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**INTERIM EVALUATION
OF THE
ZIMBABWE MANPOWER
DEVELOPMENT
PROJECT**

by

Harry Petrequin, AMEX International
Neil Currie, Creative Associates International
Gloria Ndoro-Mkombachoto, Creative Associates International

HUMAN RESOURCES DEVELOPMENT ASSISTANCE PROJECT (698-0463)
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TABLE OF CONTENTS

LIST OF ACRONYMS	iii
ACKNOWLEDGEMENTS	v
EXECUTIVE SUMMARY	vi
I. BACKGROUND	1
a. Changes in the Economic Environment	1
b. Validity of Assumptions Underlying Project Logframe	2
c. USAID Program Strategy 1990	4
d. USAID Strategy Shift from Demand-Driven Training to CPSP Agenda	6
e. ZIMMAN II Project Evolving Purpose and Intervention Strategies	7
II. PROJECT MANAGEMENT	8
a. USAID Mission	8
b. Government of Zimbabwe (GOZ)	9
c. Private Sector Advisory Board (PSAB)	10
d. Academy for Educational Development (AED)	11
c. Sub-contractors	14
f. Entrepreneurs International (E.I.)	14
g. Participant Selection	16
h. Training Strategies Employed	18
i. Course Follow-up and Participant Tracking	19
j. Recommendations	20
III. PROJECT EFFECTIVENESS	23
a. Shifts in Zimman II Emphasis & Objectives	23
b. Country Training Needs Assessments	23
c. Country Training Plans & Strategies	24
d. Training Impacts	25
e. Cost effectiveness of Training Imparted	29
f. Project Outputs (FY'93-'94)	32
1) In-country training	32
2) Enhancement of Local Institutional Training Capabilities	33
g. Evaluation of ZIMMAN II Project Goal Achievement	34
h. Evaluation of ZIMMAN II Training Contributions to USAID/Zimbabwe CPSP Goals and Objectives	35
i. Recommendations	37

IV. PROJECT RESOURCES AUTHORIZED AND EMPLOYED	38
a. Planned and Actual Funding Levels	38
b. Estimated Funding Requirements to PACD	39
V. ISSUES MERITING SPECIAL CONSIDERATION	42
a. Zimbabwe's Private Sector	42
1) The Formal Sector	42
2) Micro Enterprises (MEs)	43
3. Small and Medium Enterprises (SME)	43
b. Training of Women: Problems and Opportunities	44
c. Industry Associations	45
d. Local NGO Development	45
e. HBCUs/Grey Amendment	46
f. Coordination with Other Donors	46
VI. CONCLUSIONS AND IMPLICATIONS FOR THE FUTURE	47
a. Mission-level Training Management	47
b. Utility of Bi-lateral Training Mechanism	48
c. Institutional Training Capabilities	49
d. ZIMMAN II and USAID CPSP	50
Appendix 1: OBJECTIVES OF ZIMMAN II INTERIM ASSESSMENT	53
Appendix 2: LIST OF PERSONS INTERVIEWED	56
Appendix 3: LIST OF DOCUMENTS REVIEWED	58
Appendix 4: POST-TRAINING IMPACT QUESTIONNAIRE	60
Appendix 5: USAID/ZIMBABWE ANNUAL PORTFOLIO REPORT	63
Appendix 6: TABLES ZIMMAN	67
TABLE 1 - ZIMMAN II - Training by category FY 1986-94	67
TABLE 2 - ZIMMAN II - Long Term US Training	68
TABLE 3 - ZIMMAN II - Short term US	69
TABLE 4 - ZIMMAN II Funded Entrepreneur International	70
TABLE 5 - ZIMMAN II - AED In-Country Training Programs - Cost Analysis	71

LIST OF ACRONYMS

AED	-	Academy for Educational Development
ACHRM	-	African Center for Holistic Resources Management
BA	-	Business Association
BESA	-	Business Extension and Advisory Services
BEST	-	Basic Education and Skills Training
CBO	-	Community Based Organization
CBT	-	Competency Based Training
CCZ	-	Consumer Council of Zimbabwe
CFU	-	Commercial Farmers Union
CIDA	-	Canadian International Development Agency
CP	-	Chief of Party
CPSP	-	Country Program Strategic Plan
CZI	-	Confederation of Zimbabwe Industries
DAC	-	Development Assistance Committee
DFA	-	Development Fund for Africa
DNS	-	Department of National Scholarships
EC	-	European Community
EI	-	Entrepreneurs International
ESAP	-	Economic Structural Adjustment Program
GATT	-	General Agreement for Tariffs and Trade
GDP	-	Gross Domestic Product
GEMINI	-	Growth and Equity through Micro-enterprise Investments and Institutions
GOZ	-	Government of Zimbabwe
HIV/AIDS	-	Human Immuno-Deficiency Virus/Acquired Immuno Deficiency Syndrome
HPC	-	Horticultural Promotion Council
HRDA	-	Human Resource Development Assistance Project
IBDC	-	Indigenous Business Development Center
IBRD	-	International Bank for Reconstruction & Development (World Bank)
IESC	-	International Executive Service Corps
IIE	-	Institute of International Education
IIA	-	Institute of International Auditors
ILO	-	International Labor Organization
IPC	-	Implementing Policy Change
IYB	-	Improve Your Business
LAI	-	Labat Anderson Incorporated
MACS	-	Management Accounting and Controls System
MD	-	Managing Director
ME	-	Micro Enterprise
MER	-	Monitoring, Evaluation & Reporting
MIC	-	GOZ Ministry of Industry and Commerce
MSI	-	Management Systems International
MTA	-	Midland Truckers Association

NC	-	North Carolina
NGO	-	Non Governmental Organization
NORAD	-	Norwegian Development Co-operation
NPA	-	National Planning Authority
OPEXERS	-	Operational Experts
OTD	-	Organizational Training & Development (Pvt) Ltd.
OYB	-	Operating Year Budget
PACD	-	Project Authorization Completion Date
PCVS	-	Peace Corp Volunteer
PIET	-	Partners in International Education & Training
PIL	-	Project Implementation Letter
PIR	-	Project Implementation Report
PRISM	-	Program Reporting Information for Strategic Management
PSAB	-	Private Sector Advisory Board
PSTNA	-	Private Sector Training Needs Assessment
REDSO/ESA	-	Regional Economic Development Services Office for East and Southern Africa
RHJD	-	Regional Housing and Urban Development
RSA	-	Republic of South Africa
SAF	-	Structural Adjustment Facility
SARP	-	Southern Africa Regional Program
SEDCO	-	Small Enterprises Development Corporation
SME	-	Small and Medium Enterprise
TOA	-	Transport Operators Association
TPF	-	Training Provider Firms
UDI	-	Unilateral Declaration of Independence
UNDP	-	United Nations Development Program
USAID	-	United States Agency for International Development
USAID/Zimbabwe	-	USAID/Mission in Country
USPSC	-	U.S. Personal Service Contract
ZBCA	-	Zimbabwe Building Contractors Association
ZBD	-	Zimbabwe Business Development
ZDB	-	Zimbabwe Development Bank
ZIC	-	Zimbabwe Investment Center
ZIMMAN II	-	USAID Zimbabwe Manpower Development II Project
ZNCC	-	Zimbabwe National Chamber of Commerce

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The Interim Evaluation of the Zimbabwe Manpower Development (ZIMMAN II Project 613-0229) was conducted in Zimbabwe by a three-person team from AMEX International, Inc., and Creative Associates International, Inc. from January 30 to March 3, 1995 for the United States Agency for International Development (USAID). The objective of this evaluation was to review ZIMMAN II's progress to date in achieving project targets and provide USAID/Zimbabwe with recommendations in regard to a revised PACD. The field assessment was supplemented by interviews with contractors in Washington, D. C. by the two U. S. members of the team.

The Team wishes to acknowledge the help and information given by the USAID staff, especially the valuable assistance it received from Ms. Sarah Bishop, ZIMMAN II Project Manager, USAID/Zimbabwe. Her knowledge of every aspect of the history this project, the private and public institutions involved in its implementation, and those most knowledgeable of its activities, permitted the Team to schedule its time most constructively. Ms. Bishop either provided or knew how the Team could obtain all of the documents needed concerning the ZIMMAN II project.

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The Evaluation Team

Harry J. Petrequin	Team Leader
Neil Currie	Private Sector Training Specialist
Gloria R. Ndoro-Mkombachoto	Business Specialist

EXECUTIVE SUMMARY

USAID/ZIMBABWE
Zimbabwe Manpower Development Project II (ZIMMAN II)
Interim Assessment
March 3, 1995

1. As defined in the 1st Amendment to the project, ZIMMAN II was undertaken to:
a) improve the technical capacity and management capability of the private sector and strengthen institutional support to private sector development; and b) improve the policy environment and skills in the application of government regulations affecting the private sector, thereby improving the efficiency of public sector services to the private sector, thus facilitating and enhancing the private sector's contribution to the economy.
2. The overall objective of this assessment is to review ZIMMAN II's progress to date in achieving project targets and to provide USAID/Zimbabwe with recommendations on bringing this project to a successful conclusion. The three-member assessment team analyzed numerous files and documents on ZIMMAN II; conducted local site visits in Zimbabwe; interviewed trainees who participated in courses financed under the ZIMMAN II project; trainers who conducted the courses; members of the USAID/Zimbabwe staff; contractors and sub-contractors staffs involved in designing and teaching courses; evaluators who assessed the relevancy of courses taught and teaching methodologies employed; representatives of private sector institutions and trade associations; public institutions; and NGOs.
3. The major **Findings** and **Conclusions** of this assessment are:
 - a) The ZIMMAN II Project's objective and purpose are sound; it addresses a critical constraint to the development of the changing Zimbabwe economy, bringing resources to bear in an area in which the U.S. enjoys a comparative advantage.
 - b) The relatively slow pace of ZIMMAN II project expenditures during its initial four years stems from constraints imposed by U. S. policy toward Zimbabwe at that time, and the availability of ZIMMAN I funding. With ZIMMAN II's change of goals and objectives in 1990, there was the shift from high cost (U.S.) to low cost (in-country) training and continued delays in implementation due to changing USAID objectives which reflected the new market orientation of the economy.
 - c) In order to realize sustainable results from the previous exploratory, testing and developmental efforts in identifying target groups and bringing meaningful training courses to the point of implementation, the PACD of the ZIMMAN II project should be extended.

- d) The prime contractor has proven responsive to USAID/Zimbabwe directions in the preparatory work for this activity to date. The current contract activities programmed through FY 1995 are overly ambitious, and they will not allow the project to concentrate on the task of leaving a viable institutional training base in the wake of ZIMMAN II.
- e) Talented individuals are available locally for conducting the courses envisaged under ZIMMAN II, and trainees targeted to date have demonstrated they can put the training given to good use, if the economic environment and capital accessibility allow.
- f) Changes in the economy and in the roles of the public and private sectors in Zimbabwe's development make it possible and desirable to increase public sector involvement in and awareness of ZIMMAN II activities.
- g) The selection of areas of training under ZIMMAN II since 1990 largely precluded sectors in which women participate in the Zimbabwe economy; the amended ZIMMAN II project retained a goal of 35% women trainees - since only a 13% level has been reached thus far, a concerted effort to train women will have to be made during the PACD extension of this project.
- h) The average cost per participant in all ZIMMAN II (including U.S.) training activities (\$2,300) only slightly exceeds that of a similar participant training project, HRDA (\$1,900); the highly subsidized in-country training costs per participant (\$1,114), however, average 3 - 4 times the cost of sending people to the best available programs in the country.

4. Recommendations:

- a. To achieve sustainable results of all previous exploratory, testing and development efforts, the ZIMMAN II Project Agreement should have its PACD extended for three (3) years from September 30, 1995 to September 30, 1998; this amendment should outline the project's planned course of action, set measurable outputs in activities, participants and institutions, revise the project budget to support these activities, and redefine the role of GOZ counterparts, training institutions and NGOs participating.
- b. Since the prime contractor is the principal instrumentality for realizing the objectives of ZIMMAN II, the prime contractor should have its contract extended for two (2) years from September 30, 1995 to September 8, 1997 (the maximum allowed under the contract).

- c. The goal and objective targets of ZIMMAN II and the training activities undertaken should support the larger strategy and concurrent activities of the GOZ; therefore USAID should engage the most relevant counterpart, the Ministry of Industry and Commerce.
- d. In the light of goals for participation of women in training, the CPSP sectors and ZIMMAN concentration on existing SME owner/managers need to be revisited.
- e. The Private Sector Advisory Committee (PSAB) should be replaced by an annual or semi-annual implementation workshop with representatives of private and public sector firms, offices, associations and institutions, hand-picked for their identifiable interests in ZIMMAN II.
- f. During the next two years of ZIMMAN II Project implementation, USAID and the prime contractor should concentrate on strengthening the local institutional capacity to administer and refine existing training modules, develop new relevant training modules from experience gained, and produce a seasoned cadre of trainers linked to local institutions in place by September 8, 1997.
- g. Mission Management should reassess what other project actions might complement the activities of the prime contractor. These might include: making the E.I. component of ZIMMAN II more related to the in-country training; assisting the Ministry of Industry and Commerce counterpart to conduct a training needs assessment of its personnel and using the 20% of the ZIMMAN II project budget earmarked for public sector training for this support; exploring more fully the possibilities of Buy-Ins to tap into resources for training and private sector development; making greater use of grants to local training institutions and NGOs; investigating the use of Peace Corps Volunteers for follow-up.

5. Lessons Learned

- a. The economic environment in Zimbabwe has undergone immense changes since the ZIMMAN II Project was amended in 1990 to support the private sector; at that time the Zimbabwe economy was still fairly closed; now the issues facing local SMEs are no longer determined by a single economy but shaped by business and trade patterns within the Southern Africa region and by changes in GATT and Lome II.
- b. The forces of nature are a major determinant in GOZ policies which affect SMEs; for example, the drought of 1992 kept large mills primarily occupied with movement of imported grain; now large mills are again purchasing maize at the village level, causing a number of the smaller grain millers who had sprung up to revert from production to service milling only.

- c. Few if any of the local training institutions involved with ZIMMAN II courses demonstrate a willingness or knack for marketing their competencies in Zimbabwe, much less in neighboring countries; unless they are shown how and motivated to do so, South Africa could become the primary supplier of the types of training needed in Zimbabwe and other countries in the region.

- d. The records maintained by most SMEs participating in ZIMMAN II training do not provide the basis for any quantifiable evaluation of the results of this training.

I. BACKGROUND

a. Changes in the Economic Environment

The relatively developed and diversified economic setting of Zimbabwe at the time of its delayed independence in 1980 was unique in Africa. It had an agricultural sector largely characterized by commercial farming, a developed mining sector, and a manufacturing sector producing one-quarter of the GDP. The dynamics and viability of the Zimbabwean economy were also characterized by gross disparities in access to resources and incomes, and such inequities still exist largely along racial lines between its white minority and the black populace.

The Zimbabwean economy has undergone major structural changes since the Zimman II Project was begun in 1986, and is still in the process of shifting as reforms are implemented and strategies improvised. During the last four years of ZIMMAN II, these measures have been patterned by the Economic Structural Adjustment Program of 1991 - 1995 (ESAP), designed to promote private sector development and public sector efficiency. The major components of ESAP are trade liberalization, deregulation of private sector activities, parastatal reform, and macroeconomic stabilization through fiscal discipline and monetary reforms.

ESAP is estimated to require US\$16 billion, with US\$4 billion of this amount in foreign financing. The principal portion of concessional foreign financing is to be provided by major multilateral donors, the IBRD, IMF, ADB and the EC, with a number of bilateral donors, including the U.S., contributing additional balance of payments support and technical assistance in specific sectors. This IBRD-sponsored consortia reviews progress and pledges each yearly increment of external resources at the annual Consultative Group meetings. The IBRD, along with the IMF Structural Adjustment Facility, devise and track the major components of this structural adjustment program. An IBRD/IMF team declared in November 1994 that the GOZ had again accomplished sufficient progress in its ESAP to warrant release of the Second Tranche (50%) of its 2nd Structural Adjustment Credit of US\$125 million. Although overall economic progress has been mixed, a fundamental transformation of the economy is underway and measures in place provide the foundation for further gains. The recovery is broad based, with every important sector increasing its contribution to the GDP.

The private sector is now firmly entrenched and provides the principal mechanism for sustained growth. However, the sector's ability to benefit from decontrol of foreign investment, liberalization of agricultural marketing, foreign exchange and trade liberalization, and price decontrols has been constrained by failure of the GOZ to meet ESAP targets in reducing its fiscal deficit. The deficit, as a percentage of GDP, was supposed to be 5.8% in the 1993/94 fiscal year, but this target was exceeded and now stands about 8%, not including losses incurred by parastatals. The GOZ met its targets on revenue collection, but has not yet brought its spending under sufficient control. As

a result of this insufficient fiscal restraint, much of the burden of macroeconomic stabilization has been borne by tight monetary policy. The excessive borrowing by the public sector to address its fiscal deficit has reduced the availability of credit for the private sector. This is a major factor which, along with an inflation rate of 21% rather than the 10% target sought by 1995, underlies extremely high interest rates.

Nonetheless, the environment for foreign capital investment has shown significant improvement with the Zimbabwe Investment Center (ZIC), a single window facility for investors established in 1989, reporting investment projects with a total value of Z\$5.1 billion handled between June 1992 and March 1994. The GOZ will consider majority or even 100% foreign ownership in high priority projects. Criteria for evaluation of proposed investments are:

- socio-economic benefits for rural areas;
- transfer of technology and training opportunities;
- generation of substantial employment opportunities;
- balance of payments benefits;
- access to managerial resources and foreign markets;
- intensive use of local raw materials;
- use of labor-intensive technology adaptable to Zimbabwe;
- substantial research and development expenditures.

The emphasis on benefits for rural areas, training opportunities, and labor intensive technologies addresses an unemployment rate of 44% and growing, with some quarter-million school drop-outs entering the labor force annually and only a fraction of these finding employment. Agriculture still employs 75% of the labor force, provides 40% of exports, and contributes 16% of GDP. The manufacturing sector, based on agriculture and mining, contributes 31% of GDP. Mining accounts for only 7.5% of GDP and 5% of employment, but makes up about 40% of the value of exports.

