



TOGETHER
for a sustainable future

OCCASION

This publication has been made available to the public on the occasion of the 50th anniversary of the United Nations Industrial Development Organisation.



TOGETHER
for a sustainable future

DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

FAIR USE POLICY

Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

CONTACT

Please contact publications@unido.org for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at www.unido.org

21943

70p.
tables

Distr.
RESTRICTED

FMD/R.3
21 February 1994

UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

ORIGINAL: ENGLISH

IN-DEPTH EVALUATION OF SELECTED PROJECTS
UNDER THE SPECIAL TRUST FUND SCHEME
FINANCED BY JAPAN

TF/GLO/92/C10

Pilot Fruits Processing Plant by Rural Women
At Cottage Industry Level (Zambia)

Development of Rural Industries at Grass-root Level (Zambia)

Development of Small and Cottage Industries
At Grass-root Level (Uganda)

Integration of Women in Agro-industry Development:
Sun-drying of Fruits and Vegetables (Senegal)

Report of the evaluation mission*

Prepared in cooperation with
the Government of Japan and
the United Nations Industrial Development Organization

* This document has not been edited

TABLE OF CONTENTS

	Page
1. INTRODUCTION	3
2. EXECUTIVE SUMMARY	5
3. PROJECT CONCEPT AND DESIGN	13
4. PROJECT IMPLEMENTATION	27
5. PROJECT ACHIEVEMENTS, IMPACT AND SUSTAINABILITY	33
6. RECOMMENDATIONS	48
7. ISSUES AT PROGRAMME LEVEL: LESSONS LEARNED	53
Annex I: terms-of-reference	58
Annex II: list of persons met	67

1. INTRODUCTION

Resolution GC.4/Res.16 of the Fourth General Conference of UNIDO requested the Director-General to undertake an in-depth evaluation of the special trust funds programme. Several Evaluation Missions were consequently carried out in an attempt to cover a representative sample of UNIDO-executed technical assistance projects financed under the trust funds mechanism.

The present evaluation surveys four projects, namely

TF/RAF/87/903	Pilot fruits processing plant by rural women at cottage industry level (Zambia)
TF/ZAM/89/903	Development of rural industries at grass-root level (Zambia)
TF/GLO/88/905	Development of small and cottage industries at grass-root level (Uganda)
TF/GLO/89/015	Integration of women in agro-industry development: sun-drying of fruits and vegetables (Senegal).

These projects are financed by the Japanese Ministry of Foreign Affairs through individual trust funds agreements with UNIDO, under an umbrella programme aimed at alleviating rural poverty in developing countries.

*

The Evaluation Mission was undertaken between January 16 and February 19, 1994.

The team composed to that end was made of:

Mr. Hodaka Morita	for the Ministry of Foreign Affairs of Japan
Mr. Philippe Scholtès	on behalf of UNIDO.

After a week of briefing sessions in UNIDO headquarters in Vienna, the team visited successively Zambia (23-31 January), Uganda (01-06 February), and Senegal (07-11 February) before returning to Vienna for a one-week de-briefing and the presentation of the conclusions and recommendations.

Altogether, the mission held detailed consultations with relevant partners involved in the different projects, in various capacity: target beneficiaries, experts and counterpart staff, Government officials, donor representatives, and UNIDO officers who contributed to the identification, design and implementation of the projects. The team members are most thankful to everyone of them for sharing their views, concerns or expectations, and sincerely hope that the outcome represents a comprehensive assessment of technical assistance delivery that will prove of valuable guidance for future similar actions.

*

The report by-and-large adheres to the guidelines set forth in UNIDO/DG/B.106 on the format and substance of in-depth evaluation reports. However slight departures were felt necessary at times, in order to blend in a readable form project-level considerations and broader issues at programme level.

The projects under review do indeed share some common features, such as a focus on the rural poor, with emphasis on women, the promotion of grass-root level income-generating activities, and the use of a revolving fund to offer unsecured micro loans. These elements are, no doubt, critical in the process of rural development and it was deemed useful to address them in a separate chapter, on the basis of a cross-section analysis of the respective experiences recorded under the four projects.

Chapter 2 of the report provides a summary of the main lessons and recommendations of the evaluation.

Chapter 3 to 6 form the core of the analysis at project level, and are therefore divided on a project-by-project basis. The methodology draws to a large extent on the Logical Framework Approach and Objective-Oriented Project Planning techniques, tailored nevertheless to reflect the low level of sophistication and the heavy socio-cultural content of rural development programmes at grass-root level.

Chapter 3 looks at the early stages of the project cycle, that is, from the identification, conception and formulation up to approval.

Project implementation is then reviewed in **Chapter 4** in terms of the timely and cost-effective delivery of an appropriate package of services and equipment.

The project achievements and impact are described in **Chapter 5**, and an assessment of its sustainability prospects is proposed.

Chapter 6 summarizes the recommendations of the Evaluation Mission for each one of the four projects under review.

Finally, **Chapter 7** attempts to elicit, from the hindsight of four particular case-studies, robust inferences on broader issues relating to rural industrialization.

2. EXECUTIVE SUMMARY

2.1 Background

The present Evaluation Mission is part of a broader exercise aimed at assessing the overall effectiveness of UNIDO's Trust Fund scheme. The scope is a sample of four projects executed by UNIDO and financed under a trust fund agreement with the Ministry of Foreign Affairs of Japan. The projects are:

TF/RAF/87/903	Pilot fruits processing plant by rural women at cottage industry level (Zambia)
TF/ZAM/89/903	Development of rural industries at grass-root level (Zambia)
TF/GLO/88/905	Development of small and cottage industries at grass-root level (Uganda)
TF/GLO/89/015	Integration of women in agro-industry development: sun-drying of fruits and vegetables (Senegal).

*

These projects share some common features, such as a focus on rural industrialization at grass-root level, an emphasis on the integration of women in the development process, and the use of a revolving fund to address credit constraints faced by small-scale enterprises. Thus apart from the standard outcome of an in-depth evaluation at project level, the report also ventures an insight into such cross-project issues as UNIDO and rural industrialization, the mechanism of a revolving fund to channel financial assistance to grass-root level businesses, and the effectiveness of the trust fund scheme, as can be extracted from the particular experience of the projects under review.

The Evaluation Mission started on January 16, 1994 to end five weeks later on February 17, after visiting UNIDO Headquarters in Vienna and the projects' site in Lusaka and Mongu (Zambia), Mbale (Uganda) and Dakar (Senegal).

*

In all three countries visited, the Mission had the opportunity to convey its findings, conclusions and recommendations to the relevant partners involved in the projects under review:

- in Zambia on 30 January, with staff from the Village Industry Services (the national counterpart of both projects covered in this country);
- in Uganda on 04 February, at the UNDP/UNIDO Office;
- in Senegal with the '*Institut de Technologie Alimentaire*', the project counterpart. Also present was Ms. Fowler, Chairperson of the '*Groupement d'Intérêt Economique*', expected to take over the project after UNIDO's withdrawal.

By-and-large, the de-briefing sessions ended with a general agreement on the outcome of the evaluation.

2.2 Problem analysis and recommendations at project level

2.2.1 TF/RAF/87/903 Pilot fruits processing plant by rural women at cottage industry level (Zambia)

Problem analysis: The main objective of the project, which was to afford rural women the opportunity of creating some monetary income, was obviously not attained, at least not in a durable fashion. Two primary reasons can explain this failure:

- first, the target group of women may simply not be interested in generating income;
- second, the income created by the fruit processing activity may be insignificant, if at all positive.

Since the women do not keep any systematic records, in accounting terms, of their business, it is unfortunately impossible to judge which one of these two possible explanations is actually binding. The true reason probably lies somewhere in between.

Be it as it may, the two possible reasons hint at distinct shortcomings of the project:

- in the first case, there was in the project design the implicit assumption that women were interested in earning cash income by allocating some of their labour to producing tradeable goods. Thus the root cause is to be found in the project design failing to report, and adequately integrate, this critical assumption ;
- in the second case, the low profitability of the fruit processing activity can trace its cause in the absence of a proper market survey and feasibility analysis at the time of project design.

Recommendations: Four years after the operational completion of the project as far as UNIDO is concerned, there is little sense in working out project-specific suggestions. Important recommendations do certainly emerge from this particular experience, but as they touch upon broader issues of assistance at grass-root level.

2.2.2 TF/ZAM/89/903 Development of rural industries at grass-root level (Zambia)

Problem analysis: Basically, the root problem addressed in the project was that rural small-scale enterprises represented a potential largely untapped, due to the non-accessibility of financial and technical services at micro-level. Such services in turn were not made accessible because of the absence of structured network at grass-root level, capable to reach out the most remote rural areas.

The strategy was thus to build on existing institutions at rural level, to consolidate these into an organized network very close to the clients' base, and to trigger the activities of the network by a token capital injection, intended as a revolving fund. To that extent, the project can be rated as successful.

Yet the concessionary terms offered in the lending activities of the project have commanded a strong response from the rural community, and expectations that cannot be met in the present circumstances. The causes for that shortcoming of the project are two-fold:

- the capacity of VIS to support on its own the overhead costs of the programme was over-estimated;
- the project design failed to indicate that the revolving fund should be operated on a strictly commercial basis. The trade-off is between helping a few privileged ones by offering highly subsidized conditions, and assisting a larger number on the basis of market-determined terms.

Recommendations:

Operate the Fund on a commercial basis - Apply market-determined interest rates

Several interviews with borrowers revealed that what makes the VIS/UNIDO revolving fund attractive to RDOs and entrepreneurs is the accessibility of the credit itself and of related extension services, rather than its favourable interest rate tag. The winning edge of the VIS/UNIDO revolving fund must be its unique accessibility at grass-root level and rely on offering excellent service to rural small-scale enterprises, rather than on undercutting the competitors' interest rates.

Maintain a cooperation relationship with related agencies

The cooperation relationship with RDOs, the Loans Committee, and entrepreneurs is very good so far, and should be pursued as such in the future. In order to maintain a good network with RDOs, VIS should not hesitate, when warranted, to reward RDOs' performances in identifying investment opportunities, assisting the entrepreneurs and ensuring the timely reimbursement of the loans. This reward should be proportional to the volume of business generated by each RDO, for instance on a commission basis;

Replicate similar programmes in nearby provinces

Since a wealth of experience (in such areas as survey methods, RDOs networking, and management of the Loans Committee) has been accumulated through the project, similar programmes should be conducted in nearby provinces.

2.2.3 TF/GLO/88/905 Development of small and cottage industries at grass-root level (Uganda)

Problem analysis: Although they have earlier demonstrated their potential and resilience to socio-economic disturbances, rural small-scale and cottage enterprises currently represent an under-exploited asset of the country's. The cause of this root problem lies in the fact that these firms experience in their daily operations severe financial and technical constraints, and require sustained, if not necessarily costly, nurturing to expand and mature to a self-supporting stage.

The strategy designed to address this problem relies on the establishment of an essentially local, non-profit structure.

Sensible though as it looks, the structure suffers the critical weakness of being entirely a creation

of the project. This shortcoming is felt in all the components of the structure, and seriously undermine its sustainability:

- the Growth Centre Committee is already showing a dangerous lack of cohesion;
- the Loans Committee is likely to collapse after UNIDO's withdrawal;
- the development finance institution itself, namely the Uganda Co-operative Bank, does not traditionally encompass cottage industries in its lending portfolio. Dealing with small-scale manufacturing units is a different business altogether, for which the Bank is not prepared;
- finally, the pool of extension service officers is now inexistent as the Government failed to honour its commitment of assigning staff to the project.

The observed weaknesses of the project stem from a shallow design of the underlying project document, which clearly understated the risk associated with setting up *ex nihilo* such complex structure, to be firmly anchored in the local community.

Recommendations:

A more effective use of the revolving fund

- a larger portion of the loans should be targeted to the purchase of equipment;
- when funds are nevertheless disbursed for the purchase of raw materials, the first disbursement should be relatively smaller and the loan period should be shorter (three to six months);
- the current equity requirement for borrowers should be brought up to a minimum of 20%;
- cash disbursement to borrowers should be limited to 15%.

Actions to sustain the project

- the contract of the national expert should be extended for six months upon the effective nomination of at least two Government counterparts (one economist and one technical expert) must be appointed at once, as a strict pre-condition;
- the Co-operative Bank Ltd. should be brought to play a more active role in monitoring the borrowers and encouraging them to reimburse on time;
- an existing, viable structure should be identified for future involvement into the project.

Replication of the project in other areas of Uganda

The site for possible replication should be selected on the basis of the areas already covered by this project, the similar UNDP/UNIDO project in Mbarara, and the UNDP/UNCDF project in the North.

2.2.4 TF/GLO/89/015 Integration of women in agro-industry development:
sun-drying of fruits and vegetables (Senegal)

Problem analysis: The root problem was identified as the lack of access, by rural women, to income-generating activities. Sun-drying of fruits and vegetables was thought to provide a cost-

effective answer to this constraint.

Major problems emerged during the course of the project execution, and threatened at some point (during the second half of 1991) to bring the project to a premature end.

The Evaluation Mission strongly believes that these problems did not primarily arise from some backstopping failure, but were on the contrary rooted in the very design of the project document, as indicated in the relevant chapter of this evaluation. There was indeed a glaring inconsistency between the title of the project with its decisive 'women' focus, and the substantive content of the document, much more technology-oriented.

On these accounts, Phase 1 of the project should have been called 'strengthening of the capacities of ITA' to reflect more adequately its actual intentions. This ambiguity raised a lot of confusion, and ultimately prompted the strong reaction of the Japanese mission, suspecting a deviation from the project's main objective.

At mid-term, the project was therefore re-oriented, this time with a resolute emphasis on the targeted women's groups, and on the commercial aspects of the dryer. Yet in spite of this major revision, the project counterpart remained unchanged. And soon enough appeared the first signs of a conflict between vested technological and commercial interests, and resulted in the ambivalent situation that characterizes the project today.

Recommendations:

Full transfer of the project equipment to SENEREGAL

To cut short the current equivocal situation that may very detrimental to the successful completion of the project, the Evaluation Mission recommends that all equipment be officially and without delay transferred to SENEREGAL, the host 'Association of Economic Interests' in Ndamlo. Thereon, the centre of Ndamlo should be run on a fully private basis.

While the project could absorb the research and development expenses invested in the dryer, it would appear desirable for the sake of fairness that the equipments itself be in fact sold at their actualized cost, rather than donated to the private association. Yet in view of the still experimental --at least from a commercial viewpoint-- nature of the dryer, exception to this deontological argument could be tolerated.

Promotion of the dryer

If the pilot experience proves profitable enough, it should be heavily promoted in Senegal and in the countries of the sub-region enjoying similar climate and crops.

Regardless of the identity and gender of whatever new promotor, the activity would in any case generate employment and income opportunities for rural women as the technology is both rural-based and labour-intensive, and therefore particularly suited to the ultimate target groups.

2.3 Issues at programme level - lessons learned

2.3.1 Grass-root level industrialization and UNIDO

- **scale**: the desired transfer of competence from the experts to the target beneficiaries is seriously thwarted by the deep discrepancy between them in terms of knowledge stock, standard of living, and cultural heritage;
- **targets**: thus it seems preferable to break this scale into a sequence of steps, and to aim the technical assistance not directly at the level of end-users, but at some intermediate, better structured level such as recognized Rural Development Organizations (RDOs), who in turn will channel its benefits to the target beneficiaries at grass-root level;
- **expertise**: for the same reason, expertise must be local to the extent possible, and preferably strongly rooted in the socio-economic milieu. Rural communities are very suspicious by nature, and regard any external intervention with considerable skepticism, if not outright distrust;
- **technology**: no technological breakthrough can be reasonably expected from rural enterprises at grass-root level. Experience shows on the contrary that adopting proven, rather than experimental, equipment is more conducive to full assimilation and sustainable impact;
- the **absorption capacity** should not be over-estimated while preparing the project and its tentative workplan. Projects of this kind feature a very long incubation period, and typically start delivering when nearing their scheduled completion;
- the **socio-cultural dimension** of these projects by far outweighs the techno-economic challenges they pose, and their success often hinges on a sensible appreciation of the intricate environment they dwell into. It is therefore advisable that projects of that nature be preceded by a comprehensive preparatory assistance, allowing for a more accurate design of the main phase, and better performances altogether;
- **pilot projects**: beneficiaries are weary of seemingly endless sequences of pilot projects. Fashionable as it is, the concept should be taken more seriously and truly lead to a broader dissemination of the experience gained in such projects.

