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**INVOLVING WOMEN IN MICROENTERPRISE DEVELOPMENT PROJECTS:  
LESSONS LEARNED FROM ARIES**

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The views and interpretations in this report are those of the author and should not be attributed to the U.S. Agency for International Development or Robert R. Nathan Associates.

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## EXECUTIVE SUMMARY

**BACKGROUND:** The ARIES Project (Assistance to Resource Institutions for Enterprise Support) (1986-1990), managed by S&T/RD/EED, has aimed to strengthen the capabilities of institutions that provide support to small and microenterprise development in developing countries. ARIES' activities are part of over a decade of A.I.D. assistance in this sector and will be followed by the GEMINI Project (Growth and Equity through Microenterprise Investments and Institutions) (1989-1994). The Office of Women in Development in A.I.D. commissioned ARIES to conduct an assessment of lessons learned from its activities that can help mainstream women more effectively in small and microenterprise projects (SMEs), particularly through GEMINI.

Recognizing the important contributions women entrepreneurs can make to economic growth, when they have access to the resources to do so, A.I.D. "Microenterprise Development Program Guidelines," (October 1988), identify women-owned and operated enterprises as an important group that should be given access to at least 50% of the microenterprise assistance resources in credit, technical support, and training. This builds on A.I.D.'s WID policy, (October 1982), which requires gender disaggregation of all program and project documents and data collection activities.

However, the present and other SME assessments suggest that assistance to SMEs, or organizations that assist them, does not automatically benefit women entrepreneurs. Projects may focus on sectors where women are not employed; service institutions may lack capabilities to reach and assist female clients; training may not include women or discuss constraints on women entrepreneurs; training materials may not be gender sensitive; outreach may not target women.

**FINDINGS:** To date, ARIES' major WID accomplishment has been the organization and sharing of existing knowledge about the integration of women into microenterprise projects through seminars and the AskARIES Knowledgebase. Ongoing activities to set up gender disaggregated monitoring and evaluation systems could contribute significantly to institutionalizing the integration of women in SME programming in the future. Unfortunately, most of these contributions occurred too late in the life of the project to provide strong guidance for other ARIES activities.

ARIES' greatest WID shortcoming is the project design. It lacks a strategy for ensuring women's access to relevant SME development activities. It requires neither gender analysis nor collection of gender disaggregated data during the life of the project. These considerations were rarely included in the scopes of work for USAID technical assistance buy-ins; S&T/RD/EED did not propose changes in SOWs to incorporate these elements. The midterm evaluation did not examine the integration of women in project activities or identify it as an area to improve. Few data were

collected to enable of assessment of the extent to which women participated in and benefited from these projects, even those with specific WID components.

Out of 37 technical assistance activities, only six included WID components and another seven provided some gender disaggregation of data and/or consideration of gender issues. Most of these have not had major results in increasing women's SME access for a variety of reasons. In many of the other ARIES TA activities with no WID component, gender analysis and integration of women in relevant project activities could have enhanced project outcomes.

ARIES training activities have included considerably more male than female participants. Gender disaggregated data on participants were not routinely kept. In their present form, ARIES training packages do not adequately address basic gender considerations. These materials could be the most long lasting outputs of the project and might have considerable positive or negative impact on the integration of women into SME projects. As a result of this assessment, RRNA is planning to develop guidelines to sensitize trainers to gender issues.

The new GEMINI project design does require the integration of gender issues in SME studies and TA. If implemented as designed, it could provide a model for the integration of women in SME projects. An important task for GEMINI will be to identify the specific conditions under which various assistance institutions most effectively integrate women into SME programs and projects.

#### LESSONS LEARNED:

- o It is important to focus on the economic contributions and productive potential of women entrepreneurs rather than approaching them only as a "vulnerable," "excluded," or "disadvantaged" group.
- o It is important to stress that gender analysis in project design provides a means to more effectively target resources to appropriate people and increases the likelihood of positive returns on investment of assistance dollars.
- o It is essential to have a system for ensuring women's access to SME project activities that is not dependent on individuals' commitment and action.
- o Institutional constraints at all points of the development process can limit or prevent women's participation in SME projects.
- o Integrating women in microenterprise projects is a long term process. One technical assistance visit is not enough. It requires: training for attitude change and skill building; updates of information on gender issues; and guidance in gender disaggregated data collection and analysis; as well as monitoring and follow up.

- o At all points in the development process, people, practices, projects, procedures, and policies can serve as obstacles or provide opportunities for integrating women into SME projects.
- o It is important to develop a clearer picture of which institutions and systems are most effective in integrating women in SME programs and under which conditions each type operates best.
- o In the project design, it is essential to include a strategy for ensuring women's access to relevant project activities and for the collection and use of gender disaggregated data. This should be included in the logframe, in the capability of the implementing organization, and in the scopes of work for specific activities.
- o It is important to develop, discuss, disseminate, and provide training on the WED strategy, key gender issues, and gender-disaggregated monitoring data collection/analysis procedures early in the life of the SME project.
- o Targeting of sectors in which women are involved is an effective way to integrate women into SME projects.
- o SME training materials should develop skills in the provision of SME assistance to women as well as men; they should address gender issues likely to effect project outcomes.
- o Women should have access to SME training opportunities to strengthen their management skills and provide role models for greater participation of women in SME project decision making.
- o It is necessary to systematically collect and analyze gender-disaggregated baseline and outcome data on all project activities, to provide guidance for improving them and a basis for assessing their social as well as their economic impact.

#### **RECOMMENDATIONS:**

- o Conduct studies on key gender issues in microenterprise development on a country and sector-specific basis to develop policy, program, and project intervention recommendations. Key issues include: impact of the policy environment; institutional constraints; sustainability of SME projects for long term human capital development as well as short term economic benefits; and measuring the socio-economic impact of SME projects. Studies should build on the knowledge base already developed by PISCES and ARIES.
- o Institutionalize gender analysis in the design, implementation, and evaluation of all SME projects and studies. It is critical to include gender requirements in project design, activity scopes of work, and evaluation criteria.
- o Strengthen capabilities of SME service organizations to reach and assist women entrepreneurs. This should build on and improve the resources developed by ARIES.

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- o **Disseminate findings, lessons learned, and best practices (via seminars, summaries, information networks, and publications).**

## ABBREVIATIONS

ACORDE - Costa Rican Association for Development Organizations  
 ANDI - National Association for Industrialists (Honduras)  
 ARIES - Assistance to Resource Institutions for Enterprise Support (S&T/RD/EED)  
 ATI - Appropriate Technology International  
 BIDS - Bangladesh Institute for Development Studies  
 CARVAJAL - foundation established by Carvajal family (Columbia)  
 CAIC - Carribean Association for Industry and Commerce  
 CDC - Control Data Corporation  
 CDIE - Center for Development Information and Evaluation, A.I.D.  
 CDSS - Country Development Strategy Statement  
 CEDP - Community and Enterprise Development Project (Senegal)  
 DAI - Development Alternatives Inc.  
 DEMATT - Development of Malawian Traders Trust  
 EEPA - Employment and Enterprise Policy Analysis (S&T/RD/EED)  
 FEDECREDITO - (El Salvador)  
 FFH - Freedom From Hunger Foundation  
 FIA - *Financiera Industrial y Agropecieorio* (Honduras)  
 FUCODES - Costa Rican Development Fund  
 FVA/PVC - Bureau for Peace and Voluntary Assistance  
           Office of Private Voluntary Cooperation, A.I.D.  
 FWBBT - Friends of Women's World Banking of Thailand  
 GAF - Get Ahead Foundation (South Africa)  
 GEMINI - Growth and Equity through Microenterprise Investment  
           Institutions  
 HIID - Harvard Institute for International Development  
 IFM - Informal Finaacial Market  
 ILO - International Labor Office, United Nations  
 INFUND - (Malawi)  
 MIDAS - Micro Industrial Assistance Society (Bangladesh)  
 MUSCCO - Malawian Union of Savings and Credit Cooperatives  
 NGO - Non-Governmental Organization  
 PID - Project Implementation Document

PISCES - Program for Investment in Small Capital Enterprises  
(S&T/RD/EED)

PP - Project Paper

PPC/WID - Bureau of Policy and Program Coordination,  
Office of Women in Development, A.I.D.

PRE - Bureau of Private Enterprise, A.I.D.

PVO - Private Voluntary Organization

PYME - Small and Medium Enterprises Program (Honduras)

READI - Rural Enterprise and Agribusiness Development  
Institutions (Malawi)

RD/EED - Office of Rural and Institutional Development,  
Small Enterprise and Employment Division (S&T/A.I.D.)

RRNA - Robert R. Nathan Associates

SEAE - Small Enterprises Approaches to Employment (S&T/RD/EED)

SEAP - Small Enterprise Assistance Project (Caribbean)

SME - Small and Micro Enterprise

SOW - Scope of Work

S&T - Bureau of Science and Technology (A.I.D.)

SWDO - Somali Women's Democratic Organization

TA - Technical Assistance

UNCDF - United Nations Capital Development Fund

WID - Women in Development

## 1. INTRODUCTION

### ARIES Assessment Objectives

The A.I.D. Office of Women in Development (PPC/WID) commissioned the ARIES Project (Assistance to Resource Institutions for Enterprise Support), managed by S&T/RD/EED, to do an assessment of the lessons learned from its activities that can help mainstream women more effectively into small and microenterprise (SME) projects, particularly through the forthcoming GEMINI project (Growth and Equity Through Microenterprise Investments and Institutions). This report presents the results of that assessment. It includes an assessment of the extent to which gender analysis and gender disaggregated data were used in project activities, where they should have been incorporated, and why they were not. Gender analysis refers to the examination of the potential interactive effects of gender-related factors (such as male and female roles, responsibilities, and access to and control over productive resources) with development policy and project purposes, activities, and outcomes.

The objectives of this report are:

- o to identify lessons learned from ARIES planning and activities regarding opportunities for and constraints to integrating women in microenterprise projects.
- o to identify gender disaggregated data on participation in and outcomes/impacts of microenterprise projects.
- o to develop recommendations about ways to more effectively integrate and increase the productivity of women and contribution to broad-based economic growth in future A.I.D. microenterprise projects, particularly GEMINI.
- o to list priorities to guide the development of the WID office microenterprise strategy and database.

See Appendix A for the Scope of Work.

### Methodology

The review was prepared in collaboration with ARIES project staff, project managers in A.I.D. Employment and Enterprise

Development Division of the Office of Rural and Institutional Development, Bureau of Science and Technology (S&T/RD/EED), and the A.I.D./Office of Women in Development, Bureau of Program and Policy Coordination (PPC/WID). The criteria used to assess project outputs were based in Congressional legislation and A.I.D. requirements for the integration of gender in all Agency strategies:

- o Incorporation of women as beneficiaries of and contributors to development activities at a level proportionate to their participation in the sector or their representation in the total population, whichever is higher.
- o Describing strategies to involve women in A.I.D.'s country strategy, program, project, nonproject assistance, and reporting documents and to identify benefits and impediments to women's participation, in and benefits from development activities.
- o Collecting gender disaggregated data in all research or data-gathering activities.
- o Increasing participant training activities for women.
- o Ensuring that senior staff are actively involved in decision-making activities with respect to WID.

The report is based on: a review of project documents and training materials, A.I.D. Microenterprise Stock-Taking reports, informal interviews, use of the AskARIES knowledgebase, and participation in two ARIES microenterprise seminars. Relevant Mission cables and WID action plans were also examined. Appendix D lists the documents and persons consulted. The informal interviews were collaborative efforts, exploring the contributions of ARIES activities to women entrepreneurs, tracing the institutional history of these contributions, identifying obstacles that limited ARIES contributions to women entrepreneurs, and considering ways to overcome these obstacles and institutionalize the integration of women into microenterprise project activities. This also provided an opportunity to give informal technical assistance on gender issues during the assessment which resulted in their integration into ongoing project activities. Thus the assessment process was interactive and proactive rather than simply reactive. As a result, during the course of the assessment, changes were made or planned to better integrate gender issues and women's participation into project activities and outputs.

### **Assessment Rationale: The Issue of Women Entrepreneurs**

The economic importance of women entrepreneurs was stressed in the conclusions of a recent study done for the International Labor Office (ILO). It reported an estimated 35 percent of all households world-wide to be headed by women. Women everywhere show increasing labor force participation. However, women are harder hit by unemployment. Poverty is forcing large numbers of women to pursue survival strategies in the informal sector in microenterprises and self employment. Women entrepreneurs constitute a numerically significant segment of society but there is little information on what is being done to develop their businesses. The report concluded that most existing small enterprise development programs neither reach women nor serve their needs (ILO 1987).

Small and microenterprises (SME) typically constitute a large portion of developing economies. Women make important economic contributions to this part of the economy as entrepreneurs, employees, producers, processors, and traders. They do this in addition to their unmeasured, "invisible" domestic service inputs in providing food, fuel, and water for their families; performing domestic tasks; and raising, feeding, and educating their children, which also has economic value.

Growing numbers of women are setting up their own enterprises. This is the result of: increasing labor participation of women world-wide; growing unemployment and the limited absorptive capacity of the formal sector; the rising cost of living, and the growing percentage of households world-wide which are supported solely by women. Microenterprise activities are important sources of income for women because they are more flexible and less restrictive than employment in larger enterprises. The latter may require skills and experience that most women lack, and offer work in places or at times that are culturally unacceptable or difficult for women with family responsibilities. Formal sector employment opportunities for women are largely limited to marginal jobs with low wages, few fringe benefits, poor working conditions, and little chance for advancement.

Official surveys have generally missed the kinds of businesses that women run or simply defined them out of existence. Reliable data on women's actual levels of employment, unemployment, income, and overall contribution to national economies are poor or lacking in developed as well as developing nations. Women-owned enterprises are usually among the smallest and poorest and comprise a large part of the "informal sector," particularly in urban areas. In most settings, women's labor and business efforts are characterized by the invisibility of their economic roles, their part-time and intermittent careers, and the

close relationship between their business and family activities and resources.

While lack of capital, insufficient training and experience, as well as economic and technical problems are faced by both male and female entrepreneurs, women encounter additional obstacles. Some of these include: limited access to vocational training, particularly in high-productivity areas; lack of access to capital factors; extremely limited access to informal financial and information networks; legal barriers to owning assets or land or independently establishing a business; economic and technological factors which pressure women to enter the labor force but restrict them to low-productivity sectors; and institutional barriers which limit women's access to support services provided for small enterprises, which is a major focus of the present report.

Studies and evaluation results, including this assessment of the ARIES project, show that we cannot assume that assistance to small and microenterprises (SMEs), or the institutions that assist them, will automatically benefit women owners or employees of small businesses. Projects may focus on sectors where women are not employed; service institutions may lack capabilities to reach and assist female clients; training may not include women or discuss special needs and qualities of female entrepreneurs; training materials may not be gender sensitive; outreach may not target women. Appendix C summarizes constraints on women's access to SME projects. There is also considerable evidence that women who do have access to the benefits of microenterprise assistance programs perform as well as or better than their male counterparts in terms of loan repayment and employment generation.

The A.I.D. Microenterprise Stock-Taking study, completed in May 1989, found that the proportion of women beneficiaries was highest in those A.I.D. supported programs that: (1) specifically targeted women, and (2) targeted assistance to urban commercial microentrepreneurs - sectors with relatively high rates of female participation. Assistance that aimed to reach people in the survival economy and move them into microenterprise activities (the enterprise formation approach) reached the most women (59% of the beneficiaries). Assistance that aimed to improve existing businesses (the enterprise expansion approach) also reached a considerable proportion of women (42%). Assistance aimed at transforming microenterprises into larger sized businesses (the enterprise transformation approach) did not reach a high proportion of women (27%) (Boomgard 1989).

Recognizing the important contributions women entrepreneurs can make to economic growth, when they have access to the resources to do so, A.I.D. Microenterprise Development Program Guidelines, developed in October 1988, identify women-owned and

operated enterprises as an important group that should be given access to at least 50% of microenterprise assistance resources in credit, technical support, and training. This builds on A.I.D.'s Women in Development policy, established October 1982, which requires gender disaggregation of all program documents and data collection activities. See Appendix D for more detail.

In summary, the issue of women entrepreneurs is one of economic importance on which A.I.D. has established policy and guidelines. Yet, project experience to date shows that A.I.D. SME efforts to date have not adequately reached them nor served their needs. Insufficient data are available to assess the social and economic impact of A.I.D. microenterprise assistance efforts on women entrepreneurs.

## **2. ARIES' ASSESSMENT AND FINDINGS**

### **Background on ARIES and GEMINI**

The ARIES project (1986 - 1990) aims to strengthen the capabilities of support institutions in developing countries to implement small-scale and microenterprise development programs. More specifically, ARIES aims to: (1) improve the efficacy and expand the outreach of SME assistance support institutions; (2) improve USAID program strategies and develop Mission projects to strengthen the capacity of local institutions to assist SMEs; (3) develop training materials to improve support institution staff skills in enterprise development and increase training expertise in resource institutions using these materials; and (4) disseminate results to representatives of resource institutions, A.I.D., and other donor agencies. ARIES' estimated budget is \$6.8 million, with a core of \$2.97 million and a buy-in ceiling of \$3.88 million. To date, an estimated \$277 thousand of these funds have been used for WID activities or activity components. ARIES consists of a consortium of contractors under the management of Robert R. Nathan Associates (RRNA). They include: the Harvard Institute for International Development (HIID), Control Data Corporation (CDC), and Appropriate Technology International (ATI).

ARIES is part of a long line of A.I.D. supported activities in small and microenterprise development under the Small Enterprises Approaches to Employment (SEAE) project which began in 1978. SEAE's purpose was to identify approaches and design programs to improve employment opportunities and enhance the viability of small enterprises. One of the projects under the umbrella of SEAE was PISCES (Program for Investment in Small Capital Enterprise). PISCES investigated methods for providing assistance to enterprises owned by the poor. It was guided by the assumption that the poor would benefit from small loans and simple technical assistance.

A central focus of ARIES, based on the PISCES experience, has been provision of assistance to strengthen institutions by improving management of microenterprise promotion and service organizations (largely PVO's and NGO'S), particularly in terms of cost-effectiveness and financial self-sufficiency (see Rhyne 1988 for further discussion).

The ARIES project design developed by S&T/RD/EED, as an amendment to SEAE, did not identify constraints to or opportunities for involving women in project activities nor did it require the collection of gender disaggregated data during project design, implementation, or midterm evaluation. It noted that the project should be able to reach women because it targeted PVO's and NGO's. This assumption proved to be incorrect in many cases. The project design also lacked targeting of women or the sectors in which women operate businesses and work. In short, the project design offered no strategy for ensuring women's participation in project activities.

It is important to bear in mind that the ARIES project began in 1985, after the A.I.D. WID Policy had been established but at a point when WID was still considered a special interest by many in A.I.D. Bureaus and Missions. An evaluation of the institutionalization of WID policy in A.I.D., done in 1987 when many of the ARIES activities described here were being conducted, concluded that "AID's Women and Development Policy is not being implemented fully or vigorously and there is little enthusiasm and few incentives for doing so." Personnel within A.I.D.'s Bureaus and Missions viewed the A.I.D. WID policy as only a reaction to special interest politics, not a serious development concern (Development Associates 1987). It also appears that many people, including some with WID expertise on the project design team, assumed that assistance to microenterprises would inevitably benefit women because so many women were microentrepreneurs.

Early in the life of the project, the ARIES contractor, Robert R. Nathan Associates (RRNA), identified women's integration into enterprise development as a strategic issue in SME development. This emphasis on WID by RRNA was strongly influenced by the presence of a WID specialist on the team for the April 1986 MIDAS (Micro Industry Assistance Society) midterm evaluation in Bangladesh (described below). An in-house strategy document was developed, emphasizing mainstreaming women in SME projects. See Appendix E. There was a WID specialist at RRNA who worked with the ARIES staff. RRNA also had meetings with ICRW (International Center for Research on Women). In the workplan for year two, RRNA noted active collaboration with PPC/WID in focusing technical assistance activities on gender analysis in entrepreneurial development. RRNA has continued to include WID as a component of its strategy in subsequent annual work plans.

In the fall of 1986 RRNA launched a marketing program, promoting ARIES Project capabilities to provide technical assistance (TA) to increase the participation of women within the small-scale enterprise sector. This was facilitated by a PPC/WID & PRE (Private Enterprise Bureau) cable, sent to USAID Missions worldwide, describing ARIES' WID capabilities for TA in private

enterprise programs. See Appendix E. This was followed by letters and ARIES fliers to USAID WID officers. The effort initiated most of the major WID activities of ARIES; many of these had a PPC/WID buy-in. Even though the WID specialist left the staff, others remain who have interest and background in gender and microenterprise issues.

The GEMINI project, following ARIES, is due to begin in 1989, overlapping ARIES by one year. It will continue through 1994. The total estimated funding level is \$20.15 million: S&T core \$.9 million; FVA/PVC \$.86 million; PPC/WID \$.04 million; Africa Bureau \$2.5 million. It will aim to: (1) increase the output and efficiency among existing and new microenterprises, leading to increased income and employment for owners and workers; (2) enhance the effectiveness of microenterprise assistance programs and policies carried out by AID microenterprises in developing countries through expert services; and (3) provide leadership in A.I.D. for microenterprise development assistance. In addition to ARIES' emphasis on technical assistance and management training for service organizations, GEMINI will also conduct economic research including sector studies, household level analysis, and impact studies. The PPC/WID buy-in to GEMINI will ensure that there will be studies of women's contributions to the growth and dynamics of enterprises and the impact of microenterprise assistance on women. A WID strategy will be developed at the beginning of the project. The present assessment is tasked to provide recommendations for that strategy, based on a detailed review of ARIES' outcomes.

