



QUARTERLY REPORT #6

Report Period: January 1 – March 31, 2014

SCALING HIGH-IMPACT INNOVATIONS OF SOCIAL ENTREPRENEURS

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List of Acronyms and Abbreviations

AOR	Agreement Officer's Representative
AMP	Award Monitoring Plan
BOP	Base of the Pyramid
DIV	Development Innovations Ventures
EF	Everyone Forever
IEE	Initial Environmental Examination
IIA	Innovation Investment Alliance
ION	Investment Opportunity Note
IRM	Investment Recommendation Memo
MC	Mercy Corps
MM	Mission Measurement
PMP	Performance Monitoring Plan
SASE	Skoll Social Award for Social Entrepreneurship
Skoll	Skoll Foundation
Snapshot	Also known as VHLPS, or Very High Level Program Snapshot, has very basic information about the proposed organization
USAID	United States Agency for International Development

I. Executive Summary

In Quarter 6, Mercy Corps awarded an \$855,163 subgrant to VisionSpring, an organization scaling a model of providing vision screenings to people at the BOP and selling prescription eyeglasses to the poor at a reasonable price. Imazon has nearly completed one year of its award, and is successfully reducing deforestation through its approach to environmental management decentralization at the municipal level in the state of Para. A consulting firm hired to measure and evaluate the results from Imazon's program, Terracarbon, submitted a report as part of Phase 1 of the contract with a detailed methodology for Phase 2.

Mercy Corps was sharply focused on reviewing organizations from pipelines from both partners and conducting initial research in order to provide recommendations to USAID on funding. At the end of the quarter, however, the number of viable prospects was limited and Mercy Corps is working with USAID to expand the pipeline and identify more organizations to fund under the IIA.

II. Program Overview

A. Program Summary

The Scaling High-Impact Innovations of Social Entrepreneurs is an alliance between the Skoll Foundation (Skoll) and USAID, to co-invest \$40 million in cutting-edge, rigorously-evaluated innovations that are ready to scale, have sustainable models and can produce systems-level change. As an implementing partner, Mercy Corps screens, investigates, evaluates and proposes high-potential candidates; provides selected subrecipients with funding; and manages implementation on behalf of USAID for their portion of this program. Mercy Corps works closely with Skoll to ensure alignment between the parties.

The goal of the overall alliance is that *high-impact, sustainable innovations proven to produce systems-level change in the developing world are showcased and brought to scale, in conjunction with the alliance partners.*

Two strategic objectives have been proposed for Mercy Corps' work under the alliance:

1. Alliance effectively leverages partners' resources and expertise to more powerfully support organizations at critical points for scale and transformational impact.
2. Social innovations provide and share meaningful data that demonstrate the impact of their approach as well as measure the value and impact of the investment alliance as a whole.

B. Program Environment

USAID and the Skoll Foundation both had internal changes that impacted progress during this quarter. USAID/IDEA was merged into a new internal unit, and staffs were very engaged in the planning leading up to this public announcement. At the Skoll Foundation, staff departures had an impact on the capacity to do new pipeline and investment research, a situation which is expected to improve next quarter as new staff is brought on. In addition, a strict process of funding approvals by the Skoll management committee resulted in two funding opportunities that were not advanced, which has impacted the projected pace of investments.

III. Performance Summary

Based on goals laid out in the cooperative agreement, success under this program will be measured on three levels:

1. Mercy Corps' management of the partnership activities and USAID's funds distributed to recipient organizations as described in the Award Monitoring Plan (AMP).
2. Aggregate program results across all recipient organizations, which will be measured using the Results Framework. This information will be collected and reported semi-annually.
3. Individual recipient organizations will report against their own Performance Monitoring Plan (PMP), reported quarterly.

1. Management of the Partnership

A. Selection of Recipient Organizations

In this quarter, one organization was approved for funding from the Round 2 pipeline, VisionSpring (see Table 1). Mercy Corps signed a subaward agreement for \$855,163, matched by up to \$851,078 from Skoll for work in Central America. This complements \$750,000 of funding that Skoll invested in VS activities in Bangladesh. Additional funds from Grand Challenges Canada are expected to be contributed to the program as well, with \$500,000 applied toward the Central America program and another \$500,000 toward Bangladesh. The 3-year subaward supports the expansion of VisionSpring's work in El Salvador to the neighboring countries of Honduras, Guatemala, and Nicaragua. The program scales VisionSpring's proven and profitable model of optical shops from 5 stores to 26, creating access to affordable glasses for those who need them as a means to increase productivity, enhance earning potential and quality of life, and ensure that children have equal opportunity to succeed in school. They do so using a hub-and-spoke model of business, creating optical shops which operate as "hubs" and vision entrepreneurs as "spokes" to extend sales and services into surrounding communities. Although profitable, VisionSpring's growth has been constrained by relying on a grant-funded model of growth. The subaward will fund upfront costs to enable this scaling (such as a CFO), help VisionSpring's expanded operations in Central America achieve full cost recovery and transition their business model to one that can support and repay debt financing—enabling them to grow with this commercial financing instrument after

the grant period. GCC will furnish \$300,000 of their growth capital, in the form of debt financing.

Central to this Alliance is the idea of promoting “systems change”—transformative impact greater than the organization alone. Under this VisionSpring grant, our research has revealed that although the vision services industry is a multi-billion dollar market, over 700 million people still lack access to care. We believe that through demonstrating the commercial viability of serving the BOP market segment, VisionSpring will encourage other commercial actors to scale their services down-market. VisionSpring has already begun to engage with this community of vision services providers. In addition, the Alliance partners may fund a research study or report to further encourage this down-market growth, pending additional analysis and approval from USAID.

