and services and more business like in all its endeavors in order to survive as an organization and to develop its own business. BMEBME must therefore be more active in planning and marketing more specific products and services and more business like in all its endeavors in order to survive as an organization and to develop its own business.

A review of the performance of BMEBME against the benchmarks set forth in the 1992 revised USAID Cooperative Agreement for the organization. The report then provides suggestions that reflect BMEBME's need for a more sustainable and at the same time, to be the best characteristics of the existing offerings.

A. COMPARISON OF PROJECT GOALS AND RESULTS

Detail of the data is available in the report on the progress of BMEBME's activities over the last two years with the USAID Cooperative Agreement for the organization. The report then provides suggestions that reflect BMEBME's need for a more sustainable and at the same time, to be the best characteristics of the existing offerings.

- Develop client skills and skills through full time training program BMEBME will offer 400 participants in a training program for 100 participants.

Between October 11, 1992 and August 26, 1994, BMEP conducted 7 full-time training programs in SP6 with 100 people attending: 65 males (63 percent) and 39 females (37 percent). Of those, those participants approximately 42 percent (44 individuals) were or are active extension clients of BMEP. Sixty-one percent are still directly involved in a business enterprise as a manager, owner or worker. 17 percent were or are employees of the business, and 2 percent are using the information for education. There is no information on the remaining 20 percent. A list of the FTP list is attached for October 1994.

The courses provide 60 hours of training and are offered four times per year as required by USAID. Topics are presented in three 3.5-hour blocks in the following areas: entrepreneurship skills in business, going to market, business planning, basic records, stock control, costing and pricing, marketing, credit control, cash flow projections, sources of funds and licensing. The courses are given in the beginner level are three weeks in length, Mondays to Fridays from 8 am to 1:00 pm. The average class size is fifteen.

The students are a mix of potential and existing entrepreneurs in micro and small scale enterprises (MSME). The program is advertised as an intensive management course for existing and start-up businesses. The main goal is "to be able to produce a business plan that will meet their needs and assist them to monitor the business over time." The majority of the participants are functionally literate, having attained secondary education. All have some knowledge of English. Most have no training in any business subject. Approximately 37 percent of the participants were from start-up and pre-business situations, whereas 63 percent of the participants were from existing businesses.

Courses are advertised in the newspaper and over the radio. Word of mouth and recruitment by extension officers is also the most effective means of advertisement. Responsibility for the training is shared among BMEP staff, with primary responsibility with the extension training staff.

The present FTP Robinson is E450. The August 1994 course represented the second time this fee was charged. Although the fees were officially increased to E450 from E380 for the March 1994 course, the May 1994 course was billed to participants at E225 with STRIDE contributing the remaining E225 per participant to BMEP.

Interviews were held with fifteen participating participants. Each stated that the sessions found the training extremely useful and benefited most from the sessions on record keeping and cash flow management. All were grateful to have been able to attend the training and felt that the skills learnt were of practical use and applicable to their businesses.

- The BMEP training program will provide business extension consultants and service outlets to 100 clients.

At present, the three extension officers each have the USAID required 20 active extension clients and various methods to collect and do the present recording or reporting system. It

It is reasonable to estimate that, over the two-year period, 100 clients were reached. Clients are visited twice a month. Often clients will come to the BMEP office in between visits if they require assistance.

On average, 50 percent of the clients are female. Approximately 11 percent have no formal education, 20 percent have a primary education, 10 percent have attended junior college, and 30 percent have some O-level course work. Twenty-five percent of the clients are 21-30 years old; 39 percent are 31-40 years of age. Most clients are owner-managers of businesses with typically fewer than 5 employees. The maximum reported daily sales are E1,700-E2,000 per day. Clients from the production, service, and retail sectors are represented.

The Project Implementation Report for the April 1, 1993 to September 30, 1993 period indicated the following: "Fifty-four (54) businesses were assessed for growth in preparation for the June quarterly client portfolio review. Over 70 percent were determined to have experienced growth in terms of . . . income (sic), profit/loss (sic), number of employees, total assets, turnover, owner equity. . . . It was also determined that the expanded businesses had hired an additional total of 135 people (2.5 people per enterprise)."

These figures, although not scientifically derived, are impressive and significant. They provide evidence that BMEP plays a positive role in the development of Swazi small enterprises and contributes to the national employment-generation goal.

- BMEP will hold 3 part-time training programs per annum. Average attendance of 15 each for a total participation of 90 clients.

Part-time training (PTT) did not meet the USAID goals for this period. Only 3 PTT events were held between October 1992 and the present. Thirty-two people participated in these events. One training session was held on March 31, 1993 for 5 trainees on business loan and needs assessment; another was held on March 31, 1994 for 6 trainees on record keeping and cash flow. There were no PTTs held from April 1993 to May 1994.

On June 18, 1994, a well-attended (21 participants) four-hour Saturday course, titled Practical Marketing, was held at a local hotel. Participants were charged E50 for the workshop and ISIRD contributed E50 per person to BMEP. BMEP has been trying to redefine this training program, and feedback from the course participants has been positive. But recently BMEP has allocated resources to contract training instead.

- Provide small loans for working capital and equipment acquisition and lower bad debt ratio to 10 percent or below.

³ This information was provided by present BMEP officers, although previous project implementation reports (PIR/PIRs) indicate that 4 training events were held with 88 people participating.

BMEP was required to maintain a portfolio of 75 active credit clients; establish a definite loan assessment, monitoring, and write-off policy and procedure; recomprise the loan committee; and write off bad loans promptly. Bad debts were to be kept at 10 percent or below. BMEP has established written procedures and did hire a credit manager, whose main duty, since joining the organization in January of 1993, has been to collect arrears and bad debts. Otherwise, the terms of the Cooperative Agreement have not been met.

The PIR for the October 1, 1993 to March 31, 1994 period indicated that 11 loans had been disbursed. However, 21 of 36 outstanding loans were either written off or referred to the lawyers during the same period. In addition, 1 of the 11 newly disbursed loans has fallen into arrears. Data indicate that BMEP has 26 active loans, not 75. Also, prior to the recent write-offs and legal actions, the bad debt ratio was more than 58 percent.

Two predominate rationales have been put forth as reasons why BMEP should have a loan program. One, there is a need in the market. Two, BMEP could use credit as a training tool for its own clients. Both factors are true, but neither is a good reason for BMEP itself to offer credit, and there are several reasons why the evaluation team is recommending that BMEP's credit component be phased out.

BMEP's credit program was introduced as an adjunct to an extension and training project. It has never received the attention it should have had to be properly designed, implemented, and promoted. The credit program did not and does not receive the proper amount or type of management attention or staff commitment it would need to be successful. Furthermore, BMEP is properly structured and staffed for training, not credit.

As it stands now, the credit program is financially unviable, as shown in Annex D. Even under a best-case scenario (in which the entire E215,000 available from Barclays Bank is disbursed and bad debts are at 10 percent — two achievements never even remotely approached by the program), the product would lose approximately E6,800 per year. This loss is before factoring in the cost of office overhead, management, and the loan committee.

The credit assessment and disbursement process, although well documented, is cumbersome, expensive, and slow. This is procedurally confusing to BMEP staff and clients. In addition, the complications of the process and the costs are wholly disproportionate with the size of the loans, the sophistication of the clients, and the number of people served. Even in the product's best year for volume (1991), before any controls had been instituted, BMEP disbursed only 32 loans, most of which were subsequently written off.

The loan product could be improved to reach more people and lower default rates. However, BMEP's reputation is in training, not credit; and the credit program could be improved only at great cost and by diverting resources away from improving BMEP's core comparative edge in training and business advisory services.

The very low number of clients reached and poor portfolio performance do not justify support of the first rationale. BMEP is not meeting a market need and cannot do so without some major restructuring and training. Moreover, BMEP need not risk its own capital and lose money even under the best-hoped-for conditions to train clients in effective use of finance. Banks, credit unions, NGOs, and others in Swaziland better equipped to provide finance to small enterprises can and indeed do make a regular practice of referring current or prospective borrowers to BMEP for development of business plans or training in other aspects of business.

The referral process is ongoing. The last PIR noted that BMEP assisted 9 clients in applying for bank finance in the range of E5,000 to E10,000. At the same time, over the same period, BMEP itself granted almost the same number of loans — 11.

The referral interaction highlights two important points. First, BMEP is known as, and respected as, a training and advisory organization. Second, BMEP can still play a vital role in increasing access to finance for small enterprises by providing services in what they do best, for which they are most appropriately structured, and which can be done on a more financially sustainable basis.

The evaluation team does not see that there would be any decline in client interest to use BMEP for its training and advisory services if the organization were to phase out its loan program. There are too few clients in the market who have received BMEP loans, and the public perception of BMEP is as a training institution. No surveys taken by this team or by previous consultants revealed any correlation between clients wanting BMEP training and advisory services, and their acquiring a loan from BMEP.

Thus, BMEP should discontinue the assessment and disbursement of new loans and phase out the currently active loan portfolio. The credit officer seems to be a good candidate for moving over to a business development officer (extension officer) position to offer business advisory and consulting services. Formal and informal linkages with credit providers should be further encouraged so that BMEP can increase its capabilities to refer clients and, at the same time, be the recipient of increased referrals from credit providers. These moves play to BMEP's strengths and will lead to a more financially viable organization.

BMEP should discontinue the review of any loan applications currently in progress and refer these people to other, more suitable credit-providing organizations. All outstanding loans, none of which have maturities longer than one year, should be scrupulously monitored and closed once they have been fully repaid or deemed irrecoverable. In the meantime, it will be important to compile a list of organizations to which BMEP can refer people for credit. This effort should be complemented with a more detailed negotiation of formal agreements and understandings that BMEP will provide business planning and consulting services to individuals who may want to access finance at other institutions, but who need some additional training or assistance to author a business plan or manage some particular part of their operations.

Financially, BMEP should be able to conclude both the repayment of its line of credit to Barclays Bank and realize whatever income may come from the outstanding portfolio by the end of 1995.

- **Implement a cost-recovery program and find sources of non-USAID contributions.**

BMEP undertook several initiatives to recover costs. The successes and failures are outlined below.

FTP fees were increased. FTP fees were raised to E380 in March 1993 and again in February 1994, by 18 percent, to E450. It should be mentioned that collection of the fees for the FTP is a problem. Two-thirds of the way through the August 1994 course only E2,250 out of E5,850 had been collected. There is no defined system of payment in terms of process or responsibility.

A part-time fee schedule was initiated. Fees were charged for the most recent Saturday workshop. The rate advertised to the public was E50 for the four-hour session. STRIDE matched this rate at E50 per participant, and hence the income generated for BMEP was E100 per participant. Fees for the previous two two-day workshops were E10 per day per person. Eleven clients participated, generating income of E110.

Efforts in contract training were made. BMEP has in the past two years made considerable efforts in contracting its training services to such Swazi entities as rural women's groups, church groups, and the Swazi government. The topics covered include group theory, organization and roles, income-generating activities, basic record-keeping and cash-in/cash-out, and business opportunities. Income from these activities amounted to E58,000 over the past two years. BMEP was also awarded a contract from UNDP for E50,000 to provide training to rural women's groups. It also has been awarded a contract with the Central Bank, partially funded by STRIDE, to provide opportunity awareness training to retrenched workers.

BMEP has been reasonably successful in its efforts to generate income through its training services. No central reports or statistics are kept in the training department through which recipient demographics can be extracted. Organization of the data is vital for future developments in the department. Proposals for long-term training are largely developed by the director. Short-term courses (less than a week) may be structured by the training department together with the program manager.

Fees for consulting services: a mixed story. To date no fees have been charged for extension services or for office visits. As far as could be determined, no fees were ever asked for, nor was the potential for payment ever discussed directly with clients. The concept of payment has, however, been under discussion with BMEP staff for the past two years.

