

Evaluation  
of the

AFRICA SMALL BUSINESS  
ASSISTANCE PROGRAM (ASAP)

PARTICIPATING AGENCY SERVICE  
AGREEMENT (PASA)

Submitted to Peace Corps  
Africa Region

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## Acronyms

ACA	Action Consulting Association
ACEP	Agence de credit pour l'entreprise privee
AgricBank	(Lesotho) Agricultural Development Bank
AID	Agency for International Development
AGI	Association of Ghana Industries
ASAP	Africa Small Business Assistance Program
APCD	Associate Peace Corps Director
BEDCO	Basotho Enterprise Development Corporation
CEC	Community Economics Corporation
CEDECOM	Central Region Integrated Development Program
CER	Centre d'expansion rurale
CONACAP	Conseil national pour la promotion des caisses populaires
COOEP	Cooperative d'Epargne et de Credit
COTR	Contracting Officer/Technical Representative
CUA	Credit Union Association
DRHCI	Department of Rural Housing and Cottage Industries
FUCEC	Federation des unions de cooperatifs d'epargne et credit
HRDA	Human Resources Development Assistance
IEMS/BTD	Institute for Extramural Studies/Business Training Division
IPBS	Integrated Programming and Budgeting System
LAC	Lesotho Agricultural College
LCCI	Lesotho Chamber of Commerce and Industries
LOIC	Lesotho Opportunities Industrialization Center
LNCW	Lesotho National Council for Women
MDPI	Management Development and Productivity Institute
MEDP	Micro-enterprise Development Program
MTI	Ministry of Trade and Industry
NBSSI	National Board of Small Scale Industries
NCWD	National Council for Women in Development
NGO	Non-Governmental Organization
OTAPS	Office of Training and Program Support
PASA	Participating Agency Service Agreement
PVO	Private Voluntary Organization
SBD	Small Business Development
SED	Small Enterprise Development
SER	Service d'expansion rurale
SPA	Small Projects Assistance
SRFMP	Sahel Regional Financial Management Project
USAID	United States Agency for International Development
WOCCU	World Council of Credit Unions

## Executive Summary

In 1986, Africa Region's Programming and Training Unit began to develop a special program of assistance to small businesses in Africa in response to requests from the field. The ASAP program aimed at providing a country-by-country response to small business through conducting needs assessments and project designs. Beginning in 1989, funding for design consultancies was provided to the Peace Corps through a Participating Agency Service Agreement (PASA) with the Agency for International Development (AFR/ONI/PSD). A second PASA arrangement, the Micro-enterprise Development Program (MEDP), administered through the Office of Training and Program Support (OTAPS) now provides assistance in Small Business Development (SBD) training. MEDP/PASA assistance comes from A.I.D.'s Office of Private Enterprise/Small and Microenterprise Industries and Enterprises (PRE/SMIE). From September 1989 through December 1991 the ASAP/PASA provided a total of \$234,000. There have been six needs assessments and four project designs conducted, as well as one evaluation, under the ASAP/PASA.

## Findings and Conclusions

### Accomplishments

Without the PASA assistance from A.I.D. there would not have been an ASAP initiative. A total of \$234,000 of A.I.D. money has been expended under the ASAP/PASA. There is currently a total of 41 SBD Volunteers, which is an investment of about \$5,700 per Volunteer. Consultant services under the ASAP/PASA have assisted Peace Corps staff in designing Small Business Development projects. The design process has consisted of two phases: needs assessment and project design conducted by consultants. Following the design, Peace Corps staff develop a project plan which is used for planning purposes, specifying the number of Volunteers to be recruited and placed. The IPBS reports for March 1992 indicate the following projections for Small Business Volunteer placements for the period from FY 1992 to 1994: Ghana - a total of 27 Volunteers; Lesotho - 37; Togo - 24; Senegal - 46.

### Effectiveness of Strategy for Reaching Beneficiaries

The projects designed under the ASAP/PASA have placed Volunteers in three general job assignments: teaching business management courses, providing business advisory services to individual entrepreneurs, and serving as management consultants

to organizations that provide these services. The partner organizations include both government agencies and non-governmental organizations. Three countries have placed Volunteers with credit union associations.

There is a great variety of beneficiaries: students in a formal classroom setting (e.g., Lesotho National Council for Women and Lesotho Agricultural College; COOPEC members and the Don Bosco Center in Togo); individual entrepreneurs or potential entrepreneurs reached through agencies (e.g., NBSSI and DRHCI in Ghana; LCCI and BEDCO in Lesotho); and credit unions and their members who receive business loans (CUA in Ghana, CONACAP in Senegal, and FUCEC in Togo).

### Institutional Impact

In some instances Volunteers are making a noticeable contribution to the development of their host organizations, especially where there is a strong institution. The most effective partner arrangement thus far is with FUCEC in Togo, partly because of the extensive relationship between Peace Corps staff and Volunteers and FUCEC during the design process. FUCEC outreach capability is already established and SBD Volunteers served to enhance it. Volunteers assigned to credit unions in Senegal and Ghana are working in within a much more fragile institutional environment. In fact, most of the other host organizations in all four countries - both public and private - are struggling to stay in operation. Volunteers are making a contribution to that effort but are often frustrated when outside resources are exhausted and objectives are thus thwarted.

### Impact on Beneficiaries

It is too early to make meaningful statements about the impact of the ASAP initiative on intended beneficiaries. There is very little basis for generalizing about impacts. Some Volunteers are helping with the formation of credit union groups of 15 to 150 members; others are teaching classes of 15 to 25 students in business management. Some are involved in providing one on one business advisory services to small business clients. A few are providing management consulting services to non-governmental organizations, where the immediate beneficiary is the manager. The capacity to measure impact will be greatly enhanced once reliable baseline studies have been undertaken and monitoring and evaluation systems installed. In one SBD project, Togo, a good start has been made in developing a format for conducting baseline surveys which in turn could serve as the basis for monitoring and evaluation. As this system becomes operational, it may well merit being distributed to other Peace Corps posts with SBD projects for study.

## Constraints

The design process has been constrained by difficulties in coordinating field consultancies with posts and identifying appropriate technical assistance. It is often a slow and complicated process. Peace Corps staff usually have other responsibilities and cannot focus exclusively on SBD programming. Only one of the four countries in the evaluation has a full time APCD for Small Business Development with no other program responsibilities. The design process has suffered from the normal turnover in Peace Corps staff and uneven transition from design to implementation. The availability of housing and other Volunteer support services often dictates the selection of partner organization rather than their commitment to small business promotion. The design process reflects the constant assessment of institutional capabilities and the selection of appropriate partners.

## Training

The technical component of Pre-Service Training has been generally inadequate, failing to address real job needs. Training in accounting and bookkeeping has been either too academic for generalists or too elementary for those with business degrees. The In-Service Trainings that have been conducted following the design effort have been considerably more useful than the PSTs. The ISTs, on the other hand, have taken place some time after Volunteers have been on the job and know what they don't know and need to know. They are being designed to meet very practical concerns linked to actual jobs rather than potential ones.

## Complementarity of ASAP and MEDP/PASA Activities

Several of the countries visited during this evaluation had already received MEDP/PASA assistance in training design and In-Service Training. The evaluation visit in Togo coincided with an In-Service Training in practical approaches for teaching business management. Lesotho had just completed an IST with MEDP/PASA assistance. Other posts are also planning training sessions that will draw upon MEDP/PASA assistance. In addition to training consultancies, the MEDP/PASA has also provided equipment such as computers for SBD projects.

## Profile of the SBD Volunteer

In general, the recruitment of SBD Volunteers according to the Volunteer Assignment Description (VAD) criteria has resulted in the desired Volunteer profile. All of the countries have received some very highly qualified trainees, several of them with MBAs and years of business management and experience in running their own firms. Job satisfaction is often directly related to the effectiveness of the project design.

## Collaboration with USAID Missions

Generally design documents projected USAID assistance that has not materialized for various reasons. This seems to be due mainly to differences in project design criteria rather than program objectives. It seems more likely that collaboration between Peace Corps and USAID missions will come through NGOs and PVOs that receive USAID funding and can use Peace Corps technical assistance rather than through direct funding to Peace Corps.

## Recommendations

### The ASAP/PASA Initiative

The ASAP initiative deserves to be continued. It has served a vital function in charting a new priority program within Peace Corps. The design process could be improved upon by combining the needs assessment and project design into one consultancy of four to six months so as to maintain much-needed continuity. The optimal approach would be to have a two-person team consisting of a local hire who knows the country and a small business specialist with practical experience. With the benefit of the experience of the first generation of ASAP/PASA consultancies, lessons learned from the pilot efforts should continue to be disseminated as they were at the recent Nairobi conference.

### Personnel Resources

Peace Corps should make a commitment to recruiting and fielding appropriately qualified Associate Peace Corps Directors for Small Business Development wherever this is feasible.

### Program Strategy

Priority should be given to placements with non-governmental organizations. Both the ASAP and PASA mandates stipulated that assistance should be provided to private organizations to develop their small business outreach capabilities. NGOs are more likely to have a long-term commitment to developing these capabilities.

### Training

Peace Corps/Washington under the MEDP/PASA can do much more to assist posts in training design and implementation. A more appropriate approach to technical training should be devised, along the lines being developed by the Action Consulting Association.

### Volunteer Recruitment

Peace Corps should continue to recruit highly qualified

Volunteers (business degrees and business experience) wherever appropriate to the job placement. There are projects where generalists may, however, be more appropriate. This is to say that project design should dictate the type of Volunteer to be recruited and flexibility should be maintained in arranging placements.

### Peace Corps/USAID Collaboration

There is room for much more collaboration than there has been. A good example of how this can take place is in Senegal, where the USAID-funded PVO umbrella project can use small business advisory assistance.

### Background to the Evaluation

The Africa Small-Business Assistance Program (known as ASAP) initiative entailed a thorough review of all program activity in Sub-Saharan African countries where Volunteers had worked in some form of small business development. The initiative that emerged from this review was aimed at addressing the problems of income and employment generation in Africa, particularly among women and youth. Its premise was that development of the small business sector would contribute to a more equitable distribution of income and create local employment. The development objectives would be to assist non-governmental organizations in providing small business advisory services and to work directly with small scale entrepreneurs and groups.

The ASAP initiative was focused on building country programs through conducting needs assessments and project designs. The ASAP concept was field-tested in four countries: Kenya, Botswana, Senegal/Gambia, and Guinea/Conakry. Funding for field studies was limited and the ASAP initiative had difficulty getting off the ground. Beginning in 1989, funding for design consultancies was provided to the Peace Corps through the PASA with AFR/MDI). It provided for a private consulting firm, Community Economics Corporation (CEC), to assist in the implementation of the ASAP/PASA. This PASA has been the primary source of funding for Africa Region's Small Business Development programming, providing technical assistance for conducting needs assessments and project design efforts. Both the ASAP and PASA mandates emphasized assistance to private voluntary organizations and non-governmental organizations (NGOs) in small business

programming. Both encouraged the coordination of activities with USAID Missions as well as project interventions within existing support organizations outside Peace Corps itself to assure sustainability and to minimize the role of the Peace Corps as an implementing agency.

There have been six needs assessments and four project designs conducted, as well as one evaluation, under the ASAP/PASA. Countries that have benefitted from the collaborative effort are: Ghana, Guinea, Lesotho, Malawi, Senegal, Sierra Leone, Swaziland, and Togo. Chad, Namibia, Mauritania, Benin, and Cameroun have all expressed interest in starting SBD projects by FY 1993.

### Evaluation Methodology

This evaluation of the ASAP/PASA initiative took place in February-March, 1992, in four African countries: Ghana, Lesotho, Senegal, and Togo. They were chosen because all had received ASAP/PASA assistance for both SBD needs assessment and project design - a total of eight consultancies. Interviews were conducted with Peace Corps staff, SBD Volunteers, directors of sponsoring agencies, and beneficiaries. Discussions were held with 33 SBD Volunteers. All four countries were expecting new groups of SBD trainees within the next few months. A desk review of the other countries that received ASAP/PASA assistance was also conducted.

The four countries visited began Peace Corps programming between 1961 and 1967, and all have maintained Volunteer levels averaging between 90 and 100 since the beginning. The number of Small Business Development (SBD) Volunteers at the time of the evaluation ranged from a total of four in Togo, to six in Lesotho, 11 in Ghana, and 20 in Senegal for a total of 41 (13 of them women). Interviews were held with 33 of the current SBD Volunteers. All four countries were expecting new groups of SBD trainees within the next few months.

Four other countries - Guinea/Conakry, Malawi Sierra Leone, and Swaziland - received some ASAP and/or PASA assistance but were not included in the field visitations. One of the first design efforts was in Guinea/Conakry, prompted by a \$60,000 grant for small scale entrepreneurs from a U.S. business man. It was carried out under the ASAP initiative, but before PASA funding became available. Needs assessment and design teams went to Guinea in late 1987 and early 1988 to identify host institutions and sites to establish revolving loan funds during the pilot phase of the project. Five Volunteers subsequently were trained in small business development (SBD) and assigned to four different sites in Guinea. This approach has yet to be duplicated elsewhere.

## The Context of Development in Africa: Structural Adjustment

All of the countries visited during the evaluation have undergone painful structural adjustment programs under the International Monetary Fund. This invariably has involved reducing government expenditures and seeking ways to promote private sector development. One of the basic premises of reforms associated with these programs is the need to promote small businesses in order to create employment and stimulate economic growth. In Ghana, the government launched an economic recovery program in 1983, as well as a program to mitigate social costs of adjustments. Major policy reforms were undertaken in Senegal beginning in 1984 as part of the structural adjustment program. In Lesotho, the government signed a structural adjustment agreement with the IMF in 1988 which resulted in a freeze in government hiring and a lay-off of some 1000 employees. This general trend toward reducing the role of government in development provides a compelling argument for the promotion of small indigenous enterprises, and for the ASAP/PASA initiative in particular.

Another significant development is taking place in Africa that will likely affect Peace Corps programming for years to come. The old political order that was established at the time of independence is giving way to a new one whose basic features are not yet clear. The old order was usually controlled by a single political party which used the state apparatus to maintain power. The state was seen as the main engine for development. Within the last two years, however, the wave of democratization has been sweeping across the continent has been felt in all of the countries visited. New political parties are being formed as national conferences are held to write new constitutions. Although there is an air of optimism about prospects for change, with elections on the agenda everywhere, it is being accompanied by political and social instability and sometimes violence. In Togo and Lesotho this is especially marked. Both Lome and Maseru, traditionally known for their hospitality and stability, have recently been rocked by violence. In some cases Volunteers have themselves experienced harassment and Peace Corps staff must worry about future placements in urban areas.

### The ASAP Design Process

The documents produced under ASAP/PASA auspices suffer from a lack of consistency in the use of terminology, perhaps reflecting the evolution in Peace Corps programming. Most of the design documents refer to the Small Enterprise Development (SED) project. In fact the term SED continues to be commonly used, although Peace Corps/Washington now refers to the Small Business Development (SBD) project. It would be useful to harmonize the use of these terms so as not to confuse the poor Volunteers, not to mention staff! This is but one example of the somewhat

confusing use of terminology. Occasionally a design report is referred to as a concept paper. It is not clear at what point a project design becomes a project plan.

No two reports conducted under ASAP/PASA auspices seem to follow the same approach. Sometimes project objectives are stated in the broadest of terms (increasing income and employment generation) while elsewhere they are spelled out in elaborate detail. Frequently the leading candidates for partner organizations during the needs assessment drop out of sight at the project design stage, replaced by others, without any explanation as to what happened. At the time of the evaluation, still another set of partner organizations appears on the scene.

This reflects the exigencies of securing housing and other Volunteer support services. More significantly, it has to do with the uncertainty involved in attempting to elaborate a sector strategy. None of the design documents includes details of actual sites selected and job descriptions. This task is usually left to a local Peace Corps staff person whose perception of the project often differs from that of the design consultant. The normal turn-over in Peace Corps staff almost assures discontinuity in the transition from design to implementation.

The design process has therefore suffered from turnover in Peace Corps staff and uneven transition from design to implementation. Project plans are drafted by Peace Corps staff over a several month period following the design efforts. Some of these have only recently been revised, while others are still in the works. The identification of project objectives and corresponding milestones results in coming up with quantitative measures that are often questionable. For example, measurement of an increase in productivity of client businesses (e.g., 2.5%, after calculating the inflation rate!) is unrealistic. This will have to await the institution of baseline studies and a system of monitoring and evaluation.

#### Peace Corps Programming and Sector Strategy

Two of the countries visited (Togo and Lesotho) made a conscious decision from the outset to focus SBD design efforts on collaboration with non-governmental organizations. Generally, they have stayed with this strategy thus far and been served well by it. Ghana has pursued a strategy that includes an equal mix of public and private collaborating agencies. Senegal is tending toward an approach that relies upon a single government agency for the placement of SBD Volunteers. Malawi now is seeking to place SBD Volunteers with NGOs rather than with government agencies that do not reach micro-enterprises, and moving away from the individual placement approach. Swaziland is hoping to play a role as intermediary between small and micro-enterprises. The whole thrust of sector programming is an attempt to avoid ad

hoc individual placements that have characterized past small business assignments. But it is important to be sure that the strategy selected is a sound one.

### Informal Savings and Project Design

For those Volunteers assigned to work with credit unions, client access to credit is not an insurmountable problem. But for Volunteers whose host organizations have no loan funds, access to credit becomes an abiding issue. They are expected to serve at least as an information resource, if not an actual facilitator of funding. They must be well versed in the range of potential sources available: informal traditional savings groups, rural and agricultural banks, NGO and PVO projects with credit components, and donor agencies. This is the reality of working in the informal sector with businesses that can not aspire to credit with formal financial institutions.

There is a growing body of information about informal financial systems which should be incorporated into pre-service training programs to enhance the Volunteer's understanding of the development environment. Everywhere the SBD project is being implemented one finds a great deal of evidence of the practice of traditional systems of savings mobilization, often side by side with credit unions. Information on these traditions needs to be incorporated into the training program.

