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YEAR ONE MATCHING GRANT ANNUAL REPORT

**To the United States
Agency for International Development**

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AID/OPPORTUNITY International Grant
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EXECUTIVE SUMMARY

Program Objective:

Through a USAID Matching Grant, Opportunity International (Opportunity) is creating and linking indigenous Partner Agencies in Bulgaria, Indonesia, Ghana, the Philippines, South Africa, and Zimbabwe to train and lend capital to impoverished entrepreneurs. Opportunity is also creating a confederation of its Partners improving the access and availability of the information and resources that, in turn, help the clients of Opportunity's Partner Agencies. Opportunity International is building on experience gained by creating and linking 46 indigenous MED agencies to create opportunities for impoverished entrepreneurs to succeed.

These objectives are being achieved through the Matching Grant Program:

1. **Opportunity is developing a new "leveraged" model of agency creation.** Opportunity International and USAID funding is being used as seed capital to attract grants and soft loans in the early stages of agency formation. South Africa and Bulgaria's MED programs were created on this basis in 1993. Opportunity will replicate this successful technique in Ghana.
2. **Opportunity is linking existing strong programs to formal sector funding.** With Opportunity International and USAID's funding, Opportunity's Partners in Indonesia, the Philippines and Zimbabwe are learning to increase their portfolio base through market-based funding.
3. **Opportunity is creating a Partner Agency federation to equip its members.** Opportunity is creating a tighter network of Partner Agencies. Opportunity encourages its members to interact and learn from one another. In its 21 years of experience in working with indigenous NGO's, Opportunity International has found that its Partners can learn effectively from each other. Partner Agencies attend training sessions at established Partner headquarters in Indonesia, the Philippines, Russia, and Zimbabwe.

Principle Accomplishments and Priorities for the Future:

AFRICA-Two new African NGOs are being developed under the Matching Grant program using the linkage and leverage model. Regional staff facilitated this process. The two new NGOs and an existing agency in Zimbabwe will be expanded using funding obtained from non-grant sources. In addition, a regional training center was created to upgrade the capacity of OI partners and other MED implementors.

BULGARIA-OI established both an Eastern European regional office and a local NGO in Sofia. The implementing agency is being developed using the linkage and leverage model. The regional office's role is to support the Bulgarian agency and research additional countries in Eastern Europe and the former U.S.S.R.

INDONESIA-National expansion was already underway in Indonesia. OI and its local partners have obtained funding to replicate new agencies on three islands. Matching Grant funds are being used to facilitate the creation of five rural development banks that will hold borrower savings and leverage additional resources. OI is providing technical assistance and training to scale-up the bank's lending programs. A national coordinating and training organization will serve as the channel for OI's input to Indonesia.

PHILIPPINES-In the Philippines OI works with seven local agencies. These agencies are undertaking significant expansion and replication. The largest agency is preparing to create a development bank as a way to link with the formal sector. In addition to a formal bank, a Grameen Bank type poverty lending

program is being scaled-up to be nation-wide. Institutional development grants and TA will enable the Filipino agencies to leverage significant resources and increase lending by 50% by the end of the grant.

CONFEDERATION FORMALIZATION-Prior to the Matching Grant, the international confederation of OI partner NGOs has had very informal information exchange and technical assistance mechanisms. To formalize these structures for the long-term, OI is convening two international conferences, utilizing an international confederation council, researching a technical white papers and a program issues digest, and installing an international communications system.

I. Background and Project Context

A. A Summary of Opportunity International

Opportunity International's mission since its inception in 1971 has been to increase the employment levels, income levels, and living standards of the poor majority in developing nations. Opportunity creates employment and income opportunities for the poor in developing and former Eastern block countries through small and micro-enterprise development.

To accomplish this mission, Opportunity International has created and now coordinates an international confederation of 45 Microenterprise Partner Agencies operating in more than 60 cities in 21 countries of Africa, Asia, Europe and Latin America. Four regional offices in Guatemala City, Guatemala; Harare, Zimbabwe; Sydney, Australia and Sofia, Bulgaria provide a range of management and technical support services to our partner agencies. Regional Training Centers in the Philippines, Indonesia and Zimbabwe augment the work of these regional offices.

Opportunity International implements its program by working with key volunteer business and community leaders in a selected country to develop an indigenous NGO development agency. Opportunity then provides this new agency with management, programmatic and resource development training and funding over time, normally a 3-6 year period, until they reach programmatic and financial viability.

Three critical components form the core of Opportunity's assistance. First, small loans, averaging \$482, are provided to poor entrepreneurs to create a micro business or strengthen an existing one. Second, training in basic business skills are provided to these entrepreneurs to undergird their capacity to start and manage their businesses. Third, regular consultation to these fledgling businesses is provided on a monthly basis by project officers to enhance long term success.

B. Circumstances Surrounding the Program

Over the last five years OI has experienced significant growth, both geographic and financial, as well as programmatic. Building on this strength, OI is now launching the confederation into a new phase of accelerated growth -- a phase in which 3 new and 3 existing partners create national impact MED programs in their respective countries.

Four critical events have taken place to trigger this new, accelerated approach. 1) In mid-1992, OI's board, staff, and Partner Agencies shaped a strategic plan calling for exponential growth of services to the poor. 2) USAID's 1992 mid-term evaluation of OI's former Matching Grant concluded that OI was poised for exponential growth. 3) The pool of traditional grant funds for MED has proved insufficient to propel programs to nation-wide scale, yet new windows have opened for high caliber MED programs to access market-based funding from the formal sector. 4) The dramatic shift in Eastern Europe and the former Soviet Union from Marxism to democracy, along with the dismantling of apartheid in South Africa, opened the doors for American NGOs to address deep-seated poverty and soaring unemployment among millions of people at a volatile time in history.

C. The Problem to Be Addressed by the Program

The problem to be addressed by the program is three-fold. Each aspect of the problem involves a different player in the Opportunity International network.

1) **Beneficiaries:** Target groups in each country have very high rates of under and unemployment. While job skills exist, income and job creation is hampered by a lack of access to capital and business

training. Lack of stable income amplifies health, housing, and education problems. Criteria for the selection of the countries in the program are as follows: 1) Substantial under and unemployment; 2) Policy environment that permits micro-enterprise lending; 3) Potential for a nationwide program; 4) Local leadership willing to comprise board of local NGO.

2) **Local NGOs:** OI's partner NGOs face three problems. 1) New agencies lack a programmatic track record that allows them to attract large block funding. Staff and systems must be trained and tested before massive scale can be achieved. 2) Agencies with track records face funding constraints because of more sophisticated financial management systems. 3) Local NGOs lack access to information on the experience of other MED agencies and staff lack professional development opportunities.

3) **OI's Confederation:** The confederation of OI partners faces two problems that emerge from the rapid growth it is experiencing. 1) As the confederation grows in numbers, technical support, training, and evaluation needs to increase. OI faces the dilemma of providing and coordinating these services in a cost-effective and non bureaucratic manner. 2) Expansion requires the recruitment and development of additional personnel from inside and outside the confederation. 3) Communications capacity must be expanded in order for the confederation members to participate and be serviced.

D. Opportunity's Capabilities of Addressing the Problem

Throughout its 20 year history OI has focused exclusively on implementing micro-enterprise projects. This has been accomplished by building a confederation of 46 local NGOs in 23 countries, supported through a decentralized structure that places senior program staff at the regional level. Regional and Partner Agency staff, now numbering more than 600, with average tenure exceeding 4 years, have received state-of-the-art training in MED through two regional training centers and regular in-country workshops.

OI has developed a comprehensive set of systems and materials designed to build the long-term vision, technical capacity, and fund raising ability of its partners. Workshops on vision and mission, staff training materials, beneficiary training methods and materials, financial systems, program design and evaluation tools, monitoring systems, and grant writing training are some of the services and materials developed by OI to strengthen its partners.

OI's network of 46 partner agencies has consistently demonstrated a capacity to develop innovative approaches to delivering MED services to the poor. Indonesian partners have taken the lead in the creation of development banks. Partners in the Philippines (Pinautubo), Zimbabwe (southern Africa drought) and Pakistan (1992 flood) have excelled in delivering MED services in rapid response to natural disasters. Central American partners have developed business incubator projects for poor urban women who fall outside the normal parameters of an MED program.

OI is one of three primary NGO subcontractors on AID's GEMINI project and has been a significant participant and contributor to the SEEP network.

Opportunity International accomplished the following during 1993:

- 53,000 jobs were created or sustained
- \$7.9 million dollars were loaned to 16,796 entrepreneurs
- 23,624 participants attended 1,429 small business training seminars
- 60,710 consulting visits were made to borrowers
- 94% payback was achieved for existing loans
- 66% of loans were made to women entrepreneurs

II. Program Methodology and Strategy

Opportunity International provides opportunities for people in chronic poverty to transform their lives by creating jobs and stimulating small businesses. Opportunity works through indigenous Partner Agencies that provide small business loans, training and counsel. For more than 22 years Opportunity has facilitated the growth of the international confederation of micro enterprise development with a commitment to two foundational principles: local ownership and a transformational approach to micro enterprise development.

A. Opportunity International Philosophy

The program is predicated on two basic development facts. First, while OI acknowledges the need for other development interventions, job creation programs empower beneficiaries to address their own basic needs in a sustainable way. People are better able to obtain health care, housing, food, education, etc. if they have a stable source of income. Second, OI believes the development of local NGO's is the only effective and sustainable way of carrying out economic development. Funds invested in job creation through local NGOs leverages the broadest and most sustainable benefits.

B. Program Purpose

Opportunity's purpose for this program is to provide a lasting solution to hunger and suffering through the creation of income and employment opportunities for the poor of Indonesia, Zimbabwe, South Africa, the Philippines, Ghana, and Bulgaria.

By the end of the five year grant, OI projects that

- 125,410 jobs will be created.
- 85,360 micro and small enterprise loans will be provided, focusing on the services, small industry, and agro-industry sectors of MED.
- 91,100 people will have received business training.
- 92% of the loans will be repaid.
- 50% or more of the loans will be provided to poor women.
- 30% of the loans will be provided to the poorest of the poor.
- The six agencies will manage an average loan portfolio of \$2.3 million.

C. Program Goals

In order to achieve this program purpose, there are several goals which were established as part of OI's request for Matching Grant funds:

1. Opportunity will develop a new "leveraged" model of agency creation wherein OI and USAID funding will be used as seed capital to attract substantial grant and soft loan funding at an early stage in the development of new agencies in South Africa (1993), Bulgaria (1993), and Ghana (1995).
2. Opportunity will link existing strong programs in Indonesia, the Philippines, and Zimbabwe to the formal sector for access to market-based funding.
3. Opportunity will strengthen international mechanisms for cross-fertilization and support among our 46 existing and proposed partners in order to accelerate the learning curve for national impact programs and to increase partner's capacity to respond to natural disasters through MED business rehabilitation loans.

