

PARTNERSHIP FOR PRODUCTIVITY  
RURAL ENTERPRISE EXTENSION SERVICE  
THIRD YEAR EVALUATION

PREPARED FOR

USAID/BOTSWANA

PFP BOTSWANA

BY

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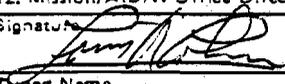
CLASSIFICATION  
PROJECT EVALUATION SUMMARY (PES) - PART I

Report Symbol U-447

1. PROJECT TITLE  <p style="text-align: center;">RURAL ENTERPRISE EXTENSION SERVICE</p>			2. PROJECT NUMBER  633-0212	3. MISSION/AID/W OFFICE  USAID/Botswana
4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY) FY 82-3				
<input checked="" type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION				
5. KEY PROJECT IMPLEMENTATION DATES A. First PRO-AG or Equivalent FY <u>78</u> B. Final Obligation Expected FY <u>78</u> C. Final Input Delivery FY <u>82</u>		6. ESTIMATED PROJECT FUNDING A. Total \$ _____ B. U.S. \$ <u>499,095</u>	7. PERIOD COVERED BY EVALUATION From (month/yr.) <u>10/1980</u> To (month/yr.) <u>9/1981</u> Date of Evaluation Review <u>23 November 1981</u>	

8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR		
A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PIQ, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
1. That MCI and PFP immediately begin discussions to plan and implement an orderly, step-by-step merger process which will lead to an enhanced BAS once the two programs are consolidated. Paramount among the discussion topics should be systems utilization and refinement, i.e., the PFP/BAS program is a relatively input - intensive system in regard to training, supervision and reporting while the MCI/BAS is not. This is a major inconsistency that must be reconciled if the consolidated program is to produce the critical information that MCI/BAS will need relative to the quality and quantity of program outputs and impacts.	Director of Commercial Affairs/MCI and PFP Managing Director	ASAP
2. That MCI recognize the need to relieve the present MCI/BAS Program Senior of duties other than the direction and planning of a business skills extension service.	Director of Commercial Affairs/MCI	ASAP
3. If an individual cannot be found to assume the direction of those additional programs for which the BAS Program Senior is currently responsible because of manpower shortages, MCI should discuss with USAID/Botswana the recruitment of an interim program director and the training of a MCI designated counterpart.	Director of Commercial Affairs/MCI	ASAP

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS <table style="width: 100%;"> <tr> <td><input type="checkbox"/> Project Paper</td> <td><input type="checkbox"/> Implementation Plan e.g., CPI Network</td> <td><input checked="" type="checkbox"/> Other (Specify)</td> </tr> <tr> <td><input type="checkbox"/> Financial Plan</td> <td><input type="checkbox"/> PIO/T</td> <td><u>MCI Internal</u></td> </tr> <tr> <td><input type="checkbox"/> Logical Framework</td> <td><input type="checkbox"/> PIO/C</td> <td><input type="checkbox"/> Documents</td> </tr> <tr> <td><input type="checkbox"/> Project Agreement</td> <td><input type="checkbox"/> PIO/P</td> <td><u>Other (Specify)</u></td> </tr> </table>	<input type="checkbox"/> Project Paper	<input type="checkbox"/> Implementation Plan e.g., CPI Network	<input checked="" type="checkbox"/> Other (Specify)	<input type="checkbox"/> Financial Plan	<input type="checkbox"/> PIO/T	<u>MCI Internal</u>	<input type="checkbox"/> Logical Framework	<input type="checkbox"/> PIO/C	<input type="checkbox"/> Documents	<input type="checkbox"/> Project Agreement	<input type="checkbox"/> PIO/P	<u>Other (Specify)</u>	10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT A. <input type="checkbox"/> Continue Project Without Change B. <input type="checkbox"/> Change Project Design and/or Extend <input checked="" type="checkbox"/> <del>Extend</del> <u>Extend</u> Implementation Plan to 30 June 1982 C. <input type="checkbox"/> Discontinue Project
<input type="checkbox"/> Project Paper	<input type="checkbox"/> Implementation Plan e.g., CPI Network	<input checked="" type="checkbox"/> Other (Specify)											
<input type="checkbox"/> Financial Plan	<input type="checkbox"/> PIO/T	<u>MCI Internal</u>											
<input type="checkbox"/> Logical Framework	<input type="checkbox"/> PIO/C	<input type="checkbox"/> Documents											
<input type="checkbox"/> Project Agreement	<input type="checkbox"/> PIO/P	<u>Other (Specify)</u>											

11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)  SEE APPENDIX C	12. Mission/AID/W Office Director Approval Signature:  Typed Name: <u>LOUIS A. COHEN</u> Date: _____
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CLASSIFICATION  
PROJECT EVALUATION SUMMARY (PES) - PART I

Report Symbol U-447

1. PROJECT TITLE  RURAL ENTERPRISE EXTENSION SERVICE			2. PROJECT NUMBER	3. MISSION/AID/W OFFICE
4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY)			<input type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION	
5. KEY PROJECT IMPLEMENTATION DATES A. First PRO-AG or Equivalent FY _____ B. Final Obligation Expected FY _____ C. Final Input Delivery FY _____	6. ESTIMATED PROJECT FUNDING A. Total \$ _____ B. U.S. \$ _____	7. PERIOD COVERED BY EVALUATION From (month/yr.) _____ To (month/yr.) _____ Date of Evaluation Review _____		

8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
4. That MCI further recognize that the field supervisor is the major link between MCI headquarters and field operations. The staffing of this vacant position with an individual experienced with BAS operations is of crucial importance to BAS program implementation and development. It is therefore recommended that the vacancy be filled by promoting a PFP or MCI/BAS staff member with such knowledge and experience.	MCI/BAS Program Senior	April 1982
5. Prepare or revise internal MCI documents to assure that the duties of the BAS staff and the program objectives are realistically defined and detailed and pertain exclusively to the operation of a business skills extension service.	MCI/BAS Program Senior	April 1982
6. Prepare a project memorandum to assure access to funds for capital expenditures necessary to support the consolidated BAS staff after the merger.	Director of Commercial Affairs and Senior Planning Officer	ASAP
7. That a training unit be created within the Ministry of Commerce and Industry to cater to the educational needs of <u>all</u> MCI departments and divisions. The periodic training needs of the consolidated BAS could be readily met by utilizing the standardized PFP curriculum thus assuring ongoing, in-house BAS staff development support.	Permanent Secretary MCI	Fiscal Year 1982

