

# ***DUPLICATION STUDY:***

## **Business and Entrepreneurial Development Programs in the New Independent States and Central and Eastern Europe**



**INTERAGENCY WORKING GROUP ON U.S.  
GOVERNMENT-SPONSORED  
INTERNATIONAL EXCHANGES AND  
TRAINING (IAWG)**

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## **EXECUTIVE SUMMARY**

Over the past decade, significant U.S. Government resources have assisted the countries of the New Independent States (NIS) and Central and Eastern Europe (CEE) with their transition from planned to market economies. International exchanges and training programs designed to provide professional-level training to entrepreneurs and private sector representatives for the purpose of promoting private sector growth and sustainability form the key components of the overall U.S. assistance package. In response to its mandate to identify duplication and overlap among U.S. Government-sponsored international exchanges and training programs, the IAWG conducted a study of business and entrepreneurial development programs to determine (1) whether areas of duplication and/or overlap exist among them, and (2) whether best practices could be shared among these programs to enhance overall efficiency and effectiveness.

The IAWG study focuses on programs designed to train businesspeople and entrepreneurs that the Departments of Agriculture, Commerce, and State; the Peace Corps; and the U.S. Agency for International Development (USAID) administer. It does not include programs that may foster and support the legal, economic, and regulatory environment necessary for the sustenance of a market economy, but do not directly train entrepreneurs.

**Goals and Objectives:** While all U.S. Government-sponsored business and entrepreneurial development programs in the NIS and CEE included in this study wholly or partially address overarching economic prosperity (which encompasses economic development, stability, open markets, and U.S. exports), there are nuances among the stated goals and objectives of the programs that are tied to the particular missions of their sponsoring organizations. In general, three broad categories emerge: business promotion (Agriculture and Commerce), development (USAID and Peace Corps), and public diplomacy (State). While each of these programs includes elements of all three, they tend to focus more heavily on one.

The way in which programs select themes, topics, and/or industries for training fits into two categories: those that respond to the specific development needs in the country and those that respond primarily to the needs of the U.S. business community. The majority of the programs fall into the first category.

**Methodologies:** A wide range of programming methodologies are used among the various programs considered in this study. Programs take place in the United States, the participants' home country, and/or a third country. All of the programs surveyed have employed more than one type of methodology to achieve their goals. All the programs reviewed can be classified as training programs. They involve seminars, workshops, internships, site visits, job shadowing, consultations, and/or observation components. Program methodologies are tailored to the goals of the program and the target audience. Several of the programs include participants other than business leaders, such as government, nongovernmental organization (NGO), and media professionals. This serves to create broad-based coalitions that foster and support an atmosphere in which private businesses can grow and develop.

**Funding:** U.S. Government funding (including agency base, Freedom Support Act, Support for East European Democracy Act, and Emerging Markets funds) comprises the majority of support for all listed programs, though significant cost sharing exists in several programs with partner organizations/businesses or through in-kind contributions from volunteers, host families, and

community organizations. Because each of these programs is administered differently and involves different training methodologies in different locales, it is not feasible to compare costs across programs. While it would be possible to break down costs per program day/per participant, it is unwise and misleading to attempt to quantify budget comparisons among a group of programs that are as diverse as, for example, a U.S.-based, three-week internship with a Fortune 500 company and a micro-enterprise development seminar conducted for Ukrainians in Poland.

**Follow-On:** Follow-on programming falls into four basic categories: (1) formalized business arrangements with host businesses or contacts, (2) sustained informal contacts between participants and hosts/trainers, (3) implementation of plans or incorporation of processes developed on the program, and (4) alumni activities. All four are of great value and are supported to varying degrees by the programs surveyed.

**Evaluation:** Evaluations conducted of business and entrepreneurial development programs range from participant critiques of program elements to formal, long-term professional program evaluations. All programs report that they use participant input before, during, and after the program to fine-tune activities and approaches. Sponsoring organizations' in-country representatives, both federal and NGO, also help shape and evaluate programs.

**Suggestions:** Several suggestions have been raised by organizations administering business and entrepreneurial development programs or became apparent through the course of the IAWG's study:

- Increased follow-on programming is needed to realize all the potential benefits of business and entrepreneurial development programs.
- The Freedom Support Act funding mechanism for several programs needs to be changed. Inherent delays in funding and unanticipated changes in country-specific targets challenge program administrators' ability to run efficient and effective programs.
- Partnerships with the private sector, NGOs, and community organizations are critical to the success of the majority of the programs included in this study. Most programs exhibit close partnerships, but expanding these relationships or developing them where they are absent can further improve programs.
- While many programs, by design, must take place in the United States, reconsidering venues for others may yield cost savings and provide beneficial opportunities and experiences.
- Incorporating nonbusiness professionals into training programs or designing tandem programs for them can help foster support for business and private enterprise.

**Duplication Assessment:** The programs reviewed in this study all address the same overarching goal, but do so in unique ways with a variety of specific objectives. Despite similarities on many fronts, it does not appear that any of the surveyed programs duplicate others to a degree that would warrant elimination, reduction, or complete re-design. Even if duplication had been found, the economic situation in the NIS and CEE and the related foreign policy goals of the United States dictate that significant resources be devoted to programming in this area. No single organization's approach stands out as a model that should be applied across the board;

each addresses the needs of differing constituencies and/or complements the programming of other organizations. The diversity of these programs is a major factor in their collective strength.

The most logical and effective safeguards against duplication and overlap among business and entrepreneurial development programs throughout the region can be employed at the Embassy level. Embassy personnel have the best grasp of the needs of target communities in-country and can be sure that recruitment, selection, and follow-on programming is not duplicative. Intra and interagency coordination is crucial to ensure that these various programs complement each other and contribute to the achievement of overarching U.S. objectives in the region. Washington staff can complement this effort by sharing approaches, best practices, and ensuring that program designs do not contain overtly duplicative facets.

## **OVERVIEW**

Over the past decade, significant U.S. Government resources have assisted the countries of the New Independent States (NIS) and Central and Eastern Europe (CEE) with their transition from planned to market economies. Agencies representing the full spectrum of government international programs have played a key role, developing some of the U.S. Government's most successful exchanges and training programs to facilitate this transition. Programs range from those designed to educate and empower private business representatives to those designed to create an atmosphere in which a market economy can thrive. The IAWG believes that a segment of these programs in this region of the world -- business and entrepreneurial development programs -- warrant further analysis to determine (1) whether areas of duplication and/or overlap exist and (2) whether best practices could be shared among programs to enhance overall efficiency and effectiveness. Business and entrepreneurial development programs are defined as those programs that seek to provide professional-level training to entrepreneurs and private sector representatives for the purpose of promoting private sector growth and sustainability.

This study addresses the IAWG's mandate to identify duplication and overlap of activities among U.S. Government agencies involved in international exchanges and training programs. The IAWG recognizes that duplication and overlap are not inherently negative occurrences and may be warranted by the foreign policy goals of the U.S. Government. Business development in countries transitioning to market economies is a particular area in which programming by multiple agencies may be necessary to meet the widespread need for assistance and to expedite the creation of a stable business environment that is conducive to U.S. investment and trade.

## **IDENTIFYING PROGRAMS**

To identify programs for analysis, the IAWG queried its database for programs in the NIS and Central and Eastern Europe that listed Economic Prosperity as one of the "national interests" served by the program.<sup>1</sup> The IAWG then screened the results for programs that facilitate the transition to market economies in this region. The resulting list of programs follows:

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<sup>1</sup>The State Department's 1999 International Affairs Strategic Plan indicates that all foreign policy activities of the U.S. Government should serve at least one of seven defined national interests.

**BUSINESS & ENTREPRENEURIAL DEVELOPMENT PROGRAMS IN THE NIS & CEE**

**PROGRAMS SUPPORTING THE TRANSITION TO MARKET ECONOMY IN THE NIS AND CEE**

<b>Department</b>	<b>Agency</b>	<b>Program</b>
Department of Agriculture	Foreign Agricultural Service	Cochran Middle Income Fellowship Program
		AgLink Program
Department of Commerce	Bureau of Export Control	Nonproliferation and Export Control Cooperation Program
	International Trade Administration	Special American Business Internship Training Program (SABIT)
	National Institute of Standards and Technology	Special American Business Internship Training Program (SABIT)
		Standards in Trade Program
Patent and Trademark Office	Patent and Trademark Office Technical Assistance Programs	
Department of Education	Office of Educational Research and Improvement	Economic Education Program
Department of Justice	Antitrust Division	Antitrust Division Programs
Department of Labor	Bureau of Labor Statistics	International Labor Statistics Center
	Bureau of International Labor Affairs	Technical Assistance Programs
Department of the Treasury	Internal Revenue Service	Office of Overseas Operations and Tax Administration Advisory Services Programs
	Office of the Comptroller of the Currency	Foreign Technical Assistance Program
	Office of Thrift Supervision	International Visitor Information Exchange Program
	U.S. Customs Service	International Training and Assistance Program
	U.S. Secret Service	U.S. Secret Service Training Programs
Department of State	Bureau of Educational and Cultural Affairs (formerly U.S. Information Agency (USIA))	Interagency Appropriation Transfer Programs
		International Visitors Programs
		Professional and Citizen Exchange Programs
		Global and Special Academic Programs
	Office of International Information Programs (formerly USIA)	Fulbright Academic Exchange Programs
		U.S. Speakers, Specialists, and Professionals-in-Residence Programs
Independent Agencies	Federal Deposit Insurance Corporation (FDIC)	International Training Program
	Federal Trade Commission (FTC)	Competition and Consumer Protection Policy Technical Assistance Program
		Foreign Visitors Program
		International Consumer Protection Program
	Securities and Exchange Commission (SEC)	Foreign Technical Assistance Program
U.S. Agency for International Development (USAID)	Economic Growth and Agricultural Development Programs	

**BUSINESS & ENTREPRENEURIAL DEVELOPMENT PROGRAMS IN THE NIS & CEE**

From these programs, three distinct groups emerge. The largest contains programs that foster and support the legal, economic, and regulatory environment necessary for the sustenance of a market economy, but do not directly train entrepreneurs. Many of these programs, as exemplified by those found in the Departments of Justice, Labor, and Treasury, the FTC, FDIC, and SEC, are organization-to-organization technology and knowledge transfers. They are highly specific and build upon the sponsoring U.S. Government organization's particular field of expertise. These programs inherently avoid duplication and overlap because of their level of specificity. Therefore, a comparative study of them is not likely to demonstrate anything other than their many benefits. Though valuable, these programs do not generally provide training to businesspeople/ entrepreneurs and therefore are excluded from this study.

The list also includes academic programs that provide U.S. business and management curricula and/or academic training to students and educators from the region. These programs are most apparent in the Departments of Education and State (ECA Academic Programs). These programs, because they focus largely on academic credentials and curriculum development, are not included in this study.

The remainder of the programs comprise the substance of the IAWG's duplication study:

**ENTREPRENEURIAL AND BUSINESS DEVELOPMENT PROGRAMS IN THE NIS AND CEE**

<b>Department</b>	<b>Agency</b>	<b>Program</b>
Department of Agriculture	Foreign Agricultural Service	Cochran Middle Income Fellowship Program
		AgLink Program
Department of Commerce	International Trade Administration	Special American Business Internship Training Program (SABIT)
Department of State	Bureau of Educational and Cultural Affairs (formerly USIA)	Bosnia and Herzegovina Business and Local Governance Training Program
		Community Connections Program
		Executive Education Program for Central European Business and Professional Leaders
		Productivity Enhancement Program (PEP)
	International Visitors Programs	
	Office of International Information Programs (formerly USIA)	U.S. Speakers, Specialists, and Professionals-in-Residence Programs
Independent Agencies	Peace Corps	Business Volunteers
	U.S. Agency for International Development	Economic Growth and Agricultural Development Training Programs
		Economic Growth and Agricultural Development Technical Assistance Programs

The IAWG sent each of these federal organizations a survey regarding the administrative and programmatic details of their programs. A copy of the survey appears in Appendix 7.

After further review of program materials, the above list was again shortened, with two additional programs eliminated from the study: the International Visitors Program and the U.S. Speakers, Specialists, and Professionals-in-Residence Programs of the Department of State, Bureau of

Educational and Cultural Affairs. These two programs cover a wide range of programming topics and rarely address business and entrepreneurial development programming. Though a limited number of specific projects under these programs are directed toward entrepreneurs and businesses, the majority of the projects are unrelated or foster and support the legal, economic, and regulatory environment necessary for the sustenance of a market economy.

- The U.S. Speakers, Specialists, and Professionals-in-Residence Programs respond to specific requests from U.S. Missions overseas to recruit experts to speak and consult on specific topics or areas of importance. In FY 1999, the program conducted 14 projects in the NIS and CEE that broadly fit the criteria of promoting economic prosperity in the region. These projects ranged from topics such as job creation to business law. However, only three of these projects (specific topics were e-commerce, agricultural cooperatives, and marketing) *may* have directly trained entrepreneurs.
- The International Visitors Program also responds to direct requests from overseas, enabling U.S. Missions to invite current and emerging foreign leaders in multiple fields to meet with U.S. counterparts and to obtain firsthand knowledge about the United States. In FY 1999, the International Visitors Program sponsored nine projects that directly supported the development and expansion of a market economy. These projects included topics such as small business development, government promotion and regulation of internal commerce, and regional approaches to foreign trade. However, these projects were attended largely by government, association, and trade union representatives and did not directly train entrepreneurs.

One section of the International Visitors Program responds to requests from U.S. Missions overseas to create short programs for foreign individuals that will already be in the United States and would like assistance arranging meetings with professional counterparts.

The remainder of the above programs are included to some degree in this study. The Peace Corps did not respond to the IAWG's survey. Therefore, assessment of the Peace Corps' programs vis-à-vis other business and entrepreneurial development programs will be limited.

Please note that a number of USG-sponsored programs support the development of business associations. Several of the programs considered under this study also have association development components or indicate that creation and development of associations is a positive, but unplanned, byproduct of their activities. On the individual level, associations provide a mechanism to bring private sector groups together to share both technical and business/market information. From an overarching viewpoint, associations are a hallmark of a democratic system and foster an environment in which private businesses can grow and thrive. They provide a forum for dialogue between the public and private sector on policy changes needed to enhance participation of the private sector in a market-driven economy. Furthermore, associations have a positive effect on local communities. They introduce new ideas and fuel the local economy through employment and income generation. These positive economic effects result in improved standards of living and stabilization.

For the purpose of this study, association development programs are placed into the category of those programs that foster a nurturing environment for businesspeople and entrepreneurs, and, like the other programs in this category, are not analyzed specifically herein.

A short description is provided below for each of the programs included. A more detailed description appears in Appendix 2.

## U.S. Department of Agriculture

- **AgLink Program** -- The AgLink Program promotes U.S. trade and investment activities with emerging markets by helping small- and medium-sized U.S. agribusinesses develop trade ties in the NIS and Central and Eastern Europe while enhancing the entrepreneurial skills of foreign managers. The program includes one-on-one contacts/consultations, study tours, site visits, and seminars. Four program phases, which occur both in the U.S. and abroad, may stretch over a year, though formal training in the U.S. can last up to two months.
- **Cochran Middle Income Fellowship Program** -- The Cochran Program provides short-term training in the United States for mid- to senior-level agriculturalists from 67 eligible countries (middle income, emerging democracies, and emerging markets). The Cochran Program is active in all the countries of CEE and the NIS except Belarus and Tajikistan. Training focuses on agribusiness, agriculture and agricultural trade policy, and technical assistance areas such as agricultural credit, banking, and processes. Fellowship programs last from two weeks to three months, depending on particular program needs.

## U.S. Department of Commerce

- **Special American Business Internship Program (SABIT)** -- SABIT provides market-oriented business training to executives from the former Soviet Union. SABIT exposes NIS interns to market-based management and scientific skills through two distinct program models:
  - Grants Program: This program places English proficient participants in internships with U.S. host businesses for three to six months.
  - Specialized Program: Groups of non-English-proficient participants receive four to six weeks of site visits, technical training, and business training in the United States.

## U.S. Department of State

- **Bosnia and Herzegovina Business and Local Governance Training Program** -- The Bosnia Training Program offers home-stay based, two- to four-week practical training opportunities in the United States for businesspeople, business professors and local government officials from Bosnia - Herzegovina. Local community host organizations arrange internships and training sessions for participants.
- **Community Connections Program** -- The Community Connections Program offers professional training and exposure to a free market system through home-stay-based, three- to five-week practical training opportunities in the U.S. for entrepreneurs, local government officials, legal professionals, nongovernmental organization leaders and other professionals from Russia, Ukraine, Belarus, Georgia, Moldova, Armenia, and Kazakhstan. Local community host organizations arrange internships for participants based on interests and experience. (Only the entrepreneurial/business training portion of this program is included in this study.)

