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QUICK REFERENCE GUIDE
TO
PRIVATE SECTOR PROJECTS
IN
LATIN AMERICA/CARIBBEAN, ASIA
AND
THE NEAR EAST

Office of Private Enterprise
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Agency for International Development

A.I.D. AND THE PRIVATE SECTOR
IN LATIN AMERICA AND THE CARIBBEAN

Latin America/Caribbean Bureau
Agency for International Development
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This review of A.I.D.'s activities with the private sector in the Caribbean, Central America and South America sketches the breadth and depth of the Agency's efforts in this area. While it is not an all-inclusive catalog of private sector activities, it cites some key examples of promotion, support, and strengthening of private sector development in the participating countries.

PROGRAM FOCUS

A.I.D.'s private sector program for the Latin America and Caribbean (LAC) region stimulates economic growth, creates higher standards of living, improves foreign exchange earnings, creates new jobs for the unemployed of the region and strengthens democracy. We have focused our efforts on building an improved policy and regulatory environment for business while at the same time carrying out projects that promote investment, develop trade opportunities and create a positive context for the establishment and expansion of enterprises.

A.I.D. has supported:

-- Financial assistance for short-term economic stabilization. We are providing substantial resources to help finance imports of raw materials and intermediate goods for the private sector.

-- Improving the business climate. We support policy reforms and incentives meant to restore domestic business confidence, rationalize interest rates, attract foreign investment and develop new trading patterns. LAC also helps to improve public administration and upgrade the essential infrastructure needed to attract private investments.

-- Direct assistance to the business community. We have a number of training and technical assistance programs that upgrade human resource skills and management capabilities. Related programs provide links between local and U.S. businesses to stimulate trade and investment, access to export markets and credit for indigenous business enterprises. We give particular focus to the small entrepreneur.

The following examples are separated into six functional categories:

- Small Business Activities
- Investment and Export Promotion
- Intermediate Credit Institutions
- Agribusiness
- Entrepreneur and Management Training
- Chamber/Association Linkages and Development
- Policy Review and Modification

SMALL BUSINESS

A key element to producing jobs and income in LAC countries is the small enterprise. We place emphasis on this target group by providing credit, technical assistance and training.

Dominica Small Enterprise Development

This project stimulates income and employment generation and a broadening of the entrepreneurial base in Dominica by promoting the development of small/micro businesses. The National Development Foundation of Dominica was established to provide credit, technical assistance and other services to these businesses. To date over 329 subloans have been made, none of which exceed \$6,000. The average loan is \$1,107.

Panama Small Business Development

This project establishes an institutional mechanism within which commercial banks in Panama provide guaranteed financing and complementary technical assistance for small business development.

Haitian Development Foundation

The Foundation trains loan extension workers and disburses loans to small businesses and artisans to meet their productive credit needs. The Foundation was created in 1979 by a group of prominent Haitian businessmen who were concerned that small businesses were crippled by inadequate business management skills and non-availability of credit from the regular commercial lending sources.

Peru Urban Small Enterprise Development

This project institutionalizes a self-sustained credit and technical assistance program for small urban private enterprises, by strengthening the long-term financial viability of the Banco Industrial del Peru (BIP). The project promotes a shift of BIP's principal lending focus from traditional large and medium scale industry to small scale enterprises (SSE), especially those in slums which were not previously serviced by the BIP.

Caribbean Marketing Assistance

The project provides marketing assistance to Caribbean entrepreneurs thereby improving their competitive position to increase sales of their products and services in the U.S., regional and local markets. The project is being implemented in Barbados, St. Lucia and Dominica and has enabled entrepreneurs in these islands to establish contacts in New York State.

Jamaican National Development Foundation

This project is building a National Development Foundation in Jamaica which will respond to the need for technical assistance and credit by the small business sector and create jobs and raise incomes for marginal entrepreneurial groups. A.I.D. finances external technical assistance and training needs of the foundation; a portion of its initial operating costs; and a revolving loan fund for small business sector projects of proven feasibility.

Peru Small Industry Credit

A program is planned to institutionalize nationwide, self-sustaining credit programs for private Small Scale Industries (SSIs) and microindustries through the use of private and public financial institutions and PVOs. Technical assistance will be provided to expand the capacity of lending institutions to service SSIs and microindustries. A micro industry guarantee fund assures the repayment of loans extended by private Intermediate Credit Institutions (ICIs) to selected PVOs and other agencies engaged in on-lending to microindustry subborrowers.

Small Enterprise Development Project

This Caribbean Regional project is focused on small and micro businesses and small farmers. Loan and grant funds, channeled through national development foundations, will provide infrastructure support, training and marketing assistance. The project supports agricultural and manufacturing activities of the small entrepreneur by helping to increase the export volume of nontraditional products. The project will improve access to credit through national development foundations.

Joint Venture Feasibility Fund (JVFF)

The JVFF was created to respond to the need for expansion of investments in joint ventures in the Caribbean. The Fund links host country and potential U.S. joint venture partners and provides limited seed capital (up to \$15,000 on a pari passu basis) to conduct joint venture feasibility studies. This pilot effort is expected to increase U.S. small and medium business investment in the Caribbean, facilitate U.S. technology and skill transfer, increase host country non-traditional exports and increase the number of joint venture projects.

The Association for the Development of Micro-Businesses, Inc. (ADEMI)

In the Dominican Republic, ADEMI, an indigenous PVO, was created by leading Dominican private businessmen. It provides short-term working capital loans to small indigenous businesses at market interest rates. A similar program has been developed in Peru.

Non-Traditional Exports Program

A planned program in Haiti will increase opportunities for rural and urban employment, as well as increase foreign exchange reserves.

-- A Handicrafts Export Center will provide longer-term assistance to improve product design, packaging, and export marketing.

-- An agroindustry program will broker a limited number of agroindustrial projects to demonstrate that successful investments in this subsector are possible. Although some initial projects may focus on medium to large scale farm enterprises, the long-term strategy is to mobilize small farmers to respond to expanded market opportunities with new products, greater productivity, and higher levels of employment and income.

INVESTMENT AND EXPORT PROMOTION

Establishment of a strong internal and external program of investment and export promotion is essential to growth of the private sector in LAC.

Ministry of Export and Investment Promotion (MINEX)

MINEX facilitates private sector participation in Costa Rica's development. USAID-supported activities include:

- Implementing an export and investment promotion strategy with special emphasis on the management of the CBI program;
- Creating a one-stop export and investment promotion center to streamline the procedures required to invest in and to export products from Costa Rica;
- Analyzing Costa Rica's comparative position in terms of industrial production costs, investment incentives, labor-force attributes, etc., to form the basis for the export promotion strategies being developed by MINEX as it pursues CBI market opportunities;

-- Coordinating the export/investment promotion efforts of GOCR institutions and numerous local private associations and business chambers.

Investment Promotion & Export Development (IPED)

This Caribbean Regional project identifies and promotes private investment in export-oriented businesses in the small island states of the Eastern Caribbean, Belize and Barbados. Through a cadre of resident advisors, Coopers and Lybrand assists the Caribbean governments by developing local investment opportunities and finding interested investors. IPED also finances technical assistance.

Infrastructure for Productive Investment (IPIP)

The project provides physical infrastructure required for expanding private production and increasing employment in the Eastern Caribbean and Belize. It will help finance privately owned industrial estates (factory shells) to be rented to private businesses, primarily export producers. The project shifts AID financing for industrial estates from public sector entities to private ownership. Some 40,000 square feet of space is under construction in Antigua.

Export Promotion Fund (BLADEX)

This project working through a "banker's bank", improves the balance of payments in Central America by increasing exports of nontraditional commodities from the region. BLADEX provides short-term credit to import raw materials, intermediate goods, and spare parts needed to produce export commodities.

Export Processing Zones

The Costa Rica Mission has been working with the GOCR's Zonas Francas Corporation (ZFC), a semi-autonomous organization which is responsible for export processing zone development and promotion. A new Free Zone law has recently been approved which makes the concept more viable in Costa Rica due to the enhanced role of the private sector. Export processing zones can provide a combination of facilities, labor, and tax incentives, as a relatively inexpensive way to increase foreign and domestic investment while generating employment and foreign exchange.

Investment Council of Panama

This project finances the organization and operation of the Panamanian National Investment Council, which was established to implement the national investment promotion policy and provide "one-stop" investor services.

Project Development Assistance Program (PDAP)

This project provides both long-term and short-term advisors to expedite private sector project development. Principal areas of focus are industrial investment promotion, agribusiness, alternative energy, and infrastructure in support of productive enterprise. An important dimension of the project is the linking of U.S investors with local opportunities.

The Industrial Stabilization and Recovery

This El Salvador project has two components. Component I supports current Government of El Salvador efforts to develop an export and investment promotion strategy including law and policy revisions, support mechanisms to carry out the strategy, and the reactivation of the San Bartolo Free Trade Zone. Component II strengthens the private sector's export capacity by financing a trade and investment promotion service, an office to coordinate private sector associations, and a section to manage policy development studies within the Salvadoran Federation for Economic and Social Development (FUSADES). FUSADES offers technical assistance, information services, market searches, economic research, and limited travel grants to private entrepreneurs and business associations working in El Salvador's nontraditional export sector.