2.3.2 Integration of Women in Development

- **women as targets** of technical assistance: it is not always relevant to measure the extent of women participation only from the number of women beneficiaries. In this regard, an in-depth social analysis is required to better apprehend the true extent of women involvement;
- **income allocation**: similarly, a prior socio-economic analysis should look into income

allocation mechanisms in the society, particularly across genders. It may well turn out that whatever income is earned by women is actually remitted to, and spent by, their husbands in goods or services that do not increase the women's own utility, nor for that matter serve the ultimate cause of their advancement in the society;

- **women as instruments** in technical assistance delivery: perhaps a more effective way of enhancing the profile of women and contribute to their progressive integration in the economic society is to rely on women groups as NGOs or Rural Development Organizations to channel technical support to the target beneficiaries.

2.3.3 The Revolving Fund instrument

The use of a revolving fund to service credit needs at grass-root level has certainly demonstrated its potential. Yet several recommendations emerge from the two case-studies in Zambia and Uganda:

- **interest rates**: the revolving fund should be run on a strictly commercial, if not necessarily profit-oriented, basis, and market-determined interest rates should be charged to the loans it affords. The compromise is between awarding heavy subsidies to a privileged few, or making credit accessible, if at market terms, to many;
- **accessibility vs availability**: in the case-studies under review, and particularly in Zambia, the winning edge of the scheme lies in the accessibility, rather than in the availability, of credit to grass-root level entrepreneurs. A grass-root network of RDOs, through its proximity to the clients' base, considerably contributes to the accessibility of credit. It represents a most valuable asset, which should command retribution through a higher than concessionary interest rate;
- the **management** of the revolving fund need not be entrusted to an established bank: an existing non-profit institution, provided it satisfy capacity and integrity conditions, may well act as a financial intermediary on its own right;
- **grace period and repayment schedule** should be consistent to the actual destination of the funds. In any case, the use of the revolving fund to cover variable costs should be limited to its minimum extent, and rather seek to finance capital requirements, where its development impact is more obvious;
- **disbursements** must be tightly controlled, and realized in kind rather than in cash to avoid possible diversions. The Evaluation Mission is basically against disbursements for raw materials, as it represents a distorted way of easing a constraint that essentially lies on the consumer's side;
- **security**: the submission of adequate security is often the key issue of such lending programmes. Rather than individual security, group security could be sought, whereby a closely tied social community would step in and collectively provide the required collateral;

- **leverage** merits to be encouraged, as a way to promote successful entrepreneurs into a higher category of financial services. Under that scenario, promising small-scale entrepreneurs would be granted loans from the revolving fund, to serve as security against larger loans from established development finance institutions.

2.3.4 The Trust Fund mechanism

The Evaluation Mission failed to see, in the four projects under review, significant advantages of third-party Trust Fund, vs for instance Industrial Development Fund, financing:

- at **design stage**, the Mission noted the following points:
 - the idea of initiating discussions with a donor around a preliminary concept represents no doubt a time-effective improvement;
 - the role of the Trust Fund section seems unclear at this stage. Its value-added fluctuates from project to project, at times contributing to the design and drafting, but acting at times as mere stamping office;
 - other parts of UNIDO such as the Area programme and the Appraisal section, normally involved in project identification and design, appeared systematically bypassed in the case of trust funds projects;
- evidence from the **implementation** of such projects suggests that:
 - unlike commonly believed, trust funds projects do not show any greater flexibility during their implementation, when it comes for instance to redeploy inputs and introduce internal transfers in the budget;
 - no periodical mandatory revisions are routinely carried out to revise initial allotments, actual expenditures and forecasts;
 - there seems to be no built-in mechanism for joint progress reviews that would allow the donor, UNIDO and the national counterpart to closely monitor the execution of the project ;
 - similarly, there appears to be little compliance with the reporting obligation from the backstopping branch to the Trust Funds section and to the donor.

3. PROJECT CONCEPT AND DESIGN

3.1 TF/RAF/87/903

3.1.1 Project identification

The project idea was born during a mission to Zambia of the former Chief, Women in Development Unit, UNIDO. During that mission in 1988, UNIDO discussed with the national focal point for the promotion of women in Zambia, the experience of a project in nearby Swaziland where rural women were involved in fruit processing activities at the early stages of growing, collecting, and preparing the fruits for further processing. This type of activity was felt particularly suited to rural women inasmuch as it created value out of surplus labour and locally available raw materials, with little capital requirements.

The idea was enthusiastically embraced by the Zambian part, and together with the UNIDO mission, a project concept was sketched out. The project would be located at Kapini, a small village at the outskirts of Lusaka. Kapini benefitted already from some basic infrastructures and a strong communal organization, and was conveniently nested in an agricultural area surrounded with orchards, close at the same time to the capital. The Zambian counterpart in the project was identified as the Village Industry Service, a local NGO with convincing rural development credentials.

In April 1988, a formal request for technical assistance was issued by the Zambian Government.

3.1.2 Design and appraisal process

The design of the project was developed in Vienna by the substantive Branch (former IO/IIS/INFRA), in close cooperation with the concerned Trust Funds Officer. Contacts were indeed established from the beginning with the Japanese mission to UNIDO, which had expressed its interest of supporting rural development projects through an umbrella Trust Fund agreement with UNIDO.

The AREA Programme at UNIDO headquarters was not involved in the design process, nor was the Appraisal Section. The project proposal was officially approved in November 1988.

3.1.3 Problem area

The problem area was the non-accessibility of rural women to monetary income. Apart from managing the household, women's tasks generally include the cultivation of the family plot of land, mostly for home-consumption. Surplus output, if any, eventually finds its way to the market, but the proceeds are generally meager, as prices are particularly low in crop season.

3.1.4 Strategy

The strategy was to provide income-earning opportunities to rural women. The processing of local fruits into juices and jams offered interesting prospects in this regard: surplus fruits are cheap in peak season, their processing is a labour-intensive activity quite accessible to women, and significant value-added can be generated by expanding over time the shelf-life and supply of otherwise highly seasonal products.

The project was intended as a pilot phase, during which technological and managerial aspects of fruit processing activities at grass-root level would be carefully addressed and fed into the preparation of a second phase, aimed at a broader dissemination of the concept.

3.1.5 Consistency/linkages with on-going programmes

The project was, and remains, fully consistent with the general drive towards an increased diversification of the productive base of the economy, away from the excessive reliance on large-scale copper mining. The Government had strongly stated its emphasis on rural development, and several programmes were initiated in this direction, with the support of numerous NGOs and official aid agencies.

In its background section, the project document depicts a good overview of relevant activities under way at that time.

3.1.6 Counterpart

The Village Industry Service (VIS) was established in 1976 as an indigenous non-governmental organization. It essentially provides a range of information, technical assistance, and training services to micro and small-scale entrepreneurs, and holds offices in all nine provinces of Zambia, with a total staff currently of about 70.

Unlike the sister institution SIDO (Small Industries Development Organization), VIS as an NGO is not directly funded by the Government. Its revenues essentially come from executing technical assistance programmes on behalf of foreign NGOs and aid agencies, as well as from consultancy fees, rental of incubator estates, and charges levied on training programmes. It does enjoy strong linkages with the rural sector, particularly at grass-root level.

3.1.7 Target beneficiaries

The target beneficiary was, according to the project document, the Village Industry Service who would see strengthened its capacities to offer income-generating opportunities to rural women.

Although a group of 22 women of Kapini, already structured in the form of a cooperative, was selected to host this pilot experience and thus derive some income out of the fruit processing activity, they are not listed amongst the beneficiaries of the project.

3.1.8 Objectives, outputs and activities

The project objectives were to delineate technological aspects as well as management requirements of fruit processing activities at grass-root level, and to organize an appropriate training programme aimed at both trainers (from VIS) and end-users, as a preparation for a large dissemination of such micro-enterprises in a second phase.

Its outputs encompassed (i) a technical document designed as a 'do-it-yourself' guide to setting up a micro fruit-processing plant, (ii) a project document for the second phase, building on the experience gained in the pilot project, (iii) trained women on related subjects, and (iv) operational prototype plants.

Activities to that end included surveys of raw materials, existing production processes, and market prospects, of possible sources of capital and potential women entrepreneurs, as well as the design of the equipment and studies of applicable import regulations and financial feasibility of such micro processing plant.

3.1.9 Prerequisites and assumptions

No prerequisites or assumptions were explicitly stated in the project document.

3.1.10 Inputs (as per signed project document)

Budget Line	Description	Amount (US\$)	%
11-50	International Food Technologist (4.0 m/m)	36,000	40.80
17-01	National mechanical engineer (2.0 m/m)	2,000	2.27
17-02	National project analyst (2.0 m/m)	2,000	2.27
15-00	Local travel costs of project staff	5,000	5.67
31-	Training: women entrepreneurs	15,000	17.00
31-	Training: VIS technical personnel	4,000	4.53
41-00	Office supplies	1,500	1.70
42-	Equipment	5,000	5.67
42-	Project Vehicle	15,000	17.00
51-00	Miscellaneous (including reporting costs)	2,730	3.09
99-99	TOTAL (excluding 13% support costs)	88,230	100.00

3.1.11 Workplan

The project document does not feature a workplan, which, it states, will be prepared upon the inception of the project, in accordance with published UNIDO guidelines.

3.1.12 Reporting, evaluation and follow-up

A self-evaluation exercise was foreseen in the project document, but it has not materialized, at least not in the standard form of a Project Performance Evaluation Report.

No mention was made of the preparation of progress reports nor, for that matter, of whatever reporting obligation vis-a-vis the donor, for instance.

A follow-up was envisaged in the form of additional fruit processing units to be installed in rural areas and run by women entrepreneurs.

3.2 TF/ZAM/89/903

3.2.1 Project identification

The project idea was suggested by the backstopping officer during a mission to Lusaka in April 1988. The aim was to link together different Rural Development Organizations (RDOs) operating in a same rural area, and establish this way a grass-root network capable of (i) identifying credit needs for micro rural enterprises, (ii) evaluating the investment projects and, upon satisfactory appraisal, (iii) extending loans and monitoring disbursements/repayments schedules. A Revolving Fund was to provide the financial impetus to the credit scheme.

The network of RDOs was also intended to accompany the credit scheme with appropriate technical support to the borrowers in such areas as management, marketing, and maintenance of the equipments.

3.2.2 Design and appraisal process

The project document was designed by the backstopping officer, in consultation with the field. Initially, the geographical coverage of the project was to include three provinces of Zambia, but the budget constraint emerging from negotiations with the donor reduced the scope to one province only. The Western province was selected to serve as a pilot experience in view of its rural character, the existence of a VIS office in Mongu, its main town, and the fact that the province had, until then, been overlooked by most NGOs operating in Zambia.

Neither the Area programme, nor the Trust Funds section of UNIDO were substantively involved in the preparation of the project document. Yet contacts with the donor were established at an early stage, and the Trust Funds section was instrumental in finalizing an agreement with the Japanese mission to UNIDO.

From April 1988 until September 1990, the project underwent a sequence of amendments to

progressively incorporate the experience gained in the implementation of then on-going project UC/ZAM/86/176 'Rural Industry Development', with which it shared similar features.

The project followed the normal appraisal procedure of UNIDO. The appraisal memorandum, dated 22 May 1991, is rather extensive and suggests a number of improvements in order to make the project strategy more transparent, and streamline its objective, outputs and activities. However, as far as can be judged from the last version of the project document (i.e., posterior to the appraisal note), these remarks were followed to a limited extent only.

The project document was signed in August 1991.

3.2.3 Problem area

The project document is not very clear as to the root problem it is meant to address. The first paragraph of the 'project justification' section reads:

'There is a potential economic impact of the small-scale industry on the national economy due to the fact that its activities involve a significant share of total employment, i.e. the rural small-scale manufacturing sector is estimated to involve over 150,000 workers which is 89% of employment for the manufacturing and service industries excluding beverages and vending'

which suggests, as core problem, that rural small-scale enterprises, important though they are in terms of employment, represent a asset largely under-exploited.

The reason for that state of affairs, as it can be extracted from subsequent paragraphs of the project document, lies in a combination of limited financial resource mobilization, and poor institutional support.

3.2.4 Strategy

The project will enhance credit accessibility to rural areas, and strengthen institutional support to grass roots entrepreneurs by clustering existing Rural Development Organizations in the selected scope of coverage. The capacities of the network will be sharpened by an appropriate training programme, while a Revolving Fund will allow it to initiate micro lending activities in rural areas.

3.2.5 Consistency/linkages with on-going programmes

The project concept was fully in line with the Government's policy towards rural development. It was equally consistent with the activities of a number of Aid Agencies (including earlier or on-going UNIDO projects) and NGOs working in the same field.

3.2.6 Counterpart

See 3.1.6 above. It must be added that VIS had already been operating on its own resources a smaller revolving fund aimed at extending credit to rural enterprises at grass-root level. Furthermore, VIS had been instrumental in the successful implementation of the

Government's Hammer Mills programme launched a few years earlier, whereby hundreds of small-scale households were offered unsecuritized loans to purchase hammer mills, with a recovery rate of 78%.

VIS was to become the focal point of the network, in a hub-and-spoke configuration.

3.2.7 Target beneficiaries

The target beneficiaries of the project included:

- VIS and the RDOs who would see their joint capacities strengthened;
- the beneficiaries of the micro loans, who would have access, through the network, to an integrated package of technical and financial services.

3.2.8 Objectives, outputs and activities

The project document features one immediate objective, viz. to demonstrate the effectiveness of a network of RDOs, backed by a Revolving Fund, to promote the development of small-scale rural enterprises in the Western province of Zambia.

Benchmarks towards this goal are: (i) a survey of the prospects of the target region in terms of raw materials, markets, existing businesses and RDOs, (ii) operational guidelines for the network, (iii) operational guidelines for the management of the revolving fund (coined in the project document 'the VIS Rural Industry Seed Fund Programme'), and (iv) the establishment of 19 rural small-scale enterprises, with a total employment creation of 131 (sic).

Corresponding activities in turn include the preparation of a survey, the elaboration of manuals of procedures and terms-of-reference for the network and the management of the revolving fund, the organization of workshops, the identification and evaluation of proposals for rural small-scale projects, and the extension of advisory services to the entrepreneurs.

3.2.9 Prerequisites, risks and assumptions

The timely delivery, by the project counterpart, of its committed contributed to the project is the only prerequisite explicitly stated in the project document.

As for the risks faced by the project, the document does envisage the case of a sharp devaluation of the national currency, and the impact it may have on the budget. To cope with that risk, the budget includes an unusually high provision for contingencies (about 20% of the total budget).

3.2.10 Inputs (as per signed project document)

Budget Line	Description	Amount (US\$)	%
13-	Project driver (24 m/m)	7,200	3.20
13-	Secretary (24 m/m)	7,680	3.42
15-00	Project travel	6,500	2.89
16-00	Headquarters staff travel	6,000	2.67
17-01	Expert in business development (24 m/m)	48,000	21.34
17-50	Short-term consultants (8 m/m)	4,000	1.78
33-00	training and workshop	4,500	2.00
41-00	Seed Fund	50,000	22.23
42-00	2 Project Vehicles and other equipment	40,000	17.79
51-00	Miscellaneous (including reporting costs)	47,000	20.90
99-99	TOTAL (excluding 13% support costs)	224,880	100.00

3.2.11 Workplan

No workplan is provided in the project document. It is assumed that preparing it will be the responsibility of the national expert, although the latter's job description is not supplied.