The continuing transformation of the Zimbabwean economy and the wider participation in economic and social development being sought by the black populace present a challenge to which the nation's public and private sectors must respond. The response must be fashioned in the context of Zimbabwe's evolving domestic economy, the emerging pattern of trade relationships in the Southern African region, and marketing trends in the global economy in the wake of GATT.

b. Validity of Assumptions Underlying Project Logframe

The predecessor ZIMMAN I Project, which was authorized in June 1982 and had a revised PACD of November 1990, ran concurrently with ZIMMAN II - authorized in June 1986, during the former's last four years. ZIMMAN I supported 158 candidates

for long-term degree programs and 209 short-term training courses through a participant placement contract with the Institute of International Education (IIE). ZIMMAN I met or exceeded its major Logframe Output Targets:

ZIMMAN I (a/o 6/90)	
Major Logframe Outputs	Output Status
1. Strengthened institutional capacity within the technical and professional colleges.	29 Staff Development Fellow at U/Zimbabwe trained.
2. 120 Zimbabwe participants returned with degree training.	158 obtained degrees; 43 were women.
3. 150 person-months of short-term consultancies.	5 person-months short term consultancies; 206 person-months long term consultancies.

ZIMMAN I contributed to strengthening faculty and staffs of such key training institutions as the University of Zimbabwe; Bulawayo Technical College; Harare Polytechnic; the National Farmers Association; and Voluntary Organizations in Community Enterprise.

ZIMMAN II was initially designed to continue to provide assistance for up-grading skills in these and other local training institutions. It was authorized in May 1986 for a total of \$15 million, with \$2 million obligated upon signing.

The original ZIMMAN II Project was designed to support 79 long-term and approximately 105 short-term training programs. Long and short-term local seminars and workshops were also to have been included. By February 1991 only 13% of ZIMMAN II's initial obligation of \$2 million had been spent. The principal reasons for the slow liquidation rate were a Mission decision to use the residual funds in ZIMMAN I prior to employing ZIMMAN II resources, an overall reduction in annual aid levels, and slow-down in assistance activities from 1987 to 1990.

ZIMMAN II (6/86 - 6/90)	
Major Logframe Outputs	Output Status
1. Quantitative expansion in skills of middle-level professionals, technicians and managers in the public and private sectors.	8 short-term training programs completed; 3 from parastatals; 3 from public and 2 from private sectors.
2. Improvement of training capacity in selected public and private institutions.	6 UZ Staff Development Fellows; 1 graduate and 2 undergraduate programs for the public sector.
3. Increased numbers of women (professional, managerial & technical) trained in public and private sectors.	Provision of training aids to private sector and NGOs.
4. Evaluation system to monitor inputs, outputs and progress.	PTiMS; evaluation questionnaires and follow-up exercises.

The validity of the assumptions underlying the original ZIMMAN II Project Logframe were sound. The training needs addressed were valid when this agreement was authorized in 1986. During the first four years of ZIMMAN II, the project was not implemented at the pace anticipated when this activity was authorized. New training needs came into focus in ZIMMAN's 4th year, which on a relative basis, were deemed to be more essential in responding to changes in economic trends that had evolved since the PA was signed. ZIMMAN II's Major Logframe Output Targets were changed accordingly to address these.

c. USAID Program Strategy 1990

To address changes in the Zimbabwean economy and to support the GOZ's development strategy shift to the private sector, the ZIMMAN II PA was amended in July 1990 to read:

- (1) "To improve the technical capacity and management capability of the private sector and strengthen institutional support to private sector development; and,
- (2) to improve the policy environment and skills in the application of government regulations affecting the private sector, thereby improving the efficiency of public sector services to the private sector, thus facilitating and enhancing the private sector's contribution to the economy."

By virtue of this first major amendment, the ZIMMAN II Project was converted from what had been a broadly-based USAID training activity for improvement of the functioning of the public and private sectors and institutional strengthening into a project focused on development of the Zimbabwe private sector, including intervention in the public sector to help formulate or accelerate the changes and implementation of policies designed to foster private sector growth. The changes in ZIMMAN II project purpose are shown in its revised Logframe. The following chart summarizes the PIR of September 30, 1992, the first that reflected the modified outputs since the project underwent its redesign in July 1990.

ZIMMAN II (PIR 9/30/92)	
Major Logframe Outputs	Output Status
1. Increased number of skilled private sector professionals, technicians, managers and entrepreneurs.	<ol style="list-style-type: none"> 1. Project funded 3 five-day workshops for the Institute of Internal Auditors. 2. Project funded a 3-month "training the trainer" course in refrigeration and air-conditioning. 3. Project funded 12 trainees to learn the maintenance and operations of maize grinding mills. 4. A grant to the Indigenous Business Development Center (IBDC) for the Small Building Contractors Assistance Program; 22 client contractors selected to receive assistance. 5. The Entrepreneurs International (EI) Program has funded 8 programs; a further 3 in process.
2. Increased numbers of women trained in professional, technical, managerial and entrepreneurial skills.	<ol style="list-style-type: none"> 1. 16 women attended a series of courses for Internal Auditors. 2. 5 business women selected for the EI program. 3. Women have indirectly benefitted from the training of small grinding mill operators.
3. Expanded private sector capacity to provide quality training.	<ol style="list-style-type: none"> 1. The Private Sector Advisory Board has received assistance to support its role as a selection committee to recommend Private Sector Training applications. 2. Techtop is developing a Directory of Zimbabwean Training Providers. 3. DELTA Trainers are now operating their own training course using the skills acquired in the Air Conditioning and Refrigeration Training the Trainer Course.
4. Better informed and more highly motivated public sector managers responsible for policy, provision of services to the private sector, and enforcement of regulations pertaining to the private sector.	<ol style="list-style-type: none"> 1. The Executive Director of Zimbabwe Mining Development Corporation has been sent to a Privatization Course for State Oil and Mining Organizations at Duke University, N.C. 2. The first stage of the research toward establishing a Monopolies Commission.

To assist in making a successful transition from long-term public to short-term in-country private sector training, ZIMMAN II contracted "A Private Sector Training Needs

Assessment," which was completed by Labat Anderson, Inc. in December 1990. Subsequently ZIMMAN II training activities were proposed as "Demand Driven", insofar as they were designed to address the following major training needs identified in that assessment:

- * For owners and managers: marketing, general management, organizational, personnel management, and financial management skills; higher level financial management skills needed by larger firms;
- * For technical personnel and skilled labor: industry-specific training in new technologies and production management skills necessary in a market-driven economy;
- * For semi-skilled personnel: literacy, communications and technical/craft skills.

Five sectors were chosen according to their potential for business growth for selective test training in the foregoing domains: Agribusiness; Construction; Horticulture; Mining and Textiles. Between December 1990 and September 1992, the PSAB was formed; the E.I. Program continued; and ZIMMAN II responded to targets of opportunity identified by the PSAB and USAID, such as DELTA, IIA, and the IBDC/ZBCA grant. In April 1992, Project Implementation Letter (PIL) No. 27 was issued approving a 24-month no-cost extension to September 30, 1995, stating that this extension would allow ZIMMAN II to continue "to focus on private sector training needs which will result in increased export earnings and employment opportunities for Zimbabwe".

Also with the shift in the nature and focus of training requirements, a new tendering for proposals was let in 1991 for a prime contractor to design and conduct practical training courses locally. The Academy for Educational Development (A.E.D.) was awarded this new contract in September 1992, with its subcontractors, Techtop (Pvt) Ltd., Zimbabwe, and Management Systems International (MSI).

ZIMMAN II's "Demand-Driven" phase, derived from the 1990 Private Sector Training Needs Assessment, accelerated with the arrival of the AED Chief-of-Party in October 1992. A Horticulture Training Course with 5 modules was developed and conducted in September 1993. A Grain Production Millers training program also got underway. The last meeting of the PSAB was held in August 1993.

d. USAID Strategy Shift from Demand-Driven Training to CPSP Agenda

From July 1993 to January 1994, ZIMMAN II, especially in-country training, entered a phase of low activity while USAID/Zimbabwe redefined training priorities under its 1994-1998 Country Program Strategy Statement (CPSP) of May 1993. ZIMMAN II, as well as other projects then in the Mission portfolio, were then either retrofitted into this new program strategy, or phased out. ZIMMAN II implementation strategy shifted from

a "Demand-Driven" mode which stems from the 1990 Manpower Needs Assessment, to a "Strategic Objective" driven mode in the context of supporting CPSP Strategic Objective II, "Increased Black Ownership and Investment at All Levels of Zimbabwe's Economy". The six target sectors of the CPSP are: Housing; Transportation; Telecommunications; Grain Marketing; Natural Resource Management; and Family Planning. Starting in January 1994, the prime contractor kicked off the new phase with the Production Millers program, quickly followed by the Micro-Millers; Road Haulage; and Small and Medium Enterprise Counsellors training programs.

There have been no modifications of the four Major Logframe Targets of ZIMMAN II, as amended in 1990. The USAID/Zimbabwe Annual Portfolio Report: April 1, 1993 - March 31, 1994 (Appendix 5) shows a continuum of the activities undertaken prior to the CPSP, all categorized under the same Logframe Targets, as well as those activities undertaken subsequently with sharper focus on specific training needs in particular sectors.

e. **ZIMMAN II Project Evolving Purpose and Intervention Strategies**

Initially ZIMMAN II was authorized to continue training similar to that funded under its predecessor project, ZIMMAN I. However, as noted, the project was largely diverted from this path from doing that during its first four years by a number of circumstances, some programmatic and others beyond the scope of the USAID program. The project amendment of 1990 abandoned its original concept as a traditional participant training activity. It became a vehicle for providing short-term training interventions in the private and public sectors to promote the growth of the former. It thus responded to a changing economic and political environment in Zimbabwe, and the USAID strategy to reinforce such changes.

Since the amendment in 1990, ZIMMAN II's stated purpose has not been further modified. The implementation strategies, mainly short-term private sector in-country courses and support to local training institutions, remain intact. What has changed is the USAID Mission's purpose for ZIMMAN II as a support activity to assist in achieving CPSP Strategic Objective No. 2.

The pattern of modifications and surveys to keep ZIMMAN II training focused on the most essential target groups to promote private sector growth, as and when these groups were identified, attests to the responsiveness of ZIMMAN II as a training instrument in

a changing economic and policy setting. The flexibility which has characterized ZIMMAN II operations to date can be utilized at this juncture in the USAID program to address preliminary training requirements of new major project activities (Zimbabwe Equity Development; Agribusiness) now being designed for the mission portfolio, as well as to provide corollary private sector training in other CPSP Strategic Objective domains.

II. PROJECT MANAGEMENT

a. USAID Mission

From its initial authorization in May 1986 until the present time, ZIMMAN II has been managed by the USAID/Mission Training Officer. The Training Officer, assisted at times by local staff members, handled all of the planning and preparatory work for ZIMMAN II and the training components of other projects; documents; communications with USAID/W, REDSO/E, and other USAID Missions; advised other USAID staff on progress, problems and actions required on training in all sectors, and maintained all of the files on training activities. The Training Officer has also maintained the Participant Training Management System (PTMS) since the system was initiated in 1989. The PTMS 3rd generation of software is not operational, so no current computer run of programs or trainees was available at the time of this assessment.

The Team could not find Annual Mission Training Work Plans. All of the previous Project Implementation Reports (PIRs) had been completed on schedule for ZIMMAN II, as had the subsequent Annual Portfolio Reports entry for ZIMMAN II, the last ending a/o March 31, 1994. The Team could not locate any Annual Project Implementation Plans from the time that ZIMMAN II was transformed from a Training to a Private Sector Development Project.

Until January 1995, the Training Office and Training Officer were under the Program & Project Development Divisions of the USAID Mission. From its initial authorization in 1986 until its major modification in 1990, ZIMMAN II was the USAID Mission's principal training activity. After its shift to becoming totally supportive of private sector development, ZIMMAN II remained in the USAID Training Office, still the Mission's principal training activity. With ZIMMAN II now shifted to the Private Enterprise Division, and the Training Officer now funded under this project as the Project Manager, there is no Training Office per se in the USAID Mission. This was more an outcome of the lack of Project Development & Support Funds (PD&S) under which the Training Officer position had been funded, rather than a policy decision. PD&S funds are not longer available.

During ZIMMAN II's initial four years, placement of participants in the U. S. was handled by the International Institute of Education (IIE). During this initial phase and through ZIMMAN II's shift of objectives and goals in 1990, as well as during its subsequent refocusing on and refinement of different target groups of trainees, the GOZ counterpart was and remains the Department of National Scholarships (DNS) in the Ministry of Higher Education.

No GOZ office provides overall coordination of donor activities. The last general report on donor activities was published by the United Nations' Development Program (UNDP) Resident Representative in 1991; the team was informed that data for the next UNDP publication on donor activities is being gathered. Through studies and informal contacts by the USAID Director, the USAID Training Officer, other USAID personnel, and the prime contractor, Mission management is aware of all the training activities being conducted or financed by other donors which might have a bearing on ZIMMAN II.

Two contractors handle ZIMMAN II activities: Partners in International Education and Development (PIET) is in charge of the programs for Entrepreneur International (EI) participants in the U. S. and other S/T activities; the Academy for Educational Development (AED) is the Primary Contractor, having a field office in Zimbabwe to undertake the research, design specific training programs, devise the method of selection of trainees, assure that training programs are conducted properly, and evaluate the results of training given. PIET is responsible for designing customized study tours according to the requests made by EI participants which are put together and monitored by the Training Officer. The AED Chief-of-Party has the principal responsibility for organizing in-country training through grants and sub-contracts. Both PIET and AED have had the USAID Training Officer as their principal point of contact and guidance within the Mission.

The Evaluation Reports done by PIET on the basis of departure interviews with EI participants were found to be accurate from the random sampling of returned EI participants by the Team. The Annual Work Plans of the AED Chief-of Party are detailed and comprehensive. The AED Quarterly Activity Reports as well as the Annual Technical Reports are clearly written and thorough. The Mission Training Officer and the Project Development Officer review the prime contractor reports.

b. Government of Zimbabwe (GOZ)

Starting with ZIMMAN I, the local GOZ counterpart, liaison office and implementing agency for ZIMMAN I and II has been the Department of National Scholarships (DNS), initially located in the Ministry of Labor, then in the Office of the President and the Cabinet, and now in the Ministry of Higher Education.

Since the ZIMMAN II, amendment in 1990, the DNS's role has clearly been that of being the local liaison office only. This has been to a large extent dictated by ZIMMAN II's revised project goal. DNS has cooperated in the administration of local and overseas scholarships, grants and loans, and in the determination of national manpower priorities. USAID/Zimbabwe continues to brief DNS officials on the modus operandi and outputs of ZIMMAN II, as contained in the revised project document has been acceptable to all parties concerned.

Although no foreseeable problems are envisaged if the prevailing relationship between DNS and ZIMMAN II continues, DNS's responsibilities do not extend as far as the current ZIMMAN II mandate. The GOZ department tasked with the responsibility of private sector development issues of whatever nature is the Ministry of Industry and Commerce (MIC). USAID/Zimbabwe not only enjoys a healthy relationship with MIC, but all of its private sector programs are, and will continue to be facilitated in Zimbabwe under MIC. The ZIMMAN II project, as amended in 1990, includes public sector training to enhance the GOZ's role in fostering private sector development in such areas as import/export licensing, privatization, and access to capital. MIC personnel are well placed to be instrumental in these types of interventions to the benefit of the private sector in Zimbabwe and attainment of the USAID's goals as outlined in its CPSP Strategic Objective II (SO2). The Ministry of Education could assist in this process by introducing private sector values and employment skills into the primary and secondary education systems; it is clearly not, however, the principal GOZ counterpart for ZIMMAN II activities.

c. Private Sector Advisory Board (PSAB)

The PSAB was established in 1991. Comprising senior business executives and representatives of local private sector support groups, the PSAB was tasked with the pivotal role of providing guidance to the Mission in the selection of suitable private sector training activities under ZIMMAN II, as well as providing the Mission with a means to liaise directly with the Zimbabwe Private Sector.

At the time of writing this report (March 1995), it is understood that PSAB has not met since August 1993. The PSAB is reported to be ineffective, since the Board no longer has a clear understanding of its operational mandate or procedures in regard to ZIMMAN II activities.

d. Academy for Educational Development (AED)

The Academy for Educational Development (AED) has been the prime contractor for ZIMMAN II since September, 1992. The prime contractor brings extensive experience in education and participant training in Zimbabwe gained prior to ZIMMAN II. Under ZIMMAN I, the prime contractor had management responsibility for the recruitment of all long-term training personnel and had established a field office in Harare to support the OPEXERS in country until the end of the project in 1989. The prime contractor's involvement in ZIMMAN II, now in the third year, concentrates on in-country training, the critical component in the attainment of the project's purpose and objectives.

The prime contractor was awarded the contract to provide technical assistance to USAID/Zimbabwe to:

- a) develop and support professional, technical and managerial training courses to the private sector, and
- b) provide modest local and regional short-term training to GOZ officials to enhance public sector interest and motivation supporting private sector development.

The support to the private sector was envisioned to consist of:

- a) management of the submission of training project proposals,
- b) developing subcontracts and grants to implement proposals,
- c) supporting grantees and other support.

Direct support for the public sector was to be modest, short term training to GOZ officials in Zimbabwe or other countries in the region, to enhance public sector interest and motivation to support private sector development. The total duration of the contract, including the exercises of any options to extend, cannot exceed 60 months (September 8, 1997).

After extensive outreach activities to validate assumptions regarding the need for SME training and the availability of SME training resources in Zimbabwe, the prime contractor concluded that enhancing the capacity of local training and building the managerial and technical capabilities of SMEs through grants and support to grantees was not viable. The prime contractor, in close cooperation with USAID/Zimbabwe has assumed full responsibility for developing and marketing training courses, training trainers and evaluating results through sub-contractors to the prime contractor. At the time of the evaluation, the prime contractor plans to test market new courses which it has designed for SMEs in agribusiness and manufacturing.

According to the prime contractor's first quarterly report, dated January 28, 1993, ZIMMAN II supports training that shows realistic promise of increasing employment, regional competitiveness and export earnings, and was to focus on five main areas: grain marketing and related industries; construction and related industries; family planning/AIDS; natural resource management; and rail transport, but other areas which would meet the project results would be considered for funding. Micro enterprise training was not to be considered for ZIMMAN II funding.

By mid-1993 when the CPSP was approved, the Main Contractor had established the local project office, and put administrative systems in place, the PSAB was meeting monthly, and outreach efforts had been tested. Problems were identified in both the quality of local supply of training for SME's and the development of proposals. These problems were exacerbated from mid 1993 through 1994 when USAID/Zimbabwe determined that all ZIMMAN II in-country training should support the priority sectors of the CPSP. Owner/managers of SMEs in related industries were not considered target beneficiaries.

The prime contract continues to have four major objectives: 1) institutional strengthening of private sector training; 2) strengthen private sector productivity; 3) increase national economic growth, and (4) generate additional employment opportunities. The contract envisions that the contractor will undertake activities which will achieve these objectives by a) improving the technical capacity and management capability of the private sector, b) strengthening institutional support to private sector development; and, (c) improvement of the policy environment and skills in the efficient application of government regulations and services affecting the private sector.

While the contractor has been proactive in identifying challenges and suggesting solutions to SME skills training activities and institutional support for SME training, no activities have been undertaken in the area of skills for public policy formulation and regulatory implementation.

