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USAID & SIDA FIRMA PROJECT QUARTERLY
REPORT: QUARTER #5 –SEPTEMBER-NOVEMBER 2010

December 23, 2010

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USAID & SIDA FIRMA PROJECT

QUARTERLY REPORT: QUARTER #5 – SEPTEMBER-NOVEMBER 2010

Submitted by:

Cardno Emerging Markets USA, Ltd.

Submitted to:

USAID

Contract No.:

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Quarterly Report

FIRMA Project USAID-Sida Bosnia & Herzegovina

Implemented by Cardno Emerging Markets USA, Ltd.



To:	Vlado Milin COTR, USAID Sarajevo
From:	David King Chief of Party, FIRMA
RE:	Quarterly Project Progress Report: #5 – Sep-Nov 2010 Contract # 168-C-00-09-00103-00
Date:	23-Dec-10

This report is submitted pursuant to contractual requirements under USAID-Sida’s *Fostering Interventions for Rapid Market Advancement* Project for Bosnia & Herzegovina (“FIRMA” or “the Project”), implemented by Cardno Emerging Markets USA, Ltd. In keeping with contractual guidelines for report content, it is organized as follows:

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1. Project Overview

FIRMA is a five-year, \$20 million project that began in September 2009 and is funded by USAID and Sida. The purpose of the project is to support enterprise competitiveness in selected value chains of the tourism, wood, and light manufacturing sectors of BiH, in the process advancing the country's ability to meet the Copenhagen Economic Criteria for accession to the European Union. To support sustainability, the project works primarily through a group of key local partners – “Value Chain Facilitators” (VCFs) – who cover all regions of the country.

The goals of USAID and Sida for FIRMA are ambitious and transformational, and therefore require wide impact – in product design and quality, in ways of connecting to markets, in expertise of workforce, and in investment attractiveness. FIRMA's strategy is directed toward these systemic objectives.

The FIRMA workplan is defined at the private sector value chain level. VCFs organize stakeholders to first identify and prioritize competitiveness obstacles through value chain analysis, and to then originate and manage discrete activities to address these obstacles. FIRMA supervises and supports these activities, providing strategic and operational guidance, expert technical assistance, and grants from its \$3 million Small Grants Fund. ”, In order to maximize scale and impact, FIRMA works closely with other donors and local government agencies that provide development assistance programs consistent with FIRMA's objectives – so-called “collaborating implementers.

FIRMA is implemented by Cardno Emerging Markets USA, Ltd. (Arlington, VA), with consortium subcontractors SIPU International (Stockholm, Sweden), JE Austin Associates (Arlington, VA), Making Cents International (Washington, DC), Pi Consulting (Sarajevo, BiH), and 12 regional and local economic development agencies in BiH.

2. Highlights During the Reporting Period

This report covers the fifth quarter of FIRMA's operation – September-November 2010. Noteworthy accomplishments for the period were:

a. General and Cross-Cutting

- **Access to Finance:** FIRMA launched its Access to Finance program in earnest. Over 50 people applied for the advertised Qualified Business Finance Consultant (QBFC) program, of which 32 applicants passed a FIRMA administrated test and were selected to attend the QBFC training program. The 3-day training program, held at the end of November, also officially launched the QBFC program. In the short period since then, the consultants have generated 15 requests to support companies from FIRMA sectors seeking loans, with a potential value of over 9 million KM in new credit.
- **Workforce Development:** FIRMA stimulated the establishment of the first local Public-Private Dialog group to connect the workforce demand and supply sides – a VET Council in Tešanj. The Council's formal membership includes the Secondary Technical School, representatives from the municipality, the local development agency, the employment bureau, and three local companies. The VET Council will undertake annual surveys of local companies' workforce demands with the goal of adjusting enrollment policies and introducing new classes to meet the needs of companies.
- **EU Alignment:** Jointly with the BH Institute for Standardization (BAS), FIRMA delivered a workshop for companies to present the 100+ page EU Technical Standards Manual, which was developed in collaboration with the Institute. The manual provides a clear description of the need for standards and institutions and procedures for obtaining them, and a reference list of all standards applicable to the wood and metal sectors. During this meeting, the Lab Assessment Report completed by the FIRMA and FARMA projects was also presented. The

Lab Assessment report provides an overview of the status of labs in the country and their capacity to undertake product testing.