Numerous reasons were given for nonimplementation of this cost-recovery program. The major reason seems to be that the method or process to introduce fees could not be determined, and therefore nothing was done.

Some charges are levied for specific services ("quick fixes") such as tax documents, registration, business plans, and cash flow analysis. It is reported that fees are charged for these services when non-client clients come to the office and specifically ask for them. Records are maintained by the extension officers on these contacts. This service is not specifically advertised or highlighted as a particular service of BMEP. A fee structure is not in place because fees are determined and collected by the extension officer and the finance manager. The range of fees has been from \$100 to \$200 per product. (This is roughly calculated as \$33 per hour.)

Competitive rents were charged for workshops: 14 to BMEP clients, 4 to nonclients. In 1999 BMEP received about \$32,000 in revenue for renting the workshop space. For 1994 that figure is projected to be lower, at around \$22,000. Neither amount reflects the full occupancy stipulated in the Cooperative Agreement.

Largely, the workshop space is an almost cost-free resource to BMEP. There is a minimal amount of maintenance expense incurred, but BMEP pays no rent for the space, nor any utilities. As such, the workshops represent a potentially lucrative product for the organization. However, being landlord and renting space has not been BMEP's business and it shows in the low occupancy rates. Given the upside profitable potential of the units, they should be retained. However, BMEP needs to decide upon a pricing and marketing strategy, boldly advertise the assignments, and move on to its core business.

BMEP would seem to have had enough experience with retailers to know that they are poor prospects for the workshops. However, these retailers, who need warehouse space or run some sort of wholesale business and have their own transport, can be good prospects for the space. BMEP has determined that \$550 is a competitive price and now needs to move forward in finding the right tenants.

BMEP did not pursue government substitution in 1994. BMEP did not pursue this option to deferently, and that may be a good move. Through the few steps already taken by BMEP, it seems that the route to securing finances may be very long, uncertain, and ultimately nonexistent. In addition, the evaluation team strongly believes that BMEP's sustainability will come much more readily through the adoption of a more business-like and professional approach and charge. A government subsidy would determine this strategy because people would view BMEP as a part of government. BMEP can sell its services on a contract basis to government ministries. Pursuing this avenue opens the door to possibly bountiful government funds, and allows BMEP to maintain its professional approach and charge.

- **Assess policy issues such as alliance with other Swazi organizations.**

BMEP's director has actively attended meetings and become part of the Swazi network of small enterprise support institutions. Some of these interactions, such as the involvement with Tibiyo, have led to participation in policy debate and formulation. Other involvements have led to the receipt of funds (for example, UNDP-funded rural women's training).

The evaluation team would caution BMEP that, as it goes through its impending transformation, it will need to maintain a balance. Alliances and participation in various fora can and have led to tangible and positive results for BMEP. However, everyone's time, especially that of the director, will be under increased pressure from within the organization, which generally should be given priority.

- **Reorganization and administrative reform.**

Board representation. A committee was appointed and affirmed the rotation provisions of the charter and supported broader sectoral representation on the board, in particular from business, finance, and law. Although some new members have recently joined the board, sectoral representation in the areas specified has yet to be achieved. A more detailed discussion of how this might take place has been addressed in Section Two of this report.

Develop new financial systems and controls. Retaining an accounting and auditing firm and the hiring of a new Finance Manager in 1992 have both proved to be successful moves. The finance manager is a skilled finance and accounting person and displays promising general managerial skills. Based upon the observations of the team and reading of primary and secondary materials, stipulated financial systems are used and adhered to, and the expected results are timely, accurate, and consistent.

Create a manageable and accessible client base for reporting and evaluation in an MIS. The database for extension clients has been established and there are 44 entries. The database contains numerous fields that cover a good deal of client information. Report formats were created that will generate client progress in assignments, weekly plans for extension agents, as well as general statistics such as gender, age, education level, geographical distributions, new clients, loan assessment clients, types of businesses, years in business, number of employees, and so forth. The database has not been kept up to date since its initial entries and hence it is not used.

The use of the database could be a tremendous asset to BMEP for use in reporting, income projections, planning, monitoring, tracking, and other tasks. The staff should be provided training in the use of the database; they should also be exposed to the many ways the information generated can be used to guide their work and facilitate their service delivery.

The training officers should also be trained and encouraged to use the database for their clients. A database can be used in marketing and possibly in identifying areas of interest. The

learning curve and data entry may be laborious and time consuming; however, the benefits of a good client information system cannot be underestimated.

Procurement. BMEP has adhered to approved procurement regulations and procedures.

- **Reporting requirements.**

Review of data at BMEP and records kept by USAID reveal that BMEP has prepared and submitted monthly financial statements and receipts, monthly budget and financial requests, detailed work plans and project schedules, and bi-annual Project Implementation Reports in a timely and satisfactory manner.

- **Coordination with Swazi Business Growth Trust (SBGT).**

Coordination with SBGT seems to have been spotty; regular monthly meetings have not been scheduled. However, BMEP has forged a relationship with SBGT and other similar Swazi organizations through Tibiyo, the Council of NGOs, Skill Share, and other fora. The evaluation team strongly believes that this broader outreach of BMEP serves its interests much more effectively than the more narrow connection to SBGT alone.

BMEP's good performance in these last three issues — administrative systems, reporting requirements, and coordination with other programs — should be seriously considered as USAID pulls away from its relationship with BMEP. If any sort of support is to be maintained beyond the probable closing of the Swaziland Mission, it will be important to deal with organizations that know and diligently follow USAID's reporting requirements, so that both USAID and the organization can handle the administrative chores of the relationship with ease. Over the last two years, BMEP has shown itself to be a very capable organization in this regard.

B. RECOMMENDATIONS FOR KEY SERVICE AREAS

1. Training

BMEP offers three types of training programs: full-time training, part-time training, and contract training. Each is discussed below. Observation of the August 1994 FTP, interviews with past training clients, review of several training-related documents, and responses to a questionnaire distributed among participants in the August 1994 FTP (see Annex E) have all rendered valuable insight into how BMEP may strengthen its training products.

(a) Full-Time Training Program

Name. Training courses should have names or titles that reflect their content and not their length (or day or place offered). The course title should be descriptive — for example, Business Fundamentals Course.

Length. The length of the program should be reduced by one to two weeks. This can be approached in a number of ways, two of which are presented. First, some components or topics, when carefully planned and timed, can be presented in less time than previously used. This is particularly true for participants who are business people. This could reduce the FTP by 10-20 hours. An 8-hour Saturday combined with a 20-25 hour week followed by another 8-hour Saturday could make up an entire course. Second, if it is sincerely felt that trainees in start-up need a longer time, then another 20-hour week and Saturday could be added to the above scenario, or a 40-hour week could be substituted for the initial week.

Some argue that the Business Fundamentals Course should be redesigned and offered separately to start-ups and to existing businesses. BMEP will have to weigh this approach against what it has seen as positive learning advantages, especially for people from start-ups, of mixing new and established entrepreneurs in the same classroom.

Frequency. Training is a major product of BMEP and BMEP should strive to be at full production. Given the current staff available for training and the USAID-required number of courses, BMEP has approximately 660 person-days to deliver about 100 days of training per year. In other words, BMEP training staff, one of the organization's two core departments, are grossly underutilized. If use of the training department is not substantially increased, no level of charging for services will push BMEP anywhere near self-sustainability.

In an exercise undertaken with BMEP staff, a much more ambitious but realistic plan was devised for training staff use. As reflected in the financial plan in Section Four, almost two-thirds, or 425, of the available person-days will be spent directly on providing training by 1997.

A yearly calendar of events should be developed and reviewed quarterly. A published list of courses is a vital step towards actively attracting trainees. The events should include all internal training activities and anticipated external or contract trainings. As BMEP is no longer bound by the USAID quotas, creativity in the planning process is encouraged. BMEP will need to set goals and standards for its training activities. BMEP should pay close attention to the market during this new testing phase, respond creatively, and not be afraid to take a risk on occasion.

Advertising. BMEP should put considerable effort into developing a marketing plan. Presently it appears that an advertisement is drafted and placed just prior to the event. A more active approach should be adopted. When the yearly training calendar is developed, it should be distributed as a flyer. New brochures should be developed. Posters and other forms of media should be tapped. Word of mouth is still a good source. BMEP should launch an education blitz through high schools and junior colleges, for example, where a sizeable proportion of BMEP's clients are likely to come from.

Content. The content of the training seems to be appropriate for the target group. Materials are relevant, sufficient, and available. Following are some ideas to be considered in future, similar courses.

The training officer should be familiar with the entire course content prior to the start of the event. All lesson plans should be available so that the training officer can review plans for content and flow. The officer should check for completeness and identify opportunities for linking and building activities. Course goals should be written and distributed to prospective and participating trainees.

Welcome, introductions, expectations, and goals can be covered in two hours. Formal registration and fee collection should be conducted during the tea break, and not take up valuable training time. The business profile can be completed as a homework activity. BMEP background should be a five-minute tour during the introductions, including distribution of the brochure. It is not the appropriate time for a detailed account of other BMEP services. This should be presented toward the end of the course, when the trainees have a need to know what their next-step options are. By reducing the first six hours to two, the training can begin to focus immediately on the subject of entrepreneurship.

In most cases, 30 minutes to review 3.5 hours of material is excessive. If the review is participant-led (a presentation of an assignment or facilitation of the review) or highly participatory (role play/skits), then 30 minutes makes sense. A question-and-answer review should be limited to 15 minutes. Because many of the topics build on each other, the content is revisited in subsequent sessions. Reinforcement is built into the progression.

Continue with the use of case studies to illustrate and practice concepts presented. This will keep the sessions moving and help them to remain focused on the concept. Application of the concepts to personal situations should be assigned as homework or discussed in an individual session.

It is recommended that the materials be organized by topic modules. A module folder should include all relevant material to prepare for and deliver a training session. For example, a complete lesson plan should include reference to goals and objectives, time anticipated, materials and equipment required; all activities from introduction to summary outlined by the experiential learning cycle — experience, process, application; facilitation questions and anticipated responses; comments on past successes-failures of the plan; and copies of all possible and relevant handouts, samples of flip charts, overheads, or other materials used.

Organizing session designs in this manner should reduce future planning and prep time. A trainer should be able to pick the module from the shelf, review the plan, adapt it for personal style, copy materials and facilitate the session without much effort. The ability to develop and deliver these modules will be critical to BMEP in two respects. First, it represents a key element of the model that BMEP must sell to potential donors and clients. Second, the ease and flexibility of using modules will lead to a much better ability to raise productivity.

Trainers. Full responsibility for the design, coordination, implementation, and reporting of the course should lie with the training department. It is not considered unreasonable for one trainer to lead or facilitate for a group of 15. Resource persons or support trainers, including

extension officers, should be available to provide technical expertise or to assist with breakout group work. The additional personnel should not be placed in a lead role.

Trainees. Although it is a premise of adult education to draw on and share participant experiences, there are situations where the information gap is too wide to keep the attention and interest of all participants. By convening separate courses for start-up and existing business people, a more specific and focused training may be delivered.

Materials. It is the evaluation team's opinion that dividing the Business Fundamentals Course into two parts, one for start-up and one for existing businesses, would not entail a major redesign effort. As alluded to previously in discussing course length, course content may remain the same but the length may be adjusted to suit one or the other group.

There appears to be a good supply of supporting materials for training. Presently, a combination of International Labour Organization/Improve Your Business, CARE, BMEP, TRIDENT, and other miscellaneous information is in use. The materials should continue to be used and adapted as needed for Swaziland.

Posters are well designed and Swazi-specific. The art work has a professional polish and is attractive. It is recommended that more material of this nature be developed and current work be laminated and properly indexed and filed.

Organizing the course in advance, improving the quality of the folders and preparing handouts bound in a booklet are suggested. In addition to being more professional, the booklet could allow trainees to read ahead. Start each day afresh with only planned visuals in front view.

