

**DRAFT FINAL REPORT**

**DEVELOPMENT OF A  
MANAGEMENT INFORMATION SYSTEM  
FOR OEPE USAID/JAMAICA**

**JANUARY 1991**

***Prepared for:***

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**TABLE OF CONTENTS**

	<u>Page</u>
EXECUTIVE SUMMARY .....	i
I. INTRODUCTION .....	1
A. Purpose and Scope of Work .....	1
B. Methodology .....	1
C. Organization of the Report .....	2
II. THE PROGRAM AND ITS PERFORMANCE MONITORING .....	3
A. Program Summary .....	3
B. Strategic Objective No. 1 - Increased Exports .....	5
C. Strategic Objective No. 2 - Increased and Diversified Investment .....	5
D. Strategic Objective No. 3 - Increased Participation of Lower Income Groups .....	6
E. Performance Indicators .....	7
III. DESCRIPTION OF THE MIS .....	15
A. MIS Task Breakouts .....	17
B. MIS File Structure - Data Entry Screens .....	20a
IV. INITIAL SCREEN AND MENU DESIGNS AND PROMPTS .....	33
V. GUIDELINES FOR THE SELECTION OF SMALL AND MEDIUM SCALE ENTERPRISE CREDIT INTERMEDIARIES .....	38
VI. NEXT STEPS IN THE IMPLEMENTATION OF THE MIS .....	39

## **ANNEXES**

- A. Model Documents for the Selection of SME Credit Institutions
- B. Intermediary Institution Site Visit Summary

## **CHARTS**

- 1. Chart 1 - OEPE Objective Tree, Broad-based Sustainable Economic Growth
- 2. Chart 2 - OEPE Objective Tree, Strategic Objective, Increased Exports
- 3. Chart 3 - OEPE Objective Tree, Strategic Objective, Increased and Diversified Investment
- 4. Chart 4 - OEPE Objective Tree, Strategic Objective, Increased Participation by Lower Income Groups

## EXECUTIVE SUMMARY

The Management Information System (MIS) of the Office of Economics and Private Enterprise provides a practical means of monitoring key measures of private sector activity to assess USAID's contribution to the sector's development. The program is designed to work on several constraints simultaneously with a diversity of project activities and implementing agencies. Several activities that directly or indirectly support private sector objectives are managed by other technical offices and reported separately.

The MIS is designed as a practical tool to be used by USAID project managers and counterparts, design officers, and senior management to: improve decision making; monitor program and project performance; inform the design and evaluation process; and document success stories and failures.

The MIS was developed by determining the performance indicators in a hierarchical fashion with identified relationships amongst strategic objectives, program outputs and project activities. The MIS will include information and data from national statistics, intermediaries that deliver services, and the clients of the intermediaries.

### MIS DEVELOPMENT

INDICATOR CATEGORIES	INFORMATION/DATA
Strategic Objectives	National Statistics
Program Output	Intermediary
Project Activity	Client

The Mission's project activities are carried out by intermediary institutions. These intermediaries administer loans, technical assistance, training and enterprise promotion activities. Two categories of information must be regularly reported back to USAID/Kingston (USAID) by these intermediaries before an analysis of effectiveness and impact of USAID's objectives can be made. These categories are:

- a log of the activities conducted; and
- updated profiles on the recipient enterprises, showing changes in their financial situation and identifying such characteristics as their ownership type, locale and products.

These project activities and impact can then be compared with national statistics on employment, GDP and export sales to determine the differences resulting from USAID's assistance (e.g., assisted projects increased export sales faster/slower than non-assisted enterprises of a like nature). These data could also be used to help determine if the supports to one particular sector (e.g., textiles) resulted in benefits available to all enterprises in that sector (e.g., more foreign markets opened to exported goods).

In the past, the quality and extent of the project activity and impact information coming from the intermediaries has not been adequate to the management and evaluation requirements of USAID.

Described in this report is the strategy for collecting, processing and analyzing this information, and a description of what has been done to date by the MSI consultant team and what remains to be done.

The MIS will provide:

1. Documentation of impact at national, intermediary and client levels.
2. Documentation of results, successes and failures by various elements and levels.
3. Comparisons for management to set priorities and make decisions.
4. Sources and schedules for collection.

This information and data can be compared by any one of the many indicators and data entry items, for example:

Sector - furniture versus textiles or other such comparisons;

Project Activity - Loans versus technical assistance, the currency auction versus loans to intermediaries;

Delivery Type - loans versus technical assistance, loans with technical assistance versus loans without technical assistance;

Intermediary - Loans, technical assistance and training one intermediary against another or all others;

Participation - by women one project, sector delivery type and/or intermediary against another or all others;

Locale - urban versus rural intermediaries or enterprise clients.

## **I. INTRODUCTION**

### **A. Purpose and Scope of Work**

The purpose of this report is to help USAID/Kingston (USAID) establish a practical management information system (MIS) to track and monitor the program and project-related activities of the Office of Economics and Private Enterprise (OEPE). The MIS will be used by USAID to: improve decision making; monitor program and project performance; inform the design and evaluation process; and document success stories and failures.

When the system is installed, USAID/OEPE should be able to measure the impact of its support to the strategic objectives of USAID, the strategic targets of OEPE and the areas of activities encompassed by the various projects of OEPE. This information can be used by OEPE to report within USAID and for USAID, in turn, to report to the LAC Bureau in Washington.

### **B. Methodology**

The MSI consulting team consisting of Richmond Allen, Bruce L. Mazzie and Patrick Saccomandi visited Jamaica from January 13 through 25, 1991.

The team started with a detailed review of USAID/OEPE's project papers for the Export Development and Investment Promotion (EDIP), Microenterprise Development (ME), and Agricultural Export Services projects. The team also reviewed the local currency auction (Section 108) project, the semiannual project review (SARs) and various other papers. This material was scrutinized from the perspective of; their congruence with LAC Bureau objectives and their support for USAID strategic objectives.

The MSI team worked closely with the staff of OEPE to:

1. identify the key performance indicators at the program and project levels including strategic objectives, sub-objectives, targets and project activities;
2. develop an information collection system for OEPE and the project implementation agencies;
3. design a management information system;
4. identify sources and responsibility for information needed; and
5. design MIS reports.

In addition, the MSI team provided a draft set of guidelines and criteria for the selection of intermediaries for project implementation; and goals, strategic objectives, program outputs, areas of activities and specific activities in a hierarchical fashion in an "activity and effect" relationship. For each of the strategic objectives of OEPE, initial analysis was carried out using the following definitions:

- 1 -

**Strategic Objectives:** The three highest level objectives that OEPE strives to impact with its programs and projects.

**Program Outputs:** The specific areas that OEPE strives to impact with its projects.

**Project Activities:** The inputs provided by the projects to produce the results that support the strategic objectives and program outputs.

**Performance Indicators:** Criteria for determining and measuring progress towards attaining strategic objectives and specific indicators for project-level activities.

Following discussions with the staff of OEPE, objectives were arranged by strategic level and are listed in the tables included in this report.

### **C. Organization of the Report**

In summary, this report provides:

**Chapter II:** The OEPE program and its performance monitoring.

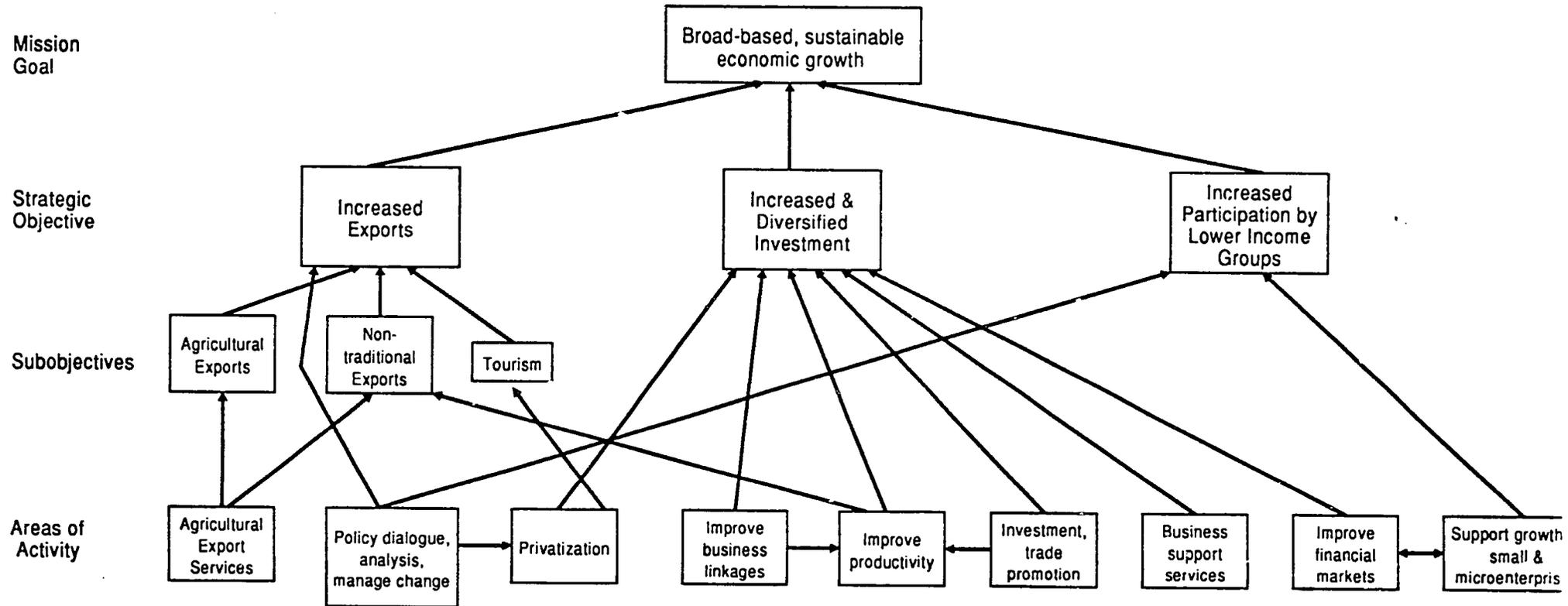
**Chapter III:** Description of the MIS.

