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GEMINI EVALUATION

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ACRONYMS

CEE	Central and Eastern Europe
DAI	Development Alternatives, Inc.
FAR	Federal Acquisition Regulation
G/EG/MD	Global Bureau, Center for Economic Growth/Microenterprise Development
GEMINI	Growth and Equity through Microenterprise Investment and Institutions
IQC	Indefinite Quantity Contract
ME	Microenterprise
MSU	Michigan State University
NGO	Nongovernmental organization
NIS	Newly Independent States
PP	Project paper
PVO	Private voluntary organization
RSSA	Reimbursable service support agreement
SME	Small and microenterprise
USAID	United States Agency for International Development
WOCCU	World Council of Credit Unions

EXECUTIVE SUMMARY

A. Introduction and Background

Growth and Equity through Microenterprise Investment and Institutions (GEMINI) was designed to be USAID's main central resource devoted entirely to microenterprise (ME) development. GEMINI is being implemented under a contract with Development Alternatives, Inc. (DAI) with subcontractors including: Michigan State University (MSU), Accion International, Opportunity International, World Education, Technoserve, and Management Systems International. The contractor is supervised by USAID's Global Bureau, Center for Economic Growth/Microenterprise Development (G/EG/MD).

The project's **goal** is to increase existing ME output and efficiency in developing countries, leading to increased income and employment. The project was authorized in 1989 with an anticipated life of project level of $19.3 million in core and buy-in funding. The **purpose** of GEMINI is to enhance the effectiveness of ME assistance programs and policies carried out by USAID and intermediary organizations by providing research and expert services to those entities.

The purpose of the evaluation is to review the accomplishments and any shortcomings of the GEMINI project and to make recommendations on future directions of ME development.

B. Findings

The purpose is being achieved. Importantly, the project is serving not only ME assistance programs, but programs that assist small enterprises as well.
The project receives high marks for its quality and service to the field. By most accounts, GEMINI ranks at the top of all USAID/W-funded projects. The reasons are quite straightforward:

Quality of design and clarity of contract requirements. Project designers had a clear vision of what was needed to support ME initiatives. The design has stood the test of time, having held up very well over the past five years. The contract itself was clear on its expectations.

Contractor performance. The prime and subcontractors have performed very well. In most instances the technical work has been first rate, as are the training and research activities. Management is generally strong and performance of core staff and short-term experts has been excellent.

Demand driven services. The project evolved as needed to respond to field requests, to suggestions from the nongovernmental organization (NGO) community, and to

observations made at the annual reviews and midterm evaluation. Project personnel had a vision, but also enough sense to listen to others in the field and to adjust work schedules and annual plans to higher priorities that emerged during the project's lifetime.

Non-competitive technical content. Unlike other technical areas, there are few other vehicles available to provide ME assistance to missions and the NGO community. This allowed the contractor to attract a high level of talent to its permanent staff and to utilize short-term experts on a repeat basis.

At the same time, it is worth mentioning that the first three project years made more of a difference than the last two. The project started quickly, performed very well for the first three years and then ran into some problems in years four and five. One problem was the work slowdown and buy-in delays caused by exceeding the level of effort requirements of the contract. Another problem related to turnover and absence of personnel in the project and contracts offices and to some extent with the contractor.

C. Results and Impact

GEMINI achieved a number of important results and has had considerable impact on USAID's work and success not only in the ME field but with small enterprise development. While we do not suggest that GEMINI alone has caused all of these results, it is clear that the project played a significant role in advancing the state of ME programs for USAID and other donors as well. The GEMINI legacy includes:

USAID as leader and innovator. Among donors, USAID may be considered to have a worldwide lead in ME development. Its many innovative programs, carried out by a variety of U.S. and local private voluntary organizations (PVOs) and NGOs, as well as some for-profit institutions, are ahead of many other donors. USAID has taken risks and has been willing to experiment with new approaches and through new institutional arrangement to providing services to MEs. This entrepreneurial attitude is to be commended and bodes well for the future. GEMINI contributed to this status.

Financial systems. There have been major advances in understanding and subsequently implementing financial systems, technologies, program methodologies, and tools that work (i.e., serve large numbers of MEs), and that are leveraged. Programs are in place that are either self-sufficient or well on their way to becoming so. Models have been developed that can be replicated.

Publications. The volume of publications has been significant. There is a body of knowledge available across a wide spectrum of topics covering situations in many countries. The Technical Notes series has been particularly appreciated by practitioners because it can be used in the field to improve the quality of program implementation.

PVOs and NGOs. The U.S. PVO and local NGO community gained significantly from the publications, the training programs, and in some cases direct technical assistance to

improve strategies and program methodologies. The gains have been made in the headquarters and field offices of these groups.

People trained. Some 1,300 participants attended the GEMINI workshops and seminars.

Stronger institutions. GEMINI provided technical advice and training to representatives from some 380 organizations in many different countries.

Analytical base and methodology. In some countries, data on MEs was non-existent. GEMINI researchers provided a solid base from which to understand the very existence and performance of a segment of the economy that had been ignored in the past. The analysis of the data at the country level and subsequently in cross-country comparisons contributed to the understanding of how MEs grow and die, their link to the formal (regulated) economy, and their characteristics, constraints, and primary needs for assistance.

D. The Final Year

The project enters its final year as the evaluation is being completed. The annual report on the fifth year's work and the plan for the sixth year have been drafted. We have reviewed this draft, discussed aspects with the contractor and USAID, and have come to the following recommendations on the basis of the plan itself, our own conclusions and recommendations made by persons that we interviewed.

Research synthesis. This paper should be targeted at practitioners, particularly project evaluators and designers. It should summarize the research findings, draw conclusions about MEs (their growth and death, constraints and assistance requirements, policy issues, etc.) and extract lessons learned.

Dissemination—lessons learned bulletins. Top managers in USAID should receive a series of lessons learned highlights, focusing on the principles or fundamentals of ME development; i.e., what works and why.

Dissemination—electronic distribution of the "best sellers." Those publications that are constantly requested should be provided on disc or CD-ROM to the field missions and in turn to host-country organizations in electronic form. This will facilitate further dissemination beyond the life of GEMINI at low cost to local organizations.

Buy-in priorities. We recommend that USAID and the contractor do not accept additional buy-ins beyond the ones currently in the pipeline for processing or where a buy-in is known to be coming in.

E. Recommendations for Future Directions

Future activities should consider the following recommendations:

Develop country-focused approach with selected missions. Project designers should forge a relationship with a few (3-4) missions from the outset. The relationship would be defined by a memorandum of understanding, whereby G/EG/MD agrees to support mission activities in certain (to be defined) areas and in turn the mission agrees to look to G/EG/MD for the technical and other services needed to carry out its ME program. The missions should be attracted because in principle this would ensure them of high quality technical talent from the outset, over an extended period of time, and with a priority for delivery. Washington should be attracted because the missions would have to agree on long-term basis, e.g., three years minimum, to a program in support of MEs.

Continue "one stop shopping" for services. The core and buy-in contract mechanism is effective. The GEMINI consortium is attractive to the mission because it offers a broad array of services, all managed by one office and one contractor. For the field, the ease of accessing these services in similar arrangements in the future should be considered very carefully by project designers.

Replicate what is known to work, e.g., help to establish "BancoSols" and other such organizations where there is investor, other sponsor, and USAID interest. These banks for the poor would appear to have a nearly unlimited depositary base and infinite demand for their services. Also aim to "scale up" these organizations to reach greater numbers of clients.

Continue pushing forward the frontiers of financial systems for ME clients. Attention to financial systems and services for MEs should include further exploring the linkages with commercial banking systems and other forms of financial intermediation and leverage. Attention should be paid to financial engineering of structures that permit commercial institutions to serve MEs. Less attention should be placed on fine tuning NGO models, unless such models can be turned into financial institutions.

Orient research towards the customers, which are the ME clients or the institutions that serve them. The key is to focus on research that helps MEs, not donors. In turn, this type of research will help the practitioners provide better customer services.

Training has to serve multiple audiences, including USAID, U.S. and local NGOs/PVOs, and local financial institutions. Training activities have to be designed with these multiple audiences and knowing in advance that the base of knowledge about MEs will vary enormously. Project designers need to carefully survey potential recipients to determine precisely what areas are in demand, where there are the knowledge gaps, and what skills need improving.

Working Papers and Technical Reports. Stronger summaries presenting key conclusions and recommendations would facilitate communications of findings. Technical

oversight of working papers should be strengthened by using paid outside reviewers. Such review would assist in a balanced presentation and avoid unintended controversy.

Newsletters can provide valuable service in keeping the community of ME practitioners up to date. Newsletters should contain "news" about the project and personnel, but importantly there should be a high level of technical content, including lessons learned as the project is implemented. Funds should be budgeted for desk-top publishing and editing; more attention to format and color is also important.

Project (lessons learned or key findings) bulletins should be prepared, particularly for managers to acquaint them with technical content of successful programs, the fundamentals of what works and why, and with what results and impact.

Greater dissemination to host-country institutions should be considered, either through field missions or directly. The current mailing list should be provided to future contractors, be evaluated and refined, and possibly expanded. A communications strategy should be prepared.

The contracting vehicle should be a cost reimbursement contract, but performance based. The contract should be flexible enough to accommodate adjustments that are likely to result from the learning that occurs. The contractor should be held responsible for results (outputs), not for adherence to levels of effort or specific line items (inputs).

The contract scope of work is key. It should be prepared as an annex to the project paper (PP) and reviewed by the project committee. The scope must be clear as to expectations (outputs, anticipated results, deliverables, etc.).

Streamline project and contract management. Greater delegation of authority should be considered by the contracting office to the project office. The numbers of small transactions, particularly relating to buy-in work, should be drastically reduced to improve responsiveness, timeliness, and service delivery to the field. The field should exercise more oversight, however, to assure that the contractor's work is being satisfactorily conducted.

SECTION I
INTRODUCTION AND OVERVIEW OF EVALUATION

A. Introduction

GEMINI was designed to be USAID's main resource devoted entirely to ME development. The project's goal is to increase existing ME output and efficiency in developing countries, leading to increased income and employment. The project was authorized in 1989 with an anticipated life of project level of $19.3 million in core and buy-in funding. This report is an evaluation GEMINI through October 1994.

The objective of this report is to evaluate the accomplishments and any shortcomings of the GEMINI project and to make recommendations to USAID concerning the management and implementation of a potential future project. The scope of work for the evaluation is included as Annex A. The evaluation addresses a broad range of concerns, including:

- Performance measured against the terms of the contract.
- Quality of the service GEMINI has provided to USAID both in Washington and the field and its results in practical terms.
- Effectiveness of the GEMINI contract as a vehicle in responding to the needs of the project.
- Adequacy of the information dissemination efforts.
- Project management.
- Intellectual contribution of the project; i.e., is there a Gemini legacy?
- Implications for future directions in ME development.

B. Project Background

The PP states that the purpose of the project is to enhance the effectiveness of ME assistance programs and policies carried out by USAID and intermediary organizations by providing research and expert services to those entities. The PP anticipates that the audience and beneficiaries of GEMINI services will be intermediaries, particularly NGOs, PVOs, and USAID missions. The project is to be catalytic, energizing the efforts of these organizations. Also, field missions will benefit through direct services such as analytical techniques, design and evaluations and advice on ME development strategies.

A competitive procurement process was utilized to select a prime contractor. This resulted in a $5.7 million core contract signed with DAI. Subcontractors include: MSU, Accion International, Opportunity International, World Education, Technoserve, and Management Systems International. The contract began September 1989 and initially covered five years, through September 1994. A no-cost amendment later extended the date through September 1995. The contractor is supervised by G/EG/MD.

During the period of the project it is worth noting that USAID's commitment to ME development was erratic. From a high priority in the late 1980s, policies then shifted to

trade and investment initiatives and support for ME programs tapered off. More recently, USAID has given MEs a very high profile, and increased funding levels.

C. Project Components

The project carries out a broad array of activities organized into several components.

- **ARP 1: Growth and dynamics.** Research on growth and dynamics of ME women's enterprises receive special attention through this action research activity.
- **ARP 2: Financial assistance.** ME finance and systems development. Expansion and self-sufficiency. Strengthening of institutions.
- **ARP 3: Non-financial assistance.** New forms of assistance to MEs.
- **Mission services.** Advice and assistance to missions for analysis, assessment, designs, evaluations, and strategy development, mainly buy-in funded.
- **PVO participation and services.** Tap resources of PVOs and NGOs and provide assistance.
- **Dissemination services.** Workshops, conferences, publications, library.
- **Project management.** Quarterly and annual reports, annual work plans, and financial reporting for both core and buy-in activities.

The project anticipated a high level of buy-ins ($8.8 million). In fact, the buy-in feature is in great demand, resulting in a total of $14.3 million through September 1994, with additional buy-ins anticipated in the project's final year. A midterm evaluation of the project was conducted by Chemonics in September 1992. That evaluation found the project to be performing very well, meeting PP and contract objectives and providing a high level of service to field missions through both core contract requirements and buy-ins to individual missions and USAID/W offices. This evaluation found that, for the most part, the midterm recommendations were implemented. See Chart 1 in Annex B.

D. Evaluation Approach and Methodology

Three Chemonics employees, Peter Bittner, Janna Laudato, and Gita Maitra conducted the evaluation from August to October 1994; 70 work days were allotted to the review. The Chemonics team reviewed USAID and contractor reports and publications and interviewed the contractor, subcontractors, U.S. PVOs, host-country NGOs, field and Washington personnel, other donors, and independent consultants. Fifty-two interviews were conducted. While this evaluation reviews the project's accomplishments from the outset, it concentrates on the years following the midterm evaluation.

SECTION II
PERFORMANCE MEASURED AGAINST TERMS OF THE CONTRACT

This section reviews the original objectives of the PP and evaluates contractor performance against the terms of the contract.

A. Project Objectives

The project has several very ambitious objectives, starting with a **goal** to increase output and efficiency among existing and new MEs in developing countries, leading to increased income and employment for owners and workers in those businesses. The PP stated that GEMINI could not accomplish this goal by itself; the project had to influence other organizations to achieve its aims.

The **purpose** is to enhance the effectiveness of ME assistance projects and policies carried out by USAID and intermediary organizations by providing research and expert services to those entities. End of project status indicators include:

- Programs and policies of implementing agencies become more effective.
- Assisted MEs will produce more and hire more workers.
- Progress made in six major theme areas, including understanding ME growth; assessing impacts of assistance; improved delivery systems of non-financial assistance; institutional alternatives; and institutional strengthening.

Of note is the fact that the project dealt with more than MEs. The core and buy-in activities often covered small enterprises and on occasion even worked with business associations. The evaluators have no problems with this approach. In fact, there is strong evidence to suggest that working across a broader range of concerns and having a focus on more than MEs, has been very beneficial and resulted in better approaches to ME development than a single-minded focus on firms with fewer than ten employees would have done.

The project was initially organized into the three components: economic research and sector studies; project design and assessment; and organizational development. It had six major theme areas: understanding the growth and dynamics of MEs, including collecting baseline data; assessing economic and social impact; subsector based assistance; delivery of non-financial services; institutional alternatives (i.e., to other than PVOs); and institutional strengthening (including human resource capacity building).

The **outputs** included a long list of quantifiable results, which we have summarized in Annex B. The outputs as specified in the contract were organized according to the logical framework, as follows.

A1. Economic Research and Sector Studies

- Research on the roles of MEs in the process of economic development.
- Examination of impact of the legal, regulatory, and policy framework on MEs in developing countries.
- Provision of economic and social research on ME sectors and subsectors according to mission requests and relevance to GEMINI agenda.

A2. Project Design and Assessment

- Examine, test, and promote innovations in the delivery of ME assistance.
- Provide expert assistance to USAID missions in the design and revision of ME projects and programs.
- Promote the use of subsector-based interventions.
- Promote nontraditional institutions as providers of assistance to MEs.
- Develop and assist in implementation of an agency-wide gender-desegregated evaluation of the impact of ME programs.
- Improve methods of delivery of non-financial assistance to MEs and intermediary institutions.

A3. Organizational Development

- Strengthen U.S. and host-country PVO, NGO, cooperative, credit union, and government institution ability to provide assistance to MEs.
- Train organization staff worldwide in techniques of managing ME projects.
- Develop and disseminate training materials in the United States and developing countries.
- Provide expert services in organizational management to intermediary institutions reaching MEs.

Important assumptions to achieving these outputs were buy-ins from field missions and participation by U.S. and local PVOs/NGOs. The **primary input** was to be 775 person-months of professional time. Note: the core contract initially provided for 450 person-months; a no-cost extension was subsequently approved to bring the total to 555 person-months.

In the figures below we have estimated the cost and level of effort allocated to each area through September 30, 1994. These figures pertain only to the core contract.

Component	Cost ($)	Level of effort (Person-months)
ARP 1: research	900,000	90
ARP 2: financial assistance	850,000	80
ARP 3: non-financial services	550,000	47
Services to missions	1,250,000	75
PVO participation and services	500,000	33
Dissemination	600,000	50
Project management	350,000	93
Total	4,400,000	468

B. Contract Requirements and Outputs

The GEMINI project successfully produced the requisite outputs called for in Section C., Scope of Work. Annex B, Table 1, summarizes contract outputs. In fact, by the end of year five, the contractor had exceeded many output requirements, particularly in the area of field assignments and special country and area studies. Several final papers in the areas of non-financial assistance, GEMINI evaluation experience and lessons learned, and a number of dissemination conferences are currently planned for year six of the project. See Annex B, Table 2.

The Contractor's compliance with Section F (Deliveries or Performance) of the core contract is illustrated in Annex B, Table 1. The contractor has complied with and in many cases exceeded contract requirements with regard to technical reporting (annual work plan and review, quarterly reports, GEMINI working paper and technical reports series) and dissemination of project findings. The contractor also met contract reporting requirements set forth in Section F., Deliveries and Performance; however, quarterly financial and semi-annual level of effort reports were submitted only once a year, with the annual work plan. More regular submission of level of effort reports, directed to the contracting officer, might have averted the level of effort problems experienced by the project in early 1994.

The GEMINI contract was written as a cost-plus-fixed-fee, term or level of effort contract. A problem with respect to the contract's level of effort arose when the contractor reached the ceiling of 450 person-months in December 1993 and was unable to bill additional level of effort to the contract until an amendment increasing the ceiling to 555 person-months was received on June 16, 1994. In addition to the amendment to increase the level of effort, the amendment extending the project assistance completion date from September 1994 to September 1995 was not received until May 31, 1994. The unfortunate and unintended result was that the core contract outputs were delayed and some buy-in work was seriously slowed or initiated much later than anticipated during this period.

C. Involvement and Use of Subcontractors

The implementing consortium included DAI as prime contractor (a for-profit firm) and six subcontractors including: a university, U.S. PVOs and NGOs, and a for-profit firm. The initial consortium was subsequently broadened somewhat by the inclusion of nine additional organizations for work on the core contract. Also, some 18 other firms and organizations were utilized in conducting the buy-in work.

SECTION III
QUALITY OF SERVICE TO WASHINGTON AND FIELD AND RESULTS

A. Quality of Service to Washington

This section focuses on the core contract and Washington buy-ins and discusses the quality of services provided to USAID and the U.S. NGO/PVO community as well as the quality of the work.

A1. Quality of Work Performed Under Core Contract

The project continues to receive high marks for its quality. By most accounts, over its life, GEMINI ranks at the top of all USAID/W-funded projects. Considering the large number of projects that USAID/W has funded since 1989, this is quite an achievement. The reasons are quite straightforward:

Quality of design and clarity of contract requirements. Project designers had a clear vision of what was needed to support the USAID's ME initiatives. The design has stood the test of time, having held up very well over the past five years. The contract itself was clear on its expectations, the scope of work was well written, and deliverables clearly articulated. The scope did not have to be amended during the project's life.

Contractor performance. The prime and subcontractors have performed very well. In most instances the technical work has been first rate, as are the training activities; management is generally strong and performance of technical personnel is excellent.

Demand driven services. The project evolved as needed to respond to field requests, to suggestions from the NGO community, and to observations made at the annual reviews and the midterm evaluation. Project personnel had a vision, but also enough sense to listen to others in the field and to adjust work schedules and annual plans to higher priorities that emerged during the project's lifetime.

Non-competitive technical content. Unlike other technical areas, there were few other vehicles available to provide ME assistance to missions and the NGO community. This allowed the contractor to attract a high level of talent to its permanent staff and to utilize short-term experts on a repeat basis.

Other factors noted in assessing quality of performance are the number and quality of publications. The Technical Notes series, field manuals, facilitator's guide, and subsector video in particular are cited as extremely valuable. The quality is high and the materials are well prepared and very useful to practitioners. A few persons observed that some materials may not stand the test of time (because they added very little to the knowledge base or were too simplistic) and that some publications could have benefitted from a greater degree of peer level critique and better editing. We find these comments valid to some extent. However, there would have been tradeoffs against the cost of such improvements and likely resultant

delays in getting the materials into print. We believe project is better off and users better served by having the materials available as they were.

At the same time, it is worth mentioning that, the first three project years made more of a difference than the last two. The project started quickly, performed very well for the first three years and then ran into some problems in years four and five. One aspect was mentioned previously, namely the work slowdown caused by exceeding the level of effort requirements of the contract. Another problem, described in Section VI in more detail, relates to turnover of personnel in the project and contract offices and with the contractor. Had these problems occurred in the early years it is doubtful that performance and results would have been the same. It is the opinion of the evaluators that the contractor's internal management structure, which mirrors USAID's own in that technical and contracts offices are separate, possibly contributed to communications breakdowns between USAID and the contractor in resolving outstanding contracting issues. The result in years four and five was that delivery of core requirements slowed, as key core personnel spent more time working on buy-ins than on core products. There were also some managerial issues related to buy-ins (described in the section that follows). Finally, the very nature of taking on work in Central and Eastern Europe (CEE) and the newly independent states (NIS) regions, the size of these buy-ins, and their long-term nature in some cases, detracted from the attention to the core agenda.

A2. Quality of Washington Buy-in Work

Two of USAID's Washington offices were bought in repeatedly to the GEMINI contract: the WID office and the FHA/PVC office. Together with the Peace Corps buy-in for training and technical assistance, these buy-ins accounted for 10 percent of total buy-in funds. Although the same work could have been done through the GENESYS project, the WID officer utilized relatively small, selective buy-ins to focus project research and implementation staff on the importance of gender issues for understanding MEs and consequently, designing effective projects. In addition, GEMINI buy-ins produced practical products for use by WID and ME project officers. These included a training manual, "Financial Services for Women," "Integration of Gender into GEMINI," assessment of GEMINI work from a WID perspective, and professional development seminars.

The FHA/PVC office contributed $274,500 for years one and two to the core project; however, the project officers and the PVO community were dissatisfied because the funds provided essentially became part of core funding. Thus, FHA/PVC funds contributed to research that assisted NGOs. This is consistent with the Scope of Work presented in the RFP that emphasizes research and presents training and training material development as the primary vehicles for assisting NGOs. However, FHA/PVC staff and NGOs seem to have expected that NGOs would be invited to contribute to the GEMINI research agenda and possibly that specific products or assistance would be forthcoming as a result of the FHA/PVC contribution.

Subsequently, the office used small buy-ins to encourage the project to respond to NGO priorities such as training, examination of how credit unions might serve MEs, and assistance with planning for Catholic Relief Services and Food for the Hungry. While the

implementing agencies themselves were satisfied with the collaboration with GEMINI, PVC and NGO staff believe that GEMINI should have given higher priority to the issues that concern NGOs and PVOs. These include financial program management (how to select and train loan officers; how to prevent fraud), efficient methods of service delivery, effective non-financial services, and project monitoring and evaluation systems. Despite this perception, GEMINI has provided appropriate support services to NGOs and given prominence to NGO activities, particularly alternative methods of delivering financial services.

An outside agency, the Peace Corps, also purchased services through the GEMINI contract. The buy-in required a number of days of assistance and generally involved travel with a Peace Corp staff member to train or evaluate Peace Corps activities. This mechanism fit Peace Corps requirements well.

B. Quality of Service to Field

This section discusses the quality of service and technical work provided to USAID field missions as a result of their buy-ins.

B1. Description

Of the 80 buy-in delivery orders totaling over $14 million, 73 (with a contract value of over $12 million) were for services directly to USAID missions in more than 25 countries. Mission buy-ins accounted for 90 percent of the total buy-in value. Satisfaction with contractor services was very high. Of the countries or regions assisted, more than 75 percent requested services more than one time. Of the total mission buy-ins the proportion was as follows: ENI-39 percent; LAC-19 percent; Asia/NE-19 percent, and AFR-23 percent. Average size for USAID/W buy-ins was about $98,000. Average buy-ins for AFR, LAC, and Asia/NE were respectively $93,000, $142,000, and $148,000. ENI buy-ins were much larger, averaging $630,000.

As shown in Annex B, Table 4, the majority (59 percent) of services were for technical assistance. Of the $7.5 million for technical assistance, around half was for large design and implementation activities in the NIS or Eastern Europe. Assistance with research surveys was the second most requested service, comprising 14 percent of buy-ins by value; followed by training, at 9 percent. Design and evaluation only accounted for 12 percent of the value, or 19 discrete requests. The total amount for design and evaluation over five years was less than $1.5 million.

B2. Findings and Conclusions

Most USAID mission personnel were very enthusiastic about the project and repeatedly praised the quality of services provided by the contractor. In most cases, missions did not consider other alternatives. USAID staff became acquainted with the project primarily through conferences/workshops or through other USAID staff. While ease of contracting was a factor that encouraged use of the project initially, in years four and five the

overrun on level of effort, coupled with the extended period required to amend the contract, caused a severe slowdown in processing buy-ins.

According to those interviewed, USAID mission interest and commitment to ME projects varies widely. Some are genuinely interested in ME projects, others are motivated by the high degree of agency and congressional interest. USAID staff understanding of the principles of ME finance appear weak and they often lack the technical skills necessary for project designs. For ongoing technical advice, some missions such as Egypt and South Africa hire personal services contractors for long-term assistance and utilize GEMINI for specialized assessments, evaluations, and training.

From the perspective of field staff, the project was ideal because it provided short-term experts with a variety of backgrounds. Field missions could not hope to access by contracting themselves such a wide range of expertise through a single mechanism. Field staff strongly support the concept of a single umbrella project through which to contract for a wide range of services.

The majority of respondents praised the contractor as "outstanding" and "extraordinarily responsive." The contractor's home office was extremely helpful in trying to move buy-ins along and sending documents. Technical teams were generally "very good" or "outstanding." Work was almost always completed on time. While all of the consultants did not come from the GEMINI core group, they were generally very well informed and competent.

A few missions (4-5) requested assistance only for project design. Many mission buy-ins began with a ME survey and subsequently utilized a broader range of services, including design, evaluation, additional surveys, and training. For example, Jamaica bought into GEMINI for a PP design, a panel study of small businesses, and training and technical assistance. The mission gradually developed an innovative program of activities, including policy reform, work with two NGOs in collaboration with the Netherlands' aid program, as well as collection of data on MEs in the Jamaican statistics agency. The mission accessed the project for research, evaluation, training, long-term local specialists, and even practitioners from other successful lending institutions in the region.

This variety of services available through GEMINI allows missions to implement projects with a local organization and obtain intermittent support from GEMINI for evaluation, training, and ME assessments. Most mission field staff stated that the combination of design, evaluation, and intermittent advice on implementation was extremely useful.

Field staff also appreciated workshops and conferences sponsored by the project; technical publications; and the newsletter. While rated highly, field staff would have appreciated having more materials to "carry away" and more technical detail. In general, field staff find the working papers, technical papers, and technical notes extremely useful. Some had complete sets of publications. Field staff generally found the newsletter moderately helpful, particularly for identifying new publications to order.

The NIS and Poland buy-ins appear exceptions. The **NIS buy-in** was initiated in 1993 and totaled nearly $1 million. The scope of work originally called for four rapid assessments (which were to take about ten person-weeks of time in country), followed by designs of projects that would enable USAID, through GEMINI, to get an activity on the ground quickly. The task force wanted projects that would impact on entrepreneurs. Further, the task force wanted immediate results. The resultant work was very disappointing to USAID. There was a serious misunderstanding over the scope itself and what could be done in two to three weeks on the ground. The initial lack of clarity was compounded by suggestions by USAID regarding possible projects that proved unworkable. The NIS Task Force was very unhappy with contractor recommendations, which focused heavily on policy and regulatory constraints. At one point the task force discussed de-obligating the remaining funding, which totalled $500,000. In the end, the money remaining in the contract is being utilized for training in Georgia and Armenia. The contractor is receiving very high marks for this work.

Accepting that the pressures on all parties were enormous and that expectations were high, there were several fundamental mistakes made. The scope of work, prepared by the project office and cleared by the task force clearly called for assessment; yet the governing NIS officer did not want assessments undertaken and said so to the contractor. The contractor evidently ignored instructions to focus on a few areas to provide immediate services to entrepreneurs; instead, policies, laws, and regulations were suggested as the point of attention. Throughout this process, there were virtually no written instructions, let alone an amendment. USAID did not clarify the scope of work in writing, nor did the contractor seek written clarification. Further, USAID was really two offices: NIS task force (the funding office) and the project office to whom the contractor reported.

In **Poland**, the decision to buy-in to GEMINI was made by Washington staff familiar with the reputation and performance of the project. The emphasis on policy reform was a key point with the previous USAID director. Thus a critical design element of the technical assistance program was the location of advisors in counterpart offices to assist in formulating appropriately supportive policies for the small and microenterprises (SMEs).

There have been problems in implementing this approach. The frequent turnover in governments and consequently, top political leadership, has hindered expected progress. Compounding the problem, the contractor staff has changed several times during the course of the three long-term buy-ins. In the view of the contractor, the Poland buy-in has suffered from the delays in extending the core and requirements contracts. Indeed, the contractor was almost at the point where the long-term staff in Poland would have to be repatriated when the contract was extended. This uncertainty invariably has a negative impact on a team's performance. The contractor has had to balance the concerns of U.S.-based USAID project management and contracting officers with those of mission officers and cope with over 70 USAID visitors who claimed some oversight role. Nonetheless, the contractor believes that substantial progress has been made and that this was facilitated by previous work with Poles who previously held official positions and are now advisors to the government or work in the private sector.

While USAID/W has been pleased with the work, mission leadership is concerned that the project has not produced tangible results and assistance to the SME sector. Although the SME sector has grown dramatically, the mission leadership notes that the project, for whatever reason(s), has not successfully found a clearly defined role in the portfolio that can produce concrete results and the team has not formed the close working relationships necessary to implement a policy-reform program. In light of the frequent change in governments, a design that attempted to institute rapid change through the central government may have been flawed. Finally, the mission's portfolio has shifted from projects with a close bilateral working relationship to direct interaction with clients and other projects are now working on a regional basis with SMEs.

A review of project documentation was made in an effort to balance these conflicting views. A USAID internal assessment conducted one year into project activities found that progress had been slow and suggested some alternative approaches. The team's work was clearly affected by both the turnover in government and team members. Work such as draft SME policies that was completed had to be reworked for subsequent administrations. Successive proposals and work plans indicate that many activities were postponed repeatedly, even against the revised targets. Although recent proposals include benchmarks, subsequent reports do not indicate if these were achieved, rendering project monitoring from Washington extremely difficult. Neither the contractor nor the project office had a complete set of quarterly reports. Annual summary reports, which could have provided an overview of accomplishments versus planned work, were not required by the buy-in. Buy-in extension proposals prepared by the contractor cover progress briefly and concentrate on additional work to be done.

The differences in perception between USAID/W and the mission illustrate an intrinsic difficulty of buy-ins for long-term advisors—the contractor must balance project management, field support, and mission concerns with those of USAID/W and the core project. Since the first assessment in 1992, the buy-in does not appear to have been carefully evaluated, although the strategy, which has essentially remained the same for the last three years, has proven very difficult to implement because of frequent changes in government. Given the environment, other approaches, even in the area of policy, might have had more impact. While the relatively short period of each buy-in might have been intended to encourage periodic review and assessment, the logistics of getting the buy-in extended appears to have consumed more attention. Thus, the division of oversight responsibility between two offices and a very small field mission may have negatively affected USAID project oversight.

In retrospect, GEMINI may have been the wrong vehicle to initiate work in the newly emerging democracies of CEE and NIS. GEMINI's focus was to be MEs in developing countries. USAID's support of the CEE and NIS emerging democracies was not anticipated. The work in NIS and Poland entailed micro as well as small-scale enterprises, business associations, and chambers of commerce. The contractor's knowledge of the ME field is strong, but this did not necessarily qualify it for addressing the very different circumstances in these regions. Also, buy-ins in other countries often began with a systematic study of the ME sector and proceeded to design and implementation during subsequent years. The CEE and NIS buy-ins attempted to move rapidly into implementation. Further, the very large

amount of funding and use of GEMINI for long-term implementation, through on-the-ground technical advisors over an extended period, required a very high level of management attention by USAID and the contractor. This attention detracted to some extent from the work on the core contract.

C. Involvement and Support to NGOs and PVOs

This section discusses the quality of the work and services provided to U.S. PVOs and local NGOs.

C1. Description

The GEMINI PP outlines three areas of involvement and support to the PVO and NGO community, including action research on project design, involvement as service providers, and dissemination. Extensive consultation with PVO/NGO staff during design appears to have raised the expectations of the PVO/NGO community and the FHA/PVC contribution of $274,500 for the first two years of the project was intended to encourage PVO/NGO support. However, specific buy-ins have proved more effective in producing specific products and services for NGOs. The PVC Office has funded 5 buy-ins totalling $664,833 for support to credit unions, evaluation/technical assistance to Catholic Relief Services and Food for the Hungry projects, and GEMINI/SEEP training workshops for local NGO staff.

One unanticipated aspect of the process of bidding on the RFP for GEMINI was that different NGOs and PVOs aligned with prospective prime contractors. Consequently, the bidding process unintentionally split NGOs/PVOs into "winners" and "losers" and delayed active collaboration by some key organizations. To the credit of the contractor and USAID staff, these bridges have been repaired.

C2. Findings and Conclusions

C2a. PVO/NGO Involvement in GEMINI

PVO/NGOs have benefitted substantially from GEMINI research, core contract work, technical assistance, and training. Combining all project elements and services under one contract resulted in cross fertilization and dialogue.

ARP I: Research

The PVO/NGO community did not contribute to the research agenda and thus perceived the research as not focusing on their concerns. NGO research priorities include the relationship between enterprise and the environment, credit and health, and the impact of programs and additional work in financial services management. NGO staff said that since they have to justify what they are doing and really want to see if what they do works, they also need assistance in designing effective monitoring and evaluation programs.

ARP II: Financial Services

NGOs have particularly benefitted from work on financial services and are incorporating new directions in their lending programs. NGOs/PVOs break, roughly, into three groups: those focused primarily on self-sustainable financial services, full-service organizations that provide credit as well as technical assistance and training, and others with an aggressive poverty lending focus. The NGOs/PVOs that focus on financial services benefitted the most from GEMINI core research because of the synergy between GEMINI's work in financial services. Accion staff commented that the organization had benefitted significantly from commitment of staff to GEMINI through in-depth understanding of financial systems development and intermediary institutions as well as staff development.

The financial services ARP has very much influenced the way PVOs/NGOs conduct lending programs, even if the emphasis on financial institutions was not totally accepted. At the start of the project, NGOs were still discussing what interest rate was appropriate. Now most NGOs accept the view that they ought to charge a rate that will permit sustainable services, although they may not set the rate high enough to cover the imputed cost of money.

The group of NGOs, which provide credit as well as other services, has benefitted by being enjoined in debate and have produced some good work in the area of financial services. For example, Opportunity International, WOCCU, and the Cooperative for Assistance & Relief Everywhere have contributed to studies such as the carrying capacity of extension workers in lending, which was published as a Technical Note. Many of these PVOs are now separating financial from other services so that they can monitor these services and their performance more closely.

The NGOs that focus on village banking have applied the basic financial approach, even those with very aggressive poverty lending programs. This group believes that poverty lending can—in time—become financially sustainable and were very angered by a village banking study, which they believed did not address the topic well. The NGOs concerned wanted to collaborate more closely in study design and particularly in selection of the consultant.

The technical notes have helped NGOs think through issues in financial services and provided practical methods and models. Many agencies now accept lending program sustainability as an important objective even if they do not find large-scale activities realistic and find Gemini's direction less relevant. PVOs believe they have a role to play even if they are not interested in becoming financial institutions.

ARP III: Non-financial services

Non-financial services, except subsector studies, received scant attention; however, PVOs have used the work on subsector analysis, videos, and technical notes extensively. The subsector video is very useful in training staff overseas since the subsector approach is not yet used well or widely and it's hard to introduce a topic without something like the video. PVOs that use the video would like several videos with examples from each area.

Access to GEMINI Services

PVOs believe it difficult to access GEMINI services except with buy-ins from the FHA/PVO Office. PVO staff expressed the view that buy-ins are time consuming and that PVC had to twist arms to get GEMINI to provide services. The perceived difficulty in getting GEMINI to provide services to the PVO community seemed to confirm the view of a few that GEMINI did not take PVOs or poverty lending seriously. These individuals welcomed the Clinton administration's emphasis on the NGO community and the poverty lending programs.

Despite these perceptions, PVOs have received high quality assistance and over 10 U.S. NGOs have received subcontracts for work. Catholic Relief Services found GEMINI's studies of apex institutions in Senegal and other countries very useful. The SEEP Network was commissioned to write a working paper on institutional development, a study on publications materials, a directory of training materials, and to participate in a joint training program. The World Council of Credit Unions (WOCCU) buy-ins helped WOCCU identify constrains to credit union expansion, focus on client needs, and assisted in publicizing the positive aspects of credit unions as financial institutions.

The evaluators believe that GEMINI benefitted the PVO/NGO community substantially. The issue is one of *perception* and *expectation*. PVOs tend to view themselves as *the* key players in the area of ME. They tend to overlook the important role that USAID can play in working with governments on policy issues and the fact that in a conducive policy environment, USAID may achieve a more substantial impact on poverty reduction and in support of ME through banks. We believe that discussions with PVOs in preparation for the follow-on project should make clear that the PVO/NGO role is recognized and will be supported, but that USAID will also support a range of approaches.

C2b. PVO/NGO Priorities

NGOs have a real sense of local needs in countries where they are active. Their strength is in reaching people, but their weakness lies in their fervent commitment to their mission and sometimes narrow vision. For most NGOs, credit is only one of a number of services provided. A few, including Accion, focus primarily on credit. PVO/NGOs committed to credit services would like the GEMINI follow-on project to continue to push forward the frontiers on financial systems and identify new financial interventions such as equity investments and venture capital programs.

The PVOs that provide multiple services to the communities where they are working would still like research undertaken, as well as services such as training and monitoring and evaluation techniques to assess credit and service impact. In addition, NGOs are very interested in the most effective methods to deliver entrepreneur training.

Training is a major interest of both financial and multiple service PVOs, as expertise varies considerably between headquarters and the field, particularly in Africa, where much of the information that is familiar to the headquarters staff is new to field programs. PVOs and NGOs view field-level training of local personnel as a very high priority.

Regional training has the disadvantage of missing many people involved in country programs. SEEP staff hoped that through collaboration local people would receive sufficient training to enable them to train local NGOs. In retrospect, a training-of-trainers program would have been very useful in actually creating a cadre of trainers needed at the local and regional level. The SEEP program is only a first step as no training has been done yet in French-speaking West Africa.

Although all respondents felt that the dialogue between GEMINI and the NGO community had contributed significantly to both, respondents had different opinions about the best way to support NGO services under the follow-on project. No one supported the idea of a separate ME institution. Some expressed the view that PVO services should be separated from mission services to provide action research, a communication process centered on NGOs, and avoid diversion of resources to mission services or other areas. However, others pointed out that NGOs and PVOs tend to be conservative because they are guided by their program interests. Consequently, a PVO-guided program would not have been able to make significant progress in the area of financial services. Nevertheless, support was expressed for linking institutions that could provide joint services in their respective areas. Overall, the consensus seemed to be that the follow-on project should have a single contractor but that some resources should be reserved for support for PVOs and some mechanism for obtaining PVO input should exist. Finally, USAID should make clear in the RFP that all NGOs—whether subcontractors or not—may have the opportunity to participate in project activities.

D. Results

GEMINI achieved a number of important results and has had considerable impact on USAID's work and success in the field of not only ME but small enterprise development. This distinction is important in that GEMINI did not only focus on MEs (ten or fewer employees) and much of its work extended up to the level of small enterprises (ten and above). While we do not suggest that GEMINI alone has caused all of these results, it is clear that the project played a significant role in advancing the state of ME programs for USAID and other donors as well.

D1. Impact on USAID's Work and Results of Project

Goal and purpose achievement. The project has been an effective tool in enabling USAID to achieve its goals of economic development. The **purpose** of the project, enhancing the effectiveness of ME assistance projects and policies carried out by USAID and intermediary organizations, has been achieved. Achievement of the **goal**, increasing output and efficiency among existing and new MEs leading to increased incomes and employment, cannot be measured. Anecdotally, many field projects that GEMINI has been involved in, did have a significant impact on their ME clients. However, it would be unfair to suggest that GEMINI alone accomplished these results. The host-country institution itself, often supported by USAID bilateral program funding, was even more significantly involved in these successes.