3.2.12 Reporting, evaluation and follow-up

Similarly, the national expert of the project will be responsible for keeping VIS, UNIDO Lusaka and UNIDO Vienna abreast of the proceedings of the project, and for preparing and disseminating progress and terminal reports.

3.3 TF/ GLO/88/905

3.3.1 Project identification

Between 1987 and 1989, the --then-- Ministry of Industry and Technology in Uganda carried out, in the framework of UNIDO/World Bank project 'strengthening the Planning Unit of the Ministry', a nation-wide survey on the industrial activity in the country, with emphasis on the small-scale enterprises.

The survey highlighted the financial and technical constraints severely hindering growth in the small-scale industrial sector. Considering however the prospects offered by the sector, and its basic strength as demonstrated by the particular resilience it had shown during the socio-economic disturbances of the past two decades, the Ministry decided to launch a pilot experience of credit and technical services extension to rural small-scale entrepreneurs. An official request to UNIDO was forwarded through the local UNDP Office in October 1988.

The city of Mbale was chosen to host the project in view of the quality of its infrastructures (roads, electricity, industrial base), the availability of raw materials and human resources (the city boasts several schools of higher education), and its location at the cross-roads between Kampala, the Northern region and Kenya, in a densely populated region where agricultural output is limited by prevailing productivity levels.

3.3.2 Design and appraisal process

The project document was jointly elaborated by the Ministry of Industry and Technology - Industry Commission and the backstopping branch of UNIDO. There is no evidence of involvement from UNIDO's Area programme or Trust Funds section at this stage.

The project document, as can be seen from the itemized list below, is poorly drafted and fails altogether to provide a clear picture of the project's targets, strategy and operational particulars. It did not undergo an appraisal process, and was signed in September 1989.

3.3.3 Problem area

The problem area, as can be extracted from the development objective of the project document, is the low production capability of the small-scale and cottage industry sub-sector. The project document later states, in its background and justification section:

'The Government of Uganda has recognized that the small-scale and cottage industrial enterprises are the seed-bed for a self-sustaining industrial development in the country. During the two decades of civil disturbances in the country these enterprises functioned uninterrupted and, in difficult circumstances, sustained several critical economic activities in the country. They have demonstrated a great degree of resilience. They, therefore, have a rightful claim for development assistance'

3.3.4 Strategy

The strategy rests on a deliberate Government attempt to promote NGOs to undertake industrial development initiatives, whereby rural communities will fully participate in initiating, planning, implementing and monitoring their own industrial development needs.

The identification of the needs, their assessment, and the delivery of commensurate technical and financial response will be entrusted to a 'Growth Centre Planning and Development Committee', for which indicative terms-of-reference and tentative composition are supplied in an annex to the project document.

3.3.5 Consistency/linkages with on-going programmes

There is no reference in the project document to any on-going programme of a similar scope.

3.3.6 Counterpart

The project counterpart is the Ministry of Industry and Technology represented in the field by the Small Industries Division, in close co-operation with the 'Growth Centre Planning and Development Centre'.

3.3.7 Target beneficiaries

The intended target beneficiaries are not explicitly identified in the project document although, apart from the small-scale and cottage entrepreneurs in general, rural women and disabled groups are hinted at in the 'special consideration' section of the document.

3.3.8 Objectives, outputs and activities

The strategy put forward to increase the production capabilities of small-scale and cottage industries features two components:

'to rehabilitate, strengthen, develop and increase productivity in the small-scale and cottage enterprises in the Mbale area and its surroundings'

and

'to catalyze development activities in the income generating and productive sectors, and to reactivate and fully utilize skills, machinery and other productive resources in Mbale area.'

although the distinction or the complementarity between the two is not further explained.

The building blocks of the strategy include: (i) a survey mapping out rehabilitation and development needs in terms of equipment and training for increasing the productivity of the small enterprises in the region, (ii) at least half a dozen industrial units actually rehabilitated or established, (iii) a workable revolving fund mechanism, (iv) a minimum of ten professionals trained in technical and management extension services, and (v) a technical report on the project findings and recommendations.

Although the 'Growth Centre Planning and Development Committee' is to assume a key role in monitoring of the project, its establishment is not listed among the project outputs and related activities. The reason is probably due to the ambivalence of the Centre itself, both output (i.e., a creation of the project) and associate counterpart (which would suggest it existed prior to the project).

3.3.9 Prerequisites and assumptions

No prerequisites --except with regard to the project premises and the duty free importation privileges-- or assumptions were explicitly stated in the project document.

3.3.10 Inputs (as per signed project document)

Budget Line	Description	Amount (US\$)	%
13-00	Secretary (24 m/m)	2,400	0.90
14-01	UN Volunteer (24 m/m)	44,400	16.73
16-00	Staff travel	3,800	1.43
17-01	Community extension worker I (24 m/m)	1,800	0.68
17-02	Community extension worker II (24 m/m)	1,800	0.68
41-00	Expandable equipment	2,000	0.75
42-00	Non-expandable equipment	183,000	68.95
51-00	Miscellaneous (including reporting costs)	26,200	9.87
99-99	TOTAL (excluding 13% support costs)	265,400	100.00

Although the project document does mention among the inputs a revolving fund, the magnitude of the latter is not clearly stipulated. It appears that the inclusion of a revolving fund was a rather new idea at that time, and there still was considerable confusion as to how this provision should be entered in the budget. Hence the budget features an odd sub-component '42-xx' of the budget line traditionally reserved for non-expandables, reflecting the idea that non-expandable equipments would eventually --if indirectly, through the revolving fund-- be purchased against the corresponding allotment.

3.3.11 Workplan

The workplan is to be prepared by the project lead expert in consultation with his counterpart, and attached as an annex to the project document.

3.3.12 Reporting, evaluation and follow-up

The project document foresaw two tripartite reviews (the first one after 12 months of activity, and the second one in the month before project completion). Apparently the presence of the backstopping officer in these review meetings was not deemed necessary, since no provision to that effect was made in the budget.

3.4 TF/GLO/89/015

3.4.1 Project identification

In 1987, a mission by the --then-- Agro-Industries Branch, Division of Technology of UNIDO visited Senegal and held a series of consultations with the Institute of Food Technology in Dakar. The mission was responding to an official request by the Government to assist the Institute in its restructuring towards a more pragmatic, action-oriented body. A project was designed to that end (SI/SEN/88/801), and yielded in April 1989 a comprehensive restructuring plan of the Institute.

During preliminary discussions came the idea of reducing post-harvest losses of fruits and vegetables by a sun-drying process to extend their shelf-life, a field in which the Institute had already accumulated a knowledge base. Technical support from UNIDO was however required, to carry out research on the appropriate design of a sun-dryer, to construct and experiment a prototype, and to launch a pilot operation of the system.

A project concept was then elaborated, and submitted for consideration to the Government of Senegal. The Ministry of Economy and Finance approved the project idea, inserted it into its 3-year investment plan, and issued an official request to UNIDO for technical assistance in this area.

3.4.2 Design and appraisal process

The project document was designed by the substantive Branch of UNIDO, in consultation with the Institute in Dakar.

Neither the Trust Funds section, nor the Area programme of UNIDO were substantively involved at that stage. As the project was targeting women entrepreneurs, the project document was routed to the section of Women in Development for their comments.

The project document was cleared by UNIDO's Appraisal section on 09 August 1989. The corresponding appraisal memorandum did not go further than ascertaining the conformity of the project document to UNDP/UNIDO design standards, while leaving unanswered the question of the potential impact of the project, and dismissing the existence of outstanding problems.

The document was signed by both UNIDO and the Government of Senegal on 15 June 1990.

3.4.3 Problem area

The problem area, as far as it can be guessed from a careful reading of the project document, stems from the all too little involvement of women in productive activities, and in particular in the processing of fruits and vegetables.

3.4.4 Strategy

In order to increase women's participation in agro-based productive activities, it is proposed to combine existing raw materials such as local fruits and vegetables, available in

abundant quantities during the crop season, and cheap production factors such as surplus labour and solar energy, into a sun-dryer for fruits and vegetables.

The shelf-life of the transformed products would thus be greatly expanded, and counter-season sales, at high prices, of dried fruits and vegetables would generate significant value-added and income to the benefit of the women's groups.

Yet prior to delivering a 'turn-key' technology to the future entrepreneurs, it was felt that research and development was required to identify appropriate sun-drying processes and possibly adapt these to the climatic conditions observed in Senegal, as well as to the very type of fruits and vegetables to be treated.

3.4.5 Consistency/linkages with on-going programmes

Little is said in the project document on the consistency of the proposed technical assistance with similar, on-going activities in the country. The only reference to, and claim of consistency with, the prevailing socio-economic environment points at the Government's New Economic Policy (1987) which, it says, focusses on the development of the agricultural sector, the economic valorization of its output, and the improvement of the living standards in rural areas, with emphasis on the integration of women in economic activities.

3.4.6 Counterpart

The lead counterpart in Senegal is the '*Institut de Technologie Alimentaire*' (Institute of Food Technology), in co-operation with the '*Centre d'Enseignement et de Recherche des Energies Renouvelables*' (Centre for Education and Research on Renewable Energies) for the sun-drying part, and the '*Direction de la Famille et des Droits de la Femme, Ministère du Développement Social*' (Direction of Family and Women's Rights, Ministry of Social Development) for the women considerations.

3.4.7 Target beneficiaries

Although the project document stipulates as beneficiary the project counterpart, its title rather suggests that the ultimate beneficiaries are intended to be the rural women who, through the operation of the sun-dryer and the income they will derive from it, will be better integrated in economic activities.

If the latter interpretation proves correct, the institute of food technology is but a means to that end: it will in the process see its capacities strengthened, but essentially to enable it to better service the technology requirements of the women's businesses.

A fundamental confusion is found at this level, between technology concerns on the one hand, and socio-economic, gender-specific goals on the other. To some extent, the reference to women in the project title may be denounced as a catch word, or selling argument. The confusion in any case pervades the entire document, and was from the start poised to considerably affect the subsequent implementation phase of the project.

3.4.8 Objectives, outputs and activities

This part of the project document is particularly lengthy, and overly technical.

Two phases are envisaged: a first phase essentially geared to research and development at the institute of food technology, and a second, or operational, phase during which the conclusions of the first phase will first be consolidated at the institute (called 'the Centre') before being converted into a real-life application (in 'the Field').

It results in terms of outputs in a heavy list of documents, surveys, programmes and sub-programmes, consolidation of earlier documents, training programme and users' guides, complete with detailed terms-of-reference. The original wavering between a concern for women and an interest in technology clearly leans here towards the latter.

3.4.9 Prerequisites and assumptions

No prerequisites or assumptions were explicitly stated in the project document.

3.4.10 Inputs (as per signed project document)

Budget Line	Description	Amount (US\$)	%
11-01	International Food Technologist (14 m/m)	140,000	22.58
11-02	Industrial Engineer (3 m/m)	27,000	4.35
11-03	Industrial Economist (2 m/m)	18,000	2.90
13-00	Support Staff (part-time secretary - 18 m)	18,000	2.90
14-01	UN Volunteer - Socio-Economist (24 m/m)	28,000	4.52
14-02	UN Volunteer - Mechanical Engineer	28,000	4.52
15-00	Project Travel	40,000	6.45
16-00	Headquarters Staff Travel	15,000	2.42
17-01	Expert in Marketing (2.5 m/m)	5,000	0.81
17-02	Informatician (1 m/m)	2,000	0.32
17-03	Industrial Engineer (12 m/m)	24,000	3.87
31-00	Training	48,000	7.74
32-00	Fellowships	15,000	2.42
41-00	Expandables	17,000	2.74
42-00	Equipment for Dryer + 2 Project Vehicles	183,000	29.52

51-00	Miscellaneous (including reporting costs)	12,000	1.94
99-99	TOTAL (excluding 13% support costs)	620,000	100.00

3.4.11 Workplan

Benchmarks for the delivery of project outputs are scattered in the core part of objectives, outputs and activities.

3.4.12 Reporting, evaluation and follow-up

No stated reporting obligation. As for evaluation, a tripartite review meeting is foreseen at an open date, while a final self-evaluation will be carried out after completion of project activities 'in accordance with UNIDO's standard requirements for internal evaluation'.

4. PROJECT IMPLEMENTATION

4.0 Synopsis

Country	Project (Budget)	Title	APP memo	PPER	TPER	Techn. Reports	Project Status
Zambia	RAF/87/903 (\$ 103,218)	Pilot fruit processing plant	no	no	no	yes	completed
Zambia	ZAM/89/903 (\$ 224,880)	Development of grass-root rural industry	yes	yes	no	yes	on-going
Uganda	GLO/88/905 (\$ 300,000)	Development of grass-root rural industry	no	no	no	yes	on-going
Senegal	GLO/89/015 (\$ 700,000)	Integration of women in agroindustry development	yes	yes	no	yes	completed

4.1 TF/RAF/87/903

4.1.1 **Inputs delivery**

The project started in early 1989. Initially scheduled for a duration of 4 months, it was eventually extended to 14 months and thus, terminated in April 1990 in order to accommodate the availability of the international consultant, and minimize in the process the risk of a 'dependency syndrome' on the part of the group of women.

The international expert in food technology undertook during that period of time two missions of two months to Kapini, selected the transformation process, and consequently the raw materials and equipments required, contributed to the training programme and prepared the document describing the technical, economic and management aspects of the pilot plant. He worked in close cooperation with his national counterpart Ms Musonda, a food technologist from VIS.

VIS also assigned a project officer to monitor locally the work in progress. The two national experts were not recruited when the idea of a second phase, and thus the need for a new project document, were temporarily set aside (see section 5.2 below).

Albeit unsophisticated, equipments were to a large extent imported; this created some delays due to intricate customs regulations and lengthy bureaucratic procedures, at a time when deep protectionism was still the Government's official line in terms of international trade.

Nearly four years after the termination of the project, little more can be reconstructed of its implementation, which phase in this context anyway loses much of its significance in assessing the project.

4.1.2 Project backstopping and coordination

The project implementation went on rather smoothly, and did not raise any noticeable friction between backstopping branch, donor and target beneficiary. There is no record of significant involvement of UNIDO Trust Funds section during the implementation of the project.

Unlike stated in the project document, the project did not undergo a terminal self-evaluation exercise.

4.2 TF/ZAM/89/903

4.2.1 Inputs delivery

The implementation of the project started immediately after its approval in August 1991. A purchase order for the two project vehicles (one for the national expert, and a mobile training unit for VIS) was placed in September, and the national expert was recruited in December of the same year.

Due for delivery in Lusaka in mid-January 1992, the vehicles eventually arrived on April 07. Then occurred a major mishap, which entailed serious effects on the project implementation: on the night of 27 April 1992, the two vehicles were stolen from the UNDP compound, where they were kept in custody pending the finalization of the registration formalities. As they were not yet insured at that time, the loss was fully borne by the budget of the project, and an internal reallocation had to be made so as to afford at least one project vehicle. Meanwhile a criminal investigation was launched, but to no avail.

The national expert moved from Lusaka to the field site during Summer 1992, and proceeded soon afterwards with the regional survey (output 1 of the project). In November 1992 and February 1993, two workshops were organized with the local RDOs, gathering about 40 participants altogether.

During the second workshop were delineated the terms-of reference and composition of the nine-member Loans Committee, which was intended to (i) enhance accountability and transparency in the handling of the revolving fund, (ii) facilitate the integration of the project into the wider development programmes of the Western province, and (iii) enlist support for the project from community leaders at various levels (provincial, district and ward level). The composition of the Loans Committee adequately reflects its mandate. The project expert and the VIS regional manager form the secretariat of the Loans Committee: they compile all relevant information relating to each project proposal, elaborate a short feasibility analysis, and suggest a priority ranking of the projects according to pre-established criteria. A concise, but well-documented file is then prepared for each case, which the secretariat is ready to complement if so required during the deliberations of the Committee.