- **Gender / Inclusion:** Support for the BH Crafts value chain was initiated, which has as a key objective advancing the economic inclusion of poor women and persons with disabilities. FIRMA engaged expat STTA (Susan Inglis, through FIRMA subcontractor Making Cents International) to support this activity. Together with FIRMA counterparts, the consultant surveyed crafts producers throughout BiH and delivered a workshop to the Sarajevo Academy for Fine Arts. The purpose of the workshop was to deliver ideas to the students about how to support handicraft manufacturers in the country to improve the design of their products.

b. Wood Processing

- **World Bank Collaboration:** FIRMA closely collaborated with the World Bank final headquarters mission to BiH closing out its Forestry Development and Conservation Project (FDCP), with which USAID has collaborated since 2004. FIRMA agreed to facilitate promotion of State Forest Inventory analyses, to support continued certification of forest management areas, and to assist the Bank in its inclusion of forest enterprises in its forthcoming Public Expenditure and Institutions Review (PEIR).
- **High Point Furniture Fair Fall 2010:** FIRMA supported the visit of seven significant BiH furniture producers to High Point Market week Fall 2010 in North Carolina, USA. The visit enabled these BiH producers to re-enter the US market after an absence of over 15 - 20 years. They saw the latest trends in US furniture industry regarding design, safety and environmental standards and required certificates. They made numerous business contacts and established a sales agency relationship with Krivaja Beechbrook US, based in New Jersey, which generated immediate shipments of finished goods.
- **International Fair of Furniture, Equipment and Interior Decorations 2010 in Belgrade:** A presentation of important RS furniture companies was organized together with VCF RS Chamber at the joint stand where five wood processing companies presented their products and services. A B2B meeting between BiH and Serbia wood processing companies was organized. Particular business connections were made between RS and Serbian companies and they developed an action plan on how to jointly penetrate third markets.
- **EKOBIS 2010:** Firma supported seven USK companies to promote their products and services at EKOBIS trade Fair. An integral part of this activity was an wood sector experts conference for participants with presentations on design, technology, and FSC Chain of Custody (COC) requirements.
- **Financial Control and Enterprise Resource Planning Workshop:** Held in Tuzla, companies were trained in financial control and IT systems for results monitoring and reporting, to improve productivity by accurately measuring time and materials costs.
- **Improvement of BiH International Fairs:** A training curriculum based on best international practices was delivered to widen the skills and knowledge of BiH exhibition organizers. CEFA (Central European Fair Alliance) experts conducted the training.
- **SASO Split Fair 2010:** implemented together with VCF REZ Zenica. 20 Companies participated, 11 from WS, 8 from MP and one an input supplier (glass) to both sectors. During B2B meetings organized by REZ and the Croatian Chamber of Commerce, BiH WS companies met companies from Croatia, Italy, and Serbia. Post fair report (including fair results) will be completed by end of January 2011.
- **CAD/CAM Training:** FIRMA supported the REZ-originated activity of qualification of 20 programmers from WS companies in CAD-CAM techniques indispensable in high productivity operations. Phase I involving 10 participants was completed with training in ARTECO (CAM

on 32 hours) and Mješovita srednja škola Tešanj (CAD 32 hours). The second intake for the same course will be completed in January 2011 for the other 10 participants. All 20 participants can be expected to upgrade their job positions or obtain new employment.

- **International Sales manager:** This activity is primarily aimed to prepare sales managers of companies scheduled to exhibit at IMM Cologne in Jan 2011. Curriculum and presentations were prepared in cooperation with Bern University and ECOS of FTC, and will be sustained semiannually in the future.