#### **ARIES WID Outputs**

ARIES has three major components:

- o applied research,
- o technical assistance, and
- o training.

#### **Applied Research**

ARIES' applied research began with and was structured by its Strategic Overview Paper (SOP) "Capacity Building for Resource Institutions for Small and Microenterprises," completed October 1987. An exhaustive literature review provided the basis for the SOP and the AskARIES Knowledgebase - a problem focused, annotated computer database on microenterprise. Research has focused on intermediary support organizations, including issues such as the strengths and weaknesses of different kinds of organizations, self-sufficiency, appropriate scale, economic impact, and constraints on institutional development.

### ***Strategic Overview Paper (SOP), October 1987***

The central assumption of the SOP is that "the better managed the organization, the more efficient, effective, and sustainable their programs." A midterm evaluation of ARIES noted that this assumption has yet to be proven through project outcome results (Barth 1988). Another question that needs to be asked is: what constitutes a effective management for a wide range of institutional types and cultural settings? One basic requirement is the need to take into account human needs, constraints, and opportunities along with the financial ones.

The second section of the SOP stresses the importance of knowing the characteristics of the entrepreneurs to select the appropriate types of service delivery programs - ranging from credit provision to integrated assistance including credit, social promotion, and training. However, to date, the primary thrust of ARIES activities has been financial management rather than human resource management.

Gender is one of four dimensions discussed in detail and key constraints to female entrepreneurs are noted - the invisibility of women's work and its close relationship to family life, and the small size of most female enterprises. It notes the tendency for men to take over women's food processing and marketing tasks once they are mechanized or prices rise and emphasizes the need to assure that women are included directly in incremental earnings. It also stresses great variation in the extent to which husbands and wives share cash earnings and information in different contexts. It also points out the importance of including female heads of households in projects. It warns that requirements of literacy, second languages, collateral, and fixed premises will discriminate against women as may projects requiring legal status as adults .

On the other hand, the SOP advises that women entrepreneurs are more difficult to assist than male entrepreneurs, due to their lack of access to the institutions, resources, and skills needed to make a business run, and the extra demands on their time from heavy household responsibilities. However, the SOP offers no suggestions of efficient ways to overcome these constraints.

The SOP urges that resource institutions should not be discouraged from helping difficult to assist clients because that would further skew access to program resources. But it also stresses the importance of having the resources, personnel, and experience to provide the necessary services, thus leaving poor women entrepreneurs out of the project activities in many cases.

The SOP neglects positive aspects of assistance to female entrepreneurs such as women's existing management and other skills, high loan repayment and income generation rates, and greater benefits to children from increases in mothers' compared with fathers' income. As noted in the A.I.D. Microenterprise Stock-Taking Report, there is a need to assess longer term social and economic benefits of project assistance. A more detailed gender analysis is needed to assess the extent to which gender is likely to influence project outcomes and their effect on broad based economic growth. Gender disaggregated beneficiary needs and impact analyses must also be stressed in microenterprise assistance.

*AskARIES Knowledgebase, Published June 1989*

This database consists of 999 annotated entries and additional bibliographic entries. It is organized on the basis of SOP list of recurrent key problems of resource institutions that assist microenterprises. In addition to summaries of articles, annotations discuss problems identified, their causes, and implications. In the division of entries into searchable categories, "women in development" is a policy issue. There are 133 annotated WID entries. Appendix F includes a sample WID entry and a chart showing the recurrent problem framework. Gender is also a searchable client category. AskARIES is an extremely useful resource on women and microenterprise, including many hard-to-access documents.

Individual users can also add their own entries to this system. It is based on the Notebook II program and can be expanded extensively if adequate computer memory capacity is available. It merits regular updating and expansion of its coverage of WID and microenterprise. If possible, a network of AskARIES users could develop a means of sharing their bibliographic additions. It would be useful to index the WID entries by sector, country, and recurrent problems and make this available in hard copy to SME service organizations lacking adequate computer facilities to operate AskARIES.

*ARIES Teaching Cases, Published June 1989*

ARIES has viewed agencies and institutions, in the field, as valuable sources of knowledge to be tapped and shared. ARIES' 21 cases are carefully researched descriptions of true management decision-making problems faced in various types of SME resource institutions in different regions, ranging from the Grameen Bank in Bangladesh, to the Costa Rican Development Foundation (FUCODES). Thus, in addition to providing a training tool, they document key elements in the management history and dynamics of these organizations. The cases vary considerably in format and the amount of background material provided. Many of the cases stress the necessity of maintaining a financially viable program

rather than taking a social welfare approach. There is very little gender disaggregation of background issues and almost no discussion of gender issues. The exception is the one case that focuses on a women's self-help organization. The cases are discussed in more detail in the section on ARIES training packages. See Appendix G for a list and brief descriptions of the 21 cases.

### *ARIES Seminars*

ARIES has conducted four seminars for experts in the field of microenterprise to present new approaches and project outcomes, and to discuss key issues:

- o Prospects of Microenterprise Promotion of SMEs in Africa, October 1987
- o Potential for Financial Innovation in SMEs, January, 1988
- o Integrating Women and Other Excluded Groups in SME Programming, April 5, 1989.
- o The State-of-the-Art in SME, May 30, 1989.

A fifth seminar is scheduled for the fall of 1989 to present the products developed by ARIES and lessons learned in using them in training.

The seminar on SMEs in Africa included a report on ARIES assessment of the Somali Democratic Women's Association, (discussed in the TA section below). Otherwise, gender was not addressed. The seminar on financial innovation included no discussion of gender issues.

The seminar on integrating women in SME programming was one of ARIES most significant contributions to gender and microenterprise - it laid out key issues and reasons why microenterprise projects may not automatically benefit women or enhance their productivity even though a large proportion of the microentrepreneurs in many countries are women. Experts in this field presented and discussed ways to ensure women's participation in microenterprise projects in a wide range of settings. Appendix H summarizes the presentations.

It is unfortunate that scheduling difficulties delayed this activity. If this seminar had taken place earlier in the life of the project, a brief one or two page bulleted synthesis of the proceedings could have provided more effective guidance, on integrating women in ARIES TA activities, to: consultants, USAID Misson staff, support institution staff, and host country officials. It will still be valuable to distribute such brief guidelines, in addition to the full proceedings.

The fourth ARIES seminar also addressed gender issues. The ARIES seminar organizer asked commentators to address gender issues and sent them copies of the summary of the seminar on Integrating Women in SME Programming. Some of the commentators invited were also experts in gender and microenterprise. Appendix I includes a summary of gender issues discussed.

Key gender-related issues that emerged in workshops three and four were the need to:

- o re-think the notion of sustainability in terms of social as well as economic costs and benefits in the longer term. Credit programs should cover their costs but in many cases other activities, such as training and TA, place too great a burden on very limited NGO resources and could require external support for some time to come.
- o gain a better understanding of the policy and regulatory environment that effects men and women microentrepreneurs.
- o recognize the heterogeneity of enterprises and entrepreneurs and determine the implications for project design.
- o collect gender disaggregated baseline and project impact data on entrepreneurs.
- o determine and improve male and female microentrepreneurs' marketing skills.
- o identify more effective institutional linkages between the formal and informal sectors to benefit female and male microentrepreneurs.

These are important areas for GEMINI studies and for the PPC/WID microenterprise strategy. These key issues are drawn from the presentations and discussion as well as responses to a questionnaire given to individuals attending seminars three and four, as a part of the present assessment.

## Technical Assistance

ARIES' technical assistance has included help to USAIDs in: project design, implementation, monitoring, and evaluation; development of SME sectoral strategies; and assistance to intermediary organizations funded by USAIDs to improve their capacity to assist and monitor small and microenterprise development. The mechanism for these activities is buy-ins, primarily from USAIDs. Thus ARIES' terms of reference for TA have been set largely by the USAIDs, and generally have not included requirements for any kind of gender disaggregation of data or gender analysis. S&T/RD/EED did not consider the option of making suggestions to improve the SOWs. In a few cases, such as Jordan and Ecuador (described below), ARIES consultants did persuade the Missions that gender disaggregation of data and integration of women in projects were important.

Organizations such as PVO's and NGO's cannot obtain access to ARIES services without other central or Mission A.I.D. funding. Although the ARIES contractor stressed the importance of follow-up on field activities, this has rarely occurred because it has not been requested by Missions and ARIES has no core money for follow-up visits. However, RRNA did continue working with several projects through contracts outside of ARIES. Experience has shown follow-up to be very important for the integration of women in SME programs and projects. One technical assistance visit is not adequate to ensure the long term process of integrating women into SME efforts.

Out of 37 ARIES TA activities, six had WID components, that is, the SOW included activities assisting or evaluating service SME institutions capabilities to integrate women in their programs. Five of these were PPC/WID buy-ins. An additional seven completed, and one scheduled, TAs provided gender disaggregated data and or discussed gender constraints and opportunities. Five of the six TAs with WID components took place in Asia/Near East; one was in Africa. INSERT EST. COST.

Two of the projects with WID components were sectoral assessments; two were project development, and two were evaluations. Two focused on organizations providing assistance to women, one was a study of women's access to informal financial markets, and three proposed ways to mainstream women in projects.

The service institutions assisted or evaluated by ARIES varied considerably in institutional type and in the size and types of enterprises that they assisted. TA with a WID component was provided to: one women's political NGO; One A.I.D. funded PVO; two A.I.D. Missions for portfolio review and project development, and one local research institution.

Because of the large number and wide range of ARIES TA activities, only those with WID components and/or gender analysis and gender disaggregated data are described here, by region. Appendix J lists ARIES TA and training activities by region, identifying those with WID components and/or gender disaggregated data.

#### **Asia/ Near East:**

##### **Bangladesh**

###### ***Evaluation of MIDAS I, April 1986***

MIDAS (Micro Industries Assistance Society) was established by USAID/Dhaka in 1981 to increase the productivity of rural industry. It provided access to credit and technical assistance. In its second year, USAID/Dhaka recommended redirection of activities to larger enterprises. The final evaluation of MIDAS I concluded that the project had not had significant impact on female production. This attention to gender was the result of the presence of a WID specialist, placed on the team with the ARIES staff by USAID/Dhaka. He had been called to the Mission on a separate WID assessment, supported by a PPC/WID buy-in through the International Center for Research on Women (ICRW). The cost of the WID component was \$35,281.

An annex to the evaluation, prepared by the WID specialist, presented detailed recommendations for incorporating female entrepreneurs in MIDAS II. The main points were integrated into the main body of the report as well:

- o in sector studies: pay specific attention to the role of women; identify sectors with linkages involving women, and target a portion of the MIDAS portfolio to those sectors;
- o elaborate and monitor gender defined output targets, to ensure that women's needs for services are satisfied;
- o identify and hire female technical analysts qualified on the basis of commercial experience in female-dominated industrial sectors rather than female-oriented social welfare activity experience;
- o engage voluntary advisors from organizations that work with female and male small scale producers;
- o hire women for middle level technical positions.

The project paper for MIDAS II incorporated these suggestions. Additional technical assistance was provided by two consultants from ICRW, also with a buy-in from PPC-WID, in July 1987 to develop the Women in Development Implementation Plan for the entire Mission portfolio, including MIDAS II (1987 Berger and

Greeley). There was also strong support for WID issues in USAID/Dhaka.

A recent Ford Foundation study of MIDAS II showed that several of the few women-owned businesses supported by MIDAS were actually male owned and operated, using the wife's name as a means to get the credit. The woman who was hired in a middle level technical position found opposition to her attempts to redirect the organization to WID issues, despite her great technical competence. Provision of credit was often slow and unresponsive to the seasonal nature of many microenterprises. A January 1989 rapid assessment of the progress of the follow-on MIDAS II project found that MIDAS staff had started gathering gender disaggregated data on borrowers, workers in subprojects, and its own staff. However, there was "little progress achieved in the development of programs or activities focusing on WID issues."

Thus, despite considerable effort to integrate women in MIDAS, they have had very little access to MIDAS I or II activities. This appears to be the outcome of poor management by MIDAS staff and the shift in emphasis to assistance for larger businesses, combined with cultural and social institutional constraints on women's activities. Although these results are disappointing, the task of assisting women entrepreneurs in Bangladesh is not impossible. Other projects, such as the Grameen bank, have been very successful in serving them.

The SOW for the mid-term evaluation of Midas II, scheduled July 1989, includes the development of explicit WID objectives and the need to develop programs responsive to women's business problems, as a key management issue to examine. Clearly, effective loan feasibility studies and monitoring are essential to assure that women actually receive and are able to use loans from MIDAS.

*Informal Financial Markets Study, December 1988*

"Women in the Rural Informal Credit Market in Bangladesh," was completed by a female scholar from the Bangladesh Institute of Development Studies (BIDS). This was one of 14 reports produced in a study of informal financial markets (IFMs) in Bangladesh conducted by BIDS as a part of a larger cross-cultural study sponsored by the Asian Development Bank and A.I.D. The RRNA ARIES project manager served as technical advisor for this effort. The other BIDS studies focused on IFMs of specific types of enterprises run only by men, such as leather working, rickshaws, and construction.

USAID/Dhaka and the ARIES project director stressed the need to include a study of women's access to IFMs. That study collected data on women's income, assets, savings, borrowing, and lending in one agricultural and one nonagricultural village.

Results showed that the amount of income controlled by women was not directly related to the amount of household income and that women's control of assets did not guarantee cash flow. Women from all socioeconomic levels were both borrowers and lenders; many women both borrowed and lent money.

Most loans were small amounts of cash exchanged between women and used for consumption. Husbands were aware of only a portion of this lending. Women's literacy rates were very low in both villages. Lack of access to income appeared to be the greatest determinant of low levels of investment by women in both places. The study suggests that the expansion of rural informal credit requires improved cash flow to women. It also indicates that women are experienced in managing resources, in cash as well as kind, and they are efficient borrowers and lenders with good repayment rates. The report recommends loans from formal sources to informal women's groups with class homogeneity. These should focus on areas where credit demand is highest - in trade/business and livestock activities.

#### *Jordan*

##### *Small Business Development Project, March & October 1987*

An assessment of the SME sector in March 1987, in collaboration with the USAID and the Government of Jordan's Ministry of Industry and planning included an appendix on female entrepreneurship and recommendations on ways to mainstream women in the small business development effort. ARIES staff promoted the WID component, influenced by the experience with the WID specialist on the MIDAS evaluation team in Bangladesh. The study of female entrepreneurship in Jordan was supported through a PPC/WID buy-in. The WID component of the first Jordan activity cost \$13,063. The Second cost \$104,253.

A Project Implementation Document (PID) for a Small Business Development Project was developed in October 1987. The WID expert on the team was funded through a PPC/WID buy-in. Its recommendations for mainstreaming women in the productive sector included:

- o integrate women into existing credit structure rather than starting a separate women's credit structure;
- o encourage business organizations with women to support female entrepreneurship;
- o given the high birth rate, consider women's life cycle constraints in developing program initiatives (before marriage women are more mobile and able to work outside the home; after marriage women are under strong social pressure to remain in the home with the children);

- o labor force participation by women will probably contribute to lowering of birth rates;
- o childcare facilities are essential to enable women in the childrearing stage to work outside the home;
- o promote self employment by women to reduce apparent competition with male return migrants (from Gulf States);
- o use business incubators that provide space to rent with technical assistance and child care facilities;
- o reorient education to encourage the development of entrepreneurs through problem solving and practice; use visits by professional business women to schools to provide role models.

The Small Business Development Project did not go forward as proposed, due to differences between the Government of Jordan and USAID concerning the proposed scope and orientation. While central government officials wanted to retain control of the project, USAID wanted to channel project resources through private sector institutions. The USAID WID officer also had many other responsibilities in addition to WID, which was not given high priority in the Mission at that time.

### **Pakistan**

#### ***Review of USAID Social Sector Performance, April 1988***

An historical review of USAID social sector performance included an assessment of the impact on women and offered detailed suggestions for mainstreaming women in the country project portfolio. The WID expert on the team was supported through a buy-in from PPC/WID. While the report does not address the microenterprise sector per se, it provides general insights on obstacles to the institutionalization of WID and ways in which women, particularly poor ones, can be excluded from project benefits. Because the Mission staff considered the WID specialist's conclusions overly critical and inadequate in their assessment of Mission WID accomplishments, the recommendations had little if any effect on the Mission WID strategy. This outcome clearly demonstrates the need to limit negative criticism of past efforts and focus on positive explicit recommendations for ways to improve future activities. This WID activity cost \$15,464.

### **Thailand**

#### ***Mid-term Evaluation of Program for Women in Small Business, August 1987***

The Accelerated Development Program for Women in Small Business of the Friends of Women's World Banking of Thailand (FWWB) was funded by a three-year grant from USAID to assist

women in small businesses in nine provinces. The project aims to give women access to the formal financial system through a loan guarantee program with Bangkok Bank and NGO's. It also provides business development services in new product identification, marketing, and financial management as well as skills training and services in public relations and counselling.

A midterm evaluation of the program was supported through a PPC/WID buy-in. This activity cost \$15,090. It showed that all 461 borrowers had been women and that an additional 455 male and female family members and 778 employees (mainly female) were also beneficiaries. 77% of the loans were agricultural; the great majority of the borrowers came from rural areas. The repayment history was good (80%). The evaluation identified the need to develop management skills, more effective monitoring, and to strive for sustainability. Training was provided to fill this need in April 1989. The cost was \$11,455. See Training/Thailand below.

#### *Philippines and Indonesia*

##### *Evaluation of Foster Parents Income Generating Projects December 1986*

In 1984, A.I.D./PVC gave a matching grant of \$3.4 Million to PLAN, the administrator for Foster Parents overseas programs. The purpose of the grant was to assist PLAN in shifting from a social welfare strategy to one of economic self-sufficiency and project sustainability. An evaluation of the viability and promotion strategies of Foster Parents PLAN income generating projects in the Philippines and in Indonesia included gender disaggregated data in their survey of income generating projects funded under PLAN in Bicol, Philippines and in Bali, Indonesia. Neither the SOW for the evaluation nor in the project design required collection of gender disaggregated data.

Their case descriptions and data on income and employment generation show female headed households to have the lowest income and the least employment generation. The poorest, least successful enterprises were those run by female household heads with six or more children. Out of 50 projects receiving loans in Bicol: 23 were men's businesses; 14 were women's businesses, four were family businesses, six were run by female heads of households and one was a women's cooperative. In Bali only four out of twenty income generation loans went to women. Evaluation recommendations call for greater use of sectoral studies and baseline surveys for measuring employment and income impact, market analysis, and individual feasibility studies. The evaluators should have also stressed the importance of gender disaggregation of this data and its use in improving services to clients and the effectiveness of the project. This example illustrates the need to do more than collect gender disaggregated data. Such data must be analyzed and used to improve ongoing and future project design and implementation.

## **Africa**

### **Somalia**

#### ***Assessment of Somali Women's Democratic Organization, June 1987***

An Assessment of the SWDO (Somali Women's Democratic Organization) - a political NGO, with guidance and monitoring from PPC/WID, suggested ways to improve its institutional capabilities to help improve social and economic status of women in the Lower Shebelle region. This included emphasis on committees at the district and village level to get participation and input from rural and periurban women in addition to that of the urban elite who ran the organization. De-emphasis of handicrafts income generating projects that only targeted small groups of urban women, generated marginal income, and were not sustainable, was also recommended. The report proposed ways to more effectively integrate women in ongoing mainstream development projects (the Shabelle Water Management Project; UNCDF's Seasonal Credit for Small Farmers Project; the World Bank's Pilot Project to Develop the Productivity and Welfare of Women.).

The report compiles basic social, economic, and legal baseline data on women in Somalia and lists national and international organizations that provide assistance to Somalian women. Suggestions for intervention in the Shebelle Water Management project include specific recommendations for integrating gender in the Project Paper as well as guidelines and indicators for baseline study and monitoring. It also discusses land tenure issues identified in an earlier study by the Land Tenure Center, University of Wisconsin. An appendix provides examples of sex-disaggregated reporting forms developed from existing forms used to record contacts of field extension agents, and used to record the number of credit takers, their inputs, and their performance. Another appendix lists considerations for SWDO database development to improve project design. The assessment recommendations were incorporated in the Mission's WID Action Plan. The cost of the SWDO assessment activity was \$62,000.

### **South Africa**

#### ***Evaluation of Get Ahead Foundation, October 1987***

The Get Ahead Foundation (GAF) is a Black-owned and directed non-profit company that addresses the laws, regulations, and practices which have prevented Blacks from freely participating in the economy. GAF provides services such as credit and loans. 70% of the loans given under the microloan program were given to women who were small traders.

A midterm evaluation was conducted and documents prepared for a five-year grant agreement between USAID/SA and GAF. It identified women's involvement as one of the key impact

indicators for the monitoring and evaluation system for the program, because women comprised a large proportion of the sector and of the project's clients. Criteria set for the midterm evaluation included the impact of the program on employment generation, especially of women in the Black private sector, and the numbers of women participating in the program.

### **Malawi**

#### ***Final Evaluation of the READI Project, September, 1988***

The Rural Enterprise and Agribusiness Development Institutions (READI) project is an umbrella project providing support to existing indigenous assistance organizations: INFUND (a development finance institute lending to the SME sector), MUSCCO (Malawi Union of Savings and Credit Cooperatives), and DEMATT (the Development of Malawian Traders Trust).