In southern Africa the terms used for this practice are "burial societies" or "stokvels". (A copy of a book on stokvels is included among the documents collected). A stokvel is a type of credit union in which a group of people enter into an agreement to contribute a fixed amount of money to a common pool on a weekly or monthly basis. Then, depending upon the rules set forth by the group, the money or a portion of it may be drawn upon by members either in rotation or in a time of need. This mutual assistance is the main purpose of the stokvel, but they also have valuable social and entertainment functions. In Ghana these informal savings groups are generally known as "susu" - a term that may have its origin in the Arabic word for safety box. In Togo such groups are usually referred to as "tontines", a French term. In Senegal the term "tour" is more commonly used in the rural areas. This refers to the typical practice of giving one member of the savings group his or her turn at receiving money on a monthly basis.

### The SBL Volunteer

Recently recruited SBD Volunteers tend to be older and usually come to their Peace Corps experience with the notion that they can make a difference. A majority have been placed in urban areas (with the exception of Senegal) and occasionally serve as management consultants to their host agencies. They are often

willing to challenge established regulations in pursuit of their objectives. Some have used their own financial resources to secure adequate housing and transportation and have gone to the extent of setting up revolving loan funds for their clients.

The typical Volunteer in rural areas (mainly Senegal) is younger and less experienced. This seems entirely appropriate, since they are more adept at learning the local language and adapting to the culture than are older Volunteers. Here the B.A. generalist may be better suited than the Volunteer with formal business training and years of experience which are not directly applicable in the rural setting.

## Peace Corps Ghana

### Summary History of Peace Corps Operations in Ghana

In 1991 Peace Corps celebrated 30 years of uninterrupted service in Ghana, with over 3,000 Volunteers having served there. In contrast to most other countries in Africa, Peace Corps has had a history of small business promotion in the broader sense. During the 1960s Volunteers were teaching such subjects as mathematics, science, agriculture, and business education in graduate and professional schools. By the 1970s, the majority of Volunteers were teaching in secondary schools. The only other project during the 1970s was agricultural cooperatives. Volunteers worked with cocoa farmers in the rural areas, assisting the Ghana Cooperative Movement by training counterparts in bookkeeping and cooperative practices. The Ghana Credit Union Association evolved from this cooperative movement and a team of Volunteers was assigned to help organize credit unions in rural areas. This project was eventually phased out. Also during the 1970s Volunteers provided management assistance to small and medium-sized businesses.

Due to political uncertainties and economic difficulties, in 1983 the number of Volunteers in Ghana dropped below 100 for the first time since 1961. Since then conditions have improved and Peace Corps has generally maintained a core program of about 100 Volunteers. Now in its 31st year, Peace Corps Ghana still enjoys both official and public support. Of the 78 Volunteers serving in Ghana in 1991, 38 were teaching in secondary schools, 35 were in rural development, and five were in small business development. Peace Corps Ghana, in its FY 92-94 IPBS, proclaimed private sector development to be its priority project. During this period a total of 27 small enterprise development Volunteers are to be recruited, trained, and placed through various government agencies and private organizations.

### Small Business Development Programming

In contrast to most other countries in Africa, Peace Corps/Ghana has had a considerable history of small business promotion. During the 1970s there were some 12 Volunteers attached to the Ghanaian Business Bureau, a division of the Management Development and Productivity Institute (MDPI). Established in 1971, the Bureau played an active role in the development of entrepreneurship in Ghana. The Volunteers assigned to MDPI, many of them older businessmen, assisted in conducting specialized training courses, providing business advisory services to individual entrepreneurs, and training counterparts. They served

in both Accra and Kumasi. This project was phased at the end of the 1970s, and non of the current small business Volunteers has been placed with MDPI.

The programming strategy of Peace Corps Ghana was derived from the Government of Ghana's Economic Recovery Program (ERP) initiated in 1983 as well as its Program of Actions to Mitigate the Social Costs of Adjustments (PAMSCAD). Peace corps participation in the country's efforts toward economic recovery have focused on the rehabilitation of Ghana's human resources. Initially this was mainly through Volunteer assistance in the education and rural development sectors. Increasingly it has come to include helping to increase the role of the private sector through small business development.

### Ghana Small Business Development Needs Assessment

The ASAP/PASA provided technical assistance on two occasions during the design process for the Small Business Development project. The first of these was a feasibility study conducted in May-June 1989. The same year AID signed the PASA agreement with Peace Corps, providing \$134,000 for the period from September through December 1989 to assist in small business needs assessments and project designs. This was followed in December 1989 by a pilot project design team effort consisting of two U.S.-based consultants and the Peace Corps/Ghana Training Coordinator. A third consultancy was a MEDP/PASA visit in May 1990.

### Ghana Small Business Development Project Design

The Ghana Small Enterprise Development Pilot Project Design mission was conducted in Ghana under the ASAP/PASA in December 1989. The report stated that the project goal was to utilize the business advisory skills of small business Volunteers within a pilot project appropriate to the Ghana context and the Peace Corps mandate. The first year project objective was to place five Volunteers as business advisory officers with the National Board of Small Scale Industries and its five member organizations.

The expectation was that Volunteers would function as business advisory extension agents of the implementing organizations. This would consist of providing technical assistance and credit referral services to small businesses. The design team recommended that NBSSI - National Board of Small Scale Industries - be designated by the government of Ghana to coordinate the Peace Corps small business project. Created and partially funded by the government of Ghana, the NBSSI was to serve as the umbrella organization for all Volunteer placements. It was further indicated that all five of the implementing organizations had expressed a need for and willingness to place

the first Volunteers. Those organizations were listed as follows:

- o Ghanaian Entrepreneur Development Commission. The GEDC provided non-secured loans to small businesses at concessionary rates: 20% vs. 30%. (In late 1991, the GEDC was merged with the NBSSI).

- o Department of Rural Housing and Cottage Industries. A government agency, the DRHCI works with a predominantly rural clientele among small and micro-entrepreneurs. It receives financial and technical assistance from the United Nations Development Program (UNDP) and International Labor Organization (ILO) under a pilot project to promote cottage industries in three regions.

- o Technology Consulting Center at the University of Science and Technology in Kumasi. The TCC is primarily an appropriate technology research and development organization.

- o GRATIS - provides credit and technical assistance to a network of ten Intermediate Technology Units (ITTUs) which are being operated as businesses.

- o The 31st December Women's Movement - a non-governmental organization established in 1981 by Chairman Jerry Rawling's wife which now has over 1.5 million members nationwide.

The project design did not specify any of the actual sites for Volunteer placements. It was noted that Ghana has 10 regions and 110 districts which the small business development organizations were attempting to serve with business advisory extension agents. It was suggested that NBSSI extension agents could work through either the Accra or Kumasi office. The design team conducted over 40 interviews with the officials of these organizations, but there is no indication that specific sites were discussed. The trainees, expected to arrive the following July (1990), were to be introduced to their host implementing organizations and given an explanation of their roles as soon as it was deemed feasible after the completion of training.

Within the first quarter of 1990, an informal small business Coordinating Group comprised of a Peace Corps representative and key members of funding and implementing organizations was to be established. By the same time, a mechanism would be in place to solicit on-going feedback from Volunteers that would be made available to the Coordinating Group. The design team made some judgments regarding resources of sponsoring organizations that would have significant implications for project implementation. NBSSI and several of the small business implementing organizations assured the team that Volunteer accommodations criteria would be met. They also said that vehicles would not be required for the Volunteers because public transportation was

adequate for providing business advisory services.

Project beneficiaries were identified as those individual entrepreneurs whose credit needs are minimal but are nevertheless unmet by existing or planned loan programs. They are groups of one to three individuals, mostly women, who operate from a fixed location. Their start-up costs were estimated at less than \$100. This target group of entrepreneurs need small loans to purchase low-level production technology such as kilns for making bread or pottery, brick-making machines, and food processing equipment.

With regard to funding, the project design proposed that USAID/Ghana would be the lead funding organization, through direct grants and monetized PL-480 revenue made available to the implementing indigenous NGOs. A total of \$180,000 was anticipated from USAID/Ghana over a three-year period. It was also expected that the project would be eligible for MEDP/PASA funds for training. The African Development Foundation was cited as another possible source of funding. An important assumption was further made that PAMSCAD funds promised by major donors would be made available to small business loan applicants.

The design team noted that Peace Corps Ghana had a small, over-worked staff. The Country Director felt that a Small Business APCD would not be justified with only five Volunteers, and agreed to take on that role himself until there were at least 10.

Benchmarks for measuring project progress were listed as follows:

- o Design review. The first year placements were to constitute a "field test of the fit and effectiveness of their placement tasks and work sites" as well as the implementing agencies. Thus, by the end of the second quarter of 1990, the project would be subject to review and clarification by all participants.

- o Funding. By the end of 1990, staff and funding for the project would be in place. This would include the USAID funding and the contribution of NGOs to an in-kind production loan fund.

- o By the end of the first quarter of 1991, three Volunteers would be working with the sponsors identified in assignments where they would conduct business advisory and credit referral services as well as data collection for monitoring.

- o By the end of 1991, a mid-course evaluation would have been conducted to address key management concerns.

## Findings and Conclusions

### Level of SBD Volunteer Activity

At the time of this evaluation visit in February 1992 the number of SBD Volunteers stood at 11. The first group of Volunteers entered training in July 1990, six months after the pilot design, and are scheduled to complete their service within the next few months. Five of them were placed through government agencies such as NBSSI or parastatals such as CEDECOM, a regional development authority. The remainder were assigned to a variety of non-governmental organizations such as the Credit Union Association, Women's World Banking, and business organizations such as the Association of Ghana Industries. Volunteer job descriptions varied as widely as their institutional placements. In fact, many of the current jobs held of SBD Volunteers were unanticipated during the design stage. In some instances they were fashioned by chance meetings by Peace Corps staff and Ghanaian agency officials or private organizations.

Most SBD Volunteers are involved in some form of business advisory services (for example those with NBSSI and DRHCI), although others have more managerial or organizational functions (Women's World Banking, the Association of Ghana Industries). Some are much more involved in grassroots organizing such as those assigned to the Credit Union Association and the producer groups in Ochiso. Several have become involved in secondary projects; one has even established a revolving loan fund with his own money. (A more detailed description of their activities is included in the appendix).

### Government of Ghana

As in the case of most other countries, the small business initiative in Ghana was instigated by the Peace Corps rather than the government of Ghana. Of the five or six government agencies involved in small business promotion, none has as yet issued a formal request for Volunteers. However, none of those representatives interviewed during this evaluation expressed any reservations about the presence of Volunteers in Ghana. It would therefore be appropriate to have formal commitments from the relevant authorities. Most government agencies are experiencing a reduction in expenditures and are hard-pressed to provide adequate support to Volunteers.

### Institutional Arrangements

The most notable observation regarding the current coordinating and sponsoring organizations is their range and diversity. The National Board of Small Scale Industries has placed a Volunteer, but has not really played the coordinating role anticipated in the project design. The design document

indicated that the host organization for the pilot project would be the Ministry of Local Government and Program of Actions to Mitigate the Social Costs of Adjustment (PAMSCAD). There was provision for a designated indigenous NGO, the African Center for Human Development, which would have management implementation responsibilities. Neither of these arrangements has been maintained, for various reasons.

Considerations of housing and logistics have tended to dictate Volunteer assignments. Several of the agencies and organizations identified as possible Volunteer sponsors have not materialized while others not identified have. Others have ceased to exist as such. The GEDC was merged with NBSSI in late 1991, giving the new Board a loan-granting capability. Peace Corps Ghana considers that the 31st December Women's Movement would be too political to risk placing Volunteers. Nor have any Volunteers been placed through either GRATIS or TCC. Meanwhile, several other non-governmental organizations have entered the picture. The Credit Union Association has placed two SBD Volunteers. Two Volunteers are being sponsored by trade associations, one with the Association of Small Scale Carpenters in Kumasi, and the other with the Ghana Association of Industries in Accra. One Volunteer is working with Womens' World Banking. Two Volunteers have been placed through a regional para-statal agency, CEDECOM (Central Region Integrated Development Programme), one working under the auspices of the Ghana Tourist Board and the other with the Ghana Game and Wildlife Agency. Discussions are being held with the National Council on Women in Development for Volunteer placements as well.

### Training

The first Pre-Service Training was held at Cape Coast University. It was organized by the Peace Corps Training Coordinator and contracted to the University, which in turn drew upon local consultants as trainers. Because the pilot design was not able to pinpoint specific job assignment and site locations, the technical training did not have a very relevant focus. There was insufficient material on the small business experiments in other countries and the organizations to which Volunteers would actually be assigned. The design process and transition to project implementation has suffered from the absence of a small business APCD. Only recently has a staff member been assigned responsibilities for SBD programming, and that in addition to other major tasks.

### Profile of the SBD Volunteer in Ghana

The overall result of the selection and placement process in Ghana has been fairly positive, despite the high level of unanticipated assignments. There is a wide diversity of age and experience within the first generation of SBD Volunteers, ranging

from those who recently completed college to retired successful businessmen. In general, those Volunteers assigned to non-governmental organizations, tend to have a higher degree of job satisfaction and are generally pleased with their host agencies. Those who have had the most problems identifying a satisfactory job assignment are attached to government agencies, CEDECOM in particular.

There is also a wide diversity of site locations. Most of the Volunteers are living in urban areas (Kumasi, Accra, Cape Coast) or market towns (Tamale, Koforidua). Only three are in more rural areas (Hamile, Ochiso, Mbem). Language skills tend to vary according to proximity to urban areas, with those living the farthest away most likely to have learned a local language. In general, however, the temptation for most Volunteers is to get by with English which is widely spoken.

#### Relations with USAID and Other Donors

The design documents were overly optimistic with respect to USAID assistance. None of the \$180,000 anticipated from the Mission has been allocated to Peace Corps, although this was due in part to the problems of staffing and programming which Peace Corps/Ghana has experienced during this time. USAID is opposed to using any funding for revolving loan funds in Ghana, given the recent failed experiences in this area. Examples cited were the attempts of Meals for Millions, Global 2000, VOCA, and the rural banks. The USAID/Ghana strategy is focused on policy reform and export promotion. While the Mission is willing to collaborate with Peace Corps in its small business initiative, it wants to have a project plan with more concrete objectives.

#### Recommendations

##### Personnel

In order to cope with the planned expansion of the SBD project. Peace Corps Ghana should have a full-time APCD for small business as soon as possible.

##### SBD Programming

Peace Corps/Ghana should focus its strategic planning on a few non-governmental organizations, the Credit Union Association in particular. Placements with CEDECOM should be carefully reviewed.

##### Training

Pre-Service Training would be considerably improved with outside assistance in the technical component, specifically regarding appropriate approaches to accounting.

## Peace Corps Senegal

### Summary History of Peace Corps Operations in Senegal

In 1963 the Peace Corps program in Senegal began with a group of 15 English teachers. Education, particularly English instruction and teacher training, remained one of the main Peace Corps programs until 1991 when the last University Education Volunteer finished service. The rural animation program which began in 1964 had as its general objective to assist villagers in organizing to solve local problems through grassroots action. During the late 1970s and early 1980s there were at least 40 rural animation Volunteers in Senegal in any given year. The project was phased out in 1990 as programming became more focused in sectors such as health, agriculture, the environment, and small business development.

In the early 1980s Peace Corps/Senegal began a new project in natural resources by posting six Volunteers with the National Forest Service. The project has grown to an average of 20 forestry Volunteers working in defined geographic zones throughout the country. An off-shoot of the rural animation program, the health project has focused on nutrition and health education for primary school teachers. There are currently 22 health Volunteers working in three districts. Peace Corps/Senegal's newest initiative is in small business development.

Over the last 20 years the overall size of the Peace Corps program in Senegal has remained around 100 Volunteers. The programming approach has changed substantially, from more individualized placements to a more long-term institutionalized approach in which host ministries participate in the project design. It is characterized by a specific geographic focus and built-in follow-up, with systematic replacement of Volunteers in the same area. The approach also emphasizes a team effort among Volunteers working together.

### Small Business Development Programming

Although Volunteers in Senegal have engaged in various types of small business development activities over the years, this was generally as a result of the individual initiative of the Volunteer rather than specific SBD programming. Often these activities, typically involving income generation, have been secondary projects. The most common examples include handicrafts and vegetable gardening. Peace Corps/Senegal received assistance from the ASAP/PASA for a needs assessment consultancy conducted in November-December 1989. The assessment was prompted by the concern to reorient the 24-year old rural animation project in a

more practical direction. It was also in response to the Senegal government's policy emphasis on private sector development. The second step was the project design effort, also conducted with ASAP/PASA assistance, in April-June 1990. Based on the conclusions from the design consultancies, Peace Corps/Senegal eventually opted to pilot-test collaboration with two different types of host agencies.

In FY 1991, the first six SBD Volunteers entered training. Three were placed with the Conseil National pour la Promotion des Caisses Populaires (CONACAP), a Senegalese non-governmental organization established to promote development of village-based savings and credit cooperatives. The other three were placed with the Ministry of the Interior's Service d'Expansion Rurale (SER) to help develop the capacity of local CER (Centre d'expansion rurale) teams to promote micro-enterprise development and provide business skills training to pre-cooperatives. After a year of the pilot-test phase with these two organizations, Peace Corps/Senegal decided to concentrate all of the SBD programming with the Ministry of the Interior and to discontinue placements with CONACAP. Thus, all 15 SBD Volunteers in the second group were placed with the CERs. The 1992 IPBS indicates that when the three Volunteers assigned to CONACAP finish their service, collaboration with CONACAP will end. By the time of the evaluation there were a total of 20 SBD Volunteers (four from the first group and 15 from the second, and a third from another project) working in five regions.

