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PEACE CORPS MALAWI
SMALL BUSINESS DEVELOPMENT
PROJECT DESIGN

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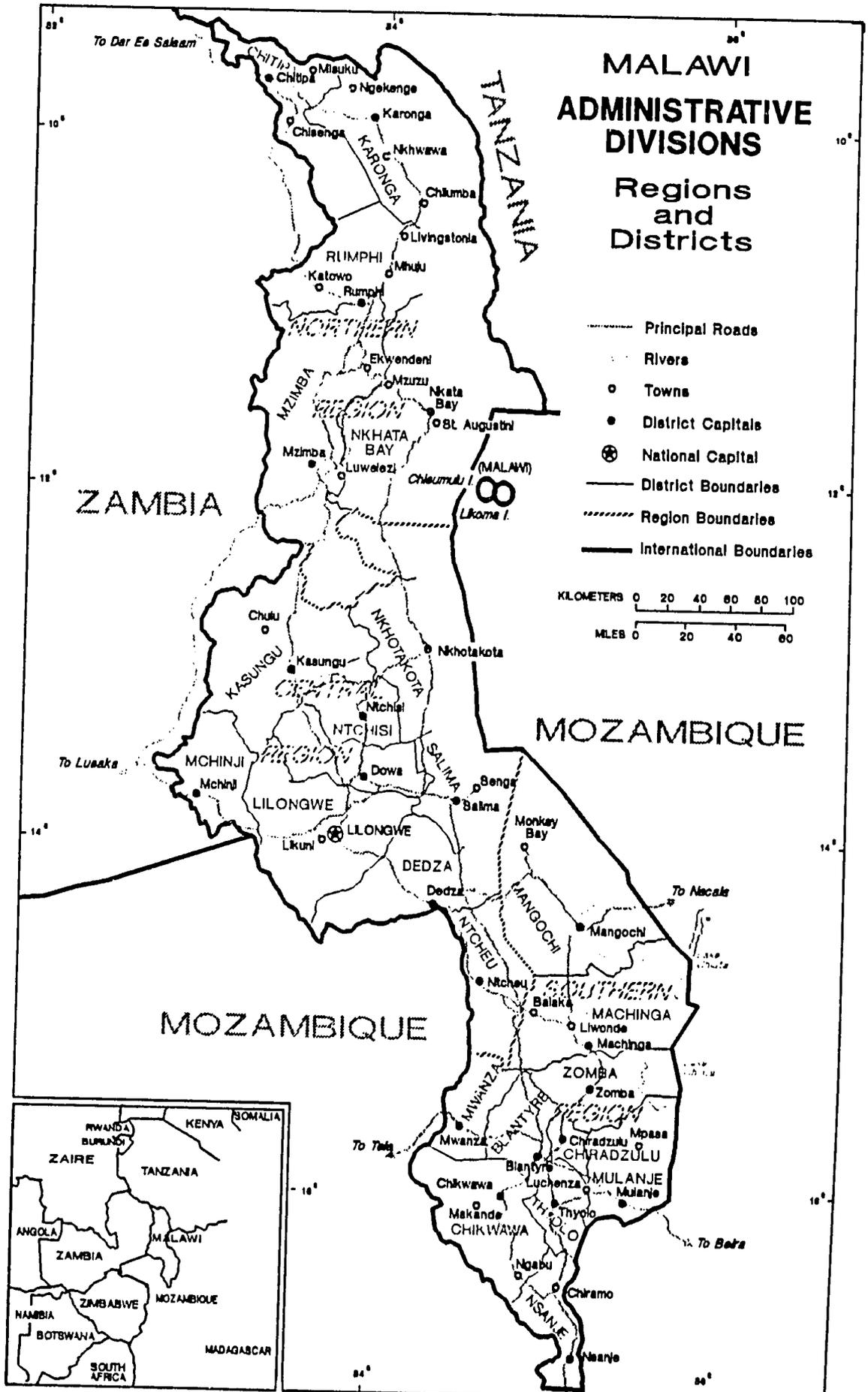
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LIST OF ACRONYMS AND ABBREVIATIONS

| | |
|----------|---|
| APCD | Associate Peace Corps Director |
| ASAP | Africa Small-business Assistance Program |
| BPC | Business Promotion Consultant |
| DEMATT | Development of Malawian Traders Trust |
| DEVPOL | <i>Statement of Development Policy, 1987 to 1996</i> (GOM publication) |
| ECU | European Currency Unit |
| EEC | European Economic Community |
| GDP | Gross Domestic Product |
| GOM | Government of Malawi |
| GOMT | Goals, Objectives, Milestones, Tasks |
| HCA | Host country agency |
| IGA | Income generating activity |
| INDEFUND | Investment and Development Fund |
| IPBS | Integrated Planning and Budget System |
| IST | In-service Training |
| MACOHA | Malawi Council for the Handicapped |
| MEDI | Malawi Entrepreneur Development Institution |
| MEDP | Microenterprise Development Program |
| MK | Malawi Kwacha (unit of currency in Malawi) |
| MMF | Malawi Mudzi Fund |
| MTI | Ministry of Trade and Industry |
| MUSCCO | Malawi Union of Savings & Credit Co-operatives |
| NABW | National Association of Businesswomen |
| NGO | Non-governmental Organization |
| OTAPS | Office of Training and Program Support |
| PASA | Participating Agency Service Agreement |
| PATS | Programming and Training System (Peace Corps manual) |
| PC | Peace Corps |
| PC/M | Peace Corps Malawi |
| PCV | Peace Corps Volunteer |
| PC/W | Peace Corps Washington |
| POET | Project Officers and Entrepreneurs Training Programme |
| PST | Pre-service Training |
| READI | Rural Enterprises and Agribusiness Development Institutions |
| RM | Regional Manager |
| SACCO | Savings and credit cooperative (local, common bond savings and credit unions of MUSCCO) |
| SB | Small business |
| SBC | Senior Business Consultant |
| SBD | Small business development |
| SEDOM | Small Enterprise Development Organization of Malawi |
| SME | Small and medium enterprise |
| TA | Technical assistance or technical advisor |
| TUPEZA | Trickle Up Program Enterprise Zone Association |
| USAID | United States Agency for International Development |
| UN | United Nations |
| UNDP | United Nations Development Program |
| UNV | United Nations Volunteer |
| VAD | Volunteer Assignment Description |
| VSO | Voluntary Service Overseas (United Kingdom voluntary organization) |

EXECUTIVE SUMMARY

A needs assessment of Peace Corps Malawi's (PC/M) potential for programming a small business development (SBD) initiative was conducted in July 1991. It provided an overview of the small enterprise sector in Malawi, and the economic and policy environment affecting small enterprise development. It described efforts undertaken by governmental, quasi-governmental, donor, and non-governmental organizations (NGO) in Malawi in support of small- and microenterprise development, and the assets and constraints to development in that sector. It also addressed the activities of PC/M in this area.

The purpose of this assignment was to confirm the findings of the needs assessment, determine the most appropriate intervention strategy, and develop a project design in small business for Peace Corps Malawi.

The work was conducted from January 13 to February 14, 1992. Documents from various sources pertaining to small business development and Peace Corps' SBD activities in Malawi were examined. Interviews were held with representatives of current and potential collaborating partners, and donor agencies.

An SBD workshop was held by Peace Corps Malawi at the beginning of the consultancy. It served as a forum to discuss the small and microenterprise environment in Malawi, and to formulate ideas for the SBD project plan.

Malawi is one of the poorest countries in the world, with an annual per capita income of US\$170. The labor force is three million people, of which only about 15 percent are paid employees. The economy is not growing fast enough to absorb the 145,000 new labor entrants per year, and few alternatives are developing to traditional agricultural jobs.

The government and formal sector (mainly a small number of large-scale businesses) are unable to adequately stimulate economic opportunity in Malawi. The Government of Malawi (GOM) and the donor community feel the small business (SB) sector offers promise and capacity to absorb the growing number of workers. GOM has declared its intentions to move toward a market-based economy, through programs structured by donor agencies. GOM has stated its support of private enterprise as the basis of commercial and industrial activity in Malawi, in its *Statement of Development Policy, 1987 to 1996 (DEVPOL)*.

The principal obstacles cited by firms in the SB sector to starting up or expanding businesses include a lack of investment capital and working capital, both implying a need for credit; and, competitive markets, which implies a need for product or market diversification. These constraints suggest an increased role for small business support institutions such as Development of Malawian Traders Trust (DEMATT), Malawian Entrepreneur Development Institution (MEDI), and Malawi Union of Savings and Credit Cooperatives (MUSCCO). They also suggest institutions that have been working in the sector are not reaching, training, and advising enough, suitable small businesses, or they are providing inadequate service.

PC/M's Small Business Development project will work through particular NGOs and parastatals to help their beneficiaries learn new skills, grow, earn higher income, employ more people, pay higher wages, and generally contribute to higher living standards in their immediate communities.

The SBD project will be managed by the Associate Peace Corps Director/Generalist (APCD). It will run for six years, and will engage up to 15 volunteers depending on the level of service provided over the life of the project, and the number of potential collaborating agencies which are eventually included in the project. The following organizations are currently slated to be collaborating partners:

- DEMATT, a training and technical assistance (TA) organization which will sponsor three Peace Corps Volunteers;

- . Malawi Mudzi Fund (MMF), a village-based revolving loan fund which will sponsor two volunteers;
- . MUSCCO, a savings and credit institution which will sponsor three volunteers; and
- . National Association of Businesswomen (NABW), a business support association, planning to offer training and TA to members; it will sponsor one volunteer initially, and may expand collaboration in the future.

Peace Corps Volunteers (PCV) working with these NGOs and parastatals will help business advisors in the organizations gain and enhance business management skills, which they will impart to their small business clients. With PCV assistance, these business advisors will be better able to service rural and urban small business clients and train them in skills necessary to support viable enterprises.

Appropriate coworkers exist in all collaborating host country agencies (HCA). The APCD will serve as liaison with collaborating HCAs. HCAs are responsible for meeting financial requirements and resource needs of the PCVs: housing, office space, transportation, and job-related materials. Collaborating partners have agreed to provide these resources, or forfeit a volunteer placement.

The project plan includes the following elements:

Project Purpose

The purpose of this project is to increase income and employment in participating micro/small enterprises through the strengthening and growth of these enterprises and the implementing institutions.

Project Goals and Objectives

Goal: By 1998, 1400 DEMATT clients, 800 MMF beneficiaries, and 400 NABW members will start up or expand business activities. They will generate increased income and employment (including self-employment) as measured by a 60 percent average growth in gross sales, or a 30 percent increase in employment, over 1992 levels.

Objective: By the end of 1997, 80 percent of SB target beneficiaries will have improved their business operations with increased business skills and management practices in planning, marketing, and record keeping. They will be able to devise a simple business plan, and will report an average increase in paying customers or gross sales of 10 percent per year.

Objective: By the end of 1996, collaborating HCAs will offer improved business training and advisory services to 65 percent of SB target beneficiaries. Beneficiaries will report an average increase in gross sales of 10 percent per year based on advice rendered to them and followed by them.

Goal: By 1998, 1200 MUSCCO members and 800 MMF beneficiaries who have never received loans will have access to credit for income generating activity (IGA), agribusiness, or business loans.

Objective: By the end of 1996, 60 percent of SB target beneficiaries will be able to properly apply for credit by following correct loan application and utilization procedures.

Objective: By the end of 1996, 80 percent of SB target beneficiaries who have received loans will be effectively using and repaying them. They will achieve a 90 percent repayment rate and report an increase in assets after their first year of operation.

Objective: By the end of 1996, 90 percent of MUSCCO Savings and Credit Cooperatives (SACCO) will be financially viable and self-sustaining. They will have systems in place to critically evaluate credit applications, and to provide credit to members seeking loans for acceptable micro/small business projects.

Volunteers will be recruited from AA 140: Business Management, Skill Clusters A and B. Volunteers are requested to have an emphasis in marketing and organizational management, and be proficient in the use of computers.

A small business session will be given at the volunteers' Pre-service Training (PST). SBD volunteers will design their own In-service Training (IST), based on their needs. ISTs will be open to PCV coworkers, as well.

Progress toward project goals will be monitored in several ways:

- . quarterly reports and observations by PCVs and collaborating agencies;
- . workshops and ISTs for PCVs and counterparts;
- . APCD site visits and interviews with participants.

In summary, GOM, NGOs, and the donor community in Malawi recognize that expansion of the small business sector offers, perhaps, the best hope for increasing income and employment opportunities. However, this cannot be realized unless small businesses receive appropriate, competent technical assistance and training. Given Peace Corps' history in development and its ability to impart valuable skills through volunteers, Peace Corps (PC) can play an important role in helping to strengthen the small business sector in Malawi.

I. INTRODUCTION

A needs assessment of Peace Corps Malawi's potential for programming a small business development initiative was conducted in July 1991. It provided an overview of the small enterprise sector in Malawi, and the economic and policy environment affecting small enterprise development. It described efforts undertaken by governmental, quasi-governmental, donor, and non-governmental organizations in Malawi in support of small- and microenterprise development, and the assets and constraints to development in that sector. It also addressed the activities of PC/M in this area.

As described in the needs assessment report, there is a great call to generate income, employment, and small business activity in Malawi. Because the need is great, and given Peace Corps' history in development, and its ability to impart valuable skills through volunteers, it was recommended that Peace Corps develop a focused SBD project in Malawi. The purpose of this assignment was to confirm the findings of the needs assessment, determine the most appropriate intervention strategy, and develop a project plan in small business for Peace Corps Malawi.

The project plan in this document is meant as a **general guideline** for SBD Peace Corps Volunteers to follow. It is meant to be a flexible, changeable project, so the plan outlined should not be taken as a set of rules and regulations. SBD volunteers won't pursue all of the goals and objectives of the project. Rather, they will follow and use the ones most relevant to their jobs and organizations.

This document provides an initial plan for starting PC/M's Small Business Development Project. It is hoped that this plan will be refined and revised as appropriate and necessary over the six-year life of the project.

