



**AMAP BDS
Knowledge and Practice Project**

**Contract No. GEG-I-00-02-00014-00
Task Order No. 01**

Annual Report #1: Quarter 1 through Quarter 4 ending December 31, 2004
Submitted January 31, 2005

AMAP

I. INTRODUCTION

In August 2003, the Development Alternatives Inc. (DAI) consortium was awarded one of the AMAP BDS Knowledge and Practice task order contracts under the AMAP BDS IQC. The overall purpose of the project is to generate knowledge that will help the micro and small enterprise development field move forward by developing, documenting, and disseminating strategies to integrate micro and small enterprises (MSEs) into global value chains and by researching and publishing best practices in market assessment, implementation, and impact assessment for enterprise development programs. It is expected that this new knowledge will help increase the capacity of EGAT/PR/OMD and its partner USAID missions to design and strengthen the implementation, monitoring and evaluation of USAID-supported enterprise development projects. This three-year effort will form part of an overall learning/management system that is intended to facilitate innovation and improvements to on-going projects and the development of new cutting edge activities.

DAI's Partners in BDS K&P

- ECI Africa
- International Management and Communications Corporation (IMCC)
- J.E. Austin Associates, Inc.
- The QED Group, LLC
- The SEEP Network
- The Services Group

The AMAP BDS K&P project comprises six¹ major components, of which the first four have been the major focus of Year One activities:

- Component A: Research on Clients and Markets
- Component B: Tools for Market and Other Pre-design Assessments
- Component C: Intervention Design and Implementation Research
- Component D: Impact and Other Post-intervention Assessments
- Component F: BDS Training
- Component G: Short-term Technical Services

The value of the contract awarded to DAI for BDS K&P to complete our work under these components is \$2,699,800 with \$1,025,000 obligated to date.

So far, DAI has completed and had approved four written deliverables:

- 1) Hidden sources of growth? Looking at Microenterprises Through the Competitiveness Lens, Ulrich Ernst
- 2) Examination of Business Linkages in the Namibian Garment and Tourism Industries, Cuan Opperman
- 3) Review of Impact Assessments of Selected Enterprise Development Projects, Lily Zandniapour, Jennefer Sebstad, Donald Snodgrass
- 4) Summary of Findings AMAP K&P Component B Stocktaking Exercise

¹ Component E: Broader Research was cancelled

A number of other deliverables are also close to completion. A paper on Trade and MSEs was submitted to USAID in May, underwent revisions at USAID's request, and was resubmitted on September 30. A first draft of the HIV AIDs and MSEs paper was shared with USAID and is in the final phase of revisions. The first draft of the Agribusiness paper was submitted on October 22 and is now undergoing revision. The Review of Selected Enterprise Programs is very close to final approval.

Report Layout:

In the following pages the reader will find:

- 1) Information on project management;
 - 2) A chart listing deliverables, their estimated time of completion, the technical personnel working on each activity, and countries where research has been conducted;
 - 3) A discussion about lessons learned and modifications suggested; and
 - 4) Budgetary reporting by work plan deliverables.
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A. Project Management

Summary of Progress:

This task order was awarded on August 23, 2003. During final negotiations with USAID, DAI was asked to make some changes to its offer, including reductions to the overall budget and on the LOE allocated to project management.

The DAI year 1 work plan was approved in February 2004. At this time, it was determined that year 1 would be considered January 1, 2004 to December 31, 2004. In the period leading up to work plan approval, there were multiple collaborative discussions in which members of the three consortia proposed and discussed work plan deliverables and then finalized these with the K&P CTO, Jeanne Downing.

BDS K&P has been structured in a unique way. Members of three different consortia are expected to work collaboratively across the project. Of the four principal project components, two are managed by ACDI/VOCA (components A and C) and two by DAI (components B and D). DAI has work under all components and the other contractors are also doing work under components B and D. In theory, there should be complete sharing of information between contractors and the lead manager of the component. In practice, this information sharing takes place more often at the inception phase, during brainstorming meetings, and once the deliverable has been accepted and approved by USAID.

