



U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
Mr. Douglas Seebeck
Executive Director
Partners for Christian Development (PCD)
2850 Kalamazoo Ave, SE
Grand Rapids, MI 49560

September 30, 2003

Subject: REE-A-00-03-00105

Dear Mr. Seebeck:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the U.S. Agency for International Development (USAID) hereby awards to (hereinafter referred to as the "Recipient"), the sum of \$500,000.00 to provide support for a program in "The Million Mentors Alliance" as described in the Schedule of this award and in Attachment 2, entitled "Program Description."

This award is effective and obligation is made as of the date of this letter and shall apply to expenditures made by the Recipient in furtherance of program objectives during the period beginning with the effective date and ending 09-30-2006. USAID will not be liable for reimbursing the Recipient for any costs in excess of the obligated amount.

This award is made to the Recipient on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1 (the Schedule), Attachment 2 (the Program Description), and Attachment 3 (the Standard Provisions), all of which have been agreed to by your organization.

Please sign the original and all enclosed copies of this letter to acknowledge your receipt of the award, and return the original and all but one copy to the undersigned.

Sincerely,

Karin Kolstrom
Agreement Officer
M/OP/REG/EGASA

Attachments:

- A. Schedule
- B. Program Description

Attachments:

- A. Schedule
- B. Program Description
- C. Standard Provisions

ACKNOWLEDGED:

BY: *Joy Lebed*
 TITLE: EXECUTIVE DIRECTOR
 DATE: 9/30/03

A. GENERAL

- 1. Total Estimated USAID Amount: \$500,000.00
- 2. Total Obligated USAID Amount: \$500,000.00
- 3. Cost-Sharing Amount (Non-Federal): \$1,271,240.00
- 4. Activity Title: "The Million Mentors Alliance"
- 5. USAID Technical Office: LAC/RSD
- 6. Tax I.D. Number: 38-3293173
- 7. DUNS No.: 136729402
- 8. LOC Number: n/a

B. SPECIFIC

NMS Request number: 12701/00017

Line Item	Fund Code	BBFY	EBFY	Oper Unit	SO	Dist.	OP Unit DEF	Mgmt	Team / Div	Ben. Geo Area	SOC	Amt. Obligat
0001	DV	2003	2004	GDA	020-002	GDA/W	EE/EG		GDA	598	410000	\$500,00

Total amount obligated : \$500,000

SCHEDULE

A.1 PURPOSE OF AGREEMENT

The purpose of this Agreement is to provide support for the program described in Attachment 2 to this Agreement entitled "Program Description."

A.2 PERIOD OF AGREEMENT

1. The effective date of this Agreement is 09-30-2003. The estimated completion date of this Agreement is 09-30-2006.

A.3 AMOUNT OF AWARD AND PAYMENT

1. USAID hereby obligates the amount of \$500,000.00 for purposes of this Agreement.

2. Payment shall be made to the Recipient by Letter of Credit in accordance with procedures set forth in 22 CFR 226.

A.4 BUDGET

The following is the Agreement Budget, including local cost financing items, if authorized. Revisions to this budget shall be made in accordance with 22 CFR 226.

	USAID	Alliance Partners
Personnel	\$89,064	\$ 323,252
Fringe		
Benefits	\$30,282	\$ 108,113
Travel	\$79,000	\$ -
Equipment	\$0	\$ 10,000
Supplies	\$22,800	\$ 10,000
Contractual	\$69,000	\$ 75,740
Other	\$209,854	\$ 635,453
Indirect costs	\$0	\$ 108,682
Total	\$500,000	\$ 1,271,240

A.5 REPORTING AND EVALUATION

1. Financial Reporting

The Recipient shall submit an original and 2 copies quarterly. Financial Reports shall be in keeping with 22 CFR 226.52.

In accordance with 22 CFR 226.52, the SF 269 and SF 272 will be required on a quarterly basis. The recipient shall submit these forms in the following manner:

1) The SF 272 and 272a (if necessary) must be submitted via electronic format to the U.S. Department of Health and Human Services (<http://www.dpm.psc.gov>) within 45 calendar days following the end of each quarter. A copy of this form shall also be submitted at the same time to the Cognizant Technical Officer.

2) The SF 269 or 269a (as appropriate) must be submitted to the Cognizant Technical officer.

3) In accordance with 22 CFR 226.70-72, the original and two copies of all final financial reports shall be submitted to M/FM/CMP-LOC Unit. The electronic version of the final SF 272 or 272a shall be submitted to HHS in accordance with paragraph (1) above.

2. Program Reporting

The Recipient shall submit 2 copies of a performance report to Mr. Bill Brands, CTO, the Cognizant Technical Officer, . . . The performance reports are required to be submitted quarterly and shall contain the following information:

results achieved by the recipient and the alliance partners during the reporting period.

3. Final Report

The Recipient shall submit the original and one copy to Mr. Bill Brands, CTO, , , and one copy to USAID Development Experience Clearinghouse, ATTN: Document Acquisitions, 1611 N. Kent Street, Suite 200, Arlington, VA 22209-2111 (or e-mail: docsubmit@dec.cdie.org).

The final performance report shall contain the following information:

results achieved by the recipient and the alliance partners.

Recipients shall list each country included in the program and the total amount expended for each country under the award for the reporting period in the "Remarks" block on the "Financial Status Report" SF-269 or SF-269A, or on a separate sheet of paper with the "Request for Advance or Reimbursement" SF-270.

A.6 COGNIZANT TECHNICAL OFFICER (CTO)

I. CTO Designation

The Cognizant Technical Officer (CTO) for this award is:

Mr. Bill Brands
Supervisory General Development Officer, LAC/RSD
RM. 5.09-122
Tel: (202)712-0455
FAX: (202)
Email: wbrands@usaid.gov

II. Role, Responsibilities, and Limitations of CTO

The CTO is the primary liaison with the Recipient, and works as a team with the Agreement Officer (AO) to administer the award. Duties of the CTO include:

A. Monitoring.

The CTO is responsible for monitoring the recipient's progress in achieving the objectives of the Program Description in the subject award and for verifying that the recipient's activities being funded by USAID under the referenced award conform to the terms and conditions of that award.

The CTO is responsible for reviewing all performance and financial reports for adequacy and responsiveness and for requesting that the Agreement Officer take the necessary action when these reports are not submitted, are inadequate, or indicate a problem.

B. Award Revisions.

The CTO is not authorized to direct the Recipient to make changes in the program description, or approve changes proposed by the Recipient. Budgetary or programmatic changes will be made in accordance with the Standard Provision entitled, "Revision of Award Budget (October 1998)" which requires that certain changes be approved by the Agreement Officer. The CTO is responsible for making a written recommendation to the AO when any changes to the Program Description, technical provisions, and/or any other term or condition of the award are necessary, along with a justification for the proposed action.

C. Financial Management.

The CTO must administer financial management responsibilities by

- Ensuring that all funding actions comply with USAID's forward funding guidelines (ADS 602, Forward Funding of Program Funds).
- Reviewing the recipient's request for payments or financial reports and providing or denying the administrative approval if required by the procedures in ADS Chapter 630, Payables Management.
- Monitoring the financial status of the award continuously to ensure that the level of funding is the minimum necessary.
- Developing accrued expenditures on a quarterly basis in accordance with ADS 631, Accrued Expenditures, and instructions from M/FM or the mission controller. Please note that the CTO is to do this using information on hand and not to interpret this requirement as authority for requesting any additional financial reports from the recipient.
- Reviewing financial status reports for U.S. organizations with letters of credit to monitor financial progress, contacting the recipient for further explanation if questions arise regarding the appropriateness of expenditures, and contacting the agreement officer if not satisfied with the recipient's explanation.
- Initiating a request to the Agreement Officer to deobligate funds if at any point it is apparent that the amount of available funds is more than will be necessary to complete the grant activities.
- Monitoring recipient compliance with the requirement for them to obtain any host country tax exemptions for which they are eligible; and
- Upon completion of the work under the award, reviewing any unliquidated obligation balance in the award and working with the agreement officer to deobligate excess funds before beginning close-out actions.

A.7 TITLE TO PROPERTY

Property Title will be vested with the Recipient.

A.8 COST SHARING

The Recipient agrees to expend an amount not less than 254% of the total activity costs.

A.9 SUBSTANTIAL INVOLVEMENT

The Cognizant Technical Officer (CTO) shall represent USAID in the Global Development Alliance (GDA.) His roles and responsibilities in the Alliance will be detailed in a Memorandum of Understanding (MOU) signed by all alliance members, which will exist separately from this agreement.

A.10 GLOBAL DEVELOPMENT ALLIANCE

This cooperative agreement supports a Global Development Alliance (GDA) between USAID, the Recipient, and other private sector partners that will be making cash and in-kind contributions to achieve the results set forth in the attached program description. USAID will fund activities implemented by the Recipient, and shall participate in Alliance activities as described in the substantial involvement section above.

A.11 EXECUTIVE ORDER ON TERRORISM FINANCING

The Contractor/Recipient is reminded that U.S. Executive Orders and U.S. law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the contractor/recipient to ensure compliance with these Executive Orders and laws. This provision must be included in all subcontracts/subawards issued under this contract/agreement.

PROGRAM DESCRIPTION

**The Million Mentors Global Business Alliance:
Haiti and Nicaragua Initiative
for USAID Global Development Alliance: APS No. GDA-03-001**

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Executive Summary

The Million Mentors Global Business Alliance has a long-range vision of one million skilled, caring business and professional mentors investing themselves, their time, and their resources to assist businesses in developing countries.

The primary goal of the Alliance's Haiti and Nicaragua Initiative is to reduce poverty in Haiti and Nicaragua by creating sustainable jobs for the poor through activities aimed at the growth of micro-, small- and medium-sized businesses.

Alliance Members

- *Partners for Christian Development* (PARTNERS) will be the lead agency in the Alliance and will have the chief responsibility for recruiting mentors for the Initiative. PARTNERS will commit a 1:1 dollar match to USAID funds, a total contribution of \$577,500.
- *Christian Reformed World Relief Committee* (CRWRC) has many years of experience in Haiti and Nicaragua and has developed strong partner relationships with local organizations. CRWRC will contribute field office resources and consulting services, valued at \$75,000 per year, to support mentoring and business development activities, plus indirect support.
- *The Richard and Helen DeVos Foundation* is a faith-based philanthropic foundation that supports international development work. The DeVos Foundation will contribute \$250,000 in financial resources to this Initiative.
- *Newdea, Inc.* is a for-profit company that provides information technology and business intelligence solutions to the non-profit and philanthropic sectors. As an in-kind donation, Newdea will customize a web site for project coordination with links to project management and donor information software. Newdea will also contribute in-kind technical assistance. Together, these contributions are valued at \$75,740.
- *U.S. Agency for International Development* (USAID) will match the resources contributed by the other Alliance partners, for a total contribution of \$577,500. In addition, USAID will help the Alliance to link with other organizations and resources in Haiti and Nicaragua.

Background

Haiti is consistently ranked as the poorest country in the Western Hemisphere. Nicaragua is ranked third poorest. Both have high rates of poverty and unemployment. Entrepreneurs in these countries struggle because they lack access to expansion capital, business management training, new technologies, or markets for their products. Widespread corruption creates high transaction costs and creates inefficiencies in the economy. Civil society institutions, including business associations, exert too little influence with government regarding economic policies.

Yet, in both Haiti and Nicaragua there are many opportunities to grow businesses and create new jobs. In Haiti, the Alliance has identified promising areas for business development in import substitution, recycling, labor-intensive manufacturing and light assembly businesses, and traditional artisan work. In Nicaragua, improving agricultural practices has good potential for the economy. Farmers that can diversify their crops with non-traditional products will have greater access to regional markets, both at home and in the CAFTA region.

The Alliance seeks to build the capacity of business people in Haiti and Nicaragua to take advantage of these opportunities. To do so, the Alliance will build on 30 years of community development work and relationship building that CRWRC has done in Haiti and Nicaragua, as well as a broad base of volunteer business people who are PARTNERS members.