The original contract illustrative budget for the first two years was \$1.7 million based on 50 training activities and a total of 750 training days. After the first two years the REDSO Controller reports that the prime contractor spent \$830,000 (48%). According to the prime contractor's reports and data bases, these funds were used to generate 194 project proposals which led to the development of 5 custom designed, in-country training programs, each with one to five different modules. The modules vary in length from one to five days. Approximately 90 training days were administered in the five programs, and an additional 30 days in outreach meetings, Consumer Council of Zimbabwe Conferences, and Training Conferences, amounting to approximately 16% of the training days envisaged in the illustrative budget.

Due to the fact that neither the project amendment nor the prime contractor contract specifies numbers of participants to be trained, or person days of training, a better comparative measure of results is not possible. Further analysis of program results and costs of training follows in Section III.

The prime contractor established and maintains a fully functional Project Management office in Harare which is capable of providing logistic support to organizations funded under the project. The present the prime contractor's field staff (project coordinator, program officer, accountant, and administrative staff) occupy all available office space. The reception area is capable of handling small meetings.

The monitoring and evaluation program developed by the prime contractor includes detailed reports on implementation plans and achievements. The prime contractor keeps several data bases on: participants (282), programs, local training suppliers (131), proposals for specific training activities (194), with detailed information on each participant by program attended. The accounting system is capable of generating sophisticated reports on costs, local contributions, and number of participants.

Meetings have been held weekly with the ZIMMAN project manager at USAID/Zimbabwe. Work plans, technical reports and financial reports have been submitted to the satisfaction of the ZIMMAN II project manager. Quarterly technical reports include valuable information on progress, challenges and recommendations. The quarterly reports include a section on plans for the next quarter, with detailed activities and expected results. Analysis of those quarterly plans indicates overly optimistic forecasts in both the timeline and the quantity of deliverables. An administrative systems audit executed in 1993 by Deloitte & Touche confirmed that the prime contractor's systems complied with USAID procedures and were capable of handling the increased demand of the project.

In 1994 the prime contractor's contract was extended for one year (September 30, 1995) with additional funding and a list of program deliverables for that period. The most significant change in the contract amendment was the elimination of the PSAB in the approval of work plans; the prime contractor's staff and subcontractors use a sophisticated project implementation and monitoring system capable of producing and adjusting the timeline and monitor progress. Activities planned for the first four months of the timeline are being completed on schedule.

Based on lessons learned in the first two years of the project, the evaluation team shares the concerns of the ZIMMAN Project Management and AED Coordinator that the plan understates the time and resources needed to complete the remainder of the FY'95 activities successfully.

e. Sub-contractors

Sub-Contractors - Management Systems International (MSI) - MSI, a Grey Amendment firm has played a part in several ZIMMAN II activities. As subcontractor to the prime contractor, AED, MSI provided technical assistance to organize and deliver two one-week Business Counselor Training Workshops. In a separate contract MSI is providing technical assistance to produce a base line survey requested by the prime contractor. Prior to the award of the prime contract, MSI provided technical service to USAID/Zimbabwe through its Implementing Policy Change (IPC) Project. ZIMMAN II funds were used to buy into the IPC project.

In a related but non-ZIMMAN activity, MSI has also provided technical assistance to the UNDP and the Zimbabwe Investment Center's EMPRETEC project. MSI produced the core SME Training Program used by EMPRETEC. It assisted in setting up the local EMPRETEC office, selection and training of instructors, and implementation of the program.

TECHTOP - a Zimbabwe consulting firm founded in 1988 was sub-contractor to the prime contractor during the first two years of the prime contract. In the prime contractor's proposal it was envisioned that TECHTOP provide the field office accountant, procurement services for commodities, training in response to SME demand, linkages with indigenous businesses and business associations, and recruiting services for needed experts in country to respond to project training needs as they were identified. As the project progressed and the implementation strategy shifted to support the USAID/Zimbabwe CPSP priority areas, the requirements for TECHTOP's capabilities fell to the point that it no longer provides services to ZIMMAN II. While completing the contract period TECHTOP was able to compete for and win a USAID contract to produce a directory of consultants and training institutions in Zimbabwe.

f. Entrepreneurs International (E.I.)

Over the period 1988 to date, thirteen participants have benefitted from the EI program. The Evaluation Team met with four who indicated that the US training was very useful. E.I. Associates indicated the following direct impact stemming from their U.S. training:

- all four of their companies had become more customer-driven and market focused.
- all companies had introduced new products, some completely new lines of products, under licensing or representative arrangements with U.S. companies.

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- one of the companies had sales increase by almost 100%.
 - for two E.I. Associates the training had led to employment creation of about 25%.
 - all four companies were now particularly conscious about quality control and had introduced it in every stage of production.

With the exception of one E.I., who had the unfortunate experience of having an Art and Design Exhibition canceled, which apparently would have been a major highlight of his visit, it appears that the rest had benefitted immensely from their U.S. training. However, all of the interviewees noted that some of their training was not utilized since access to adequate lines of credit was a major constraint. As part of a new breed of indigenous entrepreneurs, it is difficult for them to secure credit from local banks because they do not have a significant resource base to pledge as security nor a track record with the banks. However, two indicated that as their "credibility gap" shrinks, credit is now accessible but at prohibitive interest rates. All the E.I. Associates cited the adverse effects of the Economic Structural Adjustment Program (E.S.A.P) on SME's in particular. Nonetheless, they believe the whole process of trade liberalization, deregulation, tax reform and the composite of other measures under ESAP will ultimately benefit the Zimbabwe private sector.

Of the four EI Associates interviewed, two complained of some mismatching between the types of companies requested and those they were scheduled to visit in the U.S. This is a problem likely to continue unless better information about the local entrepreneurs' business and their objectives is sent to PIET well in advance of their proposed visit.

In general, it appears that ZIMMAN II successfully places the EI participants with their relevant counterparts in the U.S.

The following specific areas need to be improved:

- i. Wider publicity - the E.I. program is not well known to the target group meant to benefit from it. Program responsibility should be shared with relevant associations in order to make them partners in the advertising, screening and selection to obtain the best candidates. It would appear, for example, that the EMPRETEC Alumni Association has a critical mass of potential beneficiaries.

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- ii. Better exchange of information - It would be ideal if PIET personnel visited Zimbabwe at least once a year to establish and gauge the nature, size, and needs of the potential EI participants in order to minimize the risks associated with inappropriate linkages. Failing this, the screening and preparation of E.I. participants should make extra effort to guide PIET officers.

Based on the criteria of SME owner/managers with potential for employment generation, export and regional competitiveness, EI has the potential to make significant contributions to ZIMMAN II. It has not been restricted to the CPSP priority sectors as in-country training has since 1993. During 1992-93 the PSAB and USAID Mission staff nominated EI participants. The nominations were initiated by PSAB members, and participants were approached or learned of the opportunity by word of mouth. Their main businesses are in ten diverse sub-sectors, most related to either the CPSP or ZIMMAN II purpose and goals, but not as closely aligned to the strategic objectives or sectors. Until its last meeting in August, 1993, the PSAB screened nominations for AID approval. Nominees report that they were required to fill out application forms and send in personal information. The E.I.'s have had to pay for their own international air fare. At the time of this assessment, the team was unable to locate an E.I. implementation strategy with roles and responsibilities, eligibility or selection criteria, recruitment and screening procedures which link E.I. to ZIMMAN II or Mission Strategic Objectives.

g. Participant Selection

From 1986 to 1990 ZIMMAN II defined measurable outputs in long-term academic training, short term technical training, and technical assistance. Since the shift in 1990 from long and short term overseas training for public and private sector participants to in-country and regional training for private sector and public sector officials supporting private sector development, ZIMMAN II has been operating without a clear redefinition of targets or measurable outputs (individuals, courses, days of training, etc.) The project is flexible leaving the definition of the target beneficiaries to the ZIMMAN II Project Manager with guidance from USAID/Zimbabwe officers (1986-present); the Private Sector Advisory Board (1991-93); CPSP (1993-present); and the prime contractor (1992-present). Target definition by the prime contractor has been clearer than previously done. In-country training targets were qualitatively defined in mid-1993 as SME owner/managers in the CPSP sub-sectors. Outputs were not quantified. As a result evaluation of participant selection and training objectives varies for different phases in the life of this project.

1986-1990 : Long-Term Overseas - selection was based on the overall DNS training plans complemented by ZIMMAN II goals and objectives. ZIMMAN II supported individual as well as institutional capacity building through the selection process. Participant selection was relevant to individual and institutional needs.

Short Term Technical Training Overseas - Short term, technical training and study tours have been awarded sparingly responding to requests or proposals from individuals and development institutions. ZIMMAN II has not defined measurable outputs in the types of training undertaken. ZIMMAN II short-term overseas training has been used sparingly in response to opportunities. Both before and after 1990, short term training outside of Zimbabwe has been used sparingly. At the time of this assessment there was no implementation strategy with clearly delineated roles and responsibilities for defining eligibility, selection criteria, recruitment and screening, or final approval.

In-Country Training

1990 - 1992 - under the Pre-prime contractor

DELTA Engineering - Selection was handled by the beneficiary. The beneficiary was paying for the cost of the course in local currency. The program was part of the company training plan, part of the overall business strategy.

Institute of Internal Auditors (IIA) - Selection was managed by the IIA. ZIMMAN II shared in the total costs and provided scholarships to participants from the public sector upon request.

1992 - 1994 - Non-prime contract grant

IBDC/ZBCA Grant - Eligibility and selection criteria and screening of participants were the ZBCA and IBDC Grant Manager's responsibility. In-country seminars were short and very specific to technical and managerial skills in the construction industry. Only ZBCA members could participate, and they made a token contribution to the cost of the seminars. Lessons learned include the difficulty in coordinating volunteers and using one organization (IBDC) as a grant manager for another (ZBCA). BESA officials contacted would like to continue similar projects.

1992 - 1994 - Prime Contract

The prime contractor has used sub-contractors to design, deliver and evaluate in-country training and retains responsibility for establishing eligibility and selection criteria and screening participants. The target beneficiaries are defined by USAID/Zimbabwe as owner/managers of existing small/ medium enterprises.

The first in-country program was Horticulture where the prime contractor relied on the Horticultural Promotion Council (HPC) for recruiting participants. Initial applications came from the larger, white owned HPC members, and renewed efforts were necessary

to fill the course with the ZIMMAN II target population of SME horticulturists. The mix had positive results in the exchange of ideas between these two categories of participants which might not otherwise have happened but this was not the objective of the skills training course and might have been better achieved with a different and less costly program. Lessons learned from the program include a need to engage and support the sponsoring organization at all stages of the project.

In 1994 restrictions on training for micro enterprise were lifted. Programs were run for Production and Service Millers, Road Haulers and Small Business Counselors. Analysis of program reports indicates that a large percentage of the individuals trained in-country either came from micro-enterprises or were manager/workers - not owners. In one report it is said that for every program 30 person days are spent to assure at least a 50% attendance. Lessons learned include: the need to expand CPSP sectors to related industries; the need to define the characteristics of a SME; the need to make more reliable estimates regarding the number of SME's in all sectors; the need to define the market for SME training in terms of ability and willingness to pay for the kinds of training designed; the need to pilot test all training courses and measure impact based on ZIMMAN II objectives; the usefulness of using course fees at close to market rates to improve impact of training interventions; and the importance of sharing responsibility for marketing of courses with local institutions.

h. Training Strategies Employed

Country Training Strategy - In December 1990 ZIMMAN II, through the HRDA project, produced a Country Training Strategy for USAID/Zimbabwe. The country strategy is, in fact, a ZIMMAN II implementation strategy. Of the six objectives identified in the strategy, all but the reference to the informal sector are still relevant to ZIMMAN II today. The strategy contained several recommendations regarding implementation and brief description of the supply of training. The recommendations have been implemented with mixed success. The report highlights the need for a new management structure to achieve the revised project objectives and activities.

Since 1990 when the Country Training Strategy was written, the Mission has developed and continues to refine its CPSP. ZIMMAN II has adjusted its activities to support CPSP objectives in selected industrial and service sectors. The Country Training Strategy continues to be useful as a ZIMMAN II reference tool. However, it does not define how participant training activities in the different projects complement each other to support the achievement of CPSP objectives.

Needs Assessment - ZIMMAN II has included several activities for needs assessments. In the preparation of the Country Training Strategy, Labat Anderson performed a private sector needs assessment in 1990. It is a comprehensive document based on surveys, focus group discussions and interviews. It identifies the constraints on private sector growth from the point of view of the business community, the public sector and the donor community. It provides a statistical analysis of five key sectors (Agribusiness, Construction, Horticulture, Mining and Textiles). It identifies the potential for institutional linkages with private sector associations and training providers.

The document identified a sophisticated private sector with a similarly sophisticated training industry, but it did not quantify the market for SME training. The study assumes that with some technical assistance the talented local training community would be able and willing to respond to SME needs. The study was the basis of the revised project logframe's emphasis on the support to local business institutions and training institutions to provide SME training. It recognized that both the local institutions and USAID/Zimbabwe were ill prepared to manage the shift to in-country training through assistance such as grants or subcontracts. The report recommends improved staffing levels and use of contractors or sub-contractors to provide needed support.

Pre-training business review - the prime contractor has designed and implemented a pre-training process which provides specific information needed for training design and implementation for impact. This process focuses on the enterprise and the owner/manager as the target for training. It results in program design, not specific participant profiles. Through questionnaires and interviews a consultant produces a report on the owner/manager competencies and the general state of the business. It should eventually make it possible to identify and validate critical competencies for growth in different industries, but will not help in participant tracking.

i. Course Follow-up and Participant Tracking

ZIMMAN II participant tracking is done by USAID/Zimbabwe through the project files, including the prime contractor's reports and the PTMS. When functional, the new PTMS is expected to make report writing possible and improve participant monitoring. Participant tracking is different from monitoring in the sense that it implies an evaluation of the impact of training. The prime contractor has developed a sophisticated process for pre and post training evaluation with follow-up visits to enterprises 3 or 4 months after training. This system is capable of demonstrating immediate impact on participants skill and knowledge levels. The impact of the training is best measured by the changes in productivity or profitability on the job. There is not enough data available to make objective statements regarding impact at this level. In one report the prime contractor's notes that the SME owners do not keep adequate records to make this feasible. The

prime contractor's second annual report indicates that they have identified components of an impact evaluation model. This model includes several items which may not be available such as break-even and industry indicators for SME's. The base line survey, which is being completed in the selected sectors, will also not provide the information needed to enhance participant tracking and impact evaluation.

In 1993 PIET produced a report on the Entrepreneur International participants from Zimbabwe. This report indicated increased employment, new product lines and sales.

The project goals for training women were set at 35% in 1986 and were never changed. Reports indicate that female participation is less than 15%. Programs are planned and participants are recruited, selected, trained and tracked without significant adjustments to meet the goals in female participation.

j. Recommendations

- i. Mission Training Policy - the management of Participant Training in the Mission is more than ZIMMAN II. As the Mission decides how training will support strategic objectives it should define the Mission's policy regarding the purpose of training; policy on cost considerations and US training versus third country and in-country training; selection of women; HBCUs; monitoring and evaluation; air travel; allowances; and other administrative policies.
- ii. Mission Training Strategy/Yearly Plan - Training components will be included in new projects coming on line; a Mission Training Strategy and Yearly Plan will link these components to strengthen the impact on the Mission's CPSP.
- iii. The ZIMMAN II Project Manager should prepare an annual plan which includes a timeline for deliverables, resources, implementation responsibilities, etc. That plan should be developed in close cooperation with the prime contractor and local development institutions to assure that there is a market (SME's with the ability and willingness to pay for training) for the activities, and the programs can be designed in a cost effective manner.
- iv. Strategies for attaining goals for participation of women in training need to be reassessed in light of the CPSP sectors and ZIMMAN concentration on existing SME owner/managers.
- v. The project logframe and prime contract should be amended to reflect the shifts in strategy and deliverables that have occurred.

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- vi. The project should include a participant tracking system for all participants under ZIMMAN II.
 - vii. Participant tracking - E.I. - several E.I. participants interviewed would like to have a copy of the PIET report, and were curious about others who had been to the U.S. Each time an EI participant returns, USAID should arrange for a business association of their choice to host a meeting where interested EI alumni and others could exchange experiences and report on the value of the experience.
 - viii. Local GOZ Counterpart - the relationship between USAID/Zimbabwe and DNS, although satisfactory, is now inadequate to cater for the needs of private sector development issues in Zimbabwe. The Mission should therefore consider engaging the relevant GOZ counterpart Ministry for implementing ZIMMAN II project activities, in addition to increasing involvement and awareness of ZIMMAN II outputs to this Ministry. The relevant Ministry would appear to be the GOZ Ministry of Industry and Commerce.
 - ix. Private Sector Advisory Board (PSAB) - The PSAB should be replaced by a more flexible and informal mechanism such as a Project Implementation Workshop. Its purpose would be to enhance exchange of ideas and understanding among GOZ officials, private sector development institutions, large, medium and small enterprises, business service providers (for and not-for-profit organizations) and USAID/Zimbabwe

Based on the project goals, the objectives of the Workshop would be to assist USAID and the Ministry of Industry and Commerce in identifying, implementing and evaluating the impact of ZIMMAN II activities to produce maximum results.

