

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

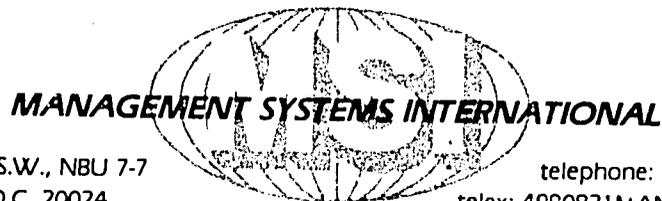
MICROENTERPRISE MONITORING SYSTEM (MEMS)

Participant Notebook for USAIDs and AID/W Offices



Prepared by
Management Systems International (MSI)
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WORKSHOP GOALS AND OBJECTIVES

The goal of the MEMS workshop is to assist USAID Mission personnel in implementing the Microenterprise Monitoring System. By the end of the workshop participants will be able to:

- Describe the context of A.I.D. and Congressional interest in microenterprise development.
- Understand and apply the basic indicators of MEMS tracking: poverty lending, gender and size of enterprise.
- Understand and apply distinctions regarding key definitions, concepts and data requirements used in MEMS.
- Identify and prepare MEMS reports, both at the mission and project levels.
- Relate how microenterprise monitoring efforts fit within Mission strategic objectives and Mission and Agency monitoring efforts.
- Determine follow-up steps that are required to implement MEMS in Missions and in Implementing Organizations (IOs).

WORKSHOP TOPICS¹

Morning or Day One

- Workshop Introduction and Objectives
- A.I.D. Efforts in Microenterprise Development and the Role of MEMS
- Definitions and Concepts Used in MEMS
- USAID Mission and AID/W Level Reporting Systems

Afternoon or Day Two

- Project Level Reporting Systems
- MEMS and its Relation to Mission Monitoring Efforts
- MEMS Implementation Procedures and Resources
- Conclusions and Follow-up

Follow-up

- MEMS Trainers are also available for one to two days immediately following the workshop to provide additional technical assistance if necessary.

¹ Depending on the number of individuals and USAID Missions participating in the workshop, these topics can be covered in one or two days.

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KEY SKILLS: Evaluation of Small- and Microenterprise Development Projects/Project Monitoring and Evaluation Systems/Management Training/Institutional Development

EXPERIENCE:

Monitoring and Evaluation of SME Projects

- Project Director for Microenterprise Monitoring Systems Project (MEMS) responsible for developing and implementing a worldwide monitoring and reporting system for A.I.D. to report on the status of microenterprise development activities in the Agency. Specific tasks include systems development, data analysis, and training A.I.D. staff and implementing organizations in adopting MEMS. (1991 - 1993)
- MIS/Monitoring and Evaluation Systems Design Expert for the USAID/Malawi SHARED Project to design a monitoring and evaluation system for this \$12 million, nine-year project which provides institutional support, technical assistance, and training to local and international community development organizations working in health, agriculture, and micro-enterprise development. (1990)
- Team Leader and Financial Analyst to evaluate the impact and sustainability of the USAID-funded Women's Entrepreneurship Development Program, as part of a global study of A.I.D.'s experience in microenterprise development and prospects for future programming. (1988)
- Team Leader and Institutional Development Specialist to evaluate the USAID/Malawi Rural Enterprise and Agribusiness Development Institutions Project. Analyzed institutional development requirements for supporting implementation of Government of Malawi policies and programs to encourage the formation of small-scale enterprises and off-farm employment. (1988)
- Rural Development and Credit Specialist to evaluate the A.I.D. funded income generating programs of the Freedom from Hunger Foundation in Nepal. (1987)
- Team Leader and Organizational Analyst to head an evaluation of the income-generating projects of an A.I.D. grantee, PLAN International. The project consisted of field survey work, management, and financial and economic analysis, and resulted in recommendations for improving the organization and management of PLAN activities in the Philippines and Indonesia. (1986)

SME Project Design and Management

- Project Coordinator for A.I.D./S&T worldwide ARIES program (Assistance to Resource Institutions for Enterprise Support). In addition to undertaking several short-term overseas assignments, was responsible for identifying technical assistance, training, and institutional strengthening activities, and coordinating ARIES resource inputs with A.I.D. Washington and various USAID Missions around the world. (1985-1990)
- Researched, wrote, and taught management case study covering the USAID/Malawi Rural Enterprise and Agribusiness Development Institutions Project as part of a worldwide workshop on microenterprise development held in March 1990.
- Team Leader/Organization and Management Specialist to provide management advisory services in organizational development, project planning, monitoring and evaluation, management information systems, and project feasibility analysis to support the development of small and medium industries in the Eastern Caribbean Region (USAID/Barbados). Designed and conducted management/team building workshop as part of this assignment. (1987 & 1988)
- Institutional Development Specialist responsible for analyzing the organizational structure and management of a USAID/Bangladesh project, the Micro-Industries Development Assistance Society, and developing recommendations to improve staff development, management information systems, project planning, monitoring, and evaluation of loans and project investments. (1986)
- Director for Agriculture and Rural Development Projects of the Mennonite Central Committee in Bangladesh. Assessed the managerial structure of the program, recommended policy changes, and implemented modifications resulting in improved organization and management of rural development program. Maintained liaison with Government of Bangladesh and other international development agencies active in the country. Directed program designs for several projects in agricultural research, agricultural extension, rural credit, appropriate technology, and cooperative training. Established a rural credit program for marketing technological innovations in irrigation hand pumps, and a cooperative credit scheme for small farmers, in collaboration with local development banks. Designed and conducted training workshops in project management, evaluation, and monitoring, and program budgeting for senior and middle management staff. Responsible for activities of 15 expatriate and 75 Bangladeshi staff. (1981 - 1984)

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Organizational and Human Resource Development/Training

- Manager for Human Resources Development, responsible for developing and implementing a series of workshops and seminars in Africa designed to strengthen the organization and management of indigenous non-governmental organizations (NGOs). Conducted needs assessment and field interviews in Africa with USAID Missions, African NGOs, and US NGOs as part of design effort. (A.I.D./Africa Bureau PVO/NGO Initiatives Project, 1990-1991)
- Management Specialist to provide USAID/Haiti Human Resources Office with management consulting services in the areas of strategic planning, organizational development, and human resource management. (1990)
- Assisted in the design and development of a small enterprise workshop for the Africa field staff of CARE International. Participated in the workshop held in Lome. (1988)
- Organizational Development Specialist/Institutional Analyst for the Ministry of Finance in Nepal to conduct an institutional capacity study for determining the organizational and human resource requirements to support revised program budgeting and improved project monitoring systems in the Government. Assisted in developing a strategic implementation plan to institutionalize these systems and procedures within the Ministry of Finance and several of the line ministries. (Asian Development Bank, 1987)
- Developed and provided basic training in the use of a field user's guide to Cost Effectiveness Analysis, published by PACT. (1986)
- Project Assistant for the USAID Public Management and Policy Planning Project in the Eastern Caribbean Region, working closely with government officials to discuss their technical assistance needs and develop terms of reference in the areas of fiscal policy analysis, tax administration, management information systems, data collection, statistical analysis, and public investment program design and implementation. (1985)

EDUCATION:

Masters in Public Administration, Michigan State University, 1981

Bachelor of Arts, Philosophy, Albion College, Albion Michigan, 1976 (cum laude)

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MEMS BACKGROUND

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MICROENTERPRISE LEGISLATIVE AND REPORTING HISTORY

The following is a list of events leading up to the implementation of the MEMS project. Key events are indicated by ■.

- 1985 May • House Select Committee on Hunger holds hearings on establishing an international poverty bank to make loans for microenterprises.

- 1986 February • House Select Committee on Hunger and the House Banking Subcommittee hold a hearing on the role of multilateral institutions in financing microenterprises. Later they issue the study, "Banking for the Poor."

- October • House Select Committee holds a forum featuring the Grameen Bank's efforts in microenterprise lending.

- 1987 February • Two different bills are introduced in the House supporting microenterprise lending programs by A.I.D.

- March • House Select Committee holds a hearing on other NGO microenterprise efforts; as a result is persuaded that microenterprise lending can benefit the poor.

- • In order to respond to Congressional interest, A.I.D. sends out first worldwide cable requesting data from Missions on microenterprise programs.

- April • The Microenterprise Loans for the Poor Act is introduced in the Senate.

- December • Congress passed a FY1988 Continuing Resolution for provision of foreign assistance. The bill:
 - established an earmark for microenterprise, and directed A.I.D. to spend \$50 million in FY1988 and \$75 million in FY1989 for "programs of credit and other assistance for microenterprises";
 - directed A.I.D. to form a microenterprise advisory committee;

MICROENTERPRISE LEGISLATIVE AND REPORTING HISTORY (CONTINUED)

- recommended A.I.D. microenterprise programs make \$300 loans and target women-owned businesses.
- 1988 March • Advisory Committee on Microenterprise meets for the first time.
- Second worldwide reporting cable sent out to the Missions requesting data on microenterprise programs.
- October • PD-17, Microenterprise Development Program Guidelines, approved by Advisory Committee and sent out to the Missions.
- 1989 March • A year-long study, A.I.D. Microenterprise Stocktaking, reviewed A.I.D.'s microenterprise program to identify elements of successes and failures.
- ☛ April • A.I.D. surpasses by \$10 million the FY1989 earmark.
- 1990 March • Third worldwide reporting cable sent out and first Annual Report to Congress completed.
- ☛ • FY1991 continuing resolution includes microenterprise earmark of \$85 million.
- ☛ • GAO conducts an investigation into A.I.D.'s compliance with earmark and issues report.
- 1991 February • Preliminary version of MEMS forms pretested in Botswana, Malawi and Swaziland.
- ☛ September • MEMS contract signed with MSI to develop MIS system, training and technical assistance.

MICROENTERPRISE LEGISLATIVE AND REPORTING HISTORY (CONTINUED)

- November
 - Final version of MEMS forms pretested in Mali, Sri Lanka, Bangladesh and Honduras.
 - Congress earmarks \$85 million for FY1992 and FY1993. In addition, a sub-earmark for \$300 loans is established, totalling \$20 million for FY1992 and \$30 million for FY1993.
- 1992
 - January
 - To respond to Congressional requests for this data, MEMS forms are mailed to Missions for distribution to IOs. First effort by A.I.D. to collect project-level data directly from organizations implementing A.I.D. funded microenterprise projects.
 - February
 - First MEMS workshop for USAID staff and IO staff held in Swaziland.
 - July
 - First report to Congress including both mission and project level data completed.

GAO REPORT CONCLUSIONS

Following are excerpts from the February 1991 GAO Report on A.I.D.'s Implementation of Microenterprise Programs:²

- "The data in AID's March 1990 report to Congress [on its microenterprise program] was of questionable validity."
- "AID did not have a system to track detailed information concerning its microenterprise credit activities..."
- "...we found that much of the specific data concerning loan size and recipients gender and economic status was based on estimates."
- "...much of the data reported by the three missions [visited by the GAO team] was based on assumptions or estimates."
- Examples of data problems:
 - Understatement of funds obligated to microenterprise projects.
 - Overstatement of percentage of loans to women.
 - Projects reported that were not funded in the year questioned.
 - Understatement of local currency funding to microenterprise.
 - Loan size reported was inconsistent with data in mission records.

² A copy of the complete report appears in Annex 1.

GUIDELINES USED FOR DEVELOPING MEMS

In developing MEMS, PRE/SMIE followed these guidelines to create a system that would be responsive to the reporting requirements of Congress as well as useful to both A.I.D. and the organizations it supports.

The MEMS system was designed to:

- Monitor basic, easily identifiable indicators of project outputs.
- Minimize data collection burden on USAIDs and implementing organizations.
- Integrate MEMS into existing MIS in both implementing and donor organizations.
- Be flexible enough to accommodate changes in Congressional reporting requirements and A.I.D. priorities over time.
- Make certain USAIDs understand that MEMS does not mandate that Missions undertake microenterprise activities.

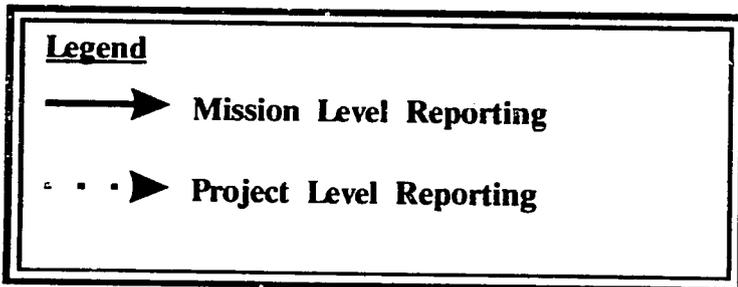
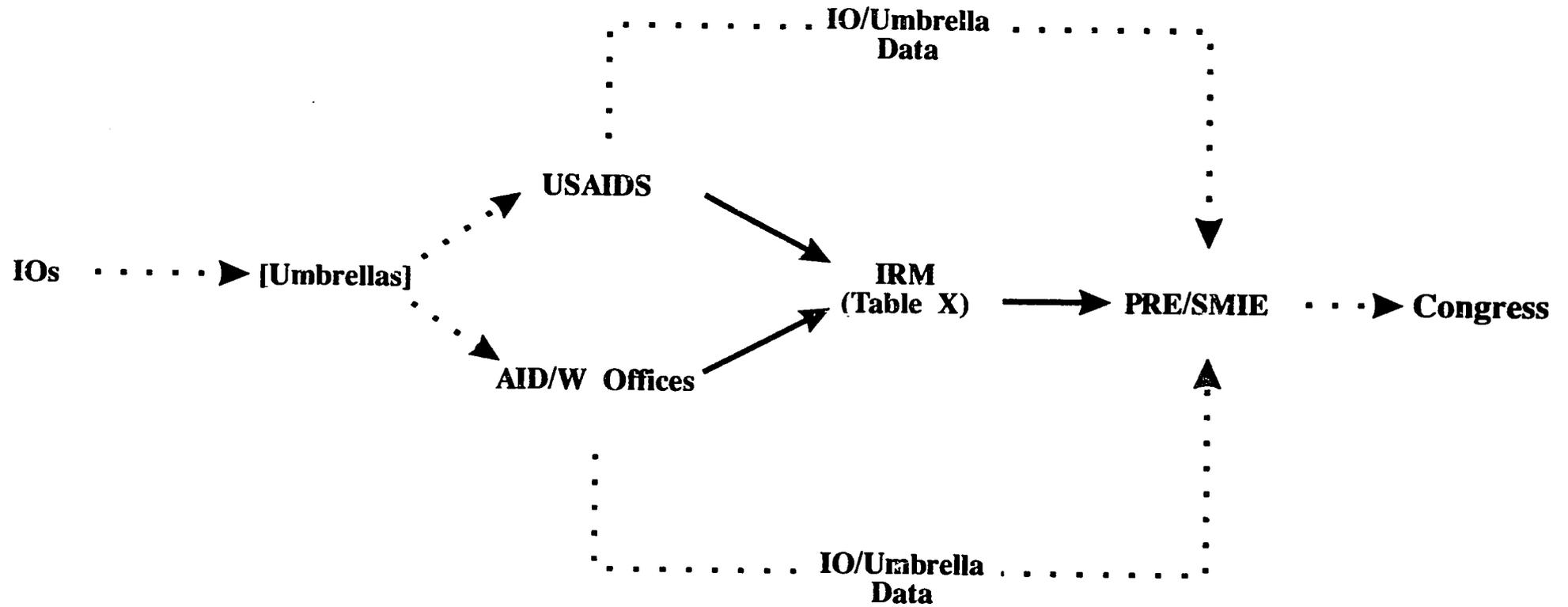
In developing the system, MSI pre-tested it to assure utility and effectiveness.

MEMS REPORTING OVERVIEW

- There are two levels of MEMS reporting:
 - USAID and AID/W level
 - Data collected from Missions and AID/W Offices.
 - Primarily collects budgetary data: dollar obligations and local currency expenditures.
 - Most data is reported using Table X of the AID/IRM CP database program.
 - Project level
 - Data collected from umbrella projects/organizations channeling A.I.D. resources, and from IOs serving microenterprises.
 - Collects data on beneficiaries (gender, size, etc.), type of assistance, and loan size.
 - Data collected via questionnaires that are distributed to Umbrellas and IOs by USAID.
- Data collected annually in conjunction with CP as opposed to when data was also collected as part of the ABS.
- Project level forms are available in English, French and Spanish.

MEMS REPORTING PROCESS

Flow of Information



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MEMS REPORTING RESPONSIBILITIES

ORGANIZATIONAL LEVEL	DATA CONTENT	DATA INSTRUMENT(S)
USAID and AID/W Offices	<ul style="list-style-type: none"> • Dollar obligations and local currency • Exchange rate for calculating \$300 loan equivalence • Names of implementing organizations 	<ul style="list-style-type: none"> • Table X • Exchange Rate Calculation Sheet • Project Data Sheets
Umbrellas and Implementing Organizations	<ul style="list-style-type: none"> • Expenditures towards microenterprise development activities • Beneficiaries disaggregated by gender and size of business • Contribution to \$300 sub-earmark • Existence of savings components 	<ul style="list-style-type: none"> • Umbrella Reporting Form • Implementing Organization Reporting Form

MEMS MONITORING AND REPORTING CONSIDERATIONS

MISSION LEVEL:

- Identifying microenterprise "activities" as well as "projects."
- Not all microenterprise activities have been counted.
- On the other hand, microenterprise funding levels have been overstated in some cases.
- Budget number inconsistencies occur in year to year reporting.
- Integrating data collection system information into standardized reporting.
- Disaggregating types of microenterprise development activities: credit, TA and training, institutional support and policy reform.
- Reporting on local currency expenditures.
- Other uses of MEMS data, e.g., gender, employment, etc.

PROJECT LEVEL:

- Tracking of data on \$300 loan amount.
- Tracking of gender disaggregated data.
- Definitions and counting of TA and training.
- Definitions and tracking of "size" of microenterprise.

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MISSION LEVEL REPORTING SYSTEMS

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GENERAL DEFINITIONS USED IN MEMS REPORTING

- Microenterprise:** An enterprise engaged in manufacturing, commercial or service activities that employs approximately 10 or fewer persons. According to A.I.D. conventions this does not include on-farm, agricultural (crop & livestock) production enterprises.
- \$300 Loan/Poverty Loan:** A loan that is the equivalent to US \$300 or less made to a microenterprise. The US Congress applies this amount in defining the upper limit of a poverty loan program.
- Implementing Organization:** Any public, private, for-profit or non-profit organization -- PVO, NGO, credit union, cooperative, bank, or other institution -- which provides credit, training or technical assistance services directly to microenterprises.
- Local Currency Exchange Rates:** The local currency equivalent of US \$300 determined yearly by each USAID Mission. These rates are used to gather data on the poverty lending activities of Implementing Organizations.
- Microenterprise Development Activities:** Activities or services that strengthen microenterprises. In some projects, these activities are an obvious component because of the project title or primary target group. In other projects, microenterprise development activities may be less prominent. (See criteria and examples on following pages.)
- Microenterprise Loans:** Credit provided to microenterprises. This includes any non-monetary assistance, for example, in-kind loans, capital equipment that is to be repaid, etc. This also includes monies provided in support of loan guarantee schemes.

**Microenterprise
Training:**

A course that provides instructions or guidelines for microentrepreneurs in a distinct topic area.

**Owner-Operated
Business:**

A microenterprise in which the owner is also the sole employee.

Technical Assistance:

Technical assistance is assistance provided directly to an entrepreneur and/or the entrepreneur's employees in the areas of management, marketing, technology, or other areas of business management. In general, this assistance occurs on-site.

Umbrella:

An organization or project which channels A.I.D. resources to implementing organizations.

**Women-Owned and/or
Operated Business:**

A microenterprise that is owned and/or primarily operated by a woman. In those countries where women are not allowed to own property, the business may be registered in a man's name, but still be women operated.

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EXAMPLES OF MICROENTERPRISE ACTIVITIES

MEMS is requested to report on microenterprise activities that take place in any project supported by A.I.D. Some projects have microenterprise development as a major focus; in other projects, microenterprise development may be one activity among several. In either case, it is important that both the Mission and the organizations it supports capture information for **MEMS** on these activities. Here are some illustrative examples of such activities:

- Small and microenterprise credit
- Small and microenterprise training
- Artisan and handicraft production
- Income generation activities
- Market improvement technologies or assistance
- Privatization of small firms
- PVO/NGO multi-sectoral grants
- Rural development projects which include non-agricultural activities occurring on-farm
- Technical assistance to cooperatives or credit unions having members who are microentrepreneurs
- Private sector housing and infrastructure construction
- Income generation components of human resource development projects
- Private sector marketing components of health/population projects
- Microenterprise activities of natural resource management projects
- Policy reform projects that affect microenterprises

CRITERIA FOR SELECTING PROJECTS TO REPORT UNDER MEMS

- The project includes one or more of the following efforts that benefit microenterprise:
 - Credit;
 - Training or technical assistance;
 - Institutional support for implementing organizations that provide services to microentrepreneurs;
 - Policy regulatory reform;
 - Other, e.g., research, project evaluations, surveys.

- The microenterprises affected fit A.I.D.'s definition:
 - Approximately 10 or fewer employees;
 - Non-farm business or
 - Agriculturally-based, but non-crop and non-livestock, production-related business.

- The specific funds allocated to the microenterprise activity can be reasonably determined.

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MISSION LEVEL REPORTING OVERVIEW

- Purpose:

To gather microenterprise project funding data -- annual dollar obligations and local currency expenditures -- to determine contribution towards the microenterprise funding earmark.

- Mechanism:

Annual funding is gathered using Table X of the CP data collection system.³

³ This is administered by A.I.D./Financial Administration/Budget Program/Resources Planning and Analysis Branch.

WHAT TO COUNT

■ **Report on All Projects that Include Microenterprise Development Activities**

For each project, report on those funds used for microenterprise development. Use rule of "common sense" to avoid either overstating or understating level of activity. Contact the Mission program office for a list of all projects that might include ME activities.

■ **Keep a Record of Your Reporting Over Time**

Refer to previous year's submission to see where microenterprise development activities were identified. Also keep notes on how calculations were made.

■ **Group microenterprise activities into MEMS categories:**

- Credit;
- Training and Technical Assistance;
- Institutional Development;
- Policy/Regulatory Reform; and
- Other.

■ **Group funding sources in three categories:**

- DA Obligations;
- ESF Obligations; and
- Local Currency

■ **Use Mission convention in identifying local currency amounts**

There are still some outstanding issues about what conventions should be used in counting local currencies. Until the Agency issues guidance, each Mission should continue to report local currency expenditures in accordance with their existing conventions.

■ **Enter data for a four year (FY) period**

Actual (Completed); Estimated (Current); Planned (Upcoming); and Proposed (After Planned)

MICROENTERPRISE LINE ITEM CATEGORIES USED IN TABLE X⁴

Obligation amounts and local currency expenditures for microenterprise development must be reported among four categories: loans, training/technical assistance, institutional support, and policy/regulatory reform. For monies that do not fall into any of these categories, a fifth "other" category is provided. Definitions of these categories are given below:

Microenterprise Lending:

This includes all monies used to capitalize microenterprise loan programs: money directly lent by implementing organizations and money used in loan guarantee schemes.

In some instances, "microenterprise lending" could be granted to implementing organizations for on-lending to their clients and, in other instances, for money to be loaned to the implementing organizations. Both amounts, whether grants or loans, should be reported.

Training and Technical Assistance (T/TA) to Microenterprises:

This includes all assistance to microentrepreneurs which enables them to better operate and/or manage their enterprises. Examples include: extension services; management training; loan application preparation; microentrepreneur participant training.

This category does not include monies expended to train staff or trainers working on behalf of the implementing organization. These monies are to be reported under institutional support.

⁴ The complete FY 1993 CP System Users Guide appears in Attachment 4. This guide issued each year by FA/B/PB/RPA.

Institutional Support:

This includes all funding to support the operations of implementing organizations, including budget support for operating costs as well as funding for physical plant, commodities, training staff, and staff salaries. The costs of TA contracts or cooperative agreements (e.g., with organizations selected for umbrella project management) that support institutional development should be included here.