From March until December 1993, the Loans Committee met on 8 occasions to advise on management and procedural aspects of the revolving fund. In the meantime, the network created with VIS and the local RDOs became operational in channelling to the project investment needs

identified in rural areas.

At its meeting of 15 September 1993, the Loans Committee approved a first batch of 4 projects, followed in November by a second batch of 8, and finally a last batch of 8 in December. Although the seed capital had been virtually transferred from Vienna to Lusaka by Letter of Authorization (whereby UNDP Lusaka is authorized to incur expenditures up to a specified amount and retroactively charge UNIDO Vienna by IOV), disbursements were still made contingent upon written clearance from the backstopping officer in Vienna. Thus for instance the minutes of the Loans Committee approving the first batch of projects were faxed to the UCD on 24 September, and the clearance from Vienna was received from the same UCD some six weeks afterwards, on 04 November.

Borrowers are expected to contribute 25% of the project cost as equity, although this is negotiable. Loans with a debt-equity ratio of five-to-one were approved on exceptional basis. Unless it covers a significant working capital component, the loan is normally offered in kind, that is, the VIS/UNIDO project purchases the equipments and often, delivers it to the beneficiary and charges for that purpose a minimal transportation fee.

Between September and December 1993, the total amount of the seed fund was committed. Incidentally, this raises the prospect of future cash flow problems, as the stock is now depleted and it will take several months of repayment to replenish it to a sizeable extent, when second generation loans can be considered.

4.2.2 Project backstopping and coordination

The project implementation benefitted from a close, if not particularly speedy, cooperation between the expert, VIS and UNIDO Lusaka and Vienna.

Reporting by the national expert was excellent, and encompassed successive revisions of the workplan, progress reports, a documented project performance evaluation report in March 1993, proceedings of the two workshops, and detailed minutes of the 8 sessions of the Loans Committee.

In terms of coordination, the operation of the revolving fund was hindered by slow communications between the project site and UNIDO headquarters, including a one-month delay from the time a clearance for disbursement is received from Vienna at UNDP Lusaka, and the moment the funds are deposited in a bank account in Mongu, the project site. Considering the running high inflation and the volatility of exchange rates in Zambia, such delays make difficult the planning and management of the credit scheme.

4.3 TF/GLO/88/905

4.3.1 Inputs delivery

Signed in September 1989, the project activities actually commenced in October 1990 with the arrival of the international expert, a UN Volunteer. Soon afterwards the Growth Centre

Planning and Development Committee was set up, and started meeting from December 1990 on a monthly basis. The field survey was launched at the same time, and completed in draft form by May 1991.

Unfortunately the first UNV encountered serious problems of adaptation to his job and to his working environment, and was dismissed in October 1991.

A second UNV was then recruited and fielded in December 1991, followed three months afterwards by a national expert in the capacity of extension worker I - economist. As the UNV had himself a strong technical background, the recruitment of extension worker II - technician was considered redundant. By March 1992 the team was fully operational, but could not fully rely on the premises laid down by their predecessor, and was compelled to repeat most of the earlier activities. Valuable time and resources had thus been lost in the process, which severely affected the future course of the project.

Indeed by October 1992, the funds allocated for the UN Volunteer had run out, and the contract of the second UNV could not be extended. Followed a complex sequence of budget amendments to maintain on duty the national expert until such time as the project can be declared self-sustained.

Meanwhile the fine-tuning of the revolving fund mechanism, initiated in April 1992 resulted in protracted negotiations between UNIDO Vienna and the headquarters of the Uganda Co-operative Bank, until an agreement could be reached in late April 1993. The first batch of beneficiaries, who had been identified more than a year ago, could at last see their credit applications fulfilled when disbursements from the revolving fund started in August of the same year.

To compound this unfortunate series of mishaps, the project was twice forced to migrate to new premises. Thus although scheduled for completion by October 1992, the project is still operational today, for reasons however mostly beyond the control of its local management.

4.3.2 Project backstopping and coordination

As many as five officers were to be seconded by the Government to the project: a district project coordinator as counterpart to the UNV, an industrial economist for the preparation of feasibility studies, technicians for repair and maintenance and extension officers. Their skills in their respective fields were to be strengthened through an *ad hoc* training programme provided under Output 4 of the project, as they were expected to form the resilient core of the Growth Centre and pursue the project implementation after withdrawal of the international support.

To date, none could ever be made available. Distant monitoring and follow-up is extended from Kampala (some 300 kms from the project site) by an Industrial Officer of the Ministry, on a part-time basis. The ministry staff usually attends the monthly sessions of the Growth Centre Planning and Development Committee, but her visit to Mbale is always very brief as she does not benefit from a *per diem* allowance from the ministry.

Loose substantive guidance and weak administrative support marked the involvement of UNIDO

Headquarters throughout the implementation of the project. Fortunately, this deficiency was compensated by the dynamic and effective steering provided by the UNIDO office in Kampala.

4.4 TF/GLO/89/015

4.4.1 Inputs delivery

The implementation started in December 1989, date at which the Chief Technical Advisor was recruited (presumably on the basis of an advance authorization, as the project document was signed by then). A initial gap of two months in the time schedule was reported by the CTA, because of 'lack of availability of funds'.

Two project vehicles and one computer were purchased quickly afterwards, together with some equipment for the installation and testing of a first sun-dryer prototype, build on the roof of the ITA.

In March 1991, some 15 months after the start of the project, UNIDO fielded a team of two sociologists, to assess existing women groups in the country against such criteria as skills or degree of literacy, involvement in fruits and vegetables production, potential interest in fruits and vegetables processing. The mission was expected to recommend a suitable partner to take over the operation of the drying centre. It was prompted in particular by the restructuring of the Senegalese Government in March 1990 which had resulted in the dissolution, in the counterpart structure, of the women-related component.

It was indeed felt at the level of UNIDO's section of Women In Development that the disappearance of that particular element of the project counterpart may induce a departure from the overriding objective of the project, that is, the integration of rural women in agro-based industrial activities. Concerns were also raised on other backstopping-related aspects such as the socio-economics of the sun-dryer, the lack of a prior marketing survey for dry fruits, the relevance of some equipment purchases, and the overall cost-effectiveness of the project until then. It was feared that a less-than-satisfactory execution of the project may entail adverse consequences on future Japanese contributions to UNIDO's Trust Funds scheme.

A project tripartite review meeting was organized in Vienna from 08-10 May 1991 and attended by virtually all concerned, including the First Secretary of the Permanent mission of Japan to UNIDO. Followed a protracted exchange of views between the backstopping officer, the section of Women In Development, the Trust Funds section, and eventually the Japanese mission to UNIDO, which finally resulted in an internal transfer of backstopping responsibilities as of August 1991.

The new team in charge of the project immediately prepared a substantive and financial revision of the remaining part of the project, with a much stronger focus on the target groups and on the commercial aspects of the sun-drying venture.

By late September 1991, the concurrence of the donor to the revised project document was secured, and a field mission was jointly undertaken by the section of Women In Development and

the Agro-industries branch in February 1992.

In May of the same year, a new Chief Technical Advisor, a specialist in marketing, was appointed and sent to Dakar. Meanwhile the project had been at a standstill for one year.

Together with an international consultant in food technology, staff from ITA and from the Ministry for Women, Child and Family, the new CTA identified a more promising sun-drying process, selected the group of women of Ndamlo, some 40 kms North of Dakar, as host to the real-life operation of the sun-dryer, and initiated in early 1993 the construction of the centre.

The limits of the domestic market for dried fruits were rapidly felt, and the project resolutely turned towards exports. As the requirements of a successful export venture are much higher in terms of quality control, marketing and management, a strong commercial partner was sought and identified. A new 'Association of Economic Interests' was then established, incorporating the group of women of Ndamlo on the one hand, and the commercial partner on the other.

Later in 1993, first experiments were conducted *in situ*. Despite occasional teething problems, the tests proved conclusive, and on 07 January 1994, the centre was officially inaugurated by the Minister of Energy, Mines and Industry together with his colleague the Minister of Women, Child and Family.

4.4.2 Project backstopping and coordination

Apart from its backstopping avatars, the implementation of the project benefitted from a healthy spirit of co-operation between the national counterpart, including representatives from the ministry in charge of women affairs, the target group of women, and UNIDO office in Dakar.

At UNIDO headquarters, the project elicited a --most atypical, at least to that extent-- collaboration between the backstopping branch, the section of Women in Development, and the Trust Funds section, under the close and substantive monitoring of the Japanese mission to UNIDO.

5. PROJECT ACHIEVEMENTS, IMPACT AND SUSTAINABILITY

5.1 TF/RAF/87/903

5.1.1 Outputs

Output 1: A document containing all the necessary information to establish a fruit juice producing pilot cottage industry

A document which contains the necessary information to establish a fruit juice producing pilot cottage industry has been prepared and its overall content is satisfactory. However, the following important factors which have been specified in the project document are not reflected, or insufficiently so, in the report:

- a system to procure other inputs such as citric acid, sugar, chemicals, bottles, caps etc, with cost estimates;
- the estimation of the size and locations of potential market, the analysis of substitutable and competitive products and marketing techniques;
- a financial feasibility analysis.

Output 2: A project document for the implementation of the pilot state;

It was not produced because prototype juice production units manufactured domestically did not prove cost effective, as it turned out.

Output 3: Trained women entrepreneurs and vis technicians on a number of predetermined subjects;

Women entrepreneurs were trained 'on-the-job'. The training was focused on production techniques, while training of management skills was less than adequate. VIS technicians were not trained because prototype juice production units were not manufactured.

Output 4: Installed prototype juice production units.

Prototype juice production units were not installed.

5.1.2 Immediate objectives and achievements

Overall, the immediate objectives were achieved to a limited level only.

Technical and financial specifications of a fruit juice producing pilot cottage industry: technical specifications were completed, but the financial particulars were less than satisfactory.

Specification of outputs, activities and inputs to actually establish a pilot plant: not conducted.

Training of VIS technicians and women entrepreneurs:

- training of VIS technicians: not conducted.
- training of women entrepreneurs: women entrepreneurs were not enough trained in basic business skills, as transpires from the following facts:
 - they are not keeping books in an appropriate manner, so they do not even calculate their profit (or loss);
 - they price their products on a "cost-plus-fee" basis, irrespective of prevailing demand and supply conditions in the market;
 - with some marketing activities (sales negotiation with the hotels in Lusaka, for instance), their products would sell much more and fetch higher prices, but they do not intend to do so;
 - they are not trying to find a suitable source to obtain the chemicals that are important ingredients for their wine. They just wait for somebody to provide them.

The above observations show their poor knowledge of accounting and marketing practices, and betrays altogether a lack of true entrepreneurship.

Determination of the prototype juice production project for duplication: not conducted.

5.1.3 Impact

Almost four years have passed since the project was completed, and the women entrepreneurs in Kapini village are still operating the fruit processing business and creating income. This fact is encouraging, for it indicates some positive impact of the project on the welfare of women entrepreneurs. However, the fact that the number of the women in the group has actually shrunk from a peak of 50 at the beginning to 6 at present seriously mitigates this assessment.

5.1.4 Sustainability

There are indeed serious doubts as to the sustainability of the project achievements because of the following:

- the women entrepreneurs fail to show basic management capabilities and self-help attitude;
- the number of the women group has decreased from 50 to 6 at present, and there has been no new recruits;
- they are not fully utilizing their production capacity (only three barrels out of six are used during the fermentation phase of the wine);
- the group of women appears today unable to raise Kwacha 150,000 (about US\$ 250 at January 1994 rates), as equity required against a Kwacha 750,000 loan to expand and diversify their business. After several years of running a supposedly income-

generating business, this is a very worrying observation indeed.

5.1.5 Problem Analysis

The main objective of the project, which was to afford rural women the opportunity of creating some monetary income was obviously not attained, at least not in a durable fashion.

Two primary reasons can explain this failure:

- first, the target group of women may simply not be interested in generating income. In other words, the utility gain derived from possessing some additional monetary resources is not worth the time spent in this activity;
- second, the income created by the fruit processing activity may be insignificant, if at all positive.

Since the women do not keep any systematic records, in accounting terms, of their business, it is unfortunately impossible to judge which one of these two possible explanations is actually binding. The true reason probably lies somewhere in between.

Be it as it may, the two possible reasons hint at distinct shortcomings of the project:

- in the first case, there was in the project design the implicit assumption that women were interested in earning cash income by allocating some of their labour to producing tradeable goods. Rural women at grass-root level are poorly articulate and the translation, by better educated groups, of their actual concerns and expectations may yield a somewhat distorted picture of their true system of values. In other words, no observation of that type is fully neutral: it is inevitably biased by the observer's own perception of the facts. Thus the root cause is to be found in the project design failing to report, and adequately integrate, this critical assumption ;
- in the second case, the low profitability of the fruit processing activity can trace its cause in the absence of a proper market survey and feasibility analysis at the time of project design, or in less-than-adequate guidance and training support during the implementation phase. Yet here also, the problem may ultimately trace its roots in the very design of the project, which over-estimated perhaps the absorption capacity of the target group of women. According to the project terminal report, the women did benefit from training on technical and financial management of the fruit processing activity. However their recollection of the training they were exposed to seems unfortunately confined to the bureaucratic aspects of the curriculum, such as dutifully recording the minutes of each and every meeting. When asking for the books, the team was handed out the visitors' book (with a kind request to insert in it the appropriate entries). A quick investigation revealed that accounting is done in terms of barrels of wine: for instance, the proceeds of the sale from the first barrel will pay for the raw materials, the second one will cover labour costs, and the third one is for the profits.

5.2 TF/ZAM/89/903

5.2.1 **Outputs**

Output 1: A simple survey report of target geographical area, providing critical inputs, raw material availability, product market and an on going existing businesses.

A simple survey report was prepared although it was eventually delayed by about 5 months due to the theft of the project vehicles. The report provides a fairly accurate profile of the rural development activities pursued by the Rural-based Development Organizations (RDOs). The survey team sent questionnaires to 29 RDOs, got responses from 18 of them, and selected 12 RDOs mainly on the basis of their accessibility. However, the report falls short of its target when analyzing the capabilities of the RDOs. Similarly, it failed to survey to a satisfactory extent such critical parameters as raw material availability, markets and existing businesses. This was mainly due to the fact that RDOs did not reply to the questionnaire items related to these issues.

Output 2: Operational guidelines for the VIS Rural Industrial Development Programme and the Rural Industry Seed Fund (RISF) Programme.

The draft of Operational Guidelines were prepared in October 1992, about 6 month beyond schedule. The overall content of the guidelines is satisfactory. It adequately defines the roles of related agencies, and proposes to establish a Loan Committee as an advisory board. It also suggests procedures and format of loan applications.

Output 3: Protocol of co-operation between VIS and the RDOs

Operational cooperation arrangements between VIS and RDOs are satisfactory. The Evaluation Mission conducted interviews with three RDOs, namely the People's Participation Project (PPP), the Mongu School for Continuing Education (MSCE), and the Nayuma Royal Museum. Each RDO appreciated the services (managerial training and the revolving fund) extended by VIS under the project, and indicated that they would like to maintain and strengthen the cooperation with VIS. The good cooperation is also exemplified by the fact that approximately 80% of targeted RDOs sent representatives to the workshops held in November 1992 and March 1993.

Output 4: Extension of loans

The provision of loans to twenty small-scale industries has been approved by the Loans Committee and authorized by UNIDO. The number of beneficiaries is 196, among which 61 (31%) are belong to existing enterprises, 135 (69%) are in new enterprises, and 74 (38%) are women. These statistics actually exceed the target figures stated in the project document. However, as the first disbursements were only recently released (November 1993), there no data available yet on the recovery rate. Furthermore in some instances, the deposit by the borrower of his 25% equity contribution has been reportedly difficult to come forth.

