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YEAR TWO MATCHING GRANT ANNUAL REPORT

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

**In fulfillment of the 1993-1998
AID/OPPORTUNITY International Grant
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EXECUTIVE SUMMARY

Program Objective:

Through USAID Matching Grant funding, 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 48 indigenous MED agencies to create opportunities for impoverished entrepreneurs to succeed.

Three objectives are being achieved through the Matching Grant Program:

- 1. Opportunity is developing a new "leveraged" model of agency creation.** Opportunity International is using Matching Grant funding 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 has replicated this successful technique in Ghana.
- 2. Opportunity is linking existing strong programs to formal sector funding.** With Opportunity International and USAID funding, Opportunity's Partners in Indonesia, the Philippines and Zimbabwe are increasing 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 24 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 have been developed and are providing loans 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 are being expanded using funding obtained from non-grant sources. In addition, a regional training center was created to upgrade the capacity of Opportunity partners and other MED implementors.

BULGARIA/Eastern Europe-Opportunity established both an Eastern European Regional Office and local NGOs in Bulgaria, Romania, and Russia. The implementing agency is being developed using the linkage and leverage model. In the past year, Opportunity began forming Partners in FYR Macedonia, Poland, and in Rostov-On-Don, Russia.

INDONESIA-National expansion was already underway in Indonesia. Opportunity 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. Opportunity 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 Opportunity's input to Indonesia.

PHILIPPINES-In the Philippines Opportunity 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 technical assistance 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 Opportunity partner NGOs had very informal information exchange and technical assistance mechanisms. To

formalize these structures for the long-term, Opportunity is convening two international conferences, utilizing an international confederation council, researching technical white papers and a program issues digest, and installing an international communications system. A worldwide internet "gopher" information resource which will allow information to be disseminated throughout the entire network is currently being researched.

I. Background and Project Context

A. Opportunity's Mission, Global Network and Accomplishments

Opportunity International is a world-wide development organization that focuses exclusively on creating employment and income opportunities for the poor through small and microenterprise development. Founded in 1971 and headquartered in Oak Brook, Illinois, Opportunity's mission is as follows:

"Our **mission** is to provide opportunities for people in chronic poverty to transform their lives. Our **strategy** is to create jobs, stimulate small businesses, and strengthen communities among the poor. Our **method** is to work through indigenous Partner Agencies that provide small business loans, training and counsel."

In fulfillment of this mission Opportunity has created and now coordinates an international confederation of 46 Microenterprise Partner Agencies operating in more than 100 urban centers in 21 countries of Africa, Asia, Europe and Latin America. Four Regional Offices in Colombia, Zimbabwe, Australia and Bulgaria and Country Offices in Guatemala, Nicaragua, Poland, Russia, Macedonia, Thailand, India, the Philippines and Indonesia provide a range of management and technical support services to our Partner Agencies.

These decentralized regional and country offices are currently staffed by approximately 30 technical and administrative personnel. The 46 Partner Agencies, now employing approximately 800 staff with average tenure exceeding 4 years, receive state-of-the-art training in MED through three regional training centers, regular in-country workshops and an annual Field Exposure Training Program in the Philippines. The most recent Philippines training program provided operations and viability training for Executive Directors from 14 countries within the Opportunity Network.

The Opportunity International Network of regional and country offices and Partner Agencies produced the following results in 1994:

- 64,000 jobs were created or sustained
- \$11.8 million was loaned to 24,346 entrepreneurs
- 38,448 participants attended 3,182 small business training seminars
- 70,274 consulting visits were made to borrowers
- 95% payback was achieved for existing loans
- 66% of loans were made to women entrepreneurs

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 past six years Opportunity International has experienced significant growth, both geographic and financial, as well as programmatic. Building on this strength, Opportunity has now launched 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, Opportunity'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 Opportunity's former Matching Grant concluded that Opportunity 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:** Opportunity'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) **Opportunity's Confederation:** The confederation of Opportunity 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. Opportunity 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 Opportunity 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.

Opportunity 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 Opportunity to strengthen its partners.

Opportunity'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.

This singular focus on the development and strengthening of local NGO partners which carry out microenterprise development programs has helped Opportunity International to become a leader in the field.

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

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- 95% 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 24 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 Opportunity 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, Opportunity 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 leverage 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, Opportunity 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 Opportunity's request for Matching Grant funds:

1. Opportunity will develop a new "leveraged" model of agency creation wherein Opportunity 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 48 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

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

- **Microenterprise Lending:** Opportunity's program focuses exclusively on MED lending.
- **Democracy:** Opportunity 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 24 years Opportunity has worked only through local NGOs by building their vision, program capacity and fund raising ability.
- **PVO Strengthening:** This program dramatically increases Opportunity'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 Opportunity's lending program beneficiaries are women. Through this program, Opportunity will be strengthening the Women's Opportunity Fund, a program to carry out enterprise formation projects for women.
- **Replication:** Under the previous Matching Grant Opportunity 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:** Opportunity plans to utilize Peace Corps volunteers in Bulgaria and other Eastern European countries.
- **Sustainability:** Opportunity implements all country programs with strict plans for the agency to become self-sustaining. Grant activities strengthen Opportunity'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. Opportunity believes loans and training at a grassroots level are the most effective intervention to create needed employment. Opportunity carries out its programs only through local NGOs (minimal expatriate staff (presently 5) are used). Institutional development forms the backbone of Opportunity'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

Opportunity 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.

Opportunity'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. Opportunity is utilizing a three component strategy for accomplishing this evolution. 1) Opportunity has designed and is utilizing a linkage and leverage model to establish new programs in Africa and Eastern Europe/NIS. 2) Opportunity is expanding existing programs in the Philippines, Indonesia, and Zimbabwe to achieve massive national-scale using the linkage and leverage model. 3) Opportunity 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 five years remaining in this century Opportunity 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 Opportunity with seed capital needed to launch this expansion and the institution building capacity to support this growth over the long-term.

Opportunity 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 Opportunity'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 Opportunity'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. Opportunity 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 Opportunity to systemize evaluations and utilize partner staff for the evaluation of other agencies.

Critical indicators are being monitored and evaluated through Opportunity'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 Opportunity'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

Background

OPPORTUNITY began its work in Europe in early 1993 when Ken Vander Weele was hired to be the Regional Director. Mr. 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. He and his family relocated to Sofia, Bulgaria in February 1993 to begin Opportunity's first European Partner Agency. A voluntary Board of Directors was identified which agreed to form a Bulgarian not-for-profit foundation.

NACHALA (Beginnings) Foundation was incorporated as a Bulgarian not for profit organization in July 1993. Through the work of Opportunity's Regional Office in Sofia, a voluntary Board of Directors was identified which agreed to form an organization whose purpose is to reduce unemployment and contribute to the economic development of Bulgaria. The Foundation's strategy is to create jobs, stimulate small business, and promote entrepreneurship. Small loans are extended to entrepreneurs who can create employment by starting or expanding small businesses, yet who are not able to obtain capital from other sources.

Following its incorporation, NACHALA quickly established loan policies, hired staff, opened three offices (in Sofia, Plovdiv, and Vellingrad) and began making pilot loans.

a. