Final Report

EMPLOYMENT AND INCOME OPPORTUNITES FOR WOMEN IN CAPE VERDE

A Review of Options, Constraints, and Program Implications for USAID/CV

Prepared for

USAID/CAPE VERDE

by

Peg Clement
Maria Judite Souto
John Magill

Consulting for

Labat-Anderson Incorporated
1111 19th Street North
Suite 600
Arlington, Virginia 22209

January 1989

LABAT-ANDERSON INCORPORATED

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GLOSSARY

ACDI	Agricultural Cooperative Development International, a U.S. PVO/CDO specializing in rural cooperatives, institutions, and credit
AFR/TR/ EHR	AID Africa Bureau/Office of Technical Resources/Education and Human Resources Division
AID	U.S. Agency for International Development
AMDP	African Manpower Development Project
BCV	Banco de Cabo Verde
CAPP	Centro de Apoio a Producao Popular, a handicraft and training center in São Domingos
CDOs	Cooperative Development Organization, six U.S.-based PVOs specializing in cooperative development
CDSS	Country Development Strategy Statement
CEP	Caixa Economica Postal
CENFA	Centro de Formação Administrativo
CESAG	Centre Africain d'Etudes Superieures en Gestion (Senegal)
CID	Council on International Development
CITI	Centro de Investigação da Tecnologia Intermediaria (Cape Verdean NGO)
DTPSA	Development Training for Portuguese-Speaking Africa
FAC	Fundo de Apoio as Cooperativas, financing wing of the INC
FVA	Bureau for Food and Voluntary Assistance (of the U.S. Agency for International Development)
FY	Fiscal Year
GDP	Gross Domestic Product
GOCV	Government of Cape Verde
HRDA	Human Resources Development Assistance Project
ICS	Instituto Caboverdeano de Solidariedade, an NGO coordinating parastatal
IESC	International Executive Service Corps
IFAP	Instituto de Formação e Aperfeiçoamento Profissional
ILO	International Labor Office
INC	Instituto Nacional de Cooperativas
MDRP	Ministerio de Desenvolvimento Rural e Pescas

MPC	Ministerio de Plano e da Cooperação
MSTAS	Ministerio de Saude, Trabalho, e Assuntos Sociais
NCBA	National Cooperative Business Association, a U.S. PVO/CDO specializing in cooperative-to-cooperative trade and in rural, production, and consumer cooperatives
NGO	Non-Governmental Organization
OMCV	Organização das Mulheres de Cabo Verde
OYB	Operational Year Budget
PSC	Personal Services Contract
PVC	Office of Private and Voluntary Cooperation/AID
PVO	Private Voluntary Organization
REDSO/ECA	Regional Economic Development Services Office/East and Central Africa
SHRD	Sahel Human Resources Development Project
SMDP	Sahel Manpower Development Project
TA	Technical Assistance
TOT	Training of Trainers
TRSAB	Training Review and Selection Advisory Board
UNDP	United Nations Development Programme
UNIFEM	United Nations Fund for Women
UNFPA	United Nations Fund for Population Activities
USAID	Country-level office (Mission) of AID
VOCA	Volunteers for Overseas Cooperative Assistance, a U.S. PVO/CDO specializing in providing short-term, technically oriented assistance to developing countries
WID	Women in Development
WOCCU	World Council of Credit Unions, a U.S. PVO/CDO specializing in credit union development

PREFACE

The attached report is submitted to fulfill the requirements of a combined Women in Development (WID) and Human Resource Development Assistance (HRDA) consultancy with USAID/Cape Verde carried out by a three-person team from Labat Anderson, Inc. between January 6 and January 28, 1989. The team was composed of Peg Clement, team leader and training specialist, John Magill, microenterprise expert, and Maria Judite Souto. handicrafts specialist. Work was carried out under the auspices of the HRDA project.

The purpose of the assignment was to assess, in conjunction with the Organization of Cape Verdean Women (OMCV) and the National Institute of Cooperatives (INC), the constraints to employment and income generation for Cape Verdean women and to recommend appropriate training, technical and financial assistance strategies to USAID/Cape Verde. USAID/CV was primarily interested in assessing the potential for assisting women through the promotion of women-owned small-scale enterprises and in identifying the nature and magnitude of project interventions that would be required for such an effort. Particular emphasis was paid to training interventions possible under the HRDA project.

During the assessment, the three team members met with more than four dozen key individuals in the private and public sectors, including GOCV agencies and support organizations, ministries, donors agencies and training institutes. The team also visited 17 private or informal sector microenterprises and cooperatives engaged in income-generating activities, such as handicrafts, commerce, agribusiness and sewing. These small-scale enterprises ranged in size from one person shops to establishments with as many as ten employees (although some cooperatives had up to 50 members).

The report is divided into two sections. The main body of the report covers planned or proposed USAID/CV activities in small-scale enterprise development and women in development. Technical and general annexes provide additional detail that should be useful to future project design and consulting teams.

The assessment team wishes to express its appreciation to Meg Glasston of the Cape Verde Mission, who not only carefully organized and supervised the assessment but also provided immeasurable substantive input. The Organization of Cape Verdean Women and the National Institute of Cooperatives were also instrumental to the accomplishment of this assignment, and the team thanks them.

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EXECUTIVE SUMMARY

One of USAID's main development strategies focusses on assisting the Government of Cape Verde (GOCV) to stimulate the development and expansion of private enterprise, while also increasing the productivity of the Cape Verdean labor force. Given the high proportion of women in the labor force, the high levels of unemployment among women, and the large number of women who are heads of households, the Mission is particularly concerned with the prospects of increasing employment and income opportunities for this element of the population.

MAJOR FINDINGS AND CONCLUSIONS

Small-scale enterprise (SSE) development appears to offer an effective and feasible approach to increasing employment and income opportunities for women in Cape Verde. While the private sector in general is still small and unable to contribute significantly to new job creation in the near future, a nascent group of Cape Verdeans comprised of individuals and small groups is now becoming established in privately owned and operated productive, artisan, commercial, and service activities. Official estimates indicate that there are a minimum of 2,500 small-scale establishments in the country, although government officials believe the actual number is much greater.

As in other countries, this sector is characterized by low initial capital investments, relatively high job creation potential, and relatively easy entry. Women engaging in such activities are numerous (especially in commerce, artisanry and household-oriented productive activities) and can be expected to be primary beneficiaries of development efforts to support the sector. In addition, there is widespread acceptance of and support for this activity, among both the potential creators of new businesses and GOCV agencies.

Major structural constraints to the continued expansion and development of these informal or private sector activities include:

- Limited markets and market potential for most goods and services;
- Weak support structures especially in terms of training and technical assistance facilities;
- Absence of credit facilities;
- Excess capacity in key sectors especially in the garment and shoe industries;
- Relatively limited raw materials; and
- Specific barriers to women's participation, including low levels of education and literacy rates, absence of savings, and family responsibilities as household heads.

Interviews with women engaged in small-scale business activities identified a number of specific constraints related to the operation of the enterprises themselves. These included:

- Lack of market information;
- Inadequate working and investment capital;
- Inappropriate product/market strategies;
- Weak managerial and entrepreneurial skills at all levels, particularly related to planning, marketing, pricing, and accounting; and
- Poor product selection and quality.

With the exception of the macro-economic constraints (e.g., limited markets, excess capacity, and limited raw materials), the structural and internal constraints identified above can be effectively addressed by a relatively small-scale, low-intensity effort combining training, technical assistance, and limited credit support.

GENERAL RECOMMENDATIONS

USAID/CV should support women-owned small-scale enterprise development as a viable strategy for generating employment and income opportunities for this element of the population. While the Mission's program initiatives may wish to address all forms of SSE development, special attention should be concentrated on women-owned and operated businesses.

Program support to small-scale enterprise development should be channeled through existing intermediary institutions, such as the Organisacao das Mulheres de Cabo Verde (OMCV) and the Instituto Nacional de Cooperativas (INC). Other potential intermediaries may be identified during further project review and design activities.

Support to small-scale enterprise development activities should be a small and low-intensity activity combining appropriate training, technical assistance, and limited financial support.

Furthermore, support to small-scale enterprise development should encompass activities both to develop the organizational capabilities of the intermediary institutions and to increase the business performance and entrepreneurial skills and practices of the beneficiaries themselves.

Based on further consideration of the pilot project in savings and credit groups being carried out by the INC, the Mission may wish to consider supporting credit union development, perhaps by using a buy-in with the World Council of Credit Unions.

SPECIFIC RECOMMENDATIONS FOR PROJECT COMPONENTS: TRAINING, TECHNICAL ASSISTANCE, AND CREDIT

Training

In line with USAID development priorities and based on the results of the training needs assessment, the private sector training strategy should have two key objectives:

- To improve business performance and entrepreneurship; and
- To strengthen existing and new private sector intermediary institutions in their support of productive and commercial SSEs, primarily among women.

Target audiences for the first objective include owners, managers, employees of SSEs; women entrepreneurs; and cooperative and women's groups members. For the second objective, trainees should include "animators" and trainers from OMCV and INC local, regional, and national levels; mid-level management staff of OMCV and INC and other relevant institutions both at central and regional levels; staff of the emerging Chamber of Commerce; and finally, new business-related courses at two training institutes in Praia--the Centro de Formacao e Aperfeicoamento Administrativo (CENFA), and the Instituto de Formacao e Aperfeicoamento Profissional (IFAP).

The Human Resources Development Assistance Project (HRDA) is one source of training funds at the disposal of the Mission. HRDA training levels pertaining to both the public and the private sector are as follows: $200,000 in FY88, $210,000 in FY89, and a projected $200,000 for the three ensuing years, totalling $1,010,000 over the five-year period. Of that amount, approximately $383,000 may be set aside for private sector training.

Activities appropriate to addressing the training needs are:

Direct Beneficiary Training:

- Training in Marketing Strategies;
- Technical Training in Production Methods;
- Group Dynamics/Team Effectiveness Training; and
- Basic Management Techniques for Women's Groups.

Intermediary Institution Strengthening:

- "Improve Your Business" Course Scholarships;
- Study Tours to Guinea Bissau, Senegal, Mozambique, Brazil or the U.S.;
- Mid-Level Management and Staff Development Training;
- Training of Trainers for Support Organizations;
- Project Development Training;
- Chamber of Commerce Strategic Planning;
- Cooperative Development Training;
- Credit and Loan Portfolio Management (INC/FAC); and
- Entrepreneurship Skills Training.

Training funds might also be used for adjunct activities such as sending private sector participants to HRDA regional conferences in Africa, funding business-related courses at CENFA, and sponsoring returned participant conferences in Cape Verde.

Many of the proposed activities are short-term courses or seminars in the country, or workshops or tours in other developing countries. Only a few short-term activities in the U.S. are envisioned. Furthermore, no long-term private sector participants to the U.S. for advanced degrees should be planned due to the high expense entailed; this represents a departure from previous Mission training activities (AfGrad, Sahel Human Resources Development I, II, III, SMDP) which emphasized long-term training in the U.S.

The team suggests that direct beneficiary training (Objective 1) activities may be better served by folding them into the proposed new Export (Promotion)/Private Sector Development Services Project's support for SSE component, where additional training funds can also be provided.

Finally, the team recommends that USAID/CV establish a Training Review and Selection Advisory Committee to handle matters of coordination, scheduling, publicity, selection, and evaluation.

This strategy should help to build strong and lasting local capacity to respond to the training needs of private Cape Verdean enterprises, and particularly those owned or managed by women.

Technical Assistance

Technical assistance should have the dual function of developing a sustainable capability within selected intermediary institutions for supporting small-scale enterprise development (especially among women) and for providing direct support to project beneficiaries.

Two major types of long-term technical assistance need to be provided:

- Marketing assistance to help study market potential, gather and use market information, review and critique product selection and design, and help in the planning, design and marketing of specific products; and

- Business management assistance to develop and install processes for analyzing small-scale businesses and to help develop sound business procedures and practices among small-scale entrepreneurs.

In both cases the technical assistance should be provided through one or more of the intermediary support institutions (OMCV and/or INC), and should be carried out in such a way as to develop sustainable technical assistance capabilities in those institutions.

Depending on USAID/CV's approaches to credit strategies, additional long-term assistance can be provided for either credit portfolio management or credit union development. If credit is channeled through existing FAC or OMCV mechanisms assistance would be required to develop credit management procedures and skills--credit application analysis, business analysis, disbursements, collections, delinquency control, and financial analysis. If the Mission decides to support the GOCV's efforts in stimulating credit union development, technical assistance should be provided in areas such as (promotion),board and staff training, committee functions, credit management procedures, member education, laws and regulation, auditing and accounting systems. Experienced credit union assistance is available through either the World Council of Credit Unions (WOCCU) or its African affiliate, the African Confederation of Cooperative Credit and Savings Associations (ACCOSCA).

In all cases this assistance should be small-scale, low intensity, and individualistic: there is no need for a large-scale, intensive project effort which, in any case, would be dysfunctional. Single individuals (either PSCs or institutional contractors) working on a long-term basis within the intermediary institutions should be the favored approach.

Short-term technical assistance should be addressed to specifically identified problem areas, such as product technologies and quality assessment for specific products, market analyses for specific products and markets, and other similar topics.

Credit

The lack of credit for low-income, non-salaried persons in Cape Verde is a major constraint to successful small-scale enterprise development and expansion. At the present time there are few, if any, credit resources available to fund working capital and small investments for potential program beneficiaries. Because the level of business activity is limited to the personal resources of the owner, the small-scale enterprises tend to be very small and undercapitalized, with low profit margins and returns to labor. Credit is needed to increase the scale of these establishments to levels of economic viability.

Small amounts of credit (small-scale enterprise development projects generally begin with loans in the range of $50 to $300) can be channeled to beneficiaries through specialized credit mechanisms (such as the Fundo de Apoio as Cooperativas, FAC/INC) or as part of a credit union development effort that would involve beneficiaries in a broader financial market involving both savings and credit.

While a program to help small-scale enterprise should include a credit component, care should be taken to not provide so much credit that the individuals and enterprises cannot absorb and manage it effectively. The tradition of using credit for small-scale commercial activities is not well established in Cape Verde, and should be developed slowly.

CHAPTER ONE

INTRODUCTION

KEY DEVELOPMENT CONSTRAINTS

Cape Verde's economic and financial background and situation have been well documented by recent consultancies[1] and do not need extensive description here. The country is a microcosm of what has recently become known as the African Crisis. Cape Verde shares the constraints faced by other Sahelian and African countries: substantial problems of land erosion and tenacious drought, accompanying shortage of water, lack of foreign exchange earning, poor resource base, isolation leading to extraordinarily high levels of importation, growing unemployment and the predictable rural "slide" to the cities, ensuing emigration and simultaneous declining remittances, accelerating population growth, and lack of infrastructure. But as an island archipelago with no post-secondary training institutions or university, with special cultural and economic links to Europe and the U.S., relying largely on imports and foreign aid, the country also has its unique problems.

The Government of Cape Verde (GOCV) is aware of the immensity of its development tasks at hand. The three primary constraints recently singled out by the government, which will be central to any upcoming development interventions, are:

- High unemployment (estimated at 40 percent of the economic aged population) and underemployment (estimated at 30 percent);
- Rapidly increasing external debt; and
- Policies that restrict critically needed growth in private investment.

The three are closely linked and lead directly into USAID's development assistance strategy of working with the GOCV to increase the productivity of the country's private sector.

The role of women in the Cape Verdean economy, and the factors constraining women participation in income generating activities are of key concern to both the GOCV and USAID/CV. Because of emigration, women comprise nearly 60 percent of the country's potential labor force of approximately 173,000 people. About one-third of the labor force is unemployed, and another 40 percent is underemployed. Female unemployment and underemployment rates are estimated to be twice as high as those for men.[2] The problem is particularly acute among female heads of households.

GOCV PRIORITIES

The GOCV has stressed in its national strategy (1986-90 Plan) the need for more of an export-oriented economy and increased labor productivity both in private and mixed-ownership entrepreneurial ventures. It realizes that it must actively seek alternative means of generating income, and particularly foreign exchange, and is trying to use the country's mild climate, marine resources, strategic location, and worker potential to

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[1]See especially, Eileen Evans, Mark Connel, Jose Luis Pinheiro, "Private Sector Development and Export Activities in the Republic of Cape Verde," prepared for AID/AFR through ISTI, Washington D.C., June 1988. Good descriptions of the current economic situation are also found in the USAID/CV "Annual Budget Submission," and in the Project Identification Document (PID) for the Export (Promotion)/Private Sector Development Services Project.

[2]USAID/CV, "Annual Budget Submission," June 1988, p. 10.

attract more international investment. Private sector development is an important part of this strategy. Interest in merging private and public sector interests in fisheries, industry, and tourism is picking up, and discussions concerning this kind of collaborative development are taking place more and more frequently.

USAID DEVELOPMENT STRATEGY

In line with these GOCV national development priorities, USAID/Cape Verde (USAID/CV) intends to orient its development assistance program towards assisting the GOCV in its efforts to improve the productivity of the country's major asset--its people. USAID/CV's implementation strategy seeks to accomplish three objectives:[3]

- Increase the productivity of the Cape Verdean labor force;
- Promote private domestic savings for investment and encourage foreign investment in export diversification and expansion; and
- Improve the agriculture and natural resource base to maximize agricultural exports and enhance the platform upon which other export development activities can occur.

The Mission has prepared a Project Identification Document (PID) for a new project--the Export (Promotion)/Private Sector Development Services Project (FY89 - FY93), which focuses on institutional development needed to attract investment in foreign exchange earning enterprises and related activities to encourage private sector activity--to assist the GOCV efforts to mobilize the private sector as a means to develop export earning. Private sector activities are expected to result in fostering employment and income generation opportunities for Cape Verdean women.

Reinforcing the Mission's assistance strategy and complementing its bilateral portfolio, HRDA project training activities will concentrate over the next four years on activities that will strengthen those support institutions that foster and promote private sector initiatives and help improve business skills, especially among women-led or women-owned small-scale enterprises.

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[3]USAID/CV, "Annual Budget Submission," p. 16.

CHAPTER TWO

OPTIONS FOR GENERATING INCOME AND EMPLOYMENT FOR WOMEN IN CAPE VERDE

As in other developing countries, there are three major sources of employment and income for women--salaried employment in the public or private sector (including domestic service); small-scale (usually self-owned and operated) business activities in commerce, production or services; and group-owned (including cooperatives) business activities in commerce, production, or services.

SALARIED EMPLOYMENT

Salaried employment in public and private sector agencies and enterprises is one of the primary sources of jobs and income for women in Cape Verde. Women are employed in factories, government ministries and agencies and private companies. Women occupy high-level positions in such entities, and comprise a large section of the administrative and clerical workforce as well.

Employment generation in existing enterprises does not appear to offer opportunities for significantly increasing the number of jobs available to Cape Verdean women or for alleviating unemployment. The high levels of unemployment in Cape Verde reflect the fact that these institutions are unable to absorb the current labor supply. Some of the larger private and mixed ownership enterprises are currently operating below capacity (at only 25 percent of capacity in the one clothing manufacturing company and at only slightly higher levels in the shoe factory that were visited during the course of the study), and have reduced levels of employment (from more than 400 to only 122 in the case of the garment factory, for example). The government-operated employment center in Praia has been able to place less than 2 percent of the persons who have registered with it. A high current population growth rate will only exacerbate the problem.

Creation of jobs in large scale institutions and enterprises requires large infusions of capital, and large-scale assistance programs (such as the World Bank program for medium-scale enterprises, USAID/CV's proposed Export (Promotion)/Private Sector Development Services Project and other similar efforts) are required to have a measurable impact on employment generation. Therefore, unless there are major breakthroughs in developing new export markets for Cape Verdean products, it does not appear that salaried employment will increase significantly in the near future.

SMALL-SCALE ENTERPRISE DEVELOPMENT

Studies of AID-financed small-scale enterprise development efforts have generally concluded that these are efficient and effective generators of employment and income opportunities. Small-scale enterprises are characterized by low capital-labor ratios, which means that the number of jobs created per given amount of investment is high. They are frequently women owned and operated, and provide significant levels of employment and income for women. In many countries as much as 60 percent of the economically active urban population is engaged in such activities.

It is customary to distinguish between three categories of small enterprises: micro-, small- and medium-scale enterprises:

"Micro" enterprises are generally defined as small, self-owned and operated businesses that are very labor intensive, have low levels of invested capital (generally less than $1,000), employ only family members or apprentices with no differentiation between owner and worker (i.e., the owner works as a laborer in the business) and are generally operated out of the owner's home.

