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**DRAFT REPORT**

**EVALUATION  
OF  
THE SMALL ENTERPRISE ASSISTANCE PROJECT  
Project No 538 - 0133**

**Prepared On Behalf Of DATEX Inc.  
For  
USAID's Regional Development Office/Caribbean**

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**September 8, 1995**

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## Acronyms

CAIC	Caribbean Association of Industry and Commerce
CD	Cooperative Development
CDB	Caribbean Development Bank
CoC	Chamber of Commerce
ECODEF	East Caribbean Organisation of Development Foundations
ED	Executive Director
FIT	Foundation for International Training
IAF	Inter-American Foundation
IESC	International Executive Services Corps
IVS	International Voluntary Services
NCCs	National Coordinating Committees
NDFs	National Development Foundations
NDIs	National Delivery Institutions
NIS	National Insurance Schemes
OECS	Organisation of Eastern Caribbean States
PACD	Project Action Completion Date
PADF	Pan American Development Foundation
PP	Project Paper
RCU	Regional Coordinating Unit
RDO/C	USAID's Regional Development Office For The Caribbean
SBIC	Small Business Investment Corporation
SEAP	Small Enterprise Assistance Project
SMEs	Small and Medium Sized Enterprises
TA	Technical Assistance
UNDP	United National Development Programme
USAID	United States Agency For International Development
WID	Women In Development

## EXECUTIVE SUMMARY

**Purpose.** The purpose of this report is to provide USAID/RCO/C with a final evaluation of the effectiveness, impact and sustainability of the East Caribbean Organization of Development Foundations (ECODEF) and the National Development Foundations (NDFs) which benefitted from financial support under the Small Enterprise Assistance Project. The assessment was commissioned by DATEX Inc. as a 15-day assignment as part of its Phase I evaluation of RDO/C programs in the Caribbean.

**Approach.** The consultant's approach consisted of inception and follow-up meetings with RDO/C senior personnel; reviews of project documents; visits to four of eight eligible National Development Foundations and interviews with ECODEF, NDF and former SEAP staff.

**Project Description.** The goal of the Small Enterprise Assistance Project was to increase employment, income, productivity, and economic growth in the Eastern Caribbean by assisting in the development of privately-owned enterprises by a) supporting NDFs and their micro enterprise activities; b) co-ordinating technical assistance and training to SMEs; and c) funding the activities of a regional co-ordinating unit - whose functions were subsequently taken over by ECODEF.

**Findings.** Overall, RDO/C assistance to ECODEF and the NDFs has had a noticeable and positive impact on micro enterprise development in the Eastern Caribbean. Specifically, we found that:

- ECODEF and the NDFs had achieved the project purpose of increasing the efficiency of micro and small and medium-scale enterprises to produce and sell goods and services.
- The NDFs major area of success was in delivering credit, technical assistance and training to the micro enterprise sector. Entrepreneurs in the Service Sector benefitted the most from SEAP-funded activities.
- SEAP was one of RDO/C's better-designed projects, partly because of the high degree of involvement and "ownership" of the concept by the NDFs while the project was being formulated.
- Although SEAP's impact was positive, we could not quantify its effect on employment, income, productivity and economic growth at the macro-economic level because of the lack of baseline data and comparative information on a country-by-country basis.
- The Project's *demonstration effect* was its most notable success indicator. The NDFs have proven that SME and micro-enterprise financing is profitable and no less risky than conventional bank loans to larger businesses. Commercial banks, noticeably risk-averse prior to the SEAP-funded NDF program, are now actively encouraging small businesses to take out loans for entrepreneurial activities.

- SEAP's institutional development support program served to upgrade the operational capacity of the NDFs. Four of the eight Foundations have the organisational capabilities needed to facilitate their institutional and financial sustainability.
- ECODEF performed creditably in delivering micro enterprise resources and institutional support to the NDFs but was less successful in its efforts to a) strengthen the four weaker NDFs and b) facilitate SME as compare to micro enterprise development.
- The USAID Cooperative Grant Agreement with ECODEF included a number of performance requirements for NDF access to project funds. However, although the NDFs own ECODEF, they failed to reconcile ECODEF's underlying decision-making authority over the utilization of Project funds. This led to increasing conflicts between the NDFs and ECODEF's Secretariat at the Executive Director/operational level.
- Neither ECODEF nor the NDFs were financially sustainable by the PACD. The emphasis on sustainability came too late in the project cycle and the NDFs "grant culture" had become a major inhibitor to more commercially-oriented strategies for survival.

**Lessons Learned.** Our assessment of SEAP offers lessons learned about project design, implementation, selective approaches to sustainability and key indicators of success for micro enterprise programs:

- *Project "ownership" by implementing agencies is one of the most important prerequisites for successful project design and implementation.*
- *The pursuit of organisational and institutional sustainability often changes the shape and focus of development programs to the point where project/program objectives are in direct conflict with the very survival of the agencies selected to implement those programs.*
- *Grant-funded programs inadvertently create an executive management culture of donor dependency which can become so ingrained that it eventually emerges as a major impediment to the commercially-oriented initiatives needed to ensure survival after grant funding expires.*
- *Changing the strategic thinking of the organisations that benefit from donor-funded projects is probably the most critical issue which micro enterprise (grant) projects should address to ensure the successful achievement of sustainability objectives.*
- *It is far more important to monitor and assess the extent to which project activities have led to or influenced permanent changes in private sector initiatives of micro enterprise activities since universal adoption of new concepts - at the country level - is probably the most important indicator of (sustainable) project success.*

**Phase I Evaluation of RDO/C Programs**  
**The Small Enterprise Assistance Project No. 538 - 0133**

**Sept 8, 1995**

**1. INTRODUCTION**

**1.1 Purpose**

The purpose of this report is to provide USAID with a Phase I assessment of the Small Enterprise Assistance Project (SEAP) and its support to the National Development Foundations (NDFs) and their umbrella organization, the East Caribbean Organization of Development Foundations (ECODEF).

**1.2 Statement of Work**

The Phase I Scope of Work required that DATEX:

- Identify USAID's main program areas and themes, and level of resources devoted to each program over the period of assistance, and to the extent possible, identify how the resources were distributed among countries;
- Describe conditions and changes in the region over time, including regional institutions and economic, social, political, and environmental conditions of the primary beneficiary countries;
- Relate USAID assistance to those conditions and changes, including a preliminary assessment of whether USAID assistance was appropriately focused and effective; and
- Draw lessons which may be learned from the experience for future assistance efforts.

In the context of the overall evaluation, a private sector development specialist, Michael Julien, was commissioned by DATEX to carry out a 15-day assignment to review RDO/C's Small Enterprise Assistance Project. Specifically, the consultant was asked to:

- Assess ECODEF's effectiveness and success in serving and supporting the National Development Foundations (NDFs) small and micro-enterprise activities;
- Assess ECODEF's financial and institutional sustainability and its prospects for survival without RDO/C funding;
- Examine the NDFs' role, functions and spread of activities and obtain their perspectives on their relationships with AID with respect to project design, implementation and underlying assumptions and targets; and
- Assess the relative level of success of the eight NDFs and lessons learned from AID assistance to the micro enterprise sector.

### **1.3 Approach To Assignment**

The consultant's approach to the assignment consisted of the following:

- Inception and follow-up meetings with RDO/C project officers;
- Reviews of project documents and clarification of SEAP data;
- Visits to four of the eight primary (beneficiary) countries; and
- Interviews with ECODEF, NDF and former SEAP staff.

The consultant met with two senior RDO/C personnel in Barbados to discuss the approach to his assignment and reviewed a number of SEAP evaluations and impact assessments in preparation for his field trip.

