
MAPS TOGO

Phase V: Private Sector Recommendations

DRAFT REPORT

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I. INTRODUCTION

The Manual for Action in the Private Sector, or MAPS, is a process which includes five phases, of which this document represents the fifth and final phase. USAID/Togo commissioned a MAPS in January 1992, with the goals of, 1) gathering baseline data which would reflect the scope and composition of Togo's private sector, and, 2) provide USAID/Togo with useful information to assist in the design of possible interventions which it might undertake to encourage the growth and relative importance of Togo's private sector.

Accordingly, The MAPS Phase 1 preliminary assessment was completed in January, 1992. In April 1992, a MAPS Team selected a Lomé-based consulting firm, SAFECO sarl, to assist in the collection of current economic data and to implement the later survey of Togo's private sector. At the same time, SAFECO was trained in MAPS survey methodology, and the MAPS Team, in conjunction with USAID/Togo adapted a J.E. Austin Associates base private sector survey instrument to reflect the Togolese situation.

The MAPS Phase 2 Private Sector Economic Description was completed in May 1992. The MAPS Phase 3 Private Sector Survey was carried out in May 1992, whereafter the data were analyzed in Washington, DC. The MAPS Phase 4 was a series of focus group discussions intended to return the data collected to some of the enterprises surveyed in Phase 3. These focus group sessions were held June 15-19, 1992, in all seven cities where survey interviews had been held.

The first half of 1992 was a time of considerable unrest for Togo. Indeed, the country had been in a period of political transition and unrest since at least November 1991, which was part of a period of economic transition which began several years before that. As might be expected, responses to survey questions on business confidence reflected caution and uncertainty. More specifically, however, the MAPS private sector survey field work began precisely in the week in which a Togolese opposition political figure, Gilchrist Olympio, was the target of an assassination attempt¹. Survey teams had difficulty in carrying out their work because of a three-day general strike called May 6th, especially in the south of the country by various groups.

Acts of public violence, including shootings, bombings and at least one alleged political abduction, continued in May and June 1992. Some events had direct party political content, some

¹ The shooting took place in the afternoon of May 5, 1992, in the north-central town of Bafilo; public knowledge was delayed until that evening.

expressed intra-governmental tensions, and others expressed localized tensions among various population groups related to land tenure issues, among others.

Finally, simultaneous with the MAPS Team's travels across Togo to conduct the focus group sessions in June, 1992, a technical team of Government of Togo tax officials was presenting a series of "sensibilisation" seminars on taxes in the same cities where the MAPS Team held focus groups. The goal of the tax officials was to explain the government's need to collect tax revenues and the responsibility of businesses especially to pay taxes. Held often on the same day as a MAPS focus group, these tax seminars appear to have contributed to heightened participant interest in, and often open debate on, taxes and tax policy. The focus group sessions were thus conducted at a time when opinions and attitudes expressed may be assumed to have been influenced by this national, social-political turmoil.

As noted, this document represents the fifth and final phase in the MAPS process. It is a reflection of the data gathered in all previous phases. It is the product of considerable internal discussion and debate among members of the MAPS Team and between the MAPS Team and outside participants in the process. These recommendations of possible USAID actions and interventions to promote the development of Togo's private sector are formulated in terms of a series of CPSP feasibility criteria. In light of the political and institutional difficulties facing Togo today, these recommendations are generally guarded.

Further, it should be understood that MAPS is not designed to be an exhaustive feasibility study into specific options. Rather, it is a more broadly defined methodological tool to provide context in which recommendations can be analyzed. Thus, rather than a definitive prescription for USAID (or others') programming over the next five years, MAPS is more effectively utilized as a tool for getting, and keeping, on track in terms of the economic reality of a national market². Other resources are then needed for refinement and additional detail before final planning priorities, targets and budgets are developed.

The reader is encouraged to use the previous four manuals while analyzing the MAPS recommendations. These four phases of MAPS include an introduction to Togo's economy and private sector (Phase 1), a more detailed description of the policy environment and role of the private sector in the economy (Phase 2), a private sector survey of 296 enterprises in the formal and

² It should be noted that the members of the MAPS Team did participate in a log-frame exercise in which USAID/Togo developed long term goals and strategies. Data and insights generated by the MAPS process were useful in that context.

informal sector (Phase 3), and a synopsis of focus groups held with private sector audiences around the country in June, 1992 (Phase 4).