Technical Approach

In order to strengthen small and medium businesses and help them to create jobs, the Alliance will implement a three-year project involving the following interventions:

Business Associations: The Alliance will strengthen existing PARTNERS-affiliated business associations in Haiti and Nicaragua and will establish new ones. CRWRC field staff will provide technical assistance and consulting services to these associations to strengthen their organizational capacities in the areas of board governance, financial management, human resource development, and policy advocacy. New associations will be grown from existing organizations such as cooperatives and savings groups. We will engage successful business people in Haiti and Nicaragua to advocate for sound economic policies, facilitate their networking and equip them for mentoring smaller businesses.

Mentoring: The Alliance will recruit approximately 335 volunteer business mentors from North America and from PARTNERS-affiliated business associations in Haiti and Nicaragua to support entrepreneurs in Haiti and Nicaragua who wish to improve their businesses. Mentors will help these business people to strengthen their business skills and to access new and appropriate technology, sources of capital, new markets, and other innovative business resources. Mentoring will focus on improving product quality, productivity, and profitability. More importantly, it will also promote the transformation of values and the elevation of business ethics.

Business Development Projects: The Alliance will strengthen links and partnerships between business associations, mentors, and local NGOs that are doing business development projects. The business development projects supported by the Alliance will build on the opportunities in each country. The PARTNERS Global Fund will provide financial capital in the form of matching loans to create incentive for rapid savings by association members and entrepreneurs participating in the project. Field staff will consult with

organizations that implement business projects to help them build capacity for good business planning and loan fund management.

Best Practices: The Alliance will gather and disseminate information on the best practices of business development projects that involve business associations and mentoring programs. We will facilitate the transfer of knowledge within and beyond the Alliance through coordinating learning exchanges, participatory evaluations of the Initiative, and tool-kits based on the lessons learned from the best practices. Best practices will also be shared through workshops in regional training centers, the Million Mentors web-site, and through the PARTNERS-sponsored "Business as a Calling" conferences.

Expected Impact

The Alliance intends to achieve the following objectives by the end of the project:

- To recruit and involve 335 voluntary business and professional mentors from local and international business associations.
- To establish/strengthen the capacity of 59 business associations involving approximately 1,325 members
- To help 565 new and existing businesses to succeed.
- To help create/retain 2,900 jobs for the poor.

The Million Mentors Global Business Alliance: Haiti and Nicaragua Initiative

for USAID Global Development Alliance: APS No. GDA-03-001

"My mentor has experience in the field in which I am in and his ideas have helped me to increase the number of people I am employing in Haiti. He has helped me see business in a different way; he showed me that we can make a difference in the world we are living in."

-Ernso Jean-Louis, Haitian PARTNERS Board Member

I. VISION, VALUES, AND MISSION

The Vision: The Million Mentors Global Business Alliance (the Alliance) has a long-term vision of one million skilled, caring business and professional mentors investing themselves, their time and their resources to assist businesses in developing countries. Through these caring mentoring relationships, businesses grow and create jobs, sustain communities, and improve the lives of the poor. Partners for Christian Development (PARTNERS), The Richard and Helen DeVos Foundation, the Christian Reformed World Relief Committee (CRWRC), and Newdea have formed the Alliance and request USAID to join with them to form a powerful partnership to work towards the realization of this vision.

The Values: The Alliance partners share core values and complementary resources that can build a dynamic team to provide mentoring and economic opportunities for the poor around the world. Each member organization of the alliance is committed to the following values:

Innovation: We seize opportunities and take intelligent risks towards achieving our goals and objectives.

Inclusivity: We respect the beauty, dignity, and value of each person; we continually seek to use and develop the unique gifts of all peoples.

Stewardship: We model and encourage the wise use and conservation of scarce resources in Alliance businesses and Initiatives.

Philanthropy: We promote business and professional members in developed and developing countries to share their time, skills, and financial resources for the benefit of their communities and the poor.

Justice: We engage business and professional members to promote business ethics, good governance, open and transparent decision-making, and just economic and civil policies.

These shared values form the backbone of the Alliance and shape the framework for the Alliance's mission and goals for the Haiti and Nicaragua Initiative.

The Mission: To encourage and equip business and professional people (mentors) from around the world to contribute the critical linkages, resources, and values that entrepreneurs in Haiti and Nicaragua need to succeed in the global marketplace.

II. PROGRAM DESCRIPTION: Haiti and Nicaragua Initiative

For the Haiti and Nicaragua Initiative, the Alliance's **primary goal** is to reduce poverty in Haiti and Nicaragua, by creating sustainable jobs for the poor through activities aimed at the growth of micro-, small-, and medium-sized businesses.

The four **major activities** for the Haiti and Nicaragua Initiative are:

1. **Business Associations:** Build, encourage and engage Alliance-affiliated business associations in Haiti and Nicaragua to share their resources and create jobs for the poor, to become business mentors, and to become advocates for civil society, business ethics, good governance, and improved national economic policies for economic growth and trade;
2. **Mentoring:** Provide appropriate business and professional mentors for small and medium enterprises in Haiti and Nicaragua through local and international business associations;
3. **Business Development Projects:** Strengthen links and partnerships between business associations, mentors, and local NGO business development projects in Haiti and Nicaragua so that entrepreneurs will have improved access to new and appropriate technology, to sources of capital, to new markets, to improved business skills, to product quality improvements, and to other innovative business strategies;
4. **Best Practices:** Gather and disseminate information on the best practices used in the Alliance and other successful business development projects that involve business associations and mentoring programs, to achieve the objectives for the Initiative.

III. ALLIANCE MEMBERS: Experiences, Resources, and Roles

Partners for Christian Development (PARTNERS) is an innovative non-profit membership organization, whose mission is to create a dynamic world-wide movement of business and professional people, who are encouraged and equipped to help the poor and each other through partnerships. PARTNERS began this work in 1997 and has grown in just five years to over 2,200 members. The members provide leadership, project management, financial resources, and their time to assist businesses and business development projects in developing countries. All projects carried out by PARTNERS rely heavily upon the involvement

of members as mentors, donors, or advisors. This involvement creates the networks and links that will provide for the success of entrepreneurs in developing countries.

With a total budget of about \$2 million, PARTNERS has projects and partnerships in eighteen countries and affiliate organizations in twelve countries. Administrative costs are kept low. Ninety percent of the budget, which is primarily raised from the members, goes directly to assist businesses and business development projects in developing countries.

Creating solutions to poverty by bringing together business people is at the heart of the PARTNERS model worldwide. PARTNERS business networks and projects created 1,452 jobs during the last three years and improved the lives of over 58,600 participants. The impacts of PARTNERS projects tend to replicate themselves when participants who have achieved success become leaders in local business associations or within their communities. The PARTNERS mentoring model not only creates jobs, but also promotes values and ethics that build and sustain successful businesses and strong societies.

PARTNERS' role in the Alliance will involve: recruiting, engaging, and equipping mentors; training and assisting in the growth of business associations; and connecting mentors with appropriate projects and businesses in Haiti and Nicaragua. PARTNERS will have a major role in communication and outreach for the Initiative, utilizing its membership e-mail list and annual "Business as a Calling" international conferences to coordinate project activities.

As the lead agency for the project, PARTNERS will take a leadership role in project direction, management, and reporting. PARTNERS will have the overall responsibility to coordinate and provide excellence in staffing, financial management, and grant management for this Initiative. PARTNERS' lead role will include convening the Alliance Management Team (discussed in the Management Plan section on page 19) and keeping the Team informed of progress and problems arising throughout the course of the project.

PARTNERS has committed a 1:1 dollar match with USAID funds and will provide funding of \$525,000 plus 10% administrative support for the initiative for the three year project period. PARTNERS will also provide an in-kind match of technical assistance and mentorship hours by its members, valued at more than \$180,000 per year. The in-kind value is based on 1,800 volunteer hours of mentoring and business assistance towards the project each year.

Christian Reformed World Relief Committee (CRWRC) is a faith-based non-profit organization that works to alleviate poverty and injustice in 30 countries around the world through community development programs, disaster relief services, and justice education. Established in 1962, CRWRC has a long history of successfully partnering with local NGOs and helping them to build their capacity to

carry out effective programs in agriculture, health, literacy, and income generation. Currently, CRWRC has partnership agreements with 170 NGOs around the world.

CRWRC has been active in Nicaragua since 1972 and in Haiti since 1975. Because of this long history, CRWRC has well-established relationships with organizations in these countries. CRWRC personnel in these countries include three full-time expatriate staff members in Haiti and two full-time expatriate staff members in Nicaragua. In the home office, the CRWRC Best Practices Coordinator helps to facilitate the sharing of knowledge and lessons learned within the organization so that staff continue to increase their own capacity and have access to proven methodologies. In addition, CRWRC has a Justice Education and Service Learning Coordinator for the Latin America region who is available to assist staff in Haiti and Nicaragua with justice education and advocacy programs aimed at addressing the structural roots of poverty.

In addition to these staff resources, CRWRC brings many years of experience in planning, monitoring, and evaluating programs using inclusive and participatory models that involve community-level beneficiaries. CRWRC's community-based evaluation models and internet-based data collection will be valuable in assessing the impacts of Alliance projects.

CRWRC and their partner NGO field staff are a critical element in the implementation of the Alliance's initiatives in Haiti and Nicaragua. They will be responsible for building the capacity and leadership of business associations, strengthening business development projects, facilitating mentorship programs, and sharing best practices used in the achievement of these initiatives.

To achieve the objectives of the Alliance's Haiti and Nicaragua Initiative, CRWRC will contribute approximately \$75,000 per year in field office operating expenses and salaries for CRWRC consultants based in Haiti and Nicaragua. Additionally, CRWRC will contribute to this Initiative by providing the following resources and services to the Alliance:

- Financial accounting services for PARTNERS, both at the field level and at headquarters;
- Services provided by the CRWRC Best Practices Coordinator, who will facilitate the sharing of best practices in small business development and lessons learned during implementation of the project;
- Consulting services from CRWRC's regional Justice Education and Service Learning Coordinator in Latin America, who will assist project staff, as requested, with building the capacity of business and professional associations to advocate for just policies; and

- Senior staff participation in the Alliance's Management Team in order to ensure good project management.

The Richard and Helen DeVos Foundation is a faith-based philanthropic foundation that funds projects that improve the quality of people's lives and build strong communities. With their "relation-based" style of giving, Mr. and Mrs. DeVos are an excellent example of mentorship in action. They spend time sharing their experience and developing relationships with the leadership of the organizations they support. Mr. DeVos has been a board member of PARTNERS since 2000. He has also committed his time and skills to be a spokesperson, advocate, and mentor for PARTNERS and the Million Mentors Global Business Alliance. As founder and CEO of Amway (now Alticor), Mr. DeVos is the catalyst for more than three million entrepreneurs (the independent sales representatives for Alticor) worldwide. Mr. DeVos brings to the Alliance his incredible business and marketing skills, his vast business and government networks, his international business experience, and his compassion for the poor.

The Richard and Helen DeVos Foundation has committed a \$250,000 matching grant for the Alliance Haiti and Nicaragua Initiative. Additionally, the Foundation will provide \$250,000 general program funds annually to PARTNERS over the life of this project, a portion of which will be utilized as PARTNERS' matching operating funds for this initiative.

Mr. DeVos has also committed, as a PARTNERS member, his personal time to speak at membership events and "Business as a Calling" conferences and to provide consulting to the Alliance on business growth, mentoring, and international policy issues, as requested. Mr. DeVos commits time each month to provide one-on-one mentoring to the executive director of PARTNERS, Doug Seebeck. This mentoring relationship is one of the seeds that formed the Million Mentors Global Business Alliance, giving a strong example of the potential and possibilities of mentoring between the business and non-profit sectors. Mr. DeVos brings his powerful skill of building bridges and building businesses to the Alliance initiatives.

Newdea, Inc. is a for-profit information technology (IT) and business service company that provides innovative IT and business intelligence solutions to the non-profit and philanthropy sectors. Newdea's software provides a comprehensive real-time project management system for non-profits, including charitable project information for donors and their financial advisors. Newdea's long-term vision is to revolutionize philanthropy and non-profit endeavors so they achieve greater social benefit.