Policy/Regulatory Reform:

This includes those monies obligated to influence or support the reform of government policies or regulations which inhibit the operations of microenterprises or organizations which assist them. This does not include ad-hoc lobbying efforts. Only projects with funds specifically allocated for this purpose should be reported here.

Other:

This includes any other funding which assists microentrepreneurs (or organizations which assist microentrepreneurs) and is not captured in the above categories. Formal research projects designed and agreed upon in the project planning for the implementing organization might be an example.

DEFINITIONS OF FUNDING SOURCES USED IN TABLE X

The types of funding that can be applied towards the microenterprise earma include: ESF, DA, and local currencies generated under PL 480 sales and E or DA non-project assistance. DA includes all functional accounts plus DF, SADCC and Sahel.

SUGGESTIONS FOR REPORTING ON LOCAL CURRENCY

Definition

Local Currency Funding is that funding made available through: a) sale of PL 480 commodities; or b) non-project Development Assistance (DA) or Economic Support Funds (ESF).

Instructions

Because the legislation refers to local currency "used" for microenterprise development, report expenditures of local currency.

- For the past fiscal year (FY), report actual local currency expenditures from the Special Account;

- For the current and future FYs, report the agreed local currency expenditure amount (if reflected in an A.I.D./host country agreement on how local currency funds are to be used) or the expenditure amount currently planned by A.I.D.

Before recording these amounts in Table X, please convert local currency expenditures into dollar equivalents. Be sure that all dollar equivalents of local currency expenditures are in whole thousands of dollars.

SUMMARY GUIDELINES FOR COMPLETING MISSION LEVEL REPORTS

- Mission Level Reporting is synonymous with completing Table X of the Annual CP Reporting System.
- Make sure that you report on all microenterprise activities, not just those projects which have microenterprise or small enterprise as the major focus.
- Communicate with the Program Office to ensure that all activities are identified.
- Use reasonable judgement in weeding out those activities that might be too small to count.
- Keep a record of how you calculated amounts for Table X so that you or your successor can refer to these notes in the following years.
- If you have a question about counting or about calculating microenterprise amounts of a given project, please contact the MEMS Project at MSI, or contact PRE/SMIE.
- Make a list of those projects which provide funding to Implementing Organizations to assist microentrepreneurs with credit, training or technical assistance.

PROJECT LEVEL REPORTING SYSTEMS

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INTRODUCTION

The second level of information management under MEMS is referred to as Project Level Reporting. Below is the list of forms that are needed to complete the level of reporting:

<u>Name of Form</u>	<u>Office Responsible for Completing</u>
Project Data Sheets	Filled out by the Project Officer(s).
Exchange Rate Calculation Sheet	Filled out by the mission <i>once</i> for a given year; rates to be used by all projects.
Umbrella Reporting Forms	Filled out by umbrella organizations, if they exist, under the project.
IO Reporting Form	Filled out by the IOs working under the project to provide services to microentrepreneurs.

Project level reports are designed to inform Congress about the following:

- Gender of credit, training and technical assistance beneficiaries.
- Size of loans being provided to credit recipients.
- Types of institutions collaborating with or supported by A.I.D.

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CRITERIA FOR SELECTING PROJECTS TO REPORT AT THE PROJECT LEVEL

Although all A.I.D.-funded projects involving microenterprise development activities must be reported at the MEMS Mission Level, not all projects will necessarily need to report at the project level.

The following criteria should be used in determining whether or not a project needs to complete the forms for MEMS Project Level Reporting:

- Some funding under the project needs to be going to support the budget of an organization or project management unit which provides services directly to microentrepreneurs. These services should include at least one of the following: credit, training or technical assistance.
- Any organization -- whether private, public, non-governmental or commercial -- receiving money from A.I.D. under the project to capitalize a loan fund or loan guarantee scheme which includes microentrepreneurs among its borrowers must report.
- The amount of funding per year to the organization should be at least US \$10,000.



MEMS Exchange Rate Calculation Form

Overview

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The exchange rate is used to determine the local currency equivalent of the US \$300 loan amount which MEMS must report to Congress. In an effort to standardize the calculation, and also to account for economies experiencing excessive inflation, a formula is presented below, and should be followed in all cases.

Each USAID is responsible for calculating these rates, and for entering them in the boxes appearing at the beginning of the data sheets in the Umbrella and Implementing Organization (IO) Reporting Forms, as well as in the spaces provided in Tables 2 and 3 of the IO Form.

Please follow these steps before distributing the Umbrella and IO Reporting Forms:

1. Calculate the local exchange rate for the reporting period using the attached Exchange Rate Calculation Sheet;
2. Determine the local currency equivalent of US \$300 using this rate;
3. Enter the exchange rate and the local currency equivalent of US \$300 into the boxes appearing at the beginning of the data sheets for the Umbrella and Implementing Organization (IO) Reporting Forms; and
4. Enter the local currency equivalent of US \$300 into the spaces provided in both Table 2 and Table 3 of the Implementing Organization (IO) Reporting Form.

Calculating the US \$300 Local Currency Equivalent

The exchange rate should be calculated by averaging the four rates in effect at the beginning of each quarter for the most recently completed fiscal year. An example is given below:

Sample Currency Exchange Rate Calculation

Name of Local Currency: Taka

The following amounts were equivalent to US \$1 during the Quarters indicated:

Date of Quarter	1 Oct 90	1 Jan 91	1 Apr 91	1 July 91	Average Rate
US \$1 Equivalent	32	33	33	35	33.25

US \$1 Equivalent in Local Currency (Average Rate)	33.25
Local Currency Equivalent of \$300 (Average Rate X 300)	9,975

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MEMS Exchange Rate Calculation Form

Exchange Rate Calculation Sheet

Date of Completion of this Form (Month/Day/Year) _____ Country _____

Name of Person Completing this Form _____

1. Using the tables provided below, calculate the exchange rate for your country and enter the US \$300 local currency equivalent. This may be rounded somewhat. Enter these figures into the boxes appearing at the beginning of the data sheets for the Umbrella and Implementing Organization (IO) Reporting Forms. Also enter the local currency equivalent of US \$300 into the spaces provided in Tables 2 and 3 of the IO Reporting Form.

Name of Local Currency: _____

The following amounts were equivalent to US \$1 during the Quarters indicated:

Date of Quarter					Average Rate
US \$1 Equivalent					

US \$1 Equivalent in Local Currency (Average Rate)	
Local Currency Equivalent of \$300 (Average Rate X 300)	

2. If your country has experienced inflation over 20% for the reporting year, check this box and indicate the rate:

Yearly Inflation Rate _____ %

This is the end of the MEMS Exchange Rate Calculation Form.

Please make sure you also complete the MEMS Project Data Sheet.

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MEMS Project Data Sheet

Please complete one data sheet for each project involving microenterprise development activities.

U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

Date of Completion of this Form (Month/Day/Year) _____ Country _____

Name of Person Completing this Form _____

1. Project Title: _____
2. Project Number: _____
3. Total LOP Funding (Dollars and Local Currency): _____
4. Project Activity Completion Date (PACD): _____
5. Using the following table, list the organizations which implement microenterprise activities under this project. Also indicate the names of umbrella projects or organizations that channel monies to these organizations where appropriate. If the project is managed by an umbrella, that office can distribute and collect the IO Reporting Forms. Implementing organizations which are not supported through an umbrella should receive their forms directly from your office.

Name(s) of Implementing Organization(s)	Name(s) of Respective Umbrella(s) (If Applicable)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	

This is the end of the MEMS Project Data Sheet. Thank you for your assistance.

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MEMS Umbrella Reporting Form

Please read the Overview to MEMS before completing this form.

Overview

Because you receive funding from the U.S. Agency for International Development (A.I.D.) for your microenterprise development activities, A.I.D. requests your assistance in completing this Umbrella Reporting Form. It is designed for organizations or projects that provide grants, loans, training, technical assistance or other forms of either monetary or non-monetary assistance to other organizations which in turn directly assist microenterprises.

Using the Umbrella Reporting Form, please report on that portion of your program which concerns *microenterprise development activities*. A.I.D. broadly defines microenterprises as enterprises engaged in manufacturing, commercial or service activities that employs approximately 10 or fewer persons. A.I.D. has adopted a convention that excludes from this definition traditional small farm crop production enterprises. However, other on-farm, non-crop-production activities *are* included.

In order that we can calculate what portion of your microenterprise development activities A.I.D. supports, you are requested to report the amount of funding your organization receives from non-A.I.D. sources.

All amounts should be shown in local currency. If necessary, please convert any dollar amounts to local currency using the exchange rates indicated at the top of the data sheets.

Please complete this form and request all organizations receiving assistance from you to complete a copy of the Implementing Organization Reporting Form. Please be sure they also receive copies of the Overview to MEMS. Only organizations that receive at least the equivalent of US \$10,000 need complete the Implementing Organization Form. If you have this information already available from your implementing organizations, then you need not ask them to complete a form as long as the information you have is both complete and accurate.

If your organization also provides services, credit, or other assistance *directly* to microenterprises, please complete a copy of the Implementing Organization Reporting Form for those activities.

We understand that you may not have these data routinely available, but we ask that you make your best effort at estimating when the information is not systematically available from a formal MIS or monitoring system. After collecting the Implementing Organizations Reporting Forms, please return them along with your completed Umbrella Reporting Form to your A.I.D. project officer. The primary goal of the MEMS project over the next two years (through 1993) is to steadily improve microenterprise project reporting. Therefore, if you do have any questions or suggestions, please let your USAID or AID/W office know so that we can address them during this implementation period.

Definition of Microenterprise Funding Categories Used in the Umbrella Reporting Form

Funding amounts for two broad categories of microenterprise activities are requested in Table 1 of this form. These are defined below.

Microenterprise Lending: This includes 1) all monies either granted or lent to implementing organizations for on-lending to microenterprises, whether in cash or in kind, and 2) monies used in loan guarantee schemes.

Other Microenterprise: This includes all other monies used to support implementing organizations that serve the microenterprise sector, i.e. technical assistance, training, institutional and operational support, etc. This should also include the cost of any commodities or non-monetary assistance provided by your office for such purposes.

Currency Exchange Rates and Loan Calculations used in MEMS

As noted in the Overview to MEMS, A.I.D. is required to report on loan amounts above and below US \$300. The exchange rate used to determine the local currency equivalent of this amount is calculated as an average for the most recent year.

To maintain some consistency, each USAID Mission is required to calculate both the exchange rate and the US \$300 loan equivalent and enter this information in the boxes at the beginning of the data sheets for the Umbrella and Implementing Organization Reporting Forms, as well as in Tables 2 and 3 of the Implementing Organization Reporting Form. Please check to see that this has been done in your package of forms.

If your organization received these forms from an A.I.D. office in Washington rather than a USAID Mission, please consult with the USAID in your country to find out what exchange rate is being used for MEMS reporting. Please enter the rates in the appropriate spaces of the Umbrella and Implementing Organization Reporting Forms.

Data Sheets

This box should be completed by the USAID Mission prior to distributing these forms to the umbrella:

Project No. and Name: _____
Average Exchange Rate for the Year: _____ = US \$1 (Indicate name of currency.)
Local Currency Equivalent of US \$300: _____

Date of Completion of this Form (Month/Day/Year) _____ Country _____

1. Name of Umbrella Project: _____

2. Name of Organization Managing the Umbrella Project: _____

3. Personal Contact Name, Address, Telephone and Fax/Tlx Number: _____

4. Reporting Period ____/____ to ____/____ (Please use your most recently completed fiscal year.)
mo. yr. mo. yr.

Note: All information reported on this form should correspond to the reporting period stated above.

5. Please complete Table 1 for the reporting period indicated. Estimates should include all costs, both programmatic as well as administrative.

Table 1: Use of Funds by Umbrella

Uses of Funds	Source of Funds (Expressed in Local Currency)		
	A.I.D.	Other ¹	Total Funds Used
Microenterprise Lending			
Other Microenterprise			
Total Microenterprise Funds Used			

6. Using Table 2, please list all implementing organizations² which receive assistance through your umbrella for microenterprise-related activities. If your organization also provides direct services to microenterprises, include it in this list.

Table 2: List of Implementing Organizations Supported by the Umbrella

1	2
3	4
5	6
7	8
9	10
11	12
13	14
15	16
17	18
19	20

For each organization listed above please distribute an Implementing Organization Reporting Form. Prior to distribution, please check that the box at the beginning of the data sheets for each Form, as well as the spaces provided in Tables 2 and 3 of the Implementing Organization Reporting Form have been completed by either your A.I.D. project officer or by you following his/her instructions. Don't forget to complete this form yourself if your organization provides assistance directly to microentrepreneurs.

This is the end of the Umbrella Reporting Form. Thank you for your assistance.

¹ This amount is necessary in order for A.I.D. to calculate what portion of the umbrella's and of the IOs' microenterprise activities A.I.D supports.

² Only organizations receiving the equivalent of US \$10,000 or more in assistance need to be included on this list. Organizations receiving less than the equivalent of US\$10,000 need not report.

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U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

MICROENTERPRISE MONITORING SYSTEM (MEMS)

Participant Notebook for USAIDs and AID/W Offices



Prepared by
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MICROENTERPRISE MONITORING SYSTEM (MEMS) MANUAL FOR IMPLEMENTING ORGANIZATIONS

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Section I: Overview and Background

General Description

What is MEMS?

MEMS is a monitoring system designed to track important information on USAID's microenterprise development activities.

Why was MEMS developed?

For the past several years, the United States Congress has expressed a special interest in the U.S. Agency for International Development (A.I.D.) programs to assist microentrepreneurs in developing countries. During this time, Congress and numerous development organizations have been engaged in an ongoing discussion about several important issues that affect the nature and scope of A.I.D.'s microenterprise development efforts worldwide.

Throughout these discussions, A.I.D. and Congress have maintained a commitment to targeting development resources towards promoting viable economic activities among the very poorest segments of populations. As a result of these discussions, Congress required that A.I.D. commit a targeted amount -- known as an "earmark" -- each year for funding microenterprise development activities. In addition, project specific data on credit, training and technical assistance activities must also be reported.

Who must report under MEMS?

USAID Missions and Implementing Organizations (IO) and umbrella organizations which receive funding (more than US \$10,000) from USAID for microenterprise projects. Implementing organizations include private voluntary organizations, non-governmental organizations, credit unions, etc. which receive USAID resources for their microenterprise activities.

When must organizations report?

Implementing organizations report in January each year. They will receive the necessary form from their local USAID Missions OR umbrella organization. A copy of the form is included in Section V.

What information is reported?

Implementing organizations must report on their USAID funded microenterprise development activities; these include technical assistance, training, and credit. Within these broad categories IOs are requested to report in project level details about lending, such as numbers of loans to female entrepreneurs, and the numbers of loans above and below US \$300. Clear descriptions and definitions of data points are included in this manual.

What Assistance is Available to IOs?

Each USAID Mission has a staff member who is designated to serve as a resource for IOs reporting under MEMS. IO representatives should contact the Mission with questions they have regarding the system. Additionally, AID/Washington, through the Private Enterprise/Small, Micro and Informal Enterprise (PRE/SMIE) office, has awarded a contract to Management Systems International (MSI) to provide technical support to implementing organizations through 1993. MSI is being assisted in this effort by its subcontractor, Community Economics Corporation (CEC).

What can MEMS do for IOs?

While MEMS is not a comprehensive monitoring system, it does track important program data for IOs. These data points can be helpful to IOs in analyzing their overall program and goals. For example IOs may learn from MEMS that they aren't reaching as many women beneficiaries as assumed, or that most of their technical assistance visits are spent collecting loans. Also, within the MEMS packet are sample data collection tools which are offered as guides for IOs to use and adapt.

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General Definitions Used in MEMS Reporting

Microenterprise	An enterprise engaged in manufacturing, commercial or service activities that employs approximately 10 or fewer persons. According to A.I.D. conventions this does not include on-farm, agricultural (crop & livestock) production enterprises.
\$300 Loan/Poverty Loan	A loan that is the equivalent to US \$300 or less made to a microenterprise. The US Congress applies this amount in defining the upper limit of a poverty loan program.
Implementing Organization	Any public, private, for-profit or non-profit organization - PVO, NGO, credit union, cooperative, bank, or other institution -- which provides credit, training or technical assistance services directly to microenterprises.
Local Currency Exchange Rates	The local currency equivalent of US \$300 determined yearly by each USAID Mission. These rates are used to gather data on the poverty lending activities of Implementing Organizations.
Microenterprise Development Activities	Activities or services that strengthen microenterprises. In some projects, these activities are an obvious component because of the project title or primary target group. In other projects, microenterprise development activities may be less prominent. (See criteria and examples on following pages.)
Microenterprise Loans	Credit provided to microenterprises. This includes any non-monetary assistance, for example, in-kind loans, capital equipment that is to be repaid, etc. This also includes monies provided in support of loan guarantee schemes.
Microenterprise Training	A course that provides instructions or guidelines for microentrepreneurs in a distinct topic area.
Owner-Operated Business	A microenterprise in which the owner is also the sole employee.

Technical Assistance

Technical assistance is assistance provided directly to an entrepreneur and/or the entrepreneur's employees in the areas of management, marketing, technology, or other areas of business management. In general, this assistance occurs on-site.

Umbrella

An organization or project which channels A.I.D. resources to implementing organizations.

Women-Owned and/or Operated Business

A microenterprise that is owned and/or primarily operated by a woman. In those countries where women are not allowed to own property, the business may be registered in a man's name, but still be women operated.

4/6

A.I.D. Criteria for Including Projects in MEMS Reporting

Each USAID is responsible for identifying those projects that include microenterprise activities, and should be reporting under the MEMS system. The following criteria are used in making this selection.

- The project should include one or more of the following microenterprise activities:
 - Credit
 - Training or technical assistance
 - Institutional support for microenterprise organization
 - Policy regulatory reform
 - Other, e.g., research

- The microenterprises affected fit A.I.D.'s definition:
 - Approximately 10 or fewer employees
 - Non-farm business or
 - Agriculturally-based, non-crop, non-livestock production related business

- The funds allocated to the microenterprise activity can be reasonably determined.

Examples of Microenterprise Development Activities

The following is an illustrative list of microenterprise activities. Please contact your USAID Mission if you have any questions regarding one of your organization's program areas.

- Small and Microenterprise Credit
- Small and Microenterprise Training or Technical Assistance
- Artisan and Handicraft Production
- Income Generation Activities
- Market Improvement Activities or Technical Assistance
- Privatization of Small Firms
- PVO/NGO Multi-Sectoral Grants
- Rural Development Projects which Include Non-agricultural activities occurring on-farm
- TA to Cooperatives or Credit Unions having Members who are Microentrepreneurs
- Private Sector Housing and Infrastructure Construction
- Income Generation Components of HRD Projects
- Private Sector Marketing Components of Health/Population Projects
- Microenterprise activities of NRM projects
- Policy Reform Projects that Affect Microenterprises

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Summary of Reporting Levels and Data Requirements Under MEMS

There are two levels of reporting under MEMS. At one level, each USAID Mission prepares annual reports on its present and anticipated funding of microenterprise development activities. This is called **Mission Level Reporting** by MEMS. At the other level -- **Project Level Reporting** -- Implementing Organizations and Umbrella Projects/Organizations prepare annual information on their activities, beneficiaries, loan portfolio, etc. This **Manual** addresses requirements for IOs to report at the Project Level.

MEMS Reporting Overview

LEVEL	DATA CONTENT	DATA INSTRUMENT(S)
Mission -- Includes USAID and AID/W Offices	<ul style="list-style-type: none"> • Annual funding for all microenterprise activities, by project • Exchange rate for calculating \$300 loan amount in local currency • Names of implementing organizations and umbrella projects 	<ul style="list-style-type: none"> • Table X of A.I.D.'s annual budget presentation to Congress • Exchange Rate Calculation Sheet • Project Data Sheets
Project	<ul style="list-style-type: none"> • Expenditures towards microenterprise development activities • Credit, training and TA beneficiaries disaggregated by gender and size of business • Number and amount of loans above and below US \$300 • Existence of savings components 	<ul style="list-style-type: none"> • Umbrella Reporting Form • Implementing Organization Reporting Form

4/1

Important Data Requirements of the IO Reporting Form

- Credit, training, and TA beneficiary information is disaggregated by:
 - **Gender**; and
 - **Size of business** represented by the beneficiary, measured by the number of employees in the business.
- Credit data is also disaggregated by loans that are above and below the **local currency equivalent of US \$300**.
- Projects having a **savings component** should disaggregate savings data by gender.
- Total amount of **outstanding loans** at the end of the reporting period is also reported.
- IOs report on their annual budget for microenterprise development, broken into two categories: 1) **credit/loan funds**, and 2) **all other microenterprise project costs**.
- All amounts should be reported in **local currency**. If for some reason this is not practical or possible, then the IO should attach a covering note explaining that the report has been done using US dollar denominations.

Disaggregation of Data by Gender

Collecting gender disaggregated data is an important function of MEMS. The following data categories need to include gender:

- Technical Assistance and Training

- Number of Loans

- Loan Amounts

- Number of Savings Accounts

- Total Amount of Savings

Suggestions as to how this information can be collected are presented in **Section IV**.

9/1

Disaggregation of Data by Size of Microenterprise

In addition to a focus on gender, MEMS also focuses on the size of microenterprises assisted by IOs. Please remember the following when reporting:

Definition of Microenterprise Size

There are two categories of size defined for MEMS purposes:

- "Self only" or "owner-operated" businesses in which the owner is the sole employee; and
- Those businesses which have up to ten employees.

Definition of Employee

For MEMS purposes, an employee is defined as:

- **Any person including family members that works on a full-time basis in a firm for a wage or in-kind services.**

Since firms will be self-reporting they will use their own methods of counting. We encourage the use of this official definition in future reporting, as implementing organizations develop their monitoring systems.

Suggestions as to how this information can be collected are presented in **Section IV**.

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Disaggregation of Loan Data

In addition to reporting on the gender of beneficiaries and the size of businesses receiving services, MEMS also must calculate the number and value of loans below and above US \$300. The USAID Mission is responsible for calculating the local currency equivalent of this amount, and for providing this figure to the IOs. The formula is based on an average of the exchange rates during each quarter of the reporting period. If the economy experience hyperinflation, this is also to be indicated by the USAID.

All amounts should be reported in **local currency**. Several factors could cause the denomination of poverty level loans (\$300) to vary from year to year:

- Inflation
- Devaluation of local currency
- Changes in Congressional definitions of poverty loan ceiling amounts

To account for this, IO data management systems should be designed to collect and aggregate data according to actual size (in local currency) of each loan.

Suggestions as to how this information can be collected are presented in **Section V**.

Data Collection on Training Activities

Please remember the following when reporting training activities for MEMS:

Definition of Training

- A course, consisting of one or more sessions, that provides instructions or guidelines for microentrepreneurs in a distinct topic area.

How/What to Count

- A person is counted once for each training session or set of sessions that he or she participates in; i.e., they are counted for each topic they are trained in.
- If a training consists of a series of distinct modules on related but different subject areas, attendance at each module is counted.

Please see the attached examples.

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Examples of Microenterprise Training Activities

1. If you hold a single evening course or workshop on a subject, then count each individual attending that course as one trainee:

Example: 15 trainees attend a one-evening session on marketing strategies.

Solution: $1 \times 15 = 15$ people trained -- be sure to disaggregate by gender and size of enterprise.

2. If the workshop involves a series of related evening courses all of which the participants must attend in order to acquire the skills you are teaching, then only count each individual as one for the entire series.

Example: 15 trainees attend a week-long training (every evening) to learn about business management practices.

Solution: $1 \times 15 = 15$ people trained -- be sure to disaggregate by gender and size of enterprise.

3. If, however, you hold a number of different courses or workshops which each addresses a different microenterprise topic, then each individual can be counted each time he or she attends one of those courses.

Example: 15 people attend an evening session on marketing and the same 15 people attend a session on accounting the next week.

Solution: $2 \times 15 = 30$ people trained.



Data Collection on Technical Assistance Activities

Please remember the following when reporting technical assistance activities for MEMS:

Definition of Technical Assistance

- Assistance provided directly to a microenterprise owner or employee in the areas of financial management, use of technology, marketing, personnel or other aspects of running a business. This assistance most likely will occur on-site.

How/What to Count

- Visits to a firm solely for credit-related information or purposes should **not** be counted.
- General TA provided over a period of time to one firm should be counted only once, i.e. counted as one session.

