



FIELD-Support LWA Award

Quarterly Report April 1- June 30, 2010

The Financial Integration, Economic Leveraging, Broad-Based Dissemination Leader with Associates
Cooperative Agreement No. EEM-A-00-06-00001-00

Submitted By:



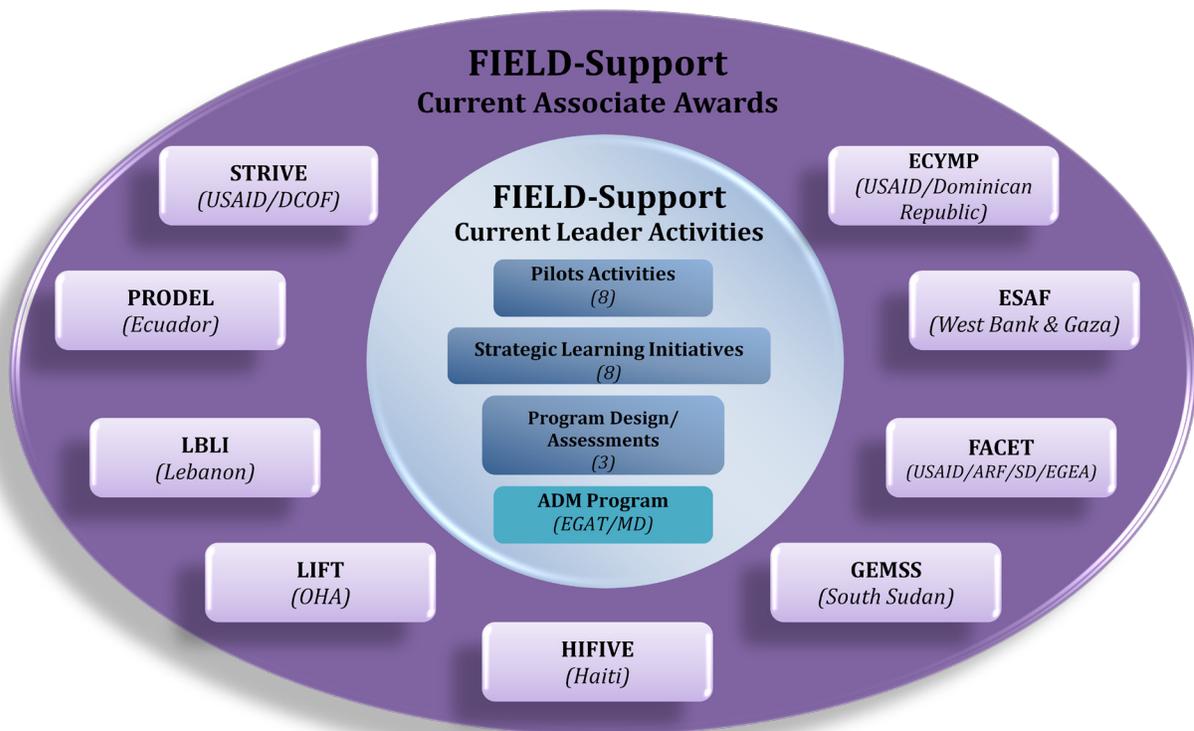
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1 Introduction

FIELD-Support is a Leader with Associates (LWA) Cooperative Agreement between the Office of Microenterprise Development in USAID (EGAT/PR/MD) and AED. FIELD-Support’s consortium includes nine core partners and 17 resource organizations.¹ 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 implements activities that seed innovation, demonstrate better practices, document results, and disseminate findings that will advance the global state-of-the-practice. These are in the form of **Pilot Activities**, **Design/Assessments** for USAID Missions and Operating Units, and **Strategic Learning Initiatives (SLIs)** which were launched in late 2009.²



In the third quarter of FY2010, FIELD-Support activities included nine Associate Awards, eight pilot activities, eight SLIs, and three design/assessments that were conducted or launched for various USAID Missions. The Leader staff at AED continued to monitor progress of this broad range of FIELD-Support activities, providing technical support when needed, reviewing and processing payments, and ensuring contractual and financial compliance, as well as identifying new activities and working with partner implementation teams on designing new projects. Throughout, FIELD-Support management has provided senior-level oversight for all of the Leader activities and Associate Awards, contributing to their technical design, implementation, and ensuring quality. Other team members coordinate day-to-

¹ For a list of consortium members and more details about recent FIELD-Support activities, please visit www.microlinks.org/field

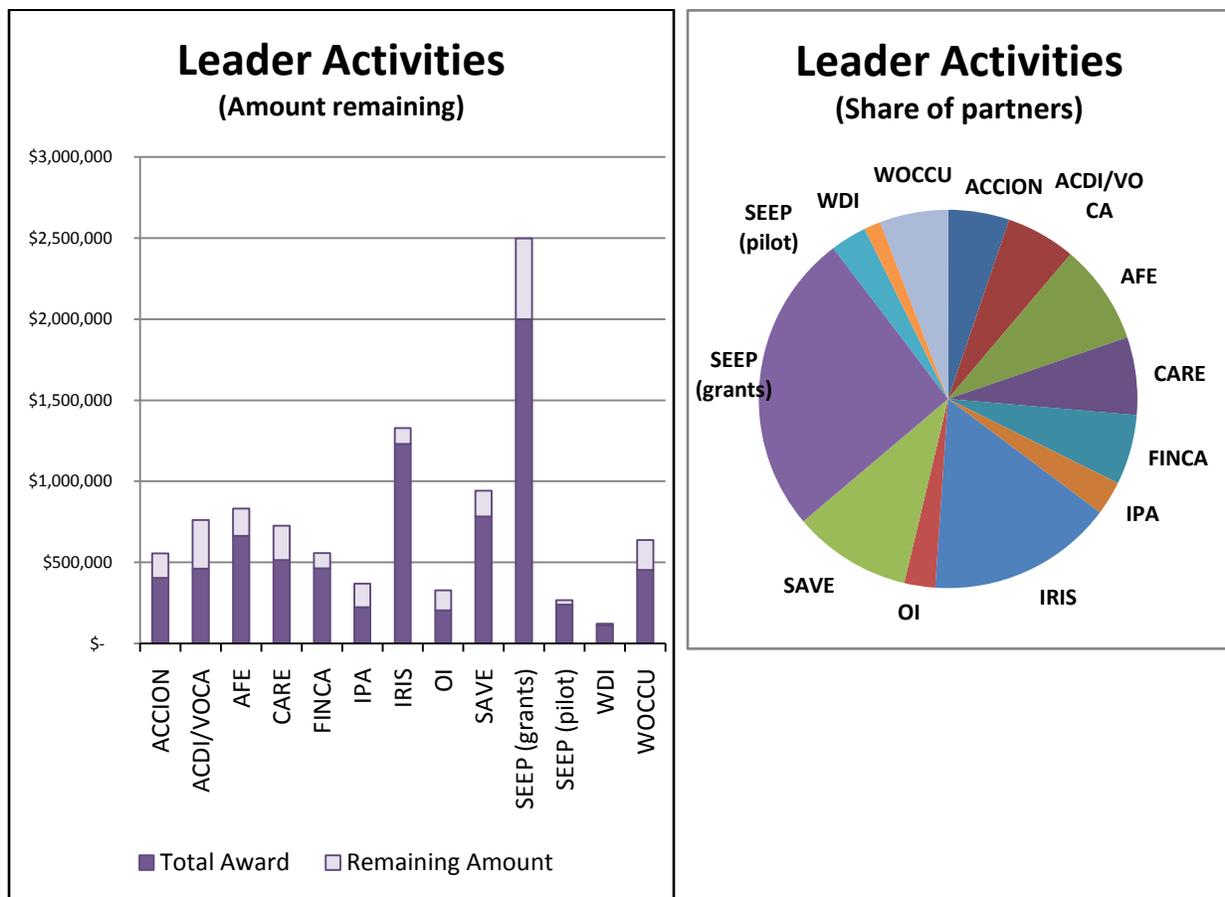
² See Annexes for an overview of all of FIELD-Support’s current Associate Awards, Pilot activities, and Strategic Learning Initiatives.

day communications with the Core and Resource organizations and assisted with the administration of this complex contractual mechanism. The following sections outline in further detail each of the current activities and their key achievements and learning outputs over the last quarter.

The FIELD-Support team at AED is pleased to present this quarterly report highlighting the LWA's key accomplishments for the quarter ending June 30, 2010.

2 Leader Activities

As mentioned above, the Leader activities continue to operate on track. The figure below shows each Core partner plus some strategic Resource partners' activity levels as they approach the end of this fiscal year. The following sections include more detailed updates on recent accomplishments within each. For brief descriptions and details about the partners' *current* activities this quarter, please see Annexes A, B, and C.



In May 2010, FIELD-Support was awarded a three-year cost extension. The next quarterly report in October 2010 will address plans for the cost-extension.

2.1 Pilot Activities

A. ACCION with SEEP: Microfinance Energy Links

(October 2007 – December 2010)

ACCION International and its Center for Financial Inclusion (CFI) initiated the Energy Links Project late in 2007. Project activities focused initially on developing distribution channels for the sale of inexpensive solar lamps, a clean energy product with large market potential, to people living at the bottom of the pyramid in Uganda. The Energy Links Project staff established contacts between Ugandan MFIs and NGOs and an Australian manufacturer of lamps, Barefoot Power, which had an affordable and appropriate product at the time. Following the Uganda pilot, another market test of the product was carried out in Mali. The Mali test site aims at developing a successful commercial chain involving local and international partners, in order to set-up distribution schemes on a large commercial scale with an objective of selling 600,000 lamps in five years.

During this quarter, program activities per energy product and country, are as follows:

Solar Lighting: Barefoot Power, the three-year partner and supplier of solar lanterns in Uganda and Mali recently won multiple product awards at the Lighting Africa conference held in Nairobi, Kenya. Selected for three of four first place prizes for best performing and best value room lighting, Barefoot Power also took second place in a fourth category for task lighting for its solar lantern called the Firefly which costs under \$40 USD. The international conference, which presents awards to social entrepreneurial business working on off-grid lighting, is held annually and organized by the International Finance Corporation (IFC).

Mali: Following a delivery in mid-May, the first shipment of solar devices sold in less than six weeks, demonstrating to local partners that the market is ready and responsive to solar products at a price point of \$24. Horonya, a local importer, particularly understood the opportunity to place thousands of lanterns across the country, which could generate substantial revenue even at a low mark-up price. Horonya has since doubled their second order (800 kits, or 1,600 lanterns) by offering the necessary working capital upfront to secure the order, an option previously rejected due to perceived risk. The second order has been air-shipped from East Africa and is expected mid-July.

Pilot Impact At-a-Glance

- 30 active micro-franchises selling solar lanterns in Uganda
- 30,000 households (or 150,000 people) are benefiting from clean and affordable solar lighting;
- 400 solar kits sold in Mali;
- 800 solar kits have been disbursed to Bamako to be sold in coming weeks – 2,000; beneficiaries (Mali & Uganda)
- 2,000 additional solar kits have been ordered (Mali & Uganda)
- 1 briquette making workshop trained 25 community-based trainers;
- 4,000 UWESO members have been exposed to fuel briquettes and trained.

In order to scale-up commercialization, Horonya has recently engaged in conversations with Barefoot Power to become a full-scale importer of their product for Mali, moving to full container loads (10,000 units) and benefiting from their supplier finance facility. Energy Links has been assisting in those conversations to speed up the process and will have the first container in Mali in early fall, when Energy Links will be transitioning out of the project, having achieved its goal of creating a link between a supplier and local sellers. It is the project's plan to finalize an agreement at the end of August when Harry Andrews, founder of Barefoot Power and Director of African Operations, will be visiting Bamako and Horonya.

Following FIELD-Support's three-year extension, ACCION filed for a no-cost extension for the Energy Links pilot, which was approved until December 2010 to allow for this transition and to support N'Tyo

Traore and his newly incorporated business to fill in the steps of Energy Links. Staff will use this period to wrap-up work both in Uganda and Mali and to present findings at the SEEP conference.

Learning and Dissemination

Since project inception, many lessons have been learned with regard to the solar lantern value chain. Accordingly, the project took steps to adapt, and have arrived at the following conclusions/recommendations:

- With tremendously high demand in Uganda and Mali for solar lighting products, ensuring continuous supply without gaps is essential for supplier uptake and improvement of SME financing with a supplier trade finance fund.
- Savings groups are a great platform to educate users and commercialize solar lantern. Projects should focus on these partnerships.
- A majority of households can afford the devices, but those unable to should be able to purchase from their savings groups. Projects should reinforce focus on Savings Groups networks as a distribution channel.

Regarding **biomass briquettes** production and sale, training is simply not enough—producers must receive continuous support, especially in the development of business acumen, setting up of a revolving loan fund and promoting successful clients. Additionally, large groups with access to large machinery are not the most efficient way to begin manufacturing. The focus should be on smaller, more cheaply operated presses which promotes sharing between smaller (2-3 individuals) groups.

Next Steps

Priorities for the next quarter include expanding demand and supply of the solar lanterns in Mali through increased sales, improved partnerships and increased supply through sea-shipments; increasing the number of project partners and establishing a strong distribution mechanism that allows local institutions to operate past the project's end; providing assistance to partners to allow Energy Links to smoothly transition out of Mali and Uganda—specifically allowing local consultant N'Tyo Traore and EPIC to become the project broker and operator; documenting the experience of micro-franchising with solar lanterns in Uganda and Mali, and the technology, outcomes and business model with biomass briquettes.

The final quarter of 2010 will see the conclusion of this pilot during which the Energy Links staff will assess the project's successes and limitations, and will make recommendations on how best to improve current practices and pursue new initiatives within micro-energy. It is the project's hope to demonstrate how the learning from this activity is transferable to other regions within Africa. A final presentation of project achievements and lessons learned will be presented at this year's SEEP Annual Conference in November.

B. CARE with ACDI/VOCA: Financing Water for Productive Use (October 2006 – August 2010)

The Financing Water for Productive Use pilot was designed to explore innovative ways to make technified irrigation more accessible to rural farmers in Peru which would both reduce waste and contribute to increased yields and productivity. At the core of CARE's methodology was the development of strategic partnerships among producers, irrigation technology companies, local government, and microfinance institutions to improve water usage, increase farmer incomes, and demonstrate opportunities for the local government to scale up similar initiatives. The pilot activity took place in the Department of Ayacucho, the second poorest in the country, over 18 months starting in October 2006. CARE Peru, which has operated in the country since 1970, found that access to water represents the principle barrier to improved productivity across all of these activities, and worked to identify the right mix of stakeholders to engage in the pilot.

During the final quarter of the project, emphasis was placed on transferring technical and operational activities to the clients, such that the model would be sustainable past the life of the project. Activities included:

- Facilitating agreements between producers and the Subsectoral Irrigation Program (SIP) of the Ministry of Agriculture such that the irrigated fields created during the project could be used as demonstration plots;
- Continued negotiation between the project and private companies and suppliers of irrigation equipment, such as Tecagro, to create more loan partnerships with interested financial institutions and local governments;
- Advocating for standardizing replication of the model;
- Developing educational exchanges with influential State and private enterprise stakeholders, including the regional government, irrigation authorities, and officials of the Regional Agricultural Directorate and members of the Avocado Technical Assembly, to generate favorable opinion
- Of note, the regional government is in the process of defining the mechanisms for incorporating the project's experience, specifically the tool box, into the Regional Competitiveness Strategies manual.

Pilot Achievements in Peru

- 74 jobs created
- 37 clients with financial development companies
- 4 credit tools/products introduced
- 17 workshops conducted to train clients on how to install, operate and manage technified irrigation systems
- Over \$45,000 USD in loans disbursed (including capital and interest)
- 21.62% of loans disbursed to women

Learning and Dissemination

One of the most important milestones of the project was organizing the project's closing event for which there was an opportunity to share the project's successes with an extended group of major regional and national players. Those in attendance included the President of the Regional Government of Ayacucho, the Director of Regional Agriculture of the MINAG, the Director of Agricultural Competitiveness of the Regional Agriculture Directorate, officials from the central level of the SIP (the Director of Irrigation Management and the Director of the Promotion of Technified Irrigation), the Regional Director of INIA (National Agricultural Innovation Institute), the Manager of Tecagro, irrigation authorities, microentrepreneurs, microfinance institutions, local government officials and leaders and representatives of producers' organizations.