A READI survey of SMEs, conducted in 1987, showed that women constituted only 19% of those employed. The only activity in which female employment approached that of males was in the hotel, restaurant, and bar industry. In the agricultural sector, 94% of the women were engaged in subsistence farming. A gender disaggregated list of 24 INFUND loans showed only one female client - the owner of a motel. While the evaluators presented these data in their report, no were offered for reaching more women or requirements for the other service organizations under READI to provide gender disaggregated data. This is another example of the need to analyze gender disaggregated data to use as a basis to develop strategies to overcome constraints that limit women's participation in SME development projects.

A WID constraint analysis, done for the USAID/Malawi CDSS in August 1989, concluded that the READI project survey of SMEs did not capture many of the part-time or seasonal off-farm enterprises which are a major source of income for women. The audience for the survey was largely organizations that do not target micro-scale or part-time activities. The questionnaire focused on one business but women often are involved in more than one activity, usually on a part time or seasonal basis (Sebstad 1989). This points to a critical and widespread problem in undercounting women's labor force participation in needs assessments that often limits their access to SME project assistance. See Appendix K for detailed recommendations for more effective measurement of women's labor.

### **Sierre Leone**

#### ***Review of FFH Applied Nutrition Credit Program, October 1987***

The Freedom From Hunger Foundation (FFH) Applied Nutrition Credit program aimed to increase production in order to increase food and improve nutritional status, especially for children under five and pregnant and lactating mothers. It provided loans in the form of improved rice and groundnut seeds and gave free inputs. Reviewers concluded that the project was most likely to

accomplish its goal where women controlled the income resulting from the loan and did not significantly decrease time spent for child care.

The reviewers collected interview data on need for and anticipated use of loans from both men and women. Male village leaders said that women did not need the credit because they did not have time to grow groundnuts for sale; they should work in their husbands' rice fields instead. However, the women insisted that they needed credit to expand their groundnut and other farming and they could use loans to buy goods to trade in the dry season. The women said they would be much better at repayment; the men insisted that men would be better. This example shows the importance of collecting information from women as well as men. Frequently their perspectives and areas of knowledge differ significantly and must be taken into account in project planning and evaluation to avoid negative outcomes.

The final conclusions on the FFH Applied Nutrition Credit program, in this and two other countries, indicated a concern that the elite domination of the village development committees would limit the access of women and the poor to credit administered by the committees in a rotating fund. Few women were representatives and often members did not consider the poor to be capable of improving their economic position. The evaluators recommended changing the leadership structure of the village development committees to a mutual support and loan guarantee group, so that the poor and women could also participate in the decision-making regarding loans.

Another report recommendation was to identify women as priority beneficiaries for FFH loans because it is more likely that the additional income will be spent for their children. Suggested indirect targeting procedures for ensuring access to credit for women and the poor included: a requirement that a percentage of loans go to these priority groups; promotion directed to the poorest; and a loan fund structure that is unattractive to the better off (very small loans; interest rates higher than local banks but lower than money lenders; mandatory membership in a credit guarantee group; compulsory attendance at frequent borrowers' meetings).

#### **Latin America/Caribbean:**

##### ***Ecuador***

##### ***Establishing a Monitoring and Evaluation System for USAID Small Enterprise project, May & August 1989***

Assistance was provided in May 1989 in designing a monitoring and evaluation system for the USAID Small Enterprise Project. ACCION, CARE, and CARVAJAL, the NGOs participating in this project will collect and analyze these data. Originally, the evaluation of these organizations was to be conducted by ICRW

through its contract with PPC/WID. The Mission revised its approach and decided to develop the skills of the indigenous organizations so they could conduct the evaluation and monitoring.

Although gender disaggregation of data was not in the SOW, the consultants stressed collecting such data for SME clients and their employees to give these organizations a clearer picture of whom they were reaching. USAID recognized the importance of this but two of the three service organizations involved were resistant. They expressed concern that they would be compared and judged on the basis of these gender data to determine which organization would get future funding, even though they were assured that differences in their clientele would be taken into account in assessing the data.

Most resistant was the organization focused on small enterprises, following a model that assumes these will buy products or labor from microenterprises and benefit them as well. This organization has few women clients. The second organization focused on manufacturing, was less resistant. It had targeted food processing and sewing industries as part of their assistance because these are sectors with a high proportion of female employment. The one organization that provides assistance to microenterprises and has a large percentage of female clients had no problem with collection of gender disaggregated data. The organizations were also reluctant to set benchmarks for progress in reaching women clients and set low targets. The consultants aimed to get the collection of gender disaggregated data into the logframe so it would be monitored. Additional TA was provided in August 1989. Resistance to gender disaggregation was still strong. Strong support and monitoring by USAID/Ecuador on the requirement for gender disaggregated data collection will be necessary to assure compliance by the organizations involved.

Simple guidelines for gender disaggregating data, model forms for collecting the data, and a methodology for evaluating the economic impact of projects will be developed by one of the consultants. These materials could be very useful to a much wider audience and could be incorporated in the training materials developed and distributed by ARIES.

### ***Honduras***

#### ***Evaluation of the Small Business Development Project, April 1987***

The Small Business Development (SBD) project was implemented by two private organizations FIA (*Financiera Industrial y Agropecuario*) and ANDI (the national association of industrialists) to expand technical and financial assistance to the segment of the private sector with no access to the banking system. The evaluators concluded that the technical assistance and credit needs of women entrepreneurs were not taken into account in the project design. The priority given to medium

sized enterprises and choice of management assistance organizations inhibited women's participation.

During the implementation phase, SBD's ability to reach women entrepreneurs increased. ANDI established the PYME (Small and Medium Enterprise Program) which supported organizations that benefit female entrepreneurs. 24-34% of the grants portfolio are supported by organizations that focus on female clients. PYME did not maintain gender disaggregated data so it was difficult to identify projects that benefited women but were not sponsored by organizations that focused on female clients. The report suggested that even though FIA was unlikely to directly benefit women entrepreneurs, it was enabling larger firms to generate more employment for women. However, the evaluators did not make any recommendations for the collection of gender disaggregated data or operational changes to increase women's access to benefits.

*Small and Micro Enterprise Development Strategy, 1987*

Also in 1987, a team assisted the USAID Mission in developing a small and microenterprise development strategy. The report estimated that women made up at least 50 percent of the informal sector and predominated in the smallest and least profitable enterprises. Business management was traditionally a male preserve but women have been increasingly moving into business. Women in all Latin American countries represent a growing percentage of the urban labor force and are concentrated in home-based cottage type industries. In Honduras, women outnumber men in urban areas by 7%.

Data collected from nine SME support institutions in Honduras showed female entrepreneurs to have a relatively low income earning power. An organization aimed at micro commercial concerns had 66% women clients; one that supported small industrial enterprises included 35% women clients; only 10% of the members of the trade association of small and medium industries were women.

The women who participated in the urban informal economy as market vendors usually were the sole supporters of their families. 54% were single mothers; 46% of those who were married did not receive support from their husbands for themselves or their children. These women obtained working capital from informal sources with high rates of interest. They got supplies from intermediaries at high prices. Their earnings were used for daily consumption.

The team concluded that an SME strategy should consider women's active participation. However, the initiatives proposed in the strategy do not provide for gender disaggregation or monitoring data or procedures/ targets to ensure women's access to project benefits. Later TA by RNNA, in a contract outside

ARIES, did establish a gender disaggregated monitoring and evaluation system.

### ***El Salvador***

#### ***Small Scale Sector Assessment, June 1987***

A small scale sector assessment of El Salvador was prepared for the USAID Mission. Data collected included a gender disaggregated "proprietor's profile" indicating that 65% of the microenterprise owners and 46% of their employees are women. The figures for small enterprises were estimated to be lower. However, the proposed small sector programs did not include any strategy to ensure the participation of women. There were no requirements to collect gender disaggregated data even though the establishment of a research fund was recommended. The objectives of the proposed research were: to generate recommendations on issues affecting micro and small enterprises (laws, government policies, regulations, and procedures); to develop case studies for training; and evaluate the project and manage the micro and small enterprise data banks.

### **Forthcoming Activities**

#### ***Fiji***

##### ***Study of SME Business Skill Development Project Impact***

To test the assumption that lack of business skills is the key obstacle to microentrepreneurs, USAID/Fiji is sponsoring a collection of gender disaggregated baseline data and a study of the impact of a project developing microentrepreneurs' business skills. This will be compared with a control group of microentrepreneurs which will not receive the training. This study could provide valuable insights on the dynamics of men's and women's enterprises and the differential impact of SME projects on men and women which would feed into the research to be conducted under GEMINI. Gender disaggregated data, and careful identification of types of information to be collected and analyzed will be critical to the usefulness of this study. If resources allow, it should go beyond income and employment generation figures to examine impact indicators such as changes in: education of male and female children; weight of male and female children; morbidity and mortality of infants and children; size/use of housing; and sanitation facilities.

### **Training**

ARIES training and training materials development has assessed service institutions' and entrepreneur's training needs, evaluated existing materials, developed materials to address the needs, and conducted training in the use of the materials.

## ***Training Packages***

The objective of ARIES' training packages is to increase the capability of intermediary institutions to implement SME programs. In 1986, prior to development of the packages, CDC conducted an extensive, systematic review of the existing training materials for improving SME performance. The recurrent management problems identified in the SOP served as a guide for this assessment. In a few instances, materials were rejected because they did not consider women entrepreneurs' needs and constraints.

To date ARIES has developed two training packages: (1) Strategic Planning, and (2) Credit Management. It is in the process of developing two others: (3) Human Resource Management, and (4) Entrepreneur Training. ARIES also developed a training needs assessment methodology and a step-by-step manual on its use. In general, in their present form, these materials do not adequately address basic gender considerations. Also, there are no guidelines for gender disaggregation of monitoring data on clients receiving credit or training. These products are discussed in detail below because they could be the most long lasting outputs of the project and could have the potential for considerable positive or negative impact on the integration of women into SME projects. This is particularly the case for published materials. As a result of this assessment, RRNA staff are preparing teaching notes to sensitize trainers to gender concerns relevant to each ARIES training package.

### ***Strategic Management Package***

This package of 21 teaching cases developed by HIID (noted earlier under Applied Research) is targeted to managers of small enterprise projects who are active at the policy and strategic planning level (see Appendix G for a list and brief description of each case). Its objective is to define the planning framework for the strategic issues in SME design and implementation. These cases were developed by HIID to strengthen decision-making skills of institution and project managers.

Because the cases are real ones, most of the management roles and key decisions are carried out by males. Although knowing the entrepreneurs and considering gender are stressed in the SOP, there is little background material and little discussion of them in the dialogue in the cases. There is very little gender disaggregation of background data and almost no discussion of gender issues. For example, the background material attached to the CEDP (Senegal) case includes descriptive vignettes on male entrepreneurs but only a list of street hawkers, more than half of whom were women.

The TOTOTO Home Industries case does show the growth of a women's self-help organization from handicrafts marketing to a

range of activities including savings groups, and provision of business training for other organizations within and outside of Kenya. However, this recently completed case has not been used in ARIES training activities to date. The Save the children case, the CEDP case, and the UNO cases include expatriate women as key actors. Although the key decision-maker is a male, the three Grameen Bank cases offer an excellent illustration of a successful and economically viable program that was based on careful study of the needs and socioeconomic conditions of the male and female clients. However, the Grameen Bank cases have not been used in ARIES training activities to date. The PRODEME case also includes some gender disaggregated data.

Nine of the 21 cases were written by women and four others were written by male and female joint authors, so one cannot say that male writers left out the descriptions and the issues of women. Both authors who most effectively addressed gender issues were anthropologists, one male, one female. The other authors had backgrounds in management and policy analysis. This illustrates the fact that simply involving women in developing project materials development does not ensure the consideration of gender issues. The limited consideration of gender issues in these cases is surprising since WID expertise was not lacking on the HIID staff. For example, two of the persons who directed the case-writing workshops were also the authors of another case book on Gender Roles in Development Projects, prepared for A.I.D./PPC/WID, and authors of an article on "Small Scale Enterprise and Women," in that book (Overholt, Anderson, Cloud, and Austin 1985).

Just as sex role stereotypes in school books perpetuate those notions about roles, these materials could also appear to endorse a male management model with females in supporting roles as the ideal, efficient way of working. Discussion is needed during the sessions to address these issues and the problems they can create in effectively serving the needs of female clients. HIID staff in charge of developing these materials have been very receptive to these comments and requested suggestions (see Appendix L) for incorporation in the final trainers guide for the casebook.

The memo also includes suggestions for adapting the materials to respond to time and special needs of the training participants. For example, participants in a training workshop in Thailand for FWWBT felt the cases were too lengthy and not adequately to the point. The organizers encountered difficulty in translating such a bulk of written material. The case instructors had not used that type of case before, so guidance from an ARIES consultant was essential. Participants in the FWWBT workshop also found it difficult to relate their own institutional experiences to the those in the cases of organizations geographically removed from them.

Organizers, trainers, and participants in a regional training workshop run by CARE in Thailand also concluded that the ARIES case materials were too lengthy for effective use in workshops and recommended shortening and simplifying them. Because they are cumbersome to translate, the case materials are less accessible to those who do not read English, which is more often women than men. The case method requires a fairly high level of reading and analytical skills on the part of participants and trainers.

The ARIES cases are used as decision making simulations in training. Guided by a leader, participants read the materials and work together to set goals, priorities, and make decisions. Simulations require a considerable amount of time compared with many other training techniques. They also require a very skilled trainer who can guide problem solving rather than lecture about case content.

The ARIES cases do include valuable practical data about problems and decision making encountered by SME service organizations. Thus it is important to provide guidance on how to adapt them to reach a wider audience by applying the case information to other training techniques and by placing more emphasis on analysis of critical problem solving in the participant's own "cases," using an ARIES case as a model (see Appendix L).

These considerations are particularly important because the case studies and SOP are being distributed by a publisher in book form. While it is very desirable to make project products widely accessible through such publications, it is necessary to recognize that a wide range of practitioners may lack expertise in training and/or gender issues and need guidance to avoid misuse of the materials. To date, 10 of the 21 cases have been taught at least once; four have been taught twice, and one four times. All training materials should be pretested with the intended audience prior to their publication.

#### *Credit Management Package*

This package, developed by CDC, is targeted at those in SME programming and operational levels. The objective is to help practitioners develop the practical skills needed to design, implement, and manage credit programs more effectively. This includes skills such as feasibility analysis and management information systems. The package has been taught six times. It has been translated into French and Spanish. Training packages were also developed for Catholic Relief Services Small Enterprise Development Workshop in 1987 and for the CARE Small Enterprise Regional Workshop in 1988. Gender issues are not included in what is considered a "nuts and bolts" presentation of a gender neutral subject. However, as the SOP stresses, knowing the gender-specific needs and constraints of the entrepreneur is an

important and essential part of successful credit program design and management. Gender disaggregation of client monitoring records is also essential for effective project impact evaluation.

#### ***Human Resource Management Package***

This package is targeted to managers of institutions that implement SME projects. It will deal with staffing requirements, employee motivation, incentives, supervision, training needs, and performance evaluation. A needs assessment was based on interviews with 75 SME practitioners, including individuals with expertise in the integration of women in SME projects. However, the draft assessment did not address gender. RRNA staff are assisting the consultant, who prepared it, in integrating gender considerations into the design of the package. This is particularly important to avoid developing and promoting a Western, male-oriented personnel management model to developing SME programs. This is another area where adaptation of the materials to the local social and cultural context should be stressed. Ideally, a person with expertise in training materials development and WID should be involved in the development of this package.

#### ***Entrepreneur Training Package***

This package is targeted to institutions that provide technical assistance and training to small and micro entrepreneurs. It will consist of eight already-developed entrepreneur training manuals and a guide to their use. It will include materials that address the special needs and constraints of women entrepreneurs. The trainer's guide will provide suggestions for discussion of gender issues in training using these materials.

#### ***Training Needs Assessment Manual***

CDC developed a training needs analysis methodology and manual in 1986. These materials do not take into consideration the constraints on women entrepreneurs in the analysis of the training audience. These materials should incorporate gender considerations before they are distributed to a wider audience. It is also desirable to provide a shortened version of this methodology, identifying the absolute basics in needs assessment, for organizations who lack the time and personnel to conduct such an extensive assessment.

### ***Training Activities***

#### ***Case Writing and Teaching Workshops***

Case-writing workshops have been used to develop both cases and skills in case writing and case teaching. The first workshop, was conducted in 1987 in response to PVO requests to learn more about the case method. There is also an aim to

develop a collaborative network of case teachers and writers with expertise in small enterprise development.

***Strategic Management and Credit Management Training***

ARIES has conducted management workshops: in Harper's Ferry W. Virginia, in cooperation with the SEEP network (for participants from PVO's, NGOs, A.I.D, and other donor agencies); the Dominican Republic (for staff members of nine local institutions receiving support from USAID); Thailand (for field and management staff from PVO affiliates of Friends of Women's World Banking, Thailand (FWWBT)); in Senegal (for staff from 25 NGOs); in Tanzania (for East and Southern African PVO loan officers and credit managers from eight countries); in Zaire (for the Office of Promotion of Small Scale and Microenterprises); and in Barbados (for the Carribean Association of Industry and Commerce (CAIC) and the Small Enterprise Assistance Project (SEAP)). ARIES also conducted training needs analyses and developed training programs for FEDECREDITO in El Salvador and for the PVO's participating in the Small Business Development project in Honduras.

Gender disaggregated data on training participants were not routinely kept. In most cases, more men than women were trained. Participant selection was done by USAIDs and/or the service institutions they represented. At Harpers Ferry, 30 women and 76 men participated; in the Dominican Republic, 24 men and six women participated in three workshops; in Thailand, 18 women and 10 men participated; in Senegal, three women and 27 men participated. Data are not available for the other training activities at this time. Gender disaggregated data on trainees should be kept routinely. Greater effort should be made to ensure that more women have access to this training. In some cultural settings this may require conducting separate training sessions for males and females and using female trainers for the women.

The trainers for all of the management workshops were also men. A female consultant did brief the Thai trainers who conducted the workshop. Trainers were selected by ARIES project staff and A.I.D. Although male as well as female trainers can provide guidance on gender issues, female trainers can also serve as leadership role models for the women participants and demonstrate female leadership capabilities to the male participants. This is particularly the case if they are local trainers. Greater effort should be made to identify and employ competent female management trainers, particularly where local trainers are used, if this is culturally appropriate in that setting.

Female participants in the workshops held in Honduras were very outspoken about special constraints and needs of the women entrepreneurs they served, as were the female participants in Senegal. Their comments and concerns should have been

incorporated in ARIES cases and could still be effectively incorporated into the ARIES packages. Addressing gender issues in SME training should not depend on the trainees bringing it up as an issue; it should be a part of the training materials and process.

Training workshops could be used to gather gender disaggregated information about SME service organizations represented by the participants. They also provide an opportunity to explain the importance of collecting gender disaggregated data on clients and using these to determine who is being reached by the services and how to serve them more effectively. Appendix M includes two sample questionnaires. The one sent to the FWWBT workshop in Thailand was not completed by participants because there was not time to do so. The form used in Senegal was completed. These data can be used to improve future training as well as for evaluation of the activity. The gender, job, and years of SME experience of the participant should be added to the form. Follow-up mailings to previous workshop participants could request this information and provide participants with additional ARIES materials such as the proceedings of the seminar on "Integrating Women into SME Programming".

#### *Peace Corps Microenterprise Training*

ARIES is also assisting the Peace Corps in developing inservice microenterprise assistance training for Volunteers in natural resources, health, agriculture, and business in Fiji, Botswana, Mali, Honduras, and Costa Rica. The mechanism for this assistance is a PASA between Peace Corps and S&T/RD/EED. Regularly the Peace Corps Office in Washington receives many requests by Volunteers on how to assist microentrepreneurs. Because Volunteers work at the community and household level, their efforts could assist women entrepreneurs very effectively and increase our understanding about the operation of men's and women's businesses. It will be very important to incorporate gender issues, gender analysis, and collection of gender disaggregated data into this training. Ideally there should be a WID expert on the training teams. The lessons learned in the Peace Corps microenterprise activities should be shared in summary form with USAIDs, Central A.I.D. Bureaus, and SME service organizations. PPC/WID could provide copies of the Gender Issues manuals on Women and Small Enterprise; Women in Latin America, and Women and Agriculture and Natural Resources. As a result of this assessment, and other collaboration with PPC/WID, S&T/RD/EED staff have begun to incorporate these recommendations into their Peace Corps training efforts.

### **3. LESSONS LEARNED**

#### **Institutional Constraints**

To better understand the limited nature of ARIES WID accomplishments, it is necessary to view them in the institutional context of A.I.D. in the mid-80s. As noted earlier, they were done at a time when gender issues were regarded as special interests rather than basic economic development issues by many people in A.I.D. Bureaus and Missions as well as in host country governments and some SME service organizations.

**LESSON ONE:** It is important to focus on the economic contributions and productive potential of women entrepreneurs rather than approaching them only as a "vulnerable", "excluded," or "disadvantaged" group.

Rather than a social welfare approach aimed at helping women, it is important to identify ways to reduce constraints on their productivity and to recognize their already existing capabilities and resources as well as their investment of increased income in the health and education of their children.

Adding to the reluctance to actively address WID issues has been decreasing staff size, tight budgets, and heavier paperwork loads combined with Mission ambivalence toward centrally funded, supply driven activities such as ARIES and its PPC/WID buy-ins, as opposed to Mission generated, funded, and controlled efforts. Missions varied greatly in willingness to integrate gender issues into their programs and projects (Development Associates 1987).