D. Program Priorities

OI's existing program priorities fall naturally in sync with AID's policies and priorities for the Matching Grant program.

- **Microenterprise Lending:** OI's program focuses exclusively on MED lending.
- **Democracy:** OI is entering newly democratic Eastern European and African nations as a way to support the stability of these new governments.
- **A.I.D. Focuses:** All seven missions have a focus on some form of private enterprise development.
- **Institutional development:** For 21 years OI has worked only through local NGOs by building their vision, program capacity and fund raising ability.
- **PVO Strengthening:** This program dramatically increases OI's capacity in three critical areas: 1) the foundation for Eastern European programs is laid; 2) its ability to leverage market-based resources, and 3) its international confederation becomes a formalized service and support structure for growth.
- **Women in Development:** Half of OI's lending program beneficiaries are women. Through this program, OI will be strengthening the Women's Opportunity Fund, a program to carry out enterprise formation projects for women.
- **Replication:** Under the previous Matching Grant OI adapted its program to the Africa context. Under the current grant, the model is being replicated in four countries. Opportunity also utilizes adaptation and replication of lessons learned in Asia, Africa, and Latin America to Eastern Europe.
- **Peace Corps:** OI plans to utilize Peace Corps volunteers in Bulgaria and other Eastern European countries.
- **Sustainability:** OI implements all country programs with strict plans for the agency to become self-sustaining. Grant activities strengthen OI's ability to leverage private resources and thus become self-sustaining.
- **Food Monetization:** Opportunity is improving its capacity to access more technical means of financing. Food monetization is a very high priority, particularly for use in Africa.

E. Approach

Opportunity's sole focus is developing local NGOs that implement microenterprise programs. This mandate stems from the belief that unemployment is a root cause of hunger in LDCs. OI believes loans and training at a grassroots level are the most effective intervention to create needed employment. OI carries out its programs only through local NGOs (minimal expatriate staff (presently 5) are used). Institutional development forms the backbone of OI's work.

Matching Grant activities center on the need to make structural and programmatic adjustments to better address the challenges of growth identified in the evaluation. Expansion in Africa and Eastern Europe will be done with a new model that stresses going beyond viability to achieve massive scale. This is being done by leveraging greater resources such as savings, soft loans, and investment funds. Existing programs in the Philippines, Indonesia, and Zimbabwe have implemented national scale programs, but need to make linkages with the formal sector to fully achieve their potential. The Matching Grant is supporting this linkage.

F. Methodology

OI has utilized a five stage program model that develops an agency's vision, capacity and funding. Stage one involves developing a volunteer board of directors. Stage two encompasses hiring and training key staff; a pilot year is launched to test systems and staff. Stage three occurs as the agency grows towards financial viability. Stage four is a transitional phase when technical assistance needs

decline and expansion is the focus. Stage five is achieved when an agency reaches full maturity and becomes an interdependent partner in the international confederation.

OI's Matching Grant program is accelerating the pace of this five stage model and seeking to encourage national scale programs. The five stage model creates agencies isolated from the formal sector and limited by the availability of grant funding. The model is sound, but is being refined to more quickly create national scale agencies with links to the formal sector and the capacity to leverage market-based funding. OI is utilizing a three component strategy for accomplishing this evolution. 1) OI has designed and is utilizing a linkage and leverage model to establish new programs in Africa and Eastern Europe/NIS. 2) OI is expanding existing programs in the Philippines, Indonesia, and Zimbabwe to achieve massive national-scale using the linkage and leverage model. 3) OI is formalizing its international confederation of Partner Agencies in order to maximize cross-agency information and vision exchange, develop human resources, and increase the financial management capacity of all members

G. Strategy

In the six years remaining in this century OI plans to build a world class and worldwide confederation of MED agencies. Plans focus on two types of growth: new regions and expansion of existing agencies. A new region and 4-6 partners are in the process of being created in Eastern Europe and the NIS. Africa will be scaled-up to include 12 to 15 nations. The Matching Grant is providing OI with seed capital needed to launch this expansion and the institution building capacity to support this growth over the long-term.

OI is accelerating the pace of its agency creation and expansion model by linking local NGOs and their beneficiaries to the formal sector and leveraging market-based funding. The program is designed to create three new agencies in South Africa, Bulgaria, and Ghana, and expand three existing programs in the Philippines, Zimbabwe, and Indonesia with this new model. These six agencies will 1) expand their lending capital to an average portfolio of \$2.3 million; 2) target at-risk groups such as disaster victims, rural groups and women; 3) over the five year LOP make 85,360 loans that will create 125,410 jobs; and 4) provide basic business training for 90,100 people.

In order to achieve these results OI's headquarters program management team (Executive V.P., Program Officer, and Director of Finance) and its Regional Directors in Africa, Eastern Europe, and Asia are accomplishing the following:

- Refining the model for development banks pioneered in Indonesia; developing comprehensive management systems and staff training modules to ensure quality replication; and training staff of newly opened banks.
- Establishing a new regional office in Sofia, Bulgaria.
- Establishing a new regional MED training center in Zimbabwe
- Creating a coordinating body for the international confederation that will provide a forum for professional development of members, developing regular communication mechanisms, and helping to formulate confederation strategy.
- Upgrading financial management skills and installing computer-based loan portfolio management systems across the federation.
- Providing technical assistance to partners in establishing the legal and financial structures needed to attract and utilize large soft loans and blocks of investment dollars.

New staff planned on being added include an Assistant Asia Regional Director, a Senior Program Officer for Africa, a Regional Training Officer for Africa, Country Coordinators for Indonesia and the Philippines, a Confederation Secretary and a Financial Services Officer (headquarters).

III. Monitoring and Evaluation

A. Summary

Monitoring and evaluation are an integral part of OI's partnership with confederation members. Annual program plans and budgets are submitted and reviewed each October. Progress towards program and financial goals is monitored via monthly and quarterly reports which are monitored by regional offices. Clear definitions and guidelines have been established for this reporting process. OI and its partners undergo an independent financial audit on an annual basis. Internal country program evaluations are done at the request of local agencies and funders by in-house and external evaluators. The Matching Grant is enabling OI to systemize evaluations and utilized partner staff for the evaluation of other agencies.

Critical indicators are being monitored and evaluated through OI's existing program management system. The creation of jobs and increases in beneficiary income are measured through on-site interviews and observation. Baseline data is taken with the initial loan application. Actual jobs created, increases in income and quality of life indicators are measured at the completion of loan repayment. These indicators are monitored on a quarterly basis and evaluated via periodic program audits by regional staff.

Agency progress toward self-sustainability is being evaluated in four ways: One, the board's involvement is monitored by their financial and time involvement. Two, financial management systems are evaluated on their accuracy, timeliness and usefulness to program staff. Three, training programs are evaluated on their responsiveness to beneficiary needs and their effective integration with credit delivery. Four, ability to achieve resource mobilization goals through a variety of means (grants, soft loans, etc.) is evaluated against an agency's goals and against other confederation members. Institution building components of this program are being evaluated on an annual basis, both as part of OI's annual program planning and review process and in reporting to AID. The U.S. program team is monitoring and reporting progress in relation to the detailed implementation plan in this report. An outside evaluator will be used for the mid-term evaluation.

B. PVO Refinements, Changes, and Additions

1. Baseline Data

For existing Partners, pertinent baseline data includes statistics on the scope and impact of services delivered. This includes number and type of loans, amount lent, repayment rate, jobs created and strengthened, training courses, and consulting visits. Qualitative variables include the geographic area of service delivery, the types of non-financial services, and the amount and duration of funding sources for local partner operations other than Opportunity. These baseline indicators have remained essentially unchanged.

2. Targets

For the LOP (1993-1998), Opportunity through its Partner Agencies receiving direct Matching Grant funding seeks to provide 85,360 micro and small enterprise loans, train 91,100 people, create 125,410 jobs, maintain a 92% repayment rate, provide 50% or more of the loans to poor women, provide 30% of the loans to the poorest of the poor, and manage an average loan portfolio among the agencies of \$2.3 million. In addition, indirectly supported agencies will increase these numbers greatly.

3. Critical Indicators of Effectiveness

Opportunity is monitoring the following performance indicators of its indigenous Partner Agencies: growth and development of program services (refer baseline data above), socio-economic impact of methods and benefit processes to generate income and employment, institutional development of local partners as indicated by financial viability (cost effectiveness and fund raising), quality and appropriateness of program design and methods, quality of board and staff, and absence of critical dependence, particularly on church networks.

Documentation and case studies of the Opportunity model have confirmed that these indicators remain valid. Opportunity has taken steps to increase the flow of information regarding these indicators, not only from the individual partners to Opportunity, but also among the partners themselves.

In addition to these six indicators, Opportunity's program staff monitor the qualitative and quantitative aspects of efforts to establish a global confederation of its partners. These include a number of cross regional meetings and seminars, a number of publications sent between all partners, joint participation in program innovations, involvement in training, etc.

4. Benchmarks of Project Progress

Benchmarks related to new agency development, support for existing agencies, and agency regeneration are discussed in the appropriate individual country reports.

5. Monitoring Plan

Monitoring progress continues to be important to Opportunity International. During year one of Matching Grant, we have updated our maintenance of Partner Agency statistics to be fully automated. In addition, Opportunity has implemented an internal financial auditing process.

6. Evaluation Plan

Each annual report of this Matching Grant will present a qualitative and quantitative analysis of how the goals of the grant are being accomplished. Analysis will be presented in accordance with the procedures outlined in the grant agreement. The regional and headquarters staff will prepare this report.

C. Status of Midterm Assessment and Final Evaluation

An outside evaluator will be used for the midterm assessment.

IV. Review and Analysis of Project Results by Country

A. Bulgaria/Eastern Europe

Opportunity's program in Bulgaria has experienced excellent results in a timely manner. Since its inception in 1993, through September 30, 1994 (the end of the grant year), Opportunity's Bulgarian partner agency "NACHALA" has made \$708,031 in loans. The total number of loans made was 116. One-third of these loans were made to women. This has resulted in the creation of 401 jobs and the strengthening of 502 jobs, for a total job impact of 903 jobs. During the vast majority of this period, the repayment rate on loans was 100%. Only recently, repayment dropped to 99%.

Approximately 180 site visits have been made during the first year of the grant. In addition, 17 business training seminars have been conducted with a total of 170 participants.