Equipment. Continue the present combination of flip charts, overheads, and videos. The classroom wall could be painted white which would greatly increase the visibility of the overhead, thereby making a screen with little effort or expense. Transparencies are easily stored and highly reusable.

Coordination and Logistics. Coordination and logistics are the definite and sole responsibility of the training department. A logistical to-do checklist with a time line should be developed for planning purposes. For example: four weeks prior to start, place advertisement; three weeks prior, do x, and so on. This kind of organizational tool will make planning much easier and less worrisome.

Staff Development. All BMEP staff are presently involved in designing and delivering training sessions. All staff should be presented with opportunities to hone these skills. Informal, immediate and inexpensive opportunities exist.

One suggestion is to recruit a lecturer from William Pitcher to give an afternoon session on lesson planning. Staff could create a lesson plan format to be used as a standard for all

future training sessions. The training officers can practice on BMEP staff with refresher sessions on the experiential learning cycle, or how to use a role play or a case study. The Refresher Training of Trainers from Improve Your Business (IYB) should remain in the plant and be requested at the earliest possible time.

Reporting. FTPs are well documented. Reports for each cycle are filed together with participant lists, business profiles, daily evaluations, and schedules. In the future, session designs and course goals should also be included. So as not to be overrun with paper, the daily evaluations can be summarized and originals destroyed. Because they are primarily formative in nature, a summary should provide sufficient information for future reference. The final evaluations can also be summarized, and a few retained as samples of information as well as format. Documents relating to individuals should be forwarded to an extension file or filed separately in anticipation of moving it to an extension file.

Payment. BMEP should agree on a fee, advertise it, and expect payments by the predetermined due date. Assign one person for the collection and follow-up of the fees. Other private training institutions follow this procedure, and effective and serious collection of fees should be one of several important steps in BMEP's development of a more professional attitude and image. If the course is subsidized, a strategy should be discussed to present the case to the public. For example, advertise the course at full price and state that partial scholarships may be available, or advertise that STRIDE or another institution is subsidizing — it may add credibility to the training. A consumer might be confused that the same course was E450 in March, E225 in May, and E450 in August.

Alternatively, course applicants might actively seek scholarships (again, calling them "scholarships" and not "subsidies" conveys a subtle, businesslike message). BMEP will do itself and its clients a great service by establishing formal and informal links with other projects, government ministries, private companies, and others willing to provide scholarships on a regular basis.

Based on the responses of the August 1994 training group and some extension clients interviewed, the fee for the course is "just right." If the course is shortened in days but not in content, the fees should remain the same. They are reasonable and, with one exception, far below the costs of other similar courses being offered. Management and Development Consulting Associates in Mbabane offers a 5-day/40-hour course — Planning to Start your Own Business? — for E450, and a 12-day Improve your Business Course for E1,080. Other comparable courses are offered by Mbabane firms ranging from E250 to E295 per day. Lwativati offers 35 hours over 5 days for E1,365.

Evaluation. Formative and summary evaluations of the courses should continue to be conducted, recorded, reported and responded to. The staff evaluation system, both the written instrument and the post meeting, are also excellent ways to receive training input. A close watch needs to be kept on the market to ensure that the service continues to meet the target.

(b) Part-Time Training

Name: Specific training modules of varying lengths can be derived from the modules in the Business Fundamentals Course. The part-time training modules can focus on one or two business concepts. They should be referred to by content (for example, a 4-hour training session on Practical Marketing for Beginners).

So: Somewhat similar to the way in which the Business Fundamentals Course may be modified for start-up and existing enterprises, the training modules may be differentiated among beginner, intermediate, and advanced levels. From dealing with its previous training and extension clients, BMEP should be able to identify which topics and issues are more advanced than others. In addition, BMEP has performed enough needs assessments and has an adequate knowledge of the market to ascertain which applicants should go into which training module level.

Product Development. In line with the modular development of the components of the Business Fundamentals Course, other modules should be continuously developed to meet market needs. Initially, sessions should be carefully and fully designed from courses that BMEP knows from its experience are well attended. There should be no need to redo any of the components from the Business Fundamentals course set; they should be ready to use as is. Four- and eight-hour sessions can be designed in Practical Marketing, Taxation, Business Registration, and Advanced Refresher Record Keeping. Session titles should reflect their content.

Schedule: Again, a comprehensive yearly schedule should be developed and courses scheduled to suit the market. Because this is a new product line, some experimentation will be necessary.

Marketing: BMEP should be aggressive and methodic in its marketing efforts. Efforts should be taken to refine product content and delivery. Advertise and get the word out on what is offered and when. BMEP should make consistent efforts to meet its market. It has repeatedly been reported that clients desired Saturday or evening training. The recently offered Saturday training was well attended. However, it took two years for this training to get off the ground, and it has not been offered since. Immediate follow-up to course attendees is a relatively easy route to access potential clients, who may feel they need a little extra support when they try to apply some of the lessons from the Business Fundamentals Course.

Fees: Refer to similar comments on FTP for advertising, payment, and subsidizing. The present training group surveyed stated that they would be willing to pay E20-E150 for a Saturday course. This rate is still far below other training institutions. Because these institutions are not targeting the same market as BMEP, an argument can be made that a fee of E100 will represent a market that is not being served and can be served by BMEP.

For reference, a 2-day course in customer service for telephonists and receptionists at Executive Portfolio Consultancy is E400. Any 1-day program offered by Lwati is E295; a 2-day

program is E575. EAV participation in a database of African Management Services is E250 including meals, hand-outs and certificate of appreciation. A database on training at PC-Soft is E350.

Staffing of projects should be implemented as an ongoing responsibility. As needed, other staff members may be called upon to provide technical expertise. Some resistance to working on Saturdays might be expected in discussions with time officers, all stated that they would be willing to work on some knowledge Saturdays in exchange for days off during the week. They felt that the time off was a very agreeable incentive with the relatively small cash payment for overtime. A policy of overtime should be developed and agreed upon and institutionalized prior to staff members beginning work.

(c) Contract Training

This category refers to all training programs that BMEP carries out for other organizations on a contract basis. BMEP has become successful in this area and efforts should be made to continue its work, which it frequently requires delivery of training to a preexisting group of people. Recent examples are the management training of the Central Bank employees, jointly funded by UNDP and the Central Bank and the rural training for Women's Income Generating Groups funded by UNDP. Often times clients request similar products to those already in use at BMEP and it is recommended that BMEP remain within its product line when pursuing new clients. It is also recommended that BMEP not enter the time-consuming business of identifying multiple target groups and to continue to work with agencies currently working with preexisting groups.

Content of training modules to be developed in the following areas: empowerment, group theory, organizational leadership, and income-generating activity planning. This is again the training department's responsibility. Materials may have to be collected from outside the organization for these topics or other topics should overlap with those already being used and developed in the Business Fundamentals Course. Once again the creation of these modules will be a time-consuming front-end activity. In the long run, having predeveloped modules will allow for a quick response to training requests from the market.

Sourcing BMEP should identify targets and find out which groups receive money or grants and why. Then it should identify the donors - who is giving the money and for what. After this identification process, BMEP should establish close links with both ends.

Costing of proposals must be realistic and standardized. It should be profit-driven, not based on kindness. It is not an unprofitable price. Standard cost proposals and budget estimate forms can be developed for use in quick responses to training requests and in maintaining consistency in the budget proposals. A primary staff contact should be appointed the responsibility of proposal development. A turnaround time should be established and adhered to. Who decides to accept or reject a request for training and what the criteria for either decision are are issues that must be established in front of them. There will come a time when requests may be out of the area

of experience of BMEP, location, time when resources are previously committed. BMEP should know who is responsible for making such decisions.

Staffing is the training department responsibility, with involvement of other staff as required to meet the clients' needs. The training team might need to decide if and when they will delegate responsibilities to someone out of house, coordinate responsibility.

2. Business Advisory and Consulting Services

Several options for restructuring BMEP were presented in the previous section. Some suggestions focused on board and management, while others touched the staff as well. The Extension Services department is part of that plan. It is suggested that Extension Services be renamed to reflect the nature of the service provided. It is also felt that "extension" carries some connotations or stereotypes (such as free government service in agriculture or home economics) that conflict with the intended service: technical assistance to Swazis aspiring to run, or already involved in, MSEs.

The Extension Service suggests that extension officers become business development officers (BDOs) and that Extension Services become Business Advisory and Consulting Services. The BDOs will have two primary functions: One will be to provide business advisory services to those interested in the field in the office. This is very similar to the existing extension programme. The second function is to provide consulting services to individuals requesting a one-time service.

It is also recommended that the BDOs concentrate their efforts on advising and consulting and provide training as a secondary responsibility. The BDOs should not be involved in the coordination of training activities or in the direct design of the training modules. Although all BDOs must have and maintain a solid knowledge of all basic business issues, the officers should also acquire an area of interest or expertise and become an "expert" in that technical area. The officers should be able to routinely call on each other for technical assistance. They should no longer be the ones responsible for identifying clients of a modular course.

Significant efficiency may be realized by reassigning client responsibilities along geographic lines. BMEP is over 30 kilometers beyond the 30-kilometer barrier, it will become more important to prudently use BDO time and use of company vehicles. Combined with a possible geographic restructuring, BMEP may want to consider publishing office hours, thus informing clients that at least one BDO will be in the office. Such an approach will facilitate the handling of consulting clients and limit the cost to BMEP of reaching more clients.

It seems a fair assumption for most of BMEP's current and prospective clients to come into the Manzini area periodically in any given month. If a client knows that a BDO (and in particular a BDO on his account) will be in the office, he or she will likely schedule a trip to BMEP. With the uncertainty of transport that many suffer, it would be a great benefit to know that, on a particular day during specific hours, someone will be there to assist them.

Another way that BDOs and training officers could help to generate more revenues and efficiently reach more clients would be to explicitly package the Business Fundamentals Course with a number (perhaps five) of free business advisory sessions. The combined package price would be something less than the cost to a client of buying the services separately. There seems to be a number of people who would take up this offer if it were made available, and who might otherwise walk away after the training course.

BDOs also went through a staff utilization exercise, similar to the one done with the training staffs. Assuming there will be four BDOs, there will be approximately 880 person-days per year to provide business advisory and consulting services. The new plan reflects moving this number from 4364 billed days of work in 1995 to 482 in 1997. There is room for further productivity, but this represents a good start.

(a) Business Advisory Services as Extension Services

Clients. A drastic change from the present client profile is not recommended. The present profile appears to suit the organization well. It is suggested that the services be extended beyond the present 30-kilometer range and that paying clients be retained.

Service. Presently the BDOs are providing one-on-one technical assistance mainly in record keeping, pricing and costing, cash flow planning, and marketing. They know the extension process. The client identification and intake system works well. They require clients to produce their own work—that is, the officers are not doing the records/marketing/costing for the clients. This should be continued. They show promise in their advisory abilities.

It was much harder to gauge the utilization rate of the BDOs for two reasons. First, during the period of the evaluation team's in-country review, the BDOs were heavily involved in the ongoing IPT and not their primary duties of extension. Second, records and comments are conflicting and often confusing. BDOs do seem to have 20 people in each of their respective portfolios, but it seems highly unlikely that all of these clients are seen during a given month. No statistics are kept on walk-in clients. However, it is somewhat safe to say that the BDOs can be significantly more productive, based upon observation, fitting together the available written data and comments from BDOs themselves.

An area that may need attention is when and how to sever a client relationship. It may be a useful exercise for the staff to develop a list of indicators or qualities that may signal that a change in relations is necessary. The client who is not "cooperating" with the BDO may be easier to identify than one who has simply outgrown the service, but both should be examined. For example, what do you do the first time a client misses an appointment or fails to complete the previous assignment? Do they pay? Do you leave a verbal message or a written message? And how many meetings or assignments can be missed before the BDO decides to deactivate the client? If a plan is made ahead of time, such decisions will be easier to make. The plan will reinforce the businesslike atmosphere needed to continue the program. It may even help ease regretful feelings, provide some objectivity, and remove personalities from the decision.