**LESSON TWO:** It is important to stress that gender analysis in project planning provides a means to more effectively target resources and increases the likelihood of positive returns on investment of assistance dollars.

Too often gender analysis is presented and perceived as yet another requirement adding to the bureaucratic burdens of already overloaded staff. It is important to provide adequate guidance on gender analysis to show that it is a way to make staff efforts and outcomes more efficient and effective in the long and short term.

**LESSON THREE: It is essential to have a system for ensuring women's access to SME project activities that is not dependent on individuals' commitment and action.**

A.I.D. WID guidance to ARIES was fragmented by changes in personnel handling it both in S&T/RD/EED and in PPC/WID. Three different individuals handled ARIES in S&T/RD/EED. The same was the case in PPC/WID. Also during this time, the WID specialist left the RRNA staff. Thus none of the A.I.D. staff currently involved with ARIES knew the full institutional history of ARIES WID activities, successes, and lost opportunities. There were changes in key Mission and Bureau staff as well.

The limited outcomes from ARIES WID TA activities illustrate the many points in the development process at which the integration of women in microenterprise activities can encounter both attitudinal and operational constraints: host country government, SME service Institutions, USAID Missions, contractors, and A.I.D. Central Bureaus, as well as the socioeconomic institutions and conditions under which female entrepreneurs operate their businesses.

**LESSON FOUR: Institutional Constraints at all points of the development process can limit or prevent women's participation in SME projects.**

For example, the design for mainstreaming women into the Small Business Development program in Jordan did not proceed due to resistance on the part of the host country government that was not even related to the gender issues. Recommendations for mainstreaming women in the Pakistan Mission portfolio were not adopted because the consultant's assessment was viewed by Mission staff as overly negative. Despite considerable technical assistance and Mission interest in WID, the MIDAS project in Bangladesh failed to integrate women largely due to poor management influenced and rationalized by cultural constraints on women's activities.

In Ecuador, indigenous SME service organizations were resistant to gender disaggregation of data because they feared it would be used to judge them for future funding. In Somalia and Sierre Leone, elite-dominated income generation efforts were not accessible to poor women in rural areas and were not self-sustaining. Faced with many tasks and little time to accomplish them, few consultants gathered gender disaggregated data or addressed gender issues because it was not in the scopes of work prepared by USAID staff.

However, some of these lost opportunities could be regained and existing ones maintained through follow-up activities.

**LESSON FIVE: Integrating women in microenterprise projects is a long term process.**

Experience has shown that one technical assistance visit is not enough to accomplish this goal. It requires: training for attitude change and skill building; updates of information on gender issues; and guidance in gender disaggregated data collection and analysis; as well as monitoring and follow up.

**LESSON SIX: At all points in the development process, people, practices, projects, procedures, and policies can serve as obstacles or provide opportunities for integrating women into SME projects.**

To provide opportunities for the integration of women in microenterprise projects:

- o people must demonstrate sensitivity to gender issues and recognize how women's integration can contribute to broad based sustainable economic growth;
- o local practices and traditions regarding gender roles must be understood, respected, and built upon. Conversely, it is important to examine the cultural assumptions and preconceptions carried to the host countries and assure that they are not in conflict with the effective integration of women in activities in that setting;
- o project design must integrate women and provide benchmarks for monitoring progress toward that goal during project implementation and in project evaluation;
- o systems and procedures must be established and carried out to ensure regular consideration of gender concerns in the overall A.I.D. and host country development processes;
- o policy dialogue must examine the extent to which the policy and regulatory environment differentially affects the opportunities and productivity of male and female entrepreneurs.

It is important to develop a clearer picture of which institutions and systems are most effective in integrating women in SME programs and under which conditions each type operates best.

**LESSON SEVEN: In the project design, it is essential to include a strategy for ensuring women's access to relevant project activities and for the collection and use of gender disaggregated data.**

This should be included in the logframe, in the capability of the implementing organization, and in the scopes of work for specific activities.

ARIES' greatest shortcoming regarding WID was the lack of a strategy for ensuring women's access to relevant project activities. It required neither gender analysis nor collection of gender disaggregated data during the life of the project. These considerations were rarely included in the scopes of work for USAID TA buy-ins. The AID/W project managers did not propose changes to incorporate them. The mid-term evaluation did not identify their absence. Despite the inadequate project design, ARIES' made WID contributions as a the result of individual efforts by members of the ARIES, AID/W, and USAID staffs, consultants, and inputs from PPC/WID.

ARIES outcomes clearly demonstrate that we cannot assume that SME projects automatically help women because so many women are microentrepreneurs. They also show that we cannot assume that all NGO's and PVOs will be capable of providing effective services to women entrepreneurs.

ARIES' follow-on project, GEMINI, has already benefited from this lesson, its collaboration with PPC/WID, and greater recognition of the importance of gender issues. The project design requires the integration of women in SME research and activity as well as the collection of gender disaggregated data. It also requires WID expertise on the project staff. If implemented as designed, it could provide a model for the integration of women into microenterprise development projects.

**LESSON EIGHT:** It is important to develop, discuss, disseminate, and provide training on the WID strategy, key gender issues, and gender-disaggregated monitoring data collection/analysis procedures early in the life of the SME project.

To date, ARIES' most significant WID contribution has been organization and sharing of existing knowledge about the integration of women in microenterprise, in the SOP, the AskAries Knowledgebase, and the seminar on "Integrating Women into SME Programming." Recent activities which are beginning to establish gender disaggregated monitoring and evaluation systems are likely to contribute significantly to institutionalizing gender analysis in SME project design and assistance in the future. Unfortunately most of these contributions occurred too late in the life of the project to provide guidance for other ARIES activities. The ARIES statement of WID capability, shown in Appendix E is only a first step that should have led to a more systematic strategy.

**LESSON NINE:** Targeting of sectors in which women are heavily involved is an effective way to integrate women in SME projects.

Conversely, targeting of sectors in which few if any women are involved is one of the major ways in which women have been excluded from SME projects. In many ARIES TA activities with no WID component, gender analysis could have enhanced project outcomes. Thus potential opportunities were lost in project activities that did not integrate women because they focused on firms rather than people, failed to consider the sexual division of labor and resources, or targeted sectors in which women did not participate.

**LESSON TEN:** SME training materials should develop skills in the provision of SME assistance to women as well as men; they should address gender issues likely to effect project outcomes.

In their present form, ARIES training packages do not adequately address basic gender considerations. There are no guidelines for gender disaggregation of monitoring data on clients receiving credit or training. These materials are likely to be the most long lasting outputs of a project and have the potential for considerable positive or negative impact on the integration of women into SME projects, particularly those that are published. Gender issues and constraints as well as best practices in integrating women in SME development projects that have been discussed by participants during training session should be incorporated into the ARIES training packages.

ARIES' products illustrate that subjects such as management that are often regarded as gender-neutral can in fact promote a Western male leadership management model is being promoted that could further limit women's already slim access to decision-making in SME assistance in developing countries. They also illustrate that the participation of women in the preparation of the materials does not automatically assure that they will address gender issues.

**LESSON ELEVEN:** Women should have access to SME training opportunities to strengthen their management skills and provide role models for greater participation of women in SME project decision making.

Training activities, to date, have included significantly more male than female participants. Gender disaggregated data on participants were not routinely kept. RRNA is planning to develop teaching notes to sensitize trainers to gender issues.

**LESSON TWELVE:** It is necessary to systematically collect and analyze gender-disaggregated baseline and outcome data on all project activities, to provide guidance for improving them and a basis for assessing their social as well as their economic impact.

Few data were collected to enable assessment of the extent to which women had access to, participated in, and benefited from ARIES. Although gender issues and some gender disaggregated data were included in some of the TA reports, they were rarely analyzed to provide recommendations for adapting projects to reduce constraints on women entrepreneurs' project participation and productivity. The recent Stock-Taking of A.I.D. Microenterprise projects showed the lack of sound economic and social impact data to be a major shortcoming of most of these projects. Thus we can only draw limited lessons from more than a decade of A.I.D. effort in this area.

### Summary

The following chart summarizes lessons learned from ARIES in terms of key constraints to women's participation in SME projects and presents recommended actions to overcome the constraints.

#### Enhancing Women's Participation in SME Projects

<u>Constraints on Women's Participation</u>	<u>Recommended Actions</u>
o sector selection for research and TA excludes areas where women work.	o target some sectors where women are employed; involve women in the selection process.
o local customs and institutions limit women's participation.	o assess women's roles and constraints in each location to determine how to best integrate them.
o host country policies and regulations limit women's participation.	o in policy dialogue, show cost of excluding/limiting women's labor; where possible, include women in policy dialogue.
o project staff do not collect or use gender disaggregated data.	o budget funds for gender data collection/analysis and provide TA; orient/train staff to do gender analysis.
o USAID Missions do not request integration of women in SME activities (SOW).	o be more proactive about importance of using gender analysis in SME projects to improve outcomes; market gender analysis capabilities.

Constraints (continued)

- o trainers, training materials are not gender sensitive.
- o research, training, and other activities have mainly male participants.
- o (mainly male participants)
- o SME service institution not effective in reaching women.
- o project implementation falls short on benchmarks to involve women.
- o no data to assess women's integration or benefits or impact of project on families.

Actions (continued)

- o develop gender sensitive trainer's guide; include discussion of gender issues in training.
- o identify women as well as men participants; adjust schedules, venues to fit women's domestic responsibilities and/or provide day care;
- o develop promotion messages for women.
- o select institutions with technical and gender expertise; provide training and information on gender issues.
- o provide WID TA and follow-up.
- o develop methodology, database, and local capability to monitor and assess impact.

Appendix M gives more detailed guidelines for integrating women into project design, implementation, and evaluation.

#### 4. RECOMMENDATIONS

The following is a synthesis of more specific recommendations presented in the description of ARIES Outcomes and Lessons Learned. To respond to the scope of work for this activity, it presents three types of recommendations: (1) for the ongoing ARIES project; (2) for future SME projects such as GEMINI; and (3) priorities for the PPC/WID microenterprise strategy.

##### Suggestions for Better Integrating Women in ARIES

In the months that remain in the life of the project it is important to incorporate gender into project products that will outlive the project. More specifically:

- o Develop a gender sensitive trainer's guide for the training packages. Already in process as a result of this assessment.
- o Develop simple guidelines for gender disaggregated monitoring and evaluation of SME projects, based on ARIES experience. Already in process as a result of this assessment.
- o Include gender considerations in the SOW's for the remaining ARIES activities.
- o Disseminate a brief summary of the findings, issues, and conclusions from the workshop on integrating women in SME programming, to USAIDs, AID Bureaus, PVO's, NGO's, Host Country officials, and other SME practitioners.
- o Give incentives and guidelines, to the support institutions assisted by ARIES, to collect gender disaggregated impact data prior to the final project evaluation.
- o Include gender considerations in the criteria for the final evaluation of ARIES.
- o Involve more female participants in remaining training activities.
- o Integrate gender analysis in Peace Corps microenterprise training project. Already in process as a result of this assessment.

### **Suggestions for Integrating Women into Future SME Projects**

Even when gender is integrated in the project design, as is the case with the GEMINI project, careful monitoring and informal training on gender issues and gender analysis will be necessary to ensure that the WID strategy is implemented and does increase women's involvement in SME projects as well as our understanding of the dynamics of that participation and the impact of SME projects on women and their families. Certain institutional capabilities, on the part of the contracting organization, are required to accomplish this effectively.

#### Institutional Capabilities

- o It is important to have WID capability on the core project staff and not rely only on external WID TA.
- o Include gender analysis in the capabilities to be strengthened in host country research and service institutions.
- o Expand and update the WID component of the AskARIES Knowledgebase. Distribute to appropriate host country research institutions.
- o Identify the conditions under which particular types of institutions are most effective in integrating women into SME programs and projects in specific countries and regions.

#### Project Activity Design

- o In selecting sectors for research and technical assistance, include some in which women are heavily employed.
- o Targeting is not enough; address women's issues specific to the project setting (eg. needs for day care, technical training, scheduling to fit household responsibilities).
- o In each location, assess women's and men's economic roles and cultural constraints, that could affect women's participation in microenterprise projects. Use this as a basis to determine how best to integrate them in activities.
- o Promote gender analysis as a capability in the marketing of SME projects to Missions.
- o Be more proactive about the economic importance of gender issues when responding to Mission requests for technical assistance.
- o Include gender analysis requirements in SOW's for TA, research, training, and evaluation.

- o Identify women as well as men to participate in all training provided to host country research and service institutions.
- o identify host country women as well as men, where possible, to participate as researchers or technical experts.
- o include a person with WID expertise on the TA team when gender is likely to affect project outcomes.

#### Implementation of Activities

- o Require that the annual SME project workplan include benchmarks for integrating women entrepreneurs and increasing their productivity, which takes into account the Missions' WID Action Plans.
- o Include discussion of women's constraints and opportunities in microenterprise as a part of training materials and sessions.
- o In promotion of microenterprise projects, make certain that the means and the messages are appropriate for women as well as men.
- o Include a WID Accomplishments section in the annual report, listing benchmarks accomplished in integrating women in activities.

#### Follow-up and Evaluation

- o Provide follow-up assistance; integrating women into microenterprise projects in a long-term process, not a one-time effort.
- o Develop a methodology, database system, and host country capability for monitoring and assessing the impact of microenterprise project assistance on women and men (taking into account other significant characteristics such as age, type/size of business, household composition, ethnic groups).
- o Follow up and assess the longer term impact of ARIES projects with WID components and SEAE projects with gender disaggregated data.
- o Assess the effectiveness of specific types of assistance institutions in integrating women into SME efforts and the specific conditions under which they are most effective.

#### **Suggested Priorities for PPC/WID Microenterprise Strategy**

Private enterprise and, within that, microenterprise is a major area of emphasis in PPC/WID and of A.I.D. as a whole. PPC/WID's goal is to more effectively measure and increase women's productivity to contribute to broad based sustainable

economic growth in this and other sectors. Since GEMINI is taking leadership in microenterprise research and technical assistance in the Agency, ongoing collaboration between GEMINI and PPC/WID staff can create a synergy that will enhance PPC/WID and GEMINI efforts significantly.

### Key Issues

Key gender issues in microenterprise that should be examined on a country and sector-specific basis for their policy, program, and project implications include:

- o aspects of the policy and regulatory environment that have differential effects on men and women entrepreneurs;
- o institutional constraints and opportunities for increasing productivity of women's businesses and employment.
- o women's entrepreneurs skills, constraints, and needs for assistance in marketing;
- o operation of men's, women's, and family operated microenterprises, particularly in the rapidly expanding urban and rural informal sector;
- o rethinking and measuring cost effectiveness and sustainability of SME projects in terms of social as well as economic benefits.
- o measuring the social and economic impact of SME projects on women and men and their children.

### Database Development

Microenterprise database models can be drawn from ARIES outputs:

- o Materials to be developed as a result of the TA in Ecuador, setting up a gender disaggregated monitoring and evaluation system.
- o AskARIES Knowledgebase provides a model for summarizing, organizing, and analyzing lessons learned in integrating gender in microenterprise projects.

In the future, a plan should be developed to integrate gender-disaggregated SME project data into the CDIE Economic and Social Data System (ESDS) so that it is maintained in the institutional memory and is available for analysis by others in the Agency. Appendix O gives a summary of databases within ESDS.

**Technical Assistance:**

- o Assist in the orientation of the SME contractor(s) to A.I.D. WID policy, gender analysis, and gender disaggregation of data (training session).
- o Review the strategy for integration of gender into SME project activities and monitor progress toward achieving benchmarks, by reviewing annual workplans and reports.
- o Assist in marketing gender analysis capabilities in microenterprise and give updates on WID outcomes to Missions, as a part of the WID information dissemination strategy.
- o Develop or adapt and disseminate brief, clear, practical guidelines for collection and analysis of gender disaggregated data in SME studies and organizational development activities.
- o Facilitate sharing of lessons learned about gender and microenterprise between projects within the Agency and USAID staff with strong microenterprise programs, as well as with other donor agencies and practitioners, by organizing seminars on crosscutting issues such as gender and the informal sector; gender and marketing; gender and urbanization;

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## A. SCOPE OF WORK

### BACKGROUND AND OBJECTIVES:

The primary goal of PPC/WID is to optimize the use and expansion of women's productive capacity to ensure sustainable national economic and social progress. Private enterprise development, including microenterprises, is one of the main sectors on which PPC/WID focuses its research, analysis, training, and information resource management. A major aim of these efforts is mainstreaming women in microenterprise projects. The establishment and appropriate use of a solid empirical data base on women's economic roles in developing economies is essential to accomplish these broader and more specific ends.

As the ARIES project draws to a close and the GEMINI project is about to begin, PPC/WID is interested in linking these two efforts in terms of lessons learned that will enable continued mainstreaming of women in GEMINI and other A.I.D. microenterprise programs. This is an important part of PPC/WID research efforts in Labor/Employment/Production, focusing on women's productive roles, employment patterns, and participation in formal and informal labor markets.

PPC/WID proposes to provide funds for a social science analyst and an information resource specialist to work with appropriate ARIES staff and documents to develop a set of recommendations for incorporating lessons learned from the ARIES project about women and microenterprise. Two priority areas are:

- o women's participation in the growth and dynamics of micro-enterprises; and,
- o the impact of micro-enterprise project assistance on women.

### TASKS:

The Social Science Analyst consultant will:

- o Review ARIES project reports and evaluations, Agency Microenterprise Stocktaking Reports, A.I.D. microenterprise strategy, and other project document related to A.I.D. microenterprise efforts;

- o Identify gender disaggregated baseline, monitoring, and evaluation data; data on women's participation in projects and the impact of projects on women and families;
- o Summarize lessons learned from these efforts that will facilitate continued mainstreaming of women in microenterprise projects;
- o Develop preliminary recommendations for a PPC/WID microenterprise strategy including key areas of needed effort and computerized data tracking.

The Information Specialist will:

- o Assist the Social Science Analyst in preparing a system for data tracking on integration of gender issues in Agency programs and projects related to micro-enterprise development. In particular ARIES project reports, micro-enterprise Stock-Taking evaluation reports and other selected documents will be reviewed; and,
- o Design an information dissemination strategy that assures regularized reporting to A.I.D./W Central and Regional Bureaus, Missions, PVOs and others on Agency progress towards mainstreaming women in micro-enterprise projects/programs.

LEVEL OF EFFORT:

It is estimated that these tasks will require 45 person days for each consultant.

TIMING:

The work will begin on or about February 6 and will end on or about May 31, 1989.

45

**B. SOURCES CONSULTED****Persons Contacted**

Andrea Bauman, S&T/RD/EED	ARIES Project Manager
Margaret Berger, Consultant	ARIES TA and ARIES Seminar Speaker
Ross Bigelow, S&T/RD/EED	Former ARIES Project Manager
James Boomgard, DAI	Microenterprise Stock-Taking
Jennifer Bremmer-Fox, RRNA	ARIES Seminar Speaker
Margaret Clark, Ford Found.	ARIES Seminar Speaker, Microenterprise Advisory Board Member
Mario Davalos, consultant	ARIES Trainer
Michael Farbman, S&T/RD/EED	Division Chief PISCES project manager
Lorene Semenza Graig, consultant	Former RRNA WID specialist ARIES WID TA
Paola Lang, RRNA	Former ARIES staff WID expertise
Mohini Malhotra, RRNA	ARIES staff WID Background
Charles Mann, HIID	HIID ARIES manager Case teaching; development of AskARIES
Cressida McCabe, PPC/CDIE	Stock-Taking; A.I.D. Microenterprise Working Group
Maria Otero, ACCION	ARIES Seminar Speaker
Rajesh Pradhan, HIID	AskARIES/ development & technical assistance
Tulin Pulley, PPC/WID	Microenterprise Specialist A.I.D. Microenterprise Working Group Member
Raka Rasheed, USAID/Dhakar	WID Officer SME expertise
Elizabeth Rhyne, S&T/RD/EED	GEMINI project manager Developed GEMINI PP

**Persons Contacted (continued)**

Amy Sanders, HIID	AskARIES technical assistance
Thomas Timberg, RRNA	ARIES Project Manager, TA, technical advisor for informal financial markets study
Russell Webster, RRNA	ARIES staff and TA
Wes Weideman	Former ARIES staff and WID TA
Wendy Weidner, RRNA	ARIES staff WID Background
Robert Young, S&T/RD/EED	EEPA project manager

\*\*\*

Anonymous responses to questionnaire distributed at two ARIES seminars:

"Integrating Women in SME" (24 women) & (11 men) responded.

"State-of-the-Art in SME (17 women) & (18 men) responded.

**Documents Consulted**

All of the ARIES technical assistance reports, training reports, training materials, and seminar reports were reviewed. The list is extensive and RRNA has an annotated list available so they are not repeated here. The following are additional materials consulted.

- A.I.D., Administrator, Office of  
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Washington D.C.
- A.I.D., Bureau for Program and Policy Coordination  
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1985a The Pisces II Experience: Local Efforts in  
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I, Synthesis Paper. A.I.D./PPC/CDIE. Washington, D.C.
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Development Associates

1987 Evaluation of the International Center for Research on Women Cooperative Agreement Program with AID/PPC/WID. Washington D.C.

Dulansey, Maryanne and James Austin

1985 Small Scale Enterprise and Women. In Gender Roles in Development Projects: A Case Book. Hartford Conn.: Kumarian Press.

