



FIELD-Support LWA
Agreement No. EEM-A-00-06-00001-00

**Third Annual Report:
January 1 – December 31 2008**

by:

Academy for Educational Development

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1. Introduction

FIELD-Support is a Leader with Associates Award (cooperative agreement) between the office of Microenterprise Development in USAID (EGAT/PR/MD) and the Academy for Educational Development (AED), along with the latter's consortium of 9 core partners and 17 resource organizations. The AED team consists of leading NGO development organizations with proven track records in reducing poverty and promoting sustained, equitable growth through microenterprise development, microfinance, value chain development, institutional and human capacity-building, and the promotion of other market-based approaches.

FIELD-Support encompasses both a core leader award and a mechanism for USAID missions to issue associate awards. The purpose of the leader award is to advance the frontiers of practical knowledge in relation to microfinance, microenterprise development, and sustainable rural livelihoods, working in close collaboration with the MD office, USAID missions, and the community of development practitioners. The leader award implements activities that seed innovation, demonstrate better practices, document results, and disseminate findings that will advance the global state-of-the-practice.

Activities implemented under FIELD-Support include work at every level of the economy, from the regulatory environment, business value chains, to financial service providers, to promoting economic growth, and improving the financial security of poor households and businesses by strengthening financial and business support systems and their ability to access those systems.

FIELD-Support began operations in November 2005. This report summarizes the activities and accomplishments of the FIELD-Support LWA from January 1, 2008 through December 31, 2008 and offers recommendations for the coming year.

2. What We Accomplished

In 2008, FIELD-Support focused on building off of initial success in Year Two in order to expand use of the mechanism, improve management systems, ramp-up the knowledge management practice and launch a new round of pilot activities. In addition, FIELD worked to enhance staff capacity and address lessons learned in the previous year.

New Business & Technical Implementation

- ***Awarded \$27.8 million in new business bringing mechanism total to \$134.4 million.*** FIELD-Support secured two new associate awards in 2008. The Expanded and Sustained Access to Financial Services Program (ESAF), awarded for \$23.3 million and partnered with WDI and SBI, supports USAID/West Bank and Gaza in its efforts to build a more inclusive financial sector that increases the sustainable access to financial services for Palestinian households and MSMEs. Through a variety of interventions, ESAF will address identified weaknesses in the financial system at the consumer, institution, and enabling and regulatory environment level. Additionally, in partnership with ACDI/VOCA, and AFE, the Lebanon Business Linkages Initiative Program (LBLI) was awarded on August 20, 2008. The \$4.5 million, 2-year initiative seeks to foster growth and reduce poverty in rural Lebanon by building on previous activities in agribusiness, tourism and ICT.

- ***Launched two new pilots activities focused on learning and USAID Mission objectives.***
Through a revised process, FIELD worked in collaboration with partner organizations and USAID to implement new pilot projects, each of which has a clear learning objective and USAID Mission interest. These activities will run for a period of 12-18 months in the areas of value chain production with small farms in Tanzania, Kenya and India; sustained market access for farmers in Bolivia.

- ***Some Highlights from on-going Pilot Activities.***

The **Market Development Working Group Economic Recovery after Crisis pilot** completed work on draft Standards and posted them online and there were over 2,200 reads. The lead facilitator for this pilot, traveled to Berlin to speak at an expert meeting on private-sector development in post-conflict situations, organized by the Donor Committee on Enterprise Development OECD. Further, the IRC, an organization actively involved in the Standards development, held a review session of the Standards with their Emergency Response and Economic Development teams, bringing together over 40 practitioners. Finally, on September 23-25, Tracy Gerstle and co-facilitator Laura Meissner facilitated a microLINKS Speaker's Corner to discuss the draft Standards.

The ACCION International led **Energy Links Project**, staff established contacts between local Ugandan NGOs and the manufacturer of the selected lamps, Barefoot Power. The Project also conducted a pilot test of the acceptance of lamps with 35 individuals living in urban and rural districts in Uganda. The pilot concluded in March 2008, with very positive responses to the lamps among the participants.