"Small" enterprises generally employ external labor (though there is still little differentiation between ownership and labor functions), have slightly higher levels of invested capital and often have fixed locations separate from the owner's home.

"Medium" enterprises are almost always legally registered businesses with larger amounts of invested fixed capital (usually greater than $10,000), employ external labor with a strong differentiation between ownership and labor functions, and operate in a separate location from the owner's home.

The activities planned by USAID/CV in this area will probably be limited to micro- and small-scale enterprises[4]; medium-scale industries currently have some opportunity to obtain credit and assistance through the World Bank program with the Ministry of Industry and Energy and the Bank of Cape Verde.

Small-scale enterprises can usually be found in all sectors of the economy--production, commerce and services. Women tend to dominate such establishments in commerce and artisan handicrafts (frequently representing 70-90 percent of these establishments) and in food services and processing, but are strongly represented in other production and service activities as well. Some activities--such as shoe-making, carpentry, metal working and repair services--are overwhelmingly men-owned enterprises. Even when a small-scale enterprise is nominally "owned" by a man, however, women may play an active role in its operations and administration: these tend to be family-owned businesses with the man fabricating the product (as in shoe-making and carpentry) and the woman handling the sales and administrative activities.

In Cape Verde the informal small-scale enterprise sector is a very active sector of the economy, even though there does not appear to be the number and variety of small-scale operations that can be found in other countries of Africa and Latin America. Estimates available from the Ministry of Industry indicate that there are some 2,500 active establishments in this sector, although personnel from the Ministry believe this figure underestimates the actual situation considerably. The number and variety of establishments that can be verified by peering in doorways indicates that this method of generating employment[5] is widely accepted. A project to stimulate small-scale enterprises, therefore, would be consistent with local cultural and social values.

The GOCV is interested in supporting such small-scale economic activities. Such support would be essential for the eventual success of any project activities in this area.

There is, however, a strong trade-off between risk and employment creation in small-scale enterprise development: employment is created with the establishment of new businesses rather than in the expansion of existing ones, but new businesses have a significantly higher rate of failure than existing ones. Micro-enterprise projects that focus on establishing new businesses, therefore, tend to have high failure rates and high loan delinquencies. The principal contribution of supporting expansion is that this results in more stable employment and higher income for the owners of the business. Only when the businesses grow significantly is there a major employment generation effect.

Cape Verde appears to offer good prospects for developing small-scale enterprises: low-income individuals already see such activities as desirable objectives; the government is generally supportive of such efforts; and existing institutions (such as the INC and the OMCV) are actively engaged in promoting small-scale enterprise development.

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[4]Throughout the rest of this report, "small-scale enterprise" is used to refer collectively to both micro and small enterprises, without implying a distinction between them.

[5]Although such self-employed activites are [illegible] as "employment" in U.S. statistics, people in Cape Verde tend to consider themselves "employed" only if they are receiving a regular salary or wage. "Unemployment" statistics, therefore, may actually overstate the problem of unemployment in the country because they fail to take self-employment into account.

Group-Owned Business Activities

Cooperatives are often an alternative form of private, small-scale enterprise.[6] Instead of individual ownership of key aspects of the business, these are shared by an associated group of people. These are usually people who live in close proximity to each other and know each other well. Many different forms of cooperative organization are possible. A cooperative may share joint ownership of production, or may merely group independent producers into an effective marketing associations. It may jointly own all resources of the business (land, buildings and equipment) or it may control only a single key resource (transportation, labeling or feed supplies).

At the present time, some 230 cooperatives with more than 20,000 members operate in the islands. Approximately 100 of these are consumer cooperatives operating small stores that sell food and other basic goods in remote areas. Another 63 are listed as agricultural production and marketing cooperatives, and 29 are engaged in artisanry and small-scale industry. The government is currently promoting the formation of unions of cooperatives, to group several cooperatives together under the umbrella of a second-tier organization.

Women are strongly represented in the membership and governance of the organizations. Although many were formed for political and social (rather than economic) reasons, in recent years the INC has become increasingly concerned with attempting to transform these organizations into viable business entities. While the government supports the establishment of cooperatives and provides on-going support and assistance through the INC and FAC, the cooperatives are not intended to be parastatal organizations (as is the case in many African countries). Initial grants and small loan funds are intended to help establish the organizations but, once established, they are supposed to generate sufficient earnings on their business activities to sustain the organizations and pay staff. Elected officials of the cooperatives serve in an unpaid capacity; only the manager and staff receive salaries.

Recommended Option for USAID Strategy

Given the level of resources available to USAID/CV in the planned Export (Promotion)/Private Sector Development Services Project, it appears that a program stressing small (micro- and small-scale) enterprise development offers good prospects for increasing employment, reducing underemployment, and providing income-generating opportunities for Cape Verdean women.

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[6]Applying the term "small-scale enterprise" or "business" to a cooperative may be somewhat sensitive. The cooperative movements in developing countries often refer to themselves as a third sector to distinguish themselves from investor-owned profit-making firms. Conversations with INC staff indicate that they intend for the cooperatives to be self-sustaining economic entities, and did not express concern about grouping "cooperatives" under the general rubric of small-scale enterprises.

CHAPTER THREE

RECOMMENDED USAID/CV STRATEGIES TO SUPPORT WOMEN-OWNED SMALL-SCALE ENTERPRISE DEVELOPMENT IN CAPE VERDE

CONSTRAINTS TO SUCCESSFUL SMALL-SCALE, WOMEN-OWNED ENTERPRISE DEVELOPMENT IN CAPE VERDE

The study identified a number of constraints to small-scale enterprise development that would need to be addressed in any project designed to foster such efforts by Cape Verdean women. These can be divided into two separate categories: those which are structural and environmental in nature, and those which are internal characteristics of the beneficiary firms themselves.

Structural and Environmental Constraints

Limited Markets

The most critical constraint to successful small-scale enterprise development is the small internal market for domestic goods and services. Cape Verde's limited population of approximately 360,000 people--with only 50 percent of that number of an economically active age, and only 50-60 percent of those employed--provides a very small market for locally produced goods.[7]

Unfortunately, the expansion of internal markets is tied to success in employment generation. As one businessman from Mindelo observed:

> There is too much business going on now for the purchasing power of the people. The crucial issue is to create jobs. Without jobs you have no purchasing power. Without purchasing power there is no demand for small business products and services.

Other donor activity (World Bank, etc.) in large-scale enterprise will undoubtedly have some impact on increasing salaried employment and incomes. In addition, this situation means that there is room for relatively few businesses in any one type of activity. Therefore, any effort by the Mission in SSE will need to work in a variety of different enterprises. Also, the selection of product to fit the market demands is critical in this situation.

This small internal market is made even smaller by difficulties in transporting products among islands. Individual islands have historical trading ties with foreign countries (England, Holland and Portugal, in particular) that impede inter-island trade. For most practical purposes (food and manufactured clothing being notable exceptions), the internal markets for locally produced goods are confined to the island on which the goods were produced.

A project to support small-scale enterprise development needs to have a heavy emphasis on markets and marketing.

Weak Support Structures

The two major organizations that have traditionally organized and supported women in Cape Verde--the OMCV and the INC--began as mass organizations for the political party structure in the country, concerned primarily with political and social organization. Recently, however, both have begun to take a more active

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[7]See Annex A-8 for an illustration of the limiting constraints of the local Cape Verdean market.

interest in helping associates (women members in the case of OMCV and cooperatives in the case of INC) develop economically viable, income-generating activities.

Both organizations lack the resources needed to carry out these activities on an appropriate scale.[8] In particular, staff have little training in business management, production or marketing. Although the INC works with the Ministry of Rural Development and Fisheries (MDRP) to provide technical agricultural assistance to rural cooperatives, it lacks a technical assistance base in the other areas. Proposed technical assistance and training activities (described in chapter V and Annex A-1 of this report) address some of these weaknesses.

Women in general, and women-owned small-scale businesses in particular, receive very little formal support from any other Cape Verdean institution. A strategy to support women-owned businesses should focus initially on improving the mechanisms and institutions for supporting these enterprises.

Absence of Credit Facilities

Local savings and credit markets are limited and largely unavailable to low-income women.[9] Savings mobilization, at least in the existing or formal financial institutions, apparently occurs only among salaried employees, and there is no mechanism for effectively monetizing the savings of the rural and urban self-employed or partially employed population. Credit for working capital for small-scale commerce and productive activities is not provided by any formal financial institution. Informal credit activities appear to be very limited, engaging primarily in suppliers' credits for consumer durable purchases and commercial inventories. The absence of savings and credit mechanisms serving the target population is one of the most important constraints to developing sustainable small-scale enterprises.

Because the level of business activity is limited to the personal resources of the owner, the small-scale enterprises tend to be very small and undercapitalized, with low profit margins and returns to labor. Credit is needed to increase the scale of these establishments to levels of economic viability.

Most women interviewed during the course of the study lacked sophistication on credit matters--concepts of interest, uses of credit to leverage resources and reducing operating costs by increasing the scale of their businesses. Still, there is effective demand for credit among the potential beneficiaries. The CEP lends about $3.0 million each year in short-term salary advances to salaried workers, the cooperatives visited recognized the need to borrow to finance initial operations (and many had come back for second loans), and people do regularly borrow through the system of suppliers' credits known as "letras."

While a program to help small-scale enterprises should include a credit component, care should be taken to not provide so much credit that the individuals and enterprises cannot absorb and manage it effectively. As mentioned above, the tradition of using credit for small-scale commercial activities is not well established in Cape Verde, and should be developed slowly.

Excess Capacity in Key Sectors

Because of the small internal markets and lack of an export history, markets are easily saturated. Enterprises large enough to become economically efficient are usually plagued by problems of excess capacity. In Mindelo, for example, both the garment factory (Morabeza) and the shoe factory (Socal) are operating at only a fraction of their maximum and optimal capacities due to saturated markets. This will continue until more effective export marketing, or restructuring of the industries, occurs. This situation severely reduces entry possibilities for small-scale enterprises in products where there is a single large firm

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[8]See Annex A-4 for a more detailed institutional profile of both organizations.

[9]See Annex A-2 for a more detailed description of local financial markets as they apply to prospects for supporting small-scale women-owned enterprises.

operating in the islands, and reduces the possibilities of backward linkages through piecemeal contracting arrangements.[10]

Absence of Raw Materials

Because of Cape Verde's weak natural resource base, most small-scale artisan and productive enterprises in Cape Verde depend on imported raw materials. This raises the cost of production and may have the effect of raising prices to unrealistic and unmarketable levels. It also prevents the development of employment through secondary activities engaged in developing, processing and supplying raw materials.

At the same time, official government policies discriminate against more intensive exploitation of some natural resources--such as limestone and gypsum--in favor of imported products. Encouragement of local production could create additional employment opportunities. At the same time, natural resources available in the country (often in the form of by-products from agriculture) could be used to develop products for both internal and export markets.

Barriers to Women's Participation

There are few overt barriers to women participation in the economy. Legally, women are accorded equal status to men in conducting transactions, possessing land, accessing credit and owning and operating businesses. In practice, however, many informal barriers mitigate against effective women participation. Compared to men, women in Cape Verde have lower levels of education, lower literacy rates, and a general absence of savings with which to finance business operations. In addition, families tend to be large, with women responsible for domestic family chores instead of, or in addition to, economic employment. Many women serve as heads of household, with additional burdens and responsibilities that conflict with economic employment. As discussed, both men and women face a general absence of credit facilities to finance business operations, lack of knowledge of market opportunities, lack of technical and managerial skills. poor mobility (for rural residents), and an absence of effective marketing channels. Finally, with equally high levels of unemployment among men, there is severe competition for available jobs.

Legal Impediments to Small Business Formation

Establishing and registering a small business in Cape Verde is a relatively easy and low-cost activity. An individual or group wishing to establish such a business merely draws up a set of by-laws (statutes) and has them notarized. With the publication of the by-laws in the "Boletim Oficial" the business may operate. No fees--other than those charged by lawyers for drafting statutes and the services of the Notary Public--are required.

Larger scale enterprises, especially those in food processing activities, must go through a more elaborate and costly process of registration.

Internal Constraints

Interviews with individual women and women-owned enterprises during the January 6 to January 28 consultancy revealed a number of common problems and issues, particularly in the areas of lack of market

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[10]One of the potential benefits of the proposed Export (Promotion)/Private Sector Development Services project would be to create market opportunities for small-scale businesses operating on contracts from the exporting firms. To the extent that factories are operating with excess capacity, this possibility of creating backward linkages through the project is reduced.

information, lack of willingness to work together as a business unit, lack of credit, lack of project follow-on and "acompanhamento" (monitoring).[11]

Lack of Market Information

Women interviewed during the course of the study displayed a general lack of awareness or orientation toward markets and marketing ("market-savviness") in most of the islands' small-scale business activities. Women were unaware of the different types of markets that they might produce for, the size of those markets, effective prices in the markets or the technical, quality and design issues involved with targeting those markets. Most of the women interviewed seemed to focus on making dozens of shirts, or stockpiling many handicraft items without a notion as to where they could be sold--a mentality oriented toward producing rather than selling.

Inappropriate Product/Market Strategies

As a result, products are being developed based on historical precedent or imitation rather than a real awareness of how to identify, design and market products for specific market segments. The team felt that many of the products, especially those designed for tourists and expatriates, had low sales potential because they were not the types of articles that the intended customers would purchase. This impression is supported by the conclusions of a separate study of artisan handicrafts in which 8 of 11 tourists responded that they would not purchase handicraft items they were shown.[12]

Product Quality

Product quality was generally low, with little quality control. For both export markets and certain sectors of the internal market quality is the major determinant in decisions to purchase, so that success in selling to these markets requires greater attention to quality.

Pricing

There appeared to be little relationship between the prices charged for items and their marketability. The team felt that most handicraft items were priced unrealistically high for intended or potential markets.

Lack of a Tradition of Working Together

Most informants to this assessment indicated that Cape Verdeans simply are not used to the idea of working together; they are apparently quite individualistic by nature. Whether this is due to their at-times physical isolation from each other over mountains and valleys, or to the fact that extended families known more in other African countries simply are not as prevalent here, is not documented. This has strong implications for carefully targeted and designed training and technical assistance interventions. Both the Government and OMCV want to encourage women to organize themselves better in their work in order to make more profit by sharing resources.

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[11]See Chapter Four for a summary and analysis of interview results.

[12]Marie-Claude Sainte-Pe, "Rapport sur L'Etude de L'Artisanat D'Art aux Iles du Cap-Vert," Paris: College Cooperatif el Paris III, September 1988, pp. 67-68.

Weak Entrepreneurial Skills and Mentality

Most women interviewed had little knowledge of the techniques for operating a small business. Few could say how many products they had sold, whether or not they made a profit on their sales, or how they planned production. Few had accounting systems or methods for controlling inventories. Several were unaware or unconcerned about possibilities for expansion or increasing revenues.

Conclusions

The study identified both internal and external constraints to developing sustainable and profitable women-owned small-scale enterprises. Fortunately, most of these constraints can be addressed within the context of USAID/CV's planned program activities.

PROGRAM IMPLICATIONS AND OPPORTUNITIES FOR USAID/CV

Based on the field visits and interviews conducted during the course of this consultancy, assistance to help develop small-scale enterprises (for both men and women) offers an opportunity for USAID/CV to make a significant contribution to increasing employment opportunities and generating income for women in the country.

Program Implications

A program designed to assist small-scale business activities in Cape Verde (whether related solely to women or encompassing mixed and men-owned businesses as well) should be characterized by:

- Small-scale, low-intensity interventions;
- Non-bureaucratic structures;
- Low overhead;
- Working through existing institutions (such as the OMCV and the INC) and with existing groups and/or cooperatives wherever possible;
- Complementary resources, utilizing central-AID supported technical, training (such as the HRDA program) and other support to augment Mission resources;
- Utilization of local raw materials;
- An initial focus on markets--identifying potential markets and products that will sell in those markets;
- Controlling a key resource (such as a truck to move items to market, a distribution center for hard-to-get supplies, a marketing center for collecting and transporting items to market, etc.; and
- An understanding of the independent living and work traditions of the Cape Verdean people.

A Recommended Strategy

USAID/CV's strategy for assisting Cape Verdean women through small-scale enterprise development should represent an integrated approach encompassing training, technical assistance and credit. In addition, it should cover a wide range of products and activities--from agricultural production and marketing to clothing

manufacture, from individually owned and operated service industries to cooperative production enterprises, and from internal to export markets. Finally, USAID/CV's activities should stress women-owned and operated enterprise development.

Training

The study identified a widespread need for technical and managerial training for potential beneficiaries of the proposed activity. Training is needed at two levels--to develop the service capabilities of institutions (private, public, and parastatal) that are needed to provide support to small-scale enterprises, and to develop needed technical and managerial skills among the target population itself.[13]

Technical Assistance

Technical assistance should be the central focus of any assistance program to women-owned small-scale enterprises in Cape Verde. Such technical assistance should be a long-term, low-intensity effort utilizing persons who are primarily entrepreneurs themselves. The major constraints to small-scale enterprise development are both technical and managerial in nature: (a) identifying and understanding market opportunities and characteristics, (b) designing products that will be consumed in existing markets, (c) improving product quality and presentation, (d) managing the resources of a small business effectively.

Because of the individualistic and dispersed nature of production and commerce in Cape Verde, individuals providing the technical assistance need to be consummate field workers with very broad interests and capabilities. They must be able to work in markets as distinct as pig and poultry production to clothing manufacture and shoe making. Most of all, they need to be very sensitive to market opportunities and the matching of local production to those markets. This often entails redesigning products to be more attractive to potential buyers; recognizing the need to improve quality; identifying new products that could be developed and produced locally; recognizing the need for improving technologies or introducing new technologies; studying market potential to identify saturation points and price elasticities; identifying new ways to package or market products to take advantage of existing and potential markets, etc.

Two major types of long-term technical assistance need to be provided:

- Marketing assistance to help study market potential, gather and use market information, review and critique product selection and design, and help in the planning, design and marketing of specific products; and

- Business management assistance to develop and install processes for analyzing small-scale businesses and to help develop sound business procedures and practices among small-scale entrepreneurs.

Technical assistance should be channeled to beneficiaries through one or more of the support institutions existing in Cape Verde--the OMCV and the INC[14]--and should be carried out in such a way as to develop sustainable technical assistance capabilities in those institutions In doing so, the technical assistance should have the result of developing a sustainable capability to provide business-oriented technical assistance within these institutions.

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[13]See Chapter Five and Annex A-1 for a detailed discussion of training needs.

[14]Additional institutions might be identified during the intensive review and project paper design phase for the planned Export (Promotion)/Private Sector Development Services Project.

Credit

The absence of credit facilities for low-income individuals is a serious constraint to small-scale enterprise development in Cape Verde. At least three major alternatives exist for developing credit lines to this sector--formal sector institutions such as the Banco de Cabo Verde and the Caixa Economica Postal, specialized credit lines through institutions such as OMCV and INC, and credit unions. The first two of these do not appear to be oriented toward providing the high-risk, small-scale type of credit required for small-scale enterprise activities. The demand for credit and the different kinds of delivery systems needed should be carefully studied before engaging in credit provision for the activity.

The other two alternatives offer greater promise. The FAC already has experience lending about $425,000 per year to cooperatives assisted by the INC. Unfortunately, the team was unable to verify the quality of FAC's portfolio, or its recovery and delinquency ratios. The OMCV has much less experience in the area of credit management, and would probably not be able to manage an expanded portfolio without considerable assistance. If credit is channeled through existing FAC or OMCV mechanisms, assistance would be required to develop credit management procedures and skills--credit application analysis, business analysis, disbursements, collections, delinquency control, and financial analysis.

The GOCV, prompted by previous failures in "forced savings" schemes among workers' brigades, has recently expressed an interest in supporting credit union development as a means of generating local savings and autonomous credit operations. A director has been appointed, a study of the past experience has been carried out[15], and a set of objectives and plans developed. A credit union approach has certain advantages over a straight credit program:

- A widespread history of success throughout Africa, Asia, and Latin America, with a corresponding body of knowledge about how to develop successful credit union programs;
- Credit unions mobilize internal savings and would thus support the GOCV's objectives in this area;
- Throughout the developing world credit unions have succeeded in becoming self-sufficient, covering all internal expenses from self-generating income; and
- There is a broad base of support for credit union development available through the World Council of Credit Unions (WOCCU) and its African affiliate the African Confederation of Cooperative Savings and Credit Associations.