Newdea brings to the Alliance the technology to manage and coordinate its projects in a cost-effective, transparent, and timely manner. The firm also brings the potential to increase substantially donor awareness and funding of Alliance-related business development projects through their donor information services. This software will meet the critical need of connecting the mentors and donors with the projects and businesses in developing countries—allowing for

ongoing communication and updates on progress and challenges. The staff and board of Newdea have committed their knowledge of information technology, international finance and project management to support the Alliance and its projects. Newdea's current board president, Larry Walker, has extensive experience in international finance, including small business finance in developing countries.

Newdea will provide the in-kind donation of a customized Million Mentors web-site for the alliance that builds on Alliance members' existing MIS systems and is linked to Newdea's project management and donor software. Newdea will also provide ongoing consulting services over the three years of the project in web management, project management consultations, and staff training—a total in-kind contributions valued at \$75,740 over the three year project period.

Newdea will be responsible for timely development and ongoing management of a customized Million Mentors web-site as a communications tool that integrates project management, MIS, and donor solicitation tools. Newdea will also provide staff training and technical assistance, as well as a representative of their senior management for the Million Mentors Management team.

USAID: USAID's resources, experience, and networks will strengthen and broaden the Alliance. USAID can strengthen the Alliance by providing resources and technical assistance to build the capacity of the Alliance members, the business associations, and the local NGOs. USAID staff members also have extensive government and NGO connections in each of the key regions, bringing the potential for expanded collaborations, larger markets for the businesses (through export and import assistance), and broader impacts of the Alliance. Another key resource is USAID's expertise in researching, evaluating and facilitating the replication of the best practices of the Alliance's program models. In order to make the Alliance goals a reality, the Alliance requests from USAID the technical assistance and networking support described above, as well as financial resources totaling \$525,000 over the life of the three-year project.

Another potential partner for the Alliance is ACDI-VOCA, an international organization with strong ties to USAID. This organization could bring synergy to the Alliance by providing links between their professional volunteers program and the Alliance's mentoring activities. The Alliance is looking to USAID for assistance in connecting with ACDI-VOCA to discuss possible partnership opportunities in the future.

IV. HAITI INITIATIVE: Background and Opportunities for Growth

Country Background:

Haiti, the poorest country in the Western Hemisphere, has a poverty rate of 80% and per capita income of \$1,700. Haiti's present social and economic indicators show Haiti falling further behind other developing countries in the world. The causes of Haiti's current economic challenges are summarized as "earlier inappropriate economic policies, political instability, a shortage of good arable land, environmental deterioration, continued use of traditional technologies, under-capitalization and lack of public investment in human resources, migration of large portions of the skilled population, a weak national savings rate, and the lack of functional judicial system" (World Factbook 2000). The challenge for Haitians has been

Comment: I think we should save the word "approach" for the Technical Approach section.

exacerbated by the AIDS crisis. It is estimated that 6% of the Haitian population is infected with HIV/AIDS (UNAIDS 2002). The life expectancy of Haitians is only 51.61 years (CIA World Factbook 2000).

Addressing these challenges to economic growth within Haiti is made more difficult by the extreme class stratification and disparity of wealth. Social responsibility is generally confined to the extended family, as opposed to the larger community or nation. Only a few of the much needed economic and agrarian reforms that were promised with the return to democracy have been initiated. Most have been put on hold as political stalemates continue between the Haitian government and the opposition party. These stalemates have resulted in drastic cuts in international aid to Haiti, hampering Haiti's economic recovery even further.

Although arable land is becoming scarce, a majority of Haiti's work-force (66%) are engaged in agriculture. Yet, agriculture makes up only 30% of the Gross Domestic Product (GDP) of Haiti and food is one of Haiti's primary imports. Additionally, fuel and raw materials are major imports in Haiti, due to the scarcity of resources and continued growth in the population.

However, even with all of these challenges, the people of Haiti have shown resiliency and have identified opportunities. Approximately 80% of the non-agricultural workforce is involved in micro-enterprises. These micro-enterprises frequently involve detailing and reselling of imported products. However, there is fierce competition between these micro-enterprises resulting in marginal returns to participants. Micro-enterprise growth in this sector is limited due to lack of access to affordable credit. Additionally, the cooperative banks have been challenged by inflation rates of 14% or more annually and continued devaluation of the Haitian currency (the gourde). More positively, the devaluation of the gourde gives local products a greater competitive advantage in the world market.

The Alliance will address several of the key barriers to the economic improvement in Haiti through the Haiti and Nicaragua Initiative.

Alliance Background in Haiti:

CRWRC has been working in Haiti since 1975. Currently, CRWRC has partnership agreements with six local NGOs in Haiti to implement integrated community development programs that address needs in the sectors of health, agriculture, literacy, and income generation. Three of CRWRC's local partners are currently implementing projects with PARTNERS. CRWRC has three expatriate staff members based in Haiti, in addition to several nationals employed by the Haiti country office.

In 2000, a business association called the Haitian Partners for Christian Development (HPCD) was created with the vision to help budding entrepreneurs in the Port-au-Prince area to grow their businesses. This association, now composed of 30 experienced Haitian business members, is working towards this vision by providing business and marketing assistance to small enterprises. HPCD has also developed a training center and business incubator to meet the learning needs of new business people and to help them overcome the

high-costs of starting a business. The HPCD members have successfully mentored growing businesses that cover a broad spectrum of manufacturing, from creating recycled paper products to metal-shops and coffee processing. The matching of well-established business people in Haiti with poorer struggling Haitian entrepreneurs has provided business successes through the transfer of technology, shared business skills, increased access to capital, improved marketing techniques, and better access to markets. On a broader level, in a country where socio-economic class stratification cuts deep, this partnership brings people that are traditionally on opposite sides to the same table to work together on business, economic, and environmental issues that are critical to Haiti.

CRWRC also works with two micro-enterprise organizations in Haiti, one in urban Port-au-Prince neighborhoods (PWOFOOD) and another that works with a network of cooperatives in the northwest region of Haiti (SKDE). These organizations do not have formal business association structures yet. They concentrate on business savings and micro-loans at this time. Both organizations, however, have extensive networks of entrepreneurs and have been making progress in building capacity and financial-sustainability through the field consultants.

PARTNERS currently has six North Americans serving as mentors in Haiti. Two PARTNERS business associations in North America are linked to business development projects there.

Opportunities for Growth in Haiti :

The Alliance's Haitian staff and partner NGOs have identified the following potential business and job growth sectors and approaches to meet the Initiative's objectives in Haiti.

Import substitution is a promising area for economic development, especially in the agricultural processing sector. One of the Haitian Partner for Christian Development (HPCD) members, who owns a grocery chain, cited the following example of import substitution. The honey and peanut butter that is sold in Haiti has shifted from 80% imported, to 80% made locally produced and processed in Haiti. This success could be duplicated through the processing of other agricultural products, including mangoes, tomatoes, and corn. The potential of growth in this sector is great considering the number of HPCD members, who have food processing businesses and backgrounds. Potential mentors for these HPCD members include the owners of the Itala spaghetti factory, Farmatrix, Red Star Markets, OLA water packaging and distribution and other smaller food manufacturing businesses that package honey, peanut butter, and hot sauce. This sector also has potential for export, especially with improved packaging and marketing. For example the Haitian honey has a rich taste and high quality, that could be marketed as a specialty food item in the US, as "tropical flower" honey from Haiti. Here the assistance from North American mentors on product development, packaging and labeling requirements, US market penetration, and export logistics will be key ingredients to the successful exportation of these products. It is also essential that these businesses have access to affordable and adequate amounts of credit to meet their demands as they grow.

One very critical and unique area of business growth that has been identified by the Haitian partners is in recycling. With a very serious shortage of raw materials and fuels in Haiti, and an

overabundance of waste materials, the need for recycling is obvious. Also, the availability of labor and low labor costs in Haiti add to the feasibility of recycling. One business project being developed by HPCD members and North American recycling mentors is a recycling system; combustible trash is collected and compacted into "fuel pellets" that can be utilized by commercial bakeries and dry-cleaning businesses. This project will have the effect of creating employment for those building the recycling equipment (the pelletizers), reducing the amount of waste on the streets and in the landfill, saving the scarce trees on the mountainside, as well as creating new employment opportunities for those who make and sell the pellets as a business.

With improved political and economic reforms in Haiti, medium-sized, labor-intensive manufacturing and light assembly businesses also have potential for high growth and job creation in Haiti. The businesses in the free trade zone were quite successful, prior to the trade embargo imposed on Haiti in the early 90s. Inexpensive labor costs give Haiti a comparative advantage in these sectors in the Central American region. However, businesses in these sectors also have higher capital needs and will need to be mentored and supported by the larger more established business people and loan funds of the Alliance. Training needs for this sector have been identified as product research and development, ISO standards, technology transfer, and more advanced business development skills.

Another area with strong potential for market growth and export are the enterprises based on the rich traditional artisan skills of Haitians. Alliance business members include artisans that make paper and cards, wood-workers, furniture makers, and other traditional craftsmen. Keys for the growth of this sector include access to affordable micro-credit and business development services that provide a base for growth and access to more formal credit in the future. Artisans with export potential will also benefit from marketing and export assistance of the North American mentors. However, the macro-level policy and political changes that improve tourism in Haiti will also be critical to the growth of this sector within Haiti. The competition within Haiti in this sector is strong, so only artisans with the best quality, most efficient production methods, access to credit, and knowledge of exportation logistics and regulatory requirements will be able to take advantage of growing regional markets.

V. NICARAGUA INITIATIVE: Background and Opportunities for Growth

Country Background

Nicaragua is the third poorest country in Latin America, with a per capita income of \$2,500 (World Factbook 2002). Nicaragua also has one of the most unequal distributions of income in the world, with the wealthiest ten percent of the households receiving 48.8% of the nation's income (1998) and 50% of the population below the poverty line (2001 estimate). Additionally, Nicaragua faces challenges of flagging socio-economic indicators and a huge external debt. However, significant progress has been made in real GDP growth and macro-economic stability, which has resulted in increased foreign investments during the past few years. Although some progress has been made, widespread economic advances have not occurred due to a banking crisis, generalized corruption, lack of credit for small to medium businesses, and continued weakness in agriculture and industrial production.

The official unemployment rate is 24% (2002 estimate) with considerable underemployment in the country. The labor force works primarily in services (43%) and agriculture (42%), with 15%

in industry (1999 estimates). Although service workers just out-number agriculture workers, the majority of Nicaraguans continue to be involved in agriculture and agriculture-related activities. Nicaragua's economy has always been based on agricultural and much of the potential for investment and growth is in this sector. The agricultural products of Nicaragua are diverse, from the staple coffee, banana, sugarcane, cotton, rice, corn and tobacco crops to the less-traditional products such as, sesame and soybeans. There is also potential for growth in specialty meat, dairy, fruit and vegetable production. Barriers to profitable agricultural production are poor production methods, soil deterioration, and lack of access to credit by small and medium-size farmers. For many farmers, the lack of title to land is a critical issue in Nicaragua. Non-standardized land policies have left many farmers landless or without clear land titles.

Micro-entrepreneurs (85% of whom are women) are also a critical element in the Nicaraguan economy. Not only is this the backbone of the economy, but 5% of micro-enterprise owners have the potential to grow large, with access to the appropriate knowledge and resources. The lack of business training, product development skills, appropriate technology, affordable credit and knowledge on export requirements (such as ISO standards) have limited the growth of these micro-enterprises with potential in Nicaragua. With CAFTA, product quality and packaging, ISO standards and logistics of exporting will become even more critical for businesses wanting to compete in the region. Also, the lack of unity in the past among the business sector in Nicaragua has resulted in a weak voice in terms of policy changes to promote better government and business policies.

Alliance Background in Nicaragua

CRWRC has been active in Nicaragua, since 1972. Currently, CRWRC has partner agreements with seven local NGOs to implement integrated community development programs addressing needs in the sectors of health, agriculture, literacy, and income generation. Four of these organizations are carrying out PARTNERS-supported projects involving mentors from North America. CRWRC has two full-time expatriate staff based in Nicaragua, as well as several national staff who work in the Nicaragua country office.