Please see the attached examples.

Examples of Microenterprise Technical Assistance Activities

If you provide specific and targeted technical assistance in different areas of microenterprise management, then each individual can be counted as a TA recipient when receiving that type of assistance.

Example 1: An entrepreneur receives a technical visit from an microenterprise advisor/extension worker. During the visit the advisor reviews and discusses the entrepreneur's accounting systems.

Solution: 1 visit x 1 person = **1 technical assistance beneficiary.**

Example 2: An entrepreneur and his assistant meet with the advisor to discuss marketing strategies for their enterprise.

Solution: 1 visit x 2 people = **2 technical assistance beneficiaries.**

Example 3: An advisor visits an entrepreneur once a week for a month to check on the entrepreneur's business receipts. General site visits made by business advisors over time should only be counted once for each microenterprise, not once for each visit.

Solution: 4 visits general assistance visits x 1 person = **1 beneficiary.**

** Do not include visits to a firm solely to provide credit related or loan processing services.*

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Section III: IO Reporting Form and Worksheets

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Overview of IO Reporting Form

- **Purpose:** To collect detailed microenterprise data from implementing organizations.
- The form is filled out by implementing organizations that work directly with microentrepreneurs.
- The form is distributed by umbrellas to implementing organizations **OR**
- In the absence of an umbrella, the form is distributed to implementing organizations by A.I.D.
- Implementing organizations return the form directly to A.I.D.
- PVOs funded through AID/W report to AID/W.
- If umbrellas provide direct services to microentrepreneurs, they must also complete the IO form.
- All funding amounts should be reported in **local currency**, even when A.I.D. support is originally in dollars.
- The form is used to gather direct beneficiary data disaggregated by gender and business size.
- The form is used to determine the number of ME loans disaggregated by size: loans equal and less than \$300 or above \$300.
- The form is also used to count number of recipients of credit and training & technical assistance.
- The reporting period used reflects the organization's most recently completed fiscal year, not A.I.D.'s.
- Requests information on non-A.I.D. funding for microenterprise activities in order to calculate the proportion of support the IO received from A.I.D.

A copy of the Reporting Form is provided in Section V...

Worksheets and Tables for Implementing Organizations

The following worksheets and tables are meant to guide IOs in filling out Tables 1 - 6 on the MEMS form. The questions asked should be helpful as a guide in identifying the data from your organization's programs which are necessary to compile for MEMS. At the bottom of each worksheet is an area to list any current constraints in reporting on required data. IOs should begin to identify strategies to remove those constraints. Please refer to Data In-take Forms and Tally Sheets in Section IV as useful tools in collecting needed data. Also refer to the complete IO Reporting Form which appears in the attachments.

IO Worksheet - Table 1

- Using your organization's microenterprise programs, please complete Tables 1-6. The tables are the same as those that appear in the MEMS Reporting Form, attached.

Questions

- 1) Which USAID-funded services of your organization apply to Table 1 of MEMS? Check the list of "Examples of Microenterprise Projects" in Section I. Please list those projects below. (Be sure to exclude agribusiness-related projects.)

- 2) Which Budget Categories apply to your microenterprise activities? Be sure to consider such categories as Personnel, Vehicles as well as direct project funds. Refer to Attachment 1 of the IO Reporting Form for an example of how to calculate budget amounts.

- 3) How much money did you receive during the reporting period to capitalize your credit fund? *Do not include reflows in this amount.* How much of this amount came from USAID?

	<u>TOTAL</u>	<u>USAID</u>

- 4) Other than credit funds, how much of your total budget is used directly for or in support of microenterprise development?

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Table 1

Using Table 1, please indicate the amount of funding used for microenterprise program activities. Also indicate the sources of these funds, whether: 1) USAID or a USAID-supported umbrella project, or 2) other non-USAID sources.¹ You do not need to specify the source of non-USAID funding, only the amounts. Be sure that the information corresponds to actual loans and program expenditures made during the reporting period.

Table 1: Budgetary Data

Use of Funds	Source of Funds (Expressed in Local Currency)		
	USAID or USAID-Supported Umbrella Project	Other ¹	Total Funds Used
Microenterprise Loans			
Other Microenterprise			
Total Microenterprise Funds Used			

¹ In order that we can calculate what portion of your organization's activities A.I.D. supports, you are requested to report the amount of funding your organization receives from non-A.I.D. sources.

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IO Worksheet - Table 2

- What is your local currency equivalent for \$300? Fill in that amount in the spaces provided in Table 2 of this worksheet.

Please note: The Mission is responsible for calculating and providing you with this figure. This number may change from year-to-year.

Questions

- 1) How many loans did your organization or project make? _____
- 2) What was the total amount lent? _____
- 3) Of the total loans, how many were less than or equal to US \$300? What was the amount? (Clients can be counted more than once if they received multiple loans during the period.)
Number: _____ Amount: _____
- 4) How many loans at or below US \$300 are for women?
Number: _____ Amount: _____
- 5) How many loans at or below US \$300 are for men?
Number: _____ Amount: _____
- 6) Of the total loans, how many were greater than US \$300? What was the amount?
Number: _____ Amount: _____
- 7) How many loans above US \$300 are for women?
Number: _____ Amount: _____
- 8) How many loans above US \$300 are for men?
Number: _____ Amount: _____

Table 2

Using Table 2, please indicate the *number and total value* of loans of varying sizes made to women and to men during the reporting period.

Table 2: Loans by Gender

Loan Size ²	Total Number and Amount of Loans		Breakdown by Gender of Loan Recipient			
			Women		Men	
	Number	Amount	Number	Amount	Number	Amount
Equal to or Less Than:						
Greater Than:						
Total Number and Amount of Loans						

² The loan size amounts should have been filled in by the USAID or umbrella project prior to distributing the forms to the implementing organization. If the amounts are not indicated, please contact the umbrella project office or USAID Mission in your country to get the correct figure.

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IO Worksheet - Table 3

Questions

Note that the figures in the Total Number and Amount of Loans column in Table 3 should be the same as those in Table 2.

- 1) How many loans equal to or below US \$300 were granted to "self-only" businesses?
(See definitions below.)

Number: _____ Amount: _____

- 2) How many of the loans equal to or below US \$300 are for businesses having up to ten employees?

Number: _____ Amount: _____

- 3) How many loans above US \$300 were granted to "self-only" businesses?

Number: _____ Amount: _____

- 4) How many loans above US \$300 were granted to businesses having up to ten employees?

Number: _____ Amount: _____

- 5) What was the total amount of outstanding loans at the end of the reporting period?

Amount: _____

Table 3

Using Table 3, please indicate the *number and total value* of loans made to businesses in which: 1) the owner is the sole employee ("Self Only"), and 2) the owner employs up to approximately 10 other workers ("Up to Ten Employees"). Please note that the total number and amount of loans should be the same as that reported in Table 2.

Table 3: Loans by Size of Microenterprise

Loan Size ²	Total Number and Amount of Loans		Size of Business			
			Self Only		Up to 10 Employees	
	Number	Amount	Number	Amount	Number	Amount
Equal to or Less Than:						
Greater Than:						
Total Number and Amount of Loans						

What was the total amount or value of outstanding loans to microenterprises at the end of the reporting period? _____ (Please state in local currency.)

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IO Worksheet - Table 4

Questions

1) How many people received technical assistance or training from your organization this year? (Please refer to the definitions and examples of technical assistance and training in this manual.)

Number: _____

2) Of the total, how many were women?

Number: _____

3) Of the total number, how many were men?

Number: _____

Table 4

Using Table 4, please indicate the number of women and number of men who received technical assistance or training from your organization during the reporting period.

Table 4: Technical Assistance or Training by Gender

Number of People by Gender		Total Number of People
Women	Men	

IO Worksheet - Table 5

Questions

Note that the Total Number of People column in Table 5 should be the same as that in Table 4.

- 1) Of the total number of people receiving technical assistance or training, how many were owner and sole employee of the business? (See definition below.)

Number: _____

- 2) Of the total, how many were owners of or employees in a business having up to ten employees?

Number: _____

Table 5

Using Table 5, please indicate the number of people receiving technical assistance or training from your organization who were: 1) owner and sole employee of a business ("Self Only"), or 2) owners of or employees in a business with up to approximately 10 employees ("Up to Ten Employees"). The total number of people in Table 5 should be the same as that reported in table 4.

Table 5: Technical Assistance or Training by Size of Microenterprise

Number of People From Varying Size of Microenterprise		Total Number of People
Self Only	Up to Ten Employees	

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IO Worksheet - Table 6

Questions

- 1) Does your ME lending program have a savings component? Yes / No

- 2) If the answer to Question 1 is "Yes," what is the total number of savings accounts? And, what is the total amount in savings? (If your program has group savings accounts, multiply the number of group accounts by the number in each group - for example 25 groups accounts with 5 members each is 25 x 5 or 125 individual accounts.)

Number: _____ Amount: _____

- 3) Of the total, how many are accounts for women, and what is the value of their savings?

Number: _____ Amount: _____

- 4) How many accounts are held by men, and what is the total value of their savings?

Number: _____ Amount: _____

Table 6

Does your microenterprise lending program include a savings component, that is, do you collect and manage savings deposits of your clients? Yes No (Circle One)

If yes, please indicate in Table 6 how many separate savings accounts were registered and what was the total value of savings on deposit at the end of the reporting period.

Table 6: Savings Account Information by Gender

Gender	Account Information	
	Number	Amount
Male		
Female		
Totals		

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Section IV: Sample Data In-Take Sheets

Overview and Explanation

In-take forms are used by implementing organizations to acquire important information about their clients. The information might include whether or not the client has received service from the organization before, a description of the client's current service needs, the gender and address of the client, or any other information which will help the organization better serve clients or gauge its activities.

The following in-take forms were designed to capture all the necessary information implementing organizations will need to collect to report under MEMS. Many organizations may already be collecting these data and will not need to use these forms, other organizations may be in the process of designing their own forms and can use these forms as a guide for what to include, and some organizations may not yet have in-take forms and may choose to adopt these forms for their projects. Each implementing organization is encouraged to look at these forms and determine if they are helpful for their reporting needs.

The following Data Tally Sheets were designed to help implementing organizations keep current statistics on their microenterprise activities. If used, implementing organizations can simply add each column at the end of their reporting year and easily complete the MEMS form using the column totals.

Worksheet to Compare Current In-Take Forms with MEMS Requirements

Directions

Using your in-take forms as a guide, complete the following worksheet for each type of programming in-take form your organization uses (i.e. credit, training etc.)

Type of In-Take Form: _____

- 1) When is this form completed? _____

- 2) Who completes the form? _____

- 3) How are the data compiled? _____

- 4) What are the data currently used for? _____

- 5) What adaptations will need to be made on the form to enable your organization to accurately report to MEMS? _____

- 6) What constraints might your organization have in changing its current data in-take system? _____

Comments: _____

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Sample Training In-Take Sheet

Training Course: _____

Subject: _____

Date: _____

Participant Name: _____

Gender: M _____ F _____

Name of Enterprise: _____

No. of Employees: _____

Have you or anyone in your enterprise participated in any other training event provided by this organization, and if so, which one(s)? _____

What do you hope to learn from this training and how do you believe it will help your business? _____

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Sample Technical Assistance In-Take Sheet

Technical Assistance Requested/Offered _____

Date Received _____

Client's Name _____

Gender M _____ F _____

Name of Enterprise _____

No. of Employees _____

Have you or anyone in your enterprise participated in any other technical assistance session provided by this organization, and if so, which one(s)? _____

What do you hope to learn from this technical assistance and how do you believe it will help your business? _____

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Sample Credit In-Take Sheet

Date _____

Borrower's Name _____

Gender M _____ F _____

Name of Enterprise _____

No. of Employees _____

Amount of Loan Requested _____

Loan to be used for _____

Have you or anyone in your enterprise ever received a loan granted by this organization before?

YES _____ NO _____

If YES, for what was the loan used and when was it repaid? _____

Loan Amount Granted _____

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Sample Credit Data Tally Sheet
Loans Made From _____ to _____.

Loans That Were Less Than or Equal to US \$300 or _____ in Local Currency

Type of Loan [#]	Loans by Gender				Loans by Size of Business (No. of Employees)			
	Loans to Women		Loans to Men		Self-Employment Only		Up to ten Employees	
	Number	Total Amount	Number	Total Amount	Number	Total Amount	Number	Total Amount
TRADE								
MANUFACTURING								
SERVICES								
Totals [#]								

Loans That Were Greater Than US \$300 or _____ in Local Currency

Type of Loan [#]	Loans by Gender				Loans by Size of Business (No. of Employees)			
	Loans to Women		Loans to Men		Self-Employment Only		Up to ten Employees	
	Number	Total Amount	Number	Total Amount	Number	Total Amount	Number	Total Amount
TRADE								
MANUFACTURING								
SERVICES								
Totals [#]								

[#] The list presented here is illustrative only. Please note that you need only report microenterprise loans to MEMS. See definitions.
[#] Note: The totals for gender (loans to women + loans to men) should be equal to the totals for size of business (loans to self-employment only + loans to businesses having up to ten employees).

Section V: Attachments



Overview of the Microenterprise Monitoring System (MEMS)

U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

I. MEMS Background and Description

Background

For the past several years, the United States Congress has expressed a special interest in the U.S. Agency for International Development (A.I.D.) programs to assist microentrepreneurs in developing countries. During this time, Congress and numerous development organizations have been engaged in an ongoing discussion about several important issues that affect the nature and scope of A.I.D.'s microenterprise development efforts worldwide.

Throughout these debates, A.I.D. and Congress have maintained a commitment to targeting development resources towards promoting viable economic activities among the very poorest segments of populations.

As an indication of its interest, Congress established an earmark for microenterprise. For FY 1991 Congress required that US \$75 million be committed by A.I.D. to microenterprise development. During FY 1991 Congress incorporated language in both authorization and appropriation bills which, when enacted, will require that A.I.D. commit US \$85 million to microenterprise in FYs 1992 and 1993. A further requirement in these bills is that at least US \$20 million in FY 1992, and US \$30 million in FY 1993 be sub-earmarked for poverty lending.

As many of you familiar with the microenterprise debate are aware, there is no broad consensus about the best "cut-off" indicator for what constitutes poverty lending. However, at the present time, the measure most accepted by Congress to be indicative of poverty-lending is that loan amounts be equal to or less than US \$300.

In addition to establishing the microenterprise earmark, Congress has mandated that A.I.D. report annually on the status of its microenterprise development activities, including technical assistance, training, credit, policy reform, etc. This is information that has been reported to Congress in the past. However, within these broad categories Congress is also interested in project level details about lending, such as numbers of loans to female entrepreneurs, and the numbers of loans above and below US \$300. A.I.D. has not collected this type of

project level data systematically in the past.

Description of the Monitoring System and Implementation Requirements

To meet the annual reporting requirement established by Congress, A.I.D. is establishing a microenterprise monitoring system (MEMS) which will routinely provide data on the nature and scope of its efforts in microenterprise development. MEMS will gather information on two levels described below.

- **Mission and AID/W Level:** Microenterprise funding data from USAID Missions and A.I.D. Washington Offices. This is being collected via the existing A.I.D. reporting systems of the Annual Budget Submission (ABS) and Congressional Presentation (CP).
- **Project Level:** At the project level, microenterprise funding information and program data will be collected from: 1) umbrella projects/organizations (umbrellas) that support other organizations working in the sector, and 2) implementing organizations (IOs) that provide services directly to microenterprise owners and employees. Project level data will be gathered once a year in conjunction with the CP reporting cycle.

Given the large and diverse nature of A.I.D.'s work in this field, the task of developing MEMS will require cooperation at several levels within A.I.D. and among the multitude of organizations -- both U.S.-based and indigenous -- it supports in this sector. The responsibility for developing and managing MEMS falls to the Office of Small, Micro and Informal Enterprise in the Bureau for Private Enterprise (PRE/SMIE), and is being developed under a contract with Management Systems International (MSI).

Following a phase of preliminary design and field-testing undertaken by PRE/SMIE, MSI began work on MEMS in September 1991, with the broad responsibility for finalizing and fully implementing the system over a period of two years.

In combination with data already collected from USAID missions and AID/W offices via the 1993 CP, this package of information and forms represents the first comprehensive data collection effort being

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undertaken by MEMS to compile both mission level and project level information on A.I.D.'s worldwide microenterprise programs. The attached forms are to be used in collecting project level information from umbrella projects and implementing organizations.

While we have tried to identify, via a pre-test and extensive conversations with USAIDs and implementing organizations, most problems that might be encountered in completing these forms, we obviously won't have anticipated everything. Respondents are urged to bear in mind the spirit in which this exercise is carried out, that being an attempt to distill as accurately and systematically as possible what is, after all, a heterogenous set of activities carried out in highly diverse institutional, regulatory, geographic, and sectoral settings.

Thus, we ask that where uncertainty arises with respect to whether or not to include an activity, how to value an input, or how to apportion funding, that a "rule of reason" be applied in trying to sort the problem out. *Don't succumb to the temptation to drop or exclude something just because it doesn't fit neatly onto one of the data forms.* At the very least, contact PRE/SMIE or your USAID Project Officer to obtain advice.

Your cooperation in this undertaking is greatly appreciated.

II. General Terms and Definitions

Following are general terms and definitions that are used in the data collection questionnaires.

Microenterprise

A microenterprise is an enterprise engaged in manufacturing, commerce, services, or other transportation or construction activities that employs approximately 10 or fewer persons. A.I.D. has adopted a convention that excludes from this definition traditional small farm crop production enterprises. Other on-farm, non-crop-production activities *are* included.

Microenterprise Activities

MEMS is directed to report on all A.I.D. supported

microenterprise *activities*, whether implemented under a project titled "microenterprise", or as a component of a project whose title does not specifically mention microenterprise.

In some projects, microenterprise development is an obvious component because of the project's title. In other projects, however, the existence of microenterprise development activities may be less obvious. It is important to understand this distinction so that all of A.I.D.'s work in microenterprise development is captured by the MEMS reporting system.

Some examples of less obvious microenterprise activities that are contained in a larger project might include: a) PVO/NGO support projects that are multi-sectoral with small-scale or microenterprise being one of several sectors served; b) integrated rural development projects which contain a microenterprise development component; c) rural credit projects that have both crop production and non-agricultural lending services; and d) projects which include the promotion of income generating activities among urban or rural families.

A.I.D. also sponsors other programs intended to affect the policy or regulatory environment in which microenterprises operate. This includes, for example, "non-project assistance" designed to support policy reform. *These activities, where they can be tied to impacts benefiting microenterprises, must also be accounted for under MEMS. Please be careful to include all microenterprise activities in your reporting under MEMS.*

Local Currency Funding

Local currency funding is that funding made available through: a) sale of PL 480 commodities; or b) non-project Development Assistance or Economic Support Funds. Both local currency and dollar amounts used for microenterprise development must be reported on.

Umbrella Project or Umbrella Organization

A.I.D. uses the term "umbrella" to refer to a project or an organization which channels A.I.D. resources to implementing organizations that, in turn, provide direct services to microenterprises. Some umbrellas

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may also be providing services directly to microenterprises, in which case they also act as implementing organizations according to the MEMS system.

Implementing Organization (IO)

Any organization which provides services directly to microenterprises. This may include PVOs, NGOs, credit unions, cooperatives, banks or other financial institutions, whether public or private.

More terms and definitions are provided in the attached MEMS Reporting Forms.

III. Description of Reporting Responsibilities Within the MEMS System

Detailed instructions for reporting at the project level by umbrellas and implementing organizations are provided in the accompanying reporting packets. Data at the mission level has already been collected via the 1993 CP. In future years, all information will be collected concurrent with the CP cycle. Initial startup activities of the MEMS project this year prevented such a timetable.

A.I.D. Reporting Responsibilities

USAID Missions and AID/W offices that are funding microenterprise development activities should report their annual dollar obligations and local currency expenditures using Table X of the annual A.I.D. Congressional Presentation System. MEMS will use the data in Table X to track A.I.D.'s annual programming of funds for microenterprise development.

Upon receipt of this MEMS Reporting Packet, each USAID mission and AID/W office should complete both the Exchange Rate Calculation Sheet and the Project Data Sheet. They should then enter the exchange rate information into the boxes at the beginning of the data sheets on both the Umbrella and Implementing Organization (IO) Reporting Forms, and into the spaces provided in Tables 2 and 3 of the IO Form.

USAIDs and AID/W offices should make copies of the MEMS Overview and distribute them, along with the reporting forms to umbrellas and IOs working

under their projects. If an umbrella is not involved, then the USAID should directly distribute forms to the implementing organization. Once completed, each USAID and AID/W office is responsible for collecting and returning the forms to PRE/SMIL.

In some cases, a USAID Mission itself may be able to complete the umbrella and implementing organization forms. This is acceptable as long as the information reported is complete and accurate.

Reporting by Umbrellas

Umbrella projects and organizations are asked to complete the MEMS Umbrella Form. This form is used to tabulate expenditures and disbursements of the most recently completed fiscal year made by the umbrella in support of microenterprise development activities. In addition, the umbrella is requested to distribute the MEMS Implementing Organization Form to each of the organizations it supports.

In some cases, the umbrella may itself be able to complete the implementing organization forms. This is acceptable as long as the information reported is complete and accurate. Both sets of forms, once completed, should be returned to the umbrella's A.I.D. Project Officer. The umbrella need not summarize the data provided by its implementing organizations.

Umbrellas which are providing services directly to microenterprises should also complete a copy of the Implementing Organization Form (see below).

Reporting by Implementing Organizations

Organizations that provide services directly to microenterprises are asked to provide basic information on their program budget and on the beneficiaries they serve. The information provided at this level will be used by MEMS to report on topics such as lending within the US \$300 ceiling and gender.

All numbers should be reported in local currency. After completing the forms, the implementing organization should return them to their umbrella project manager or A.I.D. project officer.



MEMS Implementing Organization Reporting Form

Please read the Overview to MEMS before completing this form.

U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

Overview

Because you receive funding from the U.S. Agency for International Development (A.I.D.) for your microenterprise development activities, A.I.D. requests your assistance in completing this Implementing Organization Reporting Form which is designed for organizations which provide services directly to microenterprises either in the form of loans, technical assistance, training or other forms of monetary or non-monetary assistance. As an implementing organization (IO), you are requested to fill out the attached data sheets and return them to the office which gave them to you.

Please report on that portion of your program which concerns *microenterprise assistance activities*. The U.S. Agency for International Development (A.I.D.) broadly defines microenterprises as enterprises engaged in manufacturing, commercial or service activities that employs approximately 10 or fewer persons. USAID has adopted a convention that excludes from this definition traditional small farm crop production enterprises. However, other on-farm, non-crop-production activities *are* included.

You are requested also to report on the non-A.I.D. sources of funding your organization receives in order that A.I.D. can determine what portion of your total activities it supports. All amounts should be shown in local currency.

We understand that you may not have these data routinely available, but we ask that you make your best effort at estimating when the information is not systematically available from a formal MIS or monitoring system. The primary goal of the MEMS project over the next two years (through 1993) is to steadily improve microenterprise project reporting. Therefore, if you do have any questions or suggestions, please let your USAID or AID/W office know so that we can address them during this implementation period.

Definitions Used in this Form

Microenterprise Program Funding Categories

Funding amounts for two broad categories of microenterprise activities are requested in Table 1 of the attached data sheets. These are defined below:

- **Microenterprise Loans:** This is the total amount you lent to microenterprises. This also should include any non-monetary assistance, for example, in-kind loans, capital equipment that is to be repaid, etc. You may use a simple market rate calculation to assign a value to in-kind loans. Also include monies which you provided to support loan guarantee schemes, if any.
- **Other Microenterprise Assistance:** This includes all other expenditures necessary to support your operations and program activities in the microenterprise sector. For example: technical assistance, training, administrative and operational expenses, staff salaries, etc. This also should include the cost of any commodities or non-monetary assistance provided by your organization to microenterprises, unless these were given as loans, in which case they should be included in the "microenterprise loans" category.

An illustrative example of how to assign budget amounts to your microenterprise portfolio appears in Attachment 1 and a sample worksheet in Attachment 2. You are not required to complete Attachment 2, but may use it to assist you in filling out Table 1 if you wish.