If the Mission decides to support the GOCV's efforts in stimulating credit union development, technical assistance should be provided in areas such as promotion, board and staff training, committee functions, credit management procedures, member education, laws and regulation, auditing and accounting systems. This could be provided through a combination of short-term technical assistance provided by WOCCU and ACCOSCA, through training courses sponsored by ACCOSCA, and through on-site visitations to successful West African credit union development programs.

Required Modifications in Traditional AID Approaches to Small-Scale Enterprise and Credit System Development

The U.S. Agency for International Development has been involved in a relatively large number of activities related to small-scale, self-owned enterprise development. Recent evaluations and "stock-taking" efforts are beginning to synthesize the results of some of these experiences and develop profiles of successful interventions, creating a body of experience and knowledge that can be used to guide USAID/CV planning in this area. The three general approaches that would appear to have particular relevance to the Cape Verdean situation are micro-enterprise development projects, credit union development and cooperatives.

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[15]Financed by an $18,000 grant from USAID/CV through the Watershed Management Project.

As traditionally implemented, however, each of these approaches has characteristics that are not well suited to implementation in Cape Verde. As USAID/CV proceeds with project design it should be sensitive to these limitations and incorporate appropriate modifications into the design of the selected approach.

Micro-Enterprise Development Projects

Traditional micro-enterprise development projects (such as those of ACCION/AITEC International) would need to be modified to work effectively in Cape Verde. In particular, the traditional ACCION/AITEC approach to micro-enterprise development depends on a strong market of existing micro-enterprises that have a high demand for credit and are currently obtaining credit from an informal sector at extremely high interest rates. Those conditions do not appear to exist in Cape Verde: there are few existing businesses; there is little evidence of existing credit use or demand; and existing credit demands are being met at relatively low real interest rates. Also, because these programs are credit-driven, they provide little in the way of technical assistance or training to assisted businesses. Training and technical assistance, however, are critical to the success of any small-scale enterprise development effort in Cape Verde, and must be important elements of any project designed to benefit this sector.

Cooperative Development Projects

Traditional cooperative development approaches (such as those pioneered by NCBA and ACDI) would also need to be adjusted to take into account particular characteristics of Cape Verdean social culture. In most such development efforts a number of similar cooperatives are developed and supported by a central private-sector federation or other second-level organization. Benefits are obtained through working on a large scale, ability to replicate a single set of technology among several similar institutions, and ability to consolidate purchases and sales. In Cape Verde it appears that internal markets are so limited that such an approach would quickly saturate markets. Cooperative development approaches here should stress small-scale, individual enterprises, each with its own specialized product and market niche. U.S. cooperative development organizations would also need to accept the fact that Cape Verdeans do not have a tradition of working cooperatively and would not accept cooperative ownership of goods (e.g., pigs, chickens, land, or materials).[16]

Credit Unions

Credit unions offer a particular set of advantages for a situation like Cape Verde. They are generally successful in mobilizing large amounts of internal savings from relatively poor sectors of the society. By monetizing such savings and putting them to use within the local communities, they become significant sources of short term credit for sectors of the population and geographic regions of a country that are largely ignored by formal financial institutions or programs. Because the funds are generated internally they do not represent claims on foreign exchange or increase the country's foreign debt load. And finally, they are self-financing entities that do not need continual government or foreign donor subsidies to survive and operate.

Even a program to develop credit unions, however, would need to depart from traditional AID-financed credit union development approaches. Because of the existence of the Caixa Economica Postal, which provides savings and loan services to salaried employees in the country, it would be relatively difficult to organize credit unions among salaried employee groups. These groups--especially public sector employees such as teachers, the police and ministry personnel--usually provide the initial base of membership, savings, stability and growth for new credit union systems in the developing countries. A credit union development project would also have to deal with low levels of awareness of savings, credit and interest among the poorer sectors of the society. This is particularly true of rural cooperatives assisted by the INC, which receive interest-free loans.

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[16]As an example, the pig-raising cooperative visited by the team was characterized by individual ownership of the pigs. While the group was willing to accept the cooperative as a means to build a centralized structure to house the pigs and to purchase and distribute feed, the pigs were individually owned, housed in separate stalls, and cared for by their individual owners.

CHAPTER FOUR

CURRENT PRIVATE SECTOR ENVIRONMENT: SUPPORT INSTITUTIONS

EDUCATION AND TRAINING RESOURCES AVAILABLE TO THE PRIVATE SECTOR IN CAPE VERDE

The Formal Education System in Cape Verde

The formal school system is composed of a pre-school program, a primary program, and several secondary programs, as follows:

Elementary school (EBE)	4 years
Jr. high school (EBC)	2 years
"General" high school	3 years
"Complementary" high school	2 years

There are 347 elementary schools, 18 junior high schools, and four high schools in the country.

Attendance in primary school is mandatory. Eighty-nine percent of the 7-10 year olds in the country are enrolled in school; this drops to 40 percent of 13-15 year olds, and to 11 percent of those 16-18. Overall, the system is reaching 59 percent of the school-age population, but only 1.36 percent of the students complete the full eleven years of schooling.

Secondary Schools: There are only two full-fledged general curriculum high schools in Cape Verde; one is in Praia and the other in Mindelo. With more than 3,200 students are enrolled in these, overcrowding is a serious problem. The one technical school in Mindelo, with 700 students, addresses some of the basic business and vocational needs, yet it is not sufficient for the whole country. Also in Mindelo, a well-endowed (Norwegian funds) maritime training school gives training in maritime disciplines and English.

Post-Secondary Opportunities: Apart from IFAP and CENFA (see below) three specialized institutes in the country have been providing training opportunities for development-related trainees: the National Institute of Agriculture (INIA), the Institute for the Promotion of Agriculture and Livestock, and the National Institute of Technology (INIT). None provide courses in business-related disciplines.

Scholarships Abroad: No university level education is offered in Cape Verde; anyone wishing to pursue university degrees must go abroad. Some 200 students per year depart to begin studies abroad, most financed by scholarships or fellowships sponsored by the country of training. The number of candidates consistently exceeds the number of scholarships. The countries offering the most scholarships are Portugal, the Soviet Union, Cuba, Brazil and Morocco. Some individuals study abroad at their own expense, while still others are financed by the various international agencies. In 1983 (latest figures) approximately 1,000 Cape Verdean students were pursuing higher education degrees outside of the country; very few of these educational grants were business-related seminars, workshops, internships, apprenticeships, or short-courses in subjects related to better business management.

Formal education in Cape Verde offers little opportunity for employment. Therefore, the training proposed in Annex A-1 will be important for furthering education in practical, income-oriented skills. In particular, the proposed training will be focused on Cape Verdean women, and will increase their opportunities for higher income generation.

Professional/Vocational Training Facilities

The Centro de Formacao e Aperfeicoamento Administrativo (CENFA) and the Instituto de Formacao e Aperfeicoamento Profissional (IFAP) are the only two government-sponsored post-secondary training institutes that emphasize practical skills training in such areas as carpentry, stoneworking, typing, and public administration. Neither one as yet offers the kind of business management courses necessary to the development of the small entrepreneur.[17]

USAID has provided assistance to both institutions in the past. Both are interested in introducing new business-related courses targeted toward the private sector, and have discussed plans for offering new courses for the private sector in "Improve Your Business," "Organizational Methods," "Stock and Inventory Management," all targeted toward private entrepreneurs. This is a departure from the past when these schools simply offered vocational or professional courses for public sector cadres in public administration, accounting, and auditing. The assessment team recommends that the mission continue supporting the institutes' new business-related initiatives. Fuller descriptions of CENFA and IFAP appear in Annex A-4.

Conclusion

The educational system in Cape Verde does not appear to be sufficient to meet the current goals both of the Government or USAID itself. Therefore, training opportunities assistance from the mission--in-country, in neighboring countries, or in the U.S.--are warranted.

PRIVATE SECTOR INTERMEDIARY/SUPPORT ORGANIZATIONS

Detailed institutional profiles of two of the five private sector support institutions studied by the team--Organization of Cape Verdean Women (OMCV) and the National Institute of Cooperatives (INC)--are given in Annex A-4. A brief summary of these two, plus a description of the Barlavento and Sotavento Business Associations are given below.

Note that the first two--the OMCV and the INC--as institutions do not adhere strictly to the definition of "private sector support organization." They have other social, economic, and political objectives. However, they are seen by the assessment team as the most logical counterparts for private sector initiatives, especially during the start-up time of the new Chamber of Commerce. These two "mass" organizations also are targeted as the most appropriate beneficiaries of many of the suggested institution-strengthening training interventions.

Organizacao das Mulheres de Cabo Verde (OMCV)

USAID/Cape Verde had its initial rounds of conversations with OMCV in mid-1988. At that time, the mission stated that it would like to assist OMCV in its institutional development and programs. It wanted to develop an alliance with the organization to promote WID concerns in the entire mission portfolio. The assessment team was asked to provide an institutional profile of the organization with an eye toward determining its strengths, weaknesses, and appropriateness as support organization for HRDA training initiatives. That profile is found in Annex A-4.

Briefly, the OMCV has made good progress at the grassroots level in achieving its social and political programs among its 75 member groups of late, with a fair amount of external assistance in the form of equipment, technical assistance, funding, and advisors. Its "productive" projects, those intended to generate income for women, have not been as successful, due in part to a lack of training at all levels, a lack of

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[17]In these schools, "management" has only been defined traditionally as accounting, typing, and administration; however, the Directors are beginning to plan new courses with a broader definition in mind.

follow-up after the first interventions, the women's preference to work individually as opposed to collectively, ignorance of markets, and poor quality of goods stemming from poor production methods.

Staff interviewed say they need managerial training, training methodology assistance, work on communication techniques, and technical training in the various handicrafts, livestock, and other activities they sponsor.

Whereas the OMCV cannot be seen as a coordinating body of HRDA training functions, the assessment team does feel that HRDA project funds would be well spent in providing training to them, first at the upper levels, and later to the grassroots levels.

Instituto Nacional de Cooperativas (INC)

Like the OMCV, the National Institute of Cooperatives is a government-formed organization intended to create and assist cooperatives throughout the country. Interestingly, cooperatives are seen as belonging neither to the public nor to the private sector; they constitute their own sector in development strategies.

There are at present 232 cooperatives, pre-cooperatives, and groups (the last two in early stages of formation and not yet "graduated" up to cooperatives status), of which approximately 16 are women-only cooperatives. The majority of the 232 are food cooperatives ("cooperativas de consumo"); the rest are called "productive" cooperatives and undertake such activities as pig raising, sewing classes, handicrafts. The INC is currently promoting the development of four or five "unions of cooperatives" to provide locally oriented support to similar cooperative groups.

The FAC was originally established within INC to channel funds from international donors to the cooperative sector. Reimbursable loans with no interest have traditionally been given as seed capital for all newly-established cooperatives. Once these are paid back the cooperative is supposed to be able to generate sufficient revenues from its operations to cover expenses.

A recent reorganization of FAC has separated it from INC (although the director of the INC is one of FAC's board members) and charged it with becoming self-sufficient. On all new loan programs FAC will charge interest of at least 1 percent above the previous year's inflation rate. In 1988 FAC received external funds in the range of $460,000, and has a current loan portfolio of approximately $425,000. The team did not have time to evaluate the quality or performance of the portfolio.

The assessment team feels that appropriate training interventions could successfully be made over the life of the project to strengthen INC's internal administrative and managerial apparatus so as to benefit their member cooperatives.

Business Associations of Barlavento and Sotavento

In both regional capitals--the commercial capital Mindelo and the administrative capital Praia--a loose association of business owners has existed for many years. In the near future, it is planned these two will be merged to create the rough equivalent of a Chamber of Commerce.

In Mindelo, the Barlavento Commerce Association, founded in 1920, has approximately 200 members, all of whom pay a monthly fee on a sliding scale--between 200 Escudos for small business owners, up to 3,000 Escudos for the larger importers. To be a member, the person must be recommended by two other members, but in fact, it appears that all registered business owners belong to the Association. There is a Board of five elected officers. About 1/7 of the Association in Mindelo is women--two larger importers, and about 30 small retailers. The Association has no physical infrastructure of its own, no databank, no library of resources, and no staff other than an Administrator.

The Association holds infrequent meetings to discuss the business problems of its members. It also sometimes acts as a type of lobbying group to represent business interests and give input to policy

deliberations of the GOCV. One of the benefits of belonging to the Association is that business development and management courses are to be given to the children of the members, to ensure family participation and carry-through in the business; in fact, these courses are not currently offered.

There is a new initiative to regroup these two Associations in the coming year into a Chamber of Industry and Commerce that can better serve the business community. This may be the first specialized private sector development support organization emerging from the current interest in seeing the private sector promoted. Special training opportunities may exist for the new staff and members. HRDA or other mission funds may be usefully used to provide third country training assistance, especially study or observation tours to other Chambers of Commerce in the region, for the Cape Verde Chamber's staff. The program should concentrate as much as possible on development of business advocacy skills among the staff and on designing effective outreach services for Chamber members.

Other possible interventions by USAID or other donors to assist the new Chamber, depending on how the Chamber of Commerce develops initially, could include technical assistance in organizational development, training for heads of firms, technical assistance to organize trade fairs, assistance with public relations, obtaining credit for Chamber members, funding for basic start-up equipment (telex, photocopier, car, etc.), seminars to exchange industrial information, circulation of newsletters. The assessment team recommends that the mission consider using project funds for these purposes.

CHAPTER FIVE

PROPOSED TRAINING STRATEGY FOR USAID/CV

PROFILE OF GROUPS INTERVIEWED

During the assessment, seventeen firms or groups were interviewed in Cape Verde: five on the island of Santiago, six on the island of Maio, and six on the island of Sao Vicente. The following section describes the characteristics of those businesses or groups and their training needs as perceived by their owners, general managers, or group leaders.

The interviews were done among different socioeconomic classes (five in an above-average group and 12 in the lower class) in both rural and urban areas. Diverse sectors were represented: industrial (1), commercial (4), services for the public (6), and production (6). Legally established private sector businesses, informal groups (some organized under projects, others as cooperatives), and individual women entrepreneurs were interviewed. One industrial parastatal (a tuna canning factory) was also interviewed as two of the five directors and the majority of the employees were women.

All of the people interviewed belonged to small-scale businesses; 88 percent of the SSEs had between one and ten employees, with the exception of one cooperative with more than 50 members. This cooperative was included due to its specific function. The members worked in family groups until the time came for selling the product; then they worked cooperatively.

Interviewed were: owners, directors, managers, presidents, leaders, or technical assistants. All were Cape Verdean with the exception of the technical assistant, who was Angolan.

Each interview lasted between one and one and a half hours. The initial questions included such topics as the origin of the business or group, and how it functioned. This discussion was followed by questions from the questionnaire (Annex B-2), which was adapted to the type of business or group being interviewed. The questionnaire also had to be adapted to the level of the people interviewed. At times, the team had to deduce answers intimated, or supply choices of answers. Due to the low level of business sophistication, many questions were difficult to pose and to get answered.

None of the firms or groups had any export experience, probably due to the low production levels and the high costs of raw materials.

The amount of professional competition ranged from a significant amount to none, with the majority of the competition coming from local businesses or groups. The principal constraints to expansion of the SSEs are presented here, ranked in order of frequency of responses:

- Economic factors ("not enough money"), 57 points;
- Lack of qualified personnel, 22 points;
- Credit, 20 points;
- Government legislation, 13 points;
- Market size, 12 points;
- Market information, 9 points;
- Management consultations, 8 points;

- Technical expertise, 7 points; and
- Low productivity, 5 points.

The majority of businesses interviewed had only one manager; the employees had not completed primary school for the most part; and some groups' employees were illiterate. No one--manager or employee--had a university degree. The owner and one employee of one business had training specifically related to business development.

A large number of owners or leaders (of groups) had not completed primary school. Some had not completed their high school education, one had begun a university program, and one was illiterate.

Of the seventeen owners or leaders, 11 had more than ten years of practical experience, one of them was 51 years old. Among employees or members, practical work experience ranged from zero to more than ten years, with the highest concentration between three and five years.

Of the seventeen interviewed, 11 people did not know their total sales revenues for 1988. Only a few could give their figure for 1987. The sales of eight businesses or groups increased over the last 3-year period, seven decreased, and two remained at the same level.

IDENTIFIED TRAINING NEEDS

The following list represents the results of the interviews regarding training needs for SSE owners or leaders:

- General management, 43 points;
- Technical expertise, 40 points;
- Accounting, 33 points;
- Production techniques, 18 points;
- Marketing/sales information, 16 points;
- General schooling, 13 points;
- Financial management, 9 points;
- Business law, 6 points;
- English language, 5 points;
- Administration, 4 points; and
- Computers, 2 points.

All interviewees said that they would be available for training courses, with the exception of two who stated that they were "too old and tired to learn" (69 and 56 years of age). Ten stated that they could not pay for training, five did not know if they could pay, and two said that they would not pay at all. The majority of respondents said they would be ready to adjust their schedule according to necessity, but did not seem to have any preferred format or schedule for absenting themselves or their employees from work.

Employee/member training needs, as seen by the owners or leaders of their business, in order of importance were:

- Technical expertise/production, 34 points;
- Sales, 21 points;
- Bookkeeping, 15 points;
- Literacy, 14 points;
- Public relations, 14 points;
- General management, 14 points;
- Efficiency, 9 points;
- Office practices, 6 points;
- Schooling, 4 points; and
- Teamwork, 3 points.

The large majority could and would like their employees to receive training, although they said they would have no way to finance it.

Few interviewees were knowledgeable of their local options in receiving more training; they had not heard of the two professional or vocational training institutes in the country (IFAP, CENFA).

Most, when asked what the business outlook for the future appeared to be, simply answered that they had confidence or hope that it would go well for them, i.e., answers did not seem based on any business climate knowledge, or sense of trends.

Based on consistent requests, training should be done locally when possible, by foreigners who speak Portuguese, or by qualified national trainers.

The nature of the responses to the questionnaire reveal that Cape Verdean businesswomen are operating at a very low level of business sophistication. They appear to have very few entrepreneurial skills, they display limited entrepreneurial "spirit", and are often unaware of questions of expansion, competition, revenues, or even training needs.

PROPOSED TRAINING ACTIVITIES

The HRDA project is a major instrument for training activities in Cape Verde. USAID/CV has "bought in" and is prepared to "buy-in" to the project through FY1991, and is contemplating extending these efforts through FY1992. Additional training funds may become available through the proposed Export (Promotion)/Private Sector Development Services Project, so that Mission training activities are not necessarily limited by available HRDA resources. Annex A-1 provides the details of the proposed menu of training events for Cape Verde (without distinguishing between potential funding sources), including the names of resource organizations, suggested content of courses, recommended beneficiaries, and approximate costs for each.

It should be noted that many of the typical HRDA training interventions planned in other countries are not viable in Cape Verde, i.e., they are too expensive for USAID/Cape Verde's slim private sector HRDA budget (e.g., TA seminars from U.S. consulting firms at $50,000 each), too "sophisticated" for the country's

somewhat anemic private sector (e.g., technical consultations from International Executive Service Corps), inappropriate for language reasons (most resource institutions known to HRDA can provide services in French or English only) or too management intensive for such a small mission (two direct hires and two US PSCs). In fact, many of the training needs identified at the grassroots level (women's OMCV groups, INC cooperatives, etc.) might be better served through an OPG or a contracting mechanism with a PVO.

In line with USAID development priorities and based on the results of the training needs assessment, the HRDA private sector training strategy has two key objectives: 1) direct beneficiary training--to increase labor productivity and income in small-scale businesses, and 2) intermediary institution strengthening--to strengthen the training and technical assistance capabilities of existing and new private sector support/intermediary institutions.

Target audiences include for the first objective owners, managers, employees of SSEs; women entrepreneurs; and cooperative and women's groups members. For the second objective, trainees would include "animators" and trainers from OMCV and INC local, regional, and national levels, mid-level management staff of OMCV and INC and other relevant institutions both at central and regional levels; new staff of the emerging Chamber of Commerce, and finally, the two training institutes in Praia, CENFA and IFAP.

It is estimated that the HRDA project will be incrementally funded from the Mission's Annual Budget as follows: $200,000 in FY88, $210,000 in FY89, and $200,000 for the three ensuing years, totalling $1,010,000 over the five-year period. Of that amount, $383,000 may be devoted to private sector training.