c. Tourism

- **Cooperation with the City of Sarajevo:** FIRMA and Sarajevo region partners Sarajevo Navigator and ZUP Bascarsija collaborated with the City of Sarajevo – Major’s office (Miroslav Zivanovic, Deputy Major and team) at two events supported by FIRMA: Weekend Media Festival in Rovinj and Green Design Festival in Sarajevo. The cooperation is expected to result in tourism-dedicated funds in the 2011 City budget.
- **Green Design Festival:** The Green Design Festival was launched in 2009 by Bosnian architects and the Association of BiH Professionals teaching at Dutch universities (36 members). The Festival promotes new technologies and green solutions, and applies to all three FIRMA sectors. The 2010 program, with FIRMA guidance, included workshops on cultural heritage in urban management and how heritage (cultural and industrial) can be opened to become a generator of tourism. FIRMA will support the expansion of this festival in future as a prominent venue for promoting Sarajevo as the premier regional green center for both tourism and industrial product development.
- **Weekend Media Festival:** FIRMA supported presentation of Sarajevo as a short break/city destination at the Weekend Media Festival in Rovinj, Croatia. This Festival is the largest annual event bringing together media and marketing professionals and agencies from the wider region (ex-Yu plus Austria, Hungary, Italy), attracting 3000+ participants. The Sarajevo presentation included a specially designed stand and a Sarajevo evening event, hosted by the Deputy Major of Sarajevo. The presentation was coordinated by the Sarajevo Navigator (VCF for city break program) and ZUP Bascarsija (VCF for intangible heritage), and included participation by several Sarajevo businesses. The event was also used to develop a database of regional media contacts for further PR to promote Sarajevo city break tourism.
- **B2B event during FAM trip for US tour operators:** FIRMA supported its VCFs Sarajevo Navigator and ZUP Bascarsija in organization of a special B2B event at the Brusa Bezistan for a US tour operators and media FAM trip organized by the Exploring BH agency, supported by USAID EII project. The B2B event gathered total of 13 agencies from throughout BiH and provided an opportunity for the US operators to learn more about other sites and services that they had not visited during the tour itself. The US Embassy DCM spoke, along with the Turkish Ambassador.
- **Tourism Working Group:** FIRMA supported organization of and participated in a quarterly TWG meeting held in Sarajevo. The meeting discussed the possible areas of cooperation with the UNWTO and re-opened the program of international fairs for 2011. Regarding the cooperation with UNWTO the TWG Chairperson was asked to clarify implementation models for the support the UNWTO can provide, as well as to research existing efforts related to improvement of tourism statistics as this has been identified as possible area of cooperation. Regarding the international fairs, the list of fairs that FIRMA had prepared for the TWG based on previous meetings, was further extended by 4 more fairs. It was agreed that the next TWG meeting will focus on funding for the international fairs.
- **US Market Entry Strategy:** FIRMA engaged the expert team of Oliver Bennett and Albert Reed to assess the current BiH offer and identify opportunities and channels for entering the

US tourism market. The expert team visited BiH between Oct 24 and Nov 11, during which they conducted site visits to different locations in BiH. The first draft of the market entry proposal is expected to be available in January 2011.

- **RCI Tourism Strategy Group:** FIRMA took part in the RCI Tourism Strategy Meeting held in Podgorica in November. The RCI Tourism Strategy Group brings together representatives of all USAID-supported tourism initiatives active in the region and discussed possible regional solutions that would bring market benefits to at least three or more countries in the region. It also provides a platform for sharing practices and solutions across the region. The November meeting focused on opportunities available with Geo Tourism initiative, Our World Heritage initiative, and Global Sustainable Tourism Criteria (GSTC) workshops (see below).
- **Global Sustainable Tourism Criteria workshops:** GSTC is an initiative launched jointly by UNWTO, National Geographic, Expedia, and 52 other international organizations. The GSTC aims to provide guidelines and framework for developing sustainable tourism solutions. USAID RCI supported a series of workshops by the GSTC team in the RCI countries. The BiH workshop was held in November with FIRMA support. The workshops presented GSTC to local industry and obtained input from the industry on applicability and issues with GSTC implementation at local level. FIRMA also organized a meeting between the GSTC and the EU Delegation to BiH, a FIRMA collaborating implementer.
- **Candidacy for EYOWF 2015:** FIRMA, in cooperation with the local partners Sarajevo Navigator and ZUP Bascarsija, provided support in design and production of the final set of promotional materials for the joint candidacy of Eastern Sarajevo and Sarajevo for hosting the 2015 European Youth Olympic Winter Festival. Unfortunately, the candidacy was lost to the other finalist (Austria- Lichtenstein). However, the joint effort has received high marks and opened a cooperation channel for the two towns and other partners in the project that are now developing other areas of intervention to improve the tourism offer in the wider Sarajevo destination area.
- **Donor Coordination:** FIRMA, jointly with the EU Delegation to BiH launched talks with other donor agencies on re-establishing mechanism for coordinating donor supported activities in BiH tourism. The first donor group meeting was scheduled for December 2, 2010.
- **Outdoor Association Support:** Over the period September-November FIRMA provided support to the core group of 10 outdoor service providers in defining the mode of establishment and operation of the BiH Association of Outdoor Tourism. The recommendations are based on the findings of the assessment of the BiH Outdoor Tourism Sector completed earlier in the year. The documentation is now being finalized and the founding assembly of the association is scheduled for mid December 2010, to be followed immediately with the full registration of the association.