Export and Investment Promotion

This project addresses investment and export policy constraints, and promotes light industry and agribusiness expansion through the National Investment Promotion Commission in the Dominican Republic.

Export Development and Services

The project will increase the quantity and quality of nontraditional Honduran exports and create a policy environment that favors export development. The project will improve the private sector's capability to increase exports of nontraditional products, support increased investment promotion and provide the foreign exchange and financing needed for investment export enterprises.

Trade Credit Insurance Program (TCIP)

In 1985, AID signed an agreement with the Export Import Bank to provide trade credit insurance to businesses in five Central American countries. This program facilitates the importation of raw material and equipment from the United States for local industry by providing insured short term trade credits. The program is operational in Costa Rica, El Salvador, Belize, Honduras and Guatemala.

Intermediate Credit Institutions

ICIs have long been the cornerstone of AID's development financing program in the LAC region. We are establishing new mechanisms to provide local entrepreneurs access to credit.

Private Investment Corporation

This Costa Rica project established a Private Investment Corporation (PIC) which provides debt capital, equity financing, and corporate services for export-oriented investment projects in Costa Rica. The PIC can provide resources to foreign investors as well as to the Costa Rican business community. AID's loan leveraged \$5 million of equity capital from PIC's private sector shareholders.

Dominican Republic Credit Facility

Local currency generations from U.S. dollar cash transfers have been channeled through a newly created organization known as the Economic Development and Investment Fund (FIDE) and the Central Bank for Agroindustry Investment and Export Promotion. The credit, provided mainly to small and medium businesses, is used for medium term loans for infrastructure, equipment and other capital investments needed to expand the existing production and marketing facilities for the export of nontraditional agricultural and manufactured products.

Haitian Development Finance Corporation

This project establishes a private investment bank providing both medium and long term credit as well as technical services to industrial and agro-industrial enterprises in Haiti.

Private Sector Investment Fund

The project supports Jamaica's economic recovery by providing investment funds to medium-size private sector enterprises for equity and debt financing. The project provides credit and equity investment for medium-size enterprises for improving productivity, and technical assistance and training for upgrading the skills of the Jamaica National Development Bank. It also establishes an ongoing Jamaican industrial investment program.

Private Sector Productivity

This Costa Rica project established BANEX, an integrated program of credit, export management assistance, and export-oriented banking services for producers, manufacturers and brokers of nontraditional exports to world markets. The project also established a wholly owned subsidiary trading company, TRACO, to provide support services to nontraditional exporters.

Industrial Reactivation Fund (FRI)

FRI was developed to assist Peru in overcoming a recent series of natural disasters. The Peruvian Industrial Bank (BIP), provides credit to the private sector. Medium term working capital loans are provided directly from the BIP and through a

rediscount facility utilizing private commercial banks. Loans are targeted to firms with long term financial and economic viability, with preference given to export oriented firms which are high generators of employment.

Caribbean Project Development Facility (CPDF)

AID, in cooperation with the United National Development Program, the International Finance Corporation and other multilateral donors, created the CPDF to facilitate business formation in the Caribbean. To date, the facility has completed 24 projects with a total project value of some \$52 million. Some \$6 million has been mobilized from local sources and another \$17 million from foreign sources to provide partial financing of these activities. To date, the facility has created an estimated 990 jobs.

Caribbean Financial Services Corporation (CFSC)

The CFSC provides medium and long term capital to agricultural, industrial and other productive businesses based in the Caribbean. The bank invests in Barbados, the smaller island states of the Eastern Caribbean, Jamaica and Belize. CFSC complements the lending operations of the region's commercial banks which do not currently provide term credits to smaller and medium sized industries. Thus far, CFSC has made loans to 14 companies totalling \$3.4 million.

AGRIBUSINESS

The region is characterized by agricultural exports in sugar and bananas. AID's program is working with the region's farmers and other segments of the local private sector to refocus agricultural output to nontraditional production, diversification and exports.

The Jamaican Agricultural Development Foundation (JADF)

JADF, a private, non-profit, venture capital institution, provides flexible and innovative finance to the agricultural and agribusiness sectors and provides a resource base for private sector sponsored research and training aimed at increasing opportunities for diversified agricultural sector growth. JADF was initially capitalized by sales of PL 480 Title II butter and cheese.

Latin American Agrobusiness Development Corporation (LAAD)

This regional project provides market rate loans for private agribusiness investment and development in Latin America. The project focuses on supporting high value-added, labor-intensive, agricultural processing enterprises for nontraditional small farmer crops--much of it for export.

Agro 21

Working with financial and technical assistance from AID, Agro 21 is a comprehensive program of the Government of Jamaica (GOJ) for revitalizing the agricultural sector, thus permitting it to make its full contribution of foreign exchange earnings. The project entails the selection of crops and agricultural activities with significant development potential; the organization of resources and infrastructure for their development; land, capital, manpower, technology and markets; and the removal of bottlenecks to agricultural development. The program emphasizes the private sector as the engine of change and GOJ role of creating an environment in which the private sector can succeed.

Private Agricultural Sector Reactivation

EL Salvador's traditional crops (coffee, cotton and sugar) are responsible for generation of the majority of its foreign exchange and employment and a substantial portion of its GNP. Accumulated debt, an overvalued exchange rate and the inefficiency of centralized marketing of these crops are a constraint to revitalization of these sectors. AID is supporting a program for refinancing producers' debts for these crops through local currency generations, realigning the exchange rate, and eventually passing the marketing of export crops to the private sector.

Caribbean Agriculture Trading Company

This project is assisting in establishing a regional trading company for agricultural commodities. The company is expected to play a major role in transforming a high cost and poorly coordinated marketing system for fruit and vegetables in the Eastern Caribbean.

Livestock Development

This Belize project improves small and medium farmers' efficiency in livestock husbandry and expands internal and export markets for these products. The Belize Ministry of Natural Resources has instituted key policy changes to decontrol beef prices, free the livestock market to the fullest extent, and promote exportation of live animals to the Caribbean.

ENTREPRENEURIAL AND MANAGEMENT TRAINING

The management and skill base from which new ventures can obtain talent is an ongoing requirement in the LAC region. Skills in planning, problem solution and control are important managerial elements lacking in both the private and the public sectors.

Small Business Assistance Center (CAPE)

Within FIDE, the Small Business Assistance Center (CAPE) was established to provide technical and policy leadership in the creation of a system of Technical Assistance Centers (TAC) to provide training and advisory services to small businesses in the Dominican Republic. The first TAC was authorized in June 1983; since that time seven centers have been approved in various locations around the country. The seven TACs have assisted over 300 businesses in the pre-financing stage and have completed 10 small business loans through financial intermediaries, with another 50 currently in the pipeline.

Private Sector Management Improvement

This project assists four Peruvian private educational institutions and one trade association to strengthen their institutional capacities to carry out more industry responsive and higher quality management education, training, consulting and applied research on private sector management development. It also serves to strengthen linkages between these institutions and the industries they serve.

Regional Non-formal Skills Training

This project provides training to unemployed and under-employed youths to prepare them for the job market. The project was

Eastern Caribbean. Some 1500 youths have been trained in various skills such as carpentry, masonry, and smocking, and more than 1000 have been placed in jobs.

INCAE Expansion

The INCAE project consists of three components. Component I funds the construction of a campus in Costa Rica for the Central American Institute for Business Administration (INCAE). Component II sets up a private sector training program offering courses in Guatemala, Honduras and El Salvador. A third component, a Non-Traditional Export Management Program offers seminars on export strategy, operations, finance and marketing.

Gerentes y Empresarios Asociados de Honduras (GEMAH)

The Project assists GEMAH to become a self-financing institution providing a range of management services to its members and to Honduran managers in general. In collaboration with the American Management Association, GEMAH is strengthening its institutional base, expanding its membership, initiating an active management training program, developing a management library and reference service, and taking an active role in convincing its members of the importance of upgrading their management skills.

Policy Planning and Administrative Improvement Project (PPAI)

In Costa Rica, AID initiated the PPAI project to help the GOCR and selected private sector institutions implement the national economic recovery program and an effective CBI strategy. Funds have been used to improve policy formulation, planning, and the management and administrative systems. Sub-activities must be

short or medium-term and be critical to implementing economic policy, plans, and managerial and administrative improvements which support the above initiatives.

Private Enterprise/Management and Productivity Center

A new Haitian organization will deliver management training and other business services to improve management and entrepreneurial skills. Training courses will address the needs of upper and middle management, supervisors, and small-scale entrepreneurs, as well as loan recipients of the Haitian Development Foundation and the Development Finance Corporation.

Graduate Management Training

This Dominican Republic project supports the establishment of a graduate management education, training and research program at the Catholic University. It is designed to provide both practical and theoretical education to managers and administrators in both the private and public sectors.