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS <input type="checkbox"/> Project Paper <input type="checkbox"/> Implementation Plan e.g., CPI Network <input type="checkbox"/> Other (Specify) _____ <input type="checkbox"/> Financial Plan <input type="checkbox"/> PIO/T _____ <input type="checkbox"/> Logical Framework <input type="checkbox"/> PIO/C _____ <input type="checkbox"/> Project Agreement <input type="checkbox"/> PIO/P _____	10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT A. <input type="checkbox"/> Continue Project Without Change B. <input type="checkbox"/> Change Project Design and/or <input type="checkbox"/> Change Implementation Plan C. <input type="checkbox"/> Discontinue Project
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11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)	12. Mission/AID/W Office Director Approva. Signature _____ Typed Name _____ Date _____
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AID 1330-15 (3-78)

13. SUMMARY

This evaluation constitutes the third year external evaluation of USAID Operational Program Grant (OPG) 78-633-29. The objective of the grant was the establishment of an effective small business extension program to train Batswana in management skills so as to aid in the development of Botswana's commercial and small industrial sector.

The main findings of the evaluation are overwhelmingly favorable: a functioning, high quality business skills extension service using local staff is operating in southern Botswana; accountability has been ensured through the development of a reporting and monitoring system; and Partnership for Productivity (PFP) is in the final stage of codifying a small business skills curriculum package.

During Fiscal Year 1981, PFP trained 181 clients and five local business advisors. Since the inception of the project, 288 clients and 26 local advisors have been trained.

In August 1981, an agreement was signed between the Ministry of Commerce and Industry (MCI), PFP and USAID/Botswana to merge PFP's extension program with that of MCI effective April, 1982. Although the Government of Botswana has shown good faith in continuing the Business Advisory Service (BAS) by creating permanent, full time positions for a headquarters director and a field supervisor, the latter position must be filled and the duties of the individuals staffing these positions must be limited to the operation of a business skills extension service. Failure of the MCI/BAS to focus exclusively upon the business extension program by April, 1982 could seriously jeopardise the quality of post merger BAS output.

14. EVALUATION METHODOLOGY

This evaluation was originally intended to be the End-of-Project Evaluation of USAID OPG 78-633-29. However, at PFP's request, USAID/Botswana has granted an extension of the project assistance completion date from September 30, 1981 to June 30, 1982. As a result, this document serves as the third year evaluation of PFP's Rural Enterprise Extension Service. Its purpose is to measure the progress of the project, to verify project hypotheses and to recommend measures to improve the implementation of the project. The evaluation methodology is based on a review of project files, discussions with USAID and PFP staff, and interviews with PFP and MCI/BAS business advisors and their clients, select government officials and relevant non-government individuals. A list of those interviewed during the course of the evaluation is contained in Appendix C and D.

15. EXTERNAL FACTORS

There are several external factors which have affected the implementation of this project. Only one of the three key assumptions upon which the success of the project was predicted has proven to be valid over the three year grant period. The following paragraphs will assess the assumptions made in the OPG regarding external factors.

The designers of the OPG appear to have been unrealistically optimistic regarding the project's ability to overcome constraints to small business development in Botswana. Their three hypotheses were:

- (a) although Botswana businesspersons lack basic business skills, they are similar to their counterparts elsewhere in the developing world in that they are ambitious, dynamic

and profit -motivated.

- (b) it would be possible to recruit local school leavers with relatively little background in business skills, give them specialized training and deploy them in areas where businesses are concentrated so as to transfer these skills to clients in an organized manner; and
- (c) that a business extension program with broad national coverage would be implemented in an environment favorable to small business development.

The western concept of a small businessperson who works diligently in his or her enterprise to reap financial reward and status in society simply does not apply to Botswana. Several development monographs written about Botswana point out the fact that starting a business is merely a means of diversifying one's wealth with relatively little risk or effort. For a Motswana man, owning a business is a secondary endeavor to primary occupations in agriculture, livestock and the civil service. It is in these three principal occupations that a man can excel and achieve status and respect. Because she is restricted entry into an occupation in agriculture and livestock, it is the Motswana woman who has the potential to devote herself to the successful pursuit of her husband's (or her own) business.

This cultural phenomenon makes the prospect for small scale business development a difficult task which will require considerable time and effort to realize. But if Botswana are to participate and compete in their country's commercial and small industrial sector, the time and

resources required to provide them with the necessary management skills will not be wasted.

It is the assumption regarding the ability to train school leavers to become competent business skills extension agents that has proven to be the most valid since the project came on line in 1978.

The PFP business advisors in the field today demonstrated themselves to this evaluator as being highly motivated and responsible individuals who are competent in the business topics they are teaching their clients. By observing the advisors' teaching methods and questioning their clients regarding what they have learned and, more importantly, why they have learned what they have, I believe the advisors are making a substantive impact in the communities they serve. This is a tribute to the PFP training curriculum which has evolved over the past three years and to PFP's commitment to ongoing staff development.

There does not appear to be a strong positive environment for small business development in Botswana at this time. Although Botswana's fifth National Development Plan states that it is the Government's aim to increase employment opportunities for citizens through the creation of a "favorable environment" and through "positive encouragement and advice", the application of restrictive legislation to businesses of all sizes remains the Ministry of Commerce and Industry's dominant function. It is hoped that a major legislative review begun in 1979 and aimed at eliminating unnecessary restrictions will reduce MCI's regulatory functions so as to enable it to become more actively involved in the promotion of

business. A positive business stance by MCI would enhance the activities of the Business Advisory Service.

Although the above misassumptions by the OPG design team have acted as constraints to the implementation of the project they have not substantively deterred its implementation. In all likelihood, it is the validity of the second assumption that has facilitated the project's successful implementation to date.