Microenterprise Technical Assistance and Training

In Tables 4 and 5 of the attached data sheets, you are asked to report on the number of people -- both microenterprise owners as well as microenterprise employees -- who received either technical assistance or training from your organization during the reporting period. Both technical assistance and training are counted together for these Tables.

We ask that you try and use the following guidelines when counting the number of people receiving either technical assistance or training:

- **Training:** Count each individual who attends a training course or training module. For example, if you hold a single evening course or workshop on a subject, then count each individual attending that course as one trainee. If the workshop involves a series of related evening courses all of which the participants must attend in order to acquire the skills you are teaching, then only count each individual as one for the entire series. If, however, you hold a number of different courses or workshops which each addresses a different microenterprise topic, then each individual can be counted each time he or she attends one of those courses.
- **Technical Assistance:** Technical assistance is assistance provided directly to an entrepreneur and/or the entrepreneur's employees in the areas of management, marketing, technology, or other areas of business management. Most of this assistance occurs on-site. If you provide specific and targeted technical assistance in different areas of microenterprise management, then each individual can be counted as a TA recipient when receiving that type of assistance. Both the entrepreneur as well as the employees can be counted if both receive technical assistance. Do not include visits to a firm solely to provide credit related or loan processing services. Also, general site visits made by business advisors over time should only be counted once for each microenterprise, not *once* for each visit.

Currency Exchange Rates and Loan Calculations used in MEMS

As noted in the Overview to MEMS, A.I.D. is required to report on loan amounts above and below US \$300. The exchange rate used to determine the local currency equivalent of this amount is calculated as an average for the most recent year.

To maintain some consistency, each USAID Mission is required to calculate both the exchange rate and the US \$300 loan equivalent and enter this information in the boxes at the beginning of the data sheets for the Implementing Organization Reporting Forms, as well as in Tables 2 and 3 of the Form. Please check to see that this has been done in the form which was provided to you.

If your organization received these forms from an A.I.D. office in Washington rather than a USAID Mission, please consult with the USAID in your country to find out what exchange rate is being used for MEMS reporting. Please enter the rates in the appropriate spaces of the Implementing Organization Reporting Forms.

Data Sheets

This box should be completed by the USAID Mission prior to distributing these forms to the IO:

Project No. and Name: _____
Average Exchange Rate for the Year: _____ = US \$1 (Indicate name of currency.)
Local Currency Equivalent of US \$300: _____

Date of Completion of this Form (Month/Day/Year) _____ Country _____

1. Name of Your Organization: _____

2. Personal Contact Name, Address, Telephone and Fax/Tlx Number: _____

3. Reporting Period ____/____ to ____/____ (Please use your most recently completed fiscal year.)
mo. yr. mo. yr.

Note: All information reported in this form should correspond to the reporting period stated above.

4. Please indicate the type of organization you represent, using the following categories. Check one.

____ International PVO or NGO

____ Local (indigenous) PVO or NGO

____ Government Agency

____ Para-Statal (government-owned corporation)

____ Private, for Profit Organization

____ Bank or Credit Union

____ Cooperative

____ Association or Federation

____ Other -- Please explain: _____

5. Using Table 1, please indicate the amount of funding used for microenterprise program activities. Refer to Attachment 1 for an illustration of how to calculate these amounts for Table 1. If you wish, you may use the worksheet in Attachment 2 to prepare this information for Table 1. Also indicate the sources of these funds, whether: 1) USAID or a USAID-supported umbrella project, or 2) other non-USAID sources.¹ You do not need to specify the source of non-USAID funding, only the amounts. Be sure that the information corresponds to actual loans and program expenditures made during the reporting period.

Table 1: Budgetary Data

Use of Funds	Source of Funds (Expressed in Local Currency)		
	USAID or USAID-Supported Umbrella Project	Other ¹	Total Funds Used
Microenterprise Loans			
Other Microenterprise			
Total Microenterprise Funds Used			

6. Using Table 2, please indicate the *number and total value* of loans of varying sizes made to women and to men during the reporting period.

Table 2: Loans by Gender

Loan Size ²	Total Number and Amount of Loans		Breakdown by Gender of Loan Recipient			
			Women		Men	
	Number	Amount	Number	Amount	Number	Amount
Equal to or Less Than:						
Greater Than:						
Total Number and Amount of Loans						

¹ In order that we can calculate what portion of your organization's activities A.I.D. supports, you are requested to report the amount of funding your organization receives from non-A.I.D. sources.

² The loan size amounts should have been filled in by the USAID or umbrella project prior to distributing the forms to the implementing organization. If the amounts are not indicated, please contact the umbrella project office or USAID Mission in your country to get the correct figure.

7. Using Table 3, please indicate the *number and total value* of loans made to businesses in which: 1) the owner is the sole employee ("Self Only"), and 2) the owner employs up to approximately 10 other workers ("Up to Ten Employees"). Please note that the total number and amount of loans should be the same as that reported in Table 2.

Table 3: Loans by Size of Microenterprise

Loan Size ²	Total Number and Amount of Loans		Size of Business			
			Self Only		Up to 10 Employees	
	Number	Amount	Number	Amount	Number	Amount
Equal to or Less Than:						
Greater Than:						
Total Number and Amount of Loans						

8. What was the total amount or value of outstanding loans to microenterprises at the end of the reporting period? _____ (Please state in local currency.)
9. Using Table 4, please indicate the number of women and number of men who received technical assistance or training from your organization during the reporting period.

Table 4: Technical Assistance or Training by Gender

Number of People by Gender		Total Number of People
Women	Men	

10. Using Table 5, please indicate the number of people receiving technical assistance or training from your organization who were: 1) owner and sole employee of a business ("Self Only"), or 2) owners of or employees in a business with up to approximately 10 employees ("Up to Ten Employees"). The total number of people in Table 5 should be the same as that reported in table 4.

Table 5: Technical Assistance or Training by Size of Microenterprise

Number of People From Varying Size of Microenterprise:		Total Number of People
Self Only	Up to Ten Employees	



11. Does your microenterprise lending program include a savings component, that is, do you collect and manage savings deposits of your clients? Yes No (Circle One)

If yes, please indicate in Table 6 how many separate savings accounts were registered and what was the total value of savings on deposit at the end of the reporting period.

Table 6: Savings Account Information by Gender

Gender	Account Information	
	Number	Amount
Male		
Female		
Totals		

12. We would also like to receive any descriptive information about your organization and its microenterprise development activities. This can be in the form of a brochure, annual report, or a brief statement, whichever is most convenient. This is optional, but we would very much appreciate receiving something which will help us gain a broader understanding of your development work.

This is the end of the IO Reporting Form. Thank you for your assistance.

Attachment 1: Sample Budget Sheet Showing Microenterprise Development Funds Calculation to Use for MEMS Reporting

Item	Total Amount Used During the Reporting Period	Percent Supporting Microenterprise Program	Total Amount to Report Under MEMS	Percent & Amount Funded with USAID Resources		Percent & Amount Funded with Other Resources		Microenterprise Funds Use Category	
				Percent	Amount	Percent	Amount	Loans	Other
Director	25,000	25%	6,250	50%	3,125	50%	3,125		X
Administrative Assistant	15,000	25%	3,750	50%	1,875	50%	1,875		X
Accountant	15,000	25%	3,750	50%	1,875	50%	1,875		X
Secretary	10,000	25%	2,500	50%	1,250	50%	1,250		X
Office Rent	10,000	25%	2,500	100%	2,500	0%	0		X
Vehicle Maintenance	5,000	25%	1,250	50%	625	50%	625		X
Office Supplies	25,000	25%	6,250	50%	3,125	50%	3,125		X
Business Advisor	20,000	100%	20,000	100%	20,000	0%	0		X
Entrepreneurship Training	30,000	100%	30,000	100%	30,000	0%	0		X
Microenterprise Loans	50,000	100%	50,000	75%	37,500	25%	12,500	X	
Agriculture Extension Agent	20,000	0%	0						
Family Planning Specialist	20,000	0%	0						
Adult Literacy Trainer	20,000	0%	0						
In-Kind Loans to Farmers	50,000	0%	0						
Total	315,000		126,250		101,875		24,375		

Example Table 1: Budgetary Data

Use of Funds	Source of Funds (Expressed in Local Currency)		
	USAID or USAID-Supported Umbrella Project	Other	Total Funds Used
Microenterprise Loans	37,500	12,500	50,000
Other Microenterprise	64,375	11,875	76,250
Total Microenterprise Funds Used	101,875	24,375	126,250

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WORKSHOP FOLLOW-UPS

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at

SUMMARY OF MEMS TRAINING AND TA ACTIVITIES

Training for USAIDs and AID/W Offices

- Regional and Mission workshops are being implemented to assist USAIDs in implementing MEMS reporting procedures.
- Workshops are being held in Washington for AID/W Offices, and for US PVOs, who are implementing microenterprise development activities with A.I.D. funding.

Training and Technical Assistance for Implementing Organizations

- MEMS is hoping to visit approximately 30 countries to provide training and TA to A.I.D.-funded IOs. Included in this group will be a range of organizations: US PVOs, indigenous NGOs, local banking institutions, cooperatives, etc. Training and TA is available for any organization working in-country with A.I.D. funding to provide services to microenterprises. Core project funds are available for this use.
- The methodology utilized involves one day of training in-country for groups of IOs, followed by one-on-one TA with individual IOs as necessary.
- We would like for as many USAIDs as possible to be represented in the one day Mission-level training workshop in order to foster communications about MEMS between A.I.D. and the IOs it supports.

MEMS CONTACT INFORMATION

We encourage you to contact us if you have any questions or need additional information about MEMS activities and resources:

PRE/SMIE U.S. Agency for International Development
CONTACT: MEMS Project Officer Tel: (202) 647-2727 Fax: (202) 647-1805
Management Systems International (Prime Contractor)
CONTACT: Russell Webster MEMS Project Director Tel: (202) 484-7170 Fax: (202) 488-0754
Community Economics Corporation (Subcontractor)
CONTACT: Tel: (703) 528-8336 Fax: (703) 528-7480

ANNEXES



United States General Accounting Office
Report to Congressional Requesters

Attachment 8

February 1991

FOREIGN
ASSISTANCE

AID's Implementation
of Microenterprise
Program Guidance



RESTRICTED—Not to be released outside the
General Accounting Office unless specifically
approved by the Office of Congressional
Relations.

Robert J. ...
3/1/91

**National Security and
International Affairs Division****B-238960****February 15, 1991****The Honorable Dennis DeConcini
United States Senate****The Honorable Benjamin Gilman
House of Representatives****The Honorable Edward Feighan
House of Representatives**

In response to your request, we reviewed certain aspects of the Agency for International Development's (AID) microenterprise development program. Specifically, you asked that we determine whether (1) AID implemented congressional guidance concerning microenterprise credit assistance and (2) AID's March 1990 report to the Congress on its microenterprise development program was reasonably accurate and reliable. We performed work at AID/Washington and three missions—Guatemala, Honduras, and Senegal—and in September 1990, we testified on these matters before the House Subcommittee on International Economic Policy and Trade, Committee on Foreign Affairs.¹

Background

AID defines a microenterprise as a business or enterprise with 10 or fewer employees. The Congress designated that at least \$50 million in fiscal year 1988 and at least \$75 million in each of fiscal years 1989, 1990, and 1991 be earmarked for AID's microenterprise development program.² The Conference Committee report accompanying the fiscal year 1988 appropriations urged that AID target up to 80 percent of these funds to people in the poorest 50 percent of the economic strata who need credit assistance to start or operate a microenterprise. The Committee report also said that special emphasis should be given to women-owned businesses and those enterprises owned and operated by the poorest 20 percent of the population. The Committee recommended that the loan size not exceed \$300 unless there were indications that this amount should be exceeded to accomplish the program objectives of microenterprise development. This guidance was reemphasized by the Senate Appropriations Committee in fiscal year 1989.

¹ AID's Microenterprise Assistance Program (NSIAD/T-90-38, Sept. 26, 1990).

² Public Law 100-202, 101 Stat. 1329-137; Public Law 100-461, 102 Stat. 2268-5; Public Law 101-167, 103 Stat. 1202; and Public Law 101-513, 104 Stat. 1986.

Results in Brief

Prior to the 1988 legislation, AID did not have an overall policy for structuring microenterprise activities. In October 1988, AID issued and distributed to its overseas missions a Policy Determination that incorporated the congressional guidance, but did not make it mandatory. AID's policy allowed missions considerable flexibility in assisting microenterprises, and accordingly, the missions we visited did not specifically target their microenterprise projects to the poorest 50 percent of the population or emphasize credit assistance to women or the poorest 20 percent of the population. Also, loans frequently exceeded \$300 because this loan size was considered too low for the country's economic circumstances. AID has recently taken steps to improve its management and oversight of its microenterprise development programs by consolidating responsibility within the Office of Small, Micro and Informal Enterprise.

The data in AID's March 1990 report to the Congress was of questionable validity. AID did not have a system to track detailed information concerning its microenterprise credit activities. At the three missions we visited, which represented about 27 percent of AID's microenterprise loans for 1989, we found that much of the specific data concerning loan size and the recipient's gender and economic status was based on estimates. The lack of specific information was not noted in AID's report, and consequently, the report leaves the impression that the data was more precise than is the case. AID has initiated an effort to keep track of this information; AID estimates it will have a fully operational information system for the microenterprise program by 1991.

AID's Response to the Congressional Guidance

In response to the fiscal year 1988 Appropriations Conference Committee Report, the AID Administrator appointed an Advisory Committee³ in February 1988 to assist AID in developing guidelines for AID's microenterprise development program. This guidance resulted in AID's first overall policy for structuring microenterprise activities and directing resources in support of them.⁴ While the congressional guidance provided in the 1988 conference committee report was not mandatory, AID included much of the guidance, such as the suggested loan size and recipient gender and economic status, in the Policy Determination. It was issued to AID's missions in October 1988.

³It was composed of individuals from the U.S. private sector, including nongovernmental organizations who had experience in implementing microenterprise projects in developing countries.

⁴AID Policy Determination-17 (PD-17), Microenterprise Development Program Guidelines.

In addition, in February 1990, AID established the Office of Small, Micro and Informal Enterprise within what is now the Bureau for Asia and Private Enterprise.⁴ The Office has responsibility for coordinating AID's microenterprise development program. According to AID officials, this Office was established to ensure more effective control over program implementation and resources. Previously, AID's Bureaus for Policy and Program Coordination and Science and Technology had joint responsibility for coordinating the microenterprise program. However, consistent with AID's overall structure, the responsibility for implementing individual projects remains with the various field missions, bureaus, and offices initiating them.

Implementation of AID's Microenterprise Guidance

AID's microenterprise guidance gives mission officials the flexibility to adapt their microenterprise development program to specific country conditions. Therefore, AID's missions use a variety of activities to assist microenterprises, including training and technical assistance, institutional support, policy and regulatory reform, and credit.

We visited Guatemala, Honduras, and Senegal and found that all three missions used the full range of available approaches in supporting microenterprises. For example, the Guatemalan government, using AID funding, has implemented a project to increase the productivity and income of microenterprises and to generate employment. Its goal is to provide credit, technical assistance, and training to 20,000 microenterprises.

In addition, all three missions supported small credit associations, such as village banks, cooperatives, credit unions, and solidarity groups. These projects typically used the "group loan methodology," which employs group pressure to encourage loan repayment. Loans disbursed through these organizations ranged from about \$45 to almost \$1,200 per individual.

We also found that all three missions used intermediary organizations—private voluntary organizations (PVO) and nongovernment organizations (NGO)—to design and carry out their microenterprise projects. However, the degree to which these organizations used "grassroots," or local community-based groups varied by country. In Guatemala, for example,

⁴On October 1, 1990, the AID Administrator added responsibility for Asia to the Bureau for Private Enterprise and renamed the Bureau. Asia had previously been part of the Bureau for Asia, Near East, and Europe.

the majority of PVOs worked directly with the project beneficiaries. In contrast, a microenterprise project in Senegal provided funding to eight local community organizations and one PVO to provide credit, as well as literacy and numeracy training, directly to 57 village organizations.

The \$300 Loan Size Guidance

In recent hearings on AID's microenterprise program, congressional members and a PVO official suggested that the \$300 loan size helps ensure that loan recipients are truly the poorest of the poor. According to these officials, this is because persons in higher economic strata need larger loans to improve their situation. Some suggested that the loan size should be legislatively mandated and that a specific amount should be earmarked for this purpose.

This approach differs from the position of AID's Advisory Committee and most AID officials we interviewed. In April 1990, AID's Advisory Committee recommended that the suggested loan size of \$300 be removed from the AID Policy Determination. The Committee considered the \$300 loan size inappropriate for many countries and that other programs can more directly help the poorest of the poor.

AID officials stated that \$300 loans may be appropriate as start-up loans, but that this amount is inadequate to meet the needs of expanding microenterprises. According to mission officials in Guatemala and Honduras, a \$300 loan is sufficient to provide working capital for getting a microenterprise started; but in Senegal, AID officials said that because of the cost of materials and supplies a \$300 loan size is too low in most instances. All three missions noted, however, that larger size loans (\$350 to \$2,100) were needed to assist microenterprises that do not qualify for loans from commercial banks. Basically, all agreed that the loan size should be determined by the credit needs of the target beneficiaries.

Targeting the Poorest of the Poor

None of the three missions we visited targeted their microenterprise projects specifically to women or the poorest 20 percent of the population. However, according to some PVO officials, these people were benefiting from their projects. According to AID, PVO programs serve very small entrepreneurs, the vast majority of which are single owner and operator enterprises with few, if any, other options for credit or technical assistance. PVO officials also said that they did not have the financial and management capacity to target the poorest of the poor, especially if they are living in rural, inaccessible areas. According to

these officials, this group might be better served by social services that address problems of health care, nutrition, or literacy.

In commenting on this report, AID stated that its estimates and discussions with PVOs indicate that beneficiaries of AID-supported microenterprise programs are indeed quite poor. AID acknowledged, however, that accurate data was not available and that proxies are used as a substitute for direct poverty measurements. AID believes that it would be impractical to design programs based on stratifying the poor into fine classifications. AID added that accurate reporting on the incomes of beneficiaries may not be feasible, would be extremely costly under any circumstances, and could not be pursued without sacrificing the principles of effective service delivery to the poor.

AID's Report to the Congress on Its Microenterprise Development Program

In 1988 and 1989, several Members of the Congress requested that AID provide specific data to document that it was devoting the earmarked amounts to the microenterprise program and providing \$300 (or less) loans to the groups targeted in the congressional guidance. AID stated that it had complied with the law; however, it stated that the specific data concerning loan size and recipient gender and economic status were not readily available and would be difficult to compile.

Nevertheless, in February 1990, AID sent a questionnaire to its missions requesting detailed information on their microenterprise development activities. For credit activities, information on loan size and recipient gender and economic status was requested. AID issued a report to the Congress on the program in March 1990.⁶

The report presents statistics from 47 missions reporting microenterprise projects for 3 fiscal years—1988, 1989, and 1990. AID reported that it had funded about \$140 million in all types of microenterprise activities in fiscal years 1988 and 1989, with an additional \$83 million estimated for fiscal year 1990. In addition to credit assistance, AID included technical assistance and training, institutional support, and policy and regulatory reform. These activities are consistent with AID's definition of its microenterprise development program. For microenterprise credit activities (including all credit projects—not just ones with loans of \$300 or less), AID reported \$18.4 million in fiscal year 1988, \$30.3 million in 1989, and \$36.4 million in 1990.

⁶Report to the Congress, AID Microenterprise Development Program (Mar. 30, 1990).

Mission Data Is Questionable

In analyzing AID's report to the Congress we examined the data and supporting documents for three of AID's missions—Guatemala, Honduras, and Senegal—for fiscal year 1989. These three missions accounted for about 27 percent of the \$30.3 million for microenterprise loans in fiscal year 1989.⁷

We found that none of the three missions we visited had a system to reliably and accurately obtain the data requested on short notice by AID/Washington's questionnaire. We found supporting documents at the missions for amounts obligated for microenterprise projects, but most of the other data on loan size and beneficiary characteristics had to be obtained from PVOs or NGOs implementing the projects. However, these groups did not routinely keep track of these data, nor were they required to do so by AID. Also, in some cases, they were not able to provide data by U.S. government fiscal year because their accounting systems were on a different fiscal year basis. Therefore, much of the specific data needed to reply to the questionnaire was not readily available.

We found problems with the data reported by each of the three missions we visited. These missions reported a total of 17 microenterprise loan projects (out of a total of 170 reported by AID)—six each in Guatemala and Honduras and five in Senegal.

- One project reported by each mission for fiscal year 1989 was not funded that year and should not have been included in AID's report.
- In Guatemala, the mission understated the funds obligated to three microenterprise projects by a total of about \$700,000 and overestimated the percentage of loans directed to women on one project.
- In Honduras, for one large microenterprise project, the amount of loans funded with local currency was understated by about \$400,000, the amount of all loans made was understated by about \$600,000, and the number of loans was understated by nearly 700 (out of about 6,600).
- For Senegal, the average loan size AID reported to the Congress for one microenterprise project was not consistent with data submitted by the mission. AID reported \$130 as the average amount; but using the method described in the mission's response the average would be about \$475. We were told that adjustments had been made to account for numerous

⁷The top eight countries reporting microenterprise loan projects were El Salvador with \$5.5 million, Senegal with \$3.3 million, Guatemala with \$3.2 million, Indonesia with \$2.4 million, Madagascar with \$2.1 million, Jamaica with \$2 million, the Philippines with \$1.8 million, and Honduras with \$1.6 million.

small loans to village groups over several years. However, the adjustments were not documented, and we could not validate the calculation.

Our review of mission documents and discussions with cognizant mission officials showed that the data reported by AID in March 1990 is of questionable validity. AID did not have an information system for collecting and reporting data on the microenterprise program and much of the data reported by the three missions was based on assumptions or estimates. Each of the three missions we visited, which collectively represented 27 percent of microenterprise loans for 1989, had significant reporting problems. Furthermore, an AID official acknowledged that about 30 percent of all missions responding to the questionnaire did not answer questions regarding loan size or gender and economic status of loan recipients. These limitations in the data were not cited in AID's report to the Congress and, therefore, the report leaves the impression that the data was based on more precise information than was the case.

Efforts to Establish an Information System for Microenterprise Loan Data

AID is taking steps to establish an information system for better oversight of its microenterprise development program. AID contracted with the firm that tabulated the data for the March 1990 report to determine whether a system could be designed to track AID's microenterprise credit assistance projects and produce the type of information requested by the Congress.

A draft feasibility study was submitted to AID in July 1990. AID's contractor concludes that such a system is feasible. The contractor proposes to use data and reporting structures that should already be in place at the project implementation level. However, as noted in the study, a number of matters need to be resolved before the system can be implemented. These include the following:

- How can AID-provided funds be separately identified when PVOs and NGOs have multiple funding sources and funds are commingled?
- How should fluctuating or multiple exchange rates be treated?
- What criteria or parameters should be used or developed to establish income percentiles and poverty levels?
- How should non-financial microenterprise activities and their contributions be accounted for?

An AID official estimates that setting up such a system worldwide will cost about \$300,000 to \$400,000 a year for the first several years. AID is initiating a pilot test involving three African countries to validate the

cost estimates and determine whether a worldwide information system is feasible. Depending on the results, AID plans to begin development of a worldwide information system that it expects will be generating data early in 1991 with a fully operational system in place by 1992.

Because of the actions AID is taking, we are not making any recommendations at this time on establishing a new information system to track AID's microenterprise development program. Also, as part of an ongoing review, we are evaluating the need for and effectiveness of AID's 80-plus financial and management information systems.

Scope and Methodology

We reviewed the applicable legislation and committee reports and AID documents concerning the microenterprise development program. We discussed the program with cognizant officials in Washington, D.C., and at the AID missions in Senegal, Guatemala, and Honduras. We also reviewed microenterprise project files, including support for the missions' replies to the AID questionnaire and documents on the scope and objectives of the project, and discussed related matters with relevant PVO, NGO, and local grassroots organizations in the three countries we visited. We focused on AID's microenterprise credit activities for fiscal year 1989, which was the most recently completed fiscal year.

We conducted our review between January and December 1990 in accordance with generally accepted government auditing standards.

