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MID-TERM EVALUATION OF THE ASSISTANCE TO RESOURCE
INSTITUTIONS FOR ENTERPRISE SUPPORT PROJECT COMPONENT

by

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The views and interpretations expressed in this report are those of the author and should not be attributed to the Agency for International Development.

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EXECUTIVE SUMMARY

This mid-term evaluation of the Agency for International Development's Small Enterprise Approaches to Employment project component, known as Assistance to Resource Institutions for Enterprise Support (ARIES) (see Appendix A for description of the component), has been initiated by the Bureau for Science and Technology, Office of Rural and Institutional Development, Employment and Enterprise Development Division (S&T/RD/EED). The purposes of the ARIES component are to perform research in conjunction with technical assistance that focuses on the needs of institutions supporting small and micro enterprises in order to increase the efficiency of these institutions in assisting small and micro enterprises, to develop and test training materials to enhance the capabilities of these support organizations, and to effectively disseminate the findings and results of project activities. The technical assistance is directed toward these institutions in order to upgrade their capacity to assist small and micro enterprises and to USAID missions to design, implement, and evaluate small and micro enterprise programs.

This interim evaluation has been undertaken during the third year of this five year project component. The evaluation reviews project activities and their relationship to project objectives and recommends some changes which will hopefully be useful for the remainder of ARIES. It addresses issues related to the project elements of technical assistance, research, and training, and how these elements are integrated into a coherent set of activities that can be effectively disseminated to a wide audience. The evidence for the evaluation is based upon a series of interviews and conversations with numerous people associated with the project itself or with issues related to the development of small and micro enterprises and upon a review of various documents developed through the project.

The conclusions of the evaluation are that the project is well-conceived, well-managed, and that some adjustments have been made to correct problems that have been identified, but that some additional changes will lead to improved performance. The A.I.D. project officer and the project director from the prime contractor's office are experienced in small and micro enterprise development and interact well with each other. The contract for the project has been awarded to Robert R. Nathan Associates, Inc., with the Harvard Institute for International Development, Control Data Corporation, and Appropriate Technology International acting as subcontractors.

The work of the subcontractors has been performed well, but Appropriate Technology International has had only a very minor involvement to date. The technical assistance assignments have also been performed well in most cases, with this evaluation considering 20 assignments which have been undertaken in 15 countries, but problems with the technical assistance teams have arisen in Jordan, Honduras, and El Salvador.

The program board and the technical review board are in operation and have been serving useful functions, but meetings have occurred less frequently than anticipated and the advisory committee has not been formed. The project requirements in regard to annual workplans and progress reports are being met. Invitations to various review meetings and general communication with ARIES personnel have led to improved communications between A.I.D./Washington offices and USAID missions. The requirements for a comprehensive final report based on the progress reports may be unrealistic and may not result in the best possible final report. A preferable approach is to make the format for the final report negotiable between A.I.D. and the contractors.

More board meetings are necessary, and a decision on whether the advisory committee is necessary should be made. The technical assistance assignments need to be more adequately integrated with the research and training elements of the project. An initial step is to enter the technical assistance reports into the project databases and then distribute copies of the summaries. Careful attention should be given to selecting the members of technical assistance teams, the development of adequate workplans, and ensuring that team members are familiar with ARIES objectives.

Technical assistance is expected to become increasingly concerned with training activities as the project progresses, but questions exist regarding the availability of funding by missions to pay for training activities. In addition, the time has now come for ARIES to demonstrate some successful activities concerning institutions supporting small and micro enterprises and to provide lessons that can be synthesized and replicated.

In order to adequately establish the existence of useful activities, measures of performance beyond a simple measurement of outputs are needed. The working hypotheses developed in the ARIES strategic overview paper should be tested in some manner, and data gathered regarding the possible improved performance of programs and projects receiving assistance. Training

materials and teaching cases should be carefully examined regarding their effectiveness and potential for replication in A.I.D.-assisted countries and modifications made where necessary.

An essential element of ARIES is related to the management and dissemination of information. Workshops and seminars are being held and plans exist for these activities to continue. Publications are also being planned. Part of this information effort is linked to the marketing of ARIES to A.I.D. offices. Additional activities could include the preparation of

diagnostic inventories regarding small and micro enterprise activities. Illustrative scopes of work and budgets could be prepared and sent to missions. ARIES could also produce and distribute some type of newsletter. Summaries of technical assistance activities, lessons learned, and ARIES discussion papers could also be widely distributed. The project idea of initially stressing research and having training activities increase as the project progresses is designed to facilitate the provision of information. Adequate attention to disseminating information will allow ARIES to reach as large an audience as possible.

A potential project issue exists regarding the institutions which are being assisted. Some institutions may not be appropriate for the task of assisting small and micro enterprises. Technical assistance activities are lending some support for the idea that existing components of distribution and marketing systems may be good targets for assistance since they have a more adequate understanding of local economic activities and may be more sustainable than many institutions that have received support.

PROJECT DATA SHEET

1. Country: Worldwide
2. Project Title: Small Enterprise Approaches to Employment
(SEAE) - (ARIES)
3. Project Number: 931-1090
4. Project Implementation: (ARIES component)
 - a. Project authorized - 9/20/85
 - b. Final obligation - 5/30/89
 - c. Final input delivery - 9/30/90
5. Project Completion - Final Disbursement: Fiscal Year 1990
6. Project Funding:

a. Core funds	\$2,968,311
b. Mission buy-ins	3,875,961
Total	<u>\$6,844,272</u>
7. Mode of Implementation:
 - a. Contract between A.I.D. and Robert R. Nathan Associates, Inc. (RRNA)
8. Evaluations:
 - a. Mid-term evaluation (year 3)
 - b. Final evaluation (year 5)
9. Responsible Officials During Life-of-Project:
 - a. Office Directors: Christopher Russell, Eric Chetwynd (Acting)
 - b. Project Officers: Ross E. Bigelow (1986 - present), Carol Adoum (1985)

GLOSSARY

A.I.D.	U.S. Agency for International Development
ARIES	Assistance to Resource Institutions for Enterprise Support
ATI	Appropriate Technology International
CAIC	Caribbean Association for Industry and Commerce
CARE	Cooperative for American Relief Everywhere
CDC	Control Data Corporation
CRS	Catholic Relief Services
FFH	Freedom for Hunger Foundation
FSA	Field Service Agreement
FVA/PVC	A.I.D. Bureau for Food for Peace and Voluntary Assistance, Office of Private and Voluntary Cooperation
HIDD	Harvard Institute for International Development
IVS	International Voluntary Services
MIT	Massachusetts Institute of Technology
NGOs	Non-Governmental Organizations
PACT	Private Agencies Collaborating Together
PISCES	Program for Investment in the Small Capital Enterprise Sector
PPC/WID	A.I.D. Bureau for Program and Policy Coordination, Office of Women in Development
PVOs	Private Voluntary Organizations
RRNA	Robert R. Nathan Associates, Inc.
SEEP	Small Enterprise Education and Promotion

S&T/FNR	A.I.D. Bureau for Science and Technology, Office of Forestry, Environment, and Natural Resources
S&T/RD/EED	A.I.D. Bureau for Science and Technology, Office of Rural and Institutional Development, Employment and Enterprise Development Division
SOP	Strategic Overview Paper
SWDO	Somalia Women's Democratic Organization
TRB	Technical Review Board
USAID	U.S. Agency for International Development

1. INTRODUCTION

1.1 Background

The Agency for International Development (A.I.D.) Small Enterprise Approaches to Employment (SEAE) project (931-1090) began in 1978 with an overall purpose to identify approaches and design programs and projects which improve employment opportunities, increase productivity, and enhance the viability of small enterprises. Along with other A.I.D. initiatives in this field, SEAE has attempted to identify the types of assistance needed by small and micro enterprises; ways to increase incomes, employment, and enterprise viability; and the institutions needed to effectively reach and assist these enterprises. In 1985, SEAE was amended to launch a five year component, terminating in 1990, known as Assistance to Resource Institutions for Enterprise Support (ARIES).

