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FINAL REPORT

**MID-TERM EVALUATION OF THE
MICROENTERPRISE DEVELOPMENT PROGRAM
PARTICIPATING AGENCY SERVICE AGREEMENT
(MEDP PASA)**

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Prepared for:

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Prepared by:

**Dorothy S. Bell
Marcy G. Kelley**

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PREFACE

In conducting this evaluation, the review of the management and implementation of activities conducted by Peace Corps went beyond the actual activities paid for by MEDP PASA dollars. MEDP PASA funded activities are, in some ways, indistinguishable from other activities supported by the Peace Corps. The broader support systems, such as the regional decision whether or not to place an SBD APCD in a particular country, have a direct impact on MEDP PASA funded activities. In addition, while some activities were not paid for by MEDP PASA, they were essentially MEDP PASA activities and were covered in this report. A clear example of this is a SBD Sector Specialist travel to Uruguay, paid for by other funding, for consultation on MEDP PASA programming for that country. Some of the findings and recommendations are not within the responsibilities of the SBD Sector but pertain to regional and country systems. Some recommendations, we realize, represent the ideal state for undertaking MEDP PASA activities and may not always be obtainable.

Although our primary client in conducting this evaluation was the Agency for International Development, as returned Peace Corps volunteers, we take seriously the opportunity to provide Peace Corps with information which might serve to provide improved support for Peace Corps volunteers and the impact of their development work. We offer the report to those ends.

Dorothy S. Bell
Senior Associate, TvT Associates
RPCV, Central African Republic
(1980 - 1983)

Marcy G. Kelley
Small Business Consultant
RPCV, Dominican Republic
(1976 - 1979)

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ACRONYMS

AA	Area Assignment
A.C.A.	Action Consulting Association
A.I.D.	Agency for International Development
APCD	Associate Peace Corps Director
BEST	Burundi Enterprise Support and Training
CD	Country Director
EEC	European Economic Community
FY	Fiscal Year
GEMINI	Growth and Equity through Microenterprise Investments and Institutions
GTZ	Gesellschaft für Technishche Zusammenarbeit
HCN	Host Country National
ICE	Information, Collection and Exchange
IST	In-service Training
IPBS	Integrated Programming and Budget System
IRIS	Institutional Reform and Informal Sector
MEDP	Microenterprise Development Project
MEDP PASA	Participating Agency Service Agreement entitled Growth and Equity through Microenterprise Investments and Institutions commonly known as the MEDP PASA
MEMS	Microenterprise Monitoring System
MOU	Memorandum of Understanding
NIS	Newly Independent States
NGO	Non-governmental organization
NRM	Natural Resource Management
OTAPS	Office of Training and Program Support
OMB	Office of Management and Budget
PACEM	Pacific, Asia, Central Europe and the Mediterranean
PASA	Participating Agency Service Agreement
PATS	Programming and Training System
PCV	Peace Corps Volunteer
PCT	Peace Corps Trainee
PMI	Presidential Management Intern
POL/PAR	Directorate for Policy, Office of Policy Analysis and Resources
PFC/PB	Bureau for Program and Policy Coordination, Office of Planning and Budgeting
PSC	Personal Services Contractor
PST	Pre-service Training
PRE/SMIE	Bureau for Private Enterprise, Office of Small, Micro, and Informal Enterprise
PVO	Private Voluntary Organization

SBD	Small Business Development
SDA	Special Development Activity Authority
SPA	Small Project Assistance
TEFL	Teaching English as a Foreign Language
UNDP	United Nations Development Program
U.S.	United States
USAID	United States Agency for International Development
WID	Women in Development

EXECUTIVE SUMMARY

The Agency for International Development (A.I.D.) and the Peace Corps initiated the second collaborative agreement for the Microenterprise Development Program (MEDP) with a Memorandum of Understanding (MOU) in 1990. In the MOU, the agencies agreed to 4 continued years of collaboration at a funding level of about \$800,000 a year. Each year a new Participating Agency Service Agreement (PASA) is signed to continue work under the MOU. This MOU and the PASAs are collectively called the MEDP PASA and are the subject of this mid-term evaluation. The evaluation was conducted by TvT Associates between July 28 and December 15, 1992 and included interviews in Washington, D.C. and country visits to Mali, Poland and Uruguay.

Funds for the MEDP PASA are made available through A.I.D.'s Directorate for Policy, Office of Policy Analysis and Resources (POL/PAR)¹ and managed by the Bureau for Private Enterprise, Office of Small, Micro, and Informal Enterprise (PRE/SMIE). At Peace Corps the funds and activities are managed by the Small Business Development (SBD) Sector in the Office of Training and Program Support (OTAPS).

The goal of the MEDP PASA is to "increase the overall development impact, in selected countries, of programs of A.I.D. and the Peace Corps, that seek to promote microenterprise development, measured especially in terms of increased employment and income, and the productivity of small-scale entrepreneurs."

The MEDP PASA provides funding to support training, technical assistance and information development and dissemination. Resources from the MEDP PASA are also used for a buy-in to A.I.D.'s Growth and Equity through Microenterprise Investments and Institutions (GEMINI) project. This buy-in was designed to provide the MEDP with access to A.I.D.'s state-of-the-art knowledge in microenterprise development, embodied in the GEMINI project. To that end, the buy-in provides technical assistance in the form of a full-time GEMINI staff person to work in SBD/OTAPS, as well as additional technical assistance from the GEMINI project designated in days of consulting for each year.

MEDP PASA has served as a catalyst for tremendous growth in Peace Corps' Small Business Development Sector over the last two years. The SBD Sector has:

¹Formerly the Bureau for Program and Policy Coordination, Office of Planning and Budgeting (PPC/PB).

- increased their funding base by 200 percent, from \$760,000 in fiscal year (FY) 91 to \$2,225,500 in FY 93;
- began SBD activities in 23 new countries, expanding from 5 countries to 28 countries; and
- increased the number of SBD volunteers by 66 percent, from 279 volunteers in FY 90 to 424 volunteers in FY 92².

Through the MEDP PASA, the SBD Sector has:

- provided training and networking opportunities to 6,550 host country nationals, 2,237 Peace Corps volunteers and trainees, and 206 Peace Corps staff;
- developed systems and procedures for requesting and monitoring MEDP PASA activities;
- designed a monitoring system for worldwide use by volunteers and host country agencies; and
- contributed to institutionalizing the SBD Sector within Peace Corps.

The Peace Corps SBD Sector has an outstanding record of punctual response to field requests and initiatives, ground breaking work in monitoring and evaluation at the sector level, and the dedication of its staff. The processes for requesting assistance from the MEDP PASA are well designed, easy to follow and timely.

Country visits illustrated the high impact that small amounts of money are having in innovative activities. Even traditional in-service training funded by MEDP PASA often had an impact on program and project development (Mali). Innovative training activities which brought people across the sector together (Uruguay) or focused on host country national training needs (Poland) have had the greatest impact in-country and meet the objectives of the MEDP PASA most closely in Sector and institution development.

During the first PASA (1988-1990) and into the early part of the MEDP PASA, A.I.D. had a strong advocate for Peace Corps in their MEDP PASA Project Officer. A Presidential Management Intern (PMI) was also assigned to Peace Corps

²See Tables V-1 (page 28), and Table V-2 (page 29), in the text.

from A.I.D. for some time which provided an additional and very effective link between the two agencies. There have been two additional project officers (the first of which was also a PMI), who have had less time to spend on the MEDP PASA.

If the strength of MEDP PASA use has been in skill transfer, the weakness has been in the area of communication. Cooperation and collaboration between A.I.D. and Peace Corps at the Washington level appear to be at an all time low, in part due to project officer turnover at A.I.D. Information development and dissemination remains an unaddressed PASA objective since the first SBD PASA. Failure to address this objective reduces the technical support Peace Corps can offer all countries and the technical information that Peace Corps can provide to A.I.D. in their collaborative development work.

All of the project and training success has been accomplished at the same time that the SBD Sector doubled its annual budget and increased its management burden from five (during the first SBD PASA) to 28 countries by the end of fiscal year (FY) 1992. At its original funding levels the current MEDP PASA should be supporting a little more than 10 countries a year. Two factors have affected the original estimates, 1) the rapid and explosive growth of the Sector, and 2) the ongoing need for technical and financial support for innovative training activities at the country level. At its current staffing level, SBD/OTAPS has taken a reactive management mode to keep up with the level of country requests. There is no time for the collection and analysis of lessons learned. Since 1988, staff size has increased only by one position. In FY 1993 SBD/OTAPS will initiate small business program support in an additional 23 countries, doubling their work load from FY 1992. Peace Corps will be supporting volunteers and staff in the field at the level of millions of dollars and additional support will be necessary to maintain the quality of impact which has been initiated with the A.I.D. assisted PASAs.

RECOMMENDATIONS

A.I.D. and Peace Corps should discuss the findings and recommendations of this evaluation, ranking what should be addressed and when, and discuss revisions to the PASA language now and at the end of FY 1993. Internally, Peace Corps should provide a review of the evaluation to regional staff and a summary of the report to all countries with SBD programs. Areas to address are outlined here in terms of 1) the goal, objectives and activities, 2) funding, 3) management of the PASA and SBD activities, and 4) information exchange and collaboration. Additional recommendations, especially where only one agency is concerned, are included in the body of the report.

1) A.I.D. and Peace Corps should meet and discuss the direction of the MEDP PASA from its goal to its activities. The following recommendations are relevant:

- Workshops and conferences that address institutional training needs are the most effective use of the MEDP PASA and should be a priority for MEDP PASA funding and SBD country development strategies.
- As the PASA goal is currently stated, it is neither measurable nor truly representative of the range of activities conducted under the MEDP PASA, including those activities of the highest impact. The goal should be assessed and brought in line with the objectives of both agencies and the activities to be conducted over the next two years.
- Pre-MEDP, MEDP, and post-MEDP definitions³ are not responsive to the dynamic, innovative nature of small business development and Peace Corps programming. Categorizing country participation and funding levels in MEDP PASA should be dropped. Funding levels should be based on country programming needs and the ability to use MEDP PASA inputs from the assessment for potential programs to updating and fine tuning mature programs.
- New country SBD programs would benefit from greater programming inputs before the arrival of Peace Corps volunteers. A technical person, preferably an APCD, should be funded for the start-up phase before volunteers arrive to improve programming and volunteer placement.
- Institutional and staff development at Peace Corps should continue by teaming staff with expert consultants on technical assistance assignments and by recruiting additional staff with specific SBD technical specialties.

2) Under the current funding level, financial and human resources are spread too thin to provide quality technical assistance to almost 50 countries during FY 93. A.I.D. and Peace Corps should either, 1) limit the number of countries being assisted through MEDP PASA, 2) focus only on regional and worldwide inputs such as conferences and special studies, or 3) increase MEDP PASA funding level to assist more countries. The following recommendations are relevant:

³MEDP category definitions are discussed in Section II., Management and outlined in Annex G.

- While model collaboration may be found in Eastern Europe and the Newly Independent States, due to the availability of other funding, MEDP PASA funds should not be used for those regions. MEDP PASA funds should be used exclusively for other regions with access to less funding.
- At the country level, funding should focus on strengthening the skills of host country nationals and institutional development. The funding of Peace Corps volunteer-centered pre-service and in-service training should be eliminated.
- Among the selective criteria for countries, A.I.D. and Peace Corps should consider selecting countries with an SBD APCD to support SBD volunteers.
- A.I.D. and Peace Corps should discuss how best to use the MEDP PASA with respect to salaries for Peace Corps SBD Sector staff support.
- If the GEMINI advisor position is not refocused on information analysis and dissemination, in part to improve the linkages with the GEMINI project, the position should not be kept as part of the buy-in.
- A.I.D. and Peace Corps should take a hard look at the services they receive from consultants under the buy-in and assess whether or not the services are cost effective. If there is no value added, obtaining consultants through the buy-in to GEMINI should be discontinued.
- Reducing the use of consultants should not be a priority for reducing costs.

3) In part due to the rapid growth of the Peace Corps SBD Sector, A.I.D. and Peace Corps need to dedicate some time to work together on upgrading management systems which best support PASA and SBD activities. Relevant recommendations include:

- A.I.D. and Peace Corps must make the development of the buy-in mechanism, as well as other means for passing smaller amounts of financial support between agencies at the country level, a top priority in order to achieve maximum collaboration at the field level.
- A.I.D. and Peace Corps should discuss their information needs with particular attention to data required for vouchers, within the limitations of the Peace Corps accounting system, and establish a plan of action to

meet those information needs. This includes the development, by OTAPS, of a more precise system in order to monitor effectively the MEDP PASA budget.

- A.I.D. and Peace Corps should consider amending the PASA on a yearly basis instead of making a new contract every year in order to lessen the administrative burden.
 - Peace Corps should continue with the development of the SBD Sector Monitoring System to include evaluation. The MEDP PASA should support this work as well as the development of monitoring and evaluation systems for selected SBD country programs. These country systems should then be used as models.
- 4) Recommendations for information dissemination and collaboration are as follows:
- At the Washington level, both agencies need to create time to work together on technical issues, perhaps through an enterprise task force. If an agenda for collaboration is not defined, the expectations for collaboration should be dropped and the PASA language on coordination should be made specific to cover administrative tasks only.
 - Peace Corps should take an active stance in the research and publication of small business development experiences, enhancing both Peace Corps and A.I.D.
 - The GEMINI advisor position, or another staff person if the GEMINI advisor position is not maintained, should be focused on information development and dissemination. This would build effectively on GEMINI experience, strengths and resources.
 - The PASA visits, country visits conducted by Washington-based A.I.D. and Peace Corps SBD Sector staff members to assess and support the potential for collaborative activities at the country level, should be evaluated and modified or discarded.
 - Peace Corps should develop guidance for countries on how to leverage support from other agencies. Poland may provide examples of multi-donor supported workshops and conferences.

I. INTRODUCTION

A. BACKGROUND

On August 3, 1988 the Agency for International Development (A.I.D.) and Peace Corps signed a Memorandum of Understanding (MOU) which established a joint program in microenterprise development, called the Microenterprise Development Project (MEDP). The MOU was followed by the first Participating Agency Service Agreement (PASA); a two year agreement titled "Small Enterprise Approaches to Employment," funded at \$300,000 for the two year period. A second MOU, continuing collaboration under MEDP, was signed on July 26, 1990. In the second MOU, the agencies agreed to 4 continued years of collaboration at a funding level of about \$800,000 a year. Each year a new PASA is signed to continue work under the second MOU. This MOU and the PASAs are commonly called the MEDP PASA and are the subject of this mid-term evaluation.

Funds for the MEDP PASA are made available through A.I.D.'s Directorate for Policy, Office of Policy Analysis and Resources (POL/PAR)⁴ and managed by the Bureau for Private Enterprise, Office of Small, Micro, and Informal Enterprise (PRE/SMIE). At Peace Corps the funds and activities are managed by the Small Business Development (SBD) Sector in the Office of Training and Program Support (OTAPS).

The goal of the MEDP, as outlined in the second MOU and the PASAs, is to "increase the overall development impact, in selected countries, of programs of A.I.D. and the Peace Corps, that seek to promote microenterprise development, measured especially in terms of increased employment and income, and the productivity of small-scale entrepreneurs." Specifically, the following objectives are outlined:

- to institutionalize microenterprise development into Peace Corps programs and to integrate microenterprise development into other technical sectors in which Peace Corps operates, e.g. agriculture, natural resources, health, urban development, youth development, women in development;
- to form a cadre of volunteers and counterparts--well-trained in small business skills and business advisory assistance--who will promote business development in the communities and institutions in which they work;
- to increase cooperation between the Peace Corps, A.I.D. and local leaders in activities that promote micro and small-scale business development;
- to strengthen intermediary institutions whose purpose is to assist small business;

⁴Formerly the Bureau for Program and Policy Coordination, Office of Planning and Budgeting (PPC/PB).

- to make available resources in the form of educational materials and information which will improve small business performance; and
- to cooperate with other programs--within and outside A.I.D. and the Peace Corps--that have small business interests, which focus on women in development, the environment and private sector development.

The MEDP PASA provides funding to support training, technical assistance and information development and dissemination. Resources from the MEDP PASA are also used as a buy-in to A.I.D.'s Growth and Equity through Microenterprise Investments and Institutions (GEMINI) project. This buy-in was designed to provide MEDP with access to A.I.D.'s state-of-the-art knowledge in microenterprise development, embodied in the GEMINI project. To that end, the buy-in provides technical assistance in the form of a full-time GEMINI staff person to work in SBD/OTAPS, as well as additional technical assistance from the GEMINI project designated in number of days of consulting for each year (see Section III., Technical Assistance).

B. SCOPE OF WORK

Two years of funding have been completed under the MEDP PASA. In order to assess the progress and accomplishments made under the PASA, and to make recommendations to A.I.D. and Peace Corps as to the focus, activities and management for the remaining two years of the PASA, A.I.D. contracted with TvT Associates to carry out this mid-term evaluation. The evaluation was conducted between July 28, 1992 and December 15, 1992.