II. METHODOLOGY

The contractor used the following methodology in accordance with guidelines set out by Peace Corps Washington (PC/W) and Peace Corps Malawi:

Built on the Peace Corps Malawi SBD Needs Assessment and conducted fact-finding interviews with Peace Corps Volunteers, host country agencies (governmental and non-governmental), relevant Peace Corps staff, international organizations, the private business sector, the United States Agency for International Development (USAID) mission, the United Nations Development Program (UNDP) mission, and other organizations, groups and individuals, as appropriate. Interviews were conducted where most SBD activities and organizations are located--in Lilongwe, Blantyre, and Zomba. Appendix 1 contains a list of persons and groups contacted.

Surveyed literature pertaining to the small enterprise sector, its operating environment, and constraints. Examined reports, programming documents, and evaluations for PC/M and other countries in the Africa region, as well as those supplied by organizations interviewed. Reviewed PC/M programming documents including the Integrated Planning and Budget System (IPBS), PCV job descriptions, and available reports from volunteers (e.g., monthly reports, final reports, and SBD idea papers). Analyzed information gathered from interviews and reports.

Developed a project plan whose elements were prepared in accordance with the Peace Corps Programming and Training System (FATS) manual, ready for implementation.

The work was conducted from January 13 to February 14, 1992. An SBD workshop, sponsored by PC/M, was held for four days during the second week of the consultancy. It was facilitated by a regionally-hired personal services contractor under ASAP PASA sponsorship. The workshop served as a forum to discuss the small and microenterprise environment in Malawi, to formulate ideas for the SBD project plan, and to bring together under one roof representatives of government and non-government institutions interested and active in the small business sector. It also served to help familiarize PC collaborating agencies with Peace Corps development philosophy, and the Peace Corps methodology of project design, planning, and implementation.

The first day of the workshop was set aside for presentations and discussion by representatives of GOM ministries, parastatals, NGOs, and donor agencies with projects and programs in small business development. The presenters spoke about constraints to, and the need for, small business development in Malawi; and they outlined their policies and programs. The presentations were well received, and they provided participants with information and perspective necessary to develop a project plan.

The following three days of the workshop were spent working in plenary and small group sessions. Participants included six PCVs, four representatives from NGOs, four from parastatals, and two from the Ministry of Trade and Industry (MTI). Three of the organizations most interested in sponsoring PCVs attended the workshop: DEMATT, NABW, and MUSCCO. They sent current and prospective counterparts. The fourth organization, MMF, gave a presentation about its program on the first day of the workshop. The PCVs present ranged in experience from one week in country to two and one-half years, and from a marketing advisor to a computer analyst. This mixture of participants created an interesting and useful diversity of perspective. A workshop schedule and list of presenters and participants is contained in Appendix 2.

During the workshop, participants created and reached consensus on a problem statement, a preliminary project concept, a project purpose, and production and capacity goals, objectives, and milestones. Some of the ideas produced at the workshop were incorporated into the final project plan.

III. PROJECT PLAN

SMALL BUSINESS DEVELOPMENT

PART 1 - PROJECT BACKGROUND FROM THE HOST COUNTRY PERSPECTIVE

A. Country Assessment and Historical Perspective

Malawi is a small, landlocked country in south-central Africa with a population of eight million and an annual per capita income estimated at US\$170.¹ About 85 percent of the population live in rural areas and are engaged in subsistence agricultural production. The agricultural sector contributes 38 percent of gross domestic product (GDP), down from 51 percent prior to 1985.² It accounts for 90 percent of exports and 85 percent of total labor force utilization, although this sector pays the lowest wages.³

Before independence in 1964, Malawi was almost entirely dependent on agriculture. Soon after independence, the government emphasized the manufacturing and service sectors in an effort to diversify the economy. However, the economy of Malawi has been substantially controlled by the government, parastatals, a few multinational companies, and local oligopolies. The government's efforts have been concentrated on parastatals like the Agricultural Development and Marketing Corporation (ADMARC), and enterprises in the formal sector.

GOM has declared its intentions to move toward a market-based economy, through programs structured by the IMF and donor agencies. GOM has stated its support of private enterprise as the basis of commercial and industrial activity in Malawi, in its *Statement of Development Policy, 1987 to 1996*. In the 1992 revision of *DEVPOL*, small business development is expected to be an area of high priority for the country.

The total estimated labor force in Malawi is three million people, most of whom are in small-scale agriculture. The total number of people in paid employment was approximately 436,500 in 1989, or 15 percent of the total labor force. The private sector accounts for 80 percent of paid employees, but employs only about 12 percent of the total labor force.⁴

From 1983 to 1989 employment grew at an average rate of 1.8 percent per year while the potential labor force grew at 3 to 4 percent per year.⁵ Malawi's ability to create employment within the government or formal sector is inadequate to cope with the 145,000 new labor market entrants each year. About 100,000 of these entrants cannot be absorbed by government and formal sector organizations. GOM and the donor community feel the **small business sector** offers promise and capacity to help absorb

¹ Vincent M. Rague, *Staff Appraisal Report--Malawi--Financial Sector and Enterprise Development Project*, Report Number 9096 (Washington, DC: World Bank, 1991), p.1.

² Economist Intelligence Unit Country Report, "Malawi," Number 1, 1991, *Peace Corps Malawi Information Packet* (Washington, DC: Peace Corps, 1991), p.126.

³ World Bank, *Malawi--Growth through Poverty Reduction*, Report Number 8140 (Washington, DC: World Bank, 1990), p.6.

⁴ Economist Intelligence Unit, *Malawi Country Profile--1991-92* (London: November 1, 1991), p.13.

⁵ Ibid.

the growing number of workers. However, GOM has not reached out to promote small or informal enterprises. As reflected in *DEVPOL*, GOM has deliberately taken a low profile in the informal sector because these enterprises are relatively hard to identify and assess. Their only link with the government is through trading/business licenses.⁶

The size of the small- and medium-enterprise (SME) sector in Malawi is roughly estimated to be comprised of 30-35,000 enterprises, employing 50-60,000 workers, and an additional 110-120,000 self-employed individuals using their own labor and unpaid family members. It is believed there are hundreds of thousands more engaged in part-time off-farm activity.⁷

The typical Malawian entrepreneur is a middle-age man, married with 6 to 10 dependents, is modestly educated (e.g., to junior high school level), and has a high level of commitment to his business--which is self-financed. While this may describe an average DEMATT client, it contrasts with typical beneficiaries of MMF and members of NABW. They are females in their twenties, thirties, and forties; many are unmarried with children; many are illiterate or semilliterate; and nearly all have little or no savings for business investment.

A survey of 1383 SMEs was carried out by a USAID project in 1986. It showed the distribution of businesses as 42 percent in trading activities, 26 percent in small-scale service activities, and 30 percent in a few common manufacturing activities. The mean number of employees was 2.5 per enterprise; 91 percent of entrepreneurs started businesses with their own savings; 72 percent had initial investment of under Malawi Kwacha (MK) 1,000; 18 percent had initial investment of MK1,001 to MK10,000. (US\$1.00 = MK2.65 at 2-10-92) Of the total employees, 78 percent were working in rural-based enterprises and 22 percent in urban areas; 81 percent were male.⁸

A follow-up study in October 1990 attempted to measure growth in SMEs by examining changes in wages, gross sales, and employment. These indicators, taken from a small number of established, mostly urban SMEs, were compared with 1986 figures for the same firms. Taking inflation into account, only 33 percent of firms interviewed increased the number of employees, the real wage bill grew only 50 percent, and 33 percent had positive growth in gross sales.⁹ Figures for smaller, rural-based firms would presumably be lower.

Development of small-scale enterprise has received some attention in Malawi, but it is constrained by limited access to credit for working capital, inadequate initial start-up capital, restrictive regulatory policies, and a shortage of entrepreneurial and managerial talent. Despite the constraints, the development of small enterprise remains an important element in GOM's strategy to support economic growth, employment generation, and poverty reduction.

⁶ Government of Malawi, Economic Planning and Development Division, *Statement of Development Policy, 1987 to 1996* (Lilongwe: 1987), p.62.

⁷ Stephen Silcox et al, *Final Evaluation--Malawi Rural Enterprise and Agribusiness Development Institutions Project* (Washington, DC: USAID, August 1991), p. 91.

⁸ Ibid.

⁹ Michael A. McPherson, *Growth and Change in Malawi's Small and Medium Enterprise Sector, 1986-1990*, GEMINI Technical Report No. 17, (Washington, DC: Development Alternatives, Inc. for USAID, June 1991), p.3.

B. Problem Analysis

Economic opportunity is seriously lacking for the work force in Malawi. The government and formal sectors are at best able to absorb 30 percent of labor market entrants each year. In the private sector, this is partly due to a controlled economy with restrictive regulations which have discouraged business start-ups. GOM, with encouragement from donor agencies, is instituting policy reforms to liberalize the economic system. A notable program is one which allows small farmers to grow burley tobacco, a high value crop. Indications are this program is producing favorable results, generating more income for farmers and demand in the economy.

Even with a less controlled economy, small businesses will find it difficult to grow and create employment because of their limited access to credit and capital, market constraints, weak business skills, inadequate business support services, and limited access to raw materials, equipment, and technology. Those wishing to pursue off-farm opportunities and start micro/small businesses face these impediments as well as a lack of education, training, or entrepreneurial know-how.

Small businesspersons also note constraints such as high transport costs, zoning regulations, and high tax rates for small formal enterprises. These are not areas where Peace Corps can intervene. However, the policy reform measures currently being enacted should help to ease these problems.

Micro/small businesspersons typically feel their largest problem is access to credit and capital. The majority of SMEs are self-financed. It takes a long time to save money to start or expand a business. Their small savings which would go toward investment and working capital are often used for needs and demands among their extended families. They may also have little or no collateral, a bad credit history, or inability to manage money. The commercial banks are hesitant to offer credit to small enterprises due to perceived high risk coupled with lack of collateral.

There are several programs to help address this constraint. UNDP is negotiating with the commercial banks to set up a system for loan guarantees to SBs through the banks. USAID is sponsoring the Medium Scale Enterprise Program which will offer loans to select, viable small enterprises through DEMATT or INDEFUND in order to help them grow. MUSCCO provides an alternative to many people who cannot get credit through the commercial banks. However, it needs to strengthen the management of its member SACCOs. This will enable them to better manage savings and mobilize it to offer credit to their members, including entrepreneurs. MUSCCO's efforts have been supported by technical advisors from the World Council of Credit Unions and PCVs.

Other major impediments felt by micro/small businesspersons are various market constraints. There is limited demand for goods in Malawi because incomes are low and seasonal. There is income in the system between April and September, when crops are sold. But it is difficult for households to make this money last year round, through the next growing season. Many small businesses are feeling pressure from increased competition. When they hit upon a successful product or service, it will be quickly imitated. Although this could mean better goods at lower prices for consumers, it implies a need for improved, more efficient production, and product or market diversification. Reaching wider reliable markets--and sources of supply--can be expensive and difficult, with the current transport system. Small businesses are also restrained by their lack of product costing and pricing techniques, and by poor marketing and sales skills. And, producing more efficiently may require skills and technology which are nonexistent in these small businesses.

An underlying cause of most of these problems is a lack of skills in starting up, running, and expanding micro/small businesses. Small businesspersons acknowledge their need for assistance in accessing credit, planning their business activities, assessing and reaching markets, and managing finances. However, there are few organizations providing training and support to them in these areas. Most efforts are directed to formal sector sustainable businesses.

Organizations working in the SB sector have expressed frustration with the obstacles they face in serving clients: limited staff and budget resources, inexperienced or inadequately trained staff, poorly skilled or educated clients, and internal management problems. For example, the Small Enterprise Development Organization of Malawi (SEDOM) is currently not granting loans to small businesses due to a shortage of funds caused, in part, by a poor loan collection system. DEMATT business consultants work with six hundred clients per year; but the size of the SME sector is estimated at 30-35,000 enterprises, with an additional 110-120,000 self-employed individuals. DEMATT consultants would like training in identifying promising SBs in this population, and in knowing how to support entrepreneurs. NABW recognizes that its members need business training, but it does not have the expertise or materials to do it. MMF knows its loan recipients face stiff market competition; but, it does not have the personnel or skills to identify and develop new product or market opportunities with its clients. All collaborating SBD HCAs have expressed a need to upgrade the skills of field staff in marketing or business management.

C. Problem Statement

There is a serious lack of income and employment opportunity for people in Malawi. In the small business sector, potential entrepreneurs lack the resources and skills necessary to start up productive enterprises. A significant number of those already operating in the mostly informal small business sector lack the skills and resources to grow, and create jobs and income.

Only 15 percent of the Malawian labor force is engaged in paid employment. There are 145,000 new entrants to the labor market each year. As many as 100,000 of these cannot be absorbed by the government, estate, and non-agricultural formal sectors. GOM recognizes that the informal sector, through its micro/small businesses, may best be able to absorb this growing population. At the local level, income and employment growth is seen as essential to enable people to buy food and clothing, and pay for school fees, household goods, and other expenses.

The principal obstacles cited by firms in the SB sector to starting up or expanding businesses include a lack of investment capital for business start up and working capital with which to buy materials, both implying a need for credit; and, competitive markets, which implies a need for product or market diversification. Many of the firms visited for this report were also in need of production advice. However, few of the business owners expressed a need or desire for this type of assistance. The credit, market, and production constraints suggest an increased role for SME support institutions such as DEMATT, MEDI, MUSCCO, NABW and MMF. They also suggest institutions that have been working in the sector are not reaching, training, and advising suitable small businesses, or they are providing inadequate service.

Consequently, micro/small businesses are hard pressed to expand, grow, earn higher income, employ more people, pay higher wages, and generally contribute to higher standards of living for themselves, their employees, and their communities.

D. Past Efforts to Address the Problem

Before independence Malawi was almost entirely dependent on agriculture. Soon after independence the government emphasized the manufacturing and service sectors in an effort to diversify the economy. However, GOM's efforts were concentrated on parastatals and enterprises in the formal sector. Very little was done about small-scale enterprise and the informal sector.

Since independence agriculture has been the single most important sector of the economy, contributing about 51 percent of the GDP. However, since 1985 the share of agriculture has fallen to 38 percent as contribution to the GDP. This economic trend has helped lead to a change in GOM's thinking as evidenced in the current *DEVPOL*. Apart from continued support of essential sectors such as agriculture

and large-scale business, GOM has stated its support of private enterprise as the basis of commercial and industrial activity in Malawi.