The purposes of ARIES have been to continue research on small and micro enterprise development, including preparation of teaching case studies; to develop and test training materials and curricula for use by resource institutions; to provide direct technical assistance to local institutions to upgrade their capacity to assist small and micro enterprise development and to USAID missions for the design, implementation, and evaluation of small and micro enterprise programs; and to disseminate the findings and results of these activities. The expected outputs of ARIES are:

- improved efficiency and expanded outreach of small and micro enterprise assistance programs and projects in those institutions receiving direct technical assistance;
- identification of USAID program strategies and the development of USAID projects to develop the capacity of local institutions to assist small and micro enterprise development in missions receiving technical assistance;
- development of training materials to improve staff skills within resource institutions related to enterprise development;
- increased expertise within resource institutions to conduct training courses using ARIES training materials;

- dissemination of lessons and results from ARIES activities to representatives of resource institutions, A.I.D., and other donor agencies.

The ARIES project works with intermediary support organizations that provide services to small and micro enterprises. These organizations consist of private voluntary organizations (PVOs), banks, chambers of commerce, management training centers, business organizations, and other developing country government and non-governmental organizations (NGOs). The contract for the project has been awarded to Robert R. Nathan Associates, Inc. (RRNA), with the Harvard Institute for International Development (HIID), Control Data Corporation (CDC), and Appropriate Technology International (ATI) acting as subcontractors. To date, funding for core activities has come from the Bureau for Science and Technology, Office of Rural and Institutional Development (S&T/RD) and the Bureau for Food for Peace and Voluntary Assistance, Office of Private and Voluntary Cooperation (FVA/PVC). Short-term technical assistance to USAID missions and local resource institutions is funded by missions or by other A.I.D./Washington offices.

1.2 Evaluation Issues and Methods

The ARIES mid-term evaluation is designed to review project activities to date in the context of actual versus planned progress toward the outputs, purposes, and goal of ARIES; to establish parameters for measuring progress and results which can be utilized in the final evaluation; and to determine what changes, if any, are needed to modify the emphasis and direction of efforts for the remainder of the project period. The evaluation attempts to identify any major problems affecting the successful implementation of the project and will make recommendations regarding solutions to these problems. It provides the opportunity to make mid-course changes deemed necessary for the successful completion of the ARIES project.

The evaluation addresses general issues related to small and micro enterprises and the role of resource institutions in their development. It also considers project management, including the effective dissemination of the findings and results of project activities. Research on intermediary organizations which identifies their strengths and weaknesses and methods for improving the efficiency and effectiveness of support to small and micro enterprise activities are carefully examined. The development of training materials to improve the skills of resource institutions as they relate to enterprise development are assessed. In addition, technical assistance to resource institutions is analyzed to determine how these

institutions were able to upgrade their capacities to assist small and micro enterprise development and technical assistance to USAID Missions is examined to determine how missions were assisted in developing, implementing, and evaluating projects designed to benefit small and micro enterprises.

During the course of this evaluation interviews were conducted with various people connected or familiar with the ARIES project. Interview techniques have ranged from closely structured interviews which have followed a list of specific questions, to open-ended conversations with individuals and groups of people. An attempt has been made to conduct as many face-to-face interviews as possible, but the only field trips made were to Cambridge, Massachusetts, to talk to people at the Harvard Institute for International Development (HIID), and to New York City to speak to several people connected with PVO groups. A list of the people interviewed is in the Appendix B.

Various people familiar with ARIES at USAID missions were contacted by telephone at the missions, while other people were interviewed in Washington, D.C. Unfortunately, I was not able to interview enough people associated with each ARIES activity to obtain a complete picture of the problems and successes associated with each individual activity. Yet I believe that I was able to develop general patterns that illustrate achievements and difficulties associated with the project. In addition to the interviews, numerous documents connected with the project were reviewed and are listed in the Bibliography.

2. PROJECT ACTIVITIES

2.1 Technical Assistance

Technical assistance through field mission and central bureau funding has been implemented through a work order mechanism called a Field Service Agreement (FSA). The agreement allows A.I.D. missions, offices, and entities they support to obtain rapid and fairly simple access to ARIES services. However, organizations, such as PVOs and indigenous institutions, cannot obtain access to ARIES without A.I.D. funding.

The intention of the FSA procedure is to expedite the contracting mechanism and allow a rapid response to requests for technical assistance and training. Once agreement is reached regarding the appropriateness of the request, the scope of work, and the budget, a cable to the project officer allows the completion of the work order. To date, technical

assistance under ARIES has been provided through funding from the Bureau for Food for Peace and Voluntary Assistance (FVA/PVC), the Office of Women in Development (PPC/WID), the Office of Forestry, Environment, and Natural Resources (S&T/FNR), and various missions in the three A.I.D. regional bureaus.

The original idea of ARIES was to allow access to the expertise of permanent staff and outside consultants from the prime contractor (RRNA) and the subcontractors (HIID, CDC, and ATI) for a variety of activities related to small and micro enterprise development. Overall responsibility for project direction and management rests with RRNA, and they are to take the lead in planning and implementing the technical assistance. Considerable skill is required in being able to provide the proper mix of technical and interpersonal skills on a timely basis to meet the requirements of the terms of reference.

Technical assistance requests originate from other A.I.D. offices and are funded outside of core funds. Since technical assistance activities must be funded by "buy-ins," they are to a large extent demand-led. However, the technical proposal for the project indicates that the contractors will identify the needs and opportunities for assistance (Nathan 1985:51). Areas in which RRNA intends to concentrate its technical assistance efforts have been identified in the workplans and progress reports and are based on their experiences in regard to need and demand. Once the identification is made, attempts are made to comply with the wishes of the people paying for the assistance. To stimulate demand, cables have been sent out identifying the ARIES project, a brochure has been developed describing ARIES and ways to obtain access to the project, and various personnel representing A.I.D. and the contractors have made personal visits to missions and other A.I.D. offices promoting ARIES. The response in the first two years has been encouraging and the following activities have taken place.

2.1.1 Asia and the Near East

BANGLADESH. Two ARIES technical assistance activities have been performed in Bangladesh. The first activity was an evaluation of the Micro Industry Development Assistance Society (MIDAS), a component of the Rural Industries Project funded under a cooperative agreement. The evaluation assessed the effectiveness of MIDAS in accomplishing its objectives and also determined the shape of a follow-on project. The project team was composed of two RRNA-ARIES core coordinators and one consultant (see Appendix C for a listing of the ARIES technical

assistance team composition). A fourth team member was provided under support and collaboration with PPC/WID.

The ARIES project director, in a second Bangladesh assignment, assisted in the design of a study of informal credit markets coordinated through the Bangladesh Institute of Development Studies and funded by USAID/Dhaka and the Asian Development Bank. In a subsequent visit, field activities were monitored and mid-term corrections suggested. Both assignments appear to have been well-received by the mission.