d. Light Manufacturing / Metal Products

- **Aluminum Fair in Essen, Germany:** FIRMA supported the visit of five BiH companies/13 participants to the largest Fair for aluminum in the Europe. The visit included a B2B Event organized by STTA Jürgen Burks. 20 meetings with interested German companies at their booths were appointed. Follow up business is developing.
- **Automechanika Fair in Frankfurt, Germany:** Eleven BiH automotive companies/27 participants visited the largest Fair for auto parts in the world. A B2B event at the Fair was organized, and 57 meetings with interested German companies at their booths. A result of the visit was identifying and organizing a Producer Sales Agency (PSA) to provide permanent representation of BiH companies in the German auto parts market.

- **Web Portal for MP Industry:** To provide ready business, product, and contact information to potential buyers, a web portal for the MP sector was designed and developed. Currently in working form, the site is now being populated with information and data.
- **ZEPS Intermetal Fair in Zenica:** ZEPS Intermetal is the most important domestic and only specialized fair for the BiH Metal Industry. At the Fair, FIRMA supported MP companies with a joint exhibition of 7 companies at a new designed and constructed MP Trade Show Booth, a B2B event between BiH MP companies and 6 Swedish buyers as well as a Technology Seminar on new technologies and materials in the metal processing sector. At the Exhibition 141 contacts were made. Twelve BiH companies had meetings with Swedish company representatives. Every Swedish company found at least one potential cooperation partner among BiH companies. The seminar was very good visited. Over 40 participants were present.
- **Exhibition at SASO Fair in Split, Croatia:** REZ agency originated this activity, with the Dutch Economic Development Agency as a collaborator. FIRMA supported WP and MP exhibitors with the new constructed MP Trade Show Booth. Twenty companies from both sectors were present, out of which 9 were MP companies. A total of 746 business contacts were registered.
- **Welder Operators and Engineers Training:** Training of welder operators at the Mechanical Engineering Institute in Mostar was successfully completed. Thirteen operators from five companies were trained and obtained EU certificates. Training of 12 welder engineers and technicians from nine companies started at the Welding Institute in Tuzla in October and is in progress, to last four months.
- **Solid Works CAD-CAM Training:** In cooperation with the USAID Excellence in Innovation Project and its supported MTTTC Center from Gračanica, a series of trainings on Solid Works CAD-CAM Applications started. Six groups of five engineers will be trained. Two trainings in Gračanica and one in Mostar were completed and 13 engineers trained. Further trainings in Banja Luka and Mostar will be organized during January and February next year.
- **Approved/Authorized Exporter Status Seminars:** A series of six seminars was organized to enable BiH manufacturers can to overcome border-related exporting issues by obtaining formal status with the BiH Taxation Authority as an approved/authorized exporter. The seminars were held in Banja Luka, Bihać, Sarajevo, Zenica, Mostar and Tuzla with 70 companies attending. 30 companies have gained authorized exporter status and additional 4 are in procedure, while 12 obtained approved exporter status and 2 are in process. Before starting the series only 15 companies had obtained authorized and none approved exporter status.
- **Buyers Visits in Sweden:** Through subcontractor SIPU International, FIRMA Consortium representatives visited the biggest and most important MP Fair in Sweden, ELMIA in Jönköping, to assess exhibition of BiH MP companies at the Fair in 2011. At the fair's B2B event, FIRMA representatives had 7 meetings with Swedish MP companies and institutions, and additional meetings with exhibitors at their booth were held. Separately, FIRMA representatives made a special visit to Scania, the biggest commercial vehicle producer in Sweden, to familiarize them with BiH potential in supplying auto parts. Follow-up meetings are being organized and concrete trade results are expected.
- **Assessment of BiH Innovation Centers:** FIRMA is seeking to address severe weaknesses (according to international rating schemes) in innovation in BiH. With support of consultants from FIRMA subcontractor J.E. Austin Associates, eleven techno parks / innovation centers were visited and assessed. Five were shortlisted and requested to submit applications for assistance that would address priority obstacles in their ability to serve companies in promoting innovation. From these five, 2-3 will be selected as pilots for FIRMA assistance.