USAID as leader and innovator. Among donors, USAID may be considered to have a worldwide lead in ME development. Its many innovative programs, carried out by a variety of U.S. and local PVOs and NGOs, as well as some for-profit institutions, are ahead of many other donors. USAID has taken risks and has been willing to experiment with new approaches and through new institutional arrangements, to providing services to MEs. This entrepreneurial attitude is to be commended and bodes well for the future. GEMINI contributed to and supported USAID's leadership role.

Financial systems. There have been major advances in understanding and subsequently implementing financial systems, technologies, program methodologies, and tools that work (i.e., serve large numbers of MEs) and that are leveraged. Programs are in place that are either self sufficient or well on their way to becoming so. Models have been developed that can be replicated. One in particular is the aspect of savings. GEMINI research contributed to the recognition of the importance of providing depositary services to MEs. At the same time, these savings have provided a stronger financial base for the ME institutions that take deposits, which in turn can be leveraged (much like commercial banks) to provide lending services to greater numbers of MEs. The Rhyne and Otero book was cited numerous times as offering documentary evidence that MEs are viable clients of organizations run on a commercial basis.

Publications. The volume of publications has been significant. There is a body of knowledge available across a wide spectrum of topics covering situations in many countries. The Technical Notes series has been particularly appreciated by practitioners because it can be used in the field to improve quality of program implementation. Seventeen articles have been published or accepted for publication in professional journals.

PVOs and NGOs. The U.S. PVO and local NGO community gained significantly from the publications, the training programs, and in some cases direct technical assistance to improve strategies and program methodologies. The gains have been made in the headquarters and field offices of these groups.

People trained. Some 1,300 participants attended the GEMINI workshops and seminars.

Stronger institutions. GEMINI provided technical advice and training to representatives from some 380 organizations in many different countries.

Analytical base. Several aspects are important—the baseline/survey data itself, the methodology for collection, and the analysis of that data. In some countries, data on MEs was non-existent. GEMINI researchers provided a solid base from which to understand the very existence and performance of a segment of the economy that had been ignored in the past. USAID and other donors use this data for macroeconomic policy analyses. The analysis of the data at the country level and subsequently in cross-country comparisons contributed to the understanding of how MEs grow and die, their link to the formal (regulated) economy, and their characteristics, constraints, and primary needs for assistance. Finally, the researchers formulated four methodologies for data collection.

D2. Strengths of the Project

Visionary. USAID as well as the contractor and subcontractors had a vision for what was needed and worked very hard and with inspiration to make the vision a reality. This is one project that has made a significant difference and has had an impact.

Good management and team work. While the project suffered from some staff turnover after year three in the USAID project and contracts office and with the contractor, on balance the project was well managed. Further, particularly during the first three years, there was a high degree of collaboration among the contractor, subcontractors, project, and contacting officers. For the most part core deliverables were produced on time and of high quality. Field assignments were conducted well in most cases.

Demand driven/responsive. The project adjusted well to demands of Washington and the field. With a few exceptions, it was very responsive to field missions.

High quality of technical personnel. In nearly all cases, the quality of personnel on core contract and buy-ins was very high.

D3. Weaknesses of the Project

Impact assessment. The contract called for the contractor to design a decentralized agency-wide plan for increasing impact knowledge and will provide technical advice to implement the plan. In other words, to formulate a methodology and plan for measuring impact of ME programs. This has not yet been completed.

Research applications. The utility of research at the practitioner level has not been as easy to determine. It would be hard to say that designs, evaluations, and implementing methodologies have benefitted substantially from the research conducted. This is not to say the research has not been valuable. However, research findings have not been synthesized and presented in ways that can be utilized easily by designers and evaluators. The final research synthesis paper is aimed a rectifying this weakness.

PVOs/NGOs. Relationships with U.S. PVOs and NGOs improved over time, after a very rough start. This may lead to some negative feelings about the project by the non-profit community. At the same time, satisfying the various agendas and institutional needs of many different organizations would be very difficult. The very diversity of this group makes it hard to respond to.

Consortium contributions to buy-ins. The consortium was not as well integrated into buy-in work as might have been expected and anticipated. With the exception of field research carried out by MSU, subcontractors did not participate in very many buy-in assignments. The result was that the talents of these organizations were not always tapped.

E. Recommendations for Final Year

The project enters its final year as the evaluation is being completed. The annual report on the fifth year's work and the plan for the sixth year has been prepared. We have reviewed these plans, discussed aspects with the contractor and USAID and have come to the following recommendations on the basis of the plan itself, our own conclusions, and recommendations made by persons that we interviewed.

Core deliverables. The sixth year plan calls for a number of deliverables to be completed. The evaluators reviewed these with the contractor and USAID. A number are particularly important and should definitely be completed: the research synthesis (discussed further below); the technical notes on accounting, financial analysis, and ratios and savings mobilization for use in training packages; the impact evaluation review; the curriculum development (training kit); lessons-learned policy briefs (bulletins, per below); and the regional professional development seminars and final conference.

Research synthesis. A synthesis paper (monograph) on the research findings has been drafted by the principal researchers at MSU. This paper is to summarize the research findings, draw conclusions about MEs (their growth and death, constraints and assistance requirements, policy issues, etc.) and extract lessons learned for practitioners, particularly project evaluators and designers. The evaluators reviewed this material and provided comments to the authors.

The paper has a wealth of information based on research undertaken in five African countries, Jamaica, and the Dominican Republic. The details provided, as documented by information collected from some 65,000 firms surveyed, and the rigorous analysis of the data is indeed impressive. The work represents the most comprehensive analysis of MEs undertaken anywhere in the world. Considerable attention is paid to micro-level findings about the firms themselves, without attempting to apply the implications of these details. The essence of the evaluators' recommendations is that the paper should be made "user friendly" and written to an audience of practitioners. The paper should capture lessons learned on policies that stimulate ME growth and on what evaluators and designers need to know about MEs as they consider program impact and benefits and prepare to fund programs to support MEs.

Dissemination—lessons learned bulletins. Top managers in USAID are not sufficiently aware of the key aspects of successful ME programs. Communications with this audience needs to be improved. A key aspect of these communications would be the preparation of a series of lessons-learned highlights, focusing on the principles or fundamentals of ME development; i.e., what works and why. To the extent there are time and resource constraints, the evaluators suggest dropping the newsletter to find time to prepare these highlights.

Dissemination—electronic distribution of the "best sellers." Those publications that are constantly requested should be provided on disc or CD-ROM to the field missions and in turn to host-country organizations in electronic form. This will facilitate further dissemination beyond the life of GEMINI at low cost to local organizations.

ME profitability. The research undertaken has focused on employment issues. Much less attention was placed on issues relating to income and profitability of MEs. This is an important topic, but one that offers considerable challenge, in large part because most business owners are very reluctant to provide details about their financial situation. We recommend that MSU prepare a conceptual piece on how this topic could be researched.

Buy-in priorities. As of mid November, 1994, GEMINI had 7 buy-ins pending, for a total value of $2 million.

We recommend that USAID and the contractor do not accept additional buy-ins beyond the ones currently in the pipeline for processing or where a buy-in is known to be coming in. Also, we recommend that missions be advised of this cut-off and the need to consider alternate contractual vehicles (e.g., indefinite quantity contracts—IQCs) for assistance with strategies, designs, and evaluations. Coupled with the deliverables due under the core, there will be a considerable volume of work in the final year. Neither the contractor or USAID has the managerial capability to assume more buy-in work than that currently in the pipeline.

SECTION IV
EFFECTIVENESS OF CONTRACT AS VEHICLE FOR RESPONDING TO PROJECT NEEDS

A. The Overall Project and the Contract

The core contract was signed in September 1989 for a value of $5.7 million. It has been incrementally funded, using monies from USAID/W's Global (previously S&T), Africa, FVA/PVC, and PPC/WID Bureaus. The 80 buy-ins to date have totaled more than $14 million.

B. Nature of Core and Buy-in Contracts

The core and buy-in contracts were fairly standard for USAID at the time they were signed. The **core contract** with DAI is a cost-reimbursement, level of effort-based, fixed-fee contract. Subcontracts signed between the prime and subcontractors were of the same time, except that the non-profit organizations did not charge a fee. Direct costs are reimbursed based on actual expenses. Indirect costs are reimbursed based on provisional rates established by the prime and subcontractors as reviewed periodically under audit requirements. Ceilings were established on indirect rates. Fixed fee is paid in proportion to monthly expenditures. A **buy-in contract**, more formally called a requirements-type or "Q" contract was also signed.

The contract specified that the contractor would provide a definite quantity of services and that USAID's design (i.e., the PP) estimated that 450 person-months of technical assistance will be required to achieve the goals and purposes of the program. The contractor was to be responsible for staffing as necessary for performance and was not to exceed 450 person-months of effort without prior written approval of the contracting officer. Key personnel were also specified for the positions of project director and three managers of the project's three key components.

In layman's terms, strictly speaking, USAID is procuring labor; i.e., delivery of services, which are the personnel USAID and the contractor believe will allow the goal and purpose of the project to be achieved. USAID did not buy and the contractor did not agree to provide specified results. Such results were indeed anticipated and called outputs, which we have summarized in Annex B, Table 1.

C. Other Contract Modes

The Federal Acquisition Regulations (FARs) govern the types of procurement mechanisms used by USAID. The FARs discuss several different types of contracts for technical services. We will include only those that apply to the type of work USAID conducts. These contract modes include:

Fixed price. These are used most often for contracts where the costs can be projected with some accuracy in advance and the risks of exceeding cost projections are low. Such contracts often are carried out over a relatively short time frame and if the results or expectations can be stated very clearly. Examples include: an evaluation or project design or a training course for a predetermined number of participants. This contract mode does not lend itself to work carried out over several years, where conditions and expectations are likely to change or where personnel requirements could vary.

Incentive. These contracts are used in cases where the expectations (outputs) can be specified with great precision or where incentives can be structured to stimulate delivery of high quality technical products and/or to reduce and control costs. Performance has to be measurable (i.e quantifiable) and performance tests (e.g., in a laboratory) are often utilized. While some aspects of the work that a follow-on project might require would appear suited to this type of contract, the overall breadth and scope of activities anticipated, coupled with the requirement to adjust to lessons learned and the difficulty in precise measurement of performance, would seem to indicate that this contract mode would not be appropriate.

Cost reimbursement. This type of contract is sometimes called a level of effort contract. It can include cost-sharing arrangements with the contractor and no payment of fee. It can also have various fee structures, such as incentive fees, award fees, and fixed fees. This type has been used extensively by USAID because much of the work USAID has done cannot be precisely specified at the outset and because the contractor may not be able to control the circumstances under which it has to work (e.g., with host-country governments).

A cost reimbursement with award fee contract, i.e., a performance based contract, would seem to be a very good mode for a follow-on project. This contract would be written so that the contractor is responsible for results (outputs) and rewarded for producing the same. The fee would vary depending on quality and quantity of outputs.

D. Conclusions and Recommendations

The core and buy-in contracts served the agency very well, in large part because the contract scope of work was very clear on what was desired. The statement of outputs expected was key. Thus, it can be said that the contract mode itself was satisfactory for this project. It can also be said that it is hard to imagine any other mode having made a difference. The contractor was motivated to high performance more by the nature of the work itself than by the contract mode and any incentive features that other modes might have had.

This is not to say the cost reimbursement with fixed fee mode is the best option. A cost reimbursement with award fee (or performance based contract) would in theory offer a better approach and could stimulate higher levels of performance. The award fee could consist of a base fee for minimum performance, plus an additional fee for surpassing the minimum. The project and contracting offices have to reach agreement on how to measure the level of performance and the criteria for which additional fee would be paid. Other factors are critical to success and performance of the contractor, including: a clear vision and agreement on project objectives; a realistic and carefully articulated scope of work;

flexibility to adjust to field demands and lessons learned during implementation; high quality and collaborative nature of USAID project officers; and USAID (and contractor) management for results, not for control of resources. A focus on outputs, not inputs, is important. Finally, the evaluators suggest discussions with the contracting officer during the design process to determine the appropriate contract mode, not after the design is completed.

SECTION V
ADEQUACY OF DISSEMINATION EFFORTS

A. Description of Dissemination Efforts

A1. Publications and Other Materials

Working papers primarily reflect work done under the core contract while technical notes are generally the result of USAID mission buy-ins. The project has produced a substantial body of work. Four of the Technical Notes series are also available in French and Spanish.

	Years 1-3	Years 4-5
Working Papers	32	15
Technical Reports	47	29
Technical Notes	3	4
Special Publications	2	7
Newsletters	7	6
Video	-	1

Special publications include *Gemini in a Nutshell: Abstracts of Selected Publications*, a publications catalog, training materials produced under the Mongolia buy-in, and the book *Banking and Poverty*. A training video on subsector studies was produced and in use by several PVOs. In addition, the project produced five short "issues papers" for senior USAID officials on key topics of ME development.

Future plans include additional books on non-financial assistance (subsector analysis, business associations, and policy), gender issues, seminar proceedings, and human resources development guidance. The project plans to publish *Nutshell II*, another special publication comprised of abstracts.

A2. Seminars, Workshops and Other Presentations

Seminars, workshops, and other presentations are a major vehicle for disseminating information. As discussed in earlier sections, the contractor has met or exceeded planned activities. The contractors held a week-long Professional Development Seminar (ME forum) covering key lessons learned in ME finance, non-financial assistance, and research on growth and dynamics. A series of monthly presentations was made for USAID staff and others and a seminar was held focusing on the role of MEs in economic growth. The SEEP/GEMINI training materials were tested in July 1993 in South Africa and the three regional workshops have been completed or are underway. Since the midterm evaluation, a subsector video and facilitator's guide were completed to complement the *Field Manual for Subsector Practitioners*.

Overall, about 20 percent of buy-ins were for training activities. Besides the SEEP Workshops mentioned above, the contractor conducted training in Bolivia, Jamaica, the Caribbean, the NIS, and the Sahel. When the training associated with survey and assessment, as well as briefings given during technical assistance assignments is considered, the volume of training conducted under the project has been very substantial.

B. Comments and Findings

B1. Publications

A major recommendation of the midterm evaluation was that GEMINI arrange for a workable, cost-effective system for disseminating GEMINI materials. The contractor hired a short-term consultant to develop a strategy to achieve this objective. After evaluating proposals from several organizations, the contractor has arranged for long-term dissemination of project materials through an agreement with PACT. PACT has agreed to distribute GEMINI materials for at least four years and has begun to market GEMINI publications actively. An additional advantage is that PACT has an agreement with the Intermediate Technology Development Group in England, which facilitates distribution worldwide.

The project also reached agreement with Kumarian Press to publish *Banking and Poverty* by Rhyne and Otero. This relationship has not proceeded as smoothly as that with PACT. Kumarian Press insisted on additional assistance in preparing the manuscript for publication and consequently, used more core funds than necessary. In addition, Kumarian is not marketing the book very actively. Project staff plan to discuss publications with a wider range of publishers for subsequent works.

These arrangements represent an important step to ensuring widespread distribution, particularly following the end of a project. These publishing arrangements are an impressive achievement that should be recognized and followed by other USAID projects.

B1a. Working Papers, Technical Papers, and Technical Notes

Each working paper is reviewed by at least two of the core team professionals; technical reports receive at least one technical review. Some technical reports get much more attention to make sure that conclusions are stated accurately. For example, "Small Enterprise Development in Poland: Does Gender Matter?" was revised extensively after input from the field team and publication was delayed three times. Stronger technical review should avoid the problems associated with hasty publication and unproductive controversy that has dogged several GEMINI reports. Nonetheless, USAID field staff appreciate papers such as "Village Banking: A Cross-Country Study of a Community Based Lending Methodology" because it highlighted weaknesses in methodologies being used. While all documents may not stand the test of time, USAID staff praised and appreciated these papers for keeping them up-to-date. The Technical Notes series is designed to provide practical information to practitioners and received high marks from USAID, PVOs, and ME specialists.

A search of CDIE publications listed on their CD-ROM database indicated that all but a few (3-4) key documents are listed in the CDIE database.

B1b. Newsletter and Other Publications

The GEMINI newsletter was not required in the contract, but was included in the original proposal made by DAI. Initially, the newsletter was to be published four times per year; however, actual frequency has been three times per year.

At the midterm evaluation, the newsletter mailing list consisted of 1,203 people, from policy makers to implementors. A new Director of Publications and Dissemination was hired in January 1994. One of her first tasks was to review the mailing list and systematize information on distribution. Complied from lists of USAID personnel as well as project and DAI contacts, the mailing list now has 1,800 people, over 600 of which are overseas. The newsletter now reaches many developing-country personnel, other donors, and USAID.

USAID staff represent approximately 8 percent of those on the mailing list. At least one copy of the newsletter is sent to missions in Latin America, the Near East, and Asia. However, USAID personnel in some African countries with ME programs do not appear to be receiving copies. Furthermore the mailing list does not appear to represent a systematic attempt to reach those officers in charge of ME programs or USAID's top management.

The majority of persons interviewed rated the GEMINI Newsletter as "moderately helpful and informative" and some as "very helpful." Most respondents actively managing ME projects or programs said that they carefully read the newsletter and that the articles helped them determine whether or not to order a publication. One respondent suggested an "Ann Landers" type column so that readers could write in with their problems.

A major constraint to more frequent publication is the demand this places on the team. Since the newsletter tries to publish information about current, topical studies, researchers must sometimes struggle to write an article before the report has been completed and reviewed. Occasionally, this results in articles that unintentionally raise issues and appear "half baked." Team members' busy schedules are the major constraint to more frequent publication.

Several people interviewed were more critical about the format and content. The newsletter has a somewhat awkward format in that articles often begin and end on partial pages. A consequence is that articles are more difficult to read quickly. In the two most recent issues, layout is better; however, the newsletter stresses communication of "news"—recent project work, activities of team members, comments by the chief of party. This format is not suited to dissemination of key new directions and "lessons learned."

The publication *Gemini in a Nutshell* summarized key publications in a single reference document. Unfortunately, the summaries often do not capture key findings. This point should be considered in the planned second volume, *Nutshell II*.

B2. Seminars, Workshops, and Other Presentations

Those interviewed who had participated in GEMINI-sponsored activities were extremely positive. USAID staff in particular appreciated the monthly seminar series. In particular, several said they appreciated the professional presentation and format of the sessions. Despite the effort to announce these widely, several commented that as the series progressed, the same group seemed to be attending. The SEEP Workshops have gone extremely well, although the expectation that collaborative training sessions would be sufficient for regional personnel to become trainers may have been over optimistic. Organizers suggested that in the future, training-of-trainers courses be given in advance. Several urged having workshops at the country level because many local professionals are excluded, including USAID personnel services contractors. The subsector video and facilitator's guide has been widely used overseas by the PVO community, who find these products extremely useful.

SECTION VI
PROJECT AND CONTRACT MANAGEMENT

A. Introduction and Overview of Findings

This section discusses the effectiveness and management quality by the responsible parties: the project/technical office, the contract office, and the prime and subcontractors. We also discuss the adequacy of core staff time for the tasks required.

GEMINI was and is a well managed project. At the same time, the first three years were stronger than the last two. It began quickly and with impact. GEMINI maintained its reputation as a well managed, high performance project for over three years, through the spring of 1993. It suffered from some minor but irritating problems during part of its fourth and some of the fifth years. The most significant problem was exceeding the level of effort provided for in the contract. This led to the need for a waiver to increase the level of effort at about the same time a decision was taken to extend the project for an additional year. Other problems related to the approval requirements in the buy-ins. There were an inordinate number of approvals needed, many on relatively trivial matters such as extending due dates or adding support personnel. The project is now back on track and again performing at nearly the level of its early standard.

Had the project started in year one the way it did in year four, it is unlikely that the results and impact would have been the same. Turnover of some key staff and unfilled vacancies in the project and contract offices, and with the contractor, contributed to some management problems. Staff turnover also affected performance; the contractor was not able to deliver some core deliverables on time.

Of note, during the time of most of the problems, the parties never held a joint meeting to discuss and seek solutions to the problems plaguing the project. During December 1993, the contractor requested a joint meeting with the USAID contracts office, project officer, and project coordinator. USAID did not respond to the request.

B. Project Office

The project is managed by a project officer and a project coordinator. According to the PP, the project officer was to "... supervise in-house management of the tasks... and a project coordinator will have responsibility for overseeing project operations...including (1) working with contractor personnel in developing research priorities and action plans, (2) working with other USAID bureaus and missions to identify and facilitate buy-ins, and (3) monitoring the technical performance of the contractor(s)." The coordinator's position is filled under a reimbursable service support agreement (RSSA) with the Department of Labor, financed by the project.

During the first three plus years there was one project coordinator and one project officer. In early 1993, the coordinator resigned and was replaced. The replacement

subsequently resigned. The job was finally filled in July 1994. Project officer and coordinator changes and vacancies and a very heavy (probably excessive) workload and inadequate supervision contributed to very long delays in solving contractual problems and getting the paperwork processed. Currently, a direct hire project officer is managing the contract full time, whereas the project coordinator is primarily engaged in new project development.