#### The Senegal SBD Needs Assessment

The needs assessment consultancy for the Peace Corps/Senegal small business development initiative was conducted with ASAP/PASA funding during November and December 1989. It consisted of interviews with government officials and non-governmental organizations (NGOs), as well as farmer groups and artisans in the field. The assessment was conducted under the supervision of the APCD for Rural Development. The non-governmental organizations contacted included OEF, CARITAS, Maison Familiale Rurale, and Catholic Relief Services, but not CONACAP. There were numerous government agencies interviewed, including the Ministries of Social Development, Rural Development, and Industrial & Artisanal Development. However, no officials of the Ministry of the Interior were contacted, although one Centre d'Expansion Rurale (CER) was visited in the field.

The needs assessment report couched the goal of the project in the broadest of terms: to expand the private sector and increase employment opportunities in Senegal. It was to have two components, one rural and the other urban. The project targets would be micro-entrepreneurs engaged in farming, artisanal, and commercial activities. Both individuals and groups of entrepreneurs were to be provided with assistance. The geographic

focus of the project would be market centers in the Tambacounda and Kolda regions for the rural component and various secondary towns throughout the country for the urban component.

The potential institutions for collaboration were listed as follows: the Chambres des Metiers, the USAID-funded Sahel Regional Financial Management Project (SRFMP), the USAID-funded Community Enterprise and Development (CED) Project, the Ministry of Social Development, the Centres d'Expansion Rurale, and the National Park Service. The report noted that two Volunteers were currently working with the USAID regional financial management project, providing training in accounting to small scale entrepreneurs. They had transferred into the SRFMP from the rural animation project where they were dissatisfied. The report included a brief profile of the system of Centres d'expansion rurale (CERs) at the local (arrondissement) level. It pointed out, however, that the CER teams usually lacked transportation and had very limited operating budgets. There was no mention in the needs assessment of CONACAP (Conseil National pour la Promotion des Caisses Populaires).

The needs assessment report provided a formal definition of small enterprise derived from a 1981 Senegalese law (which left the informal sector undefined). The report failed to mention the major policy reforms of 1984 which included a provision for the recognition of village groups and associations known as GIEs (groupements d'interets economiques). The report did describe the general features of the GIEs and how they were supposedly formed. These reforms represent the government's attempt to bring micro-enterprises operating in the informal sector into the formal sector by giving them legal status (personne morale).

### The Senegal Pilot Project (Desqin)

From April to June 1990, the second ASAP PASA consultancy was conducted in Washington and Senegal. There were actually two statements of work prepared for the contract, one by Peace Corps/Washington and the other by the APCD for Rural Animation/Small Enterprise Development in Senegal. The two were eventually reconciled in the field. The final report included a project design report, a draft project plan, and a sector survey and strategy. Of special concern during the design process was the choice of collaborating agencies, since the first Pre-Service Training was expected to begin in September 1990. Initial discussions with Peace Corps staff focused on the need to develop project activities with either a government agency or an NGO partner which could provide job structure and field-level supervision to Volunteers. The APCD was reported to be flexible with respect to the choice of regions and the mix of urban and rural placements, depending upon the partners chosen. There was uncertainty regarding government agency partners because of the recent reorganization.

Based on assumptions framed in the needs assessment, the consultant made contacts with over 30 agencies and organizations. The choice of partner agencies continued to pose a problem. Therefore, during this phase a "generic blueprint" type of project plan was employed in order to develop project-specific plans with partner agencies, once they were selected. Some of the assumptions from the needs assessment were called into question, while new options were explored. The first had to do with the SRFMP as a possible partner. It had been assumed that SRFMP could provide institutional support for urban Volunteers. However, USAID project funding was coming to an end in June 1991.

Meanwhile, ACA (Association Conseil pour l'Action), a non-profit consulting firm, had been created to carry on the financial management training functions of the project. The Chambre des Metiers program, which had been considered a possible partner, had been weakened by internal politics and budget constraints making it a doubtful partner. With respect to governmental reorganization, the consultant concluded that it would not affect the Ministry of the Interior's Service d'Expansion Rurale (SER) and its system of rural CERs. Despite problems facing the CERs, the report concluded that they were the only nationwide network with a local-level presence. Furthermore, the APCD was strongly committed to helping the CERs develop an outreach capability.

Other alternatives were considered. There were numerous PVOs and NGOs in the process of developing or expanding small business development-oriented projects that might provide opportunities for grassroots Volunteer participation. The report noted, however, that many were in the planning stage and therefore not appropriate for selection as partners. Among those cited as examples were Catholic Relief Services, Plan International, and World Vision. Another mentioned as being very interested in Volunteers was CONACAP, which the consultant concluded would be a very strong possibility when its USAID funding came through.

No single agency emerged as an ideal partner. Questions regarding those mentioned above precluded final choices mid-way through the consultancy. In the second phase further discussions were held with those agencies considered most likely to be selected as partners (CONACAP, The Ministry of the Interior, Friedrich Ebert Foundation, and SRFMP). It became clear that this was the beginning of an on-going process that would extend beyond the period of the consultancy. The final choice of partners was left open at the end of the consultancy, subject to follow-up research and negotiations. This, of course, clouded the efforts to elaborate the project plan, which did not take a definitive form until November 1991.

Following preparation of a draft project plan de-briefing sessions were held with Peace Corps/Senegal staff. Discussions

focused mainly on review of the strengths and weaknesses of potential partners. Left to the discretion and follow-up of the APCD were important issues. This would entail gathering the information necessary to make final choices of partners in late June and July. The consultant proposed that field trips to CONACAP sites be made to arrange placement of four Volunteers in Louga and Thies. It would be necessary to work intensively with the chosen partners to develop specific project plans, including site surveys and profiles of beneficiary groups. The Pre-Service Training design would be completed in August-September, with the help of the Thies training center staff.

Discussion of Peace Corps programming criteria focused on several factors. The choice of potential partners would be made based on their efforts to put permanent service delivery systems in place, and of course assist in locating housing. It was expected that the project beneficiaries would be part of the process of developing this service delivery capacity. With regard to the resource capabilities of the institutions considered as partners, the consultant acknowledged that none of the agencies possessed all the administrative and logistical resources needed. The possibility of "multi-partite relationships" was suggested in cases where one agency could not provide the support necessary for a Volunteer. The distinction between urban and rural components was de-emphasized in the project design report. Instead, levels of intervention were to be determined by the chosen partner's program orientation and outreach capability. Dakar was eliminated from consideration, leaving a range of options from secondary cities to village clusters such as those served by the Centres d'expansion rurale.

Given the tentativeness of the project design, it was impossible to assign quantitative measures to anticipated outputs. Everything would depend upon the choice of institutional partners. Each one would be expected to assist in projecting outcomes based on their experience or targets set in current profiles. The project design report therefore identified milestones for a three-year period that had more to do with the form of Volunteer programming than the substance; e.g. conducting baseline surveys, developing project plans with partners, and monitoring clients. There was no indication as to the number of individual entrepreneurs or groups that would have been reached by Volunteers during this period.

## Findings and Conclusions

### Level of SBD Volunteer Activity and Milestones Achieved

The first group of six SBD Volunteers in Senegal entered training in September 1990. They had been recruited as generalists to be assigned to the rural animation project. By the end of the training program in December, Peace Corps/Senegal had

chosen two partner agencies for Volunteer placements. Three Volunteers were assigned in January 1991 to Centres d'expansion rurale (CERs) and three to work with caisses populaires (savings and loan groups) within CONACAP (Conseil en Promotion des Caisses Populaires de Credit). All were placed in rural areas within the Louga Region and provided housing through their host agencies as well as 125cc motorcycles. At the time of the evaluation there had been two early terminations. The three CONACAP Volunteers were still in service and another SBD Volunteer was working within a CER.

The CONACAP Volunteers have been working with ten caisses populaires in the Louga region, most of them already operational at the time the Volunteers arrived. The typical savings and loan group consists of between 15 and 150 members who elect a president, treasurer, loan fund manager, and various committees to manage the caisse. The majority of members are often women, as is the president. However, in most cases the group chooses a man who is literate as manager of the loan fund. Sometimes it is he who keeps the money, and other times it is the president. The women, mostly illiterate, are generally quite keen to have literacy and numeracy training, but funding for this has apparently not been available in the CONACAP program. The primary role of the Volunteer is to assist the manager and officers of the caisse in bookkeeping and accounting. All of the caisses populaires visited during the evaluation reported loan repayment rates of nearly 100%.

The one Volunteer now working with the CER team in Keur Momar Sarr is in a supportive and relatively productive environment. She is a member of an eight-person team which works with villages in the arrondissement. She personally works with nine women's groups, most of them practicing some traditional form of group savings and loans (but unrelated to CONACAP).

The second group of 17 SBD Volunteers entered training one year later, in September 1991. In January 1992 they began their assignments within the CERs in the regions of Tambacounda, Kolda, Kaolack and Thiès. None of them were assigned to the Louga Region. At the time of the evaluation most of the new SBD Volunteers were just settling into housing that had been built or renovated with Peace Corps funds. Although they were expected to be provided motorcycles, most had not yet received them. They report that their jobs are very vaguely defined, depending largely upon the personality of the Chef de CER.

#### Government of Senegal

In contrast to Peace Corps/Togo, the program strategy in Peace Corps/Senegal has been to work closely with government of Senegal ministries in the design and implementation of projects. This approach is understandable when one considers the still

significant apparatus of the state in Senegal, despite the formal structural adjustment program launched in 1984 and intended to unleash private sector development. While Senegalese authorities have pledged to reduce the role of the government in development, there is a legacy of three hundred years of bureaucratic administration that has not been dismantled. The principal government office, which everyone calls The Building, is a fitting symbol of the government bureaucracy. Following protocol - proper formalities and procedures - is very much a part of the system for getting things done. Peace Corps seems to maintain cordial relations with the relevant government ministries, in this case the Ministries of Cooperation and Interior. The basic operating assumption is that important services to the private sector will have to be provided by government agencies in the foreseeable future.

### Institutional Arrangements

The two host agencies that emerged as partners in the SBD project were similar in some respects but quite different in others. One was a government agency that has branches throughout the country and the other a small, struggling Senegalese NGO.

### Centres d'Expansion Rurale

For the last 30 years rural development in Senegal has been promoted through the Centres d'expansion rurale (CERs), which are local government (arrondissement) units now located within the Ministry of the Interior's Service d'Expansion Rurale and charged with coordination of extension services. The CERs consist of multi-disciplinary assistance teams with expertise in such areas as agriculture, health, and forestry. The composition of the teams, headed by a chef de CER, varies from region to region. Their function is to transfer techniques and skills to village groups to improve their productivity and resource management. Often the CER teams are composed of dedicated, capable civil servants, lacking in the material support to do an effective job. As a result, the personnel turn-over rate is very high.

Traditionally, however, the technical assistance provided by the CERs has not included business advisory services, which the SBD Volunteers are now expected to provide. Those assigned to the CERs were referred to in the training materials as Micro-Enterprise Promotion Agents. Their task is to serve as a resource to other CER team members as well as to groups and individual entrepreneurs involved in production and marketing activities as well as savings and credit operations. The Volunteer reports directly to the Chef de CER, and in some cases even lives in the same compound with his family. He or she is expected to provide planning, management, and marketing advice to groups as a complement to assistance provided by other team members.

## CONACAP - Conseil National pour la Promotion des Caisses Populaires

CONACAP is a Senegalese non-government organization established in 1970 to promote the development of village-based savings and credit cooperatives (known as caisses populaires or village banks). CONACAP is headquartered in Dakar, with regional offices in Louga and Ziginchor. CONACAP is a member of the Africa Confederation of Cooperative Savings and Credit Associations (ACCOSCA) headquartered in Nairobi, and the World Council of Credit Unions (WOCCU) with headquarters in Madison, Wisconsin. The CONACAP approach is designed to develop self-reliance on local financial resources. Members must save for six months before becoming eligible for loans. There is no infusion of external funds until the local credit union is fully operating.

In 1987 CONACAP began working with women's groups in the Louga Region that had received millet mills under a UNDP/ILO project to help them form caisses populaires. During a two-year period 10 pilot groups went through an orientation to credit union organization and procedures and management training. Loan activity in the Louga Region began in early 1990, shortly before the Volunteers arrived. During the initial period of the Volunteers' assignment, support from CONACAP staff was fairly consistent, but since October 1991 it has declined considerably. Volunteers are now working largely on their own.

The Volunteers assigned to CONACAP in Louga Region were given the title of Village Bank Promotion Advisors. In this capacity they work with already established credit unions to develop their loan procedures, manage the books, and expand their membership. Initially it was hoped that their role would also include start-up activities in villages identified for collaboration with CONACAP.

The difficulties CONACAP is experiencing are owed in large part to personnel and funding shortages. There is only one full time paid staff member, a Canadian volunteer, and a few part-time volunteer staff. USAID provided a grant of \$192,000 to CONACAP through WOCCU which was to assist in building training capabilities. The first tranche of the grant was received in 1990, but CONACAP has been waiting for the second one for several months. Meanwhile, CONACAP has been preparing a grant proposal to the new USAID-funded PVO umbrella project (see below) for submission when the project begins to solicit proposals.

### Training

The Pre-Service Training for the first group of SBD Volunteers took place in Thies, the permanent regional training site. Heretofore, the training had been conducted by Labat-Anderson Inc. (LAI) under contract with Peace Corps. At the time

this training began the contract was just changing hands and the Thies facility was being managed by CHP, a training organization headquartered in Chicago. It was a difficult transition by all accounts. The previous contractor had maintained a fairly lavish management style, whereas the new contract was bear-bones. No more frills at the training cite. The trainees were not happy with the new order. The CHP training coordinator interviewed during the evaluation acknowledged that the tight budget had caused serious problems initially. But the training was further made difficult by a rather vague description of work provided by the APCD. Training modules were developed on the basis of uncertain institutional arrangements and Volunteer job descriptions. At the time of the evaluation the training contractor was beginning to arrange home-stays in the Thies area for the duration of training rather than just a week toward the end.

At the time of the evaluation the first group of SBD Volunteers had recently completed an in-service training conducted under contract by the staff of Association Conseil pour l'Action (ACA). The two-week training conducted in French language in Thies, was in practical accounting procedures, with a focus on specific metiers (skills) such as gardening, shop-keeping (boutiques) and tailoring. The Volunteers then trained Senegalese counterparts from village organizations in Wolof. Much of ACA's training thus far has been in urban areas where French is more widely understood. ACA contends that it is committed to developing training materials in local languages and is currently working toward that objective.

#### Profile of the SBD Volunteer in Senegal

The first group of SBD trainees had been recruited as B.A. generalists to be assigned to the rural animation project. They were not required to have a business degree or experience in business. Their job placement was changed to small business development after selection was made. This does not seem to have limited their effectiveness as small business development Volunteers, however. Those now approaching the end of their service in Louga have developed quite strong language skills, primarily in Wolof and secondarily French. In fact, they have the highest local language facility of any Volunteers encountered during this evaluation. This has been the key to their work with village groups. Each of them believes that the training in accounting gave them the basic technical tool needed to complement their university education. However, they feel strongly the need for technical training in Wolof, the language of work. The recent in-service training with ACA was a step in the right direction toward a more practical application of accounting to actual income-generating activities. Job satisfaction among the first group seems quite high, despite generally weak institutional support. They have overcome initial

problems of housing and are generally comfortable with their role as Volunteers.

The second group of 17 SBD Volunteers were recruited according to a business profile and thus have business degrees and background, some with MBAs. (Some assumed they would be sent to Eastern Europe when they applied to Peace Corps!) All have been assigned to work with the CERs in rural areas, beginning just two months ago. They are still in transition from a frustrating training to uncertain job situations. All eight of those interviewed contended that they needed more local language training in order to be at all effective at their sites. Since all of them have business and accounting backgrounds, they felt that the technical training was not very helpful. It should have been more geared toward practical, real-life applications. Housing has been a serious problem for many, and Peace Corps is financing refurbishing or building houses for them. Most are still waiting for their motorcycles to be delivered.

Only one member of this group reported having a very satisfactory job situation thus far, owing mainly to the personality and commitment of his Chef de CER. The group reported that they were viewed by the local people as "toubabs" (foreigners) who would facilitate access to funding. In the absence of a formal structure for savings mobilization and lending, the Volunteers are struggling to define their primary role in terms of business advisory services to village groups. Several of the new Volunteers have run into PVOs and development projects within their area that are providing credit for loan programs. Those organizations cited included Catholic Relief Services, an ISTI health project, and FONGS (a Senegalese NGO umbrella organization). They felt that they should have been provided more information about the various PVOs and NGOs operating in Senegal during training.

#### Relations with USAID, Other Donors

As noted above, the USAID Senegal Mission has been providing grant assistance to CONACAP, one of the partner institutions during the pilot phase of the SBD project. There are other USAID-funded activities that could well benefit from collaboration with Peace Corps. A new five-year umbrella project, entitled the PVO/NGO Project Support Project (in French it is known as l'Unite d'Appui aux ONGs), is just now coming on stream. This \$15 million project was contracted to the New Transcentury Foundation and is now fully staffed. The project is charged with organizing and assuring a range of training and technical assistance to both U.S.-based PVOs and Senegalese NGOs. It is expected to cover all ten regions within the country and to address activities in agriculture, natural resource management, education, health, and small business development.

In addition to institutional support to these PVOs and NGOs, the project will provide grants on a competitive basis for development activities. These may range from as little as \$5,000 up to over \$1 million. The director of the project expects that the first proposals will be reviewed in June and July of this year and grants awarded by September. Some of the projects funded are likely to focus on the promotion of small business activities which SBD Volunteers could assist in their respective regions.

## Recommendations

### Personnel

At the time of the evaluation Peace Corps/Senegal had no APCD responsible for small business. The replacement should have experience in this field and should have no other programming responsibilities than small business.

