

AID 1380-1 (1-78) PIO/T	DEPARTMENT OF STATE AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES	1. <u>Ordering and Country</u> Swaziland	Page 1 of 3 Pages
		2. PIO/T No. 645-0227-3-60010	3. <input type="checkbox"/> Original or Amendment No. <u>1</u>
		4. Project/Activity No. and Title Swaziland Training for Entrepreneurs Project 645-0227	

DISTRIBUTION	5. Appropriation Symbol 72-1161021.5 (\$400,000) 72-1161021.6 (\$350,000)		6. Allocation Symbol and Charge GDA-86-21645- GDA-86-21645-DG13 (\$350,000) // (\$4	
	7. Obligation Status <input checked="" type="checkbox"/> Administrative Reservation <input type="checkbox"/> Implementing Document		8. Project Anticipated Completion Date (Mo., Day, Yr.) 09/30/89	
	9. Authorized Agent USAID/Swaziland		10. This PIO/T is in full conformance with PRCVAG N/A Date	
	11a. Type of Action and Governing AID Handbook <input type="checkbox"/> AID Contract (HB 14) <input type="checkbox"/> PASA/RSEA (HB 12) <input type="checkbox"/> AID Grant (HB 13) <input checked="" type="checkbox"/> Other		11b. Contract/Grant/PASA/RSEA Reference Number (if this is an Amendment) 645-0227-A-00-6002-	

12. Estimated Financing (A detailed budget in support of column (2) is attached as attachment no. _____)					
Maximum AID Financing	A. Dollars	(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
		\$750,000	-	-	\$750,000
	B. U.S.-Owned Local Currency				

13. Mission
References

Ref.:
STATE 24591

14a. Instructions to Authorized Agent
The Regional Contracts Officer is requested to amend the Cooperative Agree-
No. 645-0227-A-00-6002-00 with Partnership for Productivity, Int'l (PFP)
to reflect assumption of said Cooperative Agreement by Cooperative for
American Relief Everywhere (CARE). CARE's assumption of the Cooperative
Agreement is provided for in the tri-party agreement between AID/W, PFP
and CARE. A revised Program description and Illustrative Budget are
attached.

14b. Address of Voucher Paying Office
Controller, USAID/Swaziland
P. O. Box 750, Mbabane, Swaziland

15. Clearances—Include typed name, office symbol, telephone number and date for all clearances.

A. The project officer certifies that the specifications in the statement of work are technically adequate	Phone No.	B. The statement of work lies within the purview of the initiating and approved agency programs	Date	
	David R. Martella, HR/GDO		Allan Reed, PPDO	3/17/87
	Date 3/16/87			
C. <i>J. C. Johnson</i>	Date 3/16/87	D. Funds for the services requested are available		
	Joan E. Johnson, A/HR/GDO			
E. <i>J. C. Johnson</i>	Date 3/17/87	Richard P. Solloway, FM		
	Harry Johnson, DD			

16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to	17. For the Agency for International Development
Signature <u>N/A</u> Date _____	Signature <i>Huesman</i> Date <u>5/12/87</u>
Title _____	Title <u>Robert Huesmann</u> Director, USAID/Swaziland

AID 1350-1 (1-78)	1. Cooperating Country Swaziland	2. PIO/T No. 645-0227-3-60010	Page 2 of 3 Pages
	4. Project/Activity No. and Title Swaziland Training for Entrepreneurs Project 645-0227		

SCOPE OF WORK

18. THE SCOPE OF TECHNICAL SERVICES REQUIRED FOR THIS PROJECT ARE DESCRIBED IN ATTACHMENT NUMBER _____ HERETO ENTITLED "STATEMENT OF WORK".

N/A

19. SPECIAL PROVISIONS

- A. LANGUAGE REQUIREMENTS (SPECIFY) N/A
(IF MARKED, TESTING MUST BE ACCOMPLISHED BY AID TO ASSURE DESIRED LEVEL OF PROFICIENCY)
- B. ACCESS TO CLASSIFIED INFORMATION WILL WILL NOT BE REQUIRED BY TECHNICIAN(S).
- C. DUTY POST(S) AND DURATION OF TECHNICIANS' SERVICES AT POST(S) (MONTHS) Manzini Swaziland; up to 36 months
- D. DEPENDENTS WILL WILL NOT BE PERMITTED TO ACCOMPANY TECHNICIAN.
- E. WAIVER(S) HAVE BEEN APPROVED TO ALLOW THE PURCHASE OF THE FOLLOWING ITEM(S) (COPY OF APPROVED WAIVER IS ATTACHED) N/A
- F. COOPERATING COUNTRY ACCEPTANCE OF THIS PROJECT (APPLICABLE TO AID/W PROJECTS ONLY)
 HAS BEEN OBTAINED HAS NOT BEEN OBTAINED N/A
 IS NOT APPLICABLE TO SERVICES REQUIRED BY PIO/T
- G. OTHER (SPECIFY)