**Chapter IV:** Initial screen and menu designs and prompts.

**Chapter V:** Guidelines for selection of small and medium scale enterprise credit intermediaries.

**Chapter VI:** Next steps in the implementation of the MIS.

# Chart 1 OEPE - OBJECTIVE TREE

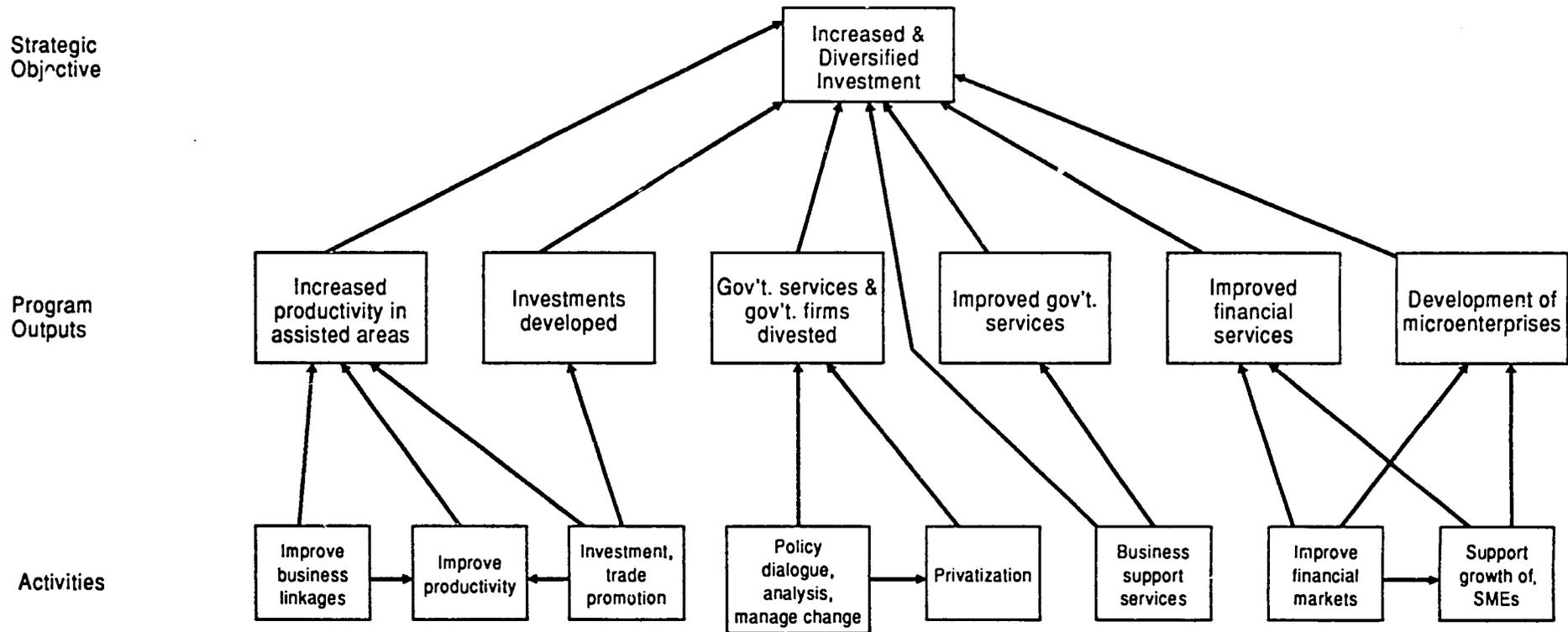


# Chart 2 OEPE - OBJECTIVE TREE



# Chart 3 OEPE - OBJECTIVE TREE

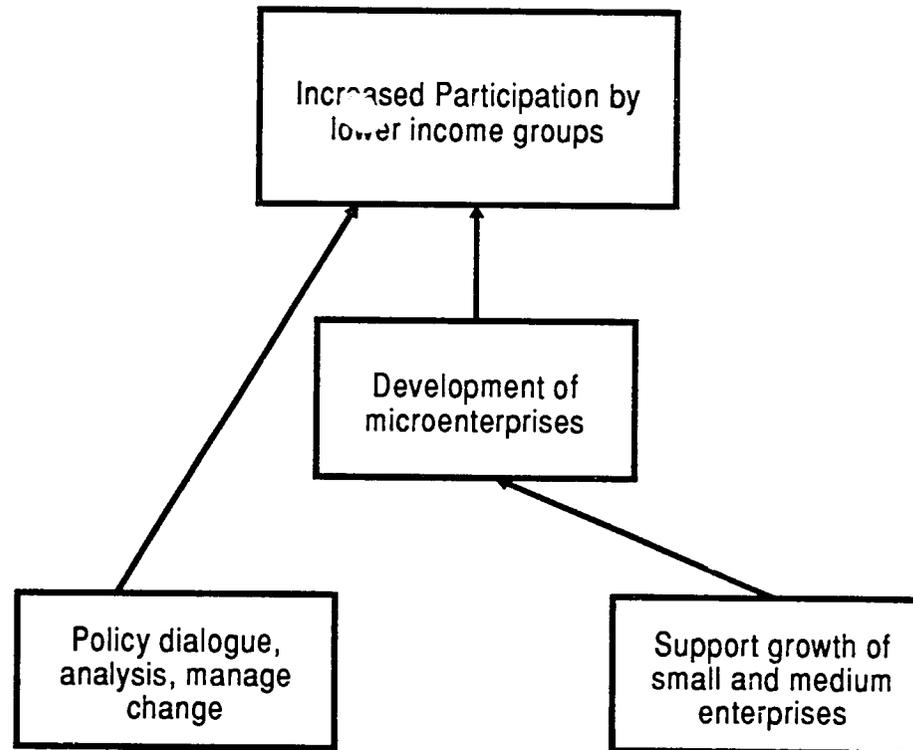
## Strategic Objective Level



## Chart 4

# OEPE - OBJECTIVE TREE

## Strategic Objective Level



## II. THE PROGRAM AND ITS PERFORMANCE MONITORING

This chapter describes the program of the Office of Economics and Private Enterprise (OEPE) and its performance monitoring.

### A. Program Summary

#### 1. Strategic Objectives, Program Outputs and Activities

The overall goal of the USAID/Jamaica, coincident with one of the three LAC Bureau objectives as set forth in the FY 92-93 Action Plan Guidance, is the achievement of broad-based, sustainable economic growth. OEPE strategic objectives in pursuit of the Mission goal have been identified as:

- Increased exports;
- Increased and diversified investment; and
- Increased participation of lower income groups.

Exports have in turn been disaggregated, for purposes of measurement and attribution to program activities, into three subobjective categories: agricultural exports, non-traditional exports, and tourism.

Chart 1 depicts the relationship of project/program activities, grouped into nine areas of activities, to the objectives and subobjectives listed above. The areas of activity and the project/program to which they relate are:

<u>Area of Activity</u>	<u>Project/Program</u>
Agricultural export services	Ag Export Services Project
Improve productivity Improve business linkages Investment, trade promotion	EPID - Improve Productivity Group
Business support services Privatization	EPID - Improve Infrastructure Group
Policy dialogue, analysis	EPID
Policy dialogue, analysis Improve financial operations	EPID/Section 108 Program
Support SME development	EPID/Microenterprise Development Project/ALICO/Loan Guaranty Program

Strategic objectives are the highest objective level at which a Mission activity can be expected to have an impact. At this level, however, the degree of attribution to a Mission activity tends to be indeterminate. Accordingly, a set of program outputs, representing a higher degree of attributability and on which OEPE activities can have a more meaningful impact in the short-term, have been determined. The program outputs, which are linked to the sets of activities shown above, are as follows:

#### Program Outputs

- Improved performance by assisted agricultural sectors;
- Improved productivity in assisted areas;
- Improved government services;
- Government services and government firms divested;
- Investments developed (through trade and investment shows);
- Improved financial markets;
- Development of microenterprises.

The relationship of program outputs, upward to strategic objectives and downward to OEPE activities, is shown in Charts 2, 3 and 4 which depict the three strategic objective areas separately (inclusion of all three strategic objective areas along with all program output and all nine activity areas would result in too complex a chart for ready comprehension).

It needs to be stressed that the linkages between activities and outputs, and between outputs and objectives, are not engraved in stone. It may be asked why, for example, improvement in financial markets should not benefit non-traditional exports as well as investment. It should. The purpose here is to show the principal cause-effect relationships, not every conceivable linkage. The line on Chart 1 showing linkage from increased investment to increased exports constitutes recognition of the synergy that exists among project elements. Virtually any activity that promotes private investment can be conceived as a potential benefit to exports.

## **2. Monitoring Program Goals**

Charts 2, 3 and 4 illustrate the linkage between OEPE activities, program outputs and strategic objectives. In most cases, a program output is supported by more than one activity or groups of activities. Performance indicators have been developed (see related table) by which progress toward goal/objective/output/activity achievement can be measured. Stated in performance terms, activities lead to specific project-level achievements (persons trained, studies completed, consultancies completed); program outputs measure the impact of one or more activities, for which the Mission/Office can be held relatively accountable; and strategic objectives measure a broader impact to which Mission/Office activities contribute, but for which the time required to effect impact is relatively long and the degree of accountability is relatively low.

At the program output level two types of performance indicator may be distinguished: (1) indicators that are to be found in, or that can be derived from, the available "off-the-shelf" data sources; and (2) indicators to be developed through project/program activities. The modalities for development and use of the management information system (MIS) are discussed in Chapter III. It may be added here that the MIS will develop data additional to the basic requirements of the performance indicators per se. OEPE personnel will have available to them performance data enabling better measures than are now available by which to make cost-benefit comparisons among areas of activity.