C. Contracts Office

The contracts office assigned a contracting officer and several contract negotiators. This group handled the contract for its first three plus years. In 1993, the contracting officer and negotiators changed. Until 1994, several different contracting officers and negotiators were involved. Since then, the same team has been assigned to the contract. The workload appears very heavy, perhaps stemming from a very high number of transactions related to relatively routine matters; most of these are related to buy-in work. According to the contractor, there currently are some 13 outstanding contracting actions pending, two of which go back to 1993 and five of which go back to June 1994. The rest are relatively recent.

D. Contractor and Subcontractors

The prime contractor designated key and support personnel as called for in the contract. Over the life of the project, such personnel varied from being assigned full time (and 100 percent billable to the contract) to part time (in which they may have billed as much as 90 percent or as little as 5-10 percent of their time). During the time such personnel were not working on the core contract, they often worked on buy-ins. In addition, the prime contractor utilized other technical specialists, often on a sustained, but intermittent basis, over the past five years. Key personnel from the two primary subcontractors, MSU and Accion, did not change. This contributed to a team that knew the subject material and also delivered results.

Management by the prime contractor has generally been very good. There seems to have been a much higher level of support from administrative personnel during the first three years in comparison to the past two. Yet there are no major complaints or outstanding issues.

E. Conclusions and Recommendations

Lessons learned are likely to apply to most Washington based projects with a buy-in component. Recommendations are focused on a follow-on project in the ME field.

E1. Findings and Lessons learned

Quality and consistency of personnel. It is clear that the high quality of personnel from all three management entities, coupled with the lack of turnover during the first three plus years, was a primary reason for the project's initial success, technical reputation, good management, and the results achieved. Years four and five were much less smooth, in part due to turnover of some important personnel in all three entities, and in part to managerial

problems. The resulting problems were more severe on the USAID side. Indeed, it might be said that the contractor held the project together during the worst times. Not that the contractor was exempt from turnover, but its systems or back up from other staff permitted the contractor to carry on for the most part without major disruptions.

Project coordinator and project officer. The designation of both a coordinator and a project officer seems peculiar. It appears that the coordinator was looked to mostly for technical skill and leadership, whereas the officer was to be person managerially responsible. An alternative approach is that the project officer be an experienced USAID employee, have project management skills and a knowledge of contracts, as well as some technical experience. That officer would be assisted by one or more junior-level personnel. Separating the functions can work, as demonstrated by success during the first three plus years. However, it did not work nearly as well in years four and five. Several factors contributed, including that one of the project coordinators was not familiar with USAID procedures and regulations and was not trained. This was not offset by more involvement from the project officer; supervision was light, the workload was very heavy, and staffing requirements were not adjusted accordingly.

Adjustment to demand. GEMINI had a record number of buy-ins, both in number and perhaps in value as well. Yet the USAID management structure was not adjusted. No additional project or contract officers were assigned to oversee the work and "handle the paper." Service to the field was increasingly poor and very slow. Clearly, adjustments were needed and additional personnel should have been assigned.

Approval requirements. The contract stipulated fairly usual contracting office versus project office review and approval requirements. Problems emerged in part due to the nature of some of the buy-in work (performed in uncertain environments overseas), the turnover in contract and project officer personnel, and failure to adjust to realities of the high volume of work. Further delegations to the project office should have been considered, albeit on occasions such delegations might not have been prudent due to the turnover of project officer personnel. Such delegations might have included project officer authority to approve changes and daily rates for non-key personnel (particularly the lower-level administrative/support personnel), extensions in due dates for deliverables, and adjustments to budgets (within some predetermined percentage) so long as totals did not exceed the obligated amount.

Conflict of interest from design and evaluation. Although GEMINI combined project design and evaluation with implementation, the contractor did not appear to gain an advantage for work that was competed subsequently. The contractor carried out 13 complete or preliminary designs under GEMINI. Of these, the contractor won one under competitive bidding and implemented one through a buy-in. Through GEMINI, the contractor has done 10 evaluations. The contractor has not won any contracts to implement ME projects in those countries. In contrast, the firm bid on four contracts in areas where they had done no work through GEMINI and won three. Whatever slight competitive advantage that might exist can be overcome by early publication and dissemination of studies as well as briefings on assessment finding to a wide audience.

In terms of reduction of competition, buy-ins for long-term advisors have had substantially more impact than project design and evaluation. GEMINI provided long-term advisors in the Dominican Republic, Mongolia, Poland, and the NIS under buy-ins totaling $7.3 million, more than half the value of all buy-ins. Eliminating buy-ins for long-term advisors would increase competition and avoid dilution of oversight responsibility.

Overall, USAID should consider carefully the impact of separating design and evaluation from implementation against its goals to develop an outstanding portfolio of ME projects.

E2. Recommendations

Project office management. The project officer and project coordinator roles and responsibilities can work very well, but the intrinsic nature of dividing such roles and responsibilities between USAID employees and non-employees can be questioned. Ideally, the project officer has knowledge of contract management requirements and processes and also a technical knowledge of ME development. Further, the officer should be assisted by junior administrative personnel familiar with some of the more detailed contract requirements. Thus, there would not be a need for a RSSA-hired project coordinator.

Contractor management of buy-ins. The contractor should designate a person other than the project director to manage the buy-ins. The project director should be closely involved in the technical content of the proposed buy-in work, particularly how it contributes to or impacts on the core agenda. However, the director should not have to be involved in supervising or administering buy-ins. This detracts from the important time of core activities.

Delegations of contract authority/responsibility. Many problems occurred when the high volume of buy-in work and the commensurate numbers of transactions (approvals, minor adjustments in budgets, level of effort, etc.) exceeded all expectations. Greater delegation of authority and responsibility to the project officer and contractor should be considered. Areas to be considered include:

Project Officer

- Approval of no-cost extensions to delivery orders, up to six months.
- Along with mission staff, approval of new/additional personnel (where such personnel were not designated at time delivery order was signed) and personnel changes (particularly for non-key personnel), adjustments to levels of effort between personnel and modifications to scopes of work that do not change costs.

Contractor

- Determination of daily rates for consultants, subject to review by the contracting officer on, for example, a yearly basis, rather than advance approval.

Field monitoring of buy-ins. Field missions sometimes do not track buy-in reporting and deliverable requirements and do not usually review contractor vouchers. Missions view this as the job of the Washington project officer. Yet the officer is often too busy or does not have the base of knowledge for an adequate review. Missions should be required to monitor reporting requirements and deliverables and to review vouchers. Copies of the vouchers should be sent to the field, but to avoid delaying payment, any questions or, for example, potential disallowances should be addressed in future vouchers. In other words, missions should play an oversight role that they are not now doing.

Communications among all parties. The project and contract offices and contractor cannot work apart from one another and hope to implement a successful program. Periodic (probably quarterly) meetings of all parties to discuss problem areas and solutions, actions pending, progress on work plans and deliverables, performance issues, reports, etc., would help establish a collaborative process and should lead to more effective and efficient implementation. The project officer should take the lead in calling these meeting, including preparing an agenda, as well as following-up on the decisions reached or actions required during the meetings. The project officer should take minutes of the meetings, summarizing the key points and decisions reached and actions required.

SECTION VII
INTELLECTUAL CONTRIBUTION AND LEGACY

This section summarizes GEMINI's contributions to the field. It should be noted that there is widespread agreement on the intellectual contribution and legacy of the project.

A. Financial Services

Those interviewed during the course of the evaluation invariably stated that the primary legacy of GEMINI is in the area of financial services. At the beginning of the project, interest rates were a major topic of discussion. Now general agreement exists that interest rates ought to be sufficient to assure sustainability. Questions regarding the ability of microentrepreneurs to pay market rates of interest and repay their loans on a timely basis have been laid to rest.

With the recognition that ME lending can be self sustaining, the focus of discussion has moved to consideration of how to best scale up to reach a larger number of microentrepreneurs. This shift has also caused a major attitude change: microentrepreneurs are now widely viewed as clients. Organizations that work with MEs are engaged in researching client preferences to develop more effective and self-sustaining services and delivery mechanisms. This new client orientation has led some organizations that initially made only very small loans to lift their loan limits in recognition that successful clients are the basis for expansion and financial sustainability.

Specific achievements include:

Approaches to self-sufficiency. GEMINI's work highlighted key elements for self-sufficiency: market interest rates reflecting the true cost of funds and of operations and bad debts; savings mobilization; techniques for managing delinquency and improving organizational efficiency; and market research to identify client needs and product preferences.

Models for replication. GEMINI has documented key features of a number of successful, sustainable lending institutions serving the poor and MEs and documented the transformation process of groups like BancoSol. Other models examined include solidarity group lending, village banking, Project Ikhtiar in Malaysia, and credit unions. In addition, GEMINI evaluations provide useful lessons in what works and what doesn't. Together these publications give practitioners an array of models that can be adapted by implementing organizations and donors.

Savings. GEMINI studies on ME demand for depository services and the key role savings play in leveraging funds for expanded lending programs is an important element in creating sustainable lending institutions.

Policy. GEMINI studies, such as that of the Indonesian financial system, make clear that a series of policy changes paved the way for broad expansion of small-scale lending. In addition, these reports and work on prudential supervision indicate that financial regulatory and supervisory functions must be commensurately developed to protect depositors.

B. Impact on USAID Microenterprise Portfolio

According to the *AID and Microenterprise, 1990-1993*, Report to Congress, USAID has programs related to ME in 47 countries, excluding the NIS and Eastern Europe. GEMINI has worked in over 60 percent of the countries receiving funding for ME projects. Since that publication, the project continued its work in a number of countries for a second or third time. In addition, GEMINI has worked extensively in Eastern Europe and the NIS, including Poland, Hungary, the Czech Republic, Slovakia, Romania, Armenia, Georgia, Kazakhstan, Russia, Ukraine, and Uzbekistan. Through collaboration with the NGO/PVO community, GEMINI's impact is undoubtedly broader.

C. Research

First-rate data collection methodologies. Under GEMINI, four different types of surveys have been developed that yield very good results. The tools manual on baseline surveys has been used extensively, for example, by the World Bank in Pakistan, Christian Reform World Relief Commission in Guinea, and USAID and the Embassy of the Netherlands in Jamaica. Baseline data now allows first-time comparisons on programs before and after and with and without assistance. This survey data has filled an important gap in knowledge of these enterprises.

Research findings increased understanding of dynamics of growth. GEMINI survey work is reputed to be the best for empirical studies undertaken in this field. The analysis has given the donor community and practitioners a solid understanding of the process of growth and death of MEs, their constraints, assistance requirements, and contributions to employment.

D. Non-financial Services

Subsector analysis has been widely used and appreciated in particular by the PVO/NGO community. Training materials in subsector analysis now include a video, a training handbook, and facilitator's guide.

E. Library of Materials

GEMINI has created a substantial body of work, including 47 working papers, 76 technical reports, technical notes for lending institutions, training materials in subsector analysis, and baseline surveys. Key documents intended for local NGOs are available in other languages, principally Spanish and French. The project has conducted extensive surveys of MEs, particularly in Africa, and provided high-quality information that filled a large gap. While some of these materials may be remembered more as seminal pieces, many will continue to have practical and substantive value.

Importantly, this work will be available through a marketing and distribution arrangement with PACT and affiliate organizations such as ITTG with worldwide distribution.

F. Training

In training, GEMINI has had an important impact, particularly on the NGO/PVO community. USAID staff stated that the quality of proposals from the NGO community has definitely improved. Over $2.5 million in buy-in funds had some training element. The SEEP workshops reached some 157 participants in Asia, Africa, and Latin America. All survey research involved local professionals and institutions as well as seminars to present research findings. During the next project, training should expand outreach to professionals overseas.

The Technical Notes series has been very popular, particularly with the NGO/PVO community. These documents will certainly remain relevant and timely as the number of organizations involved in ME lending expands. The project has also made an important contribution to understanding the constraints faced by women and how ME programs and organizations can reach this segment of the target group.

G. Community of Practitioners

An intangible, but no less important legacy, is the perception of many that a community of practitioners exists within a diverse group of PVOs/NGOs, donors, consulting firms, and non-profit organizations. Indeed, implementing organizations in developing countries such as ADEMI, BancoSol, and the Egyptian Businessmen's Association are now "plugged in" to a network—independent of their original donor support. Through its extensive program of workshops, seminars, conferences, training sessions, professional exchanges, and participant observational/study tours, GEMINI has played a key role in bringing those interested in ME lending together.

SECTION VIII
IMPLICATIONS FOR FUTURE DIRECTIONS OF ME DEVELOPMENT

This section provides recommendations on the content, nature, structure, and managerial approach to a future Washington project(s) supporting ME development. For convenience we refer to this future project(s) as Gem2. As a frame of reference, we use the same categories of assistance and services provided under GEMINI.

A. General

Watch for redundancy. Competition may not always be good. Gemini worked because it was the only USAID/W-based ME project supporting the field missions. To the extent that other Global Bureau projects are also to be involved in ME development, the nature and scope of these other projects should be clearly distinguished from Gem2.

Develop country-focused approach with selected missions. GEMINI evolved into having long-term relationships with a number of countries (ten missions had three or more buy-ins). These relationships, however, did not emerge until after the project was well underway and missions decided they wanted to access the core and supplement or complement these services with specific additional needs that were funded with the missions' own monies.

An approach for Gem2, starting with the PP design, is to forge a relationship with a few (3-4) missions from the outset. The relationship would be defined by a memorandum of understanding, whereby G/EG/MD agrees to support mission activities (although not with long-term resident advisors) in certain (to be defined) areas and in turn the mission agrees to look to the Gem2 project for the technical and other services needed to carry out its ME program. The missions should be attracted because in principle this would ensure them of high-quality technical talent from the outset, over an extended period of time, and with a priority for delivery. Washington should be attracted because the missions would have to agree on long-term basis, say three years minimum, to a program in support of MEs.

This approach should permit better planning of services directed to missions with a long-term commitment to ME development. It should allow the project office and contractor to deliver those services (or ration the same) to those country situations that appeared most likely to advance the cause of ME development, as opposed being targets of opportunity for ad hoc assignments.

Missions appreciate "one stop" shopping for services. The core and buy-in contract mechanism is effective. The GEMINI consortium is attractive to the missions because it offers a broad array of services and organizations, all managed by one office and one contractor. Mission respondents wanted design, evaluation, and a range of implementation services from a single contractor. They also preferred that the new project expand its focus to include small enterprises as well as MEs. For the field, the ease of

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accessing these services in a similar arrangement in the future should be considered very carefully by project designers.

Contractor personnel. A number of the key personnel on the contact should be fully dedicated to work on the core activities, at least during the initial year. At a minimum, we suggest the project director and person responsible for financial systems/services be 100 percent billable to core for year one. To the extent the project provides services to PVOs, a person should be 100 percent dedicated to core for year one, and that person should be available over the life of the project to support such services.

Continue the combination of design, implementation, and evaluation under one contract. This combination has proven to be a very effective way for USAID/Washington to extend state-of-the-art services to missions. The participation or at least oversight of core team experts helps bring lessons learned from other countries to bear on new designs. Project staff are also able to offer very constructive and useful suggestions for improving implementation of ongoing projects. Finally, the fact that additional buy-ins are used to assist with implementation of evaluation findings provides a very useful reality check on what really works in the area of ME assistance. Combining these services assists USAID in continuous upgrading of the quality of ME projects.

The alternative would probably be two separate contracts: some sort of IQC or small contract for design and evaluation services only and another for research, training, and implementation. Besides placing an additional management burden on the project office, this arrangement may be much less effective in meeting USAID objectives. IQC holders typically recruit experts "off-the-street" with predictable variations in expertise. Because design and evaluation are small contracts and intermittent, short-term activities, they do not provide a steady stream of revenue to support specialized full-time home-office experts and project managers. As a result, a shared, informed, and consistent view would not be applied to project design and technical oversight would be much more limited. As mentioned previously, USAID missions were unanimous in their preference for a single service provider and none considered using an IQC rather than GEMINI. Consequently, these alternative mission-support vehicles are less likely to be effective in producing high quality designs.

B. Technical Content

Several important topics are discussed below. First, however, it is worth noting that the persons interviewed strongly recommended that Gem2 be flexible enough to deal with small as well as MEs. This is not to say the focus should be other than MEs. Rather, to recognize the reality—that MEs grow, that the numbers themselves are rather arbitrary and do not hold up well in cross-country comparisons, and that substantial gains in the field were made because GEMINI itself did not become so narrowly focused on the micros. Also, this will provide a better chance for developing linkages to the formal economy, which is ultimately needed if MEs are to have a chance to be part of the mainstream and if services are going to be delivered to MEs by other than the donor community.

B1. Finance

Replicate what is known to work, e.g., help to establish BancoSols and other such organizations where there is investor, other sponsor, and USAID interest. These banks for the poor would appear to have a nearly unlimited depositary base and infinite demand for their services. Also aim to "scale up" these organizations to reach a greater number of clients. Consider formulating and training host-country personnel in operating and management information systems that are known to be cost effective and managerially responsible. Finally, examine the regulatory aspects or supervising ME institutions.

Continue pushing forward the frontiers of financial systems for ME clients. Attention to financial systems and services for MEs should include exploring further the linkages with commercial banking systems and other forms of financial intermediation and leverage. Attention should be paid to financial engineering of structures that permit commercial institutions to serve MEs. Less attention should be placed on fine tuning NGO models, unless such models can be turned into financial institutions.

Conduct further analysis of village banking systems to determine if this methodology is financially sound over the long term as such systems grow and expand.

B2. Research

Orient research towards the customers, which are the ME clients or the institutions that serve them. The key is to focus on research that helps MEs, not donors. In turn, this type of research will help the practitioners provide better customer services.

Agree on research agenda in PP/RFP, at least for years one and two. Get research recommendations from U.S. PVOs, field missions, local NGOs, and financial institutions serving MEs.

Formulate standardized methodologies for assessing ME institutions. Need to develop/apply set of common standards (like a bank examiner might do) to assess the institutional and financial performance of ME organizations.

B3. Training

Training has to serve multiple audiences, including USAID, U.S. and local NGOs/PVOs, and local financial institutions. Training activities have to be designed with these multiple audiences and knowing in advance that the base of knowledge about MEs will vary enormously.

Training needs to be conducted in many areas. Project designers need to carefully survey potential recipients to determine precisely what areas are in demand, where are the knowledge gaps, and what skills need improving.

Evaluation and impact methodology needs to be formulated and then needs to be taught so that projects can be designed and evaluated to better quantify and judge impact. Also, standardized approaches to tracking/measuring impact are needed.

B4. Non-financial services

The methodology of subsector analysis has been developed and is available for those who care to utilize the approach; many have done so. No further development of the subsector methodology was recommended by those interviewed; the evaluators agree.

There is no consensus on what types (if any) of non-financial services should be provided in Gem2. At the ME level, the demand for such services would seem to exist, at least based on the MSU research, which suggests that MEs want assistance in marketing and procuring inputs. Yet there are no methodologies or programs that can be cited that are cost effective, reaching significant numbers of MEs, and potentially replicable. A starting point for Gem2 would be to conduct a detailed review of existing programs that would seem to offer the potential for meeting these demands.

B5. Dissemination and Publications

Gem2 should incorporate a communications strategy in the design process or as part of the requirements of the contractor(s). Other ideas include:

Working papers and technical reports. Stronger summaries presenting key findings, conclusions, and recommendations would facilitate communications of important program issues. Technical oversight of working papers should be strengthened by using paid outside reviewers. Such review would assist in a balanced presentation and avoid unintended controversy.

Newsletters can provide valuable service in keeping the community of ME practitioners up to date. Newsletters should contain "news" about the project and personnel, but importantly there should be a high level of technical content, including lessons learned as the project is implemented. Funds should be budgeted for desk-top publishing and editing; more attention to format and color is also important.

Project (lessons learned or key findings) bulletins should be prepared, particularly for managers, to acquaint them with technical content of successful programs, the fundamentals of what works and why, and with results and impact.

Greater dissemination to host-country institutions should be considered, either through field missions or directly. The current mailing list should be provided to Gem2, be evaluated and refined, and possibly expanded. Gem2 should consider formulating a communications strategy to better reach and impact its audience.

B6. PVO/NGO Services

During the design of a follow-on project, care should be taken to provide support to PVOs and NGOs.

Services should be covered by a single contract, as far as possible. However, PVO services should have a separate line item within the contract budget and provide dedicated support to facilitate PVO involvement.

Provide at least one **full-time contract advisor** to manage PVO services, including training, technical assistance, action research, and contracts with PVOs. Provide adequate, dedicated short-term assistance and training funds for studies requested by NGOs/PVOs as well as subcontracts with organizations such as SEEP for training and professional development services.

Research priorities. Work on the non-financial sector, particularly training needs and efficient, effective entrepreneur training approaches. Develop monitoring and evaluation methodologies to provide monitoring standards for PVOs/NGOs.