The mid-term evaluation examines both the MEDP PASA and the buy-in to GEMINI. The evaluation is not intended to measure socio-economic impact, but to make an assessment of the benefits which derive from the project to its key constituencies, and to make recommendations about future activities under the project.

This evaluation addresses: 1) the quality of services provided to clients with MEDP PASA funding; 2) the contribution made by MEDP PASA to the microenterprise sectors of the countries in which it operates; 3) the contribution of MEDP PASA to Peace Corps programming, in Washington and the field; 4) the benefits derived from the GEMINI buy-in and how these are integrated with the MEDP; and 5) project management. (The scope of work is provided in Annex A.)

C. EVALUATION METHODOLOGY

The TvT Associates evaluation team consisted of Dorothy S. Bell, team leader, and Marcy G. Kelley, a small business specialist. They reviewed documents and conducted interviews with A.I.D. and Peace Corps staff in Washington, D.C. (A list of people interviewed is provided in Annex B and a list of documents reviewed is provided in Annex C). The evaluation was participatory in nature and attempted to include as many interviews as time allowed. A series of open ended questions were developed regarding the major objectives and activities of the MEDP PASA (management, training, technical assistance, information development and dissemination, collaboration and institutional development) and points of interest identified in early interviews with key informants. The questions were used in the remaining interviews and during country visits. In addition to the interviews, a three hour meeting was held with the collective SBD Sector staff to review their experiences with MEDP PASA activities following the same break down of MEDP PASA objectives and activities listed above. For each activity (such as training), the achievements, strengths, weaknesses and ideas for new directions were identified and discussed.

To carry out the field work, one evaluator traveled to Uruguay while the other traveled to Mali and Poland. While in Uruguay, the evaluator was also able to interview the PST training director who had previously managed MEDP PASA activities in Guatemala. These visits were invaluable in providing opportunities to visit and interview clients of MEDP-supported programs. Informants included Peace Corps volunteers (PCVs), Peace Corps and A.I.D. staff, and counterparts, entrepreneurs, and local agency representatives. Country visits are detailed for Mali (Annex D), Poland (Annex E), and Uruguay (Annex F).

Upon their return, the evaluators analyzed the information gathered and held a preliminary briefing for Peace Corps and A.I.D. staff. Further interviews were conducted followed by the preparation of the draft report (submitted October 28, 1992). A final briefing was conducted on November 17, 1992. Feedback on the draft report, presented at that meeting, is incorporated in this report.

II. MANAGEMENT

A. INTRODUCTION

The evaluation of management functions was conducted in three areas; administration, monitoring and evaluation, and finances. Introduction and findings for each area are presented followed by all recommendations for management at the end of this section. The three areas are reviewed for Peace Corps in Washington (the SBD Sector in particular), Peace Corps' field offices, and A.I.D.'s office of PRE/SMIE in Washington.

B. ADMINISTRATION

1. Introduction

Funds for the MEDP PASA are made available through A.I.D.'s Directorate for Policy, Office of Policy Analysis and Resources (POL/PAR). Management and technical backstopping are provided by the Bureau for Private Enterprise, Office of Small, Micro, and Informal Enterprise (PRE/SMIE). Minimally, this entails the review of vouchers and the renewal of the PASA each year. It has also included participation in MEDP PASA country planning visits, collaboration on specific initiatives such as the development of the buy-in process, and the half time placement of a Presidential Management Intern (PMI) at Peace Corps for seven months.

A PRE/SMIE project officer is assigned general oversight to the MEDP PASA. From the beginning of MEDP until November 1991 one very proactive project officer was responsible for the MEDP PASA. Near the end of that period a PMI was detailed to Peace Corps and there was also a period of overlap with the second project officer (also a PMI). A third interim project officer now has oversight of the MEDP PASA.

At Peace Corps, MEDP PASA funds and activities are managed by the SBD Sector in OTAPS. As an OTAPS office, the SBD Sector solicits and responds to country requests for assistance. The guidance for country program development and monitoring is conducted by the Peace Corps regional offices. The regions also hire and supervise country staff. Therefore, when the SBD Sector initiates an activity in a country, that assistance is provided within the framework of regional and country level systems and priorities over which the Sector has no control. However, in general, these parties work collaboratively.

The original intent of the MEDP was to strengthen already existing programs in countries where A.I.D. had a mission. These countries were limited and Peace Corps and A.I.D. agreed to expand assistance by including countries that wanted to explore the possibility of adding a new program. Three categories, pre-MEDP, MEDP, and post-MEDP were created in order to meet the specific needs of countries at various stages of developing small business programs as follows:

- pre-MEDP are countries which have an interest in assessing the potential for or establishing an SBD Project;
- MEDP are countries which have already made a commitment to an SBD Project through volunteers and staff; and
- post-MEDP are countries which have already received MEDP PASA support but require some additional support to see that their project fully matures.

The most important aspects of this change from the current wording of the MEDP PASA are: 1) assistance to countries without SBD programs or PCVs in place; 2) assistance to countries without an A.I.D. mission; and 3) funding levels assigned to each category (Pre-MEDP is funded at \$10,000, MEDP is funded at \$50,000 and post-MEDP is funded at \$10,000). Specific technical inputs are defined for each stage. (See Annex G for a full set of MEDP category descriptions.)

SBD/OTAPS has written a handbook called "Working with the MEDP PASA" that provides all the basic information in order to begin a relationship with the SBD Sector. MEDP PASA funding is accessed through a three phase document process outlined in the handbook: planning, requesting, and monitoring and reporting.

Requests for assistance generally originate in the field. SBD/OTAPS receives some initial information on funding requests from countries through the Integrated Programming and Budget System (IPBS) made to the regions in January. More complete information is provided directly to the SBD Sector using MEDP PASA's Annual Plan form, due by September 1. The annual plans from every country allow the Sector to plan the scope of activities and funding levels for the fiscal year. Each activity request is then submitted in more detail in an Individual Activity Request which must be received before funds are authorized. The money is disbursed by activity no earlier than 90 days before the activity and after the Individual Activity Request has been reviewed. All SBD funded activities are cleared by OTAPS and all activities which are funded at \$1,000 or more must be cleared by OTAPS through the Activity Description Sheet System. An Individual Activity Final Report is submitted 30 days after the conclusion of the activity. SBD/OTAPS submits quarterly and annual reports to PRE/SMIE.

Technical supervision of MEDP activities rests with the APCD in country who supervises the volunteers involved in planning and implementing the event. Participants complete a written evaluation after every activity. These comments are then incorporated into the planning and programming of overall activities as well as the specific activity, if it is repeated.

The evaluation of the first PASA carried out by the SBD Sector cited the urgent need to develop basic administrative systems such as tracking expenditures, filing, and reporting requirements. Over the last two years the SBD Sector has made significant efforts in the development of these systems.

2. Findings

The SBD Sector is rightly in good standing in Peace Corps for its outstanding record of punctual response to field requests and initiatives, ground breaking work in monitoring at the sector level, and the dedication of its staff. The processes for requesting assistance from the MEDP PASA are well designed, easy to follow and timely. All of this has been accomplished at the same time that the Sector doubled its annual budget, and increased its management burden from five to 28 countries (by the end of FY 92). Staff size has increased by one position since 1988.

While the pre-MEDP, MEDP and post-MEDP category descriptions allowed Peace Corps and A.I.D. to proceed in new countries, the descriptions do not reflect the dynamic, innovative nature of small business development and Peace Corps programming. For country programs to maintain growth and responsiveness to current issues, ongoing access to funding for training and technical assistance is required and it is unlikely that any country will completely graduate from these kinds of support. In addition, successful MEDP PASA inputs have generated follow-up demand for next stage activities which often require funding.

The funding levels defined for MEDP categories represent past experiences, successful or not, and not the needs defined by countries. For example, a country that knows it can access \$10,000 in the first year through MEDP PASA, may proceed with programming at that limit instead of the limits of its capacity to conduct and achieve objectives. Countries have sometimes exceeded funding levels for different stages as well as underusing funds.

The MEDP PASA funded one Sector Specialist during the first two years. The PASA stipulated that Peace Corps would assume this position under their appropriated funding after the first year. A.I.D. felt that this was important to demonstrate Peace Corps' commitment to institutionalizing the small business program. Peace Corps has not assumed that salary to date.

SBD staff travel a considerable amount of their time. Two of the three staff persons travel at least 50 percent of the time with the third traveling up to a quarter time. This has created an office where everyone is knowledgeable about all the activities, since anyone could be managing the office in the others' absence. However, staff is busy responding to country initiatives and unable to take as active a leadership role as they would like to in small business development. The Sector has had little time to reflect on lessons learned and no time to make that information available to others. Further discussion of staff level of effort out of the office and overall work load, a new staffing pattern, and recommendations are included in Section III., Technical Assistance.

At Peace Corps posts, the administrative procedures seem straightforward and do not present any problems. Peace Corps country staff stated that the MEDP PASA is the easiest PASA to work with and that there is rarely more than a twenty-four to seventy-two hour delay in responding to requests.

At the country level, the amount of time necessary to manage MEDP PASA activities is highly variable and depends on the kinds activities funded. In countries where the funds are used mostly for in-service training (IST) the management time is less than countries where the funds are used for additional activities. Some Associate Peace Corps Directors (APCDs) estimate management of MEDP PASA activities in the field at around 20 percent of the total APCD workload. In Guatemala, the SBD APCD hired a contractor to work full-time on MEDP PASA activities. In Poland there is a part time staff person to submit and track submissions in addition to the management time that the APCDs spend in technically supervising activities. Some APCDs have used third year volunteer coordinators to manage the activities. Field staff, in countries visited, reported sometimes wanting to undertake more MEDP activities but did not do so because of a lack of time to design, organize, implement and evaluate adequately.

Two countries visited did not have SBD APCDs at the beginning of their SBD programs (Poland and Uruguay). In Uruguay there is only one APCD for two sectors and the APCD does not have the expertise in small enterprise development. Both country programs suffered as a result of a lack of technical staff and inadequate programming and volunteer placement preparation in the start-up phase. While these start-up activities (a sector assessment in Poland and a SBD/OTAPS staff consultancy in Uruguay) were not paid for by MEDP PASA their funding source is the only distinction in these activities. The regional and country systems, the short term approach, the people who conducted the activities, and the activities themselves were the same as other MEDP PASA supported events.

PRE/SMIE has been given the technical oversight of the MEDP PASA even though the funds come from the A.I.D.'s Directorate for Policy, Office of Policy Analysis and Resources (POL/PAR). According to PRE/SMIE, the availability of

MEDP PASA funding is more reliable from year to year since it comes from POL/PAR. Since a new PASA contract is developed each year the reliability of funds, regardless of the source, can be viewed as uncertain.

Backstopping by the PRE/SMJE office has not been consistent. Project management for the MEDP PASA has changed hands three times during the first two years and will change again during the upcoming months. Each change of management has generated a certain loss of momentum and institutional memory in the relationship with SBD/OTAPS.

Both Peace Corps and PRE/SMJE would like to see changes in their relationship. A.I.D. expressed frustration at its current role of bureaucratic paper moving and would like more substantive information about and input to PASA management. Peace Corps shares the A.I.D. frustration about the inability to develop a strong working relationship and would like the PRE/SMJE office to take on an advocacy role for Peace Corps within A.I.D.

C. MONITORING AND EVALUATION

1. Introduction

For SBD/OTAPS, monitoring is a MEDP PASA activity with many implementation modalities including training activities, institutional development activities, and technical assistance activities. It is described under management because, in the end, monitoring and evaluation is a management tool.

The evaluation of the first MEDP PASA, carried out in July 1990, recommended that SBD/OTAPS place major importance on developing a monitoring and evaluation system to monitor MEDP PASA activities and to collect data from the field on clients and impact. This recommendation was reinforced in that same year when Congress required that A.I.D. report on the impact of microenterprise funding to programs in the field. This reporting obligation, on any A.I.D.-funded microenterprise activity receiving more than \$10,000, is met through A.I.D.'s data collection system called the Microenterprise Monitoring System (MEMS).

SBD/OTAPS has developed two systems focused on monitoring. One system, here-in called the Internal Activity Report System, tracks internal MEDP PASA activities and provides spreadsheets on the number of beneficiaries and funding levels by activity and country. The second system, called the SBD Sector Monitoring System, is designed to collect quantitative information (and, to a lesser degree, some qualitative) about the entrepreneurs and host country agencies that PCVs work with in the field. The intended benefits of the SBD Sector Monitoring System are defined

in the Small Business Development Sector Monitoring System Forms and Instructions⁵:

- Increase the availability of project information, both in the field and in Washington, to enable Peace Corps to assess and improve small business projects;
- Document the achievements of Peace Corps' small business projects and develop a profile of beneficiaries/participants by country;
- Report the SBD Sector's accomplishments to A.I.D. , Congress, and other donors in order to increase the likelihood of continued financial support; and
- Concisely communicate to host country officials the activities and status of Peace Corps' projects, and thus enhance the climate for continuing Peace Corps presence as well as reinforce Peace Corps' reputation as a professional and successful development organization.

In addition, the system was designed to provide the necessary MEMS information for Congress as well as providing additional data for Peace Corps' informational and programmatic needs.

Beyond MEDP PASA, countries develop sector programs following the Peace Corps' Programming and Training System (PATs) which outlines a system of project design with milestones. Volunteers also prepare quarterly reports on their activities which may or may not be directly linked to the project plan. Worldwide, countries are at different stages in the development of project plans, monitoring and evaluation systems, and the requirements of quarterly reports.

2. Findings

In December 1990, GEMINI collaborated with SBD/OTAPS through a consultant that worked with the Sector to identify their monitoring needs and help them design a preliminary monitoring system. Since that time, the original intent has remained the same but the system has become much more ambitious in an attempt to quantify not only MEDP activities but some client impact as well. The GEMINI advisor to SBD/OTAPS, with assistance from the OTAPS budget analyst and the SBD Sector program assistant, has been instrumental in the design and adaptation of the monitoring system. The system has been designed and tested in-house by Sector staff and by selected SBD programs in the field. Three regional conferences were held during 1991 in the Dominican Republic (January), Kenya (September) and Bulgaria (December), to work with APCDs to improve their ability to plan and

⁵Comments on the SBD Sector Monitoring System are based on the design presented in "Small Business Development Sector Monitoring System Forms and Instructions." SBD/OTAPS. May, 1992. Labeled NEXTGEN.INS.

monitor small business development projects. Feedback from these conferences, as well as the 1991 Microenterprise Monitoring System (MEMS) information sent in from the field, have been incorporated into the design. It has been a long process and, in hindsight, SBD/OTAPS believes that additional consultant time would have been a good investment, but the system is almost ready to be disseminated.

It is not possible to evaluate the activity monitoring system beyond its design since it has not been completely implemented and little data has yet been collected. However, some comments seem relevant. The system will characterize clients and MEDP activities in very gross terms sufficient for reporting to MEMS. It also matches the goal of the MEDP PASA, focusing on entrepreneurs and businesses with an attempt at impact ("Are the businesses PCVs assisted doing better or worse than a year ago?").

While the system, described as exclusively a monitoring system, meets reporting requirements it does not provide information to assess and improve small business projects, the first intended benefit listed above in the introduction. Form C (the only required reporting form) does ask the reporter to describe any special impact, constraints, or weaknesses that SBD projects have in assisting individuals and businesses. However, it asks for this information in an anecdotal form and provides no guidance for reporting. Even rudimentary guidelines on reporting would be useful to provide valuable information on variables such as:

- Who was helped, type of activity, what worked well for them, under what conditions?
- Who was helped, type of activity, what worked poorly or not at all, under what conditions?

After an initial phase of data collection the form could be adapted so that many of the responses could be categorized for coding and analysis.

The monitoring system does not collect adequate information on the scope of activities conducted by or for volunteers and funded by MEDP PASA. This may be a reflection of the original goal of the MEDP PASA (which focuses on businesses and entrepreneurs), in contrast to the scope of activities carried out under MEDP PASA (which includes a wider scope of institutional development). In reflecting on the country programs visited and this system, activities included training for institutions such as national banks, ministries and chambers of commerce as well as training events exclusively for volunteers or volunteer centered. These activities would be virtually lost, as would some of their participants, since they are not businesses or entrepreneurs in the retail sense. These were a significant portion of the SBD activities taking place in countries visited. In addition, while the system provides a

means for counting beneficiaries by gender, it has no control for impact by gender. These omissions do not allow the Sector to either assess and improve projects, document the scope of Peace Corps achievements, or report concisely on Peace Corps projects (see all intended benefits above in the introduction).

Assessing impact is not a goal of the monitoring system, yet Peace Corps is **uniquely** positioned to assess impact for the following reasons:

- Volunteers are in place for two years and are often keenly aware of the impact specific activities have had on individuals and the wider community;
- In both Poland and Mali, volunteers who were completing their service were being replaced by new volunteers. The new volunteers will often be working in the same communities with at least some of the same counterparts and organizations. Poland and Mali are assumed to typify Peace Corps countries in this respect. The replacement of volunteers creates a **unique** follow-up capacity;
- Participants in Peace Corps activities are often willing to report on impact and can be very candid and insightful;
- Peace Corps has worked hard to develop PATS to help define, more rigorously, program plans with milestones and indicators, setting a country specific framework for monitoring and evaluation in place; and
- Volunteers are to report quarterly, in many countries, on their activities. Guided reporting on milestones and indicators under these conditions is cost free.