The Team suggests that the composition of the workshop should consist of individuals recruited by USAID and the MIC from:

- membership driven private associations which represent the interests of enterprises targeted for human capacity development assistance (2 or 3)
- a chief executive (or representative) from a large scale enterprise which has potential or existing business linkages with medium and small enterprises (1)
- chief executive or representatives from medium scale enterprises representing the targeted beneficiary group (1-2)
- owner/managers of a small scale enterprise representing the targeted groups (1-3)

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- a representative of the banking and financial services sector (1)
 - a representative from the Zimbabwe Investment Center or similar institution (1)
 - a representative of the not for profit business services organizations (1)
 - a representative of the for profit business services organizations (1)
 - a representative of women entrepreneurs in selected sub-sectors (1)
 - a representative from business educational institutions (1)
 - a representative from corporate training officers (1)
 - a representative from GOZ training officers in targeted sectors (1)
 - a representative from the National Planning Authority (1)

Roles and responsibilities.

a. Workshop Participants will:

- attend two meetings per year to review the accomplishments and discuss planned activities, making specific suggestions, recommendations or proposals to the Ministry of Commerce and Industry and USAID for improved ZIMMAN II impact;
- consult with their constituencies, representatives of their group, members, etc. to inform them of ZIMMAN II programs, identify opportunities for potential project activities, and assist in the development of proposals to USAID;
- participate in the on-going analysis of training activities in light of changes or constraints in the economic policy and regulatory environment;
- participate in ZIMMAN II activities in several capacities such as co-sponsors, opening and closing or guest speakers, participants, panelists, information providers and disseminators, etc.

b. USAID and the Ministry of Commerce and Industry will:

- Prepare project reports and plans together with a small working group which forms the core of the workshop participants
- organize the workshop agenda and contract a facilitator for the working sessions
- in closing each workshop, react to recommendations with action plans for incorporation of recommendations

III. PROJECT EFFECTIVENESS

a. Shifts in Zimman II Emphasis & Objectives

Amendments and fine adjustments were made several times during ZIMMAN II. It has proven to be a flexible project able to accommodate lessons learned in other projects; changes in Zimbabwe under the Economic Structural Adjustment Program (ESAP); and changes in Mission strategic objectives, such as the CPSP. These adjustments have changed the nature of the project, its purpose, targets, inputs, activities, outputs, and management. ZIMMAN II's changing nature makes measurement of overall project effectiveness too vague to be useful. Much of the following sections are attempts to identify lessons learned from different ZIMMAN II activities. Some are based on reports, data bases and statistics made available in Harare. Other comments are anecdotal from interviews and meetings during the Team's field work.

b. Country Training Needs Assessments

In 1990 USAID/ Zimbabwe called on Labat Anderson Incorporated, the prime contractor for the HRDA(Human Resource Development Assistance) Project, a regional participant training project, to assist in identifying the supply and demand for training in the private sector. The Private Sector Training Needs Assessment (PSTNA) report was the basis for the 1990 amendment to ZIMMAN II and the 1991 RFP for a prime contractor to assist in the management of the in-country training. During 1992-93 the prime contractor for ZIMMAN continued to refine the definition of supply and demand for in-country training for existing SME owner/managers in each of the targeted sectors.

Lessons learned in the process are fairly obvious. Effectiveness begins with a clear definition of purpose and targets. The more the project knows about the beneficiaries the easier it is to design products that meet their needs. Marketing is the key to training

d. Training Impacts

Training effectiveness is measured by how well the training achieves desired results. Different measures of impact at the individual level are available. One set of data is being collected by the prime contractor which compares pre and post training competency. This assumes that all participants are owner/managers, which has not been the case in the first series of in-country training. The follow-up business interview coupled with some technical advice is more useful in evaluating impact on the business. Measuring both the impact on the individual participant and on the institution (SME) is necessary, and the system being used by the prime contractor will improve the measurement of impact that is, the benefits of training. This proof of results will be needed to strengthen the emerging SME training industry.

The base line data survey of 4,000 SME's will provide information, but it is not certain how many of the SMEs contacted will continue to represent ZIMMAN II targets. Another measure is the results of the interviews conducted by the Assessment Team, and another in the reports from sub-contractors in Zimbabwe and the USA.

In general the participants have given the courses they attended a resounding thumbs up. ZIMMAN II training has opened the eyes of the vast majority of its participants and improved their ability to perform both managerial and technical tasks. In the absence of base line data, the following chart presents a model for evaluating (not measuring) impact on the individual, the sector, and the institutional level:

IMPACT ASSESSMENT THEORETICAL MODEL					
IMPACT FACTORS	LEVEL OF IMPACT				RANKING
	High	Moderate	Low	None	
1. CONTRIBUTION TO					
a CPSP Objectives					
b ZIMMAN II Objectives					
c Sector/Institution					
2. RELEVANCE TO					
a Participant's job					
b Institutional needs					
3. APPROPRIATENESS TO culture, technology or institution					
4. MULTIPLIER EFFECT					
5. FOLLOW-UP SUPPORT					

The overall ranking of each program would be used in a cost/effectiveness matrix found in the following section (section e). of this paper to make project decisions.

Following is a brief description of the five factors.

Contribution - In general the contribution to the CPSP, ZIMMAN II and institutional goals of the training offered thus far is subjective. Project indicators such as increased employment, exports, competitiveness and productivity are not available. The training that demonstrates the highest contribution is the Entrepreneur International, but it has not been linked to the CPSP sectors, perhaps indicating that these sectors are too narrowly defined. The highest contribution to a local institution is the long term U.S. participant training for the University of Zimbabwe.

Relevance - Note that the relevance to the participant implies that course design and participant screening matched. This is most frequently a problem when the design is done by individuals who have limited understanding of participant needs, or the screening is done without appropriate understanding of the design. Customized training is generally more relevant than off-the-shelf as long as the screening is appropriate. E.I.

design for example is done in the U.S. by individuals with limited understanding of SME operations in Africa or the U.S. Added effort from the participant, past participants and SME training specialists is necessary to approve design. The prime contractor's in-country training experiences in 1993-94 show that the best customized materials lose impact when participants are not screened to match the design.

Appropriateness - training which is designed for other cultures and needs, such as short term, off the shelf training in the U.S. or other regions, is generally less appropriate than training which has been successfully tested locally. In-country, customized training is generally more appropriate for individual, technical and institutional impact. An example of highly appropriate training is the small grant to the CCZ to do short workshops around the country. The Grant to the IBDC/ZBCA used volunteers from the UK because of building codes and customs much closer to those of Zimbabwe than the U.S. Participants and reports on the MSI Small Business Counsellor Workshop indicate that impact fell short due to factors of relevance to participant needs and appropriateness to the cultures and institutions represented.

Multiplier effect - the impact on individuals is most valuable when those individuals influence the opinions and behaviors of others. Identification and development of leaders or "agents of change" in all phases of training is a key to multiplication of the benefits. Some EI participants have made presentations to their associations and have shared contacts and lessons learned. The use of past participants as "showcase" businesses, or to take participants on field trips to see how others are putting the training to work, multiplies the impact. Training of trainers or developing alternative learning methodologies which allow SMEs to learn at their own pace at low cost are examples of a multiplier effect. The prime contractor reports that it expects to multiply the effects of its micro enterprise training by printing and distributing course materials for the Service Miller course to NGO's around the country. At the same time, we have learned that a great deal of information, educational and technical materials are already available in other areas, such as horticulture, but they don't seem to be making a difference. Another multiplier activity which the prime contractor has begun is building all of the components of a SME training product which are expected to spawn an industry. The Assessment Team did not find sufficient data in reports or interviews to substantiate or invalidate the assumption that the investment in this specific multiplier effect is sustainable without long term subsidies.

Follow - on activities - Training is a continuous process and it is most important that the participant find support and motivation to put new skills to work and keep learning. This is even more important for the owner/manager of an SME who may not have developed an appreciation for, or an ability to learn, doesn't work in a sophisticated environment with specialists in different departments, doesn't share ideas or opinions with his peers, etc.

Part of this problem is addressed by the prime contractor's introduction of the business simulation in the courses and the emphasis on competencies in the training programs. The SME itself is an institution, and needs to be developed as such.

Linkages between ZIMMAN II and other institutions that support the SME owner/manager have been slow to develop. The PSAB had representatives of business associations, and they have failed to take full advantage of the opportunities that ZIMMAN II offers to their members. Some of the members of the PSAB are anxious to renew their relationship with ZIMMAN II in some constructive fashion. The linkage to the GOZ through the Ministry of Higher Education had institutional strengthening and follow-up support potential in the initial stages, but that is no longer valid. A shift to the Ministry of Commerce and Industry will open up opportunities to approach that Ministry and other relevant Ministries with the objective of building an institutional capacity to support ZIMMAN II skills training, policy dialogue and regulatory efficiency goals.

NGO support is an alternative approach to providing a continuing learning and support for ME owner/managers. Outreach under ZIMMAN II has been effective in helping train NGO managers and trainers in management and technical skills, as well as managing grants needed to better serve their targets. Efforts in the prime contractor program of work indicate that these activities will continue.

The use of grants to local institutions allows them to learn by doing. The lessons learned from a limited use of grants to local institutions (a two year grant to IBDC/ZBCA, and a sub-grant to the African Holistic Resources Management Center) and the fact that other donors have grants agreements with ZIMMAN II target institutions, such as CZI, ZNCC, and ZIC, indicate that there may be opportunities to help build institutional capacity as originally designed in the prime contractor's contract. The success of volunteers has been mixed in support of associations and NGO's. Reports during interviews indicate that Peace Corps Volunteers are working out well in support of SME in ZNCC and ZIC offices in Bulawayo and Mutare.

Other institutional follow-up activities were mentioned in the interviews with EI participants who would like to share their experiences, successes and problems with other EI, USAID, AED, and GOZ officials.

e. Cost effectiveness of Training Imparted

The following chart indicates the relative costs of the ZIMMAN II training activities. These costs are based on several reports and data bases which are not consistent in the spelling of names, numbers of participants, numbers of female trainees, costs, or period of training. The costs figures are most useful as relevant measures to make cost/effectiveness comparisons.

The programs listed are classified as skills training and do not include the cost comparisons for short meetings, informative seminars and outreach sessions. The shaded line is an indication of the top of the off the shelf price for in-country training at a for profit training center.

ZIMMAN II - PROGRAM COSTS AND RELATIVE COST PER PARTICIPANT (US\$)			
Course	Cost	Average Cost Participant	Number Trained
US Long Term Academic	466,242	\$2,500/month	9
US Short Term	101,588	\$7,814	13
Other PIO/P and Travel Authorizations -Third Country/In-country	Approximately \$22,000 was spent on travel and tuition in regional training events - 12 participants.		
Entrepreneur International	90,882	\$2,330/week	13
Small Business Counsellors	56,105	\$2,157/week	26
Horticulture	82,952	\$1,382/week	48
Service Millers	89,093	\$ 948/week	94
Delta Refrigeration/AC	100,000	\$ 833/week	10
Road Haulage	47,043	\$ 619/week	76
NGO Management - OTD	25,000	\$ 237/week	35
Institutional Internal Auditors	shared cost \$23,194	* \$163/week	142

The following chart demonstrates the average costs of ZIMMAN II as compared to USAID participant training programs in other countries and regions. The data on ZIMMAN II is derived from various reports. Data from other projects is reported in the yet to be published Mid Term Evaluation of the HRDA Project. The data has been accepted as valid as points of reference. The figures that are presented do not represent totals spent on training and administration alone. The best comparison for ZIMMAN II, given its concentration on in-country training and limited technical assistance is the average cost per participant for HRDA.

Project	Cost Per Participant (US\$)
ZIMMAN I (Zimbabwe)*	35,700
CLASP II (Caribbean)	17,000
BWAST II (Botswana)	15,800
PPTP (Pakistan)	13,200
NET(New Ind. States)	13,000
ZIMMAN II Project Paper 1986)	The in-country seminars were not quantified. \$15 Million for 184 US trainees = \$81,512 per participant.
AMDP II - Regional	7,400
ZIMMAN II (to FY 94)	2,300
HRDA (to FY 94)	1,900
AED Avg, In-country Direct costs only **	\$ 1,114
IBDC/BESA Grant	\$ 715
EMPRETEC Average Costs	\$ 2218

* The ZIMMAN I final report indicates that 367 participants were trained in a \$13.1 Million dollar project. Statistics compiled for ZIMMAN II (FY94) indicate that 1,182 participants have benefitted from \$2,73 Million expenditure.

** The average AED in-country cost per participants, \$1,113 is shown in Table 4 Appendix 6.

The direct cost of the programs in-country were 2 to 4 times as costly as the top of the market course offered by OTD or similar organizations in-country. Participant cash contributions for the prime contractor courses have not reached 5% of the cost. The highest cash contribution was the Horticulture course which had an average contribution of US\$70.

Cost Effectiveness - Depending upon the demand for training, the cost of building a program may exceed the benefit. A make/buy decision is called for in each training activity. It is based on some assessment of the trade off between the cost of management time, effort and specialized skills required to produce or buy effective training. Measuring cost effectiveness is less important than making decisions to improve the cost effectiveness of the ZIMMAN II portfolio. Using the Training Impact Model and the average cost per participant data above a decision matrix can be developed in the following way:

I M P A C T	Low Cost [7]	Moderate Cost [8]	High Cost [9]
	High Impact	High Impact	High Impact
	Low Cost [6]	Moderate Cost [5]	High Cost [4]
	Moderate Impact	Moderate Impact	Moderate Impact
	Low Cost [1]	Moderate Cost [2]	High Cost [3]
	Low Impact	Low Impact	Low Impact

AVERAGE COST PER PARTICIPANT

The strategies for improving cost effectiveness are basic. It is most important to set goals regarding the average costs per participant based on the market and other products which are perceived to be of equal value. Using the matrix numbers, maximize the programs with low cost and high impact (boxes 7, 8 and 6). Improve participation, look for lower cost alternatives, or eliminate all programs in boxes 3,2,and 1. Seek improved participation while reducing costs in boxes 4 and 5 and 9. For example, E.I. is presently the highest cost program. It can improve its impact without increasing costs significantly. Decisions could focus on improving screening by broader publication of

opportunities, forming a selection review committee, reducing cost by cutting back on time, improving the definition of what can be done and getting participants involved directly with PIET, etc. In the case of in-country training, it appears that the costs per participant will gradually come down, but if they cannot be reduced significantly and screening continues to be a problem, alternative methods and products will need to be developed.

f. Project Outputs (FY'93-'94)

1) In-country training

Outputs in the in-country training are divided into two categories. One is skills or competency training for SMEs and MSEs; the other are short meetings and conferences for exchanging information. Following is a summary of the in-country activities:

- A. Horticulture - a total of 48 participants attended at least one module of a five module program. Seven women attended (15%). Attendance in the Marketing and Management and Financial and Business Management modules was highest. Attendance in technical modules was 42% below the target.
- B. Service Millers - this program is six days and began with two modules (management and technical). In the last courses the business simulation was added as the introductory module. A total of 94 participants attended at least on module; 8 were women (8%).
- C. Production Millers - this program was designed with two modules, a technical and managerial module. 29 individuals participated in at least one of the modules; 5 were women (18%).
- D. Air Conditioning and Refrigeration - this program was designed for 10 instructors and technicians in the industry; there were no women participants listed.
- E. Road Haulage - this program was designed in three modules with a total of 76 individuals attending at least one of the modules; 3 of the participants were women (4%).

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- F. Natural Resources/Tourism - a business simulation training of trainers program was offered to 19 participants from ACHRM; 6 were women (32%).
 - G. SME Counselor Training - two five day courses were planned for 50 participants. 26 attended; 6 were women (23%).
 - H. Other activities - ZIMMAN helped fund the development of Consumer Council of Zimbabwe seminar on the deregulation of grain milling. A training of trainers program and 5 regional seminars were held, reaching 118 people; 33 were women (28%). Other conferences were held in Harare regarding training for small and medium sized enterprises. The ZIMMAN II outreach activities are reported to have reached over 1000 people from October, 1992 to February, 1993.

2) Enhancement of Local Institutional Training Capabilities

In support of the supply side of the SME training industry, several activities have been completed and others are in process. A Directory of Training Providers in Zimbabwe was published in September, 1993 after contacting 271 providers of training. Ninety firms responded to the survey questionnaire and are included in the Directory with qualitative analysis. There were no attempts to measure the cost effectiveness of the Directory as a tool to promote SME trainees. As a result of the survey the prime contractor has added firms to its data base, now reported to be in excess of 130.

Meetings were held with SME training providers to discuss market demographics and training/consulting requirements. Sessions have also been held to help providers understand ZIMMAN II and how to present bids in response to RFPs.

In December 1994 a Competency Based Training (CBT) Provider and Consulting Conference was held in Harare. It was well attended and helped generate applications for a series of three training of trainer modules which started in early 1995. The TOT was designed to coincide with the development of new materials for ZIMMAN II courses in agribusiness and manufacturing. The training of trainer program was expected to reach 20 participants and result in 12 certified C.B.T. trainers. At the time of the evaluation 8 trainers were finishing the last module.

Training of Trainer programs were also scheduled in 1994 to multiply the Service Miller Program. At the time of the evaluation that activity has been removed from the prime contractor's workplan. Interviews with for profit training firms identified a problem for them in placing bids for sub-contracts. They are unable to compete on price with NGO's and, if they do, they claim to be unable to manage cash flow and working capital demands in the lengthy approval and payment process.

g. Evaluation of ZIMMAN II Project Goal Achievement

ZIMMAN II's Project Goal, as stated in its Amendment No. 1, is to strengthen private sector productivity and increase national economic growth, thereby generating additional employment opportunities. The project logframe states that the major outputs ZIMMAN II will provide toward achieving this goal are to be measured through the number of participants trained, person-months of consultants provided, and number of faculty and staff from local training institutions trained with project resources. Logframe outputs status is measured in numbers of ZIMMAN II trainees.

A goal as broadly stated as that of ZIMMAN II in terms of increasing national economic growth, productivity and employment is a long-term proposition requiring a multi-faceted approach. Training of any type is but one component in the complex equation needed to address the nature and scale of Zimbabwe's problems in growth, productivity and employment. The project first addressed the specific manpower needs as determined by Zimbabwe's economic environment in 1991; undertook a number of training initiatives on a limited scale during the next two years in testing their viability in the five areas addressed; paused to restructure training strategy, and is now on the verge of launching more intensive training to address specific needs in the manufacturing and agribusiness sectors, with the target groups in these still being determined as this assessment was done.

Given this history, it would be somewhat presumptuous at this juncture to attempt to measure ZIMMAN II results to date in the macroeconomic context in which the project's goals are stated. These results have been positive accomplishments at a micro-level in the particular sectors addressed. Much of the previous efforts tested training methods and means of best imparting training, the selection process, and the viability of the size of enterprises in the particular sectors addressed. The project is now poised to

make use of the experience gained to date in undertaking major training programs in two important sectors, Manufacturing and Agribusiness. However, results obtained thus far in the baseline survey underway to determine the profiles of Small and Medium Industries within them indicates that baselines will be very difficult to establish; this will make future accomplishments stemming from ZIMMAN II training difficult to quantify, even on a sector level.

If ZIMMAN II training is to achieve its stated goal at the SME entrepreneurial level, it should also support a series of concurrent efforts undertaken in the policy, regulatory, fiscal and trade areas. The demand for managerial and technical staffs increases in a competitive enabling environment. An integrated approach combining policy and regulatory reform with supportive training activities is needed. This factor makes it all the more important that the ZIMMAN II GOZ counterpart be the Ministry of Industry and Commerce which can be instrumental in dealing with all of these issues. By having the personnel of that ministry directly involved and perhaps witnessing or participating in training sessions, ZIMMAN II might serve as a channel to voice the concerns of SMEs heard thus far directly to those who can act upon them.

h. Evaluation of ZIMMAN II Training Contributions to USAID/Zimbabwe CPSP Goals and Objectives

USAID Zimbabwe has chosen to maintain the ZIMMAN II purposes of strengthening private sector productivity, increasing national economic growth and generating additional employment opportunities through a) improved technical capacity and management capacity of the private sector; b) strengthened institutional support to private sector development; c) and improved policy environment and public sector skills in application of regulations affecting the private sector. The following table demonstrates where ZIMMAN II was originally linked to the CPSP Strategic Objectives, Targets and Sectors. It also indicates 1993-94 ZIMMAN II accomplishments in relevant areas.