16. INPUTS

The Operational Program Grant (OPG) agreement was signed on October 4, 1978 for a total USAID obligation of US \$499,097. The most significant additional financial input to the PFP project has been that of in-kind support services from the Botswana Development Corporation totaling approximately US \$72,000 over the past 36 months.

Specific evaluation findings grouped by types of inputs include the following:

A. MANAGEMENT/TECHNICAL ASSISTANCE

Both past and present members of the PFP Board of Directors expressed complete satisfaction with the performance of the Managing Director who is responsible for the planning and administration of all financial, personnel and operational activities. A Peace Corps Volunteer with training and experience in Business Administration was assigned to PFP in January 1979 to provide technical assistance as a training officer. The staffing of the training officer slot was an integral

part of the PFP plan to upgrade its training input so as to be able to place more highly skilled extension personnel in the field.

B. SYSTEMS DEVELOPMENT/TRAINING

PFP has developed four operational systems which have resulted in a functioning business advisory service in the field. These are:

- (1) a system to recruit and train business advisors;
- (2) a management system intended to monitor the field performance of business advisors with regard to the quality and quantity of impact on their clients;
- (3) a reporting system to monitor the progress of the business advisors' clients; and
- (4) a system of in-service training to enhance the confidence, technical skills and teaching methods of business advisors in the field.

Early in the life of the project, PFP concluded that the training input would be the key to the long-term achievement of the project's objectives and therefore made a conscious decision to upgrade its training program for the following reasons:

- (a) a shortage of highly skilled manpower coupled with the historical absence of commercial orientation in Botswana society necessitated an intensive and comprehensive training program for business skills extension positions;
- (b) repeated attempts at establishing a business advisory service have failed in the past. Unless advisors could be placed in the

field with a relatively high level of skills to transfer to the target group, this most recent extension program would neither serve its purpose nor would it establish itself as a permanent development tool.

17. OUTPUTS

The reference points for measuring outputs of the Rural Enterprise Extension Service (REES) as stated in the OPG are as follows:

- (a) an advisor would be trained in 4 to 6 weeks;
- (b) 25 - 29 advisors would be placed in the field;
- (c) a client would be trained in 6 months;
- (d) 975 total clients would be trained;
- (e) a reporting system would be developed to calculate cost/benefit ratios and to monitor the impact of the extension service;
- (f) 131 new jobs would be created;
- (g) client training would result in a 28% increase in average net client profit; and
- (h) client training would result in a 25% net profit reinvestment by clients.

Early in the first year of operation, the PFP Board of Directors realized that these OPG benchmarks were extremely optimistic given the rather unique business environment of Botswana and the benchmarks were resultingly modified or dropped. The REES had, in fact, been developed in Kenya where there exists a strong tradition of

ambitious, experienced, dynamic and profit-motivated businesspersons. This is not applicable to Botswana (Section 15).

The unrealistic nature of these benchmarks merit discussion.

Benchmark 1: An advisor would be trained in 4 to 6 weeks.

This assumption was quite optimistic in light of the historical absence of entrepreneurial orientation in Botswana society. The current PFP training program provides advisors with an initial ten weeks of instruction and is then supplemented by a monthly two day training session. This mix has produced a competent group of field advisors.

Benchmark 2: 25-29 advisors would be placed in the field.

The OPG designers intended for these individuals to be the joint contribution of PFP and MCI/BAS to the extension program. However, a study by the United Nations Conference on Trade and Development (UNCTAD)\* suggested that a moratorium should be imposed on BAS expansion until MCI develops the administrative capacity to manage the program. The number of field positions was subsequently frozen at twelve.

Benchmark 3: A client would be trained in 6 months. This assumption, like that of Benchmark 1, failed to take into consideration the Botswanas' lack of entrepreneurial tradition.

As a result, the time dedicated to the training of a client

\* Low, Patric, Localization In The Commercial Sector In Botswana P.43

had to be increased. At present, a PFP advisor can adequately train a client in a variety of business skills in 9 to 12 months.

Benchmark 4: 975 total clients would be trained. Given the problems of implementing a new project and the time lag involved in convincing a traditionally conservative public of the ultimate benefits of the service coupled with the above discussions, one has to characterize this assumption as hopeful at best.

Benchmark 5: A reporting system would be developed to calculate cost/benefit ratios and to monitor the impact of the extension service. Assigning cost to increments of improvement over time is a particularly tedious process and is of questionable value in the short run even if one could accurately measure improvements. The lack of baseline data with which to compare changes over time and hence impact would have rendered monitoring amorphous. As a result, this benchmark was disregarded by the PFP Board of Directors.

Benchmark 6: 131 new jobs would be created. Given the fact that a majority of the small businesses in Botswana (or in most places in the developing world) have an overabundance of employees, whether salaried or not, an emphasis should not have been placed on job creation in the small business sector (which could only exacerbate the underemployment problem) but

rather on the improvement of existing staff efficiency. Training that increases the efficiency of the existing work force in this sector can, over time, benefit the community and the nation as a whole through an increase in the output of goods and services. New jobs can become a by-product of this increase in output given the proper supply-demand environment. But the existing work force must become more efficient in order to raise output. Training them to be efficient is PFP's goal.

Benchmark 7: Client training would result in a 28% increase net client profit. The lack of baseline data by which to judge change renders this benchmark all but impossible to determine.

Benchmark 8: Client training would result in a 25% net profit reinvestment. Without baseline data, the results of any investigation, however detailed, would be inaccurate.

Despite the fact that many of the original benchmarks were dropped and others modified, significant progress has been made towards achievement of several outputs whether originally stated in the OPG proposal or not.

The status of these outputs are as follows:

A. SKILLS TRAINING CURRICULUM

A most important output is the PFP business skills curriculum package which is in the final phase of being codified. The curriculum is based on the PFP/Kenya training model which has been refined and adapted to Botswana's rather unique conditions. It consists of four components: Basic Business Records; Basic Business Skills; Management Topics; and Policies and Procedures which encompass approximately thirty subjects plus a Policies and Procedures Manual. Additionally, the curriculum is supplemented by a program of regularly scheduled in-service training designed to upgrade skills and act as a refresher course.

The development of this curriculum package has ensured localization of the Business Advisory Service and, most importantly, provides the nucleus from which MCI can develop its own in-house training capacity.