All of these factors allow Peace Corps to report on impacts beyond the intentions of an activity, both in the scope of impact and in the depth of their reality. Additional sources of information on technical inputs and training activities include participant evaluations completed at the end of most training events and consultant reports. These sources are not reviewed and analyzed systematically.

While the SBD Sector Monitoring System asks for data on whether businesses assisted are doing better or worse than a year ago; as a measure this information is tenuous at best, irrelevant to many activities, and does not go far enough in providing a monitoring baseline. On the contrary, a business closure may illustrate a high level of success where the owner, enabled through the new skills of assessment, decides that the business is not viable. Closely linked and informative data gathering questions might include:

- What skill was to be transferred?
- Was the skill appropriate?
- Is the skill now used correctly?
- Does the skill result in better decision making, marketing, means of production, or products?

All three countries visited are ready to design their own country specific monitoring and evaluation systems to meet their PATS system requirements. Some countries are waiting to begin the process until they receive the system being designed by Washington. Some host country agencies are also very interested in the system. Larger NGOs, for the most part, have some way of tracking client performance, but smaller organizations as well as government offices would like to participate in monitoring and evaluation. Extreme caution should be exercised in presenting the system since it has been designed to meet specific monitoring needs and not as a model for monitoring and evaluating impact.

The Internal Activity Report System was developed by SBD/OTAPS in order to track program expenditures and activities. There are data problems and many inconsistencies were found in the system--activities appear that had never taken place, activities that took place did not appear and some activities were listed twice. (See tables showing activities in the country annexes.) The activity lists for 1992 appear to be in better shape than those for 1991. The weakness of this system is that information is entered based on proposals and is not regularly updated. It is also not clear how the information is used. It has been given to PRE/SMIE in order to provide additional information to the vouchers. However, the list does not meet the needs of PRE/SMIE. It's usefulness as a programming tool to SBD/OTAPS has not been determined.

D. FINANCES

1. Introduction

At Peace Corps, the appropriated budget managed by OTAPS totals \$11 million of which \$2.5 to \$3 million is for salary and benefits. In addition to appropriated funds, OTAPS manages between \$5 and \$6 million in PASA funds, one third of the total OTAPS budget. Within Peace Corps, financial reporting on the use of MEDP PASA funds is handled in the same manner as other PASA funds as well as appropriated funds.

Peace Corps charges a 15 percent overhead on all PASA funds. After overhead, salary and benefits are deducted from the MEDP PASA, roughly 69 percent of the funds remain for project related activities.

SBD/OTAPS funding sources for FY 91 and 92 are shown in Tables II-1 and II-2. The total budget for the Sector in FY 91 was \$760,000 of which the MEDP PASA provided 92 percent. In FY 92 the total Sector budget was \$1,493,000, of which MEDP PASA was 47 percent. Table II-3 shows the budget for FY 93. The total sector budget is \$2,225,000 of which MEDP PASA is 36 percent. Figures II-1 and II-2 show the overall expenditures for the MEDP PASA during FY 91 and FY 92. Finally, Figure II-3 shows the expenditures for the MEDP PASA by activity for FY 91 and FY 92 combined.

Table II-1
SBD/OTAPS Budget by Source and Amount of Funding
in Dollars for FY 91

SOURCE	AMOUNT
MEDP PASA to SBD/OTAPS	600,000
MEDP PASA for GEMINI buy-in	100,000
Sector Appropriated Budget	60,000
 TOTAL	 \$760,000

Table II-2
SBD/OTAPS Budget by Source and Amount of Funding
in Dollars for FY 92

SOURCE	AMOUNT
MEDP PASA to SBD/OTAPS	600,000
MEDP PASA for GEMINI buy-in	100,000
A.I.D. Eastern Europe Bureau	290,000
Poland	290,000
Bulgaria	171,000
Sector Appropriated Budget	42,000
 TOTAL	 \$1,493,000

Table II-3
 SBD/OTAPS Budget by Source and Amount of Funding
 in Dollars for FY 93

SOURCE	AMOUNT
MEDP PASA to SBD/OTAPS	600,000
MEDP PASA for GEMINI buy-in	200,000
A.I.D. Eastern Europe Bureau	1,023,500
ASAP PASA	122,000
Poland	240,000
Sector Appropriated Budget	40,000
TOTAL	\$2,225,500

Figure II-1
 All Expenditures for MEDP PASA in FY 91 by Percent

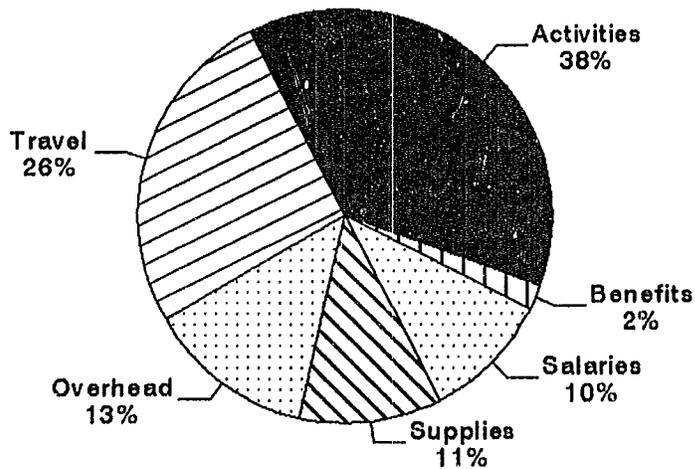


Figure II-2
All Expenditures for MEDP PASA in FY 92 by Percent

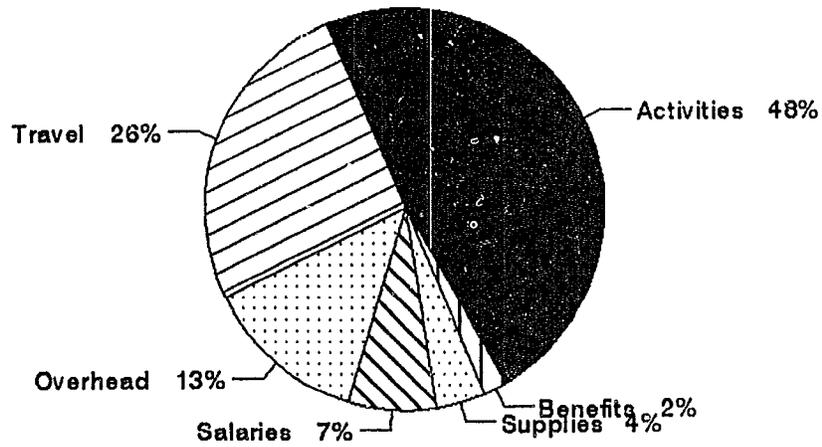
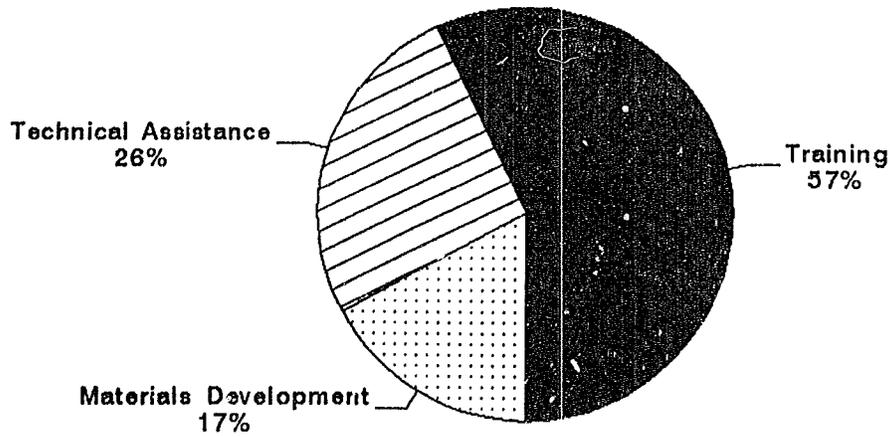


Figure II-3
MEDP PASA Activity Expenditures for FY 91 and 92
Combined by Percent



Finances for the MEDP PASA are tracked in Washington by the OTAPS budget office, using the same procedures as required by OMB (Office of Management and Budget) for all PASA funds.

Peace Corps country offices receive a disbursement cable authorizing funds and activities based on the Individual Activity Request they have sent to SBD/OTAPS. They complete a final report when an activity has been finished. Financial reports are required on a quarterly basis.

The PRE/SMIE office receives quarterly vouchers from Peace Corps that report on overall spending broken out by salaries, benefits, travel, transportation, supplies and materials, other and overhead. The "other" category is the largest category, representing the program activities taking place under the MEDP PASA.

2. Findings

The MEDP PASA is different from other PASAs managed by OTAPS in two ways. First, each year there is a new PASA agreement between A.I.D. and Peace Corps instead of annual amendments. Second, PRE/SMIE requests more detailed voucher information than other PASA oversight offices. These two factors generate extra work in OTAPS.

SBD/OTAPS over budgets by 25 percent on country activities worldwide on an annual basis. Based on the experience of funding other country activities, OTAPS has learned that approximately 25 percent of the fund will be returned unused in the later part of the year. Quarterly reconciliations from countries only report on activities that have been completed. These factors make monthly or quarterly reconciliation with the actual budget difficult.

For the countries visited, financial accounting systems appeared to be running smoothly for at least FY 92. The MEDP PASA finances are incorporated into an overall PASA accounting system. Closing out an activity can be delayed by two or three quarters, depending on when the activity took place and programmed follow-up. This creates budget variances and voucher differences between monies spent and activities implemented in a given quarter.

PRE/SMIE has had some objections to the Peace Corps financial reporting system. A.I.D. would like Peace Corps to provide more detail on expenditures in order to monitor better the voucher process. After discussing this need in mid 1991, Peace Corps began to provide internal budget records and SBD/OTAPS provides activity related expenditures. However, all this data cannot be fully reconciled with the voucher data provided to A.I.D. For FY 93, OTAPS has funded a budget analyst position. Part of the function of this position will be to provide more detailed information with the vouchers.

E. RECOMMENDATIONS

In part due to the rapid growth of the Peace Corps SBD Sector, A.I.D. and Peace Corps need to dedicate some time to working together on upgrading management systems which best support the PASA and SBD activities. The following recommendations are grouped by implementor.

A.I.D. and Peace Corps

- Categorizing country participation and funding levels in MEDP should be dropped. Funding levels should be based on country programming needs and the ability to use MEDP inputs.
- Once the new PRE/SMIE MEDP PASA Project Officer is in place, A.I.D. and Peace Corps should discuss their information needs with particular attention to data for vouchers within the limitations of the Peace Corps accounting system and establish a plan of action to meet those information needs. This includes the development, by OTAPS, of a system to monitor effectively the MEDP PASA budget.
- The MEDP PASA should support the development of monitoring and evaluation systems for SBD country programs, including the development of additional in-country management information needs for tracking SBD activities (funded or not). This will include assisting countries in integrating the PATS (Programming and Training) system with PCV quarterly reporting and MEDP PASA reporting systems.
- If the number of countries receiving MEDP PASA support at any one time must be reduced, one selective criteria for funding activities might be the existence of an SBD APCD in country to support SBD PCVs.

A.I.D.

- A.I.D. should consider amending the PASA on a yearly basis instead of making a new contract every year in order to lessen the administrative burden.

Peace Corps

- Peace Corps should develop a plan and a time line for assuming the salary of the Sector Specialist funded through MEDP PASA. This information should be shared and discussed with A.I.D.

- SBD volunteers should not be placed in a country until an APCD with SBD technical skills is in place. It would be preferable to have the APCD involved with the sector assessment, project development and identification of volunteer placements. A new program needs full-time, on-going support and relationships with institutions need to be established. Volunteers require additional support as they test suppositions and offer feedback to Peace Corps. In addition, MEDP PASA activities require planning, design and coordination.
- The SBD Sector Monitoring System is ground breaking in it's attempt to collect quantifiable information. It needs to get disseminated to the field as soon as possible in order to facilitate further refinement. Following on 1990 recommendations for a monitoring and evaluation system, further refinement should be developed on data gathering for lessons learned and impact assessment. This refinement should be conducted in tandem with the development of country level monitoring and evaluation systems. In addition, if the Sector develops an information development agenda, the reporting system could be updated on a yearly basis, to collect information on relevant issues.
- The purposes of the Internal Activity Report System need to be clarified and the system modified accordingly. Data should be verified and the system updated regularly. In addition to the activity title, using the MEDP PASA purpose code (35) and activity number, and activity dates would be helpful for tracking expenditures.

III. TECHNICAL ASSISTANCE

A. INTRODUCTION

Technical assistance is supported by the MEDP PASA and includes funding for hiring in-country expertise, third country nationals, or independent U.S. PSC (United States Personal Services Contract) consultants. SBD Sector staff also provides direct technical assistance and MEDP PASA is sometimes used to pay for their travel and per diem. In addition, a MEDP PASA buy-in to the GEMINI project provides one staff person on a full-time basis to SBD/OTAPS and specific short-term technical assistance as needed. Activities include country sector assessments, evaluations and sector programming, specific interventions such as providing a consultant in privatization, and project designs.

The MEDP PASA specifies levels of support to countries as follows: 200 days per year of in-the-field assignments are to be provided by Peace Corps and GEMINI staff, and 200 days by U.S. consultants. These days are also used by Peace Corps staff to carry out administrative duties in the field. Locally-based consultant time was projected to be 430 days, mostly in training design and delivery. SBD/OTAPS does not monitor how much technical assistance has been provided by locally-based consultants since contracts and payments for this type of service are handled in country and are not available in Washington.

Some technical assistance has been provided by PRE/SMIE. The Project Managers have traveled to the field with SBD Sector staff in countries where there are possibilities of collaboration between A.I.D. and Peace Corps (PASA visits). A Presidential Management Intern (PMI) was detailed to SBD/OTAPS, providing Peace Corps with an extra pair of needed hands. She spent seven months working with SBD/OTAPS, in the Peace Corps office, on a half time basis. The detailed PMI worked with the Sector on the development of the four-year action plan, providing a bridge between PRE/SMIE and Peace Corps. She also made a very productive PASA visit to Bolivia.

Total expenditures in technical assistance for the first two years of the MEDP amount to 27 percent of the total MEDP PASA activity expenditures for the same time frame. This does not include the GEMINI buy-in, since much of the GEMINI buy-in is to provide technical assistance to the SBD Sector office. The GEMINI buy-in has been \$100,000 a year during the first two years and is doubling in year three (to provide additional short-term technical assistance). Also not included in this percentage is the salary of a Sector Specialist paid for by the MEDP PASA.

Through the GEMINI buy-in, SBD/OTAPS acquires the services of a Microenterprise Development Program Advisor to provide specific microenterprise technical guidance and to ensure that the MEDP has access to the latest developments in the microenterprise field. In addition to the advisor position, GEMINI provides a defined number of days per year in consulting services. Over the past two years this collaboration has amounted to 49⁶ days and is displayed by task in Table III-1.

Table III-1
GEMINI Short Term Assistance by Year, Level of Effort and Task⁷

Year	Level of Effort	Task
FY 91		
	14 days	Programming, Bulgaria
	15 days	Develop M&E system draft
Total	29 days	
FY 92		
	20 days	Sector Assessment, Armenia
Total	20 days	

B. FINDINGS

The GEMINI advisor is housed in the SBD Sector office where he has worked since the original PASA agreement in 1988. He brings rich institutional experience to the MEDP. He essentially serves as another Sector Specialist, and has been instrumental in designing the SBD Sector Monitoring System.

⁶A sector assessment for Albania was scheduled in FY 91 and FY 92. A total of 23 days were committed to this activity, 14 days in FY 91 and 9 days in FY 92. These days have been rolled over into the FY 93 budget. (Personal communication, Wesley Baker of the GEMINI Project, December 11, 1992).

⁷Memorandum from Wesley Baker, GEMINI to Steve Thalheimer, SBD/OTAPS, October 13, 1992.

The SBD Sector stated that access to GEMINI has been valuable with Peace Corps profiting from the staff position and occasional technical assistance. There are some linkages between GEMINI and PCVs in the field, as seen in Poland and Mali. However, this collaboration is not part of MEDP PASA activities, but exists through other formal and informal linkages by projects and institutions. A main focus of GEMINI has been the state-of-the-art research it conducts on credit mechanisms for the small and micro-entrepreneur. Unfortunately, Peace Corps has not worked extensively with credit. This fact, as well as the high costs for consultant time through GEMINI, has restricted the opportunity for exchanges between the two programs.⁸

The SBD Sector values the linkages to GEMINI. Nevertheless, there was no indication that the GEMINI advisor brings anything to the Sector that a Sector Specialist working for Peace Corps would not bring. The cost of the GEMINI buy-in is high, with an estimated multiplier of over 100 percent added to the advisor's salary and costs for consultants. Given that the linkage to GEMINI does not appear to increase the technical capabilities of the Sector beyond providing expensive consultant time, the buy-in does not appear to be cost effective. In order for the buy-in to be more cost effective as a technical linkage between Peace Corps and GEMINI, changes in the focus of the GEMINI advisor have been recommended (see Section IV., Information Development and Dissemination). If this change is not made, it would be more cost-effective for Peace Corps if the buy-in monies were made available directly to the MEDP PASA. With these resources, MEDP PASA could fund additional staff and directly contract consultants.

SBD Sector staff have assumed the bulk of the in-the-field assignments (see Table III-2). Peace Corps has minimized the use of outside consultants for the following stated reasons:

- hiring fewer consultants leaves more money for field activities;
- Peace Corps staff know the intricacies of programming and do not require the extensive briefing and debriefing that consultants need; and
- using SBD Sector personnel builds capacity within the unit.

Peace Corps staff interviewed in the three countries visited stated, however, that they do not look to Sector staff to provide technical assistance. Country offices want SBD/OTAPS to provide consultants who specialize in a specific area. They would like to participate in the selection of consultants. They view the role of SBD/OTAPS as providing administrative backstopping and more clearinghouse

⁸Early in FY 93, GEMINI and SBD/OTAPS developed a project plan for the first time. It was not reviewed as part of this evaluation.

functions. The technical abilities of the SBD staff and the capacity building within the Sector office are discussed in Section VII., Institutional Development.

Table III-2
Number of Days in the Field by
Technical Assistance Source and Year

Source	FY 91	FY 92	Total
SBD/PC Staff/GEMINI	209	284	493
US PSC Consultants	77	88	165
In-Country Consultants	Figures not available		
Total	286	372	658

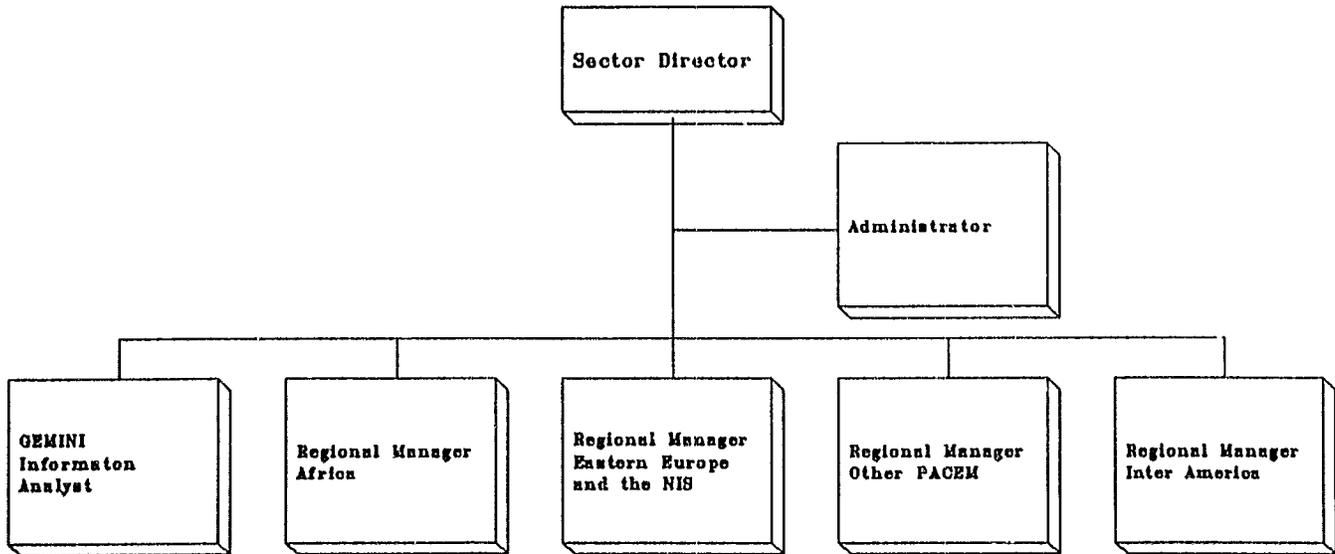
If the SBD Sector staff continue to deliver technical assistance, particular importance must be given to countries where there are more sophisticated volunteers and the small business sector and institutions are more complex. SBD staff and SBD APCDs will need to keep technically abreast, and if possible ahead, of the skills of the PCVs in order to provide the level of technical assistance required in the field. In addition, with the current SBD staff providing the overwhelming majority of in-the-field assistance, they do not have time to reflect on the aggregate of SBD activities and be more central to the development and delivery of improved technical assistance across countries and regions.

With the rapid growth of the sector, which will only continue with anticipated new country entries over the next two or three years, the SBD Sector has been forced to manage an increasing workload. The focus is more often on administration of activities than on the technical content. This focus is expected to continue without additional staff as the SBD Sector takes on 23 new country programs next year, some of which will be new country entries in Eastern Europe and the Newly Independent States (NIS). Workload for these countries is expected to be substantial.

C. RECOMMENDATIONS

A new staffing pattern is necessary in order to carry out all the programmatic activities and allow the SBD Sector to be more active in the delivery of technical assistance and information development. One option would consist of a Sector director, a Sector administrator, four regional managers (one person responsible for Inter-America region, one for Africa, and two for PACEM - one for Eastern Europe and the NIS and the other for all other PACEM countries), and an information analyst position. (See Figure III-1.) This proposed restructuring adds two new positions to the Sector, creates regional management of activities and changes the emphasis of the functions of the GEMINI advisor (discussed in Section IV., Information Development and Dissemination). After the new country entries are established the two positions for PACEM might be combined and managed by one person.

Figure III-1
Proposed SBD/OTAP'S Staffing Pattern



In order to implement the proposed new staffing pattern and to increase institutionalization of skills at Peace Corps the following recommendations are made:

A.I.D. and Peace Corps

- Peace Corps and A.I.D. should discuss the support of additional staff salaries using MEDP PASA funding. This support might include all or part of two additional staff positions for some period of time.
- If the GEMINI advisor position is not refocused on information analysis and dissemination to improve linkages with the GEMINI project, it should not be kept as part of the GEMINI buy-in. Cost savings on the buy-in could be used for other salaries and consultant time.

Peace Corps

- New staff members should be recruited for a technical specialty, such as privatization or accounting, and should function as technical and staff training resources in their special fields.
- Peace Corps should consider making more use of consultants to provide technical input to meet country technical assistance needs.
- In order to provide a training opportunity for SBD Sector staff, and upgrade the in-house capacity of the Sector, a Sector Specialist could be teamed with an expert consultant during part, or all, of the assignment. This would also serve to lighten the burden of briefing by SBD/OTAPS in Peace Corps programming systems and MEDP PASA.
- Financial and human resources are spread too thin to provide quality technical assistance to almost 50 countries during FY 93. Criteria need to be developed for prioritizing MEDP PASA inputs.
- Peace Corps should consider ways to improve the technical assistance capabilities of the SBD staff to satisfy in-country technical needs.

IV. INFORMATION DEVELOPMENT AND DISSEMINATION

A. INTRODUCTION

The SBD Sector of Peace Corps is in a very unique position. Being physically located in Washington, D.C. gives it access to many international resources. Through the buy-in to GEMINI the Sector is connected to one of the largest action research programs on micro and small-enterprise development in the world. Peace Corps has the largest contingent of people in the field working in SBD worldwide. Technically, in part through MEDP PASA funding, the Sector is conducting work that is innovative and on the cutting edge, which generates a richness of information that should be shared inside and outside of Peace Corps.

One of the objectives of the MEDP is information development and dissemination. In the first PASA, the objective was the "development of printed materials and other resources to assist micro-enterprise, local entrepreneurs, PCV counterparts and PCVs." However, the evaluation of the first PASA found that materials support had been "less than anticipated," and that more attention should be given to materials support.

MEDP PASA restated the objective as follows: "to make available resources in the form of educational materials and information which will improve small business performance." Information development and dissemination are a part of the job description for both the GEMINI buy-in as a whole, and for the GEMINI position description. MEDP PASA resources are clearly intended to support the development and exchange of information.

Over the last two years SBD/OTAPS has responded to requests for technical manuals and books either directly or through ICE (Peace Corps' Information Collection and Exchange Office). The SBD Sector has been very responsive to requests from the field with rapid turnarounds. If the information is not available, contact is made to let the field know that they are working on it. The Sector also passes MEDP PASA funds to ICE for the purchase of ICE materials for SBD volunteers. Information requests from ICE have increased over the last two years. The staff person responsible for sending out materials estimates that two years ago about 30 percent of the materials sent out from ICE concerned small enterprise development. Today, she estimates that figure has increased to 50 percent. This can only be expected to increase over the next couple of years. In some cases, MEDP PASA has paid for materials to be developed in-country. MEDP PASA has also supported the purchase of computer equipment, software, videos and other technical supplies which facilitate information development and dissemination at the project level in-country. (These purchases are procured by SBD/OTAPS in Washington.)

Direct funds spent on information resources total \$180,959, 18 percent of the total activity expenditures in FY 91 and 15 percent in FY 92. In FY 92, \$31,861 of that money was passed directly to ICE to support regular volunteer requests in small enterprise related information.

B. FINDINGS

The most striking and immediate finding during this evaluation is that there is no collection, synthesis or preparation of information on lessons learned in delivering technical assistance in small enterprise development, at the worldwide, regional, or country level.

With the rapid growth of the sector, which is expected to continue over the next two or three years, the SBD Sector has been forced to manage an increasing workload. No time has been left to address the issues of information development and dissemination. The focus on responding to field initiatives is expected to continue without additional staff and a commitment to focus on lessons learned.

One of the most common interests expressed in the field during this evaluation is the desire to know what others are doing. Information sharing sessions at regional conferences in Guatemala, Swaziland, Kenya and Indonesia were one of the most important aspects of these conferences, as reported by participants. There are, however, no reports on conference activities, content, lessons learned, or new directions from any of the regional conferences.

Peace Corps volunteers report the same finding; the opportunity to share information and learn from one another is one of the best aspects of in-service training events. Volunteers in Mali reported that they also follow-up on shared information by accessing one another for assistance on particular issues after the training.

The use of GEMINI as a state-of-the-art resource has not been fully tapped, either with respect to the GEMINI advisor at SBD/OTAPS, or with respect to GEMINI publications. GEMINI publishes a myriad of literature on the field and has access to much more. GEMINI publications were notably absent from libraries in all three countries visited. The Sector is reluctant to spend scarce dollars on these publications which they feel should be made available without cost between agencies. The GEMINI advisor has little time to address the issues of information development and dissemination, part of his current job description, due to the workload currently managed through the SBD Sector.

C. RECOMMENDATIONS

Peace Corps should be more active in the research and publication of small business development experiences, enhancing both Peace Corps and A.I.D. The following suggestions support this recommendation.

A.I.D. and Peace Corps

- The GEMINI advisor position should be focused on information development and dissemination. This would build effectively on GEMINI experience, strengths and resources and create an opportunity for a better linkage between the two organizations.
- Peace Corps, A.I.D. and GEMINI should explore the potential of a GEMINI workshop and paper on how to adapt GEMINI sub-sector analysis and other tools to Peace Corps applications.
- Peace Corps, A.I.D. and GEMINI should develop a strategy for putting more GEMINI publications in Peace Corps field offices.

Peace Corps

- The SBD Sector should establish a list of topics on which information collected, synthesized and disseminated.
- All conferences and workshops (worldwide, regional and country specific including IST activities) should be followed by a document summarizing the proceedings, lessons learned and strategies developed. This information should receive wide circulation as a report and summarized in other publications.
- After the Sector has been able to focus some time and resources on the information issues outlined above, two follow-on activities should be addressed:
 - the development of a list of documents, books, and journals suitable for country SBD resource centers, and
 - direct assistance in updating those resource centers.
- The Sector should consider producing an informal newsletter on small enterprise development worldwide to inform countries on the types of activities being undertaken and encourage direct communication between countries for specific ideas, suggestions, and exchanges.

V. TRAINING

A. INTRODUCTION

The MEDP PASA has provided support to Pre-Service Training (PST), In-Service Training (IST), workshops and conferences. Support has been financial, paying consultant fees, and transportation and per diem for consultants, PCVs, host country nationals (HCNs)⁹, and Peace Corps staff. Tasks and products have included training needs assessments; modules, curricula and program designs; and training delivery.

In FY 91 and again in FY 92, training accounted for 57 percent of the total MEDP activity expenditures and about 40 percent of the overall budget. Almost 9,000 persons have been trained during the past two years (See Tables V-1 and V-2).

Table V-1
Regional Distribution of Types of Training Participants for FY 91

Regions	PCT	PCV	PC Staff	HCN	Total
Africa	48	374	56	645	1,123
PACEM	0	116	12	716	844
Inter-America	73	479	48	1,759	2,359
Total	121	969	116	3,120	4,326

Legend: PCT = Peace Corps trainee
PCV = Peace Corps volunteer
PC Staff = Peace Corps staff
HCN = host country national

⁹Host country nationals have participated in MEDP PASA funded activities as entrepreneurs, students, PCV counterparts, and NGO and government agency representatives.

Table V-2
Regional Distribution of Types of Training Participants for FY 92

Regions	PCT	PCV	PC Staff	HCN	Total
Africa	244	190	17	338	789
PACEM	95	86	18	843	1,042
Inter-America	75	457	55	2,249	2,836
Total	414	733	90	3,430	4,667

Legend: PCT = Peace Corps trainee
 PCV = Peace Corps volunteer
 PC Staff = Peace Corps staff
 HCN = host country national

PST is the training that a Peace Corps Trainee receives prior to beginning a two-year term of service. In general, all PSTs are funded out of the offices of the Peace Corps regions. MEDP PASA has provided funding for seven country specific technical training designs for SBD component of PST where a new program in SBD was being developed. In some instances HCN participation in certain sessions has also been covered by MEDP PASA funding.

IST activities take place intermittently during the volunteer's two year service and are designed to supplement and/or augment their existing skills. MEDP PASA has funded more than 50 IST events. Before the PASA, the regions funded these ISTs. However, with the advent of PASA funds, regions have diminished, and in the case of at least the Inter America Region, withdrawn their financial support for these activities. Almost 100 percent of the ISTs are currently supported through SBD/OTAPS. Topics cover a variety of areas such as cooperative development, consulting skills, accounting, marketing, and project planning. PCV counterparts and other HCNs often participate in ISTs supported with MEDP PASA funding which may be their only access to professional skills development.

Workshops and conferences where training efforts are focused on needs of HCN participants are defined separately from the ISTs described above. These events often have an objective (stated or not) of supporting institutional development. (See discussion in Findings below). Volunteers were often involved in organizing, planning, delivering and participating in these events. As participants their role is to follow-up after the event, providing assistance to HCNs in the adaptation and implementation of techniques and skills. Poland has conducted training using this model.

Some of these HCN focused workshops and conferences have been regional in nature and are forums for small enterprise development, information dissemination and Peace Corps institutional development. A conference in Guatemala brought together one APCD and two representatives from host country agencies from each country in the Inter-America Region to discuss the small business sector. Regional conferences were held in the Dominican Republic, Kenya and Bulgaria to train Peace Corps staff in the monitoring and evaluation system designed by the SBD Sector. MEDP PASA also contributed to the participation of Peace Corps staff in GEMINI sponsored conferences in Swaziland and Indonesia.

Another training modality is third country training where Peace Corps staff, PCVs and/or HCNs travel to another country to learn about a particular program. A staff person from Mali went to Senegal to learn about an accounting systems project and to explore its applicability to Mali. A PCV and a n HCN from Chile went to Colombia to learn more about microenterprise programs in that country. A volunteer and a Peace Corps staff person from Guatemala and Costa Rica traveled to Honduras to learn more about the monitoring and evaluation system that the APCD has set up in support of the SBD program there.

There also exists various combinations of these events. Pre-service trainees may participate in an IST. An IST may be combined with an entrepreneur conference, or a PST may be combined with a meeting of local agencies.

B. FINDINGS

Peace Corps countries would not have been able to carry out most of these activities without MEDP PASA funding. Peace Corps Uruguay staff said that they would be able to carry out less than 10 percent of these training activities if they did not have MEDP PASA funds. In Mali, Peace Corps staff remarked that it would take years to achieve the program development they have done in one year if they had not had the MEDP PASA funding. In Uruguay (and the region as a whole) and Mali, Peace Corps has eliminated funding from the regions for ISTs leaving countries to find other funding, principally PASA funding, for these activities. Poland is the exception since they have not had to rely on MEDP PASA so heavily for IST training.

An important advantage of MEDP PASA funding is that, unlike Peace Corps' appropriated budget, these funds can be used in support of HCN participation in training activities. The ability to include HCNs in training programs not only has the outcome of strengthening relationships between Peace Corps and host country agencies, and between PCVs and counterparts, but in strengthening the host country agency itself, which is one of the goals of the MEDP PASA.