An important partner for the Alliance's outreach activities in Nicaragua is the Nehemiah Center, a networking and training center formed through the collaboration of CRWRC's local partners. One of the main thrusts of the Nehemiah Center is to bring about the ethical transformation of the business and professional sectors in Nicaragua through training in ethical business practices. The Nehemiah Center is also involved several different sectors of community development, including education, health, and human rights.

OMEC is another important partner for the Alliance. Formed in 2000, this business and professional association has about 100 members in Nicaragua. OMEC provides business training and technical assistance to business owners and also assists business people to integrate business ethics and social justice into their professional activities. Half of OMEC members and beneficiaries are female. Most of them live in cities. The members are involved in a variety of businesses, including video production, pharmaceuticals, clothing production,

construction, restaurants, and a vehicle import business. The OMEC members have started a community outreach project in an urban slum, working with leadership in the slum to address infrastructure improvements and other community needs.

A key PARTNER-mentoring project is a *Lawyer to Lawyer* exchange and mentorship program. This professional mentorship program works with Centro Cristiano de Derechos (CCDH)—a nonpartisan, non-profit association that promotes and protects Nicaraguan human rights. This is accomplished primarily through the process of civic education, public advocacy, and defending the human rights of Nicaraguans. The organization is composed of Nicaraguan lawyers who promote human rights through Houses of Justice on a volunteer basis. Through the North American mentoring program, lawyers from North America volunteer their time to assist the CCDH program in their advocacy efforts. The Alliance may draw upon CCDH's experienced volunteers to assist farmer associations with land title disputes and business associations in developing effective public advocacy campaigns to address unfair business and economic policies holding back the creation of jobs for the poor in Nicaragua.

CRWRC and PARTNERS also have two very capable local partner organizations who provide micro-loans to entrepreneurs in Nicaragua. Accion Medica Cristiana (AMC) and Asociacion Cristiana de Jovenes (ACJ-affiliated with YMCA international) both work to create economic opportunities in poor communities in Nicaragua. AMC works in the agricultural Matagalpa region, primarily with small land holders and landless farmers that grow traditional crops. ACJ has more than six years of experience with community banks and currently works in the agricultural Boaco region with micro and small entrepreneurs (primarily women) involved in micro-businesses and small land-holders involved in growing traditional crops. With both of these partners, there is great potential for helping farmers to diversify into non-traditional and value-added products and to tap into the nearby market of Managua. The proximity to the Managua market would give these farmers a competitive advantage over foreign imported products. ACJ already has established mentoring circles and community bank networks that utilize the Grameen bank model.

With both of these organizations, PARTNERS been active with *Farmer to Farmer* exchanges and initial steps to forming mentoring relationships. A successful partnership project under the *Farmer to Farmer* program has been a pilot project called "Land for Landless Farmers." Land is purchased and parceled in small lots that eventually are titled and sold to landless farmers that meet specific selection criteria and who participate in technical training that has focused on reduction of soil erosion, improved irrigation systems, soil fertility, and increased productivity.

PARTNERS currently has six business associations in North America linked to the projects in Nicaragua. Last year alone, 30 North American PARTNERS members visited Nicaragua, providing mentoring assistance to eighteen PARTNER business projects through CRWRC and their partner NGOs, including a *Farmer to Farmer* program, a *Lawyer to Lawyer* program, and a variety of other mentoring opportunities.

Opportunities for Growth in Nicaragua

As Nicaragua enters the new era of CAFTA, with reduced trade barriers in a trade driven economy, Nicaraguan businesses will have new trade and business opportunities. There will be a need for relevant market information and technical expertise geared to improve business efficiency. Likewise, Nicaraguan business people will need to establish trust and good business relationships in the broader region. To support the Nicaraguan entrepreneurs for this new reality, the Alliance will facilitate *Entrepreneur to Entrepreneur* mentoring relationships aimed at improving their technical expertise. Mentors will be recruited from OMEC, North American associations, and other USAID partner missions, depending on the technical needs identified for the entrepreneurs.

The Alliance will put a high priority on crop diversification, access to land, and promotion of non-traditional crops. Lack of access to land and to niche markets severely limits the agriculture revenue in the rural setting. The Alliance will expand the *Farmer to Farmer* program so that mentoring activities focus more on crop diversification, cultivation and marketing on non-traditional crops (such as strawberries), and obtaining the capital needed by farmers. The goal of developing these specialty non-traditional and specialty crops will be to develop the quality and critical mass of production to enter the local and regional markets. Once critical mass is achieved at the national level and farmers begin to adopt improved irrigation and farm management techniques, some farmers may be assisted in going to the next level by mentors who will help them to acquire knowledge of export requirements. The comparative advantage for the Alliance in this area is the existing wealth of North American farmers in the mentoring network who have experience as irrigation specialists and with non-traditional fruits and vegetables. For instance, one PARTNER Farmer Association in Washington has successfully developed effective hand pumps with Zambian farmers that can be manufactured with local materials in any developing country.

It is anticipated that the existing micro-lending funds will need to diversify and expand their loan products for businesses that need to upgrade to compete regionally. ACJ has invested three years into the development of their micro-credit community banks and women's circles. As the women who have succeeded in their enterprises start to outgrow the current loan products, there will be a need for new interventions. ACJ wishes to expand the women's circles into mentoring circles that will incorporate basic business training into the group design. This will be the entry point for North American mentors to participate and share knowledge and technical expertise in a new mentoring program focused more specifically on female entrepreneurs.

With the integration of regional economies, having a more responsive and transparent government that works in collaboration with a market driven economy is essential for investment and growth. Although Nicaragua has made some steps toward democracy by holding technically

fair elections and allowing a free press, democratic institutions are still easily manipulated by the ruling elite and by the two dominant political parties.

With experience facilitating the development of local associations of business people and professionals, PARTNERS is well placed to promote more dialogue among members of the associations and between the association and sectors of the government. As civil society is actualized, the demand for greater accountability and transparency in government is expressed and expected. The cultivation of these associations will involve group to group mentoring within the OMEC network and the North American PARTNER associations. Another element of this approach in promoting transparency is better business ethics, which will be promoted in the by-laws of each association and through direct training and mentorship.

VI. PROPOSED INTERVENTIONS/Technical Approach

The proposed interventions and technical approaches have been grouped under the four key activities of the Initiative of engaging business associations, mentoring, business development projects, and best practices. However, the activities and interventions are not independent, each activity supports the others in an innovative and interwoven model of development towards the Alliance's objectives.

1. Business Associations:

The Alliance will strengthen existing PARTNERS business and professional associations in Haiti and Nicaragua and establish new ones in order to:

- Create linkages between established entrepreneurs with adequate resources and new ones with limited resources for philanthropy and mentoring relationships;
- Provide encouragement for business people, and promote the values and ethics that will build and sustain successful businesses and strong communities; and
- Increase the involvement of business and professional leaders in their government's policy-making to create more stable and just environments in which to grow businesses in Haiti and Nicaragua.

These goals will be accomplished by strengthening, engaging, and equipping existing associations and initiating new ones. The regional field coordinators for Haiti and Nicaragua will work with the CRWRC field consultants and partner NGOs to strengthen the existing associations, which include HPCD in Haiti and OMEC in Nicaragua. HPCD and OMEC have very detailed strategic plans for the growth and outreach activities of their business associations. Specific planned activities of these associations include:

- Training for their members in business ethics and values;

- Technical business training for members and local entrepreneurs where they identify needs for mentoring (both for local and North American mentoring relationships);
- Recruiting, engaging, and equipping mentors from their associations; and

Capacity-building and technical needs identified by some of these existing associations, include:

- Mentor relationship training;
- Assistance in improving financial administration, information systems, and reporting;
- Assistance in business project development (such as matching loan funds, incubator management, and business development services); and
- Advocacy and economic policy basics.

The field coordinators will work to develop new business associations, evolving them from existing business or farm cooperatives and savings groups. Organizations with potential to grow into associations include: AMC, SKDE, and PWOFOOD. Including these organizations, HPCD and OMEC have committed to assisting and encouraging 54 new business associations in Haiti and Nicaragua over the three year Initiative. Indicators that OMEC uses to identify an established business association include a committed membership of eight business people, a code of business ethics, written by-laws, and a governance structure in place.

A key resource available to the Alliance for the formation of business associations is the "Partners Chapter Development Toolkit," which includes detailed information on what a business association (or chapter) is, what is required to start an association, and lessons learned from other PARTNER associations around the world, including an excellent case study on HPCD. Through this Initiative, this Toolkit will be expanded through the Best Practices activities to also address resources and tools for advocacy.

New and existing business associations will receive technical assistance from CRWRC field consultants, who will assist them with tasks such as board formation, preparation of vision and mission statements, writing by-laws, and establishing policies for proper management of the association's financial resources. Other association strengthening activities will include training of personnel, use of activity and loan tracking software and information systems, developing loan policies (where applicable), and training members in business ethics and the basics of advocacy for policy changes. Some PARTNERS mentors with professional background in organizational development may also provide consultation of this nature.

PARTNERS staff and mentors will continue to encourage and provide support to the eight North American business associations that are

linked with the Nicaragua and Haiti projects, assisting them in building membership and raising matching resources for projects, as well as providing the links for North American associations to work with potential projects in Haiti and Nicaragua.

2. Mentoring:

The Alliance will provide appropriate business and professional mentors for small and medium enterprises in Haiti and Nicaragua through local and international business associations. The Alliance members have identified mentoring as a critical element toward achieving the objectives of business growth and sharing of values that will build and sustain businesses, communities, and societies in Nicaragua and Haiti. Mentoring will assist the business people in Haiti and Nicaragua to strengthen their business skills, to access new and appropriate technology, to locate sources of capital, to find new markets, to meet product standards required for export, and to adopt other innovative business strategies that will result in increased business profitability. Mentoring will focus on improving product quality, productivity, and profitability.

PARTNERS staff will recruit more than 100 North American mentors for the Alliance Initiative over the three year period, using established outreach methods that include: speaking engagements at business meetings and churches, the international "Business as a Calling" conference, a monthly newsletter, a monthly e-mail list-serve on business and project needs, and ongoing updates on project needs through the Million Mentors project management web-site. These mentors from North America will focus their volunteer services on assisting business people within OMEC and HPCD.

In turn, the Alliance expects to recruit many mentors from these local business associations for mentoring of entrepreneurs with small and medium-sized businesses. Using Haitian and Nicaraguan mentors will help to overcome language barriers that North American mentors would encounter. There will also be benefits for these highly stratified countries as mentoring provides an opportunity to bring together people of different economic and social classes living in the same society. However, North American mentors may also lend their expertise to business people at this level if the outside skills, resources, and experience that are needed are not available from local mentors.

"We must keep our focus, which is to help the poor entrepreneur create jobs and interact in a sharing kind of way with the more affluent business people, thus crossing over the social strata and promoting social integration in a country that badly needs it." -Ralph Edmond, President HPCD

There are a few common elements and criteria that the Alliance members are looking for in mentoring relationships:

- Mentoring is a mutual relationship, where both parties have a

choice to initiate, continue or terminate a relationship.

- Mentoring is based on encouragement, constructive comments, openness, mutual trust, mutual respect, and a willingness to learn and share on the part of both parties.
- Mentoring is ongoing and may involve an investment of time for an extended period.
- The goal of mentoring is to achieve growth for both/all parties, both in business and in community involvement.

In the Haiti and Nicaragua Initiative, mentoring will be encouraged and nurtured through the following support activities of Alliance members:

- Recruitment of mentors through and by business associations, project staff, and NGO partners;
- Development of the Million Mentors web-site, e-mail list serve, and other outreach materials that will provide information on potential mentoring opportunities and needs;
- Orientation and training of mentors using the PARTNERS "Mentoring Tool Kit," cultural training provided by field staff, and workshops on mentoring provided by business associations and NGO partners;
- Training in Mentor Action Planning—a system for establishing agreed upon goals, responsibilities, and frequency of communication between mentors and entrepreneurs;
- Translators for mentoring relationships, when required; and
- Specific skill training for mentors and entrepreneurs (in business or technical skill areas).