As of February 28, 2010, the CARE Financing Water Peru pilot completed implementation, but continued administrative activity through June 2010 to finalize translations from Spanish to English of many project deliverables, including a case study and final report. CARE is working with FIELD-Support to brand and disseminate the final deliverables, including producing a FIELD Brief sourced from the CARE Peru team's field case study, which is pending final approval. Additional deliverables completed and translated into Spanish before the end of the project include: a video³, case study and reports on systemization and protocols to access financing, and are available on CARE's project website: www.care.org.pe.

One Participant's Story from CARE Peru:

"In our community there is a great water shortage; our turn to irrigate crops was every three months, but with the project we fruit growers have built a collective reservoir and installed technified irrigation systems in our plots that allow us to irrigate every 15 days and to improve our production. We learned to operate and maintain our systems and EDYFICAR lent us the money to buy technified irrigation materials and equipment."

Source: Agricultural Producer Ruben Huapaya Vargas – Secllas Alto



³ www.youtube.com/careenperu#p/u/1/IMsMcbAuJSA

C. FINCA: Microfinance and Renewable Energy (March 2008 – June 2010)

In 2008, FINCA Uganda undertook a pilot project on micro-energy to finance to create access to Solar Home Systems (SHS) for FINCA's existing client base as well as new low-income customers. FINCA had attempted micro-energy lending prior to 2008, but had not been able to achieve significant customer uptake, despite indications of strong potential demand. Under the Energy and Microfinance Pilot, FINCA therefore conducted a market study and business planning activities to develop an innovative model for sales, financing, and delivery of renewable energy products to low income clients in rural areas. For its activities in Uganda, FINCA collaborated with Micro Energy International (ME) and April Allderdice of LaunchPad.

FINCA Uganda's Micro-Energy Loan Program is one of the largest interventions of its kind in Africa. Demand for the SHS product has been strong, with 550 units financed between June 2008 and June 2010, representing over \$130,000 in loans disbursed and an outstanding loan portfolio of approximately \$35,000. This far exceeds targets established at the beginning of the project of reaching 100 clients with a loan portfolio of \$20,000. In addition to loans, FINCA Uganda has brokered the cash sale of over 70 systems among new and existing clients as a result of awareness and interest it has generated in the SHS via its marketing activities. FINCA also conducted a client assessment among micro-energy loan clients to gauge customer satisfaction, economic impact, and social impact. The results showed that clients have reported a number of benefits from the SHS, such as cost savings, income generating opportunities, improved health, and improved lighting for children to complete school work.

Since June 2008, FINCA Uganda has sold or financed over 620 systems. The model developed by FINCA is successful overall in terms of being able to mobilize demand and facilitate installation, delivery, and servicing of systems. During the last quarter, a pilot results assessment was also conducted in order to identify operational "lessons learned" and best practices, as well as challenges to be addressed in future phases of the project as FINCA Uganda scales up its activities. These are briefly summarized here, and will be compiled in a new FIELD Brief which will be drafted and disseminated in the next quarter:

- **Staffing and Incentives:** A key lesson learned is that staff incentives are very important for mobilizing energy loan products as initially there was significant resistance from loan officers and supervisors in cooperating with energy officers on micro-energy sales and loan administration activities. Providing FINCA's core field staff of loan officers with an incentive per SHS loan was extremely important in helping overcome this obstacle.
- **Costs and Financial Viability:** Costs to administer the micro-energy loan program are attributed mainly to hiring and training of energy officers as well as marketing the SHS loans and systems, including purchasing demonstration systems, conducting promotional events in markets and FINCA branches, radio promotions, and printing marketing materials. In order to achieve sustainability, FINCA needs to increase its sales sufficiently to cover fixed costs by reaching additional customer segments such as clients using the SHS for income-generating activities. This should be feasible given impact assessment results indicating that many clients are using the system to start new mobile phone charging businesses and other are using the SHS to expand and support their current business.
- **Product Quality:** All installations passed audits by the local government, and 91% of 56 clients surveyed in the impact assessment reported that they had not had any repair or maintenance costs to date. However, in-depth technical inspections on 12 systems by ME indicated that quality assurance issues warranted further attention and capacity-building moving forward. There is additional opportunity for capacity building for both FINCA and its suppliers on product quality testing and configuring systems more effectively to meet customer needs and intended use, and prevent over or under-sizing of systems.
- **Client Usage and Customer Servicing:** Another key lesson learned is that it is important to have mechanisms in place to constantly monitor customer training and feedback to identify servicing issues. As part of its impact assessment activities, FINCA conducted 11 in-depth client interviews to gauge quality of customers servicing and client training; worked with the suppliers in order to improve customer training at installation; and keeps a log of all customer

complaints received by the energy officers and product manager where the client was not able to get after-sales servicing from the SHS supplier. This complaint log also allows FINCA to track problems that come up on a repetitive basis with particular suppliers and address these with the supplier if necessary.

- **Supplier Dependency:** When FINCA Uganda developed its business plan at the start of the project, it had intended to launch multiple products, including Improved Cookstoves, pull lanterns, and LGP stoves. However, due to product quality issues or lack of reliable supply, FINCA found that only the SHS was viable. A key lesson learned, therefore, is that product and supplier diversification is important when launching renewable energy initiatives in markets with supply constraints.

With the completion of this activity under FIELD-Support, FINCA Uganda plans to update its operations based on lessons learned during the pilot phase, and subsequently increase the scale of the Uganda micro-energy loan program to make it a financially sustainable and profitable business with the capacity to serve an additional 3600 clients over the next 2.5 years. FINCA Uganda plans to mobilize approximately \$325,000 in order to invest further in its micro-energy program for the purposes of expanding its operations and addressing operational challenges identified in the pilot phase.

D. IPA: Graduating the Poorest into Microfinance Evaluation (August 2009 – December 2010)

The Evaluation pilot led by Innovations for Poverty Action (IPA) in Ethiopia is testing a methodology for graduating the most vulnerable households in Ethiopia out of extreme poverty. The supported households that are being monitored will be members of Ethiopia's National Productive Safety Net Program (PSNP), a country-wide program aimed at reducing food insecurity. Focusing on households who are not benefitting either from the Ethiopian government-led package program or the government direct support program, selection will be managed by The Relief Society of Tigray (REST) and IPA, and based in part on those who are considered to be amongst the poorest, but who have the potential to engage in economic activities.

During the third quarter, the first round of data collection activities was completed, and through the course of data collection, several layers of safeguards were put in place to ensure data quality. In addition to scrutinizing 100% of the surveys, the survey firm, JaRco Consulting, was required to conduct spot checks and back checks on 30% of all questionnaires. The second layer of checks was conducted by IPA wherein 100% of surveys were scrutinized for identifying information and survey completion. Of these, 30% were scrutinized in detail to ensure that answers made sense. Finally, a randomly selected 40% of surveys were spot- and back-checked by the IPA project coordinator and two supervisors. After completing all checks on the questionnaires, the survey team returned to the field for an additional three days of field work. Overall, the survey team was unable to reach 18 households despite re-visiting them for a total of 3 times.

Data collection was immediately followed by the randomization lotteries. Lotteries were held at the tabia level (for a total of 10 lotteries) and consisted of two slightly different methods. In some tabias, all the eligible names were written on small pieces of paper and the first 50 selected were project beneficiaries. At other sites, the basket was filled with 50 pieces of paper that read beneficiary and 50 that read non-beneficiary. The names of the households were read out loud from a list and for each name, a piece of paper was picked out of the basket. All 10 lotteries were conducted in a three-day period.



Above: Tabia facilitator for Adi Kisendid preparing materials for practical bee-keeping training
Source: IPA Staff

Some errors in potential beneficiary selection were revealed during the lottery process. The major error, brought to the attention of the *tabia* administration and the Relief Society of Tigray (REST) staff, was that some of the selected potential beneficiaries had previously taken credit from the microfinance institution, DECSI. One of the eligibility criteria for this project was no prior credit. REST decided to exclude these households from the lotteries and instead identified new eligible households—these households will not be a part of the impact assessment. Overall, 59 households were dropped from the research because of this issue, primarily from the *tabia*, Qihen.

Overall, a total of 923 households will be included in the impact assessment. Of these, 457 households are in the treatment group and 466 in the control group. The data entry templates were developed for the household and adult module while the data collection was ongoing. These templates were tested for any pending problems and the data entry process was started soon after. It is expected that the first round of data entry for the household module will be completed by mid-July and the entry for the adult module will be completed by end July. This will be followed by a second entry of the data. The two entries will then be reconciled to ensure minimal errors attributable to the data entry process.

The randomization lotteries were followed by the livelihood skills trainings for the beneficiaries which consisted of guidance on small ruminant and cattle fattening, as well as petty trade, and lasted for a total of three days. The inputs for bee-keeping were ordered immediately given the time sensitive nature of the livelihood. The asset purchasing process for small ruminants and cattle is ongoing. For each *tabia*, the small ruminants are purchased from the local animal market on a weekly basis till all participants are covered. The REST facilitator at the *tabia* level and a veterinarian accompany the participants to the market, though the initial selection is conducted by the participants themselves. There have been some problems with purchase of small ruminants as knowledge of the project has led to an increase in the prices. However, REST continues to seek alternative markets while the asset purchase process continues.

Learning and Dissemination:

Administered by experts from the *tabia* administration and monitored by livestock experts, REST conducted a three-day training for project beneficiaries involved in small ruminant and cattle fattening and petty trade and eight-day training for those who selected bee-keeping.

REST has been involved in all aspects of project implementation ranging from hiring facilitators at the *tabia* level, to livelihood skills training to asset purchase. The savings component of the project will be handled by Dedebit Credit and Savings Institute (DECSI). By the end of May, 80% of project participants had already opened individual savings accounts at DECSI. The idea behind the mandatory savings component is that the participants will have to save the total value of their assets and will not have access to their savings until they have accumulated the total amount. However, there will be an emergency clause whereby the participants can request to use their savings in case of an emergency. The request will have to be verified and approved by the food security task force at the community level and the REST facilitator.

BRAC Development Institute (BDI) will be conducting the qualitative research for this project and providing any technical support necessary for client monitoring. The first round of qualitative research has been completed and it is expected that two more rounds will be conducted over the course of the next 12 months.

In the next quarter, the project will conclude the second round of data collection and entry, and begin reconciling the data to minimize errors attributable to the data entry process. This will be followed by data cleaning, analysis and the baseline report.

Additionally, REST staff is currently in the process of purchasing assets for the beneficiaries. The inputs for bee-keeping have already been ordered and the purchase of small ruminants and cattle is ongoing.

After asset transfer is completed, the REST facilitators will start conducting weekly meetings with each beneficiary providing support on technical matters, health and social messaging and encouraging savings. IPA will continue to monitor the project to ensure that the integrity of the research is intact and recording all information that may affect impact assessment outcomes.

E. IRIS Center: Poverty Assessment Tools (PAT) Training (September 2006 – August 2010)

The IRIS PAT team continues to face the challenge of determining who is required to implement a PAT and report to USAID each year. In previous years, the MD Office asked each Mission to identify which organizations are required to implement a PAT, but some Missions continue to be unresponsive. With increased diligence on the part of some Missions, it is expected that Mission compliance will increase over time, however, to date, fewer USAID implementing partners have submitted their results compared to the previous two years.

The PAT Help Desk continues responding via email, phone, Skype, and in-person meetings on topics ranging from reporting requirements to sampling. The Help Desk had fewer people making contact during this quarter compared to last year. This reflects, in part, the fact that a few of the organizations who exchanged numerous emails with the Help Desk last year did not require as much technical assistance and follow-up, and fewer emails were needed to answer their questions. Other contributions include the change in the notification process for FY2009 PAT reporting requirements—it is now the responsibility of each Mission to inform its implementing partners of the reporting requirements for each project.



Above: Margaret Richards (IRIS) and PCI staff served as enumerators during Fish Pros assessment in Malawi
Source: IPA Staff

Progress Made and Key Lessons Learned:

- Training enumeration staff is critical to successful implementation; anecdotal evidence from this trip and other feedback shows a clear relationship between an organization’s own view of their success and the amount of time they spent training interviewer.
- Opinions on using enumerators that interviewees know or are personally familiar with are mixed. One organization felt strongly that using familiar enumerators was essential to getting honest responses. The other felt it was detrimental to use staff and that clients felt they should give certain answers as it might affect program participation, even when told they wouldn’t. This topic should be studied further.
- Sampling as a general topic is widely misunderstood. Questions asked in Malawi and Switzerland showed a gross lack of knowledge and skills among the community and in some cases, even among M&E Specialists. The PAT team spent considerable effort clarifying our sampling materials in the past year. The instruction at the April 2010 DC training went very well, suggesting we are providing valuable information, and we’ve been able to refine our materials based on feedback we’ve received since then.

Next Steps

The PAT Team will continue to disseminate knowledge about the availability and uses of the PAT tools via the Help Desk, the project's listserv, announcements in the microLINKS newsletter, participation in the SEEP POWG and SPWG working groups, as well as the Social Performance Task Force.

In June, as part of the team's effort to disseminate knowledge about the proper use of the PATs at microenterprise-related conferences and other events, Margaret Richards was a presenter at the CGAP/Ford Social Performance Task Force (SPTF) meeting in Bern, Switzerland. The 30-minute presentation on PAT implementation held two separate information and question/answer sessions as well as one-on-one meetings with individuals including network representatives, practitioners, M&E specialists, donors, and ratings agencies. In addition to sharing general information about PAT and support services, Margaret shared information about new tools and enhancements made to the data entry templates.

During the next quarter the IRIS PAT team will continue to develop, solicit feedback and publish additional PAT User Guides; carry out a PAT Feedback Trip to Cambodia in July 2010; confer with USAID representatives Don Sillers and Jason Wolfe to clarify sampling guidelines and requirements for BDS/ED/Value Chain projects; and continue collaborating with SEEP POWG, SPTF, and the MIX Market to help create additional resource materials for those measuring poverty as part of their social performance data collection, including working with SEEP POWG to develop a mini-training for the next SEEP Annual Conference.

F. SEEP Network: Collaborative Learning Networks (October 2006 – August 2010)

The Collaborative Learning Networks to Advance Microenterprise Development Knowledge and Practice consists of two components:

- Practitioner Learning Programs (PLP)
- Implementation Grant Programs (IGP) Learning Networks (This component is being extended until December 31, 2010)

The Practitioner Learning Programs (PLP)

The SEEP Practitioner Learning Program (PLP)⁴ on Rural and Agricultural Finance and Food Security (RAFFS) is an action learning project that will focus on approaches to and the interconnection of rural and agricultural finance (RAF) and household well-being, including food security. The PLP selects organizations to become PLP participants who form a learning network to document and disseminate good practices and

PAT Training: Quarterly Achievements

- Updated the project website: www.povertytools.org, including new tools, updates, and the e-learning platform;
- Continued collaboration with and provided leadership to the SEEP Poverty Outreach Working Group (POWG);
- Monitored and facilitated the PAT online course, open to all implementers, and currently boasting 288 registered participants from over 59 countries;
- Conducted a PAT Feedback trip in Malawi with 3 ME institution and the Mission;
- Hosted 22 participants from 10 countries and 14 implementing partners at AED for the DC PAT Training April 6-9, 2010;
- Updated implementation manual and 1 tool user guide for upload to project website.



Above: Claire Hancock, Program Manager for CRS-Sierra Leone, visits KKFF as part of an exchange visit in June.

Source: SEEP Network

⁴ Find out more about SEEP's PLP at <http://www.seepnetwork.org/Pages/Initiatives.aspx>

lessons learned to the sector at large. The RAFFS PLP includes five partners from: Sierra Leone, Kenya, Tanzania, and India. Participating organizations for RAFFS PLP include:

- Aga Khan Rural Support Programme – India
- Catholic Relief Services (CRS) – Sierra Leone
- Floresta-Tanzania
- Food for the Hungry – Kenya
- Kazhi Kadaimadai Farmers’ Federation – India

During this quarter, the RAFFS PLP continued to explore key aspects of RAF, food security and household livelihoods through facilitated online learning events, continued work on partner learning products, conversations with SEEP staff and program facilitators, blog updates, resource sharing as well as additional exchange visits. Additionally, two online learning events, entitled “M&E Week” were conducted during this quarter by SEEP M&E consultant Richard Swanson.⁵ Topics for “M&E Week” included:

- The relationship between increased agricultural production and improved food security
- Intra-household targeting as a way to improve household livelihood
- The challenge of collecting/analyzing household-level data to determine impacts on food security
- Household value chains
- Quantitative versus qualitative survey methods
- The role of credit in increasing household food security
- Types of indicators that can be utilized to measure food security impact

The program’s third online learning event was held in June and discussed how the design of rural loan products can better incorporate issues of food security. Partners read two articles (MicroNote #27: Emerging Practices from Peruvian Financial Institutions and an excerpt from “FS Series #8: RAF for Food Security) and responded to the following questions on the program’s online workspace:

- How have your programs (or the financial institutions with whom you are working) developed or adapted loan products that are targeted to rural and agricultural borrowers? What are the characteristics of these loans? (For example, longer loan terms, non-traditional collateral, etc.)
- What are some of the strategies that are offered in the Peru case study that could be adopted by your specific program? If you feel like the strategies employed by the Peru case study cannot be adopted to your program, why not?
- Based on the experience of your program’s participants, what are the most significant reasons that they do not access loans that may be available to them? Are there specific perceived or real risks that are considered too high? What solutions could be offered?
- When considering loan product development, what are the specific considerations that need to be taken into account for programs looking to impact food security goals that are different for RAF not linked to food security goals?