B. ADVISORS TRAINED AND PLACED IN THE FIELD

During the FY 79-FY81 grant period, PFP has trained 26 Botswana as business advisors for both the PFP/BAS and MCI/BAS programs. Of these, eleven are currently operating in the field, one is the PFP field supervisor and another is assigned to PFP headquarters to work on special projects. Several factors account for the attrition of these thirteen individuals who received training but are no longer with the BAS.

As in any environment which suffers from acute manpower shortages, the demand for skilled labor in Botswana has created a situation where any reasonably qualified individual can be bid away from his or her current employment by an employer willing to offer a better price for the skills that individual possesses. Owing to the fact that PFP staffs a relatively young group of ambitious individuals, it is not surprising that an offer of increased remuneration early in one's career results in frequent turnover. The nature of extension service employment also contributes to the turnover rate. An offer of an equal or better salary in Gaborone induced some individuals to abandon employment in the rural areas where the BAS functions. These

realities, together with the fact that some of those trained have failed to meet the expectations demanded of them has resulted in what is considered in Botswana to be a normal rate of employee turnover.

The availability of potential advisors, i.e. school leavers with some degree of business experience, is not a problem confronting PFP. On the contrary, there is a backlog of applications for business advisor positions. The constraint to placing more advisors in the field is the moratorium that MCI has imposed on the expansion of the BAS program as explained above.

C. CLIENTS TRAINED

A review of PFP project files indicates that a total of 288 clients have been trained in business skills over the past three years. During FY 81, 181 clients received training. The fact that over half of the total number of clients trained received that training in the third year of operation is attributable to the limited effectiveness of the program in its early stages due to the lag time required for program implementation and staff development. The number of clients trained has been directly correlated with the increase in staff development and effectiveness.

The expertise gained through training and field work enabled the PFP staff to teach five short courses during FY 81 dealing with costing, pricing and management skills. Forty-seven

small industrial producers attended these courses. Two of the these courses were held in Kanye and one each in Ghanzi, Mochudi and Ramotswa. These courses averaged six days of instruction.

Interpretation of the training received by these clients merits discussion. The total number of clients trained is composed of three client categories: those who have demonstrated proficiency in book-keeping skills and have been graduated; those who are active and still receiving training; and those who have been dropped from the program after receiving some amount of instruction for such reasons as absentism, lack of interest, business closure, etc. Of the 181 clients who received training during FY 81, 32 were graduated, 86 are still active and 63 were dropped. A sample of 15 graduated clients revealed that graduates receive an average of 32 hours of instruction in business skills. (Appendix B presents a profile of individuals who have received PFP training.)

D. REPORTING SYSTEM/FIELD MONITORING

The cumbersome monitoring and reporting system that was developed by PFP in Kenya has been refined into a streamlined version which records client improvement. Business advisors record the progress their clients are making in various instructional topics. Although the procedure is not thoroughly methodologically reliable because each individual advisor can view progress in a subject differently, the field supervisor is responsible for sampling advisors' clients on a regular basis to verify whether

progress is indeed being made.

When an advisor ascertains that a client has demonstrated proficiency in basic records such that the client can produce, use and understand the principals of profit and loss statements and balance sheets, the advisor makes a graduation proposal to both headquarters and the field supervisor. The latter then conducts a personal assessment of the client using standardized guidelines designed to emphasize maximized training rather than rapid turnover of clients. Based on this assessment, the field supervisor makes recommendations to headquarters whether to graduate clients or retain them for further training.

These new reporting and monitoring methods enable PFP to assess the project's impact in a systematic manner. Regardless of turnover in advisors or supervisors, the reporting and monitoring system retains its consistency.

E. INSTITUTIONALIZATION OF A BUSINESS ADVISORY SERVICE

Since early in the planning stages of the OPG it has been PFP's overriding intention to institutionalize a Business Advisory Service in Botswana. There had been several attempts at creating such a service prior to PFP's arrival but all had ended in failure. A considerable portion of PFP's effort has gone towards ensuring the creation of a viable local capacity in business skills training.

As an autonomous, local company, directed by predominantly local persons and staffed by local personnel, PFP has succeeded in creating a functioning, high quality business skills extension service to which much local support has been given.

The development over the past three years of a competent and enthusiastic field staff, a viable monitoring and reporting system and an all encompassing business skills curriculum package provides a well established base from which the merged MCI/BAS and PFP/BAS program can continue to operate in order to promote the development of Botswana's small commercial and industrial sectors.

18. PURPOSE

The approved purpose of the project as stated in the OPG is as follows:

In collaboration with the Ministry of Commerce and Industry, the Botswana Development Corporation and other Botswana Institutions, to demonstrate with the PFP pilot project an effective small enterprise extension service for delivering appropriate management training to small-scale businesspersons; and to train, implement and provide monitoring systems for the Ministry of Commerce and Industry program.

End-of-Project Status conditions and their status are:

A. ESTABLISHMENT OF A SMALL BUSINESS EXTENSION SERVICE WITH REPORTING AND MONITORING CAPABILITY

During the past three years, PFP has been successful in establishing a functioning, high quality business skills extension program which serves southern Botswana. With offices in Gaborone, Kanye and Mochudi, the program has a field staff of six individuals acting as business advisors in these communities (a seventh PFP advisor has been seconded to MCI/BAS in Mahalapye). After each weekly one-on-one instruction session, advisors record the progress of their clients in various business topics. A field supervisor monitors both the performance of the advisors and the progress of the advisors' clients on a regular monthly basis.

B. DEVELOPMENT OF A CURRICULUM TO TRAIN BUSINESS ADVISORS

This purpose subsumes the discussion in section 17A and is one logical culmination of the long-run impact of the PFP project.

C. MERGER OF THE PFP BUSINESS ADVISORY SERVICE WITH THAT OF THE MCI

As outlined in Botswana's fifth National Development Plan, the Ministry of Commerce and Industry is expected to play a key role in activities designed to generate income and employment throughout the country. Because the Business

Advisory Service is one of MCI's few enterprise promotion programs, the capability to provide a successful business skills extension service to Botswana involved in commercial and small industrial endeavors should be of paramount importance to the Ministry.