The MAPS Team members were Robert Haslach, Michael Borish, Robert Rauth and Michael Grossman. They were assisted, as mentioned previously, by SAFECO sarl, a Lomé-based consulting group. Work on MAPS-Togo began in January 1992, and was completed in June 1992. The vast majority of the field work, data analysis and presentations occurred in April through June, 1992, when the MAPS Team spent a combined 15 weeks in country.

II. RECOMMENDATIONS

A. Private Sector Education

1. General Description: Given Togo's current political and institutional problems, it is believed that private sector "assistance" will make little impact on the economy in the short term. Some of the major constraints affecting all of Togo (public and private sectors) include: limited awareness of international markets; weak experience in operating enterprises with more than 10 employees; and very short-term approaches to cash management with little thought given to investment requirements. These constraints have more to do with the general policy and business environment (e.g., tax legislation, lack of recourse in disputes, arbitrary settlements, insufficient asset protection) than with the intrinsic qualities of the Togolese business person.

The MAPS Team believes that USAID should focus on medium- and long-term impact, particularly that which will be needed for, a) successful implementation of policy reform, b) attracting increased private investment from domestic and foreign sources, and c) promotion of labor-intensive activities to take advantage of potentially low cost resources. To further these objectives, the MAPS Team believes that a broadly defined concept of "private sector education" for both public and private sector operators would represent a reasonably prudent investment in human capital. Its goal is to help with Togo's future transition to "democracy", responsive institutions, due process, legal recourse, and a more transparent, market-oriented economy.

The overall objective of the Private Sector Education project would be the development of a cadre of public and private sector professionals and business people infused with the needed sense of entrepreneurship and accountability required for the functioning of both a dynamic private sector economy and a representative, responsive public sector. As such, most participants would pursue business or industry related programs for up to two years (often less) in the U.S., with on-the-job training and internships a key component. Not all participants would be in MBA programs, nor would all people be "private sector". A key component of the overall trainee mix would be public sector officials who lack an understanding of how businesses operate, and how public policy (e.g., tax issues, legal disputes, property rights) affects business operations and sustainability. The program would be carefully structured to ensure a sense of "orientation" (e.g., Class of 1996) among Togolese participants so that these groups would establish links in

Togo and serve as catalysts for institutional change in both the public and private sectors. Given the influence of "The Chicago Boys" in Chile and the Harvard technocrats in Mexico today, it is felt that a program such as this may give a push to Togo's future ability to achieve growth and stability after the current political impasse subsides. In addition, participants would be required specifically to take their training in the United States, and not in France, in order to expand their horizons beyond the French "metropole".

2. Feasibility Criteria: The Private Sector Education project would fulfil a minimum of four of the five USAID CPSP criteria for feasibility. These are discussed below:

- a) Financial: While graduate programs are expensive in the U.S., the MAPS Team believes that the Economic Rate of Return on this investment would likely be positive over time. Using \$20,000 as the average cost per participant, this would provide training for as many as 400-500 Togolese. As some of the cost would be defrayed by earnings from internships and on-the-job training, the average is likely to be less, particularly as many would only be in the U.S. for six months to a year. A base of 400 trained Togolese in a total population of 3.5 million would likely lead to substantial medium- to long-term impact. While expensive, it would also fit within the reach of USAID resources.

- b) Management/Operations: USAID currently does not have personnel who are specialized in this field. Nevertheless, USAID has experience in this area worldwide, and would be able to recruit. Recommended would be someone with both a business and education background, such as an individual with experience in human resource recruiting, training and planning for a large company. It is also possible that USAID would be able to identify a support function via the Peace Corps as more experienced professionals have been recruited by Peace Corps in recent years.

- c) Comparative Advantage: The US is the world leader in business and industrial programs, and has a wide range of universities and training institutes to meet the specific requirements of project participants. In this sense, the US has strong comparative advantage in terms of volume, quality and specialization. As for USAID, its extensive support in the past for business-related training represents a foundation of experience on which to provide specific guidance for the Togo project.