Next Steps

Following meetings with the FIELD-Support KM team, SEEP will work to submit a request for a no-cost extension and budget realignment for the remaining PLP activities to allow for time to finalize e-learning deliverables before the SEEP Annual Conference in November 2010.

Key Deliverables and Upcoming Learning Activities:

As the BASICS and Youth Workforce Development PLPs are now complete, the status of all final deliverables summarized below:

⁵ The first online learning event for the RAFFS PLP focused on topics related to incorporating a food security focus into RAF programs. More details about this event can be found in the previous quarter’s report.

RAFFS PLP Deliverables			
Deliverables	Quantity	Date	Status
Proposals due to SEEP	n/a	July 30 2009	Completed, adjusted to Aug 2009.
Grantees selected and awards disbursed	5	Sep. 2009	Completed. Grant agreements signed; first disbursement to partners transferred in December
Kick-off workshop	1	Oct. 2009	Completed
Learning agendas	5	Oct. – Nov. 2009	Completed
Exchange visits	5	Nov. 2009 – July 2010	Completed
Online discussions (including “Ask the Expert”)	4 +	Nov. 2009 – July 2010	3 discussions have been held (January 2010, April 2010 and June 2010). Final event is scheduled for late July with a possible activity at the closing workshop in August.
Progress reports (quarterly per participant)	20	Nov 2009; Feb, May, Aug 2010	On schedule. Some participants choose instead to submit shorter, more frequent blog updates.
Closing workshop	1	Aug. 2010	Planning in progress; will be held August 9-13 in Ahmedabad, India
Learning products	5	Jan – Aug 2010	Currently in draft form with final drafts to be shared at closing workshop in August. Adjusted to 4 products.
microLINKS Speaker’s Corner or similar event	1	Summer 2010	Delayed; Will be scheduled for Fall 2010

Although the RAFFS PLP did not engage in any external dissemination events this quarter, a significant amount of internal program learning occurred between the PLP partners as a result of final exchange visits, online learning events (Ask the Expert and online discussions) and ongoing communication. SEEP plans to engage industry practitioners in an event focused on rural agricultural finance and food security in fall 2010 (previously scheduled for spring 2010) due to a delay in finalizing the learning products.

Finally the RAFFS PLP partner Food for the Hungry experienced programmatic delays because of difficulty in securing an agreement with a bank that had been selected to administer loan guarantees to local traders. As a result, SEEP anticipates that little impact on household food security will be evident by the end of the PLP. However, as a result of these challenges, Food for the Hungry was able to gain valuable lessons learned and their learning product will focus on these as well as recommendations for other organizations.

Activities in the final quarter of the RAFFS PLP will include: Continued work and finalization on the e-learning products (August/September 2010); a closing workshop for the project in Ahmedabad, India (August 9-13, 2010); a final online learning event, tentatively scheduled for July/August 2010; planning for an external event to showcase knowledge gained and results achieved from the project; and a final program report will be produced and shared with AED.

G. SEEP Network: Market Development Working Group (July 2007 – August 2010)

The SEEP Network Market Development Working Group has spearheaded the development of the *Minimum Standards for Economic Recovery After Crisis (Standards)*. By coordinating the development of these guidelines with the Sphere Project, SEEP facilitated the incorporation of the guidelines into the

latest revision of the Sphere Handbook. This approach allowed both Sphere and SEEP to deepen the adoption of standards developed and accept a wide range of stakeholders and experienced practitioners.⁶

During this quarter, primary project activities included compiling and analyzing feedback from the various consultations meetings that took place between June 2009 and March 2010. The original Standards contributors as well as new strategic stakeholders convened at a workshop held on June 29-30th in Washington DC which included 30 practitioners from 21 organizations and brought together many of the original writers of the Standards. The two day workshop started with a broad update on the feedback from the year-long consultations as well as presentations on two specific technical areas - Disaster Relief and Recovery (DRR) and Green Recovery. Updates on the Sphere Project’s revision process as well as the Emergency Market Mapping and Analysis (EMMA) toolkit were also presented to workshop participants. The writers then worked in small groups in each of the six sections to incorporate the feedback received from the consultations. All six sections of the Standards are being revised, and the second edition is set to come out in fall 2010. Costs for this workshop were cost-shared from the Pilot #10 budget as well as with supplemental funding from International Alert, a UK-based NGO as well as SEEP internal funding.

The Project Manager of the Sphere project participated in the revision workshop. Additionally, an in-person meeting was held with Sphere representatives in Geneva to review the steps in the application process. At present, based on the revision timeline, the Sphere companionship application will be submitted at the October 2010 board meeting. Other issues discussed included working together on the process of harmonization of the Standards and the Sphere guidelines and possibilities conducting joint training programs where feasible. Another issue that was discussed was looking at novel ways of dissemination and exploring the possibility of creating e-learning modules for the standards training. Additional resources will be needed for this kind of dissemination to be implemented.

SEEP Recovery Standards: Impact At-a-Glance

- 2 training workshops were held (31 participants total) – approximately 80% from practitioner agencies;
- 2 articles were published based on learning from the Standards:
 “Building Consensus for Accountability and Results: the SEEP Minimum Standards for Economic Recovery after Crisis” and “Market Development in Conflict-Affected Countries.”

Standards Guideline Deliverables			
Deliverables	Quantity	Date	Status
Dissemination/promotion events (online or in-person)	2+	By end of project	1 completed (5-8-09)
Note from the Field	1	August 2009	Instead of a Note from the Field, SEEP has written two articles on the Standards, both published in previous quarters: for the International Alert “Peace Essentials” series and the EDM Journal (see “Impact” at A Glance section). SEEP has been experiencing difficulties with Note from the Field scheduling and content.
4 stakeholder consultation events held	4	2 in 2009 and 2 in 2010	Completed (final total 6 events)

⁶ Find out more about the *Standards*, how they were developed and download the document at <http://seepnetwork.org/Pages/EconomicRecoveryStandards.aspx>

Stakeholders reached through consultation, field-testing, and dissemination	1,000+	By end of project	In progress: 408 reached to date Upon reflection SEEP has scaled back this number – 50 people per consultation was over-ambitious. SEEP now aims to reach 500 people by the end of 2010.
Programs participating in field testing	10	By November 2009	<ul style="list-style-type: none"> • This has been a challenge. Approximately five programs are using, or trying to use, the Standards. Feedback has been gathered from ACDI/VOCA, AED, CRS and Mercy Corps in time for the Revision Workshop. • The following are the projects that have field-tested the Standards: • Khartoum State Poverty Reduction Programme (CRS) • Increased Resilience program – Darfur (CRS) • AED/Shorebank ESAF program – Gaza • ACDI/VOCA Sierra Leone value chain program • Mercy Corps’ Delta Livelihoods Recovery for Food Security and Community Resilience program—Myanmar
Organizations adopting the Standards	10+	By end of project	In progress. Rather than formal adoption statements, SEEP will seek letters of support and is also working on ideas of creating a standards governing body that could help in wider adoption and maintenance of the standards.
Revised Standards for Economic Recovery	1	By end of project	The revision workshop was held in June 2010 and the Minimum <i>Standards</i> Second Edition will be released in fall 2010, after the end of the period of performance for this pilot. A draft will be ready by the end of Sept 2010. The standards training will also be revised and piloted at the SEEP Annual conference in Nov 2010.

Learning and Dissemination:

Activity this quarter was focused on revising the Standards based on the feedback received from the field. While SEEP is attempting to incorporate as much of the feedback into revised Standards as possible, in order to keep the Standards relevant it is important that we stay focused on the scope and, where possible, partner with complimentary initiatives which could give users a better implementation experience. The joint Standards – EMMA training have done this in the past and we hope to find other such partnerships opportunities.

Additionally SEEP is committed to wider dissemination of the Standards in the field by continuing to organize trainings based on the revised curriculum to create a qualified pool of trainers in the field. A project focused on developing and promoting industry standards is bound to adapt and change, and we anticipate that even after this revision, there is a need to constantly monitor the relevance of the Standards and adapt/ change it where necessary. This will need to be a longer term effort and would need formal support form an entity such as a Standards Governing Body that could look into issues of adherence and relevance on an ongoing basis. SEEP will look into the possibility of creating such a body with key industry stakeholders. This would require additional support – both human and financial – and a proper feasibility assessment would need to be done prior to implementing this.

In the next quarter, the SEEP team will work to finalize the second edition of the Standards and submit the Sphere companionship application. Once the second edition of the Standards is revised, the training will be updated accordingly and the revised Standards will be launched at the SEEP Annual Conference in November 2010, where a two-day training on the Standards is also being offered.

H. WDI: Mobilizing Remittances for Enterprise Finance (December 2008 – August 2010)

Through a public-private partnership, this pilot aims to provide migrants with a financial instrument through which they can secure loans to otherwise unqualified borrowers in their home country, as well as expand overall outreach of lending institutions. Under FIELD-Support, the William Davidson Institute (WDI) at the University of Michigan has partnered with the Microfinance International Corporation (MFIC) and ACREDICOM to design, test and market a **migrant-backed loan product** targeting Guatemalan migrants residing in the United States. Through this project, migrants will have a portion of their remittances deposited into a personal savings account. The account will then be used as collateral against which MFIC and ACREDICOM will lend to borrowers as identified by the migrant and approved by the bank.

This quarter, WDI hired two marketing promoters to assist with the promotion of the product. After training, they initiated offering the product and, pending IRB approval, began collecting demographic information on those offered, rotating among ACREDICOM's San Marcos branches in Tejutla, Comitancillo, Tacaná, San José Ojetenam y Concepción Tutuapa.

The WDI team faced one significant setback this quarter in terms of the authorization to open ACREDICOM accounts in the US. Despite initial approval and enthusiasm, the office responsible for legal compliance with *Know your customer* (KYC) and *Anti Money Laundering* (AML) policies has not agreed to opening accounts based abroad, as they cannot identify the individuals opening the account. Thus, WDI continues to work with ACREDICOM to develop AML and KYC policies that will allow migrants to open accounts in ACREDICOM abroad.



Above: Project marketer speaks with potential client at Acredicom headquarters in Tejutla, Guatemala
Source: William Davidson Institute (WDI)

Previously, it was determined that the main challenge would be identifying qualified loan applicants in San Marcos willing to guarantee a loan to a migrant in the United States. Now, with the restriction to open accounts abroad, the challenge has become identifying qualified loan applicants in San Marcos that has a migrant in the United States already saving with ACREDICOM and is willing to guarantee a loan. This restriction has severely limited the project sample and has affected project effectiveness of marketing the product through MFIC branches in the United States.

Learning and Dissemination:

WDI has begun strategizing for the remaining two months of this activity with primary focus on continuing to offer additional loans and improving the effectiveness of dissemination at ACREDICOM branches. ACREDICOM is compiling a list of potential account holders currently residing abroad which should help marketers target their product more effectively and improve offering methods in the field.

2.2 Strategic Learning Initiatives (SLIs)

During the last quarter, FIELD-Support continued to work with Core partners to program SLIs using each partner's remaining management funds. SLIs allow core partners to invest resources toward understanding and/or solving a problem of their own choosing within the broader rationale of improving microenterprise development good practices and sharing what has been learned with others. In contrast to FIELD-Support pilots, which tend to have a more directed learning agenda, SLIs represent each partner's own priorities for their particular organization, but have a clear learning output to serve the practitioner community. As of June 31, 2010, eight of ten SLIs had started implementation. See Annex B for a list of SLI's underway and still pending. A more complete update about each of the implementing SLIs will be included in the next quarterly report.

A. ACCION: Energy Links (December 2008 - August 2010)

ACCION proposes to map the household energy sector in Tanzania, both from the consumer side and from the supply side. It will do the same for the microfinance sector, creating a detailed picture that shows the potential connections between these two sectors. At the same time the project will carry out extensive consultation and information sharing among participants in the pro-poor energy and microfinance sectors. This intermediation work will lay the groundwork for an energy sector deepening initiative, i.e. a comprehensive national strategy for involving financial institutions in supporting pro-poor renewable energy. Walking in the footsteps of the first phase of Energy Links, this project will replicate the proven approach of acting as a broker to facilitate the cooperation between energy suppliers and MFIs – but will expand its target: instead of focusing on a single product, it will aim at being comprehensive and providing learning on all existing technologies and devices, as well as linkages with a wide range of energy and finance providers.

The rationale for providing renewable energy to low income households and microenterprises in developing countries includes the need to increase cost-effectiveness of renewable energy sources; support potential health, productivity and quality of life benefits for consumers; and assist developing countries chart a low-carbon development path to sustain economic growth without contributing to global climate change.

In the coming months, ACCION will seek to address bottlenecks to widespread adoption of renewable technologies. As the cost of technology drops and the cost of non-renewable resources rises, new technology-based products that make economic sense for consumers are rapidly entering the market. However, old technologies still linger, creating significant barriers in the marketplace for new technologies. The factors slowing the adoption of new technologies include familiarity of consumers with previous products; existing investments in older technologies; the typical high acquisition/low operating cost profile of technology-intensive products; regulations favoring older technologies; control of market channels by distributors of entrenched technologies; lack of capacity to install and service technology-intensive products; and, the difficulty in attaining the critical mass of installations necessary to support distribution and maintenance networks for new products.

Among the many bottlenecks mentioned above, this project will address to the need for:

- Smooth up-front financing purchases for end users;
- Distribution channels that can reach a critical mass of clients;
- Adaptation of products that make it easy for low income clients to understand, acquire and use them;
- Education and social marketing tools to increase acceptance and understanding of new products by clients.

This project seeks to test the hypothesis that at a national level, the exchange of information about potential clients, energy suppliers (and their products) and financial institutions as well as organized

opportunities for interaction between energy and finance providers can catalyze new project initiatives and lay the groundwork for deepening the entire pro-poor energy sector. Activity impacts, indicators, and lessons learned will be featured in the next quarterly report.

B. ACDI/VOCA: Behavior Change Perspectives on Gender in Value Chain Development

(January – August 2010)

ACDI/VOCA proposes to collaborate with a well-respected consultant specialized in gender issues in enterprise development to create a tool for including gender analysis as an integral part of value chain analysis. The tool will consist of sample question guides, matrices and mapping guides, together with a brief discussion of the importance of gendered value chain analysis and practical advice on how to conduct the analysis. The team will build on work completed under USAID's Greater Access to Trade Expansion (GATE) project as well research by the International Labor Organization, the UK's Institute of Development Studies, the Danish Institute for International Studies and others. This tool will be tested in two different FIELD project locations (possibly Ecuador and Liberia) in order to refine the tool, identify best practices and generate lessons learned—in addition to contributing to the effectiveness of the programs in these two locations. Information gathered will supplement existing research and provide material for a brief FIELD Report that will provide best practice recommendations illustrated with examples from the field.

During the first full quarter of implementation, ACDI/VOCA's Gender team, Ruth Campbell and Hannah Schiff with consultants Cristina Manfre and Jennefer Sebstad, drafted a framework for applying behavior change perspectives when analyzing gender in value changes in preparation for an online consultation April 20-22nd with 44 consultants to gather feedback on the framework and examples from practitioners that could be used to illustrate or refute elements of the framework. Following the webinar, available online at <http://www.microlinks.org/genderinvaluechains>, additional feedback was received from two other experts on gender and behavior change in value chains for inclusion in the framework, currently being refined.

Next quarter, the Gender team will develop a research plan for field testing the framework, and begin making contact with field projects in Ghana and Kenya to organize for field work.