5.2.2 Immediate objectives and achievements

With regard to the immediate objective of the project, the promotion of the rural small-scale industries in the Western province by means of an initial injection of seed money is well under way, thanks to the close cooperation between VIS and the RDOs. However, since loans began only recently to be disbursed (November 1993), it is quite essential to carefully monitor the behaviour of each small scale enterprise in terms of performances and loan repayment.

The development objective is likewise achieved to a satisfactory extent.

5.2.3 Impact

In a poor region like the Western province of Zambia, there is no denying that an injection of US\$ 50,000 of capital can make a measurable difference, particularly if it is aimed at social groups usually deprived of any such support.

The impact in the region is already palpable: 20 projects have been approved, of which some are already under implementation. It is expected to generate 135 new jobs, of which one third will be taken up by women, in the five districts under coverage in the Western province. Two workshops were organized in November 1992 and March 1993; they contributed to strengthening the linkages among Rural Development Organizations around the management of the revolving fund and related technical support.

5.2.4 Sustainability

In spite of its definitely positive appreciation of the project, the Evaluation Mission wishes to raise concern as to sustainability in the medium run, in view of two preoccupying factors:

- the first one is linked to the concessionary terms that are currently applied to the loans (see 7.2 below for a more elaborate discussion on the subject). The loans currently bear a 50% interest rate (fixed), when prevailing inflation is reported to be as high as 80%, and unpredictable. This indicates that the initial stock is rapidly declining in real terms, even under the ideal case of a 100% recovery rate of the loans (in that scenario, the half-life of the capital stock in real terms will be of 3 years and 8 months. Assuming a default rate of 20% per annum on the repayments --a rate similar to the one recorded for the successful hammer mills programme in Zambia--, the half-life of the initial stock will be reduced to 1 year and 8 months¹);

¹ the half-life of the initial capital injection measures the time it takes for the stock to be reduced to 50% of its original value, in real terms. The decay factor is explained by the spread between lending rate 'r' and prevailing inflation rate 'i', and by the default rate 'd' on the repayments. Thus the half-life indicator 't' is given by:

$$t = \frac{\ln 0.5}{\frac{\ln[(1+r)*(1-d)]}{\ln(1+i)}}$$

- the second factor that may hinder the sustainability of the project relates to the actual capacity of the counterpart to bear on its own the monitoring costs of the project, once the UNIDO support is withdrawn. It was reported in this respect that the VIS counterpart failed to accompany the national expert in several of his field missions, because commensurate DSA could not be made available. This is worrying for to reasons: first because a personal relationship between the entrepreneur and the supplier of technical and financial services is essential for the success of any such venture at grass-root level. A climate of confidence must be created and nurtured through direct contacts, an opportunity that the project counterpart and soon-to-be manager should not have missed. Second, in the absence of appropriate support from VIS Lusaka, it is hard to see how field missions will be undertaken after the departure of the project national expert.

5.2.5 Problem Analysis

Basically, the root problem addressed in the project was that rural small-scale enterprises represented a potential largely untapped, due to the non-accessibility of financial and technical services at micro-level.

Such services in turn were not made accessible because of the absence of structured network at grass-root level, capable to reach out the most remote rural areas.

The strategy was thus to build on existing institutions at rural level, to consolidate these into an organized network very close to the clients' base, and to trigger the activities of the network by a token capital injection, intended as a revolving fund. To that extent, the project can be rated as successful.

Yet the concessionary terms offered in the lending activities of the project have commanded a strong response from the rural community, and expectations that cannot be met in the present circumstances.

The causes for that shortcoming of the project are two-fold:

- the capacity of VIS to support on its own the overhead costs of the programme was over-estimated;
- the project design failed to indicate that the revolving fund should be operated on a strictly commercial basis, i.e. at market, possibly floating, rates, and generate the profits required to ensure the replenishment of the initial stock and cover management costs. The trade-off is between helping a few privileged ones by offering highly subsidized conditions, and assisting a larger number on the basis of market-determined terms. Section 7.2 of the report elaborates further on that aspect.

5.3 TF/GLO/88/905

5.3.1 Outputs

Output 1: A complete rehabilitation and development plan

In Mbale and its surrounding areas, a survey of existing small scale enterprises, women groups, and disabled groups was conducted to create a rehabilitation and development plan. This survey was completed in May 1991, one month beyond the schedule stated in the project document. Since the outcome of the survey could not be made available to the Evaluation Mission in a written form and the UN volunteer who conducted the survey had since long left the project, the Evaluation Mission was not able to evaluate the content of the survey. According to the comments of the UCD, the UNIDO Programme Officer, and the national expert, the content of the survey was satisfactory, and the result was well-utilized in the next project activity.

Output 2: Half a dozen of cottage industrial units established

In July 1993, the first seven beneficiaries obtained loan disbursements from the revolving fund. By the time the Evaluation Mission visited the project in February 1994, twelve beneficiaries altogether had already benefitted from loan disbursements, while another six of them were in the pipeline. Among the eighteen beneficiaries, four are women and two are disabled persons. The first disbursements were delayed by one year and eight months, as compared to the date stated in the project document. The Evaluation Mission attributes the delay to the following two reasons:

- a lack of leadership on the part of the first UN Volunteer to assemble his team, draw tentative guidelines for the use of the revolving fund, identify a local partner and initiate preliminary negotiations;
- more than necessary time (one year, from April 1992 to April 1993) spent for the revolving fund contract to be cleared by UNIDO Headquarters.

Output 3: Appropriate and workable mechanisms for a revolving fund established

A mechanism for the revolving fund was established in April 1993, one year and eight months beyond schedule for the same reason as the delay in delivering Output 2. Although the mechanism itself is satisfactory, the Evaluation Mission found the following problems in implementing the mechanism:

- too high a portion of the loans is diverted to raw materials and working capital. In order to rehabilitate, strengthen, increase productivity, and trigger genuine development dynamics, credit should be rather aimed at the purchase of equipments. Most of the loans beneficiaries work on the basis of orders they receive from their customers. They do not usually request a down-payment prior to commencing the work, and thus often encounter cash flow problems when purchasing the necessary raw materials. While fully understanding the critical impact of this constraint on the

enterprises, the Evaluation Mission is of the opinion that attempting to alleviate it by extending credit to the producer is a distorted way of addressing the problem, which is best served by short-term, commercial credit to the consumer;

- similarly, a repayment period of twelve to eighteen months is currently applied irrespective of the actual destination of the credit, whether for equipment or for raw materials. Although it is appropriate for the purchase of equipment which have a longer payback time, a much shorter period should be posted for raw materials;
- the rule of 'cash disbursement to borrowers up to 15% of the loan' is not always respected;
- for some borrowers, a very large part of the loan is disbursed at once. In many cases, the first disbursement should be limited in size, and the next disbursements should be released only after a careful monitoring.

Output 4: Three technical management staff fully trained in project profile preparation

Since Government counterparts were not provided, the training programme did not take place.

Output 5: Technical report indicating results achieved, problems encountered, recommendations envisaged for solving and eventual course of action required

The terminal report has been prepared, and was available in draft form by the time the mission visited the project.

5.3.2 Immediate objectives and achievements

Through some beneficiaries, the immediate and the development objectives have already been achieved. For instance, a milling business has significantly increased its productivity by purchasing a diesel engine and is now in a position to repay its loan at a higher pace than scheduled. However for the majority of the beneficiaries, close monitoring and business advice are still required in order to reach the objectives.

5.3.3 Impact

In spite of the adverse conditions encountered during its implementation, there is no denying that the project has generated a measurable impact in the region in terms of bolstering the performances of several small-scale and cottage enterprises. The Evaluation Mission visited each one of the 12 beneficiaries of the revolving fund (another 6 projects are in the pipeline to complete the first round of lending), and found for most of them significant improvements in productivity, turnover and profitability.

The micro-entrepreneurs also greatly appreciated the support they received from the project in

management, marketing and book-keeping as well as the technical assistance in the repair and maintenance of their equipment.

The project has already served its purpose of a pilot experience, as new technical assistance projects, based on similar premises --including a revolving fund component--, were subsequently formulated and initiated in Uganda: UNDP/UNCDF in the North, with a budget of US\$ 3.5m including a revolving fund of US\$ 1.5m, and UNDP/UNIDO project DP/UGA/90/017 in the West, with a budget above US\$ 600,000 and a revolving fund component of US\$ 150,000.

5.3.4 Sustainability

At present, three major factors appear to seriously jeopardize the sustainability of the project's achievements:

- the lack of an effective counterpart: the project has been so far hand-held by the UNIDO national expert, with the support of the UNIDO office in Kampala. The identification of the potential borrowers, the preparation of feasibility studies for each case and the organization of the monthly sessions of the Growth Centre Planning and Development Committee, were all undertaken by the national expert in consultation with UNIDO-Kampala. Through the UCD/JPO and the national expert, UNIDO is reserved two seats out of four in the Loans Committee, and thus closely monitors approval of projects and credit allocation. Being a signatory of the revolving fund account, UNIDO also controls all disbursements to borrowers. After the termination of the national expert's contract, UNIDO Kampala intends to gradually reduce its involvement in the project management to ensure a more autonomous functioning under the leadership of the Growth Centre Planning and Development Committee. However the latter being itself an emanation of the project, it has yet to prove its self-sustainability;
- the poor recovery rate of the loans recorded until now: the Evaluation Mission had access to the latest monthly statement of repayments, dated 31 January, prepared by the Bank. It appears that out of the 12 borrowers, one has fully repaid her loan much ahead of schedule, two are strictly on time, and the remaining nine are clearly behind schedule. This is arguably no particular shortfall of this project alone, but rather reflects the general history of lending practices in Uganda where repayment seems to be taken somewhat lightly: the Uganda Co-operative Bank was recently forced to write off as much as UGS 6b of bad loans, corresponding to more than 50% of its total assets. The Uganda Women's Finance and Credit Trust Ltd., with its now six years of lending experience at grass-root level, reports declining levels of recovery (now hardly higher than 50%), despite the close monitoring of its 50-strong staff. Yet as far as our project is concerned, it clearly sets a limit to the successive generations of lending the revolving fund can afford;
- the limited involvement of the Bank: UNIDO signed on 27 April 1993 a contract with the Uganda Co-operative Bank, which spelt out the role and responsibility of the Bank in the management of the revolving fund. A cursory investigation by the Evaluation Mission revealed a breach of several contract items (notably item 5 on the ceiling of

cash disbursements, item 6 on the lead role of the Bank to seek reimbursement of the loans, and item 15 on the designation of a full-time counterpart to undertake a three-month training course on feasibility analysis). Considering that the Growth Centre Planning and Development Committee has no banking experience on its own, a deficiency by the Bank at this stage could entail heavy consequences on the effective management of the revolving fund.

5.3.5 Problem analysis

Although they have earlier demonstrated their potential and resilience to socio-economic disturbances, rural small-scale and cottage enterprises currently represent an under-exploited asset of the country's.

The cause of this root problem, as highlighted by the survey conducted in the late eighties, lies in the fact that these firms experience in their daily operations severe financial and technical constraints, and require sustained, if not necessarily costly, nurturing to expand and mature to a self-supporting stage.

The strategy designed to address this problem relies on the establishment of an essentially local, non-profit structure made of a Growth Centre Planning and Development Committee, or monitoring body, a Loans Committee linked to an existing development finance institution for the technical and financial appraisal of credit applications, and a pool of extension service officers to offer assistance on such issues as management, marketing and maintenance.

Sensible though as it looks, the structure suffers the critical weakness of being entirely a creation of the project. This shortcoming is felt in all the components of the structure, and seriously undermine its sustainability:

- the Growth Centre Committee is already showing a dangerous lack of cohesion and commitment to the project, particularly on the part of some of its most influential members who are at the same time beneficiaries of the loans and have therefore all obvious reasons to lobby for softer repayment conditions;
- the four-member Loans Committee includes two UNIDO participants who clearly bring along most of the technical expertise it requires for a proper appraisal of credit applications. Its effectiveness is likely to collapse after UNIDO's withdrawal;
- the development finance institution itself, namely the Uganda Co-operative Bank, does not traditionally encompass cottage industries in its lending portfolio. Its typical clients are farmers' co-operatives who borrow very small amounts for the purchase of seeds, fertilizers, cattle, etc. Dealing with small-scale manufacturing units is a different business altogether, for which the Bank is not prepared. Moreover, the incentives it currently enjoys as per the signed agreement with UNIDO appear less than adequate to prompt a more active role on its part;
- finally, the pool of extension service officers is now inexistent as the Government failed to honour its commitment of assigning staff to the project.

The observed weaknesses of the project stem from a shallow design of the underlying project document, which clearly understated the risk associated with setting up *ex nihilo* such complex structure, to be firmly anchored in the local community. Similarly, the actual capacity of the Government to second as many as five staff to the project was grossly exaggerated, considering the total employment at the ministry's main office in Kampala. No doubt the current pressures on the Government to downsize its workforce can be taken as an exogenous shock in this respect, but the excessive reliance of the project on unsecured inputs could have been avoided by a more comprehensive project design.

5.4 TF/GLO/89/015

5.4.1 **Outputs**

The outputs of the project, apart from the sun-dryer itself, are a variety of reports, technical documents, programmes and sub-programmes that the Evaluation Mission had neither the time, nor probably the expertise to assess in a professional manner.

It is clear however that this category of outputs are but loosely related to the ultimate target of the project, and rather served the --dubious-- purpose of strengthening the technical capacities of the ITA. This ambiguity of the project was already latent in the very design of the project document, and will be further discussed in the problem analysis in 5.4.5 below.

Output 1 (Phase 1): Preparatory documents describing the outputs/activities of the project and describing the main activity lines to be followed by the project

According to the Project Performance Evaluation Report, Output 1 is satisfactory except for a delay of two months due to the non-availability of funds. However, the Evaluation Mission suspects that a market survey conducted as a part of Output 1 was not fully satisfactory, because in the Phase 2 of the project, the local market turned out to be insufficient for the purpose of this project. If the market survey had been conducted correctly at the time of Output 1, this fact would have been revealed much earlier and appropriate action could have been taken. Also, the commercial feasibility of the fruits dryer does not seem to be well investigated, because a prototype dryer installed in ITA premises during Phase 1 could not provide meaningful information for the dryer eventually installed at Ndamlo, as the design had been completely revised in the meantime.

Output 2: Establishment of the Central Project Office at ITA in Dakar with the necessary means to undertake the project activities

Satisfactory.

Output 3 and 4: Preliminary studies with basic information on funds and vegetables output, preparation and agreement of the necessary documents to start activities at central and field level; and Outputs of activities started during Phase I to be concluded during Phase 2

The survey was conducted in early 1991 by a local team of three experts: an agronomist, a socio-economist and a marketing specialist.

Output 1 (Phase 2): a report defining the scope of activities for the second phase of the project based on the detailed analysis of the first phase which includes strategies and programs for technology development and distribution, training, and marketing.

A technical report for Output 1 was prepared in September 1992. A market survey was conducted to find out that the local market was not sufficient for the purpose of this project, and targeting international markets was proposed instead. A target group of women was identified, and a detailed investment budget was created. The Evaluation Mission rates these outputs as satisfactory. On the other hand, the following items were not achieved:

- elaboration of training programs for the selected women group;
- definition of the scope and conditions of financial schemes;
- elaboration of a dissemination strategy for the equipment and techniques.

Output 2: Drying units operational in Thies and other locations and groups of women trained in technological, managerial and commercial operation.

A drying unit was installed and became operational in Ndamlo. The women group was trained in technical and managerial skills, but further training is necessary especially in managerial training.

Output 3: Dried fruits and vegetable products made by the women's group widely marketed through the dissemination strategy and promotional materials.

Activities were to be undertaken according to the progress made in the production of dried fruits and vegetables at drying units. Dissemination and promotional activities have just begun.