In the beginning of the program, there was no process for how cross-consortia insights would be gathered for written deliverables. In general, outlines were developed for USAID approval, draft content was presented to the broader team of K&P implementers for feedback, this feedback was incorporated, and then the deliverable was presented to USAID for approval or revision. Since then, USAID and DAI have developed a more comprehensive AMAP BDS K&P process for deliverable development, as shown below. Jeanne Downing distributed this process to all BDS K&P implementers on July 6, 2004. It has been in effect since then.

Research Activities Under BDS/K&P
— Five Steps toward Collaboration and Quality Control —

Though driven by individual research leaders, BDS/K&P activities should leverage the knowledge and insights of the overall Component Team, including USAID staff members and invited outside specialists. The steps below emphasize collaboration in the early phases of each paper, using the broader group as a sounding board for the development of activity-specific outlines.

1. Convene collaborative meeting of Component Team

Agenda:

- Present and discuss target audience and key messages
- Present and discuss draft outline
- Discuss potential dissemination activities

2. Circulate revised outline to Component Team for comment and to USAID for concurrence

Follow-up:

- Written comments on revised outline due from Component Team within three days
- Revised outline discussed with USAID within one week

3. Submit detailed outline to USAID for concurrence

Follow-up:

- Discussion with USAID to
 - Agree on final scope and any required adjustments to LOE
 - Refine dissemination strategy

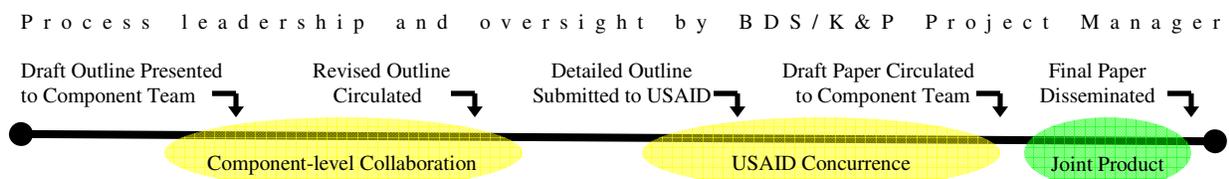
4. Circulate draft deliverable to USAID and Component Team

Follow-up:

- Written comments on draft due from Component Team within one week
- USAID provides its final comments in meeting held within two weeks

5. Produce and disseminate final paper

A Process for Collaboration and Quality Control



At start up, DAI's Executive Director of the K&P task order Lara Goldmark worked closely with Deputy Director James Grall and Project Associate Andrew Iappini.

DAI hired Andrea Chartock as an Enterprise Development Specialist on April 5, 2004 and Andrea replaced James Grall as Deputy Project Manager. The project management team has been meeting weekly to coordinate project management activities, including:

- Finalizing and gaining approval for subcontractor task orders;
- Drafting, submission, review, revision and approvals for work plans;
- Managing research teams and moving research forward;
- Coordinating with USAID and other donors engaged in similar research and applied research activities;
- Coordinating with fellow contractors ACDI/VOCA and Louis Berger International;
- Coordinating with the Knowledge Management contractor on key inputs to research formats, research branding, style and design, processes etc., and
- Communicating with the DAI consortium about activities.

Lara Goldmark went on maternity leave on October 11 and Zan Northrip has taken over as Executive Director since that time.

A summary of current status for each deliverable is shown below. The list of deliverables is from the DAI approved Year One workplan.