3. Review of Project Progress

a. Progress versus Workplan

The following table shows cumulative FIRMA activities in process as of the end of each quarter. An "Activity" is defined as a discrete approved program in direct pursuit of FIRMA's contractual objectives that requires an investment of FIRMA resources.

<i>Table 1: FIRMA Activities</i>		
Project Quarter / End Date	Activities Initiated	Cumulative
Q1-2 / 28-Feb-2010	4	4
Q3 / 31-May-2010	17	21
Q4 / 31-Aug-2010	35	56
Q5 / 30-Nov-2010	33	89

FIRMA has a \$3.0 million grants fund to support activities. The following table summarizes grant approvals from TEC meetings convened through the report quarter. KM 1.4 million in grants were approved through the report quarter, approximately 30% of the grant fund. KM 550,000 had been disbursed through quarter-end, approximately 40% of the approved total and 12% of the grant fund.

<i>Table 2: FIRMA Grants</i>		
TEC Meeting Date	# Grants Approved	Amount Approved KM
Pre- First Formal TEC Meeting	4	35,530
10-June-2010	7	139,035
22-July-2010	9	453,400
11-Aug-2010	10	400,081
22-Sep-2010	11	226,470
27-Oct-2010	10	160,290
Total	51	KM 1,414,806

In Attachment 4, Progress vs. Workplan, we report the status of all of the tasks and activities contained in the submitted Year 2 Workplan that were due to be completed or initiated during the review period (red lettering in the status column of the table), as well as activities due to be completed earlier but carried over.

Most activities due to be completed during the period were completed, and almost all due to be initiated are in process. All exceptions and updates are reported in the Status column of the Attachment 4 table.

b. Progress versus PMP

The FIRMA PMP consists of two primary elements:

- *ROI*: FIRMA tracks Return on Investment at the sector level and at the activity level.

- Sector level ROI is the ratio of cumulative growth in sales of designated project beneficiaries to cumulative FIRMA investment, which is measured on an annual basis. Annual business results for the first year of the FIRMA project will be obtained from the Year 2 baseline survey to be carried out in early 2011. Therefore sector-level ROI for the first year of the project will be reported in the next Quarterly Report.
- ROI (numerator only) at the Activity level is measured using FIRMA’s Activity ROI model, which rates each activity based on its expected contribution to a range of FIRMA business-related objectives for beneficiaries, including (i) growth in sales, employment, and finance, (ii) obtaining formal standards and certifications required for exporting to EU and other global markets, (iii) certification of workforce skills, and (iv) obtaining finance. Contribution to cross-cutting gender and social inclusion objectives also adds points to an activity’s ROI. An activity that produced maximum results in all of these categories would score 100 points in the Activity ROI model. The following table reports Activity ROI status at the end of the report quarter.

Table 3: Average Activity ROI

Activity Status	# Activities	Ex Ante 1 (FIRMA)	Ex Ante 2 (Participants)
Completed Activities	33	31.5	38.0
Activities in Progress	26	37.6	48.9
TOTAL	59	34.2	41.2

It is notable that based on their completed evaluation forms, participants expect better results on average than FIRMA staff projected at the activity approval stage. Activity ROIs ranged from a low of 8 to a high of 70.