Mentoring takes many different forms, depending on the needs of both parties in a mentoring relationship. Different mentoring arrangements may include one-on-one mentoring, business group to business group mentoring, and more formalized training (one mentor sharing their knowledge with a group of entrepreneurs). They may include *Farmer to Farmer*, *Entrepreneur to Entrepreneur*, *Women Entrepreneurs to Women Entrepreneurs*, and consultant specialist (like Lawyers) to specific business groups or associations.

If similar training needs are identified for a group of entrepreneurs involved in mentoring relationships, group mentoring and sector training opportunities will be developed to meet these needs. Current requests for this type of group mentoring include: export assistance, financial skills, market development, food processing, non-traditional crop production, and ISO standards.

3. Business Development Projects:

The Alliance will strengthen links and partnerships between business associations, mentors, and local NGO business development projects in order to improve the ability of Haitian and Nicaraguan entrepreneurs to access new and appropriate technology, sources of capital, new markets, improved business skills, and other innovative business strategies. The business development projects sponsored by the Alliance will build on the resources the Alliance has in these regions and the specific economic opportunities of each region, and it will address the economic barriers within each country.

In both Haiti and Nicaragua, CRWRC consultants and mentors will build the capacity of business associations and partner NGOs in administration and financial management so they can effectively identify, implement, manage, and evaluate business development projects. These capacity building activities will also help NGOs and business associations with existing business development projects to achieve greater effectiveness.

In Haiti, HPCD's business incubator and training facilities will provide an appropriate venue for delivering business development services and trainings. The Alliance will assess SKDE's savings and loan activities and PWOFOOD's micro-lending activities in order to gauge their potential for growth and expansion that would meet the larger capital needs of the medium-sized businesses and higher capital requirements of the target food processing and light manufacturing sectors. Other options for securing business capital, through loan guarantees or through association partnerships with commercial banks, will also be evaluated with partner NGOs, USAID's input, and the business association members.

In Nicaragua, CRWRC and PARTNERS activities have supported the growth of eighteen business development projects, including the "Land for Landless Farmers" project, a health clinic, a vehicle repair shop, a print shop, and a women's cooperative business that purchases and stores grain. To increase the capacity for supporting enterprises such as these the Alliance will expand existing micro-loan funds with additional capital from the PARTNERS Global Small Business Growth Fund (the Global Fund) that will be made available as a matching loan against savings. Loan products for farmers and the women's mentoring circles will be diversified. OMEC will evaluate the best way to support increased access for capital for their members, focusing on preparing small and medium-size businesses for the regional economy.

Although each business project under this Initiative will have unique goals that reflect the needs and markets for that region, one common element of success for business projects is requiring local investments in the project. The Global Fund provides this incentive

for local savings and investment. PARTNERS developed this tool for small and medium businesses that have credit needs that are too large for micro-finance and collateral that is generally too small for formal bank credit, those in the "missing middle." These entrepreneurs have potential to create jobs, but often do not have the access to credit to grow. The Global Fund targets this missing middle, especially in small to medium businesses, including those value-added agriculture and food processing products. The Global Fund's resources are distributed through approved business development and credit programs as incentive driven matching loans. For each dollar that a business saves or invests, a mentor or sponsoring business association will match one dollar and the Global Fund will match one dollar, tripling the capital available to the business for growth. Through this Initiative, Global Funds will be made available to approved businesses and business development projects.

One example of the incredible impacts of the Global Fund model is Full-Scale Business Association in Mombasa, Kenya. This association is a PARTNERS-affiliated group that has helped to grow 207 businesses and created 195 new jobs for the Mombasa area in the last three years. Full-Scale is a membership association where each business member is first required to save a minimum amount per month for six months. These members are then eligible for a loan amounting to twice their savings. After successful repayment of this small loan, the business may next borrow an amount two times the original loan. Throughout the loan period, each member continues to contribute to their savings, receives mentoring and technical assistance from fellow business members and the Full-Scale staff, and benefits from the ongoing cooperative support of the Full-Scale Association. This model has helped the members grow and succeed in their businesses, while improving lives and the economy in Mombasa, Kenya.

The Full-Scale Business Association members currently have collective savings of over \$57,796 and have disbursed low-interest matching loans to 162 businesses totaling \$156,494 with the matching capital of the Global Fund. Loan funds have been essential in assisting the businesses to expand inputs and markets, diversify their products, and invest in business capital, allowing these businesses to grow and create jobs for the local economy. The program has also succeeded in building the cooperative spirit of business owners and their commitments to care for the poor.

One critical element of the success of Full-Scale is that the CRWRC/PARTNERS field consultant in Kenya who play a strong leadership role in mentoring a Mombasa businessperson to act as administrator of the Full-Scale project. Another important factor is that a North American Partners Association has an active business to business partnership with Full-Scale that includes annual visits, planning, evaluating, training and networking, email exchanges and encouragement. The success and lessons learned through Full-Scale Business Association will be part of the best practices activities of

this Initiative, including a more detailed case study, tool-kit (manual) and learning exchange to Mombasa.

PARTNERS and CRWRC staff in Haiti and Nicaragua will work extensively with potential partner projects (and their NGO or business association sponsors) on business planning and capacity-building for the success of each project. Staff from PARTNERS and CRWRC will assist them in preparing plans for potential PARTNER-sponsored business projects. PARTNERS business mentors will review these plans and give advice on how they can be improved. PARTNERS will then review the final business plans and evaluate them based on specific criteria. These criteria include: What types of jobs will be created? Are they sustainable? What is the potential for this business to grow through a mentoring relationship? Is there a market and marketing plan for this product or service? Is there shared risk and local funding involved in the project? To what extent does the business add value and build new wealth for the community? Is the technology for the business or project appropriate, available and sustainable?

If the Global Funds are effective in promoting savings and investment in Haiti and Nicaragua during a pilot phase, then extensive training and mentorship will be provided to local NGOs and business associations on set-up, management, and sustainability issues of business savings and lending models.

4. Best Practices:

The Alliance will research and disseminate information on the best practices of business development projects that involve business associations and mentoring programs, through:

- Regional Million Mentors conferences linked to the International PARTNERS "Business as a Calling" conference, which is planned for June 2004. In the first year of this project, a regional conference is planned for Nicaragua in March 2004. Haiti's country-level "Million Mentors: Business as a Calling" conference is being planned for May 2004.
- Exchange programs between business associations and projects world-wide. In the first year, there will be a learning exchange between Haiti/Nicaragua and Kenya. Three people from Haiti and three from Nicaragua will travel to Mombasa and Nairobi, Kenya to visit Full-Scale Business Association and the Kenya Investment Trust, another matching loan association for larger businesses in Nairobi. Later, Francis Muthoka, the field consultant with CRWRC/PARTNERS in Kenya, will attend the regional conferences in Haiti and Nicaragua to share his experiences and learn from the projects in Haiti and Nicaragua.
- Mentoring and training center facilities located in each region. Using the partner NGO business and training centers, the Alliance will provide mentoring resources, access to the web and the Million Mentors web-site, and regularly scheduled mentoring courses and business development services for businesses and mentors.
- Development of manuals, tool-kits, and case studies on best practices and lessons learned. This will involve updating and

expanding the Business Chapter Development and Mentoring Tool-kits currently available.

- Evaluation and dissemination of best practices information through the web-site, mentorship centers, conferences, and other outreach activities. CRWRC's Best Practices Coordinator will facilitate learning and resource sharing through consultation, learning exchanges, training modules, and manuals.

VII. MANAGEMENT PLAN

The Alliance has created a Management Team responsible for managing the direction and progress of the Haiti and Nicaragua Initiative. The team currently includes one representative, in a senior leadership position, from each of the following key Alliance members: PARTNERS, CRWRC, and Newdea. Additional members of the Management Team will include the Project Manager, who has overall responsibility for managing implementation and reporting to USAID, a Project Management Consultant, who will assist the Team with strategic planning. The Management Team will be convened by the Project Director, who is also the Executive Director of PARTNERS, the lead organization. USAID staff, Rich DeVos, Alliance member staff, field staff, in-country partner NGO leaders, and volunteer mentors for this initiative will play critical advisory roles to the Management Team.

The Alliance Management Team will have responsibility for initiating and coordinating the implementation of strategic plans, risk assessment and risk management plans, evaluations, and exit strategies related to this initiative. The team will also be responsible for overall project staffing and financial resource commitments made by each alliance member. Additionally, they will do ongoing assessment of actual progress toward achieving the objectives of the Initiative. The team will initiate mid-course evaluations and strategy adjustments as required, focusing primarily on staffing and financial resources. As lead agency, PARTNERS will be responsible for communicating to management team members and key staff, the financial, process, and reporting requirements related to partnering with USAID on this initiative.

Existing Alliance member projects, staff, and resources in Haiti and Nicaragua provide an excellent base for the implementation of the Haiti and Nicaragua Initiative. The initiative will build on the strong partnerships and partner staff already in place in these regions.

Key personnel that will be needed for coordination, project management, and implementation of the Initiative include:

Alliance Director: Doug Seebeck, as Executive Director of the lead agency, Partners for Christian Development, will provide 25% of his time to the accountability and success of this Alliance Haiti and Nicaragua Initiative. Doug brings a wealth of experience in international development, education in leadership development, and an enthusiastic management style. He

will have responsibility for convening the Alliance Management Team and serving as the key liaison with the DeVos Foundation and USAID.

Project Management Consultant: Will De Boer, a PARTNERS member and volunteer, will provide 25% of his time to provide leadership and solutions to strategic issues for the success of this project, including strategic planning, risk analyses, and assessment and coordination of the project management systems for this project. Will brings to this project extensive background in customer, digital, and business solutions. He will report to the Project Director and support and coordinate activities with the Project Manager.

Project Manager: Periskila Brink, the Director of Operations for PARTNERS, will dedicate 50% of her time to the project. She will manage and coordinate this Initiative with the Haiti and Nicaragua field staff and will be responsible for coordinating field staff resources, field staff training, and financial and progress reports. She will also train field staff in conducting business evaluations, preparing business plans, and using MIS to track results. Periskila brings to this Initiative strong skills in financial management, business development services, consensus-building, and impact measurement systems. Having lived and worked overseas for many years, including two years in Haiti, Periskila brings cultural and multi-lingual skills that will be extremely valuable for this Initiative.

Field Consultants: CRWRC and PARTNERS field consultants in Haiti and Nicaragua will provide a combined total of one full-time staff person in each country to provide the field management, coordination, outreach, capacity-building, training, and outreach activities necessary to make the Haiti and Nicaragua Initiative a success. The field consultants will be responsible for working with the project manager and local business associations in the recruitment and training of Field Coordinators. The Field Consultants bring to the Initiative their existing relationships with the partner NGOs, their experiences in setting up business associations and mentoring relationships, and their unique skills in business development, community development, and agricultural development toward the achievement of the goals of the Initiative. Field Consultants will build the capacity and long-term sustainability of the business associations and partner NGOs to identify and address their communities' needs. The Field Consultants will provide financial and progress reports on the activities of the Initiative to the Project Manager. For Haiti, the primary field consultants are Lesly Jules (75%) and Ad de Blaeij (25%). In Nicaragua, the primary field consultants will be Mark VanderWees (25%) and Emily Boldenow (75%). Resumes are included in the attachments.

Field Coordinators: These positions will be filled by new full-time staff. They will work on the formation of business associations, in the recruiting and equipping of mentors from within Haiti and Nicaragua, and in the linking of local business associations and mentors to business development projects. It is preferred that these Field Coordinators be Haitian and Nicaraguan nationals with extensive business development experience and the ability to connect with businesspeople and professionals at all levels of their society. It is also essential that the field coordinators speak English, so they can connect with the North American mentors. The goal is to fill these new positions in Haiti and Nicaragua during the first quarter of the project. One of the key initial tasks of the field coordinators, in coordination with the field consultants, is to kick

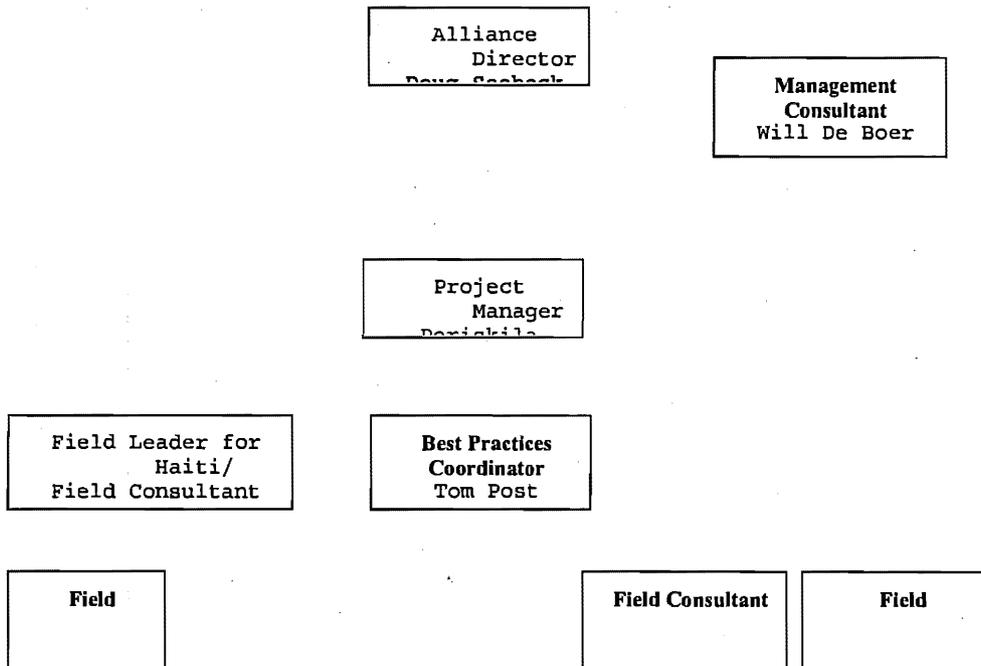
off the "Million Mentors—Business as a Calling" meetings and conferences in each region, to recruit, equip, and engage business and professional people into this Initiative.

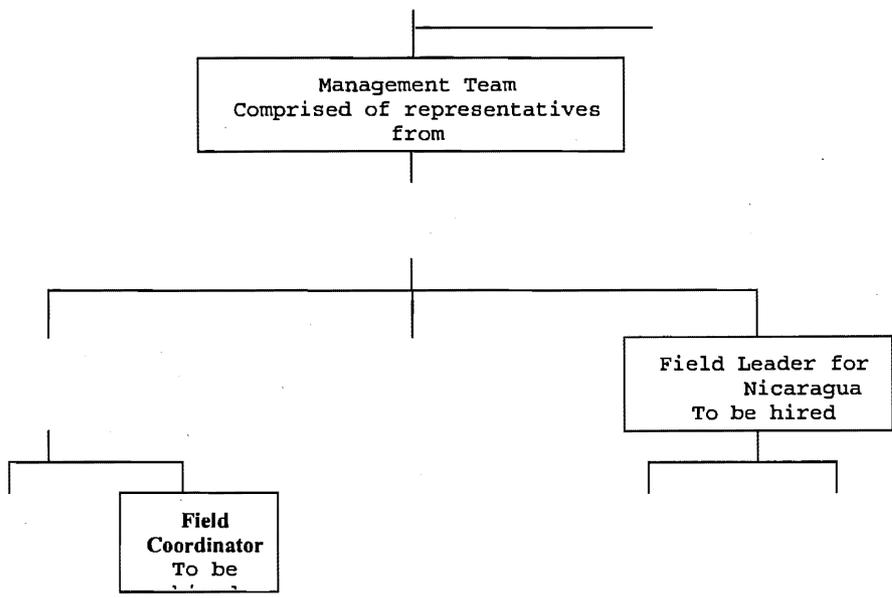
Volunteer Mentors: Finally, the real human-power that will achieve the objectives of this Initiative is the corps of committed and talented volunteer mentors that will be engaged as part of this project. The Alliance intends to recruit 335 business people and professionals in North American, Haiti, and Nicaraguan to serve as mentors and to contribute their time toward achievement of economic improvement and alleviation of poverty in Haiti and Nicaragua. Many of these mentors will also volunteer significant time to in the direction and management of the Alliance activities, as business and professional advisors.

Best Practices Coordinator: Dr. Tom Post, Best Practices Coordinator for CRWRC, will devote 20% of his time to the Haiti and Nicaragua Initiative. He will facilitate the transfer of knowledge about successful methods for business development through the following methods: coordinating learning exchanges between staff in Haiti and Nicaragua and those in other countries where PARTNERS operates; organizing training workshops; identifying resources for training entrepreneurs in successful business management; and participating in evaluations of the Initiative so that lessons learned from the project can be shared broadly.

Additional staff support for the Alliance Initiative will come from the Alliance member staff and vast volunteer resources of these organizations. One PARTNER North American staff member is dedicated to recruiting, equipping and engaging North American business people and professionals into PARTNER business associations, as mentors, and as funding partners for projects world-wide, including this Initiative. PARTNER staff will also provide assistance with conference planning, North American travel coordination, administrative support, outreach, and grant administration requirements. CRWRC staff also include an Evaluations Specialist and a Justice Education Coordinator. CRWRC has committed a portion of the time from each of these specialists as resources to the Alliance Initiative for Haiti and Nicaragua.

The following is a diagram of the Alliance management plan:





VIII. EXPECTED IMPACTS/OUTCOMES and EVALUATIONS

"Good governance is such a critical element for business to flourish. We need to build it into our anticipated outcome, such that our work in mentoring and delivering business development services is not an end in itself, but rather the development of a middle class that is the means for applying pressure toward the end of accountable organizations, systems and good governance. During the last several years in Haiti I have witnessed several strong businesses in Haiti shrink both in size and viability, not through mismanagement, but rather due to poor government policies, tariff, and subsidy issues."

-Dave Genzink, PARTNERS board member and

mentor to HPCD

Key Objectives and Expected Impacts

The Alliance intends to achieve the following key objectives in Haiti and Nicaragua by the end of the three-year Initiative:

- Haiti:
- To establish and strengthen the capacity of 42 business associations involving approximately 1,025 members.
 - To recruit and involve 135 voluntary business and professional mentors from local and international business associations.
 - To help 500 new and existing businesses to succeed.
 - To help create/retain 2,500 jobs for the poor.

- Nicaragu
a:
- To establish and strengthen the capacity of 17 business associations involving approximately 300 members.
 - To recruit and involve 200 voluntary business and professional mentors from local and international business associations.
 - To help 65 new and existing businesses to succeed.
 - To help create/retain 400 jobs for the poor.

Although the above quantitative objectives are critical elements of the Alliance project, the crucial long-term impacts of this Initiative are reflected in the more qualitative objectives. Beyond the new and growing businesses and jobs for the poor in Haiti and Nicaragua, the Alliance expects the following impacts:

- Jobs for the poor and improved business and agricultural incomes, resulting in better quality of life for the families and communities of participants in the Initiative (the beneficiaries)
- More equitable distribution of wealth, bridging social and financial gaps
- Strengthened capacity, financial sustainability, and leaders in-country to continue associations and mentoring
- Increased local philanthropy to support business development projects and community needs
- Elevated business ethics and the strengthening of values opposed to corruption
- Business people and professionals actively engaged in policy advocacy to promote good governance and better economic and political policies

Teresia Waweru's story illustrates the broader impacts of the Alliance's activities:

When Teresia Waweru lost her job in Kenya, she decided to start a butchery. She joined one of the PARTNERS business associations for mentoring and encouragement. Later she received a matching loan from the association, which combined with her own savings, allowed her to purchase improved equipment and successfully expand the business and add 10 employees. One of the employees she hired was a street youth from Nairobi. Moved by his hard work and past experiences, Teresia started an outreach and education program for the street-children of Nairobi.

-Kenyan PARTNERS member

Impacts in USAID Program Areas

The common priority of all the Alliance's projects is expanding access to economic opportunities for the poor, under USAID's program area "Economic Growth and Trade Capacity Building." The projects and businesses of this Initiative will also directly support USAID's priority areas of Agriculture, Anti-corruption and Civil Society, and Environment/Energy.

At the regional level, this Initiative will help USAID work towards their regional strategy to help Nicaragua, "accelerate the pace of

economic and social reform in order to position itself to benefit from the new trade opportunities under the U.S.-Central America Free Trade Agreement and ensure that all Nicaraguan share in the benefits of growth." The Alliance initiative utilizes many of the strategies outlined in the FY 2003-2008 USAID/Nicaragua Country Plan, including:

- Involving civil society support to mobilize reforms towards more responsive and transparent governance;
- Promote trade and investment by helping to build trade capacity and reduce barriers to trade and investment;
- Encourage more competitive and market-oriented private enterprises, with public/private alliances to leverage resources and improved market linkages;
- Rural diversification and linking of agricultural producers to markets for non-traditional agriculture products.

"There is an urgent need to promote sustainable economic growth, globally competitive production, job creation, and good governance in Nicaragua so as not to undermine the fragile gains...for the poor."

FY 2003-2008 USAID/Nicaragua Country Plan, p. 2

In Haiti, the approach and potential impacts of Alliance Initiative also closely align with regional strategies, including the overall objectives of reducing poverty and building a democratic society. Through the business associations, mentoring relationships, and business development projects, the Initiative will be working on several activities reflected in the USAID country plan:

- Promoting the growth and influence of civil society organizations, including business groups in order to improve governance
- Reinforcing and financially supporting micro-enterprise institutions
- Mobilizing private sector capital and savings
- Improving quality and increasing export in handicrafts
- Supporting investment conducive economic and structural reforms
- Strengthening Haitian business leadership
- Identifying and promoting best practices

In February 2003, during a meeting with Doug Seebeck, PARTNERS Director, Andrew S. Natsios commented that the most important impact of mentoring is sharing the "values and ethics that promote business success and sustain societies."

Expected Participants and Beneficiaries

The definitions of beneficiaries vary by each project and are defined by the local stakeholders, depending on the goals of the project. Based on the Alliance baseline data, it is estimated that the majority of the activities will involve and benefit the poor, and 60% of these participants will be women. Approximately 60% of participants are rural and 40% urban, based on the proposed projects and regions of the Initiative. In contrast, the business members that join the business associations tend to be more urban and to be the business middle-class of the developing countries. The goal is to connect the business and professional members to the low-income entrepreneurs through mentoring

relationships, bridging gaps in these economically stratified countries and providing the critical links and resources for business success.

Reporting and Communication Systems

Innovative, efficient, and effective communications, evaluation, and reporting are an essential element of the Million Mentors Initiative. These systems are essential to successfully manage the diverse activities of this Initiative and to identify and share the best practices of the Million Mentors Alliance.

Progress towards the key objectives for this Initiative will be tracked through a comprehensive web-based reporting and communications system developed by Newdea, that builds on the current internet-based MIS and quarterly reporting system that CRWRC and PARTNERS presently use. CRWRC has a program planning and reporting system, based on a logframe model, that is used for tracking baseline indicators, progress on objectives, activities, and key community impacts with programs and partner NGOs. Reports on CRWRC programs are filed with the home office on a quarterly basis via web-based software. For PARTNERS-supported business development projects, staff also use a Quick-base tool for financial management and reports. This database gives them limited project management capabilities.

The Alliance has identified the need for more dynamic project management and communication tools to better link and coordinate the many players in this Alliance. This is where Newdea and the Project Management Consultant will bring their strengths to this project. Newdea staff and Mr. DeBoer, in coordination with the Project Manager and field staff will develop a customized, web-based project management and communications tool for the Million Mentors project.

On the project management side, the Alliance will develop and use the MIS tools and skills that field staff has already integrated, while providing enhanced project management tools to help coordinate staff activities and meet the objectives of this Initiative. These tools may include the ability to create more detailed project schedules and to track task assignments. These project management tools and the MIS system on activities and impacts will all be integrated into the overall communications tool, the Million Mentors web-site.

This web-site will provide access to the most recent activities and progress updates of the Initiative's activities in North America, Haiti, and Nicaragua by project. The information will be available to anyone, anytime. Internal project management information on project schedules, tasks, and finances will be available through this site to key players who have special access.

For a broader audience, Alliance project business plans, key objectives, current resource and mentoring needs, and photos will make the site more dynamic and accessible to potential mentors and donors. Narrative success stories and case studies on lessons learned through the mentoring, business association, and job creation activities of

the Alliance will be highlighted on the web-site to facilitate learning and sharing of best practices. Results on surveys and interviews related to the more qualitative impacts of the Initiative will be made available to stakeholders on the web-site. Links from the web-site to resources, such as the Mentoring Tool-kit, Business Chapter Development Tool-kit, and resources on business ethics and good governance will be valuable to new business associations, field staff, and potential mentors as this world-wide movement of mentors grows.

Newdea was selected as a partner in the Alliance, due to their web-based programming strength, experience in international development project management, commitment to philanthropy and their existing web-based applications for project management, fund solicitation, and communications. The existing Newdea resources and applications available to the Alliance and their commitment to provide over \$75,000 of in-kind application customization and support will provide the tools to meet the Alliance expectations for communication and coordination. This innovative and comprehensive communication tool may also provide a model for other international development projects, linking donors to recipients, connecting mentors to business projects, coordinating partner agencies, and providing project updates that are available with the click of a button to all stakeholders at anytime. Another critical advantage in utilizing Newdea's software will be the ability for Newdea to customize printable reports from the existing MIS reporting system to meet the reporting needs or formats of other participating agencies, such as USAID, saving valuable time for the field and project staff.

In addition to these web-based resources, other effective communication tools will be utilized to reach out to potential participants in the project, such as mentors and donors, and to share best practices. These communication tools include brochures, e-mail list-serves, direct mail, press releases, videos, speaking engagements, conferences, and small gatherings with business and professional leaders.

Evaluation

CRWRC brings to the Alliance a wealth of experience in evaluating programs using participatory evaluation methodologies. CRWRC provides training for their consultants and volunteer evaluators in these methods, to improve their ability to effectively involve community members and program participants in assessing the real impacts and results of projects. The CRWRC Evaluation Specialist will take the lead on coordinating evaluations of the Haiti and Nicaragua Initiative, making sure that all key stakeholders are able to participate. The goal will be to perform evaluations of the Initiative activities in Haiti and Nicaragua at mid-term, with an in-depth evaluation of both fields at the end of the three year project period.

The Alliance requests USAID's assistance in developing survey and interview questions that will capture the broader qualitative impacts of the Initiative's business association activities and mentoring on business ethics, good governance, economic policy reforms, and civil society in Haiti and Nicaragua.

IX. Implementation Schedule and Sustainability

As the following table illustrates, the proposed timeframe for this initiative is three years. With the current resources in place, the project activities require little lead time and can begin upon approval by USAID. As you will see, the main objective during the first quarter is to place the new field coordinators and to kick-off the project with a joint strategic planning session involving Alliance members, staff and key field partner NGOs. Within the first year, field staff will plan the regional or country-wide conferences to recruit, equip and engage new business association members and mentors to truly start the Million Mentors movement growing. The attached schedule shows the basic plan for major activities only, as sub-tasks and responsibilities will be worked out at the joint strategic planning session.

The table showing the implementation schedule is presented on the next page.

Major Activities:	Year 1				Year 2				Year 3			
	1	2	3	4	1	2	3	4	1	2	3	4
Staffing: New Hires	■		■									
Staff Orientation on Initiative	■											
Project Management:												
Strategic Planning Kick-off	■											
Software Integrated w/MIS		■	■	■	■	■	■	■	■	■	■	■
Reporting: quarterly updates		■	■	■	■	■	■	■	■	■	■	■
Evaluations					■	■						■
Web Site Development:												
Alliance web-site developed	■	■	■									
Reporting and donor links to web-site	■	■	■									
Business Associations:												
Initiative orientation w/existing assoc.	■											
New association capacity-building		■	■	■	■	■	■	■	■	■	■	■
Mentoring:												
NA and local mentor	■											

recruitment	[shaded]		
Mentor orientation and training	[shaded]		
Mentoring relationships w/businesses	[shaded]		
Business Projects:	[shaded]		
Orientation w/existing projects on Initiative	[shaded]	[shaded]	[shaded]
Identification of potential new projects	[shaded]	[shaded]	[shaded]
Global Fund matching activities	[shaded]		
Best Practices:	[shaded]		
Regional Conferences	[shaded]	[shaded]	[shaded]
National Conferences	[shaded]	[shaded]	[shaded]
Learning Exchanges	[shaded]	[shaded]	[shaded]
Best Practices Manuals	[shaded]	[shaded]	[shaded]
Mentoring video	[shaded]	[shaded]	[shaded]

Sustainability

Although the current Initiative proposed is for three years, the Alliance is committed to investing in capacity-building activities towards the Million Mentors Global Business Alliance mission and vision for five to six years. The Million Mentors Management Team believe that this length of time and investment is realistic considering the economic challenges facing these countries and businesses in general. As in business, the return on investment in a project of this kind is gradual at first, with results rapidly multiplying through the success of this Initiative in the second and third years, or beyond.

Fortunately, with the Million Mentors model involving local membership-based business associations, local philanthropy, local business savings and income-generating loan funds, the success of the project will also be reflected in the growing local financial inputs into this Initiative over the three years. Currently several of the Alliance projects already have substantial local business saving components and local philanthropic support for their activities. The goal is to increase the local financial contribution to each Million Mentors Initiative project in Haiti and Nicaragua by 15% over the three years. As the Haitian and Nicaraguan business associations and local partner NGOs build their capacities to solicit their local members, communities, government and North American mentor groups directly, the Alliance will develop exit strategies that address the transition of the Million Mentors Field Coordinators, local conferences, and mentorship training over to the local business associations and NGOs completely.

For truly long-term, sustainable impacts from this Initiative, the Alliance is committed to involving and equipping the local businesspeople, professionals, and partner NGOs to be a part of this Initiative, especially in leadership roles. The sustainability of this Initiative and its long-term goals depend upon building the capacity and networks of the business and professional leaders in Haiti and Nicaragua—empowering them to stand against corruption and greed, equipping them to meet the needs of their communities and create

jobs for the poor, and organizing them to advocate for better governance in their countries and national economic policies to create a brighter future for their people.

X. Attachments

Attachment A: Draft Memorandum of Understanding

Attachment B: Curriculum Vitae of Key Personnel

Attachment C: Letters of Commitment from Alliance Members

Attachment A

DRAFT

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
AND
PARTNERS FOR CHRISTIAN DEVELOPMENT
AND
CHRISTIAN REFORMED WORLD RELIEF COMMITTEE
AND
THE RICHARD AND HELEN DEVOS FOUNDATION
AND
NEWDEA, INC.

I. PURPOSE AND SCOPE

The United States Agency for International Development ("USAID") and Partners for Christian Development, a private voluntary organization; Christian Reformed World Relief Committee, a private voluntary organization; the Richard and Helen DeVos Foundation, a charitable foundation; and Newdea, Inc., a for-profit information technology solutions firm (hereafter each a "Party" and collectively, "the Parties"); share the goal of reducing poverty in Haiti and Nicaragua through supporting the growth of small and medium-sized businesses and thereby creating sustainable jobs for the poor. The Parties also share the goals of strengthening and expanding local business and professional associations and other organizations that give support to fledgling enterprises in these two countries

The purpose of the Memorandum of Understanding ("MOU") is to set forth the understandings and intentions of the Parties with regard to these shared goals. The Parties specifically acknowledge that this MOU is not an obligation of funds, nor does it constitute a legally binding commitment by any Party.

II. IMPLEMENTATION

To achieve the purposes of this MOU, the Parties, individually and subject to the availability of funds, contemplate activities including:

- Recruiting successful business people and other professionals from North America, Haiti, and Nicaragua to provide mentoring and technical assistance to proprietors of small and medium-sized businesses; and
- Initiating, strengthening and engaging business and professional associations in Nicaragua and Haiti through training in mentorship, advocacy, and consultation on organizational development; and

- Supporting business development projects through revolving loans, mentoring services, increased access to new technology, and training on improved farming, production, packaging, and marketing techniques.

Special joint efforts of the Parties may include:

- Sharing information on business development projects through web-based project management software;
- Identifying and sharing best practices in business development which may be good to replicate; and
- Evaluating the effectiveness of the program in creating sustainable jobs for the poor and broader impacts on economic policies and growth in Haiti and Nicaragua.

IN WITNESS WHEREOF, the undersigned Parties have agreed:

Partners for Christian Development ("PARTNERS"):

United States Agency for International Development ("USAID"):

 Doug Seebeck
 Executive Director, PCD
 Authorized Representative for PCD

 Jack Hawkins, USAID
 Authorized Representative for USAID

_____ Date

_____ Date

Christian Reformed World Relief Committee ("CRWRC"):

The Richard and Helen DeVos Foundation:

 Andy Ryskamp
 U.S. Director, CRWRC
 Authorized Representative for CRWRC

 Richard DeVos
 Authorized Representative for the
 Richard and Helen DeVos Foundation

_____ Date

_____ Date

Newdea, Inc.:

 Troy Stremmler
 President
 Authorized Representative for Newdea, Inc.

STANDARD PROVISIONS FOR U.S., NONGOVERNMENTAL RECIPIENTS

C.1 APPLICABILITY OF 22 CFR PART 226 (APRIL 1998)

(a) All provisions of 22 CFR Part 226 and all Standard Provisions attached to this agreement are applicable to the recipient and to subrecipients which meet the definition of "Recipient" in Part 226, unless a section specifically excludes a subrecipient from coverage. The recipient shall assure that subrecipients have copies of all the attached standard provisions.

(b) For any subawards made with entities which fall outside of the definition of "Recipient" (such as Non-US organizations) the Recipient shall include the applicable "Standard Provisions for Non-US Nongovernmental Grantees" except for the "Accounting, Audit and Records" Standard Provision. Recipients are required to ensure compliance with subrecipient monitoring procedures in accordance with OMB Circular A-133 and shall insert an appropriate provision on accounting, audit and records.

C.2 INELIGIBLE COUNTRIES (MAY 1986)

Unless otherwise approved by the USAID Agreement Officer, funds will only be expended for assistance to countries eligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

C.3 NONDISCRIMINATION (MAY 1986)

No U.S. citizen or legal resident shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this award on the basis of race, color, national origin, age, handicap, or sex.

C.4 INVESTMENT PROMOTION (JANUARY 1994)

No funds or other support provided hereunder may be used in a project or activity reasonably likely to involve the relocation or expansion outside of the United States of an enterprise located in the United States if non-U.S. production in such relocation or expansion replaces some or all of the production of, and reduces the number of

employees at, said enterprise in the United States. No funds or other support provided hereunder may be used in a project or activity the purpose of which is the establishment or development in a foreign country of any export processing zone or designated area where the labor, environmental, tax, tariff, and safety laws of the country would not apply, without the prior written approval of USAID. No funds or other support provided hereunder may be used in a project or activity which contributes to the violation of internationally recognized rights of workers in the recipient country, including those in any designated zone or area in that country.

C.5 NONLIABILITY (NOVEMBER 1985)

USAID does not assume liability for any third party claims for damages arising out of this award.

C.6 AMENDMENT (NOVEMBER 1985)

The award may be amended by formal modifications to the basic award document or by means of an exchange of letters between the Agreement Officer and an appropriate official of the recipient.

C.7 NOTICES (NOVEMBER 1985)

Any notice given by USAID or the recipient shall be sufficient only if in writing and delivered in person, mailed, or cabled as follows:

To the USAID Agreement Officer, at the address specified in the award.

To recipient, at recipient's address shown in the award or to such other address designated within the award Notices shall be effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

C.8 SUBAGREEMENTS (JUNE 1999)

Subrecipients, subawardees, and contractors have no relationship with USAID under the terms of this agreement. All required USAID approvals must be directed through the recipient to USAID.