Topic	Brief description of topic	Estimated time of Completion, notes	Technical personnel working on product	Countries where research being conducted
Component A:				
Literature review and concept paper “Understanding MSE Behavior” (final deliverable)	This research aims to analyze how micro and small firms are able to grow. It includes an in depth literature review and sharing of findings.	On June 21, 2004 Jeanne Downing approved the outline of this deliverable “MSE Growth.” First draft will be completed January 31, 2005	Simeon Nichter, Lara Goldmark	Global
Component B:				
Decision Making Framework Part 1: “Key Questions” (intermediate deliverable)	This is a draft framework based on key questions which must be asked and answered at the beginning of the program design process. The framework will be used to help researchers gauge which tools are in most demand.	Preliminary draft circulated at April 29 workshop. Final draft submitted October 5.	Aly Miehlabrad, Linda Nemec, Lara Goldmark	Global
Stocktaking and refinement of existing private sector and qualitative tools (final deliverable)	This is a stocktaking of private sector and qualitative tools being used by missions and practitioners. It aims to identify how the tools are being used and what gaps exist.	The final version was approved on December 14 and submitted to the QED website.	Linda Nemec, Aly Miehlabrad, Sarah Barlow (JE Austin), Lara Goldmark, Jenny Pan	Bangladesh, Senegal, South Africa, Indonesia, Brazil, Malawi, India, Peru, Armenia, Namibia, Morocco, Georgia, Madagascar, Guinea, Egypt, Azerbaijan, Ukraine
Workshop to discuss results of stocktaking and proposed revisions to research plan (intermediate deliverable)	A “checkpoint” for Component B research to evaluate whether the tools proposed for adaptation are really the ones most in demand. During the workshop the results of the stocktaking were shared and all three contractors revisited the research plan to determine whether the research should go forward as planned or needed alteration.	Completed April 29, 2004	Aly Miehlabrad, Lara Goldmark, Rick Ernst, Linda Nemec, Sarah Barlow (JE Austin)	Global
Mission briefs on competitiveness and other private sector tools (final deliverable)	This research makes available and adapts some of the tools taught in business schools and used in the private sector so that missions and practitioners will be better able to use them in development.	Removed from year one budget.	On hold	Global

Market Assessment Guide (not a deliverable under the year 1 workplan)	This is a guide for USAID mission staff about what tools to use, how to use them, and in which circumstances.	Year 2: Developing plans to produce the guide as a website, a fold-out decision-making graphic, and a series of trainings for USAID staff.	Pending workplan approval	Global
Component C:				
<i>Small firms in the Market: Trade and MSEs Paper</i> (Final deliverable)	This research analyzes how micro and small enterprises (MSEs) can be successfully integrated into value chains in the context of larger, trade-focused private sector development programs.	Draft submitted to USAID 5/18/2004. Comments and revised outline received in July, revised version submitted October 1, 2004. USAID feedback received November 9. Revisions underway. Revised version will be submitted February 16.	Ted Barber, Ulrich Ernst, Lara Goldmark, Vicki Tsiliopolous (IMCC), Andrea Chartock	Global
<i>Small firms in the Market: Agribusiness Paper</i> (Final deliverable)	This research analyzes how MSEs have been successfully integrated into value chains in the context of larger agribusiness development programs	Annotated outline approved, First draft submitted Oct 25. Feedback received Nov 9, revisions underway. Second draft will be submitted Feb 28.	Rich Magnani, Cynthia Steen, Vicki Tsiliopolous (IMCC), Mary Miller, James Grall, Lara Goldmark, Andrea Chartock, Luke Dunnington	Global
<i>BDS on the Margins: HIV/AIDS Paper</i> (Final deliverable)	This research activity identifies promising strategies for incorporating and keeping HIV/AIDS-affected individuals and MSEs in productive value chains.	Annotated outline approved, first draft submitted to USAID August 13. Feedback received August 25. Revised version submitted October 8, 2004. Feedback received on November 16. Revisions underway for submission Jan 31.	Mary Morgan, Bronwyn Irwin, Joan Parker, Bill Grant (ECI), Lara Goldmark, Andrea Chartock, Paolo Craviolatti (ECI)	Global with Africa focus
BDS on the Margins: Mission Briefs (Final)	Mission Briefs were to have been developed based on the outputs of the BDS on the Margins HIV/AIDS paper. The briefs will focus on solutions to specific challenges in reaching marginalized populations.	Cancelled due to budget cuts	James Grall	Global

