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**Functional Series 200**  
**Programming Policy**

**INTERIM UPDATE 08-02**

**SUBJECT:** Revised Definition of Microenterprise in ADS 219, Microenterprise Development

**NEW MATERIAL:** This Interim Update announces that effective January 1, 2008, USAID's definition of a microenterprise has been revised and simplified.

**EFFECTIVE DATE:** 01/01/2008

**ATTACHMENTS:** 1. [ADS Chapter 219](#)  
2. [Microenterprise Development](#)

POLICY

USAID/General Notice  
EGAT/PR  
04/25/2008

**Subject:** Revised Definition of Microenterprise in ADS 219, Microenterprise Development

Effective January 1, 2008, USAID's definition of a microenterprise has been revised and simplified. A microenterprise is now defined as

A very small enterprise owned and operated by poor people, usually in the informal sector. For USAID program purposes, the term is restricted to enterprises with 10 or fewer workers, including the microentrepreneur and any unpaid family workers.

Crop production activities, previously excluded from the scope of the definition, are now included as long as they otherwise qualify on the basis of enterprise size and the economic status of the owner-operator and employees. The revised definition applies both to programmatic policy and to budgetary and results reporting.

The revised definition has been incorporated into ADS Chapter 219, Microenterprise Development, and into the related Mandatory Reference of the same title. In addition, the revised definition will soon be incorporated into updated guidance on the range of

activities whose funding should be reported under the microenterprise key issue in the FY 2008 Operational Plan. In the meantime, OP reporting should follow the revised ADS definition.

Point of Contact: Any questions concerning this Notice may be directed to Don Sillers, EGAT/PR, (202) 712-5151.

Notice 04119

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<b>Notice Date</b>	04/25/2008
<b>Effective Date</b>	01/01/2008
<b>Editorial Revision Date</b>	
<b>Remarks</b>	For information purposes, this IU will remain on the ADS Web site for three months.

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