JORDAN. The initial assignment, funded by USAID/Amman with a component funded by PPC/WID assessing the role of women in the proposed project, was performed by a four-person team led by an ARIES project coordinator. This study provided an assessment of the small and micro enterprise sector, identified constraints hindering enterprise development, and recommended specific support activities to maximize the impact of the proposed Small Business Development project. The work of the team and the report were well-received by the mission, and the study culminated in a Project Identification Document.

A second assignment to draft a Project Paper was arranged. A four-person team led by the same ARIES project coordinator, but containing two new team members, went to Jordan. During the design of the project, the mission elected to postpone obligation of the project and the work of the team was terminated. The scope of work was revised and a concept paper, which could be used should the mission decide to develop the project in FY88, was prepared.

The decision to postpone the project was based on the inability of the mission to reach an agreement with the Government of Jordan on the overall structure of the project. However, conflicts among team members in regard to the performance of the work lead to some anxiety on the part of mission personnel. However, the quality of the work of the team was considered to be of high caliber.

THE PHILIPPINES. Two assignments were undertaken by a RRNA staff person residing in Manila. One assignment included the preparation of a sourcebook on income generating projects and participating in the preparation of a PVO Co-financing project. The other assignment involved the preparation of reports related to the design of the Enterprise in Community Development project. The work was performed satisfactorily and inexpensively, with no travel funds required.

THAILAND. One consultant was contracted through ARIES to participate in the mid-term evaluation of the Friends of Women World Banking Association in Thailand (FWWBT). The group had

received a grant from USAID to conduct a project to assist women in small businesses in Bangkok and nine provinces in Thailand. The ARIES involvement was funded jointly by USAID/Bangkok and PPC/WID. The project appeared to be relatively successful.

2.1.2 Latin America and the Caribbean

COSTA RICA. A three-person team of consultants conducted an assessment of the small-scale enterprise support strategy of the mission, which channels funds through local and international PVOs for the delivery of services and credit. Recommendations were made to improve the delivery of services intended to increase the productivity of small-scale enterprises. The recommendations were subsequently implemented and the ARIES assignment was viewed favorably by mission personnel.

ECUADOR. The field program in Ecuador of the Private Initiative for Forestry Development (INFORDE) is an experimental program receiving funding from S&T/FNR. The program is trying to develop markets for wood-based industries and to encourage the expansion of private sector activities related to forest products. This evaluation, which was funded by S&T/FNR, examined problems and constraints and clearly demonstrated the role of intermediary groups in regard to the distribution and marketing of forest products. The report was very well-received and may help facilitate the development of an enterprise project based on natural resources, as well as other project links between forestry and private enterprises.

EL SALVADOR. The initial assignment, handled by a three-person team containing a RRNA employee, involved the development of a training program for the El Salvador Credit Cooperative Federation, a major funder of micro enterprises. The training program was partially implemented under the direction of the team leader. Mission personnel with whom I spoke were satisfied with the assignment and felt that the work was of a high caliber.

The second assignment was performed by a different five-person team consisting exclusively of consultants. The purposes were to provide an assessment of the small and micro enterprise sector and the programs and projects designed to assist this sector and to recommend a comprehensive sector development strategy that would maximize the effect of A.I.D. resources. The initial report was not acceptable to mission personnel, who indicated that they believed the report to be superficial, poorly researched, and containing inaccurate and

irrelevant information. It was judged not to be in compliance with the scope of work.

Feedback from various personnel indicates that the original team members did not work well together, did not develop a good workplan, were unable to clearly perceive their objectives, and were unclear on the use of adequate research methods. When problems with the initial team were identified, RRNA sent one of their vice-presidents to the El Salvador mission to discuss what revisions of the report were necessary. A subsequent report, funded by ARIES core funds and RRNA, was completed and was acceptable to the mission.

HONDURAS. The first ARIES assignment involved an evaluation of an indigenous institution plus additional business organizations in regard to the potential for financial self-sufficiency. It was funded by the mission under the Export Development and Services project. The three-person team produced an acceptable product and ARIES was once again used to conduct an evaluation of the Small Business Development project. A new two-person team assisted the mission in determining the future direction of the project.

A third assignment was performed by the same two consultants involved in the second assignment, but, in this case, they were joined by a third consultant. The team worked with mission personnel in developing a viable small business subsector strategy. The involvement of key mission personnel in the work and the use of a workshop to consolidate information and develop ideas was considered to be a very valuable experience that mission personnel would recommend for other USAID missions. The only complaints voiced to me were concerning the lateness of the report on the second assignment and that the report resulting from the third assignment was too long.

REGIONAL DEVELOPMENT OFFICE/CARIBBEAN. The initial assignment was to develop ways in which managerial assistance could be provided to the Caribbean Association for Industry and Commerce (CAIC) under the Small Enterprise Assistance project. Recommendations were prepared by an ARIES project coordinator regarding management, project monitoring and evaluation, technical assistance, and credit. Subsequent assignments for the ARIES project coordinator have been performed outside of ARIES through a direct contract between CAIC and RRNA in order to avoid paperwork problems involving the return of funds to USAID, so a contract not could be arranged through ARIES. In addition, the mission wants the capacity of CAIC to be enhanced through direct contracting, rather than through USAID.

2.1.3 Africa

SOMALIA. The mission requested a technical assistance team for the purpose of presenting viable alternatives for strengthening the management capabilities of the Somalia Women's Democratic Organization (SWDO), recommending project activities intended to improve the economic status of women in the Lower Shebelle, and identifying funding mechanisms which might be utilized for implementing recommended activities. A particular consultant was requested by the mission, but the requirement that her firm obtain a subcontract precluded her use since compounded overheads are discouraged.

An alternative team of qualified consultants, one of whom was part of the RRNA core group of consultants, was proposed through ARIES and was found to be acceptable to the mission. In general, RRNA tries to include one person on each team who represents them as an institution. This is not always feasible due to staff availability and mission desires. After an assessment of the organizational structure of SWDO was performed by the selected three-person team, recommendations were made for strengthening the organization and in regard to project activities. The Office of Women in Development encouraged ARIES to do the SWDO assessment, monitored the ARIES activities, and was satisfied with the assignment and the report.

SOUTH AFRICA. The mission is developing a Black Enterprise Development project containing a component to foster the development of small and micro enterprises. Funding was being considered for non-government support groups to increase services to their constituents. After reviewing a number of resumes, the mission selected a credit specialist, who has completed other ARIES assignments, to work with the chief of S&T/RD/EED, the division managing the ARIES project, and a South African consultant contracted by the mission. After an assessment of a non-profit, black owned and directed organization, a draft grant agreement was prepared and an innovative credit dispersion scheme was developed. Recommendations for institutional strengthening, an implementation plan, and additional scopes of work were prepared. Mission personnel were pleased with the ARIES experience and no serious problems were encountered, even though the work was performed in a very difficult political environment. The South African institution has now contracted directly with the credit specialist for additional services.

ZAIRE. The mission requested technical assistance to provide training to the Office of Small and Medium Enterprises, the National Employers Association, and other collaborating

organizations. RRNA located a qualified person and the training was satisfactorily conducted. A second request for training for an analogous group led to a series of delays and to the eventual cancellation of the request due to the unavailability of two people who had been successively selected to conduct the training. Both the Zaire mission and the ARIES staff were unhappy with this result.