- **Executive Education Program for Central European Business and Professional Leaders** -- The Executive Education Program arranges U.S.-based (Jacksonville, Florida, area) and in-country training programs for entrepreneurs and professionals from the Czech Republic, Hungary, and Slovakia. Programs include seminars, workshops, professional meetings, site visits, and internships/job shadowing opportunities.
- **Productivity Enhancement Program (PEP)** -- PEP empowers Russian citizens to improve their local economies by bringing Russian delegations to the United States for a three-week, U.S. community-hosted training program. Training programs are technical and industry-specific. They consist primarily of seminars with local businesses, site visits, roundtable discussions, and occasional participation in industry conferences and trade fairs. PEP is administered by the Center for Citizens Initiatives (CCI). A sample list of PEP delegations appears in Appendix 6.

### **U.S. Agency for International Development**

U.S. Agency for International Development (USAID) training is now designed and implemented so that it contributes to the accomplishment of development results as defined by individual USAID Missions. The Europe and Eurasia (E&E) Bureau Missions and USAID's implementing contractors and partners work closely to ensure that the training supports the identified Strategic Objective (SO). The achievement of specific and targeted training results within a Mission's strategic framework is essential to strengthening development in the region.

- **Participant Training Programs** -- Training in the NIS and CEE is conducted primarily through the E&E Training Program (GTD/TRANSIT) which seeks to develop the human capacity resources identified by USAID Missions as critical to the achievement of their SO targets. Within the framework provided by the Bureau's office of training,<sup>2</sup> Missions administer training activities utilizing the services of two training implementation contractors. In CEE, where the program is referred to as TRANSIT-CEE, World Learning (WL) is the implementing contractor. For the NIS subregion, where the program is referred to as TRANSIT-NIS, the Academy for Educational Development (AED) is responsible for implementing the contract.

An overview of the training programs administered by WL and AED can be found in Appendices 4 and 5. These programs are designed to support USAID's ongoing technical assistance activities by equipping leaders and professionals with the skills, knowledge, and attitudes necessary to guide the transition of their countries to a free market economy and democratic governance. These efforts combine highly tailored short courses, seminars, or conferences with internships, work-site visits, job shadowing, and observational site visits. These programs take place in the U.S., the home country, or third-countries and average three to four weeks.

- **Technical Assistance Programs** -- Technical Assistance Programs are designed by USAID in conjunction with grantee and contractor organizations to address USAID strategic objectives. They are generally tailored to focus on a specific industry sector or to address a particular need. There are numerous technical assistance projects implemented throughout the region. A study of this magnitude could not adequately

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<sup>2</sup>The Bureau's office of training is housed within the Office of Environment, Energy, and Social Transition (E&E/EEST).

analyze each of these individual initiatives. Therefore, we will use three sample projects to represent the larger population.

- **Macedonian Business Resource Center (MBRC)** -- The MBRC offers a seminar and workshop program to assist private Macedonian businesses in improving their financial management, operations, and marketing and to enhance their ability to raise capital and attract joint venture partners. Seminars and workshops vary in length and take place in Macedonia. A list of seminars conducted appears in Appendix 3.
- **Women's Economic Empowerment (WEE) Training Program** -- The WEE Program addresses the needs of Ukrainian women for business skills and entrepreneurship training. The program consists of train-the-trainer (TOT) activities, credit union staff training to finance women-owned businesses, women's empowerment training, and East-to-East study tours to provide direct exposure to, and obtain information from, women-led private companies and small and medium enterprise support organizations in Poland. Each module lasts two to seven days and takes place in either Ukraine or Poland. (TOT and East-to-East activities most closely match our study parameters. Credit union and empowerment training will not be directly addressed in this study.) The WEE Training Program is administered by Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance (ACDI/VOCA).
- **Alliance Training Program** -- Alliance Training Program activities include seminars and East-to-East programs. Alliance seminars introduce technical- and business-related topics that are of use in the development of small and medium agricultural enterprises (SMEs), with the ultimate goals of encouraging the private agricultural processing sector to be more market responsive and to expand the contributions of SMEs to the Ukrainian economy. Seminars generally last one to two days. East-to-East activities expose representatives of Ukrainian SMEs to successful processing and organizational practices from other countries to complement theoretical training with firsthand experiences. East-to-East activities consist of site visits, university lectures, roundtable discussions, and product and technology demonstrations. Tours originally lasted 10 days, but have been reduced to seven due to budget reductions. The Alliance Training Program is administered by ACDI/VOCA.

## **Peace Corps**

- **Business Volunteers** -- Business Volunteers work with communities to encourage economic opportunities at the grassroots level. Often Peace Corps business assignments begin in a classroom setting. This gives Volunteers a position in the community as respected leaders and makes many other projects possible. These projects might include training entrepreneurs in the basic skills of small business development and working with women to help them expand their access to credit and find new markets for the products they create. Business Volunteers are working in Armenia, Bulgaria, Estonia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Romania, Russia, Slovakia, Ukraine, and Uzbekistan. At the end of FY 1999, there were 343 Peace Corps Volunteers and Trainees working in Business Programs in the NIS and Central/Eastern European

countries. However, the nature of Peace Corps work varies from country to country and may not always fit within the scope of this study.

## **COMMON GOALS AND OBJECTIVES**

The Department of State's International Affairs Strategic Plan (1999), lists seven national interests that all foreign policy activities of the United States Government should serve. The national interest most relevant to this report is economic prosperity. Four component strategic goals fall under this national interest:

- **Open Markets:** Open world markets to increase trade and free the flow of goods, services, and capital.
- **U.S. Exports:** Expand U.S. exports to \$1.2 trillion early in the 21<sup>st</sup> century.
- **Global Growth and Stability:** Increase global economic growth and stability.
- **Economic Development:** Promote broad-based growth in developing and transitional economies to raise standards of living and lessen disparities of wealth within and among countries.

All business and entrepreneurial development programs in the NIS and CEE included in this study wholly or partially address one or more of these objectives.<sup>3</sup> However, there are nuances among the stated goals and objectives of the programs that are tied to the particular missions of their sponsoring organizations. In general, three broad categories emerge: business promotion, development, and public diplomacy. While each of these programs includes elements of all three, they tend to focus more heavily on one.

Programs sponsored by the Department of State's Bureau for Educational and Cultural Affairs (Bosnia Training, Community Connections, Executive Education, and PEP) stress public diplomacy -- community relationships and people-to-people experiences. These programs inspire American citizens to volunteer their business know-how, time, and resources to deliver personalized foreign assistance in their own businesses and communities. Programs emphasize that this approach builds tens of thousands of human connections between Russia and America, thereby acting as a catalyst for building strong relationships between former adversaries. As its name implies, the Community Connections program is the most specifically community-oriented program in this group. It creates links between U.S. and NIS communities. The program structures its business training activities around home-stays and local community host organizations. NIS participants are selected in community groups. With the exception of the Executive Education Program, none of the State Department-sponsored programs actively encourage participants to establish business contacts or make business deals while participating in the program, though these are sometimes byproducts of the programs.

USAID programs are, understandably, more development-oriented. USAID training initiatives are components of larger programming efforts designed to address specific Strategic Objectives -- in

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<sup>3</sup>Several programs also note the crucial role business and entrepreneurial development plays in creating and maintaining a stable democratic political system. One program, Community Connections, emphasizes furtherance of democracy over economic prosperity.

this case to achieve broad-based economic growth. Training implementation contractors such as World Learning and the Academy for Educational Development work closely with SO teams in-country to tailor training offerings to complement and support other programming initiatives. Technical assistance training is generally highly specific. Of the three examples included in this study, business training is a component of larger programs that also include emphasis on other topics such as agricultural production methods and technologies (in the case of Alliance activities), overall women's leadership development (in the case of WEE), and the various nontraining, business development activities of the Macedonian Business Resource Center. Where applicable, participants are definitely encouraged to make business contacts and arrange business deals.

Peace Corps activities are also development-oriented, but tend to be focused on grass-roots opportunities. Peace Corps programs enable individuals to take advantage of economic opportunities, to more effectively provide for their families, and to raise their quality of life. Peace Corps also assists business entities and associations to become viable and sustainable contributors to the economy.

The programs of the Departments of Commerce (SABIT) and Agriculture (Cochran and AgLink) are more focused on the needs of and benefits to the U.S. business community. While these programs have objectives of increasing the skill levels of NIS and CEE businesspeople in order to assist with the transition to market economies, they primarily focus on developing trade ties between the U.S. and the region, facilitating market access for U.S. companies, and contributing to a stable business and investment environment in the region. Business ties and deals are strongly encouraged and fostered through these programs.

The majority of the programs surveyed are of an ongoing nature, with the oldest -- the Cochran Program -- dating back to 1984. Specific USAID technical assistance activities may be shorter term or more limited in the scope of potential extensions than the other programs. For instance, the three USAID technical assistance projects began in 1998/99 and are funded through 2000/01. Two of the programs surveyed, the Executive Education Program and the Bosnia Training Program, may not receive Congressional appropriations for 2001. Several of these programs rely on Freedom Support Act funding for their sustenance; others operate from agency base funds, Support for East European Democracy (SEED) Act funds, and Emerging Markets Funds.

The way in which programs select themes, topics, and/or industries for training fits into two categories: those that respond to the specific development needs in the country and those that respond primarily to the needs of the U.S. business community. The majority of the programs fall into the first category. USAID programs respond to specific development needs within the country. Projects are either developed in response to specific requests for proposals or are developed by contractors in close coordination with USAID Mission staff. Projects are designed to complement USAID's overarching efforts in a specific area. The Community Connections, Bosnia Training, and Executive Education Programs' staffs also work with Embassies overseas to determine which topics best address the overall country goals and necessities. PEP uses a variety of inputs to determine topics/sectors: demand from Russian business, role and importance of the industry in the development of Russia's economy, and the availability of training resources in the United States. Both Community Connections and PEP also consult with the State Department's Coordinator for Technical Assistance in the NIS. The Cochran Program straddles the two categories. Cochran representatives indicate the program is demand driven; it responds to the expressed needs of specific applicants who are selected based on their ability to address overarching needs and objectives in the country. However, Cochran works with the Foreign Agricultural Service to identify country-specific U.S. goals, and develops training programs that

are balanced between meeting the professional development needs of the applicants and the interests of U.S. businesses. SABIT fits more cleanly into the latter category, though it considers the needs of the NIS business community as well as overall policy guidance from the State Department's Coordinator for Technical Assistance to the NIS. AgLink fits into the latter category by responding directly to the needs of U.S. businesses, though training is delivered to foreign participants.

## **METHODOLOGIES**

A wide range of programming methodologies are used among the various programs considered in this study. All of the programs surveyed have employed more than one type of methodology to achieve their goals.

- All 12 survey respondents indicated that their programs can be characterized as training or that the programs include seminars. Several involve sequential phases in their programs that provide opportunities to observe or apply theories and approaches taught in a classroom setting.
- Six programs (Bosnia Training, Community Connections, Executive Education, PEP, SABIT, and World Learning) indicated that their programs include internships, though World Learning included internships as one of many various approaches that may or may not be used in its training. It should also be noted that the MBRC worked with World Learning to arrange internships for nine of its clients. The Cochran Program, on rare occasions, will arrange internships for participants. Internships vary from short, job-shadowing experiences to full professional internships lasting several months.
- Eleven programs (all but MBRC) noted that their programs include study tours, consultations, or observation components, though only one of the two types of SABIT programs (specialized programs) includes site visits.
- All programs report that participants supply some degree of input into the content of the program and note that they respond to participant feedback in shaping future program components.

Several of the programs (Bosnia Training, Community Connections, Cochran, and USAID Participant Training Programs) include participants other than business leaders. This serves to create broad-based coalitions throughout society involving government, NGO, and media professionals, as well as business leaders. These coalitions foster an atmosphere in which private businesses grow and develop. They also create leaders in various fields that have an increased understanding of the needs of business and ways to support it.

Lack of English language proficiency is not, for the most part, a barrier to business and entrepreneurial development programming, but does limit the methodology of the programming. Only four programs routinely require English language skills -- Community Connections and Bosnia Training (only for business/entrepreneurial participants in both programs), the Executive Education Program, and SABIT's Grants Program<sup>4</sup>. These programs place participants in

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<sup>4</sup>The Community Connections Program also includes a professional training component for local government representatives and other professionals. These components do not require English proficiency.

individualized internships or job-shadowing situations, as is the case with the Executive Education Program, that require English to function. (SABIT also offers a second type of program that does not require English proficiency.) The Cochran Program generally requires participants from CEE to be English proficient, but will provide interpreters for programs with NIS participants, if needed. Exceptions can be made based on the specific needs of the country.

All other programs either operate in the participants' native language or provide interpreters. While AgLink does not require English proficiency for foreign participants, the program notes that lack of English proficiency is a barrier to the type of business development AgLink sponsors. Therefore, AgLink provides funding for interpreter services and provides for up to two months of general or business English-language courses for foreign managers, if requested. World Learning noted that, until recently, private sector participants trained as individuals and needed to pass USAID-approved English proficiency tests. Now, however, there is an increasing tendency toward group training of entrepreneurs who may or may not speak English, so hiring interpreters is common.

Program locations correspond closely to the type of program conducted. Programs that focus on the acquisition of specific skills may not necessitate program time in the United States, especially if indigenous, regional, or mobile training capacity exists. Those programs that are designed to foster linkages, build on hands-on working experience with U.S. firms, and/or include a strong "mutual understanding" component benefit from bringing participants to the United States.

There is extensive geographic diversity among business and entrepreneurial development programs. The AgLink, Community Connections, PEP, Cochran, and SABIT Programs operate throughout the United States and demonstrate a high degree of geographic diversity in their placements of NIS participants:

- Community Connections has 50 host communities throughout the United States.
- SABIT has placed interns in host companies in 44 states.
- The Cochran Fellowship Program conducted training programs in 35 states and the District of Columbia during FY 1999.
- PEP has sent delegations to over 200 U.S. cities and towns throughout 43 states.
- AgLink programs send U.S. managers to the NIS/CEE and bring NIS/CEE managers to the United States. (Locations are dictated by the linked businesses.)

Both of USAID's training contractors indicated that USAID training programs can be conducted in the United States, the home country, or in a third country, though World Learning indicated that most of its training is performed in the United States. The USAID technical assistance contractors surveyed conduct all their programs in-country or in another country in the region. Two of the programs surveyed have limited geographic exposure in the United States. The Bosnia Training Program partners with organizations only in Ohio in commemoration of the Dayton Peace Accord. Linkages between Ohio and Bosnia - Herzegovina have flourished since the peace accord and have resulted in a sister-state-type relationship. Bosnian participants are not clustered with other participants from their home-community. They are hosted in the U.S. in inter-ethnic and inter-entity groupings in an effort to promote understanding and cooperation. The U.S. portion of the Executive Education Program does not extend beyond the Jacksonville, Florida, area, based on a Congressional mandate.

Geographic approaches can have significant impact on the results of the program. The SABIT and Community Connections Programs illustrate this point. The Community Connections Program is unique in that it clusters people from specific communities in the NIS in a single community in the United States. This approach recognizes the role that communities play in supporting economic growth and development and the transition to democracy in a region. Coupled with the inclusion of nonbusiness professionals and local government representatives, it provides a targeted yet holistic approach to reform and development. Several other programs, SABIT's Specialized Program most notably, focus on one particular industry or sector but mix participants from various NIS countries. Not only does this enhance the learning environment of the group, but also provides valuable industry contacts within the NIS to group members. Many of SABIT's participants have commented that these contacts have been as valuable as the training itself and, consequently, many have developed joint business activities with fellow participants from other NIS countries. The SABIT and Community Connections Programs represent two completely distinct geographic approaches, yet both enhance the participants' ability to implement change upon their return to their home country.

The strengths of the more traditional methodologies, such as internships, seminars, and site visits are well known. These approaches are used frequently and provide valuable experiences to participants and hosts/trainers alike. There are two additional methodologies used by several of the surveyed programs, though, that merit special attention.