He met with the acting Executive Director of ECODEF and the Executive Directors of four NDFs (Antigua, Dominica, St. Kitts and St. Lucia) to discuss the background, rationale, performance, impact and current status of each organization. He then returned to Barbados to clarify a number of key issues emanating from his field visits and to review additional documentation at RDO/C. In addition to his required scope of work, the consultant attempted to examine the following issues:

- The extent to which SEAP and ECODEF leveraged other donor and private sector participation in the development of the SME sector;
- The extent to which SEAP, ECODEF and the NDFs facilitated OECS private sector growth and development and helped to meet basic human needs;
- The degree to which the NDFs "graduated" businesses - from micro to small and from small to medium a) with NDF programs and b) through linkages with banks and other larger lending institutions such as development banks and commercial banks;
- The level of success (by the NDFs) in linking enterprises in the same or different businesses categories with larger "mentor" companies; and
- The extent to which the NDFs forged alliances with other business associations to improve public policy affecting SMEs.

### **1.4 Report Content**

In addition to this section, this report consists of other sections on the project context and RDO/C's private sectors strategy (2. Background); an overview of SEAP and profiles of the NDFs and ECODEF (3. Small Enterprise Assistance Project); findings and conclusions on implementation and on NDF and ECODEF performance (4. Findings and Conclusions) and lessons learned from the Project (5. Lessons Learned).

## **2. BACKGROUND**

### **2.1 Project Context**

The emergence of small enterprise assistance programs in the Eastern Caribbean was a direct consequence of U.S. Government foreign policy to stimulate and support private sector development on a global basis in the early 1980s. The rationale behind this strategy was that public sector-led economic development was fiscally unsustainable. The U.S. perceived that such strategies were increasingly undertaken to justify non-democratic political ideology. It believed that the best way to overcome employment and export and fiscal constraints and facilitate future economic growth was to improve the environment for spontaneous private investment, export, and employment initiatives. Thus, in the early Eighties, AID/W began encouraging its Missions to examine opportunities to facilitate sustainable private sector growth.

In line with this emphasis, RDO/C designed a number of programs and projects aimed at accelerating business investment in the Eastern Caribbean. Those programs were created to strengthen the institutional capacity of private sector organizations and their role in policy and economic decision-making at national and regional levels. They were also created to obviate constraints to accessing investment finance (debt and equity), particularly for export-oriented businesses and to stimulate SME development.

### **2.2 Private Sector Development Strategy**

RDO/C's private sector strategy was two-fold. First, the Mission sought to improve the capacity of the "umbrella" association of private sector organizations, CAIC, to encourage governments and the public sector at the regional level to adopt policies and programs to facilitate private sector growth. It also sought to strengthen each country's private sector organizations and to provide special support to help them address critical constraints and policy (advocacy) issues. In addition, it decided to provide funding for technical assistance, training and credit for small, medium and micro-enterprise development.

Second, the Mission focussed on supporting multi-faceted investment promotion and export development programs. Those programs offered investment finance and "hands on" technical assistance and training for export agencies, financing intermediaries and private sector businesses whose purpose was to stimulate investment, create employment and increase export-led growth.

## **3. SMALL ENTERPRISE ASSISTANCE PROJECT**

### **3.1 Project Goals and Objectives**

The Small Enterprise Assistance Project (SEAP) was authorized at \$10 million of which US\$9.26 million was obligated under a February 25, 1986 Cooperative Agreement between USAID and the Caribbean Association of Industry and Commerce. The goal of the Project was to increase employment, income, productivity, and economic growth in the Eastern Caribbean by assisting in the development of privately-owned productive enterprises.

The three main operational objectives of the Project were to :

- Assist micro enterprises through National Development Foundations (NDFs), Women in Development (WID) in Barbados and other non governmental organizations (NGOs);
- Coordinate the provision of technical and training assistance to entrepreneurs and supporting institutions (NDFs, National Co-ordinators, banks, business associations);
- Establish a SEA Regional Coordinating Unit (RCU) within CAIC to facilitate and coordinate all project activities through National Delivery Institutions (NDI) and NDFs.

### **3.2 Project Components**

The project components consisted of:

- **Technical assistance (TA)** comprising a SME TA fund in each participating Organization of Eastern Caribbean States (OECS) country; management support for the Regional Coordinator; continued support of Pan American Development Foundation (PADF) technical assistance to the NDFs; expanded International Voluntary Services (IVS) to provide additional technical backstopping to micro, small and medium scale enterprises; and continued funding of IESC small enterprise assistance in the OECS.
- **Training** consisting of a SME training fund to support NDF group training initiatives for small enterprises in the same or similar businesses.
- **Credit** in the form of grant funding for NDF on-lending to micro enterprises in Barbados, St. Vincent, St. Lucia, Dominica, St.Kitts/Nevis, Antigua and Grenada; a SME Pilot Matching Credit Fund; and a Small Business Investment Corporation (SBIC)-type mechanism to examine the potential for co-financing linkages with other financial intermediaries.
- **Organizational Support** for facilitating project management through the RCU; through National Coordinators; and through the use of National Coordinating Committees and a SEA Advisory Council. The component included financial and institutional strengthening support to the Foundations to help them improve their operating and portfolio management systems.

### **3.3 Financing Plan**

Table I below summarizes the financing plan for the project. Subsequent amendments to the Cooperative Agreement increased total funding from US\$9.26 million in 1986 to \$15.45 million by September 1992. We noted that about 50% the \$15.45 million grant was allocated to NDF-initiated micro-enterprise credit activities; 20% for training and technical assistance; and 15% for financing overhead costs of the RCU at CAIC. While some of the training and TA resources were directed towards small and medium-size businesses, the micro enterprise element received at least two-thirds of the resources allocated under the project.

**Table I**  
**SEAP Financing Plan**

<b>Line Items</b>	<b>Obligated 02/86 - 07/92</b>	<b>Obligated 01/92 - 02/93</b>	<b>Total Budget</b>
TA and Training	1,569,309.00	273,245.00	1,842,554.00
TA/Train for Mgmt.	839,825.00	9,940.00	849,765.00
SME Credit	206,588.00	6,588.00	213,176.00
NDF/WID	6,586,933.00	1,027,153.00	7,614,086.00
Operating Costs	2,182,517.00	368,000.00	2,550,517.00
Project M&E	243,672.00	60,000.00	303,672.00
Policy Advocacy	22,216.00	0.00	22,216.00
CAIC Administration	662,810.00	0.00	662,810.00
Memb. Development	109,083.00	3,590.00	112,673.00
Training	436,240.00	5,302.00	441,542.00
Affiliate Development	268,969.00	(93.00)	268,876.00
Export Development	225,089.00	37,254.00	262,343.00
Overheads	65,698.00	0.00	65,698.00
Services to SEAP	153,725.00	82,775.00	236,500.00
<b>Totals</b>	<b>13,357,674.00</b>	<b>1,873,754.00</b>	<b>15,446,428.00</b>

**Source: Cooperative Agreement, SEAP No. 538-0133. September 25, 1992.**

### **3.4 Project Outputs and Targets**

Although adopted by the NDFs at the start of the project, quantitative targets were not appended to the original Project Paper and were therefore not incorporated in the 1986 Cooperative Agreement. However, various outputs were established for March 1992 - February 1993 in anticipation of a transfer of the project from CAIC to ECODEF in March 1993. Additional targets were created for the 2-year March 1993 - February 1995 ECODEF - RDO/C Cooperative Agreement, which replaced the CAIC-RDO/C Agreement.

Furthermore, as SEAP entered its final 2-years of implementation under ECODEF management, the project goal and purpose were modified to emphasize NDF financial sustainability. Consequently, strengthening the capability of the NDFs to sustain their operations beyond the 1995 PACD became a major objective of the ECODEF - RDO/C grant agreement.

### 3.5 NDF Profile

Dominica was the first island to establish an NDF in 1981. The concept spread to Barbados and the other OECS countries in the following manner: Barbados in 1982; St. Lucia in 1983; St. Vincent in 1984; Grenada, Antigua-Barbuda and St. Kitts-Nevis in 1985; Montserrat in 1988.

The eight NDFs are private, non-profit NGOs and have a common mandate to promote enterprise development by providing credit, technical assistance and training to small businesses and micro enterprises. Their services benefit women, men, partnership groups and co-operatives in rural and urban areas.