CPSP OBJECTIVES and TARGETS	CRITICAL GROWTH SUB-SECTORS				
	CONSTRUCTION /HOUSING	TRANSPORT	TELECOM	GRAIN MARKETING	NAT. RES. MANAGEMEN T
STRATEGIC OBJECTIVE 1 - FOOD SECURITY					
1.2. Increased household income generated by community based natural resources management activities					Grant signed 4th Quarter 94
1.3 More/lower cost grain in communal areas IV and V				CCZ Meetings	
STRATEGIC OBJECTIVE 2 - INCREASED BLACK OWNERSHIP AND INVESTMENT AT ALL LEVELS					
2.1 Increased black access to efficient infrastructure that reduces the transactions cost of trade and production					
Privatization					
Methods to broaden black ownership					
2.2 Improved policy and regulatory environment					
Increased competition in capital intermediation					
Reduced monopolistic practices					
Local and national gov. deregulation					
2.3 Improved technical and management capacity of the private sector	Grant to IBDC/ ZBCA		In-country Courses	In-Country Courses	
2.4 Improved access to capital					

ZIMMAN II was not originally linked to SO 3 (Family Planning) or to the Target of Opportunity (HIV/AIDS) in the CPSP.

i. Recommendations

- Each program needs to be checked for appropriateness and added resources included in budgets to get local experts engaged at all stages.
- A business plan should be prepared for each module being introduced in the SME training market. This plan should include a quantifiable market in sales volume and numbers of beneficiaries, price and cost. It should also set targets for sustainability based on reduced cost, improved cash contributions and acceptable profit margins.
- Testing of all new products or services is recommended as standard procedure in ZIMMAN II in-country activities. For example, new courses should be tested, market studies validated, mailing of Service Miller course materials tested with a dozen or so people, before going into full scale production and committing large blocks of time and money.
- Similar to NGOs, GOZ institutions should be selected for interventions that will improve their effectiveness and efficiency in support of SME development. These institutions have been part of ZIMMAN II since it began. A more systematic approach is recommended for the remainder of the project.
- Develop criteria that will facilitate direct participation of SME training firms in the sub-contracting process.
- Concentrate the prime contractor's support capabilities on developing a relationship with one or two key associations through a two year grant which is performance based.
- Explore the utilization of PCVs to support local institutions in the design and development of programs/grants.
- The prime contractor reporting on cost per participant should be corrected to reflect the actual cost per participant for each program. A goal should be set to bring those costs within what the market will bear for the product. The marketing plan for the courses should show that participants cash contributions will reach the market value or identify sources for continued subsidies.

IV. PROJECT RESOURCES AUTHORIZED AND EMPLOYED

a. Planned and Actual Funding Levels

The initial ZIMMAN II project of June 1986 was premised and patterned on the experience gained in its predecessor project ZIMMAN I, a traditional USAID participant training project. Accordingly ZIMMAN II was initially designed to support 79 long-term and approximately 105 short-term training programs abroad to provide continued assistance to improve training capabilities in local academic and technical institutions. The original ZIMMAN II project authorization was for \$15,000,000, with \$2,000,000 as its initial obligation.

Throughout ZIMMAN II's nine year history the expenditure rate has been slow. This stems from two major factors: a) during ZIMMAN II's first four years, only 13% of the initial obligation was expended since a decision was made to utilize residual funds from ZIMMAN I for the reduced level of training actually realized during those years; and b) when ZIMMAN II underwent its major modification from a traditional USAID training activity to a private sector support project, most training was shifted from U.S. and 3rd country to local, which is decidedly less expensive.

ZIMMAN II Disbursement History (\$000)				
CUM:	Oblig.	Commit.	Expn.	Pipeline
PA 6/30/86	2,000	947	300	1,700
Amend # 1, 7/30/90	4,845	982	856	3,989
Amend # 2, 8/22/90	4,964	982	856	4,108
Amend # 3, 3/31/91	5,964	1,969	1,980	3,984
Amend # 4, 8/28/91	6,044	4,635	1,980	4,064
Amend # 5, 5/26/93	8,044	5,681	1,862	6,182
a/o 2/1/95	7,397	6,128	2,730	4,667

The slow rate of expenditure during ZIMMAN II's first four years was due to circumstances external to the program. During the last four years, with ZIMMAN II concentration on promotion of the private sector, the time required to target groups of trainees within designated areas, adapt the project to a revised USAID/Zimbabwe program strategy, and thereafter continually refine the focus of training endeavors, have

all served to constrain the pace of project activity. It now appears that a number of major training activities are at the end of their preparatory stage; their implementation during the next two years should accelerate the rate of expenditures as these move from their pilot phase to country-wide endeavors.

b. Estimated Funding Requirements to PACD

Considering the delays that have been encountered in ZIMMAN II project implementation to date, the pattern of past project funding does not serve well as a guideline for future expenditures. However, the pattern of current preparatory steps at this stage of the project indicates that the number of activities and persons trained during its final phase should increase significantly. Much of what has transpired under ZIMMAN II thus far by way of refining categories of trainees, areas to be addressed, and preparation of training modules appears as a prelude for increased project tempo during its final years. The major rationale for extending its PACD is so ZIMMAN II can put so much of what has been gained by pragmatic experience, prior testing and preparation to good use in launching a series of programs honed by these factors.

Attachment "A" to ZIMMAN II Project Implementation Letter (PIL) No. 31 of March 18,1994 was an illustrative financial plan setting forth the last summary of expected project costs by element and source of funding, as follows:

CUMULATIVE OBLIGATIONS TO DATE (a/o 3/18/94)			
	A.I.D.	GRANTEE	TOTAL
PRIVATE SECTOR TRNG	5,390,209	2,160,000	7,550,209
PUBLIC SECTOR TRNG	1,453,868	440,000	1,893,868
PLACEMENT CONTRACT	905,200	0	905,200
EVALUATION/AUDIT	295,000	0	295,000
CONTINGENCY/INFLATION	0	0	0
	8,044,277	2,600,000	10,644,277

LIFE OF PROJECT FUNDING a/o 3/18/94)			
	A.I.D.	GRANTEE	TOTAL
PRIVATE SECTOR TRNG	9,335,000	4,560,000	13,895,000
PUBLIC SECTOR TRNG	3,015,000	440,000	3,455,000
PLACEMENT CONTRACT	1,018,000	0	1,018,000
EVALUATION/AUDIT	295,000	0	295,000
CONTINGENCY/INFLATION	1,337,000	0	1,337,000
	15,000,000	5,000,000	20,000,000

The foregoing Planned Future Obligations presumed a faster rate of implementation during the past twelve months than has been realized. As of February 1, 1995 the rate of disbursements for Private Sector Training is still very slow, Public Sector Training expenditures are virtually unchanged, and the Placement Contract remaining at \$578,567 ((64% of its Planned Amount) with no further Earmarking.

ZIMMAN II FINANCIAL STATUS (a/o 2/1/95) (\$000)			
	OBLIGATED	EXPENDED	PIPELINE
PRIVATE SECTOR TRNG	5,385	1,361	4,024
PUBLIC SECTOR TRNG	1,138	784	354
PLACEMENT CONTRACT	578	578	0
EVALUATION/AUDIT	295	7	288
	7,397	2,730	4,666

As noted, the ZIMMAN II Project pipeline remains at 63% of cumulative obligations to date. No Earmarked/Committed column can be shown by category of activity since at the time of this assessment substantial amounts within different categories were becoming Unearmarked/Uncommitted; the total amount of these, in the range of \$2.3 million, was under review and being determined. The greater portion of this amount lies in the Private Sector category within training and other activities planned under the prime contractor which did not materialize.

In view of the pending adjustments, it appears there are sufficient funds currently obligated under ZIMMAN II Project to fund the current level of activities planned up to September 30, 1995. Of the \$1,710,176 previously obligated, the prime contractor had spent \$829,061 as a number of activities planned had not been realized. The prime contractor had proposed \$1,844,789 in new obligations for FY'95. The Contract Officer in REDSO/E applied the underrun of \$881,115 from prior year obligations to the prime

contractor's FY'95 stated requirements along with an additional \$963,672 in estimated needs, the latter amount also being within existing Private Sector pipeline of ZIMMAN II.

The following is a breakdown of estimates through 9/30/95:

Expenditures under the AED Contract through FY'94	\$829,061
Estimated Obligations required in FY'95	<u>\$963,672</u>
 Total Estimated Requirements of the prime contractor's contract through 9/30/95	 <u>\$1,792,733</u>

In addition to the prime contractor, other activities under ZIMMAN II are estimated by the Project Manager to require the following amounts through the current PACD of 9/30/95:

PRIVATE SECTOR	\$270,000
PUBLIC SECTOR	<u>\$200,000</u>
Total Estimated Requirements of Other ZIMMAN II Activities through 9/30/95	<u>\$470,000</u>
TOTAL	<u>\$2,262,733</u>

Accordingly, no additional obligations for ZIMMAN II are required through the current PACD of 9/30/95 as the total amount of \$2,262,733 for the prime contractor and other activities planned during this period can be accommodated within the current project pipeline.

ZIMMAN II activities during the extended PACD period from 9/30/95 - 9/30/98 are in a planning stage. The USAID/Zimbabwe CPSP designated areas for training have been described as too restrictive in not being synchronized to perceived growth trends in Small and Medium Industries in sectors not being addressed, according to the prime contractors. These are now under review. The Baseline Survey of some 4000 Small and Medium Industries in 13 different areas in Zimbabwe, which is to give some indication of the size and locations of target groups to be trained, is not yet completed. The two Competency-Based-Training Modules for Manufacturing Industries, and the two for Agribusiness being developed by the prime contractor, are in the final stages of completion, and the trainers to conduct courses with these modules are still in training.

Within the next quarter of FY'95 there should be clear and agreed areas where training is to be focused; the Baseline Survey should provide a profile of target groups; and the first testing will be done of the Training Modules. This will lay the groundwork for a much fuller schedule of Zimman II activities during the three-year extension of its PACD to 9/30/98.

Given the anticipated take-off in Private Sector Activities by the prime contractor by the first quarter of FY'96; the new momentum to be imparted to Public Sector training with the Ministry of Commerce and Industry as the new GOZ counterpart for the ZIMMAN II project; and the continuation of other ZIMMAN II project activities at current or increased levels (Buy-Ins; EI Programs; Seminars), additional funding of \$1,000,000 should be requested prior to or concurrently with the request for extension of the PACD.

V. ISSUES MERITING SPECIAL CONSIDERATION

a. Zimbabwe's Private Sector

1) The Formal Sector

Even though Zimbabwe has an extensive private sector, it is controlled by a small number of large firms. Many of these firms have formed mini-conglomerates which act as a deterrent to the development of micro, small and medium size enterprises. Rough estimates by the Census of Production (1990) Central Statistical Office indicated that of the 1100 enterprises in the manufacturing sector, 1000 were classified as SME's. However, SME's account for only 38% of total employment in this sector.

The need for stronger economic performance by the private sector in the 1990s is underscored by the growing crisis of unfulfilled expectations among school-leavers. New job creation since 1980 has averaged 20,000 a year, but in the early 1990s an estimated 300,000 school leavers are coming into the labor market annually, Government is being reduced, company workforces are being down-sized, and foreign competition is increasing. According to the most recent analysis, unemployment is now anywhere between 40-55% of the workforce. Faster economic growth, a changed employment pattern, and increased investment are needed to counter the threat of socio-political crisis early in the next century. Past trends suggest that formal sector employment in Zimbabwe increases at approximately half the rate of economic growth, which averages about 4% per annum.

For the formal sector to solve the unemployment problem, the economy would need to achieve a growth rate in excess of 10% annually, a clearly impossible goal. Therefore there will have to be substantial increase in micro, small and medium sector employment; people will have to depend on agro-based more than industrial employment; in addition, employment in services and manufacturing must increase at the same level. ZIMMAN II should take these prospective target groups into account in future planning.

2) Micro Enterprises (MEs)

Micro-enterprises in Zimbabwe tend to be involved in virtually all the manufacturing subsectors and service sectors. The majority, if not all of the ME's, work in this sector because of economic necessity. They need income that can be generated with very little capital (as access to capital is a paramount impediment), limited skills, and few if any supporting services. Many ME's engage in these activities not simply because the barriers to entry are minimal, but to generate supplemental household income. In Zimbabwe, ME activities are becoming a matter of life or death for families where there is no other income because of retrenchments associated with ESAP.

Very few participants in the ME sector in Zimbabwe re-invest their income back into the enterprise. Consequently this sector remains comparatively small, with less than 10% of total employment. Nonetheless, it is an important source of employment and income, particularly for women who constitute the majority of those working in this sector. Very few women ME's have benefitted under the ZIMMAN II training activities thus far as women do not predominate in the sectors designated by the CPSP (grain marketing; natural resources management; housing; family planning and HIV/AIDS prevention; transport and telecommunications).

3. Small and Medium Enterprises (SME)

SME's constitute a significant sector of the Zimbabwe economy. According to a USAID sponsored GEMINI survey on micro and small enterprises, the most comprehensive survey of Zimbabwe's MSE's (up to 50 workers) yet done, there are over 800,000 MSE's in Zimbabwe employing over one and a half million people.

Although the GEMINI Survey included micro as well as small enterprises, these figures are substantially greater than the numbers reported to be working in large enterprises and in the public sector, as recorded in the Labor Force Surveys of the Central Statistical Office.

It would appear that under ZIMMAN II the training thrust has attracted more micro than small and medium enterprises, as defined by the size and sophistication of the operations, possibility for survival, number of employees, and to a lesser extent, the number of years in operation. Given the prevailing hostile economic environment, many Zimbabwe small enterprises are operating under fear of business failure and personal bankruptcy. While relevant, the survival training and technical assistance offered under ZIMMAN II has targeted micro enterprise audience who may have a high propensity to fail in one sector today and start-up in another one tomorrow. As a result, deserving small entrepreneurs who require this form of training to sustain their operations during these harsh economic times, have thus been sidelined, possibly unintentionally.

b. Training of Women: Problems and Opportunities

It appears that women have been overlooked under the current ZIMMAN II activities. For example, in the service milling sector, a typical electric driven grinding mill costs in the region of Z\$30,000 (approximately US\$3,500), and diesel driven mill about Z\$50 000 (approximately US\$6,000). It is usually men who have the resource base to pay a 30% or more deposit with a Finance House in order to buy these mills. The same barriers to entry apply in the transport sector. As noted, women do not predominate in the other CPSP sectors as well. In Zimbabwe, women tend to operate in labor intensive, low-input and low-cost activities that allow relatively easy entry. The majority of women never acquired the skills to move to non-traditional areas like construction, carpentry or spare parts manufacturing. Consequently, with little or no education and few opportunities for paid employment, women have turned to such traditional activities as tailoring, crocheting, catering, bakeries, weaving and basket making as income generating projects.

Access to credit is now more readily available for women in Zimbabwe under the Canadian International Development Agency/ Credit Guarantee Company, Women's Pilot Guarantee Scheme (CIDA/CGC and WPGS). However, for as long as opportunities for training concentrate upon the sectors indicated in the CPSP, very few women will continue to benefit from the ZIMMAN II training interventions.

c. Industry Associations

- 1) The Small Millers Association was formed late in 1994 as a result of the various ZIMMAN II small millers survival courses held in and around Harare.
- 2) The ZNCC Small Business Unit assisted the prime contractor in identifying from its membership participants the Road Haulage Course. Having realized that the Transport Operators Association (TOA) represented the interests of the big truckers who constituted 90% of its membership, the prime contractor devoted its attention to the Midlands Truckers Association (MTA), the only trucking association representing SMEs. Road Haulage courses were held in Bulawayo, and Gweru with the majority of the participants being members of MTA. Out of the 16 participants trained in those two towns, there was only one female, clearly indicating that either women are not participating in large numbers in this sector, or if they do, they are not keen to join the industry-specific associations.
- 3) As noted, IBDC/BESA and ZNCC Small Business Units benefitted from the two 5 day Business Counsellors Training Programs held for SME business financial analysts/counsellors conducted by the sub-contractor, MSI. Although most participants found the Program useful, criticism was that the sub-contractor ought to have conducted research with the participants in order to establish their needs and level of operation before designing the course materials. As a result, during the first workshop, two initial days were not gainfully utilized while the trainers had to redesign and adapt their workshop material.

d. Local NGO Development

During Fiscal Year 1994, the prime contractor held a meeting with selected NGO's to establish their priorities and needs regarding SME development. It transpired that all the NGO's involved in private sector development are targeting micro enterprises and cooperatives. In addition, most of their training priorities are on community development. As the contractor is now refocusing on the more viable and self-sustaining SME's, very little has been achieved in terms of NGO development. However, trainers within selected NGO's were trained on a TOT for SME's with the intention of equipping them with the necessary skills to assist small business operators at a grassroots level.

e. HBCUs/Grey Amendment

Historically Black Colleges and Universities (HBCUs) have not been utilized in the ZIMMAN II Project. The nature and focus of the in-country training now being carried out mitigates against employing HBCUs. Should any long or short-term training abroad again be included in the project in either its Public or Private Sector components, HBCUs should be considered. However, such a development is not likely as ZIMMAN II enters its final phase of implementation with concentration on develop in local institutional training capabilities.

The ZIMMAN II Project Manager made a suggestion worth exploring regarding the possible employment of HBCUs for introductory briefings of participants under the EI program. Since there is a representative group of HBCUs which possesses the capability of tailoring short-term programs specifically to meet individual needs, that capability could be put to good use as an integral part of the EI program.

The prime contractor's principal sub-contractor, Management Systems International (MSI) is a Grey Amendment firm which is to undertake 10% of total contract activities. It has participated in conducting in-country training courses and is now in the process of conducting the Base-Line Survey of local industries to be addressed with the newly developed CBT training modules in Manufacturing and Horticulture. The recommended extension of the prime contractor's contract will provide for the continuing services of MSI as opportunities come into focus.

f. Coordination with Other Donors

The GOZ does not have a central coordinating office for external donor assistance. The local office of the UNDP Resident Representative, which ordinarily serves as a focal point for this function, last published a directory of external bilateral and multilateral donors operating in Zimbabwe in 1991. The UNDP Resident Representative is now soliciting the donor community to provide the information required in an updated directory which presumably will be published later this year.

In the meantime an informal system of coordination among the donors themselves prevails. USAID personnel appear well aware of other donor programs, particularly in the field of education and training, in-country and abroad. UNDP, ILO, CIDA, NORAD, the Frederich Naumann Foundation have all been involved in activities which complement or affect the training activities under ZIMMAN II. The ZIMMAN II Project Manager has a good knowledge of how these other programs are conducted and what bearing, if any, they may have on ZIMMAN II planning and implementation.

