

Program Investment Terms: 2006

In FY 2006 USADF used the following grant mechanisms to provide funding to community based groups and enterprises providing economic development opportunities to poor communities.

Project – is a defined and approved funding request where USADF has obligated US Government appropriated funds to support.

OAG – Operational Assistance Grant – Funding to be used in the development of operational management and growth planning capabilities of a group or enterprise.

EEG – Enterprise Expansion Grant – Funding to be used in the development of adding expansion and grow capabilities (production, management, process) of a group or enterprise in order to create more jobs and better income for workers.

SEG – Social Enterprise Grant – Funding to be used in the development of expansion and grow capabilities of a social enterprise in order to create more jobs and better income for workers

Country Designators

BEN	Benin
BOT	Botswana
CV	Cape Verde
GH	Ghana
GU	Guinea
LIB	Liberia
MA	Mali
NI	Niger
NIG	Nigeria
RW	Rwanda
SD	Swaziland
SG	Senegal
TZ	Tanzania
UG	Uganda
ZM	Zambia

Program Investment Terms: 2007

In FY 2007 USADF used the following grant mechanisms to provide funding to community based groups and enterprises providing economic development opportunities to poor communities.

EDI – Enterprise Development Investment, formerly named Operational Assistance Grant, funding to be used in the development of operational management and growth planning capabilities of a group or enterprise.

EI – Enterprise Expansion Investment, formerly Enterprise Expansion Grant, funding to be used in the development of adding expansion and grow capabilities (production, management, process) of a group or enterprise in order to create more jobs and better income for workers.

SEG - Social Enterprise Investment, formerly Social Enterprise Grant – Funding to be used in the development of expansion and grow capabilities of a social enterprise in order to create more jobs and better income for workers

PART: Program Assessment Rating Tool

PART is a tool used by Federal agencies in conjunction with the US Office of Management and Budget (OMB) in the Executive Office of the President. PART was designed to measure and improve program performance so that the Federal Government can achieve better results. See definitions of USADF PART indicators below.

API: Assessment of Program Impact

USADF has collected annual data on performance results for active projects each year since 1999. API data is used in an Annual Performance Report to Congress and included in its Congressional Budget Justification. See definitions of USADF API indicators below.

The PART Indicators

1. Revenue Growth

Definition: Cumulative increase in the sales of enterprise development projects over their extrapolated baseline level during the project period and the 3 yrs following the expiration date. The extrapolated baseline level is the baseline sales multiplied by the time from the project start date through the end of the reporting year (in full and fractional years). The extrapolated baseline is subtracted from cumulative sales.

Scope: Active and expired MSE and T&I projects with baseline sales data.

Purpose: Measures additional income generated for owners, workers, and input suppliers

Data Source: For active projects, obtained from clients' quarterly financial statements. For expired projects, obtained from a special annual data collection process.

2. Investment Multiplier

Definition: For every dollar disbursed to enterprise development projects that were active or have closed within past 3 years, the cumulative increase in their gross revenues (sales) over the extrapolated baseline level, during project period and the 3 years following the expiration date. In other words, Revenue Growth divided by cumulative disbursements.

Scope: MSE and T&I projects with baseline sales data that were active in the reporting year or have expired in the prior three years.

Purpose: Measures the cost-effectiveness of USADF support

Data Source: For active projects, obtained from clients' quarterly financial statements. For expired projects, obtained from a special annual data collection process. should mention that this is a derived from other collected data

3. Profitability

Definition: Percent of enterprise development projects that have a positive net income **for the reporting year** before income taxes and depreciation by the end of their third year. This

does **not** refer to cumulative net income since the project began. CRG contributions are not subtracted from net income as this is a cashflow statement item.

Calculated as the number of enterprise projects that were profitable in the reporting year divided by the (number of enterprise projects that were 3 years old or more or were profitable but less than 3 years old)

Scope: Active MSE and T&I projects that were active in the reporting year

Purpose: Measures the ability of the business to continue operations and grow

Data Source: Obtained from clients' quarterly financial statements.

4. CRG Compliance

Definition: Percent of projects that are current in meeting their CRG pledges from the end of their third year onward. Current means that their cumulative contributions from the beginning of the project are greater than or equal to the cumulative amount expected to date.

Scope: Active MSE and T&I projects with cash CRG pledges

Purpose: Measures the ability of the business to recover invested capital and adherence to the terms of USADF support

Data Sources: The schedule of expected contributions is obtained from pledge agreements, Appendix A's, or final Project Papers and financial analyses. Amounts contributed are obtained from quarterly reports.