The same type of activity can be applied to clients who may have outgrown the service. Some questions one might ask: What has been the growth rate? Who are their employees? And lastly, can I (the BDO) answer the client's questions with confidence? When the decision is made to promote a client, BMEP should also have a plan of how and where to do this. BMEP should develop a list of potential referrals and institutions, so that it is more readily prepared to meet these types of situations as they arise.

Client files are used and kept up to date. Records of each visit are kept, which include assignments given and a next step action plan. Pertinent client documents (registration, license, bank account) are also filed.

The client database is not being used as it could be. It is highly recommended that immediate attention be given to maintaining an up-to-date client database. Monthly reports could be easily extracted, therefore eliminating the present manual perusal of a cumbersome five-page document.

Fees. One of the first tasks for the BDOs will be to implement the fee for business advisory services. The clients spoken to all value the service and were willing to pay for it. Determine rates, how to collect fees, and when to charge. Clients should be given a notice, such as a written note explaining the changes in BMEP and how it affects them. This note could be drafted by the BDOs and prepared on letterhead. It should be signed by the director and sent to all existing clients.

Monitoring System. The department needs to develop a monitoring system. Now that the external requirements will be removed, the organization should focus on quality of service and impact of service and not solely on number of clients contacted. Numerous resources exist in the office with suggestions of method, content, and frequency. The ILO materials and the PACT Monitoring and Evaluating Small Business projects should be reviewed by the director, the program manager and the BDOs. The monitoring system should be comprehensive in the methods, approach, frequency of use, and reporting requirements. Plans to tie it to the overall evaluation system should also be included.

Either through simple codes or short comments, the client information system (CIS) could measure important changes in client impact such as improved self-confidence; increased participation in community activities; access to other nonbusiness information including agriculture, health, education; better skills in record-keeping, planning, and organization; and increases in income and employment. The data will be useful in determining what approaches and which types of clients seem to be the best or improving. This will help in presenting a clear and defensible case to donors.

Furthermore, better use of the CIS will lead to better internal management. BDO job descriptions and scopes of work can be more clearly and succinctly defined and monitored. From this, more meaningful and complete evaluations can be prepared. Motivational charts of

progress can be created and staff will be identified for training and praise or corrective action, if necessary. The CIS is a valuable tool to set standards and give feedback.

(b) Consulting Services as Quick Fixes

Such services are provided to clients who do not have or wish to have an ongoing relationship with BMEP. They are usually for specific document development such as a business plan, a tax packet, or a cash flow analysis. BMEP has been providing these services to some degree over the past years. It has not publicized this service nor has it maintained diligent records on the provision of this service. BMEP has charged for these services erratically, and when they have charged, the fees have ranged from E100 to E200. These services should be continued. They are viewed as a potential source of income for a service that BMEP can easily provide.

Product. Identify what consulting services you can and will provide on a regular basis. The BDOs can each develop specific documents that they feel confident in producing and gather the technical resources needed to support their efforts. Research can be carried out to ensure that the BDOs are using the latest forms/formats and are knowledgeable of referral institutions. Sufficient supplies and information should always be available in the office and with the officer. A system for each product should be developed, checklists made for process and materials or information needed, and a fee schedule should be predetermined. Fees should be considered for one-time clients as well as the possibility of reduced rates for existing advisory clients.

Market. Get the word out in brochures, by word of mouth, in print, on radio, near tax time, or any pertinent cyclic period. No one knows that BMEP provides this service. The fees as presently set are very reasonable and extremely competitive. The service is portable so the BDOs can take it on the road with them.

Staff Development. This report makes two specific requests for (short-term) staff development. One is computer training in Dbase IV. This training is planned to be conducted by Dominic at PC-Soft and will take place at BMEP on the existing system. This training will facilitate the information flow and ease the monitoring and reporting process. The second request involves a course which covers the role of the consultant in small business development. It is being offered at the University of Witwatersrand on October 18-19, 1994.

It will remain the role of the staff to continue to identify training needs, training providers, and, to a certain extent, training sponsorships. Staff is encouraged to be resourceful in their efforts. For some technical content, specialists exist in Swaziland, and sometimes individuals can be persuaded to spend time with an NGO on a gratis basis. Also, regional centers should be explored before extensive overseas courses are suggested.

C. SUMMARY OF MARKET REVIEW AND RECOMMENDATIONS

BMEP has a good core of product offerings in training and business advisory and consulting services. It has found a niche in the market: MSEs that are slightly less sophisticated and established than other small to medium-sized businesses. Clients have limited formal education and little if any business experience or training. BMEP is well regarded by clients, donors, the government, and other organizations in Swaziland for its ability to provide a unique and quality service to a distinct group. Furthermore, BMEP's approach has a measurable and positive impact on its clients in increasing business income or profits and improving marketing, bookkeeping, and other skills necessary in running a successful enterprise.

The evaluation team has made several suggestions to enhance both main services. Adopting a modular model approach will improve the salability of the products and should lead to better utilization and efficiency of the staff. Changing the names of the courses and slightly modifying content to cater more adequately for differences in business knowledge among new and existing entrepreneurs should yield benefits to clients and BMEP. Also, BMEP can capitalize upon its reputation in a profitable way by emphasizing contract training, which is delivered to individuals that fit the general client profile but who are reached through institutions willing to pay BMEP full costs for the service.

BMEP will have to establish policies and procedures for charging clients for services. So far, the practice has been haphazard and sometimes nonexistent. This will have to change if BMEP is to generate any meaningful level of internally generated income. In addition, training officers and business development officers are aware that they must raise their productivity well above the level to which they have become accustomed under the USAID grant. These recommendations are key elements in BMEP's ability to build its organizational independence and cement itself within the market.

The credit program has not achieved the size or performance envisioned, nor has it really met any market demand or acted as a convenient lesson tool. Improving the credit scheme would require a great deal of time and effort, which the evaluation team strongly believes can be better spent elsewhere in the organization's areas of comparative advantage. The market for BMEP is as a training and business advisory organization, not as a credit provider. Thus the team recommends that the credit program be phased out immediately and that concurrent provisions be made to create backward and forward referrals to serve people who may need credit.

SECTION FOUR

FINANCIAL SUSTAINABILITY

Improvements in organizational and market aspects of BMEP will strengthen the organization and make it attractive to clients and donors. However, financial sustainability will have to come from a mix of internal and external funds. The desire to meet the needs of low income communities with business training services, and the need to uphold the social standards of BMEP's mission mean that before revenue will never wholly sustain BMEP. Thus, financial sustainability will be reached through the combined ability to raise donor funds and to charge clients what they can bear.

Financial sustainability can be defined as a condition of reasonable financial security where the core programs of the organization are funded from reliable and predictable sources of support such as generated revenue, an endowment, multi-year donor commitments, or a group of solid, long-term supporters. The income flow should be sufficiently predictable so that the organization can confidently engage in multi-year budget planning.

The key word in this definition is reasonable. Rarely are not-for-profit organizations completely free of financial risks and this luxury when it does exist, can be undesirable if it buffers the organization from the needs and changing characteristics of its client base.

An organization is generally not financially sustainable if it is:

- • Dependent on funds raised during the budget or operational year or if it is dependent on donor commitments that could be capriciously terminated or withdrawn;
- • Unable to engage in multi-year financial planning because of the unpredictable nature of donor support; or
- • Required to significantly and frequently alter its program content to appeal to donors and raise necessary financial support.

Most non-for-profit organizations can be characterized as financially sustainable if they have these additional characteristics or attributes:

- • A diversified funding base so that withdrawal of a major donor or single source of support does not seriously jeopardize the central activities of the organization;
- • An ongoing program of financial strengthening that cultivates new sources of support to replace inevitable dropouts;
- • A capacity to make strategic programmatic adjustments to reflect the changing interests of the market that is supporting the organization; and

- **An understanding of the fundraising function, meaning a broad understanding within the organization of the role and importance of fundraising and an appreciation of the line between fundraising and program design. Fundraising can often be perceived as being at odds with the goals and values of the organization because it diverts staff time and puts the raising of money ahead of serving the client.**

There is a vast literature on fundraising strategy, on how to approach potential donors, and on what works and what doesn't work. Although this literature warrants attention, there are a few reasonably straightforward principles that BMEP should consider as it approaches the design of its fundraising program.

- **Cultivate a relationship.** Fundraising is a long-term process of cultivating relationships. Effective fundraising focuses first on the mutuality of interest and on developing an understanding of the goals and programs of the organization. The contribution of funds follows and is based on that relationship.
- **Sharpen the message.** Effective fundraising depends on the capacity of an organization to articulate a clear, focused, and compelling statement of what it does and why it is important. Organizations with complex programs and multiple goals have difficulty relating to potential donors.
- **Know the donor.** Effective fundraising is correlated with the ability of an organization to understand the donor's primary interests and to package proposals that will correspond with these interests.
- **Manage for the "long haul" and anticipate the administrative burden.** Fundraising is time-consuming, sometimes frustrating, and frequently unsuccessful. It often requires the direct time and attention of the executive director and can divert staff from other important responsibilities. Fundraising involves considerable paperwork, lots of background research, careful filing, and attention to such critical details as the preparation of thank you letters.

A. ALTERNATIVE FUNDING SOURCES

It is essential for BMEP to develop its own marketing strategy and to prioritize potential funding sources. These are critical strategic decisions and it is important for the staff and the board to have full ownership of such decisions. In anticipation of this effort by BMEP, the evaluation team was asked to review alternative funding sources and to provide the preliminary outlines of a marketing strategy. The following comments are intended to suggest areas of emphasis for BMEP consideration:

1. Internally Generated Revenue

The team believes that revenue generated from charging fees for services offers the largest potential source of expandable income over the long term. There is an important government and private sector market for BMEP training services as well as opportunities to increase income flow from core training and extension activities discussed elsewhere in this report. BMEP already generates significant funds from contracted services and several respondents indicated that there was a demand for BMEP support in this area. The issue for BMEP is not whether these potential income sources can be tapped, but whether and to what extent BMEP wishes to aggressively cultivate this market and orient its program to this particular clientele. This is a fundamental issue of strategic direction that must be addressed by the BMEP board. It is a difficult issue because it touches upon basic differences in emphasis and approach discussed in Section Two.

The advantage of serving government clients and the established private business sector is that BMEP can generate a threshold of income to support programs for those individuals who cannot cover full cost. The danger is that BMEP will deviate from its primary mission, which is to reach and empower emerging informal sector entrepreneurs. One way of addressing this dilemma is to establish a self-imposed limit on fee-for-service work to safeguard resources for programs with a predominantly social purpose. Long-range strategic planning is one process that is available for getting these issues and trade-offs out on the table and dealing with them in a systematic manner.

2. Bilateral Donors

BMEP has established relations with the Canadian International Development Agency (CIDA) and the European Economic Community (EEC). Both are interested in, and have active programs in MSE development. USAID is obviously an important long-term source of potential support. USAID funding can come from a bilateral mission (as is currently the case), a regional program, or from a centrally funded source. USAID priorities are changing with increasing emphasis on working with and through indigenous NGOs. Although prospects for continuation of a direct bilateral program in Swaziland are not promising, a regional presence is likely. USAID's centrally funded program is aimed primarily at supporting American organizations, but many of these have collaborative relationships with local groups. Microenterprise is an important priority of the centrally funded matching grant program.

In considering the relative merits of bilateral donor support, it is important that BMEP and its board address the larger policy questions inherent in receiving aid from an official government source. These include questions of dependency, public image, potential imposition of policy control and direction, and the creation of special accounting and reporting systems keyed to a donor's particular need. To suggest that BMEP consider these concerns is not to imply that bilateral government support should be ignored or neglected. However, it is important that BMEP be aware of the policy implications connected with association with different types of funding sources. An organization that generates its own revenue is likely to

be different in style and operation from one that depends on the largesse of government donors. Some private voluntary groups establish a limit on the share of funds they are willing to accept from government sources; others decline to accept any funds whatsoever.