Agency Comments

AID generally concurred with the report. It stated that the report makes a balanced presentation of the program and the difficulties inherent in collecting and reporting reliable data on microenterprise activities overseas. AID said it would ensure that its future reporting include discussions of data sources and reliability. AID also made several comments to help clarify its position on various topics covered in the report and to correct and update certain information. (See app. I.) We have incorporated these comments into the report where appropriate.

Unless you publicly announce its contents earlier, we plan no further distribution of this report until 10 days from the date of the report. At that time, we will send copies to the Secretary of State; the Administrator of AID; the Director, Office of Management and Budget; cognizant congressional committees; and other interested parties. The major contributors to this report were A. H. Huntington, III, Assistant Director;

Norman T. Thorpe, Evaluator-in-Charge; and Olivia L. Parker, Evaluator. Please contact me at (202) 275-5790, if you or your staff have any further questions.



Harold J. Johnson
Director, Foreign Economic
Assistance Issues

Comments From the Agency for International Development

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

ASSISTANT
ADMINISTRATOR

JAN 11 1991

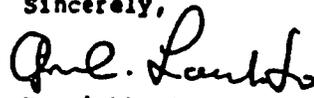
Mr. Frank C. Conahan
Assistant Comptroller General
National Security and International
Affairs Division
U.S. General Accounting Office
Washington, DC 20548

Dear Mr. Conahan:

Reference: FOREIGN ASSISTANCE: AID's Implementation of
Microenterprise Program Guidance (code 472208)

Enclosed is the Agency for International Development's response to the subject draft report. It is my understanding that these comments will be incorporated into the section at the end of the draft report which anticipates "Agency Comments". If you have any questions, or need further clarification regarding this response, please contact Michael Farbman, Office of Small, Micro and Informal Enterprise, at (202) 647-2727.

Sincerely,


Henrietta Fore
Assistant Administrator
Bureau for Asia and Private
Enterprise

Enclosure: a/s

QUALITY OF A.I.D.'S DATA ON MICROENTERPRISE ACTIVITIES

Now on pp. 5-7.

The central concern of the audit report is the quality and reliability of A.I.D.'s reporting to Congress on its microenterprise activities (pages 10-13). The report is generally fair in describing the quality of that reporting. It acknowledges the difficulties inherent in collecting data on a heterogeneous mix of programs in nearly 50 countries, and notes that the March 1990 report was a first attempt in what will need to be an ongoing process of improving such data. As GAO stated, A.I.D. should indeed have been more forthcoming about the fact that much of the data in that report were based on estimates, rather than hard figures. A.I.D. will ensure that future reporting includes discussion of data sources and reliability.

THE \$300 LOAN SIZE GUIDANCE

Now on p. 4.

The audit report's discussion of the loan size issue (pages 7-8) accurately reflects A.I.D.'s position. Based on years of practical experience in supporting microenterprise programs, A.I.D. has seen that a limit of \$300 -- or any other specific, unvarying loan size limit -- is not an effective way of ensuring that loans reach the very poor, for a number of reasons. First, appropriate loan sizes vary with economic circumstances in each country, particularly personal income levels and costs of materials and supplies. Second, both for their own viability and for serving the large numbers of diverse microenterprises with no alternative source of finance, institutions may need to offer a larger mix of loan sizes. Third, and perhaps most important, imposing a U.S. dollar-based, fixed ceiling on loans made by indigenous programs in developing countries violates the principle of local and community determination which has proven so effective in working with the poorest groups. It is a top-down imposition in an area where bottom-up decision-making is most important. As GAO's report notes, A.I.D.'s Advisory Committee on Microenterprise unanimously supported removal of references to the \$300 loan size in A.I.D.'s policy guidance. What is more, A.I.D. knows that a majority of organizations actually serving microenterprises -- both U.S. PVOs and local NGOs -- concur.

TARGETING THE POOREST OF THE POOR

Now on pp. 4-5.

Some clarification is needed in the GAO report's discussion of targeting to the very poorest people (pages 8-9). The report questions whether microenterprise assistance, particularly credit programs, reach the most extremely poor people. Estimates compiled by A.I.D. missions and discussions with PVO practitioners indicate that beneficiaries of A.I.D.-supported microenterprise programs are indeed quite poor. Most of the enterprises consist of one person, or of two or three family-members working together. The nature of typical activities -- street vending, food processing at a rudimentary level, and

tailoring or other simple manufacturing -- suggests that the clients are clearly members of poor segments of the population. However, whether these people include the most extreme cases of poverty is a question that can be definitively answered only through research comparing program beneficiaries and the poorest citizens of their countries. In A.I.D.'s view, it is impractical to design programs based on stratifying the poor into fine classifications, and such classification can be harmful to the dignity of the beneficiaries.

Rather, A.I.D. believes that targeting may be done most cost-effectively by applying simple proxies specific to the program setting, such as landlessness or residence in poverty-stricken slums. These proxies substitute for an income test or other direct poverty measure. Successful credit programs for the poor use very simple application processes so that informal and illiterate clients will gain the courage to approach them. Inclusion of a "means test" to determine income in a way that would allow for statistically valid worldwide reporting would undermine this user-friendly face. In short, accurate reporting on the incomes of beneficiaries may not be feasible, would be extremely costly under any circumstances, and could not be pursued without sacrificing the principles of effective service delivery to the very poor.

MONITORING SYSTEM FOR MICROENTERPRISE DATA

As noted in the report, A.I.D. is in the process of designing and testing a monitoring system on microenterprise programs, which will ensure that the quality of the data improves steadily in the coming years. The system should become operational for end-of-year reporting on fiscal year 1991, though additional months of testing the system will be necessary before full reliability of data is achieved. For a highly streamlined data collection effort, costs are unlikely to be as high as those quoted in the GAO report. Current estimates are well under \$500,000.

SPECIFIC ITEMS IN THE REPORT

Two minor corrections to the report follow:

- o Page 4, lines 10-14. The Advisory Committee reviewed and commented on drafts of A.I.D.'s policy guidelines on microenterprise development, but the guidelines themselves, Policy Determination No. 17, were issued by A.I.D.
- o Page 5, line 2. The new Office of Small, Micro and Informal Enterprise is responsible for coordinating the Agency's microenterprise development program, but implementation of the program is carried out by various field missions and offices of the Agency.

Now on p. 2.

Now on p. 3.

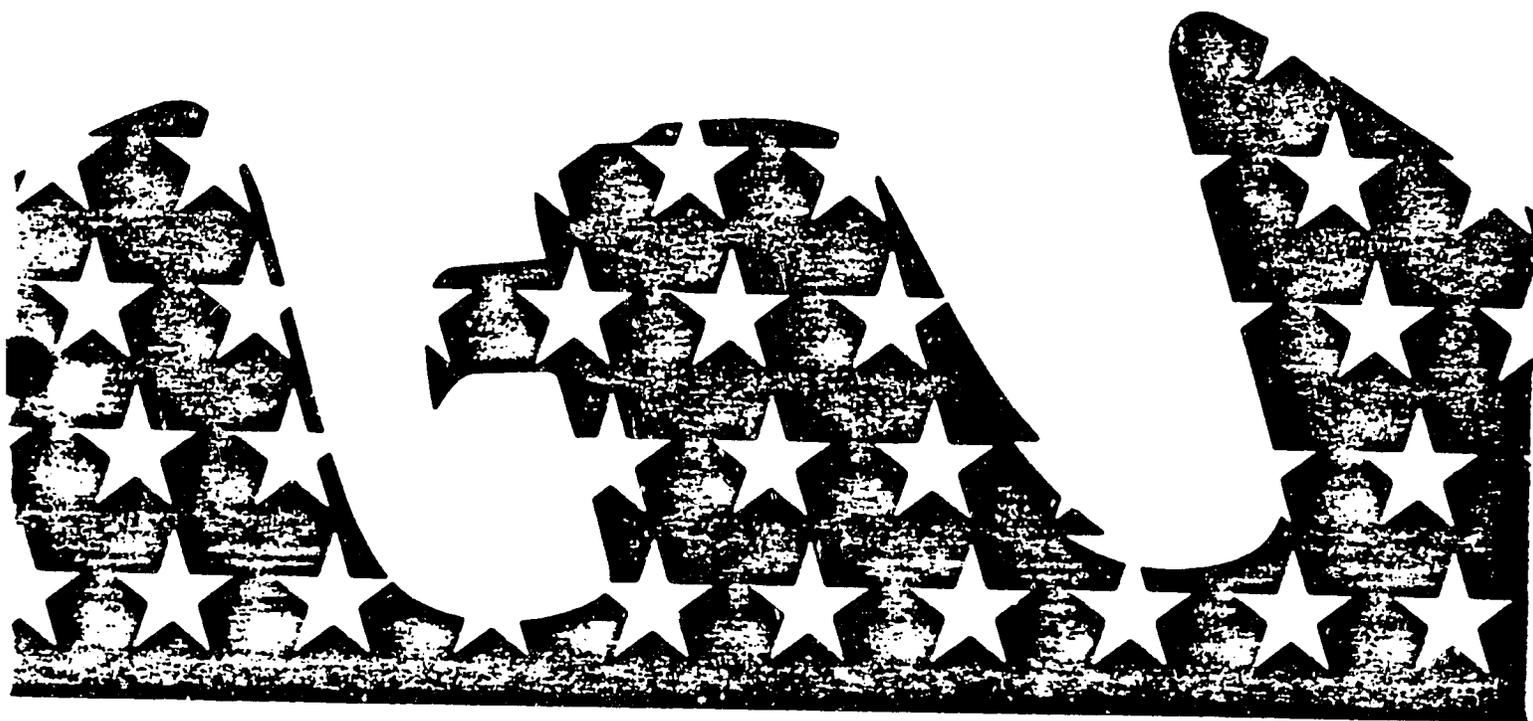
POLICY DETERMINATION

Agency for International Development

PD-17

October 10, 1988

Microenterprise Development Program Guidelines



PN-AAV-466



PD-17
October 10, 1988

THE ADMINISTRATOR

A.I.D.

POLICY DETERMINATION

MICROENTERPRISE DEVELOPMENT PROGRAM GUIDELINES

A. Statement of Objectives

Microenterprise assistance is an important element of A.I.D.'s private enterprise development strategy. It is particularly important in advancing the goal of broad-based economic growth and, specifically, increasing incomes of the poor, providing opportunities for advancement of micro-entrepreneurs, and encouraging indigenous investment. The microenterprise subsector includes the whole spectrum of productive activities ranging from rural-based agribusinesses and handicraft production to urban-based trading, service, and manufacturing enterprises, many of which are labor-intensive.

The policy guidelines described below were developed to ensure that the resources provided under A.I.D.'s microenterprise development program benefit the many and diverse business efforts of the poor.* The program's objective is to help people with limited or no access to

* Many A.I.D. policy guidance documents identify important issues that need to be addressed in designing A.I.D.'s assistance to lower-income groups in both the formal and informal sectors in developing countries. The policy guidelines contained herein should be applied by Missions in concert with those in the A.I.D. policy papers on Financial Markets Development (August 1988), Cooperative Development (April 1985), Private Enterprise Development (revised March 1985), Women in Development (October 1982), and Private and Voluntary Organizations (September 1982); the Guidelines on Terms of Aid; and the guidance contained in cables 1986 STATE 259310 and 259314 on the private enterprise local currency lending program contained in sections 106 and 108 of the Food Security Act of 1985. Some of these policies are summarized in the annex to this guidance.

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enterprises. Programs should be designed ideally to (a) seek out the very smallest enterprises and, among them, those with the greatest potential for expansion; (b) help firms access formal systems of financing and technical services; and (c) make at least 50 percent of their resources (credit, technical, and training) available to women-owned and -operated enterprises.

Missions should note that the conference report accompanying the appropriations legislation suggested some levels or classifications of program beneficiaries: (a) individuals in the poorest 50 percent of the population, (b) businesses owned by women, and (c) businesses owned and operated by the poorest 20 percent of the population.

3. Policy Dialogue. Microenterprises often face a macroeconomic policy and administrative environment that contains serious market access and entry barriers. Although A.I.D. may be able to address some of these problems through microenterprise assistance activities, Missions should seek to address these problems in their other policy dialogue efforts as well. Conversely, where successful policy reform efforts create private business opportunities in a given area, Missions should consider special emphasis in existing programs or new microenterprise activities to reinforce the policy change and exploit the opportunity presented in favor of microenterprises.

Some policies that have a particularly negative effect on microenterprises and inhibit their graduation to the formal sector are:

- o Interest rate ceilings that encourage financial institutions to ration credit towards favored large clients, discriminate against riskier microenterprises, and discourage savings mobilization;
- o Trade and investment policies that promote large-scale industry and are biased against agriculture (such as foreign exchange rationing and tariff systems);
- o Tax laws that often offer low tax rates to larger enterprises and encourage the use of capital-intensive activities; and
- o Restrictive regulatory and legal systems that create considerable obstacles for small firms, thereby encouraging informality and discouraging access to benefits afforded to legally constituted firms.

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encourage governments to move progressively toward market terms.

The interest rate to be charged on loans to microenterprises (1) shall, at a minimum, be at or near the prevailing interest rate paid on Treasury obligations of similar maturity (to the maximum extent practicable), and (2) should not be less than terms prevailing locally or a rate that approximates the opportunity cost of capital in that country. At a minimum, the interest rate to ultimate private borrowers should be significantly positive in real terms, i.e., when adjusted for inflation.

In many cases, the transaction costs of microenterprise loans are greater than similar costs associated with commercial loans. These costs include the costs of funds mobilized or borrowed; the normal premiums for the higher risks of term loans or devaluation risks for loans denominated in foreign currency; the administrative costs of providing loans to microenterprises; any extraordinary costs of non-bank services furnished the microenterprises or of supervising the sub-loans; and a reasonable profit margin for the IFI. Missions may wish to provide technical assistance to reduce loan transaction costs in the credit delivery system and to encourage greater linkage with the formal financial system.

It is recognized that, in most cases, most of the initial loan activity in this program will be short-term.

c. Terms to IFIs. The interest rate charged to commercial intermediaries that act as IFIs for this program (1) should be at least equal to the cost of local, nonconcessional sources of capital; (2) approximate the cost of lendable resources of comparable maturities from the local private capital market (if such resources exist); and (3) be based on the appropriate rate to the ultimate borrowers. If interest rates within a particular country are held down artificially by government policies, the rate charged to the IFIs should be set within the context of U.S. efforts to encourage adoption of free market interest rates.

IFIs should strive to develop more simplified application processes, where appropriate, as well as to link and accelerate the movement of borrowers into the formal financial system.

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institutions. When utilizing section 106 and 108 local currencies for microenterprise assistance, Missions should follow the provisions contained in cables 1986 STATE 259310 and 259314 on the private enterprise local currency lending program described in the Food Security Act of 1985. When utilizing funds other than section 106 and 108 local currencies, Missions should follow the guidance contained in the Private Enterprise Development Policy Paper (revised March 1985).

It is especially important that intermediaries work as directly as possible within the community of the beneficiaries of credit and technical assistance. When appropriate, credit could be extended through groups or similar mechanisms that use business or individual reputation in the community as a primary decision criteria in credit allocation. Encouragement of the participation of women in the decision-making and management of intermediaries should also be emphasized.

In selecting IFIs, A.I.D. should give particular attention to the existence of or plans to attain the following desirable institutional characteristics:

- o Financial soundness - demonstrates reasonable prospects for long-term viability;
- o Orientation toward microenterprise lending;
- o Market-based pricing policies - demonstrates a willingness and ability over time to operate in the market without reliance on subsidies;
- o Capital mobilization capability - demonstrates capability to mobilize capital from internal savings programs and/or from access to local capital markets;
- o Portfolio and client diversification - diversification relative to loan purpose and type of borrower or in other ways reduce exposure;
- o Complementary financing capability - demonstrates potential over time for providing other financial services to meet the diversity of borrower needs;
- o Support system - demonstrates potential, over time, for forming part of a network or system capable of providing financial, technical, and managerial assistance.

A.I.D should strive to obtain life of project funding for more than the three to five year norm and allow for the long-term assistance provided to the IFI to achieve the result necessary for sustained operations beyond project life.

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demonstrated that these enterprises are reliable borrowers and can be reached cost-effectively, studies have shown that providing credit alone to microenterprises only rarely produced self-sustaining gains; increases in income were short-lived.

Informal sector enterprises often face a policy and administrative environment that contains serious market access and entry barriers. Some macroeconomic policies have a negative impact on informal enterprises and serve as entry barriers to the formal sector. These issues should be addressed within the framework of A.I.D.'s assistance to the informal sector.

A.I.D. should also continue to encourage formal financial institutions to serve the same clientele served by the informal financial markets. In the process, the more efficient formal markets gradually displace less effective informal markets. The best examples are those involving the extension of formal financial systems to better serve the growing financial demands of small farmers and small scale entrepreneurs. This approach depends for its success on the truth of an assumption that formal financial markets are more effective than informal institutions under appropriate circumstances. Although this assumption is generally borne out over the long run, it may not be correct in some markets in the short run.

To facilitate graduation to commercial borrowing, A.I.D. should foster the involvement of formal financial institutions in the informal system. For example, it may be useful to have a representative from a local private bank involved in an A.I.D.-sponsored informal sector lending program conducted through a PVO. This might facilitate an informal enterprise's graduation from the A.I.D. program to commercial banks by increasing the bank's familiarity with the borrower (and much of that segment of borrowers) while establishing a credit history in which the bank has confidence.

2. Cooperative Development (April 1985)

The Cooperative Development policy paper discusses the rationale for A.I.D.'s work with cooperatives and its objectives for the cooperative development. A.I.D. supports the development of cooperative organizations because cooperatives embody aspects of the principles of voluntarism, democratic choice and the economic effectiveness of private enterprise that historically have shaped our own nation's development.

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Specific policy guidance in the policy paper addresses activities that include policy dialogue, legal and regulatory constraints, assistance to the indigenous private sector, private sector participation in the provision of traditional government services, parastatals and government authorized monopolies, capital saving technology, training, and infrastructure.

With respect to the informal sector, the policy paper stated A.I.D.'s belief that the operation of the heterogeneous, dynamic and largely unregulated informal economy provides a powerful argument in favor of eliminating uneconomic controls on the formal economy. In countries amenable to policy dialogue and related reforms, direct A.I.D. assistance to enhance the importance of the informal economy is a valuable complementary program to policy dialogue with the LDC governments. In countries that are reluctant to discuss policy, assistance to productive activities carried out in the informal private sector may be the only effective way to stimulate broad-based growth and development. A.I.D. has a strong interest in programs which support the informal private sector.

4. Women in Development (October 1982)

Poor women in developing countries bear major economic responsibilities, yet they are generally less well educated than men and have less access than men to modern productive resources. Thus, they often fill jobs which require little skilled work and are among the lowest paying. In the Women in Development policy paper, A.I.D. recognized that the productivity of women is important to personal, family and national well-being, and that women's productivity depends on their improved access to resources, e.g. land, improved farming techniques, information, and employment.

As a matter of policy, A.I.D. will:

- o seek to increase relevant knowledge and skills among women and girls where lack of education and training constrain women's effective access to more productive work;
- o support the development of labor-saving technologies which are acceptable and accessible to women where inefficient technologies reduce women's overall productivity; and
- o support efforts to alleviate the bias, through policy reform and/or experimental programs which

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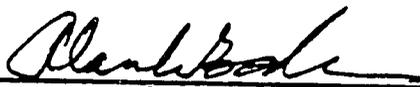
PD-17
October 10, 1988

In the informal sector, a variety of programs for small entrepreneurs and microenterprises have been successful, and can be adapted for women. A.I.D.'s decision to focus on technical assistance and/or provision of credit through financial intermediaries must depend on the particular situation. However, in many countries there are substantial numbers of self-employed women, particularly in micro and small industries, who will gain from enhanced managerial, administrative, and financial skills, as well as from the formation of cooperative institutions.

Specific policy guidance is also provided in such areas as women in agricultural development, human resources, education, energy and natural resource conservation, and water and health.

5. A.I.D. Partnership in International Development with Private and Voluntary Organizations (September 1982)

The policy paper on Private and Voluntary Organizations presents the rationale for A.I.D.'s work with private and voluntary organizations and the procedures that the Agency will follow in this area. The paper states that PVOs are a heterogeneous universe - diverse in their expertise, size, bases of support, and modes of operation. PVOs bring unique skills to the job of Third World development and can be a means for effectively engaging the rural and urban poor in their nation's development.



Alan Woods

10 October 1988
Date

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A.I.D. Policy Papers and Policy Determinations

The following reports have been issued in a series. These documents with an identification code (e.g. PN-AAM-323) may be ordered in microfiche or paper copy. Please direct inquiries regarding orders to:

AID Document and Information Handling Facility
7222 47th Street, Suite 100
Chevy Chase, MD 20815

Title—Policy Paper	Date	Fiche #
Domestic Water and Sanitation	May 1982	PN-AAM-323
Food and Agricultural Development	May 1982	PN-AAM-322
Nutrition	May 1982	PN-AAM-321
Recurrent Costs	May 1982	PN-AAM-319
Population Assistance	September 1982	PN-AAM-320
Private and Voluntary Organizations	September 1982	PN-AAM-318
Women in Development	October 1982	PN-AAL-777
Pricing, Subsidies, and Related Policies in Food and Agriculture	November 1982	PN-AAL-373
Approaches to the Policy Dialogue	December 1982	PN-AAM-431
Basic Education and Technical Training	December 1982	PN-AAM-190
Institutional Development	March 1983	PN-AAN-108
Co-Financing	May 1983	PM-AAN-457
Local Organizations in Development	March 1984	PN-AAQ-157
Energy	July 1984	PN-AAQ-160
Urban Development Policy	October 1984	PN-AAQ-158
Shelter	February 1985	PN-AAQ-162
Private Enterprise Development (Revised)	March 1985	PN-AAQ-163
International Disaster Assistance	May 1985	PN-AAQ-164
Cooperative Development	April 1985	PN-AAQ-165
Trade Development	July 1986	PN-AAV-461
Health Assistance (Revised)	December 1986	PN-AAV-462
Environmental and Natural Resources	April 1988	PN-AAV-464
Financial Markets Development	August 1988	PN-AAV-465
Title—Policy Determination	Date	Fiche #
PD #1—Narcotics	August 5, 1982	PN-AAM-443
PD #2—Mixed Credits	September 29, 1982	PN-AAM-444
PD #3—Voluntary Sterilization	September 1982	PN-AAM-445
PD #4—Title XII	October 5, 1982	PN-AAM-446
PD #5—Programming PL 480 Local Currency Generations	February 22, 1983	PN-AAM-591
PD #8—Participant Training	July 13, 1983	PN-AAP-273
PD #9—Loan Terms Under PL 460 Title I	September 27, 1983	PN-AAN-753
PD #10—Development Communications	February 17, 1984	PN-AAP-616
PD #11—Using PL 480 Title II Food Aid for Emergency or Refugee Relief	July 26, 1984	PN-AAQ-159
PD #12—Human Rights	September 26, 1984	PN-AAQ-161
PD #13—Land Tenure	May 9, 1986	PN-AAQ-166
PD #14—Implementing A.I.D. Privatization Objectives	June 16, 1986	PN-AAQ-167
PD #15—Assistance to Support Agricultural Export Development	September 13, 1986	PN-AAV-460
PD #16—Program Financing Arrangements with Independent Organizations	October 9, 1987	PN-AAV-463
PD #17—Microenterprise Development Program Guidelines	October 10, 1988	PN-AAV-466

FY 1993 CP SYSTEM USER GUIDE

FY 1993 CP SYSTEM USER GUIDE

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SECTION 1 SYSTEM OVERVIEW

1.1 System Purpose

This system provides an automated approach to entering and maintaining data related to the Annual Budget Submissions (ABS) and Congressional Presentation submissions (CP) to AID/W. Every mission and AID/W office responsible for preparing ABS and CP submissions will submit data to AID/W on diskettes so that the data may be automatically entered into the Agency's mainframe computer and aggregated on an Agency-wide basis for further analysis.

1.2 System Description

This system is a stand-alone application. It is completely menu driven, allowing for easy use. Its primary focus is to collect data and produce hard copy reports of the various agency tables.