One-third of loans have consistently gone to women over the past year. Projecting from the total, approximately 300 jobs have been created or strengthened for women during the first year of the grant.

One of the problems that Opportunity encountered in Bulgaria was identifying Bulgarians who would have the experience and training to staff a micro enterprise development NGO. Ken Vander Weele, Opportunity's Regional Director, interviewed over 20 possible employees and traveled to numerous cities to find qualified applicants. Networking with business and government organizations was helpful in establishing contacts to find acceptable applicants.

Hyperinflation and an exchange crisis have made lending difficult at times. Opportunity and NACHALA have decided that loans should be tied to the United States dollar. However, this creates many difficulties for creditors when the exchange rate fluctuates erratically and exponentially. The Partner Agency has openly discussed this issue with its clients.

The *Detailed Implementation Plan* specified that six specific steps would be taken to achieve its objectives in the first year of the Matching Grant. 1) A Regional Director was to be hired and trained beginning in Quarter One until Quarter Three. 2) At the beginning of Quarter Two, the NGO would be incorporated. 3) The first loan would be made in Quarter Two; 4) A Board of Directors for the NGO would be identified during Quarters One through Four; 5) An Executive Director would be hired and trained during Quarters Two through Four; and 6) Initial staff would be hired and trained during Quarters Three and Four. In addition, Board Retreats and Staff Training Workshops were to occur in during the first year of the grant.

All objectives as set out in the Detailed Implementation Plan were achieved in Bulgaria.

1) Ken Vander Weele was hired to be the Regional Director. Ken and his family relocated to Sofia, Bulgaria in February 1993. Ken Vander Weele received his MBA from the University of Chicago and is a Ph.D. Candidate from the Open University of Oxford, England. He is a CPA and has a strong background in executive finance.

2) NACHALA, translated the "New Beginnings Foundation", was incorporated in July of 1993.

3) NACHALA's first loans were made in September 1993. The solid preparation made beforehand with forming the Board of Directors and hiring the Executive Director insured the success of the program.

- 4) An initial Board of Directors was identified and had its first meeting in 1993. The board is made of several respected local leaders including a Professor from the Sofia University and two successful entrepreneurs.
- 5) A qualified Executive Director was hired and trained.
- 6) NACHALA staff have been hired, trained, and are in place.
- 7) In addition, Rodger Voorhies, Opportunity's Assistant Regional Director for Eastern (Central) Europe, was hired to expedite the growth process and conduct expansion research.
- 8) Research was conducted on Romania and a new Opportunity Partner Agency (Izvor) was established in Romania during the first grant year.
- 9) Research was conducted on Macedonia.

B. Ghana

The Africa Regional Director of Opportunity first visited Ghana in October of 1993. During this visit he investigated the potential for a Partner Agency in Accra and Kumasi. In both cities he found high demand for credit in the informal sector and few suppliers. He also found groups of business people and civic leaders in both cities interested in starting a microenterprise development program.

After that first visit, the group in Kumasi showed initiative in getting an agency started, while the Accra group did not move forward. Opportunity seeks to work with Partner Agencies that take ownership for their programs from the beginning, so we chose to work with the group in Kumasi. Shortly after that decision Kwabena Darko agreed to become the chairman of the Partner Agency in Kumasi. Mr. Darko is the founder and owner of Darko Farms, the largest privately owned business in the country.

From December of 1993, when Kwabena Darko became chairman, until June 1994 the board worked developed its vision, mission and goals, selected an Executive Director and registered the organization. The board named the agency Sinapi Aba, which means Mustard Seed in the Twe language. Opportunity assisted in the development of the board by participating in a board retreat and hosting the Sinapi Aba Chairman on a visit to Zimbabwe to see the work of Zambuko Trust.

Opportunity provided training to the Executive Director through visits by regional staff to Kumasi. In addition, the Executive Director and one board member attended the Fundamentals of Micro-Credit Management course in Harare. Next year, the Executive Director will attend the Field Exposure Program in the Philippines.

Following this training, Sinapi Aba began making loans in August of 1994. With limited funds available for the agency in 1994, the board decided to focus on entry-level microenterprises as a way of spreading the impact as broadly as possible. They set the maximum first loan amount at \$200, with larger loans available to clients who pay back their first loans on time. Sinapi Aba plans to make over 200 loans between August and the end of the year. Through September, the end of the grant year, 48 loans have been made for a total of \$9,140. Of the 48 loans, 23 were made to women.

Funding for Sinapi Aba presently comes from Opportunity (through private contributions) and a church and foundation in Australia. Opportunity and Sinapi Aba have applied for additional funding from the British ODA and the EEC.

In addition to the work with Sinapi Aba, Opportunity has conducted research in Ghana for the USAID mission. This study, titled "The Role of NGOs in Rural Financial Intermediation in Ghana," was funded by USAID/Ghana and requested by the World Bank. After the poor performance of many rural banks, AID and the World Bank are interested in seeing how NGOs can help in the process of delivering financial services in rural areas. This study defines the key roles that NGOs could play and outlines a project that would involve NGOs with banks in rural finance.

The *Detailed Implementation Plan* specified only one step to be taken for the first year Matching Grant in Ghana: Conduct a feasibility study and identify prospective Board members. In addition, Board Retreats and Staff Training Workshops were to occur during the first year of the Matching Grant.

The objectives set out in the Detailed Implementation Plan were exceeded by the actual results:

First, a feasibility study was conducted by the Africa Regional Director of Opportunity when he visited Ghana in October of 1993.

Second, the African Regional Director located prospective Board members. In December of 1993, Kwabena Darko became the Chairman of the Partner Agency. Mr. Darko leads a Board composed of local respected business and community leaders. Mr. Darko is the founder and owner of the largest privately owned business in Ghana.

Third, Opportunity assisted the Board by participating in a Board retreat. Also, Opportunity hosted the Sinapi Aba Chairman on a visit to Zimbabwe to see the work of Zambuko Trust.

Fourth, the Board officially registered the new agency as Sinapi Aba, or "Mustard Seed", in June of 1994.

Fifth, Opportunity's regional staff visited the Executive Director in Kumasi to provide training.

Sixth, the Executive Director and a Board Member attended the Fundamentals of Microenterprise Credit Management course in Harare, Zimbabwe at Opportunity's Regional Training Center.

Seventh, Sinapi Aba began making loans in August of 1994. The agency hopes to make over 200 loans before the end of the year focusing on micro enterprise loans (limit of US\$ 200 for the first loan).

Eighth, Opportunity has conducted a research study for the USAID mission. This study, titled "The Role of NGO's in Rural Financial Intermediation in Ghana," was funded by USAID/Ghana and requested by the World Bank.

C. Indonesia

In the first year of the Matching Grant, Opportunity's Indonesian partners provided approximately \$767,694 in loans to small entrepreneurs. Total loans funded were 2232. This has resulted in the creation of 2248 jobs and the strengthening of an additional 4364 jobs for a total job impact of 6612 jobs. Approximately 40% of the loans went to women. In addition, Opportunity's Indonesian partners conducted 4176 on-site visits as well as 111 training seminars with 2443 participants in the first year of the Matching Grant.

The Asian Regional Office has been active in starting up new partners in Indonesia. Funding has been obtained for the development of three new Partners in Indonesia. The growth and development of new agencies is being accompanied by the support of other Partner agencies.

The *Detailed Implementation Plan* specified two activities to occur during year one of the Matching Grant: 1) Train national office staff at the previously established first rural development bank; 2) Conduct a one year evaluation of the first rural development bank. In addition, Board Retreats and Staff Training Workshops were to occur in Year One of the Matching Grant.

There are now nine full partners in Opportunity Partner's DBB network in Indonesia. Guided by the Executive Director of DBB, Mr. Priyadi Keksasiswaya, six more partners are at various stages in the process of registration. All of these are in the less-developed, isolated, rural, Eastern part of Indonesia, some of whom take three days' travel to reach. This brings the new number of Opportunity partners to 15, but some of these have not yet commenced lending operations.

The process for an NGO to move to a rural development bank is strongly encouraged by the Indonesian Government. Staff of DBB's head office assist this process by means of consultancy visits, training, and technical as well as administrative services to each partner.

There are now three rural development banks, which handle the credit side of operations. One of these banks is not yet registered and, therefore, not operating as of the end of the grant year. The Opportunity NGOs which have development banks associated with them, along with their official dates of establishment are as follows:

- Makareso Leteng Pammase Foundation (MATEPE), Ujung Pandang, South Sulawesi, May 18, 1994.
- Duta Bhakti Makmur (DBM), Arga Makmur, North Bengkulu, West Sumatra, September 3, 1994.
- Titian Budi Luhur (TBL), Sumber Sari, South Sulawesi, In Process.

There are no other such banks anticipated in the immediate future, although Opportunity is ahead of the DIP schedule on the establishment of the rural development banks.

D. Philippines

In the first year of the Matching Grant, Opportunity's Philippine partners provided approximately \$4.2 million in loans to small entrepreneurs. Average loan size is about \$440. These have resulted in the creation of approximately 6,450 jobs and the strengthening of approximately 11,865 jobs for a total job impact of 18,315 jobs. Approximately 80% of loans went to women. In addition, Opportunity's Philippine partners conducted 19,598 on-site visits as well as 1,116 training seminars with 15,856 participants in the first year of the Matching Grant.

The *Detailed Implementation Plan* specified several activities to occur during year one of the Matching Grant: 1) As part of the launching of a poverty lending program, during Quarter One research was to be conducted regarding the replication of the program outside of Metro Manila; during Quarter Two Board level strategic planning of program expansion was to take place; and during Quarter Four staff training for community bank organizers in the Philippines was to occur; 2) An international training conference on poverty lending was to be conducted in Quarter Four; 3) As part of incorporating a development bank, research on demand and feasibility was to be completed in Quarter Two; a complete business plan developed in Quarter Three, and credit and savings product research and development done in Quarter Four. In addition, Board Retreats and Staff Training Workshops were to occur in Year One.

- Intensive research was conducted on the establishment of a development bank by TSPI, an Opportunity Partner Agency in the Philippines. An extensive proposal was submitted to Opportunity International in June of 1994. The proposal established the feasibility of a private development bank in Dasmarinas, Cavite, addressed primarily to the poor segments of Cavite and secondarily of Risal, Laguna, Metro Manila and outlying areas. The purpose of the private development bank is to formalize credit operations and savings mobilization in a bank while maintaining strong support from TSPI through the social preparation, training, and group formation of beneficiaries.
- Negotiations and dialog continued through the end of the grant year regarding the formation of the arrangement between TSPI and Opportunity International. Due to the heavy requirements by Senior Staff at both ends for this arrangement, the process has taken longer than anticipated.
- An international conference on poverty lending occurred in October, 1994, one month after the close of the grant year.
- The Asian Regional Director is actively participating Board of Director meetings and coordinating through APPEND to foster the development of new Partners. The Regional Director also developed a program strategy and set up the South Asia Network program to foster and coordinate the growth of MED programs (May 1994). The staff of Opportunity are actively coordinating the training of community bank organizers in the Philippines.