- **Train-the-trainer:** This approach is notable in that it develops a cadre of trainers that have sufficient knowledge of entrepreneurship to carry out basic training of additional individuals. While not appropriate in all cases or for all programs, the train-the-trainer approach provides a valuable multiplier when funds are limited. Additionally, it provides indigenous training capacity and, hence, sustainability beyond the lifetime of a particular training module or program. Several USAID programs, both technical assistance and participant training, use this approach. AED's survey response notes the results of one such training. Eight Armenian training organizations that participated in a "training of trainers" business skills program subsequently provided training to approximately 300 businesspeople in 15 communities throughout the country. This degree of multiplier demonstrates the outstanding impact of train-the-trainer programming.
- **East-to-East:** This approach uses entrepreneurs from other transitioning countries to serve as examples for exchanges and training program participants. These entrepreneurs can share experiences and discuss challenges that are more closely related to those of the target participants. This approach also often results in reduced costs to the program because travel within the region is usually cheaper than travel to the United States. Additionally, participants are exposed to best practices from countries other than the United States. Businesses in these countries have faced and overcome many of the same challenges. Finally, East-to-East training can result in business linkages and trade among countries in the region. This enables a program targeted to support economic development in one country to also support economic development in other countries within the region.

## ADMINISTRATION

A variety of administrative mechanisms are used by USG agencies to implement business and entrepreneurial development programs. Two programs surveyed are administered "in-house"

with no contractor involvement. The SABIT and AgLink Programs are administered entirely by the Departments of Commerce and Agriculture (USDA), respectively, in partnership with host/partner U.S. businesses.<sup>5</sup> These organizations work together to develop the scope and content of the training. In the AgLink program, the U.S. business is directly responsible for training programs provided to foreign company managers, though oversight of the program is conducted by the AgLink coordinator at USDA. Under SABIT's Grants Program, U.S. companies submit workplans to the SABIT office at Commerce for approval. For Specialized Programs, SABIT staff develop the U.S.-based training in consultation with industry experts. The SABIT program office monitors all activities under the program and the Department of Commerce's Office of Executive Assistance Management (referred to as the grants office) monitors grants to U.S. companies that participate in the program.

The Bosnia Training, Community Connections, and Cochran Programs use a combination of in-house and contractor administration. Cochran Program staff develop the overarching parameters of the program and work with Foreign Agricultural Service representatives in the field to recruit and select participants and design tailored programs for them. However, programs are implemented by partner organizations (trade organizations, associations, Private Voluntary Organizations [PVOs], universities, and consultants) in the United States. Overarching administration of the Community Connections and Bosnia Training Program is done in-house, though grants are awarded to several U.S. NGOs with in-country offices to conduct participant recruitment and selection and to U.S. community-based NGOs (such as Council for International Visitors affiliates and local educational institutions) to conduct the U.S.-based program. The staffs of the Community Connections and Bosnia Training Programs at the Department of State establish clear parameters and benchmarks for each community's program and are heavily involved in program administration and oversight.

The PEP program is somewhat unique among business and entrepreneurial development programs in that it is funded by the government, but run almost entirely by an NGO. The program is funded through the same State Department entity as the Community Connections program, but is designed and administered by the Center for Citizens Initiatives (CCI) at the behest of the State Department's Coordinator for Technical Assistance to the NIS. While the State Department program office assists with a few administrative functions like insurance and visas for the program, CCI handles all other administrative aspects of the program in-house. CCI recruits both the Russian participants and U.S. hosts and works closely with local volunteers and business hosts to develop training content.

USAID's Participant Training Program in Europe and Eurasia is managed by the E&E Bureau's office of training (E&E/EEST) and, as noted above, is administered by its two training implementation contractors, AED (TRANSIT-NIS) and World Learning (TRANSIT-CEE). Training provider services are arranged by AED and WL through a competitive process. In all instances, the respective USAID Mission approves the provider selected. The implementing contractors provide program monitoring and evaluation. AED and WL are monitored by USAID.

USAID technical assistance programs are conducted by contractors, cooperative agreement holders, and grantees whose primary function is to implement sector projects for USAID's Europe and Eurasia Bureau. Projects may focus on a variety of issues and sectors and may include in-country and/or U.S.-based training components. USAID issues requests for technical proposals to address specific strategic objectives in the region and executes contracts, cooperative

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<sup>5</sup>SABIT Coordinators working overseas are contracted directly by the Department of Commerce and are co-located with the Foreign Commercial Service Offices at the U.S. Mission.

agreements, or grant agreements with organizations that demonstrate expertise in desired programming sectors. The duration of these contracts and agreements corresponds with the period covered by the relevant USAID strategic plan. Each organization submits an annual work plan to USAID that, when appropriate, includes training activities. USAID conducts periodic reviews to ensure that the organization's activities meet the requirements for technical training of the overarching program.

## **BUDGET**

U.S. Government funding comes from various sources and comprises the majority of support for all listed programs, though significant cost sharing exists in several programs with partner organizations/businesses or through in-kind contributions from volunteers, host families, and community organizations.<sup>6</sup> Because each of these programs is administered differently and involves different training methodologies in different locales, it is not feasible to compare costs across programs. While it would be possible to break down costs per program day, per participant, it is unwise and misleading to attempt to quantify budget comparisons among a group of programs that are as diverse as, for example, a U.S.-based, three-week internship with a Fortune 500 company and a seminar conducted for Ukrainians in Poland about micro-enterprise development.

Types and levels of cost sharing vary from program to program.

- The MBRC indicates that no cost sharing occurs for their business training seminars.
- ACDI/VOCA does not include any mention of cost sharing or in-kind contributions in its Alliance Program survey, but indicates that in-kind contributions are encouraged for the empowerment elements of its WEE program.
- Community Connections notes that host community organizations contribute 25-35 percent of the total cost of hosting participants, including homestays, in-kind contributions, and sponsored cultural events.
- The Bosnia Training Program exhibits similar levels of cost sharing.
- Cost sharing is a significant part of the PEP program. PEP does not pay stipends to participants or to host organizations for sponsoring delegations. In-kind contributions from U.S. volunteers include: home hosting for all delegates, business training, transportation, and social events. In-kind contributions constitute a minimum of 35 percent of the total estimated cost to train a participant.
- Most SABIT host organizations provide training free of charge. Within the Grants Program, host companies provide initial expenses and training and are subsequently reimbursed by SABIT for the participant's international airfare, housing, and per diem. Under the Specialized Program, SABIT covers all costs of intern travel and lodging while the host companies cover costs of training sessions at their facilities.

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<sup>6</sup>Government funds include agency base appropriations, Freedom Support Act (FSA) funds, Support for East European Democracy (SEED) funds, and Emerging Market funds.

- Both U.S. and foreign companies provide some financial support for their participation in the AgLink program.
- The Cochran Program requires participants from CEE, Russia, and Ukraine to pay for international air transportation. U.S. partners also make cost-share and in-kind contributions. The Cochran Program has a limited number of self-sponsored Fellows who reimburse the program for all their expenses.

PEP is the only program reviewed here that charges a fee to participants. The program notes that the fee constitutes an individual's investment in his or her own program. PEP participants do not receive a stipend or personal money during their internships.

## **PARTICIPANT SELECTION**

Selection processes for business and entrepreneurial development programs have an added layer of complexity. Selection extends beyond program participants; organizations must find host communities, host businesses, and/or appropriate trainers as well. For programs designed to benefit U.S. businesses and communities, these entities are important participants. Their needs, as well as their qualifications, must be considered. Organizations reach out to and garner support from businesses and communities. Regional offices, program contacts, community organizations, and partners all help with these efforts.

Various approaches are used to select program participants and host businesses/communities, ranging from formal open competitions to informal, word-of-mouth communication.

- U.S. companies apply for SABIT grants through a competitive selection process which is announced in the *Federal Register*. SABIT staff implement various outreach campaigns to recruit businesses and organizations to participate in their programs. They conduct mailings, attend and speak at conferences and industry events, and utilize contacts to continuously find new partners and business participants. SABIT's Grants Program uses significant input from U.S. businesses to make participant selections. Participants complete a standardized application and are interviewed by SABIT coordinators based in Moscow, Russia; Kiev, Ukraine; and Almaty, Kazakhstan. A pool of candidates is presented to the U.S. host company, which then makes the final selection. The SABIT Coordinators broadly disseminate applications for specialized programs through the NIS. Participants in SABIT's Specialized Programs also complete a standardized application and are interviewed by SABIT coordinators in the field, who make recommendations to the Washington staff. However, the Washington staff then make the final selection.
- Community Connections conducts an open competition for community organizations to submit proposals to host interns, thus allowing all qualified organizations an equal chance to compete and become part of the program. Selected community organizations are then responsible for recruiting business hosts and designing or arranging for specific training elements of the program. The Community Connections Program utilizes the services of several NGOs with representative offices in the region to conduct participant selection. These NGOs, working in cooperation with U.S. Embassy staff, openly advertise the program. Applicants complete a written application which is then reviewed by reading committees. Candidates selected by the reading committees are invited to an in-person

interview conducted by an interview committee. Interview and reading committees are comprised of representatives from the selection NGO, the Public Affairs Section, and/or other interested sections (such as USAID and Peace Corps) of the U.S. Embassy, and a local Community Connections alumnus.

- The Bosnia Training Program identified interested community organizations in Ohio and solicited specific proposals from them for hosting interns. The program uses a similar approach to Community Connections for participant selection.
- PEP staff identify U.S. communities through extensive outreach and establish contacts with local volunteers and civic clubs to host delegations. CCI's outreach team finds the ideal communities and organizations that can support business training in the specific industries of PEP's delegation plan. These volunteers and/or hosting civic clubs implement PEP in their communities. CCI staff in the field screen and select program participants.
- Both the AgLink and Cochran Programs benefit from the extensive Department of Agriculture network throughout the United States. USDA has extension offices in every county, in every state. Additionally, the Department has standing relationships with many partner organizations and develops new relationships through annual, discretionary Requests for Proposals. This network greatly enhances the outreach capabilities of both programs. The AgLink program considers business institutions to be the program's participants. The U.S. company/manager must complete the application materials and send them to the AgLink coordinator for review. If the criteria are met and the U.S. company has a sound business program, they are invited to participate. Only one or two U.S. and foreign managers from each linked company participate in the program at one time. Cochran Fellows are recruited by the Foreign Agricultural Service using a variety of contacts and mechanisms. Applicants fill out a standardized application and are interviewed by Cochran staff, which makes final selection decisions in coordination with the FAS.
- USAID Participant Training Programs use a contracting mechanism to select training providers. Participants are identified by World Learning and AED or their subcontractors from targeted industries, sectors, and/or firms. The USAID Mission then either convenes a selection committee, which includes the Strategic Objective team from the Mission, or delegates final approval for the training to the SO team itself.

Selection criteria that appear to be common to all programs are a commitment to the overarching goals of the program and a desire to learn and apply new skills in everyday professional activities. Geographic and ethnic diversity, when applicable, are also important criteria. Other criteria vary from program to program.

The only programs to require English proficiency are Community Connections and Bosnia Training (business internships only for both), Executive Education, Cochran (in CEE), SABIT's Grants Program, and individualized USAID Participant Training conducted through World Learning. Most programs require some degree of business experience, such as proof of business registration, years of experience in the given industry, and the ability to implement organizational change. PEP expresses an interest in the market exposure of the participant's business, requiring that it be a Russian-owned small- or medium-sized business that provides products or

services primarily for the Russian market. USAID often requires that the participant's company be a 100 percent national company that is at least 51 percent private.

Limits on participation can be due to space considerations (MBRC and seminar aspects of other USAID technical assistance programs), but more frequently are due to budget constraints. It was noted that the Office of the Coordinator for Technical Assistance to the NIS may put restrictions or caps on participants from certain NIS countries for policy reasons. These restrictions would affect only those programs coordinated through this office that operate in multiple countries (Community Connections, SABIT, and Cochran).

The five programs that bring all participants to the United States (SABIT, PEP, Community Connections, Bosnia Training, and Cochran) indicated that participants can be removed from their programs. They largely indicate that this would be done if participants violate program rules, engage in illegal activities, fail to participate in required activities, intentionally misrepresent their qualifications, and/or behave belligerently toward U.S. hosts. The AgLink program, which also has participants travel to the U.S., noted that it has never removed a U.S. business from its program, but that foreign businesses have been removed if it is determined that they are really not an appropriate match.

USAID's Participant Training Programs noted that removal of participants is a rare occurrence and results from either illegal activities or failure to comply with the Conditions of Training for the program. The three USAID technical assistance programs surveyed made no mention of removing participants from their programs.

## **FOLLOW-ON PROGRAMMING**

Follow-on programming falls into four basic categories: formalized business arrangements with host businesses or contacts, sustained informal contacts between participants and hosts/trainers, implementation of plans or incorporation of processes developed on the program, and alumni activities. All four are of great value and are supported to varying degrees by the programs surveyed.

Follow-on business deals are a natural by-product of all the programs, even those that do not actively encourage business deals during the period of the program. Several programs, when highlighting success stories and/or demonstrating results, turn to the many successful commercial arrangements that are born through business and entrepreneurial development programs. For instance, SABIT reports that over 60 percent of their internships have culminated in business relationships.

All the programs surveyed encourage and report that participants maintain contact with hosts and trainers following the conclusion of their programs. ACDI/VOCA notes the value of networking between seminar experts and participants. After the conclusion of Alliance seminars, participants keep in touch with experts for ongoing technical and business consultations. ACDI/VOCA facilitates this as a step toward developing Ukrainian extension services. As a result, 334 seminar participants maintain contact with seminar presenters, research institutes, agricultural universities, or other institutions.

A significant number of Cochran Program alumni work in their respective countries with agencies involved with agricultural policy as well as food safety and inspection. These alumni are in close

collaboration with their USDA counterparts, connections that are especially important given World Trade Organization and market access issues. These indirectly affect all business involved in international trade.

The MBRC reports that their seminars and workshops serve as the catalyst for various kinds of follow-up requests from trainees. Participants that attend seminars will frequently ask that the same seminar be presented at their company. Participants also will seek out the MBRC for the other consulting services it provides, such as assistance in preparing a business or marketing plan.

Several programs include requirements/training components that support follow-on activities. PEP requires participants to share their newly acquired skills and knowledge with colleagues by participating in seminars and giving lectures. Other programs include business plan development seminars that encourage participants to look to future professional activities. Many of SABIT's Specialized Programs require participants to present their plans at the end of the program for peer review. Yet others, notably the Alliance Training Program, include train-the-trainer projects that will result in follow-on training of numerous additional individuals.

Alumni groups and activities are common among the internship-oriented programs.

- Regional CCI offices maintain contact with PEP participants and help them organize events, assist with the development of business associations and Rotary clubs, and provide information and services when requested. Participants report that they have been inspired to join civics clubs like Rotary and Kiwanis and to initiate community service projects in Russia. Additionally, CCI has published a Directory of PEP Fellows from the first three years of the program. The Directory is currently being updated and will be published on CCI's website.
- SABIT coordinators also maintain contact with alumni and work with SABIT in Washington to develop follow-up conferences, seminars, and workshops. SABIT also works with organizations such as Peace Corps to counsel on ways to implement knowledge gained in the United States. Staff and resource limitations preclude one-on-one consultations or funding for follow-on projects.
- Community Connections and Bosnia Training alumni programming is coordinated by in-country recruiters and funded through grants to those recruiters and community organizations. Some local host communities have independently performed follow-on programming involving travel to NIS and Bosnian communities.
- The Foreign Agricultural Service Office in Vienna creates an alumni directory of CEE Cochran Fellows and holds an annual meeting/reception in each country for alumni.
- The Cochran alumni organization in Ukraine, the Cochran Club, has been especially active, organizing seminars with returning Ukrainian Fellows as well as with U.S. business organizations. These benefit not only the Cochran alumni, but provide a multiplier effect for other agriculturalists.
- The Executive Education Program has an alumni website and an active alumni group with meetings rotating among the participants' countries.

Follow-on programs built into the original program design that provide tangible resources for business development are rare, but exceedingly valuable. For example, the WEE program includes a credit union training component that provides seed money to finance micro and small business loans to women who have completed the WEE training course, and whose enterprises demonstrate the ability to service the loan successfully. Program administrators in the field have repeatedly told IAWG country field study teams that this type of training follow-on -- providing resources that enable individuals to immediately apply what they have learned -- is the most effective.

## **EVALUATION**

Evaluations conducted of business and entrepreneurial development programs range from participant critiques of program elements to formal, long-term professional program evaluations. All programs report that they use participant input before, during, and after the program to fine-tune activities and approaches. Sponsoring organizations' in-country representatives, both federal and NGO, also help shape and evaluate programs.