There are two potential investments from Round 2 which are not actively being researched, but which are still potential investments, Evidence Action and Everyone Forever. Both prospects are on hold while Skoll Foundation makes determinations as to whether they meet their criteria and are investments that the Foundation is willing to fund. Mercy Corps has remained in communication with USAID as to the status of these prospects and the organizations have been discussed in each of the Gate calls.

Table 1: Organizations in IIA process at the end of Q6 by stage

Prioritized Organizations	Gate 1	(Gate 1.5)	Gate 2 Snapshot	Gate 3 ION	Funded App. + IRM
Round 1 (Dec. 2012 – March 2013)					
Amazon Corridors/Avina					
Building Markets					
Ceres					
Forest Trends					
Imazon					
Mothers2Mothers					
Root Capital					
Round 2 (May 2013 – Dec. 2013)					
Entrepreneurial Finance Lab					
Everyone Forever					
Evidence Action					
IDE-I					
Instiglio					
Pratham					
Riders for Health					
SIRT-Kenya & Georgetown					

VisionSpring					
Round 3 (Dec. 2013 –)					
Bandhan					
Changamka					
Everyone Forever				*	
Evidence Action				*	
Give Directly					
Imazon Ecotrack					
Jacaranda Health					
Landesa					
Mothers2Mothers					
Remedial Education: IPA					
Swasth					

* From previous round

Round 3 prospects continued to be investigated during this quarter. Mercy Corps explored a total of 29 investments, and created 7 Snapshot documents or profiles as of the Gate 2 call on March 26 (see Table 2). From the prospects presented, the partners decided to move forward with the review of 3 organizations – Bandhan, Landesa and Swasth. Mothers2Mothers remained an interesting organization for the IIA partnership, but there was some concern about whether it would be restricted to HIV/AIDS earmarked financing, which would influence whether the USAID funds could be directed toward this opportunity. USAID agreed to hold discussions internally and make a determination before asking Mercy Corps to move forward with additional research or work. The group also decided that one other potential investment, Imazon’s Ecotrack, required additional information and development of their plans before a determination could be made.

Table 2: Round 3, December 2013- March 2014, Organizations Considered for funding by Pipeline source

Source	
Skoll Pipeline	2
USAID DIV Pipeline	11
Duke SEAD Pipeline	16
Total Pipeline:	29

Given the context within the Skoll foundation of limited pipeline due to staff shortages, Mercy Corps dug much more deeply into USAID pipeline opportunities for Round 3 of funding. This included, for the first time, looking for deals outside of DIV, including those from within the office of Science and Technology. Our analysis has indicated that most of the DIV opportunities are too small to qualify for IIA financing, and we have had to look for new sources of pipeline. We expect this expanded sourcing to become a new, more prominent component of USAID’s pipeline contribution.

Table 3 summarizes the number of investments considered at each stage. Of all of the prospects initially reviewed and discussed, out of 56 presented for discussion, by the end of the quarter, two were actually funded, or 3.6%. Of those shortlisted, 9% were funded.

Table 3: Total Number of Organizations in IIA process at the end of Q6 (November 2012 – March 2014)

Pipeline prospects presented	56
Total Shortlisted	22
Total Snapshots/Summaries completed	13
Total IONs	4
Total Applications submitted	2
Total Funded	2

In Table 4, we have listed the shortlisted organizations with a brief explanation as to why they were eliminated.

Table 4: Prioritized Organizations which were subsequently removed from consideration, and the reasons for their removal.

Prioritized (Shortlisted) Organizations	Origination (Skoll, USAID, Both)	Reason for elimination from list
Round 1 (Dec. 2012 – March 2013)		
Amazon Corridors/Avina	Skoll	Insufficient match with criteria (USAID)
Building Markets	Skoll	Limited proven evidence at time of analysis
Ceres	Skoll	Activity in the U.S. (does not qualify)
Forest Trends	Skoll	Lack of proven evidence
Mothers2Mothers	Skoll	Health funding
Root Capital	Skoll	Fit issues at time of exploration
Round 2 (May 2013 – Dec. 2013)		
Entrepreneurial Finance Lab	USAID	Insufficient match with criteria (Skoll)
Everyone Forever	Skoll	Pending (Skoll)
Evidence Action	USAID	Pending (Skoll)
IDE-I	Skoll	Opportunity not ready
Instiglio	USAID	Fit issues
Pratham	Both	Opportunity not ready
Riders for Health	Skoll	USAID dismissed in pipeline review
SIRT-Kenya & Georgetown	USAID	Insufficient match with criteria (Skoll)

Round 3 (Dec. 2013 –)		
Bandhan	USAID	(still viable candidate)
Changamka	USAID	Too early/ too small
Everyone Forever	Skoll	Pending (Skoll)
Evidence Action	USAID	Pending (Skoll)
Give Directly	USAID	Insufficient match with criteria (Skoll)
Imazon Ecotrack	Skoll	Opportunity not ready
Jacaranda Health	USAID	Too early/ too small
Landesa	Skoll	Opportunity not ready
Mothers2Mothers	Skoll	Health funding
Remedial Education: IPA	USAID	Opportunity not ready
Swasth	USAID	Too early/ too small

B. External Communications

Imazon has received media attention for the progress it has made combatting deforestation in the Amazon. On January 16 Reuters published a [seven page expose](#) describing their work in the state of Pará. There have been several more stories about the success of the organization in both Latin American and American news outlets including BBC News, the Associated Press, and The Reporter.