VI. CONCLUSIONS AND IMPLICATIONS FOR THE FUTURE

a. Mission-level Training Management

- i. Mission Training Policy - the management of Participant Training in the Mission is more than ZIMMAN II. As the Mission decides how training will support strategic objectives, it should define policy regarding the purpose of training, policy on cost considerations and U.S. training versus third country and in-country training; selection of women; HBCU's; monitoring and evaluation; air travel; allowances, and other administrative policies.
- ii. Mission Training Strategy/Yearly Plan - Training components will be included in new projects coming on line. A Mission Training Strategy and Yearly Plan will link these components to strengthen the impact on the Mission's CPSP.
- iii. The ZIMMAN II Project Manager should prepare an annual plan which includes a timeline for deliverables, resources, implementation responsibilities, etc. That plan should be developed in close cooperation with the prime contractor and local development institutions to assure that there is a market (SME's with the ability and willingness to pay for training) for the activities and the programs can be designed in a cost effective manner.
- iv. Goals for participation of women in training need to be revisited in light of the CPSP sectors and ZIMMAN concentration on existing SME owner/managers.
- v. The project logframe and prime contract should be amended to reflect the shifts in strategy and deliverables that have occurred.
- vi. The project should include a participant tracking system for a select group of participants and non-participants.
- vii. Participant tracking - E.I. - several E.I. participants interviewed would like to have a copy of the PIET report and were curious about others who had been to the U.S. Each time an E.I. participant returns, USAID should arrange for a business association of their choice to host a meeting where interested EI alumni and others could exchange experiences and report on the value of the experience.

-
- viii. Local GOZ Counterpart - the relationship between USAID/Zimbabwe and DNS, although satisfactory, is now inadequate to cater for the needs of private sector development issues in Zimbabwe. The Missions should therefore consider engaging the relevant GOZ counterpart Ministry for implementing ZIMMAN II project activities in addition to increasing involvement and awareness of ZIMMAN II outputs to this Ministry. The relevant Ministry would appear to be the GOZ Ministry of Industry and Commerce.
 - ix. Private Sector Advisory Board (PSAB) - The PSAB should be replaced by a more flexible and informal mechanism such as a Project Implementation Workshop. Its purpose would be to enhance exchange of ideas and understanding among GOZ officials, private sector development institutions, large, medium and small enterprises, Business service providers (for and not for profit organizations) and USAID/Zimbabwe

b. Utility of Bi-lateral Training Mechanism

- i. A bi-lateral training mechanism with total Mission ownership is an essential component of USAID/Zimbabwe's Project Portfolio at this juncture in its program. The pattern of surveys, modifications and mission strategy to which ZIMMAN II has been responsive throughout its history attests to its utility as a bilateral training instrument in a changing economic and policy setting.
- ii. Through the ZIMMAN II Project Buy-In mechanism the mission can access all of the centrally funded contract resources.
- iii. The goal and objective targets of ZIMMAN II and the training activities undertaken should coincide with the larger strategy and concurrent supportive activities of the GOZ; therefore USAID should engage the most relevant counterpart, the Ministry of Industry and Commerce.
- iv. The next amendment extending the ZIMMAN II PACD to 9/30/98 should outline the project's planned course of action agreed upon by the Mission and the prime contractor, revise the project budget to support these activities, and redefine the role of GOZ counterparts, private institutions, and NGO's participating.

c. Institutional Training Capabilities

ZIMMAN II is devised to contribute directly to the accomplishment of Strategic Objective 2 of the CPSP. One of its principal objectives is to create local training capacity and expertise to sustain development through building the capabilities of national and sectoral training institutions to undertake, manage and sustain future training initiatives.

ZIMMAN II has examined a full array of organizations with the potential of serving as training delivery systems through which change will be introduced, and has begun to refine the initial selection of TOTs who will be instrumental in this process. Through the prime contractor a group of products are being designed to assist the SME owner manager in selected target areas. The prime contractor's plan of action for 1995 has an assessment of the training delivery systems of Business Associations and NGOs, which will be targeted for further assistance. There is no similar assessment planned at this time of public sector training units which support private sector policy formulation or regulatory implementation.

The steps that are recommended for designing training for development are underway. They include:

1. Developing an understanding of the training delivery systems - What are the institutional and organizational arrangements that constitute the training delivery system needed to accomplish the changes called for in SO2?
2. Determining the effectiveness of the delivery system - What is the potential of the delivery system for performing the changes required (skills, abilities and attitude)?
3. Decide where training can best improve private and public sector performance to impact SO2.
4. Discover who to train.
5. Specify the training options - What are the types of training options that are most likely (individually and taken together as reinforcing interventions) to contribute to the needed institutional and individual capacities?
6. Establish impact indicators to monitor and measure results - What are the indicators of performance for the institution, the individual and how do they contribute to SO2?

Like technical assistance, policy dialogue, and procurement of commodities, training must be treated as a fully integrated component of the CPSP, and given substance and definition in the case of ZIMMAN II as a project. ZIMMAN II project design envisions a training project for impact, not only in the building of individual capabilities or SME capacities, but in the enhancement of key institutions in the SME training delivery system in both the public and private sectors. The challenge for remainder of the project continues to be the identification and support of the key people and institutions that will undertake, manage and sustain development and accomplish the changes called for in the CPSP. The prime contractor has a key role in this process to assist in the development of training and providing logistical and technical assistance to grantees and sub-contractors.

d. ZIMMAN II and USAID CPSP

- Most if not all of the prime contractor's activities to date have benefitted the ME sector mainly because of the fact that the SME's do not predominate in the six identified CPSP sectors.
- Before refocusing of new industry sectors, it is necessary to conduct and validate empirical research on the size of the SME sector identifying in what sectors they are mainly operating. This research should preferably include the service sector. Thereafter, the newly established ZIMMAN II Implementation Workshop, the Mission, the Contractor and GOZ-MIC could then jointly review the recommendations in this report and collectively choose the relevant sectors in which the prime contractor should concentrate its participant training. It is important to note here that the terms of reference (TOR) for this research should also include the industry and service sectors in which women are actively participating as "owner" manager and not "worker" managers.

The following table demonstrates an expanded interpretation of CPSP target areas and possible adjustments in strategic objectives. It is not a recommendation of sub-sectors, but an example of one or two and how they fit the prime contractor plan of work.

Targets - this matrix expands the interpretation of targets in each critical growth sub-sector to include all SME providers. For ease of presentation, it includes public sector policy, regulatory activities, business associations and NGO managers as sub-levels of economic activity.

ZIMMAN II Activities - The activities shown reflect the schedule of work for FY 95 in the Amended Prime Contract.

Please note that the prime contractor plan of work does not target public sector targets are not served by the prime contractor activities.

Also note that it is probable that the prime contractor schedule is heavily focused on building SME owner/manager capacity. Not all sub sectors have the critical mass needed to justify building an in-country capacity for skills transfer. There is no provision for short term training to address specific training needs of any individual or institution in the public sector target populations.

Example of Proposed ZIMMAN Linkage to CPSP Targets

ECONOMIC ACTIVITY	CRITICAL GROWTH SUB - SECTORS (Example)			
	CONSTRUCTION	TELECOM	AGRI-BUSINESS	NATURAL RESOURCE MANAGEMENT**
SME Production (Commercial Farmers, Building Contractors, Providers, Haulers)	SME Builders and Contractors	SME Cellular and Radio Providers	<u>SME Producers</u> SME In-country training for owner/manager	<u>Communal groups and individuals</u> Grants for NGO's
Downstream Manufacturers and Transformation (canners, packers, millers, others)	<u>SME Manufacturers -</u> In-Country training programs and Technical Assistance Manufacturing Business Survival Courses, Manufacturing Production and Management Courses, Manufacturing Financial Management Course, Manufacturing Management TA			
Commercialization Services (distribution, transport, storage, packaging, import-export, resellers)	<u>SME Road Haulers -</u> In-country training programs and Technical Assistance Business Survival Course, Driver Testing Course, Trucker Financial Management Course, Trucker Financial TA			
Upstream SME Manufacturers (tools, equipment, other inputs)	<u>SME Manufacturers</u> In-Country training programs Manufacturing Business Survival Course, Manufacturing Production and Management Courses, Manufacturing Financial Management Course, Manufacturing Management TA			
Business Services (Accounting, finance, technical assistance, training, legal, research and information)	<u>SME Service Providers</u> Agri-Business course design and Training of Trainers(Production, Management, Finance) Manufacturing course design and Training of Trainers(Production, Management, Finance) Competency Based Training of Trainers(General) Training firm Management Course Advanced Cash-Flow Management course			
Public Sector Policy Environment	<u>Senior Public Officials (National and Local), Bar Association, Law makers, Business Leaders, Labor Leaders, Regional Organizations</u> - National Data Research			
	Industry Specific and/or Participant Data Research	Idem	Idem	
	Industry Specific Seminars			
Public Sector Regulatory implementation	<u>Public Sector Officials and civil service</u>			
Business Association and NGO Development	<u>Business Association and NGO executives, managers and volunteer leaders</u> Technical Assistance General Association Development TA, Industry specific Association Development TA, NGO Development, NGO Business Simulation Course			

Observations:

- ** Natural Resources Management has been included with sub-sectors since the CPSP. It should be positioned as a Strategic Objective or Target of Opportunity.

Appendix 1: OBJECTIVES OF ZIMMAN II INTERIM ASSESSMENT 1/3

The overall objective of this evaluation is to review ZIMMAN II's progress to date in achieving project targets and provide USAID/Zimbabwe with recommendations to guide the project through 1997, the anticipated revised PACD. A careful and comprehensive review of all components of this project will yield significant information on which USAID/Zimbabwe planners and project managers can base future design and training decisions. The evaluation is not intended to track individual career paths of returned participants in the style of classic "tracer" studies. The primary (though not sole) emphasis of the evaluation is on the post-1990. In particular, recommendations should address post-CPSP activities.

Specific Objectives

- a) Assess the continued relevance of the project objective, purpose and strategy in light of changes in the economic and social environment since the project design.
- b) Test the hypotheses and assumptions underlying the project logframe to determine whether project outputs support or challenge the 1990 amended design.
- c) Review the impact of the project on development at the individual and institutional level, especially with regard to improved management and the use of new technologies.
- d) Evaluate the quality of planning instruments (country training plans and strategies and training needs assessments) and their relevance to the projects's anticipated impact.
- e) Appraise the various management components of ZIMMAN II for effectiveness and cost, including contractor-administered activities and Mission training office management and activities.
- f) Validate and/or suggest revision of indicators developed to measure impact in target areas identified under Strategic Objective 2 of USAID/Zimbabwe's Country Program Strategic Plan.
- g) Estimate the extent to which the impact of the project will be sustainable after following the present and proposed project assistance completion date (PACD).

SCOPE OF WORK

There are four components to this evaluation; i) Impact Evaluation; ii) Internal Output Review; iii) Management and Implementation; and iv) Financial Cost Analysis. Based on extensive analysis of materials gathered, the team shall address the following questions and provide recommendations for the future. In answering these questions, the team will bear in mind that the evaluation is designed to be proactive. Evaluation recommendations will serve as the basis for a Project Extension.

A. Issues

- 1) To what extent has project adhered to logframe indicators?
- 2) To what extent do explicit and implicit assumptions underlying the project goal purpose and strategy remain valid?
- 3) How have changes in the Zimbabwean socio-political context affected the likelihood of achieving the project's objective of helping to increase black ownership and investment at all levels of Zimbabwe's economy? Do the project goal and purpose, as articulated in the Amplified Project Description, continue to be relevant? If not, how might they be reformulated?
- 4) Do the sectors targeted in the CPSP offer the best mechanism to obtain maximum measurable impact for Strategic Objective 2?

B. Tasks

The contractor team will carry out the following tasks. There are four components to this evaluation: impact evaluation, internal output review, management and training assessment, and financial/cost analysis.

Impact Evaluation

Tasks:

- Assess the short-term impact of ZIMMAN II on Mission level strategic objectives.
- Describe management and training strategies used in implementing ZIMMAN II which enhance or detract from the potential development impact of training provided
- Determine what measures should be adopted to better leverage the development impact of future ZIMMAN II training.

Internal Output and Training Review

Tasks:

Analyze the output from ZIMMAN II disaggregated for the 1986-1990 and 1990 - 1994 periods, with special references to the following:

- fields of study
- profile of women trained
- profile of private sector candidates trained

Management and Implementation Assessment

Tasks:

- Assess the overall management of the project, from the perspective of USAID/Zimbabwe, the Contractor, the African institutions (both public and private) involved, and the participants; make recommendations for any changes.
- Describe the development of Participant Tracking Management System (PTMS) and other information systems (MER UNIT), analyze their role in ZIMMAN II implementation and make recommendation for modifications.

Financial/Cost Analysis

Tasks:

- Evaluated the ZIMMAN II budget and make a cost/benefit analysis of the training types used and benefits accrued, such as in-country programs compared to third country programs; review the project's planned and actual funding levels, and estimate funding requirements to current PACD, and expected extension.
- Analyze the project's use of Historically Black College/University (HBCU's) and Gray Amendment entities to provide management and training services for the project.

The evaluation team will provide justifications, based as much as possible from empirical evidence gathered through document reviews, interviews and survey responses, for their answers to the questions above .

5

Appendix 2: LIST OF PERSONS INTERVIEWED 1/2

USAID/ZIMBABWE; REDSO/ESA

Peter Benedict, Director, USAID/Zimbabwe
Sarah Bishop, ZIMMAN II Project Officer, USAID/Zimbabwe
Anthony S. Chan, Economist, REDSO/ESA
Darlene Cutshall, Controller Office
Clinton Doggett, Program Officer
Robert Armstrong, Agriculture/Resources Mgt. Advisor, USAID/Zimbabwe
Michael Enders, RHUD Officer, USAID/Zimbabwe
Donald Greenberg, Trade and Investment Advisor, USAID/Zimbabwe
Alexander Shapleigh, Private Enterprise Officer

AED ZIMBABWE/AED WASHINGTON

Peter Boynton, Director
William M. Cain, Project Coordinator/CP, AED/Zimbabwe
Amy Dickenson, AED/Washington
Joyce Nyandoro, Project Manager, AED/Zimbabwe
David Benedetti, AED/Washington
Frank Gilreath, Volunteer Executive, IESC/AED/Zimbabwe
Einar Malmberg, Volunteer Executive, IESC/AED/Zimbabwe

IIE/WASHINGTON

Gary Theisen, Vice President IIE/Washington
Dorothy Anderson, Executive Director, IIE/Washington

M.S.I./WASHINGTON

Roberta Warren

G.O.Z.

Ms. V. Matipano, Officer, Department of National Scholarships

PIET/EI/WASHINGTON

Vivian Alwumey, PIET/EI/Washington
Debra Egan, PIET/EI/Washington

EI/ZIMBABWE

Emmanuel Fundira, MD, Bradnick and Thompson, Zimbabwe
Sekai Chidawanyika, MD, Rusape Trading (Pvt) Ltd, Zimbabwe
Diana Mwamuka, MD, Mabwe Gallery, Zimbabwe

TRAINING PROVIDER FIRMS/CONSULTANTS/ZIMBABWE

Arthur Munzara, MD, Consultant, Southern Africa Development Institute
Keith Thomas, MD, TPF, Organisational Training and Development (Pvt) Ltd. (OTD)
Eric Evans, Training Associate, O.T.D.
Martin Udwin, Training Associate, O.T.D.
L. Mufute, Consultant, P.M.C. (Pvt) Ltd.
Veronica Chakeredza, MD, TPF, Fountain Management Consultants
Peter Mazikana, MD, Consultant, ARA-TECHTOP
Douglas Kadenhe, MD, Consultant, Research International
Bill Scott, MD, Consultant, Problem Solvers, Botswana
Etien Ernest, MD, TPF, Management Training Institute, RSA.
Tsitsi Masiyiwa, Asst. Director, EMPRETEC/Zimbabwe
Benjamin Mubaiwa, Advertising Industries (Pvt) Ltd.

BUSINESS ASSOCIATIONS/NGO AND DONOR COMMUNITY

Max Muzondo, CEO, ZBCA
Danny Meyer, Deputy Director, ZNCC, BA/Zimbabwe
Ndumiso Mpofo, Business Consultant, ZNCC/SBU, BA/Zimbabwe
Doris Mugwara, Director, BESA, BA/Zimbabwe
Luarin Banner, Country Rep., AFRICARE, NGO/Zimbabwe
Livai Matarirano, AFRICARE
Wonder Maisiri, Deputy Director, ZNCC, BA/Zimbabwe
Sitabile Nkomo-Pswarayi, SME Officer, ILO, Improve Your Business Project, Donor
Stanley Heri, Chief Executive, Horticulture Promotion Council, BA/Zimbabwe
Dr. J. Saungweme, Executive Director, ZNCC
Charles Shumba, Chairperson, Batsirai Group (AIDS Service)

PARTICIPANTS (HAULAGE, MILLING CONSTRUCTION, HORTICULTURE)

Mr. David Chihuri, Director, Sekuru Farm (Horticulture)
Mr. Mapanga, MD, Takura Milling, (Milling)
Peter Chingwena, Director, Roadstar Transport, (Haulage)
Mr. J. Hakata, Supervisor, The Maintenance Team, (Construction)
Mr. F.M. Niagy, Midlands Trucking Association
Mr. F. Mache, Midlands Trucking Association
Mr. N. Mungwena, Midlands Trucking Association

Appendix 3: LIST OF DOCUMENTS REVIEWED 1/2

USAID Evaluation Handbook: A.I.D. Program Design and Evaluation Methodology Report No 7, 1989.

USAID/Zimbabwe Manpower Development Project (ZIMMAN II) 613-0229 Project Paper of June 1986, and Five Amendments thereto.

USAID ZIMMAN II Project Semi-Annual Portfolio Reports, 1989 - 1993; Annual Portfolio Report, 1993 - 1994.

USAID FMCS ZIMMAN II Project 613-0229 Financial Status Reports, June 1986 - February 1995.

USAID/Zimbabwe Country Program Strategic Plan (CPSP) FY1994-98 of May 1993.

Private Sector Training Needs Assessment, USAID/Zimbabwe, December 1990, prepared by Labat-Anderson, Inc.

Country Training Strategy, USAID/Zimbabwe, December 1990, prepared by Labat-Anderson, Inc.

EMPRETEC Entrepreneurship Workshop Manual, Zimbabwe Investment Center, December 1992, sponsored by United Nations Development Program, prepared by Management System International (MSI).

Improve Your Business, IYB Kit, December 1994, United Nations International Labor Organization (ILO).

Directory of Training Providers in Zimbabwe, September 1993, ARA - TECHTOP, prepared for USAID/Zimbabwe.