Work with SEEP during project design to find out exactly what services and activities Gem2 should provide.

C. Contractual Approach

The vehicle should be a cost reimbursement type contract, but performance based. The contract should be flexible enough to accommodate adjustments that are likely to result from the learning that occurs. The contract should be flexible in permitting budgetary realignments. The contractor should be held responsible for results (outputs), not for adherence to levels of effort or specific line items (inputs).

The scope of work is key. It should be prepared as an annex to the PP and reviewed by the project committee. The scope must be clear as to expectations (outputs, anticipated results, deliverables, etc.).

Personnel and level of effort changes. Do not overspecify the number of key personnel; only name those that really are key and less easily replaced. Substitutions for lower-level personnel should be under the control of contractor and/or project officer. This should further reduce unneeded approvals. Likewise, the project officer should be able to approve adjustments in work days, within total budget limits. This is particularly needed on longer term buy-ins or as result of adjustments in the annual plan for the core contract.

Buy-ins. Tighter criteria are needed for doing this work. There should be a closer link to the core agenda. The objective should be to advance the project's primary objectives, not necessarily to serve all potential demands for buy-in services. Restrain the marketing by USAID and contractor personnel, particularly personnel on core resources. Ration core resources, rather than stretch. There should be no long-term, field-based implementation advisors. The missions should be involved in monitoring of deliverables, the delivery order

itself, and a review of expenses (it is not practical for project officer to handle all these responsibilities). No cost extensions by the project officer should be permitted without contracting officer action. For focus countries, consider larger buy-ins with built in flexibility to adjust scope of work and personnel, rather than a series of smaller ones (this should reduce paper work and transactions costs.)

Contract streamlining. The principle should be to charge the project officer with more of the routine approvals and place more responsibility on contractor for adherence, with review/audit at a later date. As an example, salary approvals for non-key personnel should be the responsibility of the contractor, but subject to review by the contracting officer afterwards.

D. Contractor Implementation

Most of the persons interviewed liked the consortium approach, whereby all project services are combined in one contract.

Advantages of consortium. One stop shopping (particularly attractive to missions); good integration of all project components; USAID management time reduced; single point of accountability; permits easier identification and evaluation of cross-cutting experiences and lessons learned.

Disadvantages of consortium. More management time required by prime and subcontractors—high level of coordination needed, which detracts from focus on technical content; can be hard to reconcile differing objectives and missions of a for-profit consulting firm with those of universities and NGOs; prime contractor can drive the core agenda and use of personnel without adequate attention to the contributions of subcontractors.

G/EG/MD should consider these advantages and disadvantages carefully and against the expected quality and number of potential project managers, as well as its current and projected workload. The evaluators favor the consortium approach based on GEMINI's experiences.

E. Project Office Management

Ideally, the project officer should have both technical knowledge of MEs and project/contract management experience. The officer should be assisted by a more junior administrative person to handle the routine issues associated with project administration, including communications with field missions to handle the buy-ins. Should a project coordinator be required, the coordinator should be trained in the fundamentals of project and contract management.

ANNEX A

SCOPE OF WORK

SCOPE OF WORK

EVALUATION OF GEMINI[1] PROJECT

I. Objective

To evaluate the accomplishments and any shortcomings of the GEMINI Project and to make recommendations to USAID concerning the management and implementation of a future central resource devoted to microenterprise development.

II. Background

The GEMINI Project was intended to further knowledge about microenterprise development and to serve as a resource in that subject area for USAID Missions and central bureaus and other organizations. The project provides a mixture of economic research, project design research, technical assistance, training and information dissemination. GEMINI is expected to contribute to the goal of microenterprise development by having a catalytic effect on the efforts of organizations that work directly with microenterprise or shape policy in that sector.

GEMINI is implemented by Development Alternatives, Inc. with subcontractors Michigan State University, Accion International, Opportunity International, World Education, Technoserve and Management Systems International. It has been supervised by the Office of Small, Micro and Informal Enterprises in the Private Enterprise Bureau, USAID (PRE/SMIE), now known as the Office of Microenterprise Development (G/EG/MD).

While conceived and designed as one project, GEMINI operates through two companion contracts, the core contract with a fixed size, and the buy-in contract with indefinite size. The evaluation will treat GEMINI as a whole, covering the two contracts and the interaction between them.

The evaluation will address a broad range of concerns, including:

1). performance measured against the terms of the contract;
2). the quality of service GEMINI has provided to USAID both in Washington and the field and its results in practical terms;
3). the effectiveness of the GEMINI contract as a vehicle in responding to the needs of the project;

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[1]Growth and Equity Through Microenterprise Investments and Institutions (936-5448).

4). the adequacy of information dissemination efforts;
5). project management;
6). the intellectual contribution of the project, i.e. is there a "GEMINI' legacy? Has the contribution spread through out the world?
7). the implications for the future directions in microenterprise development.

III. Purpose

The purpose of this evaluation is to assess the effectiveness of the GEMINI project at achieving its goals. This requires that consideration be given to both the overall objective and goals of the Gemini project as set forth in the project paper as well as the specific goals of the task orders undertaken in the course of the project. In addition, the evaluation should review GEMINI's success at following-up on the recommendations of the mid-term evaluation.

However, because this evaluation is taking place at a key time in the development of microenterprise within USAID, the assessment should go beyond past performance and compliance with respect to the terms of the GEMINI contract but give considerable attention to the implications for future directions in microenterprise development.

IV. Scope of Review

1. Performance and delivery of contract requirements.

2. Performance of core agenda.

- Assess the appropriateness of the direction taken in the project core, the quality of work done, under the core, the contribution of the work by GEMINI to the field of microenterprise development, and evidence of the effccts of that work on other organizations.
- What new areas of microenterprise development and support services have emerged in the course of the project but were not included in the project's original core agenda. How have these areas, if any, been treated by GEMINI? To what extent have they been areas for which GEMINI has received requests and to which they did or did not respond, e.g. policy reform, restructuring of financial institutions.
- What agenda issues indicated in the PP have not been addressed?

3. Performance of buy-ins.

- Buy-in management (team recruitment, support, follow-through) quality of work under the buy-ins; customer satisfaction; results of buy-ins; contributions to core

agenda.

- Were the big implementing buy-ins appropriate vehicles to the tasks and the management capability of GEMINI?

- Assess the quality of communications between Missions and Bureaus who had buy-ins to GEMINI and the project and PRE/SMIE. Did the contracutal relationships work effectively to ensure the timely completion of task orders?
- Was the combination of buy-in and core work appropriate to facilitating GEMINI's objective of informing and advancing USAID's agenda on microenterprise development.

4. Performance of the Consortium. Assess the relationship between prime and subcontractors. How effective has GEMINI been as a project in allocating work to the members of the consortium? Have the comparative advantages of the consortium members been used to their fullest? Do the subcontracting arrangements under GEMINI facilitate or hinder the full utilization of consortium members?

5. Field Support.

- Has GEMINI been effective in balancing its roles of support to missions as well as support to implementors? What has GEMINI learned from working with field based organizations in implementing different types of task orders? What are the most effective roles for different types of organizations (PVOs, NGOs, consulting firms, universities, government organizations) in the field and what has GEMINI learned in the type of coordination required to complete tasks adequately and in a timely manner.
- What have been the strengths and weaknesses of GEMINI, as a centrally funded mechanism for undertaking and improving work in the field?

6. Dissemination Efforts. GEMINI publications and their distribution, conferences, seminars and professional development. Are planned and existing information dissemination mechanisms adequate to ensure that the insights generated by the project will be understood? Identify new areas for improving the dissemination of information.

7. Project Management

- Includes, among other issues: adequacy of core staff time for tasks required; the effect of buy-in support on the core staff; relationships between the prime and subcontractors; management of the contract by PRE/SMIE.
- What lessons have been learned about the contracting process, and how future contracts might be structured?

8. USAID-GEMINI Agenda. What has been the impact of GEMINI on USAID's work? Which areas of USAID's microenterprise work have been most and least influenced by GEMINI? Has GEMINI been an effective tool in enabling USAID to achieve its economic goals?

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9. The Future. In looking to the future the evaluation should give consideration to the following issues:

- What has GEMINI learnt about the effectiveness of alternatives forms of microenterprise assistance and of different types of institutions in providing microenterprise assistance;
- What has been the relationship between GEMINI and implementing organizations, public, private and non-governmental? How could these organizations more effectively access the support services of a central project like GEMINI to enable them to implement more effectively their USAID funded activities?
- What has been the utility of the research undertaken by GEMINI. Document to the extent possible the target audiences and the ways in which they have found this information useful. What are the recommendations for future research in the field.
- What has GEMINI contributed to the "human capital" and institutional capacity in the field ?
- What will be the 'legacy' of GEMINI when the project is over?

V. REVIEW ACTIVITIES

1. Review project paper, contract and amendment. Review annual workplans. Compare actual outputs to requirements.

2. Read selected reports produced. G/EG/MD will offer guidance on which reports are most relevant.

3. Interview selected former PRE/SMIE staff and those presently in G/EG/MD, core GEMINI team members, including staff from subcontractor firms.

4. Interview selected buy-in clients (big buy-ins; selection of smaller buy-ins; central bureau clients) The list will be jointly developed with staff from G/EG/MD.

5. Interview selected USAID staff and outside audiences (e.g. implementing organizations) either individually or in a group.

6. Using the information gathered through reading and interviews reach conclusions and recommendations regarding all the items listed below.

7. Write draft report, present findings and recommendations in discussion with USAID and GEMINI. Submit draft for comment by USAID and GEMINI.

8. Convene a one day meeting to discuss recommendations concerning a future microenterprise strategy. The meeting should be attended by no more than 15 people. The participants should include G/EG/MD and other USAID staff, representatives from GEMINI project, including subcontractors, implementing organizations and donor institutions.

9. Finalize report, after receiving comments and final discussion with USAID and GEMINI.

VI. LEVEL OF EFFORT

A two person team is envisioned, each working 30 days. One trip to Michigan State University will be needed. Evaluators should be experienced in small or microenterprise development as well as project management and evaluation. One members of the team should be an economist or finance expert. The team will be assisted by a junior consultant who will organize the review meeting and provide support services as required.

There will be a significant amount of telephoning required including overseas calls, to interview GEMINI clients and partners.

The activities under this scope of work should be completed within 112 calendar days from the start of the work.

VII. DELIVERABLES

1. Report: The final report should not exceed 30 pages single spaced. The report should include an executive summary and a list of persons contacted.

2. Meeting to review implications for future strategy.

VII. TIME FRAME

Week 1: presentation of work plan;
Week 2- 6: evaluation of GEMINI and visit to Michigan State University;
Week 7-8: submit draft report and review with USAID; convene one day meeting;
Week 9: Finalize report and submit final report to USAID.

ANNEX B

PERFORMANCE AND DELIVERY OF CONTRACT REQUIREMENTS

TABLE 1

STATUS OF MIDTERM RECOMMENDATIONS

MIDTERM RECOMMENDATIONS	STATUS AS OF September 30, 1994
GROWTH AND DYNAMICS	
Research	
Summarize research results and progress made on research agenda	Not to be implemented, per USAID decision in December 1992
Write paper on research findings as related to policy reform issues and ME project design and evaluation	Synthesis paper addressing these recommendations is in draft
Collect baseline data in CEE and NIS countries, so that impact can be measured	Not to be implemented, per USAID decision in December 1992
Participate in more evaluations and designs	Only happened in case of designs in two instances in Africa. Did not happen for evaluations.
Modify research agenda to concentrate resources on analytical work needed to understand links between MEs, macro policies and trade/investment initiatives	Synthesis paper will address this point
Women in Development	
Continue to promote women's issues	GEMINI work confirms that improvement in the economic status of women occurs through identification and alleviation of gender-specific constraints. This realization calls for the inclusion of gender analysis in all relevant technical areas. An overview of all gender-related work and findings in the GEMINI Project was completed and published. Gemini has also carried out gender-focused seminars, including a presentation of gender work in Poland and a specific focus on gender issues at the GEMINI Microenterprise Forum in November, 1993.

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Continue to assist in the coordination effort of WID activities	Because of AID restructuring, this has been difficult over the past year. Until that time, GEMINI worked closely with the WID office on such projects as the GEMINI WID evaluation, the Russia child-care study, and the study of constraints facing women entrepreneurs in Egypt.
Identify and share information about the most successful projects.	This was accomplished by publishing and disseminating reports on the work mentioned above, as well as through the Microenterprise Forum. In addition, gender is incorporated as a specific focus in "GEMINI in a Nutshell II" (soon released).
Incorporate key WID findings into a review of SME design and management fundamentals to serve as a practical tool for project design and implementation.	The work mentioned above have served as the foundation of GEMINI's approach to enterprise development, and GEMINI's upcoming policy work on gender. Throughout the Microenterprise Forum, gender issues were highlighted in design exercises, both for financial and non-financial assistance delivery. In addition, by compiling gender-related findings in the work carried out by Weidemann, such insights have been disseminated to a broader range of institutions designing and implementing ME programs.
FINANCIAL ASSISTANCE	
Identify and work with those international and national PVOs, NGOs and financial institutions which have shown greatest commitment.	Over the last two years, GEMINI has worked extensively with the SEEP to reach PVOs. GEMINI and SEEP co-sponsored regional workshops on financial management in Africa, Asia, and Latin America.
Continue to research alternative lending institutions.	GEMINI has worked directly with Actuar in Colombia; BancoSol in Bolivia; and FED in Ecuador through ACCION. In addition, GEMINI has worked extensively with WOCCU, enhancing credit unions' abilities to service the ME sector.

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Assist implementing agencies to understand the needs and constraints of the formal financial community.	GEMINI has worked with formal financial institutions in Mongolia, Armenia, Georgia, and South Africa to provide bank training and to improve their ability to provide services to the ME sector.
Research ways of promoting savings mobilization.	GEMINI has supported savings program development at BancoSol, providing insights on successful program design and associated costs. Work on savings mobilization is also being carried out directly by ACCION.
NON-FINANCIAL ASSISTANCE	
Sample additional users of the field manual; consider revisions and clarifications.	Through implementation of training courses for CARE, ATI, the SEEP Network, South African Bankers, Peace Corps, and at the Microenterprise Forum, suggestions have been gathered for repackaging and revising the sub-sector field manual.
Look for circumstances in which the subsector approach might be applied more generally to other countries and industries.	The subsector framework of analysis has been extensively applied in a wide variety of cases: Ecuador, Poland, child-care in Russia, program strategy and planning for PVOs and NGOs (such as CARE, the SEEP Network, ATI, and the Peace Corps).
Further analysis should be undertaken to determine potential linkages between trade and investment and export development projects. Requirement for teaching cases should be dropped.	Not to be implemented, per USAID decision in December 1992 Contract amendment resulted in this requirement being dropped.
MISSION SERVICES	
Contractor would benefit from further joint guidance from PRE and Africa Bureaus on the GEMINI Core agenda for this region.	Despite little guidance from the Africa Bureau, GEMINI worked in collaboration with several AID Missions in Africa.

Draft report on measuring impact of finance programs at the institutional level should be completed and issued as a working paper.	Completed and published Working Paper No. 32 in November 1992: "A New View of Finance Program Evaluation."
PVO PARTICIPATION AND SERVICES	
Continue to work through SEEP	As mentioned above, GEMINI has collaborated with SEEP in providing training workshops for NGOs conducting MSE programs world-wide. A senior GEMINI representative attends SEEP's annual meeting, participating in discussions and serving as a speaker.
Work only with those PVOs that have accepted and are prepared to utilize viable methodologies and approaches for self-sustaining ME programs.	GEMINI has followed this recommendation. Even so, GEMINI has worked with an increasing number of PVOs.
Prepare a paper on the fundamentals of lending policy.	This was accomplished through production and publication of the Technical Notes series, including such topics as Designing for Viability, Managing Delinquency, among others.
Encourage PVOs to reassess their philosophy by helping to forge linkages with alternative institutions such as banks.	These linkages have been encouraged by bringing PVO representatives, formal sector bankers, and others together in seminars, conferences, and training sessions. Through these fora, both skills and institutional linkages are strengthened.
Concentrate on activities with organizations in host countries.	In Mongolia and Poland, GEMINI has worked with local business and banking associations. Through SEEP Workshops, GEMINI has trained host-country NGOs. In Bolivia, GEMINI is also training local NGOs.
DISSEMINATION	
Send newsletters and publications directly to all USAID-funded projects.	This task is not completed. A GEMINI intern worked with AID to produce a mailing list, but the work has not been finished.

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GEMINI should add major European organizations on the newsletter and mailing list.	This has been undertaken informally by adding all contacts from European organizations to the lists. These contacts are made through work in the various countries, through conferences and seminars, and through informal professional information sharing.
Agree on a workable, cost-effective system for long-term dissemination of GEMINI materials.	GEMINI reached an agreement with PACT Publications to provide a permanent home for all GEMINI publications. PACT will actively market these products through 9/30/99, and thereafter on a "by request" basis.
Develop a marketing strategy to get the greatest number of GEMINI materials to the largest number of MSE interested parties.	GEMINI hired a consultant to advise the project on dissemination and marketing strategies. Based on this consultancy, GEMINI initiated the agreement with PACT Publications, and undertook a public book launching for the Rhyne/Otero book.
Consider translating important documents.	Deemed the most valuable to field practitioners, the Technical Notes series has been translated, along with the subsector training materials and video.
Consider using the newsletter with an attached questionnaire as a method for soliciting information.	A questionnaire was attached to the newsletter asking about the information needs of readers. The responses were used in planning newsletter content.
GEMINI should address concerns raised by past workshop participants to improve the outcome of its workshops.	As such concerns have been raised, GEMINI has revised workshops accordingly. In addition, GEMINI seminars and roundtables have received positive feedback, and are held on a regular basis. Following positive feedback on the Microenterprise Forum held in November 1993, three additional Microenterprise Fora are planned for 1995, one each in the Middle East, Africa, and Latin America.

GEMINI should determine which products are most important based on their impact on enterprise development and which should be part of the GEMINI legacy.	Major products have been carefully packaged for dissemination: the Rhyne/Otero book on financial services; the anticipated MSU synthesis paper (now in draft); and two volumes of selected abstracts (GEMINI in a Nutshell I and II).
CONTRACTOR	
Additional staff and publications time to make annual reports more refined and descriptive.	While efforts have been made to make the annual report more readable, this work is of less priority and importance than publication of technical documents.