E. South Africa

As of the third quarter in 1994, the end of the grant year, Opportunity's South African partner "Izibuko" has made \$18,518 in loans. The total number of loans issued was 59. This has resulted in the creation of 67 jobs and the strengthening of 83 jobs for a total job impact of 150 jobs. Approximately 62% of loans went to women. In addition, Izibuko conducted 95 on-site visits as well as 4 training seminars with 32 participants in the first year of the Matching Grant.

Opportunity's work with Izibuko Foundation has focused on assisting the board in its development and training the staff. Opportunity held several meetings with the board and advised board members on board roles and responsibilities. Many staff members from Opportunity and its Partner Agencies assisted in the board development. In addition to the Africa Regional staff, these included people from Australia, the US and Jamaica.

Training provided by Opportunity to the Izibuko staff included the following:

- The Executive Director of Izibuko received an initial orientation at the Africa Regional Offices in Zimbabwe.
- The Executive Director also attended a GEMINI-sponsored training program in South Africa in which the Opportunity Africa Regional Director was one of the instructors.
- The Executive Director attended a two week Field Exposure Program sponsored by Opportunity in the Philippines. In this program he worked with experienced staff from Opportunity Partner Agencies and received training from Opportunity Regional Directors and Partner Agency Executive Directors.
- Four staff members from Izibuko attended the "Fundamentals of Micro-Credit Management" course conducted by Opportunity in Harare, Zimbabwe.

Opportunity has assisted Izibuko to install a computerized loan portfolio management system to help it keep track of its clientele. Opportunity has also set Izibuko up on an international electronic mail system that allows Izibuko to communicate with all Opportunity staff and many of the Partner Agencies.

Izibuko has spent much of the past year reviewing the context in which it works and determining the most appropriate design for its credit and training program. In its program design Izibuko sought to avoid duplication with other agencies and find creative ways to collaborate with other organizations. It has developed two separate lending products, one aimed at microenterprises and the other at small businesses.

In its microenterprise lending, Izibuko cooperates with other organizations which provide training to the enterprise owner. Izibuko provides loans to the graduates of these training programs. Izibuko has worked out relationships with Youth Alive, STRIVE and the International Executive Service Corp. With these arrangements Izibuko is focusing on delivering credit while the other organizations take responsibility for training the potential borrowers.

In its small enterprise lending, Izibuko has focused on manufacturing and service businesses that create a large number of new jobs. Recently Izibuko has negotiated agreements with the implementors of the governments Reconstruction and Development Plan (RDP). Izibuko will provide finance to new black-owned businesses that receive contracts to carry out part of the infrastructure development that is a key component of the RDP. The governmental bodies that let the contracts will make payments on the contracts to Izibuko, which will deduct the loan repayment and interest charges and then turn the rest of the funds over to the client. In this way Izibuko will finance many of the emerging black businesses of the new South Africa.

Opportunity's original plans called for AID mission funds to supplement the Matching Grant funds to Izibuko. Unfortunately, the South African AID mission has given no response to Izibuko's application for funding, submitted in October of 1993. In the meantime, Izibuko has received a grant from the Independent Development Trust and a loan from the Development Bank of South Africa. The IDT grant (\$300,000) provides Izibuko with operating subsidies, while the loan from DBSA (\$300,000) capitalizes Izibuko's loan fund. Izibuko is one of the first Opportunity Partner Agencies to begin leveraging grants with borrowed funds in its first year of operations.

Izibuko continues to negotiate with AID/SA and with the Ford Foundation, the Australian Development Assistance Bureau and the British ODA to secure the additional funds it will need to establish equity in the loan fund and carry out expansion of its program.

Izibuko faces many challenges in its urban setting. The crime rate is high, and political unrest makes forming a business even tougher. Opportunity's Partner has met this challenge by working through a commercial bank where creditors can deposit their loan payments. This insures that Izibuko's loan officers can make on-site visits without the threat of being attacked.

In its program design Izibuko sought to avoid duplication with other agencies and find creative ways to collaborate with other organizations. As a result, Izibuko has spent much of the past year reviewing the context in which it works and determining the most appropriate design for its credit and training program. It has developed two separate lending products, one aimed at micro enterprises and the other at small businesses.

The *Detailed Implementation Plan* specified that 5 specific steps would be taken to achieve its objectives in the first year of the Matching Grant. 1) A Board of Directors for the NGO would be identified during Quarter One; 2) In Quarter Two, the NGO would be incorporated. 3) An Executive Director would be hired and trained during Quarter Two; 4) Initial staff would be hired and trained during Quarters Two and Three; 5) The first loan would be made in Quarter Three. In addition, a Board Retreat and a Staff Training Workshop were to occur in Year One.

1. Izibuko's Board of Directors is chaired by Caesar Molebatsi. The Board is made of respected business and community leaders.
2. Izibuko was founded in late 1993 as a NGO seeking to provide financial assistance, consulting, and training to micro business entrepreneurs.
3. Executive director, Joe Maswanganyi was hired July 1, 1993. Joe Maswanganyi worked for NedCorp Bank as the business development manager before he came to Izibuko. Maswanganyi hopes to lead Izibuko to empower communities and train marginalized youth through microenterprise development.
4. Izibuko's first loan was made in December of 1993.

F. Zimbabwe

During Year One of the Matching Grant, Opportunity International's Partner Agency in Zimbabwe, "Zambuko", provided approximately 1,520 loans for a total value of \$276,473. This has resulted in the creation of 1,364 jobs and the strengthening of approximately 1,760 jobs for a total job impact of 3,124 jobs. Approximately 57% of loans went to women.

In 1994, the Opportunity Regional Office in Harare, Zimbabwe assisted Zambuko in the following ways:

- Assisted Zambuko in developing the financial projections for the five year expansion plan.
- Assisted Zambuko in developing proposals to the Ford Foundation, the Austrian government and several private donors.
- Served as a consultant to the Australian International Development Assistance Bureau in designing AIDAB's funding commitment to Zambuko's expansion.
- Trained staff in loan portfolio management software.
- Assisted in designing and conducting Zambuko's year end impact evaluation.
- Ten Zambuko staff attended the Fundamentals of Micro Credit Management course.
- Zambuko's National Program Manager attended the field exposure program.
- Met regularly with board members and the Executive Director to discuss Zambuko strategy and plans.
- Assisted Zambuko in hosting the "Tools and Techniques" workshop.

Regional Training Center

The Africa Regional Office established a Training Center with the purpose of coordinating the transfer of knowledge among Partner Agencies in the region and from them to other microenterprise development efforts. This Training Center operates with very low overhead, utilizing experienced implementors and trainers from the Regional Office and Partner Agencies to design and manage training programs and conduct research.

Opportunity's Director of International Training provides oversight to the Regional Training Center. In Africa the Regional Director and Assistant Regional Director have guided the development of regional training programs.

Some of the training conducted by the Training Center over the past year has been:

Board Retreats - Opportunity regional and international staff have conducted retreats for board members in Zimbabwe, South Africa, Ghana and Uganda. These retreats focus on the vision of the agency and its plans for the coming years.

Fundamentals of Micro Credit Management - The Africa Regional Office conducted a week long training program in Harare focused on loan officers and senior managers of Partner Agencies. Board and staff members from four Partner Agencies attended the course. The course dealt with specific issue related to the delivery and collections of loans, including lending methodologies, community analysis, client application process, loan disbursement, consultancy, managing delinquency and time management. We will continue offering this course on an annual basis and plan on publishing the course design.

Executive Director Orientation - The Africa Regional Office assists new Executive Directors become familiar with their roles by providing them an initial orientation course in Harare. During this week long course the Executive Directors have the opportunity to review the work of Zambuko Trust and observe how board policies and direction get worked out in practice.

Field Exposure Program - The Africa Training Center assisted in the design and instruction of the Field Exposure Program, held in the Philippines. This program, aimed at new Executive Director and Senior Managers, provides an intensive two week orientation to microenterprise development. Participants live with client families and spend the day with loan officers and other agency staff. In the second week they meet in a classroom setting, discussing what they have observed and making plans for the development of their own agencies.

Loan Portfolio Management - The Africa Regional Training Center has assisted Partner Agencies in the regional to install and operate software for managing their loan portfolios. This software, originally developed by our Partner Agency in Jamaica, has now been installed in the home office and branch offices of Zambuko Trust and in Izibuko Foundation.

Regional Conference - The Africa Regional Center organized the annual conference of Opportunity Partner Agencies in Africa and the Caribbean. This conference focused on ways that microenterprise credit programs could reach the most marginalized in their societies. It also explored how our Partner Agencies could have an impact on the economies and direction of the countries where they work.

The Regional Training Center also participated in two training programs in the region sponsored by USAID. In July 1993 Opportunity provided an instructor for the USAID/South Africa and GEMINI sponsored workshop on Enterprise and Housing Finance. In July 1994 the Regional Training Center assisted in the logistics and instruction of the SEEP/GEMINI Tools and Techniques Workshop. Zambuko Trust hosted this workshop, which was held in Kadoma, Zimbabwe.

In addition, the Regional Center has conducted ongoing research in small and micro enterprise development. Two publications to come from this research in the past year are:

Reed, Larry and Peter Reiling, "The Role of NGOs in Rural Financial Intermediation in Ghana," 1994, USAID/Ghana.

Reed, Larry, "Developing Financial Instruments to Support Poverty-Oriented Financial Institutions: A Case Study of Zambuko Trust," 1994, World Bank.

The African Regional Office has noticed the plight of some MED programs to receive funding. The African Regional Office of Opportunity realizes this and actively seeks to obtain funds using its leveraging its connection to private, foundation and government aid.

Often there is a lack of basic knowledge in business skills among people in rural areas or those who have not had the opportunity to receive an education in business basics. Opportunity's Training center provides a place to train the staff of Partner agencies on how to train their clients.

Organizing the data of a MED program is difficult and time consuming. Opportunity has provided the software developed by its Jamaican Partner to its African Partners. This software has make Opportunity's Partners in the Philippines more efficient and easy to monitor.