A concern of A.I.D. is the dependence of Peace Corps on MEDP PASA funds to carry out their training programs. While striving towards securing other funding sources is an important goal, Peace Corps does not generate its own revenues and will always be dependent on outside funding sources to pay for HCNs as participants in their training programs.

While in some cases local A.I.D. missions have wanted to financially support these activities, the buy-in mechanism has not been successfully implemented and missions have not been able to pass funds to Peace Corps. In Mali, Peace Corps and A.I.D. have divided costs and paid for them separately in order to fund some activities. Other times they have simply not been able to share costs because there was no clear mechanism. (Funding mechanisms are discussed in Section VI., Collaboration).

MEDP PASA funds are used, in part, to develop PST curricula and to develop and deliver ISTs which can be considered essential to volunteer support and the minimal training needed to fulfill their Peace Corps assignments. In countries visited where MEDP PASA funds were used to fund these requirements (Mali and Uruguay), additional MEDP PASA funds were not available to do other HCN focused training.

Although it is not always possible to make a clear distinction between a traditional IST and a more HCN-focused event, where a difference was observed it was relevant to MEDP PASA objectives. This type of training event, more typical of MEDP PASA use in Poland, focuses on HCN training needs within institutions. It makes stronger use of MEDP PASA funds in supporting HCN training, is more directed at institution building, and is effective for HCNs since it is based on their training needs. This training model also supports the role of PCVs as consultants in the identification of training needs and follow-up after the training event.

Traditional ISTs and other country training visits have also had programmatic impact beyond skill building in the PCV population. This is especially true in Mali where activities and programs for the sector have developed directly from these events. Ongoing collaboration with USAID, though difficult because of the lack of financing mechanisms, has paralleled these developments.

PST is an opportunity to train volunteers in the methodologies needed to carry out their assignments. Given the high skills and education requirements for PCVs in the SBD Sector, training skills in basic SBD technologies are no longer satisfying the needs of many PCVs. However, APCDs and some PCVs interviewed noted that there were difficulties in the adaptation and transfer of skills to particular country and job requirements.

C. RECOMMENDATIONS

A.I.D. and Peace Corps

- Workshops and conferences that address institutional training needs should be a priority for MEDP PASA funding and SBD country development strategies.
- MEDP PASA funds should not be used to fund PST. In general, all PSTs are funded out of the Peace Corps regions. Given the scarce resources of MEDP PASA funding and the potential for other high impact activities, all PST activities should be funded by the regions.
- MEDP PASA funds should not be used for traditional ISTs which are designed to complement and supplement PCV skills during service. These should be funded by the Peace Corps regions.

Peace Corps

- Whenever possible, a participant should leave ISTs with a product, or receive a finalized product soon afterwards. This might include something that was designed during the training such as their own implementation plan or a workshop report.
- Peace Corps should develop guidance for identifying HCN training participants to maximize the impact on HCNs, their institutions, and Peace Corps.
- SBD/OTAPS should develop a short paper on how to identify and conduct workshops and conferences which target HCNs and institutions to maximize impact.
- Peace Corps regions should fund the development of short training modules that can be inserted into existing PST and adapted to country-specific situations. With the recruitment of technically sophisticated trainees, PST needs to be refocused on transferring skills such as consulting, negotiation, non-formal education and adaptation of existing skills to local settings. The modules should focus on these skills.

VI. COLLABORATION

A. INTRODUCTION

Program objectives of the MEDP PASA include ". . . an increase in cooperation between the Peace Corps, A.I.D. and local leaders . . .", and "to cooperate with other programs--within and outside A.I.D. and the Peace Corps . . .". Both A.I.D. and Peace Corps also share a goal in using the MEDP PASA as a mechanism for leveraging funds from other sources to carry out the SBD programs and reduce dependence on the MEDP PASA in the long run.

At the Washington level collaboration has included joint A.I.D. and Peace Corps field visits (called PASA visits) to 15 countries¹⁰. Travel was paid for by MEDP PASA funds for Peace Corps staff and Peace Corps appropriated funds for A.I.D. staff. Peace Corps appropriated funds were also exclusively used for joint visits to Micronesia and Nepal. Interagency linkage also occurred through a Presidential Management Intern who was detailed from PRE/SMIE on a half time basis from March to September, 1991.

B. FINDINGS

Collaboration between Peace Corps and A.I.D. generally works, to some extent, at the country level (see country annexes). Collaboration had far less to do with whether or not there was a USAID mission or a representative and far more to do with the interests and attitudes of individuals within the two agencies. Collaboration is best exemplified in Poland where general interests overlap and Peace Corps is recognized as an institution doing credible development work. In Mali, there are joint interests but follow-up is on an opportunity basis. In Uruguay, the availability of A.I.D. funds is extremely limited, SBD is not an element of the A.I.D. country strategy, and the A.I.D. representative is not supported by a technical staff. These factors preclude the possibility for substantive collaboration at the country level without the inclusion of A.I.D.'s regional bureau.

The buy-in mechanism, intended to be central to the development of collaboration at the country level, has not worked. It was tried for the first time in FY 92 when USAID Burundi tried to use the MEDP PASA to pass funds to Peace Corps in Burundi. The A.I.D. Office of Contracts would not allow the transfer and A.I.D. and Peace Corps are trying to address the problem. In addition to the buy-in, countries also need a way to fund occasional small-scale collaborative activities such

¹⁰Fiji, Western Samoa, Pakistan, Bolivia, Costa Rica, the Dominican Republic, Guatemala, Honduras, Jamaica, Poland, Botswana, Ghana, Kenya, Lesotho and Mali.

as conferences and training events on an occasional basis. Other funding mechanisms outlined in "A Field Guide to Peace Corps/A.I.D. Collaboration" may at times be appropriate, however, they are subject to other demands (SPA¹¹, SDA and A.I.D. grants to PVOs), and not always available through the local mission (local currencies) or in Peace Corps countries where there is no A.I.D. mission. (virtually all funding mechanisms). Furthermore, these funding sources have their own limitations and are not appropriate for every activity (SPA, SDA, A.I.D. Grants to PVOs). A PASA agreement may be an option, however, it creates an additional management burden and is probably only worthwhile for large sums of funding.

At the Washington level, the quality of collaborative effort between the two agencies has been in decline since at least September, 1991 and no longer seems satisfactory to either institution. Reduced communication may be the result of several factors:

- recent repeated turnover in the management of the MEDP PASA at PRE/SMIE (discussed in Section II, Management),
- divergent views of PASAs as a contracting mechanism,
- lack of information development and dissemination (discussed in Section IV, Information Development and Dissemination),
- the productivity of some of the joint PASA visits, and
- lack of concrete issues on which to collaborate.

Both agencies express frustration about the relationship yet share many of the same interests. While A.I.D. would like more feedback on the impact of MEDP PASA funds, SBD/OTAPS would like more PRE/SMIE advocacy within A.I.D. Both want access to more information, whether it be shared information on policy, programmatic information, or new program developments. There are opportunities to collaborate on activities, yet both institutions seem to hesitate.

PASA visits, once the primary mechanism for collaboration, have not occurred during the last year. The purposes of the visits have been described by various sources as to assess the potentials for A.I.D. and Peace Corps collaboration in small enterprise development, leverage funds from local A.I.D. missions, and to program MEDP PASA funds. The visits were conducted by Peace Corps and A.I.D. Washington staff. When the pre-MEDP designation was made, PASA visits were designated to occur when countries graduated from pre-MEDP to MEDP status. An

¹¹SPA is Small Project Assistance, SDA is special Development Activity Authority, PVO is Private Voluntary Organization.

additional change was made, allowing A.I.D. 's interests to be represented by a local mission staff member.

No direct observations of the outcome of PASA visits was possible during the evaluation. While both Poland and Mali received PASA visits, no informants in those countries were identified at the time of the evaluation visit. Informants included the original PRE/SMIE MEDP PASA Project Officer, who went on many of the PASA visits, the detailed PMI who observed and went on a PASA visit to Bolivia, the Director of the SBD Sector, and the Deputy Director of OTAPS, who as Peace Corps Director in Fiji, received a PASA visit team.

In order for A.I.D. to travel, Peace Corps must use its limited SBD operating budget and in past years PASA visits have taken up to half of that budget in some years. This burden is especially heavy in light of the fact that Peace Corps' appropriated budget has been reduced 33 percent.

The benefits of the trips were described as 1) having accelerated discussions and made resources more readily available for both agencies, and 2) introducing A.I.D. to Peace Corps small enterprise development activities. Where there was no agenda beyond "opening doors" the trips were viewed unfavorably. Where there was a technical purpose such as a project design or technical assistance on specific problems visits were viewed more favorably.

When the agenda does not go beyond "opening doors" and leveraging funds the PASA visits may not have been worthwhile. In many cases the likelihood of interagency collaboration tied more closely to the predispositions of the players in-country than encouragement from visitors from Washington. However, there may be a strong role in technical assistance to play, as a collaborating team responding to country specific technical needs. Where country needs can be met by a collaborative A.I.D./Peace Corps team, countries would benefit from the technical abilities embodied in both agencies as well as the example of collaboration at work.

The entry of both Peace Corps and A.I.D. into Eastern Europe and the Newly Independent States may provide fertile territory for examples of collaboration. Peace Corps is in areas where A.I.D. expects to be working. The business centers could facilitate collaboration through the provision of equipment and training or for other programmatic needs.

C. RECOMMENDATIONS

A.I.D. and Peace Corps

- At the minimum, A.I.D. and Peace Corps should improve coordination of information and responsibilities in the management of the MEDP PASA.
- At the Washington level, both agencies need to create time to work together on technical issues, perhaps through an enterprise task force. If an agenda for collaboration is not defined, the expectations for collaboration should be dropped and the PASA language on coordination should be specified to cover contractual requirements only.
- A.I.D. and Peace Corps must make the development of the buy-in mechanism and other mechanisms for passing smaller amounts of financial support between agencies at the country level a top priority in order to achieve maximum collaboration at the field level.
- The PASA visit mechanism should be evaluated and modified or discarded. The concept needs to be examined, and if mutually advantageous, changed as follows:
 - the objective of a collaborative visit should be based on the country's needs for assistance in the development or modification of SBD programs,
 - both Peace Corps and A.I.D. staff conducting the visit must make technical contributions to the country programs,
 - in providing technical assistance through a joint visit, Peace Corps and A.I.D. should model collaboration, showing both country agencies the potentials for collaborative efforts, and
 - the timing of PASA visits must be made so as to provide the maximum assistance to countries visited.
- A.I.D. and Peace Corps should look for successes in collaboration in Eastern Europe and the New Independent States and apply them to other regions.

VII. INSTITUTIONAL DEVELOPMENT

A. INTRODUCTION

The MEDP PASA is very specific in defining institution building and the institutionalization of skills and inputs in three of the six program level objectives:

- To institutionalize microenterprise development into Peace Corps programs and to integrate microenterprise development into other technical sectors in which Peace Corps operates, e.g. agriculture, natural resources, health, urban development, youth development, women in development.
- To form a cadre of volunteers and counterparts -- well-trained in small business skills and business advisory assistance -- who will promote business development in the communities and institutions in which they work.
- To strengthen intermediary institutions that promote micro and small-scale business.

Objectives on institutionalization in the MEDP PASA are far more explicit than those of the first PASA. Interviews with key A.I.D. informants early in the evaluation reiterated the importance of assessing these objectives. The MEDP PASA also funded a SBD Sector Specialist for the first year, stipulating that Peace Corps would pick up the responsibility for that salary after the first year as part of institutionalizing MEDP PASA inputs.

B. FINDINGS

1. Institutional Development and the Peace Corps

During the first two years of the MEDP PASA, volunteers in small business have increased by about 66 percent.¹² Peace Corps' cost to support this increase in PCVs was about \$3.8 million. In addition, over the last two years, SBD/OTAPS added a SBD Sector Specialist position and a Budget Analyst position (which will in part serve MEDP). SBD staffing at the country level has also greatly increased. Clearly, agency wide, Peace Corps is making a substantial commitment to the sector in volunteer placements, staff, and financial support.

With the assistance of the MEDP PASA, the SBD Sector has improved the image of Peace Corps as a development agency, both in Washington and in the field. The highly skilled PCVs who are currently serving are well respected by their

¹²Based on the number of volunteers requested, which is the only figure available.

counterparts and other donors. The SBD Sector has also taken the lead in monitoring at the sector level for the agency.

MEDP PASA funding has been critically important to the Peace Corps SBD programs at the country level, providing for the training of PCVs and host country nationals as well as funding innovative activities. The SBD Sector also has additional funds from A.I.D. for Eastern Europe (FY 92 and FY 93), the Newly Independent States (FY 93), as well as the ASAP PASA (African Small Business Assistance Program) (FY 93). Over the long term, as the SBD Sector demonstrates its effectiveness as a Peace Corps program, Congress may be willing to fund more and more of the SBD program through direct appropriations.

MEDP PASA, signed in 1990, was to pay for one staff position during the first year, with Peace Corps picking up that position after that time. To date, Peace Corps has not assumed that salary. The Sector functions under scarce resources, both in terms of human resources and direct appropriations. The operating budget for the Sector has dropped 33 percent since FY 90.

SBD/OTAPS has conducted a variety of activities in other OTAPS sectors using MEDP PASA funding. These have included funding an issue of the WID newsletter on Women and Enterprise; collaborating with the Health Sector and the Small Project Assistance Program with funding for an SBD training in the Central African Republic; participation from the Agriculture Sector on a sector assessment in Romania; coordinating with the Education and Youth Sector to send two people to a MEDP PASA-supported conference on Junior Achievement in Honduras; and with the Environment Sector in the support a Peace Corps fellow who is producing a white paper on environmental businesses, such as eco-tourism and control of industrial pollution. At the country level some cross-sector activities are also taking place. For example, in Uruguay, with the Environment Sector, Peace Corps has just started looking at a recycling project as a small business; in Poland, there are program links with the TEFL program; and in Mali, the SBD Sector is working with Education Sector PCVs to develop modules on feasibility studies and other small business skills for school children.

New programs in SBD have been supported in rapid succession, following the growth of Peace Corps. In Poland and Uruguay technical inputs for preliminary programming inadequate. Neither country had an SBD APCD at the time of the initial programming and both used short-term visits for programming assistance. (A full discussion of this point, including the funding of these visits, is presented in Section II., Management, Administration Findings.)

Further institution building over the next two years, for Peace Corps at the Washington level, is discussed in Section III, Technical Assistance. Recommendations for staff development are provided in that section.

2. A Cadre of Volunteers and Counterparts

Assessing the effectiveness of training Peace Corps volunteers and counterparts was beyond the scope of this evaluation and would require the development of benchmarks for measurement. During country visits the evaluators did find volunteers, counterparts and other host country nationals (participants in MEDP supported training) who were enthusiastic and doing good and exciting project work. Specific examples can be found in the country annexes to this report.

Where host country nationals are targeted for training, and PCVs are trained to assist and follow-up in the implementation of new technologies and skills, the objective of institutionalization is more likely to be directly served. Where ISTs for PCVs alone are conducted the impact is harder to establish.

3. Intermediary Institutions

MEDP works with a gamut of institutions that vary in their legal structure, their client group, staffing patterns and long-term goals. By far the largest MEDP PASA-supported activity contributing to the strengthening of local institutions through the MEDP is the training of staff. Almost 9,000 host country nationals have participated in training during the past two years.

Some workshops have a more direct relationship to strengthening institutions. For example, a workshop in Uruguay brought together over 80 host country nationals representing 60 institutions for a dialogue on the small business sector. Institutions came away with a clearer view of the status of the small business sector in Uruguay and prepared to tackle some longer term planning. In Poland, volunteers work in institutions to identify training needs. This has resulted in some very effective workshops and conferences funded through MEDP PASA.

C. RECOMMENDATIONS

Peace Corps

- The SBD Sector should develop a plan to marshal its experience and evidence of its impact for congressional presentations. Appropriated funding will be needed to replace non-appropriated funding beginning with the next program presentation to Congress in order to reduce transition stress when PASA and other agreements expire.
- The SBD Sector should continue to improve the image of Peace Corps as a development agency in the field by refocusing on sharing information SBD experiences and especially the MEDP PASA. This may result in an increased interest in collaboration from other agencies. The Peace Corps is doing exciting things in the field, for which they do not get full credit, because they do not make the information available.
- Peace Corps should develop guidance for countries on how to leverage support from other agencies. Poland may provide examples of multi-donor supported workshops and conferences.
- In the development of new programs, technical staff should be in place a year before PCVs arrive to assist in the development of the program and to reduce false starts. In the process of institution building, where countries have an SBD program, there should be technical staff in place to backstop the activity in-country.
- Peace Corps should consider a series of cross-sectoral workshops at the Washington level to develop examples of and guidelines for cross-sectoral programming for the field. MEDP PASA could support this activity.