The performance indicators, especially those in the strategic objective and program output areas, are believed to be appropriate for the purposes intended, but they could not be entirely refined in the brief time available to the team. In a few cases, it was not possible to pin down the source (i.e. the "survey data" indicated for measuring "Increased participation of lower income groups"). The indicators for measuring the impact of investment and trade shows are yet to be developed by JAMPRO. Those shown in the Indicator table represent the team's understanding of JAMPRO's intentions in the area, but the Office itself will have to work with JAMPRO personnel to ensure that suitable indicators will indeed be developed. Finally, a few indicators are less than ideal for the purpose indicated, but represent the best available as far as the team could ascertain. The prime example of this is the main indicator for measuring "Broad-based, diversified investment," the problem being that the available macro data on investment includes the investments of public enterprises. Care will have to be taken in interpreting this data.

#### **B. Strategic Objective No. 1: Increased Exports**

Increased exports is the purpose level objective of the Agricultural Export Services Project, and one of the two purposes of the Export Promotion and Investment Development Project (EPID). Several of the sets of activities of the EPID are linked, through the program output, "Increased productivity in assisted areas," to the subobjective of "Increased non-traditional exports." The relationship is shown schematically on Chart 2 which covers the "Increased Exports" strategic objective category. Performance indicators related to all three levels - "Increased non-traditional exports," "Increased productivity in assisted areas," and the underlying activities - are shown in the Performance Indicator Table.

The program output category, "Improved performance by assisted agricultural sectors," refers to the component of the Agricultural Export Services project involving assistance to producer organizations. (N.B. Although not an OEPE activity, the Agricultural Export Services Project was included in the MIS at Mission request). "Improved government services" are expected to lead, through an easing of restrictions in the foreign trade area, to increased non-traditional exports. Suggested ways of measuring improvement in government services are shown in the Performance Indicator table.

#### **C. Strategic Objective No. 2: Increased and Diversified Investment**

The qualifier, "diversified," within this heading means that private investment should not only increase, but should be broad-based, with an emphasis on development of small and microenterprise. "Increased and diversified investment" is linked, downward through all six output areas, to all of the EPID activities, the Microenterprise Development Project, and the small business loan programs: i.e. the Section 108 Loan Program, the ALICO Program, and the Loan Guaranty Program. Of the nine identified sets of activities, only the Agricultural Export Services Project (not an OEPE activity) is not

linked schematically to this strategic objective (which is not to say that the project will not have any effect on private investment). Chart 3 shows the linkages in this strategic objective area.

The program outputs and activities comprising Strategic Objective No. 2 are believed to be self-explanatory, except perhaps for the "Improved financial markets" and "Support growth of small and medium enterprises" activity areas and related program outputs. The "Improved financial activities" category comprises activities intended to alter the structure of the financial markets; thus, the inclusion therein of the Section 108 Loan Program which is designed in part to promote term lending. The other loan programs - Alico, the Loan Guaranty Program, and the grant to NDF - may also help to alter the structure of the financial markets, but their main purpose is to promote small business lending. Thus, their inclusion for these purposes in the "Support the growth of SMEs" category. This group also includes the Microenterprise Development Project. It may be noted that the indicators suggested at the output level for "Development of Microenterprises" will become available only if the data development activities detailed in the project paper are in fact undertaken.

**D. Strategic Objective No. 3: Increase Participation of Lower Income Groups**

Chart 4 depicts the linkages between activities, program output and strategic objective in this strategic objective area. The only OEPE activity designed specifically to provide an expanded role for lower income groups - in this case, lower income entrepreneurs - is the Microenterprise Development Project. Policy dialogue will also play a role in helping to ensure that the poorer groups will not be disadvantaged by OEPE-supported activities.

It may appear that this strategic objective is receiving short-shrift, at least relative to the other strategic objective areas. However, other Mission activities have been and will continue contributing to this objective: the food stamp program under P.L. 480 Title II, the Primary Education Program, and the Mission's various activities in the housing area, to name a few. Furthermore, to the extent OEPE activities are successful, all income groups will benefit.

**TABLE: Performance Indicators**

<b>GOAL/OBJECTIVE/ TARGET/ACTIVITY</b>	<b>INDICATORS</b>	<b>RESPONSIBILITY</b>
<b>GOAL:</b>		
Broad-based sustainable economic growth.	a. Increase in GDP.	OEPE from STATIN
	b. Increase in employment.	OEPE from STATIN
	c. Increase in participation rate.	OEPE from STATIN
	d. Decrease in unemployment rate.	OEPE from STATIN
<b>STRATEGIC OBJECTIVES:</b>		
1. Increase in exports.	Increase in exports of goods and factor services.	OEPE from STATIN
2. Increased and diversified investment.	a. Increase in private investment: (1) in real terms, (2) as percent of total investment.	OEPE from STATIN
	b. Increase in no. of private sector firms.	to be determined
	c. Increase in private sector employment (total employment less public administration and public enterprises).	to be determined
3. Increased participation of lower income groups.	a. Increase in share of population above poverty line.	OEPE from survey data
	b. Increase in share of population with 20% of national income.	OEPE from survey data

**SUBOBJECTIVES:**

1. Increase in agricultural exports.

Increase in agricultural exports.

OEPE from trade stats.

2. Increase in non-traditional exports.

a. Increase in non-traditional exports.

OEPE from trade stats.

b. Increase in no. of exporting firms.

GCT registry or JAMPRO

3. Increase in tourism.

a. Increase in income from tourism.

OEPE from trade stats.

b. Increase in Jamaican share of visitors to CA and Caribbean.

OEPE from trade stats.

**PROGRAM OUTPUTS:**

1. Improved performance by assisted sectors.	a. Increase in exports of assisted sectors.	STATIN
	b. Increase in output of assisted sectors.	STATIN
	c. Increase in yield of assisted sectors.	STATIN
2. Improved productivity in assisted areas.	a. Increase in output of priority areas.	STATIN
	b. Increase in real value added of priority areas.	STATIN
	c. Increase in productivity of assisted firms.	STATIN
3. Improved government services.	a. Decrease in no. of days to clear goods through Customs.	JAMPRO
	b. Decrease in percent of import categories subject to license.	JAMPRO
	c. Decrease in no. of days to obtain a business license.	JAMPRO
	d. Decrease in no. of days for an exporter to obtain a rebate on GCT.	to be developed
4. Government services and firms divested.	a. Amount of reduction in public enterprise subsidy.	Budget Accounts
	b. No. of services and firms divested.	Privatization Secretariat
	c. Increase in GOJ revenue from sales of firms.	Budget Accounts

5. Investments developed. (through trade shows, etc.).	a. Investments in Jamaica. (1) No. of new leads (2) No. of active prospects (3) New joint ventures - no. - Value	JAMPRO to be developed
	b. No. of Jamaican firms exporting to the U.S. market.	JAMPRO to be developed
6. Improved financial markets.	a. Increase in loans to agriculture and non-traditional manufacturing. (1) total (2) as share of total commercial bank loans	Bank of Jamaica
	b. Increase in term loans as a percent of total private sector loans.	Bank of Jamaica
	c. Increase in stock exchange activity: (1) no. of listings (2) activity	Bank of Jamaica
7. Microenterprise development.	a. Increase in credit to microenterprises.	project data
	b. Increase in micro-enterprise activity: (1) no. of MEs (2) sales of MEs (3) employment in MEs	project data

**ACTIVITY:**

**Conduct Policy Dialogue, Analysis and Management of Policy Change**

1. Conduct policy dialogue, studies in support of freer FX and interest rate policies.	No. of studies completed.	USAID
2. Provide technical assistance for studies on incentives, procedures, transportation and space.	No. of studies completed.	USAID
3. Provide regulatory assessments based on MIS.	No. of regulatory assessments made.	USAID

**Improve Business Support Services by Private Sector Business Associations and Organizations**

1. Provide technical assistance and training to small business private sector organizations.	a. Percent increase in membership of business organizations.	JAMPRO
	b. No. of added services to members.	JAMPRO
	c. Percent increase in revenue from services provided to members.	JAMPRO
2. Organizational improvement in public sector organizations.	a. Creation of one-stop customs processing facility.	OEPE
	b. No. of persons trained.	JAMPRO
	c. No. of training days.	JAMPRO

**Improve Productivity of Assisted Firms**

1. Provide technical assistance.	a. No. of in-plant assistance consultancies.	IESC/ JAMPRO
	b. No. of hours of consulting assistance.	IESC/ JAMPRO
2. Provide training.	No. of in-plant courses and personnel trained.	IESC/ JAMPRO

**Support Investment/Trade Promotion**

1. Create investment/trade opportunities.	a. No. of investment/trade shows attended.	IESC/ JAMPRO
	b. No. of companies participating.	IESC/ JAMPRO
2. Provide technical assistance.	No. of firms assisted.	IESC/ JAMPRO

**Improve Business Linkages**

1. Support for feeder industries:		
a. technical assistance for support, upgrading.	a. Participating firm assisted.	NDF
	b. Increase in no. of suppliers.	NDF
	c. Increase in sales of suppliers.	NDF
b. matching grant to a host firm.	Increase in raw material requirements met by feeder firms.	NDF

### Improve Financial Markets

1. Increase credit to private sector (Section 108).	a. No. of client loans made.	Auction
	b. Amount of funds disbursed.	OEPE Auction
	c. Percent of loans to commercial banks.	OEPE Auction
	d. Amount of loans made by sector.	Auction participants
2. Technical assistance for establishment of an SEC-type body.	Establishment of an SEC-type body.	OEPE

### Provide Ag Support Services

1. Technical assistance and commodities to producer organizations.	a. No. of days of technical assistance provided.	AGR
	b. Value of commodities provided.	AGR
2. Support to public sector agencies to improve services to producers and exporters.	To be determined.	
3. Support for private sector organizations servicing agriculture.	To be determined.	