The *Detailed Implementation Plan* specified that 5 specific steps would be taken to achieve its objectives in the first year of the Matching Grant. 1) Relocation and training of Program Officer during Quarter One; 2) Curriculum Development during Quarter One; 3) Hiring of Training Director during beginning of Quarter Two; 4) Completion of 1st Regional Staff Workshop during Quarter Three; 5) Major research regarding national expansion during Quarter Four. In addition, a Board Retreat was to occur in Quarter 2 and a Staff Training Workshop scheduled for Quarter 4.

In addition to the achievements mentioned above the African Regional Director has been active in training all the staff in the region by visiting them and holding workshops, several, and conferences. Also, the African Office of Opportunity has been collecting data from its Partners to evaluate national expansion. Already, Zambuko has expanded to four branches. Other partners, such as Sinapi Aba in Ghana and Izibuko in South Africa, are expanding quickly. In addition, the Africa Regional Office in Zimbabwe has hosted Board Members from its Partners in Ghana and South Africa. The Regional Office in Zimbabwe is also seeking to educate its staff through workshops held by the international staff of Opportunity and through international conferences in other countries.

G. Confederation

See Section V, entitled *Review and Analysis of Headquarters Support Activities*.

The *Detailed Implementation Plan* specified that 5 specific steps would be taken to achieve its objectives in the first year of the Matching Grant. 1) A Coordinating Council would be recruited during Quarters One through Three; 2) A council meeting would occur in Quarter Two; 3) A confederation e:mail system would be established during Quarters Two through Quarter One of Year Two; 4) A Program White Paper would be published during Quarter Four; and 5) A Quarterly Program Digest would be begun during Quarter Four.

The following results were achieved during year one of the Matching Grant:

- 1) The Coordinating Council has been recruited. The focus of the council has been on defining a process by which to determine shared values of the network and for establishing a suitable international structure.
- 2) The Coordinating Council met twice during year one.
- 3) A confederation e-mail system is in place with approximately 8 Partner Agencies on line. Partners on line include partners in Bulgaria, Zimbabwe, South Africa, Jamaica, and others.
- 4) A Program White Paper has been completed by Larry Reed and is currently in draft form and being revised.
- 5) The "Partnership Quarterly" was launched and distributed during Quarter Four of the first grant year. This is a 10 page resource distributed throughout the network.

V. Review and Analysis of Headquarters Support Activities

Headquarters support for this project involves several components. Progress during year one, analysis of those activities and next steps are described for each of the major areas.

Confederation Building

Year One Activity - Opportunity's objective is to formalize its informal international network. The project involves a process of formalization rather than a particular structure that is being pursued. During the first year of project activity three meetings of staff and board from various network members were held. The focus of these meetings has been the definition of common principles and values that unite the network. Various structures and definitions of relationships have begun to be postulated. No concrete decisions have yet been made as to what structure will best suit the Opportunity network.

Analysis - Given the diverse and highly independent nature of Opportunity's network of partner agencies, the first year of discussions on the topic of a more formalized network have gone extremely well. OI has taken a completely open and participatory approach to the formalization process. While this may make the process somewhat slower, all of the stakeholders have been included and will be supportive of the outcome.

Next Steps - In year two OI hopes to continue the formalization dialogue process. By the end of year two preliminary recommendations should be complete for what the international structure will look like and the process for creating it. Years three to five will involve implementing that plan.

Staffing

Year One Activity - Seven staff were to be hired in year one. This objective was accomplished. The following people were added to OI's headquarters and regional office staff:

Evie Vallota	Assistant Asia Regional Director
Richard Smith	Senior Program Officer, Africa Region
AnnMarie Karlsen	Director of International Training
Teng Gorospa	Philippines Coordinator Indonesia Coordinator
Ken Koskela	Confederation Secretary / Administrator
Allyson Miller	Financial Controller

Next Steps - No additional staff are projected to be hired for the headquarters staff as part of this grant.

Training

Year One Activities - During year one the new Director of International Training has focused on the creation and testing of a comprehensive training program for partner agency senior staff. This has involved the research and writing of training materials and facilitators guides for program design and management. This curriculum has evolved from Opportunity's worldwide experience and included contributions from partner staff as well as Opportunity technical staff.

Opportunity has also launched a training oriented, quarterly newsletter (Partnership Quarterly). This newsletter serves as a means for on-going training and technical assistance as well as a means for cross regional information exchange.

Analysis - Early testing of the curriculum has gone well. The challenge faced by Opportunity is to provide the on-going follow-up to the intensive training. The newsletter begins to address this, but clearly cannot meet all follow-up needs. While Opportunity hopes to provide more formal training for partner agency staff, it cannot do so at the expense of mentoring relationships which ensure long-term success.

Next Steps - Training activities in year two will involve further refining of the core curriculum and the creation of additional materials that address more specific technical needs.

Regional Office Establishment

During year one of the Matching Grant, Opportunity's Eastern Europe regional office was fully operational with staff trained and systems in place. Ken Vander Weele is the Regional Director located in Sofia, Bulgaria. Mr. Vander Weele has an MBA from the University of Chicago, is a PhD Candidate at Open University, Oxford, England. Mr. Vander Weele is a CPA and has executive finance management experience in the for profit sector.

VI. Financial Report

Financial Narrative for Matching Grant Annual Report

In the first year of this grant, Opportunity International committed to provide \$812,000 to match AID contribution of \$750,000. The actual amount provided by Opportunity by the end of the first year has greatly exceeded that figure. Thus far, Opportunity has raised \$2,085,000 for the match. The projections for the rest of the life of the project are shown in the attachment.

As shown in the exhibit Opportunity does not anticipate having trouble meeting its match requirement for the life of the project. For several of our programs, our match has greatly exceeded what was projected, due mostly to large grants from US and international donors. These grants for the Philippines, Indonesia, and Zimbabwe are multi-year grants which will continue to provide matching funds in the future. In South Africa, several expected grants were delayed as a result of uncertainty surrounding the election and a slower than anticipated start-up of the agency. That agency is now performing quite well and attracting a great deal of attention from our international donor base. We have received advance funding for our agency in Ghana, which was not expected to commence operations until 1996. If the agency continues to perform at present levels, it too should continue to attract dollars.

The hiring of a training director for Africa has been delayed for logistical reasons. Opportunity redirected a portion of its Regional office budget to the local agency's training program in the first year of the grant.

As a result of a change in the structure of duties at the home office level, a change in funding among personnel is needed. Opportunity International has had a Director of International Training on staff for 16 months. She is responsible for coordinating the training worldwide of both staff and entrepreneurs in addition to coordinating conferences and regional meetings. Opportunity International is requesting to re-direct a portion of the salaries of the Program Assistant, the Program Associate, and the Executive Vice President at the home office level for this director's salary. In addition, two conferences are planned for 1995, and Opportunity International is asking that the remaining \$11,000 of the salaries to be reduced be targeted toward these gatherings of confederation members from across the globe. A revised budget for the headquarters is included. The final request is to move some of the funding for the Africa Regional office down to the partner agency level in Ghana. This program, if given the support it needs, could greatly impact the people in that country.

See attached table for financial impact of proposed changes.

Direct Costs	YEAR 1			YEAR 2			YEAR 3			YEAR 4			YEAR 5			ALL YEARS		
	AID	PVO	TOTAL	AID	PVO	TOTAL	AID	PVO	TOTAL	AID	PVO	TOTAL	AID	PVO	TOTAL	AID	PVO	TOTAL
Africa Regional Office																		
* Total Program	-7	-1	-8	-13	-13	-26						-1				-21	-14	-35
* Total Procurement		-5	-5														-5	-5
* Monitoring & Eval																	1	1
Subtotal	-7	-6	-13	-13	-13	-26						-1				-21	-18	-40
Asia Regional Office																		
* Total Program			1				-1	-1	-1									
* Total Procurement																		
* Monitoring & Eval							1	-1								1	-1	
Subtotal		1	1					-1	-1								-1	
Eastern European Office																		
* Total Program		14	14														-14	-14
* Total Procurement		-8	-8														8	8
* Monitoring & Eval																		
Subtotal	-1	6	5														-6	-6
Home Office																		
* Total Program	2	2	4	-1	-1	-2	-4	-1	-5	-1			-1	1		-4	1	-4
* Total Procurement		1	1														1	1
* Monitoring & Eval	1		1	-1	1		-1	1										
* Confederation Building	-2	3	1	-9	13	4	4	-1	3	1		1	1		1	-5	15	9
Subtotal	1	6	7	-10	12	2	-1	-2	-3					1	1	-10	17	7
Total Direct Costs		671	671		9	10		-39	-39		-202	-203		-262	-263		165	166
Indirect Costs		168	168		2	2		-10	-10		-51	-51		-66	-66		41	41
TOTAL MG PROGRAM		839	839		12	12		-48	-49		-253	-253		-328	-328		207	207

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Matching Grant
FY95 Application

Program Summary Budget
(Supported by Budget narrative - CASH \$ in thousands)

Opportunity International

SOURCE OF FUNDS	Financial History			Projection for period of Grant				
	1992	1993	1994	1995	1996	1997	1998	1999
A. I. D. Matching Grant	450	475	750	813	1000	1000	938	4500
Private * Cash * In-Kind	2453	3993	5095	7622	8384	9223	10145	11159
Host/Other Gov't - Cash * In-Kind	-	-	-	-	-	-	-	-
Other AID Grants	-	53	864	1093	1035	1035		
Other US Gov't								
Other		106	185	125				
Totals	2903	4627	6894	9653	10419	11258	11082	15659