The Foundations initial approach was to provide loan guarantees for commercial bank loans to small and micro entrepreneurs. They began to provide direct loans to micro enterprises after 1986 to solidify their institutional role and presence in the financial sector and to improve coordination of their training, TA and credit services. Most loans are taken up by entrepreneurs who are unable to access start-up capital or finance for business expansion through the conventional banking system.

The NDF *modus operandi* is to combine loans with specialized technical assistance and training to help get new entities off the ground - either for groups of similar businesses or on an individual basis. Sectors served include Agriculture, Construction, Fishing, Manufacturing, Retail, Services and Tourism. Technical assistance and Training are provided in such areas as record-keeping, financial and general management, marketing, production, quality control, raw material procurement, and identification of appropriate technology and equipment. Also, regular client monitoring allows the NDFs to improve management and performance of their loan portfolios.

The Foundations carry out group training sessions with clients (borrowers), prospective clients, and other micro enterprise and small business persons in business management, marketing, technical areas, and enterprise development. Some NDFs run programs for SME clients and the wider private sector and offer customized in-house training, on request.

Each NDF is governed by a Board of Directors drawn from local businesses, and professional groups. The Foundations are managed by Executive Directors with support staff consisting of an accountant, loan officers and business development/training specialists.

### 3.6 ECODEF Profile

ECODEF was inaugurated in 1987 in Grenada by the eight Foundations listed in Table IV (page 11) as the micro enterprise equivalent to CAIC, the regional head office and Secretariat of Caribbean Chambers of Industry and Commerce. WID/Barbados is an associate ECODEF member. ECODEF's mission is to strengthen the capacity of its member Foundations to effectively deliver services to the micro and small business sectors.

The organization is governed by a Council which consists of the Chairmen of the eight Foundations. Its day-to-day operations are administered by a Secretariat which began operating on a part-time basis in Dominica in 1988.

At first, the location and management of the Secretariat was rotated among the NDFs to minimize operating and staff costs. An executive committee, elected annually by the Council, functions as ECODEF's management Board and provides oversight and guidance to the Secretariat.

Since 1990 ECODEF has focussed on its principal objectives of a) providing institutional strengthening support, b) mobilizing funds and technical assistance to sustain regional and national programs, and c) supporting the development of SME and micro enterprises in the Eastern Caribbean. The Foundation was certified by USAID as a Local Private Voluntary Organization (LPVO) in 1992 and entered into a sub-grant agreement with CAIC to manage SEAP in November of that year.

Under a separate 2-year US\$3,335,934 Cooperative grant (increased to \$3,592,871 in 1994), it took over SEAP implementation and reporting responsibilities from CAIC in March 1993. The grant resources were allocated as illustrated in Table II below.

**Table II**  
**Initial US\$ Budget Allocation To ECODEF for 1993 - 1995**

<b>Line Item</b>	<b>USAID</b>	<b>ECODEF</b>	<b>Total</b>
<b>Administration Costs:</b>			
Salaries	217,812.00	24,200.00	242,012.00
Other Direct Costs	59,335.00	6,595.00	65,930.00
ECODEF Staff Training	20,725.00	2,305.00	23,030.00
<b>Program Funds:</b>			
Institutional Support	278,062.00	0.00	278,062.00
SME Sector Development	335,000.00	0.00	335,000.00
Micro Sector Support	2,425,000.00	0.00	2,425,000.00
<b>Total Grant Allocation</b>	<b>3,335,934.00</b>	<b>33,100.00</b>	<b>3,369,034.00</b>

**Source: USAID/ECODEF Cooperative Agreement No. 538 - 0133 - A - 00 - 3230 - 00**

ECODEF has worked towards the creation of a more enabling environment for small enterprise development. For example it has drafted a Bill for an Act To Develop Small Business and initiated a comprehensive micro and small enterprise survey for the OECS.

It has also managed projects for other donors including the Inter-American Foundation (IAF), Co-operative Development (CD), Foundation for International Training (FIT), the Caribbean Development Bank (CDB) and UNDP. It has provided support to its member-NDFs in such areas as financial management, computerization, accounting, credit administration and loan appraisal and has acted a regional lobbying and advocacy center for SME development.

## **4. FINDINGS AND CONCLUSIONS**

### **4.1 Review of Prior Evaluations**

A number of evaluations were carried out by RDO/C on SEAP and on individual NDFs since the inception of the Mission's private sector program. Between 1983 and 1989 RDO/C commissioned two "cluster" evaluations on its private sector projects. Collective as well as individual NDF impact assessments were also carried on the eight NDF loan programs.

The cluster evaluations suggested a number of improvements in implementation systems but concluded that the Foundations would be only partially sustainable without development funding. Most of the studies concluded that the NDF loan programs were having a positive effect on employment creation as well as income generation. However, there was a similar consensus that the SME and micro enterprise sectors aggregate contribution to economic growth would be always confined by the investment limitations and scale of operations of its entrepreneurial base.

### **4.2 Project Design and Implementation**

Interviews with the former RCU Regional Coordinator, the acting Executive Director of ECODEF and the Executive Directors of four NDFs revealed that there was a high level of participation by the Foundations in RDO/C project design. For example the NDFs proposed minimum performance standards for access to grant funds, suggested key impact indicators, identified critical project components and established their own loan, technical assistance and training targets.

With the exception of Montserrat which was formed after SEAP was launched, there was a high consciousness of the need for "ownership" of the project by the recipient organizations at an early stage of the design process. Thus, the Foundations had strong reservations about using CAIC as the SEAP micro enterprise project "center". Another reason was that CAIC was perceived as a big business "club" with no background or experience in micro sector development.

Despite this reluctance the project was channeled through the Caribbean Association because there was no other suitable regional mechanism in place at the time. Also, RDO/C and CAIC wanted to consolidate private sector linkages, advocacy and representation because those initiatives were at a relatively nascent stage at both the regional and national levels. It is important to point out that ECODEF was created one year after SEAP was started and therefore was not an alternative organization for channeling project funds when the project was being designed.

Some project elements were dropped because they were impractical, had limited scope for development or were not a priority to RCU and/or the NDFs. These included the SME Pilot Matching Fund and the SBIC Pilot Project Investments facility. Other elements, such as IVS, PADF assistance to the NDFs and the IESC micro enterprise support program were not renewed after those budgets has been utilized. The reason: RCU had become proficient at providing similar technical assistance and training services more efficiently and at lower costs than the specialized volunteer programs. Overall, the project was well designed and endorsed by national SME agencies, by the financial sector, and by the fledgling micro enterprise beneficiaries on each island.

### 4.3 NDF Performance

We reviewed NDF performance in the following key areas: 1) attainment of goals, purpose and operational objectives, 2) compliance with the terms of the cooperative agreement; 3) accomplishments and deficiencies under the Micro Credit Support Program, the SME Sector Support Program, and the Institutional Development Support Program; and 4) financial performance/status.

#### 4.3.1 Attainment of Goals and Purpose

SEAP's main goal was to increase employment, income, productivity, and economic growth in the eastern Caribbean by assisting in the development of privately owned (small and micro) productive enterprises. The data provided by the NDFs for 1990 -1994 indicates that SEAP- funded activities served to support the creation and expansion of 5,000 micro enterprises and 10,000 jobs during that period. However, we were unable to draw conclusions about the impact of the Project since the data was compiled without relative comparisons to the total size of the micro enterprise and SME sectors and the overall level of employment in those sectors in the eight participating countries.

No data had been collated on the amount of income generated from SEAP -assisted clients; on improvements in productivity as a result of training and TA delivered under the project; on the Project's overall effect on economic growth; or on the extent to which the Project served to meet basic human needs. Consequently we were unable to reach definitive conclusions about SEAP's effect on private sector growth or its macroeconomic impact during its eight-year existence.