**C.9 OMB APPROVAL UNDER THE PAPERWORK REDUCTION ACT
(APRIL 1998)**

Information collection requirements imposed by this grant are covered by OMB approval number 0412-0510; the current expiration date is 11/30/2000. Identification of the Standard Provision containing the requirement and an estimate of the public reporting burden (including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information) are set forth below.

Standard Provision -----	Burden Estimate -----
Air Travel and Transportation	1 (hour)
Ocean Shipment of Goods	.5
Patent Rights	.5
Publications	.5
Negotiated Indirect Cost Rates - (Predetermined and Provisional)	1
Voluntary Population Planning	.5
Protection of the Individual as a Research Subject	

22 CFR 226 -----	Burden Estimate -----
22 CFR 226.40-.49 Procurement of Goods and Services	1
22 CFR 226.30 - .36 Property Standards	1.5

Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Procurement, Policy Division (M/OP/P) U.S. Agency for International Development, Washington, DC 20523-7801 and to the Office of Management and Budget, Paperwork Reduction Project (0412-0510), Washington, DC 20503.

**C.10 CONVERSION OF UNITED STATES DOLLARS TO LOCAL CURRENCY
(NOVEMBER 1985)**

Upon arrival in the Cooperating Country, and from time to time as appropriate, the recipient's chief of party shall consult with the Mission Director who shall provide, in writing, the procedure the recipient and its employees shall follow in the conversion of United States dollars to local currency. This may include, but is not limited to, the conversion of currency through the cognizant United States Disbursing Officer or Mission Controller, as appropriate.

C.11 USE OF POUCH FACILITIES (AUGUST 1992)

(a) Use of diplomatic pouch is controlled by the Department of State. The Department of State has authorized the use of pouch facilities for USAID recipients and their employees as a general policy, as detailed in items (1) through (6) below. However, the final decision regarding use of pouch facilities rest with the Embassy or USAID Mission. In consideration of the use of pouch facilities, the recipient and its employees agree to indemnify and hold harmless, the Department of State and USAID for loss or damage occurring in pouch transmission:

(1) Recipients and their employees are authorized use of the pouch for transmission and receipt of up to a maximum of .9 kgs per shipment of correspondence and documents needed in the administration of assistance programs.

(2) U.S. citizen employees are authorized use of the pouch for personal mail up to a maximum of .45 kgs per shipment (but see (a)(3) below).

(3) Merchandise, parcels, magazines, or newspapers are not considered to be personal mail for purposes of this standard provision and are not authorized to be sent or received by pouch.

(4) Official and personal mail pursuant to a.1. and 2. above sent by pouch should be addressed as follows:

Name of individual or organization (followed by letter symbol "G") City Name of post (USAID/_____) Agency for International Development Washington, D.C. 20523-0001

(5) Mail sent via the diplomatic pouch may not be in violation of U.S. Postal laws and may not contain material ineligible for pouch transmission.

(6) Recipient personnel are NOT authorized use of military postal facilities (APO/FPO). This is an Adjutant General's decision based on existing laws and regulations governing military postal facilities and is being enforced worldwide.

(b) The recipient shall be responsible for advising its employees of this authorization, these guidelines, and limitations on use of pouch facilities.

(c) Specific additional guidance on grantee use of pouch facilities in accordance with this standard provision is available from the Post Communication Center at the Embassy or USAID Mission.

**C.12 INTERNATIONAL AIR TRAVEL AND TRANSPORTATION
(JUNE 1999)**

(a) PRIOR BUDGET APPROVAL

In accordance with OMB Cost Principles, direct charges for foreign travel costs are allowable only when each foreign trip has received prior budget approval. Such approval will be deemed to have been met when:

(1) the trip is identified. Identification is accomplished by providing the following information: the number of trips, the number of individuals per trip, and the destination country(s).

(2) the information noted at (a)(1) above is incorporated in: the proposal, the program description or schedule of the award, the implementation plan (initial or revisions), or amendments to the award; and

(3) the costs related to the travel are incorporated in the approved budget of the award.

The Agreement Officer may approve travel which has not been incorporated in writing as required by paragraph (a)(2). In such case, a copy of the Agreement Officer's approval must be included in the agreement file.

(b) NOTIFICATION

(1) As long as prior budget approval has been met in accordance with paragraph (a) above, a separate Notification will not be necessary unless:

(i) the primary purpose of the trip is to work with USAID Mission personnel, or

(ii) the recipient expects significant administrative or substantive programmatic support from the Mission. Neither the USAID Mission nor the Embassy will require Country Clearance of employees or contractors of USAID Recipients.

(2) Where notification is required in accordance with paragraph (1)(i) or (ii) above, the recipient will observe the following standards:

(i) Send a written notice to the cognizant USAID Technical Office in the Mission. If the recipient's primary point of contact is a Technical Officer in USAID/W, the recipient may send the notice to that person. It will be the responsibility of the USAID/W Technical Officer to forward the notice to the field.

(ii) The notice should be sent as far in advance as possible, but at least 14 calendar days in advance of the proposed travel. This notice may be sent by fax or e-mail. The recipient should retain proof that notification was made.

(iii) The notification shall contain the following information: the award number, the cognizant Technical Officer, the traveler's name (if known), date of arrival, and the purpose of the trip.

(iv) The USAID Mission will respond only if travel has been denied. It will be the responsibility of the Technical Officer in the Mission to contact the recipient within 5 working days of having received the notice if the travel is denied. If the recipient has not received a response within the time frame, the recipient will be considered to have met these standards for notification, and may travel.

(v) If a subrecipient is required to issue a Notification, as per this section, the subrecipient may contact the USAID Technical Officer directly, or the prime may contact USAID on the subrecipient's behalf.

(c) SECURITY ISSUES

Recipients are encouraged to obtain the latest Department of State Travel Advisory Notices before travelling. These Notices are available to the general public and may be obtained directly from the State Department, or via Internet. Where security is a concern in a specific region, recipients may choose to notify the US Embassy of their presence when they have entered the country. This may be especially important for long-term posting.

(d) USE OF U.S.-OWNED LOCAL CURRENCY

Travel to certain countries shall, at USAID's option, be funded from U.S.-owned local currency. When USAID intends to exercise this option, USAID will either issue a U.S. Government S.F. 1169, Transportation Request (GTR) which the grantee may exchange for tickets, or issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this grant.

(e) THE FLY AMERICA ACT

The Fly America Act (49 U.S.C. 40118) requires that all air travel and shipments under this award must be made on U.S. flag air carriers to the extent service by such carriers is available. The Administrator

of General Services Administration (GSA) is authorized to issue regulations for purposes of implementation. Those regulations may be found at 41 CFR part 301, and are hereby incorporated by reference into this award.

(f) COST PRINCIPLES

The recipient will be reimbursed for travel and the reasonable cost of subsistence, post differentials and other allowances paid to employees in international travel status in accordance with the recipient's applicable cost principles and established policies and practices which are uniformly applied to federally financed and other activities of the grantee. If the recipient does not have written established policies regarding travel costs, the standard for determining the reasonableness of reimbursement for overseas allowance will be the Standardized Regulations (Government Civilians, Foreign Areas), published by the U.S. Department of State, as from time to time amended. The most current subsistence, post differentials, and other allowances may be obtained from the Agreement Officer.

(g) SUBAWARDS.

This provision will be included in all subawards and contracts which require international air travel and transportation under this award.

C.13 LOCAL PROCUREMENT (APRIL 1998)

(a) Financing local procurement involves the use of appropriated funds to finance the procurement of goods and services supplied by local businesses, dealers or producers, with payment normally being in the currency of the cooperating country.

(b) Locally financed procurements must be covered by source and nationality waivers as set forth in 22 CFR 228, Subpart F, except as provided for in mandatory standard provision, "USAID Eligibility Rules for Goods and Services," or when one of the following exceptions applies:

(1) Locally available commodities of U.S. origin, which are otherwise eligible for financing, if the value of the transaction is estimated not to exceed \$100,000 exclusive of transportation costs.

(2) Commodities of geographic code 935 origin if the value of the transaction does not exceed the local currency equivalent of \$5,000.

(3) Professional Services Contracts estimated not to exceed \$250,000.

(4) Construction Services Contracts estimated not to exceed \$5,000,000.

(5) Commodities and services available only in the local economy (no specific per transaction value applies to this category). This category includes the following items:

(i) Utilities including fuel for heating and cooking, waste disposal and trash collection;

(ii) Communications - telephone, telex, fax, postal and courier services;

(iii) Rental costs for housing and office space;

(iv) Petroleum, oils and lubricants for operating vehicles and equipment;

(v) Newspapers, periodicals and books published in the cooperating country;

(vi) Other commodities and services and related expenses that, by their nature or as a practical matter, can only be acquired, performed, or incurred in the cooperating country, e.g., vehicle maintenance, hotel accommodations, etc.

(c) The coverage on ineligible and restricted goods and services in the mandatory standard provision entitled, "USAID Eligible Services," also apply to local procurement.

(d) This provision will be included in all subagreements where local procurement of goods or services is a supported element.

C.14 COMMUNICATIONS PRODUCTS (OCT 1994)

(a) Definition - Communications products are any printed material (other than non-color photocopy material), photographic services or video production services.

(b) Standards - USAID has established standards for communications products. These standards must be followed unless otherwise specifically provided in the agreement or approved in writing by the agreement officer. A copy of the standards for USAID-financed publications and video productions is attached.

(c) Communications products which meet any of the following criteria are not eligible for USAID financing under this agreement unless specifically authorized in the agreement schedule or in writing by the Agreement Officer:

(1) Any communication products costing over \$25,000, including the costs of both preparation and execution. For example, in the case of a publication, the costs will include research, writing and other editorial services (including any associated overhead), design, layout and production costs.

(2) Any communication products that will be sent directly to, or is likely to be seen by, a Member of Congress or Congressional staffer.

(3) Any publication that will have more than 50 percent of its copies distributed in the United States (excluding copies provided to PPC/CDIE and other USAID/W offices for internal use).

C.15 COST SHARING (MATCHING) (JAN 2002)

(a) If at the end of any funding period, the recipient has expended an amount of non-Federal funds less than the agreed upon amount or percentage of total expenditures, the Agreement Officer may apply the difference to reduce the amount of USAID incremental funding in the following funding period. If the award has expired or has been terminated, the Agreement Officer may require the recipient to refund the difference to USAID.

(b) The source, origin and nationality requirements and the restricted goods provision established in the Standard Provision entitled "USAID Eligibility Rules for Goods and Services" do not apply to cost sharing (matching) expenditures.

**C.16 PROHIBITION OF ASSISTANCE TO DRUG TRAFFICKERS
(JUNE 1999)**

(a) USAID reserves the right to terminate assistance to, or take other appropriate measures with respect to, any participant approved by USAID who is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

(b) (1) For any loan over \$1000 made under this agreement, the recipient shall insert a clause in the loan agreement stating that the loan is subject to immediate cancellation, acceleration, recall or refund by the recipient if the borrower or a key individual of a borrower is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 40.

(2) Upon notice by USAID of a determination under section (1) and at USAID's option, the recipient agrees to immediately cancel, accelerate or recall the loan, including refund in full of the outstanding balance. USAID reserves the right to have the loan refund returned to USAID.

(c) (1) The recipient agrees not to disburse, or sign documents committing the recipient to disburse, funds to a subrecipient designated by USAID ("Designated Subrecipient") until advised by USAID that:

(i) any United States Government review of the Designated Subrecipient and its key individuals has been completed;

(ii) any related certifications have been obtained; and

(iii) the assistance to the Designated Subrecipient has been approved. Designation means that the subrecipient has been unilaterally selected by USAID as the subrecipient. USAID approval of a subrecipient, selected by another party, or

(2) The recipient shall insert the following clause, or its substance, in its agreement with the Designated Subrecipient:

"The recipient reserves the right to terminate this [Agreement/ Contract] or take other appropriate measures if the [Subrecipient] or a key individual of the [Subrecipient] is found to have been convicted of a narcotic offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140."

