

ARIES

Assistance to
Resource Institutions
for Enterprise Support

Approved by
U.S. Agency for International
Development
Contract DAS-700-0-000-1000

Developed by
Resource Institute Association, Inc.

PROJECT PURPOSE

The ARIES project is designed to strengthen the capabilities of support organizations in developing countries to implement small-scale and micro-enterprise development programs. ARIES builds on the work of the Agency for International Development's former Program for Investment in the Small Capital Enterprise Sector (PISCES) and Small Business Capacity Development projects. It works with intermediary support organizations that provide services to small and micro-businesses and industries, such as private voluntary organizations (PVOs), banks, chambers of commerce, management training centers, business people's organizations, and other developing country government and non-governmental organizations (NGOs).

The contract for this five-year project has been awarded to Robert R. Nathan Associates, Inc. (RRNA) with subcontractors Harvard Institute for International Development (HIID), Control Data Corporation (CDC) and Appropriate Technology International (ATI).

ARIES is core funded by the Bureau for Science and Technology's Office of Rural and Institutional Development (S&T/RD) and the Bureau for Food for Peace and Voluntary Assistance's Office of Private and Voluntary Cooperation (FVA/PVC). Mission funded technical assistance represents \$3.8 million, or almost three-fifths of the five-year budget of \$6.8 million.

SCOPE OF SERVICES

The project has three major components, which are designed to cross-fertilize each other:

• RESEARCH

The applied research component is directed by HIID and draws on the other contractors' expertise. Research focuses on issues surrounding intermediary support organizations, such as strengths and weaknesses of different kinds of organizations; issues of self-sufficiency; appropriate scale; economic impact; ability to provide technical assistance, credit, and other forms of assistance to the small and micro-enterprise sector; constraints on expanding institutions beyond large urban areas to smaller urban and rural ones, etc. The

research helps determine, inter alia, (a) which organizations are best able to deliver a given set of services under various environmental constraints, and (b) the kinds of institution-building activities a USAID Mission might want to support when a chosen organization needs assistance to upgrade its performance or expand operations. The research is designed to feed into and complement other components of the project, providing a rich knowledge base to inform Mission and host country project actions in this subsector.

- **TRAINING**

The design, implementation and evaluation of training materials addressing specific problems faced by intermediary organizations constitutes the second component of the ARIES project. Private voluntary organizations and non-governmental organizations are the main actors in the field of small and micro-enterprise development in many countries, and they have inherent characteristics that give them a comparative advantage in assisting informal and otherwise unserved entrepreneurs in this sector. However, they often need assistance to strengthen their capability to serve the target populations. CDC is directing the design of training modules for intermediaries in such areas as business planning, information systems, financial management, personnel administration, project management, and cost-effectiveness evaluation. Included in this component is the testing and use of these training modules in and for the field. RRNA, CDC and ATI will together conduct approximately four to six training programs per year once the core modules are developed. Typically, the team reviews the strengths and weaknesses of an intermediary in a country or region, refines the training to address specific needs, and conducts the programs, including follow-up.

- **TECHNICAL ASSISTANCE**

Robert R. Nathan Associates, Inc. directs the third component of the project: the direct provision of short-term technical assistance to AID Missions and local intermediary organizations to improve their capacity to assist small and micro-enterprise

development. Examples of technical assistance include:

- Designing, implementing and/or evaluating overall program strategies for assisting the small and micro-enterprise sector.
- Establishing planning processes within local institutions to carry out small and micro-enterprise development projects.
- Designing, implementing, and/or evaluating programs that assist small business development through financial assistance, management and vocational training, marketing assistance, and identification of trade and investment opportunities.
- Developing technical and administrative capacity within the intermediary organizations.
- Designing, monitoring, and evaluating systems for programming PL 480 proceeds and other US-owned local currencies to support small and micro-enterprise programs.

Permanent project staff, as well as consulting specialists, bring expertise in a wide range of skills relevant to small and micro-enterprise development. These skills can be drawn on in combinations or singly to provide teams with expertise fitting the specific needs of a Mission.

PROJECT RESOURCES

The ARIES project draws on the combined resources of four institutions known worldwide for their expertise in enterprise development.

Robert R. Nathan Associates, Inc., founded in 1946, has provided technical assistance and advisory services to over 70 nations in Africa, Asia, Latin America, the Caribbean, and the Middle East. Its staff of 60 professionals is skilled in policy planning, program/project design and analysis, project evaluation, institutional development, business analysis, and management training. RRNA's experience in small enterprise development has included designing projects, programs, and policies for foreign governments and donors including AID and the World Bank.

The Harvard Institute for International Development has over two decades of experience in research, teaching, and advisory assistance on issues of economic and social development in developing countries. As part of Harvard University, HIID brings to the project a proven reputation and considerable staff resources in policy-oriented research related to enterprise development in developing countries.

Control Data Corporation, a world leader in producing quality educational products and services, brings to the project its expertise in fostering business formation and development worldwide. CDC's staff has designed training materials—both in standardized and customized formats—for training small businesses in start-up and management and has worked with PVOs for many years.

Appropriate Technology International is a private non-profit company dedicated to the dissemination of technologies appropriate to the needs of the poor in developing countries. ATI has worked with a variety of intermediary non-governmental organizations and small and micro-enterprises in Africa, Asia, Latin America, and the Caribbean.

The ARIES Project Director is *Dr. Thomas Timberg*, a recognized leader in small enterprise development with experience in training, research, and project implementation. He has focused on methods to develop entrepreneurship, credit programming for small business, the role of financial intermediaries, and management skills training for small entrepreneurs.

HOW TO OBTAIN ARIES SERVICES

ARIES is funded over a five-year period through a combination of central and USAID Mission funds. AID/Washington funds are used to support most of the research and training activities, while technical assistance is undertaken with USAID Mission funds.

ARIES uses a Field Service Agreement (FSA) procedure that expedites the Mission "buy-in" process. The FSA guarantees prompt access to contractor resources with maximum flexibility and minimum paperwork for the Mission. The specific steps to follow in contracting for ARIES services are as follows:

STEP 1: USAID Mission Requests Assistance

Under the FSA procedure, the Mission determines its needs and develops a specific request to S&T/RD for ARIES assistance, including scope of work, level of effort, timetable and budget.

STEP 2: USAID Mission Sends Cable to S&T/RD

The substance of the request should be cabled to the ARIES Project Officer, Ross Bigelow, S&T/RD, in Washington, and include the following information: (a) a PIO/T number; (b) work days per position; (c) scope of work; (d) description of qualifications necessary for each team member; (e) period of performance; (f) total cost and supporting budget; (g) criteria for completion of work; (h) fiscal data including project name and number, budget code, appropriation number, and allotment symbol; (i) name of principal USAID contact.

STEP 3: Project Officer Prepares Work Order

Based on information submitted in the cable, the ARIES Project Officer prepares a work order (including a PIO/T, Field Service Agreement and budget). The work order is sent to the Office of Acquisition and Assistance Management in the Bureau of Management (M/SER/AAM).

STEP 4: Contract Officer Signs the Work Order

The turnaround time should be short, generally no more than two weeks from receiving a Mission cable with all necessary information to signing a work order.

STEP 5: ARIES Project Provides Requested Services

Because of its five-year life, ARIES can provide continuity in longer-term relationships and share lessons among Missions to strengthen the institutional capacity of organizations supporting small and micro-enterprise development.