C. ACDI/VOCA: Value Chain Finance Analysis and Financial Product Guides

(January – August 2010)

ACDI/VOCA proposes to develop and field test two tools for practitioners, including a user guide for assessing financial service needs in priority value chains. This tool would be used by practitioners in project design activities. Often designers ask how to expand lending to the small farmers or other small firms within the chain, assuming automatically this is a constraint to Value Chain development. A straightforward tool—a pamphlet which combines concise steps, check lists and decision tree elements, could guide designers through the key questions including:

- What are the key opportunities for expanding sales and upgrading in this value chain?
- What are the key financing requirements to pursue these opportunities?
- What are the key constraints to their delivery?
- Who has the incentives to deliver the services?
- What project interventions are necessary and with whom?

The second tool proposed is an expandable set of two-to three-page “product guides” of value chain finance products, services and alliances to be used by project staff in conjunction with a value chain finance analysis and needs assessment exercise. This tool will complement the work done by FS Share in three ways. The primer focuses on four products, with detailed cases. Our tools section will link products to a value chain map, organizing products around the economic opportunities and transactions that they facilitate. The framework will visibly reinforce the notion that these financial services are tools effective for particular economic purposes. This framework can be expanded as material on new pilots

and applications are identified. Our tool will also increase the number of product guides, in a concise and standardized format that helps practitioners think through whether and how to use a given mechanism, and linking to multiple short case studies. Finally, the tool will be more tied to project learning: it will be used during project design and implementation but also integrated into training and ongoing organizational learning processes.

During the first full quarter of implementation, through a desk survey of current literature on “value chain finance” (VCF) the ACDI/VOCA VCF team conducted a review of existing analysis tools and methodologies which has further refined the scope of the guides which they are developing to respond to what has been seen as a critical gap in the existing literature: a systematic approach to identify specific upgrading opportunities across value chains, determining whether (and to what extent) lack of access to capital is a key constraint, and pairing these identified financing opportunities with a range of possible financial products, interventions, and those actors with the strongest incentives to deliver them. In addition to desk research, an initial mapping of financial products was completed which outlined the first draft of a user guide, and included a draft process for assessing financial service needs within value chains.

The next quarter will involve scaling up activities as the team begins to field test the methodology with the Improved Economic Opportunities for Paraguayans Program. The project has already developed a base knowledge of agricultural value chains and it is ready to initiate financial sector interventions. Geoffrey Chalmers and Alexandra Cech will work with the team to go through the process, to identify specific financing requirements and gaps. They will facilitate a participatory session with staff. Findings from this session will be tested and elaborated upon through key stakeholder interviews. Feedback will be provided by participants, in order to adapt the process and inform more effective, clear and step-by-step guidelines.

D. IRIS Center: Achieving Food Security through Water Security – Evidence from Kenya

(January – August 2010)

Under the FIELD-LWA project, IRIS is implementing a Strategic Learning Initiative (SLI) that is studying the effects on food security of improving access to water through innovative community-based efforts for benefiting vulnerable farm enterprise households in Kenya. The community water project was meant to benefit vulnerable farm enterprise households in Kenya. The study began in March 2010 and expected to be completed by September / October of 2010.

This quarter IRIS conducted fieldwork in Kenya in collaboration with local partner, Kitui Development Centre (KDC). Since 2001, Kitui Development Centre (KDC) has been a registered local non-profit organization operating in the Kitui district in the Eastern province of Kenya. KDC is primarily involved in rural development activities with a focus on poor and vulnerable communities. The KDC started the water project in 2007 as a community-run (and eventually -owned) fee-based water system that aims to provide a clean and easily accessible source of water; provide a basis for small-scale irrigation schemes; and provide a return on investment to the community at large, and especially to households that care for orphans and vulnerable children, and d) create employment at the water kiosks for guardians or parents who care for orphans and vulnerable children in the community. The water project actually began its operations in April 2009.

IRIS Achievements To-Date:

- Developed a mix-methodology approach using qualitative and quantitative tools to gather information;
- Trained 9 Kenyan assistants to conduct focus groups and/or assist with interviewing;
- Conducted field research, including 13 focus groups in the project and comparison area, 10 deep-dive case studies, interviews with local school headmasters, and 22 interviews with agriculture resource suppliers and buyers.

Through this study IRIS will specifically examine:

- Does the KDC project (i.e., the community-based water project involving collective action) facilitate sustainable agricultural production and better food access and intake, and eventually have the potential to reduce need for food aid in the community? If so, how?
- Does the water project contribute to a reduction in loss of productive time due to transactions costs to access water from alternate sources? If so, how are the gains used?
- How long does it take for the project to become financially sustainable and how could it be achieved?
- What factors and processes motivate and facilitate sustenance of the water project in the community?

Learning and Dissemination

IRIS will begin producing a report detailing key lessons learned and best practices in the upcoming quarter based on field research, and plan to conduct an After Hours seminar as well as a brown bag session to disseminate information and gather feedback. In addition to best practices report planned for the second quarter of this activity, IRIS will also produce two Notes from the Field for distribution through FIELD-Support using microLINKS. In the next quarter, IRIS will analyze the data, and prepare the reports mentioned above. We will also present our findings through a brown bag and an After Hours session.



One Participant's Story from IRIS Kenya:

During this activity, IRIS Center interviewed David, a vegetable farmer who is engaged in dairy farming, fishery and poultry farming. Due to increased and debilitating droughts, with the help of IRIS Center, David diversified his activities in 2009 to better manage months without income. Now he is able to rely on other sources of income and uses the water for irrigation purposes. "If I have enough in my home, why should I need to depend on relief food? Another household gets a chance to have that food that I did not take,"

Source: David, 36, Wikililye, Kitui.

E. Opportunity International: Agricultural Finance Development in Malawi and Uganda

(May - August 2010)

Opportunity International is implementing an agriculture finance program that will take a comprehensive view of farming household's needs, production capacity, crop cycles, and revenue potential. This program will also incorporate a large knowledge component that will document all activity and refine a comprehensive rural model that can fully account for the risk and costs at each bank implementing this strategy. As part of this initiative, Opportunity plans to evaluate the effectiveness of strategic partnerships with extension service providers for the agriculture sector, including the impact that these services have on clients. As learning activities are directly tied to experience gained through the implementation of the rural model in Malawi and Uganda, the bulk of our research will be conducted in later periods once agricultural lending activities and data collection are fully in place.

Topics for learning include:

- Studying the effectiveness, challenges and important steps in developing of strategic partnerships between microfinance institutions/banks and extension service providers.
- Identifying the impact of these strategic partnerships on farmer households, such as determining increases in crop productivity or increases in household income.
- Understanding how key value chain interventions might mitigate risk and support the extension of financial services into both the rural and agricultural sectors.
- Discovering critical success factors in delivering financial services in rural areas and agriculturally-dependent households.

Over this reporting period, the activity began implementation in Malawi in earnest through Opportunity International Bank of Malawi (OIBM) with activities scheduled to begin in Uganda through Opportunity Uganda Ltd. (OUL) in the coming months. Both institutions are responsible for implementing their respective activities under the guidance of the Senior Agriculture Advisor and dedicated country-level Agricultural Consultants who drive the development of new strategic partnerships and of agricultural finance products, assist in the implementation mapping and profiling exercises and oversee the installation of Opportunity's Client Relationship Management (CRM) system which will be used to evaluate clients and track the impact of agricultural finance on smallholder farmers.

OI Impact To-Date:

- 2,163 farmers and 3,568 plots profiled and mapped to date at an average cost of \$15.48 per farmer and \$9.70 per plot;
- 7,350 agricultural loans disbursed to smallholder farmers;
- 9 crop profiles developed in Malawi for current partnership crops ;
- 2 agricultural training sessions conducted for Agricultural Finance Country Teams;
- Development of an Agricultural Finance Training Manual for use in all test countries;
- Implementation of CRM system in Malawi

To date, OIBM has staffed an Agricultural Finance Team which consists of three Agricultural Loan Officers, an Agricultural Supervisor and an Agricultural Officer who is responsible for all loan processing and disbursements. Since the end of 2009, OIBM has fully implemented their mapping and profiling exercise for each new farmer in the program, which will continue throughout the life of the initiative. Through this exercise, loan officers have already improved the loan assessment process because they have a better understanding of the necessary production inputs and appropriate loan sizes for each individual plot and planned crops. With the development, installation and roll-out of Opportunity's CRM system in June 2010, OIBM is now able to upload all maps and client information into a central place that can be accessed through any device with an internet connection, courtesy of this cloud-computing program. Finally, OIBM continues to develop strategic partnerships and now is engaged with farmers who grow a number of crops including sugar, paprika, bird's eye chilies, tobacco, tea, maize, seed maize, soya beans and groundnuts through nine different strategic partnerships in Malawi.

Learning and Next Steps

To date, OIBM's most valuable lesson is that proper due diligence during loan processing (both during the approvals process and with on-going management of the loan), conducting crop profiles and collecting relevant documentation is extremely important and cannot be understated. Additionally, the bank has found that by disbursing crop specific loans - along with the necessary inputs linked to an expected output - they are able to significantly mitigate risks. Also, it is critically important to build the agricultural portfolio on partnerships and smallholder farmers associations that use Good Agricultural Practice (GAP) models. Therefore, the bank must ensure that only qualified agriculturally trained personnel manage these loans and that all loans are approved through the established and approved procedures.

Next quarter, OI plans to begin testing the Agricultural Finance program in Uganda which will include the purchase of new GPRS devices and conducting



Above: Group shot of all participants of Agricultural Finance Training held in Lilongwe, Malawi, June 15-18th.

Source: Eric Meyer, OI Network

training with agricultural loan officers in how to map and profile smallholder farmer and plots as part of the lending process. In addition, OI will lay the groundwork for CRM installation in Uganda which will further improve client assessment and data capturing activities as it is now doing in Malawi.

In both countries, the Agricultural Finance Teams will work to develop additional strategic partnerships, increase agricultural lending activities, and document their successes, challenges and lessons learned along the way. Once the activity is fully underway in both Malawi and Uganda, OI will be in a good position to start answering the questions outlined above (and in the project concept) with formal papers and events to follow in future project periods.

F. WOCCU: Exploring the potential of Online Matched Savings to Bring the Unbanked Poor into the Financial Sector

(May 2010 – January 2011)

WOCCU proposes to work with a public relations consultant, information technology (IT) consultant and field researcher to train WOCCU's staff on developing new online marketing strategies, increasing efficiencies and documenting implementation for the Match Savings program. To date WOCCU has worked with a PR consultant to finalize various strategies for increasing visibility and has hired a limited-term employee to focus on MatchSavings.org promotions and testing. Further analysis of the effectiveness of the specific approaches highlighted below will be evaluated in the next quarter. Significant activity this quarter include increased use of social media outlets, including Twitter, Facebook and YouTube to raise visibility, with daily "tweets," followers increased from 39 to 99 in one month. Similarly, Facebook "fans/likes" increased from 127 to 162 in the same period. Additionally, WOCCU began testing various approaches to keep "matchers" engaged, including videos from the field, a monthly newsletter and upgrading the website to enable matchers to give monthly, share "saver" stories with their contacts and search for "tributes."

MatchSavings Progress To-Date:

- An additional 285 savers joined the program this quarter, totaling 545 participants;
- 140 savers in Phase II have received matching grants – more than twice number of savers in Phase I;
- 258 savers from 13 communities have received their savings matches;
- \$1,564 raised from individual consumers through www.MatchSavings.org ;
- \$25,111 in private funds has been generated for program matches;
- Since the website's inception, more than 8,000 people have visited www.MatchSavings.org nearly 12,000 times.

This quarter, WOCCU added a second local partner, Caja Zongolica, in May 2010. The WOCCU Mexico program, funded by the Mexican Ministry of Agriculture, Livestock, Rural Development, Fishing and Food (SAGARPA), works with local credit unions to implement the MatchSavings.org program (known as "*Apoyo Semilla*" in Mexico) in poor rural communities. Caja Yanga credit union and Caja Zongolica credit union (added in May) are administering the program, forming the MatchSavings.org groups, collecting monthly savings and distributing the matches.

Lessons Learned and Next Steps

WOCCU continues to document lessons related to the sustainability of funding and program implementation. With a limited-term employee now dedicated to raising the visibility of MatchSavings.org, website traffic, and Facebook and Twitter followers have significantly increased, though increasing the volume of matches through MatchSavings.org continues to be a challenge. The rented e-mail lists proved to be unsuccessful, with relatively insignificant click-through rates and no up-tick in donations or newsletter sign-ups. WOCCU plans to test additional communication tactics in the next quarter to identify what gains are possible.

With respect to implementation, the team has found it crucial to be present during the match deliveries to monitor the distributions. At the distributions, WOCCU works to verify saver accounts and account balances, process contracts with the credit union and between the credit union and savers and the coordination of the match deliveries. Findings indicate that efficiency could be improved at the credit union level by utilizing simple merge features in Microsoft Office to streamline the preparation of forms used for the match delivery (one branch office had completed them by hand).



María Bernhardina, 18, joined MatchSavings.org program to help pay for school fees. She said she plans to work full time this summer and continue saving so that she can enroll in university classes in the fall. The oldest of six, she'll be the first from her family to go to college. Source: Jennifer Berhardt, WOCCU Madison

Notably this quarter WOCCU produced a Note from the Field that was uploaded to microLINKS in June and featured in FIELD-Support's e-bulletin in July 2010. Also, a short video documenting the match savings distribution process was uploaded to MatchSavings.org's YouTube channel, viewed here: <http://www.youtube.com/MatchSavings>.

In the next quarter WOCCU plans to develop and market a blog on www.MatchSavings.org that will detail program updates and provide more in-depth information on the program. Registered matchers will also begin receiving monthly e-newsletters in July. Together with the media consultant, WOCCU will pitch MatchSavings.org to at least 45 media outlets to help raise the local and national visibility of program, explore strategic partnerships for cross promotion and secure sustainable funding for MatchSavings.org, which continues to be our main challenge. Additionally, WOCCU will train and monitor Caja Zongolica credit union, the newest MatchSavings.org partner, as well as Caja Yanga branches implementing the program and document the transfer of the methodology from one credit union to the other. WOCCU will make a monitoring trip to both institutions in July, when savers make their third of six deposits.

2.3 Design/Assessments

A. USAID/Macedonia

At the request of the USAID mission in Macedonia, in March 2010, AED led a rapid study of the SME support structure in Macedonia. The study was undertaken by a six-person team of enterprise development professionals (led by Paul Bundick) and carried out in close collaboration with USAID staff from both the Economic Growth and Education teams. The scope of work, carried out in March and April of 2010, for the study includes three stages. First was the field assessment, during which the team conducted an in-depth analysis of organizations that provide support to SMEs in Macedonia and identify opportunities for improvement of their performance. This analysis included existing business support organizations, consulting firms, incubators, and relevant government and donor programs. Second, based on these findings, the team assessed the "relevance and validity" of the three already formulated objectives for USAID's proposed "Entrepreneurship Project." Lastly once the project objectives were validated, the team was tasked with developing a project design to achieve these objectives in pursuit of the overall purpose to create significant numbers of new jobs through microenterprise and SME start-ups and expansions. The draft report providing a summary of the team's findings and recommendations was submitted to USAID/Macedonia for initial review in April 2010, and a revised draft was submitted in July 2010.

B. USAID/Panama

A recent assessment by USAID on competitiveness in Panama found that while Panama is clearly competitive in the financial, logistics and tourism sectors, the rural sector continues to lag and exhibit substantial income inequalities. There is a growing body of literature and experience on social inclusion

that shows that this kind of exclusion takes an economic toll, and those policies that promote social inclusion result in greater competitiveness and economic growth and development at the company—and eventually—country level. In early March, FIELD-Support received a scope of work from USAID/Panama review background information on previous microfinance studies done by UNDP and Red Panameña de Microfinanzas (REPAMIF), conduct a quick assessment of current microfinance situation in Panama; and design a new microfinance program for the Mission that addresses how to increase the flow of commercially viable financial products and services to microenterprises and productive micro and small enterprises in value chains, and to increase and broaden the participation of poor Panamanians in competitive value chains. The assessment was led by AED consultants Robert Vogel and Madeleine Gonzalez. The initial assessment was submitted in April 2010, and a revised report was submitted in June 2010.