In August 1981, representatives of MCI, PFP and USAID signed an agreement to merge PFP's Business Advisory Service with the MCI/BAS effective April, 1982. The integration of these two extension programs can be successful only if the following issues are resolved:

- 1) The PFP extension program is a relatively input-intensive system in regard to training, supervision and reporting while the MCI/BAS is not. Unless this major inconsistency can be reconciled, the consolidated program will be unable to produce the critical information necessary to assure the quality and quantity of program outputs and impact;
- 2) Although the Government of Botswana has demonstrated its intention of continuing the Business Advisory Service by creating permanent, full time positions for a BAS director and a field supervisor, the latter position must be filled to assure continuity between MCI headquarters and field operations. Furthermore, the duties of the BAS director as well as the field

staff must be realistically defined and detailed and limited exclusively to the operation of a business skills extension service. Without this limitation, the quality of the output of the consolidated BAS could be questionable; and

- 3) It must be recognized that the availability of reliable transportation on a daily basis is a critical variable affecting any extension service especially in Botswana with its widely dispersed population. Reliable transportation must be made available to all BAS offices upon implementation of the merger to ensure that the advisors are able to reach the people they are mandated to serve.

19. GOAL

The goals of this project are as follows:

- 1) To establish small enterprise extension capability; extend business training and services to rural areas; and enhance business potential in Botswana with appropriate management systems.
- 2) To strengthen collaborative efforts in the area of small enterprise development by working with existing structures and programs.

These goals subsume the discussion in Section 18 and are the logical culmination of the long-run impact of the PFP project.

As the operational efficiency of the MCI/BAS improves, the project's goals will be fulfilled.

Additional steps by PFP toward fulfillment of the second goal merit discussion. PFP's relationship with the Botswana Development Corporation (the implementation arm of the Ministry of Finance and Development Planning) has changed over the three year grant period from an informal linkage to that of being a subsidiary company of the BDC. This assures PFP a strong institutional base from which to pursue future program goals. However, a more important aspect of PFP's new role is that the relationship now gives BDC a capacity to work with small scale economic activities which may arise from major BDC investments.

20. BENEFICIARIES

The direct beneficiaries of the PFP business skills extension program include the following:

- 1) 181 individuals who received training during FY 81 (288 clients have received training over the three year life of the program);
- 2) 47 small industrial producers who attended five short (6 day) courses in costing, pricing and management skills;
- 3) the enterprises that are owned by PFP clients who have received training or who employ clients who have been trained benefit from enhanced operational efficiency; and
- 4) 5 business advisors were trained for a total of 11 weeks in business records, management topics and extension teaching skills (a total of 26 business advisors have been trained since the program came on line in 1978).

In an educational program of this nature, the benefits accruing to indirect beneficiaries are of far greater importance than mere statistics of advisors and clients trained.

PPF extension training has imparted management skills to scores of Botswana involved in business who prior to coming in contact with PPF advisors has little if any conception of management practices. Over time these skills will encourage enterprises to provide more and improved goods and services to the communities they serve thus benefiting the nation as a whole. Most importantly, business skills training enable Botswana to more effectively participate and complete in the formal commercial and small industrial sector of their economy.

As a result of interviews with 18 PPF clients, it is evident that business skills training has had a positive impact on enterprise management. All of these clients were in the process of developing record keeping expertise and most spoke of the importance of record keeping especially as it applies to adjusting their mix of goods to satisfy demand in their communities. Many of these clients pointed out that they now stocked a much wider variety of goods and had made efforts to improve the appearance of their place of business. This was evident in some cases where one could see new shelves and recently painted counters. Some clients who had been under instruction for an extended period of time were able to demonstrate increasing gross sales.

While these observations are not methodical evidence of long-term impact they certainly illuminate the fact that the PFP advisory service does produce a positive effect on enterprise management which has distributional consequences for the commercial and small industrial sector as a whole.

It is clear from the data presented in Appendix B that PFP is reaching a majority of businesspersons with real decision making power and it is this group that will effect changes in the business community as a whole. The proportion of business owners (including wives of owners) to nonowners in the sample of FY 81 graduates is particularly noteworthy.

21. UNPLANNED EFFECTS

There are no unplanned effects which have been identified by this evaluation.

22. LESSONS LEARNED

The first lesson to be learned from the implementation of this project relates to extension service planning. Goals and objectives must be realistically defined, a training program must be designed in the context of these goals and objectives and accountability must be ensured in order for an extension program to be successful. All too many extension programs in the developing world have failed for a multitude of reasons: poor trainee selection; inadequately trained field workers; ill-defined or excessive duties;

lack of accountability because of inadequate supervision; etc. Through proper planning, PFP was able to clearly define its program goal, introduce a relatively high standard recruitment system, a reporting and monitoring system and a user-oriented training program. Within a short period of time after the signing of the OPG, PFP began to field a relatively small yet responsible staff who know what their duties are and who realize that their work will be verified.

A second lesson to be learned is that although providing management skills training through the use of a localized extension service is not cost effective in terms of expenditures per client trained, such training is nevertheless one of the few effective methods available to encourage small business development in Botswana's rather unique commercial environment. The majority of small enterprises in Botswana are not in need of capital (although some of the smaller and poorer enterprises need access to capital) since businesses are mere diversifications of the owners' wealth. Rather than more capital, the average Botswana businessperson needs to acquire the skills to manage the investment that has already been made in the business. The means to provide these skills are either through classroom training or through an extension service. Formal classroom skills training has been unsuccessfully tried elsewhere and would certainly be less than successful in population-dispersed Botswana. Course attendance would be a function of an individual's motivation to leave the business on a regular basis and spend time and petrol traveling to

a designated location. This scenario augers well for a high degree of absentism and the eventual demise of the program. The use of local staff who instruct businesspeople on a one-to-one basis at the client's convenience has, over the past three years, proven to be an effective method of training a group of interested individuals previously unfamiliar with the concept of business management.

A final, and perhaps most important, lesson to be learned is the importance of carefully examining all aspects of the Government's ability to perform the functions which are essential for the long-term implementation of the project. The institutional capacity of the Ministry of Commerce and Industry to accept and administer a merged Business Advisory Service, including the training program, at the end of the grant period should have been assessed during the design stage of the project. Had that been done, plans could have been made and measures could have been taken from the beginning to assure the long-term success of the merged program.

## PROJECT EVALUATION SUMMARY (PES) - PART II

The following topics are to be covered in a brief narrative statement (averaging about 200 words or half a page per item) and attached to the printed PES facesheet. Each topic should have an underlined heading. If a topic is not pertinent to a particular evaluation, list the topic and state: "Not pertinent at this time". The Summary (Item 13) should always be included, and should not exceed 200 words.

**13. SUMMARY** - Summarize the current project situation, mentioning progress in relation to design, prospects of achieving the purpose and goal, major problems encountered, etc.

**14. EVALUATION METHODOLOGY** - What was the reason for the evaluation, e.g., clarify project design, measure progress, verify program/project hypotheses, improve implementation, assess a pilot phase, prepare budget, etc? Where appropriate, refer to the Evaluation Plan in the Project Paper. Describe the methods used for this evaluation, including the study design, scope, cost, techniques of data collection, analysis and data sources. Identify agencies and key individuals (host, other donor, public, AID) participating and contributing.

**15. EXTERNAL FACTORS** - Identify and discuss major changes in project setting, including socio-economic conditions and host government priorities, which have an impact on the project. Examine continuing validity of assumptions.

**16. INPUTS** - Are there any problems with commodities, technical services, training or other inputs as to quality, quantity, timeliness, etc? Any changes needed in the type or amount of inputs to produce outputs?

**17. OUTPUTS** - Measure actual progress against projected output targets in current project design or implementation plan. Use tabular format if desired. Comment on significant management experiences. If outputs are not on target, discuss causes (e.g., problems with inputs, implementation assumptions). Are any changes needed in the outputs to achieve purpose?

**18. PURPOSE** - Quote approved project purpose. Cite progress toward each End of Project Status (EOPS) condition. When can achievement be expected? Is the set of EOPS conditions still considered a good description of what will exist when the purpose is achieved? Discuss the causes of any shortfalls in terms of the causal linkage between outputs and purpose or external factors.

**19. GOAL/SUBGOAL** - Quote approved goal, and subgoal, where relevant, to which the project contributes. Describe status by citing evidence available to date from specified indicators, and by mentioning the progress of other contributory projects. To what extent can progress toward goal/subgoal be attributed to purpose achievement, to other projects, to other causal factors? If progress is less than satisfactory, explore the reasons, e.g., purpose inadequate for hypothesized impact, new external factors affect purpose-subgoal/goal linkage.

**20. BENEFICIARIES** - Identify the direct and indirect beneficiaries of this project in terms of criteria in Sec. 102(d) of the FAA (e.g., a. increase small-farm, labor-intensive agricultural productivity; b. reduce infant mortality; c. control population growth; d. promote greater equality in income; e. reduce rates of unemployment and underemployment). Summarize data on the nature of benefits and the identity and number of those benefitting, even if some aspects were reported in preceding questions on output, purpose, or subgoal/goal. For AID/W projects, assess likelihood that results of projects will be used in LDC's.

**21. UNPLANNED EFFECTS** - Has the project had any unexpected results or impact, such as changes in social structure, environment, health, technical or economic situation? Are these effects advantageous or not? Do they require any change in project design or execution?

**22. LESSONS LEARNED** - What advice can you give a colleague about development strategy, e.g., how to tackle a similar development problem or to manage a similar project in another country? What can be suggested for follow-on in this country? Similarly, do you have any suggestions about evaluation methodology?

**23. SPECIAL COMMENTS OR REMARKS** - Include any significant policy or program management implications. Also list titles of attachments and number of pages.

## APPENDIX A

### PROJECT EVALUATION SUMMARY (PES) – PART II

The following topics are to be covered in a brief narrative statement (averaging about 200 words or half a page per item) and attached to the printed PES facesheet. Each topic should have an underlined heading. If a topic is not pertinent to a particular evaluation, list the topic and state: "Not pertinent at this time". The Summary (Item 13) should always be included, and should not exceed 200 words.

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**15. EXTERNAL FACTORS** - Identify and discuss major changes in project setting, including socio-economic conditions and host government priorities, which have an impact on the project. Examine continuing validity of assumptions.

**16. INPUTS** - Are there any problems with commodities, technical services, training or other inputs as to quality, quantity, timeliness, etc? Any changes needed in the type or amount of inputs to produce outputs?

**17. OUTPUTS** - Measure actual progress against projected output targets in current project design or implementation plan. Use tabular format if desired. Comment on significant management experiences. If outputs are not on target, discuss causes (e.g., problems with inputs, implementation assumptions). Are any changes needed in the outputs to achieve purpose?

**18. PURPOSE** - Quote approved project purpose. Cite progress toward each End of Project Status (EOPS) condition. When can achievement be expected? Is the set of EOPS conditions still considered a good description of what will exist when the purpose is achieved? Discuss the causes of any shortfalls in terms of the causal linkage between outputs and purpose or external factors.

**19. GOAL/SUBGOAL** - Quote approved goal, and subgoal, where relevant, to which the project contributes. Describe status by citing evidence available to date from specified indicators, and by mentioning the progress of other contributory projects. To what extent can progress toward goal/subgoal be attributed to purpose achievement, to other projects, to other causal factors? If progress is less than satisfactory, explore the reasons, e.g., purpose inadequate for hypothesized impact, new external factors affect purpose-subgoal/goal linkage.

**20. BENEFICIARIES** - Identify the direct and indirect beneficiaries of this project in terms of criteria in Sec. 102(d) of the FAA (e.g., a. increase small-farm, labor-intensive agricultural productivity; b. reduce infant mortality; c. control population growth; d. promote greater equality in income; e. reduce rates of unemployment and underemployment). Summarize data on the nature of benefits and the identity and number of those benefitting, even if some aspects were reported in preceding questions on output, purpose, or subgoal/goal. For AID/W projects, assess likelihood that results of projects will be used in LDC's.