Direct Costs	YEAR 1			YEAR 1 ACTUAL			YEAR 2			YEAR 3			YEAR 4			YEAR 5			Yr 1 Act, Yrs 2-5 Bgt			
	AID	PVO	TOTAL	AID	PVO	TOTAL	AID	PVO	TOTAL	AID	PVO	TOTAL	AID	PVO	TOTAL	AID	PVO	TOTAL	AID	PVO	TOTAL	
Africa Regional Office																						
* Total Program	55	69	124	48	68	116	54	63	116	79	66	145	74	69	143	109	38	147	364	303	675	
* Total Procurement		6	6		1	1		5	5		5	5		6	6		6	6		23	28	
* Monitoring & Eval	2	1	3	2	1	3	2	1	3	2	1	3	2	2	3	3		3	11	4	15	
Subtotal	57	76	133	50	70	120	56	68	124	81	72	153	75	77	152	112	43	156	374	330	717	
Asia Regional Office																						
* Total Program	97	40	136	97	40	137	101	42	143	106	43	149	112	46	158	117	48	165	533	218	750	
* Total Procurement		13	13		13	13		13	13		14	14		15	15		15	15		70	70	
* Monitoring & Eval	2		2	2		2	2	1	3	3		3	1	1	3	1	1	3	10	4	14	
Subtotal	99	52	151	99	53	152	103	55	159	109	57	166	113	62	175	119	65	184	543	292	834	
Eastern European Office																						
* Total Program	43	15	58	43	29	72	45	16	60	57	16	73	70	17	87	77	18	95	292	96	374	
* Total Procurement		9	9		1	1		5	5		5	5		5	5		6	6		22	30	
* Monitoring & Eval	1		1	1		1	1		1	2		2	3		3	3		3	10		11	
Subtotal	45	24	69	44	30	74	46	20	67	59	21	80	73	23	95	80	24	104	302	118	415	
Home Office																						
* Total Program	57	10	67	59	12	71	56	9	65	56	9	65	62	11	73	65	12	77	298	53	347	
* Total Procurement		1	1		2	2		1	1		1	1		1	1		1	1		7	6	
* Monitoring & Eval	4		4	5		5	3	1	4	3	15	18	4		4	4	1	6	19	18	36	
* Confederation Building	71	13	84	69	16	85	71	76	147	83	13	96	88	75	163	87	16	103	398	196	593	
Subtotal	132	24	156	133	30	163	130	87	217	142	38	180	154	88	242	156	31	187	715	274	983	
Total Direct Costs	600	649	1249	600	1320	1920	600	702	1302	600	659	1259	600	407	1007	600	290	890	3000	3377	6377	
Indirect Costs	150	162	312	150	330	480	150	175	325	150	165	315	150	102	252	150	72	222	750	844	1594	
TOTAL MG PROGRAM	750	812	1561	750	1650	2400	750	877	1627	750	824	1574	750	508	1258	750	362	1112	3750	4222	7971	

Direct Costs	YEAR 1			YEAR 1 ACTUAL			YEAR 2			YEAR 3			YEAR 4			YEAR 5			Yr 1 Act, Yrs 2-5 Bgt			
	AID	PVO	TOTAL	AID	PVO	TOTAL	AID	PVO	TOTAL	AID	PVO	TOTAL	AID	PVO	TOTAL	AID	PVO	TOTAL	AID	PVO	TOTAL	
Zimbabwe																						
* Total Program	33	66	99	40	110	150	20	31	51										60	141	201	
* Total Procurement		1	1		1	1		1	1											2	2	
Subtotal	33	67	100	40	111	151	20	32	52										60	143	203	
South Africa																						
* Total Program	31	99	130	31	71	102	29	88	117	19	59	78	3	11	14				82	229	310	
* Total Procurement	1	4	5	1	4	5	1	3	4	1	2	3		1	2				3	10	13	
Subtotal	33	103	135	32	75	107	30	91	121	19	61	80	3	12	15				35	239	323	
Ghana																						
* Total Program					4	4	22	10	32	31	77	108	21	68	89	21	62	84	95	221	316	
* Total Procurement											2	2		2	2		2	2		5	5	
Subtotal					4	4	22	10	32	31	79	110	21	70	90	21	64	85	95	226	321	
Indonesia																						
* Total Program	77	75	152	77	265	342	67	86	152	67	50	117	84	50	134	84	50	134	378	501	879	
* Total Procurement		5	5		5	5		5	5		5	5		5	5		5	5		26	26	
Subtotal	77	81	158	77	270	347	67	91	158	67	55	122	84	55	139	84	55	139	378	527	905	
Philippines																						
* Total Program	118	142	260	118	589	707	118	142	260	84	176	260	76		76	27		27	423	907	1330	
* Total Procurement		8	8		8	8		8	8		8	8		8	8		8	8		40	40	
Subtotal	118	150	268	118	597	715	118	150	268	84	184	268	76	8	84	27	8	35	423	947	1370	
Bulgaria																						
* Total Program	7	66	73	7	69	76	9	87	95	8	82	90	1	12	14				25	250	275	
* Total Procurement		7	7		11	11		10	10		10	10		2	2					33	33	
Subtotal	7	73	80	7	80	87	9	97	105	8	92	100	1	14	15				25	282	307	

HOME OFFICE	Year 1			Year 1 Actual			Year 2			Year 3			Year 4			Year 5			Total LOP		
	AID	Opp Int	Total	AID	Opp Int	Total	AID	Opp Int	Total	AID	Opp Int	Total	AID	Opp Int	Total	AID	Opp Int	Total	AID	Opp Int	Total
I. Program Mgmt Elements																					
a) Salaries/Expenses																					
- Exec VP - Program @ \$211.50/day	18	2	19	18	2	20	6	2	7	6	2	8	7	2	9	8	2	10	45	10	54
- Program Assoc @ \$103.85/day	10	1	12	10		10	2		2	2		2	2		2	2		2	18	1	20
- Program Asst @ \$84.60/day	5	1	5	5	1	6	5	1	6	5	1	6	7	1	8	7	1	8	29	3	32
- Finance Coordinator @ \$135/day	19	2	21	19	2	21	17	2	19	17	2	19	18	2	20	19	2	21	90	10	100
- International Training Director							20		20	20		20	21		21	22		22			
b) Travel		4	4		7	7		4	4		4	4		6	6		7	7			25
c) Other (list)																					
Communications	1		1	2		2	1		1	1		1	1		1	1		1	5		5
Miscellaneous	5		5	5		5	5		5	5		5	6		6	6		6	27		27
SUBTOTAL -- Home Office Mgmt Elements	57	10	67	59	12	71	56	9	64	56	9	65	62	11	73	65	12	77	296	50	346
II. Procurement																					
a) Supplies (total)		1	1		2	2		1	1		1	1		1	1		1	1		6	6
b) Services (total)																					
SUBTOTAL -- Home Office Procurement		1	1		2	2		1	1		6	6									
III. Evaluation																					
a) Ongoing																					
Salaries:																					
- Exec VP - Program @ \$211.50/day	2		2	2		2	2		2	2		2	2		2	2		3	10	1	11
- Program Assoc @ \$103.85/day	1		1				1	1	1	1	1	1	1	1	1	1	1	1	3	2	5
- Program Asst @ \$84.60/day	1		1	3		3	1		1	1		1	1		1	1		1	5		5
b) Mid-term																					
1. Consultants																					
Unknown at \$350/day																					
2. Travel																					
3. Other (list)																					
c) Final																					
1. Consultants																					
Unknown at \$350/day																					
2. Travel																					
3. Other (list)																					
Program Personnel Salary																					
SUBTOTAL -- Home Office Evaluation	4	4	4	5	5	5	3	1	4	3	1	4	4	4	4	4	1	6	18	4	22
IV. Confederation Building																					
a) Salaries/Expenses																					
- Exec VP - Program @ \$211.50/day	19	2	22	19	2	21	18	2	20	20	2	22	23	2	25	24	3	27	104	11	116
- Internatl Coordinator @ \$107.69/day	25	3	28	25	3	28	26	3	29	26	3	29	29	3	32	31	3	34	137	15	152
- Program Assoc @ \$103.85/day	8	1	9	8		8	8	1	9	8	1	9	9	1	10	9	1	10	42	5	47
- Program Asst @ \$84.60/day	10	1	11	5		5	5	1	6	5	1	6	12	1	13	12	1	13	44	5	49
b) Travel		6	6		10	10		6	6		6	6		7	7		7	7			32
c) Other (list)																					
Communications	1		1	1	1	2	1		1	1		1	2		2	2		2	7		7
Miscellaneous	8		8	10		10	8		8	8		8	8		8	9		9	40		40
International Conferences							5	63	68	15		15	5	60	65				25	123	148
SUBTOTAL -- Home Office Confederation Building	71	13	84	68	16	84	71	76	147	83	13	96	88	74	162	86	15	102	399	192	591
TOTAL HOME OFFICE	132	24	156	132	30	162	130	87	217	142	24	166	154	86	241	156	30	186	714	251	965

AFRICA REGION	Year 1			Year 1 Actual			Year 2			Year 3			Year 4			Year 5			Total LOP			
	AID	Opp Int	Total	AID	Opp Int	Total	AID	Opp Int	Total	AID	Opp Int	Total	AID	Opp Int	Total	AID	Opp Int	Total	AID	Opp Int	Total	
I. Program Mgmt Elements																						
a) Salaries/Expenses																						
- Regional Director @ \$200/day	25	25	49	25	25	49	26	26	52	41	14	54	29	29	57	57	3	60	177	96	273	
- Regional Training Director @ \$96.15/day	13	13	25	9	9	9	8	8	16	14	14	28	21	7	28	29	2	31	76	36	112	
- Senior Program Officer @ \$57.70/day	8	8	15	7	7	14	8	8	16	8	9	17	13	4	17	17	1	18	54	30	84	
b) Travel		21	21		15	15		22	22		23	23		25	25		25	25		117	117	
c) Other (list)																						
Communications	4	1	5	4	6	10	5	2	6	5	2	6	3	3	7	4	4	7	20	11	32	
Curriculum Development	2	1	3				11	4	15	8	3	10	2	2	3				23	9	31	
Miscellaneous	4	1	5	4	16	20	4	1	5	4	1	5	6	6	6	3	3	6	20	7	27	
SUBTOTAL -- Africa Region Mgmt Elements	55	69	124	48	68	117	54	63	116	79	66	145	74	69	143	109	38	147	371	305	675	
II. Procurement																						
a) Supplies (total)		6	6		1	1		5	5		5	5		6	6		6	6		28	28	
b) Services (total)																						
SUBTOTAL -- Africa Region Procurement		6	6		1	1		5	5		5	5		6	6		6	6		28	28	
III. Evaluation																						
a) Ongoing																						
Salary																						
- Regional Director @ \$200/day	2	1	3	2	1	3	2	1	3	2	1	3	2	2	3	3		3	11	4	15	
b) Mid-term																						
1. Consultants																						
Unknown at \$350/day																						
2. Travel																						
3. Other (list)																						
c) Final																						
1. Consultants																						
Unknown at \$350/day																						
2. Travel																						
3. Other (list)																						
SUBTOTAL -- Africa Region Evaluation	2	1	3	2	1	3	2	1	3	2	1	3	2	2	3	3		3	11	4	15	
TOTAL AFRICA	57	76	133	50	70	121	56	68	124	81	72	153	75	77	152	112	43	156	381	336	717	

VII. Lessons Learned and Long-Term Project Implications

Confederation Process

The confederation process will require substantial time input from Senior Staff due to the need to get "buy in" from the highest levels in Opportunity's Partner Agencies. Because of this, substantially greater time will be needed due to time constraints, travel schedules, etc. of Opportunity Senior Staff.