C. USAID/Rwanda

Also in March, USAID/Rwanda issued a request for a design team to develop a Program Description that included:

- validation of USAID's approach to integrating the provision of financial services, literacy and numeracy training, business development services, agricultural extension services, and health/nutrition education for the target population;
- addressed the supply of financial services, developing options for USAID to collaborate with the DFID-support Access to Finance Rwanda (AFR) program;
- minimally addressed the policy environment, examining the extent to which GOR attitudes and policies toward informal financial institutions (savings clubs, tontines supported by CARE and other NGOs, etc.) and the GOR's recent roll-out of Savings and Credit Cooperatives (SACCOs) might affect the success of the proposed program; and
- building on USAID/Rwanda's recent analysis of the very poor, recommend geographic targets for the program.

Led by AED, with CARE, Opportunity International and WOCCU, the design team submitted its initial report in May, and a revised report in June 2010.

2.4 Other Leader Activities

A. African Diaspora Marketplace (ADM)

(April 2009 - September 2011)

The African Diaspora Marketplace (ADM) is a business plan competition program funded out of the FIELD-Support Leader that was designed to support the entrepreneurial spirit and resources of the U.S.-based African diaspora community to promote economic development in Sub-Saharan Africa by facilitating diaspora direct investment (DDI) in viable small and medium enterprises (SMEs). Specifically, the ADM will become the catalyst for job creation, income generation and the delivery of vital goods and services by providing matching grants to African diaspora members working in partnership with African-based enterprises and/or entrepreneurs. Sponsored by USAID and Western Union Company, the ADM was launched in response to the diaspora's significant and growing contribution to Sub-Saharan Africa's development.

As of June 2010, all 14 winners of the African Diaspora Marketplace (ADM) have received the first disbursement of the grants awarded earlier this year. The funds distributed represent 60% of the total grant provided by the USAID and

ADM Achievements to Date

- ADM Event held in AED's Academy Hall in Washington, D.C. on January 12, 2010;
- 14 winners from 7 countries were chosen from 57 competing finalists;
- A Winners Orientation was held on January 13th to familiarize grantees with USAID procedures and discuss next steps;
- Stipends were distributed to the 43 non-winning attendees to offset costs associated with attending the event;
- An Initial Environmental Examination (IEE) was completed by AED for all 14 winners.

Western Union jointly- funded ADM. The remaining funds (40%) will be released when the individual ADM businesses reach certain requirements agreed upon by the AED and the grantees. These requirements include site visits, financial documentation and certain milestones tailored to each project.

Additional activities this quarter included submission of the Initial Environmental Examination (IEE), which was accepted and signed on May 24. Grant agreements were signed by AED and the ADM businesses late in May/early June. These 14 winning businesses (grantees) represent the best of 733 applicants the ADM received in 2009. In January 2010, the top 60 finalists participated in the ADM event in Washington and AED headquarters were the finalists were narrowed to a list of the aforementioned 14 winning businesses. The entire list of winners is available online at www.diasporamarketplace.org.

2.5 Knowledge Management and Learning Dissemination

As FIELD-Support approaches the end of its fifth year, the Learning Agenda for FIELD-Support continues to look for ways to consolidate the gains that have been made to date and foster more strategic, targeted dissemination of the project's broad range of activities. At the core of the FIELD-Support KM strategy is strong internal and external communications in order to build a reliable platform for information dissemination and exchange that will ultimately improve the state-of-the-practice of microfinance and microenterprise development. Some of the key ways the Knowledge management (KM) component of the project is doing so are described here.

A. Internal Communications

The KM team continues to draft and disseminate its monthly **e-bulletin** with brief activity updates. The e-bulletin is distributed directly via email to more than 100 FIELD-Support implementing partner representatives. Email trackers indicate that primary recipients then typically forward each issue to an **additional 100 people**.

B. External Communications

In coordination with the QED Group's efforts to redesign the microLINKS platform, AED continued its efforts to ensure that all FIELD-Support products, including reports, white papers, case studies, videos, podcasts, manuals, guidelines, success stories, etc., are centrally filed and indexed. In line with USAID's mandate, this process now also includes that all public products comply with Section 508 to ensure that they are accessible to the visually disabled or hearing impaired.

During the last quarter, FIELD-Support issued the following new learning products and web updates regarding project activities:

- **FIELD-Report #7** entitled "Sustained Market Access for Subsistence Farmers in Bolivia"
- **FIELD-Brief #7** entitled "Non-Profit MFI's Consider Commercialization"
- **ARIES Project Histories:** A series of Briefs produced by each implementing partner: MISFA, WOCCU and FINCA-Afghanistan, were released about the ARIES project which outlined the key challenges faced, adjustments made, and lessons learned while operating in Afghanistan between 2005 and 2009.
- Two new **Energy Links Podcasts:** "Dipal Barua, Bright Green Energy Foundation" and "Solar Lamp Entrepreneur Leonida Bironga and Western Kenya's Lamp Owners," features interviews recorded in the Nyanza Province of Western Kenya, with savings group members who have purchased solar lamps.

All of FIELD-Support's learning products are available online at www.microlinks.org/field

In addition, FIELD-Support hosted/participated in three learning events:

- May 26, 2010: The William Davidson Institute's (WDI) Dr. Ted London and Dr. Ravi Anupindi led a presentation about "Comparing Donor-Driven Value Chain Programs and Enterprise-led Initiatives."

- May 27, 2010: Mahawa Wheeler, Chief of Party (COP) of the Agriculture for Children's Empowerment (ACE) project in Liberia, which is implemented by ACIDI/VOCA under STRIVE led a **Breakfast Series** presentation on: "First-time Buyers: Facilitating Integration of the Very Poor into Emerging Commercial Value Chains in Liberia"
- June 17, 2010: Judy Payne, (USAID/AFR/SD/EGEA ICT Advisor); Shaun Ferris and Andrew Sergeant (ACDI/VOCA Consultants); and Mark Davies (Esoko) led a Webinar under FACET entitled "Designing Scalable and Sustainable Market Information Services for Grain Markets in Malawi" on sustainable and scalable approaches to address market information constraints.

In the next quarter, two more microLINKS events are on the schedule:

- July 2010: A **microLINKS After Hours** with HIFIVE's Chief of Party Greta Greathouse who speaks about: "Rebuilding Haiti: The Critical Role of MFIs and Credit Unions"
- August 2010: a **microLINKS After Hours** with ESAF's Chief of Party Timothy Nourse who speaks about "Commercialization Amid Conflict: Microfinance Sector Development in the West Bank and Gaza"

In line with the KM team's commitment to leveraging existing networks in order to optimize dissemination, FIELD-Support content was highlighted this quarter in:

- Connections: microLINKS month newsletter:
 - Financing Water for Productive Use: results and lessons learned from a pilot project by CARE Peru
 - SEEP Network Minimum Standards Training in Washington, DC
 - Liquidity Constraints and Impending Rains Challenge Haiti's Microfinance Sector
 - Ecuadorian Entrepreneurs' Passion and Education Lead to PRODEL II
 - Note from Bolivia: Expanding Market Opportunities for a Rural Microenterprise
 - Credit Unions Worldwide Step Up to Help Haitian Credit Unions Rebuild
 - New FIELD Report: Sustained Market Access for Subsistence Farmers in Bolivia
 - Non-Profit MFIs Consider Commercialization in West Bank/Gaza
- The SEEP Members Only Quarterly Connector and Monthly Networker:
 - Standards for Economic Recovery after Crisis
 - Strengthening a Private-Sector Foundation for Rural Finance: Key Lessons from Afghanistan
 - ARIES an Interview with Don Henry
 - SEEP Practitioner-Learning Programs (PLPs): Rural Agricultural Finance and Food Security PLP; Minimum Standards for Economic Recovery after Crisis; and Youth Financial Services.
- Zunia.org (Development Gateway):
 - Providing Broad-based Services for Market-Driven Rural Finance in Afghanistan
 - Establishing Sustainable Market Access for Subsistence Farmers in Bolivia
 - FIELD Brief: Non-profit Microfinance Institutions in the West Bank and Gaza Consider Commercialization

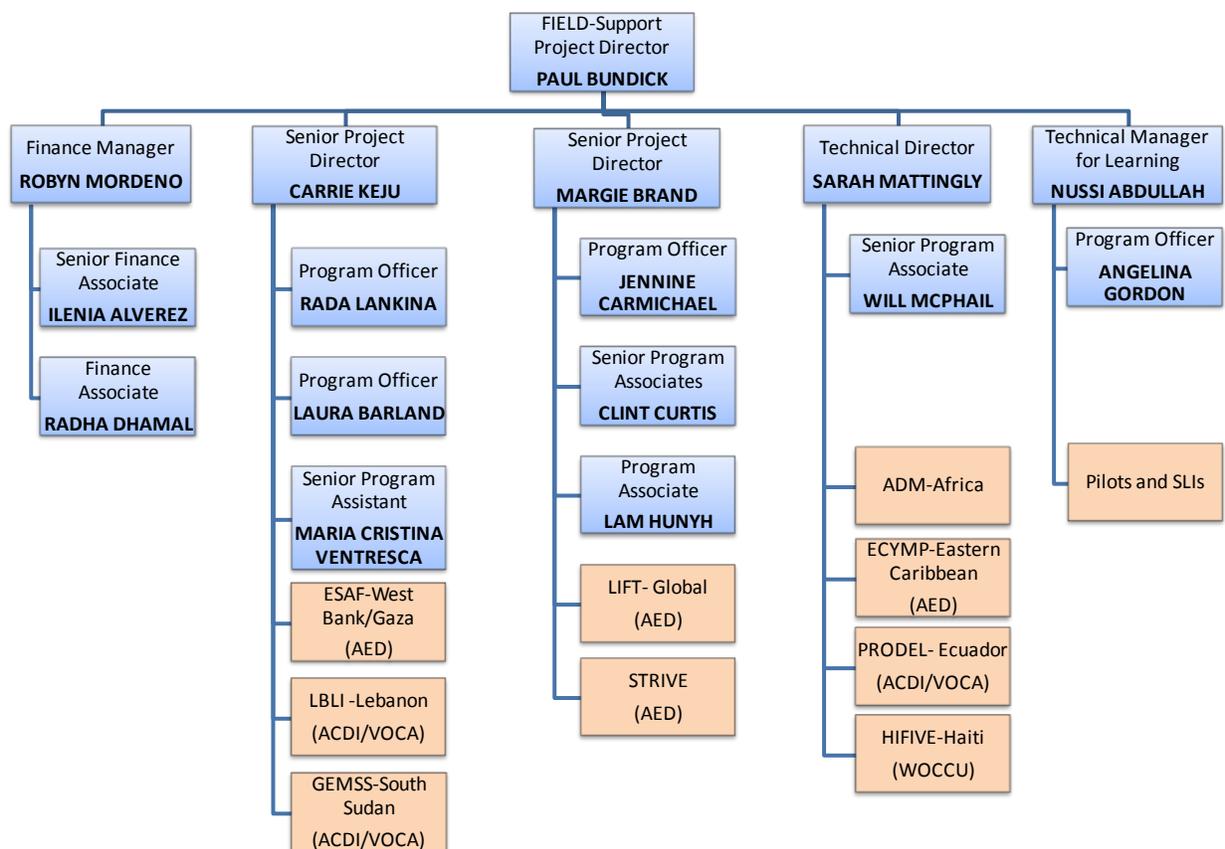
In addition, the KM team continues to provide targeted support to FIELD-Support Associate Awards in strengthening their learning agendas. In June 2010, Technical Manager for microenterprise learning, Nussi Abdullah, spent two weeks in the West Bank with the ESAF team to develop a Communications and Learning Dissemination Strategy and Guide. The outcome of this TDY includes the development of an "ESAF Knowledge Series" described below and a plan for the program's consortium to develop learning products on a regular basis. By the end of June, the following products had been developed and are available on the microLINKS website:

- **ESAF Voices from the Field:**
 - "Building Hope for Marginalized Workers in Palestine"
 - "From Tennessee to Jerusalem: Investing in the Future"
 - "Cementing" the Path to Sustained Economic Growth"
 - "Exponential Growth for a Small Business in Jenin"
 - "Growing Opportunities with Greenhouses in Jenin"

- “Investing in Palestinian Small- and Medium Enterprises”
- **ESAF Fact Sheets:**
 - “ESAF and Economic Recovery in the Gaza Strip”
 - “ESAF and the Insurance Sector”
 - “ESAF and the Palestine Investment Partners”
- **ESAF Briefs:**
 - “Developing a National Policy Framework for the Microfinance Sector in Palestine” (still in draft)
- **ESAF Reports:**
 - “Managing Risk in the West Bank: A Review of Supply and Demand for Microinsurance” by Microfinance Opportunities
 - “Savings Demand Market Research Study: West Bank and Gaza” by MEDA and Shorebank International
 - “Review of the Current State of Practice of Consumer Protection and Financial Literacy for Financial Services in the West Bank” by Development Innovations Group

2.6 Staffing Updates

The current staffing list for the FIELD-Support AED staff can be found in the chart below:



3 Associate Awards

3.1 ECYMP (Eastern Caribbean)

(May 2010 – November 2011)

In April 2010, AED was awarded the **Eastern Caribbean Youth Microenterprise Program (ECYMP)**, an 18-month Associate Award to accelerate the creation of sustainable livelihood and self-employment opportunities for vulnerable youth (ages 18-24). ECYMP is designed to strengthen local youth-serving institutions to better support the establishment of small and micro businesses by and for youth in Barbados and six OECS countries: St. Kitts & Nevis, Antigua & Barbuda, Dominica, St. Lucia, Grenada, St. Vincent & the Grenadines. At its core, ECYMP develops partnerships with local youth-serving organizations and the private sector, and applies proven, evidence-based and market-driven approaches to improve livelihood opportunities for young people.

During the last quarter, ECYMP launched its operations in Barbados, a new location for AED, hiring local staff and establishing a project presence in country. In addition, the project launched two main sets of activities that serve as a foundation for the overall program:

- 1) An assessment of the Junior Achievement (JA) program in the region;
- 2) Participatory youth market opportunity assessments, led by partner Ecoventures International.

Under the first set of activities, ECYMP mobilized a consultant to assess key components of the JA program and make recommendations on strengthening JA in the OECS. The assessment served to gather data on the status of current JA programming in the OECS countries, which can be used by USAID for input for future programming decisions. The report, which will be finalized in the following quarter, will outline the areas of weakness and resource deficiencies and present recommendations on the needs required to strengthen and sustain JA programs in the OECS countries.

Under the second set of activities, EcoVentures International employed a participatory methodology to conduct comprehensive youth market opportunity assessments in Barbados and Dominica. The methodology supports local institutions to design and deliver market-oriented youth entrepreneurship programs, designing and conducting a comprehensive youth market opportunity assessment with the following objectives:

- to map existing youth enterprise development efforts and opportunities,
- to assess the local capacity of systems to support youth;
- to assist local youth-serving organizations to better understand the economic opportunities that can support youth; and
- to identify the economic sectors that can create the greatest opportunities for young entrepreneurs.

During the next quarter, ECYMP will build on the assessment to provide multiple avenues of support for local organizations. Partner EcoVentures International will design and facilitate a range of capacity-building activities around the market development components of the project as a core part of the sustainability and replication strategy: joint market assessment planning workshops; collaborative youth market opportunity assessments; market-based program design workshops; one-on-one technical assistance to support the implementation of market-based programs; and training of trainers on market-relevant microenterprise curricula.

3.2 ESAF (West Bank & Gaza)

(September 2008 – September 2011)

The **Expanded and Sustained Access to Financial Services (ESAF)** project supports USAID's goal of developing a modern, high wage, high value-added private sector in the West Bank and Gaza by improving access to financial services, especially credit. In September 2009, USAID awarded an

additional \$13 million for expanded assistance in the Gaza sector where many microenterprises have struggled due to recent conflict.

Through a variety of interventions, ESAF addresses identified weaknesses in the financial system at the consumer, institution, and enabling and regulatory environment level. Interventions include improving consumer protection practices, technical assistance on commercial bank downscaling, support for the development of the land registry system and advice to the Palestinian Capital Markets Authority (PCMA), among other initiatives. In the Gaza Strip, a new geographic area for ESAF in year two, the approach is to extend existing partners' activities into Gaza when feasible and appropriate, as well as to add new activities that respond to the particular challenges of the Gaza context by linking humanitarian livelihoods activities to financial services. These activities will lead to the sustainable expansion of services to at least 38,000 households over the three-year life of the program.

ESAF Achievements At-a-Glance:

- 3,178 jobs have been created;
- 2,203 clients have been provided with financial or enterprise development services;
- 21 workshops have been held, for a total of 2,499 hours of training;
- \$18.8 million in loans have been disbursed from financial institution partners.