Through the **Integrating the Unbanked through Remittance-Linked Product Development** program, WOCCU is partnering with FENACOAC and credit union affiliates in Guatemala to bring more unbanked remittance recipients into the financial sector and provide them with improved opportunities to manage their money. The project works on three fronts: product development, marketing and branding, and back-end systems development. Some highlights from the year include:

A presentation was made on the pilot program to more than 300 credit union managers, staff, board members and regulators from 12 countries. The presentation shared lessons learned from the pilot so that other credit unions interested in integrating unbanked remittance recipients into the financial sector could learn from the experience of Guatemalan credit unions. Representatives from the USAID Mission and the IDB country office attended the presentation.

The pilot supported the launch of a nationwide publicity campaign on a popular morning television program ("*Viva la Mañana*," Guatevision) to promote the benefits of receiving remittances through credit unions.

Program Management

- ***Built a reputation with USAID Missions and other operating units as a solid partner capable of developing and managing complex projects.*** 2008 served as an opportunity for FIELD to build out systems for the continued successful management of USAID activities. Key achievements in this area were an overall streamlining of the contracting process and improved administrative oversight of the activities under award. During this time of growth,

AED has continued to provide grounded technical leadership, effective administration and responsive contracting.

Knowledge Management

- ***Hosted FIELD Day drawing 130 practitioners together to learn and explore topics of learning under FIELD.*** On Election Day, November 4, 2008, the FIELD-Support team hosted FIELD-Day 2008. The day of events consisted of six workshops focused around FIELD activities including emerging guidelines on economic development during crisis, economic recovery after crisis, youth participation in economic strengthening, value chain facilitation for practitioners, and microfinance and modern energy. The event was hosted in conjunction with the SEEP network and leveraged six distinct FIELD projects.
- ***Strengthened our strategic partnership with the SEEP Network.*** Recognizing SEEP as a core ally of the FIELD mechanism and an avenue for the development and promotion of FIELD learning, 2008 was marked with increased collaboration. FIELD-Day 2008, a pilot on market development and economic recovery guidelines after crises, the Youth and Workforce PLP, and the implementation of the PLP on Youth and HIV-AIDS illustrates the increased level of SEEP / FIELD integration. These activities were taken on in conjunction with the continued administration of the PLP and IGP learning networks.

Annex I: Staffing

Position	Function	Incumbent
Director	Provides overall direction and leadership for the LWA and partner relations. Drives mission outreach and new award development. Coordinates all LWA functions with USAID.	Paul Bundick
Deputy Director	Manages day to day operations including proposal production, partner meetings, contracts, financial reporting, monitoring and evaluation as well as USAID reporting.	Nick Wedeman
Microenterprise Specialist*	Provides technical and management support to field-based associate awards and pilots as well as intellectual input into the learning agenda. Works closely with Director on the outreach and communications functions.	Tim Nourse
Project Director/ STRIVE	Oversee all levels of the STRIVE program, including program management, operations and technical components.	Margie Brand
Finance Manager	Provides monthly financial reports to USAID and provides financial management for pilots and associate awards in the field.	Bob Steiner
Knowledge Management Specialist	Develops and manages the KMC function including organizing learning events, publications and communicating results, key findings and new products.	Christian Pennotti
Operations Officer	Contributes to the overall administration and management of the LWA, including operations, procurement and contracts management.	Claudia Gray
Program Officer	Contributes to the overall administration and management of the LWA, including proposal preparation; backstopping and monitoring of FIELD-Support LWA pilot activities, their workplans, contracts and reporting; and provides assistance with start-up of new Associate Award projects.	Rada Lankina

* Principally or wholly billed to associate awards.

Annex 3: Summary of Activities

The following table outlines all FIELD Leader-managed activities in 2007. New activities launched in 2007 are noted by * next to the name of the activity. Activities that closed during 2007 are noted by ** next to the name of the activity.