2.1.4 Bureau for Food for Peace and Voluntary Assistance

FOSTER PARENTS PLAN. A joint evaluation team composed of an ARIES project coordinator, a RRNA managing associate, and a Foster Parents Plan project manager was funded by FVA/PVC to evaluate the viability of income-generating projects and review present and future strategies for income-generating project promotion. A concern of Foster Parents Plan was a shift from a social welfare strategy to one of economic self-sufficiency and project sustainability. Fieldwork was conducted in Bicol, Philippines, and Bali, Indonesia. The conclusions and recommendations of the joint evaluation were well-received and the evaluation was handled in a satisfactory manner. Yet concern was expressed by the PVO regarding overhead charges for ARIES personnel.

FREEDOM FROM HUNGER FOUNDATION (FFH). Funding from FVA/PVC was provided to ARIES to evaluate a number of projects under the Freedom from Hunger Foundation Applied Nutrition Credit Program. The Freedom from Hunger Foundation had selected a contractor to do the work, and he was used as a consultant under ARIES and carried out studies in Thailand and in Sierra Leone. Research in Nepal was carried out without charge by an ARIES project coordinator. Research in Honduras, Ecuador, and Kenya was completed with no ARIES connection, but the final report was written by the ARIES contractor. FFH would have liked to have received the funding directly from FVA/PVC, but did not want to wait for several months due to processing requirements. The ARIES Field Service Agreement (FSA) provided a quick access to the funds, but overhead charges were included. The payment of the overhead charges, which were set in the ARIES contract, led to complaints from FFH.

2.1.5 Discussion

Several new technical assistance activities are currently planned, and discussions are underway for additional work. Under the terms of the contract, requests have to be consistent with the project objectives, the contractor's ability to

perform, and must contain criteria for satisfactory completion of the services. The technical proposal indicates that six factors are necessary to make the activity effective: 1) an active search for opportunities, 2) development of a roster of experienced personnel, 3) preparation of clear guidance for acquiring services, 4) development of long-term relationships with individual projects and programs, 5) use of case studies, field reports, and other documents to link technical assistance to training and research activities, and 6) technical review of field activities to provide management continuity and quality control, as well as ensuring responsiveness to requests (Nathan 1985:I-19).

Technical assistance activities generally seem to be going fairly well. The first four of the six factors listed above have been rather effectively implemented. Yet more could be done to market ARIES and to provide additional quality control to improve field team performance.

2.2 Research

In contrast to the technical assistance, applied research, the development of training materials, and workshops and seminars may be supported through core funds. Activities envisioned by the Project Paper Amendment under the research component include a review of the literature in regard to issues relevant to the effectiveness, efficiency, and expansion of small and micro enterprise programs; design and implementation of a research methodology which involves the use of case studies of effective programs and that identifies elements of success; and application of the study results through technical assistance assignments (Sebstad 1984:16). The project contract calls for an assessment of the institutional characteristics of all of the various intermediary organizations currently supporting small and micro enterprise programs. This is an extremely difficult activity to accomplish that can only be done on a very general basis.

In the past, many institutions supporting enterprise development have been oriented to serving larger-scale formal enterprises (Sebstad 1984:7). ARIES is oriented toward those institutions serving smaller-scale enterprises. These intermediary organizations have needs for internal strengthening so that they can effectively assist small and micro enterprises. The technical proposal indicates that a strategic overview paper will identify major problems for case study analysis and that an information system will be created to permit the location of problems and solutions (Nathan 1985:I-21). Data for the research effort is to emerge from

analyses done by technical assistance personnel, information gathered from missions and intermediary organizations, surveys of research on studies of small and micro enterprises, and the process of creating and using the case studies (Nathan 1985:I-22).

2.2.1 Strategic Overview Paper

The ARIES project attempts to build upon earlier research, and the HIID strategic overview paper (SOP) uses the Program for Investment in the Small Capital Enterprise Sector (PISCES) component of the Small Enterprise Assistance to Employment project as its point of departure. PISCES demonstrated that it was possible to develop projects to assist small and micro enterprises. The central working hypothesis of the ARIES SOP "...is that the better managed the organizations, the more efficient, effective, and sustainable will be their programs" (Grindle et al. 1987:8). Institutions will hopefully be able to use the resources of ARIES to improve their management skills. The approach taken in the SOP is that various types of institutions have produced successes and failures and that different types of organizations have differing abilities to reach various clienteles. PVOs and some government agencies may be appropriate for the smaller enterprises, cooperatives and other government agencies may be able to effectively reach somewhat larger organizations, and banks and business associations may be appropriate for the more successful small enterprises (Grindle et al. 1987:3).

Most programs to assist small and micro enterprises, according to the SOP, use various combinations of training, financial assistance, social promotion, and technical assistance that were developed. The SOP outlines the most frequently encountered problems of poor designs for credit and marketing, low user charges and interest rates, poorly delivered technical assistance, lack of beneficiary participation, unnecessarily complicated selection and monitoring methods, and the absence of periodic impact evaluations. The SOP then proposes that institutions can be assisted through the development of materials to address their strengths and weaknesses.

The reaction of various people with whom I spoke regarding the SOP was that it was a solid piece of work that could provide a direction for the project. The SOP did develop the framework for selecting institutions and particular situations for the development of case studies. The working hypothesis can hopefully be tested during the course of the project. The SOP was distributed to selected people and organizations and

has helped to develop interest in ARIES. Current plans for publication will provide wider distribution than has occurred to date. The fact that it did not attempt to provide a definitive, prescriptive approach to assisting small and micro enterprises was particularly appealing to those institutions approaching this issue from a variety of perspectives.

2.2.2 ARIES Databases

In the process of preparing the SOP and revising it based on comments and suggestions from collaborating institutions and the ARIES technical review board (TRB), a database to organize knowledge drawn from the literature was developed, based upon the SOP recurrent problem framework. Utilizing the core HIID staff and the services of 26 research assistants for varying periods of time, a bibliographic database containing about 1200 entries was developed. Approximately 300 of these entries have been fully annotated and are currently in the AskARIES knowledgebase. In AskARIES, the particular problem addressed in the publication or article is described, along with proposed solutions. In some cases, the ARIES analyst has added an independent view or observation.

Both systems can be continually expanded and users with computers will hopefully be eventually able to add their own experiences to the systems. A heavy emphasis has been placed upon evaluation reports and other reports concerning institutions dealing with small and micro enterprises. The reports from the ARIES technical assistance assignments have not been added as yet, and the many items from the actual literature on small and micro enterprises has not been annotated in AskARIES. Plans exist for AskARIES to be produced as a software program that will be available for commercial distribution. Testing the database will soon begin with a selected group of people and institutions. This should be extremely helpful in determining the problems that may exist and in making AskARIES user friendly. In my opinion, the geographic coverage of studies of small and micro enterprises will have to be considerably expanded so people can obtain information on a range of small and micro enterprise activities in a particular country. Nevertheless, the testing may prove that I am mistaken.

2.2.3 Case Studies

The premise of the HIID research is that no settled body of wisdom exists in regard to small and micro enterprises.

Agencies and institutions working in the field are seen as a source of considerable expertise that should be tapped to spread this field-based knowledge. The case studies are designed to facilitate this interaction and to present a sample of approaches to small and micro enterprise development. Patterns in these approaches can be used to develop models. Institutions can then select the model perceived as being relevant to their needs.