- d) Complementarity: This is the one area where the MAPS Team is uncertain of feasibility. While the Private Sector Education project would clearly enhance current efforts to

educate Togolese professionals in the public and private sectors, in some ways the kind of education promoted would run counter to traditional methods. The project would be very practical and "results-oriented" in its orientation, with much of the value derived from exposing people to other corporate structures, market activities, methods of operation, etc. However, this is one of the reasons the MAPS Team specifically believes this to be a worthy option. The MAPS Team believes that future Togolese leaders in the public and private sector need far wider exposure to other models and markets to more fully develop their sense of entrepreneurship and accountability. While not necessarily complementary to existing projects, this approach would actually be complementary to general "development objectives" by having a pragmatic, market-oriented design.

e) Monitoring/Evaluation: The Private Sector Education project would be reasonably easy to monitor in terms of evaluating impact. Some standard indicators would reflect the number of participants, universities attended, types of courses/degrees pursued, and companies/agencies worked with. Others would require some field work, which might provide one of the links to the aforementioned Peace Corps involvement. Some of these indicators might include estimates of investments made in enterprises upon return, employees hired, new products and markets developed, and types of links to US and other firms (e.g., franchises, licensing agreements).

B. Private Sector Associations

1. General Description: As discussed in Private Sector Education, Togo's current political and institutional problems are likely to limit the positive impact that might be derived from private sector "assistance" in the short term. A second intervention that USAID could pursue for medium- and long-term impact might be with private sector associations.

One of the key constraints to economic and private sector growth in Togo is the general absence of cooperatives, trade associations and other forms of business organization that pool resources for procurement, production, marketing, informational and other common purposes. Most people are not members of associations, and many believe associations to be ineffective in the delivery of services to their members. Reasons for this include: past government intervention and control; and, possibly, a cultural preference for individualistic production, marketing and management styles. The MAPS Team takes the latter reason as qualified: on the one hand, it was widely and spontaneously offered by Togolese focus group participants as the explanation for the lack of self-organization, while on the other, some groups have gotten organized in the past to achieve common economic goals. Similar efforts may break down some of the barriers to efficient resource management and information flows as the Togolese economy continues its structural adjustment.

Examples of organization at the base include informal groupings (tontines, commercial traders buying in bulk), credit unions, and a series of social organizations that periodically band together for economic or business purposes (e.g., ethnically-grouped business associations such as "the Indian traders", and some women's groups). The MAPS Team believes that targeted support for competent private sector associations would help raise the competitive standard in the Togolese economy, and contribute to monetized employment, GDP growth and a more dynamic economy.

The overall objective of the Private Sector Association project would be to strengthen the management and operating capabilities of independent private sector associations that are already organized and in possession of a clear structure and operating plan. The project would: a) provide (nascent) associations with specific training and technical assistance for management and organizational purposes, b) assist these associations with their ongoing efforts to provide saleable services, such as domestic and international market information, to their members, and, c) serve as a private

sector vehicle to engage the government in policy dialogue to encourage more promotional licensing and registration procedures accompanied by suitable regulatory controls.

The Team believes that this project could best start by providing assistance to the emerging Togolese pharmacists association ("Groupement d'Interet Economique de Pharmaciens Togolais") to help them in their efforts to diversify supply sources, obtain better market information from a more diverse group of suppliers (e.g., prices, quality standards) and expand the coverage of health care services rendered in Togo. All of this would reinforce existing USAID efforts in the health sector, promote greater competition in the procurement and marketing of pharmaceuticals, open up opportunities for U.S. and other manufacturers in a market nearly monopolized by French producers, and assist with the general effort to reduce the monopoly control heretofore enjoyed by TOGOPHARMA. Ultimately, work done with the pharmacists association would serve as a model for project replication in the development of other private sector associations.

2. Feasibility Criteria: The Private Sector Association project would fulfil most of the USAID CPSP criteria for feasibility, although there are some doubts about Economic Rate of Return and results that would show for such a project. These are discussed below:

- a) Financial: The project would require short-term consultants, on-site management and limited commodity support. It is felt that these requirements would be well within the financial resources at USAID's disposal. What the MAPS Team is unsure of is the Economic Rate of Return on such an investment. Togo's private sector is fundamentally disassociated, and it would take a great deal of time and money to create efficiency. In the case of the pharmacists, the MAPS Team believes it would be positive. However, the vast majority of private sector operators are informal, and it is the nature of business associations to professionalize organization and service delivery in a manner more consistent with formal enterprises and marketplaces.