Training

Opportunity's model in the past has relied heavily on mentorship and one-on-one training. Because of Opportunity's rapid growth, more formalized training is needed. This new style of training will need to rely on larger group settings and a-self-to-self mentorship which does not directly rely on Opportunity International staff.

Network Relationships

As the Opportunity International network grows, so does the relational complexity within the network. Particularly in the first year of this Matching Grant, Opportunity has seen the need to clearly define relationships with its Partner Agencies and partnering organizations. Opportunity has responded to this through its discussions of "Global Framework" during its regional meetings. Ongoing discussions will continue into Year Two of the Matching Grant.

Institution Building

This project seeks to promote institutional development on two levels. The grant's first thrust is to strengthen the ability of Opportunity International's Partner Agencies to deliver credit to poor entrepreneurs. The second thrust is to enhance Opportunity's own institutional ability to support the growing needs of existing Partner Agencies and expansion into new countries and regions. Opportunity has developed an expertise in the area of creating local agencies for micro-enterprise development. Opportunity continues to apply the lessons learned from creating and strengthening 46 other institutions to itself as well as the new partners it is developing.

Opportunity's experience during the first year of the Matching Grant continues to reinforce the fact that three factors are important to the success of a Partner Agency: program vision, technical capacity, and funding. In order to develop these, Opportunity continues to promote the development of the Board of Directors, provide technical training to the agency staff, and furnish funding and fund raising training.

Flexibility

Opportunity's expansion into Eastern Europe under the Matching Grant has reinforced the necessity to remain flexible as an organization. Changes in loan sizes, types of businesses, etc. were necessary in this new region. It is important that Opportunity remain flexible while utilizing its replicable program model.

Leveraging of Funds

During year one, it was reinforced that the utilizing the leverage of funds can be a highly effective means of getting money to the poor. Opportunity believes that a continuation of the "linkage and leverage" model is the appropriate path to pursue. Opportunity was also reminded that this process takes great effort on the part of the Opportunity network to accomplish.

VIII. Recommendations

A. To Project Leadership and PVO

In this period of rapid growth in the Opportunity International network, specific attention needs to be given to personnel needs and training. Regarding personnel, it should be considered that, as Opportunity grows, upgraded skills and additional staff may be needed. Regarding training, one-on-one training will become less feasible as the Opportunity network grows. Appropriate changes must be made which rely less directly on Opportunity staff.

The pace of standardization of financial reporting among the regions Opportunity works in must be accelerated. Accounting and reporting systems must be made compatible to ensure efficiency.

Due to increased flow of information, as a result of growth and an expanded confederation e-mail system, additional language capacity must be built in to the system to ensure that the English language bottleneck can be overcome. For example, as the network grows, those in Asia will need to communicate with agencies in Latin America which communicate in Spanish. Efforts being made in the headquarters office (such as publishing a "Partnership Quarterly" in Spanish) should continue and be expanded.

B. To Country and Local Leaders

It is important that country and local leaders be responsive to information requests from the Opportunity International headquarters. Information should be responded to in a timely manner, within reason. Information requests are often more important than they appear. Continued donor support and Board of Directors approval is often dependent on information sent by country and local leaders.

NGO managers need to recognize the fundamental structural changes implied by a move towards more formal financial institutions. The transition from an NGO to a development bank will require different staffing capabilities and a change in corporate culture. Hurdles in the process need to be recognized in advance and the required time and effort in the transition should not be underestimated.

C. To Donors or Other Organizations

The creation of development banks has highlighted the need for further research on the part of donor agencies regarding the capitalization of microenterprise programs. Studies, such as Opportunity International's recently completed study for the World Bank, will be critical in obtaining necessary research for the transition.

Attachment A: Country Data Sheets (Form 1550-11)

**PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECTS**

OMB No. 0412-0530
Expiration Date: 03/31/89

FOR OFFICIAL USE ONLY

PVO Type	Project Number	
Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization Opportunity International	Grant/Contract Number FAO-0158-A-00-3072-00
Start Date (MM/DD/YY) 9/24/93	End Date (MM/DD/YY) 9/23/98
AID Project Officer's Name Devorah Miller	

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
94	\$750,000	97	\$750,000
95	\$750,000	98	\$750,000
96	\$750,000		
LOP	\$3,750,000		

Activity Description

OPPORTUNITY International is involved in the development of an indigenous agency which assists poor entrepreneurs through a revolving credit program. The project provides credit to micro-enterprises which will either improve the living standard of the owner or create jobs for the unemployed. The agency provides technical assistance in addition to credit through training seminars and on-sight visits.

Status

After Opportunity opened a regional office in 1993, NACHALA Foundation was incorporated. The regional director assisted in building a Board of Directors and assisted the Board in hiring staff. Staff training was provided by Opportunity International staff. First loans were made near the end of 1993.

Since its inception, through the end of the grant year, NACHALA has opened offices in three cities and has made \$708,031 in loans. This has resulted in the creation of 401 jobs and the strengthening of 502 jobs for a total job impact of 903 jobs. 180 on-site visits have been made, as well as 17 seminars with 170 participants.

COUNTRY INFORMATION (SECONDARY)

Country Bulgaria	Location in Country (Region, District, Village) Sofia, Plovdiv, Vellingrad
PVO Representative's Name Ken Vander Weele	Local Counterpart/Host Country Agency Onik (E.D.), NACHALA Foundation

COUNTRY FUNDING INFORMATION (\$000)

YEAR	FY94			
AID \$	7			
PVO \$	73			
INKIND	0			
LOCAL	0			
TOTAL	80			

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AID Project Officer's Name Devorah Miller	

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
94	\$750,000	97	\$750,000
95	\$750,000	98	\$750,000
96	\$750,000		
LOP	\$3,750,000		

Activity Description

OPPORTUNITY International is involved in the development of an indigenous agency which assists poor entrepreneurs through a revolving credit program. The project provides credit to micro-enterprises which will either improve the living standard of the owner or create jobs for the unemployed. The agency provides technical assistance in addition to credit through training seminars and on-sight visits.

Status

In the first quarter of the Matching Grant, the Africa Regional Director of Opportunity first visited Ghana. During the visit he investigated the potential for a Partner Agency in Accra and Kumasi. In both cities he found a high demand for credit in the informal sector and few suppliers. He also found groups of business people and civic leaders in both cities interested in starting a micro-enterprise development program.

The group in Kumasi showed initiative in getting an agency started. To date, "Sinapi Aba" has made 48 loans for a total of \$9,140.

COUNTRY INFORMATION (SECONDARY)

Country Ghana	Location in Country (Region, District, Village) Kumasi
PVO Representative's Name Larry Reed	Local Counterpart/Host Country Agency Mensah Bonsu, SINAPI ABA

COUNTRY FUNDING INFORMATION (\$000)

YEAR	FY94				
AID \$	0				
PVO \$	0				
INKIND	0				
LOCAL	0				
TOTAL	0				

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AID Project Officer's Name Devorah Miller	

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
94	\$750,000	97	\$750,000
95	\$750,000	98	\$750,000
96	\$750,000		
LOP	\$3,750,000		

Activity Description

OPPORTUNITY International is involved in the development of an indigenous agency which assists poor entrepreneurs through a revolving credit program. The project provides credit to micro-enterprises which will either improve the living standard of the owner or create jobs for the unemployed. The agency provides technical assistance in addition to credit through training seminars and on-sight visits.

Status

There are now nine full partners in Opportunity Partner's DBB network in Indonesia. Six more partners are at various stages in the process of registration. There are now three development banks associated with three of the partners.

In the first year of the Matching Grant, Opportunity's Indonesian partners provided approximately \$767,694 in loans to small entrepreneurs. This has resulted in the creation of 2248 jobs and the strengthening of an additional 4364 jobs for a total job impact of 6612 jobs. Opportunity's partners conducted 4176 on-site visits and 111 training seminars with 2443 participants in Year One of the grant.

COUNTRY INFORMATION (SECONDARY)

Country Indonesia	Location in Country (Region, District, Village) Nationwide
PVO Representative's Name Leigh Coleman	Local Counterpart/Host Country Agency Priyadi Reksasiswa, DBB

COUNTRY FUNDING INFORMATION (\$000)

YEAR	FY94			
AID \$	77			
PVO \$	81			
INKIND	0			
LOCAL	0			
TOTAL	158			

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AID Project Officer's Name Devorah Miller	

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
94	\$750,000	97	\$750,000
95	\$750,000	98	\$750,000
96	\$750,000		
LOP	\$3,750,000		

Activity Description

OPPORTUNITY International is involved in the development of an indigenous agency which assists poor entrepreneurs through a revolving credit program. The project provides credit to micro-enterprises which will either improve the living standard of the owner or create jobs for the unemployed. The agency provides technical assistance in addition to credit through training seminars and on-sight visits.

Status Opportunity International's program in the Philippines has grown to seven agencies working nationwide. In order to continue to expand, Opportunity is pursuing a strategy which includes the creation of a development bank, rapid scale-up of poverty lending programs, and leveraging market-based funding. The process of creating a development bank is well underway with Opportunity's partner T.S.P.I.

In the first year of the Matching Grant, Opportunity's Philippine partners provided approximately \$4.2 million in loans to small entrepreneurs. This has resulted in the creation or sustaining of 18,315 jobs. 19,598 on-site visits were made. 1,116 seminars were conducted (15,856 partic.)

COUNTRY INFORMATION (SECONDARY)

Country Philippines	Location in Country (Region, District, Village) Nationwide
PVO Representative's Name Leigh Coleman	Local Counterpart/Host Country Agency Rollie Victoria, APPEND

COUNTRY FUNDING INFORMATION (\$000)

YEAR	FY94				
AID \$	118				
PVO \$	150				
INKIND	0				
LOCAL	0				
TOTAL	268				

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AID Project Officer's Name Devorah Miller	

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
94	\$750,000	97	\$750,000
95	\$750,000	98	\$750,000
96	\$750,000		
LOP	\$3,750,000		

Activity Description

OPPORTUNITY International is involved in the development of an indigenous agency which assists poor entrepreneurs through a revolving credit program. The project provides credit to micro-enterprises which will either improve the living standard of the owner or create jobs for the unemployed. The agency provides technical assistance in addition to credit through training seminars and on-sight visits.

Status

Izibuko has spent much of the past year reviewing the context in which it works and determining the most appropriate design for its credit and training program. In its program design, Izibuko sought to avoid duplication with other agencies and find creative ways to collaborate with other organizations. It has developed two separate lending products, one aimed at microenterprises and the other at small businesses.