Activities appropriate to meet the training needs are:

OBJECTIVE 1--Direct Beneficiary Training

First Priority
- Training in Marketing Strategies
- Technical Training in Production Methods

Second Priority
- Group Dynamics/Team Effectiveness Training
- Basic Management Techniques for Women's Groups

OBJECTIVE 2--Intermediary Institution Strengthening

First Priority
- "Improve Your Business" Course Scholarships
- Study Tours to Guinea Bissau, Senegal, Mozambique, Brazil or the U.S.
- Mid-Level Management and Staff Development; Training of Trainers
- Loan Portfolio and credit management

Second Priority
- Project Development Training
- Chamber of Commerce Strategic Planning
- Cooperative Development Training
- Entrepreneurship Training

See Annex A-1 for details on implementing these interventions.

Many of the proposed activities are short-term courses, seminars, or tours in the country or in other developing countries. Only a few short-term activities in the U.S. are envisioned. Furthermore, no long-term private sector participants to the U.S. for advanced degrees have been suggested due to the high expense entailed.

HRDA funds, in addition, can also be used for adjunct activities such as sending private sector participants to HRDA regional conferences in Africa, funding business-related courses at CENFA, and sponsoring returned participant conferences in Cape Verde.

The team recommends that a Training Review and Selection Advisory Committee be constituted over the next year to handle matters of coordination, scheduling, publicity, selection criteria, and evaluation.

Preliminary funding levels are projected as follows:

Year	Private Sector	Public Sector	Total
FY88	$40,000	$160,000	$200,000
FY89	$63,000	$147,000	$210,000
FY90	$80,000	$120,000	$200,000
FY91	$100,000	$100,000	$200,000*
FY92	$100,000	$100,000	$200,000**
TOTALS:	$383,000	$627,000	$1,010,000

* requested
** preliminary estimates

CHAPTER SIX

RECOMMENDATIONS FOR FURTHER STUDIES

The USAID/Cape Verde mission expressed its interest in having the team identify and recommend any studies that should follow after this initial inquiry into women's participation in the private sector. During the gathering of information phase of this consultancy, the following reports were either suggested by informants, or were conspicuous by their absence in Cape Verde:

1. **A Socio-Economic Profile of Cape Verdean Women.** In mid-1988, USAID/Cape Verde and the Organization for Cape Verdean Women (OMCV) had initial talks concerning the need for a socio-economic study of Cape Verdean women. The WID Office of AID/W has carried out two similar assessments in a pilot phase of summer 1988 for the Tanzanian and Cameroon missions, both with a training emphasis built in. Draft copies of these reports, entitled "A Profile of Training Opportunities for Women" were left with the USAID/Cape Verde mission and with OMCV during the present consultancy.

   Though the above-mentioned reports dwelt heavily on training potentials for local women, they also examined the current role of women in the country's economy, including the agricultural, commercial, industrial, and financial sectors. In addition, an overview of the laws that affect the ability of women to undertake economic activities, as well as the role of women in the public and private sectors, including political and governmental structures, was presented.

   The Director of Planning and Research at OMCV repeated her desire for such a study during the team's visit. Indeed, such in-depth research would have been useful in the current mission of determining training interventions for women under the HRDA project.

   The team recommends that such a study be carried out in conjunction with the OMCV during 1989. Technical assistance for the assessment and training for local women in data collection and analysis could be contracted through the WID/W office.

2. **Marketing Potentials.** Entrepreneurs in Cape Verde face many constraints to inter- and intra-regional, and international marketing. The study should elaborate a description of potential market segments and the products that can be sold in each; and give estimates of demand for key products and services, especially in terms of saturation points and price elasticities. This should not, however, be a large-scale or sophisticated market research effort; it could be carried out on a small scale through the technical assistance provided under the Export (Promotion)/Private Sector Development Services Project.

3. **Credit.** A study of the demand for and alternative structuring of credit delivery should be implemented. The major alternatives seem to be a) a specialized line of credit through either the BCV or the CEP, b) establishing or augmenting specialized credit programs in the OMCV and/or the INC, and c) establishing a cooperative credit and savings system. The study, which should be carried out as part of the project paper effort, also needs to consider guarantee mechanisms, recommended credit regulations, sustainability, financial and economic feasibility and external benefits.

4. **Census of Micro- and Small-Scale Enterprises.** While not a high priority, information on small-scale business activity in Cape Verde would be valuable to planning program interventions and monitoring impact. Almost no information is currently available on this sector. If the ILO and Ministry of Industry (or other ministry) carry out a study of either the microenterprise sector or informal sector, it might be possible to add questions of particular relevance to planned USAID/CV interventions to that study.

ANNEX A-1

PROPOSED TRAINING EVENTS

The following proposed menu of training events describes possible training objectives, audiences, and activities to promote the private sector, and particularly WID concerns, in Cape Verde. The team provides names of resource organizations, suggested content of courses, recommended beneficiaries, and approximate costs for each.

It should be noted that many of the typical HRDA training interventions planned in other countries are not viable in Cape Verde, i.e., they are too expensive for USAID/Cape Verde's slim private sector HRDA budget (e.g., TA seminars from U.S. consulting firms at $50,000 each), too "sophisticated" for the country's only nascent private sector (e.g., technical consultations from International Executive Service Corps), inappropriate for language reasons (most resource institutions known to HRDA can provide services in French or English only) or too management intensive for such a small Mission (two direct hires and two PSCs).

USAID/Cape Verde may decide to leverage other training resources to carry out some or all of these training suggestions, e.g., the Export (Promotion)/Private Sector Development Services Project.

TRAINING OBJECTIVES

The two objectives of the proposed training interventions are: 1) to improve business performance and entrepreneurship, and 2) to strengthen existing and new private sector intermediary institutions who support SSE productive and commercial enterprises, especially for women.

TARGET AUDIENCES

Target audiences include for the first objective owners, managers, employees of SSEs; women entrepreneurs; and cooperative and women's groups members. For the second objective trainees would include "animators" and trainers from OMCV and INC local, regional, and national levels; mid-level management staff of OMCV and INC and other relevant institutions both at central and regional levels; new staff of the emerging Chamber of Commerce, and finally, the two training institutes in Praia, CENFA and IFAP.

TRAINING ACTIVITIES

Activities are prioritized by relevant importance, according to the team's opinions, and show approximate costs to help the Mission budget training funds.

OBJECTIVE 1: IMPROVE BUSINESS PERFORMANCE AND ENTREPRENEURSHIP

The Mission may consider using HRDA project funds to support several specific training activities in order to help achieve this objective. Alternatively, given that these activities are likely to be management intensive, they could be folded into the new Export (Promotion)/Private Sector Development Services Project under the Private Sector component. Several PVOs might be good resources for this component: CID and OEF are two possibilities that have been suggested.

CID has a project in Burkina Faso (inherited from Partners for Productivity) to promote SSEs, and has been interested for some time in entering Cape Verde. The team is not in a position to recommend CID at this time.

OEF is organized to promote the training of women entrepreneurs around the world. It has or has had projects and regional offices in Costa Rica, Sri Lanka, Somalia, Mali, and Senegal. A series of training manuals have been developed to correspond to the various stages in the cycle of business development: Navamaga, Women Working Together, Feasibility Studies, Marketing Strategies, Credit, Project Management, Training of Trainers. Their manuals have been used in women's village organizations in rural Senegal through the Senegalese PVOs MFR (Maisons Familiales Rurales) and FAFS (Federation des Femmes Senegalaises) and would be quite relevant to Cape Verdean conditions.

In addition, OEF's Washington office is now organized to provide consulting services of the kind needed in Cape Verde. (Contact: OEF/Dakar, c/o Peter Parr, Av. Docteur Theze).

First Priorities

Marketing Strategies

SSE audiences should receive basic training in identifying potential exploitable markets and the requirements for serving them, notions of product pricing and promotion, transportation and distribution costs and requirements, export potentials, packaging strategies, and other principles of sales.

Training funds could be used to fund "mobile" training workshops in the principles of marketing through the auspices of OMCV and INC structures. TOTs should be offered in an initial seminar, and then these trainers would conduct subsequent mobile workshops, about three to four per year on the different islands and different OMCV or INC centers.

OMCV and INC would be the logical implementing agencies for this initiative. It is important that these workshops be seen as a series of activities, which will often involve the same participants two or three times, to be implemented in a concentrated area, first in Praia and then on other islands or parts of Santiago island. This approach will provide the continuity and follow-up required when working with small and microenterprises. The program should not be a one-time only activity spread across the whole country. If and when this program is successful, it can be increasingly expanded.

COST: Approximately $10,000 for a sustained one-year mobile training workshop (transport, materials, salaries) in the principles of marketing would need to be budgeted.

Technical Training in Production Methods

As described elsewhere in this report, small-scale enterprises are constrained by a lack of training in appropriate production methods, technologies, equipment, raw materials. To alleviate those constraints, it is suggested that funds could be provided to those artisans and producers in the rural areas who are engaged in such activities as basketry, livestock raising, canning, and bread-making.

Alternatively, USAID/Cape Verde may decide to use its training resources to support the participation of an artisan in the Entrepreneurs International (EI) program. (In FY88, one such placement has already been programmed.) Under this program, in operation since January 1987, entrepreneurs from the developing world are carefully matched with owners of U.S. or third country firms with similar operations (in this case, handicraft operations or centers, livestock breeding operations, retail shops). The foreign entrepreneur is "placed" with the host firm during a two to four week period to study operations and management in a firm with similar problems and concerns.

COST: The estimated cost of the EI internships is $5,000 per exchange. The estimated costs of transportation, logistics, and learning materials for the suggested TOTs and mobile training interventions would be covered by planning $5,000 for pilot phase activities. Should they be successful, the Mission could then double the expenditure for the remaining years to $10,000 per year.

Second Priorities

Group Dynamics/Team Effectiveness

OMCV and INC member groups could benefit from sustained training in groupwork and team effectiveness. Trainings are possible and available, especially along the model of OEF's "Women Working Together" manual. The modules in these exercises ask women to define their various roles and their development priorities in the community, what pooled resources they might marshall, how their roles overlap and depend on each other, how they run their meetings collectively and efficiently, how to make decisions collectively.

A Portuguese-speaking OEF-type trainer could be helpful in identifying training interventions. She could also work with Peace Corps Volunteers or other grassroots "animators" to introduce training methodologies in group dynamics.

COST: An estimated $25,000 for a one-week outside consultancy (including pre-training assessment and preparation) would be have to be budgeted. In-country follow-ups could be run more cost effectively.

Basic Management Techniques for Women's Groups

One in-country training program per year could be devoted to better preparing women's cooperative or artisinal groups to assume the management of their productive activities. Groups must also receive training in managing their lines of credit, revolving funds, or whatever loans begin to be arranged for them. Possible training institutions include USDA, Technoserve, and NCBA, all of whom worked extensively in these fields in Africa. OEF, as mentioned, also has solid experience.

COST: The cost for this type of program would be high: per program cost is estimated to be roughly $50,000, covering a pre-implementation survey and a two-week training program.

OBJECTIVE 2: STRENGTHEN PRIVATE SECTOR SUPPORT ORGANIZATIONS

Here, the object is to pass training to and through the various intermediary organizations in an effort to strengthen their internal ability to support SSE productive and commercial enterprises, primarily for women.

First Priorities

Improve Your Business Course Scholarships

(This course is described in detail elsewhere in this report.) IYB course manuals, memoranda, and descriptions gathered by the study team are being left with the Mission.

USAID/CV should renew their contacts with UNDP, ILO, the Ministry of Industry's to-be-created "Direccao de Servicos" Unit for Small Enterprise, and IFAP (partners in the sponsoring of the ILO course). It is recommended that training funds be used to support ten to fifteen "scholarships" to the course each year.

USAID should not involve itself in course start-up (adaptation of existing Portuguese-language manuals, the initial promotion seminar) but rather should be ready to enroll its trainees once the course is underway.

Target beneficiaries would be OMCV/INC rural animators and carefully selected SSE owners and managers with particular emphasis on women.

COSTS: A line item of $5,000 from the FY89 budget could be programmed for any initial activities that may take off in FY89. In subsequent years funds of $10,000 per year could be planned. This figure assumes that $500 to $1,000 per participant per course is a realistic cost for fees and materials, salary compensation if trainees is absent from government position, transport costs from other islands. Costs for follow-up training and monitoring of newly-trained businesspeople might amount to another $5,000 a year for transportation and materials.

Study/Observation Tours

As a way to promote exposure to other countries' similar efforts in SSE projects, the Mission should consider using training monies for study/observation exchange tours. These kind of visits are intended to facilitate a more clearly defined role for the support organizations and to explore alternative means of implementing stated objectives. A total cost of $10,000 in each fiscal year, allowing for $1,000 airfare and $1,000 in expenses for five people each time would need to be earmarked for study tours. Several are possible:

1) WID Projects in Guinea Bissau or Senegal: The OMCV Secretary for Training and her regional counterparts could be sent to Guinea Bissau to visit the American Friends Service Committee WID project in the capital Bissau, or possibly to the OMCV equivalent there, the ODEMO. The exchange with groups in Bissau obviously has great appeal because of cultural and linguistic similarity. Bissau contact is Judy Tryens, AFSC, "Service Quaker" Bissau.

   Alternately, with some French language fluency, appropriate staff members could be sent to Senegal to exchange experiences and ideas with the Overseas Education Fund projects throughout the country, described above.

   AFR/TR/EHR will provide additional information on other appropriate WID projects in the region and will backstop all training networking efforts.

2) Zonas Verdes Project in Mozambique: Again, cultural and linguistic similarities would argue well for a study/observation exchange with Mozambique's WID projects in their Green Zones around the capital, Maputo. Project components are many and varied, and range from poultry raising to day care centers to literacy classes to vegetable gardening. The project has an excellent reputation, substantial donor involvement, and receives many international visitors each year. Here, the appropriate training audience would be INC and OMCV designated mid-level staff.

3) Study Opportunities in Brazil: With the opening of the VARIG airflight connections to Recife and Rio de Janeiro, the possibilities for exchange tours can now be investigated more carefully. AFR/TR/EHR will backstop networking and contacts for leads about artisan centers, technical training schools, internships, apprenticeships, WID projects. Ms. Souto of the assessment team will be a valuable resource in this regard.

   The most appropriate benefactor of this type of opportunity would be a master craftsman such as Leao Lopes of Mindelo, Edy Barros of OMCV, Luis Araujo of CITI-Habitat, or other skilled artisan who could benefit from exposure not only to improved production methodologies, but also to the entrepreneurial "side" of the operation.

4) Chamber of Commerce/U.S. or third country: The fledgling Cape Verdean Chamber of Commerce, when it is finally constituted, would be a very appropriate recipient of study tour funds. A carefully designed

study tour to the U.S. to familiarize a small group of 2-3 Chamber members (including at least one newly-started entrepreneur, and at least one women) with the operations of U.S. Chambers and their programs of business advocacy, outreach and information, is recommended.

Here, USAID should put itself in touch with representatives of the Entrepreneurs International Program (described above), or the international programs of the U.S. Chamber of Commerce.

COSTS: Study tours to Guinea Bissau and Senegal would run about $2,000 per person for a 10-day tour. The Mission would need to budget $3,000 per person for trips to Mozambique, and a similar amount for the Brazilian exchanges. Study tour to a U.S. Chamber of Commerce would be approximately $5,000 for a 2-week trip.

Mid-Level Management and Staff Development Training Opportunities

In the absence of a management training capacity in Cape Verde, and due to the exorbitant costs of bringing in management consultants from U.S. firms, the Cape Verde Mission should also consider providing funding for short-term training opportunities for representatives (French- or English-speaking) from the organizations identified. Staff could benefit from specialized U.S. and third country management training programs such as the Atlanta Francophone Management Seminar, the University of Pittsburgh's Francophone Management Seminar, Coverdale workshops in Executive Management, Center for Leadership Development programs in Association Management, and CESAG (Senegal) or CAMPC (Cote d'Ivoire) courses.

For those staff with only Portuguese capabilities, management courses in Portugal or Brazil will have to be researched (see suggested contacts in the Annex). Alternatively, a Portuguese-speaking management consultant could be recruited to provide a one-week seminar in-country so as to reach a wider audience.

Coursework should be process-related and functional in content; trainees should be exposed to practical and appropriate themes both in the "hard" skills of management (accounting, budgets, planning tools such as Gantt charts and Pert charts, business regulations, inventory, record-keeping) and in the "people" skills of management such as management of human resources, running meetings and other communications techniques, problem-solving, leadership and group effectiveness, decision-making, time management, public relations.

COSTS: If trainees are sent to African programs such as CESAG, $10,000 per short course is budgeted. The Mission has experience sending participants to Pittsburgh, and can gauge rough cost estimates from those experiences. Bringing in a management consultant from Portugal could result in a $15,000 - $20,000 expenditure.

Training of Trainers for Support Organizations

OMCV and INC staff both claimed deficiencies in qualified trainers in their organizations. Trainers should be given appropriate, hands-on, and process-oriented training in marketing, rural project management, credit management, production techniques (handicrafts, livestock, canning), cooperative development, and group work, team effectiveness and communications, specifically running meetings, conferences, and training sessions.

OMCV and INC trainers should be sent to CESAG in Senegal, CAMPC in Cote d'Ivoire, institutes in Portugal and Brazil for selected courses, depending on language proficiency, or to short courses at USDA, ACDI, Pittsburgh, or other institutions in the U.S. (Both OMCV and INC cadres count at least several fluent in French; a very few have some English.)

COSTS: Each trainer receiving a 2-3 month course in Africa would necessitate about $3,000. Costs for a 1-month TOT in the U.S. would be more on the order of $10,000 per participant to include travel, tuition, and per diem.

Credit Management for INC/FAC Staff .

FAC currently has a credit fund of about $475,000, which comes from a variety of donors. They have voiced their concern over weak skills in loan management, and particularly in credit procedures, evaluating projects, collections, delinquency control, and fund management for the general portfolio.

ACDI offers such a course for cooperative staff members, although it presumes English fluency.

COST: Costs would run about $10,000 for one trainee, including airfare.

Second Priorities

Project Development Training

The assessment team was told repeatedly by mid-level staff of the support organizations and by donors alike that these particular skills are notoriously absent in the organizations: project identification, elaboration of dossiers, construction of project budgets, feasibility studies and needs assessments, project implementation, project monitoring and evaluation, and especially "acompanhimento" or follow-up.

The assessment team recommends sending the Studies and Research coordinators of each at OMCV and INC.

Once again, limitations of funds may prohibit large numbers of staff being trained in-country by one consultant in a seminar or workshop setting. A better idea may be to select a few trainees to benefit from closely targeted training in project development, and then enable those to pass on their learnings in organized workshops or seminars in the country.

Possible resources for this might include USDA, Creative Associates (who has an appropriate IQC mechanism), Pittsburgh, Coverdale, Thunderbird School of Management, and others. Also, American PVOs such as Technoserve, OEF, the Experiment in International Living, and others often sponsor project development seminars.

COSTS: Again, to send one person to the States for a one-month short course would necessitate $15,000 to 20,000 of training budget funds. Alternatively, a Lusophone trainer could be brought into the country for approximately the same cost. Third country options should be explored (especially in Brazil).

Chamber of Commerce Strategic Planning

By 1990, it is envisioned that the two business associations will have merged and the rudiments of their organization formed. A management consultant from Portugal could be hired to spend a week with the new Chamber in Cape Verde assisting with its organizational development, long-range planning, statutes, budget planning, and so forth.

COSTS: The sum of $10,000 would have to be set aside to bring in an outside consultant for Chamber staff.

Cooperative Development

INC staff may benefit from a short course or seminar in cooperative development that explores the principles of organizing and managing cooperatives, practical aspects of cooperatives, presentation and communication techniques. Possibilities include the Cooperative Development Center at the University of

Wisconsin, and USDA, NCBA, and ACDI in Washington D.C. Participants would have to be English-speaking.

COSTS: For a one-month course in the principles of organizing and managing cooperatives, ACDI lists a $5,000 pricetag, excluding airfare (therefore count $6,000 per participant).

Entrepreneurship Training

Management Systems International (MSI) offers a two-week workshop in Washington called "Behavioral Training in Entrepreneurship." Through videos, case studies, small group work, and other process-oriented techniques, the course tries to define the necessary personal entrepreneurial characteristics and behavioral indicators for successful businesspeople: opportunity seeking, information seeking, persistence, risk taking, demand for efficiency and quality, goal setting, systematic planning and monitoring, persuasion and networking, and self-confidence.