ANNEX A
SCOPE OF WORK

Scope of Review

The evaluation will address: 1) the quality of services MEDP provides to its clients (timely, appropriate, customized as needed); 2) the contribution made by MEDP to the microenterprise (or other) sectors of the countries in which it operates; 3) contribution of MEDP to Peace Corps programming, in Washington and the field; 4) benefits deriving from the GEMINI buy-in and how these are integrated with the MEDP; and 5) project management. These areas for review are elaborated upon below.

1. Performance and delivery of contract requirements.
2. SBD activities. Assess the quality, appropriateness and usefulness to clients of the training and technical assistance services provided, and the project design work and sector assessments conducted by MEDP staff and consultants.
3. Information Development and Dissemination. Includes: quality and appropriateness of information resources, and methods for disseminating to clients and other parties.
4. Coordination and collaboration in-country between Peace Corps Posts and other players in the microenterprise sector, including A.I.D.
5. GEMINI buy-in. Types of services provided through buy-in, and contribution to and integration with MEDP.
6. Project Management. Includes management of activities by OTAPS and PRE/SMIE staff in Washington, and Peace Corps posts in the field.
7. Future Directions. Recommended areas of emphasis, including activities or regions. Recommended improvements in project services, implementation, management.

Review Activities, to be conducted stateside and in the field

1. Review selected documents relating to MEDP design and implementation and SBD activities, to be identified in concert with OTAPS and PRE/SMIE. This may include, but not be limited to: MOU, PASA and GEMINI Buy-in, Scopes of Work, Quarterly and Annual Reports, annual implementation plans, MEDP consultant and staff trip reports, Volunteer Assignment Descriptions (VADS), Needs Assessments, Project Design documents, and project monitoring reports. Compare actual outputs to those specified in the contract.
2. Conduct Washington-based interviews with: staff of PRE/SMIE, GEMINI, OTAPS and elsewhere in Peace Corps, and frequent contractors for MEDP.

3. In concert with AID/W and PC/W, identify and schedule site visits to three to five countries with established MEDP programs.
4. Conduct field interviews with: clients of MEDP supported programs, PCVs, host country counterparts, relevant agencies, A.I.D. field staff, Assistant Peace Corps Directors (APCDs), and other parties as identified in concert with PC posts and A.I.D. missions. Conduct a debriefing with PC and A.I.D. country staff, prior to departure from country(ies) visited.
5. In-country, review any documents not available in Washington.
6. Analyze the information gathered through reading and interviews qualitatively and, where appropriate, quantitatively. Clearly distinguish between findings that are project/country specific, and those that are more generalizable. Identify both strengths and weaknesses of the MEDP program. Provide detailed and well documented conclusions regarding the items listed in the Scope of Review.
7. Make recommendations based on findings and above analysis. Identify what should be the future activities and focus of the MEDP, any elements of the project that could be improved to strengthen its overall effectiveness, and propose strategies for improvement.
8. Write draft report and present findings and recommendations to A.I.D. and Peace Corps staff. Submit draft for comment to A.I.D. and Peace Corps.
9. Finalize report to incorporate comments and discussions with A.I.D. and Peace Corps.

ANNEX B

LIST OF PEOPLE INTERVIEWED

LIST OF PEOPLE INTERVIEWED

WASHINGTON, D.C.

Agency for International Development

Arnold Baker	PPC/PB
Julie Allaire-MacDonald	PRE/SMIE
Ross Bigelow	Previous PRE/SMIE
Forest A. Duncan	PRE/SMIE
Mike Farbman	Director, PRE/SMIE
Lisa Reategui	Previous PRE/SMIE PMI
Beth Rhyne	PRE/SMIE

GEMINI

Matthew S. Gamsler	Deputy Director
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Peace Corps

Randy Adams	IA Regiona
Barbara Brown	Director, SBD/OTAPS
Jim Ekstrom	Director OTAPS
Bill Fanjoy	SBD/OTAPS
Charles MacNamara	OTAPS
Ray Panczyk	OTAPS
Barbara Pobotoy	OTAPS
Jennet Robinson	A.I.D. Liaison, OTAPS
John Schiller	Africa Region
Lauren Spurrier	SBD/OTAPS
Steve Thalheimer	GEMINI, SBD/OTAPS
David Wolfe	ICE
Vernell Womack	ICE

MALI

Agency for International Development

V.L. Duarte	Economist
Yacoube Konate	HRD In-country Training Coordinator
Moussa Ly	HRDO In-country Private Sector Coordinator

Peace Corps

Howard Anderson	Director
Bonnie Kittle	Program and Training Officer
Charlie Feezel	SBD Associate Peace Corps Director
Hill Denham	Administrative Officer

Mali continued:

Margaret Bishop	PCV
Eric Brown	PCV
Stephanie Condon	PCV
Tom Condon	PCV
Kelley Kyle	PCV
Maria Dizon	PCV
John Kongsvik	PCV
Maria Pagura	PCV
Sedou Coulibaly	PCV Counterpart
Wili Kanoute	PCV Counterpart
Izak Samake	PCV Counterpart
Soumali Coulibaly	PCV Counterpart
Oumar Touré	Association Conseil pour l'Action

POLAND

Agency for International Development

Charles R. Aaneson	Program Officer
Bill Jessup	
Magda Wyganowska	Project Specialist

Peace Corps

Art Flanagan	Program and Training Officer
Ted Konteck	SBD Associate Peace Corps Director
Aleksandra Gul	SBD Associate Peace Corps Director
Krzysztof Pajczkowski	SBD Project Assistant

Elen Eldred	PCV
Bill Grant	PCV
Suzi Hagen	PCV
Susan Snelson	PCV

Host country Institutions

Wlodzimierz Grudzinski	President of the Bank for Socio-Economic Initiatives
Senator Pawlowski	President of the Nowy Sacz Chamber of Commerce

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ANNEX C

LIST OF DOCUMENTS REVIEWED

List of Documents Reviewed

Agency for International Development

- 1988 Memorandum of Understanding Between the Agency for International Development and the Peace Corps for a Joint Program in Microenterprise Development.
- 1988 Participating Agency Service Agreement Between the Agency for International Development and Peace Corps: 931-1090 Small Enterprise Approaches to Employment. PASA Number DHR-1090-P-AP-8039-00. September 1988.
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- 1991 Peace Corps Microenterprise Development Action Plan, FY 91-94. Small Business Development Sector, Office of Training and Program Support, Peace Corps. Washington, D.C.: May 1991.
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- 1992 Annual Report, Fiscal Year 91. Office of Training and Program Support, Small Business Development Sector. Washington, D.C.: February 1992.
- 1992 FY90/91 Review of ASAP/PASA Activities and Accomplishments. Peace Corps. Washington, D.C.: April 2, 1992.
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ANNEX D

MALI

MALI

A. INTRODUCTION

Mali has been the site of Peace Corps activity since 1971, growing from a program of 25 volunteers to 155 today. Occasional volunteer placements were made in small enterprise development as early as 1982 and an urban SBD project was begun in 1984. In 1988 Volunteer numbers doubled and an APCD position was added to manage the Sector. Immediately following this growth, a rural SBD program was initiated in 1989. Volunteer placements in small enterprise development have gone from 1 in 1982 to 29 in 1992. (See Table C-1). The SBD program in Mali is currently staffed by one APCD who has access to part time secretarial support.

Table D-1

Number of SBD Peace Corps Trainees (PCTs) by Year

Year:	1971-82	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
PCTs:	0	1	3	4	6	4	11	20	20	30	29

Mali represents a country which has had a long history of inputs from the MEDP PASA. It was one of the first five Peace Corps countries to receive MEDP PASA inputs in 1988 and is currently in the "post-MEDP PASA phase." Mali also has a large and well established USAID Mission.

The Urban SBD program began with a series of business management courses, offered through the Chambers of Commerce. The client base is composed of individuals who are interested in developing or improving their business skills. They are often employees and not business owners. The program is funded by USAID, seminars are managed by Peace Corps Volunteers and counterparts, and local experts teach the courses. While volunteers in this program have assigned counterparts in each Chamber of Commerce, their functional counterparts are the training managers hired with USAID support. The seminars, technical staff, and client base are sufficiently developed to allow the Chamber of Commerce to run the courses at cost or possibly even a profit. While the Chamber of Commerce shows little interest in assuming the management role of these seminars, some Peace Corps counterparts are interested in beginning their own management training program.

Rural program Volunteers have been placed with a variety of agencies including an A.I.D. supported project, Operation Haute Vallée. They work primarily with village associations and entrepreneurs to improve management techniques and to develop credit systems for the small borrower. Volunteers are also beginning to work formally with small retailers, craftsmen and tradesmen to develop tailored accounting and management systems for each trade or service area in both rural and urban settings.

The current political environment in Mali is favorable to new undertakings. The government is re-organizing to decentralize responsibilities and assist in the development of the private sector. While people are waiting to see how the re-organization settles out, there is an air of optimism and an interest in developing business opportunities. This is an exciting time in Mali, with a potentially high impact on business development and service delivery. While volunteers have always played an important role in modeling the implementation of skills (as management consultants for example), this role may be even more important as the government decentralizes and new management styles and skills are required across all levels of government.

B. MEDP PASA INPUTS

Since 1988 MEDP PASA has played an important role in SBD Sector development, and contributed to SBD activities in other sectors. Some of the early inputs included support to send the SBD APCD to Senegal to review an accounting program there, and the development of a technical training design for pre-service training. Over the last two years MEDP PASA inputs have supported in-service training (ISTs) programs, materials development and acquisition, and village level management training. A list of those activities is given in Table C-2 and C-3.

Table D-2

MEDP PASA Inputs (Title and Cost) for FY 91¹
and Evaluation Findings

TITLE	COST	EVALUATION FINDING
Beekeeping IST	\$2,491	No informant available at the time of the country visit. Current staff believe that the activity was not conducted due to political unrest. Funds were not obligated in country (Cable BAMAKO 7147).
Materials Development	800	No informant available at the time of the country visit.
Training of Trainers	2,038	No informant available at the time of the country visit.
Consulting	1,890	An IST for PCVs and HCNs on A.C.A.'s accounting systems. Additional funding for some costs was provided by USAID. Participants and trainer interviewed. Very well received with ongoing impact.
Numeracy IST Senegal	540	Funding for two or three PCVs to go to Senegal to learn about the program there. One participant interviewed. Good results. Information transferred through an IST in Mali, reportedly funded through WID/OTAPS.
SED Skills Ruralization	5,820	No informant at the time of the country visit. IST on SBD for Education Volunteers and counterparts.
Non-Formal Education IST	8,860	IST in non-formal education. Not well received due to lack of preparation on the part of the presenter. Informants interviewed.
not listed		APCD Donahue visit to Senegal. No informant available at the time of the country visit. This trip was the beginning of a collaboration between A.I.D. and Peace Corps which has resulted in a new program in small business development in Mali. Washington Cable shows authorization at \$3,075.12. Country cable shows authorization at \$1,675.12, obligated at 1,675.12 and liquidated at same.

¹Based on SBD/OTAPS Activity Expenditure list as of September 1, 1992.

Table D-3

MEDP PASA Inputs (Title and Cost) for FY 92²
and Evaluation Findings

TITLE	COST	EVALUATION FINDING
SB Training for VOC ED	\$4,212	IST on SBD skills for Education Volunteers and counter-parts. Education Volunteers are working on the development of school curriculum in SBD to meet Mali education program goals. Participants interviewed. Productive IST with ongoing activities.
Management Training	1,000	Two village workshops in skills for managing village pharmacies. PCV implementor interviewed. Very successful because of good needs assessment by PCV, abundant logistics support from local NGO, and good follow-up by PCV. Additional costs met by USAID (\$1,800), the local NGO, and the villages.
Book Order	4,000	APCD ordered business dictionaries with an estimated cost of under \$600. Dictionaries have not yet arrived.
not listed		IST on Credit and Training Skills funded at about \$1,500. Request made through MEDP PASA by APCD. Activity completed. In country financial management shows this activity (35-205-311) taking place in February with \$2,800 obligated, \$1,593.27 disbursed and a balance of 1,206.73.

C. TRAINING

MEDP PASA supported the early development of a pre-service technical training component for the SBD program in Mali. That input has been institutionalized through the ongoing development and modification of the technical training materials for each training cycle. As the sector has grown and learned from the past 4 years, Peace Corps is ready to address additional SBD technical areas not previously addressed. Those areas are credit and monitoring. Technical training in these areas should follow relevant program design work.

While progress has been made in the development of training materials, country understanding of the qualifications necessary for successful Peace Corps candidates has changed. Even at the most basic levels of the rural program, Volunteers without significant professional experience do not perform as well as Volunteers who come with 4 or more years of professional business experience and

²Based on SBD/OTAPS Activity Expenditure list as of September 1, 1992.

a business degree (including degrees in economics). Therefore, with the qualification of accepting degrees in economics, the assignment area (AA) which requires both educational and experiential background has become the acceptable qualification level for SBD service in Mali at this time. This means that trainees come to training with many basic business skills and only require training in adapting those skill to local settings and needs. Future challenges for the perfection of the pre-service training design are to help trainees adapt what they know to the particular needs of their Malian clients and training in consulting skills.

MEDP PASA has been a critical input to in-service training for Mali. The SBD program would not have been able to do the ISTs that it has done without these inputs, even though those inputs have been minimal, (APCD Feezel estimates that a PCV requires the input of technical assistance through IST at the rate of once a year). If these ISTs had not been conducted, the programmatic impact would be such that progress in objective definition and program definition over the last year would have taken up to three cycles of PCVs to obtain. At that rate it is unlikely that any of the programming objectives would be reached before they were changed by new staff with other skills and interests. In addition, MEDP PASA supported ISTs have frequently resulted from and/or in further collaboration and program development with USAID in Mali. Without these inputs Peace Corps would not have been able to play the dynamic role in program development of the new accounting program, numeracy programming, or development of SBD materials for education that it has done to date.

D. TECHNICAL ASSISTANCE

Funding for activities has been an issue for Peace Corps in Mali, but technical skill has not been an issue. To date, they have fulfilled technical assistance needs in-house or through local consultants, or by funding it through other sources. This includes Peace Corps Mali participation in a GEMINI sub-sector analysis for USAID Mali, paid for directly by USAID Mali. Participation in that exercise has led PCVs and the APCD to request further training in the GEMINI approach to sub-sector analysis. This request has been passed to SBD/OTAPS. It was interesting to note that GEMINI - How to Books on Sector Assessment, are not part of the SBD library, even though they have requested further training in this area.

Peace Corps in Mali looks to SBD/OTAPS as a clearinghouse for information and consultants as needed. If particular skills were needed they might request a consultant through SBD/OTAPS. In doing so, the country would like to participate actively in consultant selection.

E. INFORMATION DEVELOPMENT AND DISSEMINATION

The Peace Corps Mali SBD library, like resources for other sectors, is housed in that APCD's office. This seems to work well for SBD Volunteers and the APCD. Volunteers almost always cited their APCD (not the documents) as their first source of information. When they come in with a query the APCD knows which documents would be useful. One Volunteer noted that even when he did not have a question the APCD often provided him with new documents relevant to what he was doing when he stopped by. The down side of this arrangement, according to the PTO, is that it inhibits cross-sector fertilization of technical resources. This observation was supported by the Director of ICE in Washington, D.C. Peace Corps in Mali continues to request, through the Integrated Planning and Budget Submission (IPBS), the means to support a resource library for the post.

ICE materials have been requested by PCVs and have been received in a timely fashion. While the information is often interesting it is not particularly helpful. According to one PCV this is because it's not easy to know what you are ordering based on the descriptions provided in the ICE manual and since you do not want to order too many things it's a fairly blind selection of what is listed. A Peace Corps resource library would reduce this problem by making a wider set of resources available to Volunteers, including a Resource Librarian familiar with sources beyond the library. It also points to the information needs of these Volunteers which include, 1) occasional searches for very special technical information, and 2) adaptations and methods to adapt SBD skills they already know.

F. INSTITUTIONAL DEVELOPMENT

To date, the SBD program in Mali has been more successful in developing skills in individuals than in institutions. The primary example of this is the long term, USAID supported management courses that Peace Corps Volunteers and their (unofficial) counterparts offer through the Chamber of Commerce. While the Chamber of Commerce does not appear to be interested in becoming involved in the direct management of this project, technical skills building and empowerment in PCV counterparts is very successful. So much so that some counterparts have discussed creating their own management training business.

Other SBD activities demonstrate a range of counterparts from those who are taking what they learn back to their offices and serving as consultants in their own organizations (less common) to those who have worked repeatedly with PCVs (sometimes three PCV placements in a row) and attend ISTs (two informants had each attended three ISTs). The later report that, while what they learned had value, they have never implemented anything they learned at the ISTs. For Mali, where inputs are currently more successful at the individual level than the institutional level,

this points to the need for careful selection of participants and a Peace Corps role in assisting counterparts to act on learnings. For ISTs this later role might be to 1) conduct careful pre-workshop needs assessment to understand the potential constraints to implementing technologies to be presented in the workshop, and 2) dealing with as many of those constraints as possible up front and during the workshop. This would include attention to the authority hierarchy to get approval, buy-in and directives for implementing technologies from participants' supervisors.