3. U.S. PVOs and South African NGOs

The evaluation team believes that BMEP should explore the possibility of a collaborative relationship with either an indigenous southern Africa organization or with an overseas PVO. Although it is unlikely that either group would be interested in making direct cash contributions to BMEP (because their own resources are scarce), significant opportunities for relationships exist that would involve the transfer of institutional and human resources. These could range from the simple exchange of information, to the provision of technical advice, to access to training facilities and instruction in fundraising and board development, and, finally, to real partnership linkages that would provide access to US funding. American PVOs have given considerable rhetorical attention to the importance of mentoring relationships with indigenous organizations to replace their diminishing direct operational role; a relationship with BMEP could offer an excellent mechanism for putting that intent into practice.

Indigenous South African NGOs, particularly those funded through USAID, offer similar possibilities for collaboration. USAID-funded American PVOs (such as PACT) also operate in South Africa and could be encouraged to work with a Swazi-based NGO. (Details are provided in Annex B.)

4. Others

(a) Private Corporations in Swaziland

Corporate philanthropy is not deeply ingrained in the Swazi culture and significant corporate contributions in the near term are unlikely. However, corporate interest in the work of BMEP seems logical and the issue should be pursued through local fora, such as the NGO affiliation to which BMEP now belongs or Tibiyo.

(b) Foundations

The Ford Foundation has an office in South Africa and BMEP should begin to cultivate a relationship. Swaziland is not currently a high priority for Ford, but it is possible that this will change and an advisory relationship could lead to linkages with other interested private sector donors.

(c) Multilateral Donors

UNDP and the World Bank both have microenterprise programs. BMEP received a small grant from UNDP related to its interest in promoting a strong voluntary sector. The UNDP's programs are operated out of its offices in South Africa. Funding priorities can be obtained

from that source. The World Bank is developing new policy guidelines on MSE development. World Bank programs are on a government-to-government basis.

B. THE USAID GRANT

From a financial perspective, it would be impractical to expect an organization that has depended on one source for 75 percent or more of its revenue to survive easily the abrupt halt in that stream of financial support. The evaluation team recognizes the limitations on USAID's capacity to attenuate the current grant. Because of the importance of linking this final grant allotment to a phased process of institutional strengthening, the team encourages USAID to explore all feasible mechanisms to accomplish the objective of encouraging BMEP's long-term sustainability.

Because of a favorable exchange rate, there will probably be E480,000 remaining in the grant for BMEP by November 1994, when the current contract ends. The team strongly suggests that USAID/Swaziland work within its organization and with BMEP to find a way to extend the period over which USAID provides the remaining grant funds available to BMEP.

We propose that USAID disburse part of that money (two-thirds) in 1995 and the remainder in 1996. Based upon an analysis of BMEP's current expenditure and the stream of other revenue already flowing into the organization, two-thirds, or approximately E320,000, should be sufficient to support BMEP's remaining operations for one year. Disbursement in 1995 may be done quarterly, monthly, or at some other agreeable interval to give USAID comfort that BMEP's commitment to sustainability is being honored and to establish firm incentives for BMEP. The release of the money in 1995 and 1996 could be tied to specific targets for internally generated revenue or staff utilization, for example. In addition, disbursement of the funds during 1995 could be contingent upon BMEP undertaking and completing certain processes, such as board training and strategic planning.

USAID could release the 1996 funds in a lump sum by or before March 1996 to allow ample time to finalize the administrative and procedural details, prior to the Mission's closing later in the year. This process may require some adjustment in the current rules governing disbursement, which are normally based upon invoices. It may be possible to link the final disbursement to the establishment of an endowment fund, particularly if BMEP has retained enough earnings and generated a sufficient income stream to cover recurrent monthly expenses for the remainder of 1996. Furthermore, other benefactors may be enticed to supplement the endowment fund if USAID takes the initiative to deposit the seed capital.

C. HIGHLIGHTS OF THE FINANCIAL PLAN

1. Assumptions

The financial plan (included as Annex F) assumes the status quo on the expense side. We have assumed no additions to or subtractions from current staffing levels, although, as indicated in this report, staff assignments may shift. Except in a few cases where the first half of 1994 saw unusual activity or where projections can be more precise, the 1994 forecast figures were derived by doubling the numbers as of June 30, 1994.

Staff salaries are projected to rise by 15 percent per year (approximately the current rate of inflation). Most other expenses are computed to rise by 10 percent per year from the 1994 forecast base, with the following exceptions:

- Medical insurance, by contract, is slated to rise at 18 percent per year;
- Fuel will rise by 10 percent every year after 1995, but is increased by approximately 19 percent from 1994 to 1995 to reflect BMEP's potentially more active marketing and client outreach and more aggressive servicing of clients beyond the current 30-kilometer radius;
- Interest expense declines to extension officers by 1996, in anticipation of phasing out the credit program;
- Printing and reproduction expenses rise by 44 percent from 1994 to 1995 to account for a more active marketing campaign;
- For the same reason, travel expenses are budgeted to rise 42 percent between 1994 and 1995;
- In 1995, BMEP foresees having to replace one computer and upgrade two others at a cost of E20,000, which is reflected on the "Computers" line under Office Equipment; and
- In 1995, BMEP will need to replace two of its bakkies for an estimated E90,000 and add one car in 1996 at a price of E45,000.

All service rates in the revenue portion of the projections are set to rise by 10 percent each year. Because BMEP has had little experience actually charging anyone for their services, it is likely that some experimentation will be necessary before a true price list can be developed.

2. Incentives

Staff expressed interest in, and seem prone to respond to, monetary incentives. Incentives will instill a more businesslike attitude and help to create a performance-based atmosphere. We propose using a fixed amount of E5 per client or trainee or course to avoid putting too much pressure on finding the best- heeled clients and thus moving too far away from the target market. However, for each client that pays, that E5 will be netted out against nonpayers to encourage dropping nonpayers. The severest penalty would be a zero bonus, not a deduction from pay.

The evaluation team also has suggested the creation of a staff incentive pool in recognition of the symbiotic relationship between training and business advisory and consulting. We propose an incentive of 1 percent of total internally generated income.

These are simply suggestions. BMEP staff, management, and board will have to decide among themselves how the bonuses are distributed, whether the suggested rates are fair, how they will be accounted for, and so on. However, the team suggests that BMEP adopt some form of incentive program for its staff, whatever its design.

3. General Comments

Currently, BMEP primarily uses a chart of accounts format that has served its relationship with USAID. Although most of that structure was suitable, there were aggregations and requirements that did not support BMEP's need to manage itself as an independent entity. The evaluation team worked with the Finance Manager during the on-site evaluation to establish a revised list of revenue and expense line items.

It is a question in the minds of BMEP management and the evaluation team whether the organization and its staff are deriving a reasonable benefit out of a very expensive medical insurance plan. This line item nearly doubles in four years and represents the single largest recurring expense, other than salaries. BMEP should try to renegotiate or find another provider at less cost.

The expense forecast projects the acquisition of the computer equipment, the two replacement bakkies, and the additional car as capital expenses. It may be possible for BMEP to find once-off grants to pay for these items; they could be fully justified in the context of improving BMEP's sustainability and a donor could readily identify the contribution. However, in the absence of a donor, it may be necessary to defer these purchases or obtain them via hire-purchase, either of which would have programmatic and financial implications.

As of now, BMEP's finance manager undertakes independent consulting assignments, doing bookkeeping and auditing as well as some general management consulting for medium- and large-sized Swazi businesses. He performs the work in the off-hours, and he and BMEP have a revenue sharing agreement. Right now the arrangement works smoothly and is bringing in a handsome sum of money to BMEP's coffers. However, the team is firmly recommending

that this activity be curtailed and phased out fully in 1995. Aside from the organizational and administrative conflicts the practice could have, it will be imperative for BMEP's management team to do so and assume greater levels of responsibility to take on the many challenges facing BMEP in the transition period and beyond. The finance manager's time and attention must be fully focused on those duties.

BMEP has the capacity and experience to determine the costs of its services and products within a reasonable degree of accuracy. The concepts of overhead and loaded rates are understood. As BMEP moves forward in restructuring and fine-tuning its services, as well as identifying areas appropriate for donor funding, the ability to place a cost on services and identify internal subsidies and shortfalls will be extremely important.

Note that the revenue and net income forecast includes a World Bank grant. This has not actually materialized, but indications are that BMEP may receive a significant and sustainable sum of money from the World Bank. Yet the importance of this line item really lies in the evidence it gives to the need for BMEP to find E125,000-E200,000 relatively quickly for each of the next two years to carry the organization through the transition period and replace the USAID grant, at least in part.

Prospects seem bright for BMEP to win contracts with other government ministries, which could significantly increase the revenue gained from its comparatively more cost-competitive wholesale product of contract training. Business advisory services fees are set low, but several client interviews indicated that they would pay up to E50 or E60 per visit by a BDO. This market and service exhibit significant price elasticity and price sensitivity, and thus will require a lot of price testing.

By 1997, the first full year after having gone through the transition period, the financial model reveals that BMEP could support a little more than 50 percent of its recurring expenses out of internally generated income. Keeping in mind that overall recurring expenses are scheduled to rise approximately at the rate of inflation and that staff utilization and productivity should be markedly improved by 1997, it would seem reasonable to expect that BMEP will require a long-term subsidy of not less than 40-45 percent of its total expenses over the long term.

D.D. CONCLUDING REMARKS

Although BMEP faces a severe challenge in attaining institutional sustainability, the organization starts from a solid base. In the client, donor, and government markets, it has a good and well-deserved reputation for serving a distinct market segment with quality training and business advisory and consulting services. BMEP has not tested its own capacity to package and sell its services, nor is it entirely clear how the client base will react to a consistent application of a fee-for-service policy. However, the evaluation team is confident that there is ample room to generate a significant long-term stream of fee revenue.

At the same time it is evident that BMEEP will still need to rely on outside donor funds to carry out its operations and to fund its activities. BMEEP is serving a market and a field that is of keen interest to many donors locally, regionally, nationally and internationally. There are ripe opportunities for collaborative efforts through which both the staff and the program may be improved or more funds made available.

The BMEEP Board of Management, staff and all have a role to play in setting the organization on a course for institutional sustainability. Increasing board size and sectoral diversity, coupled with training and greater involvement in the strategic and marketing planning processes, will be a major step toward forward thinking and organizational sustainability. Staff realignment and further development of personnel technical skills, along with slight modifications to product content and delivery, if very needed, to be supported by a new attitude toward attracting clients, are these two vital parts of organizational sustainability. Financial sustainability, briefly defined as the ability to support ongoing organizational activities over the long term with a diversified base of reasonable and certain income flows, will follow these other supportive and related elements.