The Director of CENFA has expressed interest in this course. He complains the entrepreneurship "mentality" or "spirit" is very weak among new Cape Verdean businesspeople.

COSTS: To send one participant to the U.S., $10,000. MSI, who has experience in Cape Verde, might be able to produce the workshop with Portuguese language capability.

ADJUNCT TRAINING EVENTS

HRDA Conferences

The HRDA project provides for regional private sector conferences which to be held at various locations in Africa. The next conference is in May, 1989 in the Cote d'Ivoire.

COSTS: Per participant costs are estimated at $1,000 since the Mission will have only to finance travel and per diem of the participants during the training programs. All other costs will be borne by AFR/TR/EHR.

Former Participant Conferences

Because Cape Verde sponsors so many participants to training programs outside of the country, and because their collective experiences are invaluable as a monitoring and evaluation tool, it is recommended that the Mission finance one conference per year for former USAID-funded participants. This will serve to ensure better follow-up of training impact.

COST: These annual conferences would be budgeted at $3,000 each for materials, fees, site rental.

Business-Related Courses at CENFA

CENFA is planning to offer four new workshops this year in matters related to business development. To boost CENFA's capacity and interest in supporting the private sector, it is suggested that USAID participate financially in these events as constraints allow.

COSTS: Most of the new courses would require a maximum of $2,000 in financial support. One--International Contracting--is more expensive ($15,000 - $20,000) which may have to be discounted as a possibility.

RECRUITMENT AND SELECTION

USAID/CV has already expressed its desire to promote a more coordinated process in planning and scheduling training activities, recruiting and selecting candidates, and evaluating participant training. It is hopeful that "clearer understandings between organizations concerned" in the implementation of training programs can be fostered. In its memo of December 1988, a dual approach was recommended: an annual meeting in January each year between USAID and the Ministry of Planning and Cooperation (MPC) to determine priorities, and the establishment and annual convening of a review and selection board every July to review and select candidates for training opportunities.

The training needs assessment team concurs with the Mission's desires and recommends that these actions be taken. A Training Review and Selection Advisory Committee (TRSAC) would be the recommended course of action to guarantee proper channels of communication, and interministerial participation in the process. In reality, the TRSAC may evolve slowly over the next year or two.

The TRSAC should convene at least two times a year if possible to:

- Determine the schedule and venue of upcoming activities;
- To evaluate past program results;
- To select candidates for upcoming programs;
- To determine means of properly advertising activities;
- To establish ways and means of keeping all key players in private sector development in Cape Verde informed.

It is recommended that the Committee meet in October (first month of the new fiscal year) and January of each year.

The TRSAC should be composed of the following organizations and persons, most of whom USAID has already identified as key partners in the process:

- Ministry of Cooperation and Plan;
- Ministry of Education, Scholarship Division;
- Ministry of Industry, Direccao de Servicos SSE Unit;
- Ministry of Commerce;
- OMCV and INC representative;
- Barlavento/Sotavento Business Association representative; and
- IFAP and/or CENFA representatives.

In addition to the above, up to two returned Cape Verdean participants trainees should be invited to the meetings (or sit on the TRSAC as the Mission determines) to provide input and feedback to the various decisions being made based on their direct experience.

The USAID project officer would then serve as technical advisor to TRSAC. All decisions by the TRSAC should be transmitted to the USAID/Cape Verde project officer for approval.

Recruitment and selection of participants will be key factors in the success of the private sector training activities. The Advisory Committee will play a key role in the selection process.

Candidates should be selected based both on individual qualifications and on the profile of their "firms" (i.e., growth potential, job creation potential, priority sectors, etc.). Advisory Committee selection recommendations should be presented to USAID/Cape Verde for final approval.

EVALUATION AND FOLLOW-UP

An important component of the private sector program is its evaluation and follow-up. Returned private sector participants should be interviewed shortly after completing their training program. This interview should produce a written evaluation of the training received. The Advisory Committee (described above), in its meetings, should carefully consider the evaluations of past training programs and should adjust subsequent programs as needed.

One or two returned participants, as mentioned above, should be invited to sit on the Advisory Committee and all returned participants should be invited periodically to discuss follow-on activities with the Committee and the USAID program manager.

Furthermore, the team has suggested earmarking $3,000 per fiscal year to design and implement a returned participants conference in Cape Verde for the express purpose of eliciting feedback of prior programs and input for new ones.

MANAGEMENT OF PROGRAM

Management of the training program may well be more labor intensive than that of the predecessor SHRD project. Participants must be screened and processed, and numerous training events in Cape Verde, Portugal, the U.S., Brazil, and African countries must be coordinated. In addition, if the Mission concurs with these recommendations, a Training Review and Selection Advisory Committee will be constituted and work toward a definition of a recruitment and selection procedure for participant candidates.

The Mission has indicated its interest in recruiting and hiring a part-time staff member. The assessment team recommends that this additional staff member be assigned a portion of the tasks connected to the training program. This individual should have experience in SSEs and training, and good Portuguese and other communications skills.

AFR/TR/EHR will backstop USAID/CV as necessary, and will schedule an annual follow-up trip if the Mission concurs. The visit should, ideally, coincide with a meeting of the Advisory Committee, so as to assist with the programming of the HRDA private sector training activities.

Progress reports on implementation of the private sector portion of the HRDA project should be submitted at least quarterly to AFR/TR/EHR, so that it may better determine what other support to the Mission is needed.

FUNDING

The following summary reflects projected Mission funding levels over the life of HRDA. (The amounts for public sector training are illustrative and are based on the assumed buy-in level over the life of the project.) At this time, these levels are only suggestive. The Mission may choose to adjust them as necessary.

Year	Private Sector	Public Sector	Total
FY88	$40,000	$160,000	$200,000
FY89	$63,000	$147,000	$210,000
FY90	$80,000	$120,000	$200,000
FY91	$100,000	$100,000	$200,000*
FY92	$100,000	$100,000	$200,000**
TOTALS:	$383,000	$627,000	$1,010,000

* requested
** preliminary estimates

ANNEX A-2

LOCAL FINANCIAL MARKETS

Financial markets in Cape Verde are very thin. Two public sector institutions, the Bank of Cape Verde (BCV) and the Caixa Economica Postal (CEP), are the only depository financial institutions. Local and foreign private banks have not been allowed to operate in the country since independence, although there is some indication that limited private banking activities (especially in the form of offshore banking facilities) may be permitted in the future. Some of the parastatal organizations--such as the Instituto Nacional das Cooperativas (INC) and the Organisacao das Mulheres de Cabo Verde (OMCV)--operate limited credit programs for groups they develop and support. Informal credit sources are limited and not widely used.

FORMAL FINANCIAL SECTOR

The formal financial sector in Cape Verde is comprised of only two institutions: The Bank of Cape Verde and the Caixa Economica Postal.

Banco de Cabo Verde

The BCV is the primary financial institution providing services to the government, private sector and individuals. It is managed by a Board of Directors consisting of a governor, deputy governor and three directors; the governor reports directly to the Prime Minister. The BCV has nine agencies, approximately one in each administrative district (concelho), and is divided into three sections--central banking, commercial and development finance. The BCV provides few services to individuals in a private capacity.

The BCV has been criticized for rigid lending terms and slow response times to loan applications. The Investment Department, established three years ago, operates as a commercial bank extending medium- to long-term loans to the private and public sectors. Private sector lending (much of it to the mixed, or former parastatal companies) comprises nearly 68 percent of its current loan activity. Interest rates on loans are positive in real terms, and the bank earns a modest spread of 2-6 percent.[1]

Most of the BCV's portfolio is comprised of short-term commercial credits ("letras" and "livrancas").[2]

Caixa Economica Postal

The CEP, established in December 1985, operates like a combination of a European postal savings system and savings and loan institution. Its primary mandate is to gather personal savings and make loans for low-cost, self-help housing construction. In fact, the CEP operates three major credit lines: salary advances to government and private sector (parastatal) employees, housing and commercial credits (based on "letras" and

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[1]Evans, Connell and Pinheiro, Private Sector Development and Export Activities in the Republic of Cape Verde, p. 3.

[2]Under the system of "letras", a person wishing to purchase goods (usually long-term assets such as equipment) obtain bank credit through a "letra" signed by the selling establishment. The bank pays the company, and the individual pays the bank according to an established set of installments. In the case of default, the bank collects from the company, which must then make its own collection arrangements with the borrower. With "livrancas" an individual or firm has an established line of credit with the BCV. This line does not require a guarantor or co-signer and, as a consequence, is available only to well-known, low-risk clients. Amounts available are small.

"livrancas"). Salary advances comprise nearly 70 percent of the loans made by the CEP, as can be seen in the CEP's loan activity for 1988:

Commercial credit	6,852 contos[3]
Housing	86,622 "
Salary advances	214,459 "

It should be noted that while anyone can save in the CEP, only salaried employees (public or private) can actually obtain loans from it. As a result, the CEP does not appear to be a likely institution for channeling loans to non-employed individuals involved in micro-enterprise activities.

Savings are deposited in the CEP through local post offices. The CEP does not maintain any agencies on any of the islands. All loans are approved and made by the central office in Praia; local postal authorities are not involved in the processing or approval of loan applications or in the disbursement of loan funds.

Conclusion

Neither the BCV or the CEP appear to be likely sources of credit for women-owned small-scale businesses.

SPECIALIZED CREDIT PROGRAMS

Instituto Nacional das Cooperativas

The INC provides limited credit to cooperatives it has established and supports through a subsidiary organization called the Fundo de Apoio as Cooperativas (FAC). The loans are used to provide initial capitalization to the cooperatives, with the thought that income from the business activities of the cooperative will be sufficient to pay off the loans and provide operating capital for future operation. FAC charges no interest on these loans[4], and people interviewed in the cooperatives had no understanding of the concept of interest.

FAC has been capitalized with donations from a wide variety of donors, including English, American, French, Dutch and Danish NGOs. In 1987 it received approximately $460,000 in external assistance, primarily in the form of funds earmarked for specific activities. FAC has a current active portfolio of approximately $425,000, most of which has been loaned to consumer cooperatives and for equipment and buildings. Productive uses of the credit for agriculture and small-business activities amount to 32.3 percent of FAC's outstanding portfolio.

The Organizacao das Mulheres de Cabo Verde

The OMCV has a small production credit program (US$8,248) for 13 women's groups involved in a special agricultural production program for vegetables and rabbits. Approximately 100 women are expected to participate in the program. Funds are loaned with a short grace period (4 months for the vegetable growers and 6 months for the rabbit producers) at an interest rate of 3 percent per year, well below prevailing market rates.

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[3]As of January 20, 1989, each "conto" was worth $13.33.

[4]Recent changes in FAC have resulted in decisions to charge positive interest rates on loans to cooperatives. Existing programs are exempted from these charges on the grounds that the interest rates were not negotiated with the donor institutions. All new programs are expected to carry interest rates of at least 1 percent above prevailing inflation rates.

World Bank Credit Line for Small Enterprises

The World Bank has a project with the Ministry of Industry to provide $4.0 million in credit for fixed assets to small- and medium-scale enterprises such as pastry shops and fishing boats. To qualify a local business must have at least 1,000 contos ($13,000) invested in the business, which means that the program is beyond the reach of the population targeted by proposed USAID/CV activities.

OTHER CREDIT SOURCES

Suppliers' Credits

Purchasing goods--especially small machinery, equipment and goods for resale--is frequently on a credit basis, although buyers do not always perceive the credit implications. The two most common forms of credit sales is through the system of "letras" and "livrancas" operated by the BCV and CEP.

In other cases, the commercial establishments provide goods to customers under an installment payment plan. Apparently, no interest is charged on these credits and, except in a few cases, the price of the goods is not adjusted to reflect the time value of money.[5]

Toto Cash

Informal savings societies, which tend to be significant sources of credit in mainland Africa and Latin America, are not widely prevalent in Cape Verde. Although these exist in Cape Verde (known as Toto Cash), neither the number nor the volumes of savings and credit mobilized through them are believed to be large. In these societies everyone contributes a set amount of money on a regular basis (usually monthly), and the members either take turns in using the pool of funds or vote to provide them to specific individuals based on need.

Individual Loans

Some individuals, especially among the middle and upper classes, do borrow money from friends or relatives, with interest. The team could not generate data on the prevalence of this form of credit, but it does not appear to be widely used among lower-income sectors of the population to fund micro-business or other economic activities. On the other hand, remittances do seem to constitute a major source of capital for small enterprise activities. This needs to be studied more fully during the development of the Export (Promotion)/Private Sector Development Services Project paper.

Credit Unions

Although credit unions do not currently exist in Cape Verde, the GOCV is committed to fostering "savings and credit cooperatives" throughout the country. The INC has hired an individual to manage the government's promotion efforts, and is currently discussing a draft action plan for the effort.

Support for this effort has been provided by USAID/CV through a small grant from the Watershed management program to study past efforts at savings and to determine demand for this type of cooperative. Preliminary results are encouraging.

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[5]During previous periods of high inflation the commercial establishments priced the goods on the basis of their estimated replacement cost at the time of the final installment. That is apparently not the current practice.

GENERAL CONCLUSIONS

There are few sources of working capital and other business activities for small-scale enterprises--whether owned by men or women--in Cape Verde. AID's experience in small-scale enterprise around the world has found that the availability of credit is one of the most critical factors in the development of successful small-scale businesses. Modest amounts of credit permit small-scale enterprises to reach economically viable levels of activity, and are important in lowering the unit costs of production or commerce. The lack of credit, therefore, is a major constraint to increasing income and providing employment opportunities for Cape Verdean women through small-scale enterprise development.

ANNEX A-3

HANDICRAFTS IN CAPE VERDE

SITES VISITED

During the consultation, team members visited three specialized handicraft centers to assess training and technical assistance needs and capabilities: the Centro de Apoio e Producao Popular (CAPP), National Handicraft Center, and the Atelier Mar.

Centro de Apoio e Producao Popular (S. Domingos, Santiago)

Roughly translated as the Center for Popular Assistance and Production, CAPP is a project assisted by the National Institute of Cooperatives. Its priorities are: (a) self-help housing, (b) ceramics production, and (c) applied technology. Besides being a training center, CAPP operates a store that sells handicrafts produced on the island. In the future the store plans to sell handicrafts from all of the islands. The center's location in the town of Sao Domingos, on the island of Santiago, is well situated to market items to tourists and expatriates traveling between Tarrafalo and Praia. A new project proposal includes the construction of dormitories and a kitchen for trainees.

National Handicrafts Center (Mindelo, S. Vicente)

The center was created as a public institution in 1977 by the government of Cape Verde. It includes a national handcraft museum and store for selling items produced locally. According to the director a commercial structure is needed. A group of weavers, the majority men, who were trained in the center continue to work and produce there. Almost all raw materials are imported, with only a limited quantity of locally produced local wool utilized in the center's products. The store associated with the center sells handicrafts with little artistic or commercial value.

Atelier Mar (Mindelo, S. Vicente)

The Atelier Mar is an NGO whose objective is to train young people in handicraft production. It was founded in 1980 with Government support and now is a cooperative by a group of young adults with technical skills. Support was provided by Oxfam-U.K. and Oxfam-America. They are now self-financed through sales. Some members have begun working as individual producers, while the others have restructured the organization as an NGO. It is currently divided into small work groups specializing in ceramics, serigraphy, graphic arts, weaving (with local plant fibers), jewelry-making (with recycled materials and ceramics) and small-scale carpentry. They have some experience with stone jewelry, but lack equipment and financing to continue. Most of the students, with the exception of weaving, are men. The founder and principal organizer of Atelier Mar studied fine arts and visual education in Portugal, and has taken short courses in France, England and the U.S. The main orientation of the group is economics and aesthetics.

DESCRIPTION OF LOCAL HANDICRAFTS

Crochet and Embroidery

OMCV and other groups give lessons to girls and women in the arts of crochet and embroidery throughout the country. Production costs, and consequently the selling prices, are high due to the fact that most raw materials are imported and that embroidery is a tradition that has been lost over time.

Until now the major efforts to sell products have been limited to shows at the conclusion of the courses. Although sales have been good at these shows, this type of sales procedure is not suitable to larger scale operations. In order to increase production and income, sales levels would need to be ascertained by market analysis and development. High levels of competition--especially in terms of low prices, good quality and established markets--from external sources such as Madeira could pose a serious problem to the successful marketing of Cape Verdean embroidered and crocheted works.

Ceramics

Two centers for ceramics production were visited--one in Fonte Lima, Santiago and the other on the island of Maio. The center in Fonte Lima produces small animal figures, miniature pots and other utensils. Each woman works on an individual basis, from beginning of production to completion of the project. Firing is carried out in open air ovens using wood fuel. The ceramic style is rustic, and products are sold in a local market (Sucopira) in Praia.

The ceramics group on Maio produces pots and firebricks. All products produced by this group are of high quality and, according to the group, market demand exceeds their production capacity. Being a rather new product, firebrick for the construction of ovens is expected to have a good nationwide market.

In addition to these two centers, the Atelier Mar (discussed earlier) produces ceramic sculptures of high technical and aesthetic quality.

Perspectives for ceramic production is good, and raw materials plentiful. Equivalent articles in plastic are very expensive so products using clay should be price competitive. Producers need assistance in improving the functionality of existing designs.

Coconut Shell

Coconut shells are used to make dolls, toys, animal figures and other products for sale primarily to expatriates and tourists. Some of the pieces carved from scenes of daily Cape Verdean life, and produced in Praia are truly beautiful and unique. Although expensive, they would probably find a ready market in both Cape Verde and foreign import specialty shops. The simpler pieces--usually toys, dolls, or animal figurines--are rustic and expensive, and would not appear to be competitive items in either internal or external markets. According to information gathered at the National Handicraft Center, this art was developed in the post-independence period on the island of Brava.

Weaving

Four weaving sites were visited: (a) CAPP, where young male artisans are trained in the production of "panos"; (b) Calheta, on the island of Maio, where production is at a standstill due to organizational problems and lack of financing[1]; (c) the National Handicraft Center, where a variety of artists produce and sell their weavings; and (d) Atelier Mar, which is currently focusing on palm leaf-covered bottles of "grogue," a locally produced sugar-cane alcohol, or "firewater."

The first three organizations work basically with imported raw materials; Atelier Mar weaves with local fibers. Both Calheta and the National Handicraft Center cited marketing constraints and the need to develop their marketing capacity. The high price of most items seems to be inconsistent with potential market conditions, and should be studied.

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[1]Women interviewed stated that things went well while they were being assisted by a German organization and volunteer.

All looms in the country are narrow, permitting woven strips of less than 20 centimeters in width to be produced.

Dolls

At present OMCV produces dolls for nursery schools. They would like to market these further, but face the problem of the high cost of imported cotton stuffing. During the team's visit to the Clothing factory, Morabeza, in Mindelo, OMCV was assured that they could have the remnants for stuffing. This would enable them to lower their cost of production. OMCV is also considering making stuffed animals, as these are now all imported and very expensive.

Limestone and Gypsum

Limestone and gypsum are mined artisinally on the island of Maio. These have high potential as sources of income for the country, and project designs have been approved to produce the materials industrially. Government pricing strategies and import duty policies tend to encourage imports at the expense of locally produced materials.

Sweets (jams, marmalades, etc.)

The major constraints to expanding production and marketing of artisan-produced sweets is that imported products are of higher quality and sell for less. Small feasibility studies are needed to determine if, packaged better and priced lower, these products could find acceptance in local and export (Cape Verdean emigrant communities abroad) markets.

Plants

Houseplants seem to offer good marketing potential to small-scale producers. A course in gardening, with subsequent technical and financial assistance, could teach participants how to select and cultivate hardy plants that need little water and to produce them on a commercial scale for sale to households in the islands.

Dressmaking

OMCV and other institutions offer courses in dressmaking. Students learn skills that help them meet their families' clothing needs (and in the process reducing family expenditures on clothing) and that provide opportunities for establishing themselves as independent seamstresses. The courses would be more beneficial if fashion design were integrated into them. Also, marketing outlets could be increased with the introduction of stylized clothing designs and grouping individual small producers into coordinated production and marketing activities.

