

BUSINESS GROWTH INITIATIVE

Quarterly Report 3 FY 2011



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J.E. Austin Associates
Management Systems International (MSI)

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Section I. Introduction

The Business Growth Initiative (BGI) Project began September 2006 and is entering the third and final option year for this five year activity. In its last year, BGI will seek strategic partnerships and activities that will solidify its legacy as a key resource for USAID staff and a center of excellence in enterprise development.

Remaining activities for year 5 are research and technical support efforts and Mission support activities.

Objectives

The goals and objectives of the BGI project have changed for Year 5; greater emphasis and attention will be given to direct Mission and Bureau support through requests for activities and buy-ins, along with research reports and technical contributions. The overarching project specific objectives have not changed.

Specific objectives are:

1. Improve enterprise development project designs and implementation to reflect best practices;
2. Conduct further research on trends and specific aspects of enterprise development;
3. Produce and disseminate research reports on specific topics of interest to Missions and to the broader audience for enterprise development;
4. Promote the application of these best practices in enterprise development through technical assistance to Missions to aid in improving design of enterprise development projects and through conducting seminars and workshops; and
5. Provide technical assistance in the design and implementation of pilot demonstration projects in targeted Missions that will exemplify the application of best practices in enterprise development.

To support these objectives the contract anticipates the services to be provided will include:

- 1) Improved program/project **designs** utilizing best practices in enterprise development in at least four Missions per year;
- 2) At least two **research** projects per year on specific aspects of enterprise development;
- 3) At least one **pilot demonstration projects** (PDPs) per year in Missions with a demonstrated interest generated from outreach to those Missions.

Section II. Summary of Accomplishments for Q3 of FY 2011

Detailed below are accomplishments from this quarter:

- BGI participated in the final phase of the Business Innovation Center concept with USAID/Morocco through a study tour in collaboration with RTI International. Eight Moroccan participants traveled to North Carolina's Research Triangle Park to learn about business innovation centers.
- In collaboration with the University of Maryland's Robert H. Smith School of Business and School of Public Policy, BGI sponsored a student-led consulting activity to Sri Lanka.

- BGI continued its support to USAID/Indonesia through various activities. It is supporting the arrangements and logistics of a number of local and regional participants to the Regional Entrepreneurship Summit to be held in Bali, Indonesia in quarter 4.
- BGI also helped identify and secure venture capitalists and investors to participate in USAID/Indonesia's iMULAI business plan competition, which was an ICT based competition for local Indonesian entrepreneurs.
- USAID/Indonesia also requested that BGI support a zakat assessment, or investigation of Muslim finance in Indonesia. The assessment will be conducted in quarter 4.
- In collaboration with the A&ME bureau at USAID, BGI provided a team leader to travel to Vietnam to conduct an evaluation of the STAR project.
- In collaboration with the U.S. Department of State's Global Entrepreneurship Program (GEP), BGI is producing an entrepreneurship toolkit, to be provided to USAID and U.S. Embassies worldwide, to offer recommendations and best practices on how to design and implement entrepreneurship programs.

Section III. Organization and Staffing

Team member meetings with the COTR have been an effective tool and the program manager meets with the COTR at the minimum every two weeks. In addition, frequent communications occur by email and phone.

1. Outreach and Communications Strategy

BGI's primary method of outreach and communication to the general public and development implementers has been our website, www.businessgrowthinitiative.org. In quarter 2, BGI officially transferred all content and documents from that site to a new site hosted by USAID/EGAT, along with all other economic growth projects ending on September 30, 2011. The new site will host all of BGI's prior information and will be live in quarter 4.

2. Weidemann Associates Resources

The BGI project continues to be successfully managed by Marialyce Mutchler and Jessica Barrineau. In June 2011, Megan Delph joined Weidemann Associates as a new program associate on BGI to assist with logistical and administrative aspects of all work assignments. Earlier in May 2011, Jason Bohoney also joined BGI as a senior level team-member to assist with our ongoing research activities.

Section IV. Program Activities

Year five activities are driven by: Mission support activities, the Asia and Middle East (A&ME) Bureau scope of work, activities that support USAID/Indonesia, research activities and new collaborations, and pilot activities.