AMCHAM Private Sector Training

This project provides funds for private sector offshore training under the auspices of the American Chamber of Commerce of the Dominican Republic. Dominican executives have participated in short term training courses in the U.S. under the Program. Seminars and courses include:

--Export Market Entry Strategies, World Trade Institute, New York

--Planning and Budgeting, American Management Association, New York

--Investment Negotiation Seminar, Georgetown International Law Institute, Washington, D.C.

--Physical Distribution and Materials Management, American Management Association, Pennsylvania

--Plant Management, American Management Association, Florida

--Human Resources and Personnel Management, American Management Association, Illinois

Training for Private Sector Development

The project strengthens the human resources needed for Costa Rica private sector development. Training is provided through CINDE (Coalicion Costarricense de Iniciativas de Desarrollo - see page 22) to persons employed in the nontraditional productive sector, as well as the country's financial and university systems.

Vocational Training in the Peruvian Slums

In Peru, AID is increasing the employability and earning power of the urban poor by developing and expanding manual skills training programs. These programs will provide trainees with technical skills to find gainful employment primarily in the private sector.

CHAMBER AND ASSOCIATION LINKAGES

One of the strongest assets the U.S. has to offer our southern neighbors is an active interchange of ideas with existing U.S. organizations. Contacts with U.S. Chambers of Commerce, trade associations and other free market institutions provide an

exceptional opportunity to learn about new market development and private sector mobilization. Strengthening the region's private sector organization base is very important to improving the investment and business climate.

Private Sector Investment Assistance Project

This project is strengthening the capacity of the Caribbean Association of Industry and Commerce (CAIC) to promote private investment and stimulate private sector employment in the Caribbean. It provides for institutional support to CAIC and its members as well as economic research, technical assistance and training. CAIC is supporting a number of initiatives to increase trade within the region. At the micro level, CAIC has assisted several of its members with management training and specialized technical assistance. Collaborating Eastern Caribbean Chambers of Commerce are also being strengthened with financial and technical support from CAIC.

Cooperative Marketing

This Peruvian project aids cooperative members in marketing their produce. Project funds also provide technical assistance for the strengthening of the private sector cooperative movement.

Chicago Association of Commerce and Industry (CACI)

The CACI, the largest metropolitan Chamber of Commerce in the United States, initiated a program in 1983 aimed at encouraging Chicago's business community to trade with and invest in Caribbean countries. CACI established a special relationship with businessmen and counterpart organizations in Costa Rica and the Dominican Republic to facilitate the promotion of Costa

Rican exports to the U.S. The Center also provides professional services to U.S. companies and investors in locating manufacturing facilities or sources of products. Since 1982, the Center has helped generate \$19 million of trade and \$33 million in direct investment.

Private Sector Policy Planning and Institutional Development for Peru

This project will sponsor analyses which examine private enterprise and market led policies, strengthen the ability of public and private sector organizations to develop policies and regulations that encourage and support private enterprise growth, and seek to gain better understanding of informal sector activities. The Project will be implemented with GOP policy planning agencies, a new private sector umbrella organization known as the Confederacion Nacional de Instituciones Empresariales Privadas, and the Institute of Liberty and Democracy, a private sector research group.

Caribbean/Central American Action (C/CAA)

C/CAA, a Washington based non-profit organization funded primarily by donations from major U.S. corporations, is working with A.I.D. funds to provide support mechanisms for the development of Caribbean Basin private sector organizations. The agreement establishes a technical assistance clearinghouse for linking U.S. and Basin Chambers of Commerce, creates a Caribbean Basin data bank and information system, and taps the resources of the U.S. Chamber of Commerce as part of an investment and marketing outreach program into the U.S. business community.

The Chamber/New Orleans and the River Region

This project provides trade and investment promotion for Belize and Honduras. The project develops new investment opportunities, generates new investment and trade and develops markets for Basin products. To date the project has promoted \$4 million in contractual agreements in secondary wood products and other manufactured goods.

Coalicion Costarricense de Iniciativas de Desarrollo (CINDE)

In March 1983, a group of prominent Costa Rican businessmen and distinguished professionals organized CINDE. A.I.D. has supported CINDE in its development as a business and industry-oriented local private voluntary organization to promote free-market development and policy reform.

This paper describes less than two-thirds of A.I.D.'s activities focused on strengthening the private sector in Latin America and the Caribbean. It illustrates, however, our determination to broaden the regions entrepreneurial base and the links between that base and the U.S. private sector.

PRIVATE SECTOR PROGRAMS

IN ASIA AND THE NEAR EAST

PRIVATE SECTOR PROGRAMS IN ASIA AND NEAR EAST

I. The Asia/Near East Bureau's (ANE) private sector strategy objective is to utilize the capabilities of private entrepreneurs to help achieve AID's and LDC's economic and social development goals. Attainment of employment and income generation objectives will depend for the most part on jobs created by the private sector. Private firms and organizations already play an important role in all sectors in which AID is engaged in Asia and the Near East -- health, family planning, agriculture, forestry, energy, and education.

Our approach is two-pronged. We seek opportunities to expand entrepreneurial activity and concurrently, we seek opportunities to remove constraints to private sector expansion subject to LDC government control. The latter is usually addressed by some form of "policy dialogue", associated with a specific project, or not. The former is addressed by a variety of interventions which may be characterized as either (a) USAID private enterprise projects (investment and export expansion, small and medium enterprise development, management development, financial intermediation, policy analyses and technology transfer); or (b) private enterprise elements of projects in other sectors (agriculture, family planning, health education, energy, etc).

II. Current and planned projects and related activities are described briefly below according to region and country. They are identified as belonging to either category (a) or (b) described above.

ASIA

BANGLADESH

Ongoing

1. Rural Industries: (a)

388-0042

\$5.0 million (G)

1981 - 1986

The project created the Micro Industries Development Assistance Society (MIDAS), a non-governmental agency which promotes small-scale rural industry and provides market rate loans to bankable private enterprises, which will promote new employment, encourage the adoption of new technology, and/or export their output. The Rural Industries Project also assists small scale credit and women's entrepreneurship programs. Outputs: Disbursed 40 loans from original grant and 6 loans from reflows; took equity positions in 3 enterprises.

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2. Rural Finance: (a)

388-0037 \$75.0 million (G) 1983 - 1988

This project is attempting to influence the Bangladesh banking system, in particular its public sector banks which constitute 90% of the system, in adopting more market oriented policies, including policies promoting realistic loan, deposit and refinance terms, and policies which improve bank credit and operational efficiency. It also is attempting to promote realistic savings incentive programs.

3. Enterprise Policy Reform: (a)

388-0067 \$3.0 million 1985 - 1990

The purpose is to enhance the capability of the BDG to formulate improved policies affecting enterprises. The project provides technical and financial assistance to the Bangladesh Bureau of Statistics to conduct an economic/enterprise census and a continuing series of economic surveys.

4. Fertilizer Distribution: (a)

388-0024 \$235.0 million (G) 1978 - 1985
388-0060 \$ 65.0 million.(G) 1984 - 1989

The overall objective of this project is to increase use of fertilizer. The major private enterprise focus is on distribution and marketing of fertilizer through private as well as public sector channels. As a result of USAID policy dialogue retail fertilizer prices were decontrolled April 1, 1983. Wholesaling at the local level has been transferred from public to private sector. Private distribution and marketing at the national level, including wholesaler access to factories and ports, will be accomplished through continued policy dialogue. Sales increased by 15% during FY 1983 and by a further 18% in FY 1984.

5. Population Service Delivery: (b)

388-0050 \$160.0 million (G) 1981 - 1988

Project includes a major contraceptive retail sales component using private sector distribution and promotional channels. Outputs: Increase contraceptive sales by 25% per year, reaching additional 1.5 million couples each year; attain contraceptive prevalence of 28% by 1987.

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Assist private capital market development through a Housing Investment Guarantee to the Housing Development Finance Corporation (HDFC). HDFC, since its establishment in 1977, has grown rapidly into an area of finance previously almost entirely dominated by the public sector. HDFC is the only significant private financial institution doing term lending in India. Project has assisted HDFC through early growth with technical assistance and access to capital

4. Stock Market Reform: (a)

PRE Fin.Mrkts. Centrally funded 1986

In 1984, USAID funded a visit of Stock Exchange Directors to U.S. and also provided consultancy services for drafting of report entitled "Possible Reforms for Further Development of India Stock Exchanges". The PRE Bureau Financial Markets Project consultant visited India in early 1986 and has proposed a program to establish a Depository Trust to simplify stock transfer and a credit rating system for corporate securities.

5. Family Planning Communications and Marketing: (b)

386-0485 \$47.0 million (G) 1983 - 1990

Purpose is to increase availability of, and information about contraceptive marketing, production and advertising. Created new Contraceptive Marketing Organization (CMO) to coordinate activities of and allocate resources to various private companies involved in contraceptive distribution.

6. Madya Pradesh Social Forestry: (b)

386-0475 \$25.0 million (L/G) 1981 - 1987

To institutionalize within the State of M.P. a Social Forestry Directorate (SFD) which assists panchayats in establishing and managing community woodlots, and individuals in carrying out afforestation on private lands. Outputs: 63,450 hectares firewood/fodder plantings planted; staff and villagers trained.