We found that SEAP's "*demonstration effect*" was overwhelmingly successful: In particular, the strategy of appointing senior decision-making makers from commercial banks, large private sector companies and service sector firms to the NDF Boards of Directors has led to a broad-based commitment by banks, by conventional private sector organizations and by Governments to support micro enterprise development.

At the start of the project in the mid-eighties, commercial banks were endorsing SEAP and NDF activities because that endorsement allowed them to legitimize their avoidance of SME and micro enterprise lending through their own institutions. However, SEAP has shown that properly packaged SME and micro enterprise loan programs are financial viable and often no more risky than commercial bank loans to larger businesses.

By 1995, commercial banks - through direct marketing, special loan programs and advertisement - were openly soliciting SME business and competing with the NDFs for the Foundations' best clients. Still, it is important to make the distinction that banks have moved from avoiding micro enterprise lending altogether to financing those micro enterprises with a proven track record. In this regard the NDFs are still the leading provider of credit for first-time entrepreneurs.

Likewise, some island governments are emphasizing small enterprise expansion in their five-year economic development plans. They are now receptive to NDF proposals to access institutional Funds like the National Insurance Scheme (NIS), which, until recently, were invested exclusively in Government securities.

Finally, our review of surveys carried out as part of the second RDO/C private sector cluster evaluation in 1989 confirmed that the NDFs did achieve the project purpose of “*increasing the efficiency of micro, small and medium-scale enterprises to produce and sell their goods and services*”.

#### 4.3.2 Attainment of Operational Objectives

In general, SEAP met its operational objectives to a) assist micro enterprises through NDFs and b) coordinate the provision of technical and training assistance to entrepreneurs and supporting institutions. It had less success in supporting micro enterprise development through WID or other NGOs partly because of the high degree of project “ownership” by the RCU and the Foundations. Thus, the Foundations were inclined to address their own concerns and constraints before considering support to “outside” organizations. The NDFs met a number of quantitative objectives agreed-to in the ECODEF Cooperative Agreement (Table III). The Foundations:

- Exceeded the news loan target of 2000 new loans over two years;
- Realized 73% of the target set for assisting women-run businesses;
- Reached 81% of the goal for training 1800 entrepreneurs; and
- Attained 80% of the target for training female entrepreneurs.

**Table III**  
**SEAP Output Targets and Accomplishments For NDFs**

<b>Performance Indicator</b>	<b>Targets 03/92 -02/93</b>	<b>Achievements 03/92 - 02/93</b>	<b>Targets 03/93 - 02/95</b>	<b>Achievements 03/93 - 02/95</b>
Micro enterprises receiving loans	486	978	2000	2332
Women-assisted businesses	50%	n/a*	40%	29%
Entrepreneurs Receiving Training	450	n/a*	1800	1464
Female Entrepreneurs Trained	50%	n/a*	50%	40%
SMEs Provided with TA	108	114	432	74
Entrepreneurs, Workers Trained	600	744	1800	1067

\* : Not Available.

**Sources: Amendment No.18 to CAI Cooperative Agreement, November 1992.**  
**and ECODEF Cooperative Agreement, February 1993.**

The Foundations did not achieve a similar goal for providing SMEs with technical assistance during the last two years of the project. They delivered only 17% of the 432 targeted interventions because of a late start to that program, poor coordination between national delivery institutions, such as the Chambers of Commerce, appointed to initiate SME TA, and the low standard of NDI submissions for TA under the program (see sub-section 4.3.5 SME Sector Development Program).

Between 1982 and 1994 the eight NDFs disbursed 7,600 loans totaling EC\$50 million (US\$18.52 million) to small and micro enterprise clients. The Foundations' performance, in terms of number of loan enquiries (10,393), number of loans disbursed (4,987), jobs created (10,094), and value of loans disbursed for 1990-94 (EC\$37.5 million) is summarized in Table IV below.

The Table confirms that the majority of loans and the bulk of the investment impact occurred between 1990 and 1994: over those five years the NDFs disbursed about 75% of their total loans for the 1982 - 1994 thirteen year period.

Most NDF loans were to one and two-person enterprises. Based on the data in Table IV, the average loan size was EC\$7,508 (US\$2,780) while the investment cost per job created was \$3,710 (US\$1,374). Nominal interest rates on loans less than 12 months (short term) vary from 13.5% in Antigua to 10 % in Grenada. Long term rates range from 8.5% in St. Kitts to 13% in Barbados while maximum loan size vary from EC\$50,000 to \$160,000 (for up to five years).

**Table IV**  
**NDF Performance Between 1990 - 1994**

<b>NDFs</b>	<b>Enquiries</b>	<b>No. Loans</b>	<b>Jobs Gained</b>	<b>Loans ECS</b>
Antigua and Barbuda	1274	543	1130	5,236,271.00
Barbados	1064	277	692	3,741,571.00
Dominica	2280	1064	2345	6,721,042.00
Grenada	1468	473	791	4,154,381.00
Montserrat	566	349	533	3,461,986.00
St. Kitts-Nevis	1165	742	874	5,315,939.00
St. Lucia	1427	950	1924	6,428,511.00
St. Vincent	1149	589	1805	2,385,558.00
<b>Totals</b>	<b>10,393</b>	<b>4987</b>	<b>10094</b>	<b>37,445,259.00</b>

**Source: ECODEF Statistical Data. 1995**

#### **4.3.3 Compliance with the Cooperative Agreement**

With the exception of Barbados, the (seven) NDFs complied with the Special Provisions, Substantial Involvement requirements, and Conditionality guidelines established under the RDO/C/ECODEF Grant Agreement. The Mission considered the Conditionality guidelines to be crucial prerequisites for NDF achievement of financial sustainability.

The Foundations adopted guidelines to a) set annual performance targets and carry out market analyses; b) use market-driven interest rates and c) develop and prepare work plans. They ensured that operating costs were less than 50% of loan principal and that default rates (loans in arrears beyond 180 days) did not exceed 7.5% to avoid non-compliance restrictions to Project funds.

The St. Vincent and Barbados NDFs and WID/Barbados were restricted from accessing Project resources because of poor performance. St. Vincent improved operations and became eligible to use SEAP funds in early 1995. After the Barbados organizations failed to contain their credit administration costs within the 50% limit, designated funds were re-allocated to the other NDFs.

#### 4.3.4 The Micro Credit Support Program

In terms of quantitative impact, the micro credit support program was the most successful project component. For the 2-year 1993 to 1995 period, ECODEF allocated 75% of its SEAP US\$3,592,871 budget or about \$2.7 million to the micro credit programme of which \$2 million was designated for NDF loans and \$700,000 for ECODEF technical assistance support, training and loan operations. Thus, about 56% of grant resources were utilized for micro sector lending over that 2-year period.

As illustrated in Table IV the Foundations made 5,000 loans which served to create approximately 10,000 jobs in the eight participating countries between 1990 and 1994. Between a third and a half of the 10,000 jobs were incremental to those created for the micro entrepreneurs themselves, i.e. additional employees hired to work in those micro businesses.

ECODEF estimates that there is an average annual demand for 700 new jobs in each of the seven OECS countries and that the incremental jobs created under the micro credit program were equivalent to 10% of total demand on an annual basis. The NDFs postulate that they serve between 30% - 50% of the small business sector. We could not substantiate that claim given the deficiency of baseline data and dearth of small business statistics on an island-by-island basis.

The Service sector benefitted the most from NDF credit: It accounted for about a third of the NDFs loans and as much as 43% of its technical assistance interventions. This emphasis is a reflection of a) the region's proclivity for import and merchandising/distribution trade, b) the increasing expansion of the tourism sector and the resulting demand for support services and c) the inclination towards developing businesses based on the entrepreneur's personal skills and contacts.