- b) Management/Operations: USAID has personnel specialized in the health field, if not necessarily in the area of association development and management. Nevertheless, with USAID's worldwide experience in this area, it would be able to recruit. Recommended is someone with a business/trade association background, who has experience in policy reform, lobbying, service delivery, market information, and general organizational planning. In addition, it is possible that groups like the International Executive Service Corps could provide relevant short-term advisors.

c) Comparative Advantage: The US has strong associations which ably represent the interests of their members and play an active role in legislative reform. What is uncertain is the degree to which this experience can be effectively transferred to business associations operating with limited organizational experience in a much more constrained policy and institutional environment. In the case of the pharmacists, USAID might have much to offer. However, generalizing such a success might be more complicated in other sectors of the economy.

d) Complementarity: The Private Sector Association project would likely support other activities related to improved health care delivery, and larger issues of private sector organization. This project could also build on the work already accomplished by FUCEC, as many of their members are organized in COOPECs on an occupational basis. This structure could serve as the seed for additional "association development" beyond its present savings and credit relationship. Thus, complementarity is one of the strengths of this project option.

e) Monitoring/Evaluation: The Private Sector Association project would be reasonably easy to monitor in terms of evaluating impact. Some standard indicators would include new products, markets and customers, increased area of coverage, increased member revenues due to services rendered, and decreasing prices in the marketplace resulting from enhanced competition (e.g., pharmaceuticals).

C. Rural Credit and Artisanal Training

1. General Description: Credit constraints are among the most common experienced by African entrepreneurs, as well as entrepreneurs elsewhere. In the case of Togo, there is also a vacuum between the formal banking system and informal alternatives. Compared with Latin America and Asia, "semi-formal" institutions (e.g., credit unions) have taken far longer to take hold in Africa. USAID has helped with Togo's 40,000-member credit union movement, but even here its consolidated savings and credit figures are very small as a percentage of total figures. USAID could pursue one of two options, or a combination, in relation to the shortage of credit available to artisanal producers and others in the economy who have little chance of accessing bank credit.

First, USAID could continue to provide support to FUCEC, particularly for an increase in the number of field managers to increase membership, promote more training, and manage more ambitious savings and credit activities geared to increasing sound enterprise development in Togo. Second, USAID could support a rural credit project linked to targeted technical and business training for artisanal producers.

The MAPS Team believes that a rural credit and training project is attractive; in a more perfect world it would go a long way in reducing some of the severe structural constraints imposed on Togolese producers. On the other hand, savings are limited because cash on hand is limited for the vast majority of people in Togo. As such, progress will either be slow, if the credit union approach is followed (the prudent course for the long term), or potentially wasteful and difficult to manage if designed as a credit project that does not require participant savings or equity.

Thus, the MAPS Team recommends that USAID continue to support FUCEC for long-term impact, primarily by bolstering its ability to hire more field managers and support staff to achieve higher savings, credit and membership targets in a manner that is prudently managed. However, it may wish to consider a complementary artisanal training program which addresses costing, cash management, purchasing associations, and technical/vocational skills.

The overall objective of the Rural Credit and Artisanal Training project would be to strengthen the management and operational capabilities of FUCEC while expanding its membership and financial base, and assist the COOPECs and others (potential credit union members) with artisanal training to increase the potential market for "productive

credit" that would also be "performing credit" (e.g., customers making principal and interest payments on time). The project would: a) provide specific training and technical assistance for artisans in the manufacturing and service sectors, and, b) assist FUCEC with additional field managers and needed support staff to provide the home office services needed by COOPECS for increased credit union movement growth. The MAPS Team believes such an intervention would address some of the financial and operational constraints limiting job creation and increased value added in the Togolese economy.

2. Feasibility Criteria: The Rural Credit and Artisanal Training project would fulfil USAID CPSP criteria for feasibility, although there is risk involved in the management of credit and a requirement that USAID make a long-term commitment to seeing this building process through. Feasibility criteria are discussed below:

a) Financial: The project would require additional full-time credit union field managers and support staff, and likely involve a US NGO for the coordination of artisanal training activities. Such a project could be tailored to fit within USAID's financial resources, and then grow as warranted by results. Based on knowledge of other projects, it is believed that capable NGOs will have already developed many of the training modules required. Likewise, added support to FUCEC would be for Togolese staff (e.g., field managers) and some commodities (e.g., computers). As such, USAID support would build on existing structures, thus reducing cost.

b) Management/Operations: USAID has personnel familiar with rural finance and artisanal training, if not specialized in these fields. FUCEC already represents a strong base of human capital. It is likely, nonetheless, that an NGO would be brought in to coordinate training activities. This could be a group like OIC, ORT or others with substantial worldwide experience in vocational training and basic business management. It is likely that groups like the Peace Corps could also play a role in assisting with training.