Almost all programs require participants to fill out an exit questionnaire or final evaluation at the conclusion of the program. Some also require reports from U.S. host companies (SABIT, Community Connections, and AgLink<sup>7</sup>).

Washington-based program offices receive evaluation reports. However, the degree to which they are involved in evaluation and follow-up varies from those that conduct most evaluation and follow-up themselves (SABIT and AgLink) to those that receive information from host communities, grantees, and contractors (Community Connections, PEP, Bosnia Training, Executive Education, Cochran, and USAID programs). Those in the latter category do, however, send staff to conduct periodic follow-up evaluations.

Several programs (SABIT, Community Connections, PEP, Cochran, and USAID Participant Training -- World Learning) note that they have conducted some form of longer-term evaluation with program alumni to analyze the degree to which the programs have influenced participants' professional activities. Five programs have sponsored independent evaluations to assess program effectiveness: Bosnia Training, Community Connections, PEP, Cochran, and SABIT. The same individual, Dr. Susan Lehmann of Columbia University, evaluated PEP (1998-1999) and Community Connections (1999). SABIT has hired two independent contractors in the last four years to conduct independent reviews. Cochran has worked with partner organizations and interested individual scholars to conduct country-specific program evaluations in Ukraine, Russia, Uzbekistan, Kazakhstan, Armenia, Azerbaijan, Georgia, and Poland. The Bosnia Training Program is working with the University of Iowa to conduct an independent evaluation of it.

CCI conducts annual evaluations of participants 6-12 months after they have returned to Russia. The evaluation interviews and questionnaire generally reach 60 percent of the year's interns. ACDI/VOCA notes that it follows up with Alliance seminar participants after three months to evaluate program impact. World Learning notes that less structured follow-up also takes place in the field to monitor participants' application of the action plans completed during training.

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<sup>7</sup>AgLink only requires evaluations from U.S. businesses. It does not currently require evaluations from foreign businesses that participate in the program.

## SUGGESTIONS FOR IMPROVING PROGRAMS

When asked to make suggestions for improving their programs, almost all organizations noted that increased follow-on programming is needed to fully realize the potential benefits of business and entrepreneurial development programs. However, follow-on activities generally require additional funding. In some cases this has been forthcoming and follow-on has been implemented, but the need still exists.

- The Community Connections Program notes that it has developed a critical mass of participants, but its ability to follow-up with those participants and expand on their experiences and enthusiasm is limited.
- CCI plans to augment the PEP program by adding peripheral projects and programs such as anticorruption campaigns, building business associations, civic clubs, credit unions, a Leadership Academy, and an on-line Fellows newsletter. Funding will include foundations and PEP Fellow contributions.
- World Learning notes that providing more in-country follow-on training to complement earlier U.S. training would build on the impetus that U.S. training provides businesspeople.
- AED also notes that increased funding for follow-on activities is needed to assess the applicability of training in the workplace.
- The Cochran Program notes that follow-on activities, particularly alumni activities, should receive more attention in the future. There are huge numbers of Cochran alumni throughout the region. Continued contact with these alumni would provide invaluable resources to the Foreign Agricultural Service, and would create beneficial networks throughout the region.

Administrators of business and entrepreneurial development training programs indicate that there is a need for more such programs to meet the needs of the region and address the foreign policy goals of the United States.

- World Learning states that to address the continued need for business development in the region and achieve greater impact, more training opportunities should be provided, but in an effective yet inexpensive manner. They suggest that this could be accomplished with more in-country and/or follow-on training, perhaps by utilizing distance learning methodologies. World Learning also suggests using Western Europe more frequently as a training venue, noting that this would better meet the needs of those participants whose market for business is Western Europe.
- AED notes that there is a crucial need to continue to develop these types of programs. For countries to move forward with their transition to a market economy and for privatization initiatives to be effective, a favorable and supportive environment must be created for small enterprises to grow and prosper.
- CCI also indicates that more business and entrepreneurial development programs are needed in Russia. CCI supports continuing and multiplying its model and indicates a

willingness to share its methodology and materials with other organizations that may want to emulate its programming. CCI expressed that it is committed to giving regular briefings and publicizing the effectiveness and power of these types of U.S. internships, not only for PEP, but also for other programs that build grassroots economic infrastructure and democratic institutions in Russia.

- AgLink notes that there is great variety among the companies that participate in the AgLink program -- most notably in the types of products available, the level of sophistication of the business, and the level of international business experience. Therefore, their needs with regard to working in international markets are quite different. It would be beneficial to have more business development programs designed to meet this variety of needs, from the simplest to the most sophisticated.
- The Cochran Program notes that there are more qualified people in the region than the program is able to support. Programming these individuals would directly support U.S. policy and goals in the area. Additionally, the agricultural sector constitutes the basis for the economy in several of these countries. A stable, productive agricultural sector directly supports stability, economic development, and democratization.
- The Bosnia Training Program staff indicates that community-based business training programs are needed in other parts of the Balkans where special opportunities have arisen due to changes in political climate (Croatia), where additional development assistance is needed (Macedonia) and, eventually, as part of the revitalization of areas affected by recent conflict (Montenegro).

Several programs noted administrative changes that would facilitate their programming.

- SABIT notes that it routinely receives its funding (through Freedom Support Act budget transfers involving both the Department of State and USAID) six months after the start of the Fiscal Year for which the funds are intended. As of August 1, 2000, SABIT had not yet received its FY 2000 allotment. Funding has been delayed at least 10 months after the start of the Fiscal Year. These are two-year funds (i.e., SABIT must spend all FY 2000 funds by September 31, 2001.) Hence, delays in transferring funds have a serious negative impact on program administration and quality. Timely receipt of funds would improve program efficiency and enable higher quality programming. Receipt of FSA funding at or near the beginning of the first fiscal year in which it should be spent would facilitate the obligation of funds prior to group arrivals for airline tickets, hotels, transportation, interpreters, and site visits. Having less than the two years anticipated for the funding means that SABIT staff are working at 150 percent all year long to complete programs on schedule. This certainly affects staff morale and makes it significantly more challenging to identify the appropriate host companies for each program. With more time between programs, SABIT could focus more on planning and developing programs to make them even better training experiences for both SABIT interns and U.S. host companies. Furthermore, if SABIT were given the entire two years to obligate funds, staff would have more time to focus on follow-on activities, synergies among other U.S. Government programs, and tracking the program results.

The Cochran Program also receives Freedom Support Act funds. While Cochran notes the transfer issue, the staff also desire more programming flexibility. Freedom Support Act funds are allocated with country-specific levels/targets. These levels/targets vary from

year to year and are based on directives from the Coordinator's Office. Often, these levels are not known until very late in the programming cycle. For Cochran, this means that a country which has 30 Fellowships one year, may have only 15 the next. Yet not knowing these limits, the program will have recruited and interviewed a larger number of people. These individuals then become disgruntled and the program loses credibility.

The Community Connections and PEP programs are funded through the Freedom Support Act and face similar challenges. It is unclear whether USAID programs funded through the Freedom Support Act face similar difficulties.

- CCI states that funding is needed to extend the length of its grant periods. CCI works with U.S. civic clubs to plan and secure PEP delegations up to two years in advance. CCI understands that Congressional priorities determine funding; however, the lack of long-term funding highly complicates the planning and implementation process.
- USDA notes that the AgLink program could improve with revised application guidelines and more input from U.S. Missions overseas on business contacts in-country.

The IAWG notes that several best practices which increase programmatic and administrative efficiency and effectiveness exist throughout the surveyed programs. Although the programs surveyed are unique enough to prohibit wholesale, unilateral recommendations from the IAWG that they adopt particular practices, elements of several could prove useful.

- **Partnership and cost sharing:** Several of the programs surveyed form close partnerships with host businesses and communities that involve cost sharing and in-kind contributions. These cost-sharing relationships indicate tangible commitments to and investments in these programs. They also enable scarce resources to go farther.
- **Venue flexibility:** Several programs rely on in-country and third-country (NIS or CEE) training to save transportation costs and develop linkages. Non-U.S. locales are cost-effective and can yield many program benefits. Where possible, training programs should be carried out in the region. Internship programs may wish to examine the feasibility of placing some interns in U.S. businesses that operate in the region. This said, it is critical to note that U.S. locales need to be maintained for community building programs and for those that address the needs of U.S. businesses.
- **Incorporating Nonbusiness Professionals:** As noted previously, several programs include nonbusiness professionals in or in tandem with their business and entrepreneurial development programs. This practice enhances communication among sectors (business, government, media, education, and NGO) and helps foster wide-ranging reform and development. Program participants see the advantage of this inclusiveness. One program (Alliance) noted that its participants have expressed an interest in having more contact with government officials and students from agricultural universities by inviting them to participate in training seminars. While this approach may not be possible or effective with all program designs, especially those that provide highly technical or specific training, it could benefit broader-based programs.

## DUPLICATION ASSESSMENT

The programs reviewed in this study all address the same overarching goal, but do so in unique ways with a variety of specific objectives. Despite similarities on many fronts, it does not appear that any of the programs surveyed duplicate others to a degree that would warrant elimination, reduction, or complete re-design. Even if duplication had been found, the economic situation in the NIS and CEE and the related foreign policy goals of the United States dictate that significant resources be devoted to programming in this area.

No single organization's approach stands out as a model that should be applied across the board; each addresses the needs of differing constituencies and/or complements the programming of other organizations. The previous section lists several items that should be considered by all and that could improve overall programming. However, the diversity of these programs is a major factor in their collective strength.

Several areas of potential duplication or apparent overlap do exist, however, that should be clarified and monitored.

**Community Connections and PEP** -- The casual observer may look at these two programs and assume that they duplicate each other in their objectives, methodologies, and audiences. Both are community-based, involve internships, and operate in Russia, with the Community Connections Program operating in additional NIS countries as well. However, several important distinctions exist. The Community Connections Program requires business participants to be English-proficient; PEP is designed for non-English-speaking entrepreneurs. Community Connections business intern selection is city- or region-based, and is thus focused on building a critical mass in specific geographic areas; PEP business interns are industry specific (such as banking or construction) with up to seven regions in each delegation. These delegations are therefore focused on creating inter-regional, industry-specific networks. Both programs target company owners and general directors for the internships. Community Connections participants focus on overall business principles and approaches; PEP focuses on business management training and industry sector development. It also should be noted that the degree of involvement by the U.S. Government differs between these two programs. While the Community Connections Program was created and developed by the U.S. Government, PEP was created and developed by an NGO. Both of these programs are administered from the same office within the Bureau of Educational and Cultural Affairs at the State Department, though the role of this office in the PEP program is rather limited. Both programs are also overseen to a certain degree by the State Department's Coordinator for Technical Assistance to the NIS. Therefore, there is a two-layer oversight mechanism in place that can immediately identify and address unwarranted duplication.

**PEP, SABIT, Cochran, and AgLink** -- These four programs each contain or have contained agribusiness components, however they all involve different methodologies and, to some extent, different agendas. First, recognizing that there are various programs in existence to address agribusiness programming, the SABIT Program has all but ceased operating in this area. SABIT hasn't administered an agribusiness program or supported agribusiness interns in over three years. The AgLink program responds to individual U.S. businesses that want to do business in the region.<sup>8</sup> The Cochran Program takes a broader approach. Its flexibility and focus on

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<sup>8</sup>The Departments of Agriculture and Commerce have cooperated recently with the Business Information Service for the Newly Independent States (BISNIS) at the Department of Commerce promoting the AgLink program via BISNIS' email distribution lists.

individual participants allows for it to be used to support a wide variety of U.S. objectives and to meet very specific needs within a given country. PEP is community and development focused and is not motivated by the needs of the U.S. business community. Open communication is needed among these programs to be sure they complement each other. For AgLink and Cochran, this is a simple process, since they are both located in the Foreign Agricultural Service. For the other programs, regular communication about activities and approaches would be informative and beneficial.

**Peace Corps** -- This study did not have enough information to determine whether Peace Corps programs in the region duplicate other federal programs, but knowledge of the Peace Corps would indicate that they do not. The Peace Corps utilizes a highly specialized approach and plays a unique role in our national approach to international development and citizen diplomacy. However, it is important for the Peace Corps to be an engaged partner with other Federal entities in the region and share its activities and approaches with the other organizations represented at the Embassy.

**USAID Programming** -- Based on the information available for this study, USAID programs do not appear to duplicate other government programs. The primary potential for duplication is among USAID programs. Duplication must be avoided within each country at the Mission by the Strategic Objective team in close coordination with Washington. USAID's Results Review and Resource Request (R4) process facilitates coordination internally as well as with other organizations at the Embassy. Multiyear Strategic Objectives are prepared and vetted in collaboration with key partner organizations, and shared with all other agencies represented in a given country. This formal planning mechanism assures internal coordination and provides a context for interagency communication.

**Double Dipping** -- Duplication may exist at the personal level if individuals attempt to receive training from more than one program. While the internship programs only allow one-time participation by foreign businesspeople and entrepreneurs, several training programs note that participants can take part in multiple training programs that complement each other or address the needs of the individual and/or the business sector. Blanket prohibitions on participation in more than one program are not recommended. Program administrators should have the flexibility to determine whether overall goals would be supported by allowing, say, a USAID trainee to subsequently participate in the SABIT or Community Connections Program. However, they should make this decision fully aware of the individual's previous U.S. Government-sponsored experiences. This requires enhanced communication in-country, ideally using Embassy channels and mechanisms. While this cross-checking already occurs to a certain degree, a country-level, multi-agency database of individuals who have participated in USG exchanges and training programs would be useful. Such a database would facilitate information sharing and provide the basis for several government-wide reporting requirements.

The most logical and effective safeguards against duplication and overlap among business and entrepreneurial development programs throughout the region can be employed at the Embassy level. Intra and interagency coordination is crucial to ensure that these various programs complement each other and contribute to the achievement of overarching U.S. objectives in the region. Coordination of these programs can and should take place primarily at the Embassy level. Embassy personnel have the best grasp of the needs of target communities in-country and can be sure that recruitment, selection, and follow-on programming is not duplicative. It is important, therefore, to reiterate the need for an automated, Embassy-wide data management system that would enable USG representatives in-country to cross-reference participant lists, assess and analyze participant flow, and track sector-specific projects.

This assessment does not relieve Washington-based program staff from coordination and communication responsibilities. Washington staff can complement this effort by sharing approaches, best practices, and ensuring that program designs do not contain overtly duplicative facets.