Mercy Corps, Skoll, and USAID are teed up to release several communication pieces early in the seventh quarter. These include a press release about the VisionSpring investment, a blog article on Imazon's work up to this point, and a piece from the perspective of our monitoring and evaluation specialist.

USAID also leveraged much of the preparation work that Mercy Corps did for the Imazon blog in a fact sheet that corresponded with the kick off of USAID's global development lab.

A summary of communications produced by the end of Q6 is listed in Table 5.

Table 5: Total Program Communications

Number of unique stories	4
Number of outlets posting the stories	7
Unique page views*	1242
Number of conference presentations	4

*Note: this reflects numbers from Mercy Corps, Skoll and Global Envision and from USAID. We do not have data from *Christian Science Monitor* or the *Economist*, but CSM receives over 4 million unique visitors per month

C. Mercy Corps Award Monitoring Plan

Kevin Hong, the Monitoring and Evaluation Advisor at Mercy Corps, met with Kathy Hunt, Avery Ouellette, and Norma Altshuler in Washington, D.C. in late January 2014 to discuss additional revisions to the AMP. He discussed potential changes with the team at Mercy Corps and also with Ehren Reed at Skoll Foundation. Mercy Corps is soliciting further feedback from USAID and will finalize the AMP in the next quarter.

D. Next Quarter Activities

Mercy Corps will continue to investigate the prospects prioritized by the IIA partners and move towards funding a third opportunity. As some of the prospects are on hold until decisions are made within Skoll and others determined to be too early or not actionable for other reasons, it has become clear that there are internal management and sourcing issues that need to be resolved in the short term. Mercy Corps has already flagged these issues to both USAID and Skoll, and is working to make up for pipeline shortages. However, resolution to this issue will be required at a more strategic level than Mercy Corps can contribute alone. Mercy Corps will work with the partners on these issues in the coming months.

Skoll is expected to provide additional information on several of the Round 3 (including those held over from Round 2) investment opportunities by the end of April, and a follow up conversation to Gate 2 will be scheduled for late April or early May. The goal is to make decisions about which opportunities we can proceed with and the timing of that work, and how the partners can ensure a faster turn-around time on deal analysis and funding release for Round 3. Skoll Foundation has a board meeting in June, at which time their investment team will present opportunities. Skoll board approval is required for the release of their funds, so the presentation of opportunities that can be co-funded by USAID is important.

2. Aggregate Program Results

Mercy Corps has an aggregate reporting tool which we will use to report impact from all subawardees. This tool, called Active Excel, was originally created by Mission Measurement and was previously shared with USAID. This tool is currently being revised to better capture and display the data. Once the changes are finalized and we have additional data from another grantee (VisionSpring), we will start reporting the aggregate impact with Active Excel.

Mercy Corps is capturing the high level results from Imazon as they become available, and will include this information in future reporting together with other grantees. Progress toward these results is described here.

At the beginning of the award period, five of the Imazon pilot municipalities covering 73,448 km² were on the embargo list. In 2013, two pilot municipalities, Brasil Novo and Tailândia, were removed from the embargo list. This change has affected 10,793 km²

(7.9% of the total area in the 10 pilot municipalities) and reduced the area under embargo by 14.7%.

According to the official deforestation data from August 2012 to July 2013, the average rate of deforestation in the pilot municipalities was 49.4 km²/year. During this period, 8 out of 10 pilot municipalities had the annual deforestation rate less than the target rate of 40 km²/year. This shows that 61% of the program area achieved the target rate. Please note that this data period overlaps only for 3 months with the Imazon program, which started in May 2014. Therefore, it would be premature to attribute this outcome to the program or even to discuss contribution. TerraCarbon will formally assess program impact when official deforestation data for August 2013-July 2014 become available from INPE later this year.

In Figure 1 below, Imazon’s own monitoring data shows that there has been noticeable reduction in the level of deforestation between 2012-2013 and 2013-2014. Again, the impact of the Imazon program on the deforestation rate in the pilot municipalities will be evaluated with the official INPE data later this year.