### Support Growth of SMEs

1. Grant to NDF for lending to small business (EDIP).	a. Amount of funds disbursed.	NDF
	b. No. of loans made.	NDF
2. Technical assistance support for microenterprise lending programs.	No. of microenterprises started or assisted.	NDF & NGOs

3. Matching grants for non-credit microenterprise assistance activities.	a. Amount of funds disbursed to intermediaries.	NGOs
4. Update small establishment survey.	MIS established.	OEPE
5. Increase credit to private sector (ALICO and Loan Guarantee Fund).	a. No. of loans made.	ALICO/ guarantee institutions
	b. Amount of funds disbursed.	ALICO/ guarantee institutions
	c. Amount of loans made by sector.	ALICO/ guarantee institutions
6. \$300,000 grant to NDF for relending.	a. No. of participating firms assisted.	NDF
	b. Increase of sales of participating firms.	NDF

### III. DESCRIPTION OF THE MIS

The Mission's project activities are carried out by intermediary institutions. These institutions administer loan, technical assistance, training and enterprise promotion activities. Two major categories of information must be regularly reported back to USAID by these intermediaries before an analysis of the effectiveness and impact of the Mission's projects can be made:

- A log of the activities conducted, and;
- Updated profiles on the recipient enterprises, showing changes in their financial situation and identifying such characteristics as their ownership type, locale and products.

These project activities and impacts can then be compared with national statistics on employment, GDP and export sales to determine the differences resulting from USAID's assistance (e.g., assisted projects increased export sales faster/slower than non-assisted enterprises of a like nature). These data could also be used to help determine if the supports to one particular sector (e.g., textiles) resulted in benefits available to all enterprises in that sector (e.g., more foreign markets opened to exported goods).

In the past, the quality and extent of the project activity and impact information coming from the intermediaries has not been adequate to the management and evaluation requirements of the Mission. Described below is the strategy for collecting, processing and analyzing this information, and a description of what work has been done to date by the MSI consultant team and what remains to be done.

#### Strategy: Build on Existing Data Gathering Capabilities

The principal strategy employed by this MIS system involves linking the Mission's data gathering operations with those of the Jamaican intermediary organizations that are running the day-to-day project activities funded by the mission. This linkage does not rely on sophisticated and costly computer networking technology, but rather on the sharing of file information via the periodic exchange of diskettes or by computer modem lines.

The advantage of this approach is that the great bulk of data entry involved in the tracking of project activities and loans is done at the intermediary institution level and not by Mission staff. As the intermediary institutions are already (or should be) maintaining control sheets on their activities, this approach does not burden them either. For this approach to work, however, certain file design standards must be met by all participating institutions. These include:

- The computerization of a minimal set of data elements (e.g., ownership gender of a micro-enterprise);
- A common coding scheme for designating business, loan, geographic setting and other categorizations; and,
- Expressing all monetary figures in one currency, either Jamaican or U.S dollars.

A listing of the minimum data elements and codifications is included in this report.

The above exchange of data from the intermediary institutions to the Mission does not require that each party use the same software package. The MIS system will provide for "data conversion" routines that handle the exporting of data from the intermediaries' systems to the importing of this data into the Mission's computer system. It is recommended that these transfers be made on a regular monthly schedule using diskettes or modem communications.

During the course of this consultancy several intermediaries have been visited to determine their capabilities to participate in such an exchange of data and their willingness to do so. We have discovered that they all do have the necessary computer systems and are willing to cooperate with the Mission on the development of the specific file handling software needed to collect and transfer the desired data to the Mission. In general, they viewed the request for data as an opportunity to collaborate on the design of file systems that they also need for themselves. Many will want to use the data base software we design rather than create one of their own; others prefer their own software and will export the data that the Mission needs onto a disk for transfer.

Detail on the results of the visits to the intermediaries is attached as an annex. Many additional visits to current and prospective intermediary institutions remain to be conducted beyond the departure time of the MSI team. These can be done by a Jamaican-based person, using the approach and materials developed by the MSI team.

#### Integrate with Existing Mission Software & Systems

The MIS system will also enable the Mission to internally export its data to other software, such as graphic presentation and word processing packages. Every effort will be made to integrate the data collected and processed by this MIS system into the Mission's overall computer management operations. In this way, each work station will have access to the project data, and those staff who prefer the Harvard Graphics package, for example, to create presentation graphics, or want to incorporate project data into a WordPerfect file will be able to do so.

Initially, however, the MIS system will be loaded onto one computer workstation. When the Mission upgrades its dBase software to the network version, the data will then be immediately available at each workstation throughout the Mission.

#### Institutionalizing Maintenance & Customization of the Software

The Mission will want an initial set of reports that meets its expected needs and be able to customize later reports to meet new requirements as they surface. Additionally, the MIS system must be operable, in the main, by clerical and project level staff without the assistance of a computer professional.

For these above reasons, the dBase IV package will be used as the platform for the MIS software. Mission staff are already well-versed in the application of dBase III Plus and are intending to soon convert it to the dBase IV network version. The MSI team will create the file structure required for the MIS system and document it so that the Mission computer staff has the ability to create the required custom report formats.

Additional report development could be done by the MSI team, but this would require more time than is provided for in the present contract. It is estimated that installation and break-in of the MIS will require four person weeks of consulting time.

## **A. MIS Task Breakouts**

The following outline describes the range and sequence of tasks required to design, implement, test and evaluate the MIS desired by USAID/Jamaica. Though responsibilities for carrying many of these tasks are enumerated below, the actual designations await Mission decisions on extending the MSI contract and on employing local resources. Use the following outline to understand the full nature of tasks involved, regardless of who performs them.

### **I. Clarification of Required Data Elements**

#### **A. USAID & Intermediary Institutions review of draft file structure:**

1. Identification of the comparables with each one's existing data collection formats; e.g.:
  - a. Same data elements being collected (though possibly under different names).
  - b. Need for adding new data elements for an intermediary institution and identifying the best strategy for doing so.
2. Defining standardization requirements among each one's system and the constraints in obtaining this:
  - a. Obtaining agreements on use of common terms and codings for such items as "services provided" and "loan type".
  - b. Standardizing dollar reportings as U.S. or Jamaican.
  - c. Agreeing to a single ID numbering system for micro-enterprises (e.g., business license #), if at all possible.

#### **B. Analysis of System requirements**

1. Fields used to link data base files.
2. Design of calculation and symbolic fields.

### **II. Analysis of Data Entry Procedures and Responsibilities**

#### **A. Identify data export/import potentials between USAID and intermediary institutions, including:**

1. Determining design requirements for ASCII export routines for each intermediary institution needing one.
2. Determining data importing capabilities of dBase IV and other prospective data base software.

3. Identifying quality control requirements for imported data:
  - a. Verification of data integrity and completeness
  - b. Protection from computer viruses
  - c. Back-up & Restore safeguards
4. Requirements for additional USAID data entry into imported files, e.g.:
  - a. Date stamping
  - b. Addition of USAID program codes to records so that their information can track according to log-frame and project goals criteria.
  - c. Micro-enterprise ID# stamping if national standard not available.
5. Drafting prototype menus and operating procedures for clerical-level USAID staff to use for handling data imports:
  - a. Analyzing computer skill levels of probable staff using system.
  - b. Understanding computer system and design preferences of USAID computer staff people who would oversee system.
  - c. Understanding any computer system requirements (e.g., networking constraints) that would have to be considered.

### III. Analysis of Reporting Requirements

- A. Design for periodic, standard reports, e.g., "10 most important indicators" to be followed each month.
  1. These reports are run directly from menus and only require responses to a few prompts, such as the reporting period dates.
  2. These reports perform complicated computations and correlations in order to provide sophisticated summaries and depictions of trends; their design is not easily revised by the non-computer professional.
- B. Design for standard report formats (e.g., mailing labels, tabulation formats, line listings and other displays) that are produced for operator set criteria.
  1. Clerical-level staff will be able to draw from a standard list of formats to produce, for example, mailing labels for all owners of textile micro-enterprises operating in the Kingston area, or a tabulation of male/female ownership of rural vendors receiving sub-loans in the first six months of 1992.
  2. These display formats are fixed. The selection criteria are open to most any ad hoc requirement.

- C. Enable a moderately computer-skilled USAID staff person to design new reports formats, revise existing ones, and write programming procedures for handling computations and other routines for custom report needs.
  - 1. Provide access to screen and report generating powers of the data base software package.
  - 2. Enable the saving of these custom routines and their integration into the standard menu and report query operations of the system so that clerical-level staff can then manage their day-to-day use.

#### IV. Computer Programming of Prototype

##### A. Selection of Data Base Package

- 1. Identify preferences of Mission staff who have responsibilities for managing computer systems at the Mission. The dBase IV software package is known to be the probable choice.
- 2. Determine software conversion requirements for PRE/I data base system in operation at Aid/Washington. This system has many of the features required for USAID/Jamaica's needs. It operates on a Revelation software package; yet, it could be converted to a dBase IV system and greatly reduce the programming work.

##### B. Analysis of computer compatibility requirements within the Mission.

- 1. The mission uses Wang and WordPerfect wordprocessing software, and Harvard Graphics and a special mapping package for graphic presentations. The MIS system will need to be able to export its data to these packages.
- 2. The availability of modem communications with outside computer systems, the operations of the Mission's Wang network and other computer systems must be understood to achieve the best fit for the MIS software.

##### C. Understanding of the existing level of computer skills within the Mission.

- 1. The design of the MIS system menus, prompts and report generating routines needs to be geared to the skill levels and preferences of the staff.
- 2. The skill level and time availability of the Mission computer professionals must be known to design a "train the trainers" curriculum to institutionalize the ability of the Mission to manage the software's daily use and occasional revisions by itself.

##### D. Software Development

- 1. Writing the prototype MIS software program in Washington, where the precursor PRE/I software package can be converted, where possible, and where the most skilled programming professionals reside.