As of the third quarter in 1994, the end of the grant year, Izibuko made \$18,518 in loans. This has resulted in the creation of 67 jobs and the strengthening of 83 jobs for a total job impact of 150 jobs.

COUNTRY INFORMATION (SECONDARY)

Country South Africa	Location in Country (Region, District, Village) Braamfontein
PVO Representative's Name Larry Reed	Local Counterpart/Host Country Agency Joe Maswanganyi, Izibuko

COUNTRY FUNDING INFORMATION (\$000)

YEAR	FY94			
AID \$	33			
PVO \$	103			
INKIND	0			
LOCAL	0			
TOTAL	135			

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Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)

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Start Date (MM/DD/YY) 9/24/93	End Date (MM/DD/YY) 9/23/98
AID Project Officer's Name Devorah Miller	

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
94	\$750,000	97	\$750,000
95	\$750,000	98	\$750,000
96	\$750,000		
LOP	\$3,750,000		

Activity Description

OPPORTUNITY International is involved in the development of an indigenous agency which assists poor entrepreneurs through a revolving credit program. The project provides credit to micro-enterprises which will either improve the living standard of the owner or create jobs for the unemployed. The agency provides technical assistance in addition to credit through training seminars and on-sight visits.

Status

During Year One of the Matching Grant, "Zambuko" provided approximately 1,520 loans for a total value of \$276,473. This has resulted in the creation of 1,364 jobs and the strengthening of approximately 1,760 jobs for a total job impact of 3,124 jobs. Approximately 57% of the loans went to women.

In addition, the Africa Regional Office established a training center with the purpose of coordinating the transfer of knowledge among Partner Agencies in the region and from them to other microenterprise development efforts. This training center operates with very low overhead, utilizing trainers from the Regional Office and Partners.

COUNTRY INFORMATION (SECONDARY)

Country Zimbabwe	Location in Country (Region, District, Village) Harare
PVO Representative's Name Larry Reed	Local Counterpart/Host Country Agency Evans Nhlanhla Maphenduka, Zambuko

COUNTRY FUNDING INFORMATION (\$000)

YEAR	FY94				
AID \$	33				
PVO \$	67				
INKIND	0				
LOCAL	0				
TOTAL	100				

Attachment B: Updated Logical Framework

LOGICAL FRAMEWORK

<u>GOAL</u>	<u>INDICATOR</u>	<u>VERIFICATION</u>	<u>ASSUMPTIONS</u>
<p>To provide a lasting solution to hunger and suffering through the creation of income and employment opportunities for the poor of developing nations.</p>	<p>Increased profitability and employment in loan recipient businesses</p>	<p>Opportunity obtains benchmark financial and employment information during the loan application. The same data is collected and compared in a close-out process when the loan is repaid.</p>	<p>The primary assumption underlying OI's work in these seven countries is that there is sufficient political stability to allow indigenous MED agencies to provide services.</p>
<p><u>PURPOSE</u></p> <p>To develop and implement a accelerated growth model of MED on a national scale in seven countries - Zimbabwe, Indonesia, Philippines, South Africa, Angola, Bulgaria and Ghana</p>	<p>Seven national scale programs linked to the formal sector and having:</p> <ol style="list-style-type: none"> 1) Lending capital averaging \$2.3 million 2) Programs targeting at least two regions of the country 3) LOP job creation greater than 129,000 4) LOP loans made greater than 90,000 5) Business training provided to more than 94,000 beneficiaries over LOP 	<ol style="list-style-type: none"> 1) Financial statements of partner NGO's 2) Program evaluations and annual reports 3) Quarterly program reports track loans made, jobs created, and beneficiaries trained 	

Logical Framework

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<u>OUTPUTS</u>	<u>INDICATOR</u>	<u>VERIFICATION</u>	<u>ASSUMPTIONS</u>
<p>I) Four new national scale MED programs in South Africa, Bulgaria, Angola and Ghana</p> <p>II) Three existing programs in the Philippines, Indonesia and Zimbabwe programs linking at-risk groups to formal sector and scaled up for nationwide impact</p> <p>III) Formalized global confederation that accelerates learning curve for national impact programs and increases capacity to respond to natural disasters through business rehabilitation loans</p>	<p>I a) Selection and training of boards and staff for 3 African agencies</p> <p>I b) African agencies lend \$250,000 after 1 year of full operations</p> <p>I c) Eastern Europe regional staff hired, trained and located in Bulgaria</p> <p>I d) Legal incorporation of Bulgarian agency</p> <p>I e) Feasibility studies done in three Eastern European countries</p> <p>I f) Documentation of institutional and methodological issues facing linkage model</p> <p>II a) Indonesian, Filipino and Zimbabwean agencies increase lending by 50% and utilize \$1 million in non-grant funding</p> <p>II b) Agencies target at-risk groups to link with formal sector</p> <p>II c) Agencies, regions and OI home office strengthen links to market-based funding sources</p> <p>III a) Two international conferences</p> <p>III b) International council membership defined and annual meetings held</p> <p>III c) Partner NGO staff used on three cross-regional projects per year</p> <p>III d) Publication of five MED technical "white papers"</p> <p>III e) Publication of program digest</p> <p>III f) Regional offices linked by computer modem</p>	<p>1) Annual regional planning documents</p> <p>2) Monthly regional director program progress reports</p> <p>3) Annual regional office evaluations</p> <p>4) Annual partner planning documents</p> <p>5) Quarterly partner NGO financial and program reports</p> <p>6) Partner NGO financial audits and program evaluations</p> <p>7) Annual program reports to FHA/PVC</p>	<p>OI operates under the assumption that key economic indicators relating to currency remain within parameters that do not substantially decapitalize its loan portfolio. We track inflation and the dollar value of currency in particular. Our agencies have developed sophisticated mechanisms to preclude adverse impact in most situations.</p>

Logical Framework

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<u>INPUTS</u>	<u>INDICATOR</u>	<u>VERIFICATION</u>	<u>ASSUMPTIONS</u>
<p>I a) Develop boards and train staff for 3 new African Agencies</p> <p>I b) Provide loan fund seed grants</p> <p>I c) Establish Eastern Europe regional office</p> <p>I d) Develop boards and train staff for new Bulgarian agency</p> <p>I e) Research feasibility of programs in 3 Eastern European countries</p> <p>I f) Evaluate institutional and methodological aspects of linkage model</p> <p>I g) Establish Africa Regional Training Center</p> <p>II a) Deliver technical assistance and institutional development seed grants to Indonesian, Filipino and Zimbabwean agencies</p> <p>II b) Research and implement plan for accessing formal financial market sources of capital</p> <p>II c) Establish 5 development banks and management and training systems</p> <p>III a) Organize international conference to establish confederation policy and agenda</p> <p>III b) Establish international coordinating council and secretariat</p> <p>III c) Upgrade confederation's financial reporting capacity</p> <p>III d) Use NGO staff and interns for confederation projects</p> <p>III e) Research and write 5 program "white papers"</p> <p>III f) Distribute technical program digest</p>	<p>I a) 90 per/months, Africa regional staff</p> <p>I b) \$300,000 seed grants provided to four African agencies over 24-36 months</p> <p>I d) 30 per/months, Eastern Europe regional staff</p> <p>II a) 120 per/months, Asia regional staff</p> <p>II b) 30 per/months, Africa regional staff</p> <p>II a) 4 per/months, home office program staff</p> <p>II b) 30 per/months, home office program staff</p> <p>II c) 10 per/months, partner NGO staff</p> <p>II d) 15 per/months, home office program staff</p> <p>II e) 15 per/months, home office program staff</p> <p>II f) 3 per/months, home and regional program staff</p> <p>III a) 75 per/months, home office finance and regional program staff</p> <p>III b) 20 per/months, home and regional office finance staff</p>	<p>1) Annual budget documents from home, regional and partner NGO offices</p> <p>2) Monthly financial reports from home and regional offices</p> <p>3) Monthly financial reports from African and Bulgarian NGO's</p> <p>4) Quarterly financial reports from Indonesian and Filipino NGO's</p> <p>5) Annual independent financial audits</p> <p>6) Required monthly, quarterly and annual reports to A.I.D.</p>	<p>1) That historic access to soft loans and other market based-funding will be maintained</p> <p>2) That Governments will maintain their current favorable policies relating to the development bank model</p>

Attachment C: List of New USAID Grants Awarded During Year One

- **World Learning #NIS-2022-00-29**
Performed for: World Learning, sub grantee for USAID Agreement #CCS-0001-A-00-2022-00.
Address: Projects in Int'l Development and Training; 1015 15th Street, NW, Suite 911; Washington, DC, 20005.
Contact: Marguerite N. Mininni, 202-408-5420, ext. 153.
Total Amount: \$288,000; Beginning Date: 5/26/94; Ending Date: 3/31/96
Description of Project: Project is designed to strengthen the capacity of local NGOs, particularly those working in job creation. This is being accomplished through the formation of an alliance and the development of microenterprise projects.

- **USAID Russia Incubator**
Performed for: USAID-Moscow
Total Amount: \$2,027,000; Beginning Date: 9/94; Ending Date: 9/97
Description of Project: The establishment of a full service microbusiness incubator which will support the emerging private sector through provision of physical space, shared business support services, on-sight consulting and the embedding of these businesses in support and expert networks. Also, the expansion of Opportunity's micro credit program through expansion of its leasing financing vehicle.

- **Nicaragua (Approved, but waiting signing of contract)**
Performed for: USAID/PMU-Managua
Contact: Bill Weaver (PMU), 505-2-222005
Total Amount: \$1,500,000; Beginning Date: 10/94; Ending Date: 9/97
Description of Project: Expansion of lending programs in Managua and replication to two rural sites.

- **Ghana Research Grant**
Performed for: USAID-Ghana
Total Amount: \$18,000; Beginning Date: 12/94; Ending Date: 12/95
Description of Project: A study initiated by World Bank and financed by USAID/Ghana to examine whether NGOs can play a role in improving the delivery of financial services in rural Ghana.

- **DBB Grant**
Performed for: USAID-Indonesia
Total Amount: \$420,000; Beginning Date: 5/94; Ending Date: 5/96.
Description of Project: Replication of NGO-based microenterprise development programs in Eastern Indonesia.

- **TSPI Apple Grant (Approved, but waiting signing of contract)**
Performed for: USAID-Philippines
Contact: name of representative, telephone #
Total Amount: \$550,000; Beginning Date: 10/94; Ending Date: 9/96
Description of Project: Establishment of Kābuhayan/Grameen replication in metro-Manila area.