Please refer to the CP Guidance for detailed descriptions concerning the tables included for this update.

The system allows the viewing and updating any one of the agency budget tables. When a user accesses a given table the system displays a pop-up window indicating all possible options.

Menu and Screen Navigation

Full Screen Menus: Select an option from the full screen menus by positioning the light bar on the desired option and pressing <ENTER> or <RETURN>. Use the cursor keys or the <SPACE BAR> to position the light bar. A message at the bottom of the menu screen describes the option highlighted by the light bar. You can also select one of these options by pressing the number or letter to the right of the option.

One Line Menus: To select an option from the menus found at the bottom of most data entry screens, use the cursor keys to move the light bar to the desired option and press <ENTER> or <RETURN> (a message directly below the menu describes the highlighted option). You can also select one of these options by pressing the first letter of the option.

Data Window Menus: Data windows can serve two purposes: They are used to directly update the data displayed in the window (EDIT Mode); or they are used to select a specific data category, i.e, a table section, a project, an AC\SI Code, etc. (SELECT Mode). When used in the SELECT mode, they act as menus, and an item is selected by moving the cursor arrows or the <SPACE BAR> to highlight the desired item and pressing <ENTER> or <RETURN>.

Access to the tables is controlled by a one line menu at the bottom of the screen. The available menu options are explained in Section 5, System Functions.

Data Entry Screens

When editing a data entry screen, use the cursor arrows, <PgUp>, <PgDn>, <Home> and <End> to navigate within the screen. <PgUp> brings you to the top of the window, or scrolls the screen up if more entries are indicated. <PgDn> brings you to the bottom of the window, or scrolls the screen down if more entries are indicated. <Home> brings you to the far left of the window, <End> the far right.

Section 4 is a tutorial of how to enter data in the system.

AC/SI Selection

When selecting an Activity Code, a group of codes can be found quickly by pressing the first letter of the desired code.

When selecting a Special Interest Code, a group of codes can be found quickly by

pressing the number corresponding to the SI code category (i.e press "2" to quickly get to the Institutional Mechanisms SI code group).

1.3 Keyboard Functions for WANG PC Users

If your WANG PC keyboard does not support <ESC>, <PgUp>, <PgDn>, <Print Screen> or <Enter>, use the following equivalent WANG keyboard functions to mimic the IBM functions.

IBM KEYBOARD	WANG KEYBOARD
ESC	BACKTAB
PgUp	SHIFT + F9
PgDn	SHIFT + F3
PRINT SCREEN	SHIFT + PRINT
ENTER	RET or EXEC

SECTION 2 SYSTEM REQUIREMENTS

The system is fully operational on an IBM PC, IBM-Compatible PC or a Wang PC equipped with IBM emulation mode of operation. In addition, the following configuration is necessary for the system to be operational.

- . Hard disk drive (with 1 megabyte available)
- . 512 K RAM
- . DOS 3.0 or higher
- . Wide-carriage printer or a laser printer to produce reports

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SECTION 3 SYSTEM INSTALLATION

The system is supplied to all missions on one diskette containing the system files and data files.

Installation consists of the three separate steps described below:

Step 1, System Setup, is necessary to set up your computer (See Section 3.1).

Step 2, System Installation, installs the necessary program and data files on your computer (see Section 3.2 for WANG PCs running in IBM emulation mode or Section 3.3 for IBM compatibles).

Step 3, System Start Up, gets the system running (see Section 3.4).

In addition, this section of the manual contains instructions for moving the system to another computer (Section 3.5), and instructions for removing the system entirely after the required data has been entered and transmitted to A.I.D./W (Section 3.6).

3.1 System Setup

This step needs to be performed only once for any given PC. Further, if you have previously installed the ABS or CP system on the PC this step does not need to be repeated. If you attempt to run this step on a computer that already has been set up, the system will issue an appropriate message and prompt you to continue with the next step of the installation procedure.

To perform the system setup routine, proceed as follows:

1. Turn on the PC on which the system will reside. Next, exit any menu system that may be running and go to the DOS Prompt C:>. For the WANG PC use IBM Emulation to get to the C:> prompt.
2. To install the CP system on your hard disk you must first run the SETCP program. To run the set-up procedure:

Insert the System Diskette into Drive A:

Change system to A: drive. To get to the A:> prompt type the following command:

A: <ENTER>

At the A:> prompt type:

SETCP C -1 For WANG PCs using a PC DOS diskette to start IBM Emulation.

Follow system instructions that appear on the screen.

or

SETCP C -2 For all other WANG PCs and PCs that are IBM Compatible.

FOR EXAMPLE: If you use a PC DOS Diskette to enter IBM Emulation and want to install the CP System on the C: drive, type: "SETCP C -1" and press <RETURN>.

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If you run SETCP correctly you will see the following message:

YOUR SYSTEM IS NOW READY FOR YOU TO
INSTALL THE CP SYSTEM

TO PROPERLY INSTALL THE CP SYSTEM YOU MUST
FIRST RESTART YOUR PC

PRESS THE "<ALT>,<CONTROL>, and " KEYS
SIMULTANEOUSLY TO RE-START YOUR COMPUTER.
(IF YOU ARE USING A CLASSIC WANG PC GET INTO IBM EMULATION MODE)

IF THIS DOES NOT RE-START YOUR MACHINE
TURN OFF YOUR COMPUTER, WAIT 10 SECONDS, TURN IT ON AGAIN.
(IF YOU ARE USING A CLASSIC WANG PC GET INTO IBM EMULATION MODE)

WHEN YOU SEE THE DOS PROMPT

- 1) INSERT CP SYSTEM DISK #1 IN THE A: DRIVE
- 2) TYPE: "A" AND PRESS RETURN
- 3) TYPE: "INSTALL C" AND PRESS RETURN

CONSULT USERS GUIDE FOR ASSISTANCE

If the above screen appears on your computer, it is important that you re-start your system before you complete the installation of the CP system.

To re-start your system, first remove the CP Diskette from drive A. With drive A empty, re-start your system by following the instructions above or turn your system off and follow the instructions in 3.2 or 3.3.

Continue with the following directions.

A system message will inform you if this SETUP routine has already been performed on your computer. Follow the instructions that appear on the screen.

3.2 System Installation for WANG PCs Using IBM Emulation

1. Use IBM Emulation.
2. When you see the DOS prompt, continue with instructions under Section 3.3.

3.3 System Installation for IBM PC's or Compatibles

1. Insert the CP Diskette into the floppy drive of the PC.
2. Type "A:" to change the directory to the floppy drive, and press <ENTER>.
3. Type "INSTALL" and the drive letter on which you will be installing the system. For example: "INSTALL C", and press <ENTER>.
4. The system will then copy the files into the CP program directory.
5. A batch file for the start-up and operation of your system will be copied to your root directory.
6. When you are finished, the system will be installed on your hard disk drive.

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If you have trouble installing the system because a previous version of the CP system is already on your computer, type **CLEARCP <DISK DRIVE>** from the A: drive to delete the old version. Then start again with the Section 3.2 or 3.3.

3.4 System Start Up

Start-up the CP System by typing the following command at the C:> prompt:

RUNCP and press <ENTER>

3.5 To Install the CP System on Another PC with Your Updated CP data:

1. Prepare a backup diskette using System Maintenance Menu option 1, Back-Up CP Data. (Refer to Section 4.4-System Maintenance.)
2. Follow the CP installation procedures to install the system with the original files (Refer to Section 3-System Installation). Then replace these files with the data from the back-up diskette you just prepared using System Maintenance Menu option 2, Restore CP Data. (Refer to Section 4.4-System Maintenance.)

3.6 To Remove the CP System from a PC Where It Has Been Installed:

1. Re-insert the system disk into the A: drive.
2. Type A: <ENTER>.
3. Type **CLEARCP <disk drive>** and press <ENTER>.

WARNING: CLEARCP will delete the CP system, including the CP data from your hard disk. Be sure to back-up your CP data before running CLEARCP.

SECTION 4 SYSTEM OPERATIONS

Because the system operations are completely menu-driven, it is best to demonstrate this section of the manual in a tutorial manner.

Installation must be successfully performed before continuing. If your system has not been installed, please refer to Section 3, System Installation before going to the next section.

NOTE: If at any time you encounter system or data errors, immediately choose System Maintenance Menu option 3, Re-index Files. This is a quick fix for problems such as:

- . Lost or missing data.
- . Data that should be accessible, but is not (note that some data, such as project actual year data, is not accessible at any time).
- . Data that is not in the order in which it is usually found.
- . Blank row identifiers, i.e. the left most column of most screens.

If this does not resolve the problem, print the related table to see if the data in question has been entered.

4.1 System Start Up

Start up the CP System by typing the following command at the C:> prompt:

RUNCP

After starting up the system, the following screen is displayed for those missions that are working with more than one country. Otherwise, Exhibit I will appear on the screen.

CP FY: 93	A.I.D CONGRESSIONAL PRESENTATION SYSTEM	MM/DD/YY VER 2.10									
SELECT THE ORGANIZATION CODE TO ENTER/ACCESS CP DATA FOR											
<table border="1"><thead><tr><th>ORGNO</th><th>CODE</th><th>ORGANIZATION NAME</th></tr></thead><tbody><tr><td>216030</td><td>603</td><td>DJIBOUTI</td></tr><tr><td>216150</td><td>615</td><td>KENYA</td></tr></tbody></table>			ORGNO	CODE	ORGANIZATION NAME	216030	603	DJIBOUTI	216150	615	KENYA
ORGNO	CODE	ORGANIZATION NAME									
216030	603	DJIBOUTI									
216150	615	KENYA									
<Enter<—> to select		<Esc> to cancel									

You must select an organization from the pop-up menu before you can add or modify data in the system.

This will bring up the Main Menu (EXHIBIT I), displaying the following options:

- Option 1 - Enter data into CP tables
- Option 2 - Print CP tables
- Option 3 - Perform system maintenance functions
- Option 4 - Produce AID/W disk
- Option 5 - Change organization (for missions responsible for more than one organization)
- Bureau Specific Options - See Below
- Option X - Quit CP system and exit to DOS

CP FY: 93	A.I.D CONGRESSIONAL PRESENTATION SYSTEM	MM/DD/YY VER 2.10
MAIN MENU		
1 - ENTER CP BUDGET DATA 2 - REPORTS 3 - SYSTEM MAINTENANCE 4 - PRODUCE AID/W DISK 5 - CHANGE ORGANIZATION		
BUREAU SPECIFIC OPTIONS		
X - EXIT TO DOS		
Position light bar and press <Enter<—> -or- Press option number		

EXHIBIT I

For the FY 1993 CP System, Bureau Specific Options appear only on the Africa Region disks. The following two options are available:

- 6 - MONTHLY OYB REVISIONS - Allows the entry of OYB data throughout the fiscal year.
- 7 - OYB ATTRIBUTION REPORT - Displays the above OYB data by Congressional Interest area for inclusion in the monthly OYB reporting cable.

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4.2 Data Entry

Select Main Menu Option

Option 1 - Enter CP Budget Data

As indicated earlier, to select an option, enter the number in front of the option desired or position the light bar over the desired option and press <ENTER>.

When option 1 is selected the CP budget data entry screen (EXHIBIT II) is displayed, providing a list of tables which can be modified or viewed.

CP FY: 93	A.I.D CONGRESSIONAL PRESENTATION SYSTEM	MM/DD/YY VER 2.10
CP BUDGET DATA ENTRY		
1 - TABLE IV : PROJECT BUDGET & AC/SI CODING		
2 - TABLE X : MICROENTERPRISE PROGRAMS		
X - EXIT TO MAIN MENU		
Position light bar and press <Enter<—> -or- Press option number		

EXHIBIT II

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Table IV: PROJECT BUDGET & AC/SI CODING

When Option 1 is selected from the Budget Data Entry menu (Exhibit II), the system will automatically display a menu of active projects (EXHIBIT 1-I). This listing includes the project number, title, type indicator, FY of initial obligation and FY of final obligation for all projects included in the FY 1993 Annual Budget Submission of FY 1993 OMB Submission.

ACTIVE PROJECTS				
PROJECT NO.	TITLE	TYPE	FY INIT	FY FINAL
492-0340	TRAINING AND DEVELOPMENT ISSUES	PA	90	92
492-0341	POPULATION PLANNING III		81	88
492-0343	PROJECT DESIGN		80	90
492-0356	FARMING SYSTEMS DEV-EASTERN VISAYAS		81	87
492-0358	LOCAL RESOURCES MANAGEMENT		82	85
492-0359	SMALL AND MEDIUM ENTERPRISE DEVELOPMENT		83	83
492-0361	MUNICIPAL DEVELOPMENT FUND		81	83
492-0365	MARKETS		82	85
492-0366	RAINFED RESOURCES DEVELOPMENT		82	92
492-0367	PVO CO-FINANCING II		84	88

Select Edit Add Delete X-Exit
 Select project to enter Budget and AC/SI data

EXHIBIT 1-I

At this time, you are expected to select an option from the lower menu.

Select Select a project to enter budget and AC/SI data.

Edit Edit project specific data: Title, Type, FY Init and FY Final.

EDIT RULES: Initial year of obligation cannot exceed 1993.

Final year of obligation cannot precede the initial year of obligation.

Valid projects types are: PA (Project Assistance), CT (Cash Transfer), CI (Commodity Import Program) and NP (Other Non-Project Assistance).

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Add Add a new project to the existing active project list.

When the **ADD** function is chosen, the following screen (EXHIBIT 1-II) will appear at the bottom of the screen:

ADD NEW PROJECT				
PROJECT NO.	TITLE	TYPE	FY. INIT	FY FINAL
-	.			

Enter a valid project number to add a new project <Esc> to exit

EXHIBIT 1-II

Enter a valid project number, title, type, and FY Init and FY Final dates.

Delete Delete user-added projects only.

To delete a project:

Move your cursor to the user-added project you wish to delete and press <ENTER>.

WARNING: When a project is deleted so is the budget, AC/SI and Microenterprise data for that project.

The CP system will not confirm the project you wish to delete, therefore be careful when selecting and deleting a project.

X-Exit Exit to previous menu.

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A. SELECT Option from lower menu of EXHIBIT 1-I

SELECT option. Control has been transferred from the lower menu to the active project window. You may now select a project by moving the cursor keys to the desired project and pressing <ENTER>.

For example, if you select the project titled "Training and Development Issues"

Displayed on your screen is EXHIBIT 1-III, displaying the project number, title, type, and fiscal years of initial and final obligation.

The lower portion of your screen will display a menu offering you the option to go into the Budget or AC/SI data.

<u>PROJECT NO.</u>	<u>TITLE</u>	<u>TYPE</u>	<u>FY INIT</u>	<u>FY FINAL</u>
492-0340	TRAINING AND DEVELOPMENT ISSUES	PA	90	92

Budget ACSI X-Exit

EXHIBIT 1-III

The Table IV module includes two data sets: Budget and AC/SI. The following section will provide you with step-by-step instructions on how to enter, edit, add and delete data for the two data sets.

Budget Enter, add and modify budget data, including appropriation accounts and their associated LOPs, obligations and expenditures. (See Section A1-BUDGET.)

AC/SI Enter, add and modify AC/SI data. (See Section A2-ACSI.)

X-Exit Exit to previous menu.

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SECTION A1-BUDGET

The following table (EXHIBIT 1-IV) will appear when the Budget option is chosen. As indicated by the lower menu, you may select, edit, add, delete or exit to the previous screen.

PROJECT NO.	TITLE	TYPE	FY INIT	FY FINAL
492-0340	TRAINING AND DEVELOPMENT ISSUES	PA	90	92

APPROPRIATION ACCOUNTS (\$000)

ACCOUNT	L/G	LOP AUTH	LOP PLAN
FN AGRIC, RUR DEV & NUTRITION	GRANT	4000	4000
EH EDUCATION AND HUMAN RESOURCES	GRANT	4082	4082
ES ECONOMIC SUPPORT FUND	GRANT	10000	11000

Select Edit Add Delete X-Edit

EXHIBIT 1-IV

- Select - Select the appropriation account for which you would like to view, or edit obligation and expenditure data (see **SELECT** section for details).
- Edit - Edit account specific data shown on the screen, LOP Planned or LOP Authorized.
- Add - Add a new appropriation account to existing accounts (see **ADD** section for details).
- Delete - Delete a user-added appropriation.

SELECT If the **SELECT** function is chosen from the lower menu, control is transferred to the highlighted appropriation account for that project.

Choosing the Education account will generate the obligations and expenditures as illustrated in Exhibit 2-V.

PROJECT NO.	TITLE	TYPE	FY INIT	FY FINAL
492-0340	TRAINING AND DEVELOPMENT ISSUES	PA	90	92

ACCOUNT	L/G	LOP AUTH	LOP PLAN
EH EDUCATION AND HUMAN RESOURCES	GRANT	4000	4000

OBLIGATIONS AND EXPENDITURES (\$000)

L/G	TRANSACTION	1990 CUM	PY DEOB	1991 EST	1992 PLAN	1993 PROP
GRANT	OBLIGATION	2000	0	1000	500	500
GRANT	EXPENDITURE	500		1000	1000	1000
	Pipeline:	1500	1500	1500	1000	500
	Mortgage:	2000	2000	1000	500	0

Edit X-Exit
Edit specific data

EXHIBIT 1-V

Choosing the **Edit** function, allows entering of data for FY 1991 - 1993 obligations and expenditures and FY 1991 deobligation activity from prior year obligations.

FY 1990 cumulative obligation and expenditure data tie to official Agency records and may not be changed through the automated system.

You may not enter obligation data for a fiscal year after final year of obligation (FY FINAL).

FY 1993 obligations should be by Functional Account (FDAP), Development Fund for Africa (DFA), Special Assistance Initiatives (SAI), Economic Support Fund (ESF) and Capital Projects (CP).

As you enter expenditure and obligation data for FY 1991 - 1993, the system will automatically update the pipeline and mortgage amounts.

If a negative pipeline is displayed, you should adjust the obligations or expenditures to ensure that the pipeline is zero or greater.

If the mortgage is negative, you should adjust the obligations or planned LOP to ensure that the mortgage is zero or greater.

Once you have entered data for all projects, print copies of your table to be sure they represent your request.

To exit this screen and choose another option, press the <ESC> key twice. This causes Exhibit 1-IV to be displayed again on your screen with control transferred to the lower menu.

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ADD After choosing the **ADD** function, the following screen (EXHIBIT 1-VI) is displayed.

<table border="1"> <tr> <td style="text-align: center;">PROJ</td> </tr> <tr> <td style="text-align: center;">492-</td> </tr> </table>	PROJ	492-	APPROPRIATION ACCOUNTS	<table border="1"> <tr> <td style="text-align: center;">TYPE</td> <td style="text-align: center;">FY INIT</td> <td style="text-align: center;">FY FINAL</td> </tr> <tr> <td></td> <td style="text-align: center;">90</td> <td style="text-align: center;">92</td> </tr> </table>	TYPE	FY INIT	FY FINAL		90	92		
	PROJ											
	492-											
	TYPE	FY INIT	FY FINAL									
		90	92									
	FN AGRIC, RURAL DEV & NUTRITION											
	PN POPULATION PLANNING											
	HE HEALTH											
	DG AIDS											
	EH EDUCATION AND HUMAN RESOURCES											
	SD PRIVATE SECTOR, ENERGY & ENVIRONMENT											
	CS CHILD SURVIVAL FUND											
	SS DEVELOPMENT FUND FOR AFRICA											
ES ECONOMIC SUPPORT FUND												
AI SPECIAL ASSISTANCE INITIATIVES												
CP CAPITAL PROJECTS												
CP CAPITAL PROJECTS												
	UNTS											
	<table border="1"> <tr> <td style="text-align: center;">P AUTH</td> <td style="text-align: center;">LOP PLAN</td> </tr> <tr> <td style="text-align: center;">656</td> <td style="text-align: center;">87</td> </tr> <tr> <td style="text-align: center;">677</td> <td style="text-align: center;">899</td> </tr> <tr> <td style="text-align: center;">4082</td> <td style="text-align: center;">78</td> </tr> <tr> <td style="text-align: center;">10000</td> <td style="text-align: center;">877</td> </tr> </table>	P AUTH	LOP PLAN	656	87	677	899	4082	78	10000	877	
P AUTH	LOP PLAN											
656	87											
677	899											
4082	78											
10000	877											
<Enter<←> to select <Esc> to cancel												

EXHIBIT 1-VI

Select an account by moving the cursor key on the desired account and pressing <ENTER>.

If the chosen account already exist, the system will generate an error message and will not allow you to add the account.

After selecting an account (for example, CHILD SURVIVAL FUND) the system will prompt you to enter a loan/grant indicator. Once an L (LOAN) or G (GRANT) is entered, the account will be added to the already existing appropriation accounts. You may now enter LOP AUTH and LOP PLAN.

Use the <ESC> key and **X-Exit** function to leave the current screen. EXHIBIT 1-IV will reappear on your screen, and control is at the lower menu.

At this time, **Select** the new appropriation and update the obligation and expenditure data.

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SECTION A2-AC/SI

To add or modify AC/SI data, you must be at Exhibit 2-III, the menu screen for each project.

AC/SI The following screen will appear when AC/SI is selected for a project, displaying all of the Activity Codes that have been entered for that project. As indicated by the lower menu, you may **Select**, **Edit**, **Add** or **Delete** Activity Codes.

<u>PROJECT NO.</u>	<u>TITLE</u>	<u>TYPE</u>	<u>FY INIT</u>	<u>FY FINAL</u>
492-0340	TRAINING AND DEVELOPMENT ISSUES	PA	90	92

<u>ACTIVITY CODE(S)</u>	<u>%: FY91-FY93</u>
AGAB AGRIBUSINESS	100
Total:	100 %

Select Edit Add Delete X-Exit
 Select an Activity Code to update associated Special Interest Codes

EXHIBIT 1-VII

- SELECT Choose the Activity Code for which you want to view, **Edit**, **Add** or **Delete** Special Interest Code(s) (see **SELECT** section for details).
- EDIT Edit Activity Code percentages (% FY91 - FY93)
- ADD Add Activity Code(s) to existing list (see **ADD** section).
- DELETE Delete an Activity Code from the existing list.

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ADD (ACTIVITY CODES) When the ADD function is chosen, a screen will appear listing the current Activity Codes.

PROJECT	SELECT IND	ACTIVITY CODES
492-034	Selected	AGAB AGRIBUSINESS AGCR AGRICULTURAL CREDIT AGED AGRICULTURAL EDUCATION AGIR IRRIGATION AGLS AGRICULTURAL LAND USE AND SETTLEMENT
	Selected	AGMK AGRICULTURAL MARKETING AGMP AGRICULTURAL MANAGEMENT, PLANNING AND POLICY AGPM PEST MANAGEMENT AGTD AGRICULTURAL TECHNOLOGY DEVELOPMENT AND DIFFUSIO
		DICE CIVIC EDUCATION DICS CIVIL SOCIETY/PLURALISM DIEA ELECTORAL ASSISTANCE

* <PgDn> or <PgUp> for More Entries! *

<SPACE BAR> to select; <Enter<←> when finished <Esc> to cancel

EXHIBIT 1-VIII

Move the cursor to the title(s) you desire using the arrow keys, <PGDN> or <PGUP>, or typing the first letter of the AC to get to the top of the list of Activity Codes starting with that letter. Press the <SPACE BAR> to "Select" the code. To add more than one code, repeat the same procedure without leaving the list. Once you have selected all the desired Activity Codes, press <ENTER>, and they will be added at to the list of codes for that project. You can de-select a code by pressing the <SPACE BAR> a second time.

Once all the codes have been selected, enter the appropriate percentage for each code. The percentages for all other existing codes may be edited at this time.

Activity Codes must total 100%. An error message will be generated for totals greater than 100%. The system will not allow you to exit the screen until an adjustment has been made to make the total 100%.

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SELECT (ACTIVITY CODES) When you choose the **SELECT** function, you may select an Activity Code in order to **Add, Edit** or **Delete** its related Special Interest Codes.

SELECT AGAB AGRIBUSINESS and the following screen will appear.