## APPENDIX 1: SUMMARY PROGRAM INFORMATION CHART

Dept./ Agency	Program Name	Countries Targeted	Number of Participants	Program Type	Year Initiated	Program Duration	Location of Program	USG Budget for Program	Cost Share	Fee-Based	Employment Sectors	English Only
USDA/FAS	AgLink Program	NIS, CEE (except Slovenia)	14	Ongoing business Linkage / Training	1993	4 phases (approx. one year)	U.S. and Overseas	\$44,000	Yes	No	Agricultural Sectors	No
USDA/FAS	Cochran Program	CEE, NIS (except Belarus and Tajikistan)	381	Ongoing business training/ Informational	1984	2-3 weeks	U.S.	\$3.5 million (NIS and CEE only)	Yes	No	Agricultural and Agribusiness Sectors	No
USDOC	SABIT	NIS (all countries)	355	Ongoing Training Program / Internship	1991	Grants Program: 3-6 months; Specialized Program: 4-6 weeks	U.S.	\$5.41 million	Yes	No	Industry Sectors	Grants Program: Yes; Specialized Programs: No
DOS-- USIA	Bosnia and Herzegovina Business and Local Governance Training Program	Bosnia - Herzegovina	132	Ongoing business training, Internships	1999	4 weeks	U.S.	1,004,205*	Yes	No	Business, Business Education, Local Government	Yes (for business participants)
DOS -- USIA	Community Connections Program	Russia, Ukraine, Belarus, Georgia, Moldova, Armenia, Kazakhstan	1080 (business only)	Ongoing Consultation/ Internship	1993	3-5 weeks	U.S.	\$8.4 million (estimate)	Yes	No	Business, Education, Tourism, NGOs, Judicial Reform, Environment, Agriculture, Public Health, Media	Yes (for business participants)

Dept./ Agency	Program Name	Countries Targeted	Number of Participants	Program Type	Year Initiated	Program Duration	Location of Program	USG Budget for Program	Cost Share	Fee-Based	Employment Sectors	English Only
DOS--USIA	Executive Education Program for Central European Business and Professional Leaders	Hungary, Slovakia, and Czech Republic	31 (U.S.); 50 (in-country seminars)	Ongoing business training, Internships, Informational	1995	3 weeks (U.S.)	U.S. and Overseas	\$275,000	Yes	No	Business Development, Management, Marketing, Customer Service, Corporate Communications, Public Relations	Yes
DOS--USIA	Productivity Enhancement Program	Russia	516	Ongoing Training Program / Internship	1996	3 weeks	U.S.	\$12.5 million (1996-2001)	No	Yes	Food Service, Agriculture, Construction, Finance, Food Processing, Health, Manufacturing, Media, Professional Services, Transportation, Wholesale/ Retail	No
Peace Corps	Business Volunteers	Armenia, Bulgaria, Estonia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Romania, Russia, Slovakia, Ukraine, and Uzbekistan	343 (at the end of FY 1999)	Ongoing Training/ Informational programs	1992 (Varies by country)	Varied	Overseas	N/A****	Yes	No	Business, Business Education, Economics	No
USAID	Academy for Educational Development -- NIS	NIS (except Russia)	375	Ongoing Training Programs	1997	3-4 weeks	U.S. and Overseas	\$807,986	Yes	No	Various sectors	No
USAID	Alliance Training Activities (ADCI/VOCA)	Ukraine	579 (total)	Ongoing Training/ Informational Programs, Seminars	1998	East-East: 10 days; Seminars: 20 sessions in FY 1999	Overseas	East-East: \$15,000/ training; Seminar: \$600 each	No	No	Business Sector, Associations, Educational Institutions, Finance/ Accounting, Potential Entrepreneurs	No

Dept./ Agency	Program Name	Countries Targeted	Number of Participants	Program Type	Year Initiated	Program Duration	Location of Program	USG Budget for Program	Cost Share	Fee-Based	Employment Sectors	English Only
USAID	Macedonian Business Resource Center	Macedonia	835	Ongoing Seminars and Workshops	1995	4 hours/ session	Overseas	N/A***	No	No	Business Sector	No
USAID	WEE Training (ACDI/VOCA)	Ukraine	148 (total)	Ongoing Training	1999	TOT: 3 days; East to East: 7 days	Overseas	TOT: \$1500; East to East: \$10,000**	No	No	Business Sector, Unemployed Women, Potential Entrepreneurs, Credit Union Members/Employees	No
USAID	World Learning-CEE	Central and Eastern Europe	323	Ongoing Training Programs, Internships, Consultations, Seminars, Site Visits, Conferences	1997	2-3 weeks	U.S. and Overseas	\$977,469	Yes	No	Business Sector	No

\*FY 1998 and 1999 funds used.

\*\* Figures represent cost per training/module.

\*\*\*Costs for the seminars and workshop programs come under the overall program budget and are not broken down for each event.

\*\*\*\* Average costs per Volunteer vary country by country.

## APPENDIX 2: PROGRAM OVERVIEWS

### U.S. DEPARTMENT OF AGRICULTURE/FOREIGN AGRICULTURAL SERVICE (USDA/FAS)

#### AgLink

**Overview:** The AgLink program promotes U.S. trade and investment activities with emerging market countries. The program helps small- to medium-sized U.S. agribusinesses develop trade ties in the NIS, Poland, and the Baltic Republics while enhancing the entrepreneurial skills of foreign managers. AgLink encourages one-on-one business contacts and consultations, and utilizes study tours, site visits and business seminars in its program. AgLink is unique in that it assists U.S. agribusinesses in exploring potential markets. One of the best features of the program is the flexibility to design the program based on the individual needs of the U.S. business participating.

The AgLink Program has four phases including a two-week visit to the NIS and region by the U.S. manager, a visit to the U.S. for training by the foreign manager which may last up to two months, a follow-up visit to the region by the U.S. manager, and an in-country management seminar for the foreign company, if deemed appropriate. The entire four-phase program may take over a year. AgLink limits travel to one to two managers from each company.

AgLink is a worldwide program. Participants may engage in activities in any country eligible for Emerging Market Funds (Countries with a GNP below \$9,655).

#### **FY 1999**

**Budget:** \$1,000,000 for the life of the program (1993-2001); pro-rated to \$44,000 for the 14 participants in the NIS and CEE in FY 1999. Some cost sharing for this program exists between U.S. and foreign companies. U.S. companies may extend their trip to the region to explore the market and develop business contacts at their own expense. Foreign companies often provide transportation and other services for the U.S. manager while they are abroad.

**Selection:** To be considered for the AgLink program, a U.S. company or manager must complete the application materials and send them to the AgLink coordinator for review. The requirements for company participation include being a U.S. small- to medium-sized business, working within the agricultural sector, providing a statement of international interests or experience, and designing a training plan for a foreign manager.

**Follow-on:** As a follow-on, U.S. businesses complete reports on the overall AgLink experience and provide information on improved export sales or market development. In

addition, foreign companies usually remain in close contact with their U.S. business counterparts. Success of the AgLink program is based on increased sales or sales opportunities in the country/countries visited by individual U.S. businesses during the program. USDA measures success by evaluating each phase of the AgLink program and its impact on improving trade ties in the emerging market countries.

**Impact:** USDA notes that the AgLink program has resulted in increased sales of U.S. dairy genetics, frozen meat products (poultry, beef, and pork) to Russian counterparts; strengthened relationships between U.S. and foreign companies; opened the possibility of joint ventures; increased U.S. market access; and provided overall hands-on training in marketing, sales, finance, and accounting to foreign managers.

### **Cochran Middle Income Fellowship Program**

**Overview:** The Cochran Middle Income Fellowship Program provides short-term training in the United States for agriculturalists from 67 eligible countries (middle income, emerging democracies, and emerging markets). Individualized training programs are developed for mid- to senior-level agricultural specialists and administrators from public and private sectors concerned with agricultural trade, management, marketing, policy, and technology transfer. The program works closely with USDA agencies, U.S. agricultural trade and market development associations, universities, and agribusinesses to implement training.

The program is administered in collaboration with USDA Agricultural Affairs Officers (of the Foreign Agricultural Service) in American Embassies abroad. The program's major Government Performance and Results Act goals are to assist with developing sustainable long-term markets for U.S. agricultural products, and to assist, through training and education, with resolving market access and World Trade Organization (WTO) policy issues, specifically sanitary and phytosanitary (SPS) topics.

In FY 1999, worldwide, the program initiated new activities in six new countries; provided training for 797 international participants from 67 countries; provided food safety, SPS, and biotechnology training to 100 participants from 23 countries; and had a direct link to export sales of over \$25 million in U.S. agricultural commodities.

#### **FY 1999**

**Budget:** The worldwide USG budget for the program was \$7,245,000. Additionally, the program leveraged over \$1.1 million in non-USG support. USG expenditures in CEE and the NIS were approximately \$3.5 million, with leveraging of approximately \$440,000. Participants traveling from CEE, Ukraine, and Russia are required to pay their own international airfare. Sponsoring U.S. organizations also contribute to the program.

**Selection:** The Foreign Agricultural Service (FAS) representative for a country creates an annual Unified Export Strategy. The Cochran Program staff and the FAS then

work together to determine what types of Fellowships should be designed to best address this strategy. The FAS, partner organizations, and alumni identify appropriate organizations and individuals in a targeted recruitment drive. All interested individuals must fill out a standardized application and are interviewed by Cochran Program staff, who then select the most appropriate individual in coordination with the FAS. Generally, applicants from CEE must be proficient in English. This is not a requirement in the NIS.

**Follow-on:** Program follow-up occurs in several forms after a Fellow completes training in the United States. In cases where there is a USDA presence in country, participants are contacted regularly for feedback on the program as well as any new developments in their work. In countries such as Poland, Hungary, Czech Republic, Slovakia, and Ukraine, participants have formed Cochran alumni groups that meet regularly to share information. Cochran Program alumni reunions often coincide with the in-country interviews, allowing Cochran staff to attend. In all cases, follow-up questionnaires are provided to participants to be completed upon their return to their home country. The Cochran Program would like to encourage more countries to start alumni groups and to increase follow-up activities with existing alumni groups, as we see this as an effective method to extend the benefits of the program to participants and nonparticipants alike.

**Impact:** Five Cochran Fellows from Moldova visited the U.S. in 1997 to study cooperative development. Two of the participants, leaders of the National Farmer's Federation, used their training to open agricultural extension service centers, provide consulting services and publish printed resources. The Moldovan participants also organized a marketing cooperative to help members find business partners and transportation resources. One of the participants, a private farmer, used recently acquired machinery to provide cultivating services to neighboring farmers -- an idea taken directly from her experiences in the United States.

The Cochran Fellowship Program has played an integral part of the American Soybean Association's programs in Russia and Uzbekistan, with particular emphasis in FY 1999 on Food Aid programs involving the importation of 500,000 metric tons of U.S. soy. Cochran provided essential training to key industry leaders and recipients of U.S. soy in efficient methodologies in handling, processing, and using soy.

U.S. Wheat Associates and the Cochran Program organized a Grain Marketing and Import Management program for Armenia and Georgia in FY 1998. U.S. Wheat wrote: "...we felt that we had phenomenal success in bringing this industry core to the U.S. commercial wheat market. Following, and as a direct result of that program, we saw several cargoes of U.S. wheat purchased commercially."

Dr. Evarda Makelis, a Cochran alumnus, was appointed Minister of Agriculture of Lithuania in 1998. He has acknowledged that the training he received while on the Cochran program has been very helpful in his role as Minister. In this role, he has fostered a warm relationship between the Ministry and the USDA and has been very helpful in resolving problems with trade barriers.

The Cochran Program has been working in Poland since 1989 and other Eastern European countries since 1991. Over \$35 million of U.S. agricultural products

have been purchased as a direct result of the program since that time. FAS Agricultural Attaches and former Cochran participants from Central and Eastern Europe report that Cochran training activities led to sales in FY 1999 of: soybeans to Albania, wild rice to the Czech Republic, tofu grade soybeans to Slovakia, almonds and walnut meal to Hungary, meat to Romania, and the first ever direct sale of Florida citrus and U.S. walnuts to Poland.

## U.S. DEPARTMENT OF COMMERCE/INTERNATIONAL TRADE ADMINISTRATION (USDOC/ITA)

### Special American Business Internship Training Program (SABIT)

**Overview:** SABIT provides market-oriented business training to executives from the former Soviet Union. Through its Grants Program and Specialized Program, SABIT exposes NIS interns to market-based management and scientific skills by placing them in U.S. companies for hands-on training for a period of four weeks to six months. SABIT facilitates access to NIS markets for U.S. companies and promotes export of U.S. products and services to these markets. Furthermore, SABIT trains NIS managers to be viable partners, representatives, and agents for U.S. businesses. SABIT's specialized programs are developed based on the interests of U.S. Industry and NIS Industry. The programs contain a combination of site visits, technical training relevant to their field, as well as a combination of basic business training programs. Business roundtables, technical conferences and trade shows are also incorporated into these training programs.

The *Grants Program* is an unusual public-private partnership in which half of the costs are borne by the private sector. The Grants Program is two to six months long, which enables the interns to get an in-depth look at how the company functions on a daily basis.

The *Specialized Program* is unique in that it provides U.S.-based, highly technical training programs of four to six weeks to non-English speaking executives. Specialized Program groups include 15-20 participants. Each group usually contains representatives from between 8 and 12 NIS countries, making it a rare opportunity for industry experts across various countries to share experiences and discuss challenges.

#### **FY 1999**

#### **Budget:**

\$5.41 million in FREEDOM Support Act funds. Cost sharing exists with both the Grants and Specialized Programs. SABIT works with hundreds of organizations across the U.S. to develop training programs and itineraries for SABIT interns.

*Grants Program* -- Host companies pay for approximately half of the program's costs. They provide training, domestic travel, insurance, visas, in-house resources, and any additional costs to the intern. SABIT reimburses the host for the cost of the intern's international airfare, housing, and per diem.

*Specialized Program* -- Host companies cover costs for training sessions at their facilities. SABIT covers all the costs of the intern's travel and lodging. Occasionally, SABIT will also pay registration fees for groups to attend trade shows.

**Selection:** NIS citizens complete a standard application for either the Grants or the Specialized Program. Qualified applicants are interviewed by SABIT Coordinators based in Moscow, Kiev, and Almaty.

*Grants Program* -- A pool of candidates is presented to the U.S. host company and the final selection is made by the host organization. The Coordinators then interview the selected candidate. Criteria for acceptance into the Grants Program include English fluency, three to five years of experience in the industry, and employment in a significant management position.

*Specialized Program* -- the Coordinators make recommendations to Washington-based staff which then makes final selection of program participants. Criteria for acceptance into the Specialized Program include three to five years' experience in the industry, employment in a significant management position, entrepreneurial spirit, and the ability to implement changes in his/her home business.

**Follow-on:** As a follow-on, in-country SABIT staff works with Washington to develop alumni events such as follow-up conferences, seminars, and workshops. SABIT also works with agencies such as the Peace Corps to counsel alumni in implementing knowledge and experience gained in the United States. Success is measured in many ways including: the evaluation and review of the business relationship; the ability of the alumni to implement change in home businesses; assistance to U.S. companies in market access issues such as certification, customs, taxation, shipments, contacts, and provision of marketing data and information that have resulted from the program.

**Impact:** Since its inception, the SABIT Program has generated over \$185 million in exports of U.S. goods and services, and has successfully trained over 2,000 NIS managers from a range of industries. Over 60 percent of these internships have resulted in business relationships with the U.S. hosts through trade, joint ventures, or distribution/purchasing agreements. A 1999 program review that consisted of interviews with 157 randomly selected alumni revealed that an average of 66 percent of SABIT alumni had entered into a business relationship with a U.S. firm because of their SABIT training, and that a further 70 percent have assisted their U.S. host companies in such areas as market access, certification, customs, taxation, shipments, contacts, marketing data, or information related to the business climate.

It is crucial that U.S. companies have international partners who understand their business and management concepts well. After training eight interns in 1995 and 1998, a New Jersey-based consulting firm reported that the SABIT program had been instrumental in developing their relationship with Russia. By the vice-president's estimate, their revenue from Russia would have been half of what it was had the company not trained the SABIT interns, i.e. \$5 million, not the \$10 million they earned. She says, "We would not have survived in Russia after [the economic crisis of] 1998 without our SABIT experience."

A Virginia-based car dealership has had exceptional success in Central Asia. In 1999, this company trained two interns who have gone back and generated multi-million dollar sales of General Motors (GM) cars and auto parts. The president of the company credits SABIT with his great success. He says, "We have learned from our experience that although e-mail is great and voice communication is even better, there is no substitute for three months of on-the-job, hands-on training. It gives our clients the opportunity to actually work in our operations and see the business from our side and this is an invaluable experience that will result in a significant benefit to our business." He credits the SABIT program with helping his company to establish its presence in Central Asia and succeed despite the difficult economic situation there. His company sold a fleet of American-made GM trucks to a large gold/uranium mining and processing plant in Uzbekistan. Just recently, he won a \$30,000 contract from the Ministry of Defense in Turkmenistan for the delivery of American auto parts.

## **U.S. DEPARTMENT OF STATE/BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS (DOS/ECA)**

### **Bosnia and Herzegovina Business and Local Governance Training Program**

**Overview:** The Bosnia and Herzegovina Business and Local Governance Training Program offers home-stay-based two- to four-week practical training opportunities in the United States for businesspeople, business professors, and local government officials from Bosnia - Herzegovina. Funded by the Support for Eastern European Democracy Act (SEED), the program is modeled after the successful Bureau-sponsored Community Connections program (see below). The Bosnia Training Program is designed to:

- provide professional training and exposure to day-to-day functioning of a free market system
- introduce Bosnian participants to local governance and culture through meetings and practical training with their U.S. counterparts
- create direct linkages between communities in the U.S. and Bosnia - Herzegovina that will continue beyond the State Department-sponsored initiative
- encourage a transparent, mutually beneficial relationship between the Bosnian government and business leaders in order to promote a democratic, free market economy throughout the country.

Typically, no more than 10 participants are assigned to each of the three host organizations at any given time.

### **FY 1999 Budget:**

Initial program activities were funded using both FY 1998 and FY 1999 funds totaling \$1,004,205. These funds supported 132 participants. FY 2000 funds (\$228,750) will support an additional 28 participants. It is unclear if the program will be funded in FY 2001. Host communities and businesses contribute

significantly to the program through homestays, in-kind contributions, and cultural events.