Key Achievements and Activities

The program also includes the Palestinian Investment Partners component, a fixed capital financing mechanism that will fund Small and Medium Enterprise (SME) equipment upgrades, assist with creation of joint ventures and technology transfer as well as facilitate other forms of capital inflow to profitable businesses that can expand immediately and provide expanded economic activity and sustainable jobs. Investments will generally be directed towards key value chains, leading to the creation of at least 800 jobs and numerous forward and backward linkages to MSMEs.

Highlighted activities during this quarter include:

Households and Enterprises Capacity Building

- AED sponsored a study to assess the extent of public awareness about the banking sector and the benefits received from banks and the Palestinian Monetary Authority (PMA). Findings will inform the national consumer awareness and financial literacy campaign that ESAF has launched, in coordination with the PMA, Palestinian Capital Markets Authority (PCMA), Association of Banks in Palestine, and Palestinian Insurance Federation. Media campaign tools and their design have been finalized during the quarter.
- The CHF Loan Guarantee Fund (LGF) initiated its Small and Medium Enterprise (SME) Accounting Advisory Services program, after gaining buy-in from partner banks and signing contracts with three accounting firms. Six SME engagements began, with the twin goals of improving the financial data submitted by SMEs at the time of seeking a loan, as well as improving the accounting practices within the SME over the next year.
- CARE delivered a Finance and Credit training to 670 agricultural livelihoods beneficiaries in Gaza, informing them about such issues as basic savings and budgeting strategies, separating household and business expenses, and microfinance products and services available to them in Gaza.
- As part of the two-stage Microenterprise Grants activity in Gaza, AED disbursed over \$118,000 in first and second stage grant funds to 301 defaulted micro-entrepreneurs who have agreed to rebuild their businesses and repay their loans. At quarter end, grant agreements had been signed with 476 beneficiaries. Around 70% of beneficiaries are women.
- AED, in partnership with ShoreBank and Save the Children, launched an Individual Development Accounts matched savings activity in Gaza, which will benefit over 4,000 young adult savers by providing a 2/3 match on their savings over a one year period, up to an individual limit of approximately US\$275 in matching funds. Contracts were signed with Palestine Commercial Bank and Al Quds Bank, both of which receive technical assistance from ShoreBank on savings

mobilization, to open accounts for the participants and manage a combined total of \$1.1 million in grant funds.

Institutional Strengthening

- The Bank of Palestine, which has the most extensive branch network in the country, launched its microfinance unit and a microfinance loan product, following months of intensive technical support and training from ShoreBank. By the end of the quarter, the unit accrued 12 loans on its pipeline.
- ShoreBank provided expert technical assistance (TA) on human resources (HR) management to all four MFI partners: FATEN, Reef, CHF Ryada, and Asala. A variety of other TA was also provided to one or more MFIs, including management coaching and training on loan officer efficiency and use of technology.
- CHF Loan Guarantee Fund – Technical Assistance and Training (LGF-TAT) processed 57 loans, and approved 40 with a total value of \$6.5 million. LGF-TAT has now processed a cumulative total of 414 loans, already surpassing its Year Two volume target of 250.
- CHF LGF – TAT delivered two-day annual workshops to five of seven active partner banks, and conducted 233 on-the-job (OJT) training sessions with loan officers at both branch and regional levels. Gaza activities were also launched with the hiring of staff and initiation of OJT.
- ESAF facilitated the first two commercial loans in Palestine to MFIs through encouragement, information sharing with the guarantee manager (CHF), and TA to the Bank of Palestine on loan analysis from LGF – TAT.
- AED sponsored a Poverty Assessment of microenterprise beneficiaries in the West Bank, contracting a local consulting firm to carry out the survey. The key finding was that levels of poverty outreach are quite low (on average, 11% and no greater than 18% of clients are below the national poverty line) for the industry. A report was submitted to AED at the end of June, which will be developed into a digestible piece to be shared with local and international stakeholders during the next quarter.

Enhancing the Enabling and Regulatory Environment

- WDI successfully concluded two faculty exchange activities:
- Dr. Mohammed Bader, Assistant Professor of Finance at the Al Quds University, successfully completed a four-month program at the Stephen M. Ross School of Business at the University of Michigan. The four-month program had him audit auditing seven finance courses, meeting with designated mentors, attend various on-campus events and lectures, and develop a strong teaching and research plan upon return. In September, he will assume the chairmanship of the Finance Department, providing an immediate opportunity to apply the knowledge and experience gained through the program.
- Visiting Scholar Dr. Mahmoud Haddad finished a semester of teaching at Al Quds University. He taught two finance courses, supervised a master's thesis, and delivered monthly faculty seminars and public lectures, among other activities. As interim chairman of the Finance Department, he facilitated changes in the design of both curriculum and courses.
- At the PIFBS, seven Training of Trainers courses were delivered by the Arab Academy for Financial and Banking Studies to build the capacity of Palestinian trainers in the financial sector. In addition, two SME lending diploma courses are now complete.



Above: Members of the Palestine Insurance Federation take questions during the conference held in Palestine, June 29-30th.

Source: ESAF Staff

- The SEEP Network assessed the capacity of industry associations Sharakeh (the Palestinian microfinance network) and the Palestinian Insurance Federation using the Network Capacity Assessment Tool. A final report was submitted to Sharakeh and PIF, which will inform AED's coming support to both institutions.
- With ESAF support, the PIF organized the First Palestinian National Insurance Conference, which brought together 250 participants to discuss a range of insurance topics over two days.
- WDI organized seventeen PCMA staff training trips to six countries, in fields including administration, strategic planning, insurance, and securities. Two PCMA representatives including CEO Abeer Odeh visited Washington, D.C. to attend the SEC's 20th International Institute for Securities Market Development from April 19-29th.

Fixed Capital Financing

- AED's Palestinian Investment Partners (PIP) signed grant agreements with seven companies: Al-Salwa (food products), Neiroukh (metallic scales and equipment), Al-Amaah (mill), Sami Al-Amer (trading), Fleifel (textiles), Al-Haj Basheir (carpentry), Jala (food products), and Al-Arz (ice-cream).
- PIP disbursed about US\$3 million in grant funds to a variety of grantees.

Learning

AED launched the ESAF Knowledge Series, a set of tools that will assist AED and partners to strategically collect and disseminate learning during Years Two and Three (see page 28 above).

3.3 FACET (Africa)

(October 2009 – September 2011)

The **Fostering Agriculture Competitiveness Employing Information and Communication Technologies (FACET)** associate award helps USAID Africa Missions improve competitiveness and productivity across the agriculture sub-sectors through the use of ICTs. The organization of best practices and successes in the areas of agriculture and information communications technology (ICT) has been ongoing since November in accordance with the key thematic areas outlined by the FACET AOTR: market information systems, supply chains, index insurance, farm extensions, m-payments, and commodity exchanges.

This quarter, the FACET team received feedback from USAID CTOR Judy Payne on five of six briefing papers, and began sharing feedback with the resource team members responsible for each respective paper. It is anticipated that all briefing papers will be completed and ready for dissemination in the coming quarter.

Other activities this quarter included one short term technical assistance trip to USAID/Malawi's Market Linkages Initiative (MLI) between April 29th and May 6th with a focus on assisting MLI to select a sound approach for supporting market information systems in Malawi, and helping two local commodity exchanges (MACE and ACE) develop an integrated ICT strategy. Additionally, the FACET team hosted a webinar on June 17th focusing on the findings from the above trip, including an early phase analysis of how the MLI project is identifying ways to integrate commercial services into a grain marketing project. Eighteen individuals joined the webinar, including the presenters, and the final report for the STTA was submitted to USAID on June 25th.

Over the next two quarters, the FACET team will successfully finalize the overview and five additional briefing papers, and begin distribution to USAID missions, USAID AG/EG staff, and other relevant implementing partners. FACET also anticipates that STTA will begin in the 3rd quarter, with at least one trip and the potential for several more in the fourth quarter as missions begin to learn more about the topics covered in the briefing papers.

3.4 GEMSS (South Sudan)

(December 2008 – September 2011)

The purpose of the **Generating Economic Development through Microfinance in Southern Sudan (GEMSS)** associate award is to build the foundation of an inclusive financial sector in Southern Sudan that provides poor entrepreneurs and households with permanent access to a range of financial services delivered by a number of MFIs. In-country implementation for this award was launched in early December 2008 and is being led by FIELD-Support partner ACDI/VOCA.

During the reporting period, the GEMSS COP met with MicroSave about product development for MFI Finance Sudan and subsequently facilitated a meeting between Finance Sudan and MicroSave. These two organizations will jointly develop a scope of work for product development, which they will propose for support to GEMSS.

After extensive discussions regarding the Microfinance Association of Southern Sudan (MASS) grant request, GEMSS COP met with MASS officials to discuss the approved FOG, expected milestones, the conference (scheduled for July) and strategic planning workshop. GEMSS finalized the grant for the Microfinance Association of Southern Sudan (MASS).

Additionally, MFI SUMI successfully held its two day Annual General Meeting (AGM). USAID made a presentation on the first day of the meeting and highlighted the Mission's interest in seeing SUMI succeed. On the second day of the meeting, SUMI's General Assembly elected a new Board of Directors. Two members of the old board were retained for continuity and in conformity with the SUMI constitution. The GEMSS COP, the AOTR and Mr. Howell met with the SUMI CEO to discuss SUMI's funding needs following the successful AGM and the appointment of a new Board. SUMI is currently auditing its portfolio with a view to determining the current portfolio level given discrepancies in the financial reports. The COP offered SUMI technical assistance to conclude this assignment as soon as possible, and before any further grant support can be provided. It was agreed that GEMSS will hire local consultants to assist in this verification exercise. The CEO was asked to write a scope of work (SOW) and submit that with a request for support to GEMSS. USAID informed GEMSS that USAID will send Ms. Carissa Page from the EGAT bureau in Washington, D.C. to conduct an independent assessment of SUMI in July and advise USAID on the feasibility of further assistance to the MFI.

In the next quarter, major GEMSS activities will include organizing the Southern Sudan Microfinance Conference, providing support to MASS and the Forum in activities to institutionalize both organizations, potentially to include business plan development, and conducting a pre award assessment of the Sudan Microfinance Institution (SUMI), pending USAID approval of GEMSS moving forward with operational support to the institution.

3.5 HIFIVE (Haiti)

(June 2009 – May 2012)

The **Haiti Integrated Finance for Value Chains and Enterprises (HIFIVE)** Project was launched in 2009 by USAID to promote economic growth and job creation, especially in the rural areas of Haiti. After a successful launch and productive first quarter, program activities were affected by the earthquake which struck on Tuesday, January 12, 2010. We are grateful to report, however, that the entire HIFIVE staff has been accounted for and have resumed program activity in two local offices.

During this quarter several main post-earthquake activities resumed including the HIFIVE Earthquake Recovery and Stabilization Grant program and the WOCCU Recovery Fund. The HIFIVE Earthquake Recovery and Stabilization Grant program offers MFIs the opportunity to apply for grants to rebuild, relocate and train new staff for branches affected by the January 12th disaster. The WOCCU Recovery Fund mainly focused on providing temporary housing to local credit union staff in order to get them working again in an effort to service their communities by providing the financial opportunities

necessary to rebuild. Also, HIFIVE re-launched its business plan competition during the quarter and has continued to work with local credit unions to offer financial products to those in need.

In June 2010, the Bill & Melinda Gates Foundation, in partnership with USAID, established a \$10 million incentive fund to jumpstart financial services by mobile phone in Haiti and expedite the delivery of cash assistance to victims of the country's devastating earthquake by humanitarian agencies. The initiative, which is a separate grant that operates in synch with HIFIVE, will be managed by AED-ARTS and lays the foundation for advanced banking services that could help millions of Haitians lift themselves out of extreme poverty. The fund will offer cash awards to companies that initiate mobile financial services in Haiti. The first company to launch a mobile money service that meets certain criteria in the next six months will receive \$2.5 million. The second operator to launch and reach these benchmarks within 12 months will receive \$1.5 million. Another \$6 million will be awarded as the first 5 million transactions take place, divided accordingly between those operators that contributed to the total number of transactions.

HIFIVE Achievements At-a-Glance:

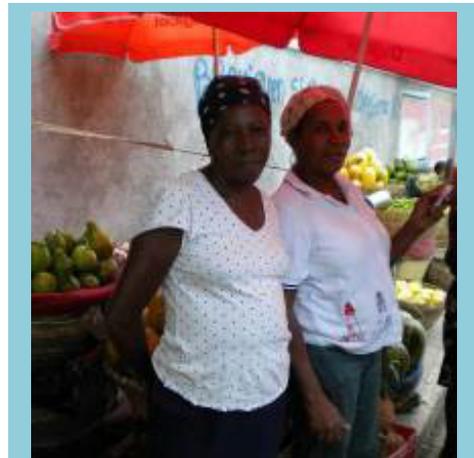
- Over \$1,000,000 raised by the WOCCU Recovery Fund mostly to benefit local credit union employees in the form of temporary housing
- 374 entries were accepted into the business plan competition;
- 200 mango farmers (as well as 1,000 family members) benefited by new micro-loan product "Kredi Mang;"
- \$18.8 million in loans have been disbursed from financial institution partners.
- AED-ARTS received a separate grant of \$14,698,635 from the Bill & Melinda Gates Foundation to work on incentivizing and growing mobile banking services in Haiti that synch with HIFIVE objectives.

Learning and Next Steps

A primary lesson learned this quarter includes understanding that stabilizing local credit union employees by providing them with temporary housing and providing funding to rebuild the actual credit unions in order to get them fully operational was the most effective way to rebuild communities. To that end, HIFIVE has continued to work with dozens of credit unions throughout Haiti to help stabilize communities. Also working with banks and MFIs has been most effective as a channel to distribute funds.

In the upcoming quarters, as the number of communities with working credit unions continues to grow after the January 12th disaster, HIFIVE expects to offer additional products to families in most need. One example of this was HIFIVE's partnership with Haitian owned and operated Alternative Insurance Company (AIC) who offered an innovation funeral micro-insurance. HIFIVE was able to provide a grant to AIC that used the funds to rebuild their Leogane branch and to train new personnel to sell the product. There will be many more stories like this over the next quarter as the country rebuilds.

The HIFIVE project and work in general in Haiti will face many challenges over the next quarter. The rebuilding of the capital and surrounding environs will be of greatest importance and will also hinder the project as priorities have certainly been shifted in 2010. HIFIVE will continue to fund the reconstruction of credit unions and address HR concerns as well. The Gates mobile banking initiative will build in momentum and be adapted to the financial landscape as an ITC component of the project.



Above: Madam Emanise uses her cell phone as a business tool with hope that her business will benefit from the Mobile Banking Initiative.

Source: HIFIVE Staff

3.6 LBLI (Lebanon)

(August 2008 – August 2010)

The **Lebanon Business Linkages Initiative (LBLI)** is a key component of the USAID Economic Development Strategy for the Government of Lebanon (GOL). This two-year, \$5 million program, is addressing economic growth and poverty reduction by working directly with the private sector to expand market access, support sector strategies, and strengthen the supporting private sector framework in three Lebanese industries: agribusiness (primarily high value foods), ICT, and tourism.

The LBLI team worked effectively with Market Driver Firms (MDF's) in implementing the agribusiness competitiveness strategy and creating nine sustainable linkages with farmers and farmer groups capable of supplying fruits and vegetables to processors. New linkages resulted in the substitution of imports and in local engineering firms implementing automation solutions to improve competitiveness of local processors. Tourism activities also moved forward with the registration of "Beyond Beirut" campaign with the GOL Ministry of Interior as an official NGO that will ensure the sustainability of tourism promotion and support rural tourism development in Lebanon.

Key Achievements and Activities

LBLI's activities in agribusiness during this quarter led to a positive economic impact of \$915,199 and supported the creation of 23 new full time jobs (12 female, 11 male). Primary activities for agribusiness included:

- Collaboration with select members of the Syndicate of Lebanese Food Industrialists (SLFI) Annabil, Zejd, Second House Products, Willani and Mymoune on the implementation of the Agribusiness Strategy with the guidance of US Packaging and Labeling Consultant. The consultant established contacts with retailers and distributors in the US to assess potential for new channels and supported MDFs in upgrading their products to match the preferences of US market.
- Attendance by LBLI Advisor and US based Specialty market consultant at the Fancy food show in New York from June 27- 29, 2010 along with Second House Products and represented a range of Lebanese processors' brands. As a result of the participation in the show, LBLI will establish a new and innovative distribution channel for Lebanese products in the US specialty food market. LBLI is in the process of assisting in gathering a number of different Lebanese brands under a single segment that will represent a cross-section of Lebanese cuisine.
- Development of a new product line and capacity building to Mechaalany in outsourcing distribution; MDF reported 11% increase in sales which will generate an economic impact of \$ 848,756 on the supply chain of which \$ 474, 786 will benefit Mechaalany's suppliers and will support the creation of 16 new full time jobs.