**21. UNPLANNED EFFECTS** - Has the project had any unexpected results or impact, such as changes in social structure, environment, health, technical or economic situation? Are these effects advantageous or not? Do they require any change in project design or execution?

**22. LESSONS LEARNED** - What advice can you give a colleague about development strategy, e.g., how to tackle a similar development problem or to manage a similar project in another country? What can be suggested for follow-on in this country? Similarly, do you have any suggestions about evaluation methodology?

**23. SPECIAL COMMENTS OR REMARKS** - Include any significant policy or program management implications. Also list titles of attachments and number of pages.

APPENDIX B

PROFILE OF PFP BENEFICIARIES

FY 81 - 181 Total Clients Trained

- 1) A sample of 15 graduated clients (47% of total)

Owners	67%	Males	20%
Nonowners	33%	Females	80%

Business Type - Owned by or Employing Those Trained

General Dealers/Small General Dealers	47%
Bottle Stores	27%
Transport	7%
Restaurant	7%
Fresh Produce	7%
Chemist	7%

- 2) A sample of 45 active clients (52% of total)

Owners	51%	Males	31%
Nonowners	49%	Females	69%

Business Type

General Dealers	)	
Small General Dealers	)	
Restaurants	)	53%
General Dealers	)	
Bottle Stores		22%
Hawkers/Vendors		7%
Transport		4%
Small Manufacturers		4%
Chemists		4%
Butcheries		4%

- 3) A sample of 30 dropped clients (48% of total)

Owners	57%	Males	20%
Nonowners	43%	Females	80%

Reason for being dropped

Absentism	17%
Lost Interest	47%
Other*	36%

\* (closed business, left or lost job, etc.)

APPENDIX B

October 1980

A sample of 15 active clients

Owners	53%	Males	20%
Nonowners	47%	Females	80%

Business Type

General Dealers	)	
Small General Dealers	)	
Restaurants	)	66%
General Dealers	)	
Butchery		13%
Transport		7%
Chemist		7%
Bottle Store		7%

October 1979

A sample of 15 active clients

Owners	65%	Males	30%
Nonowners	35%	Females	70%

Business Type

General Dealers	)	
Small General Dealers	)	
Restaurants	)	60%
General Dealers	)	
Butchery		20%
Bottle Sotre		13%
Fresh Produce		7%

APPENDIX C

INDIVIDUALS INTERVIEWED IN GABORONE DURING THE COURSE OF THE EVALUATION

- Mr. K.G. Bareki, Acting Permanent Secretary, Ministry of Commerce and Industry
- Mr. Walter Dube, Institute of Development Management
- Mr. E.B. Egner, Consulting Economist, Member PFP Botswana Board of Directors
- Mr. John P. Grierson, Managing Director, PFP Botswana
- Mr. Steven Hagglade, Senior Rural Industrial Officer, Ministry of Commerce and Industry
- Mr. John D. Hunter, Director, Institute of Development Management, Member, PFP Botswana Board of Directors
- Mr. Donald G. Lenz, U.S. Peace Corps, Training Officer, PFP Botswana
- Mr. M.J. Masisi, Commercial Officer, Ministry of Commerce and Industry
- Mr. E.T. Matenge, Under Secretary, Ministry of Commerce and Industry
- Mr. M.J. Mbaakanye, Director of Industrial Affairs, Ministry of Commerce and Industry, Ex-member, PFP Botswana Board of Directors
- Mr. Felix Mogatusi, Field Supervisor, PFP Botswana
- Mr. M.O. Molefane, Deputy General Manager, Botswana Development Corporation, Chairman, PFP Botswana Board of Directors
- Mr. Peter Olsen, Labor/Personnel Consultant
- Mr. John Pielemeier, Deputy Director, USAID/Botswana
- Mr. Joachim Schwach, Senior Planning Officer, Ministry of Commerce and Industry
- Mrs. Beauty Selabe, Director of Commercial Affairs, Ministry of Commerce and Industry
- Mr. R.M.L. Sikwane, Director, Botswana Employers Federation, Member PFP Botswana Board of Directors
- Mr. Paul C. Tuebner, Project Officer, USAID/Botswana

APPENDIX D

INDIVIDUALS INTERVIEWED IN THE FIELD DURING THE COURSE OF THE EVALUATION

KANYE

Mrs. L. Matlapeng, PFP Senior Business Advisor

Mr. M. Letsholo, PFP Business Advisor.

PFP Clients

Mrs. G. Baitsi, Wife of Owner, Small General Dealer

Mrs. M. Mabote, Wife of Owner, Small General Dealer

Mrs. E. Makepe, Wife of Owner, Small General Dealer

Mrs. T. Metseesele, Employee, General Dealer

Mrs. M. Moaki, Owner, Cosmetics Shop

Mrs. G. Modisane, Owner, General Dealer

Mrs. R. Rammidi, Employee, Bar and Bottle Shop

Mrs. B. Rankongwane, Wife of Owner, Chibuku Depot

Mrs. C. Yane, Owner, Cosmetics Shop

MAHALAPE

Mrs. E. Mosimanegape, PFP Business Advisor (seconded to MCI/BAS)