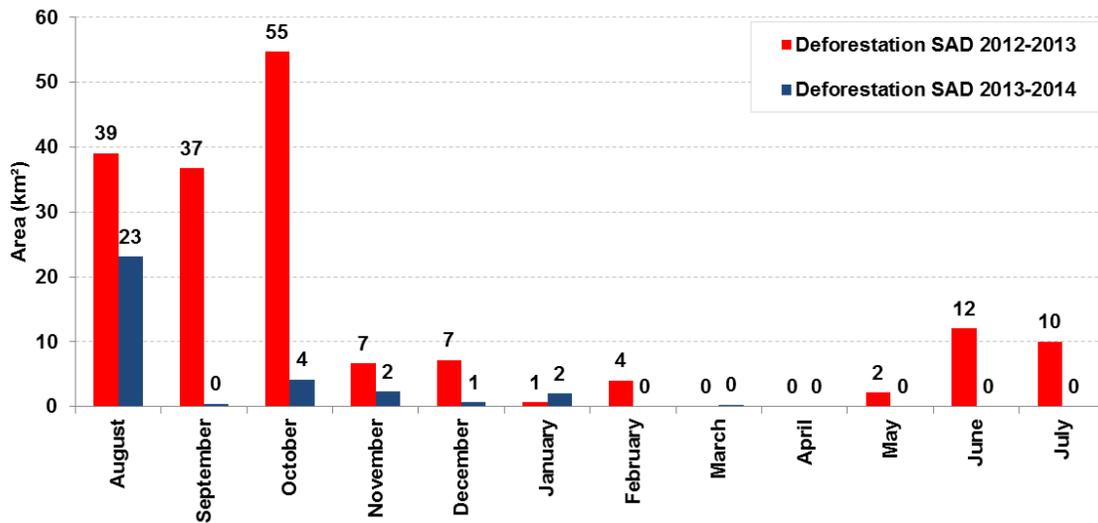


Figure 1. Deforestation quantity (km²) detected by the Imazon Alert System (SAD) in the pilot municipalities from August/2012 to March/2014.

3. Subaward Recipient Organizations

A. Imazon

One year after being awarded funding under the IIA, Imazon has made substantial progress toward achieving the objectives of the first phase of their program to support decentralization of environmental management and control to the municipal level and testing the implementation in 10 key municipalities. Their work is supporting the Green Municipality Program (GMP) and will lead to additional expansion of the decentralization process to 50 municipalities as part of Phase 2.

In this quarter, Imazon has accomplished all proposed outputs which create the basis for expanding environmental management decentralization at the municipal level. The 10 initial municipalities have formally engaged in this project. Imazon has lead the development of a new law framework, has provided near-real time deforestation information, has conducted capacity building, and has created software and cartographic information to implement the environmental management systems. Many of the outputs are scheduled to be completed in April and May, which will be reported in the next report.

A summary of their work by output:

Output 1.1 Environmental management decentralized from the state to the municipal level:

- Formalized partnerships between the local governments of all ten of the pilot municipalities and Imazon
- Completed the construction of an electronic database with information about the process of decentralization
- Prepared recommendations on the environmental capacity of the pilot municipalities
- Proposed adaptations of the state law
- Concluded data analysis on cost-benefit analysis of environmental control activities

Output 1.2 Environmental management operational in the 10 municipalities:

- Conducted courses in Environmental Surveillance, Municipal Environmental Management and Environmental Legislation.



- Created high level reference maps for 6 of the municipalities (See Annex Figure 2)
- Developed and tested the method for validating properties in the CAR database according to the new Brazilian Forest Code and the state laws of Para.
- Using the Deforestation Alert System (SAD), Imazon measured deforestation from August 2013 – March 2014, and reported the deforestation to the municipal secretaries and GMP through municipal [bulletins](#). *Compared with the same period in 2012-2013, a reduction of 78% of the total deforestation was identified.*

- Combined the deforestation statistics with CAR registry maps for the pilot municipalities and shared the information with the GMP and with the state and municipal level environment agencies.

Output 2.1 Scaling up environmental management to the state level:

Imazon has strengthened partnerships with GMP and is developing a partnership with the Amazon Network of Socio-environmental Empowerment (RECAM). The GMP project approved by the Amazon Fund will use the curriculum developed in the pilot municipalities.

- Continued development of the integrated state environmental management system and began the development of the CAR module.
- Monthly reports are sent to municipalities, and since October 2013, SEMA has been responsible for analyzing deforestation alerts.
- Supported the GMP by developing a concept note to the World Bank to support sustainable rural production and reduction of deforestation from agriculture.
- Supported the GMP to refine the state decree to combat speculative deforestation.

“We expect SIGAM (the System of Municipal Environmental Management) to revolutionize the CAR system across the whole country.” Carlos Souza Jr.

The financial support for GMP has increased to R\$89,378,560 by the end of 2013, from R\$7,000,000 at the beginning of the program

The upcoming elections in October may impact the pace of some of the activities, but Imazon is on target to achieve most targets. Several photographs and charts displaying results of Imazon’s work are displayed in Annex 1.

Amy Sproston conducted a finance and compliance monitoring trip to Brazil in January to review Imazon compliance with USAID requirements as outlined in their subaward agreement. Several issues were noted with their financial management system, and we informed Imazon of these concerns via a Notice of Corrective Action Required. Imazon took the notice very seriously, has responded with a plan for correcting the issues, and Mercy Corps is assisting Imazon with revising their systems to come into compliance. Mercy Corps is also sending an experienced Finance Officer to Brazil in May to further assist them. We anticipate that all issues will be resolved and no need for additional corrective action will be required.

B. Terracarbon

TerraCarbon completed Phase 1 activities as planned. With inputs from the M&E Committee, the consultants from TerraCarbon formulated research questions in order to conduct evaluations during Imazon’s grant period that will be relevant for different local, national, and international audiences. They also assessed various statistical methodologies and donor pools to address the research questions. Furthermore, they went beyond the SOW for Phase 1 to establish databases and statistical programs for data analysis, which will facilitate activities in Phase 2. Their findings indicated that Mercy

Corps' early M&E recommendations were valid, and that the synthetic control and differences-in-differences approaches will be conducted over the next three years to evaluate Imazon's contribution towards reduced deforestation. TerraCarbon submitted the draft report outlining their recommendations in mid-January 2014 and presented their findings to the M&E Committee in late March 2014. With the feedback from Mercy Corps and the M&E Committee, TerraCarbon is finalizing the Phase 1 report and will submit a proposal for Phase 2 with revised timeline, SOW, and budget in early April 2014.