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CHART 1

ARP 1
GROWTH AND DYNAMICS OF MICROENTERPRISES

DELIVERABLE	COMPLETED
Research Issues Paper	• WP 12 (Dynamics of Microenterprises: Research Issues and Approaches, January 1991)
Research Plan	• WP13 (Dynamics of Microenterprises: Research Priorities and Research Plan, August 1990)
Long-term field research ctivities	1• Kenya (WP 17 - Kenya: Kibera's Small Enterprise Sector - Baseline Survey Report, April 1991) 2• Dominican Republic (WP 21 - Microenterprise Growth Dynamics in the Dominican Republic, June 1991, Special Publication: Microempresas y Pequenas Empresas en la Republica Dominicana, June 1992, Special Publication: Evolucion de las Microempresas y Pequeñas Empresas, June 1993, Special Publication: Microempresas y Pequeñas Empresas de Mujeres, June 1993) 3• Zimbabwe (TR 25 - Micro and Small-Scale Enterprises in Zimbabwe: Results of a Baseline Survey, December 1991, TR 55 - Business Linkages and Enterprise Development in Zimbabwe, April 1993, TR 71 - Changes in the Small-Scale Enterprise Sector from 1991 to 1993: Results of a Second Nationwide Survey in Zimbabwe, March 1994) 4• Jamaica (TR 70 - A Dynamic Study of Jamaican Micro- and Small-Scale Enterprises, March 1994)
Field assignments	1• WP 3 (Prospects for Enhancing the Performance of Micro- and Small-Scale Nonfarm Enterprises in Niger, February 1990) 2• TR 14 (Small-Scale Enterprises in Lesotho: Summary of a Country-Wide Survey, February 1991) 3• TR 16 (Small-Scale Enterprises in Mamelodi and Kwazakhele Townships, South Africa: Survey Findings, March 1991) 4• TR 17 (Growth and Change in Malawi's Small and Medium Enterprise Sector, June 1991) 5• TR 24 (A Country-Wide Survey of Small-Scale Enterprises in Swaziland, December 1991) 6• TR 46 (Micro- and Small-Scale Enterprises in Botswana: Results of a Nation-Wide Survey, August 1992) 7• TR 53 (Results of a Nationwide Survey of Micro, Small and Medium Enterprises in Malawi, January 1993)
Special studies	1• WP 5 (Gender and the Growth and Dynamics of Microenterprises, October 1990) 2• WP 16 (Baseline Surveys of Micro and Small Enterprises, March 1991) 3• WP 2 (The Dynamics of Small-Scale Industry in Africa and the Role of Policy, January 1990) 4• WP 11 (Data Collection Strategies for Small-Scale Industry Surveys, January 1991) 5• WP 19 (Agriculture, Rural Labor Markets, and the Evolution of the Rural Nonfarm Economy, May 1991) 6• WP 26 (Dynamics of Small- and Micro-Scale Enterprises and the Evolving Role of Finance, December 1991) 7• TR 47 (The Growth and Dynamics of Women Entrepreneurs in Southern Africa, August 1992) 8• Technical Note (A Manual for Conducting Baseline Surveys of Micro- and Small-scale Enterprises, February 1993) 9• TR 72 (The Contribution of Small Enterprises to Employment Growth in Southern Africa, March 1994)

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2 Major summary papers	1•	WP 36 (The Structure and Growth of Microenterprise in Southern and Eastern Africa, March 1993)
3 Small Group seminars	1•	Zimbabwe - 1/92
	2•	Washington - 7/92
	3•	Swaziland - 2/92
	4•	Washington - 7/93 (GEMINI seminar)
	5•	Washington - 11/93 (ME forum)

ARP 2
FRONTIERS OF MICROENTERPRISE FINANCE

DELIVERABLE	COMPLETED
2 Initial workshops	1• 1990 ARP 2 conference 2• credit union day
4-6 Initial papers	1• WP6 (Banking on the Rural Poor in Malaysia: Project Ikhtiar, October 1990) 2• WP 18 (A Financial Systems Approach to Microenterprises, April 1991) 3• WP 20 (The Microenterprise Finance Institutions of Indonesia and Their Implications for Donors, June 1991) 4• WP 22 (Credit Unions: A Formal Sector Alternative for Financing Microenterprise Development, September 1991) 5• WP 25 (Village Banking: A Cross-Country Study of a Community-Based Lending Methodology, December 1991) 6• WP 30 (Poverty Lending and Microenterprise Development: A Clarification of the Issues, May 1992) 7• WP 31 (The Solidarity Group Experience Worldwide, June 1992) 8• WP 33 (The Role of Savings in Local Financial Markets: The Indonesian Experience, November 1992) 9• WP 37 (Transformation Lending: Helping Microenterprises Become Small Businesses, April 1993) 10• WP 38 (Should Principles of Regulation and Supervision be Different for Microenterprise Finance Organizations?, April 1993)
Demonstration projects	1• Philippines: WP 24 (Steps to the Creation of a Viable Financial Institution for Microenterprise Development in the Philippines: Notes on a Process for the Staff and Board of Tulay sa Pag-Unlad, Inc., November 1991) 2• Colombia: WP 28 (Apex Study of the Asociacion de Grupos Solidarios de Colombia, April 1992) 3• FONDOMICRO design 4• CRS (TR 36, Apex Study of the Small Enterprise Development Program of Catholic Relief Services, Senegal, May 1992, and TR 39, Apex Study of the Small Enterprise Development Program of Catholic Relief Services, Thailand, May 1992) 5• FFH (Access to Credit for Poor Women: A Scale-Up Study of Projects Carried Out by Freedom from Hunger in Mali and Ghana, March 1992) 6• WP35 (BancoSol: A Private Commercial Bank, February 1993)+ Robinson (in production) (BancoSol and savings mobilization) 7• TR 64 (Credit Unions and Microenterprises: The WOCCU Perspective, December 1993) 8• TR 68 (Study of the Financial Sector and SME Development in Poland, February 1994)
Midcourse workshops	1• Village Banking (9/91) 2• Swaziland conference (2/92) 3• Indonesia conference (3/92) 4• Credit Union day (5/91)
follow-up studies	1• WP 41 (Financial Institutions Development Project in Indonesia, July 1993) 2• WP 45 (FondoMicro: Lessons on the Role of Second-Tier Financial Institutions in MSE Development, February 1994) 3• WP 35 (BancoSol: A Private Commercial Bank. A Case Study in Profitable Microenterprise Development in Bolivia, February 1993)

2 custom-tailored training sessions	1• SEEP Financial Mgmt (6/91) 2• South Africa Microenterprise Finance Workshop (7/93) 3• SEEP Designing for Viability Workshop (3/93) 4• SEEP MIS Workshop (6/93) 5• SEEP training Asia (3/94) 6• SEEP training Africa (7/94) 7• SEEP training Latin America (9/94)
2 TA assignments	1• Workshop for AID/Bolivia (6/91) 2• Jamaica Microenterprise Finance (2-7/93, 2 trips)
2 training packages	Technical Notes: 1• Methods for Managing Delinquency (4/91) 2• Interest Rates and Self-Sufficiency (12/91) 3• Financial Services for Women (3/92) 4• Designing for Financial Viability of Microenterprise Programs (3/93) 5• Monetary Incentive Schemes for Staff (4/93) 6• Mongolia bank basic training materials (11/93)
2 training trainers sessions	1• Mongolia Bankers Training (9/93) 2• Professional Development Seminar (11/93) 3• SEEP training Asia (3/94) 4• SEEP training Africa (7/94) 5• SEEP training Latin America (9/94)
1 final report	1• "The New World of Microenterprise Finance," February 1994
Final conference	

ARP 3
FRONTIERS OF NON-FINANCIAL ASSISTANCE

DELIVERABLE	COMPLETED
2 Initial workshops	1• ARP 3 workshop (11/90) 2• Subsector analysis manual beta test (3/91)
4-6 Initial papers	1• WP 8 (Technology - the Key to Increasing the Productivity of Microenterprises, November 1990) 2• WP 10 (A Subsector Approach to Small Enterprise Promotion and Research, January 1991) 3• TR 32 (The Role of Private Sector Advocacy Groups in the Sahel, March 1992) 4• WP 40 (Private Business Organizations and the Legislative Process, July 1993) 5• TR 62 (Principles for Effective Design and Management of Small Business Development Centers, October 1993) 6• WP 47 (bridging the Gap between Equity and Impact: A Subsector Approach to Export Promotion in Ecuador, April 1994)
Demonstration projects	1• Thailand: WP 23 (A Proposed Subsector-Based Monitoring and Evaluation System for CARE/Thailand's Silk Promotion Efforts, September 1991), WP 27 (Opportunities for Intervention in Thailand's Silk Subsector, January 1992) 2• Egypt: WP 29 (The Subsector Methodology: A Field Orientation for CARE/Egypt, April 1992) 3• Mali: TR 20 (Mali Microenterprise Sector Assessment and Strategy, October 1991) 4• Peru: TR 61 (New Competitiveness and New Enterprises in Peru, August 1993) 5• Sahel: TR 50 (Skins and Hides in 4 Countries in Africa, November 1992) 6• Ecuador: INSOTEC/CFN small enterprise and export development (November 1993) 7• Poland: WP 34 (Policy Issues and Constraints in the Construction Sector, February 1993) WP 44 (Small and Medium Enterprise Development: A National Assessment of the Agroindustry Sector of Poland, January 1994) 8• Mongolia: Business Services Directory (1993)
Midcourse workshops	1• Swaziland (2/92) 2• Indonesia (3/92)
Follow-up studies	1• WP39 (Application of the GEMINI Methodology for Subsector Analysis to MSE Export Activities, June 1993) 2• WP 43: CARE and subsector analysis (October 1993) 3• Status for Polish Foundation for Promotion and Development of Small and Medium-sized Enterprises (1993)
Custom-tailored training essions	1• Mali subsector analysis training (6/91) 2• CARE RTAs subsector training (8/91) 3• SEEP subsector workshop (3/93) 4• SEEP Aisa (3/94) 5• SEEP Africa (7/94) 6• SEEP Latin America (9/94) 7• Peace Corps APCD - Botswana (9/94)

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TA assignment	1• Peru: TR 23 (Peru: Small Business and Employment Expansion Project Paper, November 1991) 2• Mongolia: Terms of Reference, Mongolia Small Enterprise Advisors Program, December 1991
New training packages	Technical Notes 1• A Field Manual for Subsector Practitioners, November 1991 2• Subsector Video (12/92) 3• Subsector facilitators guide (12/92)
Training trainers session	1• Mongolia business advisors training (9/93) 2• SEEP Asia (3/94) 3• SEEP Africa (7/94) 4• SEEP Latin America (9/94)
Final report	
Final conference	

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MISSION SERVICES

DELIVERABLE	COMPLETED
Agency-wide impact evaluation plan	• WP 23 (A Proposed Subsector-Based Monitoring and Evaluation System for CARE/Thailand's Silk Promotion Efforts, September 1991)
2 evaluations	1• TR 6 (Developing Financial Services for Microenterprises: An Evaluation of USAID Assistance to the BRI Unit Desa System in Indonesia, October 1990) 2• TR 15 (An Evaluation of the Institutional Aspects of Financial Institutions Development Project, Phase I, in Indonesia, March 1991) 3• TR 19 (Women in the BPD and Unit Desa Financial Services Programs: Lessons from Two Impact Studies in Indonesia, September 1991) 4• TR 26 (The Development Impact of Financing the Smallest Enterprises in Indonesia, January 1992) 5• TR 27 (Midterm Evaluation of the ASEPADE Component of the Small Business II Project, Honduras, February 1992) TR 28 (Midterm Evaluation of the ANDI/PYME Component of the Small Business II Project, Honduras, February 1992) 6• TR 30 (Small and Micro Enterprise Development Project No. 262-0212, Egypt. Midterm Evaluation, March 1992) 7• TR 42 (Evaluation of the Micro and Small Enterprise Development Project (MSED) in Bolivia, June 1992) 8• TR 44 (Get Ahead Foundation Credit Programs in South Africa: The Effects of Loans on Client Enterprises, June 1992.) TR 45 (Get Ahead Foundation in South Africa: Final Evaluation, June 1992.) 9• TR 56 (End of Project Evaluation, Enterprise Development Project, Bangladesh, April 1993) 10• TR59 (Midterm Evaluation of the Microenterprise Development Project in Jamaica, September 1993) 11• TR76 (Measuring Socioeconomic Impact of Credit on SMI: Assessment of the Monitoring System Used by the Alexandria Businessmen's Association, Egypt, March 1994) 12• TR77 (The Kenya Rural Enterprise Programme under Cooperative Agreement No. AID-615-0238-A-00-7026-00: A Final Evaluation, September 1994)
frica Strategy: 3 ountry-specific strategies + methodology	1• WP 9 (Lesotho Small and Microenterprise Strategy - Phase II: Subsector Analysis, November 1990) TR 14 (Small-Scale Enterprises in Lesotho: Summary of a Country-Wide Survey, February 1991) 2• TR 18 (Burkina Faso Microenterprise Sector Assessment and Strategy, August 1991) 3• TR 20 (Mali Microenterprise Sector Assessment and Strategy, October 1991) 4• TR 21 (A Microenterprise Sector Assessment and Development Strategy for Zambia, November 1991) 5• WP 46 (Methodology for Microenterprise Strategy Design in the Sahel, february 1994)
field assignments	1• WP 3 (Prospects for Enhancing the Performance of Micro- and Small-Scale Non-Farm Enterprises in Niger, February 1990) 2• TR 31 (A Review of the Prospects for Rural Financial Institutions Development in Bolivia, March 1992) 3• Poland Small Business Development Project Design 4• Mongolia Small Business Development Project Design 5• Romania Small Business/Privatization Project Design

2 brief initial field ssignments	1• D.R. (FM) 2• Jamaica (strategy) 3•• Ghana 4• Indonesia 5•• Ecuador 6• Bangladesh 7• Botswana 8• Lesotho 9• D.R. (survey) 10• Jamaica (survey) 11• Peru 12• Namibia 13• Zimbabwe 14• Swaziland (conf)
uy-ins	• 85 to date

TABLE 2

ARP 1
GROWTH AND DYNAMICS OF MICROENTERPRISES

REMAINING DELIVERABLES	OUTPUTS EXPECTED	COMPLETED BY
2 Long-term field research activities	2• Jamaica: Panel Survey Report - Gustafson/Lied. counterpart reports	Year 6, Q2
	3• Kenya: Enterprise Dynamics Report	Year 6, Q2
	4• DR: counterpart reports	Year 6, Q2
4 Special Studies	10• Nigerian Entrepreneurs - Kilby	Year 6, Q1
2 Major Summary Papers	2• World-wide Survey Report - Liedholm/Mead	Year 6, Q3

ARP 2
FRONTIERS OF MICROENTERPRISE FINANCE

REMAINING DELIVERABLES	OUTPUTS EXPECTED	COMPLETED BY
4-6 Initial papers	11• Bank Dagan Bali 12• Colombia 13• Mexico	Year 6, Q1 Year 6, Q3 Year 6, Q3
8 Demonstration projects	10• Jamaica	Year 6, Q2
4 Follow-up studies	4• Credit Unions	Year 6, Q1-2
2 custom-tailored training sessions	8• Bolivia 9• Jamaica	Year 6, Q2 Year 6, Q2
2 training packages	Technical Notes: 7• Accounting 8• Financial analysis 9• Financial ratios 10• Savings mobilization Synopsis of Bank Training documents	 Year 6, Q2 Year 6, Q2 Year 6, Q2 Year 6, Q1 Year 6, Q2
Financial issues roundtables	Planned topics: • Transformation of institutions • Introduction to Microbanker	Year 6, Q3

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ARP 3
FRONTIERS OF NON-FINANCIAL ASSISTANCE

REMAINING DELIVERABLES	OUTPUTS EXPECTED	COMPLETED BY
8 Demonstration projects	9• NIS Childcare	Year 6, Q1
4 Follow-up studies	3• Poland: Operating Plan for Foundation for Promotion and Development of Small and Medium-sized Enterprises.	Year 6, Q2
	4• Mongolia Business Association Support	Year 6, Q1
1 final report	1• The GEMINI approach to non-financial assistance	Year 6, Q3

MISSION AND AID/WASHINGTON SERVICES

REMAINING DELIVERABLES	OUTPUTS EXPECTED	COMPLETED BY
3 Expert Topics Seminars	• MSEs and Health/Population Seminar and Issues Paper • MSEs and Environment Seminar and Issues Paper • MSEs and Housing Seminar and Issues Paper	Year 6, Q3
1 impact evaluation review	Review of GEMINI Evaluation experience and lessons learned.	Year 6, Q3
Major Buy-ins (in-progress and projected)	• Bangladesh -- Women's Enterprise Development • Honduras -- SME re-design • Hungary -- • Egypt -- Rural Finance Evaluation • Jamaica -- MSE • Jamaica -- Panel Survey II • Sub-Saharan Africa Rural Financial Institutions • WOCCU • Bolivia • Poland • SMIE buy-in Sri Lanka Sector Assessment (Nov) Uganda Strategy/Evaluation (Nov) Morocco Design (Nov) Madagascar Design/Training (Nov) Mali Financial System Analysis (Dec) Peru Sector Assessment/Evaluation (Jan) Ecuador Banking Studies (Jan) Niger Strategy/Evaluation (Feb) West Bank/Gaza Sector Assessment (Mar) Nicaragua Strategy/Evaluation (Mar) Guinea Savings/Credit Evaluation (Apr) Nepal Design (Apr) APPLE Evaluation (May) Kenya Baseline Survey II (May) Indonesia Legislative Support (?)	Year 6, Q1-4

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DISSEMINATION SERVICES

DELIVERABLES	OUTPUTS EXPECTED	COMPLETED BY
Curriculum Development	Formalize training kit for professional development seminar.	Year 6, Q2
3 Regional Professional Development Seminars	• Near East • Africa • Central/South America	Year 6, Q3 Year 6, Q3 Year 6, Q4
Half-day AID/Washington Training Seminars	Topic examples: • Growth and Dynamics • Managing Delinquency • Savings	Year 6, Q3-4
Participation in other conferences/seminars	• Donor Steering Committee for Small Enterprise Development, April, Budapest • Summit of the America's MSE Workshop	Year 6, Q1-4
"Lessons learned" briefs for AID Policymakers/programmers	Topics: • Village banking • Savings • Micro-macro linkages • MSE and Employment • MSE Growth and the Policy Environment • MSEs and Business Associations • Business linkages • Institutional Transformation • User sheet on Subsector Analysis • Gender issues • Evaluation Guidelines for MSE Projects • Linkages between MSEs and Agriculture	Year 6, Q1-4
Final Conference	2-day Conference (unlimited registration) covering key GEMINI findings in all areas	Year 6, Q4

TABLE 3

PRIME AND SUBCONTRACTOR LEVEL OF EFFORT AND CONTRACT DOLLAR VALUES				
SUBCONTRACTOR	ORIGINAL DOLLAR VALUE	REVISED DOLLAR VALUE (5/31/94)	LEVEL OF EFFORT (PM)	% CONTRACT VALUE
ACCION International	$416,116	$404,943	49.8	7%
Management Systems International	$141,546	$84,565	6.8	1%
Michigan State University	$1,327,312	$1,297,369	136.9	23%
Opportunity International	$175,514	$69,464	12.2	1%
Technoserve, Inc.	$178,907	$85,174	11.5	1%
World Education, Inc.	$128,938	$72,615	22.4	1%
Unspecified Subcontractors:	$211,269	$263,963	45.6	5%
ATI/ITDG CG–Vega CARE HIID INSOTEC Kilby M. Bartel Sterling Ventures Weidemann Associates				
TOTAL SUBCONTRACTS	$2,579,602	$2,278,093	285.2	40%
PRIME CONTRACT	$3,165,564	$3,467,073	269.8	60%

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TABLE 4

GEMINI: Types of Buy–in Services

Study/Research	Study	Technical Assistance	TA
Assessment/Survey	Survey	Training, Professional Developi	Training
Strategy	Strategy	Monitoring and Evaluation	M&E
Project Design	PDesign	Evaluation	Evaluation

Fiscal Year	Activity Type	Activity Title	Site	USAID D.O. #	Total Contract	% Mission Services	#	Average
MISSION SERVICES								
Evaluation								
FY90	Evaluation	FID I Evaluation	Indonesia	6	$57,119			
FY90	Evaluation	FID II Evaluation	Indonesia	6	$218,539			
FY91	Evaluation	Honduras Evaluation	Honduras	35	$86,913			
FY92	Evaluation	Egypt Evaluation	Egypt	40	$18,171			
FY92	Evaluation	South Africa Get Ahead Evaluation	South Africa	44	$70,000			
FY92	Evaluation	Bolivia MSE Evaluation	Bolivia	46	$35,017			
FY93	Evaluation	MIDAS Evaluation	Bangladesh	61	$88,799			
FY93	Evaluation	South Africa BPED	South Africa	64	$121,669			
FY93	Evaluation	Jamaica Evaluation	Jamaica	63	$56,602			
FY94	Evaluation	K–REP Evaluation	Kenya	78	$119,076			
	Subtotal				**$871,905**	**7%**	**10**	**$87,191**
Project Design								
FY90	PDesign	Jamaica Project Paper Design	Jamaica	3	$33,596			
FY90	PDesign	Bangladesh WEDP PID & PP	Bangladesh	17	$138,607			
FY90	PDesign	Eastern Caribbean SEAP II Project Paper	Eastern Caribbean	9	$60,750			
FY91	PDesign	Zambia Concept Paper	Zambia	31	$58,893			
FY91	PDesign	Peru Project Paper	Peru	33	$96,185			
FY92	PDesign	Bolivia Rural Financial Institutions	Bolivia	42	$76,875			
FY92	PDesign	Lesotho Pre–PID	Lesotho	41	$101,117			
FY92	PDesign	Zimbabwe Bus. Dev. Program	Zimbabwe	43	$84,729			
FY94	PDesign	Slovakia Small Business Project Design	Slovakia	75	$32,751			
	Subtotal				**$683,503**	**5%**	**9**	**$75,945**
Strategy								
FY90	Strategy	AFR/MDI Africa Strategy	Africa Regional	13	$130,563			
FY91	Strategy	Burkina Subsector Analysis and Strategy	Burkina Faso	4	$31,540			
FY91	Strategy	Mali Subsector Analysis and Strategy	Mali	24	$20,401			
FY91	Strategy	AFR/MDI Africa Strategy II	Africa Regional	27	$49,971			
FY92	Strategy	Egypt Credit Strategy	Egypt	47	$35,329			
FY92	Strategy	WID Child Care Study – Strategy & Implementation	Russia	51	$43,050			
Subtotal					**$310,854**	**2%**	**6**	**$51,809**
Study								
FY90	Study	FondoMicro/Gender Issues	Dominican Republic	18	$16,401			
FY90	Study	Indonesia Village Banking	Indonesia	18	$15,291			
FY90	Study	Lesotho Gender Issues	Lesotho	18	$26,674			
FY91	Study	Burkina/Gender Issues	Burkina Faso	4	$18,856			
FY91	Study	Synthesis of WID data in Southern Africa	Southern Africa Region	29	$27,163			
FY91	Study	Mali Subsector Study/Gender Issues	Mali	28	$29,206			
FY92	Study	Southern Africa WID Synthesis (II)	Southern Africa	18	$13,703			
FY92	Study	WID/Poland Support	Poland	52	$39,899			
FY94	Study	Sub–Saharan Rural Economic Policy Reform	Africa	81	$244,755			
	Subtotal				**$431,948**	**3%**	**9**	**$47,994**
Survey								
FY90	Survey	Morocco Informal Sector Assessment	Morocco	1	$35,433			
FY90	Survey	Lesotho Microenterprise Survey	Lesotho	7	$24,690			
FY90	Survey	Ecuador MSE Sector Assessment	Ecuador	5	$415,487			
FY90	Survey	Swaziland Small Business Survey	Swaziland	8	$32,834			
FY90	Survey	Swaziland Small Business Survey	Swaziland	18	$29,175			
FY90	Survey	Malawi Microenterprise Survey	Malawi	12	$26,466			
FY90	Survey	Egypt Rural Small Scale Enterprise Project Assess.	Egypt	10	$45,566			
FY90	Survey	Egypt Women and Microenterprise Survey (USAID)	Egypt	14	$24,780			
FY90	Survey	Egypt Women and Microenterprise Survey (PPC/WID)	Egypt	18	$55,989			
FY91	Survey	Swaziland Baseline Survey	Swaziland	19	$79,606			
FY91	Survey	WID Russia Child Care Study – Subsector Study	Russia	30	$46,733			
FY91	Survey	Zimbabwe Baseline Survey	Zimbabwe	25	$141,617			
FY92	Survey	Malawi Baseline Survey	Malawi	45	$173,616			
FY92	Survey	Morocco Pre–PID Assessment	Morocco	54	$120,550			
FY93	Survey	Zimbabwe Baseline Survey II	Zimbabwe	65	$127,166			
FY93	Survey	Kenya Baseline Survey	Kenya	66	$186,000			
FY93	Survey	Egypt SMED Project	Egypt	67	$34,887			
FY93	Survey	Mongolia SME Sector Survey	Mongolia	72	$90,759			
FY94	Survey	Malawi Rural Employment	Malawi	76	$82,949			
	Subtotal				**$1,774,303**	**14%**	**19**	**$93,384**