The Futures Group

1985 Women in Yemen. Increasing the Labor Potential. Prepared for A.I.D./PPC/WID.

Horenstein, Nadine

1986 Women and Agribusiness: a Review of AID Projects. ICRW for A.I.D./PPC/WID. Washington D.C.

Lycette, Margaret

1984 Improving Women's Access to Credit in the Third World: Policy and Project Recommendations. ICRW, prepared for A.I.D./PPC/WID. Washington D.C.

Mann, Charles K., Merilee Grindle, and Parker Shipton

1989 Seeking Solutions: Framework and Cases for Small Enterprise Development Programs.

Otero, Maria

1987 Gender Issues in Small Scale Enterprise. A.I.D./PPC/WID. Washington DC.

Pansini, J. Jude

1986 Employment and Income Generation: A U.S.A.I.D./WID Perspective. Ms.

Pulley, Tulin

1989 Income Generation Project for Rural Women in Jordan. A.I.D./ PPC/WID. Washington D.C.

Pyburn, K. Anne

1987 A Study of Women in Agricultural Extension in the Yemen Arab Republic. New Mexico State University College of Agriculture. Prepared for the Board for Food and Agricultural Development.

Rhyne, Elisabeth

1988 The Small Enterprise Approaches to Employment Project: How a Decade of A.I.D. Effort Contributed to the State of Knowledge on Small Enterprise Assistance. prepared for A.I.D. S&T/RD/EED>

Sebstad, Jennifer

1989 Expanding Off-Farm Income Opportunities for Women: Issues and Options for USAID/Malawi. Tropical Research and Development Inc. prepared for A.I.D.

van der Wees, Catherine and Henny Romjin

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White, Karen, Maria Otero, Margaret Lycette, and Myra Buvinic

1986 Integrating Women into Development Programs: A Guide for Implementation for Latin America and the Caribbean. ICRW for A.I.D. PPC/WID. Washington D.C.

## C. CONSTRAINTS ON FEMALE PARTICIPATION IN SME PROJECTS

## CONSTRAINTS WOMEN FACE IN SME PROJECTS

<u>Gender Constraints*</u>	<u>Effect*</u>	<u>Result in terms of access to* project assistance</u>	<u>Project Design Features Addressing These Problems</u>
1. Societal norms and attitudes create stereotypes that devalue women's work and contribute to family income	Project designers and planners do not recognize the real value of women's economic contribution	There is no relationship between reaching project targets -- increased income, job creation -- and integrating women as project beneficiaries	Require that a specific percentage of project beneficiaries be women
2. Women-owned enterprises tend to be among the smallest	Women borrow smaller amounts and need loans more often (working capital)	Transaction costs for credit and extension are higher and make it less cost effective to lend to women	Use quick and simplified loan procedures that require less staff time and increase overall loan volume
3. Lower levels of formal education; often semi or illiterate	Greater reluctance to approach an institution for credit of technical assistance  Greater difficulty in completing application forms and requirements	Self-selection process occurs even before a woman approaches the institution	Rely on simple application forms supplemented by interviews
4. Less likely to own land or property (often for legal and socio-cultural reasons)	Less able to meet collateral requirements that are based on ownership	Women not eligible for credit or other resources available through the project	Encourage group formation among women borrowers who will be responsible collectively and individually for loan repayment,  Offer small, short term loans for working capital
5. Dual role of income earned and housekeeper	Significantly curtails time and mobility	Women cannot travel to project headquarters	Use branch offices to provide project services at the local/village level
6. Increasing percentage of rural/urban households are headed by women	Households depend solely on female labor for income  Women are over-represented among the poorest sectors of society	Group least likely to participate in project benefits  Delivery channels and requirements may exclude this group	Develop a flexible schedule for the delivery of project services to encourage female participation after work hours or during periods of slow business

Source: Maria Otero, Gender Issues in Small Scale Enterprise, 1987.

INSTITUTIONAL AND PROJECT CONSTRAINTS

<u>Institutional and project constraints*</u>	<u>Effect*</u>	<u>Result in project-specific terms*</u>	<u>Project design features to address these problems</u>
1. Less likely to conduct outreach and promotion through channels accessible to women	Women do not learn of project's resources	Assumes all entrepreneurs are reached with no gender bias	Provide for greater interaction between staff and project beneficiaries by requiring staff members to live near the village/rural offices. Use female staff members to promote project
2. Management does not consider gender an important policy variable	Inclusion of gender is not an institutional priority Staff is not rewarded for addressing gender	No policy and administrative mechanisms are in place to guide projects	Hire a full-time coordinator, (or designate an existing staff member as such) to ensure that gender-related mechanisms (policy and administrative) are operating effectively
3. Feasibility step: sample seldom disaggregates by sex; inclusion of women entrepreneurs not part of methodology	Project designers fail to learn of women's constraints and needs	Project design does not reflect data pertinent to women entrepreneurs	Use specific outside technical assistance, if necessary, to collect, analyze and incorporate gender issues into project design
4. Delivery systems selected for project not take into account time and other constraints women face	Requirements and procedures may unknowingly exclude a large number of women	Project design does not include effective systems to reach women	Involve women who are knowledgeable of local conditions and the schedules of working women in the design of project delivery systems and procedures
5. Staff lacks capacity to address gender issues	All technical assistance is designed in a uniform manner	Project does not provide women who participate with the full benefit of assistance	Employ female staff members and train male staff members to incorporate gender concerns into the project
6. May use census data or national statistics which undercount women's economic activity, especially in the informal sector	Women remain invisible, or their productive roles are grossly underestimated and undervalued	Design based on incorrect assumptions and/or on incomplete information regarding the client population	Collect data disaggregated by sex during the design phase

Source: Maria Otero, Gender Issues in Small Scale Enterprise , 1987.

**D. A.I.D. POLICY AND GUIDELINES ON  
WOMEN IN DEVELOPMENT AND MICROENTERPRISE**

The A.I.D. Policy Paper on Women in Development (October 1982) states:

Misunderstanding of gender differences, leading to inadequate planning and designing of projects, results in diminished returns on investment. Gender is therefore a critical category of analysis in A.I.D.'s work, one that has not received sufficient attention to date.

A recent CDIE evaluation of the relationship between addressing gender as a variable in A.I.D. projects and the achievement of project purposes and goals found that:

Mainstream projects that ensure women's participation in proportion to their roles and responsibilities within the project's baseline situation are more likely to achieve their immediate purposes and their broader socioeconomic goals than projects that do not (Carloni 1987).

In a memorandum to senior staff on July 1988, the late Administrator Woods stressed his commitment to A.I.D. Women in Development Policy and response specific Congressional interest in WID training for A.I.D. staff and increasing female participation in A.I.D. training in LDC's. He issued action items requiring that:

- o all A.I.D. Bureaus and USAID Missions develop and implement WID action plans to address and monitor women in development issues throughout their programs and projects;
- o all program documents and data collection activities provide gender-disaggregated data;
- o all A.I.D. country strategy, program, project, nonproject assistance, and reporting documents describe strategies to involve women, benefits and impediments to women's participation in development, and benchmarks to measure women's participation in and benefits from developmental activities;
- o priority be given to Women in Development training for A.I.D. personnel, particularly in small and microenterprise, private enterprise development, agriculture, and natural resources management;
- o women's participation in training programs will increase. See Appendix D for the full text.

Recognizing the importance of women's productivity to broad-based, sustainable, economic growth; women's major economic responsibilities; and their limited access to education and productive resources, compared with men, the A.I.D. Microenterprise Development Program Guidelines (October 1988)

identifies women-owned and -operated enterprises as an important group that should have access to at least 50% of microenterprise assistance resources in credit, technical support, and training.

As A.I.D. moves toward institutionalization of the WID Policy and the WID components of the Microenterprise Guidelines, there remains a gap in empirical data about women's participation in the growth and dynamics of microenterprises. The recent Stock-Taking of A.I.D. microenterprise projects identified a lack of evidence of the impact of microenterprise project assistance on male as well as female microentrepreneurs (Boomgard 1989). Most A.I.D. SME project designs and evaluations to date have approached microenterprise in terms of firms rather than people. They have rarely focused on either the entrepreneurs - their needs, constraints, and opportunities - or the household economies in which their businesses are intermeshed.

**E. ARIES' WID MARKETING**

**ROBERT R. NATHAN**  
ASSOCIATES INC.

1301 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004  
Telephone: 202-393-2700  
Telex: 248482, Code: NATECON  
TWX: 710-822-1995  
Facsimile: 202-393-4548

WID Strategies Under the ARIES Project

Robert R. Nathan Associates, as prime contractor of the USAID worldwide ARIES (Assistance to Resource Institutions for Enterprise Support) Project, provides technical assistance to improve support services available for the promotion of small and micro-enterprises in developing countries. ARIES can enhance USAID's capacity to implement Women in Development policies within the small-scale enterprise sector by:

Effectively translating WID policy into operational terms by integrating gender issues into strategy and programs for small and micro-enterprise development

Working with intermediary organizations to implement small and micro-enterprise development programs that are self-sustaining and based on sound business principles

Analyzing constraints faced by women entrepreneurs

Designing, implementing, and evaluating overall program strategies and individual projects

Developing administrative capacity within the intermediary organizations charged with implementing income generating activities for women

ARIES intends to integrate three crucial components: technical assistance, research, and training in all project activities. This integrated methodology ensures that lessons learned during previous technical assistance missions will be synthesized and analyzed within the context of the prevailing conditions among female entrepreneurs. The

information derived from the research and technical assistance activities would, in turn, be used in the development of training modules.

Secondly, ARIES is strongly committed to establishing long-term relationships with USAID Missions and organizations working with small businesses. We firmly believe that the development of a viable small-scale business sector is essentially a long-term institution-building task; continuity and a consistent approach are necessary to create the environment required for the development of small businesses. This approach includes female small-scale entrepreneurs who play a pivotal role in small-scale entrepreneurial activities in most developing countries.

Finally, and perhaps most importantly, ARIES offers an innovative approach to the provision of technical assistance to women entrepreneurs that not only sets it apart from other efforts, but helps assure that progress made during project assistance will be self sustaining and continue long after the project has been completed. The ARIES project philosophy generally revolves around the concept of "mainstreaming" female entrepreneurs, rather than creating separate projects designed expressly to work with women. We believe that targeting sectors is the more effective way to target women entrepreneurs. By identifying specific sectors, subsectors, industries, etc. in which women play a dominant role, this strategy assures that women will be the direct beneficiaries of project assistance and will, therefore, have enhanced capability to contribute to overall economic development. Such assistance will be incorporated into a coherent approach to the development of small-scale entrepreneurs instead of being an isolated effort.

An example of this approach was that used by the ARIES team in its evaluation of the MIDAS project in Bangladesh last April. The team recommended studies to determine sectors or subsectors of the economy in which women play a significant economic role and to target those economic sectors in any small business program. Special assistance would then be built into the program to assure women access to the services of the program. The recommendations of the team concerning women's entrepreneurship were woven into the fabric of the recommendations for the follow-on project.

Another example points to Jordan, where technical assistance was recently provided under ARIES in assisting the USAID mission to develop a comprehensive strategy aimed at developing the small scale enterprise (SSE) sector.

Particular attention was focused on ways in which the project could be designed to ensure female entrepreneurs access to project resources. The team identified and addressed the principal constraints faced by female entrepreneurs and provided recommendations for project designs which would incorporate women entrepreneurs.

Currently, a team is conducting an evaluation of SWDO, the Somali Women's Democratic Organization in Somalia. The project is directed at improving management capabilities of SWDO, and improving social and economic conditions of rural women in the lower Shebelle region of Somalia.

The team will describe and assess pertinent social, economic, and institutional features of the village, and their impact on organized efforts to assist rural women. Based on their findings, they will recommend project activities to reach the project objective.

In collaboration with the USAID/WID office, a "Guidebook for Integrating Women Into Small and Micro Enterprise Projects" has been prepared. It has been designed to provide project designers with a guide to integrating women into small and micro enterprise programs. Its intention is to sensitize program designers to gender concerns, and to provide an overview of recent findings from the field.

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Department of State

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APPROVED BY: AID/PPC/WID:KDAVIES  
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AIDAC, FOR USAID PRE AND WID OFFICERS, FROM PPC/WID AND THE

E.O. 12958: O/A

TAGS:

SUBJECT: WID/PRE OPPORTUNITIES UNDER ARIES PROJECT

1. PURPOSE OF THIS CABLE IS TO BRING TO USAID ATTENTION THE  
EXISTENCE OF A NEW CENTRALLY-FUNDED PROJECT THAT CAN  
ENHANCE YOUR CAPACITY TO IMPLEMENT AID'S WOMEN IN  
DEVELOPMENT (WID) POLICY IN THE PRIVATE ENTERPRISE AREA.

2. THE CHALLENGE FACED TODAY IS TO INTEGRATE WID INTO ALL  
AGENCY PROGRAMS AND PROJECTS, PARTICULARLY IN THE FOUR  
BASIC AREAS OF FOREIGN ASSISTANCE MANDATED BY A/AID:  
PRIVATE ENTERPRISE DEVELOPMENT, TECHNOLOGY TRANSFER,  
INSTITUTION BUILDING, AND POLICY DIALOGUE. SMALL SCALE  
ENTERPRISE DEVELOPMENT OFFERS GREAT OPPORTUNITIES TO  
INCORPORATE WOMEN INTO ACHIEVEMENT OF NATIONAL ECONOMIC  
GOALS, AND WID STRATEGIES INTO MAINSTREAM OF DEVELOPMENT  
PLANNING.

3. IN VIRTUALLY EVERY DEVELOPING COUNTRY, THERE IS A NEED  
TO SHIFT THE FOCUS ON WOMEN'S ISSUES FROM SOCIAL WELFARE  
PERSPECTIVE TO ECONOMIC ONE. THIS SHIFT MUST BEGIN WITH  
PREPARATION OF A COUNTRY DEVELOPMENT STRATEGY BASED ON  
SOUND ANALYSIS OF IMPACTS OF GENDER ON PROJECT OBJECTIVES.

PROJECTS CAN THEN BE DESIGNED THAT ARE RESPONSIVE AND  
APPROPRIATE TO THE REALITIES OF THE GENDER SITUATION, AND  
THEREFORE MORE EFFICIENT.

4. THE ARIES PROJECT, MANAGED BY S AND T/RO, CAN ASSIST  
MISSIONS TO EFFECTIVELY TRANSLATE THE WID POLICY INTO  
OPERATIONAL TERMS BY INTEGRATING GENDER ISSUES INTO  
STRATEGY AND PROGRAMS FOR SMALL AND MICRO-ENTERPRISE  
DEVELOPMENT. THE ARIES STRATEGY IS TO WORK WITH AID  
MISSIONS AND INTERMEDIARY ORGANIZATIONS IN DEVELOPING  
COUNTRIES TO IMPLEMENT SMALL AND MICRO-ENTERPRISE DEVELOPMENT  
PROGRAMS THAT ARE SELF-SUSTAINING AND BASED ON SOUND  
BUSINESS PRINCIPLES. SPECIFICALLY THIS MAY INCLUDE  
ANALYZING THE CONSTRAINTS WHICH WOMEN ENTREPRENEURS FACE,  
DESIGNING, IMPLEMENTING, OR EVALUATING OVERALL PROGRAM  
STRATEGIES, AS WELL AS INDIVIDUAL PROJECTS, AND DEVELOPING  
TECHNICAL AND ADMINISTRATIVE CAPACITY WITHIN THE INTER-  
MEDIARY ORGANIZATIONS CHARGED WITH IMPLEMENTING INCOME  
GENERATING ACTIVITIES FOR WOMEN.

5. THE PROCESS FOR OBTAINING WID ASSISTANCE UNDER ARIES  
IS RELATIVELY STRAIGHTFORWARD, AND IS INITIATED BY CABLEING  
S AND T/RO, BOB EIGELOV, PROJECT MANAGER, WITH INFO COPY  
TO PPC/WID. UNDER THE FSA BUY-IN PROCEDURES COVERING THE  
ARIES CONTRACT, MISSION PERSONNEL AND ROBERT KATHAN  
ASSOCIATES CAN DIRECTLY NEGOTIATE TERMS OF REFERENCE,  
BUDGETS, AND OTHER PROVISIONS OF A WORK ORDER.

6. BROCHURES DESCRIBING PROJECT AND DETAILED PROCEDURES  
BEING SENT UNDER SEPARATE COVER.

7. MISSIONS ARE URGED TO TAKE ADVANTAGE OF THIS OPPOR-  
TUNITY TO ADVANCE WID ISSUES IN THE CONTEXT OF PRODUCTIVE  
SMALL ENTERPRISE DEVELOPMENT. AID HAS MADE PROGRESS  
DURING THE LAST DECADE IN INCREASING GENERAL AWARENESS  
WITHIN THE DEVELOPMENT COMMUNITY OF THE ROLE OF WOMEN AS  
CONTRIBUTORS TO DEVELOPMENT. THE ARIES PROJECT OFFERS  
VEHICLE TO TRANSLATE THAT AWARENESS INTO CONCRETE STRATE-  
GIES AND PROGRAMS.

8. INITIAL ADVICE OF TENTATIVE INTEREST IN WID ACTIVITIES  
UNDER THE ARIES PROJECT WOULD BE APPRECIATED O/A OCT. 30. SHULZ

Agency for  
International  
Development

September 9, 1986

Washington, D.C.  
20523

NOTE TO WES WEIDEMANN

FROM: PPC/WID, Rebecca Masters

*Rebecca Masters*

As promised, a copy of the joint PRE-PPC/WID  
cable is enclosed. Note that we commit to  
sending brochures and details under separate  
cover in para 6. That's your cue!

Please let us know if you get any "nibbles"  
as a result that may somehow slip through the  
system without our receiving an info copy.  
We also look forward to seeing your follow-up  
letter. Thanks for keeping us in mind!

UNCLASS

## F. ASKARIES PROBLEM STRUCTURE AND SAMPLE ENTRY

# Seeking Solutions: Database and Cases for Small Enterprise Development Programs

CHARLES MANN, MERILEE GRINDLE and PARKER SHIPTON

ASKARIES KNOWLEDGEBASE and SEEKING SOLUTIONS: FRAMEWORK AND CASES FOR SMALL ENTERPRISE DEVELOPMENT PROGRAMS

(West Hartford: Kumarian Press, 1989)

**A**s part of a development management project, a team of researchers at HIID created a computer-based information system about small enterprise development in the Third World with a unique solution-seeking orientation. Called *AskARIES Knowledgebase*, it began as a USAID project to help intermediary organizations—private voluntary organizations, cooperatives, public sector agencies, business associations, and public and private banks—support small and micro enterprises in developing countries. Increasingly, intermediary organizations occupy a greater place in the strategy of major development assistance agencies; the ARIES (Assistance to Resource Institutions for Enterprise Support) project sought to help these organizations effectively reach and assist their diverse clientele.

It began as a variation of the annotated bibliography, oriented to the problems faced by organizations working in the field. In approaching its task, the HIID team started by assessing the ways in which existing capacity of these intermediary organizations was regarded as deficient. To facilitate this task, the team divided "capacity" into four broad domains: strategic, administrative, technical, and communicative. Through both a literature review and interviews with designers and managers of small enterprise programs, they then elaborated on shortcomings within each of these four domains. Operationally, this resulted in an inventory of the problems which the institutions frequently encountered. The team examined these problems for similarities and patterns, thereby creating a typology of "recurrent problems."

*Through both a literature review and interviews with designers and managers of small enterprise programs, HIID-staff produced an inventory of the problems which the institutions frequently encountered, thereby creating a typology of "recurrent problems."*

The idea of "recurrent problems" proved to be a powerful concept around which to organize the data base. Each of the 450 documents which comprise the core of the *AskARIES* data base is not only summarized, but if there is mention of any of the "recurrent problems," ARIES analysts—who are well-trained research assistants with field experience in developing countries—make explicit the relationship between the information in the article and the "recurrent problem." Hence, there is not only a section entitled "Problem Identified" for each article, but also, a section entitled "Problem Causes/Implications" in which a substantive exploration of problem causes

is presented, and another section entitled "Suggestions/Training Ideas" which discusses specific recommendations presented by the author. In a final section, "Analyst Comments," the *AskARIES* analyst presents his or her response and any additional knowledge or insights. Hence, the user can easily access two sorts of expertise: expertise contained in the literature and expertise about the literature.

In addition to capturing explicit information about recurrent problems drawn from the literature, the ARIES team wanted to create a structure that would also facilitate exploring how problems relate to a wide range of program and cultural variables. Therefore, fields were created for many variables thought to be important to program design and success: the context within which a program is operating, various attributes of the resource institution, central features of its program, and characteristics of its clients. In addition to providing descriptive information, this structure allows formulation and testing of various hypotheses relating the recurrent problems to a range of other factors in other data base fields. For example, one might hypothesize that the structure of interest rates and borrower fees would be substantially different according to cultural context and religion of the clients, given, for example, Moslem views on the concept of interest. The system's structure allows one to explore such ideas.

At its current stage of development, *AskARIES* is roughly equivalent to the knowledgebase component of an expert system—a structure compendium of the expert knowledge of a subject. Users can search the literature not only for types of problems and solutions, but can also explore the possible relationships between problems and, for example, client characteristics. Operating in remote locations, often with limited access to the small enterprise literature, field staff can now use *AskARIES* on their own PCs to learn what various authorities have to say about the problems of designing and managing small enterprise programs. Furthermore, it represents a new sort of tool to facilitate collaborative intellectual work within an entire community of scholars and practitioners: they can add, organize, and share information from their own sources and experiences as well as draw from the HIID-supplied content.