5.4.2 Immediate objectives and achievements

The technical viability of fruits drying has been demonstrated in the pilot plant at Ndamlo. However, economic viability, which is quite an essential aspect, is not yet demonstrated. In this respect, the achievement of the immediate objective remains partial at this moment. A recommendation for achieving the economic viability is found in section 6. In terms of the integration of women into activities connected with the utilization and processing of fruits and vegetables, women are well integrated as a labor force in Ndamlo. However, rural women in Ndamlo do not have control over resources to manage the business on their own.

Development objectives have not yet been achieved because they can be achieved only after successful replication of the project. A recommendation for the replication is also found in section 6 herebelow.

5.4.3 Impact

The 90-odd-member group of women in Ndamlo was created in 1978 as a vegetables growing co-operative, and significantly expanded its production capacity in 1987 when it benefitted from the technical and financial support of an American NGO.

For the sake of the sun-drying business, the group was divided into clusters of about 20 women who alternate to fulfill two daily shifts of four hours.

Unlike foreseen in the project document, the women contribute only their labour to the project. They do not themselves grow fruits, nor can they be utilized to collect available surpluses from surrounding orchards: the success of their export-oriented business calls on the contrary for an uninterrupted supply of prime quality raw materials, which must necessarily be purchased from regular sources.

However, they enthusiastically participate in the venture, cleaning, peeling and cutting the fruits, attending to the sun-drying process, and packaging the products.

So soon after the beginning of production at a commercial --and technical assistance-free--scale, it is not possible to ascertain the actual income the women will derive from this new activity.

5.4.4 Sustainability

At the time of the evaluation, two potential threats shadow the sustainability prospects of the project:

- the first one hints at the lack of expertise of the current counterpart in marketing activities. While the institute of food technology proved a reliable partner in the technological aspects of the sun-dryer (the institute boasts a twenty-strong team of researchers in food processing), business management and marketing are clearly outside its mainstream activities and competencies. Although the management of the sun-drying centre has been entrusted in 1993 to a private 'Association of Economic Interest', ITA as the official counterpart insists on remaining involved in the day-to-day operation of the business. It results in an ambiguous situation, where for instance ITA purchases the raw materials, samples the products at the end of the line, and sets the price with little consultation with the commercial partner of the centre. Therefore no accountability could be secured so far and, at the date of the mission, it was impossible to extract a clear picture of such fundamental indicators as the cost structure, break-even point, return on investment, and overall profitability of the centre;
- the second one relates to the innovative aspect of the product for Senegalese entrepreneurs, and demand outlook on European markets, *if a priori* promising, are little documented thus far. Much remains to be done to forecast demand patterns and price elasticities: it appears indeed that the output of the sun-drying centre, even at full utilization of the installed capacity, is well below the entry level to the penetration of mass distribution markets. Thus current marketing endeavours rather target

specialized boutiques in Europe, less subject to competitive pressures, and where the selling price is eventually determined by the consumer's willingness to pay rather than as a mark-up to the prevailing production costs. Promising tests have been carried out in this direction, but a progressive, market testing period must ensue the now completed technology experimentation stage. It is equally essential in this respect to exit the current equivocal period of dual management, and to work out a clear picture of the economic performances of the centre.

5.4.5 Problem analysis

The root problem was identified as the lack of access, by rural women, to income-generating activities.

Sun-drying of fruits and vegetables was thought to provide a cost-effective answer to this problem, as raw materials, solar energy and surplus female labour are available in abundance in the rural parts of the country.

Yet technological problems remained to be solved: a suitable model of sun-dryer had to be identified, tested and possibly adapted to the local conditions. This was to form the first, experimental phase of the project.

In a second phase, the equipment would be transferred to a group of women, who would run it and hopefully derive out of it a positive value-added.

Throughout both phases, training was to be provided to both ITA and the target groups of beneficiaries, so as to ensure the sustainability of the project achievements.

Major problems emerged during the course of the project execution, and threatened at some point (during the second half of 1991) to bring the project to a premature end.

The Evaluation Mission strongly believes that these problems did not primarily arise from some backstopping failure, but were on the contrary rooted in the very design of the project document, as indicated in the relevant chapter of this evaluation. There was indeed a glaring inconsistency between the title of the project with its decisive 'women' focus, and the substantive content of the document, much more technology-oriented.

This was obvious in the first place from the identification of ITA as the future project counterpart, but also from the selection of the first team of experts and the first procurement of equipments. The commercial aspects of the sun-dryer (and thus its real income-generating prospects for the benefit of rural women), were clearly of little concern to the project managers at that time. The initial assumption for instance that the sun-dryer could be fed with surplus fruits produced by the women turned out to be false on at least two grounds: first because the dryer on the contrary requires premium quality fruits for a product of appealing texture, appearance and taste and second, because it also calls for a regular supply of raw materials that a single women's group is unlikely to guarantee.

On these accounts, Phase 1 of the project should have been called 'strengthening of the capacities

of ITA' to reflect more adequately its actual intentions. This ambiguity raised a lot of confusion, and ultimately prompted the strong reaction of the Japanese mission, suspecting a deviation from the project's main objective.

At mid-term, the project was therefore re-oriented, this time with a resolute emphasis on the targeted women's groups, and on the commercial aspects of the dryer. Yet in spite of this major revision, the project counterpart remained unchanged. And soon enough appeared the first signs of a conflict between vested technological and commercial interests, and resulted in the ambivalent situation that characterizes the project today, an awkward mix of a technology-oriented parastatal on the one hand and of a private, profit-minded enterprise on the other, attempting to jointly manage a basically commercial venture.

6. RECOMMENDATIONS

6.1 TF/RAF/87/903

Four years after the operational completion of the project as far as UNIDO is concerned, there is little sense in working out project-specific suggestions. Important recommendations do certainly emerge from this particular experience, but as they touch upon broader issues of assistance at grass-root level, they will rather be developed in the next Chapter 'Issues at programme level'.

6.2 TF/ZAM/89/903

6.2.1 In terms of the financial management of the fund: Operate the Fund on a commercial basis - Apply market-determined --possibly floating-- interest rates

When the Evaluation Mission visited the project, the interest rate applicable to loans from the VIS/UNIDO revolving fund was at 50%, fixed. This condition is quite favourable to borrowers at a time when commercial rates exceed 100%, Lima Bank lends in similar circumstances at 78%, floating and SIDO's rate is 80%, floating. The project's concessionary terms entail the following shortcomings:

- since the rate is below the inflation rate, the revolving fund is bound to shrink in real terms, even if the loans are fully recovered;
- borrowers will get used to the fixed rate, which is not the reality of business.

Several interviews with borrowers revealed that what makes the VIS/UNIDO revolving fund attractive to RDOs and entrepreneurs is the accessibility of the credit itself and of related extension services, rather than its favourable interest rate tag. Therefore, the Evaluation Mission recommends the application of a higher (close to commercial) floating interest rate for the second round of lending. This policy should also be followed when replications of the project are conducted in other provinces. It might be difficult to charge commercial rate, but at least the same conditions as the SIDO fund should prevail. The winning edge of the VIS/UNIDO revolving fund must be its unique accessibility at grass-root level and rely on offering excellent service to rural small-scale enterprises, rather than on undercutting the competitors' interest rates.

6.2.2 In terms of organization: Maintain a cooperation relationship with related agencies

The cooperation relationship with RDOs, the Loans Committee, and entrepreneurs is very good so far, and should be pursued as such in the future. In this regard, the Evaluation Mission recommends the following:

- in order to maintain a good network with RDOs, VIS should not hesitate, when warranted, to reward RDOs' performances in identifying investment opportunities,

assisting the entrepreneurs and ensuring the timely reimbursement of the loans. This reward should be proportional to the volume of business generated by each RDO, for instance on a commission basis;

- in order to maintain the effective operation of the Loans Committee, a token sitting fee for each member should not necessarily be denied. As it clearly extends beyond their normal attributions, the time allocated by the committee members to review the proposals deserves to be retributed. This is a common practice in industrialized countries, and the Mission sees no sound reason why it would not be applicable here as well, except perhaps for the risk of abuse that has to be carefully monitored;
- in order to maintain a good communication between VIS, RDOs and entrepreneurs, VIS should secure the necessary operating funds, and in particular, DSA for its senior project officer at Mongu to regularly visit the projects.

These recommendations no doubt carry a significant cost, which would be recouped from the gains of a more business-oriented approach to the credit scheme (see 6.2.1 above).

6.2.3 Replicate similar programmes in nearby provinces

Since a wealth of experience (in such areas as survey methods, RDOs networking, and management of the Loans Committee) has been accumulated through the project, similar programmes should be conducted in nearby provinces (Central province and North-western province, for instance). By doing so, the UNIDO national expert operating in the nearby province will be able to keep contact with the VIS senior project officer in Mongu, and thus, contribute to the sustainability of the Mongu project as well.

To that end, VIS could well seek support from an expanded group of donors, and market accordingly the achievements of the present project. The objectives of the rural credit scheme should appeal to a large number of official Aid Agencies and NGOs, and the approach developed in this UNIDO project has demonstrated its effectiveness in answering grass-root level technical and financial needs. The approach is also original, based as it is on a far-reaching network of RDOs, very close to the clients' base, entrusted with the twin function of channelling technical and financial support, and of acting as collective guarantee to the loans.

6.3 TF/GLO/88/905

6.3.1 A more effective use of the revolving fund

The Evaluation Mission recommends the following corrections for a more effective use of the revolving fund:

- a larger portion of the loans should be targeted to the purchase of equipment, which are essential if the stated goals of rehabilitating, strengthening, developing, and increasing the productivity of rural small-scale enterprises are to be reached;

- when funds are nevertheless disbursed for the purchase of raw materials, the first disbursement should be relatively smaller and the loan period should be shorter (three to six months). Only after the first loan is fully reimbursed, could further provisions in larger amounts be considered;
- the current equity requirement for borrowers (equivalent to one monthly instalment) is too small to guarantee the commitment of the borrowers. At least a 20% equity contribution appears necessary in this regard;
- the rule of 'cash disbursement to borrowers up to 15% of the loan' should be strictly adhered to.

6.3.2 Actions to sustain the project

The national expert is playing a central role in the project. He helps entrepreneurs prepare feasibility studies, provides a range of business advisory services, and encourages borrowers to meet their reimbursement obligations. Since his contract normally expires on March 8th, 1994, the Evaluation Mission recommends the following urgent actions to sustain the project:

- at least two Government counterparts (one economist and one technical expert) must be appointed at once, as a strict pre-condition to any further external support. Upon their effective nomination, the contract of the national expert should be extended for six months. During the period, the national expert will train the counterparts so that they can eventually take over the reins of the project;
- the Co-operative Bank Ltd. should be brought to play a more active role in monitoring the borrowers and encouraging them to reimburse on time. The current commission of 2% per annum of the funds disbursed is not appropriate for this purpose. There is here a trade-off between allowing a more significant part of the revolving fund to be diverted as commission to the Bank, and being reduced to writing off a perhaps greater proportion of the fund due to repayment defaults and weak recovery actions on the part of the same Bank. The Evaluation Mission recommends that the commission payable to the Bank be upward revised, and blend disbursement, but also recovery, incentives. For instance, a one percent commission on disbursements plus a one percent commission on recovery is equivalent --interest notwithstanding-- to a two percent commission on disbursements alone, only if the loan is fully recovered. Thus an incentive for the Bank to hunt for complete repayments. A more elaborate scheme must however result from the negotiations with the Bank. As a general guideline for UNIDO's stance in the discussions that are soon to be initiated, the responsible UNIDO officers may wish to consider the following, simplified argument: the mainstream of the Bank's activities is lending to farmers' cooperative, at an annual rate of currently 23%. The funds it may lend out come from deposits, which today earn about 13% a year: the spread, or 10%, is roughly the benefit grossed by the Bank in recycling deposits into loans. But the Bank is currently limited in its lending activities by lack of depositors, and is faced with two alternatives to expand its lending programme and thus, its benefits: either to enlist new depositors, or to recover to a fuller extent on-going loans and enjoy in the process a commission to be determined.

A particular threshold can therefore be identified, where the net reward of both options is identical, and the Bank is indifferent between the two alternatives. The nature of incentives to be offered to the Bank must reflect this threshold and would seem, under the present circumstances, closer to a 5% commission than to the prevailing 2%;

- an existing, viable structure should be identified for future involvement into the project. The Uganda Small-Scale Industries Association (USSIA) could be considered, but would require considerable strengthening. Its capacities at the moment are very weak, and some of its influential members in Mbale fail to understand the meaning of the revolving fund correctly.

6.3.3 Replication of the project in other areas of Uganda

The Evaluation Mission recommends a replication of the project on the condition that the actions mentioned in 6.3.1 and 6.3.2 above be effectively carried through and the revolving fund prove to be operated in an appropriate and sustainable way.

The site for possible replication should be selected on the basis of the areas already covered by this project, the similar UNDP/UNIDO project in Mbarara, and the UNDP/UNCDF project in the North. A cost-sharing agreement to that effect between UNIDO and UNDP may be an option worth investigating.

6.4 TF/GLO/89/015

6.4.1 Full transfer of the project equipment to SENEREGAL

To cut short the current equivocal situation that may very detrimental to the successful completion of the project, the Evaluation Mission recommends that all equipment be officially and without delay transferred to SENEREGAL, the host 'Association of Economic Interests' in Ndamlo.

Thereon, the centre of Ndamlo should be run on a fully private basis: the centre will be responsible for purchasing the raw materials, ensuring a sustained output, both in quantity and in quality, seek and expand its markets, and be prepared to meet all marketing expenses to that end. Only upon profitable operation of the centre can the impact of the project be meaningfully assessed.

While the Government of Japan/UNIDO project could absorb the research and development expenses invested in the dryer, it would appear desirable for the sake of fairness that the equipments itself be in fact sold at their actualized cost, rather than donated to the private association: there is no reason why public funds should subsidize a particular, private entrepreneur. Yet in view of the still experimental --at least from a commercial viewpoint-- nature of the dryer, an exception to this deontological argument could be tolerated.

6.4.2 Promotion of the dryer

If the pilot experience proves profitable enough, it should be heavily promoted in Senegal and in the countries of the sub-region enjoying similar climate and crops. A clear picture of cost structure should be drawn from the Ndamlo centre, and such indicators together with the technical design of the dryer would form a documented case that could be displayed at trade fairs (as a matter-of-fact, the system was present at UNIDO's 1993 Techmart in New-Delhi, India), investors' fora, or through UNIDO's Investment Promotion Services.

The January 1994 realignment of the CFA Franc is certainly beneficial to such productive activities, based on exclusively local raw materials and factors. Export markets become more accessible, but domestic distribution prospects look brighter to compensate for the drop in importation of substitutes. In Senegal alone, there is ample room for new entrants and together, they may even reach the critical mass necessary to penetrate broader distribution markets, provided a suitable organization and close monitoring can be developed and pursued.

Regardless of the identity and gender of whatever new promotor, the activity would in any case generate employment and income opportunities for rural women as the technology is both rural-based and labour-intensive, and therefore particularly suited to the ultimate target groups.