The Malawian economy remains predominantly based on agriculture which accounts for a little over 35 percent of the GDP, 90 percent of exports, and 85 percent of total labor force utilization. Although the sector accounts for 85 percent of employment, it pays the lowest wages.

GOM, through the Ministry of Agriculture, launched a National Rural Development Programme in 1978 under which the country was divided into eight Agriculture Development Divisions (ADD) for purposes of providing management and technical (extension) support, and credit facilities to farmers.

Since the early 1980s, GOM has undertaken structural adjustments in order to reform its economic policy. These changes have been developed with and encouraged by several international donors, most notably the World Bank, UNDP, and USAID. Two of the changes in economic policy which are expected to impact micro-to-medium enterprises are:

- . Streamlining of agricultural policies, allowing small farmers to produce such cash crops as burley tobacco, which creates more income in the country.
- . Reduction of the government deficit leading to a decreased rate of inflation, less erosion in consumer spending, and less crowding out of the private sector with respect to credit markets.¹⁰

In the early 1980s the need for credit and business/technical advisory services was growing. GOM responded by establishing a Small-scale Industry Unit within the Ministry of Trade and Industry which was to coordinate small enterprise development efforts in conjunction with other institutions.

GOM also created small enterprise development support institutions such as DEMATT, MUSCCO, Investment and Development Fund (INDEFUND), MEDI, and SEDOM. They're responsible for implementing some of GOM's small enterprise development programs. However, most are having problems carrying out this responsibility effectively due to a lack of trained manpower, essential facilities, and funds.¹¹

E. Current Efforts to Address the Problem

GOM has begun to recognize the seriousness of the situation and is increasing its efforts to address it. However, the majority of initiatives to implement and extend GOM's policies are supported by international donor agencies versus GOM budgetary contributions. According to the Economist Intelligence Unit, 83 percent of development programs must be financed by foreign aid. GOM has not come forward with funding when promised. At one parastatal, for example, UNDP sponsored a major program which the organization was to take over when UNDP funding expired. When the funding ended and the UN consultants left, the organization failed to carry on the project in a substantive way. During an interview at another SBD institution, officials confidently stated that when funds run out from one donor they would seek them from another.

¹⁰ McPherson, p.1.

¹¹ These problems have been discussed extensively in a number of studies which have been carried out in recent years. The studies, among other purposes, have examined and evaluated the aforementioned institutions. They include the report by Stephen Silcox and team members for USAID, the Small Business Development Needs Assessment report for Peace Corps/Malawi, a report by Fred O'Regan for Labat-Anderson, Inc. and USAID, and reports by the Malawian offices of Price Waterhouse and Deloitte and Touche for USAID Malawi.

There are a number of parastatals and NGOs that support small enterprise development such as those mentioned earlier, plus MMF, Project Officers and Entrepreneurs Training Institute (POET), and NABW. They are trying to provide micro/small enterprises with access to credit and the skills necessary to become viable businesses, or to become productively self-employed. They need assistance in making their operations run more efficiently, and in improving the quality and relevance of their outreach services to the increasing numbers of those who need it. The following organizations are the principal ones involved in SBD:

Government Organizations

Ministry of Trade and Industry

MTI is responsible for implementing government policy relating to the commercial and industrial sector, including small-scale industries. MTI has spent most of its staffing and budget resources around medium and large enterprises in the formal sector, which it felt had the best chance of expanding and creating employment. Up to now, the efforts of MTI and its Small-scale Industry Unit to promote, support, and assist the small business sector have been generally regarded as weak and ineffective.

Quasi-governmental Organizations

DEMATT

DEMATT is a trust established in 1978 which provides business and technical advisory services to small- and medium-scale enterprises owned by Malawians. It operates in the manufacturing, trading, and service sectors with emphasis in rural areas. DEMATT has been primarily funded by USAID. It classifies small business as enterprises having five to twenty employees, and up to MK200,000 in capital investment. Most of its clients fall in this category.

DEMATT has three regional offices and twenty-eight field offices. The 3 regional managers (RM) supervise a total of 11 senior business consultants (SBC), 33 business promotion consultants (BPC), 3 agro-industry consultants, and 3 technical consultants. Each BPC works with about twenty SB clients per year.

DEMATT trains business owners in business management skills and assists them in starting up, managing, or expanding their businesses. It does this through one-on-one and group training programs. It does not provide loans, but it will help with feasibility studies, market studies, business plans, loan applications, and production advice. Typically, DEMATT works with clients for three to six months. About 80 percent of its clients stay in business.

DEMATT has no shortage of interested clients, according to management. However, it is restricted by limited staff and budget. At 12-31-91 DEMATT had 634 active clients, of which 30 percent were manufacturers; 27 percent were in trade. About 40 percent of the clients were located in the southern region, where business activity is centered. The remaining 60 percent are evenly distributed between the central and northern regions. About 85 percent of clients are in rural areas. Nearly 80 percent of the clients are male. Most clients are over 30 years old and combine business with farming. The average client employs three to four people and earns MK1000 per month. Typical businesses are carpentry, tailoring, metal-working, and restaurants.

DEMATT officials said they face the following constraints in dealing with clients: low educational levels; lack of basic business skills and ability to keep financial records; and, undercapitalized client operations. They also noted DEMATT needs to upgrade extension staff to replace bookkeepers with technical and business consultants.

Malawi Mudzi Fund

MMF is a revolving loan program based on the successful Grameen Bank in Bangladesh. It is in a pilot stage in two districts in Malawi--Chiradzulu and Mangochi. MMF is funded by the International Fund for Agricultural Development (IFAD). It was established in 1989 to provide credit to the neediest rural population for income generating activities, in order to boost their earning power and eventually improve their standard of living. (SEDOM, MUSCCO, and INDEFUND do not cater to this group.) MMF also provides technical advice on business management to its beneficiaries.

MMF targets the neediest villagers--those who own less than one hectare of land and suffer from poor health and nutrition. Chosen candidates are asked to find four more people to form a group. The group is given twelve hours of training in entrepreneurship skills, motivation, discipline, group unity, hard work, and basic banking principles.

Loans are given to two members of the group. If they meet their payments, after two months or so two more group members are eligible for loans. If they don't repay, the group pressures them to do so at its weekly meetings. Average loan size is about MK289. They've ranged from MK70 for a maize processing business to MK 710 for a restaurant. The interest rate is 15 percent and loan payments are made weekly over a fifty-week period. During MMF's first year of operation (1990), 60 percent of loans were repaid. After instituting new measures during the second year, 100 percent of loans were repaid.

MMF is staffed by 1 scheme administrator, 1 assistant scheme administrator, 2 branch managers and accountants, and 4 project officers per branch office. The main field activities include group formation and training, loan disbursement, business monitoring, loan repayment, and savings mobilization. MMF's goal is to reach one thousand people in each of its two communities over five years. There are presently 965 active members in total, and 635 in both districts are loan recipients. Most members are between twenty and sixty years old. Females comprise 74 percent of MMF's active membership and 77 percent of its loan beneficiaries. Business projects include fishmongering and drying, vegetable growing and selling, knitting, tinsmithing, poultry, selling firewood, and providing services such as a bakery, tea room, restaurant, and small grocery.

MEDI

MEDI offers entrepreneurial skills training in finance, marketing, and production through on- and off-campus courses. It strives to help micro/small entrepreneurs who can grow and expand. In its secondary role MEDI provides technical extension and business planning services. It offers TA to graduates who request it, and charges them for expenses.

MEDI can train up to two hundred people per year. It offers two full-time programs, four to six short programs, and four off-campus programs per year. It is developing a women's training program which it will hold in the field, since women are reluctant to leave families and homes to attend multi-week on-campus courses.

On-campus courses are in trades (automotive, carpentry, metal-working, construction) and services (electrical, baking, tailoring, and agro-industry/food processing). Courses range from two to twelve weeks. The entrepreneurship program runs for three weeks at the client's business premise. It costs MK100 and covers human resource management, accounting, marketing, and production.

SEDOM

SEDOM was started in 1982 and is funded by the European Economic Community (EEC), the Germans, and the United Nations Industrial Development Organization (UNIDO). It provides loans and limited extension services to small businesses. SEDOM has supported over 4,500 projects and has 2,800 active loans as of mid-1991, of which 50 percent are in rural areas. Loans are given for start-up or working

capital. Average loan size is MK22,000; the smallest loan is MK500. Interest rates are 16 percent in rural areas and 18 percent in urban areas. Repayment periods are pegged to cash flows and last from one to ten years. Mean number of employees per client firm is six.

Maize milling and tailoring were prominent businesses in SEDOM's early portfolio. Now carpentry, metal-working, paper recycling, and oil extraction figure more prominently.

Most of SEDOM's small clients (56 percent) are in the south, where people are more responsive to industrial activity. It offers training in bookkeeping, operations, or production as a client's needs arise. Its training and extension services are limited, however, by its small staff nationwide.

SEDOM has serious loan collection problems, and has made losses every year except 1985. At the beginning of 1992, SEDOM was experiencing management difficulties, and had temporarily ceased lending activities due to lack of funds.

INDEFUND

INDEFUND was established in 1982 to finance and help develop Malawian-owned business enterprises. It is funded by INDEBAŃK, and the international donor community, including USAID. INDEFUND is a lending institution, with loans ranging in size from MK30,000 to MK350,000. It showed a profit in 1990. Loans are targeted to commercially viable urban and rural enterprises in agriculture, agro-industry, fishing, manufacturing, wholesale and retail trade, service industries, construction, transportation, and hotels.

INDEFUND project officers assist clients in project preparation, and appraise the feasibility of projects that are submitted. It has also developed and implemented a business monitoring and advising function.

INDEFUND operates in two locations--its headquarters and southern branch office in Blantyre, and its central and northern region office in Lilongwe. The twenty-six member staff includes the general manager, two branch managers, three accountants, eight project and business administration officers, and two agricultural officers.

Non-governmental Organizations

MUSCCO

MUSCCO is a national association of credit unions in Malawi, owned and controlled by the societies which are affiliated to it. MUSCCO is responsible for promoting and organizing savings and credit cooperatives in Malawi. SACCOs offer a place for members to save and borrow. One of its goals is that SACCOs will use capital created from savings for loans for economic and social development. As SACCOs grow in members and deposits, small amounts of credit and capital can be available to members who are typically in the lower economic levels.

MUSCCO sees its SACCOs as operating in the informal sector, assisting members in making the transition to the formal sector. SACCOs borrow from MUSCCO for onward lending to their members to meet short term needs such as farm inputs, fertilizer, groceries, etc. SACCOs can also borrow from MUSCCO on a long term basis to finance small business projects (e.g., a maize mill) which require considerable capital investment. MUSCCO's interest rate to SACCOs is 12 percent. The SACCOs' interest rate to members is 18 percent.

In the future, MUSCCO wants to give more attention to providing credit to small enterprises, income generating activities for women, and others needing financial services. It is working on a three-year project with the Christian Service Council to assist women starting microenterprises or IGAs. It also is

aiming to strengthen the management of its SACCOs, and make them more economically viable and better equipped for mobilizing savings for credit activities, including in the SB sector.

About 75 percent of SACCOs are in rural areas. Since banking and savings facilities are scarce in these areas, MUSCCO provides a useful service to these small earners and savers when the societies are properly managed. At the same time, it is under pressure to develop more employee-based (payroll deduction) societies in urban areas. These societies are generally more stable and successful than the rural ones. MUSCCO studies show that 80 percent of savings generated in urban employee groups is used for productive loans, for income generating activities in agriculture or small business.

MUSCCO is about 60 percent supported by USAID's local currency fund. USAID's contribution is decreasing, as MUSCCO strives to reach self-sufficiency by 1996. MUSCCO has grown to a staff of over 50, a system of 123 SACCOs with 18,000 members, a loan portfolio of nearly MK4 million, and assets over MK5 million. (The assets are fairly concentrated. In 1990, 19 of 115 SACCOs accounted for 73.3 percent of MUSCCO assets.) The average savings per member is MK238. MUSCCO's loan delinquency rate is currently about 14 percent.

About 75 percent of SACCO members are male. Most members are over 40 years old and work as farmers, carpenters, traders, teachers, fish farmers, or office workers. A demographic study of SACCO members is nearly completed. It will provide basic information on members, and the savings and lending activity in each SACCO--amount borrowed, purpose of loan, etc.

MUSCCO has had serious shortfalls over the years in its management practices, financial management, staffing and budgetary allocations, and ability to attract adequately skilled personnel. However, in the last nine months it has made strides in reorganizing its management and upgrading its staff.

MUSCCO is headquartered in Lilongwe, with regional offices in Mzuzu, Lilongwe, and Blantyre. A regional manager heads each branch office, supervising a training officer and several field officers.

NABW

NABW is a new NGO, organized and registered in 1990. It has 2,340 members nationwide who pay a membership fee of MK20. The vast majority of its members, about 90 percent, are small- and microenterprise operators--too small to warrant assistance from DEMATT and SEDOM, according to NABW officials. Most of its members (62 percent) operate in traditional female enterprises: agriculture, food/restaurants, sewing, and trading. Their activities are small and mostly service-oriented, which limit their access to most loans.

NABW's objectives are to increase the establishment and growth of women-owned businesses, increase women's access to business support services (e.g., credit, training, TA), and build women's confidence by encouraging their participation in other sectors of development. NABW works with women in urban and rural areas, and has concentrated its efforts in three districts. NABW plans to develop training materials tailored to its membership in managing business and money, doing business plans, and keeping accounts. It will do this in conjunction with relevant existing institutions as much as possible. NABW members are most interested in access to credit. It hopes to develop a revolving credit program that will target the rural majority in its membership.

NABW members are typically 28 to 49 years old and work in agriculture. About 36 percent are semi/non literate. NABW is headquartered in Lilongwe, where an executive secretary is based. It has three regional chairwomen and a district committee in each district. It hopes to establish a branch office in each of the three regions. The national chairwoman is very visible and very active in attracting new members. She is based in Blantyre and heads a ten-person executive committee. Although she had planned to take a less active role in NABW operations, she has yet to do so.