GEMINI: Types of Buy–in Services

Study/Research	Study	Technical Assistance	TA
Assessment/Survey	Survey	Training, Professional Developi	Training
Strategy	Strategy	Monitoring and Evaluation	M&E
Project Design	PDesign	Evaluation	Evaluation

Fiscal Year	Activity Type	Activity Title	Site	USAID D.O. #	Total Contract	% Mission Services	#	Average
MISSION SERVICES								
FY90	TA	GEMINI Assistance to Club du Sahel	Sahel Region	4	$296,436			
FY90	TA	Technical Assistance to FondoMicro	Dominican Republic	15	$706,074			
FY91	TA	Ext. Assistance to Club du Sahel	Sahel Region	26	$207,758			
FY91	TA	Poland Small Business Advisor	Poland	34	$1,355,227			
FY92	TA	AFR/ONI	Africa	49	$90,494			
FY92	TA	Mongolia Business Development	Mongolia	57	$722,024			
FY94	TA	Mongolia Chamber of Commerce Extension	Mongolia	59	$107,324			
FY92	TA	Mongolia Chamber of Commerce	Mongolia	59	$610,686			
FY94	TA	Poland Small Business II Extension	Poland	62	$1,407,400			
FY93	TA	Poland Small Business II	Poland	62	$1,121,604			
FY93	TA	Malawi Small Enterprise	Malawi	69	$181,972			
FY92	TA/Train	Bolivia RFI Pilot Projects Program (FY92 funds)	Bolivia	55	$95,068 *			
FY92	TA/Training	NIS Small Business Project	NIS	53	$500,000 *			
FY93	TA/Training	Bolivia RFI (Pilot Projects Program (FY93 funds)	Bolivia	55	$144,147 *			
	Subtotal				$7,546,213	59%	14	*********
Training								
FY92	TA/Train	Bolivia RFI Pilot Projects Program (FY92 funds)	Bolivia	55	$95,068 *			
FY92	TA/Training	NIS Small Business Project	NIS	53	$500,000 *			
FY93	TA/Training	Bolivia RFI (Pilot Projects Program (FY93 funds)	Bolivia	55	$144,147 *			
FY91	Training	Sahel Regional Conference Support	Sahel Region	4	$48,308			
FY93	Training	Jamaica Small Business Panel	Jamaica	60	$23,543			
FY93	Training	South Africa Regional Finance Workshops	South Africa	71	$89,528			
FY94	Training	Jamaica Training/Technical Assistance	Jamaica	74	$35,432			
FY94	Training	Jamaica Panel II	Jamaica	77	$15,716			
FY94	Training	Jamaica Training & Technical Assistance	Jamaica	80	$235,226			
	Subtotal				$1,186,967	9%	9	*********
	Total Mission Buy–ins				$12,805,692	90%		
CENTRALLY–FUNDED BUY–INS						% Total	#	Avg. $
FY90	M&E	Microenterprise Monitoring System	U.S.	2	$41,320			
FY90	TA	Peace Corps	U.S.	11	$94,213			
FY90	Training	Support to Advisory Committee on Microenterprise	U S	16	$103,931			
FY91	Training	Training Manual· Women's Access to Credit	U.S.	23	$18,385			
FY91	TA	Ext. Peace Corps	U.S.	36	$96,208			
FY91	Training	ACME II/Professional Dvl't Seminars	U.S.	37	$137,152			
FY91	Study	Credit Union Support	U.S	38	$28,530			
FY93	Training	PRE/SMIE GEMINI Interns	U.S.A.	68	$39,967			
FY92	Training	WID/Professional Development	Worldwide	50	$22,461			
FY92	Study	PVC/WOCCU FY92	Worldwide	58	$172,445			
FY94	Training/Survey	WOCCU Phase II Credit Union Support	Carribbean	79	$168,234			
FY92	TA	Peace Corps Support III	Worldwide	56	$195,728			
FY93	Evaluation	WID Final Assessment	Worldwide	73	$54,629			
FY93	Training	PVC/SEEP Workshops	Worldwide	70	$184,977			
FY91	Evaluation	Support to FFH and CRS	Mali/Ghana; Thailand/ Senegal/Columbia	20	$111,405			
	Subtotal				$1,469,585	10%	15	$97,972
TOTAL					$14,275,277			

* Divided equally between types of services

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GEMINI: Buy–in Summary, Washington and Field

Study/Research	Study	Technical Assistance	TA
Assessment/Survey	Survey	Training, Professional Developmen	Training
Strategy	Strategy	Monitoring and Evaluation	M&E
Project Design	PDesign	Evaluation	Evaluation

Fiscal Year	Activity Type	Activity Title	Site	USAID D.O. #	Total Contract	% of Total	#	Avg. $
Washington Buy–ins								
FY90	M&E	Microenterprise Monitoring System	U.S.	2	$41,320			
FY90	TA	Peace Corps	U.S.	11	$94,213			
FY90	Training	Support to Advisory Committee on Microenterprise	U.S.	16	$103,931			
FY91	Training	Training Manual: Women's Access to Credit	U.S.	23	$18,385			
FY91	TA	Ext. Peace Corps	U.S.	36	$96,208			
FY91	Training	ACME II/Professional Dvl't Seminars	U.S.	37	$137,152			
FY91	Study	Credit Union Support	U.S.	38	$28,530			
FY93	Training	PRE/SMIE GEMINI Interns	U.S.A.	68	$39,967			
FY92	Training	WID/Professional Development	Worldwide	50	$22,461			
FY92	Study	PVC/WOCCU FY92	Worldwide	58	$172,445			
FY94	Training/Survey	WOCCU Phase II Credit Union Support	Carribbean	79	$168,234			
FY92	TA	Peace Corps Support III	Worldwide	56	$195,728			
FY93	Evaluation	WID Final Assessment	Worldwide	73	$54,629			
FY93	Training	PVC/SEEP Workshops	Worldwide	70	$184,977			
FY91	Evaluation	Support to FFH and CRS	Mali/Ghana; Thailand/ Senegal/Colombia	20	$111,405			
	Subtotal				**$1,469,585**	**10%**	**15**	**$97,972**
Mission Buy–ins						**% of Region**	**#**	**Avg. $**
Africa								
FY92	TA	AFR/ONI	Africa	49	$90,494			
FY90	Strategy	AFR/MDI Africa Strategy	Africa Regional	13	$130,563			
FY91	Strategy	AFR/MDI Africa Strategy II	Africa Regional	27	$49,971			
FY94	Research	Sub–Saharan Rural Economic Policy Reform	Africa	81	$244,755			
					$515,783			
FY91	Strategy	Burkina Subsector Analysis and Strategy	Burkina Faso	4	$31,540			
FY91	Study	Burkina/Gender Issues	Burkina Faso	4	$18,856			
					$50,396			
FY90	Survey	Lesotho Microenterprise Survey	Lesotho	7	$24,690			
FY90	Study	Lesotho Gender Issues	Lesotho	18	$26,674			
FY92	PDesign	Lesotho Pre–PID	Lesotho	41	$101,117			
					$152,481			
FY90	TA	GEMINI Assistance to Club du Sahel	Sahel Region	4	$296,436			
FY91	TA	Ext. Assistance to Club du Sahel	Sahel Region	26	$207,758			
FY91	Training	Sahel Regional Conference Support	Sahel Region	4	$48,308			
					$552,502			
FY93	Survey	Kenya Baseline Survey	Kenya	66	$186,000			
FY94	Evaluation	K–REP Evaluation	Kenya	78	$119,076			
					$305,076			
FY90	Survey	Malawi Microenterprise Survey	Malawi	12	$26,466			
FY92	Survey	Malawi Baseline Survey	Malawi	45	$173,616			
FY93	TA	Malawi Small Enterprise	Malawi	69	$181,972			
FY94	Survey	Malawi Rural Employment	Malawi	76	$82,949			
					$465,003			
FY91	Study	Mali Subsector Study/Gender Issues	Mali	28	$29,206			
FY91	Strategy	Mali Subsector Analysis and Strategy	Mali	24	$20,401			
					$49,607			
FY92	Evaluation	South Africa Get Ahead Evaluation	South Africa	44	$70,000			
FY93	Training	South Africa Regional Finance Workshops	South Africa	71	$89,528			
FY93	Evaluation	South Africa BPED	South Africa	64	$121,669			
					$281,197			
FY92	Study	Southern Africa WID Synthesis (II)	Southern Africa	18	$13,703			
FY91	Study	Synthesis of WID data in Southern Africa	Southern Africa Region	29	$27,163			
					$40,866			
FY90	Survey	Swaziland Small Business Survey	Swaziland	8	$32,834			
FY90	Survey	Swaziland Small Business Survey	Swaziland	18	$29,175			
FY91	Survey	Swaziland Baseline Survey	Swaziland	19	$79,606			
					$141,615			
FY91	PDesign	Zambia Concept Paper	Zambia	31	**$58,893**			
FY91	Survey	Zimbabwe Baseline Survey	Zimbabwe	25	$141,617			
FY92	PDesign	Zimbabwe Bus. Dev. Program	Zimbabwe	43	$84,729			
FY93	Survey	Zimbabwe Baseline Survey II	Zimbabwe	65	$127,166			
					$353,512			
	Subtotal Africa				**$2,966,931**	**23%**	**32**	**$92,717**

GEMINI: Buy–in Summary, Washington and Field

Study/Research	Study	Technical Assistance	TA
Assessment/Survey	Survey	Training, Professional Developmen	Training
Strategy	Strategy	Monitoring and Evaluation	M&E
Project Design	PDesign	Evaluation	Evaluation

Fiscal Year	Activity Type	Activity Title	Site	USAID D.O. #	Total Contract			
Asia Near East								
Near East								
FY90	Survey	Egypt Rural Small Scale Enterprise Project Assess.	Egypt	10	$45,566			
FY90	Survey	Egypt Women and Microenterprise Survey (USAID)	Egypt	14	$24,780			
FY90	Survey	Egypt Women and Microenterprise Survey (PPC/WID)	Egypt	18	$55,989			
FY92	Evaluation	Egypt Evaluation	Egypt	40	$18,171			
FY92	Strategy	Egypt Credit Strategy	Egypt	47	$35,329			
FY93	Survey	Egypt SMED Project	Egypt	67	$34,887			
					$214,722			
FY90	Survey	Morocco Informal Sector Assessment	Morocco	1	$35,433			
FY92	Survey	Morocco Pre–PID Assessment	Morocco	54	$120,550			
					$155,983			
Asia								
FY90	PDesign	Bangladesh WEDP PID & PP	Bangladesh	17	$138,607			
FY93	Evaluation	MIDAS Evaluation	Bangladesh	61	$88,799			
					$227,406			
FY90	Evaluation	FID I Evaluation	Indonesia	6	$57,119			
FY90	Evaluation	FID II Evaluation	Indonesia	6	$218,539			
FY90	Study	Indonesia Village Banking	Indonesia	18	$15,291			
					$290,949			
FY92	TA	Mongolia Business Development	Mongolia	57	$722,024			
FY92	TA	Mongolia Chamber of Commerce	Mongolia	59	$610,686			
FY93	Survey	Mongolia SME Sector Survey	Mongolia	72	$90,759			
FY94	TA	Mongolia Chamber of Commerce Extension	Mongolia	59	$107,324			
					$1,530,793			
	Subtotal ANE				**$2,419,853**	19%	17	$142,344
Latin America								
FY92	PDesign	Bolivia Rural Financial Institutions	Bolivia	42	$76,875			
FY92	Evaluation	Bolivia MSE Evaluation	Bolivia	46	$35,017			
FY92	TA/Train	Bolivia RFI Pilot Projects Program (FY92 funds)	Bolivia	55	$190,135			
FY93	TA/Training	Bolivia RFI (Pilot Projects Program (FY93 funds)	Bolivia	55	$288,293			
					$590,320			
FY90	Study	FondoMicro/Gender Issues	Dominican Republic	18	$16,401			
FY90	TA	Technical Assistance to FondoMicro	Dominican Republic	15	$706,074			
					$722,475			
FY90	PDesign	Eastern Caribbean SEAP II Project Paper	Eastern Caribbean	9	**$60,750**			
FY90	Survey	Ecuador MSE Sector Assessment	Ecuador	5	**$415,487**			
FY91	Evaluation	Honduras Evaluation	Honduras	35	**$86,913**			
FY90	PDesign	Jamaica Project Paper Design	Jamaica	3	$33,596			
FY93	Training	Jamaica Small Business Panel	Jamaica	60	$23,543			
FY93	Evaluation	Jamaica Evaluation	Jamaica	63	$56,602			
FY94	Training	Jamaica Training/Technical Assistance	Jamaica	74	$35,432			
FY94	Training	Jamaica Panel II	Jamaica	77	$15,716			
FY94	Training	Jamaica Training & Technical Assistance	Jamaica	80	$235,226			
					$400,115			
FY91	Design	Peru Project Paper	Peru	33	**$96,185**			
	Subtotal LAC				**$2,372,245**	19%	16	$148,265
ENI								
FY91	TA	Poland Small Business Advisor	Poland	34	$1,355,227			
FY92	Study	WID/Poland Support	Poland	52	$39,899			
FY93	TA	Poland Small Business II	Poland	62	$1,121,604			
FY94	TA	Poland Small Business II Extension	Poland	62	$1,407,400			
					$3,924,130			
FY92	TA/Training	NIS Small Business Project	NIS	53	**$999,999**			
FY91	Survey	WID Russia Child Care Study – Subsector Study	Russia	30	$46,733			
FY92	Strategy	WID Child Care Study – Strategy & Implementation	Russia	51	$43,050			
					$89,783			
FY94	Design	Slovakia Small Business Project Design	Slovakia	75	**$32,751**			
	Subtotal ENI				**$5,046,663**	39%	8	$630,833
TOTAL					**$14,275,277**			

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ANNEX C

SUMMARY RECOMMENDATIONS

ANNEX C
SUMMARY OF RECOMMENDATIONS

A. Recommendations for Final Year

The project enters its final year as the evaluation is being completed. The annual report on the fifth year's work and the plan for the sixth year have been drafted, but not yet discussed with USAID. We have reviewed this draft, discussed aspects with the contractor and USAID, and have come to the following recommendations on the basis of the plan itself, our own conclusions, and recommendations made by persons that we interviewed.

Core deliverables. The sixth year plan calls for a number of deliverables to be completed. The evaluators reviewed these with the contractor and USAID. A number are particularly important and should definitely be completed: the research synthesis (discussed further below); the technical notes on accounting, financial analysis, and ratios and savings mobilization for use in training packages; the impact evaluation review; the curriculum development (training kit); lessons learned policy briefs (bulletins, per below); and the regional professional development seminars and final conference.

Research synthesis. A synthesis paper (monograph) on the research findings has been drafted by the principal researchers at MSU. This paper will summarize the research findings, draw conclusions about MEs (their growth and death, constraints and assistance requirements, policy issues, etc.) and extract lessons learned for practitioners, particularly project evaluators and designers. The evaluators reviewed this material and provided comments to the authors.

The paper has a wealth of information based on research undertaken in five African countries, Jamaica, and the Dominican Republic. The details provided, as documented by information collected from some 65,000 firms surveyed, and the rigorous analysis of the data, is indeed impressive. The work represents the most comprehensive analysis of MEs undertaken anywhere in the world. Considerable attention is paid to micro-level findings about the firms themselves, without attempting to apply the implications of these details. The essence of the evaluators recommendations is that the paper should be made "user friendly" and written to an audience of practitioners. The paper should capture lessons learned on policies that stimulate ME growth and on what evaluators and designers need to know about MEs as they consider program impact and benefits and prepare to fund programs to support MEs.

Dissemination—lessons learned bulletins. Top managers in USAID are not sufficiently aware of the key aspects of successful ME programs. Communications with this audience needs to be improved. A key aspect of these communications would be the preparation of a series of lessons learned highlights, focusing on the principles or fundamentals of ME development; i.e., what works and why. To the extent there are time

and resource constraints, the evaluators suggest dropping the newsletter to find time to prepare these highlights.

Dissemination—electronic distribution of the "best sellers." Those publications that are constantly requested should be provided on disc or CD-ROM to the field missions and in turn to host-country organizations in electronic form. This will facilitate further dissemination beyond the life of GEMINI at low cost to local organizations.

ME profitability. The research undertaken has focused on employment issues. Much less attention was placed on issues relating to income and profitability of MEs. This is an important topic, but one that offers considerable challenges, in large part because most business owners are very reluctant to provide details about their financial situation. We recommend that MSU prepare a conceptual piece on how this topic could be researched.

Buy-in priorities. As of mid November, GEMINI had 7 buy-ins pending, for a total value of $2 million.

We recommend that USAID and the contractor do not accept additional buy-ins beyond the ones currently in the pipeline for processing or where a buy-in is known to be coming in. Also, missions should be advised of this cut-off and the need to consider alternate contractual vehicles (e.g., IQCs) for assistance with strategies, designs, and evaluations. Coupled with the deliverables due under the core, there will be a considerable volume of work in the final year. Neither the contractor nor USAID has the managerial capability to assume more buy-in work than that currently in the pipeline.

B. Project and Contract Management Recommendations

This sections offers recommendations on how to improve and streamline project and contract management.

Project office management. The project officer and project coordinator roles and responsibilities can work very well, but the intrinsic nature of dividing such roles and responsibilities between USAID employees and non-employees can be questioned. Ideally, the project officer has knowledge of contract management requirements and processes and also a technical knowledge of ME development. Further the officer should be assisted by junior administrative personnel familiar with some of the more detailed contract requirements. Thus, there would not be a need for a RSSA-hired project coordinator.

Contractor management of buy-ins. The contractor should designate a person other than the project director to manage the buy-ins. The project director should be closely involved in the technical content of the proposed buy-in work, particularly how it contributes to or impacts on the core agenda. However, the director should not have to be involved in supervising or administering buy-ins. This detracts from the important time for core activities.

Delegations of contract authority/responsibility. Many problems occurred when the high volume of buy-in work and the commensurate numbers of transactions (approvals, minor adjustments in budgets, level of effort, etc.) exceeded all expectations. Greater delegation of authority and responsibility to the project officer and contractor should be considered. Areas to be considered are described below.

B1. Project Officer

- Approval of no-cost extensions to delivery orders, up to six months.

- Along with mission staff, approval of new/additional personnel (where such personnel were not designated at time delivery order was signed) and personnel changes (particularly for non-key personnel), adjustments to levels of effort between personnel, and modifications to scopes of work that do not change costs.

B2. Contractor

- Determination of daily rates for consultants, subject to review by the contracting officer, e.g., a yearly basis, rather than advance approval.