Zimbabwe Training Providers Assessment, Qualitative Analysis, September 1993, ARA - TECHTOP, prepared for USAID/Zimbabwe.

Academy for Educational Development (AED), USAID Contract No. 623-0229-C-2082-00 dated 11 September 1992, Prime Contractor for ZIMMAN II, and Amendments thereto.

Academy for Educational Development (AED), Prime Contractor Quarterly Technical Reports on ZIMMAN II, October 1992 through December 1994.

Academy for Educational Development (AED), Prime Contractor Annual Technical Reports on ZIMMAN II, Nos. 1 and 2 for FY 1993 and 1994.

Academy for Educational Development (AED), Prime Contractor Project Proposal Year Three for ZIMMAN II, October 1994.

Appendix 3: 2/2

Institute of Internal Auditors/Delta Control Group - USAID Files and Consultant Reports, March 1992.

IBDC (BESA)/ZBCA - Contractors Assistance Program - Grant and Reports, ~~September~~ 1992 - September 1994.

Delta Corporation, Harare, Zimbabwe, Report on Refrigeration/Air Conditioning Training Course, September 1992.

Academy for Educational Development (AED), 31 Rhodesville Avenue, Highlands, Harare, Zimbabwe, Report on the Horticultural Crop Production and Business Management Training Program, September - October, 1993.

ARA - TECHTOP, Harare, Zimbabwe, Post-Training Business Evaluation Report the Horticultural Industry, May 1994.

Academy for Educational Development (AED), Harare, Zimbabwe, Report on the Grain Milling Production and Management Training Program, March - May 1994.

ARA - TECHTOP, Harare, Zimbabwe, Report on the Micro-Milling Industry Business Operations Evaluation, July 1994.

ARA - TECHTOP, Harare, Zimbabwe, Report on the Milling Industry Business Operation and Post-Training Evaluation, August 1994.

ARA - TECHTOP, Harare, Zimbabwe, Report on Road Haulage Transport Business Operations Evaluation and Training Needs Assessment, August 1994.

Management Systems International (MSI), Report on Small Business Counselling Workshops, 12 - 16 and 19 - 23 September 1994, Harare, Zimbabwe, October 1994.

Southern Africa Development Institute, Harare, Zimbabwe, Road Haulage, Transport Pre-Training Business Review, November 1994.

Southern Africa Development Institute, Harare, Zimbabwe, Micro-Milling Industry Pre-Training Business Review, November, 1994. Organisational Training & Development (Pvt) Ltd., Proposal for Training for Small-Scale Owner-Operators in the Road Haulage Business, June 1994.

Organisational Training & Development (Pvt.) Ltd., Harare, Zimbabwe, Report on the Small Transport Operators Improvement Program, (Management & Technical Aspects), November 1994. Southern Africa Development Institute, Harare, Zimbabwe, Small Business Counselling (MSI), Post-Training Impact Assessment, January 1995.

POST-TRAINING IMPACT QUESTIONNAIRE

Dear USAID Training alumni:

As the monitoring and evaluation contractor for USAID Zimbabwe, we are seeking information that will be used to improve the quality of the USAID sponsored training and to assess its impact on participants and their enterprises or employers. Your responses will be held in confidence and used for analytical purposes only. Your candid feedback will be most helpful. We appreciate your cooperation with this evaluation questionnaire.

Date Today: ___/___/___ Course _____

Date of Course

Surname: _____ Given Name(s): _____

Business Address (street address and PO Box): _____

Do you have a telephone: _____ Fax: _____

Briefly describe all of your business activities:

What is your job title or position? _____

How many people are employed in your business (excluding yourself)? ___

Are you a member of any business associations? ___ Yes ___ No

If so, which one(s): _____

Please name other similar training workshop(s) you have attended:

Name	Organization/Sponsor
_____	_____
_____	_____
_____	_____

How were they different or similar to the training in question?

Please indicate whether the skills you learned were new (N) advanced (A) or repetition (R).

- Business planning/basic finance
- Marketing
- Contracting
- Maintaining equipment
- Managing for quality in design/production
- Managing production
- Accounting and managing finances
- Managing human resources
- Other (specify):

How much of what you learned in the training have you been able to put into practice in your business? (Check one.)

- None A little A great deal

Comments:

If you have been able to apply a **great deal** of your training, please describe an example of a change that you have made as a result of the workshop(s). Please be specific.

If you have applied **little** or **nothing**, please identify the factors related to the project or internal to your business that may have limited your ability to apply the training. (Number rank the top three reasons.)

- Training was not applicable to my needs
- Training was too basic; more advanced training needed
- Resistance of family members to change
- Resistance of business partner, co-workers, or employees to change
- Too many other demands on my time
- Limited funds, equipment, materials or staff
- No longer in business
- Other (specify): _____

Which of the following activities has your business undertaken since your training?

- Applied for new credit
- Approached new markets
- Improved the quality or quantity of tenders
- Introduced preventive maintenance schedule
- Improved the quality of products/services
- Increased production
- Improved financial management
- Other (specify): _____

Which activities would not have happened or would have been less successful without the training?

What was the bottom line result of those changes -

	Increased	Decreased	Remained the same
Sales	_____	_____	_____
Profits	_____	_____	_____
Employees	_____	_____	_____
Credit	_____	_____	_____
Products	_____	_____	_____
Partners	_____	_____	_____
Productivity	_____	_____	_____
Management systems	_____	_____	_____
Other(s)	_____	_____	_____
_____	_____	_____	_____

To what extent do you attribute improvements to the skills learned in training?

___ None ___ A little ___ A great deal

How much did it cost for you to attend the training? _____

What is the single greatest benefit you gained from the training?

Did you get value for your money? Yes No Comments _____

Have there been any negative results of the training? ___ Yes ___ No

If so, please describe: _____

What recommendations do you have to improve the training program?

THANK YOU FOR YOUR COOPERATION

USAID/ZIMBABWE ANNUAL PORTFOLIO REPORT ; APRIL 1, 1993 - MARCH 31, 1994

69

ADMINISTRATIVE INFORMATION

COUNTRY: Zimbabwe
 PROJECT TITLE: Zimbabwe Manpower Development Project II (ZIMMAN II)
 PROJECT NUMBER: 613-0229
 DATE OF REPORT: 31 MARCH 94
 IMPLEMENTING AGENCY: Department of National Scholarships
 MAJOR CONTRACTORS: Academy for Educational Development (AED) with effect from 9/11/92
 FIELD BACKSTOP OFFICER: Sarah Bishop, Training
 AID/W BACKSTOP OFFICER: N/A
 DATE OF LAST EVALUATION AND/OR AUDIT: N/A
 DATE OF NEXT EVALUATION AND/OR AUDIT: September 1994
 WAIVERS PROCESSED DURING REPORTING PERIOD: None
 STATUS OF CPS: Met

II. FINANCIAL DATA

DATE OF AUTHORIZATION: 30 JUN 86
 AUTHORIZED LOP (\$000): \$15,000
 DATE OF INITIAL OBLIGATION: 30 JUN 86;
 PACD (ORIGINAL): 30 SEP 93
 (REVISED): 30 SEP 95

CUMULATIVE TO DATE
 (US\$ 000)

CUMULATIVE OBLIGATIONS: 7,397
 ACCRUED EXPENDITURES: 2,536
 EARMARKS: 5,789
 CUMULATIVE COMMITMENTS: 4,091
 PIPELINE: 4,861

LOCAL CURRENCY FUNDS
 (Z\$ 000)

TREASURY TRUST FUND A/C

FUNDS GENERATED	162	517
INTEREST EARNED	107	255
SUB-TOTAL	269	772
APPROVED ALLOCATIONS	4	
TOTAL	265	772

PERFORMANCE INFORMATIONPROJECT PURPOSE

(a) To improve the technical capacity and management capability of the private sector and strengthen institutional support to private sector development; and (b) to improve the policy environment and skills in the application of government regulations affecting the private sector, thereby improving the efficiency of public sector services to the private sector, thus facilitating and enhancing the private sector's contribution to the economy.

PROGRESS TOWARD MEETING EOPSQuantitative and qualitative growth in employment

Within the six target areas of Mission's focus, ZIMMAN II is training small to medium sized businesses in management and technical skills related to their specific industry. This is expected to

- Improved technical capacity and management capability of the private sector:

In response to Strategic Objective No. 2, ZIMMAN II is providing management and technical skills training to Small and Medium Enterprises (SMEs) in the six targeted areas. Training has already commenced for small grain production millers and haulage operators.

- Strengthen institutional support to private sector development.

ZIMMAN II is funding training of business extension advisors, and small business development units of local banks and other indigenous private sector support organizations, who provide guidance and loans to 'start-up' and SMEs with the black business sector.

- Improved policy environment and skills in the application of government regulations affecting the private sector

Working with the Consumer Council of Zimbabwe, ZIMMAN II is funding a series of presentations on the de-regularizations of the milling industry. These will be held throughout the country, targeted

Improved efficiency of public sector services to the private sector

ZIMMAN II has already funded courses such as training for internal auditors, attended by public and private sector auditors, to improve the efficiency of government accounting.

Enhanced private sector contribution to the economy

By funding businessmen and women on the Entrepreneurs International Program, ZIMMAN II is providing exposure to new ideas and skills, as well as opportunities for the private sector to develop with U.S. counterparts.

1. PROJECT OUTPUTS

The achievement of project out-puts will be measured through numbers of participants trained, person-months of consultants provided, and number of faculty or staff from local training institutions who have been trained with project resources.

MAJOR LOGFRAME OUTPUT TARGETS OUTPUT STATUS

Increased number of skilled private sector professionals, technicians, managers and entrepreneurs.

- 1. The project funded a half day seminar to 120 local consultants, presented by the prime contractor AED. Information was given on how to bid on ZIMMAN II local RFP's, and be selected to provide TA under the project. Thirty women attended this seminar. In a recent RFP 10 local companies responded.
- 2. Project has funded a 2-month training program in Horticulture management and technical skills for 18 SME owners and managers, who are members of the Horticulture Promotion Council. Three companies are owned by women.
- 3. Project has funded the design and delivery of training modules in management and technical skills for 36 owners & managers of 6 medium-sized grain milling production companies in Harare and Mutare.
- 4. An on-going grant to the IBDC has provided assistance to 21 small building contractors. Additional skills training workshops have been provided regularly in Harare and Bulawayo, attended by over 200 small contractors.
- 5. More than 4 participants have been sent to the U.S. on Entrepreneurs International Programs.

MAJOR LOGFRAME OUTPUT TARGETS OUTPUT STATUS (cont...)

- 6. Eight participants who manage HIV/AIDS projects with local NGOS have received management training at a local institution.
 - 3 women owned companies trained in horticulture.
 - 6 women managers attended the production grain milling training.
 - 30 women attended seminar for consultants.
 - 1 business woman has received EI training in the U.S.
 - 8 women attended local course for NGO managers of HIV/AIDS projects.
- b. Increased number of women trained in professional, technical, managerial and entrepreneurship skills.
 - 1. Local consultants have received guidance on 'how to bid' for ZIMMAN training activities. When selected they are closely monitored by AED to maintain quality level required under project. Local consultants have gained experience in analyzing pre-and post business evaluations required for all companies receiving training.
 - 2. Disbursement of private sector training directory, prepared by Techtop Zimbabwe, to other funding organizations, has increased access to local training providers.
- c. Expanded private sector capacity to provide quality training.

C.2. CPSP INDICATORS UNDER S.O. 2: Increased black ownership and investment at all levels of Zimbabwe's economy

Target 2.3: Improved technical and management capacity of the private sector

MAJOR LOGFRAME OUTPUT TARGETS OUTPUT STATUS

- a. Grain Marketing Sector:
 - SME Production Mill training. Harare/Mutare. Done.
 - Micro mill training. Six rural growth points. In design.
 - De-regulation outreach. In design.
- b. Transportation Sector:
 - Small transport operators training. Six venues. In design.

MAJOR LOGFRAME OUTPUT TARGETS

OUTPUT STATUS (cont...)

Housing Finance/Construction Sector:

See C.1.A.4. Small Building Contractors Program. Ongoing

Natural Resource Management Sector:

Grant to ZIMTRUST for Basic Business Concept training at district level in Regions IV & V. In design.

HIV/AIDS Prevention

Project funded eight participants to local course for NGO managers of HIV/AIDS projects. Done

Other:

Training for SME Business Advisors. (MSI) In design

Baseline Survey on number of black owners/company officers in target sectors. (MSI) In design

PRINCIPAL IMPLEMENTATION PROBLEMS/ISSUES

PROBLEM/ISSUE: Small Building Contractors Assistance Program (CAP). (a) The remaining VSO volunteer has had his contract terminated for low productivity and other behavioral problems. IBDC/BESA has been asked to formally terminate its sub-contract with the VSO, and to expedite the final vouchers for payment. (b) The economic climate in the building industry, particularly for the small scale builder, has shown no immediate up-swing, resulting from the Government set-aside for contracts worth more than ten million. There are now only about 8 client contractors on the program. A request has been received to extend the grant for a further year, this request is being reviewed by the Mission. The implementation of this grant is strained, there are too many small organizations involved. Luckily, the new grant manager is doing an excellent job, under difficult circumstances. He has successfully organized skills workshops for Bulawayo, causing an increase in ZBCA membership. There are indications that the disposition of the project vehicles will be an issue, with no agreement on file from IBDC and the ZBCA.

STEPS TAKEN TO RESOLVE:

(a) IBDC/BESA have been instructed to formally terminate the VSO sub-grant, and arrange for the final vouchers to be submitted for payment. No new permanent staff will be employed until a decision is made on the extension of the grant.

(b) The grant manager has been asked to continue to act as an advisor to the remaining 8 client contractors, and to maintain training workshops in such areas as tendering and costing.

3. **RECOMMENDED ACTION:** It is recommended that the grant be allowed to expire at the end of September 1994. From the present performance, it is unlikely that the grant will be any more effective over another 12 months. Mission will still want to support the small building sector, but another design should be considered, with a broader focus, and using different organizations.

E. MAJOR ACCOMPLISHMENTS OVER THE LAST 12 MONTHS

1. **PLANNED:** To review and authorize first AED training proposals.

ACTUAL: A number of training activities have been designed and delivered in this reporting period.

- A six-week management and technical course for small horticulturists, requested by the Horticulture Promotion Council, and provided by VOCA using U.S. and regional trainers. AED sub-contractor, Techtop provided personnel for the pre and post business evaluations.
- A half-day seminar to local training providers/consultants on how to bid for ZIMMAN II activities was offered by AED in Harare.
- Management and technical training for medium sized black production millers was designed and delivered in four modules at two venues, Harare and Mutare. The course was offered by the Harare based U.S. NGO Africare, using Zimbabwean trainers.
- Management training for staff of local NGOs who have projects in HIV/AIDS.

2. **PLANNED:** Delivery of Directory/Report on Private Training Providers within Zimbabwe.

ACTUAL: This directory was finally received, and has been disbursed to organizations such as the World Bank, and CIDA. The directory has a number of limitations, and will not be updated using Techtop. The AED office has their own data base on local and regional training organizations, and this is suitable for day to day implementation needs.

3. **PLANNED:** To amend the IBDC Grant to reflect staff changes.

ACTUAL: The project description has been adjusted to reflect the staff changes, and a further grant amendment letter will be issued to terminate the VSO sub-grant.

4. **PLANNED:** Arrange for Overhead Audit for IBDC/BESA, and Techtop Zimbabwe (Pvt) Ltd, (AED sub-contractor).

ACTUAL: After consultation with REDSO/ESA RIG, Richard Cain, it was decided that Price Waterhouse would go ahead and do an overhead audit for BESA. As it was part of the AED contract that both they and their sub-contractors be audited, Techtop secured Ernst and Young for this activity. Techtop also need an audit verification of their current overhead. There is an outstanding amount owed to them that was disallowed until overhead verified. Reports are owed

F. IMPORTANT ACTIVITIES OVER THE NEXT 6 MONTHS

1. **ACTIVITY:** To have a baseline survey of Black owned businesses and senior management in the six sectors targetted in the Mission CPSP.

RESPONSIBLE OFFICER(S): S. Bishop, PDIS; AED, MSI and local consultants.

TARGET DATE FOR ACHIEVEMENT: August 31, 1994

2. **ACTIVITY:** To have an interim evaluation of ZIMMAN II, using Gray Amendment firm.

RESPONSIBLE OFFICER(S): S. Bishop, PDIS; AFR/ONI/TPPI/HRDA/Creative Associates.

TARGET DATE FOR ACHIEVEMENT: September 30, 1994

3. **ACTIVITY:** Continue Training Activities in six target areas.

RESPONSIBLE OFFICER(S): S. Bishop, PDIS; AED

TARGET DATE FOR ACHIEVEMENT: On-going.

4. **ACTIVITY:** One year extension of AED contract.

RESPONSIBLE OFFICER(S): S. Bishop, M. Stephens, PDIS; R. Edler, REDSO/ESA

TARGET DATE FOR ACHIEVEMENT: September 30, 1994

5. **ACTIVITY:** Action Memo to extend PACD to September 30, 1997.

RESPONSIBLE OFFICER(S): S. Bishop, M. Stephens, PDIS

TARGET DATE FOR ACHIEVEMENT: September 30, 1994

3. STATUS OF EVALUATION OR AUDIT RECOMMENDATIONS (IF APPLICABLE)

N/A

4. MISSION DIRECTOR'S ASSESSMENT

This project now has an 'A' status, as it is now fully operational within the six target areas of the Mission's CPSP. Training activities have commenced, and a full program is scheduled up until September 1995.

POST-TRAINING IMPACT QUESTIONNAIRE

Dear USAID Training alumni:

As the monitoring and evaluation contractor for USAID Zimbabwe, we are seeking information that will be used to improve the quality of the USAID sponsored training and to assess its impact on participants and their enterprises or employers. Your responses will be held in confidence and used for analytical purposes only. Your candid feedback will be most helpful. We appreciate your cooperation with this evaluation questionnaire.

Date Today: ___/___/___ Course _____

Date of Course _____

Surname: _____ Given Name(s): _____

Business Address (street address and PO Box): _____

Do you have a telephone: _____ Fax: _____

Briefly describe all of your business activities:

What is your job title or position? _____

How many people are employed in your business (excluding yourself)? ___

Are you a member of any business associations? ___ Yes ___ No

If so, which one(s): _____

Please name other similar training workshop(s) you have attended:

Name	Organization/Sponsor
_____	_____
_____	_____
_____	_____

How were they different or similar to the training in question?

Please indicate whether the skills you learned were new (N) advanced (A) or repetition (R).

- Business planning/basic finance
- Marketing
- Contracting
- Maintaining equipment
- Managing for quality in design/production
- Managing production
- Accounting and managing finances
- Managing human resources
- Other (specify):

How much of what you learned in the training have you been able to put into practice in your business? (Check one.)