- *PMIs*: Performance Management Indicators are reported in Attachment 1 below. Indicators are based on activity evaluation reports from 308 participants and grand monitoring reports covering 59 activities either completed or in progress. Through the report quarter, the first quarter of Project Year 2, targets for four indicators (#101-firms with improved management practices, #102-firms obtaining trade-related certifications, #109-firms obtaining EU standards, and #203-persons from excluded groups in WfD programs) for the full second year have already been substantially exceeded, another (#201-persons completing WfD programs) is already close to its full-year target, and others are on track. As noted above, PMIs for business results will be reported upon completion of the Year 2 baseline survey which will be conducted prior to the next Quarterly Report.

Indicators for mobilization of business finance, including under DCA guarantees, are currently running behind target due to the time it has taken to build the foundation for our Access to Finance program. However, as indicated above, this foundation is now in place with completion of recruitment and training of our QBFC cadre, who are currently assisting at least 15 companies seeking approximately KM 9 million in business loans. As these are concluded it is likely that our access to finance targets, including DCA, will be quickly exceeded.

c. Progress vs. Budget

Cumulative spending versus budget through report quarter-end is summarized according to major line items is presented in Attachment 2 below. The following tables provide summaries according to the

broadest expense categories. The first table covers the Year 2 through the report quarter, and the second cumulative from project start through the report quarter.

Expenditure for the report quarter rose significantly to approximately \$1.1 million, and was slightly above the budgeted burn rate. Grants disbursement was 8% above the burn rate in the quarter. Cumulative to date, spending was 78% of budget overall.

<i>Table 4: Expenditure vs. Budget Summary – Report Quarter</i>				
Line Item	Budget	Expense	Difference	%
Labor	484,677	511,182	(26,506)	105%
Operating & General	417,888	380,316	37,572	91%
Grants & Procurements	183,375	197,671	(14,296)	108%
Total	\$1,085,940	\$1,089,169	(\$3,229)	100%

<i>Table 5: Expenditure vs. Budget Summary - Cumulative</i>				
Line Item	Budget	Expense	Difference	%
Labor	2,246,039	1,816,497	429,542	81%
Operating & General	2,269,704	1,711,801	557,903	75%
Grants & Procurements	508,875	374,416	134,459	74%
Total	\$5,024,618	\$3,902,714	\$1,121,904	78%

Staffing: Total project employment was 19 full-time and 12 part-time staff the end of the quarter. The organization chart is provided in Attachment 3 below.

This concludes the narrative section of our Quarterly Report. Supporting detail is provided in the following attachment exhibits and tables.

Attachment 1: Performance Management Indicators

From FIRMA Performance Management Plan. Yr2 Actuals through Project Q5 – first quarter of Year 2. Indicators are based on activity evaluation reports from 308 participants and grand monitoring reports covering 59 activities either completed or in progress.

Table 6: Performance Management Indicators													
Work Area	Indicatr Type	Indicator Number	Performance Indicator	Contr Req*	Unit**	Target (Cumulative)						Data Source	
						Yr1		Yr2		Yr3	Yr4		Yr5
						Tgt	Act	Tgt	Act				
Competitive -ness	F	101	Firms with improved management practices as a result of USG assistance	X	number	65	11	190	192	315	440	565	Activities
	F	102	Firms receiving USG assistance that obtain certification for international standards			20	22	40	125 ⁺	60	80	100	
	F	103	Exports of firms receiving USG assistance to increase their exports	X	increase	10%	B	25%	B	35%	45%	60%	Baseline Surveys
	Custom	104.1	Private financing mobilized with a DCA guarantee - Number of Loans		number	12	see text	18	see text	32	45	60	Activities
	F	104.2	Private financing mobilized with a DCA guarantee - Amount	X	amount MM \$	1.2	see text	1.8	see text	3.2	4.5	6.0	
	Custom	105	Aggregate economic scale of beneficiaries	X	beneficiaries sales / % total sector sales	20%	B	30%	B	40%	40%	40%	Baseline Surveys
	Custom	106	Sales of project beneficiaries	X		5%	B	15%	B	30%	40%	50%	
	Custom	107	Employment of project beneficiaries	X	increase	3%	B	10%	B	21%	28%	35%	
	Custom	108	Business finance to project beneficiaries	X		6%	B	12%	B	24%	32%	405	
	F	109	Firms receiving USG assistance that obtain EU-aligned standards or certifications		number	10	>	30	70 ⁺	50	85	100	Activities
Workforce Development	F	201	Persons completing USG-funded workforce development programs		number / age	225	359	750	625	1,275	1,800	2,325	Activities
	F	202	Persons gaining employment or better employment as a result of participation in USG-funded workforce development programs	X		150	125	350	183	550	750	950	