Mr. M. Radisoweng, MCI/BAS Business Advisor

MCI/BAS Clients

Mrs. M. Gumede, Wife of Owner, Small General Dealer

Mrs. K. Pule, Wife of Owner, Small General Dealer

MOCHUDI

Mr. R. Ngwenya, PFP Senior Business Advisor

APPENDIX D

Mr. E. Dintweng, PFP Business Advisor

PFP Clients

Ms. T. Madipane, Daughter of Owner, Bottle Store

Mr. P. Mokone, Owner, Garage

Mr. L. Molefe, Owner, Furniture Manufacturing

Ms. M. Pilane, Daughter of Owner, Restaurant

Mr. J. Segokgo, Owner, Small General Dealer

Mrs. C. Seilane, Wife of Owner, Small General Dealer

Mrs. S.M. Ramalepa, Owner, Chemist

SEROWE/PALAPYE

Ms. Stella Baikepi, MCI/BAS Business Advisor

MCI/BAS Clients

Mrs. T.K. Balikile, Wife of Owner, Small General Dealer

Ms. T. Dijo, Daughter of Owner, Small General Dealer

Mr. M. Gabobafane, Owner, Small General Dealer

Ms. R. Ketlanang, Daughter of Owner, Small General Dealer

Ms. P. Kgosiemang, Daughter of Owner, Small General Dealer

Mr. O.S. Mofswane, Owner, General Dealer

Mrs. G. Molabi, Wife of Owner, Small General Dealer

Mrs. N. Tlhalefang, Wife of Owner, Small General Dealer

APPENDIX E

SUMMARY OF PFP BOTSWANA EXPENDITURES BY CONTRACT LINE ITEM FOR THE  
PERIOD OCTOBER, 1978 TO SEPTEMBER, 1981\*

<u>LINE ITEM</u>	<u>U. S. DOLLARS</u>		
	<u>TOTAL BUDGET</u>	<u>TOTAL EXPENDITURE</u>	<u>BALANCE</u>
1. Personnel	178,514	177,379	1,135
2. Training	11,250	3,478	7,772
3. Administration	53,374	40,119	13,255
4. Travel/Vehicles	73,728	72,774	954
5. Evaluation	1,500	5,073	(3,573)
6. Contingency	49,532	811	48,721
7. United States Operation	34,600	34,600	0
8. United States Administration	96,599	96,599	0
TOTAL	<u>499,097</u>	<u>430,833</u>	<u>68,264</u>

\* Expenditures for the final quarter of the period under review are estimates. These figures are unaudited.

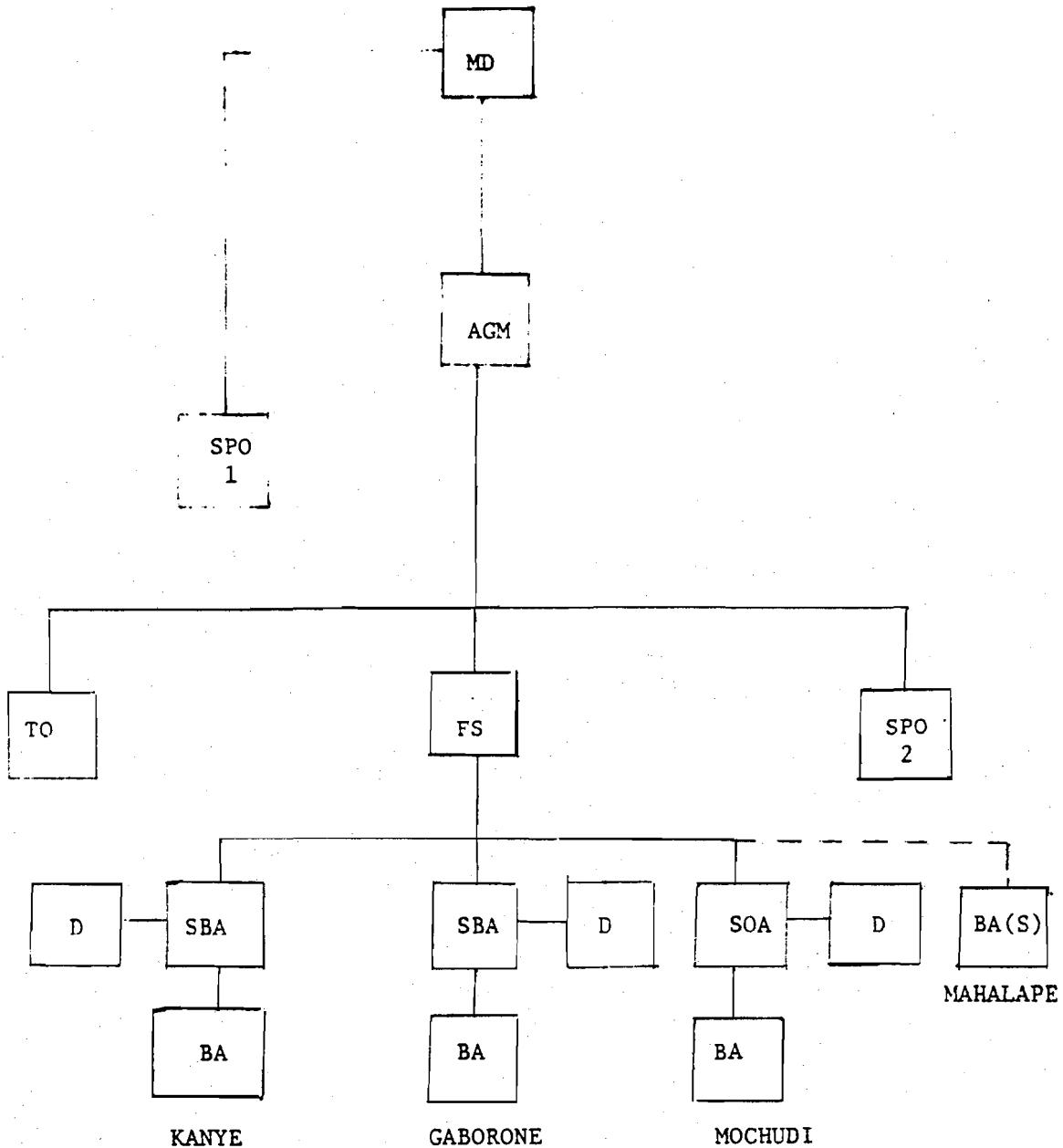
APPENDIX F

FS Field Supervisor, Mogatusi  
SBA Senior Business Advisor, Ngwenya, Ghaa, Matlapeng  
BA(S) Business Advisor Seconded to MCI/BAS, Mosimanegape  
BA Business Advisor, Dintweng, Mojakgoma, Letsholo  
D Driver, Kalesitse, Kolobe, Dube  
SPO(1) Special Projects Officer - Training Materials/Policies  
and Procedures Codification, Lenz  
SPO(2) Special Projects Officer - Development/Pilot Testing  
of Phase II Design and Course Instruction, Khan.

APPENDIX F

PFP BOTSWANA ORGANIZATIONAL STRUCTURE

DECEMBER 1981



KEY

- MD Managing Director, Grierson
- AGM Assistant General Manager, Sedirwa
- TO Training Office, Lentz