7. Maharashtra Social Forestry: (b)

386-0478 \$30.0 million (L/G) 1982 - 1990

To assist local governing institutions and villager to manage their community and private lands for increased and sustained yield of forestry products. Outputs: 81,000 hectares planted, 4,300 private nurseries.

8. National Social Forestry: (b)

386-0495 \$83.5 million (L/G) 1985 - 1990

Develop government and private sector capabilities in Uttar Pradesh, Rajasthan, Gujarat and Himachal Pradesh to carry-out alternative social forestry programs to meet India's long-term forestry needs. Outputs: 700,000 hectares of small timber, fuel and fodder plantations through different tree/fodder production models.

Planned

1. Energy Research and Enterprise: (b)

386-0494 \$15.0 million (G) 1986 - 1991

Involve the Indian private sector in the development, manufacture, marketing and utilization of energy-saving equipment and devices.

2. State Technology Development and Enterprise: (b)

386-0507 \$10.0 million (L/G) 1987 - 1992

To activate linkages between centrally-controlled industrial research and development facilities and local private enterprise in selected Indian States.

3. Serum Institute of India, Pvt. Ltd.: (a)

PRE Rev.Fund \$3.0 million (L) 1986

Loan to Serum Institute of India will support that firm's diversification into measles and viral vaccines, in addition to a substantial expansion of current manufacturing capacity in bacterial vaccines and human blood products. USAID had collaborated closely with PRE in this initiative and is contemplating providing grant assistance for training in the range of \$300,000. Outputs: 25,000 doses per year of measles vaccine.

4. Ocean Fishing Products, Pvt. Ltd.: (a)

PRE Rev.Fund \$2.5 million (L) 1986

Loan to Ocean Fishing Products will co-finance, along with American Express Bank Corporation on a pari-passu basis, the establishment of a 20 vessel commercial fleet and fish processing plant to exploit significant untapped fisheries in the Bay of Bengal. The project will incorporate profit-sharing on the part of the ship crews. Outputs: Annual catch of \$30 million, over 3000 jobs created.

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NEPAL

Ongoing

1. Rural Area Development - Rapti Zone: (b)

367-0129 \$26.7 million 1980-1985

a. The RAD-Rapti project funds field tests at three sites to assess feasibility of the Kettering Arc Mini Fertilizer Generator to produce nitrogen fertilizer. The manufacture and distribution of appropriate mini-plants may be an area for private sector initiative after completion of the field test stage.

b. Research in the RAD-Rapti area has defined household production issues/obstacles and modes have been designed for generating increased household income. Six of these models will be pilot tested at the farm level by private sector entrepreneurs or small groups of farmers during 1985.

c. The Appropriate Technology Unit (ATU) is testing and disseminating various technologies in the Rapti Zone. Private entrepreneurs are involved in the manufacturing and marketing of these technologies (e.g. biogas units, grain storage bins, water turbines, foot-operated small irrigation pumps). A privately operated ATU store is also being established to retail locally manufactured technology.

d. The ATU is also assisting in obtaining small farmers' loans for agricultural processing activities from the Agricultural Development Bank of Nepal. ATU has also established a private entrepreneur in the first auto maintenance and machine shop in the Rapti Zone, capable of servicing vehicles and farmers' appropriate technology installations.

2. Agricultural Research and Production (ARP): (b)

367-0149 \$9.0 Million 1985 - 1988

ARP will utilize findings of a Seed Marketing Study to develop a strategy to increase private sector involvement in hill area seed production and distribution activities.

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PAKISTAN

Ongoing

1. Social Marketing of Contraceptives: (b)

391-0484 \$20 Million (G) 1984 - 1989

The project uses private Pakistani marketing firms to promote the sale of contraceptives through private sector distribution channels.

2. Energy Commodities & Equipment: (b)

391-0486 \$100 million (G) 1984 - 1987

This project contains a private sector window that makes funds available only to the private sector to import commodities to conserve energy and meet other energy needs. These imports will be financed through private sector banks.

3. Energy Planning and Development: (b)

391-0478 \$30 million (G) 1984 - 1989

A component of the Project seeks to finance integrated and effective sectoral analysis of energy development, develop programs in coal assessment, mining and utilization and adopting energy conservation and renewable energy technologies. One feasibility study in particular is devoted to supporting and increasing the role of the private sector in the coal industry. Financing will be provided for: a workshop for the private sector coal producers; energy audits for private sector firms; and the development of prototype equipment by the private sector to meet energy needs in Pakistan through coal briquettes and renewable energy sources.

4. Agricultural Commodities & Equipment: (b)

391-0468 \$300 million 1982 - 1988

The importation of fertilizer under this project has provided a forum for a dialogue on fertilizer distribution policy. The project now requires that at least 50% of fertilizer distribution be carried out by the private sector.

This project also includes a private sector window to finance the importation of equipment and material.

5. Forestry Planning & Development: (b)

391-0481 \$25 million (G) 1984 - 1989

The emphasis in this project is on the development of fuelwood production on a small-scale commercial basis. A substantial portion of the money will help to promote fuelwood production by the private sector.

6. Management of Ag. Research & Technology: (b)

391-0489 \$30 million (G) 1984 - 1989

This project includes an element that seeks increased Pakistani private sector involvement in the selection of priority agricultural research topics, in the conduct of such research, in the planning of and participation in mutually beneficial and appropriate training programs, and in the dissemination of relevant technologies to farmers.

7. PL 480 Title I Program: (b)

\$300 million 1982 - 1988

This program is a forum for continuing discussions on the role of the private sector in the edible oil processing industry. We expect that the public sector's share of edible oil processing capacity will decline from 75% of the total in 1983 to 35% in 1989.

Self-Help Measures in the PL 480 program prompted a Stock and Trade Management Study of edible oil in Pakistan. One major conclusion is that an edible oil commodity exchange, operated by the private sector, is necessary in Pakistan. Benchmarks under the PL 480 program will seek implementation of this exchange over the next few years.

The privatization dialogue also seeks to streamline the industrial sanctioning process and to eliminate the public sector monopsony on the purchase of cottonseed oil.

8. National Development Leasing: (a)

PRE Rev.Fund \$2.6 million (L/G) 1984 - 1988

PRE Loan provides financing for small business leasing line coupled with a transfer of U.S. leasing technology. SMEs will be able to lease equipment at lower cost than before. Outputs: Equipment leased to estimated 1,000 SMEs.

Planned

1. Lakhra Coal Power Generation: (b)

391-0487 \$125 million 1986 - 1990

This project and the Energy Commodities and Equipment project described below will assist the GOP and private sector firms to develop the Lakhra Coal Field as a source of supply for an electric generating plant. US financing will cover the A&E costs for the project and part of the cost of the public sector electric generating plant. This assistance, however, is dependent upon substantial private sector equity participation in the coal mine.

SRI LANKA

Ongoing

1. Private Enterprise Promotion: (a)

383-0082 \$4.0 million (G) 1983 - 1988

The purpose is to help improve the investment climate and increase domestic and foreign investment. Project supports preparation of pre-feasibility studies and investment profiles, investment promotion, management training, entrepreneur development, and business consultant services, analyses of government policies affecting the private sector, and establishment of a Sri Lanka Business Development Center.

2. Diversified Agricultural Research Project: (b)

383-0058 11.4 million (G) 1984 - 1992

This project is designed to broaden the agricultural food production base of Sri Lanka by strengthening the Department of Agriculture's capability to produce subsidiary field crops. The private sector involvement will include private production of seed and marketing channels for the crops.

3. PVO Co-Financing Project: (b)

383-0080 ? ?

Under this project a small grant to the Overseas Education Fund/Lanka Women's Association is aimed at small enterprise development for groups of rural women producing coconut coir for sale to local manufacturers.

INDONESIA

Ongoing

1. Private Sector Development Exploratory Project: (r)

497-0329 \$9.6 million (G/L) 1982 - 1988

This project is designed to:

- a. facilitate private investment in areas of high employment potential--light manufacturing and agribusiness;
- b. support efforts to maximize benefits to the local economy of major capital investment in resource development in North Sumatra;
- c. analyze and address constraints on private sector activity;
- d. strengthen management in Indonesian companies by providing opportunities for executive internships at U.S. corporations and short-term training at U.S. business schools; and
- e. explore new areas of potential private sector activity in Central Java through pilot efforts in shrimp culture, light manufacturing for export and metal components and spare parts manufacture.

Outputs: Facilitate investments totalling \$10 million, train 25 private sector company managers in 1986, technical assistance to Indonesia's Central Bank and to village-level development banks.

2. Private Sector Management Development Project: (a)

497-0345 \$4.0 million (G) 1984 - 1990

Institutional support to a private sector management development institution (IPPM) to upgrade staff, strengthen research and curriculum development capacity, and build links which enable the institution to use its increased capability and experience to transfer skills to other institutions and private organizations involved in management training and development of small and medium-sized entrepreneurs. Outputs: Finance faculty development (18 masters and 4 Phds) for IPPM.