20. BACKGROUND INFORMATION (ADDITIONAL INFORMATION USEFUL TO AUTHORIZED AGENT)

N/A

21. SUMMARY OF ATTACHMENTS ACCOMPANY THE PIO/T (INDICATE ATTACHMENT NUMBER IN BLANK)

- _____ DETAILED BUDGET IN SUPPORT OF INCREASED FUNDING (BLOCK 12)
- _____ EVALUATION CRITERIA FOR COMPETITIVE PROCUREMENT (BLOCK 14)
- _____ JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT (BLOCK 14)
- _____ STATEMENT OF WORK (BLOCK 18)
- _____ WAIVER(S) (BLOCK 19) (SPECIFY NUMBER)

A. Revised Illustrative STEP Budget

B. Revised Program Description

2

AID 1350-1 (1-78) PIO/T	1. Cooperating Country Swaziland	2. PIO/T No.	Page 3 of	Pages
	4. Project/Activity No. and Title Swaziland Training for Entrepreneurs Project 645-0227			

22. Relationship of Contractor or Participating Agency to Cooperating Country and to AID

A. Relationships and Responsibilities

USAID/Swaziland will provide oversight supervision of the project and will have to review and approve project-funded grants, baseline study proposals, short-term technical assistance, international travel and work plans.

B. Cooperating Country Liaison Official

C. AID Liaison Officials

Leticia Diaz, HRDO, USAID/Swazila

David R. Martella, Project Officer, USAID/Swaziland

LOGISTIC SUPPORT

23. Provisions for Logistic Support

A. Specific Items (Insert "X" in applicable columns at right. If entry needs qualification, insert asterisk and explain below in C. "Comments")

	IN KIND SUPPLIED BY		FROM LOCAL CURRENCY SUPPLIED BY		TO BE PROVIDED OR ARRANGED BY SUPPLIER
	AID	COOPERATING COUNTRY	AID	COOPERATING COUNTRY	
(1) Office Space					X
(2) Office Equipment					X
(3) Housing and Utilities					X
(4) Furniture					X
(5) Household Equipment (Stoves, Refrig., etc.)					X
(6) Transportation in Cooperating Country					X
(7) Transportation To and From Country					X
(8) Interpreter Services/Secretarial					X
(9) Medical Facilities					X
(10) Vehicles (official)					X
(11) Travel Arrangements/Tickets					X
(12)					
(13)					
(14)					
(15)					

(OTHER SPECIFY)

B. Additional Facilities Available From Other Sources

APO/FPO

PX

COMMISSARY

OTHER (Specify, e.g., duty free entry, tax exemption)

Will be allowed Department of State pouch privileges for first class mail only.