c) Comparative Advantage: The US has strong experience in supporting these types of projects in Latin America and Africa. In addition, many NGOs have training experience at the artisanal level and are knowledgeable of business management fundamentals in Africa. Nevertheless, while certainly an area in which USAID has experience and has made "unique" contributions, results in Africa have generally been disappointing and far below expectations.

d) Complementarity: The Rural Credit and Artisanal Training project would reinforce USAID's commitment to FUCEC, but expand project parameters to include training for artisanal producers. This clearly complements the work of other donors in Togo, most of whose efforts have been ineffective in the financial sector. The key element here is the strengthening of semi-formal links in the chain between the vast majority of people outside the formal financial sector and the banking system itself, where credit unions, associations and companies generally deposit their savings and operating accounts.

e) Monitoring/Evaluation: The Rural Credit and Artisanal Training project would be easy to monitor in terms of evaluating impact. Some standard indicators for the FUCEC component would include loans made and repaid, growth of credit demand from existing customers, growth of overall savings, and new members. The training component would include number of trainees, number of modules taught, and performance correlation between graduates and their savings and credit activities.

D. Industrial Free Zone Program Assistance

1. General Description: While the Industrial Free Zone (IFZ) program has accounted for virtually the only new investment and employment creation in Togo's formal sector in recent years, the program's potential has not been maximized for a number of reasons detailed in the MAPS Togo Phase 2 report³. Given the internal constraints faced by UNIDO in the promoting and administering of the IFZ program, and UNIDO's lukewarm feelings about continuing its support, it is recommended that USAID become the lead donor with regard to the Investment Promotion Center and the Société d'Administration for the IFZ program. If, however, UNIDO intends to continue full support of the program, USAID assistance is not necessary.

Given the Government of Togo's difficulty in implementing policy reforms, the IFZ regime offers USAID the best opportunity to target policy reform assistance to something that is manageable and has already demonstrated substantial private sector interest. At present, the IFZ program is the only one that addresses Togo's policy constraints in a comprehensive manner.

Before undertaking this role, however, it is important, indeed, critical, that the Government of Togo agree to a certain conditions which include (but are not limited to):

- a. Legal establishment of the Investment Promotion Center
- b. Naming of the Board of Directors
- c. Hiring by the Board of a Director General
- d. Agreement to pay the Center's representational expenses
- e. Government payment of past and future IFZ program related expenses, such as telephone, electricity, rent, etc.

As its commitment to the program is unclear at the moment, agreement by the Government of Togo to accept these conditions and make the necessary changes in its policies and behaviors is essential. The Promotion Center has been unable fully to undertake its activities given the absence of state funding. Moreover, failure legally to establish and

³ MAPS-TOGO Phase 2: Private Sector Description, Washington, DC July, 1992

appoint a private sector majority Board of Directors for the two organizations has left Togo's IFZ program without a strong foundation or focussed plan for the future.

2. Feasibility Criteria: Assistance to the IFZ program would fulfill USAID CPSP criteria for feasibility. It is, however, most important that the Government of Togo agree to the conditions outlined above before USAID accepts any role in the program. If the conditions are not met, the project will inevitably limp along without direction or purpose. Feasibility criteria are discussed below:

a) Financial: IFZ program assistance would likely cost US\$1-2 million annually, which is within the means of the USAID/Togo. The experience of similarly configured promotional centers in other countries shows that the cost per new job created is very low⁴. While the Société d'Administration and the Investment Promotion Center cannot be expected to be self-sustaining, a portion of their revenue can eventually be expected to be obtained from user services, application fees, and the like.

b) Management/Operations: UNIDO now provides two long-term advisors: one for the promotion center and one for the IFZ regulatory body. These advisors, however, have sometimes been hampered by the absence of overseas institutional links. To create a stronger international presence and for the purposes of backstopping, USAID may wish to have future long-term advisors under an institutional rather than personal service contracts.

c) Comparative Advantage: USAID has extensive experience with industrial free zone programs worldwide and in Togo. Past experience in Togo and other countries with non-traditional export programs has shown that USAID has greater flexibility than does UNIDO in providing finance and technical support. USAID has had a number of success stories in developing non-traditional export programs in Latin American countries.

d) Complementarity: Given the fact that UNIDO is considering ending its assistance to the IFZ program, there is a unique opportunity at the moment for USAID to again become involved with the IFZ program. Assistance to the IFZ regime has a high level of

⁴ The cost per new job created under USAID's trade and investment programs in Costa Rica and the Dominican Republic ranged between US\$74-85.

complementarity with other projects proposed in this document, especially "E. Technical Assistance to Enterprise "Champions", but could also be undertaken on a stand-alone basis. In addition, this support would complement activities of other donors, especially the EC and certain bi-lateral programs.

e) Monitoring/Evaluation: Monitoring and evaluation of an IFZ program assistance project would be fairly straightforward. Program success could be measured in terms of IFZ exports, jobs, and investments. Secondary benefits, which would result but be more difficult to measure, include the transfer of technology and pressure to broaden market reforms as the free zone program takes hold.