7. ISSUES AT PROGRAMME LEVEL: LESSONS LEARNED

7.1 Grass-root level industrialization and UNIDO

Assuming that it is indeed part of UNIDO's mandate to assist rural industrialization at such low levels of technology, the following observations, derived from the field visits, ought to be considered while preparing a project document:

- **scale:** as was obvious in the 'Kapini' project in Zambia (TF/RAF/87/903), the effectiveness of the desired transfer of competence from the experts to the target beneficiaries is seriously thwarted by the deep discrepancy between them in terms of knowledge stock, standard of living, and cultural heritage. The communication gap appears in this case to prevent any meaningful dialogue, with durable impact;
- **targets:** thus it seems preferable to break this scale into a sequence of steps, and to aim the technical assistance not directly at the level of end-users, but at some intermediate, better structured level such as recognized Rural Development Organizations (RDOs), who in turn will channel its benefits to the target beneficiaries at grass-root level. Similarly when helping enterprises directly, it may be preferable to focus on the relatively well-established ones among them, and let existing socio-economic linkages generate a trickle-down effect to the poorer segments of the society. Although such analytical tools as Social Accounting Matrices seem doubtful as to the actual scope of that phenomenon, particularly in Africa, casual investigation by the Evaluation Mission reveals on the contrary a real potential. An endogenous developmental process would be triggered this way, as opposed to the current hand-outs to the poorest segments of the society, with dim recovery prospects;
- **expertise:** for the same reason, expertise must be local to the extent possible, and preferably strongly rooted in the socio-economic milieu. Rural communities are very suspicious by nature, and regard any external intervention with considerable skepticism, if not outright distrust. UN Volunteers in this respect may be cheaper for the project, and usually adopt a lifestyle that is closer to the local standard, but they often remain some sort of distant expatriates all the same;
- **technology:** no technological breakthrough can be reasonably expected from rural enterprises at grass-root level. Experience shows on the contrary that adopting proven, rather than experimental, equipment is more conducive to full assimilation and sustainable impact. Larger firms are no doubt better equipped to test new designs, machinery, or products;
- **the absorption capacity** should not be over-estimated while preparing the project and its tentative workplan. Projects of this kind feature a very long incubation period, and typically start delivering when nearing their scheduled completion. The increased use of local expertise may extend the project lifetime at no additional cost, and from that viewpoint alone, contribute to a more sustainable impact;

- the **socio-cultural dimension** of these projects by far outweighs the techno-economic challenges they pose, and their success often hinges on a sensible appreciation of the intricate environment they dwell into. Such region-, or at times village-, specific data is usually not available off-the-shelf, and requires a preliminary, in-depth survey. It is therefore advisable that projects of that nature be preceded by a comprehensive preparatory assistance, allowing for a more accurate design of the main phase, and better performances altogether. In the present form, the survey is included as first output of the project, while the rest of the document necessarily preempts on its outcome. In practice, valuable time and resources are often wasted in changes of trajectory imposed by the actual findings of the survey;
- **pilot projects**: beneficiaries are weary of seemingly endless sequences of pilot projects. Fashionable as it is, the concept should be taken more seriously and truly lead to a broader dissemination of the experience gained in such projects.

7.2 Integration of Women in Development

- **women as targets** of technical assistance: it is not always relevant to measure the extent of women participation only from the number of women beneficiaries. In the case of the Zambia 'Mongu' project for instance (TF/ZAM/89/903), it was observed that women groups are sometimes put forth to attract the support of the project, while the real control of the business remains in the hands of men. In this regard, an in-depth social analysis is required to better apprehend the true extent of women involvement;
- **income allocation**: similarly, a prior socio-economic analysis should look into income allocation mechanisms in the society, particularly across genders. A successful experience in Zambia was the distribution of hundreds of small hammer mills. In view of the low productivity of industrial mills and prevailing high transport cost, operating a hammer mill on commission basis proved to be a very profitable business indeed, and groups of women entrepreneurs did extract sizeable income in the process. Yet when questioned about the benefits of their activity, they invariably referred to less homework (pounding maize, millet or cassava takes a very tedious part of a rural woman's day), rather than to more income. Thus it may well turn out that whatever income is earned by women is actually remitted to, and spent by, their husbands in goods or services that do not increase the women's own utility, nor for that matter serve the ultimate cause of their advancement in the society;
- **women as instruments** in technical assistance delivery: perhaps a more effective way of enhancing the profile of women and contribute to their progressive integration in the economic society is to rely on women groups as NGOs or Rural Development Organizations to channel technical support to the target beneficiaries. In Zambia the Honourary Chairman of the Village Industry Service also happens to chair the National Committee for the Promotion of Women in the country. Certainly her personal influence goes a long way in buttressing the image of women as successful entrepreneurs in the country. Similarly in Uganda, such institutions as the Women's Finance and Credit Trust should be brought into an instrumental role in extending and

monitoring credit to small-scale rural entrepreneurs, provided they could overcome the current gender-specific nature of their operations.

7.3 The Revolving Fund instrument

The use of a revolving fund to service credit needs at grass-root level has certainly demonstrated its potential. Yet several recommendations emerge from the two case-studies in Zambia and Uganda:

- **interest rates:** the revolving fund should be run on a strictly commercial, if not necessarily profit-oriented, basis, and market-determined interest rates should be charged to the loans it affords. This allows for a better filtering of the credit applications, introduces the beneficiaries to the real contingencies of market economics, enables the recovery of management costs, and extends altogether the lifetime of the revolving stock. Examples in section 5.2.4 of the present document show how the revolving fund is quickly waning out when concessionary conditions are offered to the borrowers. The compromise is between awarding heavy subsidies to a privileged few, or making credit accessible, if at market terms, to many;
- **accessibility vs availability:** in the case-studies under review, and particularly in Zambia, the winning edge of the scheme lies in the accessibility, rather than in the availability, of credit to grass-root level entrepreneurs. Credit may be available, but only through bank outlets in the major cities of the countryside. Besides, potential borrowers also require technical support to articulate their needs and projects, which entails either additional work to screen out the applications, or additional risk that the bank in any case is not prepared to meet. Government-promoted Credit Guarantee Schemes often failed, suggesting that the binding constraint to expanded credit allocation to rural enterprises lies elsewhere. The Evaluation Mission found that borrowers attach much more importance to the accessibility of credit (i.e. when the lender is not some distant, and somewhat inhibiting, bank, but rather a local RDO with which a one-to-one trust relationship can develop), than to the string conditions it carries. A grass-root network of RDOs, by its proximity to the clients' base, considerably contributes to the accessibility of credit. It represents a most valuable asset, which should command retribution through a higher than concessionary interest rate;
- the **management** of the revolving fund need not be entrusted to an established bank: an existing non-profit institution, provided it satisfy capacity and integrity conditions, may well act as a financial intermediary on its own right. Psychologically, it could even have a positive impact on the recovery rate of the loans: unlike a bank, a non-profit organization is not seen as *a priori* rich, and defaulting would not have that seemingly perfectly moral image of transferring money from the rich to the poor, contributing in the process to a fairer income distribution;
- **grace period and repayment schedule** should be consistent to the actual destination of the funds. When loans are intended to meet raw materials and working capital

needs, the full repayment duration ought to be much shorter than when equipment and machinery are involved. In any case, the use of the revolving fund to cover variable costs should be limited to its minimum extent, and rather seek to finance capital requirements, where its development impact is more obvious;

- **disbursements** must be tightly controlled, and realized in kind rather than in cash to avoid possible diversions. A strict phasing should be put in force, when a disbursement can only be released upon clearance of outstanding balances. The Evaluation Mission is basically against disbursements for raw materials, as it represents a distorted way of easing a constraint that essentially lies on the consumer's side;
- **security**: the submission of adequate security is often the key issue of such lending programmes. Grass-root entrepreneurs often lack any sort of collateral, real estate, land title deeds, and find it difficult to contribute any significant equity towards the total cost of the project. Rather than individual security, group security could be sought, whereby a closely tied social community would step in and collectively provide the required collateral. In case of individual default at grass-root level, the legal recovery procedure that follows is likely to result in a pathetic, and hardly cost-effective, outcome. In case of collective security, the threat that all members of the group would be barred from future credit is in itself a powerful deterrent against possible default;
- **leverage** merits to be encouraged, as a way to promote successful entrepreneurs into a higher category of financial services. Under that scenario, promising small-scale entrepreneurs would be granted loans from the revolving fund, to serve as security against larger loans from established development finance institutions.

7.4 The Trust Fund mechanism

The Evaluation Mission failed to see, in the four projects under review, significant advantages of third-party Trust Fund, vs for instance Industrial Development Fund, financing:

- at **design stage**, the Mission noted the following points:
 - the idea of initiating discussions with a donor around a preliminary concept represents no doubt a time-effective improvement over the procedure, applicable a.o. to the Industrial Development Fund, that consists of approaching potential donors only with fully-fledged project documents;
 - the role of the Trust Fund section seems unclear at this stage. Its value-added fluctuates from project to project, at times contributing to the design and drafting, but acting at times as mere stamping office;
 - other parts of UNIDO such as the Area programme and the Appraisal section, normally involved in project identification and design, appeared systematically bypassed in the case of trust funds projects;

- evidence from the **implementation** of such projects suggests that:
 - unlike commonly believed, trust funds projects do not show any greater flexibility during their implementation, when it comes for instance to redeploy inputs and introduce internal transfers in the budget;
 - no periodical mandatory revisions are routinely carried out to revise initial allotments, actual expenditures and forecasts;
 - there seems to be no built-in mechanism for joint progress reviews that would allow the donor, UNIDO and the national counterpart to closely monitor the execution of the project ;
 - similarly, there appears to be little compliance with the reporting obligation from the backstopping branch to the Trust Funds section and to the donor.

30 November 1993/Rev.1

IN-DEPTH EVALUATION OF SPECIAL TRUST FUND PROJECTS**(DONOR COUNTRY : JAPAN)**

TERMS OF REFERENCE

CLUSTER I: AFRICA REGION**Joint evaluation of projects**

1. TF/RAF/87/903 Pilot Fruit Processing plant by rural women at cottage industry level - (Zambia \$103,218, completed)
2. TF/GLO/88/905 Development of small and cottage industries at grassroot level - (Uganda, \$300,000, completed)
3. TF/GLO/89/015 Integration of Women in Agro Industry development, sun drying of fruit and vegetables - (Senegal \$700,000, ongoing)
4. TF/ZAM/89/903 Development of rural industry at grassroot level - (Zambia \$224,880, ongoing)

TF/RAF/87/903

ZAMBIA

- TITLE:** Pilot fruit processing by Rural Women at Cottage Industry level.
- BUDGET:** \$99,700 (including 13% overhead)
- TRUST FUND BENEFICIARY:** Government of Zambia/Village Industry Services.
- FIELD COVERED:** Technical and Managerial assistance to rural women in promotion of small scale juice production activities.
- DEVELOPMENT OBJECTIVES:** To promote rural women's engagement in small-scale juice production activities based on locally available surplus fruits for local consumption.
- PROJECT OBJECTIVE:**
1. Establish technical and financial specifications of a fruit juice producing pilot cottage industry;
 2. Specify the outputs, activities and inputs to actually establish a pilot plant;
 3. Train village industry service technicians and women entrepreneurs on system of inputs procurement, marketing products, local production of equipment; and
 4. To determine the prototype juice production project for duplication.
- OUTPUTS:**
1. A document containing all the necessary information to establish a fruit juice producing pilot cottage industry;
 2. A project document for the implementation of the pilot state;
 3. Trained women entrepreneurs and vis technicians on a number of predetermined subjects;
 4. Installed prototype juice production units.

TF/GLO/88/905

UGANDA

- TITLE:** Development of Small and Cottage Enterprises at Grass Root Level
- BUDGET:** \$300,000 (including 13% overhead)
- TRUST FUND
BENEFICIARY:** Government of the Republic of Uganda and the Ministry of Industry and Technology, Mbale District.
- FIELD COVERED:** Assistance to small-scale and cottage enterprises in rural areas through rehabilitating, strengthening and developing their productivity. Specific target sub-sectors are sheet metal fabrication, wood workshop, garment making, printing and brick making.
- DEVELOPMENT
OBJECTIVE:** The development objective of the project is to increase the production capability of the small-scale and cottage industry sub-sector, particularly among the vulnerable sections of the society and in the rural areas.
- PROJECT
OBJECTIVE:**
- a) To rehabilitate, strengthen, develop and increase productivity in the small scale and cottage enterprises in the Mbale area and its surroundings;
 - b) To catalyze development activities in the income generating and productive sectors, and to reactivate and fully utilize skills, machinery and other productive resources in Mbale area.
- OUTPUTS:**
- 1) A complete rehabilitation and development plan.
 - 2) Half a dozen of cottage industrial units established.
 - 3) Appropriate and workable mechanisms for a revolving fund established.
 - 4) Three technical management staff fully trained in project profile preparation.
 - 5) Technical report indicating results achieved, problems encountered, recommendations envisaged for solving and eventual course of action required.

TF/GLO/89/015

SENEGAL

TITLE: Integration of Women in Agro-Industrial Development: Solar drying of fruits and vegetables.

EXTERNAL BUDGET: \$700,000 (includes 13% overhead)

TRUST FUND BENEFICIARY: Government of Senegal/Institute of Food Technologies (ITA):

DEVELOPMENT OBJECTIVE: (as stated in the project document). The project is elaborated in line with the macro objectives of the new economic policy of Senegal:

- Development of agricultural sector;
- Adding value to the agricultural output;
- Improvement of the socio-economic indicators of the rural areas; and in particular
- Integration of women in the economic activities.

PROJECT OBJECTIVE: To integrate Senegalese Women in the value adding to fruits and vegetables. This will be through the following:

- Establishment of necessary institutional infrastructure at central and field levels;
- Transfer of Technical and Institutional know-how to the field level;
- Field application of instructions prepared at central level on management and drying techniques (a repetition of the previous objective)².

OUTPUT:

Phase 1:

- Preparatory documents describing the outputs/activities of the project and describing the main activity lines to be followed by the project;
- Establishment of the Central Project Office at ITA in Dakar with the necessary means to undertake the project activities;
- Preliminary studies with basic information on fruits and vegetables output, preparation and agreement of the necessary documents to start activities at central and field level;
- Outputs of activities started during Phase I to be concluded during Phase 2.

Phase 2:

- First output of phase 2 not mentioned;
- Documents containing instructions and follow-up to field activities;
- Undertaking of the foreseen programmes on management of the drying centres.

TF/ZAM/89/903

ZAMBIA

- TITLE:** Development of Rural Industries at Grass Root Level.
- BUDGET:** 254,115 (includes 13% overhead)
- FIELD COVERED:** The project aims at creating a network of institutions with VIS (village industry service) as the VIS Rural Industry Development Programme spread over wide geographical rural areas to support rural youth and women by a joint effort through other Rural based Development Organizations.
- DEVELOPMENT OBJECTIVE:** To increase the supply capability of essential products in the rural areas on the basis of locally available raw materials by indigenous rural small-scale industries.
- PROJECT OBJECTIVE:** To introduce and demonstrate the VIS Rural Industrial Development Programme, a VIS-centred network with the Rural-based Development Organizations, to promote the development of the rural small-scale industries in the Western Province which will be based on the Rural Industry Seed Fund Programme, a VIS administered revolving fund.
- OUTPUTS:**
- 1) A simple survey report of target geographical area, providing critical inputs, raw material availability, product market and an on going existing businesses.
 - 2) Operational guidelines for the VIS Rural Industrial Development Programme and the Rural Industry Seed Fund (RISF) Programme.

A. INTRODUCTION

UNIDO has been developing and implementing new mechanisms for promoting industrial co-operation through trust fund arrangements. A special focus was directed towards the development at rural/cottage/grassroot level enterprises to raise the level of employment and income and also to facilitate a more strengthened role of women in economic activities. In this regard, UNIDO has been involved with Japan as the donor country since 1987 to fund such schemes under the trust fund mechanism - with the over all goal to promote industrial development.

The main purpose of this in-depth evaluation is to check on the effectiveness, efficiency impact and relevance of the above projects as well as draw guidelines for future projects derived from the lessons learned by this evaluation.

B. BACKGROUND OF THE PROJECTS

TF/GLO/88/905

The Government of Uganda after two decades of civil disturbances has recognized that the small-scale and cottage industrial enterprises are the seed bed for a self sustaining industrial development in the country. Despite a difficult period of civil disturbances, the small-scale and cottage industries have survived and sustained. The Government of Uganda decided to embark upon an innovative grass-root development programme for small-scale and cottage industrial enterprises in the **Mbale district**. If the project is successful it may be repeated in other areas of the country since it incorporates a revolving fund mechanism.