POET

POET was established in 1988 as a project under the financial and technical support of GOM, USAID, and the Netherlands Development Bank. Current USAID funding expires in 1992. POET was established to provide training in project management and other business-related skills to officers working in institutions which promote the development of small- and medium-scale enterprises in Malawi.

After POET's training materials were developed and field-tested, it was felt that the program was also suitable for existing and potential entrepreneurs and their employees. Today, POET caters to government and non-government organizations, and SMEs. POET became an NGO in July 1991.

POET is based in the SEDOM industrial estate in Blantyre. It is staffed by a project director and lead trainer. POET uses outside consultants and resource persons extensively as trainers.

During 1990-91 POET conducted 41 courses benefitting more than five hundred participants from GOM, NGOs, and the private sector. However, it does not have good linkages with sister organizations--its potential clientele. Its courses have been criticized as too generic, beneath the project officers and above the entrepreneurs. And, its future funding is uncertain.

Donor Organizations

UNDP

UNDP currently supports MTI, MEDI, INDEFUND, and DEMATT. Small business development will be one of four major programming areas in UNDP's funding cycle for 1992-96. It plans to assist GOM in developing a structured approach to the small business sector. It views small business and the informal sector as offering, perhaps, the best hope for employment and income generation in Malawi.

WORLD BANK

The World Bank has concentrated its efforts on economic policy reform supporting the private sector--mainly larger enterprises. It also supports the Mudzi Fund, and is sponsoring the development of a program through the Ministry of Community Services which will help women start up income generating activities. The latter program has been slow to develop. Its target population, village women, face a lack of start-up capital and management skills, and poor servicing and continuity due to a high dropout rate among extension workers.

EEC and Germany

These two donors are major contributors to SEDOM. Germany also provides support to INDEFUND. The EEC has allocated ECU15-20 million for the SME sector in Malawi through its aid package from Lome Convention 4¹². Lome Convention 2 and 3 funds were also used to finance SEDOM's activities.

¹² The Lome Convention--named after Lome, Togo where it is held--determines and defines the assistance given to less-developed African, Caribbean and Pacific countries by the EEC.

USAID

USAID provides support to DEMATT and MUSCCO through a local currency fund. It also provides assistance to INDEFUND. At present, USAID plans to decrease its support to DEMATT. MUSCCO will use fewer USAID funds in the future as it hopes to be self-sustaining by 1996.

USAID has two new project initiatives. One is the Medium Scale Enterprise Programme which aims to help viable small companies grow to medium-scale, thereby increasing potential for income and employment generation. The beneficiaries are all Malawians, and 90 percent have under 20 employees. The program currently operates from DEMATT, but will likely move to INDEFUND.

AID's second initiative is the Services for Health, Agriculture, and Rural Enterprise Development (SHARED) Project. SHARED will support NGOs working in enterprise development mainly at the lower, informal level. SHARED has approved NABW, POET, and several other NGOs for grant funds, but has yet to release the funds.

PART 2 - PEACE CORPS PARTICIPATION

A. Peace Corps Programming Strategy and Project Criteria

GOM's highest priorities are health and education. Peace Corps Malawi works in education, health, and economic development, with education and health as its major program areas. The APDC/Generalist covers small business, natural resources, rural and urban growth, and technology project areas. She emphasizes initiatives in these programs where there is a participatory (counterpart) approach, where efforts are best able to increase local capacities, and where they can effect long-term solutions.

The Small Business Development project is compatible with a major program to be implemented by UNDP and GOM to develop the small enterprise sector. It also is complementary to other donor programs, discussed earlier, that will create income in the economy and reduce constraints to SBs, such as licensing and zoning. More income should create more demand for businesses to fill. Fewer constraints will make it easier for businesses to start up and grow.

The SBD project will help beneficiaries acquire skills and develop practices to overcome constraints to doing business. It will increase their abilities to operate viable businesses which can eventually employ others. A resulting increase in income will enable beneficiaries to cover basic needs, and eventually create a higher living standard in their households and the local community. People from the poor majority are project beneficiaries through the implementing agencies. They are the loan recipients of MMF, the vast majority of NABW members, and the members of rural-based MUSCCO SACCOs.

Baseline data will be available on target beneficiaries that is in line with project goals and objectives. DEMATT collects business information and statistics on all of its clients. MUSCCO has just completed a survey of its members. The World Bank plans to survey MMF beneficiaries in 1992-93. NABW did a survey of members in 1990 which may need to be supplemented or expanded for SBD project beneficiaries.

Organizations needed to carry out the SBD project are ones working in the sector to provide skills training, improve management practices, and offer TA to firms. The collaborating HCAs are all working to support the economic development of the country. Two are new--MMF and NABW--and two have been around for five or more years--DEMATT and MUSCCO. All need strengthening of internal management and development of staff.

Collaborating HCA staff will be trained to identify and assist micro-small businesses with potential for success. Counterparts and field staff will learn how to continue PCVs' functions after the project ends. As a result, implementing institutions will provide improved, ongoing service to SB clients.

PC/M feels that volunteers can make the greatest impact by working with implementing HCAs. Counterparts and field staff are in place at collaborating agencies. PCVs will help HCA staff gain and enhance business management skills which they will impart to their small business client beneficiaries. With PCV assistance, these business advisors will be better able to service participating urban and rural small business clients, and train them in skills and practices they need to effectively manage their enterprises.

Beneficiaries believe they are lacking in assistance from HCAs in credit access and business management (especially marketing-related) skills. For example, NABW and MMF feel DEMATT is not properly equipped to work with their illiterate members, and it considers them too small to take on as clients. In addition, most potential beneficiaries are unaware or vaguely aware of these organizations and their services.

The local management capabilities in the HCAs is mixed, with a fair amount of turnover in entry and mid-level staff in recent years. HCA managers know the problems faced by their organizations and their beneficiaries. However, they don't have enough well-trained staff to run efficiently and provide adequate service. For example, time management by project officers and field staff is a major issue in HCAs, especially DEMATT and MUSCCO. NABW has a loosely-organized volunteer field staff which needs structure and direction. MMF, like the other three, needs building of its skill base and knowledge in business practices. This project incorporates training of local and mid-level staff to enhance business and managerial capabilities, so they can train and support their clients.

Most resources necessary for the project are already in place at implementing HCAs. The HCAs use local resources as much as possible, and ones like vehicles and computers that can be maintained locally, albeit with some expense and difficulty. The project doesn't require extensive or outside technical resources. It requires knowledge, energy, and creativity from PCVs. The aim of the project is to provide human resources--skills, practices, and training--which can be sustained and replicated through collaborating, implementing HCAs.

PC/M is taking steps to insure that volunteers don't displace available Malawians, which has happened in the past. PCVs will work to transfer skills which aren't there now to collaborating organizations. They've been requested by these organizations specifically for this purpose.

PC/M has been restrained from working at the grassroots level in Malawi by its country agreement with GOM, which limits PCV placements to civil service positions. However, changes are taking place which allow PCVs to work with NGOs such as NABW, MUSCCO, and Habitat for Humanity. At MMF, NABW, and DEMATT, PCVs can reach the SB beneficiaries working through the implementing agencies. A window of opportunity is opening in Malawi, and PC/M should exploit the opportunity.

PC/M has received a number of well-qualified volunteers with business backgrounds in recent years. This suggests that an appropriate pool of applicants is available in sufficient numbers. A reasonable number of volunteers--nine in the first two years--will be requested. Pre-service training will provide training to the PCVs in language, cross-cultural relations, and personal health and safety. In-service training will address technical areas, as needed. Possible topics covered are given in section K.

The principal administrative issue to be settled is PCV housing provided by HCAs. It is likely the collaborating agencies will need to be reminded and urged along by the APCD to insure this requirement is met before volunteers are placed. MMF is the only organization which has expressed serious concern about its ability to provide housing.

B. Project Purpose

The purpose of this project is to increase income and employment in participating micro/small enterprises through the strengthening and growth of these enterprises and the implementing institutions.

C. Project Goals--Objectives--Milestones

Goal: By 1998, 1400 DEMATT clients, 800 MMF beneficiaries, and 400 NABW members will start up or expand business activities. They will generate increased income and employment (including self-employment) as measured by a 60 percent average growth in gross sales, or a 30 percent increase in employment over 1992 levels.

Objective: By the end of 1997, 80 percent of SB target beneficiaries will have improved their business operations with increased business skills and management practices in planning, marketing, and record keeping. They will be able to devise a simple business plan, and will report an average increase in paying customers or gross sales of 10 percent per year.

Objective: By the end of 1996, collaborating HCAs will offer improved business training and advisory services to 65 percent of SB target beneficiaries. Beneficiaries will report an average increase in gross sales of 10 percent per year based on advice rendered to them and followed by them.

Milestones:

- . By the beginning of 1994, training materials, seminars, and on-the-job programs will have been developed to train HCA staff in time management, business consulting, entrepreneurship development, project identification and feasibility, and basic business management skills.
- . By the end of 1994, HCA field officers will have been trained and are able to identify promising and feasible SB projects, facilitate the design and implementation of income-generating projects, identify and offer intervention strategies for SB beneficiaries' business constraints, and provide training to SB beneficiaries in basic business and management functions.
- . By the middle of 1994, training materials, seminars, and on-the-job programs will have been developed to train SB target beneficiaries in basic applied business skills covering planning, marketing, record keeping, and management techniques.
- . By the end of 1995, 30 percent of SB target beneficiaries will have been trained in basic business skills, including planning, marketing, record keeping, and management techniques.

Goal: By 1998, 1200 MUSCCO members and 800 MMF beneficiaries who have never received loans will have access to credit for IGA, agribusiness, or business loans.

Objective: By the end of 1996, 60 percent of SB target beneficiaries will be able to properly apply for credit by following correct loan application and utilization procedures.

Objective: By the end of 1996, 80 percent of SB target beneficiaries who have received loans will be effectively using and repaying them. They will achieve a 90 percent repayment rate and report an increase in assets after their first year of operation.

Objective: By the end of 1996, 90 percent of MUSCCO SACCOs will be financially viable and self-sustaining. They will have systems in place to critically evaluate credit applications, and to provide credit to members seeking loans for acceptable micro/small business projects.

Milestones:

- . By the end of 1993, PCVs will have developed and implemented systems to address SACCOs' problems of loan management and interest under-collection.
- . By the end of 1993, PCVs will have developed and implemented procedures to improve the efficiency of HCA field offices, so they can deliver improved services to more target beneficiaries.
- . By the middle of 1994, PCVs will have developed training programs in client/project identification and feasibility, bookkeeping, and efficient loan management and collection for HCA field offices.
- . By the end of 1994, PCVs and HCA staff will have developed training programs for beneficiaries (including SACCO managers) in simple business planning and project assessment, applying for credit, and using and repaying loans.
- . By the end of 1994, HCA field officers will have been trained and are able to demonstrate correct accounting procedures, and assist beneficiaries in assessing projects and managing loans.
- . By the end of 1995, 30 percent of target beneficiaries (including SACCO managers) will have been trained and will be able to devise a very simple business plan, complete a loan application, understand loan repayment schedules and procedures, and make loan payments on time.

D. Major Volunteer Tasks

| | 1993-1994 Time Line | | | | | | | |
|---|---------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Volunteer Tasks | Q1 JFM | Q2 AMJ | Q3 JAS | Q4 OND | Q5 JFM | Q6 AMJ | Q7 JAS | Q8 OND |
| Develop and implement quarterly work plan in collaboration with supervisor, counterpart, and other staff as appropriate. | | | | | | | | |
| Discuss group potential for PCV role: what role you'll play, purpose of project and your HCA intervention. | | | | | | | | |
| Analyze current management systems and practices used by HCA supervisors and staff. | | | | | | | | |
| Assist counterpart to develop, implement, monitor, and evaluate program activities carried out in region. | | | | | | | | |
| Assist counterpart to develop and implement procedures to strengthen administrative operations, and improve efficiency of field offices. | | | | | | | | |
| Develop tracking system and form to monitor progress and growth of SB beneficiaries. | | | | | | | | |
| Gather baseline data on beneficiaries served by HCA. | | | | | | | | |
| Assess HCA beneficiaries' felt needs and problems in priority order, and their expectations of HCA. You'll use findings to develop training workshops and advisory services. | | | | | | | | |
| Research potential services that HCA can provide to SB sector. | | | | | | | | |
| Assess field officers' knowledge and skills in planning, marketing, product/market feasibility, costing, pricing, record keeping, problem-solving, time management, personnel management, and accessing and using credit. | | | | | | | | |

1993-1994 Time Line

| Volunteer Tasks | Q1 JFM | Q2 AMJ | Q3 JAS | Q4 OND | Q5 JFM | Q6 AMJ | Q7 JAS | Q8 OND |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Determine HCA field officers' assets, felt needs, and problems in priority order. | | | | | | | | |
| Develop plan for expanding, refining, or establishing training and technical advisory services at HCA. Discuss with counterparts and other staff members for their input. | | | | | | | | |
| Assist counterparts in identifying and evaluating existing training programs, materials and facilitators to provide training to a) HCA staff and b) HCA beneficiaries. Work in collaboration with PCVs in other regional offices and other SB HCAs. | | | | | | | | |
| Produce draft training materials and on-the-job programs for HCA field officers and SB beneficiaries in their identified areas of need (e.g., planning, marketing, financial management, time management). | | | | | | | | |
| Identify impediments to training programs and solutions to impediments. | | | | | | | | |
| Help identify and recruit appropriate HCA beneficiaries for training and TA. | | | | | | | | |
| Assist in designing, adapting, improving, and pretesting training materials and workshops which are educationally and culturally appropriate for a) HCA field officers and b) HCA beneficiaries. | | | | | | | | |
| Assist trainers in conducting training programs for HCA field officers working with SB beneficiaries. | | | | | | | | |

1993-1994 Time Line

| Volunteer Tasks | Q1 JFM | Q2 AMJ | Q3 JAS | Q4 OND | Q5 JFM | Q6 AMJ | Q7 JAS | Q8 OND |
|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|

Provide business advisory services to SB beneficiaries through on-the-job training of field officers.

Assist in supervising and monitoring field officers' training activities with SB beneficiaries, following training workshops.

Do on-the-job evaluations of field officers and their new skills in business assessment and technical assistance.

Advise potential entrepreneurs regarding new business start up, including accessing credit.

Advise beneficiaries on new product/market opportunities, and help develop strategies for pursuing them.