A companion book to the knowledgebase, *Seeking Solutions: Framework and Cases for Small Enterprise Development Programs*, explains the framework on which the software is based. The book also presents a series of 18 teaching cases which address the issues of institutional management and program design. The cases draw on the actual experiences of resource institutions and the dilemmas and opportunities faced by their managers. Each case places the reader in the position of a decision maker, presents information about a critical decision that needs to be made, and asks: "What would you do if you were the decision maker?" The issues faced are usually complex and, in the process of considering them, the decision maker must often assess institutional goals, the strengths and weaknesses

of the organization, its capacity to respond to the needs of its clients, and its relationships with other organizations. Moreover, institutional characteristics, the needs and conditions of clientele, and country contexts all differ, adding to the complexities faced by resource institution managers.

The situations presented in the cases underscore the fact that institutional and cultural contexts, as well as the visions and capacities of individuals, continuously interact and change over time. The management challenge, therefore, is not mounting a one-time search for some universally best solution, but building the capacity continuously and creatively to seek solutions.

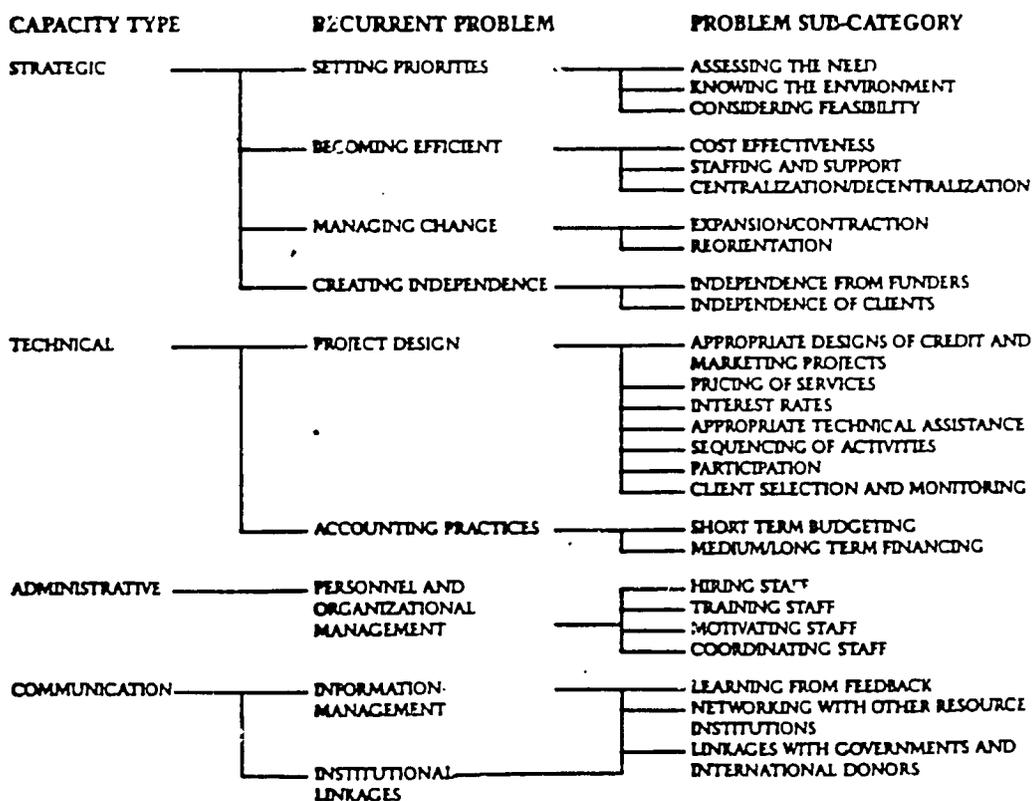
*Charles Mesa, whose Ph.D. in Economics is from Harvard University, is an HIID Research Associate and former Associate Director for Agriculture and Social Sciences at the Rockefeller Foundation. Merilee S. Getztle is an HIID Research Associate who teaches at the Kennedy School of Government, Harvard University. With a Ph.D. in Political Science from M.I.T., she has conducted research in Colombia, Costa Rica, the Dominican Republic, Ecuador, Mexico, and Nicaragua.*

*Parker Shipston, an Institute Associate with HIID and Assistant Professor of Anthropology, has done research in Kenya, Tanzania, Colombia and Congo Republic. He received a Ph.D. in Anthropology from Cambridge University.*

### WHAT IS THE RECURRENT PROBLEM FRAMEWORK IN AskARIES?

The AskARIES recurrent problem framework consists of a three-tiered conceptual scheme: (A) capacity types are broken down into (B) recurrent problem categories, which, in turn, are broken down into (C) problem sub-categories.

#### THE RECURRENT PROBLEM FRAMEWORK IN AskARIES



\*From the AskARIES USER'S GUIDE.

KEYNAME | Ashe 1986  
 ACCESSION NO. | 86.NIC  
 NO.ENTRY/ THIS PUB. | 1 of 2  
 LAST NAME | Ashe  
 FIRST NAME | Jeffrey  
 OTHER AUTHORS |  
 CORPORATE AUTHOR(S) |  
 BOOK/PUBLISHER PAPER | Solidarity Groups and the Women's World Bank:  
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 POLICY THEMES | Women in development  
 SUMMARY |

"This investigation was carried out as a part of the activities financed by Private Agencies Collaborating Together Documentation Grants. It focuses on the social impact of solidarity group loans to micro-enterprises, such as market vendors and hawkers, and micro-producers, seamstresses, shoemakers, and bakers.

The survey was based on a random sample of solidarity groups that included both micro-enterprises and micro-producers. Program clients participated in group discussions about the program and responded individually to questions exploring their impressions of the program's training and credit components and the ensuing results of their participation.

In response to a Women's World Bank (WWB) staff observation that significant changes in commitment to the program occur between the fourth and fifth month of participation, the 77 owners of micro-enterprises in the sample were divided into two groups: those who had been with the program five months or more and those who had been with the program less than five months. This group was also divided by gender to see if women participants perceived the program differently than men. Since the WWB had only recently extended its services to cottage artisans, the sample of micro-producers was small (24) and was not analyzed by sex or time with the program.

Since the WWB program in Cali began in August, 1983, credit has been made available to 376 solidarity groups with 1,341 members; 64 percent of the borrowers are women. Three characteristics of the Cali program stand out:

(1) Little time is invested in each group; each promoter tends to the needs of 38 solidarity groups

|with a total of 134 members.  
 |(2) Groups are expected to take major responsibility  
 |for carrying out the program -- informing others,  
 |forming groups, and making payments.  
 |(3) The WWB encourages mutual assistance; from the  
 |first contact, the expectation is created that the  
 |program is much more than a simple mechanism to  
 |receive credit. This methodology is based on an  
 |implicit development philosophy that has three general  
 |principles:  
 |(a) Businesses are expected to improve; vendors will  
 |sell more, manufacturers will produce more, and all  
 |will earn more.  
 |(b) "Solidarity" -- mutual assistance and collective  
 |action -- is as important as business growth.  
 |(c) The ultimate goal is the development of each  
 |participant as a person.  
 |Conclusions include the following:  
 |(1) The standard of living of participants has  
 |improved. Seventy-one percent feel their standard of  
 |living has improved because of the business.  
 |(2) Solidarity: there is more mutual assistance,  
 |communication, and friendships between participants.  
 |Sixty-six percent have been members of groups that  
 |have had a member who could not (or would not) make a  
 |payment; 88 percent of these groups made up the  
 |payment to fulfill their obligation to WWB.  
 |Sixty-eight percent of the group members loan money to  
 |each other, up from 44 percent who loaned to each  
 |other before they joined the program.  
 |(3) Improved business practices: Forty-four percent  
 |are using some sort of bookkeeping system; before only  
 |16 percent kept records. Of the micro-producers,  
 |fully two-thirds are using some form of bookkeeping  
 |now, up from 13 percent before they joined the  
 |program.  
 |(4) The participants evaluation of the program is  
 |generally positive. Eight-six percent feel the  
 |training is necessary and that they have been able to  
 |apply what they have learned to their businesses (75  
 |percent)."

SUMMARY SOURCE	Author
RESOURCE INSTN:NAME	Women's World Bank
RI:ADDRESS	Cali, Colombia
RI:CATEGORIES	Financial institution, private, international,  decentralized
RI:CONTENT	Credit, savings, training, technical assistance
PROJECT: NO. CLIENT	
PROJECT:YR EST	
CLIENT:SECTOR	Service, retail, manufacturing
CLT:TYPE-WEALTH	Self-help group, poor, poor-middle
CLT:LOCATION	South America, Colombia, Cali, urban
CLT:ENT SZE-NEW/EXS	2-5
CLT:CHARACTERISTICS	
CAPACITY TYPE	Technical
RECURRENT PROB. CAT	Project Design

PROBLEM SUBCATEGORY | Appropriate designs for credit and marketing projects  
 PROBLEM IDENTIFIED |  
 PROBLEM CAUSES |  
 IMPLICATIONS |  
 SUGGESTIONS |  
 TRAINING IDEAS |  
 ANALYST COMMENTS |  
 ANALYST | AH HIID ARIES  
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 USER-DEFINED FIELD |  
 USER-DEFINED FIELD |  
 USER-DEFINED FIELD |  
 USER-DEFINED FIELD |

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 POLICY THEMES | Women in development  
 SUMMARY |  
 SUMMARY SOURCE |  
 RESOURCE INSTN:NAME | Women's World Bank  
 RI:ADDRESS | Cali, Colombia  
 RI:CATEGORIES | Financial institution, private, international,  
 | decentralized  
 RI:CONTENT | Credit, savings, training, technical assistance  
 PROJECT: NO. CLIENT | 1,000-4,999  
 PROJECT:YR EST | 1983  
 CLIENT:SECTOR | Service, retail, manufacturing  
 CLT:TYPE-WEALTH | Self-help group, poor, poor-middle  
 CLT:LOCATION | South America, Colombia, Cali, urban  
 CLT:ENT SZE-NEW/EXS | 2-5  
 CLT:CHARACTERISTICS |  
 CAPACITY TYPE | Technical  
 RECURRENT PROB. CAT | Project Design  
 PROBLEM SUBCATEGORY | Appropriate designs for credit and marketing projects  
 PROBLEM IDENTIFIED | During the evaluation process, 60 percent of  
 | respondents who commented on the credit process wanted  
 | the loan terms extended from one month to at least two

**PROBLEM CAUSES** | months; also many wanted loan amounts to be increased.  
**IMPLICATIONS** |  
| The interest rate -- a flat 36 percent per annum  
|-- was rarely mentioned as a problem, while  
|dissatisfaction with the terms of the loans was  
|mentioned by many. This underscores the idea that  
|what is important is quick access to credit, not the  
|interest rate.

**SUGGESTIONS** | From the perspective of the participants, the  
|terms of loans should be extended to at least two  
|months, and the amounts of loans should be increased.

**TRAINING IDEAS** |  
**ANALYST COMMENTS** | This document is largely intended to be a  
|qualitative probe into participants' feelings about  
|the program in order to develop indicators of the  
|three program goals -- improved businesses, enhanced  
|"solidarity", and personal growth. There are no  
|recommendations from the evaluator.

| Other observations from the evaluation:  
| (1) Payment problems are the main cause of  
|dissatisfaction and divisiveness within the groups;  
|this probably explains why only 52 percent preferred  
|the mechanism of group credit to individual credit.  
|Micro-producers were much more likely to prefer group  
|credit than the micro-commerces (71 percent versus 50  
|percent). (Note: none of the group comparisons are  
|statistically significant differences in the technical  
|sense).

| (2) Producers and merchants felt differently  
|about the project: 22 percent of the micro-commerces  
|felt their standard of living was "much better,"  
|compared to 71 percent of micro-producers. As noted  
|by the evaluator, this could have important  
|implications for whom to target in the program.

**ANALYST** |AH HIID ARIES  
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**Table II-1**  
**Capacity Domains and Recurrent Problems Addressed by Cases**

<b>1 ADEMI</b>	<i>Strategic</i>	Becoming efficient: staffing and support; centralization/ decentralization.
	<i>Administrative</i>	Managing change: expansion/contraction. Personnel and organizational management: training staff; motivating staff.
<b>2 BRAC (A)</b>	<i>Strategic</i>	Becoming efficient: cost effectiveness.
	<i>Technical</i>	Project design: appropriate designs for credit and marketing projects; pricing of services; interest rates.
<b>3 BRAC (B)</b>	<i>Strategic</i>	Becoming efficient: staffing and support. Creating independence: independence from funders.
	<i>Administrative</i>	Personnel and organizational management: training staff.
<b>4 BRAC (C)</b>	<i>Strategic</i>	Setting priorities: assessing the need; knowing the environment; considering feasibility. Managing change: reorientation.
	<i>Technical</i>	Project design: appropriate designs for credit and marketing projects; sequencing of activities.
<b>5 CARE-Philippines (A)</b>	<i>Strategic</i>	Setting priorities: considering feasibility. Managing change: reorientation. Creating independence: independence of clients.
	<i>Technical</i>	Project design: participation.
	<i>Communications</i>	Information management: program evaluation. Institutional linkages: networking with other resource institutions; linkages with governments and international donors.
<b>6 CARE-Philippines (B)</b>	<i>Strategic</i>	Creating independence: independence from funders.
	<i>Administrative</i>	Personnel and organizational management: coordination.
	<i>Communications</i>	Information management: learning from feedback; program evaluation. Institutional linkages: networking with other resource institutions; linkages with governments and international donors.
<b>7 The Carvajal Foundation (A)</b>	<i>Strategic</i>	Setting priorities: assessing the need; knowing the environment. Managing change: reorientation.
	<i>Technical</i>	Project design: appropriate designs for credit and marketing projects; appropriate technical assistance; sequencing of activities.
<b>8 The Carvajal Foundation (B)</b>	<i>Strategic</i>	Becoming efficient: cost effectiveness; staffing and support. Creating independence: independence from funders.
	<i>Technical</i> <i>Communications</i>	Project design: appropriate technical assistance. Institutional linkages: linkages with governments and international donors.
<b>9 FUCODES</b>	<i>Strategic</i>	Setting priorities: considering feasibility. Becoming efficient: cost effectiveness; staffing and support. Managing change: reorientation.
	<i>Technical</i>	Project design: appropriate designs for credit and marketing projects.
<b>10 The Grameen Bank Project (A)</b>	<i>Strategic</i>	Setting priorities: assessing the need; knowing the environment; considering feasibility.
	<i>Technical</i>	Project design: appropriate designs for credit and marketing projects.
<b>11 The Grameen Bank Project (B)</b>	<i>Strategic</i>	Setting priorities: assessing the need; knowing the environment; considering feasibility.
	<i>Technical</i>	Project design: appropriate designs for credit and marketing projects.

- 12 The Grameen Bank Project (C)**  
*Strategic* Setting priorities: considering feasibility.  
 Becoming efficient: cost effectiveness;  
 staffing and support.  
*Technical* Managing change: expansion/contraction.  
 Project design: participation.  
*Administrative* Personnel and organizational management:  
 training staff; motivating staff; coordination.
- 13 IIRR (A)**  
*Strategic* Managing change: reorientation.  
 Creating independence: independence of clients.  
*Technical* Project design: participation.  
*Communications* Information management: learning from feedback.  
 Institutional linkages: networking with other  
 resource institutions.
- 14 IIRR (B)**  
*Technical* Project design: participation.  
*Administrative* Personnel and organizational management:  
 coordination.  
*Communications* Information management: learning from feedback.  
 Institutional linkages: networking with other  
 resource institutions.
- 15 Indonesian Rattan Basket Exporting Company**  
*Strategic* Setting priorities: knowing the environment.  
 Becoming efficient: cost effectiveness.  
 Creating independence: independence from  
 funders.
- 16 PRODEME**  
*Strategic* Setting priorities: assessing the need.  
 Becoming efficient: cost effectiveness.  
*Communications* Institutional linkages: linkages with governments  
 and international donors.
- 17 Save the Children**  
*Strategic* Becoming efficient: cost effectiveness;  
 centralization/decentralization.  
 Creating independence: independence from  
 funders; independence of clients.  
*Technical* Project design: appropriate designs for credit and  
 marketing projects.
- 18 Senegal (A)**  
*Strategic* Setting priorities: assessing the need; knowing  
 the environment; considering feasibility.  
 Managing change: reorientation.  
*Technical* Project design: appropriate designs for credit  
 and marketing projects; sequencing of activities.
- 19 Senegal (B)**  
*Strategic* Becoming efficient: staffing and support.  
*Technical* Project design: appropriate designs for credit  
 and marketing projects; interest rates;  
 appropriate technical assistance; client selection  
 and monitoring; sequencing of activities.  
*Administrative* Personnel and organizational management:  
 motivating staff; hiring staff.  
*Communications* Information management: learning from feedback.  
 Institutional linkages: networking with other  
 resource institutions.
- 20 Tototo Home Industries**  
*Strategic* Setting priorities: assessing the need;  
 considering feasibility.  
*Technical* Project design: appropriate technical assistance;  
 participation; sequencing of activities.  
*Administrative* Personnel and organizational management:  
 training staff; hiring staff.  
*Communications* Information management: learning from feedback.  
 Institutional linkages: networking with other  
 resource institutions.
- 21 The UNO Project**  
*Strategic* Setting priorities: assessing the need;  
 knowing the environment.  
 Becoming efficient: cost effectiveness;  
 staffing and support.  
 Managing change: reorientation.  
*Technical* Project design: appropriate designs for credit and  
 marketing projects; pricing of services; interest  
 rates; appropriate technical assistance; client  
 selection and monitoring; sequencing of activities.  
*Communications* Information management: learning from feedback.

## H. ARIES SEMINAR ON INTEGRATING WOMEN IN SME PROGRAMMING

### Summary Prepared by Eric Hyman

On April 5, 1989, the ARIES project held a seminar that focused on integrating women into the design of small- and micro-enterprise (SME) programs. The panel presentations by key theoreticians and practitioners in the field and the ensuing discussions highlighted the increasing sophistication of the field of women in development and our better understanding of what works and does not work. However, despite the title of the seminar, little was specifically said about "other excluded groups" besides women.

The first presentation, by Tom Timberg, reported on work done by Wes Weidemann and others at Robert R. Nathan Associates on "Programs for Small Business Women in Africa and the Middle East". Weidemann's paper noted that female entrepreneurship is important to enhance women's economic and social status and also because of their comparative advantage in certain entrepreneurial roles. There are four common reasons why women are under-represented as entrepreneurs. The first reason is legal constraints, but this was not seen as a primary barrier, even in Jordan. Social restrictions, the second reason, pose more of a problem. Yet, in countries with the purdah system which bars women from many economic roles creates other "sheltered opportunities" for female entrepreneurs in sales and services for women.

The third reason is due to lack of access to resources, especially capital and skills. It was concluded that moving women from the pre-entrepreneurial stage will require more than just minimal credit. Although it would generally be best for women to train potential entrepreneurs, even the Grameen Bank in Bangladesh and the ADEMI project in the Dominican Republic, which have succeeded in reaching sizeable numbers of women, have found it difficult to recruit female fieldworkers. The fourth reason is lack of social support for women to develop an entrepreneurial orientation both in forming micro-enterprises and in scaling up activities.

A.I.D. policy states that at least 50% of its resources for micro-enterprise development should be used for women, and this is probably achieved overall due to the large number of special programs for women. Nevertheless, Weidemann's paper concludes that special programs for women are not a substitute for ensuring equal access for women in general programs. Finally, it criticizes the fact that national development plans and budgets are generally done in the absence of information on their likely impacts on women.

The commentator for Weidemann's paper, Margaret Clark of the Ford Foundation, questions the term "female entrepreneurship" because it presumes that women are not now entrepreneurs and that this is a skill that must be taught. Almost all women in LDCs do economically valuable work. Citing Mohammed Yunis, this fact brings up the importance of supporting the economic activities that people are already doing to survive. Clark states that lack of entrepreneurial talent is not the main problem, just access to capital, industry-specific skills, and markets. In Africa and the Middle East, lower levels of literacy and experience in wage employment among women make training and technical assistance more critical for women.

Clark identifies inadequate child care services as a constraint for women seeking to expand economic activities beyond home-based work. One possibility may be to encourage cooperation between older women with traditional skills who can produce goods in the home for sale and younger, better educated women who can do accounts, maintain inventories, and handle marketing. An important aspect of women's economic activities is that the income earned is more likely to be spent in a way that benefits the nutrition, health care, and education of the children in the household.

Suzanne Kindervatter of OEF remarked that the minimalist credit debate has been overly simplistic. Although women are already working, helping them move from a pre-entrepreneurial stage or expanding their entrepreneurial activity may require training and technical assistance to be effective, even though this boosts the costs over programs that provide credit alone.

Marguerite Berger, an independent consultant, delivered her paper, "Women's Participation in Credit Programs for Small- and Micro-Enterprises," which will appear in the July 1989 issue of World Development. She began by noting that two types of impacts are desired, poverty alleviation and economic growth, and that the debate on possible tradeoffs between these two goals has never been resolved. Berger concurred that targeted credit for women is a second-best solution compared to removing barriers to economic opportunities for women. She finds the Schumpeterian sense of the term "entrepreneurs" as dynamic actors combining inputs through innovation misleading in the micro-enterprise sector as it neglects the importance of self-employment.

Berger classifies credit programs into four types according to their institutional arrangements: (1) commercial bank schemes, (2) intermediary organizations working with financial institutions, (3) parallel credit programs of NGOs, and (4) poverty-focused development banks. Although direct discrimination against women exists in the banking system, it is not the key problem. More important barriers affecting women's access to formal sector credit include collateral requirements; transaction costs of lending to small borrowers; low interest rates that lead to decapitalization of loan funds so that fewer borrowers, and usually only the larger or better off ones, can

benefit; and transaction costs for borrowers such as requirements for business plans and commercial analysis, time and transport costs of arranging the loan, requirements for formalization of the enterprise, and, in some cases, the need to pay bribes to get loan approvals.