3. Financial Institutions Development: (a)

497-0341 \$18.5 million (L/G) 1984 - 1991

The project is designed to improve local provincial development bank financial service capabilities and establish or improve local credit institutions. Project focus is to assist in the development of credit programs which are decentralized, non-subsidized, locally-oriented, and which mobilize local savings. Sub-loans range from the equivalent of \$50 to \$500, principally for short-term working capital requirements of small traders. Outputs: Expand loan portfolios in Provincial Development Banks in 1800 villages, training for 5,300 Bank employees, effect loan portfolio increase from \$225 million to \$650 million by 1991.

4. Small Industries and Cooperatives Development: (a)

497-0336 \$11.636 million (*) 1983 - 1988

This project has three separate sub-projects:

a. Small Industries Development (*\$0.5 million - grant). This sub-project, implemented by the Institute for Economic and Social Research, Education and Information (LPEES), provides both technical assistance and credit to more than 1000 home industries in 51 villages in Klaten, Central Java. The emphasis is on formation of pre-cooperative groups in the participating villages as the mechanism for provision of assistance in business management, bookkeeping, technological innovation, marketing and credit. An inter-group lending facility responds to larger credit requests up the point that the small entrepreneurs can qualify for small bank loans.

b. Women's Cooperatives (*\$0.26 million - grant). This sub-project provides seed capital and management and auditing assistance to the East Java Women's Cooperatives Center, a network of 22 Coops run by and for women entrepreneurs. The sub-project has been exceptionally successful in getting cheap credit into the hands of the Center's almost 5000 members, most of whom are informal sector producers and vendors who are not accommodated by the existing formal credit programs. With its 95 percent repayment rate and high credit volume, the Center's next step will be to try to secure low-interest bank loans to supplement its own credit resources.

c. CIUSA/Cooperative Agribusiness Enterprise Development (*\$876,000 grant, \$4.0 million Title II and \$6.0 million Title I). The purpose of this sub-project is to establish a model cooperative program at Klaten, Central Java to demonstrate economic self-sufficiency for the cooperatives involved. Local level agribusiness enterprises supported by the project include feed production for dairy farmers, milk processing, sugar production, livestock and poultry production, fertilizer distribution, furniture making and clothing.

Outputs: Increase cooperative membership from 9,000 to 46,000, 50 hectares for private sector seed production involving 250 families for total harvest value of Rp. 50 million, export-oriented furniture factory employing 95 village carvers and output of Rp. 22 million per month.

5. Bank Niaga SMSE Lending: (a)

PRE Rev.Fund \$2.05 million (I/G) 1984 - 1988

\$2.0 million loan will help Bank Niaga move into SMSE trade financing for export production. \$50 thousand grant to Rainier Bank for technical assistance. Outputs: SMSE employment generation and export production stimulus.

6. P.T. Overseas Express Bank: (a)

PRE Rev.Fund \$2.9 million (L/G) 1985 - 1989

\$2.85 million loan will provide 50% guarantee for SMSE lending outside Jakarta. Rainier Bank will train credit staff under \$50 thousand grant. Outputs: Mobilize lending for SMSEs.

Planned

1. Contraceptive Social Marketing Project: (b)

936-3028 1.0 million (G) 1986 - 1987

In this project, funding is provided to advertise and promote contraceptives through a variety of retail outlets, including apotiks, drug stores and local medicine shops. P.T. Mecosin, a local Indonesian pharmaceutical company with good marketing and distribution networks, will implement this phase of the project. Although initially the project will market only condoms, the National Family Planning Board has agreed to a time-table for introducing other contraceptive commodities, based on the results of marketing studies carried out by Survey Research Inc. (SR), a local consulting firm. The Futures Group provides technical assistance for this effort, through the centrally-funded Social Marketing for Change (SOMARC) project.

2. Machine Shop Production, Training and Technology Transfer: (a)

\$350,000 (G) 1986 - 1988

This project will build a complete machine shop for the Village Technology Development Institute which is designed to: (a) function as a business in the production of assorted light manufactured items and motor vehicle repair; (b) provide vocational training to high school dropouts and technical school students; and (c) develop a revolving credit fund from the repayment of the initial machine shop investment (\$100,000) which will be used to provide start-up operating capital for past trainees, to finance the ongoing training program, and to allow the Institute to provide technical assistance technology transfer to smaller outer island NGOs.

3. Private Sector Health and Family Planning: (b)

\$30 million (L/G) 1988 - 1993

Purpose of project will be to (1) mobilize private sector resources to support the GOI's health and family planning objectives and (2) restructure public sector allocations to favor preventive care.

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PHILIPPINES

Ongoing

1. Small and Medium Enterprise Development (SMED): (a)

492-0359 \$15 million (G) 1983 - 1989

SMED is working to accelerate the growth of labor intensive small and medium enterprises outside of metro Manila. The project will assist GOP in policy research, analysis, and formulation to deal effectively with constraints to growth; provide services which assist the private sector to increase productivity and efficiency; and improve on-going dialogue between the public and private sector on SME issues related to constraints to employment.

2. Primary Health Care Financing: (b)

492-0371 \$12 million (G) 1983 - 1988

One of the objectives is to increase private sector participation in the health field in order to assure the long-term viability of the health care system. The project finances a major health care financing study and tests a variety of health financing schemes, such as pre-paid health insurance plans, hospital based programs and rural enterprise based programs.

3. Local Resource Management: (b)

492-0358 \$12.9 million (?) 1982 - 1989

4. Rural Service Center: (b)

492-0304 \$1.7 million (?) 1978 - 1985

Both projects represent important experiments by the Government of the Philippines to test socially sensitive planning processes where resources are directed to target groups identified by participating local governments. One of the project's objectives is to assist these groups to form private sector associations or organizations which can become self-reliant with the assistance of both public and private sector agencies including PVOs. An ongoing study is focussed on improving access to the financial systems in order to provide the support needed for long term sustainability of private sector enterprises.

5. Small Farmer Systems II: (b)

492-0334

\$7.6 million (?)

1981 - 1986

The purpose of the Small Farmer Systems II project is to create an efficient, institutionalized, farmer managed system which would provide small farmers with needed physical inputs, technology and services for irrigation, production, processing, and marketing. A major goal of SFS II is to broaden farmers' participation in private sector off-farm business ventures and to promote private enterprises based on agricultural resources in the rural community. Another objective of the project is to link small farmer business enterprises to potential markets and inputs.

6. Technology Transfer for Energy Management (ITEM): (b)

492-0381

\$10 million (?)

1984 - 1989

Promotion of energy conservation in the modern sector through the adoption of new technologies, equipment and improved management systems is the purpose of ITEM. The modern sector of the Philippine economy is the principal consumer of imported fuels and electricity. It is estimated that 50 percent to 70 percent (depending on the industry) of the energy consumed is lost through conversion, transmission, heat transfer or stack losses. Project activities include: (i) introducing new equipment and retrofitting present plant; (ii) selecting energy-efficient hardware for existing and new plants; (iii) studying energy consumption and losses in various industrial facilities, with special emphasis on boilers and process steam or heat; (iv) improving the efficiency and reliability of electric power generation and transmission; (v) managing energy consumption in energy-intensive industries such as petrochemicals, cement, paper and metals; (vi) saving energy through waste heat recovery and recycling; (vii) establishing ongoing systems for collection and analysis of energy consumption data; (viii) calculating financial returns from investment in conservation measures through retrofit and adoption of more efficient processes and equipment; and (ix) designing and managing effective energy conservation programs.

7. Far East Bank/Private Development Finance Corp.: (a)

PRE Rev.Fund

\$2.0 million (L)

1986 - 1991

Provides loan to Far East Bank, which on-loans to PDCP using a convertible debenture, to provide credit for SMSEs. Outputs: New credit for SMSEs.

THAILAND

Ongoing

1. Private Sector in Development: (a)

493-0329 \$3.5 million (G) 1983 -- 1987

The purpose of the project is to increase private sector investment in employment generating, export oriented, resource based ventures in areas outside of Bangkok. Project is focusing on investment analysis and promotion, strengthening private sector dialogue with RTG, and promoting US/THAI private sector linkages.

2. Seed Development II: (b)

493-0326 \$6.2 million (?) 1982 - 1987

The project is designed to assist the Royal Thai Government's seed program to provide a cost-effective seed supply while steadily increasing the role of the private sector in this area. Actions include enhanced support for private sector efforts and the preparation of reports describing seed companies, access to markets and technical information, credit, management deficiencies, and constraints.

3. Siam Commercial Bank: (a)

PRE Rev.Fund \$2.150 million (L/G) 1983 -- 1993

Provides \$2.0 million investment fund for on-lending to SMSEs in agri-business in rural areas. \$150 thousand to Business Advisor Services for technical assistance. Outputs: 840 jobs created, build up agro-industry sector, create foreign exchange.

4. Thai Danu Bank: (a)

PRE Rev.Fund \$2.4 million (L/G) 1985 - 1990

\$2.35 million loan to Thai Danu Bank funds export credit for small rural enterprises. \$50 thousand grant to Rainier Bank for TA and training to Thai Danu Bank staff. Outputs: Strengthens small exporting businesses.