ANNEX A

TRANSITION PERIOD GANTT CHART

20/11

ID	Name	Duration	Year 1														
			Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 13	Month 14	Month 15
1	1 Strategic Plan	95d	[Gantt bar for Strategic Plan, spanning from Month 1 to approximately Month 5.5]														
2	1.1 Define guiding development phil	3w	[Gantt bar for 1.1, spanning from start of Month 1 to end of Month 1]														
3	1.2 Define target market	2w	[Gantt bar for 1.2, spanning from start of Month 2 to end of Month 2]														
4	1.3 Define competitive market	2w	[Gantt bar for 1.3, spanning from start of Month 2 to end of Month 2]														
5	1.4 Define strengths and weakness	1w	[Gantt bar for 1.4, spanning from start of Month 2 to end of Month 2]														
6	1.5 Assess internal strengths and w	3w	[Gantt bar for 1.5, spanning from start of Month 2 to end of Month 3]														
7	1.6 Assess market position and con	3w	[Gantt bar for 1.6, spanning from start of Month 3 to end of Month 4]														
8	1.7 Define purpose and mission	2w	[Gantt bar for 1.7, spanning from start of Month 4 to end of Month 4]														
9	1.8 Write case statement	3w	[Gantt bar for 1.8, spanning from start of Month 4 to end of Month 5]														
10	1.9 Package the BMEP story	3w	[Gantt bar for 1.9, spanning from start of Month 5 to end of Month 6]														
11																	
12	2 Marketing Plan	390d	[Gantt bar for Marketing Plan, spanning from start of Month 1 to end of Month 15]														
13	2.1 Restructure management	4w	[Gantt bar for 2.1, spanning from start of Month 1 to end of Month 1]														
14	2.2 Design new systems/procedure	6w	[Gantt bar for 2.2, spanning from start of Month 2 to end of Month 3]														
15	2.3 Implement new systems/proced	8w	[Gantt bar for 2.3, spanning from start of Month 3 to end of Month 4]														
16	2.4 Launch name change campaigr	4w	[Gantt bar for 2.4, spanning from start of Month 2 to end of Month 3]														
17	2.5 Implement name change	4w	[Gantt bar for 2.5, spanning from start of Month 3 to end of Month 4]														
18	2.6 Research / admin for fund raisir	2w	[Gantt bar for 2.6, spanning from start of Month 5 to end of Month 5]														
19	2.7 Cultivation, contact and follow u	2w	[Gantt bar for 2.7, spanning from start of Month 6 to end of Month 6]														
20	2.8 Distribute board responsibilities	2w	[Gantt bar for 2.8, spanning from start of Month 6 to end of Month 6]														
21	2.9 Set internal revenue targets	2w	[Gantt bar for 2.9, spanning from start of Month 6 to end of Month 6]														
22	2.10 Set external revenue targets	2w	[Gantt bar for 2.10, spanning from start of Month 6 to end of Month 6]														
23	2.11 Identify income sources	6w	[Gantt bar for 2.11, spanning from start of Month 6 to end of Month 7]														
24	2.12 Prioritize income sources	1w	[Gantt bar for 2.12, spanning from start of Month 7 to end of Month 7]														
25	2.13 Set income targets by donor	1w	[Gantt bar for 2.13, spanning from start of Month 7 to end of Month 7]														
26	2.14 Collect donor profile informatio	12w	[Gantt bar for 2.14, spanning from start of Month 7 to end of Month 8]														
27	2.14 Collect donor profile informatio	12w	[Gantt bar for 2.14, spanning from start of Month 7 to end of Month 8]														

Project: BMEP Transition
 Date: 2/28/94
 Page 1 of 1
 2/28/94

Critical [Symbol]
 Non-critical [Symbol]
 Non-critical [Symbol]

Progress [Symbol]
 Milestone [Symbol]
 Milestone [Symbol]

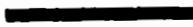
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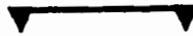
Page 1
 Page 1
 Page 1

Year 2										Year 3											
onth 1	Month 17	onth 1	Month 19	Month 20	onth 2	Month 22	onth 2	Month 24	Month 25	onth 2	Month 27	onth 2	Month 29	onth 3	Month 31	Month 32	onth 3	Month 34	onth 3	Month 36	Month 37
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Project: BMEP Transition
 Date: 26/8/94

Critical 
 Noncritical 

Progress 
 Milestone 

Summary 
 Rolled Up 

Year 2								Year 3													
onth 1	Month 17	onth 1	Month 19	Month 20	onth 2	Month 22	onth 2	Month 24	Month 25	onth 2	Month 27	onth 2	Month 29	onth 3	Month 31	Month 32	onth 3	Month 34	onth 3	Month 36	Month 37

Project: BMEP Transition
 Date: 26/8/94

Critical 
 Noncritical 

Progress 
 Milestone 

Summary 
 Rolled Up 

ANNEX B

NEW WAYS OF SUPPORT TO BMEP

NEW SOURCES OF SUPPORT TO BMEP

As discussed in the body of the report, BMEP will need to identify and develop additional sources of financial support to offset the decline and eventual termination of support from USAID. The financial projections and the assumptions underlying those projections indicate that BMEP will have to generate approximately \$40,000 in 1995 and 1996, increasing to roughly \$115,000 in 1997. These are rough forecasts, and they need to be carefully reviewed and validated by BMEP and adjusted to reflect the several key strategic decisions that BMEP and its board will have to grapple with during the transition. However, they provide a reference point for the type of fundraising effort that BMEP should consider. The amounts are not large and would not appear to justify employment of a full-time fundraising professional or staff. Nevertheless, the initiation of a fundraising effort will require a considerable investment of the director's time and a substantial alteration in the normal flow and routine of work. In addition to the extra time and effort needed for fundraising, the emphasis on the cultivation of new donors requires a shift in style, attitude, and approach that can be difficult for an organization that has not been required to engage in an ongoing fundraising program.

The evaluation team has reviewed the range of prospective funding sources that BMEP might approach. The body of the report includes a brief summary of the pros and cons associated with each source. The BMEP board and director will need to develop a fundraising strategy and will need to evaluate and prioritize different approaches with respect to BMEP's institutional needs and with regard to the likelihood of success with a particular donor. As suggested in the report, the team believes that BMEP would be well served by considering the possibility of an affiliation with another organization that works in the area of microenterprise and that has had experience in raising funds for that purpose. A collaboration of this nature could quickly access the experience and expertise of an established organization, both with regard to funding sources and with regard to the strategy for designing a fundraising program. The range of collaborative interactions is quite large and could include information sharing, the provision of technical assistance, or the formulation of combined approaches. It could include advice on the role and function of the board of directors in a fundraising program and assistance in designing and implementing a program of board development.

Following is a list and brief description of several organizations operating or planning to operate in South Africa that might be interested in establishing some type of collaborative relationship with BMEP. This material is provided to illustrate the range and diversity of potential affiliations. The number of PVOs entering South Africa is growing daily and this list represents only a small fraction of those institutions with which BMEP might work. In addition to this list of organizations, which concentrates primarily on overseas PVOs with subsidiaries in South Africa, there are a wide variety of indigenous organizations of sufficient size and sophistication to justify a collaborative relationship. Many of these organizations are being supported by the USAID Mission in Johannesburg. An obvious caution is that the situation in South Africa is changing with dramatic speed, and any list of activities is likely to be out of date shortly after it has been compiled.

As a general caveat, some of these organizations may have little or no interest in working in Swaziland; some may prefer to design and own their own program and approach and be unwilling to accommodate the different views of an organization like BMEP with an approach and track record of its own. Some bring a particular small enterprise model to bear that may be incompatible with BMEP's values and philosophy. Nevertheless in virtually all of these cases, it seems to the evaluation team that it would be advisable for BMEP to at a minimum establish a correspondent relationship, exchanging studies, evaluations, and lessons learned.

Pride Africa

Pride Africa is a nonprofit development agency registered in Washington, D.C. but located in Nairobi. Its major objective is to create a financial and information service network for entrepreneurs of small enterprises. Pride has designed a credit model, which it is attempting to replicate in Africa. The agency creates and supports a network of local country Pride affiliates, each of which is to become locally incorporated. Pride provides technical assistance and training and helps local affiliates develop linkages with other African organizations operating in a similar area. Whether a relationship with Pride would be useful would depend on the compatibility of approach to small business development and to the degree that an organization like Pride could complement BMEP's area of competence. Pride is registered with USAID and is therefore eligible to receive funds earmarked for PVOs.

The Microenterprise Coalition

This is a coalition of organizations that operate in the microenterprise area. The Coalition is a lobbying and information group and does not fund programs or attempt to facilitate relations with NGOs. It currently has 21 members, several of which operate in Southern Africa. Most of the members are U.S.- based organizations, although the Coalition includes the Grameen Bank of Bangladesh. Reference to the Coalition is included because informal affiliation would provide easy access to a number of individuals and organizations working in microenterprise. Further information and access to the mailing list can be obtained from Lawrence Yanovitch at the Foundation for International Community Assistance.

The Small Enterprise Education and Promotion Network (SEEP)

The SEEP network is an association of approximately 30 organizations that operate in the microenterprise area. SEEP publishes a member directory that contains useful summary material on microenterprise programs worldwide. SEEP collects and analyzes data, exchanges information, and acts to promote an appreciation and understanding of microenterprise. With the exception of two Canadian organizations, SEEP members are limited to the United States. An informal affiliation with SEEP could be useful to BMEP by providing access to a description of the names and program profiles of U.S. organizations that support microenterprise, as well as information on trends in this area. The information includes funding

trends, country location, beneficiary profiles, and some analysis of technical developments and new initiatives and findings. The directory contains information that could be quite useful to an organization advocating greater attention to microenterprise as a development priority.

Private Agencies Collaborating Together (PACT)

PACT's objective is to strengthen the management and technical capacity of indigenous NGOs and to build independent sectors in the developing nations. PACT does this by working with partner organizations to identify and implement participatory development programs. PACT has its headquarters in Washington D.C. and 11 field offices in Asia, Africa, and Latin America. PACT provides training and technical assistance and makes direct grants to local organizations. It is thus in a position to both provide skills and fund programs. It is funded almost entirely by USAID. The director of PACT, Lou Mitchell, has worked in Swaziland and is familiar with the opportunities and challenges facing that country.

PACT has a program in South Africa that focuses on strengthening the organizational effectiveness and technical competence of local NGOs. Specifically, the program provides assistance to South African NGOs in financial management, strategic planning, and fundraising. PACT also helps local organizations establish network relations with similar groups around the world. PACT's South Africa program has involved approximately 60 NGOs in assisting South African women to develop their own NGO to support community programs, and connecting NGO leaders from Kenya and the Philippines to South African NGOs to provide advice on the roles and issues they would face when the new government came to power. PACT has recently expanded its program in South Africa to work with NGOs supporting the development of black-owned microenterprise. This effort will work with NGOs to strengthen their organizational capacity and expand their links to organizations inside and outside of South Africa and to establish a resource center.

An informal affiliation with PACT is strongly recommended. Whether this could ultimately lead to a resource transfer is difficult to determine; this possibility could be constrained by the terms of PACT's matching grant from USAID. However, PACT has considerable accumulated expertise in working with small and growing local groups in several areas in which BMEP will need assistance during the next few years. PACT is particularly strong in strategic planning and has a first-rate resident professional in Johannesburg, Marilyn Richards. PACT is unique in that its mandate is to promote the development of local organizations, and it has considerable resources at its command to accomplish this purpose.

InterAction

InterAction is the trade association for American PVOs. Its purpose is to strengthen its individual members, provide a basis for professional consultation, promote international voluntarism, and set ethical standards of conduct. It is not recommended that BMEP become an InterAction member, which is not feasible in any case, but rather that they take advantage

of the information that InterAction can provide with regard to its members and their interests. (A copy of InterAction membership profile will be provided to BMEP by the evaluation team.)

Counterpart Foundation, Inc.

Counterpart Foundation, Inc., in Washington, D.C., was also established to help in the creation and support of local NGOs. Counterpart worked for many years in the South Pacific and has expanded in recent years in an attempt to initiate programs in other developing countries. It has had considerable experience in the former Soviet Union, providing training and technical assistance to the hundreds of emerging NGOs in that area. Counterpart has experience in all areas of institution building including strategic planning, fundraising, and financial management.