PROJECT NO.	TITLE	TYPE	FY INIT	FY FINAL
492-0340	TRAINING AND DEVELOPMENT ISSUES		90	92

ACTIVITY CODE(S)	%: FY91-FY93
AGAB AGRIBUSINESS	100

SPECIAL INTEREST CODE(S)	%: FY91-FY93
PSD PRIVATE SECTOR DEVELOPMENT	20
INS INSTITUTION BUILDING	60
FAC FACULTIES OF AGRICULTURE	100

Edit Add Delete X-Exit

EXHIBIT 7-IX

You may **Edit, Add** or **Delete** Special Interest Code data from this screen.

EDIT Edit Special Interest Code(s) percentage(s).

ADD Add new Special Interest Code(s) (see ADD section).

DELETE Delete Special Interest Code(s).

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ADD (SPECIAL INTEREST CODES) To add Special Interest Codes you must first **SELECT** an Activity Code (see Exhibit 2-IX).

Once an Activity Code is chosen, you may choose Special Interest Code(s) to add by positioning the light bar over the desired code(s) and pressing the <SPACE BAR>. This puts an indicator next to the code to show that it has been selected. Continue this procedure without leaving the screen until all desired Special Interest Codes have been selected, then press <ENTER> to add them to the list.

PRO	SELECT IND	SPECIAL INTEREST CODES	FY FINAL
492	Select	I. Substantive A. Spatial/Geographic CIT SMALL AND LARGE URBAN TWN or TOWNS RUR or RURAL B. Special Targets WDP WOMEN IN DEVELOPMENT: SPECIFIC WDI or WOMEN IN DEVELOPMENT: INTEGRATED RFG REFUGEE RELIEF AND DISASTER ASSISTANCE NAE NARCOTICS EDUCATION AND AWARENESS NAA or NARCOTICS: ALTERNATIVE DEVELOPMENT PROG NAJ or NARCOTICS: ADMIN. OF JUSTICE OR JUDICIAL RE	92
	Select	* <PgDn> or <PgUp> for More Entries! * <SPACE BAR> to select; <Enter<—> when finished <Esc> to cancel	FY93

EXHIBIT 1-X

Special Interest Codes may total more than 100% cumulatively under any one Activity Code. Each individual code, however, must be 100% or less. There are also limitations on the total of some combinations of Special Interest Codes. See the CP Guidance for more detail.

DELETE (SPECIAL INTEREST CODE)

When you choose the delete function, control is transferred to the Special Interest Codes.

Position the cursor over the code you wish to delete and press <ENTER>. The code is now deleted.

WARNING: The CP System will not confirm that this is the code you wish to delete. Be careful when making your selection.

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TABLE X: MICROENTERPRISE ACTIVITIES

When Option 2 is selected from the Budget Data Entry Menu, the following screen appears, showing any Microenterprise activities entered for the FY 1993 ABS.

TABLE X - MICROENTERPRISE OBLIGATIONS AND EXPENDITURES	
PROJECT NO.	TITLE
492-0359	SMALL AND MEDIUM ENTERPRISE DEVELOPMENT
492-LC1	LOCAL CURRENCY MICROENTERPRISE PROJECT

Select Edit Transfer Add Delete X-Exit
Select a Project to Update Microenterprise Amounts

EXHIBIT 2-I

At this time, you are expected to select an option from the lower menu.

- Select Select a project to enter microenterprise data.
- Edit Edit a project title. (You may only change the title for local currency projects added directly through this function).
- Transfer Transfer projects from Table IV (This is the only way to add U.S. Dollar funded projects to this module).
- Add Add a project funded solely with local currency.
- Delete Delete a project from this list (Deleting a U.S. Dollar funded activity here will not delete it from Table IV).
- X-Exit Exit to Previous Menu (Main Menu).

To transfer project(s) from Table IV to the Microenterprise List choose the **Transfer** function from the menu in the lower left hand corner of the screen.

The list of projects from the Table IV module will be displayed and you may select project(s) to be transferred to the Microenterprise table by pressing the <SPACE BAR> when the desired project(s) is highlighted. Continue this procedure to select all desired projects without leaving the screen, and press <ENTER> to add them all to the list.

TABLE X - MICROENTERPRISE OBLIGATIONS AND EXPENDITURES	
PROJECT NO.	TITLE
SELECT IND	TABLE IV PROJECTS
Select	492-0340 TRAINING AND DEVELOPMENT ISSUES 492-0358 LOCAL RESOURCE MANAGEMENT 492-0359 SMALL AND MEDIUM ENTERPRISE DEVELOPMENT

<SPACE BAR> to select; <ENTER<—> when finished <ESC> to cancel

EXHIBIT 2-II

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To add Local Currency Projects to the Microenterprise List choose the **Add** function from the menu.

If you choose the **Add** function, the following screen will appear.

TABLE X - MICROENTERPRISE OBLIGATIONS AND EXPENDITURES	
PROJECT NO.	TITLE
492-0359	SMALL AND MEDIUM ENTERPRISE DEVELOPMENT

PROJECT NUMBER	TITLE
----------------	-------

Enter a project number and title to add a new project <ESC> to exit

EXHIBIT 2-III

Enter the new project number and title in the spaces and press <ENTER> to add the project to the Microenterprise list.

Remember, if the project has FDAP, ESF or SAI funding you must add it to the list through the **Transfer** function. Add projects funded only with local currency through the **Add** function.

The **Edit** function will allow you to edit the project title of a **user-added** project only. Any changes that need to be made to a project title or number transferred from Table IV need to be made through the Table IV module.

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To add or modify Microenterprise amounts, Select a project to modify. If the project was added from Table IV and had FDAP funding, the screen that appears next will have an FDAP component and a local currency component. If there are FDAP and ESF funding, the microenterprise screen will show a panel for FDAP, a panel for ESF and a panel for local currency. If it is a user-added local currency project, the panel will only have a local currency component.

TABLE X - MICROENTERPRISE OBLIGATIONS AND EXPENDITURES 631-0000 SMALL AND MEDIUM ENTERPRISE DEVELOPMENT				
PROGRAM & FUNCTION	1990 ACTUAL	1991 ESTIM.	1992 PLANNED	1993 PROP
ESF/SAI DOLLAR OBLIGATIONS				
Loans to Microenterprises	0	0	0	0
Training and Technical Assistance	0	0	0	0
Institutional Development & Support	0	0	0	0
Policy/Regulatory Reform	0	0	0	0
Other	0	0	0	0
Total:	0	0	0	0
FDAP DOLLAR OBLIGATIONS				
Loans to Microenterprises	0	0	0	0
Training and Technical Assistance	0	0	0	0
Institutional Development & Support	0	0	0	0
Policy/Regulatory Reform	0	0	0	0
Other	0	0	0	0
Total:	0	0	0	0
*Press <PgUp> for ESF Section -or- <PgDn> for LC Section *				
EDIT MODE: Position cursor and enter data -or- Press <ESC> to exit to menu				

EXHIBIT 2-IV

Enter Microenterprise data on these screens, and follow the directions that appear on the screen.

Delete will allow you to delete a project from the microenterprise table. It will not delete the project from the Table IV listing, only from the microenterprise data. You must go to the Table IV module to delete a project from Table IV.

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OYB REVISIONS (AFRICA MISSIONS ONLY)

When Option 6 is chosen from the Main Menu screen, the system will automatically display all projects for which you have entered planned FY 1992 funding on Table IV. Displayed will be the project number, title, funding source and the FY 1992 planned amount. The Revised OYB column will be blank. If a new project is added during the year, it must first be added through the CP budget data function (Option 1) and a planned FY 1992 amount must be entered. The new project will then be displayed as part of this option.

Enter the current OYB amount in the last column, and then request the attribution report through Option 7. The primary purpose of these two functions is to assure that consistent Project level congressional interest attributions are maintained. The Attribution report will apply the Activity Codes and Special Interest Codes maintained as part of Table IV.

OYB REVISIONS				
PROJECT NUMBER	TITLE	FUND	FY 1992 CP ORIG	FY 1992 OYB REVISED
909-0312	RURAL INST & PRIVATE SECTOR	SS	9,000	9,000
909-0314	PROGRAM DEV AND SUPPORT	SS	1,100	1,000
909-0316	CHILD SURVIVAL	SS	3,000	3,500
909-0317	PRIVATE SECTOR SUPPORT	SS	1,150	1,150
Total:			13,250	14,650

EDIT MODE: Position cursor and enter data -or- Press <Esc> to exit to menu

EXHIBIT 6-I

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4.3 Report Generation

All reports are available from the Main Menu (Exhibit I) Report function, Option 2. When Option 2 is chosen, the following menu will appear on your screen.

CP FY: 93	A.I.D CONGRESSIONAL PRESENTATION SYSTEM	MM/DD/YY VER 2.10
REPORTS MENU		
TABLE IV : PROJECT BUDGET DATA TABLE IVA : AC/SI AGGREGATE ANALYSIS TABLE IVB : AC/SI SUMMARY REPORT TABLE IVC : PROJECTS BY TARGET AREA TABLE X : MICROENTERPRISE PROGRAMS PRINTER FONTS PRINTER SELECTION		
Position light bar and press <space bar> to Select report. Press <Enter<←> when report selection is completed		
COMPRESS OFF		SELECT DOT MTR

EXHIBIT R-I

To print reports, press the <SPACE BAR> to select which reports are desired. Pressing the <SPACE BAR> a second time on the same report will de-select it. Once all desired reports are selected, press <ENTER> to begin printing. The system will respond with a list of the reports that are selected and verify that you wish to begin printing, then prompt you to line up the paper and put the printer on line.

There are also options that allow you to tell the system what kind of printer you are using (laser or dot matrix/daisy wheel) and whether you want the reports printed with compressed print or not, which depends on the size of the paper you have in the printer.

If you select the laser printer option we suggest you either select the auto or the compressed option from the font selection. Auto will print those reports that will fit in portrait mode and others it will automatically print with smaller print and in landscape mode.

If you have a dot matrix printer (or daisy wheel) the font selection will depend on the paper size. If the printer only has 8.5x11 paper, then any reports that are more than 80 characters wide will have to be printed in compressed print. Again, we suggest that you either print all reports as compressed or select the auto option.

If the paper is 8.5x14 then you may select the standard option, which will print all reports in non-compressed pitch.

To choose either printer fonts or printer selection, press the <SPACE BAR> until the desired selection is shown, then press <ENTER>.

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4.4 System Maintenance

This section of the system allows you to protect and validate the integrity of the data you have entered.

All data will be saved by the system on your hard disk drive. However, it is advised that you periodically back-up your data files on floppy diskettes so that they may be restored in the event of system failure. You may back-up, restore and re-index your data files through the System Maintenance function provided through the Main Menu.

When Option 3 is chosen from the Main Menu (Exhibit I), the following sub-menu will appear on the screen.

CP FY: 93	A.I.D CONGRESSIONAL PRESENTATION SYSTEM	MM/DD/YY VER 2.10
CP SYSTEM MAINTENANCE MENU		
1 - BACK-UP CP DATA		
2 - RESTORE CP DATA		
3 - RE-INDEX FILES		
4 - CP DATA INTEGRITY CHECK		
X - Exit to Main Menu		
Position light bar and press <Enter<—> -or- Press option number		
Copy CP data to diskette in floppy drive.		

EXHIBIT M-1

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Option 1- BACK-UP CP DATA

When Option 1 is selected, the following message will appear.

CP FY: 93	A.I.D CONGRESSIONAL PRESENTATION SYSTEM	MM/DD/YY VER 2.10
BACK-UP CP DATA SCREEN		
<p>This operation will copy all CP data to the A: Drive.</p> <p>Make sure that your backup diskette #1 is in the A: drive and the drive door is closed.</p> <p>Do not use this function unless you are using a properly formatted backup diskette.</p> <p>NOTE: This operation will OVERWRITE data on the backup diskette in the A: drive!</p>		
DO YOU WISH TO PROCEED? Y/N: N		

EXHIBIT M-II

Respond by typing "Y" if you wish to proceed with backing-up your data.

Use this function when you are ready to prepare diskettes for sending back to A.I.D./W when you have completed your CP preparation. Be sure to complete the Restore CP Data function before preparing the final diskettes.

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Option 2 - RESTORE CP DATA copies data from the back-up disk(s) that were created to your hard disk in the case of a system failure.

When Option 2 is selected, the following screen will appear.

CP FY: 93	A.I.D CONGRESSIONAL PRESENTATION SYSTEM	MM/DD/YY VER 2.10
RESTORE CP DATA SCREEN		
COMPLETE RESTORE This operation will restore all CP data from the backup diskette in the A: drive to the hard disk.		
DO YOU WISH TO PROCEED? Y/N: N		

EXHIBIT M-II

Use this option to restore data previously backed-up to a floppy disk.

Option 3 - RE-INDEX FILES resets all system intermediate files.

If at any time you encounter system or data errors, immediately choose System Maintenance Menu Option 3, Re-index Files. This is a quick fix for problems such as:

- . Lost or missing data.
- . Data that should be accessible, but is not (note that some data, such as project actual year data, is not accessible at any time).
- . Data that is not in the order in which it is usually found.
- . Blank row identifiers, i.e. the left most column of most screens.

If this does not resolve the problem, print the related table to see if the data in question has been entered.

Option 4 - CP DATA INTEGRITY CHECK generates a listing that reports on any irregularities of the data that are not covered by the screen edits.

This option should be performed periodically, especially prior to releasing the final back-up disk to A.I.D./W. The integrity check highlights the following items:

- Any project that contains negative mortgage or pipeline amounts.
- Any project where the Activity Codes total less than 100%.
- Any required table that does not contain data.

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4.5 Produce AID/W disk

Use this function to produce the disk that is to be sent to AID/W with the updated CP information. Processing and screens are identical to the Option 1 - Back-up CP Data function described above. The disk for AID/W is identical to a back-up disk.

4.6 System Exit

To exit the CP System use the X-Exit function or the <ESC> key until you reach the following message.

```
Quit CP system and exit to DOS (Y/N) N
```

When you have successfully terminated the CP session, the system will respond by displaying the following screen.

```
CP FY: 93          A.I.D CONGRESSIONAL PRESENTATION SYSTEM          MM/DD/YY
                                                                VER 2.10
EXIT SCREEN

          T H A N K   Y O U
          F O R   U S I N G
          T H E   C P   S Y S T E M

          HAVE A GOOD DAY!
```

If you are using a Wang PC and IBM Emulation, press <ALT>, <COMMAND> and <CANCEL> simultaneously to return to Wang operations.

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SECTION 5 SYSTEM FUNCTIONS

The system was developed with the user in mind. As a result, functions are menu-driven. The following section describes each available function as well as how and when to use that function.

You may choose a function in one of two ways:

1. Position the light bar over your desired choice by moving the up and down arrow keys and pressing <ENTER>.

or

2. Hit the number option which corresponds to your choice.

Once a function has been chosen, control shifts from the lower menu (menu at the bottom of the screen) to the tables.

Pressing <ESC> transfers control from the table back to the lower menu.

5.1 Available System Functions

SELECT: Use this option when you wish to choose a particular function from the main menu or any of the sub-menus. While in the select-mode you may view or edit data.

ADD: Use this option to add projects to the active projects list; funding sources to existing projects; Activity Code and/or Special Interest Code data to a selected project; and local currency funded projects to the Microenterprise project list.

DELETE: Use this option to delete projects and/or funding sources added through this system; activity codes and/or special interest codes from a selected project; and to remove projects from the micro-enterprise project list.

EDIT: Use this option to modify data in your current table section.

While in Edit Mode, you may move the cursor freely around the table section. All modifications are saved automatically when the enter key is pressed.

- . To enter a value type the value and press either the enter <ENTER> or the <UP> or <DOWN> cursor keys. The system will then move you to the next field until you have entered all of the fields. Leaving a field will automatically save your data.
- . To bypass a field simply use the arrow keys to move to the appropriate field.
- . To cancel an edit, press <ESC> before leaving the field. This will return the cell to its previous value.
- . To make corrections after entering a value, use the cursor keys to move to the appropriate field. You may then overwrite the field, enter a zero or use the delete key to erase the value.
- . To exit Edit Mode press <ESC> at any time. (Press <ESC> twice if you have started to enter table data in a field. This will transfer control from the table to the menu options at the bottom of the screen.

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BUDGET: Use this option to enter budget data for selected projects. This option can only be accessed through project data files (Table IV). When chosen, the following menu options are displayed:

- SELECT** Choose and edit account for selected project
- EDIT** Modify specific account data for selected project
- ADD** Add Activity Code and/or Special Interest code(s) to a specific project.
- DELETE** Delete a funding source added through this system. (You cannot delete any funding source that was preloaded on the distribution disk).

AC/SI: The Activity Code and Special Interest Code (AC/SI) option is used to select, edit and view an Activity Code and/or Special Interest Code. It is accessed from the project list. When this option is chosen, the following menu options are displayed:

- SELECT** Choose and edit Activity Codes and/or Special Interest Codes for a specific project.
- EDIT** Modify specific Activity Codes and/or Special Interest Codes for a selected project.
- ADD** Add Activity Codes and/or Special Interest Codes to a specific project.
- DELETE** Delete Activity Codes and/or Special Interest Codes for a selected project.

X-EXIT: Use this option to leave (exit) the system and return to DOS. While in the table section, this option can be used to return to the previous menu. Any time the system allows a response of 'X' to exit a function, you may also press the ESCape key to Exit the function

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5.2 Main Menu Functions

The following quick reference provides brief descriptions of each main menu function and instructions on how to execute those functions.

1. Enter CP Budget Data:

Use this function to edit or view data pertaining to the CP data. There are two basic steps in accomplishing this:

Select the desired table by using the system function SELECT described in Section 5.1.

Enter, edit or view data in the appropriate field by using the EDIT function described in Section 5.1.

2. CP Reports:

Use this option to print reports for any tables for which data has been entered.

3. System Maintenance:

Use this option to perform the following system functions:

- . Back-up CP Data
Copy CP data to diskette in floppy drive (A:).
- . Restore CP Data
Copy all CP data from the backup diskette in the floppy drive (A:) to the hard disk drive (C:).
- . Re-index CP Data Files
Use if data is lost or valid codes are not recognized.
- . Integrity Check
List irregularities of the data.

4. Prepare AID/W Disk:

This option is used to prepare a disk for transmitting the CP data to AID/W after all data has been properly entered and verified.

5. Exit to DOS:

Use this option to exit the system and return to the Disk Operating System (DOS) of the PC. This choice will terminate system operations and return to the DOS prompt.

The following options apply to Africa Missions only:

6. Monthly OYB Revisions:

This option allows you to maintain current OYB amounts at the project level

7. OYB Attribution Report:

This option uses the OYB amounts entered for the previous option and the Activity and Special Interest Codes maintained as part of option 1 to produce the target area attribution that is required by the monthly OYB reporting cable.



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

Microenterprise Monitoring System (MEMS) Reporting Packet

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I. Overview to MEMS	USAID and AID/W Offices should provide to all organizations and projects reporting under MEMS.
II. Exchange Rate Calculation Sheet	To be completed by USAIDs prior to distributing forms to projects for reporting.
III. Project Data Sheet	To be completed by USAIDs and AID/W Offices for each project containing microenterprise development activities. RETURN COMPLETED FORMS TO PRE/SMIE.
IV. Umbrella Reporting Form	To be completed by any umbrella organizations or projects involved in channeling A.I.D. resources to organizations that provide services directly to microenterprises. MISSIONS AND AID/W OFFICES COLLECT AND RETURN THE COMPLETED FORMS TO PRE/SMIE.
V. Implementing Organization Reporting Form	To be completed by all organizations receiving A.I.D. resources to support their work with microenterprises. MISSIONS AND AID/W OFFICES COLLECT AND RETURN THE COMPLETED FORMS TO PRE/SMIE.



Overview of the Microenterprise Monitoring System (MEMS)

AGENCY FOR
INTERNATIONAL
DEVELOPMENT

I. MEMS Background and Description

Background

For the past several years, the United States Congress has expressed a special interest in the U.S. Agency for International Development (A.I.D.) programs to assist microentrepreneurs in developing countries. During this time, Congress and numerous development organizations have been engaged in an ongoing discussion about several important issues that affect the nature and scope of A.I.D.'s microenterprise development efforts worldwide.

Throughout these debates, A.I.D. and Congress have maintained a commitment to targeting development resources towards promoting viable economic activities among the very poorest segments of populations.

As an indication of its interest, Congress established an earmark for microenterprise. For FY 1991 Congress required that US \$75 million be committed by A.I.D. to microenterprise development. During FY 1991 Congress incorporated language in both authorization and appropriation bills which, when enacted, will require that A.I.D. commit US \$85 million to microenterprise in FYs 1992 and 1993. A further requirement in these bills is that at least US \$20 million in FY 1992, and US \$30 million in FY 1993 be sub-earmarked for poverty lending.

As many of you familiar with the microenterprise debate are aware, there is no broad consensus about the best "cut-off" indicator for what constitutes poverty lending. However, at the present time, the measure most accepted by Congress to be indicative of poverty-lending is that loan amounts be equal to or less than US \$300.

In addition to establishing the microenterprise earmark, Congress has mandated that A.I.D. report annually on the status of its microenterprise development activities, including technical assistance, training, credit, policy reform, etc. This is information that has been reported to Congress in the past. However, within these broad categories Congress is also interested in project level details about lending, such as numbers of loans to female entrepreneurs, and the numbers of loans above and below US \$300. A.I.D. has not collected this type of

project level data systematically in the past.

Description of the Monitoring System and Implementation Requirements

To meet the annual reporting requirement established by Congress, A.I.D. is establishing a microenterprise monitoring system (MEMS) which will routinely provide data on the nature and scope of its efforts in microenterprise development. MEMS will gather information on two levels described below.

- **Mission and AID/W Level:** Microenterprise funding data from USAID Missions and A.I.D. Washington Offices. This is being collected via the existing A.I.D. reporting systems of the Annual Budget Submission (ABS) and Congressional Presentation (CP).
- **Project Level:** At the project level, microenterprise funding information and program data will be collected from: 1) umbrella projects/organizations (umbrellas) that support other organizations working in the sector, and 2) implementing organizations (IOs) that provide services directly to microenterprise owners and employees. Project level data will be gathered once a year in conjunction with the CP reporting cycle.

Given the large and diverse nature of A.I.D.'s work in this field, the task of developing MEMS will require cooperation at several levels within A.I.D. and among the multitude of organizations -- both U.S.-based and indigenous -- it supports in this sector. The responsibility for developing and managing MEMS falls to the Office of Small, Micro and Informal Enterprise in the Bureau for Private Enterprise (PRE/SMIE), and is being developed under a contract with Management Systems International (MSI).

Following a phase of preliminary design and field-testing undertaken by PRE/SMIE, MSI began work on MEMS in September 1991, with the broad responsibility for finalizing and fully implementing the system over a period of two years.

In combination with data already collected from USAID missions and AID/W offices via the 1993 CP, this package of information and forms represents the first comprehensive data collection effort being

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undertaken by MEMS to compile both mission level and project level information on A.I.D.'s worldwide microenterprise programs. The attached forms are to be used in collecting project level information from umbrella projects and implementing organizations.

While we have tried to identify, via a pre-test and extensive conversations with USAIDs and implementing organizations, most problems that might be encountered in completing these forms, we obviously won't have anticipated everything. Respondents are urged to bear in mind the spirit in which this exercise is carried out, that being an attempt to distill as accurately and systematically as possible what is, after all, a heterogenous set of activities carried out in highly diverse institutional, regulatory, geographic, and sectoral settings.

Thus, we ask that where uncertainty arises with respect to whether or not to include an activity, how to value an input, or how to apportion funding, that a "rule of reason" be applied in trying to sort the problem out. *Don't succumb to the temptation to drop or exclude something just because it doesn't fit neatly onto one of the data forms.* At the very least, contact PRE/SMIE or your USAID Project Officer to obtain advice.

Your cooperation in this undertaking is greatly appreciated.

II. General Terms and Definitions

Following are general terms and definitions that are used in the data collection questionnaires.

Microenterprise

A microenterprise is an enterprise engaged in manufacturing, commerce, services, or other transportation or construction activities that employs approximately 10 or fewer persons. A.I.D. has adopted a convention that excludes from this definition traditional small farm crop production enterprises. Other on-farm, non-crop-production activities *are* included.

Microenterprise Activities

MEMS is directed to report on all A.I.D. supported

microenterprise *activities*, whether implemented under a project titled "microenterprise", or as a component of a project whose title does not specifically mention microenterprise.