Assist in establishing SB resource center supplied with SB-related information and training materials at HCA.

Assist counterpart to develop campaign with media strategy, contacts, and promotional materials to promote HCA, improve its image, and increase its outreach to potential beneficiaries.

Train counterparts and appropriate staff in promotional techniques with media, and networking techniques with sister organizations.

Write quarterly activity reports to supervisor and APCD in collaboration with counterpart and other staff as appropriate.

E. Collaborating Agencies

Agency: DEMATT

Nature of Organization and Collaboration: DEMATT is a parastatal, funded by GOM, UNDP, and USAID. It has internal management problems which inhibit its ability to operate well. However, PCVs will work in the regional offices, which are decentralized and removed from this sphere of influence.

DEMATT is presently the only organization of its kind in Malawi. It provides business advisory and technical advisory services to small businesses, in order to help them become viable entities which can grow and create income and employment. It operates in nearly all districts in the country. Although the need for its services is great, the quality of its staff is inconsistent in terms of skill level and turnover. Peace Corps can make an impact by helping to upgrade the skills and service DEMATT provides to small businesses. Business promotion consultants and senior business consultants have suggested they would welcome training and technical advice from a PCV.

PCVs will act as regional operations advisors and counterparts to the regional managers in the northern, central, and southern regions. The three PCVs will have the following responsibilities:

- . assist the RMs to develop, implement, monitor and evaluate the program activities carried out in the region, and to generally strengthen administrative operations;
- . assist the RMs to develop and implement quarterly and annual work plans and budgets;
- . train BPCs and their supervisors, the SBCs, in consulting skills, entrepreneurship, identifying promising and capable clients, product/market development, project/client feasibility, time management, and management of client caseload;
- . train BPCs and SBCs in basic **applied** business skills--planning, marketing, cash flow management, and financial analysis;
- . provide business advisory and technical advisory services to micro/small business clients through on-the-job training of BPCs and SBCs.
- . train field staff in organization and management of special projects DEMATT undertakes through contracts with other organizations;
- . assist regional staff to develop closer relationships with sister institutions in the micro/small business sector;
- . assist the RMs to devise and implement methods of building and improving the image of DEMATT in the region, and in promoting DEMATT's services to potential clients.

Begin/End: 1993/1998

Quality of Collaboration: In the past, PCVs have been placed in the southern region office at DEMATT, and at its headquarters. These collaborations were viewed by DEMATT personnel as very positive and helpful. DEMATT would like to expand its use of PCVs to the central and northern regions. It will be placing a person from Voluntary Service Overseas (VSO) in the central region, but this should not conflict with its use of PCVs. The success of the PCV placements will depend on the perception and attitude of the counterpart regional managers, to some extent.

Agency: National Association of Businesswomen

Nature of Organization and Collaboration: NABW is an NGO which became operational in 1991. It has 2,340 members who have paid a membership fee of MK20. As a start-up organization, NABW will need intensive assistance in developing and implementing plans, programs, and services for its membership. It has a presence in every district, but its largest and most active memberships are in Zomba, Mangochi, Nkota Kota, and Mzuzu. One PCV will work at NABW headquarters in Lilongwe serving as a counterpart to the executive secretary. The PCV will have the following responsibilities:

- . assist NABW in organizing and managing its headquarters function and district committees, and organizing and implementing its regional programs;
- . develop training materials and conduct training-of-trainers in basic **applied** business skills at the regional and district levels;
- . assist executive secretary and regional chairwomen to develop and implement a system for providing advisory services to NABW membership;
- . provide business advisory and technical advisory services to micro/small businesses through on-the-job training of NABW volunteer field staff.
- . identify new product and market opportunities (e.g., income generating activities) for members, and develop marketing strategies for pursuing them;
- . assist executive secretary to develop promotional campaign in order to expand membership, advertise NABW services, and raise funds;
- . develop and implement information system, and train executive secretary and administrative assistant in computer usage;
- . assist NABW in developing, implementing, and managing a revolving loan fund for members if and when they secure the funds;
- . assist executive secretary in formulating quarterly and annual reports on NABW activities.

Begin/End: 1993/1998

Quality of Collaboration: NABW has the potential to reach a population which is a primary PC target--women who are the poorest of the poor. NABW has not previously worked with Peace Corps. It is keen to receive a volunteer, and should prove to be an interested, cooperative collaborating agency. Because it is a start-up organization, this will be a challenging placement which will require an industrious, creative volunteer who is a self-starter. NABW hopes to strengthen its regional offices to better reach and serve its members. In 1994 PC/M should evaluate the strength of the regional offices to see if they warrant PCV placements.

Agency: Malawi Mudzi Fund

Nature of Organization and Collaboration: MMF is a revolving loan program based on the successful Grameen Bank in Bangladesh. It's headquartered in Zomba, and is running a pilot program in two districts--Mangochi and Chiradzulu. MMF is a government trust in its second year of operation. It will become a parastatal after its pilot phase. It is funded by IFAD, and is seeking assistance from the World Bank. MMF plans to request two PCVs once it determines it can provide housing. The volunteers will work as counterparts to the branch supervisors in Mangochi and Chiradzulu. The volunteer working in Chiradzulu will most likely be based in Blantyre.

PCVs at the branch offices will work with project officers to survey local communities for new product and market opportunities for MMF loan recipients. The PCVs will help develop these opportunities using appropriate technology. PCVs will also assist counterparts and project officers in forming marketing groups among loan recipients, linking women to improve buying, processing, and selling of goods. MMF is interested in developing and providing general training and advisory services to its loan recipients. The PCVs will assist MMF in this effort.

MMF is currently talking with a computer analyst PCV based in Zomba who will offer computer training and TA to its headquarters staff as a secondary project. SBD/PCVs placed with MMF will continue to help in setting up and managing its information systems.

Begin/End: 1993/1998

Quality of Collaboration: MMF works with the PC target population--the neediest villagers who own little land and suffer from poor health and nutrition. The program is well accepted and in high demand, according to the scheme administrator and branch manager interviewed. MMF has not worked with Peace Corps or any other volunteer organization to date, since they are a relatively new agency. However, MMF has shown continued interest in collaborating with Peace Corps since first contacted in July 1991. Because of the nature of the work--uncovering new opportunities for village women--these placements will require creative, industrious PCVs with business and/or production acumen.

Agency: MUSCCO

Nature of Organization and Collaboration: MUSCCO is an NGO, funded largely by USAID (about 60 percent now). MUSCCO savings and credit cooperatives provide credit to members starting small business and agribusiness operations, who can't obtain it through commercial banking channels. PCVs can help strengthen MUSCCO's capability to do this effectively, and thereby help fill a need in the micro/small business sector.

PCVs will act as counterparts to regional managers in the central and southern regions, and in the northern region if management feels the need is serious and the RM is cooperative there. Based on the quality work of the current PCVs, volunteers will have the following responsibilities:

- . improve the operating efficiency of the regional offices;
- . transfer management skills and systems to the RM counterparts in areas such as budgeting, personnel (field officer) management, and planning;
- . increase the overall level of competence in bookkeeping and SACCO management among current SACCO personnel, new SACCO personnel, and MUSCCO staff;
- . improve the financial integrity of SACCOs by working to more accurately represent their financial status, and putting structures in place to address chronic problems such as delinquency and interest under-collection.

Begin/End: 1993/1998

Quality of Collaboration: After using PCVs inappropriately in the past--in line management positions and to fill field slots--MUSCCO is now using PCVs in the most appropriate way, as counterparts to the regional managers. MUSCCO has made changes in its management and operations in the past nine months in an effort to become a stronger institution. PCVs can help in this effort by imparting skills to regional managers and by training field officers. MUSCCO values its relationship with Peace Corps, and the work of the PCVs.

F. Other Potential Collaborators

Several other organizations are interested in collaborating with Peace Corps but their programs are in transition, they are too poorly organized, or they lack the ability to support a volunteer at present. These are discussed very briefly below.

TUPEZA

The Trickle up Program Enterprise Zone Association (TUPEZA) is trying to organize itself as an agribusiness NGO in Dowa district. A PCV worked full time with TUPEZA in 1991 through his placement with the READI Project, but failed to help the organization get registered with a board of directors and executive director. (This started as his secondary project and became a full-time placement.) Because it is not registered as an NGO, PC/M cannot place a full-time volunteer at TUPEZA. However, a MUSCCO PCV has taken on TUPEZA as a secondary project, and will work with it to strengthen its program. In the event it registers, organizes staff and funding, and becomes a viable organization, PC/M should reevaluate TUPEZA's need for a full-time PCV. PC/M should look at TUPEZA again in early 1993 to assess its progress.

Medium Scale Enterprise Programme

This is a USAID-funded program which is currently operating at DEMATT, but will likely move to INDEFUND in several months. The program works with promising and feasible small businesses to access financial and technical assistance for them. These are small companies with potential to grow to medium-scale enterprises, thereby creating jobs and income in the economy. PCVs would work with two regional managers at INDEFUND to assess small business projects and offer them training and TA. PC/M should carefully evaluate the program in May 1992, and examine its potential and capability for PC collaboration.

POET

POET's mission is to train project officers and entrepreneurs in business appraisal and management skills. POET is very interested in collaborating with PC/M. However, the contractor and PC/M have serious concerns about POET in these areas:

- . its ability to attract clients and funding, and survive as an NGO;
- . the quality of its course offerings and whether it's filling a need in the micro/small business community; (The courses are above the grasp of NABW and DEMATT clients, and below that of some project officers.)
- . its uneven reputation in the small business sector; and
- . how appropriately it would use a PCV.

The APCD will monitor POET's activities and keep communications open. PC/M should reevaluate POET in February 1993 and assess its progress in overcoming the problems mentioned.

MACOHA

A PCV is about to close service with Malawi Council for the Handicapped (MACOHA) after providing very good and much-needed technical assistance in helping it organize its commercial marketing activities. MACOHA is interested in placing a volunteer in its Small Enterprise Development program to identify opportunities for entrepreneurs, monitor their progress, and help manage MACOHA's revolving loan fund through SEDOM. However, the program is not yet organized, and there is no small enterprise development officer in place to manage the program or work with a PCV. PC/M should reassess the program and its potential for a PCV placement in February 1993.

MEDI and SEDOM

MEDI and SEDOM are other key organizations in the micro/small business sector in Malawi. However, they are not potential collaborating partners with Peace Corps at this time. MEDI uses Japanese volunteers and United Nations Volunteers (UNV). SEDOM uses VSOs. SEDOM is also going through serious management problems at present.

G. Critical Resource Needs

Appropriate coworkers exist in all collaborating HCAs. The APCD serve as liaison with the HCAs. HCAs are responsible for meeting financial requirements and service needs of the PCVs: housing, office space, transportation, and job-related materials. They have agreed to provide these resources or forfeit a volunteer placement. MMF is the only collaborating agency which has expressed concern about its ability to provide housing. MUSCCO and DEMATT might be slow to provide accommodation, but it is expected they will do so. The APCD will monitor these situations to insure that housing is in place before PCVs arrive.

GOM provides an administrative support payment to PC/M, as noted in the country agreement. These funds can be used for ISTs, and in-country expenses for transport to ISTs and other official business. PC/M separately pays a living allowance to volunteers. PC/M procedures for requesting a volunteer are contained in Section IV. These have been distributed to current and potential collaborating HCAs.

SBD/PCVs should have a degree in a business or management function, and several years' experience. It would be an additional asset if a volunteer has an MBA, an emphasis in marketing, and computer skills. Volunteers should also have adequate language skills. PCVs at Mudzi Fund and NABW will require language training beyond that given during the PST.

The following resource needs are also anticipated:

- a small business session during PST, to be organized by Peace Corps Malawi;
- technical trainers for ISTs, to be organized with assistance from Peace Corps Washington and the Office of Training and Program Support (OTAPS) with MEDP PASA funding, if necessary or desired;
- practical training materials for ISTs, to be organized with assistance from Peace Corps Washington and OTAPS with MEDP PASA funding, if necessary or desired.

MEDP PASA will be used only if necessary. PC/M wants the project to function as much as possible without outside support.

H. Volunteer Trainee Input

1. FY 1992: On-board 9/30/92 - 3 Volunteers, 0 Trainees

2. TRAINEE REQUESTS

| Actual | Projected | | | |
|-----------------------|-----------|-----------------------|---------|-----------------------|
| FY 1992 | FY 1993 | FY 1994 | FY 1995 | FY 1996 |
| 6 | 3 | 8 | 3 | 8 |
| MMF NABW DEMATT | MUSCCO | MMF NABW DEMATT | MUSCCO | MMF NABW DEMATT |

I. ASSIGNMENT AREAS

ASSIGNMENT TITLE: Business Advisor

Volunteers will be recruited from AA 140: Business Management, Skill Clusters A and B. All collaborating agencies requested PCVs with business degrees and several years' experience. Computer proficiency is also desired. MUSCCO volunteers should have skills in organizational management and accounting. Other volunteers are requested to have an emphasis in marketing. Where there is any question or doubt as to a potential volunteer's credentials, PC/M and the collaborating agency will discuss the appropriateness of the volunteer's background and experience.

Skill Cluster:

- A. Five years' experience as the manager of a business
- B. AA in any business discipline with two years' experience as the manager of a business.

J. PLANS FOR MONITORING AND EVALUATION

Progress toward project goals will be monitored in several ways:

- . quarterly reports and observations by PCVs and HCAs;
- . workshops and ISTs for PCVs and counterparts; and
- . APCD site visits and interviews with participants;

A quarterly report format will be developed to be used by the APCD and SBD/PCVs. It will address issues such as what materials they've developed, how many people they've trained, how many of their HCA clients have applied for small business loans, etc.

Other general issues that need to be monitored and evaluated through interviews, PCV reports, and ISTs are the following:

- . accomplishments of PCVs and progress the project is making;
- . impact of PCVs and project on small business client beneficiaries;
- . impact of the project on HCAs and their service delivery capability;
- . SBD/PCV effectiveness and job satisfaction; and
- . appropriateness and effectiveness of SBD collaborating agencies.