**Selection:** Participants are selected through an open, merit-based competition. Freedom House, a U.S. nonprofit organization that specializes in implementing exchange programs for professionals worldwide, has established an office in Sarajevo and is working closely with the Public Affairs Section at the U.S. Embassy to conduct participant recruitment and selection for the program. Freedom House is focusing its outreach in Sarajevo, Mostar, Banja Luka, and Tuzla. However, Bosnian citizens from other cities are encouraged to apply. Applicants must fill out a detailed application and submit two letters of recommendation. Applicants are interviewed by Freedom House staff.

**Follow-on:** A program website has been established that enables participants to have discussions online and keep up to date on follow-on activities and events. Host organizations sponsor workshops and seminars in Bosnia - Herzegovina for local communities. Participants and hosts use the Internet for continued informal contact and consultations. The State Department program office, with assistance from the Public Affairs Section of the Embassy, the U.S. host communities, and the recruitment NGO, conducts program evaluations. Additionally, the program office is developing a study of the program in coordination with the University of Iowa.

**Impact:** The Bosnia Training Program brings together participants from three ethnic groups and two entities in Bosnia - Herzegovina that would typically not cooperate with each other in their home country. By working together throughout the course of the program, these individuals can overcome, to some degree, the animosity that has characterized inter-ethnic relations in Bosnia - Herzegovina and can contribute to sustainable peace. One participant from Tuzla commented that he "should hate" one of the participants from Banja Luka. However, the two became very close friends during their homestay and internship experiences and have already been in touch after their return to Bosnia - Herzegovina. They plan to cooperate in future business transactions.

Another participant is currently working on a marketing program for a new real estate development project. The project stems directly from the participant's experiences in the United States. The participant notes that her new potential client is another program participant and that the many U.S. businesses she worked with on the program are now acting as her unpaid consultants to help her develop the skills that she has learned. The participant states that the U.S. program formed the "base for my future and the prosperity for [sic] my company."

A participant from Banja Luka developed a new perspective on marketing, packaging, and product development from his program experience. Based on this experience, he developed a product catalogue, broadened his product selection, began marketing "specials" to attract business, and learned the importance of packaging to sales. Since his return to Banja Luka, his company has expanded into new offices.

With the assistance of alumni, the cities of Toledo, Ohio, and Banja Luka are forming a Sister City relationship. The program augments the Sister City

relationship established between Sarajevo and Dayton, Ohio, in summer 1999. A representative of the Sister City organization in Toledo notes that this program “has brought open-minded, forward-thinking, enthusiastic individuals to Toledo who are committed to the concept of peaceful, free market development...Without these direct contacts, friendship between our two cities would not be moving forward.”

## **Community Connections**

**Overview:** The Community Connections program offers homestay-based, three-to-five week practical training opportunities in the U.S. for entrepreneurs, local government officials, legal professionals, nongovernmental organization leaders, and other professionals from Russia, Ukraine, Belarus, Georgia, Moldova, Armenia, and Kazakhstan. Local community host organizations arrange internships for participants based on interests and experience. Companies offering internships range from small family-run enterprises to major, multinational “Fortune 500” corporations. The goals of the Community Connections program are to provide participants with professional training and exposure to day-to-day functioning of a free market system; encourage public-private partnerships in the NIS by including private sector and government participants; and create links between U.S. and NIS regions and communities. Ultimately, Community Connections hopes to open political systems and societies to democratic practices, the rule of law, good governance, and respect for human rights. Each traveling group is limited to 10 participants.

### **FY 1999**

**Budget:** \$14 million total; \$8.4 million estimated for business participants (1,080 in FY 1999). Because Community Connections works directly with overseas recruitment teams and domestic host organizations, administrative costs for the program are greatly reduced. All 52 hosting organizations contribute 25 to 35 percent of the total cost of hosting programs, including homestays, in-kind contributions, and cultural events.

**Selection:** Participants for the Community Connections program are selected through open competition. All participants must complete written applications and return them to a local recruitment organization. Recruiters then select the strongest pool of candidates based upon various criteria. These candidates are invited for a personal interview conducted by an interview committee. Business candidates are also screened for their English language ability. For those participating in a Community Connections professional program, applications of semi-finalists are forwarded to Washington, where Bureau program specialists review applications and assign participants to the most appropriate U.S. hosting organization based on available industry or professional resources. Criteria for participation include a working knowledge of English (business internship program only) and a business registration or certificate.

**Follow-on:** Alumni programming is funded through recruitment grants and is coordinated by the in-country recruiters. Though the types of activities vary from place to place, most have a newsletter, web pages, and various events. Russia, particularly,

maintains a very active alumni organization. In addition, some local host communities have conducted follow-on programs with U.S. hosts who travel to the NIS.

**Impact:**

Natalya Kostina, of Tver, Russia, participated in the 1998 Business for Russia program (the precursor to the Community Connections program) and is the manager of Kirillitza, the largest bookstore in Tver. Her store was named one of the top ten bookstores in Russia last year, the only one outside of Moscow and St. Petersburg to receive this honor. She has started an online ordering service, the third such service in Russia that will allow customers to order a book from any publisher in Russia and have it in a week. She got the idea for online ordering while she was on the Business for Russia program working in bookstores in Amherst; at the time she did not even have a computer in her store. It has taken her two years to make the vision a reality, with all the complexities of creating a network and contacting publishers; she is extremely proud and grateful for the opportunity she had here on the Community Connections program.

Ia Tabagari, of Tbilisi, Georgia, participated in the 1999 Community Connections program and is the Head of the Cultural Tour Department for Caucasus Travel. Caucasus Travel is the most successful travel agency in Georgia, as well as the longest existing private tourism company in the country. Ia's success upon her return has been focused mainly on her management skills. Prior to her internship, her time was not considered to be an essential asset for management, which directly related to small problems surrounding her efforts to accommodate clients. She now has learned that her time is the single most important factor in the equation of a successful tour group vs. an unsuccessful one. The management techniques she learned in the U.S. and implemented with her staff in Tbilisi have led to better relations with clients, and have improved the company's bottom line by close to 35 percent for this season.

The Louisville, Kentucky, International Cultural Center (LICC), a U.S. Community Connections host organization, has taken an active role in strengthening relationships between Louisville and communities in the NIS. After hosting several groups from Rostov, Russia, LICC organized, collected, and shipped a large humanitarian donation of medical equipment and supplies to Rostov. Additionally, LICC has fostered academic partnerships, resulting in Rostov's participation in several exchanges with institutions of higher education in Kentucky.

**Executive Education Program, for Central European Business and Professional Leaders**

**Overview:**

The Executive Education Program exposes participants from the Czech Republic, Hungary, and Slovakia to small business development, management, marketing, customer service, and public relations techniques. Participants travel to the Jacksonville, Florida, area for a three-week program that includes classroom seminars and workshops, professional meetings, site visits, corporate internships/job shadowing and business links. Additionally, the program sponsored in-country workshops on various economic development/business

topics. The program is administered by the Jacksonville Chamber Foundation. Each three-week program averages between 10 and 20 participants.

**FY 1999**

**Budget:**

\$275,000. The Jacksonville and other nearby communities provide in-kind contributions to this program. The program has been funded through an earmark in the Bureau's appropriation committee language. It is unclear if this earmark will continue in FY 2001.

**Selection:**

The Jacksonville Chamber Foundation, in cooperation with partner organizations and the Public Affairs Sections of U.S. Embassies in the region, openly advertises the program. Participants fill out a standard application and are interviewed by program staff and Embassy representatives.

**Follow-on:**

The Executive Education Program has an alumni website and formal alumni association. Meetings rotate among the three countries from which participants are selected. Participants fill out a written evaluation of the program. The Jacksonville Chamber, the Public Affairs Sections of the respective Embassies, and the program office conduct some follow-up evaluation, as well.

**Impact:**

After completing her program, Dana Pelcova of the Czech Republic became active in the women entrepreneurs movement in the Czech Republic and joined the U.S. Embassy in founding a national ethics center for entrepreneurs. Following her program, Ms. Pelcova became a role model, often featured in the national media, for other entrepreneurs in the Czech Republic; she advocates business ethics, government support of small business, and international exposure for Czech entrepreneurs. She commented that while she always knew these kind of activities were important, it was the Executive Education Program that made her realize the true importance business ethics and spurred her to become more involved.

Bea Acs from Hungary claims her sales went up more than 100 percent after she returned from Jacksonville. Six months after her return she was promoted to national director of the new services branch at the MATAV, the largest Hungarian telecommunications provider.

Soon after her program, Andrea Juhos (Hungary) started her own company -- Career Consultants Kft., which is a franchise of the world renowned U.S. career consulting company, Drake Beam Morin. She states that the Executive Education Program provided her with the knowledge necessary to start this business.

**Productivity Enhancement Program (PEP)**

**Overview:**

The Productivity Enhancement Program's (PEP) purpose is to improve local economies in Russia. The mission includes empowering Russian citizens to transform their personal well-being, their businesses, and their local economies. Further, the mission includes inspiring American citizens to volunteer their business know-how, time, and resources to deliver personalized foreign assistance in their own businesses and communities. PEP works to help Russia develop its lower-level economy to increase economic and political stability in Russia; focuses its efforts on regional entrepreneurs to decentralize the Russian

economy; creates intra/inter-regional business networks through bringing together delegates from different regions; helps strengthen Russia's pro-reform "middle class" to solidify democratic principles in Russia; and builds relationships between Americans and Russians. PEP is unique in that the non-English speaking delegates invest in their own training by paying a program fee, and do not receive a stipend or personal money during their internships. Each PEP delegation consists of 11 participants.

**FY 1999**

**Budget:**

\$12,496,280 (budgeted for 1996-2001). PEP does not pay stipends to participants or to host organizations for sponsoring delegations. In-kind contributions from U.S. volunteers include: home hosting for all delegates, business training, transportation, and social events. In-kind contributions constitute a minimum of 35 percent of the total estimates expenses for training a delegate. The PEP program charges participants a fee to participate.

**Selection:**

Candidates must participate in an initial pre-screening interview, followed by a detailed application and final interview session. Candidates must provide their official company registration documents and two letters of recommendation. Additionally, site visits to candidates' businesses/plants or additional interviews by past PEP Fellows occur if additional information is needed for screening and selection. Candidates are screened by regional Center for Citizen Initiatives (CCI) offices, and applications and recommendations are submitted to CCI San Francisco for final screening and selection. To participate in the PEP program, delegates must be an owner, manager, or top decision maker in a private, Russian-owned small- or medium-sized business. Participants' companies must provide products or services primarily for the Russian market. Participants must undergo an intensive pre-travel training/orientation, and are also required to document their U.S. training experience to offer presentations to colleagues upon returning to Russia.

**Follow-on:**

PEP encourages Fellows to transfer their knowledge to other local entrepreneurs by speaking at seminars, association meetings, and trade events. Through its regional Russian offices, CCI maintains close contact with many PEP Fellows and has helped to organize events, assisted with the development of business associations and Rotary Clubs, and provided additional information and services. Success of the program is evaluated in part by the evaluations completed by PEP Fellows, U.S. volunteer hosts, and business trainers. In addition, CCI's regional Russian offices keep CCI informed of participant successes and of the continued development of their companies and communities.

**Impact:**

Surveys of PEP alumni have yielded the following comments:

"When I returned from U.S. [sic] I immediately gave classes to all of my employees using my documentation workbook. Each of my staff then prepared a report about how they could use the experience of the internship in their work. We are now using a marketing questionnaire from America and we are planning on introducing several other structural changes."

"After being in the U.S., I wanted to share my experience. So I started working part-time as a teacher at the Academy of Law. Now I teach financial management

to students. I tell them about my experience in the U.S. for them to understand the concerns of businesspeople in Russia and for them not to be afraid to start their own businesses.”

“After my U.S. internship, I pay more attention to advertising material to attract customers to my business. We now hand out materials such as leaflets, pamphlets, and brochures. I used to think that using all this paper for advertising was a waste. But when I saw how it was effectively used in America, I understood how it could be useful. We now hand out flyers at train stations, hotels, airports, and universities. We offer a discount and about 30 percent of my customers come to my restaurant because of these flyers.”

## **U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)**

### **TRANSIT-NIS (Participant Training - Academy for Educational Development)**

**Overview:** The purpose of TRANSIT-NIS, administered by the Academy for Educational Development (AED), is to provide training support services for 11 countries in the NIS (Russia has a separate delivery order implemented by AED at the direction of USAID-Russia.) AED implements training programs in the United States, in third countries, and in-country, which support USAID’s ongoing technical assistance activities. The aim is to equip leaders and professionals with the skills, knowledge, and attitudes necessary to guide the transition of their nations to a free market economy and democratic governance. The program also provides for overseas turn-key administrative and logistical support services. The best feature of the program is that the identification of training needs comes from surveys conducted with input from USAID, technical assistance contractors, other donor organizations, and indigenous local organizations. The specific training events are designed with input from the direct beneficiaries and, therefore, are highly tailored to their individual needs within the home country context.

### **FY 1999**

**Budget:** \$807,986. Cost sharing or institutional contributions to the overall cost of the program are encouraged. All program expenditures must fall under a cost ceiling. To accommodate this, training institutions have provided a variety of cost-share mechanisms, such as management time, trainers’ time, and facility costs. Costs included in this amount are associated with FY 1999 and FY 2000 business and entrepreneurial training programs.

**Selection:** Trainees for the program are selected through a variety of means. The most common is identification by USAID technical assistance contractors working in the field. Some small business owners who have received training have been identified as a result of training opportunities being publicized. Requirements for participation vary widely based on the nature of the specific training program. Programs are generally designed after discussions with the target group of participants already identified and based on their specific needs.

**Follow-on:** At the end of each training event, participants complete an exit questionnaire evaluating the program. The responses are tabulated and the data are submitted together with the final report that is prepared at the conclusion of each event. In some cases, debriefings with returned participants are conducted to learn about their assessment of the training. In some instances, follow-on to a training event occurs because the event is related to and is part of activities already underway.

**Impact:** A participant who runs a medical wholesale firm in Ukraine developed a business plan which resulted in a bank loan. She also established Women and Contemporaneity, a registered association for women entrepreneurs designed to provide psychological support, as well as to create a business incubator for women who wish to start their own business. The participant stated that the creation of such an organization became possible following meetings with representatives of women's organizations in Poland and the United States.

In Turkmenistan, several participant enterprises have received loans from the Central Asian American Enterprise Fund to develop new business. The loans range from \$60,000 to \$440,000. One organization commented, "Thanks to the training in small and medium business, we qualified for a loan from the Central Asian American Enterprise Fund, and now we can develop our business by taking on new project initiatives. We are prepared to make the transition into Western style accounting practices as soon as the Ministry of Economy and Finance is ready to support this."

In Armenia, member participants of the Armenian Craft Enterprise Center signed a contract with a Florida-based importer to produce ten thousand pieces of hand-knit goods per month. The head of the Center notes that what participants admired most was the way American workers respect their work and establish human relations, integrating honest and respectful interactions in the workplace. They are applying experience gained in the U.S., as well as sharing experiences with colleagues who were unable to participate in training.

### **TRANSIT-Europe Project (Participant Training -- World Learning)**

**Overview:** TRANSIT-Europe, administered by World Learning, provides practical knowledge about and experience with free market economies and democratic governance to enable trainees from Central and Eastern Europe to utilize their newly-acquired technical skills and attitudes to create similar policies, programs, and institutions in support of a transition to free market democracies. At the end of their training, USAID expects returned participants to have the technical skills and motivation to initiate change in collaboration with others who received similar training and/or to support change initiated by their colleagues, their agencies, and their government. Training that is conducted in the U.S. is also designed to develop lasting U.S./CEE linkages between individuals and institutions which will facilitate trade, investment, technology transfer, and cooperation on global political and economic issues of mutual concern.

**FY 1999**

**Budget:**

\$977,469. Cost sharing is a typical feature of these training programs in CEE. Most often the participant or his/her company purchases the international airfare or

makes some other contribution to the program, thereby decreasing U.S. Government financing of private sector training programs. Costs included in this report are associated with FY 1999 business and entrepreneurial training programs.