E. Technical Assistance to Enterprise "Champions"

1. General Description: USAID experience in Latin America and the Caribbean has shown that enterprise-specific technical assistance and brokerage services to a limited number of producers is the most effective type of trade and investment project.⁵ One advantage of this approach is that it is policy neutral. In a sense, the project can succeed whether or not the policy environment is positive. In fact, this approach has been found to be the most appropriate for increasing exports and job creation in constrained policy environments.

Instead, this approach assumes that there are major constraints placed on local producers and investors that can only be overcome by highly targeted technical assistance in production or marketing. Assistance is directed at firms which have a number of the ingredients necessary for success but require further expertise in technical aspects such as production methods, quality control, pricing strategy, inventory control, or market brokerage assistance. The assistance should be hands-on and firm specific, rather than general marketing or feasibility studies.

The Champions mechanism encourages the targeting of opportunities which can yield the greatest export and/or job creation per USAID dollar. Given the small universe of firms that could benefit from this project, it is not recommended that assistance be limited to a few sectors. Extensive, on-going assistance should be aimed at only a few firms -- four to five firms per year of the program would be appropriate for Togo. The process for selecting firms for assistance should be based on two factors. One, how much assistance would be required to enable the firm to export successfully (the less the better). Two, whether the firm is willing to share any portion of the technical assistance costs. The latter is crucial as it demonstrates the firm's commitment to the program and will encourage the firm to take the assistance more seriously. As the object of the project would be to increase jobs and exports, assistance should be eligible to any existing firms in Togo (firms that are not yet in existence should be excluded as they offer no track record to measure accurately their potential). However, if necessary, eligibility could be limited to firms with 51% Togolese ownership.

⁵ "Promoting Trade and Investment in Constrained Environments: AID's Experience in Latin America and the Caribbean," Louis Berger International, November 1989.

2. Feasibility Criteria: The Champions project, if properly designed and implemented, would fulfill all of the USAID CPSP criteria for feasibility.

a) Financial: The project would require on-going short-term consultants with high degrees of industry-specific expertise. However, because of the small number of firms that would be assisted, this is by far the least expensive of the projects being proposed. Cost effectiveness is an important element of the Champions approach. Intensive assistance to the small number of firms should yield positive results for relatively little funding. Moreover, USAID's leverage is increased by concentrating services on potential winners who can become role models for other enterprises and whose employees may subsequently begin their own ventures.

b) Management/Operations: It is believed that a new institution need not be created to manage this project. One long-term advisor should be able to coordinate the assistance. USAID has much experience with this type of project elsewhere in the world, and attracting appropriate personnel should not be a problem. Given the specialized nature of the assistance required, it is recommended that a large firm or consortium be utilized that can easily access experts from a wide range of industries. (Organizations such as IRD, and Kurt Salmon Associates, or even IESC, can typically provide experts in a wide variety of fields.) With this type of structure, the Champions project would not pose too great a burden on USAID staff.

c) Comparative Advantage: USAID has successfully undertaken projects of this nature in a number of countries. Given the Togolese government's mixed record in implementing policy reforms, this approach would allow firms in Togo the ability to reorient their operations to external markets regardless of whether further policy reforms are successful or not. This is critical in Togo as the government has had difficulty implementing policy reforms and, at least at present, is preoccupied with the on-going political difficulties.

d) Complementarity: The assistance proposed here is differentiated from assistance provided through the Chamber of Commerce by the World Bank and UNIDO in that it is much more hands-on oriented. World Bank and UNIDO programs have been more structured to conducting feasibility studies to improve the "bankability" of

proposed projects. In this sense, Champions is not duplicative and is, if anything, complementary to these other assistance programs.

e) Monitoring/Evaluation: The Champions project would be extremely easy to monitor and evaluate. Success of the assistance could be measured by increases in the number of jobs, exports, investment, and capacity usage. Secondary measures would include the number of spin-off firms created, new markets and products, as well as transfer of technology.