HIID has attempted to locate interesting cases that illustrate critical decision points, for example, reorienting an organization to a different approach and finding an appropriate model to follow. The ARIES staff identified key problems and issues facing managers of resource institutions and have tried to develop a framework which could be used to examine these problems (Mann 1987:3). Several cases have now been presented and the reactions of the audiences have been encouraging. Considerations of cost-effectiveness are very important. None of the current model programs of approaches to small and micro enterprise assistance began in the same form in which they now exist, due to responses to pressures and opportunities. As the current case studies have been developed, they may be more appropriate in assisting higher level managers of many institutions to deal effectively with issues related to small and micro enterprise development.

2.3 Training

During the first year of the project, Control Data Corporation (CDC) prepared a training materials evaluation report. Additional materials were reviewed in the second year of the project. The recurrent problem focus of the strategic overview paper was used as a guide and materials were selected on the basis of relevance to intermediary support institutions and their small and micro enterprise clients (CDC 1986:3). Some of these materials were in CDC's library of training programs, while others were selected from a review of the literature. CDC also prepared a training materials plan and a training needs analysis.

The technical proposal indicated that eight training packages would be developed during the project with four focusing on developing programming for small and micro enterprises and four focusing on the skills needed by small and micro enterprises for effective performance (Nathan 1985:I-30). Four packages in each area were to focus on strategy, administration, technical capabilities, and administrative capabilities. The idea appears to have changed as the project has progressed, and less focus is now being

placed on direct assistance to small and micro enterprises themselves since numerous training packages currently exist.

In response to a request from two PVOs to learn more about the case teaching method, an ARIES workshop on case teaching and writing took place at Harvard between May 31 and June 4, 1987. Initial skepticism existed regarding the relevance of the case studies for PVOs. During the course of the workshop, it was discovered that many participants, some of whom were skilled in presenting training activities, were proficient in teaching cases. The participants appear to have been very happy with the workshop, and the preparation of cases has been undertaken by PVOs and others. In addition, the case teaching workshop demonstrated to many PVOs that ARIES personnel were willing to work with them and created interest in participating in other ARIES activities.

The development of training packages started during the second year of the project with a request from CARE. A needs assessment was conducted and a workshop is planned for CARE during 1988. Some of the materials designed for the CARE workshop were adapted for Catholic Relief Services (CRS) and a workshop was held September 21-23, 1987. The CARE workshop is oriented more toward strategy and issues, while the CRS workshop was more of an overall orientation to small and micro enterprise development.

A training program is currently being developed for Swanirbar, an indigenous institution in Bangladesh, and a curriculum guide may be developed in collaboration with the Institute of Small-Scale Industries at the University of the Philippines. A credit management workshop was held on January 4-8, 1988, in which five cases were presented during the first two days by people trained at the Harvard workshop. The second two days of the workshop consisted mainly of a presentation on managing credit programs which was presented by a consultant who was assisted by CDC in developing his presentation.

The workshop illustrated the role of HIID in developing the case studies and the role of CDC in developing training materials. RRNA was in charge of overall coordination, whereas ATI had no direct involvement. Some areas of the presentation on managing credit programs overlapped with aspects of the case presentations, but no attempt was made to closely integrate these two aspects of the training, and some participants only attended one of the two separate activities.

Overall reaction of participants in the CRS and credit management workshops was positive. Complaints have been voiced that the needs assessment for the CRS and CARE workshops was far too broad and that it lacked depth. Work has been

performed by CDC and Quest Learning Systems Inc., a subcontractor used to lower costs as was indicated in the technical proposal. In addition, concerns were expressed that more expertise in regard to small and micro enterprise development in Third World countries and knowledge of PVO operations should have been provided by the consortium of contractors. RRNA currently plans to have two ARIES core personnel assist with the CARE workshop.

3. CONCLUSIONS AND RECOMMENDATIONS

3.1 Project Management and Integration

The contract staff under the leadership of the project director from RRNA has the primary responsibility for carrying out work under the project. The A.I.D. project officer from the Bureau for Science and Technology, Office of Rural and Institutional Development, Employment and Enterprise Development Division (S&T/RD/EED) has the overall technical, administrative, and management responsibility for the project; serves as the liaison with the ARIES contractors, field missions, and other relevant A.I.D. offices; and is responsible for day-to-day management of the project (Sebstad 1984:13). Some overlapping of the functions A.I.D. project officer and the project director does exist. This is reflected in the description of field support and research capabilities of S&T/RD in which both people are listed as contacts. Both men are experienced in small and micro enterprise development activities, work well together, and are in almost daily contact with one another.

The A.I.D. project officer was highly regarded by everyone with whom I spoke concerning ARIES. He was judged to be responsive to requests and actively interested in developing an effective project. Yet some people associated the project more closely with one or another of the contractors, while others were uncertain with whom to discuss particular issues related to various aspects of the project, for example, to whom should a question regarding a workshop involving several people representing different contractors be addressed. This uncertainty was magnified due to the number of groups in the consortium. In order to avoid this problem and to retain clear institutional association of various components of SEAE to S&T/RD, personnel at S&T/RD may want to develop very clearly defined responsibilities associated with the project officer and the project director.

The management structure established by the RRNA consortium divides overall responsibility for project direction and management to RRNA, development of the research program to HIID, primary responsibility for training material to CDC, and technical support to other members of the consortium and responsibility for the operation of the advisory committee to ATI (Nathan 1985:I-55). In the formulation of the technical proposal itself, RRNA, HIID, and CDC had clear roles, while ATI was attributed no specific responsibility (Nathan 1985:I-2). Integration of the technical assistance, research, and training components was to be achieved through a focus on specific issues, through the inclusion of research and training personnel on the technical assistance teams, and through the operation of the program and technical review boards. In addition, the advisory committee was to advise the project personnel on technical issues.

To date, the subcontractors have had little involvement in technical assistance. The role of ATI in the project has been confined to several meetings, the provision of some technical assistance to CDC, and some collaboration with HIID. The advisory committee has not been established. In discussions with RRNA personnel, I have been informed that ATI has not been able to provide people for the technical assistance teams, while ATI personnel indicate that it is a question of enough advance notice to permit the scheduling of activities. The perception also exists at ATI that RRNA wants to use its own employees on technical assistance assignments so that overhead charges can be assessed. Some incentive exists for RRNA to do this, but the limited total budget of the ARIES project and limitations of funds by those requesting technical assistance mitigates against this activity.

It appears that RRNA originally perceived the role of ATI as being related to interaction with the PVO community and participation in technical assistance. ATI seems to have perceived its role as being related to marketing ARIES to USAID missions through its field staff and to providing quality control and expertise on small and micro enterprises to other consortium members. Discussions between A.I.D., ATI, and RRNA are currently being held in an attempt to clarify the role ATI will play in ARIES.

Several other areas of project management also require attention. One area is the coordination of ARIES activities with the activities of PVOs that support small and micro enterprise development. Some of the activities of the Small Enterprise Education and Promotion (SEEP) Network correspond closely to ARIES activities and they have co-sponsored the credit management workshop. ARIES should give consideration to the activities of the SEEP Network in planning future

seminars. A meeting was recently held with the ARIES project director and two representatives of the SEEP Network to discuss possible scheduling conflicts. In addition, more collaboration with the general PVO community would provide a greater sense of identification with ARIES. In some cases, PVOs felt that they were not consulted regarding issues of concern to them.