K. Pre-service and In-service Training Needs

PCVs in the SBD program attend a seven week pre-service training which emphasizes cross-cultural training, some language training in Chichewa, and information on personal health and safety issues. Volunteers placed with MMF, and those who may be placed at the regional offices of NABW in the future, may need additional language training. If it is necessary, it will be arranged by PC/M.

A small business session will be given at the PST which will include the following:

- . guest speakers from institutions with which volunteers will work;
- . an overview of the small business environment in Malawi--its assets, constraints, and possible remedies;
- . one or two field trips to clients of collaborating agencies such as DEMATT, to see how the agency operates, and to appreciate the needs of small businesses in Malawi.

SBD/PCVs will design their own in-service training based on their needs. ISTs will be open to PCV counterparts, as well. Suggestions for topics to be covered will be gathered by a questionnaire circulated by the APCD. An SBD IST will be held once a year. Possible topics or areas to be covered include the following:

- . principles of adult training;
- . how HCAs can increase their effectiveness in serving the SB sector;
- . business advisory techniques with hands-on experience;
- . understanding funding of small-scale businesses;
- . how to access credit and capital;
- . how to do feasibility studies;
- . how to do market research;
- . how to prepare a business plan;
- . how to cost and price a product or service;
- . how to do a cash flow statement;
- . bookkeeping or basic accounting techniques;
- . marketing and sales techniques;
- . how to deal with increased competition;
- . improving the productivity of a business;
- . using appropriate technology;
- . strategies for reducing costs and increasing revenues;
- . strategies for backward and forward linkages;
- . how to make a business grow;
- . time management techniques; and
- . suggestions for refining or revising the SBD project plan.

The transfer of these skills to Malawians is a high priority. Funds may be accessed from OTAPS for high quality and experienced consultants to present programs and facilitate workshops. (Funds may also be accessed through OTAPS to send PCV counterparts to training programs inside or outside of Malawi.)

IV. SUPPORT MATERIAL

A. Action Timetable for Project Implementation

| Time Period | Action To Be Taken By APCD/Generalist |
|----------------|---|
| March 1992 | Send VADs to PC/W to request trainees for November 1992 omnibus. |
| April 1992 | (SBD Project Plan approved by PC/W and forwarded to Malawi.) Circulate project plan to collaborating agencies for comment and approval. |
| May 1992 | Obtain approval on SBD Project Plan at PC/M. |
| May/June 1992 | Talk with RMs at DEMATT and branch supervisors at MMF to reconfirm their desire, support, and appropriate use for PCV placements. Get letters of commitment from collaborating agencies. These should specify and reconfirm the following points: <ul style="list-style-type: none"> . willingness and commitment to provide housing and office space; . job description and duties for SBD/PCVs (consistent with GOMT and VADs); . identification of PCV counterpart and supervisor; . provision of access to transport for PCVs, if necessary to carry out duties. |
| June 1992 | Update status of Medium Scale Enterprise Programme with Jim Hellerman, Project Coordinator (at INDEFUND or DEMATT). Decide whether to place PCVs there. Begin organizing SBD resource library, with help of current SBD/PCVs. |
| September 1992 | Reconfirm request from MUSCCO for SBD/PCVs as regional manager counterparts. Meet with RM in northern region to assess PCV placement potential there. Send VADs to PC/W to request volunteer trainees for August 1993 omnibus. |
| October 1992 | Develop plan for SBD session at PST. Identify and engage presenters/trainers for SBD session. |
| November 1992 | Finalize project sites and insure that collaborating agencies have arranged housing and office space for PCVs they'll receive in January, and they'll give PCVs at least one day of orientation. Volunteer trainees arrive for PST. |
| December 1992 | Make arrangements with DEMATT, MMF, and NABW to give orientation to their SBD/PCVs when volunteers arrive at their placements after PST. Check on final arrangements for PCV housing. |
| January 1993 | SBD/PCVs go to placements, receive orientation, and begin work. |
| February 1993 | Reevaluate MACOHA, POET, and TUPEZA regarding potential collaborative relationships. |

| Time Period | Action To Be Taken by APCD/Generalist |
|---------------|--|
| April 1993 | <p>Get letters of commitment from collaborating agencies (i.e., MUSCCO) regarding PCV placements from August 1993 omnibus. These should specify and reconfirm the following points:</p> <ul style="list-style-type: none"> . willingness and commitment to provide housing and office space; . job description and duties for SBD/PCVs (consistent with GOMT and VADs); . identification of PCV counterpart and supervisor; . provision of access to transport for PCVs, if necessary to carry out duties. |
| June 1993 | <p>Develop plan for SBD session at PST. Identify and engage presenters/trainers for SBD session.</p> <p>Finalize project sites and insure that collaborating agencies have arranged housing and office space for PCVs they'll receive in August, and they'll give PCVs at least one day of orientation.</p> |
| July 1993 | <p>Volunteer trainees arrive for PST.</p> <p>Make arrangements with MUSCCO and other relevant partners to give orientation to their SBD/PCVs when volunteers arrive at their placements after PST. Check on final arrangements for PCV housing.</p> |
| August 1993 | <p>SBD/PCVs go to placements, receive orientation, and begin work.</p> |
| October 1993 | <p>Conduct site visits to DEMATT, MMF, and NABW.</p> |
| January 1994 | <p>Conduct Small Business IST. SBD/PCVs, counterparts, and APCD will evaluate, update, and revise project plan: Are GOMTs realistic? What progress is being made toward achieving them? How can project or participants' performance be improved? What are design options for future ISTs and SBD sessions at PST?</p> |
| February 1994 | <p>Evaluate regional office operations of NABW to see if PCV placements are desirable and warranted.</p> |
| March 1994 | <p>Send VADs to PC/W to request volunteer trainees for November 1994 omnibus.</p> |

B. Peace Corps Malawi Volunteer Placement Information

Peace Corps Malawi distributes the following information to collaborating host country agencies:

TO: Malawi Government Agencies and Parastatal Organizations

FROM: UNITED STATES PEACE CORPS
Post Office Box 208
Lilongwe, MALAWI
Tel.: 721-6111 or 721-945

SUBJECT: Information on PEACE CORPS VOLUNTEER skills available and procedures for requesting Volunteers

Peace Corps Volunteers are currently recruited from a wide variety of skill areas. People with greatly differing levels of experience, training and expertise in almost every professional area enter Peace Corps each year. The range includes those who may be entering their careers to those who, after years of working in their professional fields are looking for a new challenge. Each Volunteer usually serves for a term of two years which begins when s/he enters on the job.

While a full list of professional areas is too lengthy to be encompassed in this letter, following is a sample of some areas:

| | |
|---------------------------|------------------------------|
| Accountancy Lecturers | Business Management Trainers |
| Engineers | Teachers (all kinds) |
| Computer Programmers | Lecturers |
| Accountants | Tutors |
| Medical Technicians | Nurses |
| Veterinarians | Laboratory Technicians |
| Parks & Wildlife Officers | Business Advisors |
| Foresters | Entomologists |
| Audiovisual Technicians | Economists |
| Architects | Sanitation Advisors |

Of course, the availability of individuals to fill these and other categories varies widely, and is dependent upon the levels of education, training and experience required by the particular position you are trying to fill. Whenever possible, it is best to request the lowest level of qualifications necessary for the person to perform the job.

In cases where the Recruitment and Placement Division of Peace Corps in Washington finds a candidate who meets most of the requirements, they will contact the Peace Corps Office in Lilongwe and we then contact the requesting agency to inquire if this particular candidate is acceptable as a "near match" in meeting its needs.

We are available to help you in the development of your planned request for Volunteers and to determine the relative likelihood of it being filled, prior to sending the request to Washington.

PROCESS FOR REQUESTING PEACE CORPS VOLUNTEERS

The process for clearing a request for the services of Peace Corps Volunteers, their recruitment and ultimate arrival at the job site is explained in the following paragraphs. Any position must come under the auspices of the Government of Malawi Civil Service or a government-related parastatal organisation, in accordance with the Joint Agreement between the Government of Malawi and the United States Peace Corps (1971).

Following are the general guidelines which Peace Corps considers in determining what constitute appropriate Volunteer placements:

1. Will the Volunteer be supplying a function which is in short supply or is not available in Malawi?

2. Is the placement compatible with the goals of Peace Corps and with the development plans of Malawi?

3. Are there provisions which enable the Volunteer to transfer skills either through counterpart/co-worker relations or through more formal training functions?

4. Does the requesting organisation understand and accept the programmatic responsibilities regarding 3. (above) and those others included in the Joint Agreement?

When we can answer "yes" to all four of the above criteria, we can then proceed with the request.

Currently, a minimum of six months is required between the time of receipt of a formally approved request by Peace Corps and the arrival in Malawi of the Volunteer(s). An extensive recruitment and selection effort can take a significant amount of time to stimulate and process applications from appropriate candidates. Qualified candidates are selected and a Curriculum Vitae on each is submitted for approval by the requesting organisations and PMT/OPC. Formal approval is required before we are allowed to bring the candidates into Malawi. Upon approval, they are brought to Malawi to undergo language training and crosscultural orientation (7 weeks minimum) prior to arrival at job sites. It is therefore most important that adequate lead time is provided in the planning process, with a realistic time-line of one year in advance as a guideline for beginning the process of requesting a Volunteer.

PROCESS:

[1.] As mentioned earlier, interested organisations and agencies should contact Peace Corps in Lilongwe to discuss their needs and the possibilities of Peace Corps participation in helping to meet those needs. We will explain our requirements and the logistics of the Volunteer delivery process.

[2.] After the initial contact, it is the responsibility of each organisation to:

1. Determine and list Qualifications: the requirements for education, certification and levels (amounts) and types of experience necessary, at a minimum, to perform the job(s);

2. List and explain the Terms of Reference or Job Description: the duties and responsibilities that the Volunteer(s) will be expected to have, including the expected supervision, training and/or counterpart relationship(s) which are envisioned. This data is vital, as it allows each particular candidate to make an informed decision about accepting this Volunteer position and to make the commitment it requires. The more detailed information you can provide, the better.

[3.] The organisation then submits the request and description of the job to the appropriate Government of Malawi office(s) for approval(s):

1. Government of Malawi agencies under Ministry structure:

1. submit requests to DEPARTMENT OF PERSONNEL MANAGEMENT AND TRAINING, OFFICE OF THE PRESIDENT AND CABINET, through regular Ministry channels;
2. please send copies of your PMT/OPC requests to Peace Corps.

2. Parastatal and other Government of Malawi-affiliated organizations, with formal Ministry approval:

1. submit requests to the DEPARTMENT OF STATUTORY BODIES, OFFICE OF THE PRESIDENT AND CABINET for initial approval, and then;
2. submit the approved request to the DEPARTMENT OF PERSONNEL MANAGEMENT AND TRAINING, OFFICE OF THE PRESIDENT AND CABINET;
3. please send copies of your PMT/OPC requests to Peace Corps.

3. PMT/OPC then advises Peace Corps of approved requests for Volunteer placements

[4.] When Peace Corps receives the approved request from the DEPARTMENT OF PERSONNEL MANAGEMENT AND TRAINING, we complete a form (TAC), using the data supplied in [1.] and [2.] above, which we forward on to the Office of Recruitment and Selection in Washington for review and assessment of expected fill level.

RESPONSIBILITIES RELATED TO PEACE CORPS VOLUNTEER SUPPORT (source: Joint Agreement, 1971)

SALARY: VOLUNTEERS are provided with a subsistence allowance while serving in Malawi. This payment is made directly to them by the United States Government. Based on the number of Volunteers in-country, the Government of Malawi contributes to the administrative support of the Peace Corps program by making a monthly payment from a central fund in the Ministry of Finance.

ACCOMMODATIONS: Each organisation is responsible for providing appropriate housing for each of the Volunteer(s) it receives. When feasible, Volunteers can share housing, but agreements must be worked out among the agencies involved and approved by Peace Corps. In the event that longterm housing is not available when the Volunteer enters on the job, the organisation may provide the Volunteer with temporary housing in a Peace Corps approved facility. The organisation is responsible for the costs of that accommodation (both board and room), and it is understood that it is to be only for a short time (usually not to exceed 30 days). Long term use of temporary housing is not approved by either Peace Corps nor the Office of the President and Cabinet.

TRANSPORTATION: When co-workers, counterparts and/or personnel holding similar positions in an organisation are provided work-related transportation, the organisation is expected to provide similar transportation for the Volunteers. Costs associated with work-related travel are the responsibility of the organisation to which the Volunteer is assigned.

BUSINESS-RELATED TRAVEL ACCOMMODATIONS: Costs of food and lodging while on official agency business will be borne by that agency.

MEDICAL: All medical costs accrued by Volunteers are covered by the Peace Corps. Periodic medical examinations are required as a standard part of Volunteer service and are also borne by the Peace Corps. These examinations are necessary to ensure Volunteers' health and welfare, and may, on occasion, require release time from work for short periods.

INSERVICE TRAINING: Some inservice training is provided by the Peace Corps. Many of these opportunities are made available to Malawian counterparts as well as to the Volunteers. Other inservice training needs are the responsibility of the agency to which the Volunteer is assigned. There are some training events which are mandatory for Peace Corps Volunteers to attend. These are made known to both the Dept. of Personnel Management & Training and the agency/organisation involved. We make every effort to schedule these events so that there is as little disruption to normal work as possible.

VACATION: Annual leave is accumulated and taken according to standard Government of Malawi civil service policies. Leave allowance is provided by the Peace Corps. Requests for leave require prior approval of the Volunteer's immediate supervisor, the Peace Corps Country Director and PMT/OPC.

If you have further questions or need clarification on any of this, please contact us at the address on the letter head. Thank you!

C. Volunteer Assignment Descriptions

PEACE CORPS VOLUNTEER ASSIGNMENT DESCRIPTION COVER

1. To be completed by in-country staff and submitted with VAD

1. Country Training Class Name: MALAWI OMNIBUS
2. Training Class I.D. No.: 614
3. Assignment Number:
4. Assignment Area Number: AA 140
Skill Clusters: A and B
5. VAD Code:
6. Assignment Title: SMALL BUSINESS DEVELOPMENT/BUSINESS ADVISOR
7. Trainees requested:
8. COS Date:
9. Fill restriction: No Yes
(If yes, explain and list restriction in #11.)
10. Married Couples Accepted: No Yes Maybe
(see #11 below)
11. Requirements Restrictions (education and experience, list in order of preference; other skills, languages, marital restrictions, fill restrictions):

You must have either:

- A. Five years' experience as the manager of a business, or
- B. AA in any business discipline with two years' experience as the manager of a business.