#### 4.3.5 The SME Sector Support Program

This program was the least successful of the three SEAP components. It was designed to provide training and technical assistance to small and medium size businesses through National Delivery Institutions (NDIs), consisting of the Chambers of Commerce (CoCs) in six OECS islands, the Small Business Association (SBA) in St. Lucia and RCU in Barbados. The concept ran into implementation problems because of the lackluster commitment by the Chambers and the SBA; their access to similar programs from other agencies; and the fall-off in demand for TA services as the manufacturing sector in the OECS began its decline in the early 1990s.

With the exception of Grenada, NDI responsibility was transferred from the CoCs to the Foundations by 1994 to keep the program operational. However only the Dominica, St. Kitts and St. Lucia NDFs had the capacity to carry out SME training. Those Foundations initiated 80% of the 74 programs launched under ECODEF project administration. This institutional deficiency was the primary reason why the NDFs attained only 17% of the 432 targeted interventions agreed to in the Cooperative Agreement.

In terms of SME technical assistance, the Foundations provided support to 259 persons in 69 companies through 52 interventions under the ECODEF program. The interventions that were undertaken demonstrated the significance, importance and necessity of this service to small Caribbean companies. For instance, the NDFs provided TA to:

- Set up computerized accounting and inventory systems for a ship chandlery, and electrical and building contracting firms in Grenada;
- Evaluate a Solar Water Heater manufacturer's production systems in Dominica;
- Train an Antiguan craftsman to use laser technology engraving equipment; and
- Improve productivity of an off-shore garment manufacturer involved in 807 contract work in Montserrat.

Such support helped to upgrade the business operations of a number of SMEs. However, we concluded that the program was only marginally successful for two reasons. First, 5 of the 8 NDFs lacked the capability to provide TA to SMEs. Second, the NDFs were not enthusiastic about helping SMEs because there was limited scope for providing loans to them since the SMEs' financing needs almost always exceeded the Foundations' maximum loan limits.

#### 4.3.6 The Institutional Development Support Program

The primary purpose of this program was to upgrade the institutional capacity of the NDFs to function effectively after SEAP's February 23, 1995 PACD. To this end, the Foundations benefitted from a number of support measures initiated by ECODEF. These included completion of the computerization of the NDFs accounting and loan portfolio systems, recommendations on improving portfolio management, an analysis of the NDFs Loan Portfolio and Financing Needs and evaluations on two poor performers, the St. Vincent and Barbados Foundations.

We reached mixed conclusions about the success and relevancy of the program. On the one hand the NDFs gained from ECODEF's institutional strengthening activities. The range of assistance provided, articulated in the Secretariat's 1995 Terminal Report on SEAP, indicated that the Foundations had improved their systems and technical skills as a result of the program. On the other, we found that the program failed to address critical strategic issues relating to the institutional and financial sustainability of the NDFs. Although SEAP ended in February 1995, the Foundations were still hoping to access concessionary funding from the CDB to replace USAID grant resources.

We noted that the Foundations did not carry out a strategic assessment of their strengths, weaknesses or institutional options and have not come up to alternative approaches to their own survival. For example, the NDFs have not looked at options to merge their functions with those of the local development banks or credit unions and, with the exception of St. Lucia, have not restructured their operations to drastically bring down overhead costs.

From a similar perspective, the NDF emphasis on institutional strengthening implied that the Foundations were still assuming that they would continue to function more or less "as is" and were not rigorously examining others strategies for meeting the needs of the micro enterprise sector.

#### 4.3.7 NDF Financial Performance and Status

The three most successful NDFs - St. Lucia, Dominica and St. Kitts - disbursed 61% of new loans between 1992 and 1994. The eight Foundations total assets grew from EC\$21 million in 1992 to \$26 million by the end of 1994 and their (loan) fund balances increased by 20% over the same period. As a measure of financial sustainability, the Foundations increased their income: expenditure ratios from 58% in 1992 to 68% in 1994 with Antigua and St. Lucia recording I:E ratios of 98% and 85% respectively in 1994.

The most critical factor which differentiated the successful NDFs from the borderline ones was the caliber of Board members and the quality of senior operations staff. For instance, the NDF Boards in Dominica, and St.Kitts consisted of the top bankers and business persons on those islands.

We observed that the Foundations' net portfolio, at EC\$13 million in 1994, was two and half times as high as it was in 1992 and that their debt:equity ratios has improved threefold from 40% in 1992 to 14% in 1994. Those improvements occurred partly as a result of accelerated drawdowns of SEAP program funds and partly as a result of a streamlining of loan disbursements practices. Nonetheless, our analysis of the Foundations' liquid and near cash assets revealed that none of the them are in a position to sustain their loan operations at present disbursements levels for more than 24 months without access to additional resources.

To circumvent future cash flow constraints, four of the eight organizations (Dominica, St.Kitts, Montserrat and St. Lucia) are attempting to access new funds from local institutional sources. St. Kitts, Dominica and St. Lucia have entered into discussions with statutory corporations to access concessionary loan resources from their National Insurance Schemes (NIS). The Montserrat NDF has secured funding from NIS, a local commercial bank (Bank of Montserrat), the telecommunications company (Cable and Wireless), and a private charity based in Costa Rica. At the time of this evaluation it was too early to tell whether those alternatives would fill the void left by SEAP.

According to an ECODEF portfolio analysis commissioned in 1994, the NDFs will need US\$4.6 million to maintain operations at current levels for the next five years. Recent ECODEF efforts to secure a comprehensive US\$3.3 million package of micro enterprise support from the Caribbean Development Bank (CDB) has reached an impasse over the amount of up-front counterpart funding (US\$555,000) which the Bank is requiring the Foundations to contribute to the program.

The Foundations are reluctant to set aside what amounts to 25% - 40% of their cash reserves to access CDB funding. But if the Foundations do not close the CDB deal, it is highly unlikely that they will be able to secure that level of loan capital (US\$3.3 million) from local sources. Consequently, by the end of 1996, the NDFs may be forced to scale back their lending activities, TA and training; be more dependent on reflows (loan repayments by borrowers) for future lending; and have to adjust to less than ideal levels of funding at the national level.

#### 4.4 ECODEF Performance

##### 4.4.1 Operational Performance

We reached mixed conclusions about ECODEF's performance during the 2-year grant period. From an operational view point, its role as a facilitator and coordinator of NDF funding and technical support was effectively carried out by the Secretariat's management team. We were particularly impressed with ECODEF's monitoring of NDF performance, its insistence that the Foundations adhere to Conditionality guidelines as criteria for accessing project funding, and its initiatives in preparing and submitting the US\$3.3 million proposal for post-SEAP funding to the CDB.

On the downside, there were a number of flaws in ECODEF's approach to institutional and financial sustainability. A basic *faux pas* was the exponential increase in ECODEF staff and budget between 1993 and 1995. ECODEF's operating costs changed substantially as it evolved from a "shell" operation in 1992 to a full-blown LPVO in 1994. Table V below reflects these changes.

**Table V**  
**ECODEF Financial Indicators 1991 - 1994 In EC Dollars**

<b>Financial Indicator</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>
Revenue: NDF Fees, etc.	35,971.00	20,946.00	91,143.00	68,067.00
Operating Expenses	394,174.00	461,263.00	873,372.00	984,124.00
Reimbursement by Donors	243,123.00	150,484.00	803,227.00	957,612.00
Total Assets	166,044.00	266,436.00	1,500,325.00	482,991.00
Project Funds Available	442,123.00	444,328.00	5,833,916.00	5,453,717.00
Project Funds Utilized	430,594.00	295,631.00	4,499,703.00	5,183,847.00

**Source: ECODEF 1994 Annual Report**

During that period the Secretariat's staff increased from 5 to 10 employees and its operating costs from EC\$461,000 to \$984,000 per year. Moreover, ECODEF failed to mobilize additional revenue from its members so that it depended on SEAP for 90% of its operating (financing) requirements.

#### 4.4.2 Project Management

One reason for the increase in operating costs was RDO/C pre-conditions for ECODEF qualification as an LPVO. These prerequisites required the Secretariat to upgrade and install organizational management and reporting systems necessary for coordinating a USAID project. Some of the additional costs associated with this stipulation were unavoidable. However, it would have been more effective for ECODEF to projectize its LPVO costs.