ATTACHMENT A

ILLUSTRATIVE STEP BUDGET

Interim QTR CARE(30 mo)
Jan-Mar 87 4/87-9/89 TOTAL

I.	PERSONNEL			
	A. Project Director	\$10,967	\$113,511	\$124,478
	B. Local Staff	1,089	31,076	32,165
	C. CARE SED Support Unit	0	21,932	21,932
	1. SUBTOTAL	12,056	166,519	178,575
II.	TRAVEL AND PER DIEM			
	A. Relocation	4,560	12,284	16,844
	B. CARE SED Support Unit	0	8,400	8,400
	C. CARE Mozambique backstopping	137	684	821
	D. In-Country Travel	26	1,579	1,605
	2. SUBTOTAL	4,723	22,947	27,670
III.	MATERIALS AND SERVICES			
	A. Equipment and Furniture	1,053	4,895	5,948
	B. Shipping (A. Brown Personal Effects)	1,000	4,349	5,349
	C. Office Supplies, Printing & Duplication	211	1,832	2,043
	D. Telephone, Telex & Postage	158	3,663	3,821
	E. Office Rent	579	10,055	10,634
	F. Office Utilities	158	1,832	1,990
	G. Vehicle Operations & Maintenance	63	4,768	4,831
	H. Medical Examinations	1,000	2,000	3,000
	I. Insurance	204	424	628
	J. House Utilities	84	2,918	3,002
	3. SUBTOTAL	4,510	36,736	41,246
IV.	EVALUATION	0	5,000	5,000
V.	BASELINE INFORMATION	0	30,000	30,000
VI.	GRANT/LOAN FUND	0	235,000	235,000
VII.	TOTAL DIRECT COSTS	21,289	496,202	517,491
VIII.	OVERHEAD (9.19%)	1,957	45,601	47,558
IX.	TOTAL CARE PROJECT COSTS	\$23,246	\$541,803	\$565,049
X.	ESTIMATED PFP EXPENDITURE THROUGH 12/31/86			59,145
XI.	ASSUMED PRO RATA SHARE OF PFP LOC ADVANCE			125,806
XII.	TOTAL OBLIGATED			750,000

Lines X and XI of the Illustrative STEP Budget are preliminary estimates which when finalized could result in line IX being adjusted upward or downward. Since \$750,000 was originally obligated in the Cooperative Agreement and the Agreement was not terminated, i.e. funds deobligated, the funds obligated in Cooperative Agreement, even after amendment, remains \$750,000.

5

ATTACHMENT B

REVISED PROGRAM DESCRIPTION

This Revised Program Description supplants the original Program Description to allow for implementation to continue under CARE auspices. The technical proposal received from PFP, dated January 27, 1986, is incorporated into this amendment to the Cooperative Agreement by reference. Any Reference to PFP in prior program documentation or technical proposal is to be modified to read CARE. To the extent of any inconsistency between the technical proposal incorporated into the amendment to the Cooperative Agreement, the original Program Description and this Revised Program Description, the Revised Program Description shall control.

A. Project Objectives

The underlying objective of the Swaziland Training for Entrepreneurs Project (STEP) is to help solve the growing problem of unemployment in Swaziland. The purpose of this project is to identify potentially successful means of stimulating small business development to increase employment (or reducing underemployment), productivity, and the development of supply channels with larger industrial firms which have the potential for export. Since there have been few projects in the small-scale enterprise sector, this is an experimental, experience building project directed mainly at indigenous small-scale enterprises. The success of this project will rest with the effective application of a well structured coherent learning system, whereby the different elements of the project feed into the knowledge base for the subsequent activities.

B. Project Activities

There are three major elements under the Cooperative Agreement: experimental training outreach activities; baseline studies related to small-scale enterprise development; and, and advisory assistance to the Business Management Extension Program (BMEP) at the Manzini Industrial Training Centre (MITC) as one key experimental approach to assisting small enterprise development in Swaziland.

The three components of this project each provide an opportunity to test key hypotheses about stimulating small scale enterprise in Swaziland. The information learned from one component define hypothesis to be tested in another. Data derived from the field experiments further inform and direct the baseline study component and vice versa. An ad hoc project committee will ensure the integration of the different component activities and the responsiveness of the project to meeting the project purpose.

1. CARE will test different means of assisting and stimulating the small enterprise sector by supporting at least six experimental training and outreach activities. Local organizations will implement short range projects (two years duration maximum). Organizations to implement these activities may include private sector associations, voluntary organizations, or if appropriate, governmental or parastatal entities. The local organizations will develop proposals in conjunction with CARE and, upon approval by USAID/Swaziland will fund and monitor the experimental activities. The selection criteria to be used for the experimental activities include the following:

- Institutional support to small enterprise sector: The experimental activity must clearly demonstrate that it provides assistance to the small enterprise sector. The small enterprise sector being considered consists of those firms owned and operated by indigenous Swazi's with assets under E100,000 and less than 25 employees. The activity must be undertaken with the full support of the participating organization, as verified by CARE, and the funds must be used for the intended purpose.
- Well conceived and of short duration: Projects must be soundly conceived with a realistic time schedule, which must be less than two years. Projects will be assessed for their effective cost/benefit ratios. Applications require that organizations define the benefits to be derived through the project and the number of enterprises to be assisted. Baseline data for this purpose must be provided.
- Funding parameters: Individual fund requests cannot be for more than 25 percent of the total fund for experimental activities. Projects must clearly stipulate where the total funding for the project is to come from, and also delineate the cost sharing arrangement for the project. Waivers, exempting institutions from the cost sharing requirements will be considered only on an exceptional basis.
- Expansion/replication: Projects must offer a clear set of lessons learned, establishing the capacity for future expansion or replication. Activities must have a clearly defined plan to monitor performance and evaluate activity success.
- Must be experimental, an approach not tried successfully, but having potential in Swaziland: Projects have to demonstrate their unique contribution to the Swazi context. Similar projects may be introduced in different regions or targeted to different client groups.