Counterpart is currently not involved in the southern Africa region, although through the so-called VEST initiative (Volunteer Executive Service Team) it is exploring the possibility of initiating programs in South Africa. Although it would probably not be interested in a new program solely in Swaziland, it is possible that through coordination between the Swazi and South African missions, its mandate could be defined to include NGOs in Swaziland. The VEST initiative is of potential interest because it is designed to quickly and efficiently link local organizations with expatriate groups that have the skills, resources, and compatibility of operating style that the local organization needs to access in order to improve effectiveness. VEST uses a technique of rapid response teams that it sends to developing countries to share expertise and experience with local groups. Microenterprise is a priority area and the mobilization of resources is an explicit objective. Results of VEST visits have included establishment of an institutional database; accessing project funds, creation of formal and informal partnerships, joint project design, and provision of technical assistance. A VEST team visited South Africa during October of this year and was alerted to the nature of what BMEP does and to the general recommendation of the evaluation team that BMEP consider some form of affiliation with a local or offshore entity operating in a comparable area.

Adventist Development and Relief Agency (ADRA)

ADRA is a large and well-regarded American PVO that focuses on community development and also provides emergency assistance. Its development programs are in education, food production, nutrition, and enterprise development. The latter includes training and the design of community revolving funds. ADRA has 10 field offices, including an office in Zimbabwe. ADRA's small enterprise program is fairly young. It is funded by a matching grant from USAID. Program approaches include vocational training, village banking, support to cooperatives, and the development of cottage industries.

The Calmeadow Foundation

The Calmeadow Foundation is in Ontario, Canada. It is a large PVO (\$20 million in lending) with the bulk of its work in enterprise development. Its mission is to support the development of sustainable financial institutions that provide affordable credit to the poor. Program approaches include micro-business start up, establishment of partnerships with local NGOs, and institution building. Calmeadow has a partnership relation with the Get Ahead Foundation in Pretoria.

CARE

CARE is well-known to BMEP and is included here for purposes of comprehensiveness. About 14 percent of CARE's total budget is devoted to small enterprise development. Program approaches include business management services, such as small business training and extension and technology services focusing on adaptation and commercialization. CARE has an active evaluation program, and publications from this effort are available from the Small Enterprise Office. CARE has an affiliate in Mbabane, Swaziland. BMEP would be well advised to maintain an informal working relationship with CARE and to routinely access CARE's studies and evaluations dealing with microenterprise.

Foundation for International Community Assistance (FINCA)

FINCA is a medium-sized PVO that focuses on establishing revolving loan funds through establishment of village banks with a particular emphasis on working with rural women. FINCA also provides technical and leadership training. It works primarily in Latin America, although it has an affiliate in Uganda. All of FINCA's programs are devoted to small enterprise development. Informational linkages with FINCA possibly could lead to a useful collaborative relationship. Direct funding and assistance with fundraising would not appear to be a strong possibility.

Opportunities International (OI)

OI concentrates on working with local partner NGOs. It employs its own "transformation model" to institutional development and to the growth and maturation of the partners with which it works. OI claims that it has "nurtured 28 autonomous NGOs working on microenterprise development." OI's program services include credit and training. OI material indicates that, "seeded with Opportunity International funds, a Partner usually reaches financial stability within five years." As partners mature, they often spawn additional partners in their country or region. OI has historically concentrated in Latin America, but is in the process of shifting its emphasis to southern Africa and has, to date, established partnership relations with NGOs in Zimbabwe and Soweto, South Africa. OI is an interesting PVO and BMEP should, at a minimum, contact them and inquire about their growing interest in southern Africa and the availability of studies.

World Education

World Education devotes about one-third of its funds to small enterprise development. Its programs emphasize training for small enterprise extension workers and design of institutional support programs for NGOs operating in this area. World Education is a well-regarded PVO with considerable experience. It has worked in Kenya and Mali and plans to initiate new programs in Uganda and South Africa. It could be particularly useful to BMEP through its programs dealing with organizational development including strategic planning, organizational design, and proposal development. The fact that it is embarking on a new effort in South Africa may lead to more direct programmatic collaborations.

World Vision

World Vision is a large, multipurpose PVO with programs in development, education, agriculture, and natural resource management. Although only about 5 percent of the program is in enterprise development, this amount is significant given the overall size of the program. Within this category, World Vision supports the establishment of revolving funds, training, and the establishment of local cooperatives. World Vision has a program in South Africa and its promotional material indicates the existence of a program in Swaziland. World Vision publishes a newsletter BMEP could obtain, and it might be useful to develop an informal communication relationship.

ANNEX C

**COMPARISON OF GOALS AND PERFORMANCE OF BMEP
WITH THE 1992 REVISED USAID COOPERATIVE AGREEMENT**

**Comparison of Goals and Performance of BMEP
with the 1992 Revised USAID Cooperative Agreement**

CATEGORY	GOAL	PERFORMANCE
Full Time Training Program (FTP)	4 FTPs reaching 100 people	7 FTPs reaching 104 people (39% female)
Part Time Training Program (PTT)	6 PTTs reaching 90 people	3 PTTs reaching 32 people
Extension Services	Reach 100 clients and maintain portfolio of 20 clients per Extension Officer	Over 100 clients reached and portfolios generally at or near 20 clients
Contract Training	Not anticipated in Agreement	3 contracts reaching over 200 people (mostly rural women's groups)
Loan Program	75 active clients, 10% or lower bad debt ratio	26 active loans, 58% bad debt ratio prior to most recent write off
Cost recovery including FTP and PTT fees, consulting fees, workshop rent, government subvention	<ul style="list-style-type: none"> Increase FTP fees and establish PTT fee schedule Introduce fees for consulting services from September 1993 Charge competitive fees for workshops and achieve full occupancy Secure government subvention in 1994 	<ul style="list-style-type: none"> FTPs fully costed and charged at E450 as of May 1994 PTTs charged at E100 Consulting fees only very sporadically charged Rent established but only approximately half occupancy in 1993 charged at E100 Contract training effectively replacing government subvention listed but only approximately half occupancy in 1993 year Members of bank accepting indefinite government subvention
Assess policy issues	Gain membership to national fora for small enterprise policy	Members of bank accepting indefinite government subvention
Organizational management Assess policy issues	<ul style="list-style-type: none"> Review board rotation by laws and broaden sectoral representation on the board Gain membership to national fora for small enterprise policy 	<ul style="list-style-type: none"> By laws reviewed and sectoral diversification still in process Member of NGO grouping and Tibiyo
Organizational management Administrative systems and controls, client management information system, procurement	<ul style="list-style-type: none"> Review board rotation by laws and broaden sectoral representation on the board Develop new financial systems and controls Create manageable and accessible client data base for reporting and evaluation Establish USAID approved procurement procedures 	<ul style="list-style-type: none"> By laws reviewed and additional diversification in progress and highly competent Financial Manager hired Client data base installed but poor staff knowledge of how to use it Financial systems and controls developed and implemented and highly competent Financial Manager hired Client data base installed but poor staff knowledge of how to use it Procurement requirements met satisfactorily Procurement done within regulations
Reporting requirements	<ul style="list-style-type: none"> Keep accurate and timely monthly reports and budgets Develop detailed work plans, and bi-annual Project Implementation Reports 	<ul style="list-style-type: none"> All reporting requirements met satisfactorily Only met very sporadically with SBGT, but same policy and coordination objective met through other fora
Coordination with SBGT	Establish monthly meeting schedule between BMEP and SBGT	Only met very sporadically with SBGT, but same policy and coordination objective met through other fora

ANNEX D

THE CREDIT PROGRAM FINANCIAL ANALYSIS

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REBID PROGRAM FINANCIAL ANALYSIS

	QUANTITY	RATE	AMOUNT
NON-INTEREST EXPENSES			
One Credit officer	100.00%	20,380	20,380
One Finance manager (20%)	20.00%	39,320	7,864
Two accounts clerk (20%)	20.00%	12,420	2,484
Five Extension officers (25%)	25.00%	61,128	15,282
TOTAL NON-INTEREST EXPENSES			<u>46,010</u>
INTEREST EXPENSE	11.25%	107,500	<u>12,094</u>
TOTAL EXPENSES			<u>58,104</u>
REVENUES			
Interest income	52.00%	96,750	50,310
Fees & penalties		1,000	1,000
TOTAL REVENUES			<u>51,310</u>
NET INCOME			<u>(6,794)</u>

Assumes disbursement of E215,000 over one year with monthly repayments and 10% default.

Note that expenses do not include any management or other overhead costs.

ANNEX E
BMEP SERVICES QUESTIONNAIRE

BMEP SERVICES QUESTIONNAIRE

This survey was conducted among the 15 participants in the Full Time Training Program that was under way during the evaluation team's on-site visit. Numbers in brackets, [], indicate number of people responding with the same answer.

1. **What has been the most important/valuable part of this training for you so far?**

All [4], Business planning [2], Basic records [2], Costing/pricing [2], Goal setting [2], Entrepreneurship [1], Meeting trainers [1], Stock control [1]

1b. **Why was it the most important?**

Know how to plan [1], Optimism and proper planning = success [1], Planning to be successful [1], Self respect [1], Because I need it to be a businessman [1], What I need to know [1]

2a. **What was the least important/valuable part of the course so far?**

Nothing [5], Costing and pricing [2], Entrepreneurship [1], Basic records [1], Stock control [1]

2b. **Why was that the least important?**

I knew it already [2]

3a. **Do you think the tuition fee of E450 for this three week course was**

Too little - [1], Just right - [9], Too much - [3]

3b. **What do you think the best tuition fee for this course should be?**

E 500-600 [0], E500 [2], E450 [6], E400 [0], E350 [0], E 300 [2]

4. **What kind of follow-up would you like after this course?**

4a. **Short Course? Yes - [8] No - [5]**

What length?

2 days [1], 3 days [2], 4 days [0], 5 days [5]

What subjects?

Basic Records/Cash Flow [5], Accounts [1], Balancing the cash book [1], business planning [1]

How much would you pay for this short course?

3 days - E100 [1], E150 [1]; 5 days - E30 [1], E40 [1], E50 [1], E100 [2]

4b. Saturday Course? Yes [6] No [7]

What Subjects?

Business Planning [2], Stock taking [2], Cash Flow Projections [1]

How much would you pay for this course?

E20 [1], E50 [4], E150 [1]

4c. Extension Visits? Yes [11] No [2]

What would you like the extension officer to help you with during these visits?

General guidance [1], Check basic records [6], General follow up [1], Stock taking [1]

How many times a month would you like to be visited?

Once [3], Twice [3], Three times [1], More than three [4]

How much would you pay for a visit of approximately one hour in length?