IV. Administration

A. Committees and Communications

1. **Communications Committee:** The communications meeting has held monthly calls or email updates. The committee also developed a press plan and release for the announcement of VS' award. Unfortunately, because GCC's award has not been finalized, they were unwilling to support a public announcement of the investment in Quarter 6. Skoll and Mercy Corps are working with GCC to resolve this issue and move forward with the planned communications.
2. **Weekly Tracker:** The weekly tracker has been regularly distributed.
3. **Monitoring and Evaluation Committee:** The M&E committee was convened to discuss the evaluation conducted by Terracarbon for Imazon, and provided feedback into the M&E design for VisionSpring.
4. **Management Committee:** Management meetings between USAID and Mercy Corps took place on a weekly or bi-weekly basis.
5. **Steering Committee:** A Steering Committee was held on February 12, 2014 at USAID in Washington DC, attended by representatives from Mercy Corps, USAID and the Skoll Foundation. Notes on this meeting have been distributed to all attendees.
6. **USAID and Skoll Check-ins:** Meetings were convened around specific opportunities and were frequent. There were several pipeline check-ins among the three organizations, and frequent bilateral conversations among all of the partners. Mercy Corps' sense is that communication is relatively open and trusted among the partners.

V. Challenges and Lessons Learned

Flexibility from USAID: After working together for more than a year, Mercy Corps has observed USAID becoming more pragmatic and flexible on the selection of organizations for award. While in the past USAID was more dogmatic in their sourcing and prioritization of organizations, the management team is now very willing to consider ideas that may not fully meet strict criteria, but have potential for strong impact. For example, while still an important consideration, cost-effectiveness has been less of a focus. Mercy Corps attributes this both to the restructuring of decision-making in the

prioritization process, un-branding the partnership from DIV, and building more familiarity and understanding among the partners.

Skoll Foundation internal management: The processes that are used at the Skoll Foundation to reach approval for funding involve several layers of approvals to move forward, and ultimately it is the Skoll board that must approve funding of all Skoll-funded investments. Perhaps most notable, the Skoll board has never approved Innovation funding for organizations that had not previously received an SASE award. These internal management conditions have significantly slowed the decision-making of IIA funding, and contribute to a much longer process for identification and development of organizations than had been anticipated. This will make funding organizations outside of the Skoll pipeline difficult and opaque, and requires analysis that the Mercy Corps team is not able to perform (i.e., the nuances of a “Skoll social entrepreneur”). This issue will need to be addressed in the coming months, as it is causing significant issues with the deployment of capital on the USAID/ Mercy Corps side, given that leveraged funds must accumulate under shared “impact theses”.

Pace of awards: The pace of making awards to organizations is behind projections. There are multiple reasons for this, including temporary staff reductions and the internal decision-making process at Skoll, but also because the pipelines from both organizations produce few prospects that meet the criteria for demonstrated success as well being at the size and readiness to scale that is currently required for this partnership. Most of the organizations screened by Mercy Corps have not been viable for IIA funding (i.e., only 3.5% of total organizations reviewed have received funding). The partners will have to identify a more accurate source of organizational pipeline, enlarge the pipeline of prospects (and allocate resources to perform the expanded analysis), modify the criteria or extend the grant period to accommodate this slower than expected pace.

Partnership approach: There is a stronger sense of partnership, how it works, how to draw on the strengths of different team members, and a deeper trust between partners. Skoll recently hired a principle from the Global Partnerships team at USAID, which in addition to addressing their staffing shortfall will also enable even greater understanding of USAID culture and approach within the Skoll team.

Gates and decision-making: A revised process for decision-making was put into place after the meeting between partners in May 2013. Mercy Corps has observed that the revised process facilitates more dialogue directly between the decision-makers, which results in better mutual understanding and more buy-in into the investment deals.

Grand Challenges Canada: At the invitation of the Skoll Foundation, Grand Challenges Canada was invited to join the IIA partner’s investment in VisionSpring. The GCC management was brought into several discussions as the opportunity was developed, and at the time that the funding was awarded by Mercy Corps, GCC had agreed to contribute \$500,000 in funding to VisionSpring in Central America and \$500,000 to Bangladesh. In early April, the partners learned that the funding had not yet been approved, that the funding was in Canadian dollars, hence for a lower amount than the one million USD that

was expected and that GCC had several conditions for funding. The decision to fund is still pending. Mercy Corps has noted that the inclusion of this partner has brought some potential additional funds to the table, but has required additional coordination and communication by Mercy Corps and Skoll, with limited benefit.

Experience with USAID policies and compliance: VisionSpring has really appreciated Mercy Corps' deep experience with USAID and our ability to offer guidance on staying in compliance in such areas as rules around procurement of equipment, travel, branding and marking etc. Recognizing that many SASE organizations are not equipped to manage large USAID grants, Mercy Corps has been proactive about structuring these agreements in a way that minimizes complexity and allocates Skoll funding for activities that would be difficult to fund with USAID grants. For example, Mercy Corps chose to allocate USAID budget towards funding store growth—in a budgetary sense translates into equipment and travel-- which is much easier for VisionSpring to manage with their existing systems. Skoll funding, which is more flexible, could be allocated toward other expenses. Also, Mercy Corps has scheduled a visit from Amy Sproston, our finance and compliance officer, to the VisionSpring El Salvador office in May in order to review the requirements of the subaward with the staff and train them on anything they are unfamiliar with.