(i) TF/RAF/87/903 and (ii) TF/ZAM/89/903

As a part of its economic reform programme to reorient its economy from over dependence on copper earnings, the Government of Zambia have initiated programmes and policies to develop its small scale industry. Such policies takes their roots in the establishment of the Small Industries Development Corporation and in the improvement of VIS (Village Industry Services). The incentives available to small industries were provided by the Industrial Development Act (1977). National Development Plans give high priority to the development of small and village industries all over the country. In June 1985 "An Action Programme for Economic Restructuring" in June was presented by the Government. In corporation to this the World Bank in its Country Economic Memorandum, Nov. 1986 states; "The Government should encourage through whatever fiscal or other incentives are appropriate and feasible the development of small scale ancillary units as suppliers to domestic industry".

The following donors are active in the field of SSI on the country: ILO and the ILO Southern African Team for Employment Promotion (SATEP); US AID, NORAD; Irish Aid; Netherlands Development Finance Company (FMO).

Zambia produces a variety of fruits almost throughout the year. Some of the fruits are wild and some are grown by farmers. Fruits which have not been consumed or processed go to waste.

The following fruits are grown in rural areas:

- | | |
|------------|------------------|
| 1. Bananas | 7. Water melons |
| 2. Guavas | 8. Limes |
| 3. Mangoes | 9. Avocado pears |
| 4. Lemons | 10. Pineapples |
| 5. Oranges | 11. Mulberries |
| 6. Pawpaws | 12. Tangerines |

VIS now proposes to start to establish fruit juice processing units in rural areas. VIS would like to establish pilot unit in order to demonstrated the fruit juice production business for rural women entrepreneurs. When the pilot

phase concludes successfully, VIS plans to replicate this business all over Zambia wherever favourable conditions permit. The location selected for the pilot operation is **Mukulalkwa in Central Province, about 100 km. away from Lusaka.**

For ii): In addition the above mentioned initiatives undertaken by the Government of Zambia, since January 1989, it further launched a "New Economic Recovery Programme (1989-1993) - aimed at arresting the decline of the national economy. The Government's strategy is based on "Growth from Own Resources". In this initiative, the first priority has been attached to the development of agriculture and the second to the endogenous resource based small scale industry.

Prior or on-going Projects:

UC/ZAM/86/176

Rural Industry Development.

TF/RAF/87/903

Pilot Fruit Processing by Rural Women at Cottage Industry level.

EXPECTED END OF PROJECT SITUATION: The VIS located in Nongu in the Western Province will be equipped to operate a revolving fund facility in support of the VIS Rural Industry Development Programme to develop rural small-scale industrial units in sub-sectors as wood-working, agro-processing, black-smithing, handcrafting and soap making

TF/GLO/89/015

The idea of the project originated in the Agro-Industries Branch of UNIDO on the basis of the perishability of fruits and vegetables and the possibility of integrating the Senegalese Women on the solution of these problems. The necessary know-how constitutes the main element to solve such problems and to achieve a quality product.

The project idea was discussed with the Senegalese authorities during a UNIDO mission to Senegal in March 1989 and a project document was agreed to.

C. EVALUATION

The purpose of the evaluation is to assess the overall achievements of the projects; to access and identify factors which have facilitated towards such assistance under the "Trust Fund Scheme" to ascertain the relevance and potential effectiveness of these projects; to assess the impact and effect generated from these projects; what follow-up actions were initiated and what lessons can be drawn on an operational, an organizational and at policy level. The results of the findings of evaluation should be of use to the donor, UNIDO and the recipient country in determining future course of action under the Trust Fund Scheme to obtain optimum results. Within this framework, field missions will be undertaken to the selected countries, with visits at the projects sites in the provinces of the selected countries.

D. SCOPE, PURPOSE AND METHODS OF THE EVALUATION

In accordance with the provisions UNIDO set out in the Director-General's Bulletin UNIDO/DG/B.106, the primary purposes of the in-depth evaluation are as follows:

1. To assess the achievements of the project against its stated objectives and outputs.
2. To re-examine the project design to assess whether:
 - a) The problem the project was supposed to address and the approach used were sound;
 - b) The beneficiaries and the users of the project results were properly identified and served by the projects;
 - c) The objectives and the outputs were related explicitly, precisely and in terms that are verifiable;
 - d) The objectives were achievable and whether the relationship between the objectives, the outputs, the activities and the inputs were clear, logical and commensurate, given the time

- and resources available; and
- e) A work plan was included in the project document and whether it was followed.
3. To identify and assess factors which have facilitated the achievement of the project objectives, as well as those factors that have impeded the fulfilment of those objectives. In connection with the above, to assess the project implementation with respect to:
- a) The quality and timeliness of the inputs;
- b) The quality and timeliness of the activities;
- c) The quality and timeliness of the responsiveness of the project management to changes in the environment;
- d) The quality and timeliness of monitoring and backstopping by all parties to the project; and
- e) The efficiency and effectiveness of the consultants fielded.
4. To examine the extent to which the results of the project have contributed towards development and the significance of the results achieved for the target countries concerned.
- a) The results of the project, whether the project is producing or has produced its outputs.
- b) The effect on target groups of the specific countries.
- c) The performance of the project against stated objectives.
- d) Whether the project has reached a level/capability to generate and promote business in the target area and increased the participation of women in business activity.
- e) The extent of gender differentiation - projects' resultant impact and effect on the role of "women in industrial development".
- f) The factors which may have caused or are likely to cause any shortcomings, including those caused by project implementation performance.
- g) The extent to which the project has been able to respond to the needs of the specific countries and end users.

Apart of the above mentioned purposes the evaluation will also review whether the approach utilized in the programme and the administrative arrangements have led to optimum results or whether other approaches could have improved the results. The evaluation will include a review of the following:

- a) **Origin of requests**
- i) Countries, type of countries;
- ii) Type of industries (medium vs small vs cottage vs rural based vs grass root level)
- iii) Were the projects requested by Ministries, enterprises, associations, financing organizations and degree of participation in the project elaboration;
- iv) What was the problem addressed;
- vi) Was the project a follow-up to previous project work or just the start of it?
- b) **Issues related to UNIDO STF programme**
- i) Approval process (selection procedure, including criteria for selection of Japan as donor);
- ii) Criteria used for project approval;
- iii) Commitment of UNIDO - Headquarters to execute this STF project compared to other projects;
- iv) What was the degree of cooperation and coordination between the STF section and the substantive operation branch at UNIDO Headquarters?
- v) Quality of backstopping of the project;
- vi) Assess training component;
- vii) How were the findings and conclusions of the project presented?
- viii) Are project reports examined or appraised by Japan and UNIDO, either in draft or after completion?
- ix) Was there any feedback from Japan and UNIDO on project reports?
- x) Was there any involvement of Japan and UNIDO in the follow-up to the project reports? What further follow-up is required?

Lessons Learned

The evaluation team should also record any significant lessons that can be drawn from the experience of the project evaluated, especially with respect to UNIDO's special trust fund programme, in particular anything that worked well and that can be applied in future trust funds projects, if appropriate, and/or anything which worked negatively and should be avoided in the future.

E. COMPOSITION OF THE TEAM

The evaluation team will be composed of the following:

- One representative of the donor country;
- One representative of UNIDO;

Qualifications

The Team should possess a combination of knowledge of technical cooperation project evaluation and of small scale industrial development. The team selected is expected to be an independent body who have played no role in the design, implementation and monitoring of the project.

F. CONSULTATIONS IN THE FIELD AND AT HEADQUARTERS

The mission will maintain close liaison with the resident representative of the countries visited, the Embassies of Japan, the concerned Government organizations, local UNIDO staff and where applicable the projects' national and international staff.

The mission is expected to visit project sites of the countries visited and establish close contacts with the target groups and end users.

The team, other than the field trips, will spent time at UNIDO Headquarters to review projects files and interview relevant officials responsible for the programme and in the substantive units to gather information on project implementation and to present the results of the evaluation.

Although the mission should feel free to discuss with the authorities concerned all matters relevant to its assignment, it is not authorized to make any comments or commitments on behalf of the donor country or UNIDO.

G. TIMETABLE

In so far as required, the donor and UNIDO representatives will receive briefings and carry out desk work in Vienna to review project documentation. Upon arrival in the specific country, the mission will be briefed by the resident representative of the UNDP. The mission will complete its assignment within five weeks. At the end of the mission, the evaluation team will be ready to present and discuss its initial findings, conclusions and recommendations and finalize the report which will be submitted to the Japanese Government and UNIDO.

The mission will conclude its findings with an evaluation report according to the UNIDO format, as stipulated in the Director-General's Bulletin UNIDO/DG/B.106. The team will be expected to make a presentation of the conclusions and recommendations in each country covered.

List of persons met³**in Vienna**

Mr. O. Gonzalez-Hernandez	Head
Mr. I. Farooque	Associate Evaluation Officer Evaluation Section Division of Mobilization and Management of Financial Resources
Mr. S. Hisakawa	Industrial Development Officer Small and Medium Enterprises Branch Division of Human Resource, Enterprise and Private Sector Development [Backstopping Officer, TF/RAF/87/903 and TF/ZAM/89/903]
Mr. Ch. Martin	Industrial Development Officer Development Finance Institutions Unit Division of Mobilization and Management of Financial Resources [Formerly Area Officer (Uganda) Africa Branch Area Programme Division Department of Project and Programme Development]
Mr. A. Bassili	Acting Head, Agro-based Industries Branch Division of Industrial Sectors and Environment
Mr. A. Sabater de Sabates	Senior Industrial Development Officer Agro-based Industries Branch Division of Industrial Sectors and Environment [Backstopping Officer from October 1991, TF/GLO/89/015]
Mr. K. Tanaka	Permanent Mission of Japan to UNIDO
Mr. T. Ishigure	
Mr. N. Takashima	
Mr. A. de Faria	Chief Evaluation Officer Quality Assurance Unit Division of Country Strategy and Programme Development
Mr. H. Heep	
Ms. M. Pokane	Area Officer, Zambia Africa Branch Division of Country Strategy and Programme Development
Mr. V.K. Chanana	Senior Industrial Development Officer Institutional Support and Private Sector Development Branch Division of Human Resource, Enterprise and Private Sector Development [Backstopping Officer, TF/GLO/88/905]

³ in the chronological order of the appointments.

Mr. U. Antinori	Industrial Development Officer Agro-based Industries Branch Division of Industrial Sectors and Environment [Backstopping Officer until October 1991, TF/GLO/89/015]
Mr. R. Kabwa	Area Officer, Senegal Africa Branch Division of Country Strategy and Programme Development
Mr. J.-M. Derooy Ms. D. Magliani Mr. T. Otsuka Mr. Navratil	Managing Director Acting Chief, Government Funds Unit Officer, Government Funds Unit Officer, Evaluation Section Division of Mobilization and Management of Financial Resources
Mr. J. Hebga	Senior Area Officer and Co-ordinator of the UCD Programme Office of the Director Division of Country Strategy and Programme Development [Former Senior Investment Officer Africa Branch Division of Industrial Investment Promotion Department of Investment Promotion, Consultation and Technology]

in Zambia

UNDP/UNIDO Office	Mr. F. Becchi, Deputy Resident Representative, Officer-in-Charge Mr. E.A. Taylor, UNIDO Country Director Mr. K. Joergensen, UNIDO Junior Professional Officer + several UNDP Programme Officers
Japanese Embassy	Mr. K. Hanagata, Councillor Mr. K. Obara, First Secretary Ms. K. Ishii, Second Secretary
Ministry of Commerce, Trade and Industry	Mr. F.M. Siame, Permanent Secretary, Commerce, Trade and Industry Mr. S.C. Koplande, Director, Industry Ms. Mutemba, Economist
Village Industry Services	Ms. J. Mapoma, Honorary Chairman Mr. Chibuye, Head, Projects Section Mr. S. Kapaku, Information Officer Ms. B. Kani, Project Officer (Kapini)
TFRAF/87/903	Several members of the Kayosha Club at Kapini village
Small-Scale Industry Development Organization	Mr. M.C. Kaumba, Projects Extension Services Manager
VIS Office in Mongu	Mr. W. Mutale, national expert of the project TF/ZAM/89/903 Mr. G.K. Makumba, VIS representative in Mongu
Lima Bank	Mr. J. Mwandila, Manager [Member of the Loan Committee of the project]
People's Participation Project	Mr. Chiinda, Provincial Agricultural Officer

GOZ authorities in Mongu	Mr. M.C. Chalimbana, Deputy Permanent Secretary [Chairman of the Loan Committee] Mr. J.S. Mulungushi, Chief Regional Planner [Vice-Chairman of the Loan Committee]
SIDO Office in Mongu	Mr. Banda, Regional Manager [Member, Loan Committee] Mr. W. Matoka, Senior Project Officer, SIDO Service Centre [Alternate SIDO representative, Loan Committee]
Mongu School for Continuing Education	Mr. H.M. Mukelabai, Head Master Mr. C. Larsen, Technical Advisor
Nayuma Museum	Mr. Mukena, Director
Loans beneficiaries	Mr. Sepiso, applicant (food processing) Munkuye women's club in Kaoma (tailoring) Ms. J. Sitali and group of rural women in Mongu (hammer mill) Mr. P. Sangandu (rural tannery)

in Uganda

UNIDO Office in Kampala	Mr. G. Tabah, UNIDO Country Director Mr. K. Goekint, UNIDO Programme Officer
Ministry of Trade and Industry	Ms. J. Mambule, Principal Industrial Officer Ms. R. Sabano, Industrial Officer [Counterpart to the National Expert]
TF/GLO/88/905	Mr. B. Ekoot, National Expert and Project Coordinator
Loans beneficiaries	Muyembe Women's Development Association (bakery) Mbale African Pro. Stores (milling) Komoli Maize Mill (milling) Lafra Cottage Industry (metal working - padlocks - mostly from scrap metal) Galiwango Foundry (metal working - utensils - from scrap) Mbale Metal Fabricators & Eng. Works (metal working - window frames) Wamengo Bricks & Tiles (building materials) Jimmy Professional Tailor (tailoring) Gehena Metal works & Building Construction (metal working - window frames) Sulait Madede Bakery (bakery) Wesena Engineering Works (fabricant of hammer mills) Ndume Millers (medium-scale milling)
Uganda Co-operative Bank	Mr. H.N. Kazibwe, Manager, Mbale Branch [Member, Loans Committee] Mr. G. Walubi, Project Officer
Uganda Small-Scale Enterprises Association (Mbale Zone)	Mr. J. Semambo, Chairman [Vice-Chairman, Growth Centre Planning & Development Committee] Mr. J.T. Mungoma, Treasurer
Growth Centre Planning & Development	Mr. D. Odedo Ocheno, representative of the disabled group

Uganda Co-operative Bank	Mr. C.M. Ntamu, Chief Credit Manager, Central Region Mr. Demulira
Uganda Women's Finance and Credit Trust	Ms. S. Nambuya, Training Officer Ms. A. Muwonge, Senior Operations Officer
UNDP Office in Kampala	Mr Teshome, Resident Representative

in Senegal

Institut de Technologie Alimentaire	Mr. M. Ndiop, Directeur Général [Directeur National du Projet, TF/GLO/89/015] Ms. Ndiaye, Spécialiste en Technologie Alimentaire
Ambassade du Japon au Sénégal	Mr. H. Nagasawa Premier Secrétaire
TF/GLO/89/015	Ms. C. Fowler, Partenaire Commercial Ms. F. K. Sarr, Présidente du Groupe de Femmes de Ndamlo
Ministère de l'Energie, des Mines et de l'Industrie	Mr. A. D. Ndiaye, Ministre
Ministère de la Femme, de l'Enfant et de la Famille	Ms. N. Ndiaye, Ministre
Bureau de l'ONUDI à Dakar	Mr. M. Konare, UCD