2. Mailing and Faxing in-process designs for menus, entry screens and reports to USAID/Jamaica for review and revision. Also, sending "beta" versions of the actual package for the entry of test data.
3. Also, maintaining oversight of the discussions with the intermediary institutions whose data will be exported to the MIS system and developing accommodations to meet their constraints.

V. Site Implementation and Testing

A. Installing the prototype system

1. Achieving initial operationalness of the MIS software on the Mission's equipment and with the first actual data.
2. Making on-site revisions to meet latest change requests.
3. Providing any needed additional support to the data exporting routines of intermediary institutions.

B. Training of Mission staff

1. Training of line-level staff on the day-to-day operations of the software.
2. Training of Mission computer professional staff on maintenance of the software and on customizing reports and similar sophisticated applications.
3. Delivery of software instructional materials.

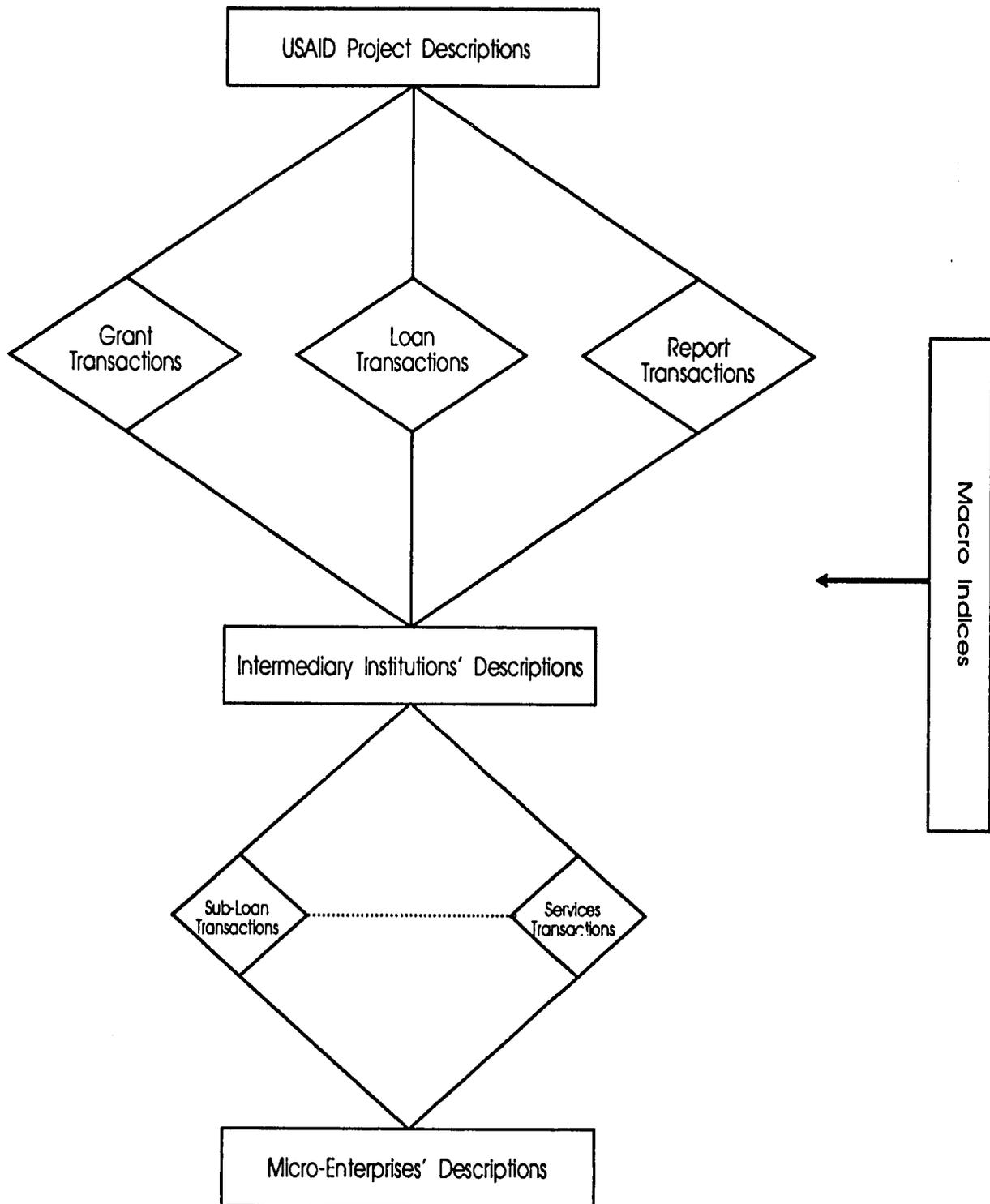
VII. Longer-term Evaluation and Adaptation

A. Development of evaluation instrument to determine:

1. Operational effectiveness of the software
2. Its patterns of use
3. Value to the Mission's monitoring and reporting goals
4. Design requirements to improve the software.

B. Development of improvements to the software and the assistance and instructional materials. follow-on delivery of training

**B. MIS FILE STRUCTURE - DATA ENTRY SCREENS**



## USAID PROGRAM SCREEN

Data Elements	Elaboration
1. Project/Program Code #	From Project Data Sheet.
2. Project title	" " "
3. Initial obligation date	" " "
4. Initial authorization amount	" " "
5. Amendment#/Date/Amount	For each amendment, the date and amount (+ or -).
6. Current authorization amount	Computed by system.
7. Completion date	From Project Data Sheet.
8. Project purpose	Text description from Project Data Sheet.
9. Scheduled evaluation dates	From Project Data Sheets.

For discussion: Scheme for including project objectives; e.g., number of T.A. consultancies per quarter. These objectives could be compared to data from Services Transaction records to give percentage of objectives met. Problem is the lack of commonalities of objectives among projects. A way would be needed to code objectives so that accurate linkages are established between the Program and Services records.

## GRANT TRANSACTION SCREEN

<b>Data Elements</b>	<b>Elaboration</b>
1. USAID Project code	Link to USAID Program
2. Recipient institution ID#	Link to Intermediary Institution record or micro-enterprise (for direct grants).
3. Grant #	Unique system identifier
4. Grant type	Distinctions are not certain, but could be form of currency used or other attribute.
5. Grant purpose code	Categorization made.
6. Grant description	Text description of purpose of grant.
5. Authorized grant amount	Total amount to be given.
6. Distribution dates/amounts	Date and amount of each distribution.
7. Approval officer	USAID staff person

## INTERMEDIARY SERVICE/FINANCIAL INSTITUTION SCREEN

<b>Data Elements</b>	<b>Elaboration</b>
1. Institution ID#	Unique identifier for system.
2. Institution name	Full corporate name.
3. Full address	Composed of street, city and postal code.
4. Contact person	Full name.
5. Contact's title	
6. Phone & FAX numbers.	For direct line to Contact.
7. Institution type code	e.g., Credit Union, Government agency, etc.
8. Services description	Text description of general services and purposes of institution.
9. Staff size/annual date	Staff size on annual basis.
10. Total budget/annual date	Budget on an annual basis.
11. Membership number/annual date	For credit unions and similar membership organizations, the number of members per annual date.
12. USAID contract types/dates	Effective dates and contract type for each agreement.

## **REPORT TRANSACTION SCREEN**

<b>Data Elements</b>	<b>Elaboration</b>
1. ID# of Reporting Group	Link to Intermediary Institution or (if direct grant) to micro enterprise.
2. Report title	Official title of required report
3. Beginning Report date	Used by system to project report schedule.
4. Frequency	Monthly, quarterly, etc. basis; used by system to project schedule.
5. USAID project code	Link to USAID program
6. Due date/Received date/ Author/Status for each report deadline	System projects due dates; other information entered as known.

**Note:** This screen can also be used to identify dates when loan repayments need to be made.

## INTERMEDIARY LOAN TRANSACTION SCREEN

<b>Data Elements</b>	<b>Elaboration</b>
1. USAID Project code	Link to USAID Program
2. Intermediary institution ID#	Link to Intermediary Institution record or micro-enterprise (for direct grants).
3. Loan ID#	Key to sub-loans.
4. Loan type	Categorization coding scheme.
5. Authorized loan amount	Total amount to be given.
6. Institution contact person	Full name of responsible person.
7. Title	Title of this person.

## SERVICE TRANSACTION SCREEN

<b>Data Elements</b>	<b>Elaboration</b>
1. Service provider ID#	Link to IFI/Service provider record
2. USAID project code	Link to USAID program
3. Micro-enterprise ID#	Link to micro-enterprise record.
4. Individual name of provider	Name of the consultant, trainer or other individual. May need to handle multiple names and link to records for each of these individuals, if this level of tracking is desired.
5. Initial date of service	First date service provided
6. Termination date of service	Date service closed
7. Service type	Codification scheme linking to service codes of USAID project.
8. Monthly hours	For each active month-end date, hours are totaled.
9. Monthly Trainees/Type	For each active month-end, total number of trainees (if any) per type of trainee.
10. Fee Basis	Hourly rate of consultant, if applicable; if blank, no fee; are there other possibilities?
11. Service Expenses Amount	Costs for travel, accommodations and other expenses.
12. Business Plan date	Date enterprise completed business plan (if any).
13. Current assessment code	Indicator of status for evaluation purposes.

14. USAID project code

Link to USAID program. (This code may need to be assigned and entered at USAID.)

## SUB-LOAN TRANSACTION SCREEN

<b>Data Elements</b>	<b>Elaboration</b>
1. Loan ID#	ID# includes identifier for VFI.
2. Loan type(s)	Codes indicating long or short term, foreign or domestic currency, other categories.
3. Authorization total	Total loan amount approved
4. Application Date	Loan application date
5. Approval date	Loan approval date
6. Description of loan use	Text description for reports
7. Loan purpose type(s)	Multiple codes possible, with <u>primary</u> ones indicated.
8. Interest rate type	Fixed or indexed. Look-up table used to calculate indexed ones.
9. Interest rate and, for adjustables, the basis and factor	If fixed, rate entered; if adjustable, the basis (e.g., "prime rate" plus factor (e.g., two point over prime).
10. Collateral percentage	Percentage amount (e.g. 300%).
11. Term	Stated years.
12. Length of Grace Period	Number of months before after approval date before first loan payments are required.
13. Disbursement dates/amounts	Date and amount for each.
14. Reflow dates dates/amounts	Date and amount for each.
15. Loan charge date/type/amount	Fees, penalties, etc., with dates and amounts for each.
16. Outstanding balance	Computation by system.