That approach would have allowed the Secretariat to maintain a lean core staff operation and contain most of USAID's LPVO management requirements within SEAP. Had the NDFs adopted that strategy, ECODEF would have been in a much better position to maintain an operational base after SEAP funding expired, since it would have treated the Project as a discrete one-off activity. Based on our assessment of NDF liquidity we concluded that the Foundations could have readily provided EC\$400,000 (\$50,000 per year each from the Foundations) to fund a core Secretariat that would have been independent of SEAP support.

Another unexpected outcome of ECODEF's assimilation of SEAP was that the NDF Boards failed to reconcile the Secretariat's apparent decision-making authority over project allocations to the NDFs. This led to repeated conflicts between the Executive Directors (EDs) of the Foundations and the Secretariat: The EDs saw the Secretariat as a clearing house for their activities while ECODEF's *raison d'être* was to ensure that it made commitments and decisions in line with the guidelines and requirements established in its Cooperative Agreement with USAID

ECODEF could have done a better job of strengthening the weaker NDFs in terms of their capacity to access local funding; to pursue strategic opportunities and organizational linkages at the national level; and to upgrade their Training Units. We noted that although training was a major element of the micro credit and SME programs, the Secretariat did not appoint a Training Coordinator but relied primarily on outside experts for delivering specialized assistance to the Foundations.

#### 4.4.3 Graduation and Linkages

The concept of graduating micro enterprise and SME clients to formal business status was promoted by USAID and RCU during the early stages of project implementation. The NDFs decided to drop that strategy because they were reluctant to pass on their best clients to the commercial banks. The NDFs' position was that a graduation policy would be inimical to their own viability and focussed instead on offering repeat loans to their best clients.

The Foundations' decision to obviate risk by retaining those clients led to a number of changes in their loan policies and focus. For example, by 1995 Dominica had increased its maximum loan size from EC\$40,000 to \$160,000. In some islands, commercial banks have started to openly compete with the NDFs for small business clients above a \$20,000 loan threshold. In Dominica, the Royal Bank of Canada is selectively promoting agriculture loan programmes to smallholders for diversification away from banana production. Some NDFs were able to upgrade or "graduate" their own capability to provide training and technical assistance from micro to small clients and were occasionally approached by the commercial banks to provide TA to the banks' client base.

The NDFs maintain informal links with larger private sector businesses some of which have acted as "mentor" firms for upcoming NDF clients. The Foundations have limited financing linkages with commercial or development banks although there was the occasional one-off joint financing deal on larger NDF loans. Co-lending was not exploited to the maximum, partly because the banks were not that enthusiastic about the idea: they were extremely liquid between 1985 and 1992 and therefore preferred to lend their surplus funds to their better SME clients.

Each NDF is a member of the local CoC and there are strong bonds between the Foundations and the Credit Unions in Dominica, St.Kitts and Montserrat. However, access to Credit Union funds is still confined to small commitments because of the risk averse and conservative nature of the Credit Union system.

#### 4.4.4 Institutional and Financial Sustainability

In its terminal report on SEAP, ECODEF conceded that its Secretariat and the NDFs had not met the objectives of institutional and financial sustainability within the project period. ECODEF claimed that USAID had not provided assistance for developing a practical sustainability plan. It also concluded that RDO/C, ECODEF and the Foundations waited too long to address this issue. The report pointed out that donors were now less inclined to support conventional approaches to enterprise development and that the two-year time frame was too short to move the NDFs from a grant to a commercial loan culture.

We concurred with the Secretariat's conclusions about the late emphasis on sustainability and the "grant culture" paradigm. We concluded that SEAP's primary goal after 1992 should have been to get the Foundations to develop practical plans for sustainability based on a) a strategic analysis of their environment and b) opportunities which could have been explored on a country-by-country basis. Furthermore, solutions should have been tailored to serve the needs and circumstances of each NDF.

We also concluded that the sustainability objective would have been better served if SEAP micro credit resources had been provided as a "Matching Fund" as part of the ECODEF Cooperative Agreement. Under such a mechanism, SEAP funds would have been made available on the condition that the NDFs first secure equivalent funding from other sources. This would have been a tangible incentive for the Foundations to make stronger commitments to accessing new lines of credit. Moreover, the Foundations could have used that strategy as an integral part of its negotiations for CDB funding.

ECODEF adopted an "umbrella" approach to sustainability which assumed that the same concept should be adopted for all NDFs and that funding should be centrally tapped from external or development sources. That strategy did not reflect the fact that some NDFs were in a better position, institutionally and financially, to successfully localize their sustainability programs and to pursue appropriate linkages with the financial sector.

In retrospect, it may have been more effective to classify the NDFs into two performance groups; to help each group devise its own sustainability plans; and to establish "entry level" requirements for NDF access to CDB funds on a group or Foundation basis..

#### 4.4.5 ECODEF's Organizational and Financial Status

ECODEF's Secretariat has been significantly downsized after SEAP funding expired in February 1995. Between March and August 1995 staffing levels were reduced from ten to three (now a part-time accountant, a secretary and an office assistant). Because of a shortage of funds, key senior positions, such as the acting Executive Director, the Financial Controller and Project Officer, could not be maintained after August 1995.

In mid-August the Secretariat informed the Foundations that it would have to close its doors by the end of September if interim funding was not forthcoming from them. The Secretariat has tried to solicit financial support from an Association of indigenous banks in the region but now lacks the management capability to follow through on that request. The Foundations are considering committing between US\$7,000 and \$14,000 each (\$84,000 - \$168,000 per year) to support a small 3-person Secretariat for the next 12 months but are still hoping to use that commitment as a compromise alternative to CDB's \$555,000 counterpart funding requirement to access the US\$3.3 million loan and TA package.

In summary, ECODEF is on the verge of temporary closure because of protracted delays in accessing new funding after the Project completion date and because the Foundations have failed to make a meaningful financial commitment to its continued existence.

In our opinion, the Secretariat did a commendable job in maintaining the momentum of RCU project implementation, especially in coordinating the delivery of credit, training and TA to the micro sector. It also established and maintained one of the best project monitoring, administrative, and reporting systems for an AID-funded Project in the Eastern Caribbean. It was less successful in its efforts to sustain the SME component of the Project and in its initiatives to get the NDFs to prepare themselves for a more commercial approach to their future survival.

### 5. **LESSONS LEARNED**

This section of our assessment of SEAP offers lessons learned about project design, implementation, selective approaches to sustainability and key factors for success in micro enterprise assistance programs based on the analyses and conclusions in prior section of this report.

1. *The high level of participation by the beneficiary Foundations was a key factor underlying SEAP's operational success.*

- ***Lesson Learned: Project "ownership" by implementing agencies is one of the first basic tenets of successful project design.***

2. *Development priorities, such as the stimulation of micro enterprise development and the broad based provision of investment capital to non-bankable small entrepreneurs, are often superseded by organizational priorities to perform creditably as those programs evolve.*

- ***Lesson Learned: The pursuit of organizational and institutional sustainability often changes the shape and focus of development programs to the point where project/program objectives are in direct conflict with the very survival of the agencies selected to implement those programs.***
3. *Initial grant funding of small enterprise programs is critical to the development of an institutional framework for subsequent implementation but can become a major inhibitor to financial sustainability.*
- ***Lesson Learned: Grant -funded micro enterprise programs inadvertently create an executive management culture of donor dependency that can become so ingrained that it eventually emerges as a major impediment to the conception and introduction of commercially-oriented initiatives needed to ensure survival after grant funding expires.***
4. *The introduction of Special Provisions, Substantial Involvement requirements and Conditionality guidelines were essential preconditions for sound institutional management but should have been complimented with strategic planning and performance incentive criteria designed to get the Foundations to make stronger commitments to their survival and sustainability.*
- ***Lesson Learned: Changing the strategic thinking of the organizations that benefit from donor-funded projects is probably the most critical issue which micro enterprise development projects should address to ensure the successful achievement of sustainability objectives.***
5. *The use of impact and performance indicators may serve to measure the direct quantitative effects of a development program . Most private enterprise projects however, account for a relatively small proportion of overall private sector activity in many countries.*
- ***Lesson Learned: The demonstration effect of private sector projects is often ignored or not assessed by funding agencies. Yet adoption by the wider, "commercial" private sector of concepts conceived under a development program like SEAP will eventually create a far greater sustainable impact on employment, investment and on the evolution of the micro enterprise sector than direct interventions undertaken by the Project itself.***
  - ***Lesson Learned: It is far more important to monitor and assess the extent to which project activities have led to permanent changes in private sector initiatives since universal adoption (of new concepts) is the most important indicator of (sustainable) project success.***

## Persons Interviewed

Peter Medford      Project Officer, Small Enterprise Assistance Project, USAID Regional Development Office for the Caribbean, Bridgetown Barbados.