### SBD Programming

Peace Corps/Senegal should review its decision to discontinue placements with CONACAP, a non-governmental organization. Consideration should also be given to placing a Volunteer with ACEP, a successful savings and loan operation. It should also re-think its commitment to placing all its SBD Volunteers with the Ministry of Interior. There is ample room for increased collaboration with USAID, particularly in light of the new PVO/NGO Support Project.

### Training

If SBD Volunteers are not to be officially discouraged from providing business advisory services to these types of loan programs, then information is needed during Pre-Service Training.

### SBD Volunteer Profile

Peace Corps/Senegal should review the qualifications required for Volunteers being assigned to rural areas with a view toward the appropriateness of highly skilled persons working in a very unstructured setting.

## Peace Corp Lesotho

### Summary History of Peace Corps Operations in Lesotho

Peace Corps was invited into Lesotho in 1967, only a few months after the country was granted independence from the United Kingdom. Most of the Volunteers in the first group of 60 were secondary school teachers. During the last 25 years the education sector has remained the largest Peace Corps program in Lesotho. The other two major program areas have been agriculture and health. The total number of Volunteers has remained relatively constant, at between 90 and 110, and the main focus of placement has been in the rural areas. Although the program grew to 130 Volunteers at one point during the late 1970s, the number was reduced to around 100 in the early 1980s where it has remained since. Peace Corps has enjoyed a good reputation in Lesotho and maintains cordial working relations with the host government ministries. The requests for Volunteers in traditional projects tend to outnumber the number of Volunteers Peace Corps is able to program in Lesotho.

In 1985 Peace Corps/Lesotho began participating in the African Food Systems Initiative (AFSI) program. This led to a longer term integrated approach to the agriculture program and resulted in an increase in skilled Volunteers. The agriculture project now constitutes 40 percent of all Volunteers in Lesotho. Peace Corps has also maintained projects in the health sector during most of its history in Lesotho. The number of health Volunteers was limited to a dozen or so at any one time. Beginning in 1988 there was a concerted effort to increase health sector programming, with the assistance of Peace Corps/Washington. However, the health consultancies and Peace Corps staff follow-up failed to generate additional requests from the government of Lesotho and the health program was phased out in 1991. In FY 1989 programming in Small Business Development began and the sector was made the third major program activity.

### Small Business Development Programming

During the mid-1970s Peace Corps/Lesotho developed a small business project, only to be phased out a few years later. Interestingly enough, this was to make room for the basic needs strategy which came into vogue in 1978. Small business was not seen as responding to the basic needs mandate. Not until 1989 was there a renewed emphasis on small business programming, when Peace Corps/Lesotho was enlisted in the ASAP initiative. This enabled it to undertake a needs assessment, concept paper, and project design during FY 1990. In 1991, Lesotho also began participation in the MEDP/PASA program with assistance in

conducting a baseline survey and Pre-Service Training design. The first seven SBD Volunteers entered training in late 1991. Peace Corps/Lesotho expects to place up to 37 SBD Volunteers through 1994.

Programming in the small business sector in Lesotho should be viewed in the context of government policy decisions. Historically, the government had been the primary source of domestic paid employment in Lesotho. However, all public sector hiring was frozen as a part of the structural adjustment agreement which the government signed with the International Monetary Fund in 1988. Over 1,000 government workers were initially laid off in an effort to reduce government expenditures. The country has an unemployment rate estimated to be near 30%, as well as a high incidence of under-employment. Only 10% of the economically active population are employed in the formal domestic sector, which is dominated by foreign-owned firms. Therefore, policy makers began looking toward enterprises in the informal sector as generators of employment.

#### Lesotho Small Business Needs Assessment

In February 1990 a U.S.-based consultant and a consultant hired locally under a personal services contract conducted a 10-day needs assessment for Peace Corps/Lesotho. The consultants were able to draw upon the findings from a USAID-funded study of the private sector in Lesotho that underscored the importance of the informal sector. The study had pointed out that the Lesotho government could not afford to undertake donor financed programs that would increase the burden on its personnel and financial resources. The needs assessment report noted that Peace Corps/Lesotho expressed the intention of implementing its small business initiative through private development organizations rather than through government agencies. The one reported potential exception to this principle was the Lesotho Agricultural Development Bank. The consultants focused most of their interviews on non-governmental organizations.

The needs assessment report arrived at several conclusions. Among the organizations surveyed, there was a generally low level of outreach and service delivery capability to small businesses. The credit union movement had thus far proved a failure, registering a near 100% default rate on its loan portfolio. The Lesotho Chamber of Commerce and Industry, although the recipient of substantial funding, did not have any rural service delivery capability. Several women's organizations were surveyed, including Women in Business and the Lesotho National Council of Women.

Together with Peace Corps staff, the consultants drew up a list of criteria for selecting host organizations for the SBD project. These included capabilities for providing Volunteer

support, the possibility of providing sites in rural areas, and orientation toward providing business advisory services. Listed as possible candidates were the Chamber of Commerce and Industry, Morrison Knudsen (U.S.-based construction contractor engaged in building the Highland Water Project), the Lesotho Christian Council of Churches, the Agri-Business Council, and the NGO Coordinating Committee. Most of these organizations were not expected to be operational for at least another year. There was no mention of the Institute for Extramural Studies of the National University nor the Lesotho Opportunities Industrialization Center.

Two institutions were identified as possible sponsoring organizations because they offered the best possibility of Volunteer support and program delivery services. The first of these was the Lesotho Christian Council of Churches (LCCC). The report indicated that LCCC might be able to accommodate as many as 10 Volunteers. A second potential sponsor was the Lesotho Agricultural Development Bank. This government institution was seen as the most effective financial intermediary serving the credit needs of rural-based entrepreneurs, with branches in nine rural areas.

The report noted that USAID/Lesotho was implementing a privatization initiative that would have some bearing upon Peace Corps project design. It included a grant under the Human Resources Development Assistance (HRDA) project to the Lesotho Chamber of Commerce and Industry. The agricultural policy project focused on the privatization of agricultural input and marketing services. The Mission was funding the development of small business teaching materials which were being tested in vocational training centers.

#### Lesotho SBD Project Design

The second phase of the design process in Lesotho took place in May-June 1990. Following the needs assessment, the local hire contractor had conducted an additional 30 interviews with various agencies. The project design report that resulted from the second consultancy underscored the fact that the most serious constraint to an SBD project design was the low level of service delivery capability in rural areas. This implied a severe limitation in being able to program the anticipated 40 SBD Volunteers targeted by 1994. It was suggested that one design option would be for Peace Corps/Lesotho to seek two-year funding for the SBD program (either from AID/Washington or some other source) and that it be coordinated by a full-time local hire consultant. Only two organizations were found to have sufficient resources to sustain the minimal costs of providing Volunteer housing (although not the ones identified in the needs assessment).

The project design also called for an SBD Project Manager position to be recruited and placed under the Ministry of Trade and Industry (MTI) and located in Maseru by January 1991. The Project Manager's job would be to develop a PST training design and provide technical coordination for the training, to begin in June 1991. He/she would be expected to visit all of the SBD project sites once a month after the Volunteers had been assigned. Collaboration with MTI was viewed as providing "political legitimation without absorbing Volunteers into the bureaucratic structure."

The institutional arrangements that emerged in the project design document took a different turn from those proposed in the first phase of design. The two organizations that came to replace those suggested before were the Institute for Extramural Studies/Business Training Division (IMES/BTD) and Lesotho Opportunities Industrialization Center (LOIC), neither of which was identified in the needs assessment. It was proposed that in the first year there would be four SBD Volunteers assigned to work with IEMS to assure business training courses and follow-up technical assistance to clients. IEMS was committed to providing housing and basic furnishings as well as access to transportation. The report suggested that IEMS could contract with the Chamber of Commerce to provide business training courses for its members. The second host organization proposed was Lesotho Opportunities Industrialization Center (LOIC), which would receive one SBD Volunteer the first year to be assigned to Semongkong. The Volunteer would provide small business training and one-on-one follow-up with those who completed training and work closely with Agricultural Development Bank field officers in assisting clients with loan applications.

The project design report indicated that during the second and third year of the SBD project a long-term project plan would be developed. The Project Manager would continue interviewing other service organizations to gauge their potential for providing Volunteer support. There were a dozen potential organizations listed. Another group of five organizations was suggested for consideration in years four and five. The report expressed the expectation that following the first two years of the project, funding would be available from USAID/Lesotho in collaboration with the Agricultural Development Bank.

#### Small Business Development Project Plan

The Peace Corps/Lesotho Country Director enlisted the services of a small business Volunteer in Botswana to assist in developing the new project in Lesotho. She transferred to Lesotho in January 1991, finished out her term as a Volunteer and became responsible for small business development. She developed a first draft of the project plan upon arrival, based upon the project design, which in turn was used to develop the training

design.

The project plan that evolved out of the design process went through several drafts, the latest being February 1992. The project purpose was stated as creating income and employment opportunities for Basotho excluded from formal and public sector jobs. It called for the SBD Volunteers to be programmed as business extension advisors with two basic goals. The first was to provide business advisory services to strengthen the planning skills of Basotho entrepreneurs. Quantitative measures for goal were stated as increasing revenues of client entrepreneurs by 10% a year, and increasing employment by 5% in the first year, 10% in the second, and 10% in the third year. The second goal identified was to strengthen the small business service delivery capabilities and district level outreach of SBD organizations. The Volunteers would assist these organizations in expanding their outreach into rural areas and providing services to their members. The goal was to increase dues paying membership by 5% in year one, 10% in year two, and 15% in year three.

The host country agencies identified as potential sponsors were the following: the Institute of Extramural Studies/Business Training Center, Lesotho Agricultural College, Lesotho National Council of Women, Lesotho Chamber of Commerce & Industry, Lesotho Opportunities Industrialization Center, and the Ministry of Trade and Industry. The project plan called for all the sites of the first six Volunteers to be finalized by June 30th, 1991, and for the Pre-Service Training to be conducted from June to August. The new Volunteers would then spend the first six months conducting needs assessment and community analysis with their respective counterparts.

## Findings and Conclusions

### Level of SBD Volunteer Activity and Milestones Achieved

The first group of six Small Business Development trainees (three women and three men) arrived in Lesotho in June 1991, one year after the project design was completed. This had to do with difficulties in arranging Peace Corps staffing for the project. The six Volunteers were assigned to five different sponsoring organizations, four in Maseru and two in rural areas. Two were assigned to the Lesotho Chamber of Commerce, and one each to the Basotho Development Corporation, the Lesotho Agricultural College, Lesotho Opportunities Industrialization Center, and the Lesotho National Council for Women. They spent the first several months getting acquainted with their supervisors, co-workers, and counterparts. Their first quarterly reports were submitted in early December after three months on site.

At the time of the evaluation this group had been on the job about seven months. They were engaged in a range of activities

such as teaching classes in bookkeeping and business management, strengthening institutional capabilities, and providing one-on-one business advisory services to clients. Most of the Volunteers had become involved in at least one or more secondary projects. An additional six Volunteers were expected to begin training in June 1992. The March 1992 IPBS indicated that Peace Corps/Lesotho expected up to 27 SBD Volunteers during the FY93-95 period.

### Government of Lesotho

The first draft of the project plan anticipated that the Project Coordinator (no longer referred to as Project Manager) would be housed within the Ministry of Trade and Industry, although not directly accountable to MTI. It also expected that the office might eventually be relocated to a district near a cluster of SBD Volunteers, assuming that they would be outside of Maseru. In fact, this plan never materialized, and the Project Coordinator (now the APCD for Small Business development) has remained in the Peace Corps office. There is no formal link between the Ministry and the SBD project regarding Volunteer placement. However, relations with the MTI Permanent Secretary have remain quite cordial. As in many other agencies and organizations, there has been a high turn-over rate in MTI, and Peace Corps will soon be dealing with the third Permanent Secretary in MTI since the SBD project began. MTI does maintain agents at the local level whose function is to provide some business outreach assistance. It is the hope of the APCD/SBD that when more SBD Volunteers are placed in rural areas they will be able to collaborate with these agents.

### Institutional Arrangements

The institutional arrangements for the SBD project in Lesotho have been constantly shifting, due in large part to the changing personalities within the organizations. Those institutions that looked hopeful initially have sometimes turned out to have weak managers, while others have taken the initiative in encouraging collaboration with Peace Corps. Relations with the IEMS Business Training Division have grown because of personal rapport with the new Peace Corps Country Director. There is a certain degree of over-lap among the outreach programs of these organizations, especially outside of Maseru. Lesotho is the only one of the four countries visited in the evaluation that has not placed SBD Volunteers with a credit union association. Given the weakened status of the Lesotho Cooperative Credit Union League (LCCUL), this is not likely to happen in the future. The following six organizations have emerged as the main Peace Corps partners.

## Lesotho Chamber of Commerce & Industries

With two SBD Volunteers initially assigned to it and several possible placements for the next group of Volunteers, LCCI has become the primary partner organization although it was not identified as such in the design process. LCCI currently has a membership of about 1,200, most of them small scale Basotho entrepreneurs with a few expatriate affiliates. Although LCCI acts as an umbrella organization for a wide range of private interests, it has just gone through a difficult period in which the former executive director left the organization in a weakened state. The two-and-a-half year HRDA grant from USAID/Lesotho which pays the salary of the executive director and training runs out in September 1992. Other sources of funding include a modest grant from the Anglo American Corporation of South Africa for a small business initiative that will provide short-term loans only for manufacturing. The African Development Foundation accorded LCCI a grant one year ago for loans to street vendors, but because of complications in setting up disbursement the fund has not been drawn upon.

The present staff consists of only three professionals and the SBD Volunteer. LCCI has not had the staff capability to develop outreach services to the membership. The intention is to have an advisory service in all ten districts, but presently only three are served. One Volunteer has been assigned to work in the Maseru headquarters, assisting in building up LCCI's management and membership services. The other SBD Volunteer is in Ha Mamathe, working with the local district LCCI membership. She is also working with a weaver's group that is not related to LCCI. The APCD/SBD is hoping to assign most of the next group of SBD Volunteers to sites such as Leribe, Butha Buthe, and Mohale's Hoek.

## Lesotho Opportunities Industrialization Center

LOIC was registered in 1979 as a non-governmental vocational training center. However, much of LOIC's operating expenses are provided by the Lesotho government. LOIC's basic program consists of an 18-month training course in skills such as masonry, carpentry, and metalworking. With assistance from USAID, in 1980 LOIC began offering small business training. Currently the Entrepreneurial Training and Management Development unit conducts business training classes in Maseru and in a few rural areas. The intention is to extend these services to all ten districts, but last year the LOIC staff was cut from 29 to 20 as a result of the reduction in government operating expenses. The SBD Volunteer is assigned to work with LOIC in Semongkong where she conducts classes in business management and assists clients in obtaining credit at the Agricultural Development Bank. LOIC became involved in a loan program in 1987 which failed because of poor client selection and follow-up.

### Lesotho National Council of Women

LNCW was founded in 1964, following the visit of a few Basotho women to Israel to observe women's groups there. The Council operates a vocational training program aimed at unskilled young women whose age ranges from late teens to mid-30s, as well as a pre-school program. In 1982 LNCW established a vocational training center in Maseru which offers a two-year course in dress making, machine and hand knitting, and textile printing. Enrollment at the Maseru center is now about 300 students. LNCW receives funding from a wide variety of sources including the European Economic Community, the British Council, and the Danish aid agency (DANIDA). In 1989 a Danish volunteer began a workshop that included a focus on basic bookkeeping which was not, however, oriented toward business. With the arrival of the SBD Volunteer assigned to LNCW, a course in business management has been added to the curriculum. It is now hoped that some of those who complete the course will be able to go into business for themselves. Prospects for gaining access to credit are not promising because formal institutions are too strict.

### Lesotho Agricultural College

The Lesotho Agricultural College was founded in 1958, with financial assistance from the United Kingdom. Beginning in 1987, USAID provided assistance to LAC through its LAPIS project. Among the activities initiated under LAPIS was the Student Enterprise Project which selects third year students who pursue a program of income-generating activities. It is modeled somewhat after the Junior Achievement program in the United States. There is a staff of three in the SEP program, including the SBD Volunteer, and about 25 students currently enrolled. USAID funding included a grant of \$65,000 for loans to students while in school to undertake various agricultural production activities. Two problems confront the SEP graduate: lack of access to land and credit. The SBD Volunteer at LAC teaches a business course and has been involved in trying to secure sources of credit for SEP graduates. The principal target is the Agricultural Development Bank. However, AgricBank's lending portfolio is not really aimed so much at agricultural production as it is very small short-term credit for small scale gardening and commercial activities. Other sources of credit have also failed to materialize.

### Basotho Enterprise Development Corporation

BEDCO was established by the government in 1975 as a subsidiary of the Lesotho National Development Corporation. In 1980 BEDCO was given independent status as a parastatal company and received funding from the Canadian International Development Agency (CIDA). The basic approach of BEDCO is to maintain industrial estates where space is made available to tenants. The original idea was that these estates would serve as incubators

for small start-up businesses that would eventually go out on their own. However, BEDCO itself has maintained a large physical plant in Maseru that produces furniture for the local market. There is no history of tenants actually moving out and setting up their businesses elsewhere, partly because of lack of availability of factory space. BEDCO has a long history of bad management and is a classic White Elephant. However, just recently a new executive director was appointed who approached Peace Corps about providing a Volunteer to help get the operation up and running. Donor agencies are understandably hesitant to provide BEDCO with any new funding before there is evidence that it is being managed as a business. The SBD Volunteer is providing management advisory services to the executive director and assisting in the development of a business training curriculum for a outreach program.