- |     |                             |  |
|-----|-----------------------------|--|
| 17. | Other system computations   | For total interest and principal paid, etc.                                      |
| 18. | Loan status                 | Current, arrears level, etc.   |
| 19. | Accompanying service ID#(s) | ID# links to Services records. Multiple links possible.                          |
| 20. | Business plan provided      | Yes/no   |
| 21. | Previous loan from IFI      | Yes/no   |
| 22. | USAID project code          | Link to USAID program. (This code may need to be assigned and entered at USAID.) |

## MICRO-ENTERPRISE SCREEN

<b>Data Elements</b>	<b>Elaboration</b>
1. National ID#	National Employer #, Business license or other ID number <u>all</u> enterprises can use.
2. Enterprise name	Full corporate name, or other name that the enterprise is commonly known by.
3. Full Address	Composed of fields for street, city and postal code.
4. Contact person	Fields for full name.
5. Contact's title	e.g., Owner, Assistant, etc.
6. Business type	Corporate form; e.g. owner operated, publicly held.
7. Proprietor attributes	e.g.: Female owned; multiple codes possible
8. Owner's full name	Individual or corporate name
9. Owner's full address	Composed of fields for street, city and postal code.
10. Link ID# to primary owner	Used when this enterprise is subsidiary of other firm that is on USAID file.
11. Geographic marker	Country co-ordinates that enable rural/urban designation or other geo-specific designation.
12. Size categorization	Code along a continuum.
13. Product/services type(s)	Multiple codes possible, with ability to identify <u>primary</u> ones.

- |     |  |   |
|-----|--|---|
| 14. | Business description                                       | Text used in reports to give "thumbnail" description of what the business does. Could include any comments of merit.                      |
| 15. | Business origination date                                  | Date it began as currently configured.  |
| 16. | Client/customer type(s)                                    | Multiple codes possible, with ability to identify <u>primary</u> ones.  |
| 17. | Financial statement figures - per desired reporting period | Assets, domestic sales, export sales, imports, profits, payroll and other items as desired - given for annual, quarterly or other period. |
| 18. | Employee level   | Total, with gender breakout.  |
| 19. | Initial U.S. Export Date                                   | Date of first exports to US   |
| 20. | Plant utilization by date                                  | Percentage of plant utilization per reporting date.   |
| 21. | Joint Venture Start Date(s)                                | Date for each new start date.   |

Note: Mission Controller's Office will supply printouts of disbursements made and payments received. This data will not be a part of this MIS.

## MIS Table Look-up Files

The codes and categories identified below are required for the MIS so that it is possible to standardize the reporting coming from many different intermediary institutions. Some suggested codings have been identified, such as JAMPRO's business sector categories.

<u>Table File</u>	<u>Screen Access</u>
<b>USAID Codes</b>	
USAID Project Code	USAID Program Grant Transaction Loan Transaction Report Transaction Sub-Loan Transaction Service Transaction
Loan Type	Loan Transaction
Grant Type	Grant Transaction
Grant Purpose Code	Grant Transaction
<b>Intermediary Institution</b>	
Intermediary Institution Type	Institution Desc.
Sub-Loan Type	Sub-Loan Transaction
Loan Purpose Type	Sub-Loan Transaction
Interest Rate Type	Sub-Loan Transaction
Other Loan Charge Type	Sub-Loan Transaction
Loan Status	Sub-Loan Transaction
Service Type	Sub-Loan Transaction
Fee Basis	Sub-Loan Transaction
<b>Micro-Enterprise Codes</b>	
Business Type	Micro-Enterprise Desc.
Gender Type	Micro-Enterprise Desc.
Other attributes (e.g., ethnicity?)	Micro-Enterprise Desc.
Geographic Code	Micro-Enterprise Desc.
Business Size	Micro-Enterprise Desc.
Product/Services Types	Micro-Enterprise Desc.
Client/Customer Types	Micro-Enterprise Desc.

#### **IV. INITIAL SCREEN MENU DESIGNS AND PROMPTS**

The following draft designs help illustrate how a non-computer staff person might work with the MIS system. They do not cover all of the menu requirements. This additional work still needs to be done.

##### MIS Opening Menu

1. Go to Reports Menu
2. Go to Mission Data Entry Menu
3. Import Data from Intermediaries
4. Export Data to Other Mission Software
5. Go to Utilities Menu
6. Return to DOS
7. Return to Network Applications Menu

##### MIS Reports Menu

1. Select Periodic Report
2. Make Ad Hoc Query
3. Make Custom Report
4. Return to MIS Opening Menu

## MIS Data Import Menu

1. **Import Loan Transaction Data File**
2. **Import Services Transaction Data File**
3. **Add Missing Micro-Enterprise ID#s to TEMP File**
4. **Print TEMP File Records with Missing or Suspect Data**
5. **Enter data to Temp File**
6. **Append Temp File to Master File**
7. **Create Import Format Template**
8. **Return to MIS Opening Menu**

## MIS Data Import Prompts

1. Enter Intermediary Code: \_\_\_\_\_ (Select list from popup)

2. Effective period: Enter beginning date: \_\_\_\_\_

Enter ending date: \_\_\_\_\_

3. Insert import disk in drive A and press <enter> when ready.

4. (One of the following virus check messages will appear):

No viruses have been detected on import disk, press  
<enter> to continue.

Virus detected on import disk!! Remove disk from  
drive and press <enter> to continue.

5. Import status messages (only one would appear):

\_\_\_ records are on imported file.

\_\_\_ records occur in dates requested and have been  
successfully imported into TEMP file.

Disk cannot be read. Try again? (Y/N)

Incorrect file structure on disk. Import aborted.

No records on disk are for period requested. Re-set dates  
or try a different disk.

6. (When data successfully imported to TEMP file, this message  
appears):

Data being verified.

(When verification check is completed, the following messages will appear.

\_\_\_ record(s) have missing Micro-Enterprise ID#s.

\_\_\_ record(s) have missing required data.

\_\_\_ record(s) have data with suspected inaccuracies.

A total of \_\_\_ records have been verified.

7. Press <enter> to return to Import Menu.

#### **NOTES on Prompts:**

1. Using the "Create Import Template" option on the Data Import Menu, the user can create and save the import routine for each intermediary organization. Each organization's data may be imported in a different fashion, as the data may be in ASCII or dBase format, and have somewhat varying file structures. When the intermediary's code is entered for this first prompt, the import formats for that institution will be used.
2. The effective dates will be used when the data is verified to select out only those records which fall into those dates.
3. No comment needed.
4. A virus detection software package will be linked to the MIS system. It will scan the disk for suspected viruses. If one or more are found, the user will be trained to run the disk through a virus repair routine, or, if that is not effective, to contact the intermediary organization which provided the disk to check their systems and produce a virus-free disk.
5. The imported data first goes to a temporary file (called TEMP). This file has the same dBase IV structure as the Mission's master file. If this importing is successful, messages give the number of records transferred. If not, the appropriate error message would appear.
6. Using the TEMP file, the system automatically checks to see if each record has a micro-enterprise ID# or is missing other selected priority data. It will also check suspected inaccuracies in the data entry by identifying entries that are outside of the normal range (e.g., too large a number of consulting hours for a month). All of the records with missing or suspect data can then be looked at and corrected where need be, using the appropriate options on the Data Import Menu.

7. Returns the user to the Data Import Menu where needed changes to the TEMP file data can be made, and the resultant file appended to the master file.

## **V. GUIDELINES FOR THE SELECTION OF SMALL AND MEDIUM SCALE ENTERPRISE CREDIT INTERMEDIARIES**

There are four documents in the Annex that can be used as a model template for the application of guidelines for evaluating intermediate credit institutions; screening applicant institutions for loans and grants; and providing guidelines for the submission of business plans by applicant institutions.

The objective of these documents is to standardize the guidelines for the application and evaluation process for grants and loans to institutions. The documents are:

1. Performance Standards: This document outlines the rationale and indicators for evaluation of intermediary institutions.
2. Instruction for Institutional Support Grants and Loans: This document is a "client handout" that provides instructions and an application for intermediary institutions to use in applying for assistance. This document is used to standardize the information received from applicant institutions and simplify the evaluation and selection process. This document can be used on an ad hoc basis or can be used as a handout following placement of ads for specific types of institutions. The information in the application can be used to gather standard information, make initial selections and determine whether to proceed with the potential client or terminate consideration.
3. Evaluation Instructions for Applicant/Institutions: This document is a USAID/OEPE worksheet that can be used to assemble the client information and make an initial evaluation judgement against a set of guidelines to consider the client for a grant or loan. OEPE may require the client to proceed with the preparation of a business plan. A business plan can be used for further loan or grant evaluation and consideration.
4. Guidelines for Business Plans: This document is a handout that can be provided to clients whose applications meet the guidelines (standards) set in the evaluation proceed (see number 3 above). OEPE may choose to proceed with this client as a potential recipient of a loan or grant under the EDIP Project and may require the submission of a business plan. This document provides the client with a standard format for preparation and submission of the business plan.