VI. Conclusions

Although Mercy Corps funded a second organization this quarter, the limited pipeline of opportunities and the process for decision-making has prevented us from keeping to the proposed schedule of awards. Mercy Corps is working closely with USAID to develop alternative pipelines and to look for ways to expedite the selection and funding of organizations. It will be crucial for the partners to identify candidates to move forward with in this next quarter.

Attachment 1: Photographs and Graphs from Imazon

ACTIVITY 1.1.3 - GENERATE BASE MAPS FOR CAR, LAR AND MONITORING

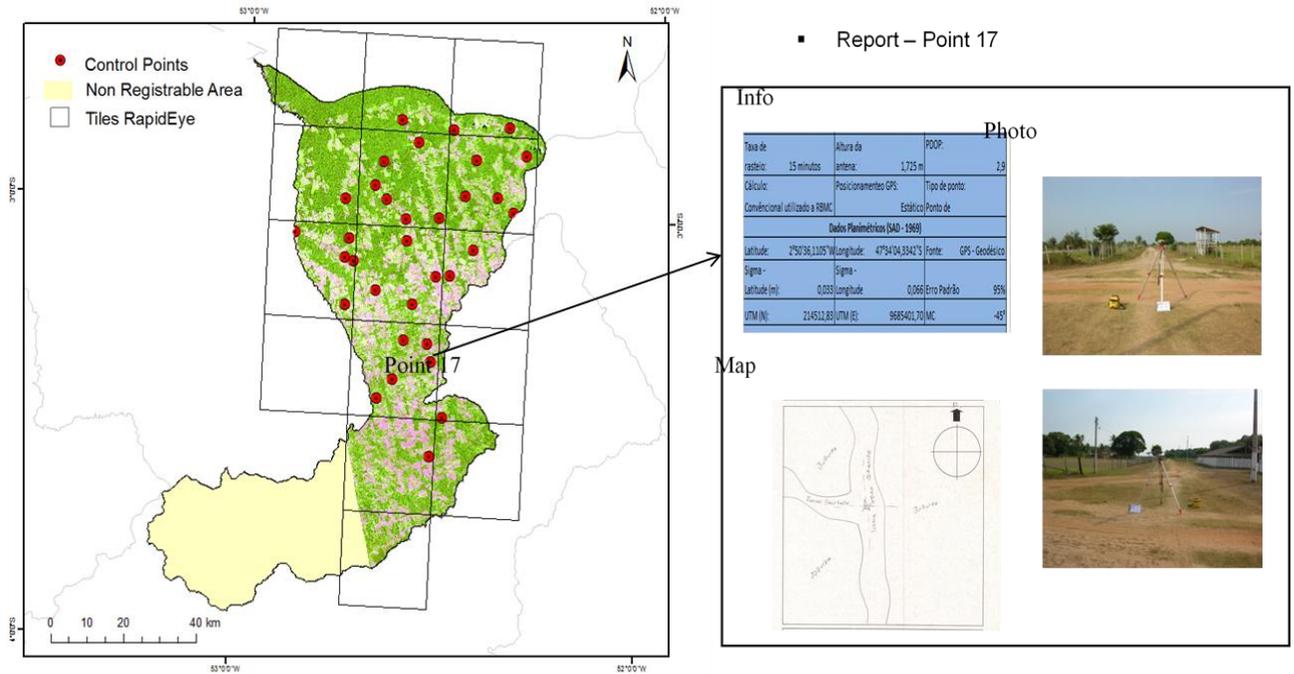


Figure 1. Collection of control points in the municipality of Brasil Novo

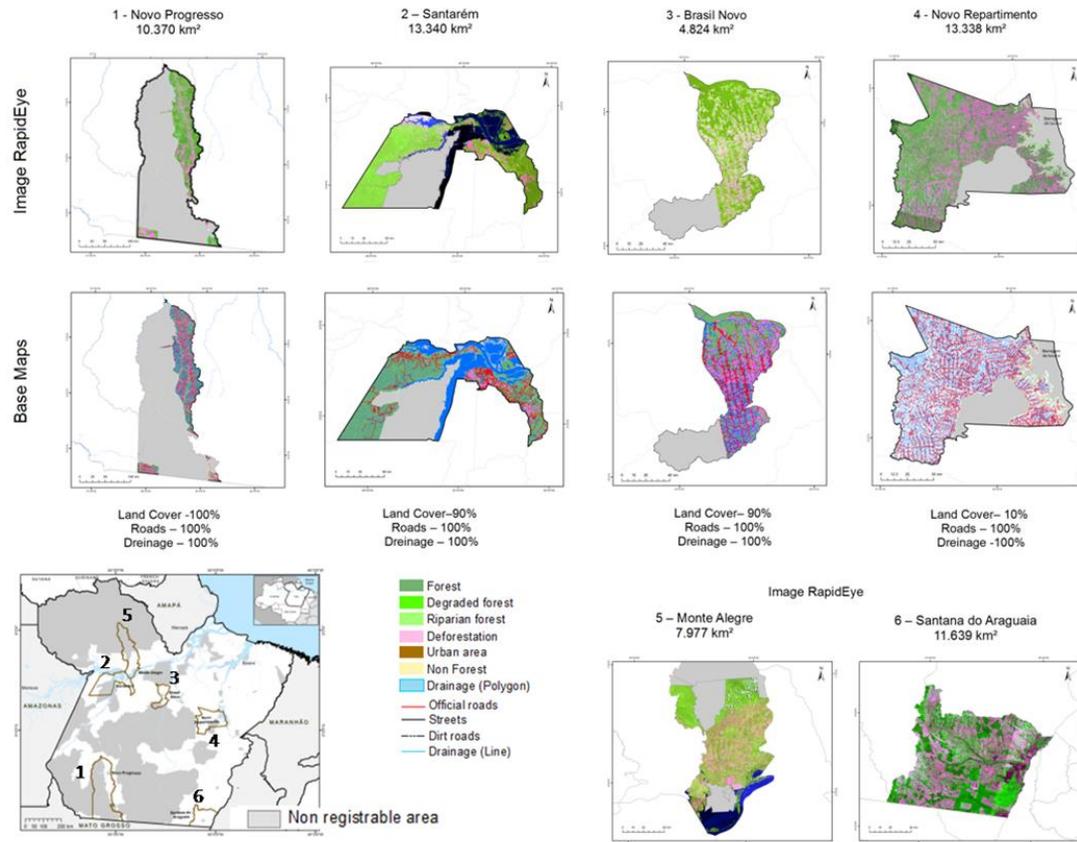


Figure 2. Base maps in the pilot municipalities, March 2014.

ACTIVITY 1.2.2 - MONITOR AND CONTROL DEFORESTATION AND FOREST DEGRADATION AT LICENSING AND CAR LEVELS

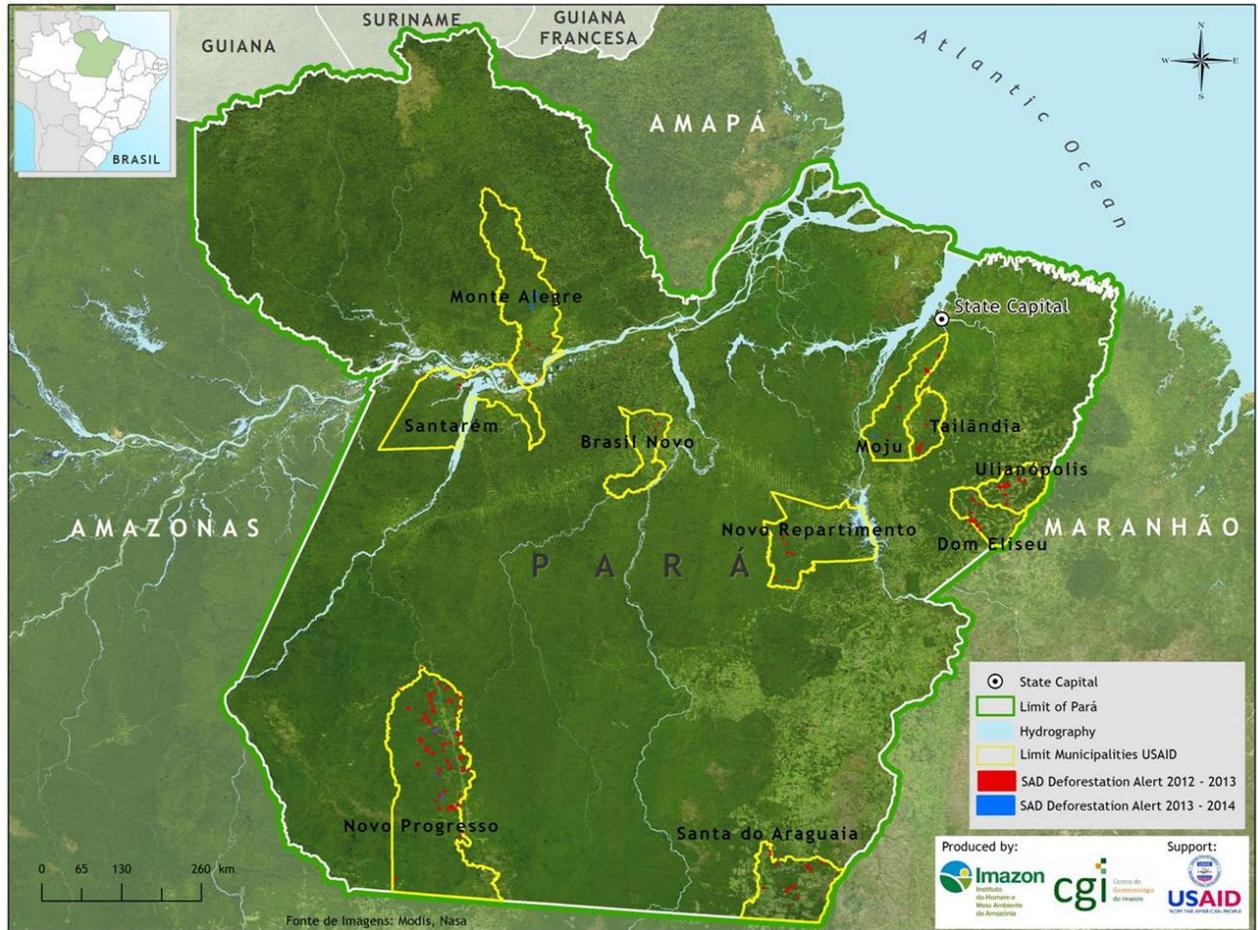


Figure 3. Geography of the deforestation detected by the Imazon Deforestation Alert System (SAD) in the 10 pilot municipalities from August/2012 to March/2014.