With the recent change in government and the reorganization of ministries (still in progress), Peace Corps Mali is actively looking for new programmatic counterparts. With the development of good support systems and close monitoring, Peace Corps, with MEDP PASA support, should look for high impact opportunities to assist the government in its support of the small business sector and the development of management skills for its new decentralized government. Input targeting strategies used by other countries working in SBD might prove helpful in the identification of opportunities and help reduce risks for new initiatives in Mali.

G. MANAGEMENT

Overall the management of MEDP PASA requests, funding and close out are clear to Peace Corps Mali. Both the SBD APCD and the Peace Corps Administrator understand the requirements of the MEDP PASA system and find it timely.

MEDP PASA requests and funding management do not put an undue burden on the SBD APCD. In Mali, these funds are generally used to fund ISTs which the APCD would manage under any circumstances. More could be done in technical support to volunteers and in program development with a full time program assistant, but that need is not a direct result of MEDP PASA requirements given the focus of MEDP PASA spending for Mali.

In part do to the progress the SBD, Peace Corps Mali is ready to develop a monitoring and evaluation system for its activities. This will require the assistance of a consultant, if only to create the time to focus on the work.

H. COLLABORATION

Collaboration between Peace Corps and USAID in Mali is active. MEDP PASA inputs have contributed to program development supported by both agencies and to which Peace Corps Volunteers are assigned by providing Peace Corps Mali with seed or leveraging funds. The work with the Actions Consulting Association (A.C.A.) in the design of a new accounting program is a good example of this. This activity has grown out of a Peace Corps and USAID collaboration beginning with the

first SBD APCD's trip to Senegal (funded by MEDP PASA) to learn about a the A.C.C. program there. The Senegalese NGO, A.C.A., implementing these activities for USAID/Senegal, was invited to Mali to conduct an IST for Peace Corps Volunteers and counterparts (with funding from MEDP PASA, and USAID). Peace Corps, in turn, requested that the program be initiated in Mali. A.C.A. has now begun a project in Mali to develop management skills among urban trade associations, supported by USAID and Peace Corps (funded by USAID with Peace Corps participation).

As volunteers and staff at Peace Corps and USAID rotate and programs change the interagency relationship will require attention. To maintain that collaboration, Peace Corps may need access to the funds they have used in leveraging collaboration on an ongoing basis.

APCD Charlie Feezel sits on an interagency Private Sector Panel with A.I.D. The group has not met for some time and members agreed that their work, reviewing training proposals, could be more efficiently done by the USAID training office. The group could do more but lack a *raison d'être*. In general, both agencies said they could do more together but lack the time and ideas to pursue it aggressively. Collaboration will continue on an opportunity rather than proactive basis.

I. CONCLUSIONS

The SBD program in Mali has grown rapidly with the assistance of MEDP PASA inputs. The inputs have paid for things which are essential to Peace Corps programming such as PST training design and a minimum number of ISTs. MEDP PASA has also provided funds for both APCDs and Volunteers to travel to learn about other programs and to attend conferences. Almost all of these inputs have had a high pay-off in terms of programmatic impact, Peace Corps SBD Sector development, and collaboration between Peace Corps and A.I.D.

Peace Corps Mali is at a stage in its programmatic development where, with continued resources to do what they have been doing (including ISTs), they could profit from access to funds, such as MEDP PASA funding, to do more proactive or leveraging activities such as their current need to develop a technical component in credit.

ANNEX E

POLAND

POLAND

A. INTRODUCTION

Peace Corps Poland, which has been in operation since 1990, is called upon continually for its historical experience in establishing the first Peace Corps program in Eastern Europe. They are currently a "post-MEDP" country and requested to share their experience for the MEDP PASA midterm evaluation. The country visit took place between September 12 and September 18, 1992.

The Peace Corps program in Poland began with two sectors, TEFL (teaching English as a foreign language), and Small Business Development. A third sector, Environment has recently been added. There are currently 54 Small Business Development Volunteers, 22 of those are ending their second year of service and a new group is in training now. With the swearing in of the new group there will be 62 SBD PCVs in place. A.I.D. has a Representative and eight technical staff in Poland. GEMINI also has an office in Warsaw.

The SBD sector has a large staff; 2 APCDs, 2 Program Assistants, a Secretary and a part time student assistant. A Project Analyst position, with responsibility for tracking all reports from PCVs including quarterly reports, is now vacant. The part time student assistant is responsible for tracking MEDP PASA submissions and making sure they are timely and complete. Two APCDs and one Program Assistant provide direct volunteer support, each taking general responsibility for a technical area or project (privatization, municipal government advisors, and business training), but serving all volunteers across the sector as called upon or practical given their technical duties. Poland's quick start-up, the technical nature of the SBD sector, and Poland's role in briefing other staff for new country entries keep the staff busy.

The first program assessment prepared in February 1990 included a report, "Assisting Small Enterprise Development in Poland," which identified the key points for intervention and a volunteer placement strategy. Following recommendations in the sector assessment and traditional Peace Corps grassroots strategy, many of the first group of Peace Corps Volunteers were then placed as advisors in local government offices in secondary towns. By the end of the first year it was apparent that the traditional grassroots strategy was not working and 13 Volunteers had to be moved. An analysis of the problems encountered and lessons learned was summarized in Poland's IPBS (Integrated Programming and Budget System) for FY 1993-1995 and include:

- sophisticated site and counterpart assessment is key to the PCV placement;
- site and counterpart assessment require the attention of a full time Peace Corps SBD APCD to conduct negotiations; and

- Peace Corps country staff must collaborate in preliminary project plans in order to define the role of the PCV as a human resource developer rather than a policy advisor. Volunteer placements will focus on "how to do" in assisting others to implement their priorities.

During the first two years of the program, successful PCVs were in a wide variety of placements (banks, business schools, chambers of commerce, etc.) and doing a variety of technical assistance and training. A more programmatic focus has developed and is being formalized in three projects. The municipal and provincial advisory plan continues to place volunteers in local government organizations but placements are selected carefully and there is emphasis on institution building. The remaining project plans will be in business training and privatization.

Although project plans are being developed, volunteers may still be placed throughout the country and technically involved with a wide variety of activities. The key to the current success of this dynamic program seems to be in opportunity identification. First, opportunity is identified in the form of a site placement, and secondly, in the form of volunteer identified training opportunities in the organizations they are placed in and serve. The result is a high pay off for institutional development. It is in the support of these volunteer identified training opportunities that MEDP PASA has played a large role in Peace Corps Poland.

B. MEDP PASA INPUTS

MEDP PASA funds have been important in leveraging other donor funds and collaboration from AID, agencies of the Government of Poland, and other local organizations. In general, Poland uses MEDP PASA to target very specific activities following general philosophical guidelines:

- Funding is to address specific counterpart and community training needs in targeted institutions in which Peace Corps volunteers have been placed.
- All MEDP PASA activities are co-sponsored by a Polish agency, financially or in logistical support.
- Products are developed using MEDP PASA funds whenever appropriate including commercial brochures, business directory and training reports and implementation guidelines.

Key institutions are targeted for volunteer placements and the MEDP PASA funds augment the effectiveness of that placement. The placement of highly skilled volunteers with access to funds to do discrete but high impact activities in targeted institutions has given the SBD sector credibility in Poland. The MEDP PASA funds

were also the springboard for the interagency Agreements with A.I.D. for additional funding. A list of MEDP PASA supported activities are provided in Tables D-1 and D-2.

Table D-1

MEDP PASA Inputs (Title and Cost) for FY 91¹
and Evaluation Findings

TITLE	COST	EVALUATION FINDING
PASA Visit	\$7,000	No informant at the time of the country visit.
Privatization Consultancy	6,490	Funds not obligated under purpose code 35 (MEDP PASA). APCD reports that the consultancy took place. Consultancy did not proceed well because the problem to address had not been identified correctly.
Franchising Conference	3,843	No informant at the time of the country visit. The seminar was designed to explain the concept of franchising and it's relevance to Poland. Many Poles have financial resources to establish new companies but they frequently lack the management expertise to efficiently operate their own firms. Franchising is a way to get training. Proxy Limited was the co-sponsor and paid about half the costs.
SBD Directory	8,876	No informant at the time of the country visit. Developed a small business enterprise directory to serve as a model for other communities in Poland. Western businesses communicate information about products and services through a business directory. Training in the processes of gathering information, updating the directory, technologies and employment.
Training Materials	10,000	Peace Corps Poland uses these funds to keep current small materials available to PCVs including journals and reference materials. This is essential in a sector which is very technical and changing rapidly.

¹Based on SBD/OTAPS Activity Expenditure list as of September 1, 1992.

Table D-2

MEDP PASA Inputs (Title and Cost) for FY 92²
and Evaluation Findings

TITLE	COST	EVALUATION FINDING
Banking Conference	\$21,068	Designed to assist Polish Bankers in their transition to banking in a free market economy. Targeted banks that will primarily serve small businesses. All of the new Banks were represented by the 70-80 participants. Experience will be developed as a case study. Very well organized by PCV who also identified the training need. Follow-on conference the next year. Collaboration and support from The International School of Banking and Finance in Katowice Poland, Progress and Business Foundation, and the American Institute of Banking - Atlanta Chapter.
Accounting Conference and Consultancy	12,100	No informant at the time of the country visit. Consultant did cost and MIS systems for a food processing enterprise and a freight car construction and repair facility, state-owned and slated for privatization. The consultant contributed to the accounting IST, doing a session on the EEC system. At the IST, PCVs wanted the Polish financial, accounting and tax systems so that they could better provide technical assistance, including assistance in transferring from the Polish system to the EEC system. They also got an update on the Polish tax system, and privatization issues.
Tourism Conference	9,730	To improve tourism services, a consultant made suggestions on tourism plans for cities she visited in Poland and for the tourism conference. The report was used as conference background. The Tourism conference was very well received - "a realm we can do more in" according to the APCD and the Ministry of Tourism is looking for collaborators. Six regions are looking for resources to conduct similar conferences in their regions.
Bank Training Conference	25,540	This is the second and a follow-on Banking conference. It was in the planning stages at the time of the consultancy and the PCV organizer, co-sponsoring business school and participants were looking forward to an equally successful event.
Tourism Brochure	11,530	PCV provided technical support to the production of a tourism/commerce promotion brochure. Enhanced agency capabilities. Represented 150 private firms, state businesses and cooperatives of the chamber of commerce plus scores of cities, towns and villages (150,000+ people). Co sponsored by SPIG - Chamber of Economy, Nowy Sacz Province Council and Individual Businesses.

²Based on SBD/OTAPS Activity Expenditure list as of September 1, 1992.

C. TRAINING

No pre-service training design has been funded for Poland and only one traditional in-service training in accounting systems, a specific request from the PCVs, was funded. While most MEDP PASA inputs fund training in some aspect that training is focused on host country nationals (described above in B. MEDP PASA Inputs). This has had a high impact on institution building, leveraging support from other institutions and in building credibility for the sector.

D. TECHNICAL ASSISTANCE

Poland has used a variety of consultants to deliver training and other assistance funded by MEDP PASA. Consultants have been identified by Peace Corps staff and PCVs for the part and they have come from consulting firms and organizations locally and through PCV networks. Much of the technical assistance supported with MEDP PASA funding is delivered by Poland's highly skilled volunteers.

GEMINI has not provided direct assistance to Peace Corps Poland although they do have an office in Warsaw and staff are aware of each other's work. The sector assessment done for the SBD sector in 1990 was done by a consultant who is now a full time GEMINI employee.

A PASA visit was also conducted to Poland early in the Peace Corps program. However, none of the current staff was working for Peace Corps at the time of the visit.

E. INFORMATION DEVELOPMENT AND DISSEMINATION

Current information is critical to Peace Corps Poland's PCVs. The sector purchases and maintains an extensive technical library to meet the information needs of PCVs in an economy that is undergoing radical change. MEDP PASA funding has played a large role in paying for these resources (\$10,000 in FY 91). Funds for FY 92 were also used at the same level but from other sources.

Peace Corps Poland will also begin work on an information consortium with A.I.D. funding and collaboration from the Jagiellonian University, the Academy of Economics, the Academy of Mining and Metallurgy and the Progress and Business Foundation, all in Krakow. Building on their MEDP PASA experience, the Consortium Counterparts, with the assistance of PCVs, will design and deliver targeted training courses and develop and share case studies in business and privatization for Poland and the region.

F. INSTITUTIONAL DEVELOPMENT

Targeting institutions and members of those institutions who will carry on with the same work has been a practiced philosophy in Poland. This has been facilitated by the technical skills and education levels in Poland where people need management training and not technical skills development. Peace Corps Poland believes that training HCNs in institutions (both private and public) is the key. The apparent pay off in impact supports their work.

G. MANAGEMENT

Peace Corps staff said they have not been very good at the timing of submitting requests and follow-up, but they are putting effort into improvement in these areas with a part time student assistant and close supervision. Requests come from PCVs on MEDP forms in order to speed up the processes. One thing that would help them in being more timely is information on how to contract with consultants from US firms and other sources.

More than the other countries visited, Poland has to monitor the use of funds by Volunteers in order to assure that projects are developed and funded appropriately. Some volunteers may be looking for projects to match available funding rather than identifying the right project that may or may not need funding. There may be a certain peer pressure to get funding for something where a previous PCV has used a lot of funding well. In addition, Poland's PCV skill base is very high and PCVs may not always cast their nets for information widely enough before setting on a course of action. This requires staff to be more arduous in their monitoring of PCV activities. When a technically proficient PCV sets off on a mis-guided course it can have resounding impact, especially when backed with funding. Peace Corps Poland is well aware of these risks and the efforts it takes to monitor them.

Peace Corps Poland does not have a funding problem as a post-MEDP country with the exception of funding to send PCVs and counterparts to conferences. MEDP PASA funding is the only source of funds for this activity.

H. COLLABORATION

There is an excellent relationship between Peace Corps Poland and the A.I.D. office in Poland. Although A.I.D. could never have participated in a buy-in from country because there is no A.I.D. mission in Poland, the Representative's office has always been very helpful in design work, providing information and giving feedback on activities. A.I.D. staff call Peace Corps to liaise with many agencies and help with

design work. The Peace Corps Program and Training Officer (PTO) also sits on the foreign assistance group which provides input to monthly reports and coordination between U.S. agencies. There has been a good match between Peace Corps, A.I.D. regional and country strategies, and MEDP PASA activities. The Peace Corps PTO notes that of the eight technical staff at the A.I.D. office in Warsaw, there are a lot of ex-PCVs and there is a genuine feeling of being helpful to one another.

There is a lot of donor collaboration in MEDP PASA projects. There is always at least one Polish sponsor for every activity and MEDP PASA funds are used to leverage other funding for activities as much as possible.

I. CONCLUSIONS

Poland will not have problems losing MEDP PASA funding as a post MEDP country because they have new and more extensive agreements with A.I.D. They will have difficulty funding PCV and HCN travel, the only area that new funding does not cover.

Poland has been very successful in targeting inputs for high impact in institutional development. One of the challenges is assisting with follow-up activities. Many MEDP PASA funded activities have triggered chains of activities which need support to maintain the high impact begun with the first input. Host Country Agency buy-in in support of the first activity pays off not only in the first activity but in the support of follow-on activities as well.

Peace Corps Poland currently looks forward to consultant help in designing a country specific monitoring and evaluation system.

ANNEX F
URUGUAY

URUGUAY

A. INTRODUCTION

The country visit to Uruguay for the MEDP PASA mid-term evaluation took place from September 9 - 16, 1992. The following report is a compilation of findings based on the interviews conducted and documents reviewed during the trip.

Peace Corps returned to Uruguay in March 1991 after a 17 year absence. The two programmatic areas, natural resources management (NRM) and small business development (SBD), have a total of 36 Peace Corps Volunteers (PCVs), 14 in NRM and 22 in SBD. As of September 1992, there are 19 trainees, 10 in SBD and 9 in NRM. The Peace Corps office is staffed by the Peace Corps Country Director (CD), an Associate Peace Corps Director (APCD) for NRM and SBD, an APCD for Administration and five Uruguayan support staff.

The small business sector in Uruguay has been the focus of much attention during the last few years in an attempt to revitalize a stagnant economy. The Inter-American Development Bank, the Inter-American Foundation and the GTZ have provided loan funds and operating grants to selected NGO's. Small businesses not associated with these programs can borrow money from commercial banks through a long and burdensome process that oftentimes requires collateral of up to 200 and 300 percent of the requested loan. With market interest rates around 100 percent, there is not much demand for these loans.

The Uruguayan government is highly centralized with the majority of services originating in Montevideo. Almost half the population lives in Montevideo with the rest living along the borders with Argentina and Brazil. Vast lands in the middle of the country are inhabited mostly by cattle and sheep and the cowboys who take care of them. Few non-government organizations exist in the interior so Peace Corps has placed half of the SBD volunteers in municipal government seats where they are working to create and strengthen small business development units within the local municipalities.