At present, the informal sector is the largest source of financing for women's enterprises. Often, the total interest costs of these loans for flexible periods of time are not that much higher than the actual costs of receiving formal sector loans. A neglected area for development projects is building financing linkages between producers and their raw material suppliers or product marketers. In the NGO programs, the benefit of solidarity groups has not been so much in the social pressures for repayment as in the bundling of clients to reduce the administrative costs of loans. A problem with savings and loan coops is the common restriction that only one person in a household can usually take out a loan at a time, and this usually ends up being the man.

Berger notes the common features of many successful credit programs for women: flexible loan periods; small, but frequent payments, small total loan size, alternatives to collateral such as co-signers, solidarity groups, and use of non-land collateral such as jewelry and other personal assets; a simple application procedure; provision of technical assistance; and having a convenient location near the borrower. In many respects, these features emulate the characteristics of informal sector credit. However, credit alone may only allow a business to improve up to a certain level or for a limited period of time. Yet, not enough is known about the design and impact of appropriate training and technical assistance programs.

Although much discussed as an objective, Berger notes that neither the NGOs, banks, or borrowers have an incentive to seek graduation of development program borrowers to conventional financial institutions. The NGOs do not want to lose their best clients, whose regular repayment keeps their programs sustainable. The banks would then have to face the higher administrative costs of dealing with many borrowers who are still small, even though they have grown. The borrowers would have to bear higher transaction costs and interest rates than they do in the special programs.

Jacob Levitsky, an independent consultant, commented on the paper by Berger. He believes that there is a tradeoff between economic growth and poverty alleviation, and that it may be necessary to favor the equity side in SME programs because we need to be concerned with those at the survival levels, rather than just entrepreneurs. Part-time activities should not be neglected, including those in which women work in partnership with men in a family business. There is a need to improve the image of women's traditional economic activities, as they can sometimes be quite profitable. Most of the women in business in LDCs are among the least educated groups.

Because of the greater needs of women for nonfinancial assistance as well as credit, Levitsky argues that the objective of having sustainable loan funds may have to be put on the back burner. Graduation may be more relevant for whole groups of borrowers rather than an individual, and one way of accomplishing this is by linking an NGO intermediary to a financial institution.

Irene Tinker of the Equity Policy Center commented that the issue of growth in firm size is not always relevant; for example, we do not bemoan farmers having 1 hectare plots because they do not expand their farm size. To assume that women are unsuccessful if they do not act like the ideal entrepreneur is an unfair value judgment when their usual goal is to assist their family as best they can in diverse ways. Structural adjustment programs are pushing more women into informal sector activities, including educated ones. Yet, government agencies are reluctant to deal with the increasing number of female-headed households in many LDCs.

Jennifer Bremer-Fox of Robert R. Nathan Associates spoke on "Making Integration More Than Lip Service". Her theme was mainstreaming women into regular development support services, rather than separate programs that are usually far from equal. If mainstreaming is sincerely carried out, it would increase the total resources available to women, recognize their important economic role as opposed to just equity concerns, and highlight the problems women face in securing access to development resources.

There are several concerns about the mainstreaming strategy. The first is that mainstreaming can be misused as an excuse for not doing anything to remove barriers for women's participation. Second, since discriminatory laws and social attitudes remain in place, women may need extra resources to be able to compete on a more equal footing. Third, an effective monitoring system is needed to determine how many women are being reached by the mainstream program.

Some of the features needed for effective mainstreaming, according to Bremer-Fox, are (1) an understanding of women's economic activities and their constraints, (2) the availability of private sector services for credit and technical assistance since governments often deliver the bulk of their services to the best connected, (3) good targeting of the location of the services since low-income people have many pressing demands on their time, and (4) including activities in which women are not just entrepreneurs, but also workers. A justification based on "broad-based economic growth" is generally more persuasive to governments than an equity rationale.

Lynn Bennett of the World Bank notes that the new push for mainstreaming is a result of frustration with the previous "women in development" mindset. Many of the early NGO and government

projects in this area failed to take a businesslike approach to production and marketing. Financial institutions, whether government or private, have sometimes viewed special credit schemes as a cost of doing business like a tax and expect losses in these activities. A common characteristic of some of the more successful recent projects, such as one in Nepal, was the formation of groups by a woman's association, which then worked with commercial banks.

Bennett reports on experience with a major integrated rural development project in India that raises questions about mainstreaming women in a large politicized project. As a result of high credit delivery costs, borrower perceptions of loans as grants, and politicians proclaiming loan forgiveness, this credit fund became decapitalized. Also, the government decided what activities women should take on and subsidized those activities. Although mainstreaming might be preferable ideologically, it is important to examine the structure and implementation of such programs.

Ton de Wilde of Appropriate Technology International noted that women's economic activities in small- and micro-enterprises have always been important, despite only recently being discovered on the "development map". Most macroeconomists have neglected this sector in formulating theories or recording national statistics, viewing it as important only for poverty alleviation rather than economic development. Yet, as an ILO study found, the value of the output from women's domestic and household production activities usually amounts to 30-38% of total cash and in-kind income of households.

De Wilde identifies a major constraint to better integration of women into the economy -- the fact that they have to devote much time to arduous work because they lack access to more productive technologies for carrying out traditional tasks. In Africa, for example, UNIFEM has found that women generally work much longer hours than men. Since women are already working such long hours, they find it difficult to get the time to undergo training or shift to new activities. Making appropriate technologies available to the poor is an essential component of raising their productivity and providing more time for greater participation in the formal and informal economies. Examples of these technologies include simple machines for grain milling and oil pressing.

Another area that the women in development field has not sufficiently addressed, according to de Wilde, is the macroeconomic and sectoral policy environment. A series of small project interventions will not have much impact overall without structural changes that allow access to more productive technologies and provide adequate incentives for increased production. In general, it is not a question of subsidizing small- and micro-enterprises, but removing the barriers to sound decision making. The macro-policies of most countries currently favor large-scale enterprises using inappropriate, capital-

intensive technologies. As Ariaratne of the Sarvodaya Movement in Sri Lanka stated, "Development is learning to do with what we have".

Maria Otero of Accion began by stating a reluctance to make generalizations across different programs and countries. Nevertheless, there are some recurring themes that arise from this experience:

1. Access is broader than just credit; it encompasses all aspects of women's lives.
2. Women predominate among the smallest producers.
3. Women face many constraints in their economic activities.
4. Successful SME development programs reaching the smallest enterprises have not found working with women to be a problem.
5. A wide diversity of successful programs exist. Debates about the merits of minimalist credit versus credit programs with training and technical assistance have focused on absolutes that are irrelevant in the field.
6. Conditions offer differ across countries in a region.

There are still many unresolved questions as well:

1. Does targeting matter or is mainstreaming best?
2. What should be the role of government?
3. Do tradeoffs exist between growth and equity?
4. What are the types of institutions that reach women and the characteristics of these institutions?

Ross Bigelow of A.I.D. concluded the discussion by mentioning some of the conclusions of the recent stock-taking exercise of A.I.D. micro-enterprise programs. In this sample of projects, the proportion of women beneficiaries was high and there was no evidence of lower economic returns or reduced sustainability of projects with a gender-specific focus. Bigelow also identified the lack of statistically sound information on the income impacts of micro-enterprise projects as a problem in convincing decision makers of the merits of these programs, and noted the difficulties of accurately obtaining such information from entrepreneurs.

## I. ARIES STATE-OF-THE-ART WORKSHOP ON SMALL AND MICROENTERPRISE

### Summary of Gender Issues Discussed in the Workshop

On May 30th speakers and commentators reported the findings of recent studies and accomplishments in small and microenterprise in programs sponsored by UNCDF, the World Bank, ILO, UNDP, UNIDO, and AID. The importance of taking gender into account in microenterprise projects was one of several major issues discussed in the workshop. Maria Otero, ACCION International, criticized the UNCDF's study's failure to mention women. She insisted that gender, as it relates to microenterprise programs, is a crucial point we must understand if technical advisors expect to provide sound advice. She noted that increasing numbers of microentrepreneurs are women; they often exhibit different approaches to business; projects that involve women have been more successful; women are the best clients with high rates of loan repayments. She proposed an addendum to the report to address women's issues.

In his comments on the World Bank Small and Medium Enterprise report, Russell Webster, Robert R. Nathan Associates, stressed the importance of considering social norms such as gender specific attitudes and regulations. He gave an example from Bangladesh - the limits on female ownership of land needed for collateral for loans. Suzanne Kindervatter, OEF International, praised the A.I.D. Microenterprise Stock-taking report for addressing gender issues and presenting gender disaggregated data. Particularly useful were data on the types of programs with the highest female participation and the suggestion that projects should target sectors where women work rather than simply targeting women, she said. However, she added that many women work in areas which offer low economic return and thus it is important to involve women in nontraditional work as well. Because women tend to invest their profits in human capital - their children - their business success should be judged in different terms than men's, she argued.

Other important issues discussed included the need for: beneficiary impact data; a better understanding of the policy and regulatory environment affecting small enterprises; recognition of the heterogeneity of small and microenterprises; understating the best type of delivery system; innovation; combining savings with credit programs. Several participants suggested that current measures of sustainability need rethinking.

J. ARIES TA AND TRAINING BY REGION

ASIA/NEAR EAST - ARIES

Sectoral Survey/ Assessment	Project Design/ Implementation	Project Evaluation	Training
<p><b>Yemen</b></p> <p>Yemen Arab Republic Agribusiness Development Problems and Potential, August 1988.</p>			
<p><b>Jordan*</b></p> <p>Female Entrepreneurship in Jordan, March 1987</p>	<p>Jordan Small Business Development Project, Phase II, Oct. 1987</p>		
<p>Jordan Small Business Development Project, Phase I April 1987</p>	<p>PID for enterprise (community development project (ECD)</p>		
<p><b>Philippines</b></p>		<p>Sourcebook of Income- Generating Projects, Dec. 1986</p>	
<p><b>Indonesia</b></p>		<p>Joint Evaluation of Foster Parents Plan Income- Generating Projects, Dec. 1986 (both countries)</p>	
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B

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Implementation**

**Project  
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**Training**

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managers in  
PVOs)

Credit  
management  
workshop

**AFRICA - ARIES ACTIVITIES**

**Sectoral Survey/  
Assessment**

**Project Design/  
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**SENEGAL**

**ZAIRE**

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Evaluation of  
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and Medium Sized  
Businesses;  
Sept. 1986

**K. SUGGESTIONS FOR BETTER MEASUREMENT OF WOMEN'S LABOR**

**SUGGESTED WAYS TO INCORPORATE GENDER ISSUES IN THE PROPOSED FOLLOW-ON READI SURVEY OF SMALL ENTERPRISES**

The READI project's 1987 survey of small scale enterprises in Malawi is one of the few systematic data sources on the sector, and provides a useful information base in many areas. The data is broken down by gender and allows for a good comparison between men and women in the survey sample. It provides useful information on women engaged in full-time small enterprise activities.

However, the study did not capture many part-time or seasonal off-farm enterprise activities, a major source of income for women. Thus, it under-represents women's participation in the sector. The report's conclusions that women's participation in the SSE (7%) is "negligible" appears to be contradicted by other research and casual observation. Reasons for the under-representation of women in the READI study probably relates to the survey design, the definitions of small enterprise employed, and the sampling techniques which tended to miss many off-farm income activities. It also relates to the audience of the survey which for the most part are organizations that do not target micro-scale or part-time activities.

If the survey is repeated (as planned), it could be adapted to more accurately capture the extent and characteristics of women's participation in the sector. Some suggestions along these lines:

**General comments:**

- No information on whether the person engages in other business or income earning activities.
- No information on the seasonality of the business or other sources of household income.
- Includes only enterprise activities in fixed locations - misses a number of women's activities (e.g. part-time trade)
- Not clear if the enumerators were women or men, and this can in some cases make a difference in some women's responses.
- Questionnaire focuses only on one business. Women are often involved in more than one activity, usually on a part-time or seasonal basis. Precludes analysis of the allocation of resources (labor and capital) across business activities, and the role of these businesses as a source of income for individuals or families. Lack of information on other sources of household income precludes analysis of socioeconomic status of clients.

**Specific comments:**

- 100: **Employees:** Should disaggregate the full-time and part-time employees more systematically. Include seasonal, temporary, and permanent categories. Include socio-economic data on employees. Would allow for analysis of women's occupational and employment status compared to men's, earnings differentials, and whether declining wage rates have an inverse affect on the participation of women as employees in small enterprises.
- 150: **Knowledge of organizational supports:** An open ended question would allow for information on both formal and informal institutional support. Informal supports are probably more important for women.
- 158: **Government incentives:** people who don't know about government schemes don't have a basis on which to choose those which they want to learn more about.
- 171: **Occupational health questions:** An open ended approach would allow for better information on potential occupational health hazards and actual problems. Question should be expanded beyond accidents and injuries to other things such as the design of tools and equipment, exposure to hazardous chemicals or materials, environmental conditions, and physical stress. Comparison between occupational health conditions of men and women would be valuable.
- 248: **Rather than asking how many children you support, ask how many children you have, whether they work and, if so, what they do and how much they earn.**
- 250: **Could include some questions on the history of the owner -- how they learned to do the business, whether their parents were involved in a similar business. If the owner is a woman, could ask what her mother did or how she got into business. Would be useful to compare history of men and women.**

In general, the survey could provide a more complete picture of gender differences if it: broadened its definition of small enterprise, provided more household income data, included all business activities of a household, examined the allocation of capital and labor across activities, used a more random sampling technique, involved women enumerators, and included more open ended questions. A follow on survey could also include special topic sub-sample surveys to get more qualitative data on constraints, informal institutional supports, and the role of small enterprises as part of "livelihood" system or survival strategy for poorer groups.

**L. MEMORANDUM ON TRAINER'S GUIDE FOR ARIES CASES**

**TO:** Charles Mann HIID

**FROM:** Mari Clark

**RE:** Your request for Suggestions for ARIES case trainers guide

**DATE:** June 16, 1989

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-Gender Considerations:

1. Gender of case characters: Training participants may view the case settings and roles as descriptions of ideal ones just as children have been influenced by sex role stereotyped pictures and stories in school books school books. Since the cases depict real situations in which mainly men are managers and make most of the key decisions, this merits discussion during the analysis of the cases.

- o what does the division of authority and labor in the case resource institution tell us about gender roles in the wider society? Is this changing? Should it?
- o would the case story (ies) have unfolded differently if the managers had been women?
- o do the women managers in the group feel that these case situations represent their working situation? If not what is different? Does that change the strategic decision making process in the organization? How?
- o given the values of the country, what are some of the barriers to identifying and serving the needs of female entrepreneurs when the management is male? when it is mixed male and female?
- o what could be done to overcome these obstacles?

2. Financial Barriers to women's participation: While the argument for financial sustainability is a very important and essential one to show the limitations and problems entailed in a social welfare approach to microenterprise, it is important that people and their sociocultural context are not forgotten. It is at this level that the opportunities and constraints of women and men are examined. At the level of the firm they tend to be replaced by consideration of cash flow. This is striking to me in the Senegal case. David, who was concerned about the fact that the project was not helping women unless the hawkers were assisted, comes across as the impractical social welfare character. The decision not to help the hawkers reinforces the point made in the SOP, that women are more difficult to reach and many organizations do not have the capabilities to do so. This could be interpreted as a model for leaving out women's sectors because they are not as productive. Some discussion of this issue could clarify the message. The tension between assisting the poor

and financial sustainability of the resource institutions has come up repeatedly in recent ARIES seminars.

- o Can the selection of particular sectors for their financial promise limit women's access to microenterprise project activities? What kind of distortion could this cause for the local economy?
- o Should the CEDP board have considered other ways to assist the hawkers such as collaborative efforts with other programs?
- o If microenterprise projects are not the best way to assist poor groups such as hawkers, what is? Does the Grameen Bank case suggest possible alternatives?

3. A common criticism, in the A.I.D. Microenterprise Stocktaking report and recent Aries seminars, has been the lack of data on the impact of microenterprise projects on the entrepreneurs and their families. Good rates of loan repayment do not necessarily translate into improved socioeconomic conditions for the small business people and their families.

- o What are some of the ways we could measure and monitor the benefits of project activities?  
(a few suggestions:
  - increased income for women as well as men.
  - increased return for labor for women as well as men.
  - increased numbers of male and female children attending school.
  - increased weight of male and female babies.
  - reduced male and female infant and child morbidity and mortality.
  - increased male and female life expectancy.
  - (where fertility rate is high) later age for birth of first child; fewer children per mother.

(there are many good, additional points in Maria Otero's Gender Issues in Microenterprise, A.I.D./PPC/WID).

- o How could such information be used to improve projects?
- o How could such information be used to persuade policy makers of the effectiveness of microenterprise projects in contributing to broad-based economic growth?

Training Guide Suggestions

Guide to Using the Cases

Since the success of the case method is highly dependent on the skill of the trainer to guide participants without lecturing or telling them what to do, it is important to include a brief review of participatory/active learning philosophy/methodology, if you haven't already done so. Training to date has been done by your own highly sophisticated trainers or people trained by them. Since these materials will go out on the market they need to stand alone when used by less experienced trainers. Some points that you might want to include in such a guide are:

1. Overview of the cases, their objectives, key issues, and the time required to analyze them (as they do vary considerably in length and the amount of supporting material) - to give the trainer a basis to select cases most appropriate for the participants.
2. Approach/ central issues - for example, if financial viability vs social welfare is a major, recurring theme, explain this.
3. Overview of participatory approach and techniques. ( I have enclosed a handout from a Peace Corps health training manual produced in a project which I directed for your reference. As it is not copyrighted you can use whatever you want.)
4. Concise overview of the key steps in strategic decisionmaking that participants are expected to learn by doing - i.e. the model underlying the cases and questions about them in the trainers guide. The SOP spells out the skills that need to be mastered but not the decision-making/problem-solving process itself.
5. Step-by-step guide to working with the group on the cases.
  - o assessing group skills and needs and selecting the best cases.
  - o adapting the cases to fit group needs and skills ( see next section for more detail).
  - o introducing the activity to the group (explaining the task clearly).
  - o guiding group analysis without directing it.
  - o closure - summing up the lessons learned.

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### Ideas for Adapting the Cases

In manuals that I have developed, I have always strongly encouraged adaptation of materials to the socio-cultural setting, needs and skills of the participants, as well as time and resource constraints. Too often there is a tendency to use the written work in a cookbook fashion rather than adapting it to local circumstances.

Looking more specifically at the ARIES cases, some of the feedback that I have received is: the case materials take too long to fit into short trainings that fit in busy schedules; the materials are too complex or lengthy; the materials are cumbersome to translate (hence selecting against those who do not have a second language - more often than not, women); they provide too much detail; they do not provide enough detail to make decisions. These all illustrate the point that the audiences and circumstances vary and it is important to adapt the materials to enable them to be most effective for the widest audience.

#### Possible Adaptations:

1. Present the case in a role play or drama rather than asking participants to read it. This could be put on video and dubbed in local languages.
2. Present the case through storytelling (not lecture). This also could be placed on video and dubbed in local languages.
3. Reduce or increase the background materials, depending on the experience and knowledge of the participants.
4. Shorten/streamline cases for shorter training sessions - including only key issues and information. Some cases are already more streamlined than others.
5. Add discussion of the characteristics of the entrepreneurs (as detailed in the SOP) including gender, and the implications for making the decision; discuss possible impacts of various decisions on the various types of entrepreneurs along with the viability of the resource institution.
6. Provide a simple outline for key points to list for a case analysis so each participant can summarize her or his own resource institution case and the group can analyze one of the cases. If time allows this step enables the participants to apply the skills, learned in case analysis, to their own issues before they leave the workshop.

**M. SAMPLE TRAINING PARTICIPANT QUESTIONNAIRES**  
**Thailand FWWBT**

**WORKSHOP ON STRATEGIC PLANNING**  
**AND CREDIT MANAGEMENT**

**PARTICIPANT BIO-DATA SHEET**

We would appreciate learning more about your institution, and your experience with small business development programs. We would also like to test the appropriateness of our training materials for the kind of programs that you are implementing. Please answer the following questions to the best of your knowledge. We realize that they ask for some very specific answers, but we are more interested in recognizing patterns and trends, rather than exact figures. Thank you.

1. What institution are you affiliated with?
2. What are the objectives and goals of your institution?
3. Does your institution lend only to women? If not, what percent of the loans or loan fund go to women, and what to men? What are the average loan sizes for men versus women?
4. What does the credit portfolio look like--what is the distribution of loans by sectors (industry, agriculture, etc)?
5. What are the special constraints faced by women microentrepreneurs in Thailand?
6. What special efforts are made by your institution to overcome these constraints?
7. What is the rate of arrears on your loan portfolio? What is the rate for women versus men? (if applicable)
8. What is the average size of the business that you assist, in number of employees?
9. What percent of the businesses are owned by women versus men? (if applicable)
10. What indication or evidence of beneficiary impact exists for your program?