2. CARE will organize and fund at least three baseline study activities under this Cooperative Agreement. This component, which was the Research Component in the original Cooperative Agreement, has been prioritized with an emphasis on practical usefulness and limited funding available. The baseline study activities will focus on small enterprise development opportunities and their constraints. The studies will provide information necessary to supplement other project activities and should be used as a starting point for measuring project effectiveness. CARE will also develop, funds permitting, other studies based on lessons learned in the experimental activities and other gaps of knowledge relating to small scale enterprise development.

3. CARE will provide MITC/BMEP with up to 5 months of advisory assistance during the life of the USAID funded BM activity (645-0222). This will include assistance in the areas of outreach, extension, management assistance, marketing and relevant business curriculum development related to small enterprise development.

C. Project Implementation

CARE will provide a Project Manager for the Life of the Project to develop and implement the baseline studies and experimental activities, provide technical assistance to MITC and other local small-scale business organizations, and develop the appropriate administrative and monitoring systems to manage the different components of the project. The Project Manager is responsible for coordinating an ad hoc Project Committee (USAID, GOS, CARE) to review private sector grant proposals to ensure a cross fertilization from the different project components and across organizations. This committee will also review and comment on the STEP's annual workplan, baseline studies, and evaluation reports. USAID will have the final decision in the review process.

1. Experimental Projects Component: CARE will develop, with organizations in Swaziland, at least six different approaches to stimulating small enterprise development. The activities must fit the selection criteria mentioned in Part B. Ideas will be reviewed on a trimester basis and will be based on ideas developed either by the organizations in Swaziland, or jointly with CARE. The proposals will include (a) a description of the activity including purpose, beneficiaries and methods to be used giving details on how the activity will be monitored and evaluated, (b) an implementation plan indicating timing and responsibilities, (c) the learning objectives of the organization being assisted, and (d) a financial plan indicating all sources of money for the activity and disbursement plan. The as hoc Project Committee will review the applications, with USAID having the final approval.

8

2. **Baseline Study Component:** To implement the baseline study component, CARE will sub-contract with either the Social Science Research Unit (SSRU) of the University of Swaziland or other researchers as necessary to conduct the baseline studies. The baseline studies will be carefully tied to the basic project assumptions and the operational hypotheses to be tested through experimental projects.

Types of Studies to be Conducted in Project:

- (1) **Small Enterprise Development (SED) Policy Environment** - Questions concerning the opportunities and constraints to the target population created by the policy environment should be elaborated as soon as possible. While this project does not have an objective of policy change as such, project activities should be guided by policy realities. The lessons learned from the experimental activities should provide the basis for policies that should enable the indigenous Swazi small enterprises to grow under the expected expansion of larger industrial firms.
- (2) **Small enterprise linkages to new investments** - This is quite a broad subject depending on the types of new investments and some sort of Swazi capability inventory. This area is key to proper guidance of SE activities in other STEP Components.
- (3) **Swazi ownership issues** - This information is critical to the stimulation of Swazi entrepreneurs and is linked to the policy study.

Other key information could be as follows, funds permitting.

- (4) **Vocational training center graduate survey** - It is vital to know whether people are receiving the kinds of training necessary for survival in the market place, not only from MITC but the other vocational training centers in Swaziland.
- (5) **Rural/Urban linkages** - a study of this sort would indicate possible growth areas for small enterprises within Swazi rural/urban structure

3. **Assistance to the Manzini Industrial Training Center's Business Management Extension Program:** CARE will provide MITC with up to 5 months of advisory services over the life of the USAID funded BMEP (645-0222) project in areas as agreed by CARE, MITC and USAID are necessary. CARE and short-term

consultants will be available for specialized marketing services. CARE, in its advisory role, will assist MITC/BMEP with the development of their annual workplan which (a) describes and provides a timetable of what BMEP is to accomplish during the period, and (b) observable indicators of success in achieving BMEP's objectives.