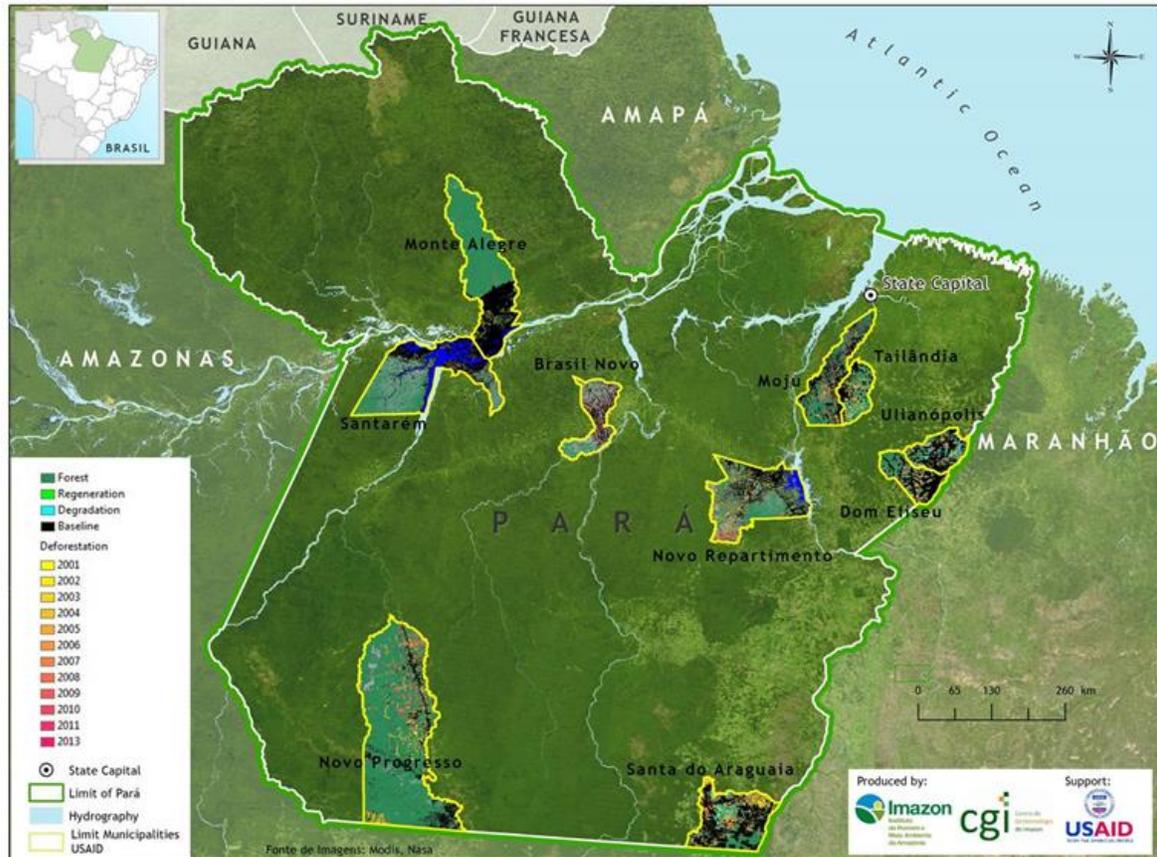


Figure 4. Deforestation detected by Imazon, using ImgTools, to the period 2000-2013 in the pilot municipalities, including the new time series from 2010 to 2013 combined with the existing one (2000-2010).

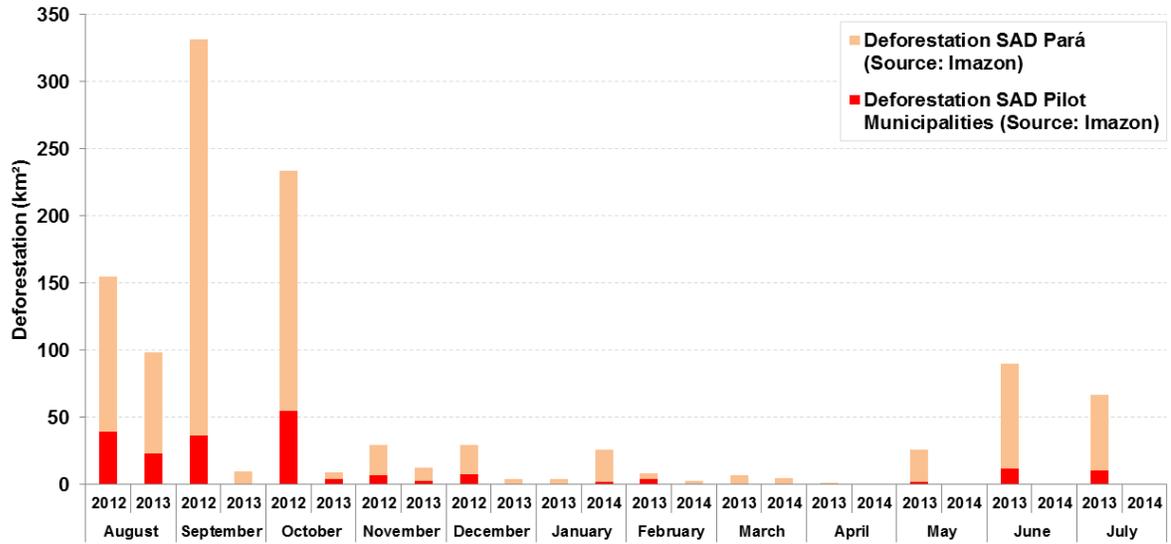


Figure 5. Deforestation detected by Imazon (km²), to the period August/2012 to March/2014 in the State of Pará and in the pilot municipalities.