FIELD-Support Pilot Activities			
Activity/ Learning theme	Funding	Partners	Description & Significance
<i>Financial Services Products & Tools</i>			
Savings-Led Financial Services Working Group	\$77,517	CARE & SEEP	Community Managed Savings and Loan Fund programs, in which groups of people save small sums on a regular basis and in turn lend larger sums to group members, have proved to be one of the most successful, sustainable and cost-effective methodologies for providing financial services to the poorest households. CARE, in collaboration with the SEEP network and its members, is working to develop a set of industry standard performance management ratios for community based microfinance programs. These performance measures would allow donors and formal financial institutions to rate and compare community managed microfinance programs.
Integrating the un-banked through Remittance- Linked Product Development in Guatemala	\$127,773	WOCCU	With an annual influx of more than \$2 billion, remittances are vital to Guatemala's economic growth as well as its largest source of foreign exchange. WOCCU and the Federacion Nacional de Cooperativas de Ahorro y Credito (FENACOAC) are working with five federation members to design and market new remittance based products and encourage those who receive remittances to join a credit union. Together, WOCCU, FENACOAC, and the credit unions are developing easily-managed products that are attractive to remittance recipients and upgrading the Credit Union's management information system to track the rate at which non-members join credit unions and the types of services they use. This project adds to our understanding of how remittances can be used to bring the un-banked portion of the population into the formal financial system. It has particular relevance for other countries in Latin America that received large amounts of remittances from workers in the United States.
* Sharia- Compliant Microfinance	\$249,162	FINCA with IRIS	The goal of this activity is to facilitate expansion of Islamic financial services in Muslim countries by providing guidance to microfinance practitioners on how to effectively design and implement sharia-compliant microfinance services in their institutions.

* Microfinance Energy Links	\$163,717	ACCION with SEEP	ACCION is working with local partners to develop, test, refine, document, and publicize holistic integrated approaches to financing and marketing clean energy products to large numbers of people in developing countries. This work is being carried out with two financial institutions, initially in Uganda, and with a single product, a solar home lighting solution.
Regional Training of USAID Poverty Assessment Tools	\$401,777	IRIS	The lack of widely applicable, low-cost tools for poverty assessment makes it difficult for USAID to determine whether it is meeting mandated targets that half of all USAID microenterprise funds benefit the very poor. In 2003, USAID/EGAT/MD contracted IRIS to develop, test and disseminate poverty assessment tools that meet Congressional requirements for accuracy and practicality. Under this pilot, a number of Training of Trainers workshops (TOTs) are being offered to those implementing USAID funded microenterprise programs. The participants of the TOTs will then be available to train local organizations in their home countries on the use of the poverty assessment tools.
Financing Water: Using Financial Systems to Improve Access to Irrigation and Markets in Rural Peru	\$125,144	CARE with ACDI/VOCA	Water for productive uses – particularly for small-scale agriculture – is an essential element in improving the lives and livelihoods of the rural poor. The project will increase the yields and product variety of small-scale agricultural enterprises’ by financing irrigation systems. The project also links farm families with markets to maximize the value of increased quantity and quality of production. The project will also develop models of appropriate products and services that microfinance institutions can develop to increase access to water in rural areas.
** Social Performance Pilot Assessments	\$42,617	ACCION with SEEP	This project provides additional examples of practical ways to measure social performance for the practitioner community. Pilot’s activities are focused on evaluating the success of selected microfinance institutions in fulfilling their social mission and contributing to broadly accepted social goals. Social performance is an important factor in leveraging private investors for microfinance and alerting practitioners to “mission drift”.
Social Performance Management Working Group	\$89,992	SEEP Network	This activity supports the development of a Social Performance Management (SPM) Map. The map, or state of the practice paper, will summarize SPM experience, knowledge, initiatives, and approaches to date from the NGO, private, and microfinance sectors. The map will provide stakeholders with comprehensive information to make more informed (and presumably better) decisions, regarding, for example, program management or social investment, and it will help align expectations with what is feasible and/or desirable.
<i>Working effectively in Conflict and Fragile States</i>			