Another area that requires attention is the formation of technical assistance teams and quality control in regard to their reports. Technical assistance has been provided by ARIES in 15 countries through 20 assignments. Additional assignments in Ecuador, Yemen, and Zambia have been funded, but were not considered in this evaluation since they had not been completed. Problems in regard to team composition have arisen in Jordan, Honduras, and El Salvador. ARIES was unable to provide a qualified trainer in Zaire on a timely basis. Problems with the lateness of a report occurred in Honduras, and in El Salvador, as I have previously mentioned, one of the reports was initially unacceptable to the mission and had to be redone. The revised report was accepted by the mission.

Forming technical assistance teams requires skill, patience, and luck. Some ways of encouraging success are the use of a core of qualified personnel as is being done, adequate briefings in Washington, D.C., especially when people unfamiliar with ARIES are involved, review of a sample of the person's writing when the person is being considered, and considerable coordination between team members and those requesting the activity.

Two issues which have arisen in regard to technical assistance appear to only have solutions outside of the purview of ARIES. The first is the FSA contracting mechanism. Although the contracting mechanism is a very effective way to quickly field technical assistance teams with a minimum of paperwork, it does not allow indigenous institutions to contract directly with ARIES. When viewed in the context of A.I.D.'s tedious contracting mechanisms, the FSA is working well. The direct contracting between the Haitian Development Foundation and RRNA and the Caribbean Association for Industry and Commerce and RRNA are technically outside of ARIES, but RRNA seems willing to bring the lessons of these activities into ARIES.

The second issue is the timing of requests for ARIES assistance. The evaluation of the Kenya Small Scale Business Association was requested too late in the fiscal year to be handled by ARIES and was handled directly by RRNA. This was unfortunate, but changes in A.I.D./Washington contract office deadlines would be required to address this difficulty.

The issue of overhead charges has arisen in regard to the evaluations for Foster Parents Plan, Freedom from Hunger Foundation, and an assignment on the Institute for International Development Inc. which did not occur. It was also a factor in the contract between the South African Get Ahead Foundation and the ARIES consultant for a subsequent assignment. Even if it is too late to make changes in ARIES, consideration should be given to the use of additional funding from S&T, FVA/PVC, or other sources to cover overhead in order to provide low cost assistance to groups that A.I.D. has chosen to support, such as PVOs. The related issue of who should be able to purchase assistance through ARIES should also be addressed.

Another management issue is concerning the operation of the technical review board, the program board, and the advisory committee. The technical review board has met twice and two additional meetings are planned for 1988. The program board is scheduled to meet in connection with the technical review board meetings. The technical review board appears to have an important role in providing guidance to the project. In my discussions with several board members, I learned that they felt they were not receiving current input from the project and that they felt too much time had elapsed since the last meeting. According to the technical proposal, the program board was to meet quarterly (Nathan 1985:I-61). There have only been two meetings of the program board, and, other than considerations of cost, I do not understand why these meetings are scheduled in connection with sessions of the technical review board. The advisory committee has never been formed. This may have occurred due to a lack of interest in ARIES by ATI or may have contributed to the lack of involvement of ATI in the project.

Another important area of project integration is the connection of technical assistance to the research and training elements of the project. While brief description of technical assistance assignments have been provided in the two project progress reports, the subcontractors could not adequately discuss the technical assistance assignments when I asked about them. Some written reports have been circulated, but only the most conscientious of individuals would actually read these lengthy reports. Certainly the technical assignments need to be more adequately integrated into the project. While time delays may preclude editing by consortium members prior to the release of the report, each report should be entered into AskARIES and the annotated summaries and analysis should be widely distributed to a larger audience than the one receiving the workplan and progress reports.

3.2 Project Implementation

The requirements of the project contract are that an initial workplan be prepared within three months of the contract award and that an annual workplan, subject to review, be submitted one month prior to the completion of each project year. The initial workplan was slightly late, but the next two were provided on schedule. The workplans have been reviewed and were found to be acceptable. The number of people invited to the review meetings is impressive, and even though attendance is not high, the fact that people feel they are permitted to participate has increased the feeling of involvement in the project. It appears that the ARIES project has led to improvements in communication between S&T, other A.I.D./Washington offices, and the missions. This very important development should be exploited throughout the life of ARIES.

An additional contract requirement is that an annual report describing the accomplishments of the preceding 12 months be structured in a cumulative working paper format so that a comprehensive final report suitable for publication is produced. Two progress reports have been submitted and these requirements are being met. In my opinion, the format of the final report should be decided in discussions between A.I.D. and the contractors, but it is absolutely essential that it be of high quality and disseminated as widely as possible.

Technical assistance to improve small and micro enterprise programs and to provide training to increase the skill level of personnel at intermediary organizations are running somewhat behind projections in regard to dollar amounts, but are ahead of projections in regard to the number of activities. Technical assistance to missions is usually funded from project funds, and some missions appear to be short of funds for certain activities. Funding for training activities is rather difficult to support unless it is part of a project activity. Hopefully, the ARIES activities which have been undertaken will lead to additional requests from the same missions and A.I.D. offices. It does appear that missions are very interested in private enterprise development and that PVOs and other intermediary organizations have a strong interest in small and micro enterprise development. At this time, it is important that ARIES begin to demonstrate that some verifiable improvements have been made in support programs for small and micro enterprises and that lessons from ARIES activities can be synthesized and replicated.

3.3 Measures of Performance

The project purpose, as listed in the logical framework, is to perform research in conjunction with technical assistance that focuses on the inputs needed by small and micro enterprise support institutions to increase their efficiency in designing and delivering assistance to enterprises and to develop and test training modules to enhance the capabilities of support institutions. The strategic overview paper indicates some of the problems most frequently encountered in small and micro enterprise programs, as I have indicated previously. Improved performance in these activities by institutions influenced by ARIES can be measured and evaluated.

The central working hypothesis is that the better managed the organizations, the more efficient, effective, and sustainable will be their programs (Grindle et al. 1987:8) The SOP indicates that organizations can demonstrate this by adopting policies to achieve goals, adapting to a changing environment, becoming self-sufficient, monitoring finances effectively, developing an effective staff, and interacting effectively with other organizations. To date, information developed from the technical assistance has not been used to test the working hypothesis and monitor changes in organizations. This is certainly necessary and should be initiated as soon as possible. Data has to be gathered over a period of time, and it may be difficult to reexamine many of the organizations affected by ARIES since the technical assistance occurs in response to requests. Nevertheless, subsequent assignments involving an institution which was previously studied should be encouraged.

In the project logical framework it states that the improved efficiency of assisted programs and trained staff will be indicated by higher levels of employment, higher income, use of bookkeeping systems, and high usage of support institutions. Yet I question whether these are the logical results of improved efficiency and a trained staff at intermediary organizations. Also, as is indicated in the first year progress report, additional information regarding some control group of non-beneficiaries increases in production that would not have otherwise occurred and that did not lead to declines elsewhere is very important.

The measurements of the outputs of ARIES and a determination of whether the plans of the proposal request and the technical proposal are being followed are more easily obtainable goals. The SOP has addressed the issues identified in the technical proposal and has been an important internal document in the direction of the project. Input from the

technical review board was incorporated into the overview and HIID was very responsive to suggestions for change. Along with the teaching cases, the distribution of the SOP helped to increase interest in ARIES, especially in the PVO community. The teaching cases appear to have the potential to be an extremely important aid in training institutions in regard to small and micro enterprise development. This was envisioned in the technical proposal and has been implemented very successfully to date. Five cases were presented at the credit management workshop and were used as part of the training.