**Selection:** World Learning and/or its partners work independently or with a technical assistance implementer to select candidates from targeted types of firms who meet the criteria established by the Mission and/or the relevant Strategic Objective team. The Mission then either convenes a selection committee which includes the Strategic Objective team and other partners, or delegates the final approval process to the Strategic Objective team itself. Requirements for selection vary from Mission to Mission. However, company requirements generally include ownership that is 100 percent national and a minimum of 51 percent private, identification as a part of a priority business sector for the country, solvency and potential for continued progress and growth, and leadership within associations with stature to negotiate with or influence government. Participant requirements often include a commitment to return and work to improve/expand a business or business sector; ability to invest either using private resources or access to credit; membership in civic, professional, or trade associations or NGO/community volunteer work; ability to cost share the program; employment as a decision maker in a company with authority to effect change; diversity status based on geography, ethnicity, or gender; and English language proficiency.

**Follow-on:** As a follow-on, training funds may be used to provide for training or activities, which are often held in-country, to further the results that participants begin working toward in previous training.

**Impact:** World Learning recommends a successful model pioneered in Bulgaria and replicated in Croatia called FLAG (Firm Level Assistance Group). The group is a consortium of USAID-funded, nonprofit American organizations that have combined their resources and experience to provide technical assistance and training to private Bulgarian businesses, including business consultants and business associations. Formed to support the accelerated development and growth of private enterprise in a competitive environment, FLAG strives to more effectively meet clients' needs through a variety of cost-effective programs and services. Current FLAG membership in Bulgaria, all of which have been working in CEE since 1991, include ACDI/VOCA, International Executive Service Corps (IESC), Land O' Lakes, MBA Enterprise Corps, University of Delaware, and World Learning. Together, the team has developed extensive experience in understanding the obstacles facing private businesses and business associations in the region, and is uniquely poised to support businesses and associations to further results in the business sector. FLAG newsletters can be found at <http://www.flag.bg/news.html>.

In May 1999, a specialized USAID-funded training program was organized for women from the Balkan Region under TRANSIT-Europe. Dubbed WEBNET, for Women Entrepreneurs' Business Network, the program was designed for 21 prominent businesswomen from six countries in the region: Albania, Bulgaria, Croatia, Bosnia - Herzegovina, Macedonia, and Romania. This training program resulted in a new regional association called Business Opportunities for Women (BOW). The first meeting of the association took place during the last week of the

training program. The main goals of the association are to transcend borders and promote and support women's economic developments and entrepreneurship. The first roundtable of BOW took place in November 1999 and attracted 49 participants from around the region. A subsequent BOW conference in Bucharest, Romania, led to the decision to register a branch of the organization in each country in the region.

### **Alliance Training Program (Technical Assistance Program)**

**Overview:** Alliance Training Program activities fall under the larger Alliance for Collaboration on Enterprise Development.

*East-to-East Training Program* -- The purpose of the East-to-East training is to expose representatives of Ukrainian agricultural and related small- and medium-size enterprises (SMEs) to successful processing and organizational practices in other countries, including Hungary, Poland, Moldova, Bulgaria, Romania, and Czech Republic. The objective is to complement theoretical training with firsthand experience, which will lead to positive modifications in business strategy, product selection, and organizational procedure. The program consists of site visits, university lectures, roundtable discussions, and product and technology exhibitions. The East-to-East training gives the opportunity for Ukrainian entrepreneurs to be introduced to new food processing technologies and European Union standards, as well as establish business ties.

*Alliance Seminars* -- The purpose of the seminars is to introduce technical and business related topics that would be of use in the development of agricultural SMEs. The primary program goals include encouraging the private agricultural processing sector to be more market responsive and, on a broader level, to assist the expansion of the overall contribution of SMEs to the Ukrainian economy. Until October 1999, topics covered issues in agricultural production and processing. Since October, seminars have focused mainly on processing and business topics. One of the best features of the program is the networking opportunities that occur between seminar experts and participants. The seminars are a useful and low-cost tool to effectively spread valuable business and technical assistance to receptive people in the agribusiness sphere. Seminars are limited to 50 participants to encourage interaction.

#### **FY 1999**

**Budget:** *East-to-East Training* -- average cost of one East-to-East delegation was \$15,000.

*Alliance Seminars* -- average cost of one seminar was \$600 (participants pay their own transportation).

**Selection:** ACDI/VOCA selects participants from organizations that have been identified, in cooperation with USAID Missions, as targets for technical assistance. These can include businesses, associations, and other relevant organizations. Technical assistance providers work with the target organization to identify the most appropriate candidates for training.

*East-to-East Training* -- ACDI/VOCA selected participants among previous clients who either participated in the technical seminars, hosted ACDI/VOCA volunteers, or are involved in professional associations. The selection of participants is based on some or all of the following criteria: the success of a past project with ACDI/VOCA, the potential of their organization, the degree to which the information would be useful to their organization, and their demonstration of initiative and receptiveness to new ideas.

*Alliance Seminars* -- Seminar participants are required to be linked with SME development in the agricultural processing sector. This may include business managers, accountants, employees of business associations, credit union representatives, educators, and potential entrepreneurs. From these seminars, the USAID Mission, in cooperation with partner organizations, selects individuals that will benefit most from further training programs.

**Follow-on:** *East-to-East Training* -- Participants complete evaluation forms at the conclusion of each training, which are incorporated into reports to USAID, the Alliance, Washington headquarters, and the partner organization which co-hosted the tour. After three months an ACDI/VOCA representative does a follow-up evaluation with participants to measure the impact of the training.

*Alliance Seminars* -- After the seminar, the expert and the group of active participants keep in touch for ongoing technical and business consultations. This follow-on activity was designed by ACDI/VOCA to potentially develop Ukrainian extension services. As a result, seminar participants maintain contact with seminar presenters, research institutes, agricultural universities, or other represented institutions.

**Impact:** Due to ACDI/VOCA's Alliance Training seminars, five associations have been formed and eight cooperatives are in formation. Sixteen agribusinesses initiated computerized bookkeeping procedures, five entrepreneurs received local credit, and 30 participants entered into business relationships with other participants.

## **Women's Economic Empowerment Training (Technical Assistance Program)**

**Overview:** *Training of Trainers (TOT)* -- The purpose of the TOT was to provide selected trainers with sufficient knowledge of entrepreneurship and characteristics of entrepreneurs in order to qualify them to train target clients of the WEE program. The development of the curriculum was a joint collaboration between the NIS-U.S. Women's consortium and ACDI/VOCA. After passing three modules of training, trainers conduct empowerment training in selected areas. The program's best feature is that it develops a local capacity for business consulting and reaches an audience that would otherwise be ignored. Each TOT program involves 20 individuals.

*Credit Union Staff Training* -- The main objective of this program is to train the staff of five Ukrainian Credit Unions to manage the New Entrepreneurial Program for Women, funded by USAID and administered by ACDI/VOCA. The program provides \$100,000 of seed money to provide funds to finance the growth of

women-owned businesses in their respective regions. The recipient credit unions will provide both micro and small loans to women who have completed the training course and whose enterprises demonstrate the ability to successfully service a loan. The best feature of the program is that it addresses the development of a much needed alternative financing source for small enterprise. The program is unique because the curriculum was developed as a result of research into the characteristics and shortfalls particular to the early stages of credit union development in Ukraine. [This section of the WEE program was not included in this study.]

*Empowerment Training* -- The training is designed for women, employed and unemployed, who have a strong desire to change their life by starting their own business in order to improve their financial standing and create new jobs. In the short-term, the objective is to encourage as many women as possible to start their own businesses. The long-term objective for the next year to eighteen months is to spur a growing desire for more entrepreneurial activity among women. The program is unique because it is designed specially for the target group of unemployed women and includes not only business skills training, but also interactive methodology that allows maximum results to be achieved. [This section of the WEE program was not included in this study.]

*East-to-East Training* -- The East-to-East study tour is organized as the last stage of TOT. The main goal is to gain direct exposure and obtain information from women-led private companies and different SME support organizations in Poland. Another objective was to observe the activities of the Association of Women Owners of Private Firms, a national Polish organization, to see how women entrepreneurs utilize its assistance in their careers and social life. This training provided the WEE team of trainers with a unique perspective that assisted them in conducting the empowerment training which started soon thereafter. The best feature of the program is that East-to-East training is designed so that each participant is able to visit a private company that operates in their own sphere of interest. East-to-East delegations include five Ukrainian participants.

**FY 1999**  
**Budget:**

*TOT* -- average cost of one TOT was \$1,500.

*Credit Union Training* -- average cost of Credit Union Training was \$2,000.

*Empowerment Training* -- average cost of Empowerment Training was \$1,000.

*East-to-East Training* -- average cost of one East-to-East delegation was \$10,000.

**Selection:**

ACDI/VOCA selects participants from organizations that have been identified, in cooperation with USAID Missions, as targets for technical assistance. These can include businesses, associations, and other relevant organizations. Technical assistance providers work with the target organization to identify the most appropriate candidates for training.

*TOT* -- Requirements for participation in the program include being an entrepreneur or having experience in conducting business training; possessing leadership skills and good communication and public speaking skills; having a

good understanding of a trainer's role; having a strong desire to participate in the WEE project; and being available to travel throughout Ukraine.

*Credit Union Training* -- Selection for participation was conducted by Winrock International, the prime contractor of USAID on the WEE project.

*Empowerment Training* -- Participant selection was conducted by Winrock International. Participants had to be either unemployed or possess a strong desire to start their own business.

*East-to-East Training* -- Participants were selected during the last TOT through a random selection process.

**Follow-on:** *TOT* -- Evaluations are made after each TOT by ACDI/VOCA and Winrock International based on questionnaires completed by participants.

*Credit Union Training* -- Reports on credit union training are included in each quarterly report of the WEE project and sent to USAID, ACDI/VOCA, and Winrock International head offices. An evaluation is made after each training by ACDI/VOCA and the Ukraine Agricultural Finance Development Foundation (UAFDF), using questionnaires completed by trainees.

*Empowerment Training* -- As follow-on, trainees critique the program upon its completion by means of an evaluation form, and results are compiled by Winrock International staff. After three months, a Winrock International representative makes another evaluation of trainees to measure impact of the training.

*East-to-East Training* -- Reports on Empowerment Training are made by all participants of East-to-East Training and also by ACDI/VOCA and Winrock International. In addition, an evaluation was conducted during a trainers' retreat in December 1999. Reports on these tours are included in each quarterly report of WEE project and sent to ACDI/VOCA and Winrock International head offices.

### **Macedonian Business Resource Center (MBRC) (Technical Assistance Program)**

**Overview:** The MBRC was established to help private Macedonian businesses improve their financial management, operations, and marketing, and to enhance their ability to raise capital and attract joint venture partners. The goal is to provide managers the resources they need to make their companies viable and competitive in challenging new market conditions. The MBRC conducts a seminar and workshop program for its clients focusing on the areas of management, finance, accounting, marketing, human resource management, and operations. The purpose of the seminar program is to introduce and reinforce Western business practices, which will assist client companies improve in the program target areas. Seminars are limited to 28 participants each, due to the size of the facility.

#### **FY 1999**

#### **Budget:**

Costs for the seminar and workshop program are covered under the overall program budget and are not broken down for each event.

**Selection:** The seminar and workshop program is open to all MBRC clients and other professionals. In cases where participant limits must be set due to space restrictions, priority has gone to MBRC clients. Once a client has identified a particular area of interest for his or her company, seminars and workshops are adjusted accordingly and presented in-house. Participants are able to attend the same seminar more than once. The MBRC program holds a unique position in Macedonia as being a respected source for professional business advice, not only in the seminar and workshops presented, but also in the consulting services it provides.

**Follow-on:** After a seminar or workshop, participants are asked to complete an evaluation. The evaluations have been used at the local level to improve the quality and content of the material presented. As a result of the seminar and workshop program, many clients have requested assistance in creating a business or marketing plan, or help in other areas.

**Impact:** MBRC has provided training to at least 600 client companies since 1994. The MBRC has helped many companies to change their approach to management and operating structure. In addition, the professional staff of the MBRC has turned over at least twice as they seek new opportunities because of their exposure to the workshops, seminars, and events that MBRC sponsors. As of June, 20 ex-MBRC employees have found a plethora of new positions both in public and private service. For example, some have become advisors to Ministers, taken senior positions in government, opened consulting firms, found senior positions with other donor programs and gone back to school to get advanced degrees at U.S. universities. Somehow this impact on the human resource capacity development of business professionals and “new” entrepreneurs should be reflected.

Also as a result of the training received by client businesses, in the last 10 months, Macedonian business have attracted over \$23 million in trade investments and there has been at least \$3 million in debt/equity investment from external sources. Much of this newfound business has included sourcing U.S. products or franchising U.S. companies and products.

### APPENDIX 3: MACEDONIAN BUSINESS RESOURCE CENTER 1999 SEMINARS/WORKSHOPS

<b>Title</b>	<b>Participants</b>
Quality Systems	49
Investment Appraisal and Capital Project Control	66
Business Law	15
Business Plan	64
Corporate Governance	206
Production	34
Effective Change Management	40
Cost and Management Accounting	20
Introduction to Value-Added-Tax (VAT)	44
Introduction to International Financial Reporting	20
Organizations and Human Resource Management	23
Sales Management	7
Finance for Non-financial Managers	24
Financial Planning	64
Marketing	159
<b>Total</b>	<b>835</b>

**APPENDIX 4: WORLD LEARNING FY 1999 PARTICIPANT TRAINING PROGRAMS IN BUSINESS AND ENTREPRENEURIAL DEVELOPMENT IN CEE**

<b>Country</b>	<b>Training Program Title</b>	<b>Training Venue</b>	<b>Program Dates</b>	<b>Number of Participants</b>
Albania*	WEBNET (FLOTUS)	U.S./Third Country	5/1/99-5/29/99	3
Albania*	Business Opportunities for Women	Third Country	11/27/99-11/28/99	3
Albania*	Business Opportunities for Women Follow-on	Third Country	1/14/00-1/16/00	1
Albania	Emergency Care	U.S.	1/14/00-2/6/00	10
Albania	Wood Products	U.S.	1/15/00-2/5/00	11
Albania	Credit Unions	Third Country	1/30/00-2/7/00	10
Albania	Dental Hygiene	U.S.	2/19/00-3/11/00	8
<b>Subtotal of Participants</b>				<b>46</b>
<b>Total Cost, Completed Albania Programs: \$266,817</b>				
Bosnia*	WEBNET (FLOTUS)	U.S./Third Country	5/1/99-5/29/99	3
Bosnia*	Business Opportunities for Women	Third Country	11/27/99-11/28/99	3
<b>Subtotal of Participants</b>				<b>6</b>
<b>Total Cost, Completed Bosnia Programs: \$32,200</b>				
Bulgaria*	WEBNET (FLOTUS)	U.S./Third Country	5/1/99-5/29/99	6
Bulgaria	Finance	U.S.	5/31/99-6/15/99	1
Bulgaria	Association Management	U.S.	5/31/99-6/15/99	1
Bulgaria	Spices	U.S.	7/5/99-7/21/99	1
Bulgaria	Spices	U.S.	7/5/99-7/21/99	1
Bulgaria	Finance	U.S.	7/7/99-7/23/99	1
Bulgaria	Agribusiness	U.S.	7/22/99-8/10/99	1
Bulgaria	Pensions	U.S.	8/15/99-9/4/99	1
Bulgaria	Finance	U.S.	9/6/99-9/22/99	1
Bulgaria	Meat Processing	U.S.	9/15/99-10/1/99	1
Bulgaria	Brokerages	U.S.	9/19/99-10/5/99	1