MUSCCO volunteers should have skills in organizational management and accounting. Other volunteers are requested to have an emphasis in marketing. In addition, you should have a demonstrated ability and interest in teaching/training others, especially in on-the-job circumstances. Computer proficiency and a facility with languages is desirable.

* SAVs may be acceptable with a BA/BS degree, a highly developed skill area, and a willingness to teach at the secondary school level. Approval requires prior consultation with CDU and approval/confirmation by cable or FAX from PC/Malawi on a case-by-case basis.

* Motorcycle operating may be required in the performance of this job. Individuals who are unable to train for and operate a motorcycle must contact the Malawi Desk in Washington and that information should be cabled to PC/M on a case-by-case basis.

PEACE CORPS VOLUNTEER ASSIGNMENT DESCRIPTION

Country Training Class Name: MALAWI OMNIBUS

Training Class I.D Number _____ Assignment Number _____

Assignment Title: SMALL BUSINESS DEVELOPMENT/BUSINESS ADVISOR

Stating Event: INTERLOC Dates: _____

Stateside Training: _____ Dates: _____

Third-country Training: _____ Dates: _____

In-country Training: PST Dates: _____

Narrative Description - project background, objectives and duties: training, living conditions, medical facilities, cultural economic political environment, flexibility and commitment: "Welcome to Malawi, the warm Heart of Africa"

BACKGROUND AND OBJECTIVES:

Malawi is a small, landlocked country in south-central Africa, about the size of Pennsylvania, with a population of eight million. About 85% of the population live in the rural areas and are engaged in subsistence farming. Although food self-sufficiency is a top priority, this resource-poor country is faced with other development problems that need long-term solutions.

There is a serious lack of income and employment for Malawians. In the small business sector, entrepreneurs lack the skills and resources necessary to start up or expand productive enterprises. Major obstacles to small businesses include a lack of investment capital and working capital, marketing constraints, and weak business skills. These suggest an increased role for support institutions such as Development of Malawian Traders Trust, Malawi Mudzi Fund, National Association of Business Women, and Malawi Union of Savings and Credit Cooperatives. DEMATT is a training and technical assistance organization; MMF is a village-based revolving loan fund; MUSCCO is a savings and credit institution; and NABW is a business support institution; planning to offer training and advisory services to members.

Peace Corps Malawi's Small Business Development project will operate from 1993 through 1998. It will include 9 to 15 volunteers, depending on the level of service provided over the life of the project. The purpose of the project is to increase income and employment in participating enterprises through the strengthening and growth of these enterprises and the implementing institutions. The goals may be stated simply as assisting beneficiaries to start up or expand business activity, generating increased income and employment; and assisting beneficiaries to access credit for small agribusiness or business loans.

PEACE CORPS VOLUNTEER ASSIGNMENT DESCRIPTION CONTINUATION

Page 3 of 6

Country Training Class Name: MALAWI OMNIBUS

Project Name: SMALL BUSINESS DEVELOPMENT

JOB DESCRIPTION: As an SBD volunteer, you will serve as a business advisor to the National Association of Businesswomen (NABW). NABW is an NGO which became operational in 1991. It has 2,340 members who have paid a membership fee of MK20. As a start-up organization, About 90% of its members are small- and microenterprise operators. Most (62%) run traditional female enterprises: agriculture, food/restaurants, sewing, and trading. Their activities are small and mostly service-oriented, which limit their access to most loans.

NABW's objectives are to increase the establishment and growth of women-owned businesses, increase women's access to business support services (e.g., credit, training, TA), and build women's confidence by encouraging their participation in other sectors of development. NABW works with women in urban and rural areas, and has concentrated its efforts in three districts. It has 3 regional chairwomen and a district committee in every district.

NABW will need intensive assistance in developing and implementing plans, programs, and services for its membership. You will work at NABW headquarters in Lilongwe serving as a counterpart to the executive secretary. Your duties will include, but not be limited to, the following responsibilities:

- . assist NABW in organizing and managing its headquarters function, and organizing and implementing its regional programs;
- . develop training materials and conduct training-of-trainers (TOT) in basic **applied** business skills at the regional and district levels;
- . assist executive secretary and regional chairwomen to develop and implement a system for providing advisory services to NABW membership;
- . provide business advisory and technical advisory (TA) services to micro/small businesses through on-the-job training of NABW volunteer field staff.
- . identify new product and market opportunities (e.g., income-generating activities) for members, and develop marketing strategies for pursuing them;
- . assist executive secretary to develop promotional campaign in order to expand membership, advertise NABW services, and raise funds;
- . develop and implement information system, and train executive secretary and administrative assistant in computer usage;
- . assist executive secretary in formulating quarterly and annual reports on NABW activities.

NABW has the potential to reach a population which is a primary Peace Corps target--women who are the poorest of the poor. Because it is a start-up organization, this will be a challenging placement which will require an industrious volunteer who is a self-starter.

PEACE CORPS VOLUNTEER ASSIGNMENT DESCRIPTION CONTINUATION

Page 3 of 6

Country Training Class Name: MALAWI OMNIBUS

Project Name: SMALL BUSINESS DEVELOPMENT

JOB DESCRIPTION: As an SBD volunteer, you will serve as a business advisor to Development of Malawian Traders Trust (DEMATT). DEMATT provides business advisory and technical advisory services to small- and medium-scale businesses, in order to help them become viable entities which can grow and create income and employment. Although the need for its services is great, the quality of its staff is inconsistent in terms of skill level and turnover. Peace Corps can make an impact by helping to upgrade the skills and services DEMATT provides to small businesses.

DEMATT has three regional offices and twenty-eight field offices. The 3 regional managers (RM) supervise a total of 11 senior business consultants (SBC), 33 business promotion consultants (BPC), 3 agro-industry consultants, and 3 technical consultants. Each BPC works with about twenty clients per year. Of DEMATT's active clients, 30% are manufacturers and 27% are in trade. About 85% of clients are in rural areas.

DEMATT trains business owners in business management skills and assists them in starting up, managing, or expanding their businesses. It does this through one-on-one and group training programs. It does not provide loans, but it will help with feasibility studies, market studies, business plans, and production advice.

You will act as a counterpart to the RM in the northern, central, or southern region of Malawi. Your responsibilities will include, but not be limited to, the following duties:

- . assist the RM to develop, implement, monitor and evaluate the program activities carried out in the region, and to generally strengthen administrative operations;
- . assist the RM to develop and implement quarterly and annual work plans and budgets;
- . train business promotion consultants (BPCs) and their supervisors, the small business consultants (SBCs), in consulting skills, entrepreneurship, identifying promising and capable clients, product/market development, project/client feasibility, time management, and management of client caseload;
- . train BPCs and SBCs in basic **applied** business skills--planning, marketing, cash flow management, and financial analysis;
- . provide business advisory and technical advisory services to micro/small business clients through on-the-job training of BPCs and SBCs.
- . assist regional staff to develop closer relationships with sister institutions in the micro/small business sector;
- . assist the RM to devise and implement methods of building and improving the image of DEMATT in the region, and in promoting DEMATT's services.

PEACE CORPS VOLUNTEER ASSIGNMENT DESCRIPTION CONTINUATION

Page 3 of 6

Country Training Class Name: MALAWI OMNIBUS

Project Name: SMALL BUSINESS DEVELOPMENT

JOB DESCRIPTION: As an SBD volunteer, you will serve as a business advisor to the Malawi Mudzi Fund (MMF). MMF is a government trust and a revolving loan fund which operates a pilot program in two districts. It was established in 1989 to provide credit to the neediest rural population for income generating activities, in order to boost their earning power and eventually improve their standard of living. The program is well accepted and in high demand, according to the scheme administrator. MMF works with the Peace Corps target population--the neediest villagers who own little land and suffer from poor health and nutrition. Most are uneducated women.

MMF is staffed by 1 scheme administrator, 1 assistant scheme administrator, 2 branch managers and accountants, and 4 project officers per branch office. The main field activities include group formation and training, loan disbursement, business monitoring, loan repayment, and savings mobilization.

MMF's goal is to reach one thousand people in each of its two communities over five years. There are presently 965 active members in total, and 635 in both districts are loan recipients. Most members are between twenty and sixty years old. Females comprise 74% of MMF's active membership and 77% of its loan beneficiaries. Business projects include fishmongering and drying, vegetable growing and selling, knitting, tinsmithing, poultry, selling firewood, and providing services such as a bakery, tea room, restaurant, and small grocery.

You will work as a counterpart to the branch supervisor in Mangochi or Chiradzulu. You'll work with project officers to survey local communities for new product and market opportunities for MMF loan recipients, and will help develop these opportunities using appropriate technology. You'll also assist supervisors and project officers in forming marketing groups among loan recipients, linking women to improve buying, processing, and selling of goods.

MMF is interested in developing and providing general training and advisory services to its client loan recipients and you'll assist MMF in this effort. You may also help MMF in setting up and managing its information systems.

Because of the nature of the work--uncovering new opportunities for village women--these placements will require creative, industrious PCVs with business and/or production acumen. You'll be working, in part, with village women; therefore, you'll receive additional language training, if needed.

PEACE CORPS VOLUNTEER ASSIGNMENT DESCRIPTION CONTINUATION

Page 3 of 6

Country Training Class Name: MALAWI OMNIBUS

Project Name: SMALL BUSINESS DEVELOPMENT

JOB DESCRIPTION: As an SBD volunteer, you will serve as a business advisor to the Malawi Union of Savings and Credit Cooperatives (MUSCCO). MUSCCO is a national association of credit unions in Malawi, owned and controlled by the societies which are affiliated to it. MUSCCO is responsible for promoting and organizing savings and credit cooperatives (SACCO) in Malawi. As SACCOs grow in members and deposits, small amounts of credit and capital can be available for loans to members who are typically in the lower economic levels. I

MUSCCO wants to give more attention to providing credit to small enterprises, income generating activities for women, and others needing financial services. It also plans to strengthen the management of its SACCOs, and make them more economically viable and better equipped for mobilizing savings for credit activities, including in the small business sector.

About 75 percent of SACCOs are in rural areas. Since banking and savings facilities are scarce in these areas, MUSCCO provides a useful service to these small earners and savers when the societies are properly managed. At the same time, it is under pressure to develop more employee-based (payroll deduction) societies in urban areas. These societies are generally more stable and successful than the rural ones. MUSCCO studies show that 80 percent of savings generated in urban employee groups is used for productive loans, for income generating activities in agriculture or small business.

MUSCCO is headquartered in Lilongwe, with regional offices in Mzuzu, Lilongwe, and Blantyre. A regional manager (RM) heads each branch office, supervising a training officer and several field officers. You will act as a counterpart to the RM in the northern, central, or southern region of Malawi. Your duties will include, but not be limited to, the following responsibilities:

- . improve the operating efficiency of the regional offices;
- . transfer management skills and systems to the regional manager counterparts in areas such as budgeting, personnel (field officer) management, and planning;
- . increase the overall level of competence in bookkeeping and SACCO management among current SACCO personnel, new SACCO personnel, and MUSCCO staff;
- . improve the financial integrity of SACCOs by working to more accurately represent their financial status, and putting structures in place to address chronic problems such as delinquency and interest under-collection.

PEACE CORPS VOLUNTEER ASSIGNMENT DESCRIPTION CONTINUATION

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Country Training Class Name: MALAWI OMNIBUS

Project Name: SMALL BUSINESS DEVELOPMENT

TRAINING: Before you depart for Malawi, you will attend an orientation (INTERLOC) in the U.S. that will last approximately 2-3 days depending on your training group's schedule. During this period you will have the opportunity to further discuss such issues as, administrative matters, immunizations and more country specific information that may concern you. Representatives from the medical and staging office in Peace Corps Washington will be there to assist you, as well as Returned Peace Corps volunteers who have served in Malawi.

Following this orientation you will depart as a group for Malawi. Your Pre-Service Training (PST) will be held at a selected training site in Malawi. Here you will study the local language that will be spoken at your site, cross cultural issues, rationals for development, and area studies, as well as technical subjects, based on the needs of your position and previous education and work experience. In addition, information on personal health and safety issues will be covered by the Peace Corps Medical Officer.

Training is designed to give you the knowledge, skills, and cultural understanding to help you adapt, enjoy and get the most out of your volunteer experience in Malawi. Although the Peace Corps staff in country are there to assist you and support your efforts as a volunteer it is up to you to apply yourself, learn, and use the resources available to become an effective volunteer.

POTENTIAL REWARDS AND FRUSTRATIONS: Malawians are warm, friendly and gracious people who are extremely serious about the development of their nation. You find your life enriched by the many real and personal experiences you will share with your new Malawian friends and co-workers. However, before accepting this assignment you should give ample thought to some of the potential frustrations you must face. Since most volunteers are assigned to work under various ministries of the Malawian government, you will be expected to conform to certain regulations concerning dress, personal appearance and social behavior. Long hair for men and short dresses (dresses must be worn below the knee) and slacks are absolutely not permitted in the country. The Government has established these regulations for both Malawians and foreigners in an effort to preserve traditional forms of dress and appearance. Your work situation will also present difficulties: problems which often seem intractable and insurmountable, limited resources, cultural differences and work habits that are

PEACE CORPS VOLUNTEER ASSIGNMENT DESCRIPTION CONTINUATION

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Country Training Class Name: MALAWI OMNIBUS

Project Name: SMALL BUSINESS DEVELOPMENT

different from what you are accustomed to in the United States. In addition, there will be circumstances which will severely test your commitment to serve as a Peace Corps Volunteer (PCV). You may find that your job requires only a small portion of your "technical" expertise, but demands levels of personal resourcefulness and skills in working with people far beyond what you expected. PCVs who are located in the cities often express frustration with the urban lifestyle and the difficulty in deriving a "real Peace Corps" experience that are thought to be found only in the traditional rural settings and not in the cities. The Peace Corps program as a whole is expanding especially in the urban centers of the world and Volunteers are meeting the individual development needs of each country served. Keep in mind, that many assignments in the urban areas are addressing the specific needs of the country and Peace Corps' commitment to assist them in their current development efforts by responding to skills requested by the host Government. You may also find that, although your co-workers, fellow PCVs, staff and friends can provide support during times of "failure" or "success", in the final analysis your ability to cope with, and survive these difficulties will depend on the depth of your commitment and your openness in sharing this process with others. Merely being able to perceive and give yourself credit for successes can become a major task in your PCV experience. During your adjustment to Malawi, you will undoubtedly at times feel out of place and isolated by the lack of local language fluency culture. Give yourself time to observe and practice customs which at first may appear strange to you but will eventually make sense and become second nature as well as a part of your life here in Malawi.