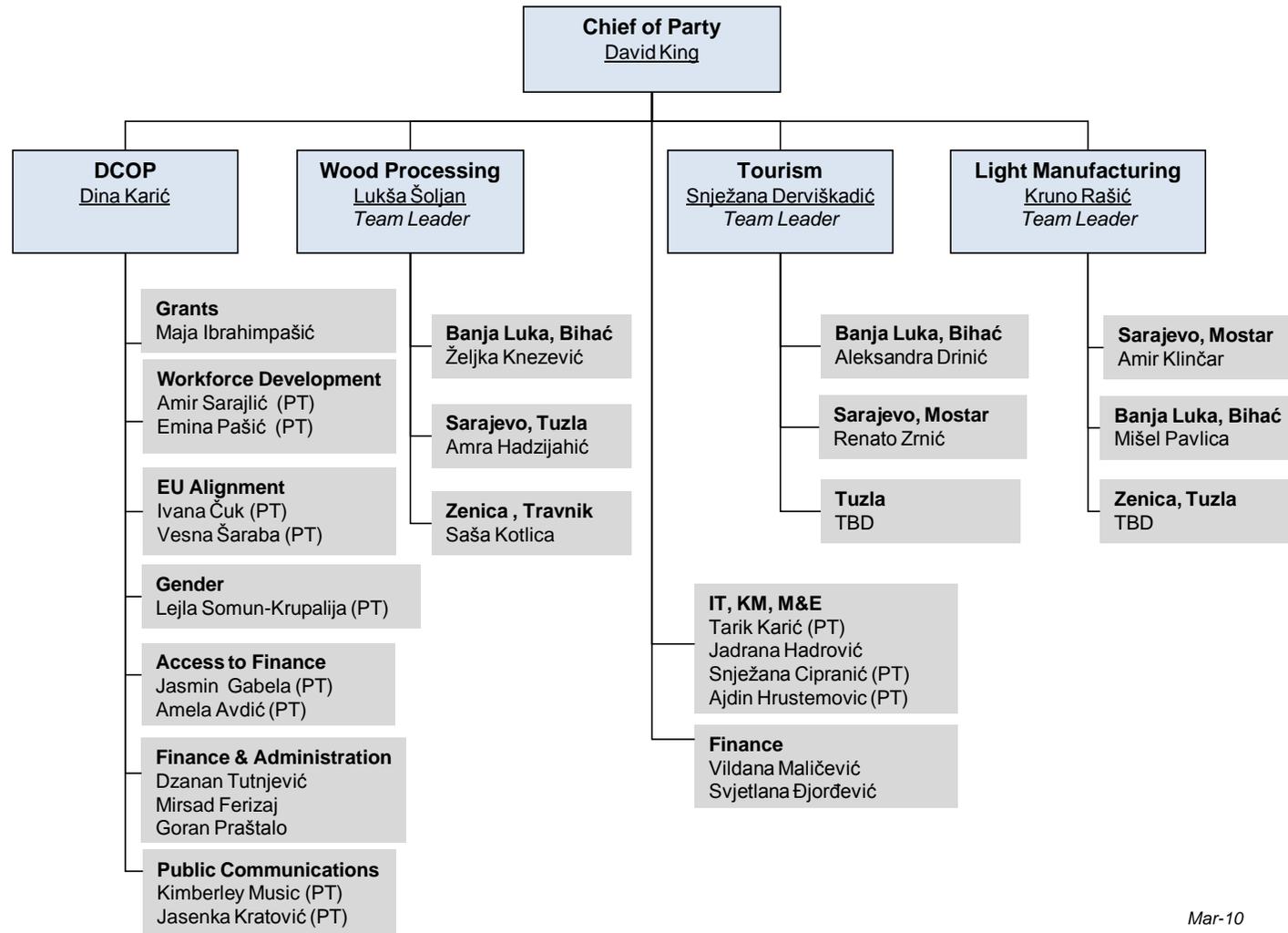
Table 6: Performance Management Indicators													
Work Area	Indicatr Type	Indicator Number	Performance Indicator	Contr Req*	Unit**	Target (Cumulative)					Data Source		
						Yr1		Yr2		Yr3		Yr4	Yr5
						Tgt	Act	Tgt	Act				
	Custom	203	Persons participating in FIRMA-supported WfD programs from disadvantaged / excluded groups			50	>	100	143	150	200	250	
Gender / Inclusion	Custom	301	Women-led businesses in the 3 FIRMA focus sectors		# / increase	#/0%	B	#/3%	43/	#/5%	#/7%	#/10%	Activities
	Custom	302	FIRMA beneficiary SMEs employing the socially / economically excluded		#/ share	#/ 3%	B	#/5%	66/	#/8%	#/10%	#/12%	
Business Environ-ment	F	401	Policy, legal, and regulatory changes adopted in connection with USG assistance		number	track	0	>>	0	>>	>>	>>	Activities
Sustainabili-ty	Custom	501	Implementing partners fully capable of taking over FIRMA functions and financially sustainable		number	1	2	2	2	5	6	7	Indepen-ent Assess-ment