In some projects, microenterprise development is an obvious component because of the project's title. In other projects, however, the existence of microenterprise development activities may be less obvious. It is important to understand this distinction so that all of A.I.D.'s work in microenterprise development is captured by the MEMS reporting system.

Some examples of less obvious microenterprise activities that are contained in a larger project might include: a) PVO/NGO support projects that are multi-sectoral with small-scale or microenterprise being one of several sectors served; b) integrated rural development projects which contain a microenterprise development component; c) rural credit projects that have both crop production and non-agricultural lending services; and d) projects which include the promotion of income generating activities among urban or rural families.

A.I.D. also sponsors other programs intended to affect the policy or regulatory environment in which microenterprises operate. This includes, for example, "non-project assistance" designed to support policy reform. *These activities, where they can be tied to impacts benefitting microenterprises, must also be accounted for under MEMS. Please be careful to include all microenterprise activities in your reporting under MEMS.*

Local Currency Funding

Local currency funding is that funding made available through: a) sale of PL 480 commodities; or b) non-project Development Assistance or Economic Support Funds. Both local currency and dollar amounts used for microenterprise development must be reported on.

Umbrella Project or Umbrella Organization

A.I.D. uses the term "umbrella" to refer to a project or an organization which channels A.I.D. resources to implementing organizations that, in turn, provide direct services to microenterprises. Some umbrellas

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may also be providing services directly to microenterprises, in which case they also act as implementing organizations according to the MEMS system.

Implementing Organization (IO)

Any organization which provides services directly to microenterprises. This may include PVOs, NGOs, credit unions, cooperatives, banks or other financial institutions, whether public or private.

More terms and definitions are provided in the attached MEMS Reporting Forms.

III. Description of Reporting Responsibilities Within the MEMS System

Detailed instructions for reporting at the project level by umbrellas and implementing organizations are provided in the accompanying reporting packets. Data at the mission level has already been collected via the 1993 CP. In future years, all information will be collected concurrent with the CP cycle. Initial startup activities of the MEMS project this year prevented such a timetable.

A.I.D. Reporting Responsibilities

USAID Missions and AID/W offices that are funding microenterprise development activities should report their annual dollar obligations and local currency expenditures using Table X of the annual A.I.D. Congressional Presentation System. MEMS will use the data in Table X to track A.I.D.'s annual programming of funds for microenterprise development.

Upon receipt of this MEMS Reporting Packet, each USAID mission and AID/W office should complete both the Exchange Rate Calculation Sheet and the Project Data Sheet. They should then enter the exchange rate information into the boxes at the beginning of the data sheets on both the Umbrella and Implementing Organization (IO) Reporting Forms, and into the spaces provided in Tables 2 and 3 of the IO Form.

USAIDs and AID/W offices should make copies of the MEMS Overview and distribute them, along with the reporting forms to umbrellas and IOs working

under their projects. If an umbrella is not involved, then the USAID should directly distribute forms to the implementing organization. Once completed, each USAID and AID/W office is responsible for collecting and returning the forms to PRE/SMIE.

In some cases, a USAID Mission itself may be able to complete the umbrella and implementing organization forms. This is acceptable as long as the information reported is complete and accurate.

Reporting by Umbrellas

Umbrella projects and organizations are asked to complete the MEMS Umbrella Form. This form is used to tabulate expenditures and disbursements of the most recently completed fiscal year made by the umbrella in support of microenterprise development activities. In addition, the umbrella is requested to distribute the MEMS Implementing Organization Form to each of the organizations it supports.

In some cases, the umbrella may itself be able to complete the implementing organization forms. This is acceptable as long as the information reported is complete and accurate. Both sets of forms, once completed, should be returned to the umbrella's A.I.D. Project Officer. The umbrella need not summarize the data provided by its implementing organizations.

Umbrellas which are providing services directly to microenterprises should also complete a copy of the Implementing Organization Form (see below).

Reporting by Implementing Organizations

Organizations that provide services directly to microenterprises are asked to provide basic information on their program budget and on the beneficiaries they serve. The information provided at this level will be used by MEMS to report on topics such as lending within the US \$300 ceiling and gender.

All numbers should be reported in local currency. After completing the forms, the implementing organization should return them to their umbrella project manager or A.I.D. project officer.



MEMS Exchange Rate Calculation Form

Overview

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The exchange rate is used to determine the local currency equivalent of the US \$300 loan amount which MEMS must report to Congress. In an effort to standardize the calculation, and also to account for economies experiencing excessive inflation, a formula is presented below, and should be followed in all cases.

Each USAID is responsible for calculating these rates, and for entering them in the boxes appearing at the beginning of the data sheets in the Umbrella and Implementing Organization (IO) Reporting Forms, as well as in the spaces provided in Tables 2 and 3 of the IO Form.

Please follow these steps before distributing the Umbrella and IO Reporting Forms:

1. Calculate the local exchange rate for the reporting period using the attached Exchange Rate Calculation Sheet;
2. Determine the local currency equivalent of US \$300 using this rate;
3. Enter the exchange rate and the local currency equivalent of US \$300 into the boxes appearing at the beginning of the data sheets for the Umbrella and Implementing Organization (IO) Reporting Forms; and
4. Enter the local currency equivalent of US \$300 into the spaces provided in both Table 2 and Table 3 of the Implementing Organization (IO) Reporting Form.

Calculating the US \$300 Local Currency Equivalent

The exchange rate should be calculated by averaging the four rates in effect at the beginning of each quarter for the most recently completed fiscal year. An example is given below:

Sample Currency Exchange Rate Calculation

Name of Local Currency: Taka

The following amounts were equivalent to US \$1 during the Quarters indicated:

Date of Quarter	1 Oct 90	1 Jan 91	1 Apr 91	1 July 91	Average Rate
US \$1 Equivalent	32	33	33	35	33.25

US \$1 Equivalent in Local Currency (Average Rate)	33.25
Local Currency Equivalent of \$300 (Average Rate X 300)	9,975

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Exchange Rate Calculation Sheet

Date of Completion of this Form (Month/Day/Year) _____ Country _____

Name of Person Completing this Form _____

- Using the tables provided below, calculate the exchange rate for your country and enter the US \$300 local currency equivalent. This may be rounded somewhat. Enter these figures into the boxes appearing at the beginning of the data sheets for the Umbrella and Implementing Organization (IO) Reporting Forms. Also enter the local currency equivalent of US \$300 into the spaces provided in Tables 2 and 3 of the IO Reporting Form.

Name of Local Currency: _____

The following amounts were equivalent to US \$1 during the Quarters indicated:

Date of Quarter					Average Rate
US \$1 Equivalent					

US \$1 Equivalent in Local Currency (Average Rate)	
Local Currency Equivalent of \$300 (Average Rate X 300)	

- If your country has experienced inflation over 20% for the reporting year, check this box and indicate the rate:

Yearly Inflation Rate _____ %

This is the end of the MEMS Exchange Rate Calculation Form. Please make sure you also complete the MEMS Project Data Sheet.

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MEMS Project Data Sheet

Please complete one data sheet for each project involving microenterprise development activities.

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Date of Completion of this Form (Month/Day/Year) _____ Country _____

Name of Person Completing this Form _____

1. Project Title: _____
2. Project Number: _____
3. Total LOP Funding (Dollars and Local Currency): _____
4. Project Activity Completion Date (PACD): _____
5. Using the following table, list the organizations which implement microenterprise activities under this project. Also indicate the names of umbrella projects or organizations that channel monies to these organizations where appropriate. If the project is managed by an umbrella, that office can distribute and collect the IO Reporting Forms. Implementing organizations which are not supported through an umbrella should receive their forms directly from your office.

Name(s) of Implementing Organization(s)	Name(s) of Respective Umbrella(s) (If Applicable)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	

This is the end of the MEMS Project Data Sheet. Thank you for your assistance.

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MEMS Umbrella Reporting Form

Please read the Overview to MEMS before completing this form.

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Overview

Because you receive funding from the U.S. Agency for International Development (A.I.D.) for your microenterprise development activities, A.I.D. requests your assistance in completing this Umbrella Reporting Form. It is designed for organizations or projects that provide grants, loans, training, technical assistance or other forms of either monetary or non-monetary assistance to other organizations which in turn directly assist microenterprises.

Using the Umbrella Reporting Form, please report on that portion of your program which concerns *microenterprise development activities*. A.I.D. broadly defines microenterprises as enterprises engaged in manufacturing, commercial or service activities that employs approximately 10 or fewer persons. A.I.D. has adopted a convention that excludes from this definition traditional small farm crop production enterprises. However, other on-farm, non-crop-production activities *are* included.

In order that we can calculate what portion of your microenterprise development activities A.I.D. supports, you are requested to report the amount of funding your organization receives from non-A.I.D. sources.

All amounts should be shown in local currency. If necessary, please convert any dollar amounts to local currency using the exchange rates indicated at the top of the data sheets.

Please complete this form and request all organizations receiving assistance from you to complete a copy of the Implementing Organization Reporting Form. Please be sure they also receive copies of the Overview to MEMS. Only organizations that receive at least the equivalent of US \$10,000 need complete the Implementing Organization Form. If you have this information already available from your implementing organizations, then you need not ask them to complete a form as long as the information you have is both complete and accurate.

If your organization also provides services, credit, or other assistance *directly* to microenterprises, please complete a copy of the Implementing Organization Reporting Form for those activities.

We understand that you may not have these data routinely available, but we ask that you make your best effort at estimating when the information is not systematically available from a formal MIS or monitoring system. After collecting the Implementing Organizations Reporting Forms, please return them along with your completed Umbrella Reporting Form to your A.I.D. project officer. The primary goal of the MEMS project over the next two years (through 1993) is to steadily improve microenterprise project reporting. Therefore, if you do have any questions or suggestions, please let your USAID or AID/W office know so that we can address them during this implementation period.

Definition of Microenterprise Funding Categories Used in the Umbrella Reporting Form

Funding amounts for two broad categories of microenterprise activities are requested in Table 1 of this form. These are defined below.

Microenterprise Lending: This includes 1) all monies either granted or lent to implementing organizations for on-lending to microenterprises, whether in cash or in kind, and 2) monies used in loan guarantee schemes.

Other Microenterprise: This includes all other monies used to support implementing organizations that serve the microenterprise sector, i.e. technical assistance, training, institutional and operational support, etc. This should also include the cost of any commodities or non-monetary assistance provided by your office for such purposes.

Currency Exchange Rates and Loan Calculations used in MEMS

As noted in the Overview to MEMS, A.I.D. is required to report on loan amounts above and below US \$300. The exchange rate used to determine the local currency equivalent of this amount is calculated as an average for the most recent year.

To maintain some consistency, each USAID Mission is required to calculate both the exchange rate and the US \$300 loan equivalent and enter this information in the boxes at the beginning of the data sheets for the Umbrella and Implementing Organization Reporting Forms, as well as in Tables 2 and 3 of the Implementing Organization Reporting Form. Please check to see that this has been done in your package of forms.

If your organization received these forms from an A.I.D. office in Washington rather than a USAID Mission, please consult with the USAID in your country to find out what exchange rate is being used for MEMS reporting. Please enter the rates in the appropriate spaces of the Umbrella and Implementing Organization Reporting Forms.

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Data Sheets

This box should be completed by the USAID Mission prior to distributing these forms to the umbrella:

Project No. and Name: _____
Average Exchange Rate for the Year: _____ = US \$1 (Indicate name of currency.)
Local Currency Equivalent of US \$300: _____

Date of Completion of this Form (Month/Day/Year) _____ Country _____

1. Name of Umbrella Project: _____
2. Name of Organization Managing the Umbrella Project: _____
3. Personal Contact Name, Address, Telephone and Fax/Tlx Number: _____

4. Reporting Period ____/____ to ____/____ (Please use your most recently completed fiscal year.)
mo. yr. mo. yr.

Note: All information reported on this form should correspond to the reporting period stated above.

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5. Please complete Table 1 for the reporting period indicated. Estimates should include all costs, both programmatic as well as administrative.

Table 1: Use of Funds by Umbrella

Uses of Funds	Source of Funds (Expressed in Local Currency)		
	A.I.D.	Other ¹	Total Funds Used
Microenterprise Lending			
Other Microenterprise			
Total Microenterprise Funds Used			

6. Using Table 2, please list all implementing organizations² which receive assistance through your umbrella for microenterprise-related activities. If your organization also provides direct services to microenterprises, include it in this list.

Table 2: List of Implementing Organizations Supported by the Umbrella

1	2
3	4
5	6
7	8
9	10
11	12
13	14
15	16
17	18
19	20

For each organization listed above please distribute an Implementing Organization Reporting Form. Prior to distribution, please check that the box at the beginning of the data sheets for each Form, as well as the spaces provided in Tables 2 and 3 of the Implementing Organization Reporting Form have been completed by either your A.I.D. project officer or by you following his/her instructions. Don't forget to complete this form yourself if your organization provides assistance directly to microentrepreneurs.

This is the end of the Umbrella Reporting Form. Thank you for your assistance.

¹ This amount is necessary in order for A.I.D. to calculate what portion of the umbrella's and of the IOs' microenterprise activities A.I.D supports.

² Only organizations receiving the equivalent of US \$10,000 or more in assistance need to be included on this list. Organizations receiving less than the equivalent of US\$10,000 need not report.



MEMS Implementing Organization Reporting Form

Please read the Overview to MEMS before completing this form.

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Overview

Because you receive funding from the U.S. Agency for International Development (A.I.D.) for your microenterprise development activities, A.I.D. requests your assistance in completing this Implementing Organization Reporting Form which is designed for organizations which provide services directly to microenterprises either in the form of loans, technical assistance, training or other forms of monetary or non-monetary assistance. As an implementing organization (IO), you are requested to fill out the attached data sheets and return them to the office which gave them to you.

Please report on that portion of your program which concerns *microenterprise assistance activities*. The U.S. Agency for International Development (A.I.D.) broadly defines microenterprises as enterprises engaged in manufacturing, commercial or service activities that employs approximately 10 or fewer persons. USAID has adopted a convention that excludes from this definition traditional small farm crop production enterprises. However, other on-farm, non-crop-production activities *are* included.

You are requested also to report on the non-A.I.D. sources of funding your organization receives in order that A.I.D. can determine what portion of your total activities it supports. All amounts should be shown in local currency.

We understand that you may not have these data routinely available, but we ask that you make your best effort at estimating when the information is not systematically available from a formal MIS or monitoring system. The primary goal of the MEMS project over the next two years (through 1993) is to steadily improve microenterprise project reporting. Therefore, if you do have any questions or suggestions, please let your USAID or AID/W office know so that we can address them during this implementation period.

Definitions Used in this Form

Microenterprise Program Funding Categories

Funding amounts for two broad categories of microenterprise activities are requested in Table 1 of the attached data sheets. These are defined below:

- **Microenterprise Loans:** This is the total amount you lent to microenterprises. This also should include any non-monetary assistance, for example, in-kind loans, capital equipment that is to be repaid, etc. You may use a simple market rate calculation to assign a value to in-kind loans. Also include monies which you provided to support loan guarantee schemes, if any.
- **Other Microenterprise Assistance:** This includes all other expenditures necessary to support your operations and program activities in the microenterprise sector. For example: technical assistance, training, administrative and operational expenses, staff salaries, etc. This also should include the cost of any commodities or non-monetary assistance provided by your organization to microenterprises, unless these were given as loans, in which case they should be included in the "microenterprise loans" category.

An illustrative example of how to assign budget amounts to your microenterprise portfolio appears in **Attachment 1** and a sample worksheet in **Attachment 2**. You are not required to complete **Attachment 2**, but may use it to assist you in filling out Table 1 if you wish.

Microenterprise Technical Assistance and Training

In Tables 4 and 5 of the attached data sheets, you are asked to report on the number of people -- both microenterprise owners as well as microenterprise employees -- who received either technical assistance or training from your organization during the reporting period. Both technical assistance and training are counted together for these Tables.

We ask that you try and use the following guidelines when counting the number of people receiving either technical assistance or training:

- **Training:** Count each individual who attends a training course or training module. For example, if you hold a single evening course or workshop on a subject, then count each individual attending that course as one trainee. If the workshop involves a series of related evening courses all of which the participants must attend in order to acquire the skills you are teaching, then only count each individual as one for the entire series. If, however, you hold a number of different courses or workshops which each addresses a different microenterprise topic, then each individual can be counted each time he or she attends one of those courses.
- **Technical Assistance:** Technical assistance is assistance provided directly to an entrepreneur and/or the entrepreneur's employees in the areas of management, marketing, technology, or other areas of business management. Most of this assistance occurs on-site. If you provide specific and targeted technical assistance in different areas of microenterprise management, then each individual can be counted as a TA recipient when receiving that type of assistance. Both the entrepreneur as well as the employees can be counted if both receive technical assistance. Do not include visits to a firm solely to provide credit related or loan processing services. Also, general site visits made by business advisors over time should only be counted once for each microenterprise, not once for each visit.

Currency Exchange Rates and Loan Calculations used in MEMS

As noted in the Overview to MEMS, A.I.D. is required to report on loan amounts above and below US \$300. The exchange rate used to determine the local currency equivalent of this amount is calculated as an average for the most recent year.

To maintain some consistency, each USAID Mission is required to calculate both the exchange rate and the US \$300 loan equivalent and enter this information in the boxes at the beginning of the data sheets for the Implementing Organization Reporting Forms, as well as in Tables 2 and 3 of the Form. Please check to see that this has been done in the form which was provided to you.

If your organization received these forms from an A.I.D. office in Washington rather than a USAID Mission, please consult with the USAID in your country to find out what exchange rate is being used for MEMS reporting. Please enter the rates in the appropriate spaces of the Implementing Organization Reporting Forms.

Data Sheets

This box should be completed by the USAID Mission prior to distributing these forms to the IO:

<p>Project No. and Name: _____</p> <p>Average Exchange Rate for the Year: _____ = US \$1 (Indicate name of currency.)</p> <p>Local Currency Equivalent of US \$300: _____</p>

Date of Completion of this Form (Month/Day/Year) _____ Country _____

1. Name of Your Organization: _____

2. Personal Contact Name, Address, Telephone and Fax/Tlx Number: _____

3. Reporting Period ____/____ to ____/____ (Please use your most recently completed fiscal year.)
mo. yr. mo. yr.

Note: All information reported in this form should correspond to the reporting period stated above.

4. Please indicate the type of organization you represent, using the following categories. Check one.

- | | |
|---|---|
| <input type="checkbox"/> International PVO or NGO | <input type="checkbox"/> Local (indigenous) PVO or NGO |
| <input type="checkbox"/> Government Agency | <input type="checkbox"/> Para-Statal (government-owned corporation) |
| <input type="checkbox"/> Private, for Profit Organization | <input type="checkbox"/> Bank or Credit Union |
| <input type="checkbox"/> Cooperative | <input type="checkbox"/> Association or Federation |
| <input type="checkbox"/> Other -- Please explain: _____ | |

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5. Using Table 1, please indicate the amount of funding used for microenterprise program activities. Refer to Attachment 1 for an illustration of how to calculate these amounts for Table 1. If you wish, you may use the worksheet in Attachment 2 to prepare this information for Table 1. Also indicate the sources of these funds, whether: 1) USAID or a USAID-supported umbrella project, or 2) other non-USAID sources.¹ You do not need to specify the source of non-USAID funding, only the amounts. Be sure that the information corresponds to actual loans and program expenditures made during the reporting period.

Table 1: Budgetary Data

Use of Funds	Source of Funds (Expressed in Local Currency)		
	USAID or USAID-Supported Umbrella Project	Other ¹	Total Funds Used
Microenterprise Loans			
Other Microenterprise			
Total Microenterprise Funds Used			

6. Using Table 2, please indicate the *number and total value* of loans of varying sizes made to women and to men during the reporting period.

Table 2: Loans by Gender

Loan Size ²	Total Number and Amount of Loans		Breakdown by Gender of Loan Recipient			
			Women		Men	
	Number	Amount	Number	Amount	Number	Amount
Equal to or Less Than:						
Greater Than:						
Total Number and Amount of Loans						

¹ In order that we can calculate what portion of your organization's activities A.I.D. supports, you are requested to report the amount of funding your organization receives from non-A.I.D. sources.

² The loan size amounts should have been filled in by the USAID or umbrella project prior to distributing the forms to the implementing organization. If the amounts are not indicated, please contact the umbrella project office or USAID Mission in your country to get the correct figure.

7. Using Table 3, please indicate the *number and total value* of loans made to businesses in which: 1) the owner is the sole employee ("Self Only"), and 2) the owner employs up to approximately 10 other workers ("Up to Ten Employees"). Please note that the total number and amount of loans should be the same as that reported in Table 2.

Table 3: Loans by Size of Microenterprise

Loan Size ³	Total Number and Amount of Loans		Size of Business			
			Self Only		Up to 10 Employees	
	Number	Amount	Number	Amount	Number	Amount
Equal to or Less Than:						
Greater Than:						
Total Number and Amount of Loans						

8. What was the total amount or value of outstanding loans to microenterprises at the end of the reporting period? _____ (Please state in local currency.)
9. Using Table 4, please indicate the number of women and number of men who received technical assistance or training from your organization during the reporting period.

Table 4: Technical Assistance or Training by Gender

Number of People by Gender		Total Number of People
Women	Men	

10. Using Table 5, please indicate the number of people receiving technical assistance or training from your organization who were: 1) owner and sole employee of a business ("Self Only"), or 2) owners of or employees in a business with up to approximately 10 employees ("Up to Ten Employees"). The total number of people in Table 5 should be the same as that reported in table 4.

Table 5: Technical Assistance or Training by Size of Microenterprise

Number of People From Varying Size of Microenterprise		Total Number of People
Self Only	Up to Ten Employees	

11. Does your microenterprise lending program include a savings component, that is, do you collect and manage savings deposits of your clients? Yes No (Circle One)

If yes, please indicate in Table 6 how many separate savings accounts were registered and what was the total value of savings on deposit at the end of the reporting period.

Table 6: Savings Account Information by Gender

Gender	Account Information	
	Number	Amount
Male		
Female		
Totals		

12. We would also like to receive any descriptive information about your organization and its microenterprise development activities. This can be in the form of a brochure, annual report, or a brief statement, whichever is most convenient. This is optional, but we would very much appreciate receiving something which will help us gain a broader understanding of your development work.

This is the end of the IO Reporting Form. Thank you for your assistance.

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Attachment 1: Sample Budget Sheet Showing Microenterprise Development Funds Calculation to Use for MEMS Reporting

Item	Total Amount Used During the Reporting Period	Percent Supporting Microenterprise Program	Total Amount to Report Under MEMS	Percent & Amount Funded with USAID Resources		Percent & Amount Funded with Other Resources		Microenterprise Funds Use Category	
				Percent	Amount	Percent	Amount	Loans	Other
Director	25,000	25%	6,250	50%	3,125	50%	3,125		X
Administrative Assistant	15,000	25%	3,750	50%	1,875	50%	1,875		X
Accountant	15,000	25%	3,750	50%	1,875	50%	1,875		X
Secretary	10,000	25%	2,500	50%	1,250	50%	1,250		X
Office Rent	10,000	25%	2,500	100%	2,500	0%	0		X
Vehicle Maintenance	5,000	25%	1,250	50%	625	50%	625		X
Office Supplies	25,000	25%	6,250	50%	3,125	50%	3,125		X
Business Advisor	20,000	100%	20,000	100%	20,000	0%	0		X
Entrepreneurship Training	30,000	100%	30,000	100%	30,000	0%	0		X
Microenterprise Loans	50,000	100%	50,000	75%	37,500	25%	12,500	X	
Agriculture Extension Agent	20,000	0%	0						
Family Planning Specialist	20,000	0%	0						
Adult Literacy Trainer	20,000	0%	0						
In-Kind Loans to Farmers	50,000	0%	0						
Total	315,000		126,250		101,875		24,375		

Example Table 1: Budgetary Data

Use of Funds	Source of Funds (Expressed in Local Currency)		
	USAID or USAID-Supported Umbrella Project	Other	Total Funds Used
Microenterprise Loans	37,500	12,500	50,000
Other Microenterprise	64,375	11,875	76,250
Total Microenterprise Funds Used	101,875	24,375	126,250

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