FUTURE POSSIBILITIES

Whether referring to handicrafts already produced in the country or to those that can be produces in the future, attention should be focused on the use of local materials and by-products. For example:

Stone. Stone available in Cape Verde is used primarily for construction purposes, but certain kinds of stone (basalt, red stone, granite and volcanic pumice), once polished, could be used for making utensils and high-quality jewelry.

Banana Bark Cloth. With the good supply of bananas, the bark of the tree could be exploited for artisanal purposes. Items to be fabricated could include baskets, rugs, placemats, wall coverings, etc. Haitian banana bark serves as a good example.

Aloe Vera. This unexploited, medicinal plant could be used to make cosmetics for sale in local markets, or oils to be exported to foreign cosmetic manufacturers. It grows easily in the country's arid soil and needs very little water.

Animal Hides. Goat hides and pigskin are rarely used here, but with proper tanning could be used for a variety of articles, including gloves and bags.

Feasibility studies would be necessary to determine the market potential of such products.

TRAINING

(See also Annex A-1 for technical training suggestions.)

Technical training in handicrafts would have to be specifically targeted toward individual products. Studies of existing production methodologies, problems and market constraints would be required to plan such training. Meanwhile, three generalized types of courses would be invaluable in meeting the constraints identified by the assessment team: marketing, design, and studies and course design. Both types of courses could stress national and international concerns and opportunities.

Marketing

Participants for first phase training in marketing should be artisans from various fields of production, accompanied by technical advisors or volunteers who work with the artisans. The courses should be given by international specialists who have experience in production, design and international marketing. Holding the courses there would enable participants and staff to be provided with housing and meals. Participant selection and arrangements should be handled by the OMCV or other local coordinating institutions. Each course should last about one week.

Participants for second phase marketing training should be artisans from groups represented in the initial training courses. The advanced course could be given by an artisan who has completed the first course, assisted by a technical assistant or volunteer. Training sites could be selected by the artisanal groups.

Design

Participants in design courses should be artisans from various fields of production. Islands with the highest concentration of producers should be used as training sites, bringing in participating artisans from other islands. Courses should be approximately two weeks long, and many courses should be scheduled to meet the needs of the entire country. The instructors should have a fine arts or graphic arts background and practical experience in handicrafts.

Studies and Course Design

Studies required to plan courses, and the course designs themselves, should be conducted by a team comprised of local technicians and international experts. The NGOs CITI-Habitat (in Praia) and Atelier Mar (in Mindelo) could serve as the local resources. The international expert could be selected through the Ibero-American Institute for Cooperation (ICI) in Madrid, Spain, or the Empresa de Consultoria Indices in Recife, Brazil.

ANNEX A-4

INSTITUTIONAL PROFILES OF SUPPORT/INTERMEDIARY ORGANIZATIONS

ORGANIZACAO DAS MULHERES DE CABO VERDE (OMCV)

Background: The Cape Verdean Women's Organization is a multi-purpose "mass" organization with political, social, and economic objectives. Most of its 20-plus staff (of whom six are professionals) in the Praia headquarters are seconded for from other ministries, and include engineers, chemists, and psychologists. They may work at OMCV for two to seven years before moving on. By all accounts, the organization is not only inappropriately staffed, but severely understaffed at present due to financial constraints.

The organization was created by the governmental Party and claims 12,000 members on the nine inhabited islands. It has a National Committee of 30 board members for executive and policy decisions; this Committee in turns elects a Secretariat of ten persons, four of whom are posted full-time within the organization (General Secretary, National Secretary for Training and Organization, National Secretary of Social Promotion, and National Secretary for Information, Documentation, and Culture.)

Objectives: OMCV has as objectives to mobilize, organize, and train women to undertake self-help projects that contribute toward the development of the country. Since it was initiated, OMCV has promoted 1) roundtable discussions on the statutes of women, 2) women's literacy campaigns, 3) sewing, agriculture, and livestock cooperatives, and 4) rural "centers" to promote women's interests.

Until recently, the orientation of the OMCV could be defined as primarily "social" with emphasis on "soft" skills. They have realized good progress in promoting their social goals. However, the management has stated lately that it is indeed interested in pursuing objectives more aligned with women's active productive and economic participation in the country's development. Thus, such "hard" skills as business development, budgets, planning, accounting, marketing, communications, decision-making, and low-level management of projects are increasingly seen as important skills to women staff and members alike to acquire.

An OMCV organization chart shows the relationship between the Planning, Research, and Documentation Unit, the Training and Organization Unit, and the Social Promotion Unit. Also shown are the various "sectoral" offices in each county of the country, each with its First Secretary and support staff; and the 75 women's "groups" at the grassroots level organized in their rural centers, each with its "animator" or community development trainer.

Donor Assistance: OMCV has not lacked for international donor assistance. A partial list of international groups that currently assist or have in the past assisted OMCV includes UNICEF, UNAIS, Belgian Socialist Solidarity and other NGOs, UNDP, PMI, Canadians, Government of Iceland. Assistance has taken the form for the most part of food, equipment, and construction. With the exception of the UNDP-sponsored project in Joao Baptistia Valley, however, no donors have targeted small-scale enterprise as an activity.

Current Projects: The OMCV is currently sponsoring such socially oriented projects such as sewing centers, kindergartens, family planning. Its "productive" projects include livestock-raising (pigs, poultry), bread-making, and its newly organized Lacework and Embroidery Project (Projecto de Rendas e Bordadas).

As for the latter project, four women's lace and embroidery groups are currently trying to improve their output both in quality and quantity (Fogo, Sao Vicente, Brava, one other). Though the raw material is prohibitively expensive, the embroidery is well-known; many believe there may exist a market for the pieces either in Europe or the United States where many Cape Verdeans already live.

In December 1988 an exposition of the items was held in Praia at OMCV. It was very well-received and sparked ideas for business development in this area. Also, an OMCV representative was recently sponsored on a marketing trip to the Island of Madeira where Madeiran women's groups have earned an international

reputation making and selling lace and needlepoint to a good market in Spain, among other countries. However, the training needs assessment handicraft specialist feels that there are serious obstacles to this project taking off, especially in terms of marketing feasibility.

Institutional Weaknesses: The OMCV is understaffed with professionals other than managers and administrators. In Mindelo at least, many of the top positions are currently vacant. It suffers from many of the usual structural weaknesses common to para-public institutions--lack of transportation, budget constraints, poor internal communications. According to two donors, the Organization also is reputed to "play its cards too close to its chest;" these donors have expressed concern with the organization's responses to requests for information and collaboration. As is classically the case, this para-public organization simply has not been able to acquire project development experience required by foreign donors in terms of project identification, needs assessments, feasibility studies, project proposals, implementation, project management, monitoring ("acompanhimento") and evaluation.

Implications for HRDA project assistance: Training interventions should take place at two levels: first, organizational development and institutional support to the upper staff levels of the organization, both central and regional, in the form of mid-level management training, training in project development, training of trainers. The second set of activities would come somewhat later, would target women at the base, and would entail technical training in the various productive activities, group "animation" and organization skills, low-level project management training, credit information and training.

INSTITUTO NACIONAL DAS COOPERATIVAS (INC)

Background: The INC is another governmental institution that has some financial and administrative autonomy from the State, but for the most part serves to further its political, economic, and social objectives. It was founded at Independence with the mandate to assist in the organization, training, and expansion of the nation's cooperatives. The most recent thrust of the Institute is to reach down to the country's budding microenterprises, which has implications for USAID's newly articulated private sector assistance strategy.

Organization: The INC is made up of a Cooperative Project Research Unit, an Information and Promotion for Cooperatives Unit, the Administrative Unit, an adjunct unit called Commercial Assistance for Cooperatives, an Assistance Fund for Cooperatives (FAC), and a newly-refurbished Center for Assistance to Handicraft Artisans (CAPP) in Sao Domingos. In addition, there are two regional centers and five local centers.

Projects: Projects currently being run by the 232 cooperatives include several by women-only cooperatives: eight "female handiwork" pre-cooperatives intent on providing the basics of home-economics to young girls, four all-female ceramic cooperatives, two candy-making cooperatives, and four food processing cooperatives that make juice and jams. Women are also involved in selling the fish that the men in their cooperatives catch, raising pigs and poultry with their men counterparts, selling the "pano" cloths that the men weave, and so on.

Constraints: In general, with the possible exception of food cooperatives, the country's para-governmental production cooperatives appear to have many difficulties, not the least of which is reported to be a lack of desire of Cape Verdeans to "work together." Other constraints include poor management, financial problems, sluggish membership, inappropriate policies.

In one cooperative visited by the team, the 20 women "working together" to build chicken coops for each one have been sitting idle for three months "waiting" for a bag of cement and some doors to finish off the coops. The technical parameters of actually raising and selling the chickens and eggs have hardly been raised one year now into the project. (And this cooperative has relatively easier access to the nearby capital than do most others.) In another cooperative, the marketing ramifications of transporting, slaughtering, and selling three dozen fully-grown pigs to the contractor had not yet been considered halfway through the project.

Training Needs: At the local, regional, union and headquarters levels, managerial and technical training needs were articulated by staff. INC recognizes that it is weak managerially and administratively. It simply

has not been able to attract top-notch graduates with management talents. It has recently lost one of its top professionals--a good manager, trainer, and grass-roots development professional. It recognizes that four areas it must emphasize are training of trainers, training of managers, credit management, and cooperative development

The Institute has put out an appeal for management and accounting training assistance for their technical professionals in particular. It counts 47 low- and mid-level staff in its ranks throughout the islands; of these 27 are technical professionals who lack specialized training. Twelve of those 27 are required to transfer technical and animation skills on to the cooperatives. "The technical weaknesses in INC are notorious," says one of their reports.

Their September 1988 proposal suggests that 14 people (two high-level managers and two technicians) over a 3-year period (1989-1991) would receive management training at CESAG management institute in Senegal, that local and regional centers would be strengthened, that low-level management and accounting training be offered to the cooperatives themselves in order to ensure their autonomy, and that a "solid base" be thus created upon which to build cooperatives into Unions of cooperatives. ILO will be paying for some of these courses.

Training needs among the cooperatives themselves, as expressed at the INC headquarters and as observed among several cooperatives, include "animation," internal organization and group effectiveness, low-level project management, cooperative development, low-level accounting and bookkeeping, literacy for women, marketing and selling strategies, cost/benefit analyses, and of course additional technical training in their specializations.

Training that INC has planned for 1989 includes the following events:

1) In-Country Training: 12 seminars and workshops, to involve 190 participants. They break down into two training-of-trainers (TOTs), two training-of-"animators," and eight "hard skills" seminars for cooperative members around planning, accounting, project design. INC staff estimated that each seminar will cost roughly $5,000.

2) Third-Country Training: two 6-month short courses at ENEA in Senegal in cooperative training and management, two 15-day seminars on production methods sponsored by ILO/ACCOPA, five long-term degree scholarships in post-secondary education and three 9-month technical training courses offered by the USSR, and two short courses in West Germany in adult non-formal education. They have also requested assistance, as described above, in sending 14 INC staff to CESAG in Senegal for further professional training.

Implications for HRDA project assistance: HRDA funds could be used to support INC mid-level managers to acquire the necessary management, credit, and accounting skills they require for institutional strengthening purposes. They could also be used to sponsor courses in cooperative development at a U.S. institution, or alternatively, by bringing into the country a cooperative development professional who would sponsor a workshop on the subject. Finally, FAC employees could be assisted with training in credit management.

INSTITUTO DE FORMACAO E APERFEICOAMENTO PROFISSIONAL EXTRA-SCHOLAR (IFAP)

Background: The Institute for Professional Skills Training and Non-formal Education was founded in 1982 and initiated classes in 1984. It falls within the Ministry of Labor. IFAP is semi-autonomous and is governed by the Coordinating Council.

Its mandate until recently consisted in 1) assisting the available manpower to upgrade its skills as it enters the job force--that is, to take sets of newly recruited employees and put them through pre-service training to improve their abilities; and 2) to coordinate the country's post-secondary job training. Lately, the Institute has

decided to open their courses to the general public, not just to those who have a guaranteed job waiting for them. Thus, it is trying for an open-door policy, but with strict qualifying tests and procedures.

Classes: Classes are purposely kept small--15 maximum to a room--and with the dozen teachers working round the clock, the Institute's President says that the program is now running at full tilt. Two cycles of courses are offered per year at government expense. Young students study during the day; adults at night and all available space is filled at all times.

Classes include Administrative writing and typing, Secretarial skills, Accounting, Mechanics, Civil engineering, Electricity, Plumbing, Stoneworking (masonry), Human relations management, and Business consulting.

Percentage Women: In 1987, students included two women masons, eight administrative writer/typists, one teacher trainee, 18 human relations trainees, and five business consultants; this adds to about a 45 percent enrollment in those categories. The other categories had only male participants.

Training of Trainers: The Institute to date has trained 14 trainers in teaching and training methodologies and in the management of human resource topics. They have now been placed into the public sector (primarily in larger factories and companies) as a multiplier resource and auxiliary instructional arm of the Institute to carry out follow-on in-service training sessions a later date. The training they received lasted for six months (one week per month) and included an apprenticeship in a company. The Institute's President claimed that the women trainers (of whom the majority--8 of 14) are better trained and thus better qualified than the men trainers.

Technical Assistance: IFAP receives quite a bit of technical bilateral assistance: Portugal, Spain, and Brazil all have contributed TA, while UNDP has provided funding, USAID pays the salaries of two English teachers, the Swedes are involved as teachers.

Pertinent New Initiatives

1. The Institute has started a relationship with the Cape Verdean Institute for Solidarity in providing trained teachers to ICS's Sao Gorgino center outside of the capital. Young carpenters, electricians, and plumbers receive their first vocational education here; there are 4 female electricians enrolled at present.

2. IFAP will represent the five Portuguese-speaking African countries as a coordinating body in the new UNDP/World Bank/ILO "Strengthening African Management Training Institutions." Seven Francophone and seven Anglophone countries already participate. IFP already hosted a colloquium last year on this topic, providing logistics, coordination, and management of the seminar for public enterprises.

3. USAID will soon be financing another IFAP-coordinated conference for public and private sector entities (about 20-25 people) to be called "Mid-Management of Human Resources: A Follow-Up" in February of 1989. Thirty thousand dollars will be provided for this one-week conference. It is a follow-up to a similar conference run last year.

4. IFAP would like to institute a program of apprenticeships or internships, an idea that has not been able to take off yet. With funds newly being collected through a percentage fee system, they hope to begin the initiative soon.

5. The ILO has furnished the necessary technical assistance to initiate a new course called "Improve Your Business," during the current year. Funding is now being solicited. Materials were developed in Mozambique and look very good.

Conclusions of Relevance to HRDA: IFAP has a good training capacity, although it is currently saturated. It can organize, host, and coordinate conferences and special training events. It is contributing to the overall GOCV goals of reducing unemployment and strengthening the human resource base by providing the

population at large with pertinent hands-on skills training for future public sector employment, and by providing the public sector with trained trainers for follow-on in-service training.

USAID should keep channels of communication open with IFAP and consider funding any new initiatives related to business development.

CENTRO DE FORMACAO E APERFEICOAMENTO ADMINISTRATIVO (CENFA)

The Center for Administrative Training and Skills Upgrading has recently undergone a change of Directors. Whereas before, the primary function of the Center was to train public servants in Public Administration, the new Director says he would like to "keep with the times" and start up new initiatives targeted toward the private sector.

The biggest concern in organizing courses and workshops for private sector individuals, however, appears to lie in motivating people to attend. They are worried that the business "mentality" or "spirit" simply has not caught hold yet in Cape Verde. Too many people see one person open a little store and do well, so they simply follow suit without examining the alternatives, the market, the organizational necessities, etc. The most significant weaknesses in the budding private sector are: accounting, stock and inventory control and management, organizational development methods, and financial/budget management.

To address these needs, CENFA will be sponsoring several short courses in 1989:

1) "International Contracts" will be a 15-day course open to the public, to address questions of investments, international trade and law, and export promotion. Experts (economists, lawyers, businessmen) will have to be brought in from outside the country; the course therefore is fairly expensive to sponsor ($15,000 - $20,000).

2) "Stock and Inventory Management," ("Gestao de Materiais") will be a 25-day course using only Cape Verdean instructors, open to the public and private sectors, for 20 - 25 people. It will cost roughly $2,000.

3) "Organizational Development Methods" will also cost about $2,000 and will be run from 7 - 12 August 1989. It will cover questions of business start-up, organizational development, planning. The public sector will be invited to attend, but CENFA is concerned that due to a lack of entrepreneurial spirit in Cape Verde, that attendance may be difficult to guarantee.

4) "Documentacao e Archivos (information management and record-keeping)" is a four-day workshop that will cost approximately $800 to sponsor this year.

5) "Centro de Informacao" will be a new laboratory organized to store information on computers and management information systems. CENFA hopes to start it up this year.

6) "CESO" is a firm of Portuguese university professors who consult on matters of financial management, accounting, and investments. CENFA, in a very experimental initiative, would like to bring a few of them to Cape Verde this year to organize, design, and train teachers in a course on financial management. A CESO feasibility delegation will be arriving within two months. Private business owners would be the clientele, and in a new move, CENFA would charge a fee for the course.

In addition to these new starts, CENFA is in its sixth year of offering their 2-year first level "Technical Professionals" course for secondary school pre-graduates (appears to function as an American associates degree). Accounting is the primary emphasis, and graduates go on to work in banks, public businesses, and in some cases, private hotels. (Only one graduate has gone into business for himself: he opened a private chicken-raising enterprise.) Finally, CENFA offers an auditing course for the public sector functionaries.

Conclusions of Relevance to HRDA: USAID has sponsored CENFA initiatives in the past from SHRD III funds, including a 15-day course in business law ($11,000) and another one in public administration. The team recommends that the Mission continue to encourage small business-related courses and workshops through HRDA financing.

ESCOLA TECNICA E COMERCIAL DE MINDELO (ETCM)

The governmental Technical and Commercial School of Mindelo differs from the IFAP in Praia in that it offers general education in addition to its vocational courses. (IFAP in Praia admits primary school graduates and runs only vocational and professional classes.) ETCM has a physical capacity for 500 students, but is currently functioning at more than half that again, or 810 students. It, like IFAP, runs its courses during the day for teenagers and at night for adults; in short, it is booked solid with little room to spare.

Teachers number 53 (including the "masters" who work in the workshops). Courses offered are Administration and Business, Home Economics and Art Work for Girls, Electricity, General Mechanics, and Civil Engineering/Carpentry/Furniture-Making.

As concerns the first course, Administration and Business, 300 students are currently enrolled in the 3-year course, making it one of the most sought-after disciplines. The Director said that most of the graduates go into banks or factories or family businesses as accountants, and can earn typically between $170 and $280 a month. They rarely if ever start up their own business due to a lack of start-up capital. Some go back to high school to round off their secondary education with a degree. Over half of these students (60 percent) are women.

The School would like the Administration and Business course to become more professional and to include more management-related topics. As it stands now, topics taught in the course include such basic education classes as geography, history, French, math, and also the following specialized classes: Introduction to Business, Business Law, Accounting, Political Economy, Commercial Writing, Business Math, and Typing.

The business teachers are trained in economics and accounting and business, mainly in Portuguese educational institutions.

Another course of interest to the HRDA project is the Girl's Home Economics and Art Work class. As in most parts of the country, these classes tend to be more socially than economically oriented. While the girls spend a good deal of time perfecting their embroidery, lace, and sewing skills, there is almost no attention paid to the possibilities of marketing, sales, business start-up. Girls learn the skills when very young; education practices seem bent only on "preserving the traditions" as opposed to looking for income-generating outlets.

The School has no formal links to the OMCV, although both run similar courses in lacework and embroidery and other social etiquette and home economics classes for girls.

Conclusions of Pertinence to HRDA: None.

ANNEX A-5

RELATED INTERNATIONAL DONOR ACTIVITY IN CAPE VERDE

The "private sector" per se is very limited in Cape Verde: the only real private firms are Shell, a few construction companies, and several importing companies. While the numbers of donors within the country are impressive for such a small country (population only 350,000), few of them exclusively target small businesses let alone women-run or women-owned enterprises. What is more, governmental training programs and development activities for women, with few exceptions, continue to focus on home economics and social welfare, rather than on true economic development.

A key player in the area of private sector development in Cape Verde is beginning to emerge--UNDP and its sister organizations. They are currently considering several proposals to assist in the areas of small-scale enterprise development.