5. Sustainability

Definition: Percent of clients that are still operating we keep debating this – it is whether the entity is still in operations -- during the three years after expiration of the USADF project, even if their product or service mix have changed

Scope: All MSE, T&I, MFI, PDM, and AIDS projects that have expired in the three years before the reporting period

Purpose: Measures whether projects have been able to manage themselves successfully and have lasting impact after USADF support has ended

Data Source: A special collection process once a year

6. Follow-on Financing

Definition: Cumulative value of grants, loans, or equity investments from sources other than USADF that have been received by clients from the USADF project start date through the third year after the project expiration date

Scope: All projects that were active in the reporting year or have expired in the prior three years

Purpose: Measures the ability of USADF to act as a catalyst for expansion and replication and the clients' ability to maintain operations and grow during and after the project period

Data Sources: For active projects that are using the latest quarterly reporting format, this should be in the clients' quarterly reports. For older active projects and expired projects, obtained from a special collection process once a year.

7. Strategic Partnership Funding

Definition: Amounts actually received from strategic funding partnerships during the reporting year as a percent of USADF obligations for new development projects and amendments. This does not include amounts leveraged from strategic partnerships during the year that would be received in subsequent years.

Scope: All new development projects and amendments and active strategic funding partnerships

Purpose: Measures the ability of USADF to broaden its resource base and expand support term? development. editorial

Data Source: CFO

8. Enterprise Trust Funds

Definition: Amounts actually provided by Enterprise Trust Funds for joint programs that are receiving support from USADF under a mutual agreement. Unlike strategic funding partnerships, these funds do not flow through USADF's accounting, but go directly to a separate Trust Fund (examples – Zambia Youth Employment Program). This does not include amounts leveraged during the year in agreements that would be contributed in subsequent years. .

Scope: Active Enterprise Trust Fund agreements

Purpose: Measures the ability of USADF to expand support for MSME development.

Data Sources: USADF Regional Supervisors

9. Overhead Rate

Definition: USADF's non-program costs as a percentage of the total USG appropriations and non-USG funding contributions received during the year

Scope: All non-program costs, USG appropriations, and non-USG funding contributions

Purpose: Measures the cost efficiency of USADF operations and the proportion of resources available for clients

Data Source: CFO

10. Disbursement Time

Definition: Median time required between receipt of a properly completed, valid disbursement request by the Country Representative and USADF/W transmittal of funds for the disbursement (not the arrival of funds in the client's bank account)

Scope: All active projects

Purpose: Measures the time efficiency of USADF financial administration

Data Source: BOU

11. Subscriptions to USADF's External E-News

Definition: Number of voluntary subscriptions to USADF's external E-News. This refers to the periodic publication that was prepared in FY 2005 (not the internal newsletter that began in FY 2006). Since E-News was not active in FY 2006, this was interpreted as the previous subscribers plus additional people added to USADF's external mailing list.

Purpose: Measures the interest in USADF's information dissemination efforts, which indicates influence and potential, future replication and expansion

Data Source: Communications Unit

12. Website Usage

Definition: Average number of page views of USADF's website per month

Purpose: Measures the interest in USADF's information dissemination efforts, which indicates influence and potential, future replication and expansion.

Data Source: DISCOURAGED TERM Communications Unit, using data generated by website software

The API Indicators

1. Cumulative Sales

Definition: Gross revenues from sales of products and services by the enterprises that have received USADF support since the start date of the USADF project. Calculated by adding annual (or quarterly) sales to the cumulative for the previous year (or quarter).

Scope: Active MSE and T&I projects and those that have expired within the 3 years prior to the beginning of the reporting year. To avoid double counting and attribution problems, this does **not** include sales of the client enterprises assisted by the grantee (such as farmers and other raw material suppliers).

The current scope **excludes** the income of MFIs and other credit providers (Although that was included prior to FY 2005, USADF is no longer focusing on micro-credit projects).

Purpose: Needed for two PART indicators -- Revenue Growth and the Investment Multiplier

Data Sources: For active projects, obtained from clients' quarterly financial statements. For expired projects, obtained from a special annual data collection process.

2. Baseline Sales

Definition: Baseline sales are the gross revenues from sales of goods and services during the 12-month period before the project began (year 0). If the enterprise did **not** operate prior to the project, the baseline sales are zero.

Scope: Active MSE and T&I projects and those that have expired within the 3 years prior to the beginning of the reporting year.

Purpose: Needed for two PART indicators -- Revenue Growth and the Investment Multiplier. Overstated baseline data will lead to inaccurately low and possibly negative results for these indicators.

Data Sources: Should be available in the project proposal or its financial analysis for all projects approved within the past 5 years. If not, it may be possible to obtain year 0 sales from the enterprise. If year 0 sales cannot be obtained and are relevant (i.e., the enterprise had sales revenues, but cannot provide data), year 1 sales may be used as a proxy so that PART indicators can be calculated if clearly noted. In unusual cases, where there have been unexpected delays in getting projects launched (e.g., Conditions Precedent not met or new building site not available for 2 years), the year that is considered to be the baseline for sales may be redefined in conjunction with a revision of project targets.