KEEP A SENSE OF HUMOUR-- Remember the ability to laugh at yourself during these difficult periods is important. Hopefully, you will discover, as do most of PCVs, that the rewards definitely outweigh the frustrations.

LIFESTYLE: Housing is in short supply in Malawi, so you will be expected to share the housing provided by the Government of Malawi with other PCVs. Urban PCVs usually live in houses or flats, similar to those provided for expatriate contractors, in neighborhoods which are predominately expatriate. A rural PCV usually lives in a modest brick house with a concrete floor and corrugated metal roof. Basic furniture will be provided by the Government and Peace Corps provides a settling-in allowance

PEACE CORPS VOLUNTEER ASSIGNMENT DESCRIPTION CONTINUATION

Page 6 of 6

Country Training Class Name: MALAWI OMNIBUS

Project Name: SMALL BUSINESS DEVELOPMENT

for household goods. Most areas are served, at least part-time, with electricity, (220v, 50 cycles) and with at least, cold water. Drinking water may be of poor quality in some areas, requiring boiling and/or filtering. Filters are provided by PC when necessary. Although the availability of some foods is seasonal, you can usually find an adequate supply of locally grown produce, and supplement it with foodstuffs from local shops or from your own garden. Malawi's climate varies from mild to cold in the highlands and from mild to hot in the lake shore and valley areas. Rainfall is moderate from November to March and almost nonexistent from April through October. Most rural roads are unpaved, so they will be either muddy or dusty, depending on the season. Public transportation (bus), although slow and uncomfortable, is generally available and affordable. Leisure time may be spent visiting friends, reading, walking, writing letters and developing secondary projects, such as a demonstration vegetable garden, adult literacy program or grammar school basketball team, in order to become more meaningfully engaged with the community and to feel more productive.

MEDICAL: While health conditions in Malawi are better than in many developing countries, there are some expectable medical concerns. Malaria (chloroquine-resistant variety) is endemic to all parts of Malawi. Through the services of a PC Nurse, limited diagnostic, treatment, prevention prophylaxis and referral services are available to all PCVs. Malawi has two well-staffed referral hospitals as well as 21 District hospitals and associated clinics. In the case of serious conditions, based on the advisement of PC/Medical, transportation for diagnosis and/or treatment at facilities outside Malawi can be provided. AIDS has been recognized by the Government of Malawi as a serious health risk to all people in Malawi, and the Government is participating with WHO and other donor agencies in addressing the problem.

SUMMARY: Malawi is one of the budding success stories in African development. Its people are proud of their achievements and seek the assistance of PCVs and many other development workers in order to continue their progress. The typical PCV in Malawi is mature, skilled, flexible and strongly committed to working with the system and its people to help build a better future. Considering the above information (and the other descriptive literature provided as part of your Invitation Kit), please honestly weigh your motivation to serve in the Peace Corps and help in this process.

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D. Ministry of Trade and Industry Enterprise Size Definition

THE DEVELOPMENT OF MALAWIAN TRADERS TRUST
P.O. BOX 1540, BLANTYRE, MALAWI

INTERNAL MEMO

TO: : General Manager
FROM : Medium Scale Enterprise Coordinator
DATE : 20 January 1992
SUBJECT : MSE Classification

The subject of how to classify enterprises has been in the works for quite some time and it appears that government has now reached a formal definition that will delineate enterprises by size.

A representative of MTI gave the following as the new enterprise size classification definition. This working definition will be officially introduced in the near future and will read:

Enterprise Size Definition

| | Turnover | Capital Investment | Employment |
|--------|--------------|--------------------|------------|
| Micro | To 12,000 | To 5,000 | 1 - 4 |
| Small | To 400,000 | To 200,000 | 5 - 20 |
| Medium | To 1,000,000 | To 500,000 | 21 - 100 |
| Large | + | + | + |

An enterprise shall be classified as micro, small, medium or large if it satisfies any two of the above parameters and, in the event that an enterprise falls in all three categories, the middle category shall apply.

However, in manufacturing, capital investment will imply cost of plant and machinery, excluding working capital and cost of land and buildings.

Respectfully,

James R. Hellerman
Medium Scale Enterprise Coordinator

**APPENDICES
AND
BIBLIOGRAPHY**

APPENDIX 1

PERSONS AND AGENCIES CONTACTED

United States Government

Mr. David McCloud, Project Development Officer, USAID
Mr. Ralf Hertwig, ASAP PASA COTR, PC/W
Ms. Dorothy Culjat, Malawi Desk Officer, PC/W
Ms. Barbara Brown, SED Program, Office of Training and Program Support (OTAPS), PC/W
Mr. Edward Wright, PC Country Director, Malawi
Ms. Carla Joyner, APCD, Generalist, Malawi
Ms. Sharon Cupp, PCV, Lands and Valuation/BIMI Triangle Industrial Estate
Ms. Joyce Nichols, PCV, Community Development Training Center
Mr. Steve Hass-Hill, PCV, MUSCCO
Ms. Tina Bynum, PCV, MUSCCO
Mr. John Barnhardt, PCV, MUSCCO
Ms. Vanessa Williams, PCV, MACOHA

Malawi Government and Quasi-government

Mr. Doffin E. Makako, Industrial Development Officer, Ministry of Trade and Industry (MTI)
Mr. Gordon Kachapila, Senior Trade Officer, MTI
Mr. Njala, Senior Rehabilitation Officer, MACOHA
Mrs. Chirwa, Women and Children's Program Officer, MACOHA
Mr. Sosten M.C. Nyoni, Principal, MEDI
Mr. Garry Whitby, ILO Technical Advisor, MEDI
Mr. Leonard Mangulama, Field Services Director, DEMATT
Mr. Douglas Katabola, Southern Regional Manager, DEMATT
Ms. Phyllis Horea, Training Officer--SME Development, DEMATT
Mr. Aron Likupe, Senior Business Consultant, DEMATT
Ms. Grace Meseko, Business Promotion Consultant, DEMATT
Mr. Jim Hellerman, Medium Scale Enterprise Programme, DEMATT
Mrs. Jovita Viray, Women's Program, DEMATT
Mrs. Nyirenda, Scheme Administrator, Malawi Mudzi Fund
Mr. James K. Mtupanyama, Assistant Scheme Administrator, Malawi Mudzi Fund
Mr. Geoffrey Kumwende, Mangochi Branch Supervisor, Malawi Mudzi Fund

International Organizations

Mr. Frank Runchel, Program Officer, United Nations Industrial Development Organization

Non-governmental Organizations (NGOs)

Mr. Philbert Msewa, MUSCCO General Manager
Mr. Hastings Mtonyo, MUSCCO Operations Manager
Mr. Gerry Knutson, Technical Advisor, MUSCCO
Mr. Amos Kavwenje, Central Region Manager, MUSCCO
Mr. Sylvester Kadzola, Field Services Manager, MUSCCO
Mr. Mbeza, Southern Region Manager, MUSCCO
Mrs. Marie Mlotchwa, Executive Secretary, National Association of Businesswomen
Mrs. Mary Banda, Executive Committee Member, NABW and owner, Peter Pan Nursery School and
Walani Private School
Mr. Hastings M. Chunga, POET Director
Mr. Lufu Tomoka, POET Lead Trainer

Private Sector and Miscellaneous

Mr. Hope Phiri, TUPEZA Field Manager, Dowa District
Mrs. Molly Somanje, Managing Director, Zilipano Restaurant (POET client)
Mr. William Jalani, farm equipment business owner (POET client and course participant)
POET training course participants
Liwonde Tannery
Vincent's Furniture Shop (DEMATT client)
Mr. Dennis Misinde, Blantyre Pest Control (DEMATT client)
Lirongwe Village sewing group (MACOHA beneficiaries)
Kwale market vendors in beans, maize, beer, and used clothes
Wicker furniture maker, Zomba
Mr. Peter Nkosi, Sunset Restaurant, Lilongwe

APPENDIX 2

**SMALL BUSINESS DEVELOPMENT WORKSHOP SCHEDULE,
PARTICIPANTS, AND PRESENTERS**

US PEACE CORPS/MALAWI

SMALL BUSINESS DEVELOPMENT WORKSHOP 20-24 JANUARY, 1992

WORKSHOP SCHEDULE

| TIME | SUNDAY | MONDAY | TUESDAY | WEDNESDAY | THURSDAY |
|---------------------|--|--|---|------------------------------------|---|
| 8.00 to 12.00 | | Introduction. CD Presentations by GOM/NGO Agencies | Review of Day 1 Explanation of PATS Manual PROBLEM STATEMENT PROJECT PURPOSE | PROJECT GOALS (4) | PROJECT TASKS MILESTONES |
| 2.00 to 5.00 | Participants arrive at Capital City Motel | Question and Discussions | PROJECT CONCEPT - Collaborative potential - Feasibility - Approaches | PROJECT OBJECTIVES AND TASKS | PST/IST DISCUSSION Lilongwe Hotel |

PEACE CORPS/MALAWI

SMALL BUSINESS DEVELOPMENT WORKSHOP - 20 - 25 JANUARY 1992

PARTICIPANTS

| | NAME | TEL. NO. | CITY/TOWN | ORGANIZATION | DESIGNATION |
|-----|-------------------------|--------------------------|-----------|--|----------------------------------|
| 1. | Barnhardt, John (PCV) | 721802 | Lilongwe | MUSCCO | Aud/Systems Analyst |
| 2. | Cupp, Sharon (PCV) | 732688 | Lilongwe | Lands and Valuation | Business Trainer |
| 3. | Bynum, Tina (PCV) | 620917 | Blantyre | MUSCCO | Credit Union Training Officer |
| 4. | Nichols, Joyce (PCV) | 534222 | Namadzi | Community Development Training | Audio Visual/Computer Programmer |
| 5. | Hass-Hill, Steve (PCV) | 722448 | Lilongwe | MUSCCO | Credit Union Training Officer |
| 6. | Williams, Vanessa (PCV) | 643466 (O) 633451 (H) | Limbe | MACOHA | Business and Marketing Adviser |
| 7. | Kadzola, S | 721082 | Lilongwe | MUSCCO | Field Services Manager |
| 8. | Kavwenje, A | 721082 | Lilongwe | MUSCCO | Regional Manager for Centre |
| 9. | Mrs Marie Mlotchwa | 723891 | Lilongwe | National Association of Business Women | Executive Secretary |
| 10. | Mr L. Mangulama | 635466 | Blantyre | DEMATT | Field Services Manager |

PEACE CORPS/MALAWI

SMALL BUSINESS DEVELOPMENT WORKSHOP - 20 - 25 JANUARY 1992

PARTICIPANTS

| | NAME | TEL. NO. | CITY/TOWN | ORGANIZATION | DESIGNATION |
|-----|-------------------|----------|-----------|------------------------------|------------------------------------|
| 11. | Mr T. Masanza | 621466 | Blantyre | DEMATT | P/Training Manager |
| 12. | Mr Hope Phiri | | Dowa | TUPEZA | Field Manager for TUPEZA |
| 13. | Miss P. Horea | 621466 | Blantyre | DEMATT | Training Officer (SME Development) |
| 14. | Mrs F. Phiri | 621466 | Blantyre | DEMATT | Administration/Secretary |
| 15. | Mr G.S. Kachapila | 732711 | Lilongwe | Ministry of Trade & Industry | Senior Trade Officer |
| 16. | Mr D.E. Makako | 732711 | Lilongwe | Ministry of Trade & Industry | Industrial Development Officers |

PEACE CORPS/MALAWI

SMALL BUSINESS DEVELOPMENT WORKSHOP - 20 - 25 JANUARY 1992

PRESENTERS

| | NAME | TEL. NO. | CITY | ORGANIZATION | DESIGNATION |
|----|--------------------|------------------|--------------------|---|--------------------------------------|
| 1. | Mrs Marie Mlotchwa | 723891 | Lilongwe | National Association of Business Women | Executive Secretary for NABW |
| 2. | Mr L.C.H. Katundu | 732601 732400 | Lilongwe | Christian Service Committee | Development Education Officer |
| 3. | Mrs M.S. Sichinga | 732222 | Lilongwe | Ministry of Community Services | Senior Community Development Officer |
| 4. | Mr D.E. Makako | 732711 | Lilongwe | Ministry of Trade and Industry | Industrial Development Officer |
| 5. | Mr L. Mangulama | 635466 | Blantyre | DEMATT | Field Services Manager |
| 6. | Mr S. Kadzola | 721082 | Lilongwe | MUSCCO | Field Services Manager |
| 7. | Mr J.K. Mtupanyama | 522528 523164 | Zomba Municipality | Malawi Mudzi Fund | Assistant Scheme Administrator |
| 8. | Mr L.H.K. Tomoka | 671686 | Blantyre | Project Officers and Entrepreneurs Train-Programme (POET) | Lead Trainer |

PEACE CORPS/MALAWI

SMALL BUSINESS DEVELOPMENT WORKSHOP - 20 - 25 JANUARY 1992

PRESENTERS

| | NAME | TEL. NO. | CITY | ORGANIZATION | DESIGNATION |
|-----|---------------------------|------------------|----------|---|---|
| 9. | Mr Mac Senghano | 286252/ 244 | Mponela | MEDI | Senior Entrepreneurship Lecturer |
| 10. | Mr V.G.D. Mwale | 723566 723676 | Lilongwe | Department of National Parks and Wildlife | Assistant Parks and Wildlife Officer |
| 11. | Mrs Mary Nyandovi Kerr | 723561 | Lilongwe | USAID SHARED PROJECT | Enterprise W.I.D. Coordinator |
| 12. | Mr Frank Runchel | 730566 | Lilongwe | UNDP | Program Officer |

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