5. Thai Livestock Meat Processing: (a)

PRE Rev.Fund \$2.57 million (L/G) 1984 - 1994

\$2.5 million direct loan co-financed establishment of livestock meat processing facility with programmed extension services to farmers. \$70 thousand grant for TA. Outputs: 2,000 small farmers assisted.

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Planned

1. Rural Industries and Employment: (a)

493-0343 \$14.1 million (G) 1986 -- 1991

Project will make \$8.5 million grant to Industrial Finance Corporation of Thailand to guarantee commercial bank loans to rural industrial borrowers with net fixed assets of less than \$190,000. Other grant assistance would fund: (a) Ministry of Industries rural industry information services (\$1.5 million); (b) joint public/private sector dialogue (\$450,000); (c) Thai executive service corps and training for rural entrepreneurs (\$2 million); (d) assistance to rural business associations (\$500,000); and (e) evaluation (\$450,000). Outputs: Lending to entrepreneur group not now receiving funds.

SOUTH PACIFIC REGIONAL

Ongoing

1. Private and Voluntary Organizations: (a)

879-0251 \$240 thousand (G) 1981 - 1985

The private sector objectives of the project are to enhance economic productivity of private sector farmers and fisheries. Other major components include enhancing local government's ability to support private economic development.

Planned

1. Regional Private Enterprise Development: (a)

879-0003 \$2.7 million ?

This project is designed to accelerate the productivity and employment capacity of small to medium agricultural and agribusiness enterprises. This will be achieved by accessing investment and joint venture opportunities, marketing, quality control technology, and trade promotion activities.

ASEAN

Ongoing

1. ASEAN Small and Medium Business Improvements: (a)

498-0277 \$2.75million (G) 1984 -- 1987

The project assists small and medium scale business in ASEAN countries make effective use of technology by training managers, providing consulting services and conducting research on constraints facing such firms.

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NEAR EAST

EGYPT

Ongoing

1. Private Sector Feasibility Study: (a)

263-0112 \$8.0 million (G) 1979 - 1986

Provides the Investment Authority with funds and technical assistance to undertake several activities to encourage U.S. firms to invest in Egypt: (a) cost-sharing program to partially reimburse feasibility study costs incurred by U.S. firms; (b) conduct 10 sector studies and disseminate them to U.S. and other investors. Inputs: Technical assistance; Outputs: 24 reconnaissance visits or feasibility studies by U.S. firms completed.

2. Production Credit: (a)

263-0147 \$88.0 million (G) 1982 - 1986

Provides short term FX credit to private sector productive enterprises for working capital purposes. Inputs: Loan funds and technical assistance and training for participating banks; Outputs: 554 separate transactions completed.

3. Small Farmer Production: (b)

263-0079 \$49.0 million (G) 1979 - 1986

Provides small farmers in three governorates (27 villages) with sufficient credit to enable them to adopt improved technology for production of fruits and vegetables sold on the free market (exempt from government price controls). Inputs: Technical assistance, participant training, commodities and loan fund capitalization; Outputs: 39,905 farmers received 67,805 loans valued at over LE 51 million with a delinquency rate of less than 1%.

4. Industrial Productivity Improvement: (b)

263-0090 \$39.0 million (G) 1980 - 1986

This project groups together four industry-oriented technology transfer, management training and technical training activities to form the basis for an integrated industrial technical assistance program. Outputs: 800 firms will improve performance.

5. Business Support and Investment (incl. IESC): (a)

263-0159 \$9.1 million (G) 1981 - 1986

This grant funds certain activities to improve the private business environment in Egypt: 1) technical assistance to the Capital Market Authority; 2) strengthening accounting, financial reporting and auditing standards; 3) Legal and financial infrastructure modernization; 4) Investment Authority; 5) Technology Transfer (IESC); and 6) U.S./Egypt Joint Business Council and Investment Promotion Office. Inputs: Technical assistance; Outputs: 80 IESC projects co-financed.

6. Private Investment Encouragement Fund: (a)

263-0097 \$33.0 million (G/L) 1979 - 1989

Provides funding for medium, long-term and equity participation to private sector projects, with additional co-financing by participating banks. Additional amounts are provided for training in project appraisal and studies of long-term finance in Egypt. Inputs: Loan/equity funds and technical assistance; Outputs: 4 loans totalling \$13.6 million approved or in-process.

7. Control of Diarrheal Diseases: (b)

263-0137 \$12.0 million (G) 1983 - 1986

Utilizes local private sector public relations and advertising firms to implement campaign to increase public awareness of the problem and instruct mothers on the use of Oral Rehydration Therapy to reduce infant mortality. Outputs: ORT promotion reaching over 80% of population; infant death rate reduced as much as 40% in some areas.

8. Population/Family Planning: (b)

263-0144 \$102.6 million (G) 1983 - 1988

Uses local private sector entities to increase public awareness of family planning benefits and to distribute contraceptives. Outputs: contraceptive use rate increased from 17% to 30%; crude birth rate reduced from 40 to 37/1000 since 1980.

Planned

1. Private Enterprise Credit: (a)

263--0201 \$230.0 million 1986 - 1991

Will provide short and medium term FX credit to private sector companies for working capital and equipment. Loans will be repaid in local currency, which funds will be made available to finance local currency working capital needs of small scale enterprises.

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2. Agricultural Production Credit: (b)

263-0201 \$15.0 million 1986 - 1991

Will provide short term credit for agricultural modernization and production inputs by farmers of products exempt from government price controls, including the grading, processing and packaging of horticultural products for export.

3. Informal Private Sector: (a)

263-0204 \$5.0 million (G) 1986 - 1991

Will provide credit and technical assistance to the informal private sector in selected Governorates.

4. Private Sector Health Care: (a)

263-0170 \$50.0 million (G) 1987 - 1992

Will encourage provision of health services to the public on a cost-recovery basis.

JORDAN

Ongoing

1. Technical Services and Feasibility Studies IV: (a)

278-0260 \$7.0 million (G) 1984 - 1988

This project provides policy research, advisory assistance to small-scale industries (IESC), project design, training, evaluation and other activities for development of the local private sector. (Project provides similar assistance to the public sector.)

Inputs: Technical assistance

2. Management Development: (a)

278-0261 \$5.0 million (G) 1984 - 1987

Institutionalizes an education/training process to improve the quality of Jordanian business managers in general and specialized skill areas. Inputs: Technical assistance, training, technical aids and research grants in business areas.

3. Commodity Import Program: (b)

278-K643 \$80.0 million (G/L)* 1985 - 1988

Finances the import of U.S. products and related technical services. USAID/GOJ striving for at least 50% local private sector utilization of available credit funds.

4. Highland Agricultural Development: (b)

278--0264 \$17.0 million (G/L) 1985 - 1988

Provides highland farmers with improved public and private services, including information and inputs, which will enable them to increase farm productivity.

5. Low Cost Housing Finance: (a)

278-HG-001 \$25.25 million (HIG/G) 1985 - 1987

Provides HIG resources and ESF technical assistance to help meet the demand for low cost housing. The project is used to attract private real estate developers and assist them in providing low income housing, a market that has traditionally been left to government programs.

Planned

1. Industrial Development: (a)

278--0265 \$8.5 million (G/L) 1986 - 1990

Will establish a Jordan Productivity Center to provide technical and financial assistance to Jordanian entrepreneurs interested in improving production efficiency and product quality.

2. Private Enterprise Technical Resources Assistance (PETRA): (a)

278-0277 \$10.0 million (G) 1986 - 1990

Will co-finance a broad range of private sector services including feasibility studies, policy studies, conferences, privatization efforts, assistance to business groups, export services and market studies, seed money for joint ventures with U.S. firms, etc.

* This represents 50% of total public and private sector funding of \$160 million.

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3. Small Entrepreneur Development: (a)

278-0255 \$3.0 million (G/L) 1987 - 1989

Will provide technical, training and limited financial assistance to small, private off-farm enterprises outside Amman.

LEBANON

Ongoing

1. Credit Cooperatives: (b)

268-0317 \$14.0 million (G)* 1984 - 1987

Provides assistance via a loan fund mechanism to small-scale, entrepreneurs, farmers and artisans. Inputs: Loan funds and technical assistance.

MOROCCO

Ongoing

1. Small Enterprise Development: (a)

608-0187 \$0.3 million (G) 1985 - 1988

Provides technical and business management assistance to small scale businesses through Catholic Relief Services.

2. Economic Policy Analysis: (b)

608-0191 \$1.07 million (G) 1985 - 1988

Provides economic policy advice to Ministry of Economy on private sector development and finances the training of professional staff in the U.S.

3. Wafabank (Companie Marocaine de Credit et Banque): (a)

PRE Rev.Fund \$2.55 million (I/G) 1984 - 1989

Establishes \$2.5 fund to guarantee short-term export inventory credit for SMSE to finance leased equipment for manufacture of export products. \$50 thousand available to TA to Wafabank. Outputs: Provides credit to firms not previously serviced.

* Less than \$10 million obligated to date; balance in question in view of current "hold" on Lebanon program.