The AskARIES database has potential far beyond the use originally considered. If it can be institutionalized, it could provide a continuing resource to people working in the field of small and micro enterprise development after the ARIES project is completed. Along with a mechanism for disseminating the teaching cases and training materials, AskARIES could allow more sustainability for ARIES activities. In general, the ARIES project has had a greater role in regard to information technology than was believed at the beginning of the project. The A.I.D. project that succeeds ARIES is being seen as a way to continue the dissemination of information, and the future of AskARIES is currently being discussed by various groups, with the International Labor Organization expressing an interest in contributing funds to sustain it.

The success of the research and teaching cases can be determined by asking whether they led to institutional improvements and the expansion of small and micro enterprise assistance programs. This can be partially determined by an assessment of the services provided to enterprises. To date, the ARIES project has led to more sharing of information between institutions and the case study approach provides a way of sharing information that is not as threatening to the institution as an evaluation.

A greater sharing of information could also be facilitated through the use of training materials regarding small enterprise development. The activities of CDC appear to be going roughly according to schedule. The initial assessments of training materials have been performed and plans now call for the dissemination of materials. This will require requests for services that will hopefully increase during the future of the project. Additional thought should be given to the idea of the replicability of training packages. Control Data Corporation has experience with training for enterprises and has found that training to a great extent has to be individually tailored to the needs of the audience. Difficulties of replication of training packages increase when operating in countries with different customs, institutions, ways of doing business, and levels of economic development.

Adequate thought must therefore be given on the use and packaging of training materials that are being developed.

Integrating training activities with mission projects may be a way to overcome some of the crosscultural difficulties. It is therefore imperative that the members of technical assistance teams be familiar with the objectives and activities of ARIES prior to undertaking assignments. While care needs to be taken to ensure that the needs of ARIES are not given precedence over the requirements of individual assignments, insights developed through ARIES could be used as a basis to help clarify the objectives of technical assistance. This may help in the development of workplans and provide assistance in determining the methods employed in the assignments. This should be done as much as possible before team members leave for their assignments and may require core personnel to take a more active role in the technical assistance. Cost considerations are also important and concerns with increased costs may preclude some of this activity.

3.4 Dissemination of Information

If effective strategies and projects to increase the capacity of local institutions are to be developed and lead to an improved understanding of effective approaches to assist small and micro enterprises, the dissemination of project information is critical. The ARIES project cannot be judged to be a success unless it is effective in the management and dissemination of information which will contribute to the development of the capacity of institutions and assist USAID missions and other donors in the design, implementation, and evaluation of small and micro enterprise programs.

Part of the dissemination of information effort is linked to the marketing of ARIES to A.I.D. offices. The project officer and project director have visited numerous missions in an attempt to increase the use of technical assistance. Cables have also been sent and considerable activity has taken place through informal networks. Additional activities could include the preparation of diagnostic inventories on small and micro enterprises similar to the one developed for Jordan. These could be developed for the countries in which technical assistance teams operate. Illustrative scopes of work and budgets could be prepared and sent to missions.

ARIES is holding workshops, seminars, and plans publications. More information could also be disseminated through the development of a newsletter similar to the one produced by the SEEP Network. Their summary of the ARIES

Seminar on the Prospects of Micro Enterprise Promotion in Africa was distributed with the newsletter. ARIES could produce its own newsletter, but care should be taken to ensure that collaboration with the SEEP Network is maintained or increased. The SEEP Network is also a natural collaborator with ARIES for additional seminar and workshop activities.

Summaries of technical assistance activities, lessons learned, and ARIES discussion papers could also be widely distributed. They should only be three or four pages in length to encourage more people to read them. Care should be taken to make certain that generalizations are not too prescriptive and that they account for the diversity of the small and micro enterprise sector. Packages of materials could also be developed to address specific issues, such as ways to use credit. Coordination with AskARIES activities would allow the referral of those interested in more depth regarding an issue to use AskARIES.

The increased distribution of materials would also spread information on ARIES throughout A.I.D./Washington. Whereas people in the private sector offices of the regional bureaus appear to be aware of ARIES activities, I found that project development officers were not familiar with ARIES and that they frequently lacked an accurate understanding of the services that the Bureau for Science and Technology could provide to missions. By increasing the spread of information, ARIES could assist future S&T projects.

An additional way to increase the spread of information is in regard to providing training materials to indigenous training institutions. ARIES originally planned that personnel from some of these institutions would subcontract for case research and writing, but discussions with management training institutions indicated that qualified staff were overcommitted and HIID decided to primarily use their own personnel to prepare cases. This seems to have worked well and the cases are being developed. Materials need to be distributed to training institutions, especially in countries in which cases were prepared, to encourage their use in training activities.

3.5 General Comments

I believe that ARIES is a well-conceived project that is addressing the need to strengthen institutions to be able to assist small and micro enterprises. The project is well-managed and, while certain problems have occurred, attempts have been made to make corrections and adjustments. Additional flexibility and learning will be required during the

remainder of the project. In this evaluation I have focused on the problems so that improvements can be made. In my opinion, adjustments need to be made in regard to the role of the consortium members and the integration of the research, training, and technical assistance components; in establishing criteria for use as a monitoring and evaluation device to determine project achievements; and in increasing the flow of information from ARIES.

Attempts are certainly being made to integrate the components, as is reflected in the progress reports. The idea of initially stressing research, while training activities will increase as the project progresses, is designed to facilitate the dissemination of information. The monitoring of the comments of participants in the workshops is also occurring. The idea of encouraging practitioners in the field to learn from each other through the cases will also increase the flow of information.

The goal of the Small Enterprises Approaches to Employment project is to increase employment and income producing opportunities for the poor, and thereby allow them to participate more fully in national development. This goal can be approached in a number of ways. The premise that better managed organizations can provide better services to small and micro enterprises has been framed as a working hypothesis that needs to be tested through further investigation. The additional working hypotheses in the SOP regarding the clients of institutions, the policy environment, and the socioeconomic context should also be carefully tested.

A logical connection does exist between the necessity of having efficient institutions operating and the ability to provide development assistance that can only be distributed directly to large numbers of recipients with a great deal of difficulty. Yet this does not mean that these institutions are able to effectively contribute to an overall increase in economic performance if they are inappropriate for the tasks which are necessary. An important barrier to the growth of numerous enterprises is the lack of effective demand for products due to low levels of disposable income. Success in this type of environment may require intermediary groups which are closely related to the local context.

A project weakness may be the development of ways to determine which institutions should be utilized for assisting small and medium enterprises. The project may not be placing enough emphasis on the role of traders, wholesalers, and other existing components of indigenous distribution and marketing systems. An approach with more of an economic and business orientation may be necessary to more successfully reach small

and micro enterprises and lead to more sustainable activities. Technical assistance activities in Ecuador and Jordan lend support for the pursuit of a more business oriented approach to assistance.

No individual project has to attempt to address all of the problems concerning an issue. This is especially true in view of the numerous debates concerning ways to assist small and micro enterprises. However, it is important for the final report to present as comprehensive a view as possible of assistance to small and micro enterprises and to make recommendations regarding courses of action. These recommendations may contribute to the success of future projects dealing with small and medium enterprises. Sustainable programs may require a higher degree of integration of assistance activities with the business sector or with government programs than is being attained through the institutions that have received support from ARIES.