Ideally, SBD volunteers assigned to the municipalities work as consultants to entrepreneurs who have learned that business services may be available through the local municipal governments. In reality, these offices oftentimes exist mostly in name and office space and volunteers have the task of designing the offices and developing feasible programs on limited budgets. Their supervisors are political appointees with no practical business experience. While all these factors may seem overwhelming, some supervisors understand the importance of supporting these small business units and volunteers have been instrumental in establishing their credibility as well as some basic administrative procedures and programmatic structure.

The other 11 SBD volunteers are working with the non government organizations that have stayed mostly apolitical during the 10 years of military dictatorship. Initially volunteers were looked on rather skeptically but Peace Corps has presented a very professional image and a cadre of skilled volunteers, allowing Peace Corps to earn much credibility during its first year.

B. MEDP PASA INPUTS

The MEDP PASA has had an important role in establishing the Peace Corps' credibility in the Small Business Sector. MEDP PASA funds have been used in the following activities:

Table E-1

MEDP PASA Inputs (Title and Cost) for FY 92¹
and Evaluation Findings

TITLE	COST	EVALUATION FINDING
IST ² -INTRO TO SBD SECT	\$3,567	Introduction to the SBD Sector in Uruguay - Completed, activity closed out.
Computer Support	5,607	Completed, closed out.
IST-INTRO OF COOP SECTOR	2,824	Introduction to the Cooperative Sector. Completed, activity closed out.
SED PROJ PLANNING WORKSHOP	8,100	IST/Conference - SBD Project Planning Workshop. Activity completed, close out pending.
CURRENCY ACCT SYSTEM	1,360	IST - Three Currencies Accounting - ongoing.
not listed	3,600	IST - Market Studies - ongoing.

¹Based on SBD/OTAPS Activity Expenditure list as of September 1, 1992.

²In-service training

Since Peace Corps Uruguay is only a year old, the use of MEDP PASA funds has been extremely critical. Under the definitions used by SBD/OTAPS, Uruguay is a Pre-MEDP country. Pre-MEDP countries have a two-year period during which time they receive approximately \$10,000 per year in MEDP funds to support a variety of services designed to assist in developing SBD projects. However, the APCD was in Honduras before coming to Uruguay and was familiar with the use of the MEDP. While Uruguay is a pre-med country as defined by SBD/OTAPS, that category has not limited their use of the monies. They are starting a new program and trying to establish credibility and find the MEDP an invaluable resource. Their accelerated use of the funds has gone beyond the definition of Pre-MEDP and allowed the Peace Corps office to assert itself firmly in the Uruguay small business sector while concurrently developing their SBD program.

C. TRAINING

Training is the area where MEDP PASA funds have had the greatest impact. Since the first group of volunteers was trained in Costa Rica and other volunteers were third year transfers, the first MEDP activity was an IST about the small business sector in Uruguay. The objective was to orient recently arrived PCVs to the characteristics of the small business sector in Uruguay. Unfortunately, not many of the volunteers remember much about the session. It took place the first month they were in country and volunteers were still overwhelmed by the language and cultural adjustments.

Volunteer response to the second MEDP PASA input, an introduction to the cooperative sector, was overwhelmingly positive. They all learned a lot about something which they knew very little. The irony is that they have not applied it to their jobs, since volunteers generally do not work directly with cooperatives. Even if it is not directly relevant, they felt that it gave them information about an important sector in the country. Counterparts that attended thought that the material covered was very basic and common knowledge.

The third IST was a three-day conference that brought together volunteers, representatives from host-country agencies and private, public and international agencies that work with the small business sector in Uruguay. More than 90 persons attended. Host country nationals all thought that the conference was a wonderful experience and it was the first time that the major players in the sector were all in the same room and learning about each other's activities and programs. Long breaks were built into the agenda so that many of the important contacts were made over coffee. Volunteers, on the other hand, thought the workshop was very political in nature, and while they could understand the need for it, did not feel their presence was important.

For Peace Corps, this workshop was very important. As a neutral newcomer, they were able to draw persons together without a personal agenda beyond strengthening the small business sector and the institutions working in it. Peace Corps was viewed as a powerful organization and strengthened its' own credibility with this conference.

The APCD was accompanied by two representatives of local institutions in May 1992 to attend a Small Business conference, sponsored by MEDP, in Guatemala. Only one of the participants was in Uruguay at the time of this consultancy. He valued his participation in the event; first, because he learned more about Peace Corps and secondly, for the exchange amongst the participants. Both he and the APCD would have liked a more narrow focus, they felt that the general review of the small business sector was too broad and suggested themes for a future conference such as credit delivery and monitoring and evaluation.

There are two MEDP PASA funded activities currently being designed by volunteers. The first is setting up a three currency accounting system since many entrepreneurs deal with Argentine, Brazilian and Uruguayan currencies in their business transactions. The second activity focuses on marketing studies, particularly for handicrafts. According to the project design, a quality control specialist will give a three day workshop to 10 volunteers and 20 counterparts on product finishing, design and quality control. During the following four to six months, volunteers and entrepreneurs will conduct marketing studies in 10 to 15 major areas of Uruguay in wool textiles, ceramics, honey and gift packaged food items.

D. TECHNICAL ASSISTANCE

SBD/OTAPS carried out a programming trip to Uruguay in November 1991. At the time of the visit, the Peace Corps Country Director (CD) and the APCD had already met many of the potential counterpart host country agencies and had a basic program design in mind. Peace Corps wanted a small business specialist to work with them and fine tune their ideas as well as explore alternatives with them. An SBD/OTAPS Sector Specialist spent two weeks in Uruguay visiting possible volunteer sites and meeting with agencies and the third year transfer volunteers that were already in country.

Peace Corps Uruguay would have been able to profit more from the sector assessment had there been an exchange of materials used in other countries, other program designs, and suggestions about pertinent materials they should have in their resource center in addition to ICE publications. They questioned whether the SBD/OTAPS office should provide technical assistance or whether it would better serve country offices if it functioned as a clearinghouse and sent skilled consultants as needed.

E. INFORMATION DEVELOPMENT AND DISSEMINATION

Peace Corps/Uruguay has a small resource center with about 25 SBD publications. A third year transfer volunteer is in charge of cataloging and organizing the materials. Peace Corps recognizes the need to expand the resource center and would like recommendations on what resources to order.

Volunteers usually meet their information needs through the resource center, their agencies, or have friends and family send relevant books. A few volunteers have requested materials from ICE but more than three months have passed and they are yet to arrive. The APCD gets information on small business from the APCD for SBD that he worked with in Honduras.

Peace Corps staff and volunteers are very interested in what other Peace Corps SBD programs are doing and would like to be included in an exchange of materials between countries, perhaps coordinated by SBD/OTAPS.

MEDP PASA has also paid for a computer located in the resource center. It is constantly being used by volunteers and will also serve for the monitoring and evaluation database, for materials development at ISTs and conferences and to provide remote data and text processing capabilities for PCV projects.

F. INSTITUTIONAL DEVELOPMENT

The strengthening of intermediary institutions assisting small businesses is a goal of the MEDP as is institutionalizing the SBD program in Peace Corps, both in Washington and in country offices.

1. Local Organizations

In Uruguay, one of the most important efforts of the Peace Corps SBD program is institutional development. Volunteers are working with the business centers established within the last two years by the municipal government or they are working with fairly sophisticated NGO's located in Montevideo with limited program outreach beyond the capital. These institutions, in turn, serve individual entrepreneurs and businesses. Peace Corps is keenly aware that certain ISTs as well as PCVs who provide training and technical assistance may, at times, compete with local organizations that sell these services. The dialogue remains open with potential "competitors" in case of any future problems.

Volunteers and staff have considered the idea of supporting the development of the municipal business centers through establishing small resource libraries, data banks and computer links to other regional centers. However, the political nature

of the municipalities raises legitimate concerns about the longevity of these centers and the investment of material resources in them.

2. Peace Corps

The institutional development of Peace Corps in Uruguay in the small business sector is also very important and MEDP PASA contributes to that. MEDP PASA funded an important seminar that brought together decision makers and program implementors from the government (the budget office, mayors and municipal government) counterparts, NGO's and the international donor community (Inter-American Development Bank, GTZ, and UNDP). While the conference was originally intended as an IST in program planning, as the agenda was designed, the objectives grew to encompass a broader range of issues focusing around program planning and institutional support.

The APCD understands that MEDP PASA funds are limited to five years or less based on the MEDP PASA funding by A.I.D. It creates a Catch-22 in program development since the funds cannot be counted on for the long-term yet Peace Corps will have an on-going need to fund their activities and local resources are available to local organizations, not Peace Corps.

The flexible use of MEDP funds, regardless of the country designation as Pre-MEDP, has allowed for assertive growth during its first year. The use of third year volunteers has enhanced the ability to program monies and carry out activities. At the time of the country visit, Peace Corps Uruguay was recruiting a staff person to support SBD activities. The new staff person will provide further stability to the SBD program.

G. MANAGEMENT

The management of the MEDP is relatively straightforward in Uruguay. Programmatic decisions are made by the APCD in conjunction with the Peace Corps CD and PCVs. Response from SBD/OTAPS has always been punctual with the approval and transfer of funds taking place without any problems. The financial monitoring of the MEDP PASA is an integral part of the accounting system and is managed by the APCD/Administration. He has a ledger of all PASA funded activities and monitors the budget, disbursements and balance on a computerized program. He reports activities to OTAPS on a quarterly basis.

The APCD, with a third year volunteer working as a volunteer coordinator, has managed and supervised the activities financed by MEDP. The volunteer coordinator has recently completed his service and Peace Corps/Uruguay has contracted a new, paid position, whose functions will include, but are not be limited to, managing and supervising the MEDP PASA.

The APCD who has been responsible for the small business program is the only APCD who manages PCVs. He also manages the natural resource management volunteers and the trainees, for a total of 55 volunteers. He is frustrated by the overload but seems to effectively use third year transfers to write up proposals and carry out many of logistical functions related to ISTs and conferences.

Peace Corps Uruguay does not have any information on the monitoring system being designed by SBD/OTAPS. They have requested a copy of the monitoring system (forms and program) being used in Honduras, directly from Honduras, but have not received it yet. Volunteers are particularly interested in monitoring and evaluation and are anxious to know how the system will work and what will be expected of them. One volunteer, who founded a computer software company before joining Peace Corps, looks forward to adapting it to the local realities in Uruguay.

H. COLLABORATION

Collaboration with A.I.D., as set out in the MEDP PASA agreement, does not exist in Uruguay because A.I.D. only has a representative in Montevideo who manages a small program for Argentina and Uruguay. The A.I.D. Representative is kept abreast of Peace Corps activities and information is exchanged as pertinent. However, there is no technical staff in place and SBD is not an element of the country strategy plan, as outlined by the A.I.D. regional headquarters, to allow for further collaboration. Embassy staff, and in particular the Ambassador, have been very supportive of Peace Corps' reentry into Uruguay.

MEDP PASA may be serving an important role in leveraging in-country resources. Recent discussions with the Uruguayan National Budget Office may lead them to make a quarterly donation to activities with Peace Corps volunteers in the SBD sector. Their knowledge of Peace Corps has been through attendance of their staff at various training activities financed by MEDP.

I. CONCLUSIONS

While Uruguay is a Pre-MEDP country by the definition established by SBD/OTAPS, as a new country it has used MEDP PASA funding in innovative ways that are more standard to MEDP countries. MEDP has been used not only to enhance volunteer skills but to establish Peace Corps as a credible player in the small business arena in Uruguay, exposing Uruguayans to Peace Corps Volunteers and developing closer working relationships with local institutions. In essence, the pre-MEDP definition has been irrelevant to Uruguay.

Peace Corps still has some formidable tasks to carry out. First, technical training needs to be strengthened. Uruguay has a very educated population and the needs of the small business sector are more sophisticated than most Inter-America countries that have an older, more established SBD program. PST materials need to be developed specifically for Uruguay, or the southern cone countries, with a focus on consulting skills and adapting knowledge to the local environment.

Volunteers have a lot of ideas for training they would like to receive and are very willing to work on organizing conferences and workshops. They do resent being away from their sites for extended periods or repeatedly but would be able to form working groups amongst volunteers posted nearby.

The business centers of the municipal governments are very weak organizations and political in nature. Two or three municipalities have made serious efforts at establishing their offices and perhaps MEDP PASA could further support some of these efforts through training and/or acquisition of resource materials and equipment such as computers and photocopiers.

With the financial sector being one of the biggest hurdles to small business growth in Uruguay, working directly with banking institutions may be an effective way to educate bankers to work with the sector. Specific programs for small and micro entrepreneurs could be negotiated with banks, using their staff as well as PCVs.

ANNEX G
MEDP Category Definitions¹

¹Pages 12 -14 of "Office of Training and Program Support, Small Business Development Sector Annual Report, Fiscal Year 1991." February 1992, Washington, D.C.

Participation in the MEDP PASA

Countries participating in the MEDP PASA begin in a "Pre-MED" phase, during which time they receive start-up assistance for a maximum two-year period. If they meet the full MEDP PASA Selection Criteria, they then are eligible for one year of funding as a full "MEDP PASA Country" where they receive a wide range of training and technical assistance. After a year in the MEDP PASA stage, qualified countries become "Post-MEDP" participants, in which they receive some additional assistance to help them create sustainable projects.

Pre-MED Stage

Peace Corps and A.I.D. identify several Pre-MED countries per year which are in the process of developing small business projects. These countries have a two-year period during which time they receive funding of approximately \$10,000 per year to support a variety of services designed to assist in developing SBD projects. Criteria for determining a country's eligibility to receive Pre-MED support include:

- Intent to establish an SBD project
- Staff commitment
- Potential for project growth
- Host country agency support
- A.I.D. presence, regional representation or programming in-country

Services available to Pre-MED countries include:

- Sector assessments
- Project design assistance
- Pre-service training design
- Staff training and development

MEDP PASA Stage

Countries with established SBD projects may qualify for one year of funding at approximately \$50,000 to strengthen their SBD projects. A joint A.I.D./Peace Corps visit evaluates the eligibility of country programs for MEDP PASA Stage status based upon the following selection criteria:

1. An established microenterprise development program.
2. Sufficient numbers of volunteers working, or trainees programmed to work, formally or informally in microenterprise development.

3. Demonstrated in-country staff commitment and capacity to do microenterprise program development
4. Host government support of microenterprise development
5. An A.I.D. presence, regional representation, or programming in-country.
6. A good in-country working relationship between A.I.D. and Peace Corps, either through in-country or Regional representation.
7. Continuity of Peace Corps country staff.
8. Capability of local SBD consultants.
9. The existence of a small business development project plan in accordance with the Programming and Training System (PATS) manual.
10. A staff member clearly assigned to manage SBD activities.

The types of activities funded in the MEDP PASA Stage include:

- MEDP PASA programming visits
- Pre-Service Training design
- In-service training assistance
- Project-specific technical assistance
- Informational resource support
- Monitoring and evaluation
- Staff training and development

Post-MED Stage

Countries in this stage receive up to three years of supplemental assistance at approximately \$10,000 per year in order to assure their projects fully mature. Criteria for participation in this stage are:

- Signs of program maturation toward sustainability
- An ability to leverage resources from A.I.D. and elsewhere
- Evidence of increasing Peace Corps financial support
- Evidence of growth of SBD project(s)
- Innovative programming

Services available to Post-MED countries include:

- Monitoring and evaluation assistance,
- Project redesign assistance
- Further IST assistance
- Specific project implementation assistance

Creating a system of pre-MED, MEDP and post-MED countries encourages the development of strong, self-sustaining microenterprise programs, as well as increased A.I.D. - Peace Corps field collaboration. Not all countries are guaranteed passage from one stage to another. Participation in any stage will be based upon an assessment by SBD/OTAPS, the Regional Offices and A.I.D.

Accomplishments of the MEDP

Specific accomplishments under the MEDP PASA have been: the development of enhanced SBD implementation plans and programming in each of the participating countries; development of pre-service and in-service microenterprise training models and materials; the identification of a skilled microenterprise training cadre; the training of hundreds of Volunteers, counterparts and beneficiaries; and experience in collaborative microenterprise programming and training between the SBD and other technical sectors of Peace Corps, and between Peace Corps and A.I.D.

V. REPORT OF ACTIVITIES FOR FY 1991

A. Program Support Activities by Type of Activity

Programming

Programming assistance was provided to Bolivia, Bulgaria, Chile, Guatemala, Jamaica, Kenya, Micronesia, Nicaragua, and Poland.

Project Designs

Project Design assistance was provided to approximately 30 countries.

Project Assessments and Evaluations

Project evaluation assistance was provided to Guatemala, Honduras, and Lesotho.

Pre-Service Training

Pre-Service training assistance was provided to Fiji, Jamaica, and Lesotho.

In-Service Training

In-Service training assistance was provided to Botswana, Costa Rica, Dominican Republic, Fiji, Ghana, Guatemala, Guinea, Honduras, Jamaica, Kenya, Lesotho, Mali, Poland, Senegal, Tonga, Western Samoa.