**BUSINESS & ENTREPRENEURIAL DEVELOPMENT PROGRAMS IN THE NIS & CEE**

Bulgaria*	Business Opportunities for Women	In-Country	11/27/99-11/28/99	6
Bulgaria	Privatization	U.S.	11/28/99-12/14/99	1
Bulgaria*	Business Opportunities for Women Follow-on	Third Country	1/14/00-1/16/00	6
Bulgaria	Light Manufacturing	U.S.	1/19/00-2/4/00	1
Bulgaria	Advertising	U.S.	1/20/00-2/4/00	1
Bulgaria	Agribusiness	U.S.	1/23/00-2/7/00	1
Bulgaria	Apparel	U.S.	2/6/00-2/19/00	1
Bulgaria	Agribusiness	U.S.	2/29/00-3/20/00	1
Bulgaria	Advertising Associations	U.S.	3/12/00-3/29/00	1
<b>Subtotal of Participants</b>				<b>35</b>
<b>Total Cost, Completed Bulgaria Programs: \$163,695</b>				
Bulgaria	Finance	U.S.	3/26/00-4/7/00	1
Bulgaria	ISO-SME Development	U.S.	5/1/00-5/21/00	1
Bulgaria	Consulting	U.S.	5/2/00-5/21/00	1
Bulgaria	Association Development	U.S.	5/3/00-5/21/00	1
Bulgaria	ISO-SME Development	U.S.	5/18/00-5/30/00	1
Bulgaria	Tourism	U.S.	6/1/00-6/21/00	1
Bulgaria	Light Manufacturing	U.S.	6/1/00-6/21/00	1
<b>Subtotal of Participants</b>				<b>7</b>
<b>Total Cost, Planned Bulgaria Programs: \$49,000</b>				
Croatia*	WEBNET (FLOTUS)	U.S./Third Country	5/1/99-5/29/99	3
Croatia	Business and Agricultural Policy Reform	In-Country	10/13/99-10/15/99	10
Croatia*	Business Opportunities for Women	Third Country	11/27/99-11/28/99	3
Croatia*	Business Opportunities for Women Follow-on	Third Country	1/14/00-1/16/00	2
<b>Subtotal of Participants</b>				<b>18</b>
<b>Total Cost, Completed Croatia Programs: \$50,606</b>				
Macedonia*	WEBNET (FLOTUS)	U.S./Third Country	5/1/99-5/29/99	3
Macedonia*	Business Opportunities for Women	Third Country	11/27/99-11/28/99	3
Macedonia*	Business Opportunities for Women Follow-on	Third Country	1/14/00-1/16/00	2
Macedonia	Poultry	U.S.	1/16/00-1/31/00	1

**BUSINESS & ENTREPRENEURIAL DEVELOPMENT PROGRAMS IN THE NIS & CEE**

Macedonia	Meat and Dairy	U.S.	1/29/00-2/12/00	13
Macedonia	Newspaper Management	U.S.	1/31/00-2/20/00	1
<b>Subtotal of Participants</b>				<b>23</b>
<b>Total Cost, Completed Macedonia Programs: \$100,938</b>				
Macedonia	Textile Management	U.S.	5/26/00-6/8/00	6
<b>Subtotal of Participants</b>				<b>6</b>
<b>Total Cost, Planned Macedonia Programs: \$60,000</b>				
Romania*	WEBNET (FLOTUS)	U.S./Third Country	5/1/99-5/29/99	3
Romania	Agribusiness Associations	U.S.	7/1/99-7/17/99	10
Romania	Baking Associations	U.S.	10/9/99-10/24/99	8
Romania	Agribusiness Development	U.S.	11/3/99-11/9/99	7
Romania	Agribusiness	Third Country	11/17/99-11/25/99	14
Romania*	Business Opportunities for Women	Third Country	11/27/99-11/28/99	3
Romania*	Business Opportunities for Women Follow-on	In-Country	1/14/00-1/16/00	3
Romania	Women in Business	In-Country	1/14/00-1/15/00	100
Romania	Romania-USA Business Conference	U.S.	1/14/00-1/16/00	3
Romania	Grape Juice Industry	U.S.	2/7/00-2/19/00	5
Romania	Commercial Markets	In-Country	3/20/00-3/21/00	26
<b>Subtotal of Participants</b>				<b>182</b>
<b>Total Cost, Completed Romania Programs: \$254,213</b>				
<b>GRAND TOTAL</b>				<b>323</b>

\*Indicates regional funding source.

**APPENDIX 5: AED FY 1999 PARTICIPANT TRAINING PROGRAMS THAT SUPPORT BUSINESS AND ENTREPRENEURIAL DEVELOPMENT INITIATIVES IN THE NIS**

<b>Country</b>	<b>Training Program Title</b>	<b>Training Venue</b>	<b>Start Date</b>	<b>Number of Participants</b>
Armenia	Basic Business Skills Training	In-Country	*	*
Armenia	Basic Business Skills Training	In-Country	*	*
Armenia	Banking Training	In-Country	*	*
Armenia	Advanced Business Skills Training	In-Country	*	*
Armenia	Basic Business Skills Training	In-Country	*	*
Armenia	Women 2000: Session III: Economic Workshop in Azerbaijan: Armenia	Third-Country	*	*
Armenia	Follow-Up Training Course	In-Country	*	*
Armenia	Follow-Up Training Course	In-Country	*	*
Armenia	Follow-Up Training Course	In-Country	*	*
Armenia	Follow-On Training Course	In-Country	*	*
Armenia	Follow-On Training Course	In-Country	*	*
<b>Total Budgeted</b>			<b>\$71,188</b>	
Azerbaijan	Women 2000: Session III: Economic Workshop in Azerbaijan: Azerbaijan	In-Country	*	*
Azerbaijan	Small and Medium Enterprise (SME) Training of Trainers Workshop II	In-Country	*	*
Azerbaijan	SME Training of Trainers Workshop III	In-Country	*	*
Azerbaijan	Basic SME Skills Region I Session I	In-Country	*	*
Azerbaijan	Basic SME Skills Region I Session II	In-Country	*	*
Azerbaijan	Basic SME Skills Region II Session I	In-Country	*	*
Azerbaijan	Basic SME Skills Region II Session II	In-Country	*	*
Azerbaijan	Basic SME Skills Region III Session I	In-Country	*	*
Azerbaijan	Basic SME Skills Region III Session II	In-Country	*	*
Azerbaijan	Basic SME Skills Region IV Session I	In-Country	*	*
Azerbaijan	Basic SME Skills Region IV Session II	In-Country	*	*
Azerbaijan	Basic SME Skills Region V Session I	In-Country	*	*
Azerbaijan	Basic SME Skills Region V Session II	In-Country	*	*
Azerbaijan	Basic SME Skills Region VI Session I	In-Country	*	*
Azerbaijan	Basic SME Skills Region VI Session II	In-Country	*	*
Azerbaijan	Advanced SME Skills Region I Session I	In-Country	*	*
Azerbaijan	Advanced SME Skills Region I Session II	In-Country	*	*
Azerbaijan	Advanced SME Skills Region II Session I	In-Country	*	*
Azerbaijan	Advanced SME Skills Region II Session II	In-Country	*	*
Azerbaijan	Advanced SME Skills Region III Session I	In-Country	*	*
Azerbaijan	Advanced SME Skills Region III Session II	In-Country	*	*
Azerbaijan	Advanced SME Skills Region IV Session I	In-Country	*	*
Azerbaijan	Advanced SME Skills Region IV Session II	In-Country	*	*
Azerbaijan	Economic Diversification II In-Country Workshop	In-Country	9/11/00	30
Azerbaijan	Economic Diversification II U.S.	U.S.	10/29/00	16
<b>Total Budgeted</b>			<b>\$443,044</b>	
Georgia	Women 2000: Session III: Economic Workshop	Third-	*	*

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	in Azerbaijan: Georgia	Country		
Georgia	Borrowing and Managing Funds	In-Country	11/2/99	20
Georgia	Borrowing and Managing Funds	In-Country	11/16/99	20
Georgia	Borrowing and Managing Funds	In-Country	12/7/99	20
Georgia	Borrowing and Managing Funds	In-Country	12/14/99	20
Georgia	Borrowing and Managing Funds	In-Country	12/17/99	20
Georgia	Borrowing and Managing Funds	In-Country	1/10/00	20
Georgia	Borrowing and Managing Funds	In-Country	1/10/00	20
Georgia	Borrowing and Managing Funds	In-Country	1/11/00	20
Georgia	Borrowing and Managing Funds	In-Country	1/18/00	26
Georgia	Workshop on Non-Bank Financial Institutions: Development and Regulation	U.S.	1/31/00	1
Georgia	Borrowing and Managing Funds	In-Country	2/7/00	20
Georgia	Borrowing and Managing Funds	In-Country	2/8/00	23
Georgia	Borrowing and Managing Funds	In-Country	2/21/00	22
Georgia	Basic and Intermediate Training in Business Management	Third-Country	3/6/00	14
<b>Total Budgeted</b>			<b>\$134,769</b>	
Kyrgyzstan	The World Bank Group Workshop on Non-Bank Financial Institutions	U.S.	1/31/00	1
<b>Total Budgeted</b>			<b>\$4,400</b>	
Tajikistan	BISS on Labor Market in the Transfer Period in Tajikistan	In-Country	2/10/00	30
<b>Total Budgeted</b>			<b>\$2,000</b>	
Uzbekistan	BISS: Improved Methods for the Calculation of Consumer Price Indices	In-Country	2/2/00	2
<b>Total Budgeted</b>			<b>\$6,525</b>	
Ukraine	Finance Strategic Planning	U.S.	6/4/99	10
Ukraine	Integrated Rural Market Development	U.S.	11/6/99	20
<b>Total Budgeted</b>			<b>\$146,060</b>	

\* Programs use FY 1999 funds, but are implemented in FY 2000. Start date and participant information are not available.

## APPENDIX 6: SAMPLE LIST OF PEP DELEGATION INDUSTRIES

- **Accommodation/Food Services:** Casual Dining, Hotel and Hospitality, Restaurants
- **Agriculture/Fishing:** Crop Farmers, Dairy Farmers, Livestock/Meat Processing, Nursery/Horticulture
- **Construction:** Construction, Reconstruction and Renovation, Subcontractors
- **Finance/Insurance:** Accountants, Auditors, Banking, Financial Managers, Insurance, Investment Banking
- **Food Processing:** Bakery, Dairy Plants, Food Processing and Packaging, Meat Processing
- **Health/Social Services:** Dental Clinics, Private Medical Clinics
- **Manufacturing:** Building Materials, Clothing, Furniture, Telecommunications-Telephony Manufacturing, Water/Soft Drink Manufacturing/Bottling, Wood Processors
- **Media/Information Services:** Book Publishers, Computer Services, Newspapers, Radio-Television, Telecommunications-Networking Services
- **Professional Services:** Advertising, Architects, Graphic Design, Interior Design and Decoration, Legal Services, Personnel Recruitment Agencies, Real Estate
- **Transportation/Warehousing:** Food Storage Management, Trucking and Shipping
- **Wholesale/Retail:** Drug Stores/Pharmacies, Retail Store Owners/Managers, Supermarkets, Wholesale Foods
- **Other:** Auto Repair/Service, Marketing Directors, Private Schools, Travel Agencies/Tourism

## APPENDIX 7: IAWG SURVEY ON BUSINESS/DEVELOPMENT PROGRAMS IN THE NIS AND CENTRAL AND EASTERN EUROPE

Over the past decade significant government resources have been devoted to assisting the countries of the NIS and Central and Eastern Europe (NIS/CEE) with their transition from planned to market economies. Agencies representing the full spectrum of government international programs have played a key role, developing some of the U.S. Government's most successful exchanges and training programs to facilitate this transition. Programs range from those designed to educate and empower private business representatives to those designed to create an atmosphere in which a market economy can thrive.

Executive Order 13055 of July 1997 and the Foreign Affairs Reform and Restructuring Act, Sec. 1414 of 1998, directed the IAWG to review and analyze USG-sponsored international exchanges and training programs to determine 1) the extent of complementary programming among various agencies, 2) the occurrence of "best practices" that could be shared among programs to enhance overall efficiency and effectiveness, and 3) the degree of duplication and/or overlap, if any. The IAWG has determined that business and entrepreneurial development programs in the NIS and Central and Eastern Europe are appropriate subjects for such a review. Business and entrepreneurial development programs are defined as those programs that seek to provide professional-level training to entrepreneurs and private sector representatives for the purpose of promoting private sector growth and sustainability.

We have identified several business and entrepreneurial programs in the NIS/CEE regions that are sponsored, funded, or executed by the U.S. Government. To help the IAWG begin its analysis -- and to determine our next course of action -- we have developed two survey questionnaires regarding these programs. One detailed survey is being sent to Washington-based agencies; the other survey, which requests some preliminary information on these programs, will be sent to overseas missions. These surveys are intended to assist us in getting as complete a picture of these programs as possible. Information regarding these programs will be incorporated into the IAWG's FY 1999 Annual Report to Congress and the White House. As you will see, we have broken down the survey to cover the following topics: Purpose, Administration, Budget, Participants, Follow-up, and Other. We would greatly appreciate a response to this survey no later than **April 21, 2000**. Please return surveys via e-mail to: [aprince@usia.gov](mailto:aprince@usia.gov) , or fax: 202-260-5122, or by mail: IAWG Staff, Department of State, Federal Center Plaza Building, 301 4<sup>th</sup> Street, S.W., Room 320, Washington, D.C. 20547. If you have any questions please contact Adrienne Price on 202-205-9860, Laura Shane on 202-205- 9223 or Gloria Simms on 202-260-5126. Thank you for your invaluable assistance and support.

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Abroad

14. If the ability to speak English is not a requirement, does the USG provide or offer interpreters?  
Yes      No      English is a requirement
15. Who pays for interpreters in the event they are needed? \_\_\_\_\_
16. Who organizes the training/program? \_\_\_\_\_
17. Who oversees it? \_\_\_\_\_
18. Describe nature of program oversight, if any.
19. Is the program developed:      in-house      contracted out?

### **Budget**

20. How much USG funding is budgeted for the program? \_\_\_\_\_
- 21a. Does the program involve any partnerships or cost sharing (formal or informal, can include financial and/or logistical support) with other U.S. or foreign government agencies or nongovernmental agencies/institutions?      Yes      No
- 21b. If yes, please list them and explain the nature of the support.
22. Does your organization or a partner organization charge a fee to program participants or to program partners?      Yes      No
23. To what extent does your program seek out new partners? What types of recruitment activities are standard?

### **Participants**

24. How many people participated in the program in FY 1999? \_\_\_\_\_
25. Please describe the process used to select participants. Please also describe any outside review (e.g., security offices or partner reviews).
26. Please list specific requirements, if any, participants must meet before taking part in the program (e.g., three years as a business owner, fluency in English, concrete plans to open a business in the near future, represents government interests in sparking or assisting with business and economic development, etc.).
27. Are participants allowed or encouraged to help develop the content of their program?  
Yes      No
- 28a. Are participants ever asked to leave the program?      Yes      No

28b. If so, under what circumstances?

29a. Are limits placed on the number of people allowed to participate in the program?

Yes      No

29b. If yes, what are the limits? \_\_\_\_\_

30. Are participants permitted to take part in the same program more than once?

Yes      No

31. What specific employment sectors do participants represent (e.g., finance, light industry, mediation, advertising, construction, mass media/publishing, trade, communication, heavy industry, public foundation or organization, tourism, education/science/culture, service, food industry, health care, government, legal services, agriculture, architecture/interior design, transportation, etc.)?

### **Follow-up**

32. What, if any, reporting on the program is received in Washington from overseas missions?

33. Do missions send reports regarding the usefulness of the program?      Yes      No

34. Who, if anyone, in Washington is responsible for any follow-up?

35. What type of follow-up/evaluation is conducted in Washington?

36. Is there any follow-up at missions?      Yes      No

37a. Are participants required or requested to evaluate the program/training?      Yes      No

37b. If yes, what mechanism is used?

38. Who reviews these evaluations at the Washington level?

39. How are recommendations incorporated into future programs?

40. Has your program requested an independent review to determine program effectiveness?

Yes      No

41. What do you believe is the program's best feature? Why?

42. What type of impact has the program had on the participants? Please provide some results to date and, if available, examples of individual participant responses to the program (please attach).

43. What changes, if any, would improve the training/exchange program? (Suggested changes could include any aspect of the program; e.g., how funding is provided, selection of participants, program administration, purpose, etc.)

44a. Do you think there is a need to develop more and/or different business and entrepreneurial development programs ?      Yes      No

44b. If yes, please share any ideas you may have on the purpose and structure of these programs.

45. What type of follow-up on the program is conducted after the trainees return to their home countries (e.g., alumni interviews, events, newsletters)?

46. How much assistance or support is provided to the trainees after they return home?

47. In general, how do programs measure their success? (e.g., SABIT has independent auditors review the program, in addition to the evaluation and reports done by the interns and companies)

**Other:**

48. The survey will be sent to the following USG departments/agencies/offices: U.S. Department of Agriculture – Foreign Agricultural Service; Dept of Commerce – International Trade Administration and the National Institute of Standards and Technology; U.S. Agency for International Development; Department of State (includes programs sponsored by the Bureau of Educational and Cultural Affairs at the former U.S. Information Agency); and the Peace Corps. If you know of any USG programs on business and entrepreneurial development sponsored by departments/agencies not listed above, please identify them here. If possible, please include the name of the program, the contact person in charge of the program, and a phone number where we may reach the contact person.

49. If you have any questions/comments/observations/concerns regarding the survey of business/entrepreneurial programs that were not addressed above, please feel free to express them here. Thanks for your assistance.