1. Mission Support Activities

Based on direct feedback and new inquiries for service, BGI is now recognized as a quality mechanism for providing research and implementation support to USAID Missions worldwide. Support activities focus on the A&ME and Indonesia buy-in's, and will implement cost sharing mechanisms when feasible. In this quarter, BGI supported two Mission activities.

Indonesia Mission Buy-In

The USAID/Indonesia Mission approached BGI in quarter 4 of Year 4 for support into fiscal year 2011. The objectives of this activity are to provide the Mission with support in accomplishing its overarching Strategy for 2009-2014. Activities for the buy-in include:

- Conduct a MEASURE assessment to assess the state of enterprises in Indonesia, particularly compared to other regional countries. **Completed in quarter 1.**
- Conduct a MEASURE Plus to examine other economic sectors that affect enterprises including: non-bank financial sector, labor law, trade, and the business enabling environment. **Completed in quarter 2.**
- Conduct an assessment of the ICT environment and issues. **Completed in quarter 2.**
- Support the iMULAI business plan competition. **Completed in quarter 3.**
- Provide support for the Indonesian Regional Entrepreneurship Summit (RES) to take place in July 2011. **Planned for quarter 3 and 4.**
- Zakat (Muslim finance) assessment. **Planned for quarter 4.**

Activities completed in quarter three include support for the RES, to be held July 23-24, 2011 in Bali, Indonesia. BGI, through USAID/Indonesia's buy-in, is responsible for funding and managing the travel and lodging for a number of international panelists at the Summit, in addition to a number of regional and local Indonesian entrepreneurs who will attend. BGI has been working closely with USAID/Indonesia and the U.S. Department of State's Global Entrepreneurship Program in Indonesia (GEPI) to arrange and fund these logistics.

Also in quarter three, BGI provided support to USAID's iMULAI business plan competition. Local Indonesian entrepreneurs applied to compete in an information, communication and technology business plan competition and finalists pitched their plans to venture capitalists and angel investors worldwide. BGI helped to identify investors to listen to the pitches via the internet. The winners of iMULAI will attend the RES.

USAID/Indonesia also requested that BGI, in partnership with a local firm, conduct an assessment of the impact of Muslim finance, or zakat, on the overall economy. This assessment will occur in quarter 4.

Asia and Middle East Bureaus (A&ME)

The objective of this activity is to support economic growth programs in the A&ME Bureaus and Missions by carrying out and disseminating research and supporting activities on topics and issues regarding economic growth programs. Regional analyses will also provide state-of-the-art knowledge on critical economic growth programs and development policy issues facing the A&ME Bureaus and Missions. Finally, program support will provide A&ME senior management and Mission support for EG strategy development and program design and implementation across the regions.

A. Vietnam STAR Evaluation

A portion of the A&ME buy-in allowed BGI to provide a Team Leader and additional support for an evaluation of the Vietnam STAR projects and their impact on the Vietnam economy. The team leader, along with specialized trade and business economists, found strong successes from the STAR project and provided a positive evaluation of USAID's efforts there. **A final report was submitted in quarter 3.**

Planned Mission Support Activities for quarter 4, year five:

- The Regional Entrepreneurship Summit (RES) will occur on July 23-24, 2011 in quarter 4. BGI will continue to support the summit into its completion.
- The zakat assessment will occur in quarter 4, with final deliverables sent to the Mission in late September.

2. Research Activities

As part of its core mission, BGI publishes original research to enhance the discussion of best practices in enterprise development.

Entrepreneurship Toolkit

In collaboration with the U.S. Department of State's Global Entrepreneurship Program (GEP), BGI was commissioned to write an entrepreneurship toolkit. The toolkit's primary audience is USAID and U.S. Embassy economic growth personnel worldwide. BGI is aiming to meet with all GEP partners who are actively involved with entrepreneurship activities and report back on their best practices. The toolkit will ultimately provide recommendations and best practices on how the U.S. government can design and implement entrepreneurship programs in conjunction with the dozens of partners who are already doing so.

Planned Research Activities for quarter 4, year five:

- BGI will continue to research, write and publish the toolkit in quarter 4. The final toolkit will be made widely available to USAID and the Department of State by the end of quarter 4.

3. Pilot Demonstration Projects

Pilot demonstration projects are services provided to USAID Missions. Missions interested in conducting short experimental pilot activities with the purpose of using a pilot design in direct program implementation can receive BGI support in the design and monitoring and evaluation of activities.