## VI. NEXT STEPS IN THE IMPLEMENTATION OF THE MIS

<b>Timeframe</b>	<b>Task</b>	<b>Responsibility</b>
Jan 1991	Substantial completion of the data base design. Refinements will occur in contract February as Mission provides feedback.	MSI existing
Feb 1991	Programming of entry screens and primary menu components. Import routine also programmed.	MSI existing contract
	Visits to intermediary institutions to obtain concurrence with data collection and exchange procedures.	Jamaican-based team under new contract
	Finalization of coding classifications to be used by MIS system (e.g., "Loan type", "Type of product produced").	Jamaican-based team under new contract
Mar 1991	Site installation of prototype version of MIS system; testing with initial data; technical assistance to first participating intermediaries; late changes to software; training of Mission computer staff.	MSI team under new contract (4 person weeks)
Apr-Sept 1991	All intermediary institutions brought into system. By end of period, longer-term refinements made to software and procedures.	Mostly by Jamaican based team; some MSI supports.

## ANNEX A

### GUIDELINES for Selection of Small to Medium Scale Enterprises Credit Intermediaries

#### I. INTRODUCTION

These guidelines are designed as a template for analyzing, comparing and approving applicant institutions for loans under the Export Development and Investment Promotion Project (EDIP) and the Microenterprise Development Project (MD). These guidelines should be used when considering loans to intermediate institutions for on lending to small to medium scale enterprises (SMEs).

#### II. BACKGROUND

There are three major factors to be considered in establishing standards for design and measurement of the effectiveness and productivity of intermediary lending institutions that provide credit and technical assistance to SMEs. These factors are:

The performance of the INSTITUTION itself as a business entity is an indicator of efficiency including the production revenue, viability and operations.

The PORTFOLIO is an indicator of the institutions marketing ability and the ability to select viable clients.

The TECHNICAL ASSISTANCE provided by the institution as an indicator of commitment of the institution to development and performance results.

These performance standards are therefore divided into these three categories.

#### III. INSTITUTION

A. REVENUE PRODUCTION: Loans made to non-bank credit intermediaries for on lending to SMEs should be made at free market determined positive interest rates. However, many of these institutions are development oriented and also provide technical assistance to their client borrowers. Application of the revenue standard then must be made against the institution as a whole. First, consider the sources of revenue and whether revenue was produced from performance or is the product of donor support. It is reasonable to expect the institution to produce revenue to support itself from income for services rendered to the marketplace. Evidence indicates that non-bank credit institutions that provide credit and technical assistance to SMEs without subsidies are usually more viable than those that operate entirely with donor and/or government support.

It is required that the institution demonstrate that it can produce income for technical services rendered to clients.

Revenue Production - 100% of interest income must cover the 100% of the operation of the credit component. At least 50% of the revenue for operation of the institution for services other than credit must be produced in the marketplace as fees for services rendered to clients. (Revenue does not include donor grants.)

**B. MARKET:** The market served by the institution must also be examined to determine how it compares to the market that USAID is targeting. This will require demographics on the clients served by the intermediary institution. This information may be determined in brief by the "Client Body Profile" section of the "Application for USAID Grant/Loan" (Form 003) with further elaboration in the business plan provided by the applicant institution if required, as stipulated in the "Guidelines for Business Plans" (Form 006).

The client that borrow from the intermediary institution must fall within the definition of SMEs as indicated below:

Micro: 0 to 5 employees and under \$500 in fixed assets;

Small: 6 to 25 employees and under \$25,000 in fixed assets; and

Medium: up to 200 employees and \$100,000 in fixed assets.

Target Market: 50% or more of the portfolio of the client borrowers of the intermediary institution must meet the definition of small and medium enterprises. The remaining 50% of the portfolio can be used for larger enterprises with generally more than 100 employees.

**C. VIABILITY:** Indicators such as length of time in business, stability, reputation in the marketplace, performance and efficiency should be considered. These are difficult standards to set but the following indicators can be considered:

**Stability:** The institution should have at least three years of successful experience serving the target market. This standard is limited to existing institutions. In the case of a start up institution, the business plan should be specific in its plan for attaining stability.

**Reputation:** The institution must have a reputation for providing good service to clients. This can be determined by taking a random opinion survey from a consumer panel of clients served by the institution. It may also be desirable to make inquiries of peer institutions.

**Loan Service Efficiency:** The institution should not only have a reputation for service and efficiency but must have no more than one credit staff members for every 50 borrowers per year and one technical assistance staff for every 25 beneficiaries per year.

**D. OPERATIONS:** Activities of the institution such as client prospecting, loan processing, debt service monitoring, collections and bad debts should be examined from the standpoint of policies, procedures and turnaround time.

**Prospecting:** This is a judgement call. Try to determine what techniques are used and how productive they are. Generally speaking, the cost of sales (in this case we mean promotion cost for identifying client borrowers) should not exceed 25% of the annual operational budget.

**Loan Processing Time:** It is not only necessary to have simple procedures for measuring creditworthiness, it is also important for the institution to be responsive. The standard for loan application turnaround time is one month, that is, one month from the time of application to the time of loan approval (or disapproval) notification to the client. In addition, disbursement of loan proceeds should begin no more than one month after loan approval.

**Loan Terms:** Free market determined positive interest rates and minimum collateral requirements should be the norm. Approval decisions should first be made on the productive value of the project, i.e., will it self liquidate or produce enough cash to service the debt prior to applying the minimum collateral requirement (50%).

Other details about the applicant institution such as sector focus, size, services provided and ownership are provided on the application. Additional details such as assets, products/services, management profiles, financial performance and benefits/risks are requested in the "Guidelines for Business Plans" (Form 006).

#### **IV. PORTFOLIO**

There are several items that should be examined in the portfolio. They are loan debt service performance, collections/bad debts and fund turnover.

**Collections/Debt Service Monitoring:** Monthly reports should be available on the performance of client loans.

**Bad Debts:** A reserve of 10% should be set aside for bad debts and no more than 10% of client loans should be more than 90 days in arrears.

#### **V. TECHNICAL ASSISTANCE SERVICES**

The provision of technical assistance is important to developing credit responsibility. Technical assistance should be provided only when absolutely necessary and at a minimum level. If the client borrowers are responsible and service the debt without technical assistance, no technical assistance may be the best answer.

42

Cost of Technical Assistance: Not to exceed \$1 for every \$50 of loan.

## VI. QUESTIONS

Some additional questions may be pertinent:

What is the client loan application process?

What are the collateral requirements for loans?

What is the loan approval process?

What are the current loan terms?

## SUMMARY OF STANDARDS

### I. INSTITUTION

Revenue Production:	Credit component self-sustaining and 50% of technical assistance supported by revenue generated from fees charged.
Target Market:	50% of borrowers must be SMEs.
Stability:	At least 3 years in business.
Reputation:	High among clients and peers for service to SMEs.
Efficiency:	50 loans per staff member plus 25 technical assistance cases per year.
Prospecting:	No more than 25% of budget used to produce clients.
Processing Time:	One month.
Terms:	Commercial rates with minimum collateral requirements.

### II. PORTFOLIO

Collections:	Monthly, with reports.
Bad Debts:	10% reserve.

### III. TECHNICAL ASSISTANCE

Cost:	No more than \$1 cost for every \$50 of loan.
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**INSTRUCTIONS FOR INSTITUTIONAL SUPPORT  
GRANTS AND LOANS  
(EDIP Template)**

**INTRODUCTION**

Institutions requesting consideration for USAID assistance for support of private sector development activities must complete the attached application. Following the completion and submission of the application USAID will inform you as to whether and when you should submit your business plan for consideration, evaluation and selection. Applications (no business plan required) should be submitted to:

U.S. Agency for International Development  
Office of Economics and Private Enterprise  
(USAID/OEPE)  
6 B Oxford Road  
Kingston

Please do not submit your business plan with your application. You will be notified by USAID/OEPE of the need for a business plan after initial review of your application should it be necessary.

Analysis of the business performance of the applicant institution and business plan will determine the acceptability of the applicant institution to receive a grant or loan from USAID/OEPE under the Export Development and Investment Promotion Project (EDIP).

Applicant institutions will be selected from applications submitted prior to a request for submission of business plans. The selection of an applicant institution from the application submitted does not mean that a grant or loan will automatically be made but signifies that the initial test for consideration has been met.

Form 001, page 1 of 4

**APPLICATION  
FOR USAID EDIP GRANT/LOAN**

Date Received

Client No.

**GENERAL INFORMATION (start here):**

Name \_\_\_\_\_

Institution \_\_\_\_\_

Address \_\_\_\_\_

Telephone \_\_\_\_\_ Facsimile \_\_\_\_\_

Year Operations Started \_\_\_\_\_

**SUMMARY DESCRIPTION OF YOUR INSTITUTION: Please check appropriate boxes.**

**A.  Bank:**

1.  Merchant, 2.  Commercial, 3.  Development,

4.  Credit Union, 5.  Rural, 6.  Other \_\_\_\_\_

**B.  Business Support Organization/Association:**

1.  export 2.  trade, 3.  investment,

4.  manufacturing, 5.  cooperative,

6.  Other \_\_\_\_\_

**C.  Microenterprise Support Organization:**

1.  NGO, 2.  Foundation

**D.  Other: Please provide brief description below.**

For Profit (p),  Not for Profit (n). Please check one.

Form 001, page 2 of 4

- 1/16

**APPLICATION**

**CLIENT BODY PROFILE:** Please provide a brief description of the clients you serve by filling in the six number indicators in the spaces provided below.

	SMALLEST	LARGEST	AVERAGE
Years in Business	_____	_____	_____
No. of Employees	_____	_____	_____
Annual Sales Income	_____	_____	_____
Sectors of Concentration (indicate no more than three):			
__ tourism, __ textiles, __ furniture, __ handicrafts,			
__ Other _____			

**PURPOSE OF APPLICATION:**

\_\_ Loan \_\_ Grant Amount \_\_\_\_\_

**APPLICANT BUSINESS PRACTICES:**

1. Do you charge your client fees for business services rendered such as insurance for loan default, key man life or other; preparation of client business plans and prospectuses; due diligence analysis; credit checks; loan placement; etc.? \_\_Yes \_\_No

If Yes, please specify:

ITEM	SERVICE FEE CHARGED
_____	_____
_____	_____
_____	_____

**SUMMARY OF CURRENT OBJECTIVES:** Please describe briefly how you would use the proceeds of this loan or grant if approved.