2. Export Sales

Definition: Gross revenues from export sales of the enterprises that have received USADF support since the start date of the USADF project. Calculated by adding annual (or quarterly export sales) to the cumulative for the previous year (or quarter). If the enterprise that received USADF support does not export directly, but all of its output is exported by another business with or without additional processing, the USADF-supported enterprise's total sales may be counted as export sales. If only part of its output is exported by another business, that portion of its sales may be counted as export sales.

Scope: Active MSE and T&I projects. To avoid double counting and attribution problems, this does **not** include export sales of the client enterprises assisted by the grantee (such as farmers and other raw material suppliers).

Purpose: Needed for USADF's AGOA Reporting.

Data Sources: For active projects that are using the latest quarterly reporting format, this should be in the clients' quarterly progress reports. For older active projects, obtained from a special collection process once a year.

3. List of Export Products

Scope: Active MSE and T&I projects.

Purpose: Needed for USADF's AGOA Reporting.

Data Sources: Ideally, from clients' quarterly progress reports. If necessary, a special collection process once a year

4. Enterprise Owners and Full-Time Workers + Raw Material Suppliers (Gender-Disaggregated)

Definition: The number of owners and regular, full-time workers in a for-profit enterprise that has received direct support from USADF. Since owners and workers are only counted in for-profit enterprises, this definition excludes the staff of NGOs or community-based organizations, but it may include regular full-time, workers of for-profit cooperatives or for-profit businesses spun off by an NGO.

Owners must derive significant income from the enterprise. This definition excludes unpaid volunteers or apprentices who only receive a small allowance in cash or in-kind or members of a large cooperative who only receive small dividends from membership and do not supply raw materials to the co-op.

"Full-time, regular workers" refers to people who usually work 30 hours or more per week in the enterprise for at least three-quarters of the year – the equivalent of 9/16 of a year-round, 40-hour a week job. This definition **excludes** occasional, casual workers, such as people only hired at planting, harvesting, or peak processing times. Workers who are also owners may only be counted once.

"Raw material suppliers" refers to the number of farms or artisans supplying the **principal raw material or final goods** processed or sold by the enterprise. To ensure that beneficiary estimates are not overstated, only one regular, full-time worker is counted per household or enterprise that is a raw material supplier.

"Gender-disaggregated" means that data are to be collected and reported on the number of women who are owners, full-time workers, and raw material suppliers so that USADF can report the percent of beneficiaries who are women. To ensure that the percent of women beneficiaries is not overstated, in the absence of actual data, all of the owners, workers, and raw material suppliers in a project will be assumed to be men.

Scope: Active MSE and T&I projects.

Purpose: Measures the number of people receiving significant income from enterprises supported by USADF, an indicator of whether the benefits are broadly based. Measures the extent to which women benefit from the projects.

5. CRG Contributions Expected/Received

Definition: The cumulative value of cash CRG contributions that projects were supposed to have made/actually made from the project start date through the end of the reporting year.

Scope: Active MSE and T&I projects with cash CRG pledges (This is subject to change if the CRG policy is revised to require in-kind or cash contributions for other types of projects, but in-kind contributions would be tabulated separately).

Purpose: Measures the ability of the business to recover invested capital and adherence to the terms of USADF support

Data Sources: The schedule of expected contributions is obtained from pledge agreements, Appendix A's, or final Project Papers and financial analyses. Amounts contributed are obtained from quarterly reports.

6. Cumulative Value of Loans Disbursed

Definition: The value of loans that have been disbursed by projects to client enterprises since the start date of the USADF project. Calculated by adding the annual (or quarterly) value of loans disbursed to the cumulative for the previous year (or quarter).

Scope: MFI only,? All active projects that have provided loans

Purpose: Loans provided by the entity receiving USADF support may generate additional benefits that are not reflected in the sales and profits of that entity or, if they are, help to expand the number of people benefiting.

Data Sources: Quarterly progress reports from projects

7. New Infrastructure Construction/Rehabilitation

Definition: Information on the number and characteristics of infrastructure built or rehabilitated under a project (e.g. such as housing, schools, medical clinics, roads, and bridges)

Scope: Designated projects for Participatory Development Methods of Infrastructure (PDM) only.

Purpose: The standard indicators for MSE and T&I projects do not apply to PDM projects.

Data Sources: Quarterly progress reports from projects

8. Expansion and Replication

Definition: *Expansion* refers to an enlargement of the activities funded by the USADF project by the grantee itself, either through addition of new products and services or a larger geographic scope of operations.

Replication refers to establishment of the same activities as those funded under an USADF project by entities other than the grantee itself, either in the same geographic area or other areas, including other countries.

Scope: All active projects and those that have expired within the 3 years prior to the beginning of the reporting year.

Data Sources: Narrative information from quarterly progress reports for active projects. Special annual data collection for expired projects.

9. Awards and Recognition

Definition: Awards, prizes, and noteworthy media, governmental, or private sector recognition of project achievements

Scope: All active projects and those that have expired within the 3 years prior to the beginning of the reporting year.

Data Sources: Narrative information from quarterly progress reports for active projects. Special annual data collection for expired projects. News media for active and expired projects