* X = indicator required by contract ** All data disaggregated by gender whenever meaningful B = baseline report needed to determine results + = includes expectations by participating firms

Attachment 2: FIRMA Expenditures vs. Budget

Line Item	Year 2: Through Project Q5 (Nov-10)				Cumulative Total			
	Budget	Expenses	Diff	%	Budget	Expenses	Diff	%
<u>Labor</u>								
LT Expatriates	\$42,761	\$42,750	\$11	100%	\$205,661	\$198,825	\$6,836	97%
LT Local Professionals	269,681	283,071	(13,390)	105%	1,153,845	938,162	215,683	81%
ST Expatriates	60,529	59,117	1,412	98%	319,550	211,920	107,630	66%
ST Local Professionals	25,206	43,604	(18,398)	173%	135,849	118,466	17,383	87%
Local Support Staff	50,505	59,827	(9,322)	118%	233,643	242,923	(9,280)	104%
Home Office Professional Support	5,137	2,301	2,836	45%	43,640	11,458	32,182	26%
Post Differential	8,552	8,417	135	98%	41,132	36,527	4,605	89%
Fringe Benefits	22,305	12,095	10,210	54%	112,718	58,216	54,502	52%
	<u>484,677</u>	<u>511,182</u>	<u>(26,506)</u>	<u>105%</u>	<u>2,246,039</u>	<u>1,816,497</u>	<u>429,542</u>	<u>81%</u>
<u>Operating & General</u>								
Travel	44,310	59,503	(15,194)	134%	243,969	126,097	117,872	52%
Allowances	7,507	6,943	564	92%	36,373	35,281	1,092	97%
Office Equip., Furniture & Vehicles	0	1,277	(1,277)		203,201	162,132	41,069	80%
Other Direct Costs	81,405	57,514	23,891	71%	396,706	303,422	93,284	76%
Indirect Costs (G&A + Overhead)	228,294	204,076	24,218	89%	1,102,927	869,160	233,767	79%
Fixed Fee	56,374	51,003	5,371	90%	286,530	215,709	70,821	75%
	<u>417,888</u>	<u>380,316</u>	<u>37,572</u>	<u>91%</u>	<u>2,269,704</u>	<u>1,711,801</u>	<u>557,903</u>	<u>75%</u>
<u>Grants & Procurements</u>								
Grants & Procurements	179,875	193,991	(14,116)	108%	499,375	369,243	130,132	74%
Fee on Grants	3,500	3,680	(180)	105%	9,500	5,173	4,327	54%
	<u>183,375</u>	<u>197,671</u>	<u>(14,296)</u>	<u>108%</u>	<u>508,875</u>	<u>374,416</u>	<u>134,459</u>	<u>74%</u>
Total	\$1,085,940	\$1,089,169	(\$3,229)	100%	\$5,024,618	\$3,902,714	\$1,121,904	78%

Attachment 3: FIRMA Work Organization



Mar-10