Darwin Clarke      Special Assistant to Director, USAID Regional Development Office for the Caribbean, Bridgetown, Barbados.

Raphael Archibald      Executive Director, Foundation For National Development, St. Kitts-Nevis, Cayon Street, Basseterre, St. Kitts.

Dr. Carle Walter      Executive Director, National Development Foundation, Antigua and Barbuda, Long Street, St. John's Antigua.

Christabel Charles      Executive Director, National Development Foundation, Great Marlborough Street, Roseau, Dominica.

Shabazz Abdulla      Former Executive Director, National Development Foundation, Roseau Dominica.

M.L. Julien-Grell      Former Acting Regional Director, East Caribbean Organisation of Development Foundations, Roseau, Dominica.

Betty Perry      PADF Management Consultant to ECODEF, Roseau, Dominica.

Melvin Edwards      Former RCU Regional Coordinator at CAIC and Former Executive Director of National Research and Development Foundation, Castries, St. Lucia and the Foundation For National Development, St. Kitts-Nevis.

Cary Harris      Director, National Development Foundation, Dominica and Project Director of Dominica's Economic Diversification Implementation Unit, ALICO Building, Kennedy Street, Roseau, Dominica.

Rawlins Bruney      Chairman, National Development Foundation of Dominica and ECODEF Council Member.

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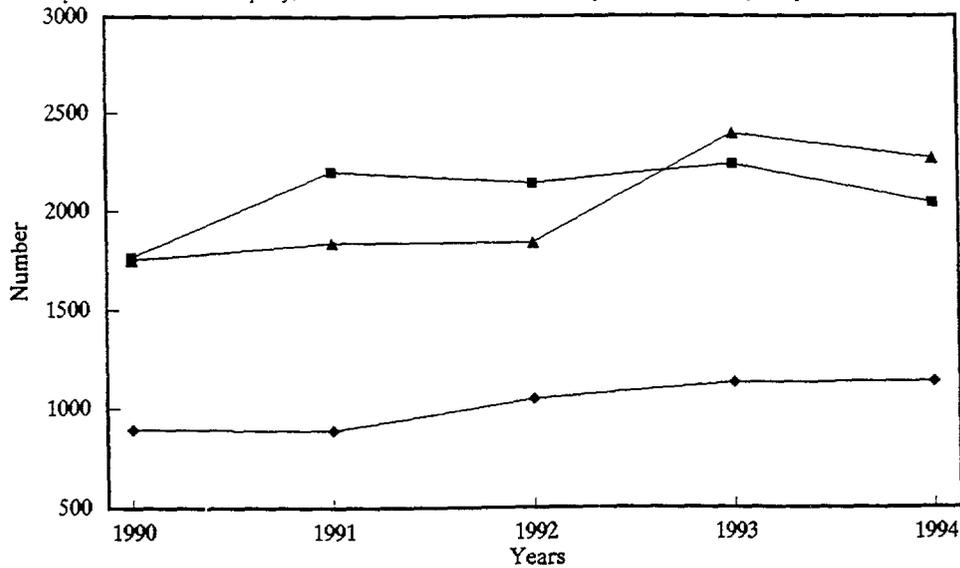
United States Agency For International Development and the Caribbean Association of Industry and Commerce. Cooperative Agreement, Small Enterprise Assistance Project No. 538-0133. (and Amendments) February 25, 1986.

**ATTACHMENTS**

# NDFs MICRO SECTOR SUMMARY DATA 1990 - 1994

## *NDFs Micro Sector Data*

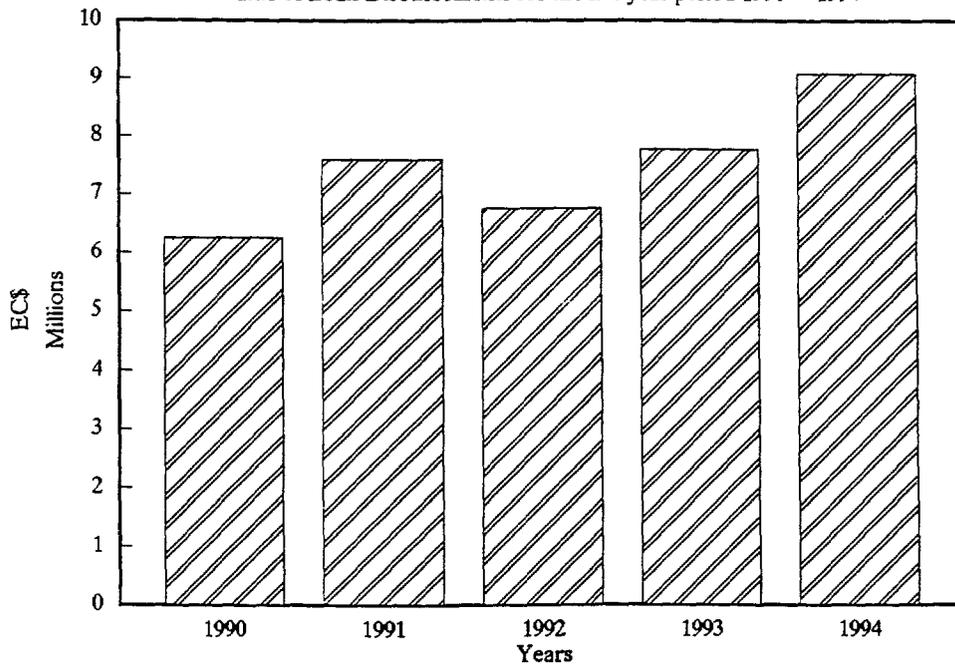
Comparison of Loan Enquiry, Loan Disbursement & Job Impact for the five year period 1990 - 1994



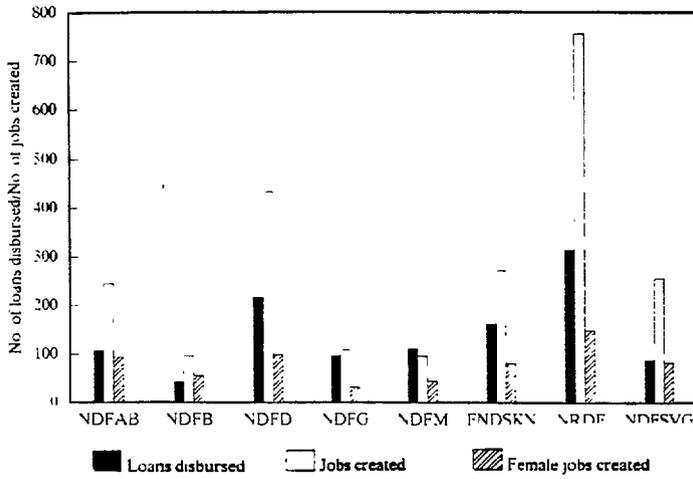
■ Number of Loan Enquiries    ◆ Number of Loans Disbursed  
 ▲ Number of Jobs Created