### Institute for Extramural Studies

IEMS/BTD is part of the National University and as such is under the Ministry of Education. IEMS has received funding from USAID since 1977 for its training programs. Since 1988 assistance has come from the HRDA project. IEMS/BTD operates somewhat like the Small Business Development Centers in the United States in that they are university affiliated and provide practical business management workshops and training courses. The Business Training Division has helped to spawn a number of outreach initiatives within other agencies and organizations, including the Ministry of Trade and Industry. It also has collaborative relations with the Chamber of Commerce and other NGOs in extending business advisory services outside of Maseru. Those areas where training centers have been established include Mafeteng, Thaba Tseka, Berea, and Leribe. No Volunteers have yet been assigned to work with the BTD, although it is expected that two from the next group will be placed in Leribe and Mohale's Hoek.

### The SBD Volunteer Profile in Lesotho

The first six SBD Volunteers in Lesotho who have now been in country nearly a year, constitute a fairly unique group, even by comparison with the other four countries. The average age of the group is about 49, the oldest being 65 and the youngest 32. Together, they represent several decades of practical business experience. Two of them served as small business Volunteers in other countries before coming to Lesotho. In the African context their advanced age appears to have been an advantage in dealing with supervisors and counterparts. The four SBD Volunteers stationed in Maseru have been slow in acquiring Sesotho language skills, but this is usually the case in urban areas. All work in close proximity to the directors of their respective organizations and were expected to contribute to improving their management and planning capabilities. But the organizations are

all quite fragile and the Volunteers have generally been frustrated by the lack of receptiveness of their advice in implementing changes. In several instances SBD Volunteers have been actively involved in facilitating access to credit, with limited results. Most have taken on secondary projects which are more interesting and rewarding than their primary jobs. In general, job satisfaction thus far seems to be quite high.

In Peace Corps programming terms, the very fact that Lesotho succeeded to a great extent in recruiting the seasoned type of Volunteer desired carries with it implications for the future. Older Volunteers are often not willing to live a minimalist life-style. Nor is it necessarily expected of them, especially in urban placements. Ties are in order in the offices of many of these organizations. Housing, while not the over-riding issue here that it is elsewhere, is strictly left up to the host organization and is a limitation on placements. Some SBD Volunteers have invested their own resources in transportation, donating the vehicle to the host organization. Peace Corps/Washington should maintain flexibility in these matters in setting out guidelines for future programs.

### Training

The APCD/SBD developed training materials for the first Pre-Service Training during April and May 1991, with funding from the MEDP/PASA. She was assisted by a local hire consultant, and a U.S.-based consultant, the Training Director, and the APCD for Programming. The design team conducted several field visits and interviews with potential supervisors and counterparts and reviewed the backgrounds of the trainees selected for the project. The training took place from June to August 1991 in an Outward Bound facility rather than the traditional site at Roma (location of the National University) in order to reduce costs. Future training is planned for the Roma facility since its costs have come down. The technical training component was short on accounting and business management as such, but included case studies and Sesotho vocabulary for business and accounting terms.

The first In-Service Training was held in Mophale's Hoek from February 23 to 27th, 1992. The training consisted of discussions of issues raised by the Volunteers as well as presentations by speakers from various government agencies. This included input from Volunteers regarding the potential use of MEDP/PASA funds during FY 1992. During the IST the Volunteers were asked to assess the PST and make recommendations for the future. They felt that more emphasis should be given to the socio-cultural environment in which businesses operate in Lesotho. They suggested cutting out the case studies used and focusing on materials now being developed by SBD Volunteers. Visits to actual sites should be conducted during training. The Volunteers suggested that more attention should be given to the resources

available to businesses, with summary sheets on each source.

### Relations with USAID and Other Donors

As noted earlier, Peace Corps relations with the USAID/Lesotho Mission have been and continue to be quite close. As many as one-third of all Volunteers in Lesotho are attached to some USAID funded project. During the SBD design process there was a Private Sector Development officer in the Mission who was actively involved in providing advice. He has since left, and the Agricultural Development Officer has taken on those responsibilities. Several USAID projects have contributed to supporting the institutions chosen as collaborators by Peace Corps. The LAPIS project which assists the Lesotho Agricultural College with its Student Enterprise Project and various other activities such as home gardening and horizontal wells. Two new agricultural projects are in the works. A technical services contract is now being let for the Community Natural Resource Management Project. The Agricultural Enterprise Initiatives Project now being designed would possibly have direct relevance to Peace Corps programming if it comes on-stream in FY 1994.

The main source of USAID funding related to SBD programming is the Human Resource Development Assistance (HRDA) Project which will end in September 1992. Eighty percent of the HRDA funds, for training and institutional strengthening, have been directed at private sector development through LCCI. The Mission therefore has a stake in seeing that LCCI improve its outreach capabilities. Peace Corps and USAID also collaborate in identifying SPA (Small Project Assistance) projects, which include income generating activities. The Mission has had a sad ten-year history of attempting to build up the capabilities of the Lesotho Cooperative Credit Union League and cautions against any involvement with the organization.

There are numerous other donor organizations involved in Lesotho, although few have a direct bearing on SBD programming. The African Development Foundation has provided a grant to LCCI for a revolving loan fund that has not been dispersed because of problems. The Anglo-American Corporation has also funded a small business initiative with LCCI which is just getting started. In general, however, there is too much donor money chasing too few good projects in Lesotho.

### Recommendations

#### Personnel

Peace Corps/Lesotho is the only post visited in this evaluation that currently has an APCD whose job is specifically small business development. It is to be hoped that this will

serve as the model for other SBD projects.

### SBD Programming

Peace Corps/Lesotho should maintain its focus on non-governmental organizations for the placement of Volunteers. However, several of the current host organizations should be carefully reviewed before placing additional Volunteers (e.g., BEDCO) and new ones considered (e.g., Women in Business). With the termination of USAID funding to LCCI, attention should be given to implications of giving it programming priority.

### Training

Peace Corps/Lesotho could also benefit from outside assistance in SBD technical training. Much more attention could be given to assessment of formal and informal (e.g. stokvels) financial institutions.

## Peace Corps Togo

### Summary History of Peace Corps Operations in Togo

When Peace Corps was invited into Togo in 1962, it was one of the first programs in Africa. During the first decade programming was focused on two main sectors: secondary education and rural development. The latter consisted primarily of work in road construction and health care. By the mid-1970s, the emphasis had shifted to animal traction, school construction, and classroom health education. Then, in the 1980s, Peace Corps/Togo extended its involvement in rural development to fish culture, community health education for child survival, and appropriate technology. Only in recent years has the focus in education shifted from secondary teaching to teacher training, mainly in science and pre-school teacher training.

The number of Volunteers in Togo has remained relatively constant, between 90 and 100, with the exception of 1988 when the total increased to 140. Both Volunteers and staff agreed that this was too many, and the program has subsequently been scaled down to 85. In 1990, Peace Corps/Togo began implementation of one new project and the planning of two others. Under the new environmental protection project, four Volunteers were placed in agro-forestry to work in deforestation. Formal planning also began in urban housing and small business development. Negotiations between USAID, Peace Corps/Washington and Peace Corps/Togo resulted in design consultancies in Togo. For the three year period from FY 1992 to 94 Peace Corps Togo has designated the following priorities areas: environmental protection, health, agriculture, small business development, education, and urban infrastructure, in that order.

### Small Business Development Programming

Formal Peace Corps enterprise development in Togo was preceded by two related projects: rural cooperatives and women's enterprise development. Several Volunteers have also become involved in business development as secondary projects over the years. The women's small enterprise development project placed Volunteers as sewing instructors and business advisors in regional training centers from 1986 to 1988. However, the project suffered from a lack of business focus and inadequate program support and was not continued per se. The rural cooperatives project began in 1980 under the Ministry of Development and Cooperatives. Volunteers served as field coordinators among various government agencies working with cooperatives, most of them teaching basic business management skills and principles of

cooperative development. This project was phased out in 1990.

Within the rural cooperatives project there were two Volunteers who began to develop the design for an entrepreneurship training course. They set about writing a training manual for small business management which would eventually become the primary tool for the initial group of small business development Volunteers. Peace Corps/Togo began to consider that the course might be tested in Lome and then expanded to other market towns, serving as the basis for a new small business development project. The training materials covered a range of subjects, from developing a business idea, to marketing, financial planning, and securing access to credit. The two Volunteers solicited the reaction of local non-governmental organizations to their manual, including the Federation des Unions Cooperatifs d'Epargne et Credit (FUCEC).

Meanwhile, with the assistance of the two Volunteers, the APCD for Rural Development began during 1989 to develop a strategy for an entrepreneurship program, focusing on the problem of under- and unemployment in the urban areas. The two Volunteers presented an SBD pilot project design to Peace Corps staff at the All-Volunteer Conference in November. The Peace Corps Director and Rural Development APCD approved the request and they were re-assigned to Lome to explore the feasibility of the design. They began to conduct a needs assessment and develop a proposal, working with FUCEC and another NGO, the Don Bosco Center run by the Salesian Fathers, also in Lome.

A proposal entitled "Togo Entrepreneurship Program," began to go through several drafts. Earlier versions began with the premise that lack of credit was the greatest hindrance to small business start-ups. It was therefore proposed that a pilot phase of the program would include a revolving loan fund, managed through a local financial institution. It would also consist of a "council of advisors" chosen from among prominent community leaders, businessmen, bankers, and representatives of the Chamber of Commerce. These advisors would assist in teaching courses, reviewing business plans, and securing financing. Credit would be made available to training course graduates who developed good business plans. The proposed entrepreneurship program would follow an 18-month schedule starting with a planning stage, then three months of training, followed by actual business start-up as early as January 1991. A second training course would take place four months later.

During the first part of 1990, informal discussions about institutional arrangements with non-governmental organizations was taking place. From the outset Peace Corps/Togo decided to work with private organizations rather than with government agencies. The primary non-governmental organization with which Peace Corps had dealings was FUCEC. A pilot test of the training

materials was conducted with FUCEC and the Don Bosco Center, both in Lome.

### Togo SBD Needs Assessment

Peace Corps/Togo reservations about the prospect of Volunteers handling money from revolving loan funds called the credit component of the project design into question. It was at this point that Peace Corps/Washington provided the first ASAP/PASA consultancy in May of 1990. The primary purpose of the consultancy was to conduct a needs assessment of Peace Corps/Togo's potential for programming a small business development initiative. A secondary purpose was to review the feasibility of the proposed entrepreneurship program. The scope of work specifically called for a focus on micro-enterprises in the urban areas and the possibility of collaboration with private organizations.

The consultants interviewed a total of 12 entrepreneurs in addition to the clients/participants in the pilot NGO training activities. They observed that the only government activity underway in support of micro-enterprises was the reform of the artisanal sector which emphasized training and the organization of specialties into associations. Most government-related services in the sector, they noted, were focused on small enterprises rather than on micro-enterprises. From their survey they concluded that above all other concerns, business owners felt the need to increase their sales. People interviewed at NGOs and government ministries cited a "market approach" and accounting as the most important training needs for micro-enterprises. The authors noted that training would be much more likely to be useful if follow-up assistance were provided as part of the package. However, a majority of those interviewed stated that credit per se was not the most important need for micro-enterprises. The authors stated that FUCEC "appears to be the best and only response to the inability of the commercial banking sector to respond to micro-enterprise needs."

A preliminary project outline was presented, without however providing quantified project targets. The project purpose was stated as increasing incomes and employment opportunities for Togolese men and women. The goals were to increase the capacity of local institutions to provide business skills training and advisory services, as well as the capacity of urban entrepreneurs to create and manage viable micro-enterprises. The needs assessment concluded that the option likely to hold the most promise for Peace Corps entry into small business development in Togo would be via assistance to NGOs because of their flexibility and work at the grassroots level. The authors identified three NGOs that were considered the most appropriate: CONGAT-ICB, FUCEC, and the Salesian Fathers and Sisters Centers. All three NGOs were considered to be firmly committed to

improving the abilities of their clients to start and manage their business activities. They recognized the importance of business skills and access to credit as important elements in enterprise development. Togolese counterparts were said to be available within each of the organizations and all three expressed willingness to contribute to Peace Corps program support.

The needs assessment included a statement of resource needs and their likely availability. The urban focus of the program would eliminate the need to provide Volunteers with motorcycles, although bicycles were deemed necessary. The NGOs were not likely to be able to provide transportation or housing, or even all of the materials for training courses. FUCEC was considered the most well-endowed of the three NGOs, largely because of its USAID funding. Housing was viewed by the Peace Corps Director and the APCD as not posing a problem because of the government's commitment. The Ministry of Technical Education and Professional Training was reported to be willing to provide appropriate housing for the SBD Volunteers.

With respect to Peace Corps personnel resources, it was clear that placement of Volunteers with several NGOs would increase the responsibilities of the APCD who would also be handling other projects. The task would be facilitated by virtue of the urban focus of the project, but it was suggested that the number of participating NGOs be limited so as to avoid having to handle too many administrative arrangements. The two Volunteers who had worked on the entrepreneurship training design were identified as important resources whose role should be fully utilized.

Recruitment of small business development trainees was not considered to be difficult, according to the Peace Corps Placement Office. Trainees with previous French language experience would of course be harder to recruit. Regarding training needs, the consultants urged that the NGOs be implicated in the training design, participating in the "stage" itself. They recommended that the Volunteers working on the training design observe how the NGOs were training their clients so as to be able to adapt the design to practical use.

#### Small Business Development Project Plan

The second consultancy provided under the ASAP/PASA was for the development of a project design. During April and May of 1991, a consultant conducted interviews with Peace Corps staff and Volunteers as well as Togolese entrepreneurs and NGOs. Based on the perceived successes of the pilot project efforts with collaborating organizations, there was a particular focus on FUCEC and the Don Bosco Vocational Center. Visits were made to several COOPECs (savings and credit unions within FUCEC) both in

Lome and in market towns. Several visits were also made to the Don Bosco Center in Lome where the consultant spoke with the Director, Father Lucas. Both organizations confirmed their commitment and support to host small business development Volunteers. The consultant concluded that the approach Peace Corps/Togo had taken in developing the project thus far had been successful, resulting in formal requests for Volunteers.

The project design document confirmed most of the findings and recommendations of the needs assessment, including the definition of project purpose. An effort was made to operationalize (and quantify) the measures for achieving project goals. The first goal was an increase in net revenues of client businesses at a level of four points above the official rate of inflation by the end of the first year. There were four quantified objectives for achieving this goal:

- o 30 entrepreneurs trained in business management and planning each year,
- o 8 students and graduates of each training course have received business consulting services through on-site visits.
- o a marketing strategy developed by each entrepreneur at the end of six months,
- o 2.5% annual increase in the productive capacity of client entrepreneurs,

These objectives were linked to a list of milestones, most of them to have been achieved by the end of the first year and every successive year. Volunteers were expected to have "successfully integrated themselves with the collaborating institution and positive working relationships will have been established." By the end of the second year a reporting, monitoring, and evaluation system should have been established to support the SBD Volunteers. However, the list of questions for the monitoring and evaluation system in the project design document did not provide any measurable milestone indicators.

At the time of the writing of the design paper (May 1991), Peace Corps/Washington had already recruited and identified six SBD trainees for Togo. The 12-week pre-service training was to begin at Pagala, north of Lome, the following month. The design paper outlined a five-phase training program, to be coordinated by a PST Training Director, a U.S.-based SBD consultant, and a Togolese trainer. One of the Volunteers involved in the design would serve as assistant trainer. The seven-week phase at Pagala would concentrate on skill development in entrepreneurship, using the SBD training manual, as well as on the objectives of the collaborating organizations. The last two phases would involve live-ins with Togolese entrepreneurs and practical experience

teaching and consulting entrepreneurs in Lome. Plans were already under way for a two-week in-service training tentatively scheduled for March 1992. It was projected that there would be between seven and ten SBD Volunteers placed in Togo each year until 1999.

## Findings and Conclusions

### Level of SBD Volunteer Activity

The first group of five SBD Volunteers in Togo entered training in June 1991 and began their assignments in September. One former coop Volunteer was already working in small business. The five new trainees were all women, four of them to be assigned to FUCEC and one to the Don Bosco Center. At the time of the evaluation the former coop Volunteer had completed service and two of the new Volunteers had terminated early. Another Volunteer had transferred from animal traction into the SBD project in April 1991 but did not undergo any formal SBD training. Peace Corps/ Togo was planning to bring seven additional Volunteers into training in July 1992. The evaluation visit thus came after the core group of Volunteers had completed only five months of service. It also coincided with a two-week in-service training being attended by the four remaining SBD Volunteers.

The two Volunteers assigned to work with FUCEC - one in Lome and the other in Atakpame - have conducted their first training course for COOPEC members and were preparing to begin the second in March 1992. Both have modified the training materials substantially to adapt them to actual conditions. The courses are attended by 20 to 25 persons, including three main groups: micro-business owners, the unemployed, and those employed by businesses other than their own. There has been a rather wide disparity in both educational levels and business experience in the training courses. Both have been working with individual entrepreneurs providing business advisory services at their work place.

The Volunteer teaching accounting at the Don Bosco Center has classes of 20 boys who are enrolled in a three year training program in skills such as mechanics, electricity, and woodworking. They are recruited from among unemployed school drop-outs, usually with no business experience. After completing the training program they are expected to either form trade cooperatives or start their own businesses. The fourth SBD Volunteer, assigned to a third NGO (ECHOPPE), is in a much less structured setting. He assists artisanal groups such as weavers, sculptors, tailors, and bicycle repairmen with marketing and quality control. He has not been teaching formal classes in accounting and business management.

### Government of Togo

Peace Corps/Togo made a conscious decision early in the small business development design process not to approach the government of Togo regarding formal ministerial participation. Peace Corps has maintained very good relations with the government historically. However, with the program of structural adjustment, in recent years government resources available to support Volunteer activities have declined. Hence, Peace Corps has focused its project initiatives on collaboration with local NGOs and PVOs. This strategy aims at keeping the government informed of project activity and sharing information. However, the Ministry of Technical Education continues to provide Volunteer housing for SBD Volunteers, which has not posed a serious problem thus far.