Component D:				
Review of Inventory or Programs and Evaluations (intermediate)	This Inventory of Programs allowed the researchers to specify the range of interventions used to promote MSE development and categorize the most important approaches. Defining what MSE development programs attempt to do and how they attempt to do it is the first step in impact assessment. The Review of Evaluations examined the results of past efforts to assess impact and was an important prerequisite to planning BDS/K&P's impact assessment.	Review of Evaluations submitted to USAID on July 16, 2004 and accepted by USAID as completed. Inventory of Programs submitted on November 9. Feedback received January 21. Minor revisions underway and will be completed by February 18.	Donald Snodgrass, Lily Zandniapour, (QED) Jennefer Sebstad, Jenny Pan, Lily Zandniapour, Lara Goldmark	Global
Paper outlining analytical model and conceptual framework (final)	Create an impact assessment methodology and set of tools that will be widely adopted by USAID missions, donors, and practitioners based on a compelling analytical model for evaluating the impact of different types of Enterprise Development interventions. This activity will construct a conceptual framework and analytical model, building on previous work done by USAID.	Outline finalized on November 22. Draft will be completed by March 11.	Don Snodgrass, Jennefer Sebstad, Elizabeth Dunn (ACDI/VOCA), Jenny Pan, Andrea Chartock	Global
Workshop to discuss conceptual framework and proposed revisions to research plan (intermediate)	A workshop will be held to discuss the proposed conceptual framework for impact assessment of enterprise development programs. The conceptual framework and analytical model will serve as the foundation on which all of the impact assessment work will be based. The workshop will serve as an opportunity to obtain critical input and buy-in from key stakeholders. Selected USAID staff, all AMAP contractors, and individual experts will be invited to participate and provide feedback.	Feb 9 at USAID.	Don Snodgrass, Jennefer Sebstad, Elizabeth Dunn (ACDI-VOCA), Zan Northrip	Global
List of common performance indicators, guidelines for missions and practitioners, and proxies (final)	Under this activity, the contractors will define and test recommended indicator lists for both performance measurement and impact assessment. One country will be selected for field testing of the tentative lists of performance monitoring and impact assessment indicators.	Moved to year two based upon revised workplan	Don Snodgrass, Jennefer Sebstad, Andrea Chartock, Lily Zandniapour, Elizabeth Dunn (ACDI-VOCA)	One country for testing TBD

<p>Quasi-experimental study progress report and buy-in mechanism (intermediate)</p>	<p>An in-depth impact assessment of at least one MSE development project that incorporates BDS.</p>	<p>Moved to year two based upon revised workplan. Suggestion made that it might be possible to save money if a mission provides 50% buy-in.</p>	<p>Don Snodgrass, Jennefer Sebstad, Andrea Chartock, Lily Zandniapour, Elizabeth Dunn (ACDI-VOCA)</p>	<p>Country TBD</p>
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Budget Expended to Date per product: Please see attached spreadsheet.

B. Lessons learned and modifications suggested.

1. Collaboration

This task order has includes an unusually collaborative process between contractors. Whereas DAI is the technical leader of components B and D, we remain highly interested and engaged in the work under components A and C. We believe that even after Year One, we will continue to have much to offer to these components.

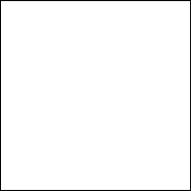
There have been cases in which work relevant to BDS K&P, but developed under separate contracts has not been shared among contractors. Going forward we suggest that USAID might act as an intermediary in such cases.

2. Flexibility

The process of getting products and deliverables finalized has been an iterative one. Because BDS K&P research is collaborative, scopes of work have changed along the way. The CTO's flexibility is necessary for this kind of research project in best practices where new ideas are constantly introduced and researched in order to be included in deliverables.

III. PROJECT EXPENDITURES

The total project expenditures for Quarter 4 are provided in the following pages. Project expenditures are broken out by Labor and Other Direct Costs (ODCs). A total of \$683,923 has been expended through December 31, 2004. This represents 25% of the total project budget.



PROJECT EXPENDITURES