Less than E20 [4], E20 [3], E35 [1], E50 [3], E65 [1], More than E65 [1]

5. How did you find out about BMEP?

Friend/relative [4], BMEP extension staff [2], Newspaper [1], Radio [1], A previous student [1], SGBT [1], BMEP visit to SCOT [1]

6. What other services do you think BMEP should provide?

Remove 30-kilometer barrier [1], Use radio to advertise [1], Open up other branches [1], Additional training on record books [1], Help in merchandising [1], Give clients/trainees books [1], Teach clients/trainees competitive strategy [1], Provide clients/trainees with equipment [1]

ANNEX F

BNMSE FINANCIAL PLAN - FY 1993 TO FY 1997

**OMEP EXPENSE FORECAST
FY 1993 TO FY 1997**

APPENDIX F

DATE:

12-Oct-94

	FY 1993	AB OF 30-6-94	FORECAST 1994	FY 1995	FY 1996	FY 1997
PERSONNEL						
Management	119,343	64,666	129,332	148,732	171,042	196,699
Line Staff	87,138	58,866	117,732	135,392	155,701	179,056
Support Staff	28,683	14,910	29,820	34,293	39,437	45,352
Part-time employees	710	520	1,040	1,144	1,258	1,384
BDO Incentive (E5/ client)	0	0	0	0	4,320	5,040
Training Incentive (E5/ trainee)	0	0	0	0	3,240	3,540
Staff Incentive (1% of internal revenue)	0	0	0	0	3,634	4,239
Workmen's compensation insurance	422	328	656	722	794	873
Medical insurance	48,650	25,616	51,632	60,926	71,892	84,833
Provident fund	3,390	1,890	3,780	4,158	4,674	5,031
Pension	12,802	8,000	16,000	17,600	19,360	21,296
TOTAL PERSONNEL	296,338	174,996	349,992	402,966	475,271	547,343
VEHICLE EXPENSES						
Maintenance	6,778	5,643	9,000	9,900	10,890	11,979
Fuel	11,093	6,696	13,392	16,000	17,600	19,360
Insurance	6,662	6,662	6,662	9,748	10,723	11,795
TOTAL VEHICLE	26,733	21,201	31,254	35,648	39,213	43,134
OFFICE OPERATIONS						
Ad hoc technical assistance	8,228	2,634	10,000	11,000	12,100	13,310
Advertising	1,067	3,671	7,342	8,076	8,884	9,772
Auditing fees	15,560	19,000	19,000	21,850	25,128	28,897
Bank charges	217	381	762	838	922	1,014
Cleaning and housekeeping supplies	4,882	2,044	4,086	4,497	4,948	5,441
Contractor services (comp, fire, copy)	6,899	14,785	20,000	22,000	24,200	26,620
Entertainment	1,000	118	1,150	1,285	1,392	1,531
Interest expense	5,751	4,414	8,628	3,375	0	0
Legal fees	840		840	924	1,016	1,118
Licenses	1,007	878	1,756	1,932	2,125	2,337
Maintenance (bldg & grounds)	4,541	1,387	8,000	6,600	7,260	7,986
Miscellaneous expenses	7,288	0	0	0	0	0
Office supplies	17,768	15,973	20,000	22,000	24,200	26,620
Postage	60	328	652	717	789	868
Printing & reproduction	7,265	6,046	9,000	13,000	14,300	15,730
Publications and subscriptions	210	50	100	200	220	242
Security	6,840	2,700	5,400	5,940	6,534	7,187
Staff training	2,955	3,304	6,608	7,289	7,998	8,795
Travel (hotel, air, per diem)	5,781	4,232	8,464	12,000	13,200	14,520
TOTAL OFFICE OPERATIONS	99,937	81,943	129,990	143,483	155,211	171,989
OFFICE EQUIPMENT (Purchase or lease)						
Computers		0	0	20,000	0	0
Copy machines		0	0	0	0	0
Furniture	6,411	0	0	0	0	0
Vehicles	80,002	0	0	90,000	45,000	0
TOTAL OFFICE EQUIPMENT	86,413	0	0	110,000	45,000	0
UTILITIES & RENT						
Electricity	4,753	1,891	5,466	6,013	6,614	7,275
Telephone	16,541	12,134	18,000	20,900	22,990	25,289
Water	258	358	712	783	862	946
Rent	16,900	6,000	12,000	13,200	14,520	15,972
TOTAL UTILITIES & RENT	38,452	20,381	37,178	40,896	44,985	49,484
OTHER INSURANCE						
Liability	150	150	150	165	182	200
Burglar	645	645	645	930	1,022	1,125
Money	250	250	250	275	303	333
Glass	100	100	100	110	121	133
Building	1,755	1,755	1,755	1,931	2,124	2,336
TOTAL OTHER INSURANCE	3,100	3,100	3,100	3,410	3,751	4,126
GRAND TOTAL EXPENSES	552,973	361,621	551,514	736,403	763,432	816,076
Percentage change in recurring expenses			20.06%	13.58%	14.69%	13.59%

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BMEP REVENUE AND NET INCOME FORECAST
FY 1993 TO FY 1997

APPENDIX F

DATE: 12-Oct-94

	FY 1993	AS OF 30-6-94	FORECAST 1994	QUANTITY	FY 1995 RATE	AMOUNT	QUANTITY	FY 1996 RATE	AMOUNT	QUANTITY	FY 1997 RATE	AMOUNT	Quantity Explanations
INTERNALLY GENERATED INCOME													
CURRENT													
FTP Tuition	20,887	9,870	19,740	45	450	20,250	0	495	0	0	545	0	Person-courses
PPT Tuition	0	0	0	75	100	7,500	0	110	0	0	121	0	Person-days
Extension fees (off-site consultancy)	0	0	0	336	25	8,400	0	28	0	0	30	0	Person-visits per year
Quick fix fees (office consultancy)	76	0	0	60	175	10,500	0	193	0	0	212	0	Person-visits per year
Contract training	12,525	46,230	60,000	50	333	16,650	120	366	43,856	120	403	46,262	Course-days
BMEP lease interest & fees	4,473	4,758	4,512	14,000	52.00%	7,280	0	52.00%	0	0	52.00%	0	Avg. outstanding portfolio per year
Workshop rent	36,871	11,718	23,436	84	550	46,200	84	605	50,820	84	606	85,802	Occupancy - months per year
Consultancy fees	0	8,348	14,000	20	333	6,660	10	366	3,663	0	403	0	Days per year
Interest income	0	0	0	150,000	10.00%	15,000	150,000	10.00%	15,000	150,000	10.00%	15,000	Avg. yearly balance on deposit
Miscellaneous rec overies	13,385	2,228	4,452			10,000			10,000			10,000	NA
NEW													
Introduction to Business Course				120	450	54,000	240	495	118,800	240	545	130,800	Person-courses
Module Courses				144	100	14,400	288	110	31,680	288	121	34,848	Person-courses
Business Advisory Services				360	25	9,000	720	28	19,800	864	30	25,936	Person-courses
Consulting				72	175	12,600	144	193	27,720	144	212	30,462	Person-visits per year
Group Empowerment Training				50	333	16,650	120	366	43,856	180	403	72,527	Course-days
INTERNALLY GENERATED INCOME	88,213	63,146	131,140			235,080			385,365			423,837	
Year-to-year percentage change				NA	NA		NA	NA		NA	NA		423,837
Percent of Total Expenses	15.95%	27.57%	23.76%			34.64%			47.85%				18.02%
													51.85%
EXTERNALLY GENERATED INCOME													
USAID grant	382,597	223,791	447,582										
UNDP grant	0	6,840	50,000			320,000			180,000				0
World Bank grant (Dollar endowment)	0	0	0			50,000			57,500				68,125
Other grants	0	0	0			187,500			208,250				288,875
EXTERNALLY GENERATED INCOME	382,597	230,631	497,582			557,500			425,750			393,625	
Percent of Total Expenses	71.00%	79.48%	80.22%			75.71%			55.51%				38.02%
External / Internal Ratio	445.08%	277.38%	378.43%			218.26%			113.87%				68.11%
GRAND TOTAL INCOME	480,810	313,777	628,722			792,580			811,115			817,462	
GRAND TOTAL EXPENSES (from above)	562,973	301,821	551,514			736,403			783,432			818,879	
NET INCOME	72,163	12,156	77,208			56,177			27,683			1,583	

ASSUMPTIONS:

- FTP: 1995 - 3 courses of 15 people each
 - PPT: 1995 - 75 people receiving one-day training
 - Extension: 1995 - 28 clients receiving 2 visits per month for 6 months
 - Quick fix: 1995 - 10 people for one-time visits
 - Contract training: 1995 - 5 courses of 10 days; 1996 - 12 courses of 10 days; 1997 - 12 courses of 10 days
 - Workshop rent: 1995 - Full occupancy (7 units for 12 months); 1996 - Same; 1997 - Same
 - Introduction to Business Course: 1995 - 6 courses of 20 people each; 1996 - 12 courses of 20 people each; 1997 - 12 courses of 20 people each
 - Module Courses: 1995 - 12 courses of 12 people each; 1996 - 24 courses of 12 people each; 1997 - 24 courses of 12 people each
 - Business Advisory Services: 1995 - 4 BDOs visiting 15 clients per month for 6 months; 1996 - 4 BDOs visiting 15 clients per month for 12 months; 1997 - 4 BDOs visiting 18 clients per month for 12 months
 - Consulting: 1995 - 4 BDOs servicing 3 clients per month for 6 months; 1996 - 4 BDOs servicing 3 clients per month for 12 months; 1997 - 4 BDOs servicing 3 clients per month for 12 months
 - Group Empowerment Training: 1995 - 10 courses of 5 days each; 1996 - 24 courses of 5 days each; 1997 - 36 courses of 5 days each
- World Bank: 1995 - \$500,000 @ 10% per year @ E3.75 per dollar; 1996 - \$500,000 @ 10% per year @ E4.13 per dollar; 1997 - \$500,000 @ 10% per year @ E4.54

ANNEX G
RESOURCES USED BY THE EVALUATION TEAM

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RESOURCES USED BY THE EVALUATION TEAM

Materials

"Assessment of Staff Development Needs" (internal BMEP document)

BMEP Board of Directors meeting minutes

"BMEP Internal Unaudited Financial Statement, July 27th 1994"

"BMEP Loan Policy and Procedures"

BMEP Personnel Files

BMEP Proposal - "Rural Training for Women's Groups Involved in Incoming Generating Activities July 1993"

BMEP Strategic Plan

"BMEP Trial Balances 1/1/94 - 31/12/94" as of 30 June 1994

BMEP Workplan for the Period December 1, 1993 to November 30, 1994

Confidential Report on the Appraisal of Business Consultants by Frank Mlotchwa

Extension Client Files

Extension Forms

Extension Officers Monthly Reports

FTP, PTT and Rural Training Reports 92-94

ILO Improve Your Business Trainers Manuals and supporting documents

"Medium and Small Business Development Regulations and Related Statutes," Swaziland Ministry of Economic Affairs, January 1992

"Review of BMEP Sustainability Measures, 6 June 1994"

"Statute for Development of Medium and Small Business," Promulgated per Presidential Decree No. 5364, 4 February 1991

Training Model and Curriculum Guide for Small Businesses Mrs. N. Gamedze 11/91

Training Files of Materials and Handouts

Training Staff Minutes of Meetings 93-94

Training Institutions Prospectus

USAID Project Implementation Reports October 1, 1992- through March 31,1994

USAID 1992 Project Description Document

USAID 1992 Project Evaluation

USAID 1989 Project Evaluation

BMEP Staff Interviews

Mrs. Nokukhanya Gamedze	Program Director
Mr. Sifiso Ndwandwe	Program Manager
Mr. Nicholas Ndzimandze	Finance Manager
Mr. Sabelo Sikhosana	Credit Officer
Ms. Khetsiwe Malaza	Accounts Clerk (since resigned)
Ms. Nomthandazo Magagula	Training Officer
Mr. Rudolph Matsenjwa	Training Officer
Mr. Eric Maziya	Extension Officer
Mr. Stephen Motsa	Extension Officer
Mr. Abednego Dikiza	Extension Officer
Ms. Patricia Malindzisa	Secretary

BMEP Board Member Interviews

Mr. Leonard Lukhele	Chairman
Sr. Judith Ellen Dean	Vice-Chairman
Dr. Thembayena Dlamini	
Mr. Vukani Mamba	
Fr. Larry McDonnell	
Mr. Paul Tsabedze	
Mr. Barnabas Dlamini (not available for interview)	

BMEP Client Interviews

Patricia Mngomezulu	Restaurateur
Nonkuleko Nxumala	Grocery/Health Officer
Constance Simelane	Grocery
Calvin Ginindza	Skills Center Welder
Sibongile Dlamini	Tropicale Restaurant
Girlie Mamba	Seamstress
Nkosinathi Twala	Welder

**Getrude Mamba
Abedinigo Dlamini
Malangelo Chiya
Alfred Mahloba
3 Rural Women's Groups**

**General Dealer
Photographer
Green Grocer
Teacher at Lutheran Center**

ETP Trainees Surveyed

Mbuso Mbuli	Thuli Dlamini
Masinda Dlamini	Lindiwe Motsa
Ncamsile Dlamini	Constance Similane
Siphithemba Motsa	Eric Gamedze
Peter Dlamini	Busie Masangane
Mandla Nxumalo	Thembekile Tsabedze
Jabu Simelane	