* Developing Economic Recovery Guideline	\$49,996	SEEP Network	This activity brings together practitioners from relief and development agencies working in enterprise development and financial services, including nonprofit institutions and private contracting organizations, to develop a set of guidelines for practitioners operating in the “relief to development continuum” in post-conflict, conflict, natural disaster and other crisis settings.
Microenterprise Development in Fragile states	\$190,563	IRIS with CARE, Save, and World Vision	The IRIS Center, working in partnership with CARE, Save the Children and World Vision is developing <i>model guidelines</i> for sustainable microenterprise development work in fragile states (or what are now called rebuilding states), and will test these guidelines in <i>pilot activities</i> . The project is focusing on finding practical ways to improve <i>local institutional arrangements</i> (“enabling environments”) as they impact enterprise development, and the related areas of financial services and delivery of public services. Pilots are now being implemented in Mozambique, Angola and Ethiopia.
Economic Strengthening for Underserved Populations			
* Graduating the Poorest into Microfinance: Linking Safety Nets with Financial Services in Ethiopia	\$475,000	CGAP	FIELD is working in coordination with CGAP to assess the effectiveness of the of a financial services program in Ethiopia at supporting the graduation of the poor out of poverty.
Developing Guidelines for Economic Strengthening of Orphans and Vulnerable Children	\$114,844	Save with MEDA, EcoVentures	Building on previous work, this activity is assessing and providing analysis on the state of the economic strengthening practice pursued by OVC programs. Working with USG missions and practitioners implementing ES components in Kenya and Uganda, the goal is to provide them with guidance and recommendations to upgrade current approaches and bring them more in line with successful practices in the field.
Total Pilot Value	\$1,633,102		
FIELD-Support Grants for SEEP Learning Networks			
Practitioner Learning Programs (PLP)	\$435,682	SEEP	The PLP explores the key challenges facing the microfinance and microenterprise development fields through targeted grants in priority thematic areas that resonate strongly with both practitioner needs and USAID interests. In 2007, FIELD funded two PLP activities: Building Alliances to Serve HIV/AIDS-Impacted Communities in Sub-Saharan Africa and Youth and Workforce Development
Innovation Grant Program (IGP) Learning	\$314,316	SEEP	The IGP Learning Networks will emphasize collaborative, peer learning to improve implementation of USAID-funded projects in enterprise development and financial services. Under the Project, learning networks are being set up for the recipients of Enterprise Development Implementation Grants and for the

			recipients of Financial Services Implementation Grants.
Total SEEP Grant Value	\$727,755		
FIELD-Support Associate Awards			
Agriculture, Rural Investment and Enterprise Strengthening Program in Afghanistan (ARIES)	\$99,999,219	AED with ACDI/VOCA, WOCCU, FINCA, SBI MISFA	The ARIES project in Afghanistan is the largest rural finance program ever funded by USAID. This project aims to establish a full spectrum and commercial viable rural finance system consisting of microfinance, credit unions, agricultural cooperatives and commercial bank financing of small and medium enterprises. This remains an important laboratory on the learning front understand best practices in the roll-out of Islamic financial products and services which make up a large part of this program.
Development Communication (DevCom/AP3)	\$290,000	AED	DevCOM Associate Award builds upon and helps validate original assumptions, and document the work previously begun in Morocco and Kenya within the framework of the <i>Agriculture Partnerships for Productivity and Prosperity (AP³) Project</i> . AP ³ is a global demonstration project supported by USAID that is designed to improve rural livelihoods by increasing the scale and impact of agriculture development programs. The current DevCom project will finalize demonstration activities with an emphasis on innovative, comprehensive, and integrated system/value chain approaches that will lead to sustainable environmental protection and economic growth with poverty reduction through increased productivity in the agricultural sector.
Small and Microfinance Assistance for Recovery and Transition (SMART) - WBG	\$7,700,000	AED, ACDI/VOCA	Microfinance Assistance for Recovery and Transition (MART) is a two-year program designed to preserve the microfinance institutional infrastructure in the West Bank and Gaza and assist microfinance intermediaries develop and adopt effective strategies and management practices during the present emergency in order to lay the foundation for a transition to sustainable growth.
* Supporting Transformation by Reducing Insecurity & Vulnerability with Economic Strengthening (STRIVE)	\$15,935,785	CARE, SAVE, WV, MEDA, AFE, IRIS, ACDI/VOCA, DTS	Through the STRIVE program for the benefit of Orphans and Vulnerable Children (OVC), AED is working to demonstrate an effective means to strengthen the economic circumstances of highly vulnerable children and the families and communities that care for them. To achieve this, AED works in close collaboration with the Displaced Children and Orphans Fund (DCOF) and a team of leading child-focused organizations and economic strengthening (ES) organizations to partner on producing a replicable methodology for economic development that demonstrably benefits vulnerable children.
* Ecuador Local Business Development (LBD)	\$6,296,285	ACDI/VOCA, CARE, AED	This activity supports USAID in its efforts to promote the competitiveness of Ecuadorian enterprises along the southern and northern borders and create licit employment opportunities. The overall objective of the LBD program is to increase income and employment for families along the southern and northern borders by supporting the expansion of private enterprises that will

		rapidly generate income and employment, and by strengthening local private producer groups and associations.
Total Associate Award Value	\$130,221,289	