Tourism

The primary activities in the tourism sector included:

- A launch event for the Beyond Beirut NGO with the participation of Minister of Tourism Mr. Fady Abboud and USAID – Lebanon Mission Director Ms. Denise Herbol. The event was widely attended by various tourism stakeholders from the public and private sectors that helped promote the Beyond Beirut NGO goals and vision.
- Creation of 16 new tourism packages representing a full range of tourism offerings in a variety of locations across Lebanon for the summer season of June- September 2010. The packages were developed through linking four tourism suppliers and 15 providers and are promoted on the Beyond Beirut website which is serving as a communication platform and booking engine for the packages in addition to hotels and tour operators.
- A tourism round table on 23 June, 2010 at the Association of Travel and Tourist Agents in Lebanon (ATTAL) to mobilize travel agents and tourism providers to collaborate for marketing the newly created tour packages of Beyond Beirut. The event was attended by 17 participants including the head of ATTAL Mr. Jean Abboud and various travel agencies owners and managers.

At the end of the quarter the project is in the process of finalizing a Cost Extension of over \$3 million dollars for extension through December 2011.

3.7 LIFT (Global)

(September 2009 - September 2014)

The **Livelihood and Food Security Technical Assistance (LIFT)** project, a five-year associate award with FIELD-Support core partners CARE and Save the Children, was designed to work in close collaboration with US Government agencies, implementing partners, and other key stakeholders with the ultimate goal of supporting food security in vulnerable households by improving their livelihoods and economic circumstances. The goal of the LIFT project is to increase food security through sustainably improving vulnerable households' economic circumstances. LIFT aims to heighten the impact of USG work and enhance investments in food security made by agencies and initiatives such as USAID, PEPFAR, Feed the Future, USDA, CDC and Peace Corps, and their implementing partners, by providing high-impact technical assistance in linking food security to sustainable, market-led economic activities. To achieve its goal, LIFT offers global and country-level technical assistance services to USG entities and implementing partners, as well as governments, civil society and the private sector, and provides leadership in the development of good policy and practice.

During this reporting period, LIFT rapidly responded to a request from USAID Ethiopia to conduct an assessment of livelihood and food security activities the Mission's HIV/AIDS portfolio. LIFT responded to a SOW from the Mission and began putting together a team to undertake assessment activities, which will be conducted between July and September, with a field trip taking place from mid-August to mid-September.

LIFT has worked closely with missions in Nigeria and Malawi to develop concept papers and scopes of work for LIFT technical assistance services, and has continued to engage with USAID/Namibia about conducting follow-on work from the assessment LIFT conducted last quarter.

Additional activities during this quarter include:

- The Partners and Stakeholders Meeting, held in Pretoria, South Africa, from April 5-9 brought together representatives from USAID/OHA, USAID/South Africa, MEASURE Evaluation, AED (LIFT, FANTA-2, representatives from the AED/South Africa office), CARE, and Save the Children. The objectives of the meeting were to: understand opportunities and challenges for LIFT vis-à-vis the Feed the Future Initiative; strategize around country outreach and follow-up; finalize the LIFT framework; discuss how LIFT Partners will work together for maximum efficiency and effectiveness; and engage in activity and approach strategizing and planning.
- LIFT convened a high level M&E meeting April 28-29, 2010 to discuss how to develop cross-cutting tools and resources relevant to economic strengthening, livelihoods, and food security. Participants in the meeting included representatives from USAID/OHA, the PEPFAR Food and Nutrition Technical Working Group, MEASURE Evaluation, AED (FANTA-2, Africa's Health in 2010), CARE and Save the Children. The monitoring and evaluation meeting resulted in a rich dialogue about measurement options for the various economic strengthening components and livelihoods work to be considered by LIFT.
- LIFT undertook the production of several key outputs in this quarter, developing drafts of the project's initial workplan, results framework, PMP, and conceptual framework.

Learning and Next Steps

LIFT is in the process of developing several learning products and dissemination mechanisms. Through desk and field assessment activities, LIFT is refining an assessment report approach and structure that can be shared with other projects conducting livelihood assessment activities. A website to gather and disseminate information about economic strengthening for food security (which will feature a section on LIFT and a resource library currently being developed under LIFT by Save the Children) is in development.

LIFT is also identifying opportunities for learning in action:

- The project submitted a proposal to USAID for a multi-country project in East Africa with the aim of demonstrating how to create effective linkages between clinic-based NACS programs and livelihood support services. LIFT proposes to facilitate effective practices in three country contexts, document them, and producing guidelines to be used by other NACS programs.
- LIFT was also awarded \$50,000 from the PEPFAR Care and Support Technical Working Group. The funding will add a care and support lens to a LIFT assessment to provide insights into the relationship between livelihood and food security activities and access to care and support services.

In the next quarter LIFT will present at the Save the Children annual global HIV and AIDS program learning group regarding LIFT and emerging practices in HIV and economic strengthening/food security; finalize and launch the Economic Strengthening for Food Security website, incorporating a dedicated section for LIFT and the Resource Library, among other features; finalize the LIFT Workplan and Livelihood and Food Security Conceptual Framework; participate the Consultation for Development of a Joint Global Framework for Action and Monitoring and Evaluation Guidance for Nutrition and HIV Activities in July, and begin discussing potential TA activities with USAID/Zambia.

3.8 PRODEL II (Ecuador)

(September 2009 – September 2012)

The **Ecuador Local Business Development program**, known locally as PRODEL, is managed by prime recipient AED and administered in the field by lead implementing partner ACDI/VOCA, and was recently awarded a three-year extension. The project's objective is to improve livelihoods for families living along the northern and southern border regions by supporting the expansion of private enterprises that have the potential to rapidly generate income and employment by strengthening local private producer groups and associations. The program seeks to impede the spread of the narco-economy into Ecuador by building higher-value economic opportunities for border communities, and is an integral element of USAID's two-part strategy for alternative development through a balanced combination of community development and economic strengthening activities which, when combined, provide communities with strong incentives to participate in licit production.

During this past quarter, the PRODEL team identified producer organizations that possess interest to explore greater access to markets through linkages to anchor firms in the two border regions targeted by the program and in the six value chains selected for intervention. The Economic Development Fund and the counterpart investments provided by participating anchor firms and producers organizations financed the planning workshops carried out this past quarter. Through the Fund, PRODEL hopes to increase productivity and quality, as well as develop association-based commerce.

Also, PRODEL facilitated the "Training of Trainers" workshop with participants from seven new project partners this past quarter. Using the Farmer Field School methodology with technical experts from the PRODEL team, individuals with the technical and adult education skills necessary to lead the training and technology transfer processes for each anchor firm-supplier network were identified. A total of 29 technical advisors from the seven anchor firms and producer organizations participated in the workshop.



Above: Training of Trainers gather in Quevedo, Ecuador

Source: PRODEL Staff

Program Achievement and Activities

Main achievements this quarter include:

- Processing and approval of \$1,761,892 worth of grants for 11 value chains by the PRODEL grant committee. PRODEL held business planning and Economic Development Fund (EDF)* workshops with each of these 11 value chains to design the grant projects.
- Evaluation of 116 companies for potential participation in the second phase of the program. By the end of the 3rd quarter for FY 2010, the team had selected a total of 20 of these companies as PRODEL value chain leaders to benefit small producers in the border regions of Ecuador.
- Distribution of \$531,894 through the EDF during this past quarter to benefit eight value chains participating in PRODEL.
- Co-hosting the “Ecuador Cultura Gourmet” event in Quito’s Crystal Palace at Itchimbia Park, the main goal of which was to cultivate a consumer culture for Ecuadorian products from businesses willing to work with Ecuadorian producers and markets. Event partners and sponsors included PRODEL, the Multienlace Company, Supermaxi, El Comercio, The Ecuadorian Chef Association, The Quito Convention Bureau, the Association of Hotels in Metropolitan Quito, and Plan Ecuador. An estimated 2,000 people attended the two-day event that attracted widespread media coverage and featured a total of 47 small-, medium-, and large-scale businesses from across Ecuador that hosted stands, 17 of which were associated with PRODEL.
- Presentation by seven PRODEL Ecuadorian coffee exporters and producer associations of their products in the Ecuadorian pavilion at the 2010 Specialty Coffee Association of America Exposition held in Anaheim, California, attracting attention from key actors in the specialty coffee industry, including importers, roasters, and distributors. PRODEL coordinated the pavilion with the Ecuadorian Export and Investment Corporation (CORPEI) and anchor firms that attended the event and participated in the Ecuadorian stand included: Café Vélez, Café Galletti, Fapecafes, El Café, Cafecom, Café Rio Intag, and the Galápagos Coffee Producer Association. * This is the first year that Ecuador has sponsored a national stand at this important international specialty coffee event.
- Participation in the 2010 Summer Fancy Food Show in New York City to promote anchor firm and value chain competitiveness within some of Ecuador’s leading sectors. PRODEL staff accompanied four anchor firm representatives to the show, where important business connections were forged for each of the participating companies. Connections made by PRODEL anchor firms during the Fancy Food Show to enter the US market included Roland Inc. for Inagrofa to sell quinoa, Inversionistas Unidos Corp. for Jugo Facil to sell exotic fruits into Latin grocery chains in the New York City and New Jersey metropolitan area, and Runatarpuna who solidified their connection with Whole Foods to sell guayusa tea in the US market.
- Co-sponsored the “Value Chain Financing” Seminar that took place on April 7, 2010 in Quito with the Rural Financial Network that featured experiences from around Latin America in value chain finance presented by Dr. Luis Noel Alfaro, a well-known microfinance expert based in Nicaragua.

Learning and Dissemination Activities:

In the next quarter, the PRODEL team will optimize resources ear-marked for ensuring anchor firm participation in trade shows and other events, by leveraging matching funds and other resources from the Central Government by way of the Foreign Affairs Office and Ministry of Tourism. In this way, PRODEL will continue to contribute to Ecuadorian national priorities. These planned activities are a follow up to meetings held during the current quarter with Ecuadorian Commercial Attachés around the world, and will be focused on organizing exploratory missions, negotiations, and trade shows.

Additional PRODEL activities planned for next quarter include:

- Evaluating and selecting potential new anchor firms that have competitiveness potential and are interested in expanding their supply networks to small producers;
- Supporting and accompanying firms to implement their established objectives;
- Organizing the “Doing Business in the US” event; and
- Facilitating workshops to disseminate and expand the PRODEL Value Chain Model and Planning Tool at the regional level.

3.9 STRIVE (Afghanistan, Philippines, Liberia, Mozambique)

(September 2007 - September 2012)

Supporting Transformation by Reducing Insecurity and Vulnerability with Economic Strengthening Program (STRIVE) aims to demonstrate effective means of strengthening the well-being of highly vulnerable children, their households, and their communities. AED is managing a multi-partner team of leading child-focused and economic strengthening organizations to implement and document replicable economic development approaches that demonstrably improve the wellbeing of vulnerable children. From 2007 to 2012, STRIVE will implement multiple projects in Africa and Asia with the goal of sustainably reducing economic vulnerability among the target population. In addition to AED, FIELD-Support partner organizations CARE, Save the Children US, ACDI/VOCA, MEDA, Action for Enterprise (AFE), and the University of Maryland's IRIS Center are engaged in the design and implementation of STRIVE activities.

Current program field projects include:

- STRIVE **Mozambique**, managed by Save the Children, which is exploring the links between increasing household income and social capital through VSLs and rotating labor schemes and the effects on children's nutritional outcomes;
- STRIVE **Philippines**, a value chain development project managed by Action for Enterprise, that seeks to measure the effects of increased household income on children's health and education outcomes in poor coastal communities in the Philippines;
- The **Liberia** Agriculture for Children's Empowerment (ACE) agricultural value chain project, managed by ACDI/VOCA, which aims to improve upgrading behaviors on smallholder farms and increase the value proposition of education and learning in communities; and
- The AED/MEDA **Afghanistan** Secure Futures (ASF) construction value chain project, which focuses on strengthening workshops that employ youth apprentices to increase their business opportunities and improve youth workforce development opportunities.

STRIVE Philippines

Woven Products Value Chain:

- Assessed the success of new weaver trainings undertaken by one of their lead firm partners with STRIVE technical and cost-share support. Over 150 new weavers have been trained, and the firm is satisfied with their production capacity and quality overall.
- Assisted a lead firm in training 45 collectors and semi-processors of raw materials, with the aim of filling a substantial existing gap in raw materials supply.
- Supported another woven products lead firm in conducting trainings for 30 new weavers and a training for 40 existing weavers aimed at upgrading their skills to more complex designs.
- In total, supported 5 weaver training workshops that increased income-generating opportunities for approximately 70 households.



Above: STRIVE Philippines Basket Weavers.
Source: AFE Staff

Agriculture for Children's Empowerment (Liberia)

- ACE initiated rice-production activities this quarter, identifying a private firm to supply farmers with rice through an in-kind credit scheme.
- 80 ACE farmers planted 8.5 acres of commercial and demonstration crops, with an estimated harvest value of \$2,000 per acre.

- A major commercial buyer renewed its forward contractual agreement with ACE farming communities. Prior to ACE, forward contracting arrangements were not a feature of the horticulture value chain in Liberia, so this is a notable success for the project.

STRIVE Mozambique

- Initiated a consultancy to evaluate needs and design a curriculum for VSL groups around financial and enterprise management skills.
- The project graduated 168 VSL groups, bringing the total number of graduated VSLs to 321.
- Over \$15,000 in loans have been distributed by VSL groups for small income-generating activities.
- To date, participants in VSLs total 6,352 people. Of this, 3,433 are members of graduated, self-managed groups, and 2,919 (44% women) are members of VSLs currently supervised by the project.
- STRIVE Mozambique sensitization work around women's ability to successfully save money is increasing women's participation in VSL groups. Efforts to engage community leaders as advocates for VSLs in their communities have been helpful in mobilizing communities. Inviting community leaders to attend the graduation and distribution of savings at the end of a VSL cycle has proven to be valuable in gaining their support for the project.

Learning and Dissemination:

Both STRIVE Philippines and STRIVE Mozambique have successfully utilized lateral learning exchanges, or exchange visits, in their programs. STRIVE Philippines facilitated an exchange visit between two seaweed nurseries that encouraged the exchange of business ideas between staff, and STRIVE Mozambique has been supporting experience sharing visits between VSLs so that group members can see how different group management techniques work and share ideas about income generating activities and how to make use of VSL financial services.

In the coming quarter:

- **STRIVE Philippines** will work with lead firms in the woven products sector to expand new weaver trainings and upgrade the skills of existing weavers. Work in expanding raw material supply will continue. The project will closely monitor lead firm activities in the seaweed sector as peak production season starts;
- **ASF** is planning for a major producer exhibition in October, which will offer small workshops the opportunity to display their products to potential clients and network with their peers, larger firms, equipment suppliers, and finance providers. The ultimate aim of the exhibition is to improve workshops' access to contracts and subcontracts;
- **ACE** will focus on increasing rice production, initiating training around semi-processing of some types of produce to reduce post-harvest losses to farmers, begin treadle-pump based irrigation schemes with lead farmers to increase production yields during the dry season, and work with local university to increase agricultural extension outreach and identify and address obstacles to increasing crop yields; and
- **STRIVE Mozambique** will create and implement a financial and business skills training curriculum for VSL participants and plans to engage in an experience-sharing exercise around using focus group discussions in project M&E with other practitioners in Nampula.