4. Societe Marocaine de Depot et Credit: (a)

PRE Rev.Fund \$2.0 million (L) 1985 - 1988

\$2.0 million collateral account supports 100% exposure on foreign exchange loans to exporting companies. Outputs: Promotion of exports and local employment.

Planned

1. Private Sector Export Promotion: (b)

608-0189 \$18.5 million (G/L) 1986 - 1989

Will finance technical assistance to exporting companies, establish a private-sector export insurance fund and provide loans for production inputs to firms involved in export of Moroccan products.

YEMEN

Ongoing

936-4053 Market and Technology Access Project

398-0050 Regional Private Enterprise Development

The Mission is currently utilizing the two centrally-funded projects listed above to (1) develop joint-ventures and other business relationships between Yemeni and U.S. firms and (2) provide technical assistance to the Yemeni industrial sector through IESC and the Federation of Yemeni Chambers of Commerce and Industry.

TUNISIA

Ongoing

1. Private Sector Development and Technology Transfer: (a)

664-0328 \$4.05 million (G) 1982 - 1986

The project has two objectives: (a) to encourage the Tunisian private sector to play a more dynamic role in achieving national economic targets; and (b) to increase the returns to and/or the continued effectiveness of completed or nearly completed AID projects which affect the local private sector. Project has been used to finance four investment promotion conferences, the participation of Tunisia in the MTAP, the establishment of a private sector financial leasing company, pilot projects in management training, technical assistance to small-scale industries through a PVO (CRS) and technical assistance to a private sector dairy. Inputs: technical assistance and training; Outputs: 6 investment JVs in progress, increased U.S./Tunisia collaborative ventures through MTAP project, management assistance provided to 60 small firms.

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2. Agriculture Supervised Credit Project (b)

664-0302 \$18.2 million (I) 1978 - 1986

Project created change in GOT agricultural credit policy. Lending with cash substituted the traditional lending in kind, thus allowing private farmers access to other than parastatals for agricultural inputs. Outputs: 11,000 farmers received loans.

Planned

1. Family Planning and Population Development Project (b)

664-0331 \$2.5 million (G) 1986 - 1989

Amount of \$2.5 million (out of \$7.5 million) will be set aside for developing sales of contraceptives in private pharmacies through social marketing.

ASIA NEAR EAST REGIONAL

Ongoing

1. Near East Region Private Sector Development: (a)

398-0050 \$2.975 million (G) 1984 -- 1989

This project provides eight Near East countries the flexibility to respond to a variety of requests to strengthen the role of the private sector including: 1) studies of economic policy, sector policy, and business environment; 2) technical and managerial assistance to firms and to business associations; 3) investment promotion activities; and 4) training in entrepreneurship and management. Funds totalling \$482,049 and \$543,750 were obligated in FY84 and FY85, respectively, to finance the study of private sector opportunities and constraints in eligible countries in the Near East and to initiate pilot projects in small-scale industries technical assistance, export promotion, venture promotion and private sector health products and services. Inputs: Technical assistance, training

2. Near East Regional Private Sector Nutrition: (b)

298-0334 \$2.2 million (G) 1985 -- 1987

The project addresses the nutritional problems of Near East countries by fostering the development of private sector food processing, marketing and nutrition education.

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3. Near East Field Trials Contract - Market and Technology Access Project (MTAP): (a)

936-4053 \$1.6 million (G) 1986 - 1989

Partially finances the services of a U.S. intermediary firm (BDIM/GUS) to arrange long-term collaborative ventures between small to medium size U.S. companies with private sector firms in Turkey, Tunisia and Yemen initially, with the possibility of Jordan and Morocco being added in late FY 86.

4. Asia Trials Contract - Market and Technology Access Project (MTAP): (a)

936-4053 \$0.8 million (G) 1986 - 1989

Partially finances the services of a U.S. intermediary firm (Intermatrix/VITA) to arrange long-term collaborative ventures between small to medium size U.S. companies with private sector firms in Thailand, Indonesia and India.

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PRE AND S & T PRIVATE ENTERPRISE

DEVELOPMENT PROJECTS

PRE AND S&T BUREAU PRIVATE ENTERPRISE DEVELOPMENT PROJECTS

The PRE and S&T Bureaus have a number of projects for assisting USAID Missions to design, implement and evaluate private enterprise development projects. Some of these are fully-funded by the sponsoring Bureau for limited services and some allow Mission buy-ins for more expanded services. Details of the projects and names of contact officers are given on the pages following.

The pertinent S&T Bureau programs, to which Missions and Bureaus can buy-in, are:

1. Asia and Near East MTAP Field Trials, Intermatrix/Vita and BDIM/GVS contracts, respectively;
2. ARIES Project, Robert Nathan contract;
3. Employment and Enterprise Policy Analysis, Harvard Institute for International Development contract;
4. Project REACH - Alternative Health Financing Systems Component, John Snow contract;
5. Family Planning Enterprise Project, John Snow contract;
6. Technical Information on Population and the Private Sector (TIPPS), John Short contract;
7. Forestry Private Enterprise Initiative, North Carolina State University contract; and
8. Food Processing Industries Technical Assistance, Project SUSTAIN grant.

The pertinent PRE Bureau programs, to which Missions and Bureaus can buy-in, are:

1. Privatization, The Analysis Group contract;
2. Small Scale Industries Management and Technical Assistance, IESC grant; and
3. HealthLINK Program, PATH cooperative grant.

In addition, the PRE Bureau has the following programs to provide limited assistance to a few Missions, according to available funding; Mission buy-in may be permitted later if sufficient demand develops:

1. Financial Markets Development, Arthur Young contract; and
2. Private Enterprise Development Support, Coopers & Lybrand contract.

Missions should also be aware of the assistance which CIPE can give to development of local businessmen's associations.

Market and Technology Access Project (MTAP)

Project 936-4053

Summary: Separate Asia and Near East Field Trials contracts have been signed under the MTAP with Intermatrix/Vita and Business Development and International Marketing/Georgetown Venture Services, respectively. These firms will act as intermediaries for the establishment of collaborative ventures between small and medium-size U.S. firms and local firms in Asia (Thailand, Indonesia and India) and the Near East (Phase I - Tunisia, Turkey and Yemen, plus Phase II - Morocco and Jordan). The Project Manager is ST/RD/EED, Cliff Barton.

Background: The MTAP was established by AID's Bureau for Science and Technology (S&T) to test cost-effective ways of improving access of LDC enterprises to new markets and technologies by means of collaborative ventures with small and medium-sized firms in the United States and/or other industrialized countries. To further this objective, AID has entered into cost-sharing arrangements with selected U.S. intermediary firms for promotion of these collaborative ventures. Basically, AID project funding is provided for staff costs of the intermediary firm (but no overhead or fee), local representation in each country and direct costs (such as travel, advertising, promotion, seminars, etc.). It is assumed that eventually, after consummation of different types of collaborative arrangements, the intermediary would receive agent's or finder's fees from the collaborators themselves, or from their bankers. The purpose of MTAP is to promote more collaborative ventures by sharing in some of the "front-end" costs so as to reduce the risks of the intermediary firm.

The following is a brief (though not necessarily^{ly} exhaustive) list of the types of collaborative ventures envisioned under this project:

- Joint ventures
- Co-production for local market or export
- Subcontracting arrangements (drawbacks)
- Establishment of trading and countertrading arrangements
- Licensing arrangements for technology, equipment, know-how, etc.
- Provision of technical assistance for fee (paid by private clients)

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- Unique sales or equipment leasing agreements
- Provision of marketing, sales or distribution assistance
- Distributorship arrangements
- Development-oriented projects which involve U.S., and LDC counterparts (e.g., indigenous human resource development projects)

To date, S&T has arranged three separate field trials contractors for the LAC, Near East and Asia Regions, respectively. S&T previously contracted with Arthur Young to act as the Evaluation and Coordination Agent for the entire project. In this role, Arthur Young has prepared a taxonomy for field trials and participated in preparing the scope of work and selecting field trials contractors.

Scope of Asia Field Trials Project: The Near East MTAP Field Trials contract has been signed with Intermatrix/Vita for \$0.8 million over a period of 3 yrs from September 30, 1985. It focuses on Thailand and India, with affiliated representation in Indonesia. Total S&T contribution is \$400 thousand, with the remainder coming from the participating countries.

Scope of Near East Field Trials Project: The Near East MTAP Field Trials contract has been signed with Business Development and International Marketing/Georgetown Venture Services for \$1.6 million over a period of 3yrs from September 30, 1985. It focuses on Tunisia, Turkey and Yemen initially, with the provision for Morocco and Jordan to be added in mid-1986. Total S&T contribution is \$400 thousand, with the remainder coming from the participating countries.

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Assistance to Resource Institutions for Enterprise Support (ARIES)

Project No. 931-1090

The ARIES project is jointly core-funded by S&T/RD/EED and FVA/PVC. In September 1985 a contract was awarded to Robert R. Nathan Associates (RRNA), with subcontracts to Harvard Institute for International Development (HIID), Control Data Corporation (CDC) and Appropriate Technology International (ATI). The total estimated cost of this five-year contract is \$6,844,272, including a mission and regional bureau buy-in ceiling of \$3,875,961. The goal of the project is to enhance the capabilities of support organizations to implement small and micro-enterprise development programs. Through research, development of training programs, technical assistance to missions and field tests of the training programs, the project will work to a) assist the sector to expand its base; b) provide services to a larger proportion of the entrepreneurs; and c) make more efficient those organizations and programs designed to work with small-scale micro-businesses. Services to Missions would include surveys and reports, developing PIDs and PPs, and implementing and evaluating projects. The S&T/RD/EED contact is Ross Bigelow.