Form 001, page 3 of 4

47

**APPLICATION**

**APPLICANT PERFORMANCE/PROJECTIONS (+000):**

	YR 1	YR 2	YR 3	YR 4	YR 5
Past Performance (five years):	_____	_____	_____	_____	_____
Operating Expenses	_____	_____	_____	_____	_____
Service Fee Income	_____	_____	_____	_____	_____
Client Loans/Grants	_____	_____	_____	_____	_____
Profit (Loss)	_____	_____	_____	_____	_____
No. of Clients	_____	_____	_____	_____	_____
No. of Employees	_____	_____	_____	_____	_____

Comments:

	YR 1	YR 2	YR 3	YR 4	YR 5
Projections (five years):	_____	_____	_____	_____	_____
Operating Expenses	_____	_____	_____	_____	_____
Service Fee Income	_____	_____	_____	_____	_____
Client Loans/Grants	_____	_____	_____	_____	_____
Profit (Loss)	_____	_____	_____	_____	_____
No. of Clients	_____	_____	_____	_____	_____
No. of Employees	_____	_____	_____	_____	_____

Comments:

\_\_\_\_\_  
applicant signature

40

**EVALUATION INSTRUCTIONS FOR APPLICANT INSTITUTIONS  
(OEPE/EDIP Loans and Grants)**

Date Received  Client No.

Guidelines and evaluation calculations for loan or grant applications from requesting institutions are made from the information provided in the application.

Guidelines and calculations for each of the evaluation categories follow:

**A. OPERATING EXPENSES:**

Guideline: Operating expenses for institutions (banks, NGOs or PVOs) that make loans to their clients should be recovered by interest income on loans made and not exceed 20% of total loans made per year.

Calculation: Total all operating expenses and loans or grants made for past performance and projections and enter below. Compute the percent of operating expenses and enter in space provided.

	PERFORMANCE	PROJECTION
Operating Expenses:	_____	_____
Total Loans/Grants Made:	_____	_____
Percent Operating Expenses:	_____	_____

**B. OPERATING EXPENSES PER EMPLOYEE:**

Guideline: The operating expenses per employee should not exceed J\$ 00,000 per year. Note: You can also use 3 times payroll as a guideline.

Calculation: Total the number of employees for all past and projected years and enter below. Total the amount of expenses for all past and projected years and enter below. Divide the total number of employees into the total amount of expenses for past and projected years and enter below:

	PERFORMANCE	PROJECTION
Total Number of Employees:	_____	_____
Total Amount of Oper. Expenses:	_____	_____
Operating Expenses per Employee:	_____	_____

Form 002

1/9

C. Loans/Grants Made per Employee:

Guideline: The amount of loans or grants per employee (made, administered or other) should not fall below J\$ 00,000.

Calculation: Enter the total number of employees for all past and projected years and enter below (as above). Total the amount of loans/grants made for all past and projected years and enter below. Divide the total number of employees into the total amount of expenses for past and projected years and enter below:

	PERFORMANCE	PROJECTION
Total No. of Employees:	_____	_____
Total Amount of Loans/Grants:	_____	_____
Loans/Grants per Employee:	_____	_____

D. APPLICANT BUSINESS PRACTICES:

Guideline: Applicant institutions should demonstrate that they operate in a businesslike manner and charge fees for services provided to clients. Income from fees for services should be no less than equal to 50% of the total operating expenses.

Calculation:

	PERFORMANCE	PROJECTION
Income from Service Fees:	_____	_____
Total Amount of Oper. Expenses:	_____	_____
Percent of Operating Expenses:	_____	_____

SUMMARY CALCULATIONS:

	GUIDELINE	PERFORMANCE	PROJECTION
A. Percent Operating Expenses:	20%	_____	_____
B. Operating Expense/Employee:	J\$00,000	_____	_____
C. Loans/Grants per Employee:	J\$000,000	_____	_____
D. Service Fee Income (as % of C)	50%	_____	_____

Form 002

## **GUIDELINES FOR BUSINESS PLANS**

### **INTRODUCTION**

These guidelines are provided to applicant institutions who are requesting loans or grants from the U.S. Agency for International Development, Office of Economics and Private Enterprise, under the Export Development and Investment Promotion Project (EDIP).

Analysis of the performance and projections of the applicant institution will be conducted by a panel of three (3) persons, two U.S. and one Jamaican national (all three employees of USAID).

### **GUIDELINES**

The applicant/institution is requested to present a prospectus and business plan for consideration following the outline below:

- A. **EXECUTIVE SUMMARY:** The summary will include the prospectus or proposal outline as a summary description of the project. A summary description of the institution, its history and directions should be included. This section should also include the terms and conditions desired for the loan or grant.
- B. **ASSETS:** Include a detailed description of assets of the institution and their condition to include plant, equipment, systems, supplies, materials etc.
- C. **PRODUCTS/SERVICES:** Describe the products and services of the institution and what differentiates these from others in the market. Include any areas or items where the institution has "the competitive edge" and why.
- D. **MARKET CONSIDERATIONS:** Specify what segment of the market your products and services focus on, who the competition is and what your market share is.
- E. **MANAGEMENT:** The background of the directors, management and other key personnel should be included in summary with a resume for each attached in the annex.
- F. **FINANCIAL DATA:** Sources of Revenue - Indicate sources of revenue by type of product or service and where the revenue comes from i.e., donor grant funding, loans, interest income, fees for services, endowments etc. Performance and projections - Provide financial performance for the past five years and projections for the next five years including income, expenses and profit/loss.
- G. **BENEFITS AND RISKS:** Indicate the benefits you see in making this loan or grant to your institution and how it will return a benefit to the firms or clients assisted. Indicate any potential risks that could be associated with this loan or grant.

Form 003

## ANNEX B

### Intermediary Institution Site Visit Summaries

Intermediary Institutions conduct and report the project level activities for the Mission's programs. The MIS strategy is to have these intermediaries record their activities onto their own computer systems and to then enable them to easily transmit this information to the Mission by computer diskette. This eliminates duplicative data entry and creates an integrated data base at the Mission that can report on project activity across all delivery points.

Four intermediaries were visited to determine the following:

1. A description of their current computer systems (if any), including type, diskette format, and software being used.
2. The specific project activity data items presently being tracked, and how much of it is computerized.
3. Any existing codification schemes for categorizing types of businesses served, types of services delivered, etc. that could be generalized for the MIS system, or adapted to one.
4. Their plans for future computerization of their project activities.
5. Their willingness and ability to computerize the data sought by the Mission and to then transmit this data on diskette to the Mission.

In summary, the visited sites were all willing to cooperate with this MIS approach. In fact, they saw it as an opportunity to obtain useful guidance on what should be computerized and how to do it. Some indicated that they would use the data entry screens developed by the Mission as the basis for their own internal information management design. All were at a juncture where their computer systems were being redesigned (or created) to handle such information.

Specifically:

**JAMPRO - Technical Support Offices** - They have the computer equipment in place to enter the tracking information wanted by the Mission. They have dBase IV capabilities, but have not computerized the activities of their consultants or trade show promotions. A consultant is coming in February who will develop the tracking requirements for their trade show promotions. They do not have the range of financial statement, and other profile information the Mission wants on each enterprise being assisted. They said their consultants could be a source of obtaining much of this information, particularly if the consultant is given a printout showing what is now known so he/she can ask for the information that fills in the blanks.

This office of JAMPRO indicated a strong willingness to use any Mission-designated computer database for entering their project activity and would assure that the data is entered into it in a timely fashion. They have no problems in then transmitting this data to the Mission by diskette.

9

**JAMPRO** has a very extensive categorization scheme for the business activities of their clients. It could be a model for the entire MIS system. They also recommended that a Jamaican Business Enterprise Number (BENO) that is already assigned to every business for tax purposes could be the universal identification number that the MIS system needs.

**JAMPRO Micro-enterprise Development Division** - This unit of Jampro has excellent data on the enterprises they assist, including financial statement, employee numbers and the like. They do not have a computer yet, so they find themselves rooting about among their paper forms to produce reports. They seem to be very eager to work with our MIS plans, especially if it means help in computerizing their project activity information.

It is uncertain when they will get a computer, though, USAID has approved the purchase of one for them. Karen Davidson is checking into the reason for the delayed purchase.

**George & Brandy Ltd.** - They manage USAID supported sub-loans, but so far only keep the barest of details on their computer system. They are in the process of designing file structures to hold the information we also are seeking. They will be using the Foxbase software package (which is very similar to dBase) and will load it onto a soon-to-be upgraded micro-based computer network (XENIX). They would have no problem producing the diskettes for data transmission to the Mission.

Their loan officer was very supportive of cooperating with the Mission on this data sharing, and would recommend that our data requirements be incorporated into their new file structures.

**International Executive Service Corps - IESC** also has excellent information on the enterprises they work with. They also keep detailed information on the assistance provided, though they do not have a sophisticated categorization scheme for services provided, business sectors assisted and so forth.

They just received their first computer and have not yet installed the software. They are planning to buy dBase IV, Lotus and WordPerfect. They are very interested in any design guidance from the Mission on the file structures to be used to hold their profile information on enterprises and for the service log sheets. They would also probably use any data entry screen we provided. Their international office in Connecticut has a computer professional who is scheduled to assist them with their start-up needs, and they will help us work with this person on producing a design that meets their needs and the Mission's.

Three of these visits were done in the company of Karen Davidson and the results were also discussed with Gary Vanderhoof to determine if the responses from the visited sites could be extrapolated to the many other intermediary institutions. The consensus was positive, so it appears that the MIS approach is a valid one.

Another month of visits to the bulk of remaining intermediaries is, however, required to determine their individual data structure and exporting preferences. This is work, as described in the MIS Description section of this report, which can be done by a Jamaican based employee or consultant of the Mission.