Field monitoring of buy-ins. Field missions sometimes do not track buy-in reporting and deliverable requirements and do not usually review contractor vouchers. Missions view this as the job of the Washington project officer. Yet the officer often is too busy or does not have the base of knowledge for an adequate review. Missions should be required to monitor reporting requirements and deliverables and to review vouchers. Copies of the vouchers should be sent to the field. To avoid delaying payment, any questions or, for example, potential disallowances, should be addressed in future vouchers. In other words, missions should play an oversight role that they are not now doing.

Communications among all parties. The project and contract offices and contractor cannot work apart from one another and hope to implement a successful program. Periodic (probably quarterly) meetings of all parties to discuss problem areas and solutions, actions pending, progress on work plans and deliverables, performance issues, reports, etc., would help establish a collaborative process and should lead to more effective and efficient implementation. The project officer should take the lead in calling these meeting, including preparing an agenda and following up on the decisions reached or actions required during the meetings. The project officer should take minutes of the meetings, summarizing the key points and decisions reached and actions required.

C. Future Directions

This section provides recommendations on the content, nature, structure, and managerial approach to a future Washington project(s) supporting ME development. For convenience we refer to this future project(s) as Gem2. As a frame of reference, we use the same categories of assistance and services provided under GEMINI.

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C1. General

Watch for redundancy. Competition may not always be good. Gemini worked because it was the only USAID/W-based ME project supporting the field missions. To the extent that other Global Bureau projects are also to be involved in ME development, the nature and scope of these other projects should be clearly distinguished from Gem2.

Develop country-focused approach with selected missions. GEMINI evolved into having long-term relationships with a number of countries (ten missions had three or more buy-ins). These relationships, however, did not emerge until after the project was well underway and missions decided they wanted to access the core and supplement or complement these services with specific additional needs that were funded with the missions' own monies.

An approach for Gem2, starting with the PP design, is to forge a relationship with a few (3-4) missions from the outset. The relationship would be defined by a memorandum of understanding, whereby G/EG/MD agrees to support mission activities (although not with long-term resident advisors) in certain (to be defined) areas and in turn the mission agrees to look to the Gem2 project for the technical and other services needed to carry out its ME program. The missions should be attracted because in principle this would ensure them of high-quality technical talent from the outset, over an extended period of time, and with a priority for delivery. Washington should be attracted because the missions would have to agree on long-term basis, e.g., three years minimum, to a program in support of MEs.

This approach should permit better planning of services, directed to missions with a long-term commitment to ME development. It should allow the project office and contractor to deliver those services (or ration the same) to those country situations that appeared most likely to advance the cause of ME development, as opposed to being targets of opportunity for ad hoc assignments.

Missions like "one stop shopping" for services. The core and buy-in contract mechanism is effective. The GEMINI consortium is attractive to the missions because it offers a broad array of services, all managed by one office and one contractor. For the field, the ease of accessing these services in a similar arrangement in the future should be considered very carefully by project designers.

Contractor personnel. A number of the key personnel on the contact should be fully dedicated to work on the core activities, at least during the initial year. At a minimum, we suggest the project director and person responsible for financial systems/services be 100 percent billable to core for year one. To the extent the project provides services to PVOs, a person should be 100 percent dedicated to core for year one, and that person should be available over the life of the project to support such services.

Continue the combination of design, implementation, and evaluation under one contract. This combination has proven to be a very effective way for USAID/W to extend state-of-the-art services to missions. The participation or at least oversight of core team

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experts helps bring lessons learned from other countries to bear on new designs. Project staff are also able to offer very constructive and useful suggestions for improving implementation of ongoing projects. Finally, the fact that additional buy-ins are used to assist with implementation of evaluation findings provides a very useful reality check on what really works in the area of ME assistance. Combining these services assists USAID in continuous upgrading of the quality of ME projects.

C2. Technical Content

Several important topics are discussed below. First, however, it is worth noting that the persons interviewed strongly recommended that Gem2 be flexible enough to deal with small as well as MEs. This is not to say the focus should be other than MEs. Rather, to recognize the reality—that MEs grow, that the numbers themselves are rather arbitrary and in fact do not hold up well in cross-country comparisons, and that substantial gains in the field were made because GEMINI itself did not become so narrowly focused on the micros. Also, this will provide a better chance for developing linkages to the formal economy, which is ultimately needed if MEs are to have a chance to be part of the mainstream and if services are going to be delivered to MEs by other than the donor community.

C2a. Finance

Replicate what is known to work; e.g. help to establish "BancoSols" and other such organizations where there is investor, other sponsor, and USAID interest. These banks for the poor would appear to have a nearly unlimited depositary base and infinite demand for their services. Also aim to "scale up" these organizations to reach greater numbers of clients. Consider formulating and training host-country personnel in operating and management information systems that are known to be cost effective and managerially responsible. Finally, examine the regulatory aspects or supervising ME institutions.

Continue pushing forward the frontiers of financial systems for ME clients. Attention to financial systems and services for MEs should include exploring further the linkages with commercial banking systems and other forms of financial intermediation and leverage. Attention should be paid to financial engineering of structures that permit commercial institutions to serve MEs. Less attention should be placed on fine tuning NGO models, unless such models can be turned into financial institutions.

Conduct further analysis of village banking systems to determine if this methodology is financially sound over the long term as such systems grow and expand.

C2b. Research

Orient research towards the customers, which are the ME clients or the institutions that serve them. The key is to focus on research that helps MEs, not donors. In turn, this type of research will help the practitioners provide better customer services.

Agree on research agenda in PP/RFP, at least for years 1-2. Get research recommendations from U.S. PVOs, field missions, local NGOs, and financial institutions serving MEs.

Formulate standardized methodologies for assessing ME institutions. Develop/apply set of common standards (like a bank examiner might do) to assess the institutional and financial performance of ME organizations.

C2c. Training

Training has to serve multiple audiences, including USAID, U.S. and local NGOs/PVOs, and local financial institutions. Training activities have to be designed with these multiple audiences and knowing in advance that the base of knowledge about MEs will vary enormously.

Training needs to be conducted in many areas. Project designers need to carefully survey potential recipients to determine precisely what areas are in demand, where there are knowledge gaps, and what skills need improving.

Evaluation and impact methodology needs to be formulated and then needs to be taught so that projects can be designed and evaluated to better quantify and judge impact. Also, standardized approaches to tracking/measuring impact are needed.

C2d. Non-financial services

The work on subsector analysis has been completed and is available for those who care to utilize the approach; many have done so. No further subsector based work was recommended by those interviewed; the evaluators agree.

There is no consensus on what types (if any) of non-financial services should be provided in Gem2. At the ME level, the demand for such services would seem to exist, at least based on the MSU research, which suggests that MEs want assistance in marketing and procuring inputs. Yet there are no methodologies or programs that can be cited that are cost effective, reaching significant numbers of MEs, and potentially replicable. A starting point for Gem2 would be to conduct a detailed review of existing programs that seem to offer the potential for meeting these demands.

C2e. Dissemination and Publications

Working papers and technical reports. Stronger summaries presenting key findings, conclusions, and recommendations would facilitate communications of important program issues. Technical oversight of working papers should be strengthened by using paid outside reviewers. Such review would assist in a balanced presentation and avoid unintended controversy.

Newsletters can provide valuable service in keeping the community of ME practitioners up to date. Newsletters should contain "news" about the project and personnel, but importantly there should be a high level of technical content, including lessons learned as the project is implemented. Funds should be budgeted for desk-top publishing and editing; more attention to format and color is also important.

Project (lessons learned or key findings) bulletins should be prepared, particularly for managers, to acquaint them with technical content of successful programs, the fundamentals of what works and why, and with results and impact.

Greater dissemination to host-country institutions should be considered, either through field missions or directly. The current mailing list should be provided to Gem2, be evaluated and refined, and possibly expanded. Gem2 should consider formulating a communications strategy to better reach and impact on its audience.

C2f. PVO/NGO Services

During the design of a follow-on project, care should be taken to provide support to PVOs and NGOs.

Services should be covered by a single contract, as far as possible. However, PVO services should have a separate line item within the contract budget and provide dedicated support to facilitate PVO involvement.

Provide at least one **full-time contract advisor** to manage PVO services, including training, technical assistance, action research, and contracts with PVOs. Provide adequate, dedicated short-term assistance and training funds for studies requested by NGOs/PVOs as well as subcontracts with organizations such as SEEP for training and professional development services.

Research priorities. Work on the non-financial sector, particularly training needs and efficient, effective entrepreneur training approaches. Develop monitoring and evaluation methodologies to provide monitoring standards for PVOs/NGOs.

Work with SEEP during project design to find out exactly what services and activities Gem2 should provide.

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C3. Contractual Approach

The vehicle should be a cost reimbursement type contract, but performance based. The contract should be flexible enough to accommodate adjustments that are likely to result from the learning that occurs. The contract should be flexible in permitting budgetary realignments. The contractor should be held responsible for results (outputs), not for adherence to levels of effort or specific line items (inputs).

The scope of work is key. It should be prepared as an annex to the project paper and reviewed by the project committee. The scope must be clear as to expectations (outputs, anticipated results, deliverables, etc.).

Personnel and level of effort changes. Do not overspecify the number of key personnel; only name those that really are key and less easily replaced. Substitutions for lower-level personnel should be under control of contractor and/or project officer. This should further reduce unneeded approvals. Likewise, the project officer should be able to approve adjustments in work days, within total budget limits. This is particularly needed on longer term buy-ins or as result of adjustments in annual plan for the core contract.

Buy-ins. Tighter criteria are needed for doing this work. There should be a closer link to the core agenda. The objective should be to advance the project's primary objectives, not necessarily to serve all potential demands for buy-in services. Restrain the marketing by USAID and contractor personnel, particularly personnel on core resources. Ration core resources, rather than stretch. Limit terms to 12 months, but with provision for some extension subject to field circumstances. There should be no long-term implementation advisors. The missions should be involved in monitoring deliverables, the delivery order itself, and a reviewing expenses (it is not practical for project officer to handle all these responsibilities). No cost extensions by the project officer should be permitted without contracting officer action. For focus countries, consider larger buy-ins with built in flexibility to adjust scope of work and personnel, rather than a series of smaller ones (this should reduce paperwork and transactions costs.)

Contract streamlining. The principle should be to charge the project officer with more of the routine approvals and place more responsibility on the contractor for adherence, with post-audit review. As an example, salary approvals for non-key personnel should be the responsibility of the contractor, but subject to review by the contracting officer afterwards.

C4. Contractor Implementation

Most of the persons interviewed liked the consortium approach, whereby all project services are combined in one contract.

Advantages of consortium. One stop shopping (particularly attractive to missions); good integration of all project components; USAID management time reduced; single point of accountability; permits easier identification and evaluation of cross-cutting experiences and lessons learned.

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Disadvantages of consortium. More management time required by prime and subcontractors—high level of coordination needed, which detracts from focus on technical content; can be hard to reconcile differing objectives and missions of a for-profit consulting firm with those of universities and NGOs; prime contractor can drive the core agenda and use of personnel without adequate attention to the contributions of subcontractors.

G/EG/MD should consider these advantages and disadvantages carefully and against the expected quality and number of potential project managers, as well as its current and projected workload. The evaluators favor the consortium approach based on GEMINI's experiences.

C5. Project Office Management

Ideally, the project officer should have both technical knowledge of MEs and project/contract management experience. The officer should be assisted by a more junior administrative person who is able to handle the routine issues associated with project administration, including communications with field missions to handle the buy-ins. Should a project coordinator be required, the coordinator should be trained in the fundamentals of project and contract management.

ANNEX D

LIST OF PERSONS INTERVIEWED OR CONTACTED

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1. **Agency for International Development**

Washington

G/EG/MD: Beth Rhyne, Heather Clark, Monique Cohen, Elizabeth Hunt, Roberto Custro

WID: Lynn Hill, Tullin Pully, Gretchen Bloom

PVC: Devorah Miller and Sally Jones

Asia/Near East: Frank Young

ENI: Melissa Brinkerhoff

NIS: Jean Hacken

Contracts Office: Bob Ware and Karin Kolstrom

G/EG: Richard Rosenberg

Field Missions

Poland: Don Pressley

Jamaica: John Owens

Egypt: Randall Parks, Carl Jensen

Ecuador: James Watson, Ellen Leddy, Tony Shields

Honduras: Lisa Valenzuela

Morocco: Sandy Shapleigh

Bangladesh: Frank Young

2. **Contractor: Development Alternatives, Inc.**

Matt Gamser

Joan Parker

Wes Baker

Melissa Punch

Bob Anglen

Olaf Kula

Tim Smith

Neal Nathanson

3. **Subcontractors**

Accion International: Maria Otero, Kathy Stearns

Michigan State: Carl Liedholm, Don Mead

SEEP: Elaine Edgecomb

WOCCU: William Tucker (recently left)

PACT: Jack Hurd

ITDG: Ray Holland

4. **Others (donors, consultants, etc.)**

Peace Corps: Steve Talheimer

World Bank: Mohini Malhotra, Lylia Webster, William Steele

Inter-American Development Bank: Mike O'Donnell

Ford Foundation: Lisa Mensah, Betsy Campbell

Finca: Lawrence Yancovich

CRS: Didre Thys

Comptroller of Currency: Constance Dunham, previous project coordinator

ANNEX E

QUESTIONS AND DISCUSSION POINTS

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A. Contract Structure and Management

Did contract structure serve project objectives?

a) Core
- Work Statement, Section C: SOW
- Deliverables/Performance, Section F
  - -- Technical directions
  - -- Reports and deliverables (p 36...)
  - -- Publications
  - -- Personnel requirements
  - -- Level of effort requirements
  - -- Key personnel clauses/job descriptions
- Budget
- Use of subcontractors
- Approvals: contract clauses or implementation practices

b) Buy-in
- Requirements
- Reporting clauses (p 42...)
- Approval clauses
- Personnel requirements/clauses
- Level of effort requirements
- Budget limitations

c) Level of effort/fixed fee approach. Would another type contract work? If so, what type/requirements? Performance based contract?

Was contact administration workload reasonable (for contracting and project officers and for contractor)—for core and buy-ins?

- Quality of initial core and buy-in contracts
- Number of core amendments
- Amount of correspondence (degree of error free work)
- Number/size/complexity of buy-ins
- Subcontracts (and amendments) approvals
- Processing time and delays
- Turnover of contract management staff (contractor and AID)
- Average time for actions to be completed

What lessons were learned for future projects? What recommendations? What went right; what went wrong? What should be done differently?

- Core contract
- Buy-in contract

B. Project Management (As Distinct from Performance on Core Agenda)

Standards of measurement:

- Responsiveness to client (Wash and field) requests
- Personnel and personal relationships
- Quality of personnel (LT and ST)
- Recruitment of LT and ST specialists (esp for buy-ins)
- Accuracy and timeliness of financial reporting
- Quality and timeliness of project reporting
- Adherence to work plans
- Meeting deliverable schedules
- Organization/quality of informational workshops and seminars
- Quality and organization of training events

How would you rate quality of contractor project management—core and buy-ins?

- Company as a whole
- Management and reporting systems
- Individual project personnel (director, project and contract administrators)
- Adequacy of core staff time for tasks required
- Effect of buy-in support on core staff

How would you rate the quality of project management and support on field assignments - core and buy-ins?

- Fielding, approvals and clearances of STers
- Management of teams in field
- Deliverables (timeliness)
- Reporting

How would you rate the quality of AID project management?

- Understanding of technical issues
- Understanding of administrative issues
- Support of project and contractor
- Number of project managers; turnover

What are the lessons learned for future microenterprise projects?

C. Research

Did the research work meet the objectives of the project paper, namely:

- Understanding how MEs function in a country's economy
- Whether MEs are a positive economic force or an activity of last resort (or both?)
- What are the constraints to ME growth
- What are the conditions that produce growth
- What are the implications of research for policy formulation and project design

What adjustments were made after mid-term eval? Did MSU adjust its agenda to recs of mid-term eval for years 4 and 5 (and what evidence):

- Paper on research finding related to policy reform issues and ME design and implementation programs
- Greater participation in policy analyses and project designs
- Greater focus on analytical work needed to better understand the linkages between macro policies, trade and investment initiatives and SME development.

What are perceptions of the research undertaken? (cite examples)

- Value: contribution to the field of ME development
- Quality
- Quantity: too much/too little
- Contribution to policy analysis, dialogue and modifications
- Contribution to project design/implementation
- Contribution to impact assessment

How have the missions used research? (project designs, baseline data, impact assessments, evaluations, etc.) Did missions follow-up on baseline and design surveys to assess impact or other purposes?

What is the quality of the synthesis paper? What are the expectations; what is the scope of work?

What research plans are there through Sept 95?

D. Consortium/Subcontractors

Which subcontractors were most important to project performance and why? Which were least important?

- Role/niche of sub
- Quality and availability of personnel
- Responsiveness and flexibility
- Performance quality

Did subcontractors perform buy-in work; if so to what extent? If not, why not?

Were subcontractors periodic reports (financial and project mgt) and technical deliverables of high quality and timely?

How would you rate the (your) relationship between prime and subcontractors and among subcontractors

- Open and frequent communications; how so
- Inclusion in meetings (planning, reporting, etc)
- Team players versus having own agenda

Did subcontracting arrangements (i.e. subcontracts and their respective SOWs, budgets and personnel specifications) facilitate or hinder the use of consortium members.

What was the effect of having some NGOs as part of the winning contractor's team?

Were budgets and level of effort projections accurate? Fully drawn down?

E. Performance of Core Agenda: Primarily MSU, Accion and DAI

What aspects of contract do you rate the highest in terms of quality of work?
Rank each of the following, in order of performance quality (i.e. value to Agency and ME development:

- ARP 1: growth and dynamics (research)
- ARP 2: Financial assistance
- ARP 3: Non-financial assistance
- Mission services
- PVO participation and services
- Dissemination

Did project continue its high quality work/performance after 9/92 mid-term eval?

Did buy-in management detract from attention to the core agenda? With what consequences? If this was a problem, have you considered ways this could have been better addressed?

F. Performance of Buy-in

Were there any conflicts between AID and the contractor on the management of LT and ST buy-ins? If so, were they serious, and with what result?

Has there been any impact on GEMINI from the Agency's January 1994 ruling on procurement integrity and conflict of interest (esp. that designers and evaluators are limited from bidding on implementation awards and *visa versa*.)

G. Dissemination

Overall, have the "lessons learned" through GEMINI been communicated to interested groups, particularly U.S. NGOs and PVOs? Has the NGO community "kept up" with GEMINI?

Which "media"(workshops, working papers, etc.) were more effective? What factors have helped/hindered communications? If not, what has been the problem?

Working Papers and Technical Notes. Were you satisfied with the format and presentation? What improvements would you make in the future? How widely were these circulated? What steps could be taken to improve distribution? (distribution to other donors, NGOs, etc.)

Newsletter. When was this started? Were you satisfied with the format and presentation? Who was the target audience? How was the mailing list developed?

Book. When did the concept of a book develop? Have other publishing options for technical notes been considered?

Videos. When were these used? Which were most successful?

Workshops/seminars. Which locations/formats have been most effective? How was the list of invitees developed? Has this been sufficiently broad?

Brown Bag Presentations. Have you received any feedback on these?

Library. How was PACT chosen as a depository for GEMINI's library? What other options were considered?

H. Impact

What were the 5 most important contributions made by GEMINI?

What is/will be the Gemini legacy when the project ends?

- Agency competency in SME assistance programs
- Portfolio of sound SME projects
- Understanding of micro and macro policy issues (AID, NGOs)
- Institutional improvements (to US and host country groups)

How would you rate the value of GEMINI compared to other USAID/Wash central projects: high, average, low?

- Education value
- Research value

- Mission support/assistance value

How could impact best be increased in future projects?

I. Future and Legacy

Should there by another centrally funded microenterprise project? Why or why not? What should be the project's purpose and principal objectives? Should the project focus on MEs or SMEs as well; why or why not?

Should there by any specific agenda vis a vis other donors? (e.g coordination, leveraging of funds, sharing information and research results, etc.)

What structure should a future project take, in comparison to the Gemini project (similar, different?) Should such a project have a buy-in feature? If so, should there by any specific objectives or limitations? If not, why not?

Should such project attempt to establish a new or support one (or more) permanent microenterprise "institution"? If so, what sort and to do what?

- For profit or not for profit
- Financial orientation
- Technical or training orientation
- Training/education center
- Research center
- U.S. or other location

What are the 5 most important activities of a future project?

What "core" activities should a future project undertake?

- Research (what and where)
- Policy analysis (types and locations)
- Training (types and thrust e.g. few key institutions, versus workshops for the ME community
- Financial services (deposits and loans)
- Non-financial services (TA? in what areas?)
- Dissemination of results (target audiences, types of publications)

What are the core "issues" to be examined?

What objectives or limits should there be for buy-ins? e.g. size and term/duration, no implementation, no LT advisors, design and evaluation and research only?

Can/should a future project establish target missions and countries (at least for the first two years) for the focus of its work? Can/should special mission relationships be forged; if so, what and how?