UNDP/ILO/UNIFEM/UNFPA

At the moment, the amalgam of UN sister agencies is implementing very little within the private sector. Five initiatives, however, can be highlighted as contributing to the increased interest in that sector: The "Improve Your Business" course, institutional support to OMCV primarily in the area of family planning and population, the "Women's Promotion" project currently underway in Sao Joao Baptista Valley, the proposal of placing a "roving" volunteer/animator in the field under the aegis of OMCV, and finally, a microenterprise promotion project in Praia and Mindelo. HRDA funds have been proposed to send small businesswomen and men to the "Improve Your Business" course once it is underway.

1) "Improve Your Business": This course has been used in 25 countries, including 11 African ones. It was initiated in Portuguese in Mozambique 2-3 years ago through the ILO. A Portuguese technician passed through Cape Verde in October of 1987 and again more recently to drum up interest in it; the materials--a technical manual and a practical manual--have been developed in Portuguese appropriate for Mozambique. The project document is ready to be shown to the Government. UNDP is not able to fund the undertaking, and is looking to either the Danish, Swiss, or USAID to contribute. Mr. Willy Saulters of USAID/Cape Verde in 1988 was approached to help co-finance the project last fall in the USAID Representative's absence; outcomes of those discussions are unknown. (As Mr. Saulters is due back in the country in early to mid-1989, it is possible that with his initiative, USAID could make its commitment to sponsoring students for the course known among the implementing institutions.)

   The course would be offered through IFAP under the auspices of the Ministry of Industry and Energy. Target trainees would include ten trainers and consultants from already-established businesses first, and then at a later date after the trainers are ready, up to 15 participants (for each trainer) from manufacturing, commerce, and service-oriented businesses. Eight themes would be developed: Sales/Purchases, Production of Goods and Services, Writing, Costs/Prices of Sales, "Commercialization," Financial Management, Administrative Organization, and Planning. Training format would involve seminars, management site visits, individual consultation, training-of-trainers.

   Course materials, synopses, memoranda, and other pertinent documents gathered by the assessment team are being left with the USAID Mission.

   Estimated budget is $150,000 for one year (pilot phase). The Ministry of Industry and Energy is "very eager" to get this project underway "as fast as is possible." The Planning Director believes this will be a very positive way to help small enterprise owners improve their businesses and contribute to the general economic health of the country.

2) OMCV Institutional Support: The United Nations Fund for Population Activities (UNFPA) in conjunction with the Dutch Government is considering offering up some organizational development support to the

Women's Organization, related to their proposed project called "Women and Development: Improvement in Standards of Living and Income Generation" over a 30-month project life, to begin in April of 1989 or later. Objectives include:

- Strengthening the Research, Planning and Documentation Unit. Inventory of studies on Cape Verdean women, with accompanying report. Inventory of educational material, preparation of teaching aids. One person trained in information storage and retrieval;

- Training of national and regional office staff, on such topics as planning, implementation, coordination, supervision of projects, and on promoting women and family life;

- Information and "sensibilization" activities in 75 women's groups on rights of women, health, family planning, home-economics, mother/infant health, literacy; and

- Income-generating activities identified and initiated in OMCV centers, with increased donor assistance.

The project has been provisionally drafted and is under negotiation. Some elements may be adjusted according to GOCV reactions. The outcome of this initiative has repercussions of planned assistance from USAID under the HRDA project umbrella. Whereas many of the interventions target sectors of less strategic importance to USAID (e.g., population and family planning, health, etc.), duplication of any effort should obviously be avoided.

3) "Women's Promotion in Sao Joao Baptista Valley:" A slow-starting project which had four objectives:

- To construct three training/extension centers;

- To carry out income-generating projects with vegetables, rabbits, pigs, and chickens;

- To promote the organization of other pre-cooperative productive associations; and

- To establish a revolving fund for the Valley.

This is a two-year project funded by UNIFEM, already into its second year. According to project monitors, difficulties encountered thus far center around the women's indifference to working together. Peasants are familiar with the idea of supply cooperatives, but not with the idea of productive ones. Participation is poor. The initiative is not stemming from the ground level, but apparently is being coaxed from above--from the institutions interested in seeing the project work. Because they are for the most part illiterate, they are unable to manage the revolving fund.

As for training, project monitors admit that the women are not so much trained as simply monitored. Training was to have taken place at three levels: supervisors, local extension/promotion agents, and community women's groups. Training activities are to include health nutrition, environmental protection, energy-saving techniques, organization of pre-cooperatives, community organization, and rabbit and vegetable production techniques. Five months and $500 were the training timing and budget targets.

4) OMCV Field Volunteer: In 1988, UNDP proposed the funding and placement of at least one field volunteer under the auspices of OMCV. The initiative is stalled due to OMCV's slow response to requests for a job description.

5) "Microenterprise Promotion in Praia and Mindelo:" This urban and peri-urban cottage industry-type project is to start up its 12-month pilot phase sometime this year, 1989, under the tutelage of the Ministry of Industry and Energy. Still in its design phase, it is to be funded by Switzerland and implemented by the ILO and is costed out at almost $300,000.

Project goals are listed as provision of equipment, technical assistance, and alternative employment for the unemployed. Microenterprises to receive assistance will include bakeries, furniture-makers, and car repair shops; new microenterprises will be encouraged at the same time. Objectives include:

- Improved knowledge of the microenterprise sector in terms of technical assistance needs, and their actual and potential local markets;
- Improvement and diversification of production;
- Possible national policy reform to favor microenterprises; and
- Technical assistance for producers and their newly hired formerly unemployed assistants.

First steps in this new project will include an analysis of existing microenterprises and their constraints; a study of local markets and substitution possibilities for imported goods; an action plan for the mobilization of new entrepreneurs; group organization for problem-solving; several test interventions; a document reporting successes and failures of first test interventions; and a methodology for assistance to be proposed to the GOCV. Again, this is a 12-month preparatory or pilot phase. In its documentation, the project appears at first blush to be unnecessarily heavy in planned expatriate technical assistance.

SWEDISH GOVERNMENT (ASDI)

ASDI has placed several English teachers within IFAP in Praia. In Mindelo, ASDI has for several years been sponsoring an urban renewal project (called PACIM) in two slums surrounding Mindelo; Swedish "cooperantes" work variously as carpenters, architects, etc. In addition, women residents (teenagers) sponsored by PACIM have grouped together to begin a project sewing embroidery and lace.

U.S. PEACE CORPS

Most of the seven Peace Corps Volunteers on the islands work as English teachers, teacher-trainers, urban renewal volunteers, or rural extensionists. One, however, in Mindelo, has her degree in Economics/International Relations with a sub-specialty in small-scale enterprise and is currently advising the PACIM women's lace and embroidery project described immediately above. Her talents and interests could easily be put to good use under HRDA.

INSTITUTO CABOVERDEANO DE SOLIDARIEDADE (ICS)

The Cape Verdean Solidarity Institute is the government-assisted NGO umbrella organization. It is roughly equivalent to the U.S. organization INTERACTION. It was founded by the government in 1974 (just before Independence) in order to marshall and coordinate international assistance to the country. It considers itself an NGO itself because it is more or less financially independent, but constitutionally it looks more like a parastatal.

Projects that ICS currently coordinates fall into the following two broad categories:

"Social" Projects: - the traditional and classic welfare-type projects of nutrition, kindergartens, youth assistance (orphans, abandoned children, etc.), charity-type efforts with educational components;

"Productivity" Projects: - agriculture, fisheries, women's development, livestock - a newer domain, and one in which the ICS is still feeling its way.

The kinds of coordinating activities carried out by ICS include networking, channeling resources, identifying and designing projects, feasibility studies and assessments, rural consciousness-raising, dossiers. They want participation at all levels, from the ground up.

ICS counts six permanent staff, has computers and telexes, and will now be decentralizing into regional offices with their own budgets and funds. The Praia headquarters will serve to keep the Coordination Committee for NGO Assistance meeting, and to produce studies and coordinate technical assistance.

Implications for HRDA Assistance: None contemplated at this time. If warranted at a future date, ICS staff might well benefit from a study tour to INTERACTION, PACT, or other NGO umbrella organization to share experiences and learn from observation of their systems. Alternatively, USAID might consider funding another NGO seminar similar to, and to follow up on, the October 1987 conference held in Cape Verde to identify NGO needs, strategies, mandates, projects.

VARIOUS NGOS

Through financial assistance, NGOS (primarily American and European) are currently involved in small private enterprise efforts targeting women in Cape Verde. A list of representative NGOs includes:

International:

- Oxfam/America and Oxfam/Belgium
- African Development Fund (consultancy in progress now)
- Belgian Socialist Solidarity
- Catholic Relief Services
- Church World Services
- Christian Children's Fund of Denmark
- NGOs from other countries: Austria, Holland, Italy, France, West Germany, Switzerland, Brazil, Denmark

Domestic:

- Youth Organization of Cape Verde (JAAC-CV)
- Citi-Habitat (Center for Intermediate Technology Research)
- Friends of Nature of Sao Vicente
- Nazarene Church
- Atelier Mar

Oxfam/America, for example, through its Boston offices, is assisting the OMCV in its attempts to channel lace and embroidery handicrafts to the Cape Verdean emigrant market in New England. CRS has been giving monetary assistance to the Centro de Apoio a Producao Popular in Sao Domingos to renovate the several instructional buildings, to equip the offices, and to help remodel the handicraft showroom. The German NGO, Welt Freundienst, assists artisan production in Maio, specifically clay, ceramics, and limestone. A Canadian NGO recently assisted the OMCV to run a course (home economics, social education, literacy) for domestic female help in Mindelo.

ANNEX A-6

PRIOR USAID TRAINING ACTIVITIES

USAID/Cape Verde has long been an important contributor to the development-related training, both academic and technical, of Cape Verdeans through its various regional training programs. In the 1980s, USAID bilateral projects have provided long- and short-term training to some 300 participants, many of whom were women. A high number of these trainees were sent for long-term degree training. Some in-country training was implemented under the bilateral projects by the project technical assistance. In addition, the regional training projects--AMDP, SHRD, DTPSA, AfGrad--have also trained impressive numbers of young Cape Verdeans (see charts below).

Degrees: The majority of long-term training participants have earned BS and BA degrees; a few Masters of Science and 3 PhDs have also been earned. Areas of specialization have included agronomy, education, computer science, forestry, linguistics, business administration, biochemistry, management information systems, plant breeding, and others.

Women Participants: For training components in all projects, USAID estimated in 1987 that overall, women constituted 30 percent of its returned participants. It is estimated that almost 100 percent of returned Cape Verdean female participants have been placed in upper-level technical, administrative, or management positions, primarily in the public sector, upon their return. This is a trend that the team and Mission agree will probably see change, i.e., more and more women will receive carefully targetted technical or vocational non-degree training appropriate for private or para-public functions.

Off-shore Training: USAID/Cape Verde in conjunction with the GOCV has always placed a heavy emphasis on offshore training (whether it be in the U.S., or in third countries such as Senegal). The country does not have its own University, and its capacities for post-secondary professional training are extremely limited (see discussions of IFAP, CENFA, and Escola Tecnica). Both the GOCV and the USAID Mission would like to scale back on this trend and strive to introduce more and better-quality in-country activities, with accompanying infrastructural capacity building.

Third-country training: For the most part third country training has taken place in Senegal, the Ivory Coast, and Gabon. All those countries presume French fluency; this has been a stumbling block in the past. Efforts to send participants to Portgual, a better option due to compatibility of languages, have been stalled pending decisions as to whether Portugal indeed qualifies as a "third-country" alternative. If this decision is cleared, then many other options will be opened up to Cape Verdean students and trainees. Educational links with Brazil have been difficult in the past; students must be awarded governmental scholarships to attend the educational institution. See Annex A-7 for names and addresses of possible training institutes in Brazil and Portugal.

Table 1 illustrates the total numbers of students trained or currently in training now under the various projects, with percentage of women participants both long- and short-term.

TABLE 1

Project	Total Students Trained or In Training Now	% Women LT	% Women ST
Sahel Manpower Dvlpt I*	16	4	0
Sahel Manpower Dvlpt II	12	3	2
Sahel Human Res Dvlpt III	17	1	5
Food Crops	18	3	5
Watershed Dvlpt	13	0	2
Tarrafal Water Sources*	4	0	0
Watershed Mgmt*	9	0	0
Regl Food Crop Protection*	7	1	2
Sahel Water Data	3	1	0
DTPSA/AfGrad*	65	21	3
AfGrad II	5	3	0
DTPSA/AfGrad II	19	11	0
AFDEP/AfGrad III	9	5	0
Sahel Popul. Initiative	2	0	2
HRDA	1	1	0
TOTALS	300	54	21

Total men: 225 or 75 percent
Total women: 75 or 25 percent

Date: January 1989

* = project closed

Table 2 provides data on training by year and by type of training (long-term, short-term, etc.), with approximate amounts earmarked or spent.

TABLE 2

TYPE	FY86 (SHRD II)	FY87 (SHRD III)	FY88 (HRDA)
ST 3rdC	$13,000	-0-	$22,000
ST US	$45,000	$65,000	$40,000
LT 3rdC	-0-	$20,000	$38,000
LT US	$127,000	$172,000	$70,000
I-C	$30,000	$44,000	$30,000

Key:

ST 3rdC = Short-term third country training
ST US = Short-term training in the U.S.
LT 3rdC = Long-term third country training
LT US = Long-term training in the U.S.
I-C = In-country training (in Cape Verde)

As the above chart illustrates, levels of funding of the different modes of training have fluctuated. Long-term funding in the U.S. has decreased dramatically in the past year, and the Mission is hopeful that those expensive types of advanced degrees (BAs, BSs, MAs) can be emphasized less, with in-country training emphasized more, as the HRDA project prescribes.

Short-term third-country training has increased this year, and will continue to do so in the coming four years of HRDA as more and more short-term opportunities in West Africa, Portugal, and Brazil are identified and utilized. Short-term U.S. training has remained around the $50,000 mark. Long-term training in third countries has been within the $20,000-$40,000 range; this may vary widely in coming years.

Finally, in-country training has varied from $30,000 to $44,000; if GOCV interest remains enthusiastic, and as institutions are strengthened, levels of funding in this line may increase.

ANNEX A-7

ADDITIONAL RESOURCES AVAILABLE TO USAID/CV

LEVERAGING USAID/CV RESOURCES

Because USAID/CV is a small Mission, with a limited development assistance, leveraging resources through the utilization of free or low-cost services available though AID/W programs or other sources can increase the scope and effectiveness of programs. Resources for short-term technical assistance and training are available from several sources within and apart from AID, and can be used to augment Mission resources in this project. Among these are:

International Executive Service Corps (IESC). This organization of retired business executives can provide high-level assistance in business organization and management. Costs are relatively high, and the focus of the service may be of a higher level than can be effectively absorbed by project participants.

Volunteers for Overseas Cooperative Assistance (VOCA). Patterned after the IESC, VOCA provides short-term volunteers to assist in developing cooperatives. These volunteers are either employed by or retired from U.S. cooperative organizations, and are available in almost any field (technical or managerial) of business activity. Salaries are usually donated by the volunteer or his/her sponsoring institution and travel costs are paid by AID/W. Local costs are usually borne by the recipient institution. Portuguese and/or crioulo language capability would pose a problem in recruiting volunteers.

Cooperative Development Buy-Ins and Matching Grants. These two sources of services are available through AID's office of Private and Voluntary Cooperation (FVA/PVC). Although buy-ins do not represent ways to leverage Mission resources, they provide a flexible mechanism for obtaining specialized short-term assistance. Matching grants provided by AID/W are available on a limited scale to support specific cooperative development activities on a cooperative-to-cooperative basis.

PVO Buy-Ins and Matching Grants. Also managed by FVA/PVC, these provide relatively flexible mechanisms for obtaining short-term program assistance, with some prospect for obtaining additional non-Mission funds to support in-country activities.

Peace Corps. The Peace Corps has played an invaluable role--at least in Latin America--in the development of national credit union movements and in helping local artisan groups design products that appeal to expatriate, tourist and foreign markets.

International Voluntary Services (IVS). IVS volunteers generally have greater professional experience than Peace Corps Volunteers, and could be ideally suited to working in market identification, product design and individualized technical assistance to small-scale enterprises.

United Nations Volunteers (UNVs). Like the IVS volunteers, UNVs generally have greater work experience than Peace Corps volunteers and could be included to support managerial and technical assistance activities.

CONTACTS FOR LUSOPHONE TRAINING OPPORTUNITIES

Language has posed a major constraint on training and technical assistance for developing Lusophone countries, as there are relatively few international development agencies, institutes, contractors and consultants with extensive Portuguese language capability.

Contacts for Portuguese-language, business-related training institutes in Brazil, should be widened, especially now that VARIG has initiated flights between the Cape Verde and Brazil. Team member Maria-Judite Souto is well placed in Northeastern Brazil (Recife) to serve as the contact person for these early information-gathering efforts. USAID/CV can contact Jim Washington, Human Resources Development Officer of REDSO/ECA in Abidjan for any leads REDSO may have. Other contacts include:

1. Fundacao Getulio Vargas
   Escola de Administracao de Empresas de Sao Paulo
   Sao Paulo, Brazil

   EASP gives two types of courses--upgrading of executive skills for high level executives (a very expensive course and probably not appropriate for most Cape Verdean businesspeople); and university coursework in public administration. Ten Cape Verdeans have studied in this last course, of whom three have returned to the country. It is more "advanced" than the INA listed just above. The School was started by Americans.

2. Escola Nacional de Administracao Publica
   Brasilia, Brazil

   No Cape Verdeans have studied here yet. They offer high-level training for public and private sector staff in public administration. Possibilities of closer cooperation with Cape Verde are being discussed now.

3. Fundacao de Desenvolvimento Administrativo
   Sao Paulo, Brazil

   The Institute offers courses in organizational development, human resources development management, and other courses pertinent to the small businessperson. Several Cape Verdeans are studying there now.

4. Servico Nacional de Aprendizagem Comercial
   Brazil

   SENAC has over 120 units around the country. It offers courses of interest to Cape Verdean small businesspeople: information management, accounting, management, administration, business development, marketing, human relations. A copy of their brochure is being left with the Mission.

5. CEAG
   Rio de Janeiro, Brazil

   Contact is Sr. Aderbal A. Pinto. The Center gives courses in management and group/team work.

6. CODIN
   Rio de Janeiro, Brazil

   Contact is Sr. Celso Tadeu Mesquita. The Center gives training for microenterprises.

Potential contacts outside of Brazil include:

1. Dr. Eduardo Cruz
   Centro de Informacao, Formacao e Aperfeicoamento em Gestao (CIFAG)
   Investimentos e Participacoes do Estado, SARL
   Av. Julio Dinis, 11
   1000 Lisbon, Portugal
   tel. (351) (1) 76.60.82-6
   fax. (351) (1) 73.10.91
   tlx. 14176 IPELIS P

   Dr. Cruz is a businessman who runs this center for long- and short-term training in entrepreneurial skills and management issues for Portuguese businessmen. HRDA/W can help backstop Mission inquiries as to whether Dr. Cruz's Center accepts Lusophone African students.

2. Instituto Nacional de Administracao
   Lisbon, Portugal

   The Institute offers courses in public administration and business administration. CENFA has sent three or four people there over the last few years. They get their instructors, however, from the Brazilian EASP, described in 4) below; the Brazilian teachers apparently are more oriented towards the hard skills of management as practiced in the U.S., which INA prefers.

ANNEX A-8

INITIAL MARKETING FOCUS FOR PROPOSED TECHNICAL ASSISTANCE

Because of the extremely limited internal markets, and because most small-scale enterprises must depend on local markets to survive, any program to develop small-scale businesses among Cape Verdean women needs to stress markets and marketing.

Markets that appear to exist for Cape Verdean producers and vendors are:

Local Population--360,000 Cape Verdeans is a small potential market for most products. Income distribution data is not readily available, but this group can be roughly divided into two groups: (a) unemployed, underemployed, and day laborers with low salaries and purchasing power, and (b) salaried employees, business persons, and others with purchasing power.

Resident Expatriate Foreigners--Embassy personnel, international agency personnel, and other resident foreigners.

Tourists--Transient seasonal visitors.

Emigrants--Cape Verdeans living abroad.

Export Markets--foreign customers who will purchase handicraft or manufactured goods made by Cape Verdeans.

These are very different markets in terms of purchasing power, the types of goods and services they will consume and the requirements (quality, price, specialization) for entering them. Some basic characteristics of these markets, based on interviews and a quick review of available information, can be seen below.