Annexes

Annex A: List of Current Pilot Activities

	Pilot Activity	Implementing Partner(s)	Country	Period of Performance	Status	Award Value
A	Microfinance Energy Links	ACCION	Uganda, Mali	10/1/2007 - 12/31/2010	Open	\$196,012
<p>ACCION is working with local partners to develop text, refine, document and publicize holistic integrated approaches to financing and marketing clean energy products to large numbers of people in developing countries. Product focus is on solar lanterns.</p>						
B	Financing Water: Using Financial Systems to Improve Access to Irrigation and Markets in Rural Peru	CARE	Peru	10/30/2006- 8/31/2010	Open	\$124,931
<p>The Financing Water pilot activity, implemented by CARE, is designed to explore innovative ways to make technified irrigation more accessible to rural farmers in Peru which would both reduce waste and contribute to increased yields and productivity. Through development of strategic partnerships among producers, irrigation technology companies, local government, and microfinance institutions they aim to improve water usage, increase farmer incomes, and demonstrate opportunities for the local government to scale up similar initiatives. The pilot activity focuses on the Department of Ayacucho, the second poorest in the country. CARE Peru, which has operated in the country since 1970, found that access to water represents the principle barrier to improved productivity across all of these activities, and worked to identify the right mix of stakeholders to engage in the pilot.</p>						
C	Energy and Microfinance	FINCA w/ IRIS	Uganda, Afghanistan	3/1/2008 - 6/30/2010	Closing	\$204,983
<p>With existing experience linking energy to microfinance in Uganda and a growing affiliate in Afghanistan, FINCA aims to explore opportunities for improved access to appropriate renewable energy technologies under this activity. Given contextual differences, FINCA will approach its work in each country differently. However, the combined effort aims to shed increased light on the opportunities for – and challenges to – improved access to appropriate energy solutions among poor clients.</p>						
D	Graduating the Poorest into Microfinance: Linking Safety Nets w/ Financial Services	IPA	Ethiopia	8/3/2009 - 12/31/2010	Open	\$224,224
<p>Based on the CGAP/Ford Foundation global initiative that combines safety net programs with entrepreneurial activities to develop a graduation model for the poorest households, Innovations for Poverty Action (IPA), in collaboration with USAID, the Consultative Group to Assist the Poor (CGAP), and the BRAC Development Institute, is testing a methodology for reaching the most vulnerable households in Ethiopia. Through FIELD-Support, IPA is conducting an assessment of the impact of the graduation</p>						

	model in Ethiopia. The assessment is designed to determine the social and economic impact on targeted households of the intervention, including changes in income, assets, school attendance of children, health and food security. In addition, the study will provide some evidence regarding the viability of “graduating” the ultra poor to food security, and potentially traditional microfinance.					
E	Regional Training of USAID Poverty Assessment Tools	IRIS	Bangladesh, Cambodia, Peru, Uganda	9/30/2006 - 8/31/2010	Open	\$801,605
	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.					
F	Market Development WG: Economic Recovery after Crisis	SEEP	United States	7/1/2007 - 8/31/2010	Open	\$149,463
	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.					
G	Practitioner Learning Program (PLP)	SEEP	United States	10/1/2006 - 8/31/2010	Open	\$1,305,165
	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. FIELD-Support funds three PLP activities: Building Alliances to Serve HIV/AIDS-Impacted Communities in Sub-Saharan Africa, Youth and Workforce Development, and Rural and Agricultural Finance.					
H	Migrant-backed Loans: Mobilizing Remittances for Enterprise Finance	WDI	Guatemala	12/15/2008 - 8/31/2010	Open	\$110,903
	WDI plans to design and test an innovative financial facility that allows migrants in the United States to act as guarantors for micro and small enterprise loans in Guatemala.					

Annex B: List of Strategic Learning Initiatives (SLIs)

(as of June 31, 2010)

FIELD-Support LWA Strategic Learning Initiatives				
1	ACCION	Energy Links – Energy Sector Deepening Initiative	Implementing	\$128,850
<p>ACCION proposes to map the household energy sector in Tanzania, both from the consumer side and from the supply side. It will do the same for the microfinance sector, creating a detailed picture that shows the potential connections between these two sectors. At the same time the project will carry out extensive consultation and information sharing among participants in the pro-poor energy and microfinance sectors. This intermediation work will lay the groundwork for an energy deepening initiative, i.e. a comprehensive national strategy for involving financial institutions in supporting pro-poor renewable energy. Walking in the footsteps of the first phase of Energy Links, this project will replicate the proven approach of project broker to facilitate the cooperation between energy suppliers and MFIs – but will expand its target: instead of focusing on a single product, it will aim at being comprehensive and providing learning on all existing technologies and devices, as well as linkages with a wide range of energy and finance providers.</p>				
2	ACDI/VOCA	Increasing Awareness of Gender Issues in Value Chain Development	Implementing	\$149,208
<p>ACDI/VOCA proposes to collaborate with a well-respected consultant specialized in gender issues in enterprise development to create a tool for including gender analysis as an integral part of value chain analysis. The tool will consist of sample question guides, matrices and mapping guides, together with a brief discussion of the importance of gendered value chain analysis and practical advice on how to conduct the analysis. The team will build on work completed under USAID’s Greater Access to Trade Expansion (GATE) project as well research by the International Labor Organization, the UK’s Institute of Development Studies, the Danish Institute for International Studies and others. This tool will be tested in two different FIELD project locations (possibly Ecuador and Liberia) in order to refine the tool, identify best practices and generate lessons learned—in addition to contributing to the effectiveness of the programs in these two locations. Information gathered will supplement existing research and provide material for a brief FIELD Report that will provide best practice recommendations illustrated with examples from the field.</p>				
3	ACDI/VOCA	Value Chain Finance Analysis and Financial Product guides	Implementing	\$151,268
<p>ACDI/VOCA proposes to develop and field test two tools for practitioners:</p> <p>1) A user guide for assessing financial service needs in priority value chains. This tool would be used by practitioners in project design activities. Often designers ask how to expand lending to the small farmers or other small firms within the chain, assuming automatically this is a constraint to Value Chain development. A straightforward tool—a pamphlet which combines concise steps, check lists and decision tree elements, could guide designers through the key questions:</p> <ul style="list-style-type: none"> • What are the key opportunities for expanding sales and upgrading in this value chain? • What are the key financing requirements to pursue these opportunities? • What are the key constraints to their delivery? • Who has the incentives to deliver the services? • What project interventions are necessary and with whom? <p>2) An expandable set of two-to three-page “product guides” of value chain finance products, services and alliances to be used by project staff in conjunction with a value chain finance analysis and needs assessment exercise. This tool will complement the work done by FS Share in three ways. The primer focuses on four products, with detailed cases. Our tools section will link products to a value chain map, organizing products around the economic opportunities and transactions that they facilitate. The framework will visibly reinforce the notion that these financial services are tools effective for particular economic purposes. This</p>				

	framework can be expanded as material on new pilots and applications are identified. Our tool will also increase the number of product guides, in a concise and standardized format that helps practitioners think through whether and how to use a given mechanism, and linking to multiple short case studies. Finally, the tool will be more tied to project learning: it will be used during project design and implementation but also integrated into training and ongoing organizational learning processes.			
4	AFE	Facilitation Working Group Phase II	Pending	\$144,571
	This SLI is for a continuation of the FIELD Facilitation Working Group, an initiative to capture and share the knowledge of FIELD LWA consortium members on effective facilitation in enterprise development, particular in the context of dealing with lead firms. This will allow us to build on the results to date, pursue the continuation of further cycles with the working group (including how working with Lead Firms can have a systemic impact on value chains), conduct a conference entitled “Working With Lead Firms” next year (tentatively planned for May 2010) and put together a publication to share our work with the wider development community.			
5	CARE	Capacity Building Concept for CARE Staff on Implementation of Value Chain Programs	Pending	\$192,698
	CARE proposes to use its SLI funds, in collaboration with current partners MEDA, to develop a mentoring system for CARE staff in market facilitation. The system will enable CARE to develop a process for internal staff development, leveraging field staff experienced in the approach to mentor CARE colleagues. By the initiative’s end, CARE will have a cadre of experienced mentors, equipped with a system and tools that enable them to take the market development approach to scale within CARE. The larger industry will also benefit from this initiative, as CARE and MEDA will document the approach undertaken and the resources developed and share these out through a case study of our experience. We will also closely coordinate on this effort with the other New Partners in Value Chain Development grantees, sharing our experiences and as applicable presenting our findings at different conferences and other events.			
6	FINCA	Linkages between Food Security and Rural/Ag Microfinance	Implementing	\$93,361
	FINCA will hire a consultant to undertake a study to establish the effect of FINCA’s financial services (village banking and agricultural and rural loans, savings and insurance) on rural and urban clients’ risk for food insecurity. FINCA will focus its research on three of its affiliates, possibly looking at Azerbaijan, Armenia, Malawi, Zambia, Guatemala, and/or Nicaragua. FINCA will produce as a final deliverable a case study on the relationship between agricultural lending and food security, which could be presented to various USAID missions with a goal of incorporating a microfinance element into their food security strategy.			
7	IRIS Center	Achieving Food Security through Water Security – Evidence from Kenya	Implementing	\$97,146
	<p>IRIS Center proposes research to study the food security effects of improving access to water through innovative community-based efforts for benefiting vulnerable farm enterprise households in Kenya. There are a number of innovative projects that have been implemented to improve food security; many have become defunct, others have become sustainable. One very promising approach to improve food security, implemented by the Kitui Development Centre (KDC), which started in 2007. It is now a community-run and -owned, fee-based water system that aims which has now become self-sustaining, with no additional donor funding required for operations. The SLI research study will seek to understand the effects of the water project on improving food security through increased agricultural production and households’ purchasing power of food by exploring whether:</p> <ul style="list-style-type: none"> • The innovative project (i.e. the community-based water project involving collective action) facilitates sustainable agricultural production and better food access and intake, and eventually has the potential to reduce need for food aid? • The project helps with the creation and expansion of small water-dependent enterprises? 			

	<ul style="list-style-type: none"> The water project contributes to a reduction in loss of productive time due to transactions costs to access water from alternate sources and due to waterborne illnesses? 			
8	Opportunity International	Smallholder and Rural Household Agriculture Study	Implementing	\$137,023
	<p>Opportunity International has embarked on a comprehensive rural and agriculture strategy to help smallholder farmers and rural households improve crop productivity and increase household income. As part of this initiative, Opportunity will evaluate the effectiveness of strategic partnerships with extension service providers for the agriculture sector, including the impact that these services have on clients. Key questions to be addressed include:</p> <ul style="list-style-type: none"> What is the effectiveness of strategic partnerships between microfinance institutions or banks and extension service providers in delivering complementary services to rural and agriculture households? What are the challenges? What are important steps to be taking in forming these partnerships? What is the impact of these strategic partnerships on farmer households? Has crop productivity increased? Have household incomes increased? How do key value chain interventions mitigate risk and support the extension of financial services into rural areas and into the agriculture sector? What are the critical success factors to delivering financial services in rural areas and to agriculturally-dependent households? 			
9	Save the Children	Developing Education and Awareness Tools for Micro Health Insurance in Nepal	Implementing	\$169,467
	<p>Save the Children and its partners will develop a suite of education/awareness materials for use in micro health insurance programs. These materials, built on education/awareness concepts valid across different settings, will be field-tested in Nepal, where the partners are embarking on a three-year pilot testing of a menu of health insurance with 15,000 families in two rural districts. While they will directly contribute to the success of the Nepal program, the proposed materials will be designed with global practitioners in mind. The program will also add to Save the Children's portfolio of materials about insurance, one of its expected growth areas.</p>			
10	WOCCU	Exploring the Potential of Online Matched Savings Programs to Bring the Unbanked Poor into the Financial Sector	Implementing	\$267,566
	<p>In October 2008, WOCCU created the Match Savings program and corresponding Web site, www.MatchSavings.org, through which individuals can match the deposits of poor people beginning saving for the first time in a regulated financial institution. Initial results from WOCCU's pilot phase indicate that the Match Savings program is successfully bringing the unbanked poor into the formal financial sector through savings. Online communities have proven to be effective vehicles for raising funds and WOCCU proposes to work with a public relations consultant, IT consultant and field researcher to train WOCCU's staff on developing new online marketing strategies, increasing efficiencies and documenting implementation for the Match Savings program.</p>			

Annex C: List of Current Associate Awards

No.	Implementing Partner(s)	Countries of Implementation	Period of Performance	Award Value
1	Eastern Caribbean Youth Microenterprise Program (ECYMP)			
	AED, EcoVentures International	Barbados, St. Kitts & Nevis, Antigua & Barbuda, Dominica, St. Lucia, Grenada, St. Vincent & the Grenadines	5/2010 -11/2011	\$1,800,000
<p>ECYMP is designed to accelerate the creation of sustainable livelihoods and self-employment opportunities for vulnerable youth (ages 10-24) by supporting both increased income-generating opportunities and the establishment of micro-businesses by and for youth in Barbados and 6 OECS countries. ECYMP will develop partnerships with local youth-serving organizations and the private sector, and apply proven evidence-based and market-driven approaches to support local institutions to design and deliver market-oriented youth entrepreneurship programs.</p>				
2	Expanded and Sustained Access to Financial Services (ESAF)			
	AED, the William Davidson Institute (WDI), Shorebank International (SBI), Save the Children, CARE, CHF International	West Bank/Gaza	9/2008 -10/2011	\$36,299,966
<p>The Expanded and Sustained Access to Financial Services program (ESAF) supports USAID 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 input.</p>				
3	Fostering Agriculture Competitiveness Employing Information Communication Technologies (FACET)			
	AED	Sub-Saharan Africa	10/2009 -9/2011 (pending extension)	\$400,000
<p>FACET will help USAID Sub-Saharan Africa Missions to improve competitiveness and productivity across the agriculture sub-sectors through the use of information and communication technologies. FACET is designed to provide expert technical support to USAID missions and their implementing partners. The project will develop analytical tools and provide technical support to assist development practitioners in the field on how to design and employ various kinds of ICT to upgrade agricultural value chains being supported by mission programs. The project will also establish a learning network to share results, detail what works, what doesn't and how to improve ICT applications in value chain development.</p>				
4	Generating Economic Development through Microfinance in Southern Sudan (GEMSS)			
	AED, ACDI/VOCA	Southern Sudan	12/2008 -9/2011	\$11,999,162
<p>AED, in partnership with ACDI/VOCA, aims to support USAID in its effort to build the foundation of an inclusive financial sector in South Sudan that provides poor entrepreneurs and households with permanent access to a range of financial services delivered by a number of MFIs. It is the projects goal to give entrepreneurs access to financial services that will enable them to mitigate risk and invest in a variety of livelihood activities that will increase household income and employment, and thus, contribute to economic growth in South Sudan.</p>				
5	Haiti Integrated Finance for Value Chains and Enterprises (HIFIVE)			

	AED, World Council of Credit Unions (WOCCU), Technoserv	Haiti	7/2009 -7/2012	\$37,169,702
	HIFIVE is a financial sector service project designed to encourage a dynamic Haitian economy by increasing the availability of financial products and services to its people and to its enterprises. A catalyst and a facilitator, HIFIVE will work primarily on the supply side of the financial sector to empower Haitians by providing access to innovative financial products and services with a focus on rural areas, targeting high potential value chains, encouraging Diaspora investments, supporting the use of technology while maximizing synergies with other USAID projects.			
6	Lebanon Business Linkages Initiative (LBLI)			
	ACDI/VOCA, AED, Action for Enterprise (AFE), BADER, Union of Arab ICT Association (IJMA3)	Lebanon	8/2008 - 8/2010 (pending extension)	\$4,494,932
	In support of achievement of USAID/Lebanon's goal of fostering growth and reducing poverty in rural Lebanon by building on previous activities in agribusiness, tourism and ICT, the Lebanon Business Linkages Initiative program will be implemented through activities focused on objectives including expansion of market access, improvement of access to financial markets, and elimination of restraints to industry and SME growth.			
7	Livelihood and Food Security Technical Assistance (LIFT)			
	AED, CARE, SAVE	Kenya, Namibia	9/2009 -9/2014	\$4,136,862
	LIFT is five-year project provides rapid technical support, in close collaboration with PEPFAR USG collaborating agencies, on the integration of food/nutritional security and livelihoods strengthening with HIV/AIDS interventions in order to sustainably improve the economic circumstances of highly vulnerable children and the families and communities that care for them.			
8	Ecuador Local Business Development (PRODEL)			
	ACDI/VOCA, CARE, AED	Ecuador	11/2007 -9/2012	\$16,093,000
	PRODEL promotes the competitiveness of Ecuadorian enterprises along the southern and northern borders and create licit employment opportunities. The overall objective of PRODEL 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.			
9	Supporting Transformation by Reducing Insecurity & Vulnerability with Economic Strengthening (STRIVE)			
	CARE, SAVE, World Vision, MEDA, AFE, IRIS, ACDI/VOCA, DTS	Philippines, Afghanistan, Mozambique, Liberia	9/2007 - 9/2012	\$15,935,785
	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.			