## Senegal CESAG

### ATELIER SUR LA GESTION DE CREDIT

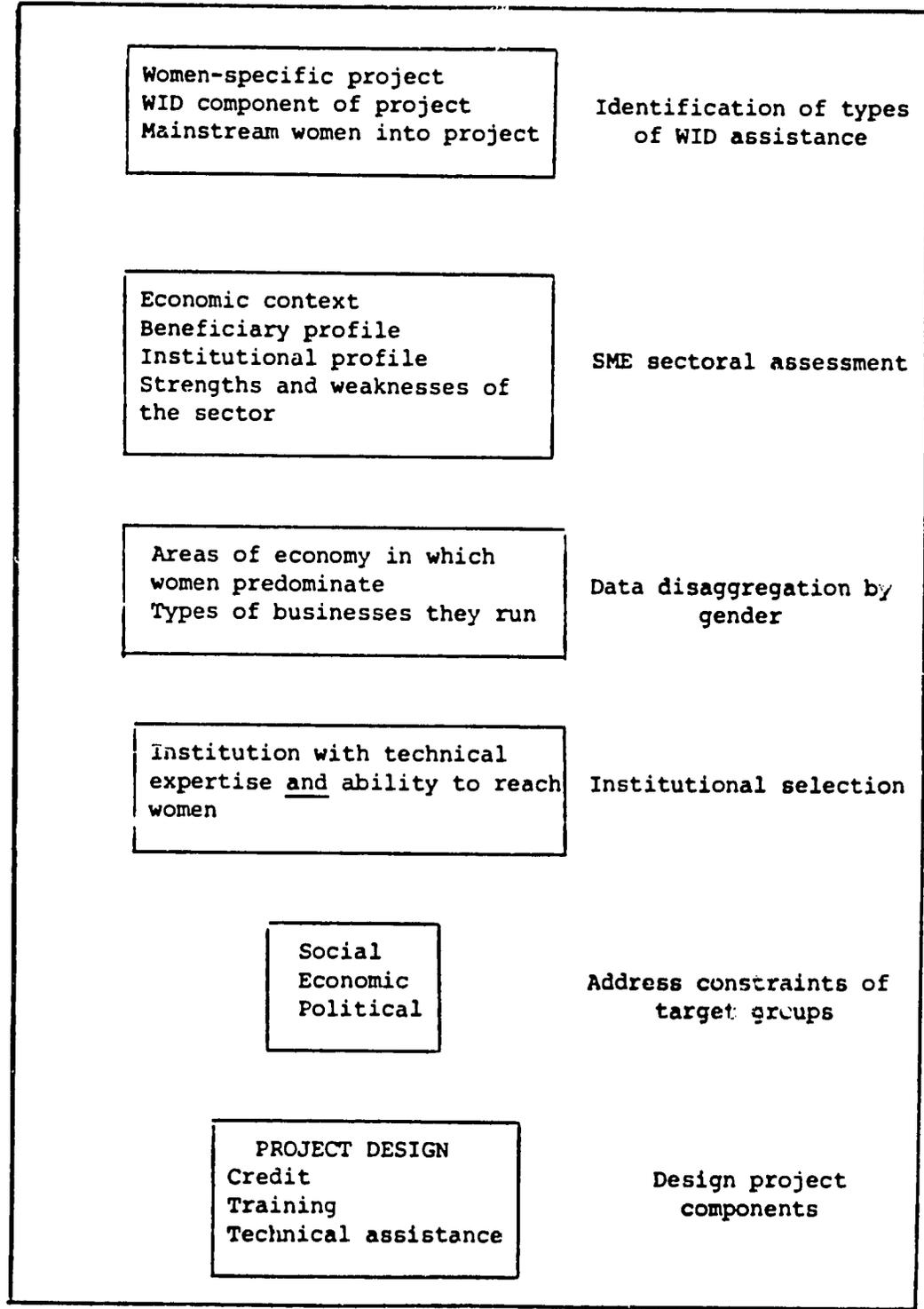
#### Information personnelle sur les participants

Nous aimerions mieux connaître l'organisme que vous représentez, et l'expérience que vous avez des programmes d'assistance aux petites entreprises. Nous aimerions aussi savoir si la préparation que nous vous apportons convient au genre de programmes dont vous avez la responsabilité. Veuillez répondre du mieux possible aux questions suivantes. Nous avons conscience de ce qu'elles appellent des réponses très spécifiques, mais notre principal intérêt porte sur les types de réponses et les tendances qu'elles indiquent plutôt que sur les chiffres exacts . Merci.

1. Quel organisme représentez-vous?
2. Quels sont les objectifs et les buts de votre organisme?
3. Quel pourcentage des prêts ou du fonds de prêt est versé aux femmes, et quel pourcentage aux hommes? Quel est le montant moyen des prêts versés aux hommes et de ceux versés aux femmes?
4. Quelle est la constitution du portefeuille de crédit? Quelle est la répartition des prêts par secteur (industrie, agriculture, etc...) ?
5. A quelles difficultés les petits entrepreneurs doivent-ils faire face au Sénégal? Ces difficultés sont-elles différentes pour les femmes de ce qu'elles sont pour les hommes?
6. De quelle manière votre organisme s'efforce-t-il particulièrement de surmonter ces difficultés?
7. Quel est le taux de retard des remboursements? Quel est ce taux pour les femmes par rapport aux hommes?
8. Quelle est la taille moyenne de l'entreprise qui reçoit votre assistance, en nombre d'employés?
9. Quel pourcentage de femmes, par rapport aux hommes, est propriétaire de ces entreprises?
10. Quelle indication ou démonstration pouvez-vous fournir des bénéfices résultant de votre programme?

# N. GUIDELINES FOR INTEGRATING WOMEN INTO SME PROJECT DESIGN, IMPLEMENTATION, AND EVALUATION

## PROJECT DESIGN PROCESS



## GENERAL GUIDELINES FOR INTEGRATING WOMEN INTO PROJECT DESIGN, IMPLEMENTATION, AND EVALUATION

The following section provides general guidelines for effectively including women in project design, implementation, and evaluation. These guidelines can be applied to all projects whether they are women-specific, involve women's components within a larger project, or are fully integrated. However, the guidelines are focused particularly on integrated projects because the experience of the past decade has shown that integrated projects offer the greatest potential for maximizing women's participation in development.

### I. General Guidelines for PID and PP Preparation

This section discusses some of the broader factors in the project environment that should be considered in the project design stage. Each project officer should decide whether each factor is relevant at the PID or PP stage.

#### A. WID projects, WID components and Integrated Projects

Over the past 10 years, AID has implemented three types of women in development projects:

1. Women-specific projects, which are designed exclusively for women. These projects are often designed to test new approaches to reaching women, to help women "catch up" to men, or to strengthen women's research/action organizations. They have been implemented particularly in situations where cultural constraints act as a barrier to integrating women into mainstream projects.

2. WID components of larger projects, with their own budgets and personnel. An example of a WID component occurs in a housing project in which women receive access to credit from a special fund designed for women applicants only.

3. Mainstream projects that include women without a separate component. Microenterprise credit projects, which are able to reach women because of the project's unique collateral requirements, availability of small loans, and target group, exemplify an integrated approach. Of the three, this alternative seems to have the most potential for raising women's productivity and incomes.

The decision regarding the type of WID project to be implemented must be made very early in the design stage. The following chart shows the advantages and disadvantages of each type of project.

## ADVANTAGES AND DISADVANTAGES OF THREE TYPES OF WOMEN'S PROJECTS

<u>Type of Project</u>	<u>Advantages</u>	<u>Disadvantages</u>
WID-Specific	Women receive all of the project's resources and benefits. Beneficiaries may acquire leadership skills and greater self-confidence in a sex-segregated environment. Skills training in nontraditional areas may be much easier without male competition.	These projects tend to be small-scale and underfunded. Implementing agencies often lack technical expertise in raising productivity or income. WID-specific income-generation projects rarely take marketability of goods or services into account and thus fail to generate income. Women beneficiaries may be required to contribute their time and labor with no compensation. Women may become further marginalized or isolated from mainstream development.
Women's Component in a larger project	The project as a whole enjoys more resources and higher priority than WID-specific projects, which can benefit the WID component. Women are ensured of receiving at least a part of the project's resources. Women can "catch up" to men through WID components.	The WID component usually receives far less funding and priority than do the other components. These components have tended to respond to women's social roles rather than their economic roles; for this reason, domestic activities may be emphasized to the exclusion of any others. Awareness of the importance of gender in the project's other components may be missing.
Integrated Project	Women can take full advantage of the resources and high priority that integrated projects receive. If women form a large proportion of the pool of eligibles, their participation will probably be high, even without detailed attention given to WID issues.	Unless information on women's activities and time use is introduced at the design stage, these projects may inadvertently exclude women through choices of promotion mechanism, location and timing of project resources, etc. If women form only a small proportion of the pool of eligibles, they may not be included in the project. Women may be competing with men for scarce project resources and lose out because of their lack of experience in integrated group settings and their relatively low status in the family and community.

## B. Sex Disaggregation of Data

In general, all project designs should be based upon knowledge and consideration of women's roles relevant to the project. Erroneous assumptions regarding "male" and "female" roles and activities are one of the key factors not only in the failure to reach women but in overall project failure.

Ideally, project design should be based upon **sex-disaggregated data**. In many cases, this can be collected by simply adding a question on gender to the standard baseline data questionnaire. Project officers in the microenterprise area who include gender as a variable in their baseline data collection, for instance, will be able to answer the following questions:

- Do women predominate in certain informal sector occupations? Are their incomes and savings lower or higher than those of men? Are their businesses smaller or larger? Do women have lower or higher fixed assets and sales? Do women have differential access to credit and technical assistance?

In other cases, the project planner may wish to add more detailed questions on gender. For instance, project officers in the agricultural sector might want to add questions on the following points to their baseline data collection:

- sexual division of labor
- daily and seasonal time use by sex
- income sources and expenditures by sex
- access to productive resources such as credit, land, etc.

Sometimes, however, such detailed data collection will not be practical and less precise or complete information will have to be relied upon. In this case, it may be possible to locate microstudies by local research institutes on the participation of women in various sectors.

### Use of Sex-Disaggregated Data

Sixteen percent of the borrowers of a loan fund for microenterprises in Lima, Peru in 1984 were women. Analysis of a random sample of loans to 148 women and male borrowers in the program revealed that 62 percent of the loans in the bottom quintile of the loan distribution were awarded to women, while 62 percent of the largest loans were granted to men borrowers. Additional analysis revealed that it was the nature of women borrowers' occupations, rather than the fact that they were

women, that explained the variance in the loan sizes granted. Women borrowers received smaller loans because they predominated in low-earning occupations, such as commerce or sewing that are related to small loans, not because the loan institution discriminated against women borrowers on the basis of sex. Men, on the other hand, predominated in the higher earning occupations of bakeries, leather and shoe repair services, and nontraditional manufacture.

The Importance of Technical Competence:  
The Bolivia Ulla Ulla Rural Development Program

The purpose of the Ulla Ulla Rural Development Program, undertaken by the World Bank in the late 1970s, was to raise the productivity and incomes of Bolivian peasants by modernizing all phases of alpaca and wool production. Through baseline research, project planners discovered that peasant women are heavily engaged in herding and shearing; the project design therefore included a specific productive women's component. During the implementation stage, however, the implementing agency hired a female coordinator with no technical qualifications to run the women's component. Under her direction, the component consisted of "traditionally feminine" activities, such as cookie-making and papier-mache, with no productive potential. This project demonstrates the importance of using technically qualified staff to implement women's components in integrated projects.

C. Institutional Selection

Choice of implementing agency is one of the most important elements in project design. One may assume that women's organizations are the best suited to implement projects that include women. However, **experience with projects designed to reach women indicates that the failure of productive programs can often be traced to lack of technical expertise on the part of the implementing agency.** That is, agencies with the capacity to reach women are not necessarily capable of implementing successful productive projects for women due to lack of technical expertise.

On the other hand, **technically proficient implementing institutions may be incapable of reaching women and may not even consider the participation of women to be important.** These institutions may not have the expertise to recognize which aspects of their programs potentially pose problems for women's access. Even with the best intentions, such institutions may still exclude women from opportunities to significantly improve their economic situation.

Project designers can enhance the chances of reaching women by choosing implementing agencies with appropriate technical expertise, as well as a commitment to developing or recruiting expertise on women's issues relevant to the project. Naturally, the choice of an institution will not be made on the basis of its expertise in reaching women in their productive roles. In cases where the best technical institution lacks experience in reaching women, project design should make provision for technical assistance from outside consultants or organizations in regard to improving women's participation.

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#### D. Target Population

Project designers should consider the following issues:

1. **Possible constraints to women's participation in project activities should be considered in the design of all projects.** Projects designed in such a way as to minimize the restrictions that the poor face in gaining access to resources will increase the chances of reaching poor women as productive agents. Additional project features to be considered in order to enhance women's participation include the location of activities and services and the timing and duration of activities. If, for instance, agricultural training programs involve long-term, residential training, there is little chance that women will be able to participate, given their household responsibilities and societal norms that typically restrict rural women's travel away from home.

2. **When there is a low proportion of women in the pool of eligibles, women's participation tends to be low, in spite of active efforts to include them.** If this is the case, three steps can be taken:

- Expand the eligibility criteria;
- Consider developing a special women's component designed to respond to the constraints that render women ineligible;
- Institute an active recruitment program for women (particularly effective when implicit exclusion, on the basis of cultural perceptions, has reduced the number of eligible women, rather than explicit exclusion).

3. **The distinction between increasing women's activities or work and improving the returns to women's activities or work must be considered when planning project components and expected outcomes.**

- In agricultural projects, for example, the involvement of women in soil preparation and weeding of certain crops increases the demands upon women's time and labor, yet women may not share in the proceeds of crops sold through male-based cooperatives.

Women may refuse to participate in components that increase their work without increasing their returns; this factor enormously increases the potential for project failure if such components depend on women's labor for their viability (see box below).

4. **Targetting resources to women has advantages and disadvantages which should be weighed in the design phase.** In some sectors, such as agriculture and energy, **targetting does seem to ensure that project benefits reach women and introduces an element of accountability in the project.** In other areas, notably microenterprise development and credit programs, resources are usually delivered to women without targetting and **targetting may, in fact, create tension within the project, result in lower quality of services to women, and further segregate women from the mainstream.** Overall, the broader approach of relying on knowledge of gender roles to determine whether women are likely to participate in each project component is a more useful strategy.

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### Women's Labor/Women's Returns

The Guatemala ALCOSA Agribusiness Project provides insight into the importance of the distinction between increasing women's labor and increasing women's returns. In one of the project sites--Chimachoy--the town's (male) farmers heeded the ALCOSA processing company's calls for larger amounts of vegetables by cutting back on traditional food crops to increase the production of cauliflower. Women, who previously had helped in the fields only during planting, were pulled into 2-3 days of horticultural labor each week on top of their normally overburdened schedules. As a result they had to cut back on their marketing trips to town, the source of their only independent income. (ALCOSA payments came in the form of a check made out solely to their husbands.) Women's financial independence was therefore diminished as their workloads increased.

In another project site, San Jose Pinula, the ALCOSA processing plant provided women the opportunity to work for wages paid directly to them. Shifts were long during peak periods--up to 16 hours--but female employees made 100 to 300 percent as much as they could have made in market selling and domestic work, their two main alternatives. Women retained ultimate control over their incomes and gained in self-reliance and financial independence from their husbands.

5. Cultural mores, determined by tradition and religion, may affect such behaviors as the gender-based division of labor, and can have a critical impact on project success. There are wide variations in behavior across countries and even from community to community. Some cultural constraints can be addressed through program or project interventions. Resistance to involving women in new productive programs seems to decrease when the program increases household income.

- In a village in rural Guatemala, women were accustomed to helping in the fields only during the planting season. However, the introduction of contract farming on horticultural crops, with its promise of increased income, influenced women to contribute 2-3 days/week of labor on the vegetable crops.

6. In most LAC countries, women--particularly those who are the sole economic support of their households--are over-represented among the poorest low-income groups. Project interventions that identify the poorest of the poor as the target group will therefore automatically include a great many women.

## II. General Guidelines for Project Implementation

Project designs that successfully incorporate women do not in themselves guarantee successful implementation. A number of features can be built into project implementation that will help ensure that women will receive project benefits and resources as planned.

1. When sex-disaggregated information is provided by the monitoring system and the project allows for revisions in the design, it is more likely that project benefits will successfully reach women. Ongoing evaluation teams should have scopes of work that explicitly include the gathering of sex-disaggregated data. Project planners cannot always foresee and make provisions for obstacles to women's participation that may arise during implementation. Therefore, the greater the flexibility of the design and the adaptability of the implementation process, the greater the chances that implementors can adapt the project to unforeseen circumstances.

2. Consideration of the degree to which women retain project benefits should be undertaken during the implementation phase since effective evaluation of the impact of the project may require such information.

- One of the goals of the Solanda housing project in Quito, Ecuador, for example, was to provide equal housing opportunities for households headed by women. Project designers decided to lower the down payment requirement, which meant that many more women would qualify as applicants to the project. However, the selection process, if left unchecked, can still favor men over women within any income category since there are likely to be more men than women applicants in all categories. This situation exemplifies the need for monitoring during selection of project applicants.

## III. General Guidelines for Evaluation

Indicators of progress are important in keeping the implementation of any development strategy on track. In the case of a women in development strategy, the best indicators of progress can be gleaned from sex-disaggregated data on the nature of women's participation in programs and projects.

### Levels of Analysis

Indicators at three levels can be used to evaluate whether projects have included women. Project officers must decide on a case-by-case basis which level of evaluation is warranted, given the funds available and the importance of including women in the project.

1. At the first level are overall indicators. A technical office may want to look at its project portfolio to determine whether it is likely reaching women or not. Use of overall indicators is the simplest and cheapest way of evaluating a project portfolio, as it relies on data that is already available. It should be noted, however, that these indicators can demonstrate

only the potential of the project portfolio to reach women. Determination of whether the projects actually include women can be reached only through sex-disaggregated project data.

An overall picture of the likely opportunities a strategy is providing for women can be obtained by assessing whether the strategy focuses on areas likely to benefit women.

Three main indicators can be used in these comparisons:

First, what are the percentages of projects focused on areas likely to benefit women?

Second, what are the budgetary allocations to areas likely to benefit women?

Third, what are the relative numbers of consultants' and contractors' scopes of work that explicitly require the consideration of gender roles in the areas of concern?

2. The second level of indicators are sector-specific indicators. These require little or no sex-specific data yet can increase our understanding of whether the necessary conditions exist for reaching women and provide more depth than the overall indicators.

In the microenterprise sector, for instance, analysis of certain features of the project, such as the target group, average loan size, collateral requirements, and financing mechanism can give a fair indication of the extent to which women are being reached. Analysis of these project features is relatively inexpensive and easy.

3. At the third level of analysis, sex-disaggregated indicators can be used to pinpoint problems in implementing a development strategy for women or to highlight areas in which successful approaches have been found. These indicators are the most difficult to collect and the most costly; however, it is only at this level of analysis that the participation of women in a particular project can come to light. Sector-specific and sex-disaggregated indicators are suggested at the end of each of the four sector sections.

In preparing project design documents, project officers frequently need information that is unavailable in the mission. The following section provides information on resources on women that can be obtained through AID/Washington.

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## O. CDIE/ESDS DATABASE DESCRIPTIONS

**International Financial Statistics** (IMF) contains major financial and economic indicators. Indicators include balance of payments, trade and reserves, monetary indices, government finances, production, prices, exchange rates, and interest rates. (Quarterly update)

**Government Finance Statistics** (IMF) provides information on units of government, the accounts through which governments work, the nonfinancial public enterprises and public financial institutions owned and/or controlled by governments, and expenditures by sector or function. (Quarterly update)

**Direction of Trade** (IMF) provides information for about 160 countries on the value of exports and imports between a country and its major trading partners. (Quarterly update)

**Balance of Payments** (IMF) provides information on balance of payments items, such as merchandise trade, current account, capital account, and change in reserves. (Quarterly update)

**Geographic Distribution of Financial Flows** (OECD) provides information on Net Disbursements and Commitments of Official Development Assistance and Net Disbursements of Total Resource flows from multilateral agencies. (Annual update)

**External Debt** (OECD) provides aggregated data pertaining to credits by OECD countries, capital markets, and non-OECD creditors. (Biennial update)

**External Indebtedness** (OECD) combines total external claims of banks and the official guaranteed trade-related claims. (Annual update)

**Overseas Loans and Grants** (USAID) provides a budgetary history of USAID funded programs on a country specific basis. (Annual update)

**Social Indicators** (IBRD) provides social and demographic statistics. Variables include population, vital statistics, social service indicators, energy and labor force statistics. (Annual update)

**World Tables** (IBRD) provides economic and financial time-series data. Variables include national accounts, foreign exchange rates, production indices, and price indices. (Annual update)

**World Debt Tables** (IBRD) provides external debt statistics. The database contains statistics on medium and long term public and private external debt, including data on commitments, disbursements, principal and interest payments, and debt outstanding. (Annual update)

**World Development Report** (IBRD) provides major economic and social indicators. Data are provided in the same format as the WDR statistical annex tables.

**Trade and Production** (FAO) databases are commodity-based files providing time-series information on imports, exports, and production indicators. (Annual update)

**Fertilizer** (FAO) database contains time-series data on production, consumption, and imports of various fertilizers. (Annual update)

**Fishery** (FAO) contains annual statistics for countries and major fishing areas for a period starting with 1970 up to the latest year published by FAO.

**Population Projections** (UN) provides population projections into the next century by sex and age, for both five-year age groups and single years (ages 5-24). High, medium, low, and constant fertility variants are given for dates beyond 1985. Also provides data on 28 selected demographic indicators including life expectancy, infant mortality and crude death rates, fertility and reproduction rates, and population growth rates. (Biennial update)