### Institutional Arrangements

Three organizations were hosting SBD Volunteers at the time of the evaluation: FUCEC, the Don Bosco Center, and ECHOPPE. The latter had not been identified during the design process.

#### Federation des Unions Cooperatifs d'Epargne et Credit

One of the obvious advantages of working with FUCEC is that it eliminates the need for Volunteers to manage a credit program. Credit for both consumption and productive needs is one of the primary services of the COOPECs to their members. Another advantage is that FUCEC receives support from USAID through the TRIPS project, which among other things is allowing them to move into a new office in the near future. At the time of the evaluation FUCEC had still not signed an official agreement with Peace Corps, but the FUCEC Director said this was only a formality and expected it to be done momentarily. He was expecting to be able to place seven new Volunteers this year as follows: Sokode, Kara, Dapaong, Kpalime, Sotubua, and two additional Volunteers in Lome.

The initial FUCEC letter of intent noted that the organization operates in both urban and rural areas, but the placement of Volunteers outside of urban areas has not been an issue. The question of Volunteer counterparts, however, is largely unresolved. It was anticipated that the SBD Volunteers would work with the Education and Promotion Committees of the COOPECs as well as their credit fund managers. Thus far, Volunteers have not spent much of their time with these officers, focusing most of their efforts on the individual COOPEC members who enlist in training courses and receive advisory services. FUCEC Director Akemakou says that he would still like more attention to be given to the COOPEC officers in order to strengthen their institutional capacity. It is not clear, however, that FUCEC is committed to training their own cadres to serve as business advisory agents after the Volunteers have gone.

During the last few years FUCEC has been consciously attempting to place more emphasis on promoting credit for productive purposes rather than the traditional personal or consumption needs. This is critical to the understanding of whether FUCEC is really assisting business activities. For some time this objective was hampered by the fact that the FUCEC information system was not capable of tracking the purposes for which loans were being used. Now, after several months of effort, an Excel spreadsheet using the Foxpro database is in place. This equips FUCEC to monitor the loan history of members of each COOPEC. It is also relevant to the avowed Peace Corps objective of measuring the impact of Volunteer efforts to increase the productivity of business clients. It should complement current attempts to put in place an SBD monitoring and evaluation system.

### Don Bosco Center

One Volunteer was posted as a teacher at the Don Bosco Center in Lome. The Center was established in 1989 by the Salesian Fathers religious order. The Center's mission is to prepare unemployed young people for meaningful work, either in their own enterprises or as employees. The Don Bosco Center in Lome offers training in trades such as woodworking, metalworking, and electronics to both men and women. The working conditions within the Center were initially quite good and enthusiasm for entrepreneurship development was high. However, the three-year training program is fairly academic. The students being taught by the Volunteer at Don Bosco are in their second year, so it would be difficult to predict whether any will actually start their own businesses upon graduation.

For the past several months Father Lucas has been away from the Center because of illness. It was mainly he who represented the dynamism of the Center and was personally committed to Peace Corps involvement in small business development. It is not clear whether or when he is likely to return. Informal interviews were held with Father Jose Antonio who teaches in the seminary and is not well informed as to the training center and the role of the Volunteer. The Center has also experienced some unsettling fallout from the political events in Lome that have put a damper on its activities. Nevertheless, the Fathers (and Brothers) are continuing with the construction of new classrooms and are committed to continuing their programs.

### Training

At the time of the evaluation the four SBD Volunteers in Togo were attending a two-week IST conducted by Frank Lusby, a former Togo Volunteer. Since 1986, Lusby has been working with the USAID-funded financial management training program in Senegal. As a result of that experience, he and some Senegalese colleagues decided to set up a non-profit organization, the

Action Consulting Association (ACA - l'Association Conseil pour l'Action) which specializes in management training and follow-up programs for small and micro-enterprises as well as village groups and non-governmental organizations (see appendix). ACA's action training and consulting methodology emphasizes the application of improved management in the workplace, as opposed to the traditional more formal training approach. ACA uses a sector specific approach that involves beneficiaries in the identification of training needs. SBD training programs in Africa, and Togo in particular, have generally suffered from the lack of a practical focus. The ACA approach seems well suited to SBD training needs and merits consideration in other countries.

### Monitoring and Evaluation

A good start has been made in developing a monitoring and evaluation system for the SBD project in Togo. An SBD Volunteer took the initiative at the end of the Pre-Service Training program by developing a format which included a baseline report on each client and periodic Volunteer progress report forms (see appendix). This involved the question of how to measure and evaluate the impact of the SBD program on clients. The proposed system was discussed among the SBD Volunteers and staff and revisions made as a result. Monitoring and evaluation was among the subjects discussed during the IST training being conducted in March 1992. As this monitoring and evaluation system becomes operational, it may well merit being distributed to other Peace Corps posts with SBD projects for study.

### Profile of the SBD Volunteer in Togo

It is evident that the Volunteers recruited to serve in the SBD project are well suited to the task. Initially, all of them were women, with degrees in business and several years of work experience in private companies. Two have terminated early for medical and/or personal reasons. The level of French language is quite good, including one native speaker. They have showed considerable personal initiative from the time of their training to the present, in terms of modifying training materials and developing a monitoring and evaluation system. Job satisfaction among those still here after nearly a year remains high. However, political events last November and December as well as continuing uncertainty have taken their toll. Classes have been interrupted by the events on several occasions. It has been particularly difficult to hold classes at night in Lome because of the personal danger to the participants and Volunteers. Volunteers living in Lome have observed an increase in insecurity in a city that traditionally has been fairly safe and friendly.

### Relations with USAID, Other Donors

Peace Corps/Togo has not relied upon the USAID/Togo mission

for any direct program support. As noted above, the SBD project benefits indirectly from USAID funds through assistance to FUCEC. AID funding is available to Peace Corps posts for the SPA small grants program which could be tapped to help capitalize particularly worthy business proposals of Volunteer clients. USAID is amenable to more collaboration with Peace Corps, but there needs to be a specific focus. The Mission is in the process of designing a new \$14 million Private Sector Development project which could possibly have small business development elements.

## Recommendations

### Personnel

With the addition of seven new SBD Volunteers in coming months, Peace Corps/Togo should have a full time APCD for small business.

### SBD Programming

Peace Corps/Togo should maintain its programming focus on FUCEC, one of the strongest organizations encountered during this evaluation. It is doubtful that the Don Bosco Center should continue to receive SBD Volunteers because of its own internal problems and because there is no indication as to whether graduates will become entrepreneurs.

### Training

Peace Corps/Togo is already planning to improve its Pre-Service Training by contracting the services of ACA to conduct the technical component.

## Appendices



## List of Persons Interviewed and Evaluation Schedule

### Peace Corps Washington

Jack Hogan, Africa Region, Chief of Operations  
John Schiller, Africa Region, Chief of Programming & Training  
Ralf Hertwig, Africa Region, ASAP Coordinator  
Raymond Panczyk, OTAPS, Director of Program Support Division  
Barbara Brown, OTAPS, Small Business Development  
Steve Thalheimer, OTAPS, Small Business Development  
Janna Marchione, Programming & Training Secretary  
Jahleezah Eskew, Program Assistant  
Michael Grimmatt, Lesotho Desk  
Michael McCormick, Ghana Desk  
Maisha Strozier, Senegal Desk  
Patricia Sanchez, Togo Desk

### Ghana

#### Peace Corps Staff

John Goldrick, Country Director  
J.K. "Wofa" Tufuor, Small Business Training Coordinator  
Brownie Lee, APCD/Education and Small Business Development  
Steve McFarland, APCD for Rural Development

#### USAID and American Embassy

Ambassador Raymond C. Ewing  
Ed Burgells, Deputy USAID Mission Director  
Lynn Keeys, former SED program officer

#### Small Business Development Volunteers

Name	Site	Sponsoring Organization
Bob Ambach	Koforidua	Department of Rural Housing and Cottage Industries
Sam Bacote	Kumasi	Small Scale Carpenters Association
Gary Coury	Cape Coast	Ghana Tourist Board
Lisa Fenn	Accra	Association of Ghana Industries
Scott Grohusky	Tamale	Ghana Cooperative Credit Union Association (CUA)
Ocran Humphreys	Kumasi	National Board for Small Scale Industries (NBSSI)
Scott Johnson	Hamile	Ghana Cooperative Credit Union Association (CUA)
Stephen King	Ochiso	Ajumako District Asssembly
David Martin		Ghana Game & Wildlife

Philip Oswald	Tamale	National Board for Small Scale Industries (NBSSI)
Mary Tonlinson	Accra	Womens' World Banking

Ghanaian Agencies and Organizations

Name	Title	Organization
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Accra

H. Akuoko-Frimpong, Director,  
 Management Development and Productivity Institute (MDPI)  
 Dr. Abaka, Director,  
 National Board for Small Scale Industries (NBSSI)  
 Kofi Asante-Frimpong, EDP Coordinator, NBSSI  
 Agnes Akuffo, Executive Director,  
 National Council on Women in Development (NCWD)  
 Mercy Osei-Konadu, Staff member, NCWD  
 Comfort Engman, Director, Women's World Banking  
 Emmanuel Lamptey, Director,  
 Department of Rural Housing & Cottage Industries (DRHCI)

Kumasi

Robert Gyasi Nsiah, Regional Director,  
 National Board for Small Scale Center Industries  
 Rev. S. K. Fugah, President,  
 Association of Small Scale Carpenters  
 Ben Wobil, SBD Volunteer Sponsor, NBSSI

Tamale

James, SBD Volunteer Counterpart,  
 Credit Union Association (CUA)

Koforidua

George Abdul, Regional Director,  
 Department of Rural Housing & Cottage Industries

Mobile Business Advisory Team, DRHCI  
 Jojo Thompson, Team Leader  
 Anthony Selormey, Regional Industrial Officer  
 Albert Sarpong, District Industrial Officer  
 Evelyn Damkwah, National Service Personnel

## Beneficiaries

### Kumasi

Rahamani Eliason, owner, Rahamani Enterprises, carpenter  
Ester Amok, owner, New Page, button shop  
Lucy Brobbery, owner, bookbinding business  
Elizabeth Amponsah, farmer, cabbage farm

### Ochicso

Seth, owner, soap-making business and bar  
Moses, owner, palm-oil processing  
Adcyekuw, Association of soap-makers in village of Entumbil  
Mboayekuw, Association of soap-makers in village of Ochiso  
Wonsuom, Association of palm-oil processors in Hasowodze

## Ghana Evaluation Schedule

Ghana was the first stop on a four-country evaluation of the ASAP PASA program in Africa. I arrived in Accra on Saturday, February 22nd, and left on the morning of March 4th. Peace Corps Ghana staff had planned very carefully for my visit and made the maximum use of the time available. Sunday evening Small Business APCD Brownie Lee hosted a reception at her home which was attended by several representatives of Ghanaian government agencies and non-governmental organizations, as well as two Small Business Development Volunteers (Lisa Fenn and David Martin) and Country Director John Goldrick. The very next morning Brownie and I were off on a Ghana Airways flight to Tamale, administrative center of the Northern Region. There we were met by a Peace Corps driver who would take us the remainder of the way by road.

We went directly to meet with Scott Grohusky, the Volunteer assigned recently to work with the Credit Union Association, and his counterpart, James. We drove out to the village of Nyankpala in hopes of attending an organizational meeting with a group forming a credit union, but there was some confusion as to the timing and it didn't take place. In the evening we pushed on north to Bolgatanga where we spent the night. The next morning found us on the road west along the Burkina Faso border headed to the village of Hamale, the northwestern most point in Ghana. Here we met another Scott (Johnson), working with the Credit Union Association. Scott is housed near the Catholic Church and mission, which has historically been the main source of support for the credit union movement. Scott's credit union office is also here, and we observed him interviewing some of his clients. That evening we drove on to Wa where we spent the night.

The following day was mainly taken up with driving from Wa to Kumasi, the second city of Ghana, in the Ashanti Region. Two

Volunteers are posted in Kumasi. Ocran "Ran" Humphreys is the senior member of the Small Business project, assigned to work with the regional office of the National Board of Small Scale Industries. He introduced us to the NBSSI staff and several of his clients. Sam Bacote works with the recently formed Association of Small Scale Carpenters. I interviewed the president of the Association, who is also one of Sam's business clients. We also visited the carpentry workshop of another of his clients, Rahamani Eliason. Preparations were under way for association members to go to Accra for the INDUTECH exhibit.

Friday we traveled into the Eastern Region to Koforidua, where Bob Ambach is assigned to the Department of Rural Housing and Cottage Industries (DRHCI). He was recovering from an illness, but managed to answer questions and introduce us to his fellow workers on the mobile team of business advisors within the Department with whom we had a good chat. The next stop was in the Central Region, in the village of Ajumaku-Ochiso, where we met PCV Stephen King. His official sponsor is the District Assembly (local government) and his work has consisted mainly of helping to organize three groups of (predominantly women) soap-makers and palm oil processors.

Then on down along the coast past Cape Coast to the town of Elmina where Volunteer Gary Coury is officially assigned to a regional development authority, CEDECOM, and the Ghana Tourist Board. His main job has been to assist the managers of two hotels in the area to improve their hotel and restaurant management. We stayed at one of them, the Elmina Hotel, where I interviewed J.K. "Wofa" Tufuor, who lives nearby. He was a member of the design team in 1989 and directed the training of both groups of Small Business Development Volunteers. We took David Martin with us from Elmina back to his new site in the village of Mbem, near the national forest. David's official sponsoring agency is also CEDECOM, although he now works directly with Ghana Game and Wildlife.

In seven days we had toured the entire country and interviewed all but two of the eleven Small Business Development Volunteers. Back in Accra, during the last two days I conducted a full round of interviews with USAID staff, the American Ambassador, heads of Ghanaian agencies and NGOs, and the two remaining Volunteers. Both women Small Business Development Volunteers are assigned to Accra. Mary Tomlinson coordinates training with Women's World Banking, a non-governmental organization involved in promoting credit for women. I talked with Mary in her Women's World Banking office. Lisa Fenn works in the headquarters of the Ghana Association of Industries. She was busy helping with the organization of the third annual INDUTECH exposition, which the association coordinates. A visit to INDUTECH topped off a busy but fruitful visit to Ghana.



## Togo

### Peace Corps Staff

Greg Austreng, APCD/Environment and Small Business Development  
John Peterson, APCD/Administration

### USAID Mission

John Grant, Program Officer

### Small Business Development Volunteers

Name	Site	Sponsoring Organization
Claire Raick	Atakpame	Federation des Unions Cooperatifs d'Epargne et Credit (FUCEC)
Christine Critini	Lome	FUCEC/Solidarite COOPEC
Angela Willson	Lome	Don Bosco Vocational Center
Tom Henthorne	Lome	ECHOPPE, Togo NGO

### Togolese Agencies and Organizations

Name	Title	Organization
Federation des Unions Cooperatifs d'Epargne et Credit (FUCEC):		
Kotsomi Akemakou, Directeur, FUCEC-Togo		
Khoumeh Fedy, Chef de Section Exploitation, FUCEC		
Messan Fioklou, Assistant Administratif, FUCEC		
Sossa Mortant, Comptable, FUCEC		
Gary Slocombe, Productive Credit Advisor, FUCEC		

#### Don Bosco Training Center:

Father Jose Antonio, Seminary Teacher  
Brother Antonio, Builder/Construction

### Beneficiaries

Mr. Dumenou, eleveur/poultry, Lome, member of Solidarite COOPEC  
Mr. Nyasenou, commercant, NMK Ent., Lome, member of Solidarite

## Togo Evaluation Schedule

The Togo leg of the evaluation was approached by road via taxi from Accra on the morning of March 4th. I arrived about 11:00 AM at Hotel le Benin where I was to stay and immediately called the Peace Corps office to inform them I was there. They were somewhat puzzled because they had sent a vehicle to Accra to pick me up! Obviously a mix-up in communication, but there seemed to be no hard feelings. In contrast to the detailed agenda that had greeted me in Ghana, the Togo evaluation program was quite open-ended. This was due in large part to the fact that all four of the Small Business Development Volunteers would be attending the two-week in-service training session in the conference room of the Peace Corps/Togo office. A captive audience.

I went directly to Greg Austreng's office for the first of several informal briefings. Greg has been Acting Director during the time that PCD Erica Eng has been on maternity leave. He is also the APCD for various activities, even though his actual title is not too clear but includes: environment, small business, urban, and rural development! Unlike the other countries I would visit, however, Greg has been in his Togo job since the beginning of the SBD design process and therefore represents an important element of continuity. He was busy with the in-service training program, among other things, but maintained an open-door policy during my week's stay in Lome. In any case, it was not difficult to work out a schedule that would make optimal use of my time.

As if to illustrate this, two key persons on the evaluation agenda appeared in Greg's office as we were speaking. Frank Lusby of ACA was just beginning his two-week contract to conduct the in-service training. Since he and I were both staying at Hotel le Benin, we would have ample occasion to discuss his mission and a range of topics related to small business development. The other visitor to Greg's office was Gary Slocombe, the WOCCU technical advisor to FUCEC, the major partner institution of the small business project. Gary is serving as interim chief of party of the USAID-funded WOCCU contract and has also been on the scene during most of the time since the Peace Corps SBD design process began.

My second day in Lome was taken up mainly with observing the in-service training and meeting the SBD Volunteers. Two of them are working with COOPECs (credit unions) within FUCEC. Claire Raick, down from the market town of Atakpame for the training, is the only SBD Volunteer assigned outside of Lome. Christine Citrini, the other SBD Volunteer assigned to FUCEC, lives in Lome only a few blocks away from the Peace Corps office. Angela Willson is assigned to the Don Bosco Center in Lome where she teaches accounting and business management. Tom Henthorne is providing business advisory services to ECHOPPE, a Lome-based

NGO. He transferred into the SBD project from the cooperative project.