- None A little A great deal

Comments:

If you have been able to apply a **great deal** of your training, please describe an example of a change that you have made as a result of the workshop(s). Please be specific.

If you have applied little or nothing, please identify the factors related to the project or internal to your business that may have limited your ability to apply the training. (Number rank the top three reasons.)

- Training was not applicable to my needs
- Training was too basic; more advanced training needed
- Resistance of family members to change
- Resistance of business partner, co-workers, or employees to change
- Too many other demands on my time
- Limited funds, equipment, materials or staff
- No longer in business
- Other (specify): _____

Which of the following activities has your business undertaken since your training?

- Applied for new credit
- Approached new markets
- Improved the quality or quantity of tenders
- Introduced preventive maintenance schedule
- Improved the quality of products/services
- Increased production
- Improved financial management
- Other (specify): _____

Which activities would not have happened or would have been less successful without the training?

What was the bottom line result of those changes -

	Increased	Decreased	Remained the same
Sales	_____	_____	_____
Profits	_____	_____	_____
Employees	_____	_____	_____
Credit	_____	_____	_____
Products	_____	_____	_____
Partners	_____	_____	_____
Productivity	_____	_____	_____
Management systems	_____	_____	_____
Other(s)	_____	_____	_____

To what extent do you attribute improvements to the skills learned in training?

___ None ___ A little ___ A great deal

How much did it cost for you to attend the training? _____

What is the single greatest benefit you gained from the training?

Did you get value for your money? Yes No Comments _____

Have there been any negative results of the training? ___ Yes ___ No

If so, please describe: _____

What recommendations do you have to improve the training program?

THANK YOU FOR YOUR COOPERATION

- 69'

USAID/ZIMBABWE ANNUAL PORTFOLIO REPORT : APRIL 1, 1993 - MARCH 31, 1994**I. ADMINISTRATIVE INFORMATION**

COUNTRY: Zimbabwe
 PROJECT TITLE: Zimbabwe Manpower Development Project II (ZIMMAN II)
 PROJECT NUMBER: 613-0229
 DATE OF REPORT: 31 MARCH 94
 IMPLEMENTING AGENCY: Department of National Scholarships
 MAJOR CONTRACTORS: Academy for Educational Development (AED) with effect from 9/11/92
 FIELD BACKSTOP OFFICER: Sarah Bishop, Training
 AID/W BACKSTOP OFFICER: N/A
 DATE OF LAST EVALUATION AND/OR AUDIT: N/A
 DATE OF NEXT EVALUATION AND/OR AUDIT: September 1994
 WAIVERS PROCESSED DURING REPORTING PERIOD: None
 STATUS OF CPS: Met

II. FINANCIAL DATA

DATE OF AUTHORIZATION: 30 JUN 86
 AUTHORIZED LOP (\$000): \$15,000
 DATE OF INITIAL OBLIGATION: 30 JUN 86;

PACD (ORIGINAL): 30 SEP 93
 (REVISED): 30 SEP 95

CUMULATIVE TO DATE
 (US\$ 000)

CUMULATIVE OBLIGATIONS: 7,397
 ACCRUED EXPENDITURES: 2,536
 EARMARKS: 5,789
 CUMULATIVE COMMITMENTS: 4,091
 PIPELINE: 4,861

LOCAL CURRENCY FUNDS
 (Z\$ 000)

TREASURY TRUST FUND A/C

FUNDS GENERATED	162	517
INTEREST EARNED	<u>107</u>	<u>255</u>
SUB-TOTAL	269	772
APPROVED ALLOCATIONS	4	
TOTAL	265	772

III. PERFORMANCE INFORMATION**A. PROJECT PURPOSE**

(a) To improve the technical capacity and management capability of the private sector and strengthen institutional support to private sector development; and (b) to improve the policy environment and skills in the application of government regulations affecting the private sector, thereby improving the efficiency of public sector services to the private sector, thus facilitating and enhancing the private sector's contribution to the economy.

B. PROGRESS TOWARD MEETING EOPS**- Quantitative and qualitative growth in employment**

Within the six target areas of Mission's focus, ZIMMAN II is training small to medium sized businesses in management and technical skills related to their specific industry. This is expected to encourage the business to expand, and create more employment, as they become more competitive.

- Improved technical capacity and management capability of the private sector:

In response to Strategic Objective No. 2, ZIMMAN II is providing management and technical ski training to Small and Medium Enterprises (SMEs) in the six targeted areas. Training has already commenced for small grain production millers and haulage operators.

- Strengthen institutional support to private sector development.

ZIMMAN II is funding training of business extension advisors, and small business development units of local banks and other indigenous private sector support organizations, who provide guidance and loans to 'start-up' and SMEs with the black business sector.

- Improved policy environment and skills in the application of government regulations affecting the private sector

Working with the Consumer Council of Zimbabwe, ZIMMAN II is funding a series of presentations on the de-regularizations of the milling industry. These will be held throughout the country, targeted at the small grinding mill operators.

- Improved efficiency of public sector services to the private sector

ZIMMAN II has already funded courses such as training for internal auditors, attended by public and private sector auditors, to improve the efficiency of government accounting.

- Enhanced private sector contribution to the economy

By funding businessmen and women on the Entrepreneurs International Program, ZIMMAN II is providing exposure to new ideas and skills, as well as opportunities for the private sector to develop with U.S. counterparts.

MAJOR LOGFRAME OUTPUT TARGETS

OUTPUT STATUS (cont...)

b. Increased number of women trained in professional, technical, managerial and entrepreneurship skills.

6. Eight participants who manage HIV/AIDS projects with local NGOS have received management training at a local institution.

- 3 women owned companies trained in horticulture.
- 6 women managers attended the production grain milling training.
- 30 women attended seminar for consultants.
- 1 business woman has received EI training in the U.S.
- 8 women attended local course for NGO managers of HIV/AIDS projects.

c. Expanded private sector capacity to provide quality training.

1. Local consultants have received guidance on 'how to bid' for ZIMMAN training activities. When selected they are closely monitored by AED to maintain quality level required under project. Local consultants have gained experience in analyzing pre-and post business evaluations required for all companies receiving training.

2. Disbursement of private sector training directory, prepared by Techtop Zimbabwe, to other funding organizations, has increased access to local training providers.

C.1. PROJECT OUTPUTS

The achievement of project out-puts will be measured through numbers of participants trained, person-months of consultants provided, and number of faculty or staff from local training institutions who have been trained with project resources.

MAJOR LOGFRAME OUTPUT TARGETS OUTPUT STATUS

a. Increased number of skilled private sector professionals, technicians, managers and entrepreneurs.

1. The project funded a half day seminar to 120 local consultants, presented by the prime contractor AED. Information was given on how to bid on ZIMMAN II local RFP's, and be selected to provide TA under the project. Thirty women attended this seminar. In a recent RFP 10 local companies responded.

2. Project has funded a 2-month training program in Horticulture management and technical skills for 18 SME owners and managers, who are members of the Horticulture Promotion Council. Three companies are owned by women.

3. Project has funded the design and delivery of training modules in management and technical skills for 36 owners & managers of 6 medium-sized grain milling production companies in Harare and Mutare.

4. An on-going grant to the IBDC has provided assistance to 21 small building contractors. Additional skills training workshops have been provided regularly in Harare and Bulawayo, attended by over 200 small contractors.

5. More than 4 participants have been sent to the U.S. on Entrepreneurs International Programs.

C.2. CFSP INDICATORS UNDER S.O. 2: Increased black ownership and investment at all levels of Zimbabwe's economy

Target 2.3: Improved technical and management capacity of the private sector

MAJOR LOGFRAME OUTPUT TARGETS

OUTPUT STATUS

a. Grain Marketing Sector:
SME Production Mill training.
Harare/Mutare.

Done.

Micro mill training. Six rural growth points.

In design.

Do-regulation outreach.

In design.

b. Transportation Sector:
Small transport operators training.
Six venues.

In design.

21

MAJOR LOGFRAME OUTPUT TARGETS

OUTPUT STATUS (cont...)

c. Housing Finance/Construction Sector:

See C.1.A.4. Small Building Contractors Program.

Ongoing

d. Natural Resource Management Sector:

Grant to ZIMTRUST for Basic Business Concept training at district level in Regions IV & V.

In design.

c. HIV/AIDS Prevention

Project funded eight participants to local course for NGO managers of HIV/AIDS projects.

Done

f. Other:

Training for SME Business Advisors. (MSI)

In design

Baseline Survey on number of black owners/company officers in target sectors. (MSI)

In design

D. PRINCIPAL IMPLEMENTATION PROBLEMS/ISSUES

1. **PROBLEM/ISSUE:** Small Building Contractors Assistance Program (CAP). (a) The remaining VSO volunteer has had his contract terminated for low productivity and other behavioral problems. IBDC/BESA has been asked to formally terminate its sub-contract with the VSO, and to expedite the final vouchers for payment. (b) The economic climate in the building industry, particularly for the small scale builder, has shown no immediate up-swing, resulting from the Government set-aside for contracts worth more than ten million. There are now only about 8 client contractors on the program. A request has been received to extend the grant for a further year, this request is being reviewed by the Mission. The implementation of this grant is strained, there are too many small organizations involved. Luckily, the new grant manager is doing an excellent job, under difficult circumstances. He has successfully organized skills workshops for Bulawayo, causing an increase in ZBCA membership. There are indications that the disposition of the project vehicles will be an issue, with no agreement on file from IBDC and the ZBCA.

2. STEPS TAKEN TO RESOLVE:

(a) IBDC/BESA have been instructed to formally terminate the VSO sub-grant, and arrange for the final vouchers to be submitted for payment. No new permanent staff will be employed until a decision is made on the extension of the grant.

(b) The grant manager has been asked to continue to act as an advisor to the remaining 8 client contractors, and to maintain training workshops in such areas as tendering and costing.

3. **RECOMMENDED ACTION:** It is recommended that the grant be allowed to expire at the end of September 1994. From the present performance, it is unlikely that the grant will be any more effective over another 12 months. Mission will still want to support the small building sector, but another design should be considered, with a broader focus, and using different organizations.

E. MAJOR ACCOMPLISHMENTS OVER THE LAST 12 MONTHS

1. **PLANNED:** To review and authorize first AED training proposals.

ACTUAL: A number of training activities have been designed and delivered in this reporting period.

- A six-week management and technical course for small horticulturists, requested by the Horticulture Promotion Council, and provided by VOCA using U.S. and regional trainers. AED sub-contractor, Techtop provided personnel for the pre and post business evaluations.
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- Management training for staff of local NGOs who have projects in HIV/AIDS.

2. **PLANNED:** Delivery of Directory/Report on Private Training Providers within Zimbabwe.

ACTUAL: This directory was finally received, and has been disbursed to organizations such as the World Bank, and CIDA. The directory has a number of limitations, and will not be updated using Techtop. The AED office has their own data base on local and regional training organizations, and this is suitable for day to day implementation needs.

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ACTUAL: After consultation with REDSO/ESA RIG, Richard Cain, it was decided that Price Waterhouse would go ahead and do an overhead audit for BESA. As it was part of the AED contract that both they and their sub-contractors be audited, Techtop secured Ernst and Young for this activity. Techtop also need an audit verification of their current overhead. There is an outstanding amount owed to them that was disallowed until overhead verified. Reports are owed

for both audits.

F. IMPORTANT ACTIVITIES OVER THE NEXT 6 MONTHS

1. **ACTIVITY:** To have a baseline survey of Black owned businesses and senior management in the six sectors targetted in the Mission CPSP.

RESPONSIBLE OFFICER(S): S. Bishop, PDIS; AED, MSI and local consultants.

TARGET DATE FOR ACHIEVEMENT: August 31, 1994

2. **ACTIVITY:** To have an interim evaluation of ZIMMAN II, using Gray Amendment firm.

RESPONSIBLE OFFICER(S): S. Bishop, PDIS; AFR/ONI/TPPI/HRDA/Creative Associates.

TARGET DATE FOR ACHIEVEMENT: September 30, 1994

3. **ACTIVITY:** Continue Training Activities in six target areas.

RESPONSIBLE OFFICER(S): S. Bishop, PDIS; AED

TARGET DATE FOR ACHIEVEMENT: On-going.

4. **ACTIVITY:** One year extension of AED contract.

RESPONSIBLE OFFICER(S): S. Bishop, M. Stephens, PDIS; R. Edler, REDSO/ESA

TARGET DATE FOR ACHIEVEMENT: September 30, 1994

5. **ACTIVITY:** Action Memo to extend PACD to September 30, 1997.

RESPONSIBLE OFFICER(S): S. Bishop, M. Stephens, PDIS

TARGET DATE FOR ACHIEVEMENT: September 30, 1994

G. STATUS OF EVALUATION OR AUDIT RECOMMENDATIONS (IF APPLICABLE)

N/A

H. MISSION DIRECTOR'S ASSESSMENT

This project now has an 'A' status, as it is now fully operational within the six target areas of the Mission's CPSP. Training activities have commenced, and a full program is scheduled up until September 1995.

27



Appendix 6: TABLES ZIMMAN II 1/6

TABLE 1 - ZIMMAN II - Training by category FY 1986-94		
Category	Participants	Percent Female
Long term US Academic	9	0
Short term US Other	13	-
Entrepreneur International	13	31 %
Other short term and Travel Advances	12	-
In-country, AED skills training	291	12 %
Other in-country skills training*	347	-
Other conferences, group sessions, etc.**	500	
TOTAL	1185	-

NOTES

* Delta Air Refrigeration (10), IIA Course (142), IBDC/ZBCA Grant (160), NGO AIDS(35)

** CCZ Workshops, Training Conferences, and others - Estimated

The total ZIMMAN II expenditures reported for the period \$2,730,000 for an average ZIMMAN II cost per participant of \$2,303.

Female participation in skills training has been approximately 13%. Reliable statistics are not readily available for all programs on the table.

Table 2 - ZIMMAN II - Long Term US Training			
Name	Gender	Employer	Cost Estimates
Mlambo, W.	M	GOZ	35,492 (a)
Govere, K.	M	Univ. Zimbabwe	84,598 (a)
Dzama, K.	M	Univ. Zimbabwe	53,325 (a)
Hapanyengwi, G.	M	Univ. Zimbabwe	72,624 (a)
Mzira, C.	M	Univ. Zimbabwe	65,868 (a)
Mhlanga	M	Univ. Zimbabwe	51,983 (a)
Bhebe	M	Univ. Zimbabwe	54,394 (a)
Magwaza, V.	M	GOZ	23,762 (partial) (c)
Nyemba, S.	M	GOZ	24,196 (partial) (a)
TOTALS	9		\$466,242

Sources:

- a) IIE Report 3/31/92,
- b) PIET report 12/05/94,
- c) Project Financial Analysis Report 2/95

TABLE 3 - ZIMMAN II - Short term US	
Name	Cost
Wadhams, J.	5,096 (a)
Mushangi, I.	5,697 (a)
Chimombe, C.	6,423 (a)
Dirawu, J.	12,016 (a)
Austen, J.	6,686 (b)
Matema, S	8,415 (b)
Mudimu, G.	8,200 (b)
Nenzou, F.	2,550 (c)
Mabika, T.	6,260 (d)
Gazela, R.	\$9,107
Machona, M.	13,768 (c)
Nenzou,	2,550 (c)
Moyo	\$14,820 (c)
TOTAL (13)	\$101,588

Source:

- a) IIE report
- b) PTMS 9/21/94
- c) Project Financial Analysis 2/1/95
- d) PIET 12/05/94

TABLE 4 - ZIMMAN II Funded Entrepreneur International				
Dates	Name	Gender	Field	Cost (US\$)
1992				
October	Muchanyuka	M	Printing	6,248
November	Mhlanga	F	Services	6,850
1993				
January	Hatendi	F	Tourism	5,107
January	Mubaiwa	M	Printing	7,147
January	Fundira	M	Manufact.	5,991
March	Mwamuka	F	Arts	7,700
May	Chikukwa	M	Manufact	6,850
May	Pitt	M	Computer	6,495
September	Chidawanyika	F	Food	4,355
1994				
March	Ncube	M	Banking	13,169
1995				
January	Goromonzi	M	Venture Capital	6,990 *
In Progress	Kowo Chidavaenzi	M M	Manufact Services	13,980 "
TOTAL	13	36%	9 fields	90,882

Sources:

PIET Report 12/05/94, PTMS 9/21/94, ZIMMAN II Notes

Observations:

Prior to 1992, 3 EI participants were sent using ZIMMAN I Funds to make a total of 16

Duration = average duration is 18 working days or three weeks

Costs = include US travel, course fees, per diem, EI fee (\$410) PIET reports indicate lower costs than PTMS.

The costs reported are from PTMS where available

International travel paid by participants is not included in direct costs above

TABLE 5 - ZIMMAN II - AED In-Country Training Programs - Cost analysis								
Program	SME	Participants *			Direct Cost	Average Cost per Participant	Average Cash contribution per Participant	
		Female %	Male %	Total				
Horticulture	19	15%	85%	48	82,952	1728.167	\$70	4%
Production Mill	7	18%	82%	28	20,481	731.4643	\$35	5%
Service Mill	72	8%	92%	94	93,365	993.2447	\$0	
Road Haulers	52	4%	96%	76	48,048	632.2105	\$0	
SME Counselors	6	23%	77%	26	56,104	2157.846	\$123	5%
Business Simulation **	8	32%	68%	19	23,163	N/A	\$0	
TOTALS	164	12%	82%	291	324,113	1113.79	\$20	1.7%

Notes:

- * Participants - the evaluation team found that AED reports and data base are inconsistent for the horticulture program which was a 5 module program designed for 20 people in each module. According to the AED data base and course reports, the total number of people who attended one or more of the five modules was 48. However, Table 1 in the second annual report shows 112 participants for this program. The same individuals seem to have been counted each time they attended a module.
- ** Business Simulation - The same Table 1 also double counts participants in the Business Simulation whose cost should be added to the other programs without double counting participants. The numbers reported here refer to a separate Training of Trainer program.

Table 5 continued.**Lessons Learned:**

1. The cost per participant should decrease with word of mouth marketing and lower development costs in subsequent programs. A short fall of participants in the Horticulture, Production Millers, SME Counselors and Road Haulers programs increased the cost per participant significantly. Direct costs for the first contracts include development which would normally be spread over subsequent courses. That will become apparent in FY 95 program for Service Millers and Road Haulers.
2. The course reports mention screening of participants as a problem in some of these programs. It is possible to sacrifice effectiveness while improving cost per participant by filling courses with less than target participants. The evaluation team is unable to calculate the impact on effectiveness but recommends that quality come before cost per participant.
3. The participant cash contribution of all courses was lower than 2% of the direct costs.. Based on the relatively high costs and low willingness to pay even token fees, the results to date do not support the assumption that there is a sustainable SME training market for these particular kinds of programs without continued subsidies or sponsorships beyond the PACD.