SOME BASIC CHARACTERISTICS OF POTENTIAL CLIENT GROUPS FOR CAPE VERDEAN PRODUCTS

	Local Population					
Characteristic	Lower	Upper	Resident Expatriate	Tourist	Emigrant	Foreign Export
Size of market in terms of numbers	Medium	Small	Very Small	Very Small	Medium	Very Large
Individual Purchasing Power	Very low	Medium	Very High	High	Medium	Very High
Primary purchasing motivations	Survival	Need, some disposable income	Disposable income, collections	Souvenirs, Bargains, collections	Potential resale, sentiment	Potential resale

As an illustration of just how small these markets are, if three-fourths of Cape Verde's population falls into the "lower" income segment, and if annual GNP per capita averages US$415, this means that some 270,000 people with an average annual income of $200 have a combined annual income of $54,000,000. If they spend 90 percent of that amount on basic survival needs of shelter, food and clothing, they would have $540,000 available for discretionary spending. For a single woman head of household with a family of five to earn an income of $200 per person, she would probably need to sell some $10,000 worth of goods each year. At that rate, the 270,000 people would provide a full market for only 54 women. The remaining 90,000 people (classified as upper class) would have a combined purchasing power of approximately $95,400,000, of which $30,000,000 might be discretionary. Using the same assumptions, this could provide "full employment" for only 3,000 women.

Although the numbers used here are not valid (they would have to be studied and refined considerably in a serious marketing study) the nature of the constraint is. To generate large-scale employment with decent income levels in this kind of a market requires careful matching between products and the markets they are to be sold in. The risk of failure for a new entrepreneur in a non-traditional product or market is very high.

Successful small-scale enterprise development would require a clear understanding of these markets--products they are likely to buy, potential volumes of sales and special requirements. An example of the type of analysis required can be seen in the table on the following page:

SOURCES OF PURCHASES, BY POTENTIAL CLIENT GROUP

Product	Local Population		Resident Expatriate	Tourist	Emigrant	Foreign Export
	Lower	Upper				
Food Items						
Vegetables	Local	Local	Local	-	-	-
Meats	Local	Local	Local	-	-	-
Breads	Local	Local	Local	-	-	-
Fruits	Local	Local and imported	Local and imported	Local and imported	-	-
Specialty	-	Imported	Imported	Imported	-	-
Clothing	Local and imported	Local and imported	Imported	Imported	Foreign	Potential market
Utilitarian Handicrafts	Local, handmade	Imported, manufactured	Imported, manufactured	-	-	Imported, manufactured
Artisan Handicrafts	-	Local and imported	Local	Local	Potential market	Potential market

The above list of product items contains items initially identified for Cape Verde that are typically produced by women-owned and operated businesses. Wherever the word "local" appears in the first four columns, there is a potential for self-owned and operated business development. The list obviously can (and should) be expanded to include specific products and other potential producers, including men-owned and operated businesses and mixed ownership efforts.

Merely understanding that potential markets exist, however, is insufficient for successful small-scale business development. It is also essential to understand the factors that influence purchasing decisions and the requirements for meeting those conditions. This can be seen in the table of the following page.

Developing these markets can entail two separate approaches: (a) determining what these distinct market segments want to buy and attempting to develop locally produced to fit those demands, or (b) determining what is being produced locally, why it is not being purchased in larger quantities by the various market segments, and how it must be modified or presented to create a market.

While market-oriented technical assistance programs often engage in expensive, large-scale market research efforts, the recommendation here is for a different strategy. Precisely because the markets are small in Cape Verde a skilled technician can develop sufficiently accurate (accurate enough to guide policy making and project decisions in the short run) estimates of market conditions using rapid reconnaissance or other less intensive methodologies.

The success of such an effort depends on the quality of the technician. The individual needs to be someone who understands the relationships between products and markets--planning and designing products to meet marketability criteria. Small-scale formal studies on particular markets or products can be planned and carried out locally, training and using personnel from INC, the OMCV and other interested organizations. Specialized skills or additional resources can be obtained from short-term technicians, buy-ins to existing centrally funded projects and other specially funded AID/W programs.

FACTORS INFLUENCING DECISION TO PURCHASE

Product	Local Population		Resident Expatriate	Tourist	Emigrant	Foreign Export
	Lower	Upper				
Food Items						
Vegetables	Price and availability	Price and availability	Price and availability	-	-	-
Meats	Price and availability	Price and availability	Price and availability	-	-	-
Breads	Availability	Availability	Availability and quality	-	-	-
Fruits	Price and availability	Price and quality	Price and quality	Quality and price	-	-
Specialty	-	Availability	Availability	Availability	-	-
Clothing	Price	Price and quality	Quality and uniqueness	Quality and uniqueness	Sentiment	Quality, price and uniqueness
Utilitarian Handicrafts	Price	Need, price and quality	Need, price and quality	-	Sentiment	Uniqueness and utility
Artisan Handicrafts	-	Price	Quality, artistic value, and uniqueness	Quality, artistic value, uniqueness and price	Ability to resell	Quality, artistic value, uniqueness and price market

ANNEX B-1

ASSESSMENT METHODOLOGY

The purpose of the assignment was to assess, in conjunction with the Organization of Cape Verdean Women (OMCV) and the National Institute of Cooperatives (INC), the constraints to employment and income generation for Cape Verdean women and to recommend appropriate training, technical, and financial assistance strategies to USAID/Cape Verde. USAID/CV was primarily interested in assessing the potential for assisting women through the promotion of women-owned small-scale enterprises and in identifying the nature and magnitude of project interventions that would be required for such an effort. Particular emphasis was paid to training interventions possible under the HRDA project.

A three-person assessment team was responsible for the scope of work: a training specialist who served as the team leader; a women's handicraft specialist; and a specialist in private sector, credit institutions, and microenterprise analysis. The team worked in close collaboration with the OMCV and also had good links with the INC. The assessment was completed in three weeks, using the following methodology:

1. **Literature Search**

   A number of readings on the local private sector (number and size of firms, breakdown by sector, evaluation of future growth potential), recent economic analyses and employment/education studies were reviewed. Other useful sources of information included a study by ISTI, figures from the Employment Center, and statistics from the Statistics Department (see Documents Consulted in Annex B-4). In addition, project documents from UNDP, AID planning documents (PID, studies, ABS, etc.), training manuals, INC literature and project proposals, and other assorted reading matter was consulted.

2. **Contacts with Key Individuals in the Private Sector and Support Institutions**

   A tight schedule of meetings during the first week and again in the second week was organized with officials from the Cape Verdean Women's Organization, National Cooperatives Institute, financial institutions, Solidarity Institute, the two governmental training institutes, major donors, local women's groups, and the female owners and operators of several private businesses.

3. **Interviews with a Representative Sample of Small, Women-Owned or Women-Run Enterprises**

   Seventeen interviews with women-owned and operated small businesses were conducted during the first and second weeks of the study, using a prototype questionnaire with about 25 closed-ended questions. The questionnaire was pre-tested in Praia first on two women business owners; certain questions were adapted, as shown in Annex B-2. The questionnaires were administered in Portuguese and/or Crioulo. The interview usually began with an introductory discussion with the women in charge on how she had begun her business. The list of all persons interviewed is provided in Annex B-3.

   Interviews were conducted with small or microenterprises in several sectors, although women-run retail operations emerged as one of the most frequently interviewed businesses. Both urban and rural microenterprises were contacted. They were selected from suggestions provided from various sources including: OMCV, INC, USAID personnel, UNDP staff. OMCV technical staff or INC managerial staff accompanied the team on most interviews.

   Initial field trips included a trip to the INC-run Crafts Assistance Center, a pig cooperative, a women's sewing cooperative, the local trading market (Sucupira) dominated by women traders, a food cooperative, and several women's projects on the island of Maio. Later visits involved questioning women from Mom n' Pop-type small groceries, a hair dresser, a boutique owner, and other small businesses on the island of Sao Vicente.

4. Tabulation of Questionnaire Results and Review of Preliminary Conclusions

The assessment team regularly reviewed results of the interviews and discussed impressions with USAID staff during the assignment. At the end of Week 2, results obtained from the questionnaire were tabulated. A list of preliminary conclusions was prepared for a briefing with the USAID Representative; this lasted almost two hours and provided good feedback and corrections of course.

5. Preparation of WID Assessment and HRDA Training Plan

Prior to departure, the team submitted an executive summary to USAID, OMCV, and INC for review. This was reviewed with the Mission representative, the program officer, an OMCV representative, and an INC representative in two separate exit debriefings. A near-final draft of the report was left with the Mission the following day. It was agreed that the Mission would review the plan in detail during the ensuing week, and would submit any comments and suggestions to Labat-Anderson, Inc. in the form of a marked-up draft by February 1.

6. Follow-Up

AFR/TR/EHR will backstop project requirements, e.g., identifying resources, assisting in organizing study tours or customized training programs, and promoting institutional linkage programs with U.S. training centers or universities.

ANNEX B-2

DATA_____

ENTREVISTADOR_____

QUESTIONARIO PARA AVALIACAO DAS NECESSIDADES DE FORMACAO DO SETOR PRIVADO

NOME:_____

FUNCAO:_____

GRUPO:_____

ENDERECO/TELEFONE:_____

A. A SUA COMPANHIA

1. DATA DE FUNDACAO:_____

2. FORMA FINANCEIRA INICIAL:_____

3. QUAL O TIPO DE GRUPO A QUE PERTENCE?

   EMPRESA_____ _____ARTISANATO
   ASSOCIACAO_____
   COPERATIVA_____
   OUTRO_____

4. QUAL DAS SEQUINTES ESPECIALIDADES DESCREVE MELHOR O SEU GRUPO:

   FABRICACAO_____
   CONSTRUCAO_____
   TRANSPORTE_____
   SERVICOS_____
   ARTESENATO_____
   COMERCIO_____
   PEQUENAS INDUSTRIAS:
   GADO_____
   LATARIA_____
   PESCA_____

5. E: PROPRIETARIA_____, DIRETORA GERAL_____, CHEFE DE SECCAO_____, OUTRO_____, LIDER_____, PRESIDENTE_____

6. O SEU GRUPO E:
   PRIVADO, INDIVIDUAL OU FAMILIA_____
   PRIVADO, SOCIEDADE_____
   EMPRESA DE ECONOMIA MISTA_____
   EMPRESA GOVERNAMENTAL_____
   SUBSIDIO DE EMPRESA ESTRANGEIRA_____
   COOPERATIVA OU PROJECTO_____

7. PERCENTAGEM DE VENDAS EXPORTADAS_____%

8. QUAIS SEUS COMPETIDORES:
   EMPRESAS LOCAIS_____
   OUTRAS FIRMAS NACIONAIS_____
   EMPRESAS INTERNACIONAIS_____
   SEM COMPETICAO (MONOPOLES)_____
   NENHUM_____

9. A COMPETICAO E:
   FORTE_____
   REGULAR_____
   INEXISTENTE_____

10. QUAIS SAO OS MAIORES IMPEDIMENTOS QUANTO A EXPANSAO DA SUA EMPRESA?

    REGRAS GOVERNAMENTAIS_____
    CREDITO_____
    PESSOAL ESPECIALIZADO_____
    NECESSIDADES DE CONSULTAS DE GESTAO_____
    TAMANHO DO MERCADO_____
    FATORES ECONOMICOS_____
    FALTA DE INFORMACAO DO MERCADO_____
    OUTRO_____

11. TREINAMENTO E NECESSARIO PARA SEU PESSOAL?

    SIM_____ NAO_____

B. O SEU PESSOAL

1. QUANTOS EMPREGADOS TEM SEU GRUPO:
   DE TEMPO INTEGRAL_____
   DE TEMPO PARCIAL_____

2. QUANTOS DIRETORES GERAIS TEM_____

3. QUANTOS EMPREGADOS TEM DIPLOMA DO LICEU?_____

4. QUANTOS TEM UMA DIPLOMA UNIVERSITARIO?_____

5. QUANTOS TEM EDUCACAO FORMAL EM NEGOCIOS?_____

C. PERFIL DA PROPRIETARIA/DIRETORA GERAL

1. QUAL O SEU NIVEL DE EDUCACAO:
   DIPLOMA SECUNDARIO_____
   DIPLOMA UNIVERSITARIO_____
   NENHUM_____
   FORMACAO ESPECIALIZADA (EM____)

2. QUANTOS ANOS TEM DE EXPERIENCIA PRATICA EM NEGOCIOS?_____

3. QUAIS SAO AS SUAS NECESSIDADES PESSOAIS DE FORMACAO?
(5 MAIS ALTA, 1 MAIS BAIXA)

GESTAO GERAL_____
GESTAO DAS FINANCAS_____
VENDAS/ASPECTOS DO MERCADO_____
CONTABILIDADE_____
COMPRAS/AQUISICOES_____
COMPUTADORES (INFORMATICA DE GERENCIA)_____
PRODUCAO_____
CONSERTO/MANUTENCAO_____
REGRAS DE NEGOCIOS_____
OUTRO (QUAIS...)_____

4. QUANTO TEMPO PODE DEDICAR-SE A FORMACAO POR ANO?_____

5. QUANTO DINHEIRO ESTA DISPOSTA A GASTAR PARA RECEBER 40 HORAS DE FORMACAO?_____

6. QUAL E O HORARIO PREFERIDO?
1 A 2 AULAS NOTURNAS POR SEMANA_____
UM SEMINARIO NA TARDE DA 6a FEIRA/MANHA DO SABADO_____
UMA SEMANA INTEIRA DE VEZ EM QUAND_____
CONSULTAS ESPORADICAS_____
UMA FORMACAO DENTRO DA SUA EMPRESA_____
OUTRO (QUAL...)_____

D. PERFIL DOS EMPREGADOS

1. QUAL O NIVEL DE EDUCACAO EM MEDIA DOS SEUS EMPREGADOS OU MEMBROS?
_____

2. QUANTOS ANOS DE EXPERIENCIA PRATICA TEM A MAIORIA DELES?_____

3. NECESSIDADES DE FORMACAO (5 MAIS ALTA, 1 MAIS BAIXA)
LEITURA/ESCRITA_____
DATILOGRAFIA_____
CONTABILIDADE_____
HABILITACOES EM PRODUCAO TECNICA_____
CONSERTO/MANUTENCAO_____
HABILITACOES EM VENDAS_____
OUTRO (QUAIS...)_____

4. QUANTO DINHEIRO ESTA DISPOSTA A GASTAR PELA FORMACAO DOS SEUS EMPREGADOS POR ANO?_____ OU NAO PODE_____

5. QUANTOS EMPREGADOS GOSTARIA DE MANDAR PARA RECEBER FORMACAO?
(____%)

6. QUAL SERIA O HORARIO PREFERIDO?

E. EXPERIENCIA COM OS INSTITUTOS DE FORMACAO LOCAIS

QUAIS OS INTSTITUTOS CABO-VERDEANOS QUE VOCES CONHECEM OU TEM USADO NO PASSADO?_____

F. OUTRAS INFORMACOES

1. SUA IDADE_____
2. VENDAS TOTAIS PARA A SUA EMPRESA EM 1988 OU 1987?_____
3. BAIXOU OU AUMENTO DAS VENDAS DURANTE OS TRES ULTIMOS ANOS?

   OU DURANTE 1987?_____%
4. PERSPECTIVAS DO FUTURO: EXCELENTES_____; BOAS_____; REGULAR_____ PORQUE?_____

ANNEX B-3

PERSONS INTERVIEWED

USAID/Cape Verde
Thomas Luche, Representative
Meg Glasston, Program Assistant
Jose Gonçalves, Project Director

Government of Cape Verde Agencies/Offices
Alexander Monteiro, Banco de Cabo Verde, Mindelo
Manuel Delgado, Caixa Economica Postal, Praia
Silina Rodrigues and Belmira Silva, Employment Center, Praia
Sr. Humberto Vieira, Deputy Minister to the Prime Minister, Mindelo
Antonio Hilario da Cruz, Administrador, Banco de Cabo Verde
Daniel A. Sena Araujo, Banco de Cabo Verde in Mindelo
Madalena Neves, Dir. Research and Planning, Min. Industry/Energy
Milu Barros and Carlos Rezende, Ministry of Education
Bemvindo Gomes Tavares, Primeiro Secretario, PAICV, Maio
Helena França, Ministry of Education

Donors/Projects
Agnes Deshormes, UNDP Project Officer
Michelle, UNDP UNV Coordinator, Project Monitor
Alice Stesseson Mascarenhas, UNDP Program Director

Private/Public or Informal Sector SSEs
Maria de Espirito Oliveira Lima, Orbitur Travel Agency Owner
Esther Silva, Sofie Clothes Shop
Maria Soares Lopes, President, 8 de Marco Sewing Co-op
Maria Jose Lopes Varela, Gerente Sao Domingos Food Co-op
Hedgard Rodrigues, Technical Manager, Confeccoes Morabeza, (clothes and uniforms), Mindelo
Cesario Almeida, Director, SOCAL (shoes), Mindelo
Juliana Tavares, Mom and Pop grocery shop, Mindelo
Lucilia Maria Fortes Gomes, Hairdresser and Boutique owner, Mindelo
Maria Paula Monteiro Fernandes (Paula Christina), Boutique owner, Mindelo
Pedro Almeira, Associacao Comercial, Industrial e Agricola de Barlavento
Augusto Vasconcelos Lopes, Sociedade Comercial Vasconcelos Lopes, Lda. in Mindelo
Francisca Tavares Silva, ceramist, Ceramica de Mouro, Maio
Maria Santos Fernandes, Tecelagem de Calheta, Maio
Jose dos Reis Contina, Maio
Domingos Tavares, Maio
Maria de Lourdes Souzo Leite Miranda, seamstress, Mindelo
Valentina Soares, Mindelo
Junita da Cruz Ramos Ferreira, seamstress, Mindelo
Julia Borges, ceramista, Fonte Lima, Santiago

Intermediary/Support Institutions

Organization of Cape Verdean Women (OMCV)

Praia:
Arlette Freitas, Diretora da Promocao Social
Margarida Cardoso, Diretora da Gabinete Estudos
Eunice Silva, Secretaria da Formacao e Organizacao
Francisca Monteiro, Responsavel Setor Urbano
Fatima Lima, Coordenadora Alphabetizacao e Jardims Rurais
Laurence, Dutch Cooperante Project Monitor

Mindelo:
Henriette Vieira, Primeira Secretaria do Sector
Maxencia Vieira, Segunda Secretaria do Sector
Armanda Torres, Responsavel Promocao Social
Fatima Dias, Membro da Promocao Social
Eddy Barros, Coordenadora Nacional do Projecto Rendas e Bordados
Isaura Saldanha, Sewing Teacher, OMCV Class of Sewing for Girls, Mindelo

Maio:
Maria Guilhermina Teixeira Marcos Tavares, Primeira Secretaria

National Institute for Cooperatives (INC)
Mario Muniz, Head of Cooperative Training Section
Alexandre Serrano, Technical Cooperante
Jose Barbosa, Head of the Studies Division
Joao David de Ferreira, Responsavel Treinamento CAPP
Maria Josefa Borges Leal, Assistenta Adminsitrativa, CAPP
Maria Lucia, Pre-Cooperativa Galinhos Sao Martinho
Roberto Fernandes, Sao Domingos CAPP
Sra. Marli, Project Monitor Moia-Moia
Jose Maria Rosario, FAC
Manuel Moreira, INC, Praia

Escola Tecnica Industrial e Comercial, Mindelo
Marina Ramos, Director
Fatima Losh, Home Economics Teacher

Institute for Professional Skills Training and Non-formal Education (IFAP), Praia
Francisco da Cruz Monteiro, President

Center for Administrative Training and Skills Upgrading (CENFA), Praia
Jose Maria Pereira Neves, Director

Commercial Association of Barlavento, Mindelo
Francisco Mascarenhas, Administrator

National Center of Handicrafts, Mindelo
Manuel Figueira, Director
Luiza Figueira, Dinamizadora

NGOs/PVOs

Cape Verdean Institute for Solidarity (ICS)
Ramiro Azevedo, Director of Cooperation and Projects

Center for Investigation of Intermediate Technology (new)
Luis Araujo. ceramics, founder

Atelier Mar
Leao Lopes, ceramics teacher, organizer

OTHER

Lisa Aurette, SSE Peace Corps Volunteer, Mindelo
Julie, TEFL Peace Corps Volunteer, Mindelo

ANNEX B-4

DOCUMENTS CONSULTED

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