In order to accommodate the IST training schedule, I set up one-on-one interviews with each of the Volunteers over the next few days. This worked reasonably well, although I was unable to observe them in their job-setting. The two FUCEC Volunteers had just finished their first 10-week training session with COOPEC members. Claire Raick, a native speaker of French who worked for several years with the Belgian-American Chamber of Commerce in New York, has been working with four COOPECs in Atakpame. Her training, based on a substantially revised version of the original manual developed by Volunteers Felton and Varga, began in October 1991 and ended February 1992, interrupted for four weeks by political events. Claire pointed out that it would have been helpful to have more training in informal education, in order to adapt training materials to practical realities. In general, she believes that the SBD project is well conceived and appropriate, even though there was little evidence of FUCEC involvement in the project design.

Christine Citrini works mainly with members of Solidarité COOPEC in Lome, which with more than 2,000 members is one of the largest in Togo. Christine is planning to begin her second training for COOPEC members in late March. She, too, is generally pleased with the SBD project and maintains good rapport with the staff of FUCEC and the COOPEC officers. Even so, there is little FUCEC supervision of her activities and it not clear whether she has a counterpart. She believes that the COOPEC managers should be more directly involved in business advisory training methods. Christine has been providing one-on-one business advisory services to COOPEC members, in addition to the formal training sessions. During training Christine began working on an approach to conducting baseline surveys and establishing a monitoring and evaluation system for the SBD project, all on her own initiative. These materials have been reviewed by fellow Volunteers and staff and will eventually form the basis of a monitoring and evaluation system.

Angela Willson's assignment is limited to classroom teaching of accounting and business management at the Salesian Brothers Don Bosco Center in Lome. It is unclear whether her second year students will eventually enter into business activities after their three-year training program at Don Bosco. Tom Henthorne was originally assigned to the animal traction project in Keve and subsequently asked to be transferred to the SBD project in April 1991, under the auspices of an recently formed NGO named ECHOPPE. Tom feels that his work with artists and craftsmen in Lome has a more grassroots orientation than the type of clients served by the COOPECs. His work is entirely business advisory service, mainly in quality control and marketing.

The remainder of the evaluation schedule in Togo consisted of interviewing representatives of FUCEC and the Don Bosco Center as well as SBD project beneficiaries. The staff of FUCEC in general were complimentary of the Volunteers assigned to them. Mr. Kokoumeh Fedy, Chef de Section Exploitation, has probably had the most dealing with the Peace Corps project. He is looking forward to placing seven more SBD Volunteers during the next year. The issue of FUCEC establishing a small business advisory service capability after Volunteers leave is not clear, however. Father Lucas, Director of the Don Bosco Center, was still recuperating from surgery. Father Jose Antonio, who teaches in the seminary and knows little about the vocational training program, briefed me on the problems that the Center has encountered recently.

The beneficiaries interviewed recounted their experience with the COOPEC and the business advisory services of Volunteers. The poultry farmer on the outskirts of Lome had benefited from the first training course given by Volunteer Felton beginning in October 1990. A former accountant with a rural development organization, he began doing "elevation" (poultry farming) and vegetable farming in 1988 while still on the job. When he quit that organization he focused on his own activities full time, keeping his own accounting books and becoming a member of the Solidarite COOPEC. In 1989 he received his first loan from the COOPEC to buy 500 chicks, which he paid back earlier than required. The second loan in November 1991 for more chicks was ill-fated since the political events of the following months prevented him from having them vaccinated. Most of them died and he is having trouble repaying the loan.

Mr. Nyasenou, also a member of the Solidarite COOPEC since 1989, has been receiving business advisory assistance from Volunteer Critini. He received a diploma from a technical college in 1981 and subsequently worked as a mechanic for TOGOTEX, a major textile manufacturing company, for two years. He set up his own T-shirt screening operation and boutique and obtained a COOPEC loan in September 1991. Volunteer Critini is helping Nyasenou with the marketing of the T-shirts and management of his boutique.



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Senegal

Peace Corps Staff and Consultants

Bruce Cohen, Country Director  
Maura Sene, APCD/Administration  
Demba Balde, Former APCD/Rural and Small Business Development  
David Kelley, APCD/Agriculture  
Scott Lewis, APCD/Forestry  
John McKenney, SBD Consultant  
Eric van Houten, SBD Volunteer Leader  
Kevin Young, Training Coordinator, CHP Contract  
Peace Corps Training Center/Thies,

Small Business Development Volunteers

Name Site Sponsoring Organization

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Louga Region

*Celeste Bryant	Ndimbou	CONACAP-2nd year
*Emily Nolte	Mbacka Lo	CONACAP-2
*Jennifer Querner	Keur Momar Sarr	CER-2
*Eric van Houten	Sagatta	CONACAP-2

Thies Region

*Robin Kelley	Thiadiaye	CER-1st year
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Kaolack Region

Jack Tran	Fimela	CER-1
*Sean McDermott	Gandiaye	CER-1
*David Ellison	Ndiedieng	CER-1
Alfred Kelley	Sokone	**PASA-3
*Chris Ernst	Paoskoto	CER-1
*John Price	Birkelane	CER-1
*Michael Haggen	Nganda	CER-1
*David Walker	Koungheul	CER-1
*Maribeth Walker	Koungheul	CER-1

Tambacounda Region

Ronald Otteson	Makacoulibantang	CER-1
Michael Sarmiento	Koussanar	CER-1
Chuck Bonham	Missirah	CER-1

\*Volunteers interviewed during evaluation.

\*\*Projet Anacardier Senegalo-Allemand

### Kolda Region

William Lippe	Dioulacolon	CER-1
Scott Schimpf	Dabo	CER-1
Jay Hermanson	Koundkane	CER-1

### Senegalese Agencies & Organizations

#### Dakar

Babacar Traore, Chef de Service, Ministère de la Coopération  
Abdou Malik Sow, Director,

Service d'Expansion Rurale (SER), Ministère de l'Interieur  
Ibrahima Sakho, Partner, Association Conseil pour l'Action (ACA)  
Nicholas Rofe, Director,

Agence de Credit pour l'Entreprise Privée (ACEP)

Pape Sondje Diop, Manager, ACEP/Mbour Office

Bamba Ngom, ACEP/Mbour Office

Mary Ann Zimmerman, Director,

PVO/NGO Project Support Project, New Transcendy Foundation

Richard Pronovost, Financial Director, PVO/NGO Project Support

Amadou Ly, USAID Project Officer,

Community Enterprise Development & CONACAP/WOCCU projects

#### Louga

Martha Hopewell Director, Plan International

Mansour Fall Director, World Vision

### Beneficiaries

#### Service d'Expansion Rurale

Abdurahmane Cisse, Chef de Service de CER/Keur Momar Sarr

#### CONACAP

Mbacka Lo, village group caisse populaire (savings & loan)

Modou Gueye, village of Kantar/Sagatta, village animateur

Macoumba Kane, President of Kanta/Sagatta caisse populaire

Maggat Gaye, Manager of Kantar caisse populaire

Amina Diagne, President of Sagatta/Touba Cajor women's group

Aissa Sarr, Secretary of Sagatta/Touba Cajor women's group

## Senegal Evaluation Schedule

I arrived in Dakar from Lome on the night of March 10th and departed early on March 20th. Country Director Bruce Cohen convened a staff meeting on the morning of March 11 where I briefed them on my mission and got the staff's perspective on the evaluation exercise. The APCD for Small Business Development, Mr. Demba Balde, had just recently resigned. However, John McKenney, a former Senegal Volunteer and staff member of the Community Enterprise Development Project in Kaolack, was hired as a consultant to assist in conducting the evaluation. His language skills and intimate knowledge of Senegalese culture were invaluable in the field. Also assisting us in the evaluation was SBD Volunteer Leader Eric van Houten, now completing his second year assigned to CONACAP in Louga Region. Eric provided a very useful Volunteer perspective on the development of the program. The three of us thus formed an evaluation team, conducting nearly all the interviews together.

The first order of business was to follow the protocol procedures by paying a visit to The Building, the main Senegalese government office. Mr. Babacar Traore of the Ministry of International Cooperation explained that it was the policy of his government to promote small enterprise development, particularly by helping to develop the capabilities of community-based non-governmental organizations. The second key point of contact with the government was a meeting with Mr. Abdou Malik Sow of the Ministry of the Interior. He maintained that the main role of the SBD Volunteer working with the Centres d'expansion rurale (CERs) was to help village groups become GIEs. He acknowledged that the availability of Senegalese counterparts was a problem, however.

ACEP (Agence de Credit pour l'Entreprise Privee) was our next stop. The USAID-funded ACEP project is an outgrowth of the Community Enterprise Development Project and is also contracted to the New Transcentury Foundation. ACEP, which is headed by Nicholas Rofe, functions as a bank providing production loans. It has an active file of some 2,500 clients and 14 branches throughout Senegal. The repayment rate on loans approaches 98 percent. The key to ACEP success appears to be the well defined loan procedures, collateral requirements, and well trained branch managers. Rofe indicates that ACEP is planning to register as a savings and loan association. He has approached the Peace Corps about obtaining a small business Volunteer. We also interviewed the branch manager of ACEP office in M'bour.

Before heading up to Louga Region to visit Volunteers sites, I interviewed two people who have played key roles in the SBD project: Kevin Young and Demba Balde. Kevin is the training coordinator at Thies, on contract with CHP International. CHP won the training contract from Labat-Anderson, Inc., the previous

contractor. Young described the difficulties CHP incurred in getting started in September 1990, which he said were linked to a reduced budget. Problems in the SBD training component in particular were derived from loosely defined objectives contained in the description of work. The one major change that CHP has introduced recently is arranging family stays for trainees in the Thies area for the entire duration of training.

Demba Balde served as APCD for Small Business Development until recently. As such he was the staff person most involved in the SBD design and training. He explained the difficulties encountered in identifying appropriate host agencies. In particular, he indicated that the arrangement with CONACAP at first seemed very promising. But then CONACAP began to suffer problems of lack of funding which in turn negatively effected support to the Volunteers. Balde defended the decision to discontinue placements with CANACAP and argued in favor of focusing on the Ministry of Interiors' CER system.

Our first stop in Louga Region was at Mbacka Lo to visit Volunteer Emily Nolte, who is assigned to work with a local caisse populaire (credit union) of CONACAP. We met her host family, also active in the credit union. She was the first of several SBD Volunteers to mention that literacy training for women should be a key element in their work, but that training had been inadequate for this. We then traveled up to Sagatta where Eric had worked as a Volunteer until he was named Volunteer leader and moved to Dakar. We met with several of the credit unions he had worked with in the villages around Sagatta. Following the sandy trails with four-wheel drive, it became evident why Volunteers in this area need motorized vehicles. Most of the groups Eric has worked with are composed of women, some of them outside of the CONACAP organization.

In the village of Keur Momar Sarr we met PCV Jennifer Querner, assigned to the local CER as a team member. She is fortunate to have an active and dedicated chef de CER, whom we interviewed, and a fairly close-knit CER team. Unlike many other CER teams, these members all have vehicles that allow them to get out into the villages. Jennifer lives in the chef's compound near the office and has been working with nine village groups, all women. Most are practicing some form of group savings - known as "tours" - but these are mainly for social needs and are rarely used for business purposes. The last Volunteer visited in Louga Region was Celeste Bryant, stationed in the village of Ndimbou and working with the local CONACAP credit union. Celeste seemed quite happy with her assignment and is thoroughly integrated into village life.

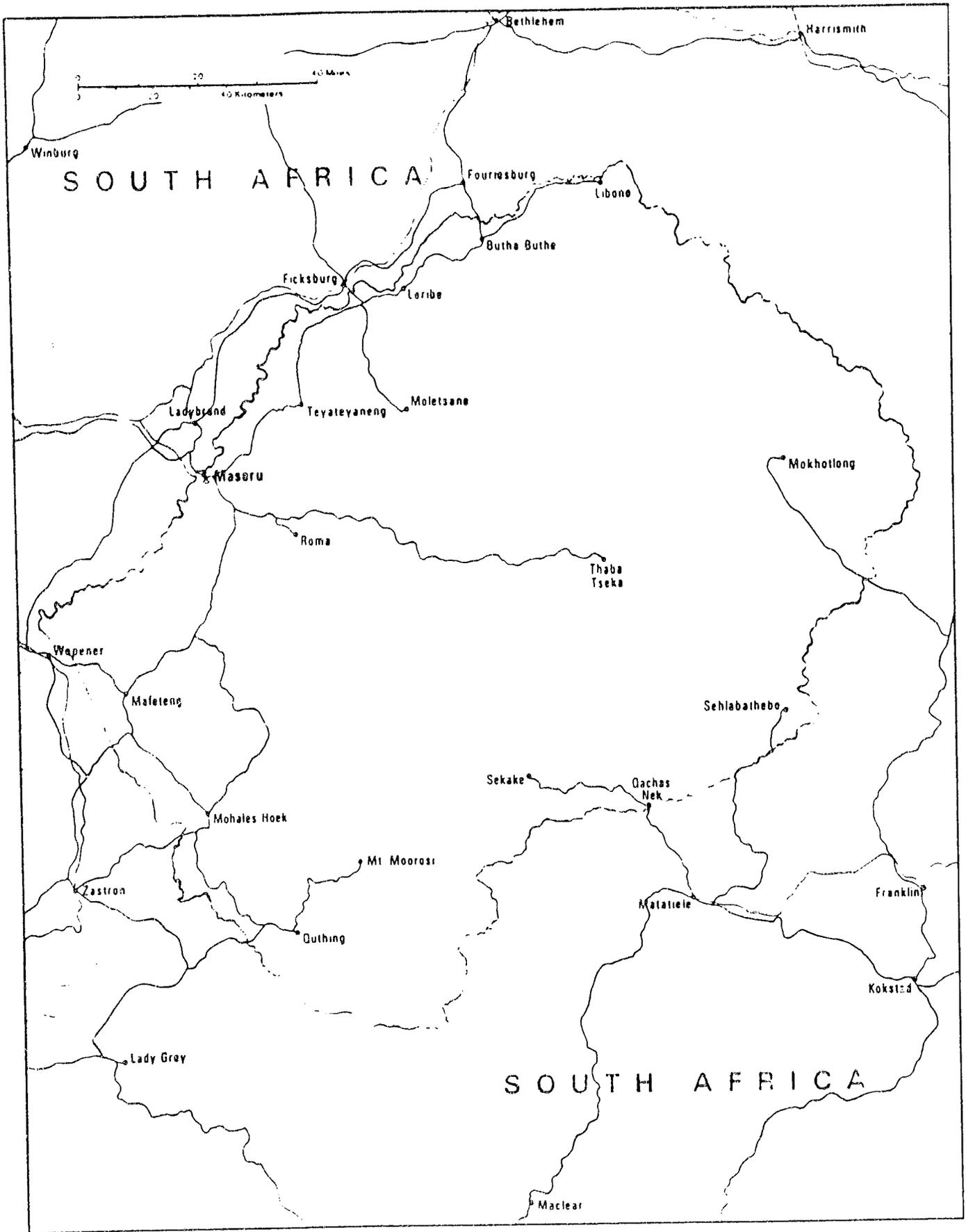
In the city of Louga we interviewed the directors of two non-governmental organizations: (Foster Parents) Plan International and World Vision. Both organizations have

initiated projects that have a small business orientation. World Vision has focused on water development in the region and has installed nearly 250 pumps. In an effort to promote long-term sustainability, village groups have been organized and group (mostly women) savings programs initiated. World Vision would like to have Volunteers working with these groups as business advisory agents. Likewise, Plan International has set up a group savings operation in conjunction with its peanut seed distribution project in 150 villages. A recent assessment of the project indicated that some villages have succeeded while others have failed. Some that had become GIEs (groupements d'interet economique) and deposited money in the local branch of BNDS (a Senegalese development bank) had lost their investment when the bank went under. Plan would be interested in collaborating with CONACAP in setting up credit unions within its village units.

Back in Dakar, we met with eight of the 16 new SBD Volunteers who had been invited in from their sites for the occasion. All are assigned to work as CER team members in rural areas. There ensued a lively, candid discussion of the Volunteers' training, site assignments, and working conditions. They had only been at their sites three months and were just getting oriented. They all agreed that the training needed to have more Wolof language, focused on practical use in business advisory services. Among their concerns was how to go about approaching village groups to assist in bringing them into the formal sector by forming GIEs. In fact, they wondered whether this was a good idea, since it is hard to perceive the advantages to be derived from this legal recognition.

We also interviewed Mr. Amadou Ly, USAID Project Officer for the Community Enterprise Project and WOCCU/CONACAP. He explained the situation regarding funding to WOCCU for technical assistance to CONACAP. The second tranche for \$100,000 has been signed but has been delayed in A.I.D./Washington, according to Ly. He also is responsible for the new PVO/NGO Project Support Project now coming on stream. He indicated that WOCCU has been working for over a year on a proposal to this project for funding to CONACAP. The last interview in Dakar was with the staff of the PVO/NGO Support Project: Ms. Mary Ann Zimmerman, Director, and Mr. Richard Pronovost, Financial Manager. They expressed an interest in collaborating with Peace Corps in terms of Volunteers working with PVO/NGO recipients of grants under their project to provide business advisory services.