Business Innovation Center Study Tour with USAID/Morocco

The Weidemann Associates project staff began initial phases of the Business Innovation Centers activity to take place under the President's Global Engagement Initiative in Year 4. Morocco was selected as the pilot country. The purpose of this activity is to establish a Business Innovation Center Pilot Alliance (BICPA) that will support entrepreneurship and the dissemination of innovation in Morocco. In quarter 3 of Year 5, BGI continued the activity of bringing Moroccan delegates to Research Triangle Park to learn from a unique, successful business innovation center.

BGI hosted the delegates of Morocco to the Research Triangle Park, in collaboration with RTI International. The study tour was a challenging pilot activity, but interest was expressed amongst some of the participants to continue to explore the idea of partnering to foster business innovation efforts. USAID/Morocco will continue to work with these interested partners to further their economic and business development goals.

Sri Lanka Student Consulting Activity

Last year, BGI successfully completed a pilot activity with the University of Maryland's Robert H. Smith School of Business. The event featured a graduate-level paper competition granting students the opportunity to develop a creative, new public-private alliance for the tourism sector

in Asia. This year in quarter 3, BGI continued the planning of a new pilot activity with UMD and USAID/Sri Lanka. This pilot activity involved a student-led trip to Sri Lanka to assist businesses improve and grow. In quarter 3, the students traveled to and completed their consulting assignments. The students submitted work plans prior to departure to discuss their ideas on how to tackle the obstacles each company. Upon arrival, the students worked closely with USAID and the VEGA project to achieve their consulting assignments.

Planned Pilot Demonstration Activities for quarter 4, year five:

- The Sri Lanka student activity will culminate in a presentation in quarter 4 of each student group's final report and presentation on their overall experience.

Section V. Knowledge Management System

Knowledge Management (KM) was a core service in the BGI project from years 1 through 4. Specific objectives of the KM system were:

- Capture, provide custodianship, and perform taxonomy of all information, data, analysis, and any other written material produced under the BGI project.
- Create a standard framework for knowledge creation, sharing and vetting.
- Disseminate lessons learned, best-practices, and professional training in appropriate multimedia formats.
- Provide technical-support and outreach to USAID Missions, client country decision-makers, and other domestic US and international development and support organizations.
- Coordinate donor and KM linkages, create and support "Communities-of-Practice."

Knowledge is generated and shared in many ways. The above described activities are and will be generating knowledge about best practices in enterprise development. Disseminating knowledge includes the traditional methods of distributing published reports, presentations in workshops and seminars, and teleconferencing of BGI personnel with USAID personnel.

In quarter 2, the Knowledge Management portal has been officially transferred back to USAID. This new USAID/EGAT website will be live in quarter 4, and will contain all of the same content and publications from the original BGI website.

Annex 2: Reports and Documents Completed in Quarter 3

- *Vietnam STAR* evaluation was completed and delivered to USAID/Vietnam.

Annex 3. Project Results Matrix for Year 5, Q 3

Project Outcomes	Expected Results	Accomplishments Q 3	Planned Activities for Quarter 4
Mission support activities	4 per year	<ol style="list-style-type: none"> 1. <i>Vietnam STAR evaluation</i> 2. <i>iMULAI</i> 3. <i>Regional Entrepreneurship Summit (RES) support</i> 	<ol style="list-style-type: none"> 1. USAID/Indonesia Entrepreneurship Summit Support
Conduct Research Projects	2 per year	<ol style="list-style-type: none"> 1. <i>Entrepreneurship Toolkit</i> 	<ol style="list-style-type: none"> 1. <i>Entrepreneurship Toolkit</i> 2. <i>Zakat Assessment</i>
Develop and Disseminate Technical Note and Notes from the Field	4 per year	None	None planned
Convene Seminars/Workshops on Best Practices	3 domestic, one international	None	<ol style="list-style-type: none"> 1. Presentation of Sri Lanka student consulting activity 2. Presentation of Entrepreneurship Toolkit and its best practices
Implement Pilot Demonstration Projects for Missions	1 per year	<ol style="list-style-type: none"> 1. Business Innovation Center Pilot Activity/Study Tour collaboration with RTI 3. Sri Lanka student activity 	<ol style="list-style-type: none"> 2. Sri Lanka presentation event