Employment and Enterprise Policy Analysis Project

Project No. 936-5426

Over a five-year period (1985-1989) this project will provide Missions with the capability to conduct broad-based analyses of host government policies in employment generation, including analysis of capital markets, labor markets, physical infrastructure, tax policies, price controls, etc., plus intersectoral linkages in agro-industries and industry services. The prime contractor is the Harvard Institute for International Development (HIID), as supported by Michigan State University (MSU) and Development Alternatives Inc. (DAI). The project limit is \$6.5 million, consisting of \$2.5 million S&T funding for worldwide comparative and methodological research and \$4.0 million for Mission buy-ins to cover the cost of activities that focus on their particular countries. The ST/RD/EED Project Officer is Robert Young.

PROJECT REACH - Alternative Health Financing Systems Component

Under Project REACH, S&T/H can dispatch experts in health care financing to advise host-country governments on alternative means for arranging cost-effective health care, such as pre-paid health provider schemes or health maintenance organizations. Typically, these experts would meet with government health officials and with local chambers of commerce, insurance companies, and other business entities with whom Mission Private Enterprise Officers should have contact. Project REACH personnel can then arrange seminars and visitation programs to make host country government and business officials more aware of the possibilities for establishing alternative cost-effective health care programs in their own countries. Project REACH can also assist Missions in establishing new projects in health care delivery through private sector entities. The S&T/H contact on this project is Cindy Clapp-Wincek.

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Family Planning Enterprise Project

This five-year contract, signed in September 1985, has two major components: 1) the development of private sector family planning programs in commercial entities and employee benefit programs, and 2) the improvement of PVO family planning services through the introduction of improved business and management practices. The Family Planning Enterprise program will provide technical and financial assistance to a wide range of private sector institutions, such as:

- health care providers wishing to add family planning to a range of services;
- businesses ready to provide family planning services for their employees (e.g. labor unions, large national and multinational corporations), or wishing to cost-share the provision of services with family planning PVOs (e.g. local factories, cooperatives or plantations);
- family planning PVO's attempting to increase coverage and program efficiency by improving their financial planning, cost recovery and fund-raising capabilities.

To implement this program ST/POP has contracted with John Snow, Inc. (JSI) to lead a staff from JSI, John Short Associates, Birch and Davis, Coverdale and Arthur Young, Inc. who have extensive experience in family planning delivery and the transfer of business skills.

As described in STATE 348016, the project will develop and support an estimated 80 for-profit and PVO subprojects. Mission buy-ins are permitted as necessary to augment additional contract funding over and above the basic amount. The S&T/POP/FPSD project officer is Connie Carrino.

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Private Sector Family Planning Analyses

This project focuses on decision-making to promote policies which encourage health systems, health providers, and employers to offer family planning as a regular part of care. It accomplishes this by:

- conducting business analyses in LDCs which demonstrate the costs and benefits of family planning to employers;
- conducting country workshops and conferences with business, health and labor leaders to discuss the cost and health benefits of family planning;
- providing study tours for these leaders to visit and discuss family welfare and family planning with counterpart leaders in the U.S. and elsewhere.

A five year contract was signed in September, 1985 to have John Short Associates, a health care management company, administer the project, with assistance from University Research Corporation and Ernest and Whinney. The project is available for approximately \$200 thousand Mission buy-ins in FY86. The S&T/POP/FPSD project officer is Harry Cross.

Forestry Private Enterprise Initiative

Project 235-2432

The Forestry Private Enterprise Initiative (FPEI) Project can provide technical support to Missions in the design, management and evaluation of projects with a potential for involving private enterprise forest land management and forest-based industry, including small scale manufacturing. The FPEI arranges specialized technical assistance, research and demonstration activities for: 1) policy and incentives to encourage private sector forestry, 2) timber management and harvesting, and 3) market development for forestry products. The FPEI is being managed by the School of Forest Resources of North Carolina State University, in cooperation with Duke University and the USDA Forestry Service. FPEI staff people are available to Missions on a limited centrally-funded basis or on a cost-shared basis. The S&T/FNR/FSP project officer is Jack Muench.

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Food Processing Industries Technical Assistance - Project SUSTAIN

Project SUSTAIN can provide short term technical assistance from U.S. food processing firms to advise LDC firms on problems of product design, processing and marketing of food and nutritional products. Experts can be made available on payment of local per diem costs, only; salaries are paid by the sponsoring U.S. companies and international travel is paid by Project SUSTAIN.

The S&T/N project officer is Martin Forman.

Center for Privatization

In September, 1985 a three-year contract was signed with The Analysis Group, Inc., an 8(a) firm, to provide expert advisory services to assist host country governments and private sectors in planning and implementing divestiture and privatization of government enterprises. The Analysis Group is supported in this contract by Arthur Young, Inc., Equity Expansion International, Ferris & Co., Inc., International Phoenix Corp. and Public Administration Service. The Center for Privatization is also developing a bibliography and data bank of past experience with divestment and privatization worldwide to made available by AID to LDCs. The PRE/PPR project officer is Paul Haire.

International Executive Service Corps (IESC)

The PRE Bureau provides IESC with grant funds to support central administrative staff at the IESC Headquarters in Stamford, CT and IESC Country Directors in AID countries overseas. Individual AID Missions are encouraged to establish an effective liaison with IESC personnel in the field and, where possible, to coordinate the assignment of IESC volunteers with their own industry support programs. Missions may also wish to make an auxiliary grant to IESC to subsidize the cost of IESC volunteers providing technical and management assistance to small-scale industries, entrepreneurial training or investment promotion, as appropriate. Typically, this might take the form of a grant to share on a 50/50 basis the assignment costs (travel and per diem) of volunteers working with small-scale firms. Mission personnel are encouraged to contact IESC directly at: 8 Stamford Forum, P.O. Box 10005, Stamford, CT 06904-2005, on (203)967-6000 or by Cable:EXECORPS. The PRE/PPR project manager is Andrea Mohn-Bauman.

HealthLINK Program - PATH Cooperative Grant

In October, 1984 a three-year cooperative grant was negotiated with Program for Appropriate Technology in Health (PATH) for promotion of technology transfers in health care and nutritional products and the provision of a loan guarantee program for joint-ventures in these products. Initial focus was on selected countries in Asia, but this was recently extended to include countries in the Near East. PATH specialists are available to visit LDCs to determine which technologies are appropriate for transfer and to make initial contacts with prospective joint-venture partners for technologies under license with PATH or elsewhere. There has been a special focus on Oral Rehydration Salts and rabies and other vaccines. The PRE/PPR project officer is Bob Dodson.

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Financial Markets Development

In September, 1985, the PRE Bureau signed a three-year contract with Arthur Young, with subcontracts to Ferris & Co., International Resources Group and First Boston Corp., to provide assistance to AID/W and to USAIDs in developing strategies and projects to strengthen financial markets in LDCs. Major activities expected to be undertaken include: a) assistance in policy dialogue regarding financial markets with host governments, b) assistance in formulating and implementing specific projects and strategies to strengthen financial institutions/markets, c) development of guidance and methodology for use by USAIDs in assessing financial markets and identifying needs for specific financial services, and d) management training and workshops for Mission personnel. The contract has been centrally-funded by PRE at \$2 million, but Mission buy-ins may be allowed on a case-by-case basis for more detailed, comprehensive support. The PRE/PPR project officer is Herb Wegner.

Private Enterprise Development Support

In October 1985 a two-year contract was signed with Coopers and Lybrand, with subcontracts to Arthur D. Little and Development Alternatives, to assist Missions in promoting the role of private enterprise in developing countries. Specifically, the contractor will help Missions identify host country policy constraints to private enterprise development and identify opportunities for increased utilization of private enterprise mechanisms through which development programs can be implemented. The contract has been centrally-funded by PRE Bureau for \$1.2 million, but Mission buy-ins may be allowed on a case-by-case basis for more detailed, comprehensive support, including the preparation of PIDs and PPs. The PRE/PPR project officer is Bob Dodson.

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Center for International Private Enterprise (CIPE)

CIPE was established in 1983 under the National Endowment for Democracy (funded by the U.S. Congress) to strengthen chambers of commerce, employer's organizations and other business groups abroad. CIPE programs to date have included private enterprise education; management and technical assistance to business organizations; communications and journalism training; and a research and publications program. CIPE has been used by AID to locate experts in the organization and evaluation of chambers of commerce, who can then be contracted by Bureaus and USAIDs to strengthen local businessman's associations in host countries.

CIPE is located in the International Division of the U.S. Chamber of Commerce, 1511 K Street, N.W., Suite 334, Washington, D.C. 20005, Tel. 202-463-5901.

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