## *NDFs Micro Sector Data*

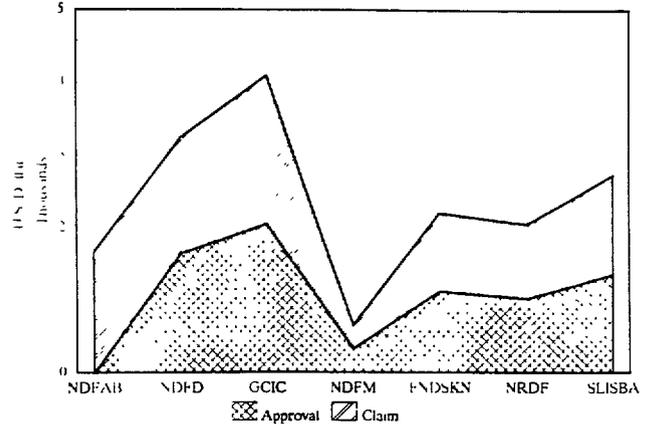
Value of Loan Disbursements for the five year period 1990 - 1994



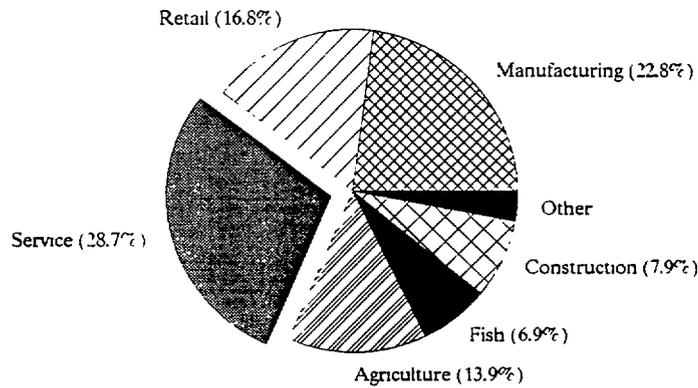
**Micro Sector Support Programme**  
1994 comparison of Loans disbursed/Jobs created/Female jobs created



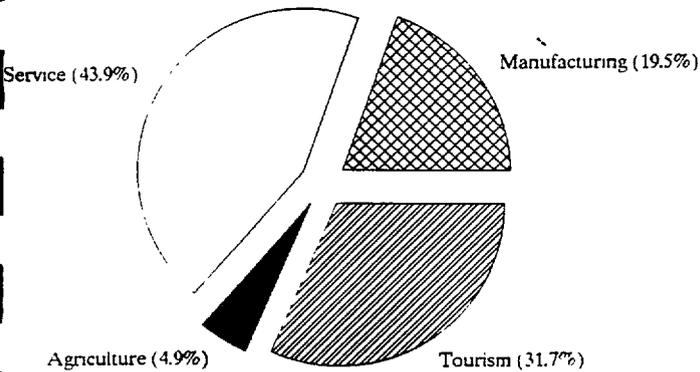
**1994 Comparison: Average Approval/Claim**  
SMTA Interventions



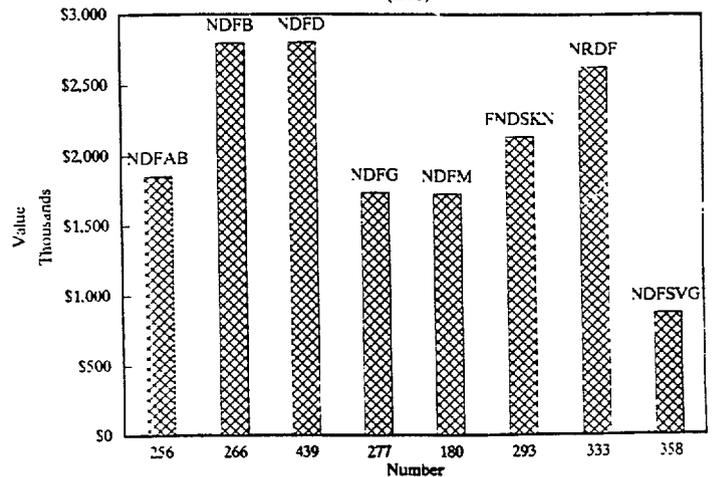
**Micro Sector Sectoral Distribution**  
1994



**Sectoral Emphasis**  
1994 TA Interventions



**Outstanding Loan Portfolio at December, 1994**  
(EC\$)



**EAST CARIBBEAN ORGANISATION OF DEVELOPMENT FOUNDATIONS**

**FINANCIAL INFORMATION**

For Year Ending December 31, 1994

**EAST CARIBBEAN NDFs**

EC Dollar

NO	INDICATOR	ANTIGUA & BARBUDA	BARBADOS	DOMINICA	GRENADA	MONTSEERRAT	ST. KITTS & NEVIS	ST. LUCIA	ST. VINCENT & THE GRENES.	TOTAL/AVERAGE
①	Income/Expenditure Ratio	97.5%	50.5%	70.0%	61.5%	65.0%	64.5%	85.0%	47.0%	67.6%
②	Earned Income	433,378	301,758	699,188	255,412	181,789	390,693	735,304	158,580	3,156,102
③	Expenditure	444,709	597,037	997,910	415,203	277,797	606,076	874,116	336,382	4,549,230
④	Total Assets	3,637,398	2,102,691	6,222,578	2,076,194	2,716,554	4,125,718	3,658,674	1,387,955	25,927,762
⑤	Loans Receivable	1,950,263	1,400,209	2,736,468	1,734,839	1,812,833	2,059,507	2,012,567	629,635	14,336,321
⑥	Current Liabilities	42,750	92,394	370,460	66,598	77,590	362,409	365,070	40,204	1,417,475
⑦	Fund Balance	3,528,352	(520,786)	4,616,668	1,960,996	2,661,024	3,318,977	3,001,759	1,241,960	19,808,950
⑧	Surplus Deficit After Grant	148,870	(29,894)	(120,615)	(38,291)	53,050	(38,614)	292,488	(57,667)	26,166

Note: (1) During 1994 NDF Antigua/Barbuda did not have its full staff complement in place.

(2) Figures for NDF Barbados and NDF Grenada are unaudited.

Extracted from information compiled

By

NRDF St. Lucia

May 1995

Source: Audited 1994 Financial Statements

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EAST CARIBBEAN ORGANISATION OF DEVELOPMENT FOUNDATIONS

FINANCIAL INFORMATION

For Year Ending December 31, 1992

EAST CARIBBEAN NDFs

EC Dollars

NO	INDICATOR	ANTIGUA & BARBUDA	BARBADOS	DOMINICA	GRENADA	MONTSERRAT	ST. KITTS & NEVIS	ST. LUCIA	ST. VINCENT & THE GRENES.	TOTAL/AVERAGE
①	Income/Expenditure Ratio	70.5%	55.5%	69.9%	44.3%	63.4%	70.3%	57.6%	31.1%	57.8%
②	Earned Income	307,197	308,273	501,592	168,696	157,148	282,046	741,690	148,335	2,614,977
③	Expenditure	435,558	555,404	717,297	380,638	248,012	400,993	1,287,314	477,245	4,502,461
④	Total Assets	2,653,518	2,696,223	4,874,709	1,485,716	2,332,025	3,503,472	2,170,950	1,287,471	21,004,084
⑤	Loans Receivable	1,563,416	2,508,116	1,969,416	623,529	1,201,714	1,522,561	1,319,094	716,060	11,423,906
⑥	Liabilities	144,234	2,413,087	1,082,174	186,738	25,382	409,313	2,170,950	181,065	6,612,943
⑦	Fund Balance	2,509,284	1,279,287	3,762,736	1,469,490	2,056,643	2,802,976	1,465,757	1,106,406	16,452,579
⑧	Surplus Deficit After Grant	134,768	(996,152)	(117,155)	(170,512)	(12,906)	(33,388)	(253,812)	(100,501)	(193,707)

Compiled by

ECODEF Secretariat

May 1995

Source: NDF's 1992 Annual Reports and Audited Financial Statements.

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