# Lesotho



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## Lesotho

### Peace Corps Staff

Donovan Russell, Country Director  
Nancy Yuill, APCD/Small Business Development  
Bruce Dahl, APCD/Administration  
Florina Pheko, APCD/Education  
Wayne Nishek, APCD/Programming  
Palesa Matete, APCD/Agriculture  
Mamothe Mohapi, Training Director  
Saraswati Chhetry, Medical Officer  
Delton Allen, Local hire SBD consultant

### American Embassy and USAID

Ambassador Leonard Spearman  
Stephen Wagenseil, Charge d'affaires  
Curt Reinstma, USAID Agricultural Development Officer  
Candice Buzzard, USAID Human Resources Development Coordinator  
Me Celestina, USAID HRDA Coordinator

### Small Business Development Volunteers

Name	Site	Sponsoring Organization
Bob Adams	Maseru	Basotho Enterprise Development
George Koskey	Maseru	Chamber of Commerce & Industry
Chuck Harvey	Maseru	Lesotho Agricultural College
Cheri Wilson	Maseru	National Council of Women
Julie Redfern	Semonkong	Opportunities Industrialization Center
Fran Toomey	Ha Mamathe	Chamber of Commerce & Industry

### Lesotho Agencies and Organizations

Mr. Joseph Lebusa, Executive Director, Institute of Extramural Studies/Business Training Division, (IEMS/BTD)  
Mr. Percy Mangoaela, Permanent Secretary, Ministry of Trade and Industry  
Mr. Ramalafane, SBD Volunteer Supervisor  
Lesotho Opportunities Industrialization Center (LOIC)  
Mr. Tseliso Lesole, Instructor and SBD Volunteer Co-worker, LOIC  
Mrs. Mathabiso Mosala, President and SBD Volunteer Supervisor, National Council of Women Vocational School, (LNCW)  
Mr. Simon Phafane, Executive Director, SBD Volunteer Supervisor, Basotho Enterprise Development Corporation (BEDCO)  
Mr. Notsi, Training Director, BEDCO  
Mr. Thabo Thakalekoala, Executive Director, Lesotho Chamber of Commerce and Industry, (LCCI)

Mr. Kanaelo Tlebere, Small Business Initiative Coordinator, LCCI  
Mr. Alan King, Advisor and SBD Volunteer Supervisor,  
Lesotho Agricultural College (LAC)  
Mr. Ramaketsi, SBD Volunteer counterpart, LAC  
Mr. Matlati, Director, Lesotho Cooperative Credit Union League  
Mr. C.S. Molelle, Managing Director,  
Lesotho Agricultural Development Bank (AgricBank)

## Beneficiaries

### Maseru

Class of 15 young women students, Lesotho National Council of Women, Maseru center, taught by PCVs Wilson and Redfern  
Mr. Mafolo, owner of Production Systems Ltd. (furniture manufacturing), client of PCV George Koskey  
Inthata(?), venture capital group of eight persons, chaired by Mr. Mafolo, advised by PCV Koskey  
Mrs. Mokete and Mrs. Sello, owners of Four Seasons Restaurant, cinema house, and T-shirt shop, client of PCV Wilson  
Mrs. May Moteane, President of Women in Business, owner of Moteane & Co. chartered accountants & management consultants

### Ha Mamathe/Teyateyaneng

Mrs. Mamahali Monese, owner of cafe/bar, client of PCV Fran Toomey  
Mr. Chaka, Manager, Hatooa Mose Mosali Weaving House, client of PCV Toomey  
Mr. Mphahama, owner of clothing factory, member of LCCI, and facilitator for PCV Toomey

## Lesotho Evaluation Schedule

I arrived in Maseru from Dakar via Brazzaville and Johannesburg in the evening of March 22nd. The driver took me directly to the Maseru Sun Hotel where Wayne Nishek came to greet and join me for dinner. Since March 23rd was a public holiday (Tree Planting Day) in Lesotho, I took the opportunity to read through the documents that APCD/SBD Nancy Yuill had prepared for me. These included several drafts of the project plan, a document noticeably missing in any revised form in the other three countries. The remainder of the week was rather tightly programmed. All of it was in Maseru, however, with the exception of a short drive up to Teyateyaneng and Ha Mamate. APCD Yuill was my facilitator throughout the week.

Tuesday began with a visit to the Business Training Division of the Institute for Extramural Studies (IEMS/BTD) where we met with the Director, Mr. Joseph Lebusa. He was quite favorably

disposed toward Peace Corps, expressing a high regard for PCD Russell. He explained that IEMS had served as a catalyst in getting several organizations involved in small business outreach. (Mr. Lebusa graciously loaned us his copy of a booklet entitled "Stokvels in South Africa" which was photocopied and returned to him.) Peace Corps hopes to place three Volunteers with IEMS this year, including one (Fran Toomey) who will transfer to the Maseru office from Ha Mamate within the next few months. We then went to the vocational training center of the Lesotho National Council for Women (LNCW) where we observed Volunteers Cheri Wilson and Julie Redfern teaching a course in business management. Cheri lives on the center compound next door to the president of LNCW, Mrs. Mosala. We met with Mrs. Mosala who explained the history of LNCW and how she had come to request the SBD Volunteer.

The next interview was with Mr. Percy Mangoaela, outgoing Permanent Secretary of the Ministry of Trade and Industry (MTI). He was preparing to leave the following day to take up a new job in Maputo with SADCC. Mr. Mangoaela explained that although MTI has extension agents in rural districts throughout the country, they are poorly paid and have few resources at their disposal. With the second phase of the structural adjustment program underway, there are now even further cuts in government spending. He stated that the main role of MTI in promoting small business development is the support it gives LCCI. Then Nancy, Cheri and I went to lunch at the 4 Seasons Restaurant (the special of the day was curried lamb), owned by Mrs. Sello and Mrs. Mokete. As a secondary project, Cheri has been providing them with management advice in the operation of the restaurant. They are successful entrepreneurs, having begun with the purchase of a local cinema. One of them also runs a T-shirt factory which is doing well. After lunch we went to interview Mrs. May Moteane, the president of Women in Development, another secondary project for Volunteer Wilson. For the last few months Cheri has helping the organization to build up its membership and conduct business training workshops.

Volunteer Julie Redfern, in town from her site in Semongkong, joined us for a visit to the headquarters of Lesotho Opportunities Industrialization Center (LOIC). We met with Director Ramalafane, who is fairly new in the job, and Mr. Lesole, director of Entrepreneurial Training and Management Development. They described the history of OIC operations in Lesotho and the support received by USAID in the early 1980s. LOIC efforts to extend business advisory outreach is seriously limited by budget cutbacks. Julie explained how LOIC had come to be involved in dispensing credit provided by a German agency in Semongkong. Although that program had been a failure, Julie is now optimistic about her efforts to help clients to obtain credit with AgricBank.

Wednesday morning was taken up with a visit to the USAID office, where Nancy and I met with Candice Buzzard and Me Celestina, coordinators of the HRDA project, and Curt Reintsma, Agricultural Development Officer. Reintsma remarked that he had never seen better relations between Peace Corps and USAID in any other country he had worked in. Discussion turned from a review of the HRDA project toward attempts at savings mobilization among women in Lesotho such as burial societies and "stokvels." They provided us with information on Basali Boitjarong, the local affiliate of Women's World Banking, which is not yet operational.

In the afternoon we went out to BEDCO, the Basotho Development Corporation, the primary site of Volunteer Bob Adams. The recently appointed Managing Director of BEDCO, Mr. Simon Phafane, was transferred from MTI where he first learned of the Peace Corps SBD initiative. He explained that when he arrived at BEDCO he found the operation in very bad condition and asked Peace Corps to provide him with a Volunteer. PCV Adams is assisting with management planning and design of business advisory outreach services. We then toured the BEDCO industrial estate, a vast complex of warehouses and a furniture manufacturing operation partially functioning.

On Thursday we began with a visit to the headquarters of the Lesotho Chamber of Commerce and Industry where we were met by Volunteer George Koskey. Again we encountered a new management team struggling to put in place a plan to revive the organization and build up membership. We interviewed Mr. Thabo Thakalekoala, newly appointed Executive Director, and Mr. Kananelo Tlebere, project coordinator for the small business initiative. The LOIC professional staff consists of only four people, including the Volunteer. They pointed out that funding from USAID would be ending in September so they were busy exploring ways of diversifying their resource base. From LOIC, Volunteer Koskey took us to his secondary project, businessman T.C. Mafolo, owner of Production Systems, Ltd. We found him chairing a meeting of eight persons, all business owners, who have formed a venture capital group. Half of them are women. Mr. Mafolo is one of the most successful entrepreneurs in Lesotho. George gave us a tour of Mafolo's furniture factory, where he is assisting in business planning and quality control.

At noon I was invited to a luncheon at the residence of Ambassador Leonard Spearman and his wife. Those attending included the Ministers of Health, Justice, and Finance, as well as the Russian Ambassador, the British High Commissioner, and the South African Trade Representative. The occasion was fortuitous in that it provided an opportunity to discuss the operations of AgricBank with Mr. Molelle, the Managing Director. He boasted that loan repayment rates are over 95% and that AgricBank is becoming more successful than Grameen bank in Bangladesh. Most of the loans are short term and to very small scale borrowers.

In the afternoon we visited the Lesotho Agricultural College where we met with Mr. Alan King and Mr. Ramaketsi, respectively supervisor and counterpart of Volunteer Chuck Harvey. The three of them are on the teaching staff of LAC and are involved in the management of the Student Enterprise Project. Volunteer Harvey teaches a course in business management and is helping to secure sources of credit for graduates of the three-year SEP program. Most of the graduates thus far have failed to acquire any financing, although the staff have worked hard to help with business plans.

Friday was devoted to a drive north to Ha Mamate, where Volunteer Fran Toomey is working with the local branch of LCCI. She lives on the compound of a chieftaness a few kilometers from the village of Mamate. There we met Mrs. Mamahali Monese, one of her clients who operates a cafe and bar. She first attended a class in bookkeeping taught by Volunteer Toomey and now receives assistance in basic stock-taking, maintaining a ledger book, and purchasing for her cafe. We drove back into the principal town of Teyateyateng (known as T.Y.) where we visited Hatooa Mose Mosali, a weaver's group. We observed the women working in the various stages of production and interviewed the manager, Mr. Chaka. Fran has been helping the manager to set up accounting books and a management system. We had lunch at the Blue Mountain Inn with Mr. Mphahama, a member of Mr. Mafolo's venture capital group, a member of the local Chamber of Commerce, and the man responsible for facilitating Fran's placement.

Saturday Curt Reintsma picked me up and took me on a tour of Maseru, including the two major industrial sites and Machebeng High School where a craft fair being held. In the afternoon I finally caught up with Delton Allen, the local hire consultant who had participated in the two design efforts. A resident of Lesotho for 11 years, Delton was a valuable resource because of his familiarity with local organizations and government agencies. Sunday was a day of rest and writing. Monday morning I made a brief visit to the Lesotho Cooperative Credit Union League and spent the remainder of the day preparing and printing out the briefing paper for review by the Peace Corps staff. To allow enough time for them to read the paper before the briefing on Tuesday morning, I changed my departure flight to Tuesday afternoon.

## The Action Consulting Association

### Capability Statement

The Action Consulting Association (ACA) is a non-profit, non governmental organization specializing in management training and follow-up programs for small and micro enterprises, village groups, private voluntary organizations (PVOs), and development projects. The ACA "federation" includes offices in the U.S., Senegal, and Niger, with a pending office in Mali.

The groundwork of ACA activities took place during the life of the Sahel Regional Financial Management Project (SRFMP), a regional project funded by USAID from 1986 to 1990. In an effort to institutionalize the project's activities, especially in the area of small business development, the project's local staff in Senegal and Niger were encouraged to take over program activities on a private, non-profit basis. In 1991, an ACA office was created in the U.S. to coordinate and support activities in West Africa.

ACA uses an action training and consulting methodology which puts emphasis on application of improved management in the workplace as opposed to theoretical understanding of the subject matter. In order to achieve the desired results ACA uses a sector specific approach to management development in which all systems and training materials are tailor made to the beneficiary group's particular needs. Over the past six years materials have been developed for over ten different business and economic activities

including bakers, tailors, carpenters, mechanics, fishermen, millet mills, boutiques, animal fattening, and retail boutiques. Several evaluations and studies (USAID and OECD) have attested to the success of this approach.

ACA also puts great emphasis on follow-up programs, again, to insure that training skills are put into practice. Detailed and structured follow-up procedures are applied and periodic meetings are held to review the results of follow-up visits and develop appropriate solutions to problems encountered in the field.

### Work Experience

ACA staff have conducted management development programs for over 500 small businesses in Senegal and Mali, assisting them to improve their efficiency and decision making processes. ACA has also trained and worked with small business Peace Corps volunteers in Senegal, Mali, and Togo. In addition to assisting beneficiary groups in financial management, ACA has also developed investment models and organization techniques which are also based on the sector specific approach. Through our programs a

number of professional associations have been developed among program beneficiaries, which add to ACA's impact.

ACA's partner organizations in the various countries have included USAID, the World Bank, the Canadian International Development Agency (CIDA), the Peace Corps, the African Development Foundation, and the Food and Agriculture Organization (FAO).

### Offices

ACA's U.S. office is directed by Mr. Frank Lusby, a development professional with over twelve years of experience in Africa. Mr. Lusby was instrumental in the development of the ACA offices in West Africa, especially in Senegal where he initially served as the Chief of Party for the SRFMP and later served as technical advisor for the ACA office there. In Senegal, the office includes eight full time trainer/consultants in addition to a full support staff, training center, and document production unit. In Niger, where ACA is one of the few recognized PVO's, there is a staff of five. ACA expects to soon develop an office in Mali, and also expects to continue it's recently initiated activities in Togo.

### Summary

ACA's objective is to continue and expand it's program activities in the countries where it is currently operating and to assist in the creation of programs in new countries. Experience has shown thus far that the extensive management systems and training materials that ACA has developed and field tested over the past six years are readily applicable, with minor adaptations, to other countries. ACA wishes to take advantage of this already existing material as well as the training/consulting methodology in general, to help beneficiary groups in new areas to profit from their experience.

If you are interested in more information on ACA or it's programs please contact Frank Lusby III, 4004 Ocean Front, Virginia Beach, VA, 23451, tel and fax (804) 425-1232.

## ASAP/PASA Documents

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**Africa Small Business Assistance Program (ASAP)**

**Participating Agency Service Agreement Evaluation (PASA)**

**for Peace Corps/Africa Region and AID/Africa Bureau**

**Galen Hull, Consultant**

**Statement of Purpose and Questionnaire for Field Interviews**

The purpose of this consultancy is to conduct an evaluation of the ASAP Participating Service Agreement (PASA) in four countries. These field visits should facilitate the consultant's understanding of how the ASAP PASA has been implemented, the extent to which the post has benefitted from the PASA, and the progress made to date in implementing new initiatives in small business development (SBD). At the end of each country visit, a draft evaluation report will be submitted and the PC staff briefed on the findings from site visits and interviews with relevant persons. The following are the basic questions that will be posed to elicit discussion:

**I. Peace Corps Country Staff**

How would you judge the effectiveness of the consultant(s) who assisted in conducting the needs assessment for your SBD project?  
the project design? their professional qualifications?

To what extent is the original project design being implemented? How has it been changed or should it be changed?

Do you think the statement of the problem confronted by the SBD project is clear? Are the goals and purpose adequately defined?

What constraints have been encountered in the implementation of the SBD project?

To what extent do you feel that your SBD project is compatible with the host government's development objectives (e.g., increasing income and employment)?

How would you characterize the relationship between the Peace Corps and the host country institutions involved in SBD project implementation? Please illustrate.

Have any other small business program initiatives been undertaken in this country as a result of the needs assessment and project design project? This might include baseline surveys,



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MED PASA assistance, as well as assistance from other agencies and organizations.

Was the PC staff adequate to initiate the SBD design process? What about the adequacy of staffing for the current implementation of the SBD project?

To what extent are consultants needed for monitoring system design? How often does PC staff monitor the project?

## II. SBD Peace Corps Volunteers

Are you familiar with the original design and purpose of the SBD project? Do you think the design is clearly stated and relevant to the needs of your clients?

Did the project design equip you with an effective methodology for working with your clients?

What particular kind of skills and experience do you feel you brought to your job as an SBD volunteer?

What do you think of the appropriateness and effectiveness of the training you received for your job assignment?

How would you describe your present level of job satisfaction? effectiveness? accomplishments?

How would you characterize the nature and usefulness of the support provided to you by PC staff? Host country officials?

What are the principal activities you carry out in your job? How does this compare with your understanding during training of what the job would entail?

What types of businesses (e.g., commercial, service, manufacturing) are you working with? Describe the kinds of services offered to your client?

Describe your clients sex, marital status, educational background, business experience, responsiveness to technical assistance.

What measures would you use to describe your impact on beneficiaries (e.g., increased sales, revenues, employment generated, other).

Describe the major problems and constraints you have faced in your job as an SBD volunteer.

What have you learned since beginning your work? How has

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Has ~~changed the way you work~~? Have you learned from or contributed to the way other PCVs work?

### III. Host Country Agencies, NGOs, and Counterpart Organizations

What is the primary purpose of your agency/organization?  
What types of assistance do you provide/

Describe your clients/beneficiaries (age, sex, gender, socio-economic status, education).

What types of business are they engaged in?

What are the resources (financial and human) devoted by your organization to small business development programming?

What strategy does your organization have for reaching its target population?

What has been the nature and extent of your involvement with the Peace Corps, and particularly the small business program?

What is the role of the Peace Corps Volunteer in your agency's programs?

What type of support does your organization provide to the PCVs?

How would you characterize your working relationship with the Peace Corps?

Would you say that the role agreed upon with the Peace Corps for Volunteers has been an appropriate one for your program?

Could you provide me with an annual report or other public document that describes your organization's activities?

### IV. Beneficiaries/Clients/Private Sector Enterprises

Would you please describe your business for me: the kind of activity (e.g., commercial, service, manufacturing), number of employees, location, nature of ownership (e.g., sole proprietor, partnership, coop).

What are the sources of financing you have used to start and maintain your enterprise (e.g., personal, loans from family and friends, money-lenders, banks).

What problems have you had that occasioned the assistance of the business advisory service organization and/or the Peace Corps



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Volunteer?

Did you receive any type of assistance before meeting the Volunteer small business advisor?

What types of assistance have you received (e.g. accounting, bookkeeping marketing, production, personnel) from the Volunteer?

Describe the results of that assistance in terms of the growth and management of your business (e.g., have sales or revenues increased?)

What have been the results of this assistance on the standard of living of your household?