APPENDIX A

ASSISTANCE TO RESOURCE INSTITUTIONS FOR ENTERPRISE SUPPORT

The ARIES project is designed to strengthen the capabilities of support organizations in developing countries to implement small and micro enterprise development programs. ARIES builds on the work of the Agency for International Development's former Program for Investment in the Small Capital Enterprise Sector (PISCES) and Small Business Capacity Development projects. It works with intermediary support organizations that provide services to small and micro enterprises, such as private voluntary organizations (PVOs), and other developing country government and non-governmental organizations (NGOs).

The contract for this five year project has been awarded to Robert R. Nathan Associates, Inc. (RRNA) with the Harvard Institute for International Development (HIID), Control Data Corporation (CDC) and Appropriate Technology International (ATI) acting as subcontractors. ARIES has received core funding from the Bureau for Science and Technology's Office of Rural and Institutional Development (S&T/RD) and the Bureau for Food for Peace and Voluntary Assistance's Office of Private and Voluntary Cooperation (FVA/PVC). Mission funded technical assistance has been projected at \$3.8 million, or almost three-fifths, of the five year projected budget of \$6.8 million.

The ARIES project has three major components--research, training, and technical assistance--designed to cross-fertilize each other. The applied research component focuses on economic, social, and organizational issues surrounding intermediary support organizations in order to provide information in regard to small and medium enterprises. The training component includes the design, testing, and implementation of training programs in such areas as finance, management, and evaluation. The technical assistance component provides short-term technical assistance to USAID missions and intermediary organizations to assist small and micro enterprise development.

APPENDIX B

INDIVIDUALS AND AGENCIES CONTACTED

INDIVIDUAL

AGENCY

Project Personnel

Mary Anderson	HIID
Jeffrey Ashe	TRB, Consultant
James Austin	Harvard Business School
John Beyer	RRNA
Robert Blayney	Consultant
Margaret Bowman	HIID
S. Lael Brainard	HIID
Jennifer Bremer	RRNA
Diana de Treville	Consultant
Ton de Wilde	ATI
Gustavo Gomez	RRNA
Laurene Graig	RRNA
Merilee Grindle	HIID
Beth Holmgren	CDC
Ann Hornsby	HIID
Henry Jackelen	Consultant
Jacob Levitsky	TRB
Carl Liedholm	TRB
Deborah Lindsay	Consultant
Mohini Malhotra	RRNA
Charles Mann	HIID
Howard Pack	TRB
Rajesh Pradhan	HIID
Dwight Perkins	HIID
Parker Shipton	HIID
John Schroy	Consultant
Joseph Stern	HIID
Thomas Timberg	RRNA
Wesley Weidemann	RRNA
Louis Wells	Harvard Business School

A.I.D. Personnel

John Anderson	A.I.D.
Ray Baum	"
Andrea Bauman	"
Ross Bigelow	"
Jason Brown	"
Maruska Burbano	"
Thomas Dailey	"

Daniel Deely	"
Michael Farbman	"
Lloyd Feinberg	"
David Hagen	"
Greg Huger	"
Margaret Kromhout	"
Chris Merkling	"
Pauline Merrill	"
J. Jude Pansini	"
Stephen Ryner	"
Susan Riley	"
Edward Thomas	"
Jan Van Der Veen	"
Aylette Villemain	"
Richard Williams	"
Frank Young	"
Robert Young	"

Others

Nancy Allen	CRS
James Cawley	IVS
Peggy Clark	Save the Children Federation
Tony di Bella	Consultant
Elaine Edgcomb	SEEP Network
Larry Frankel	CARE
Suzanne Kindervatter	OEF/International
James O'Brien	PACT
Dan Santo Pietro	PACT
Bish Sanyal	MIT
Kathryn Stack	FFH
Carolyn Stremmlau	PACT
Judith Tendler	MIT
Dawn Wadlow	CARE

APPENDIX C

ARIES TECHNICAL ASSISTANCE TEAM COMPOSITION

<u>FSA Number</u>	<u>Country</u>	<u>Personnel</u>
1	El Salvador	(Extended to FSA 3)
2	Bangladesh	(Extended to FSA 4)
3	El Salvador	Gustavo Gomez, Project Coordinator Jenaro Martinez Javier Espinoza Jose Arroya Riestra Hector Castaneda, Design and Management Specialist Jorge Salazar-Carrillo Luis Vargas Fernando Cruz Villalba Eduardo Moncarz
4	Bangladesh	Wes Weidemann, Team Leader/Economist Russell Webster, Management and Organization Specialist George Pulver, Marketing and Financial Specialist
5	Philippines	(Extended to FSA 13)
6	El Salvador	(Extended to FSA 14)
7	Philippines	Linda Markey-McCabe
8	Barbados	Russell Webster
9	Zaire	(Extended to FSA 15)
10	Bangladesh	Thomas A. Timberg, Advisor
11	Costa Rica	Robert Blayney, Team Leader George Wohanka, Credit Specialist Heather Clark, Technical Assistance Specialist
12	Honduras	John Schroy Alan Hurwitz
13 (Extension of FSA 5)		Linda Markey McCabe

14 (Extension of FSA 6)		Gustavo Gomez Leni Berliner Gerardo Cahn-Hidalgo Alan Hurwitz Haris Jafri Hilda Yumiseva
15 (Extension of FSA 9)	Zaire	George Pulver, Trainer
16	Honduras	Robert Blayney, Credit and Financial Analysis Specialist Heather Clark, Institutional Analysis and Training Specialist John Anderson
17	Philippines/ Indonesia	Russell Webster, Team Leader Linda Markey-McCabe
18	Honduras	(Extended to FSA 19)
19 (Extension of FSA 18)	Honduras	Robert Blayney, Credit and Financial Analysis Specialist Heather Clark, Social and Institutional Analysis Specialist
20	Jordan	Wes Weidemann, Team Leader SME Specialist George Pulver, Credit and Financial Analysis Specialist Dianne deTreville, Social and Institutional Analysis Specialist
21	Jordan	Laurene Graig, WID Specialist
22 (Extension of FSA 10)	Bangladesh	Thomas A. Timberg, Advisor
23	Ecuador	Jennifer Bremer, Team Leader Ozzie Bender, Forest Industry Consultant
24	Sierra Leone/ Nepal/ Thailand	Jeffrey Ashe, SME Specialist Russell Webster, SME Specialist
25	Somalia	Deborah Lindsay, Team Leader/SME Specialist Anita Spring, Agriculturalist Virginia de Lancey, Anthropologist

26	Jordan	(Extended to FSA 32)
27	South Africa	Henry Jackelen, Small Business/Credit Specialist
28	Thailand	Deborah Lindsay, Evaluation Specialist Leni Berliner, Evaluation Design Specialist Gustavo Gomez, Financial Analysis Specialist
29	Ecuador	(Project to be implemented)
30	Zambia	(Project in progress)
31	Yemen Arab Republic	Wes Weidemann
32 (Extension of FSA 26)	Jordan	Wes Weidemann, Team Leader/Economist John Schroy, Financial Analyst/Credit Guarantee Specialist C. Jean Weidemann, Social Soundness, WID Specialist Dianne de Treville, Training and Institutional Specialist

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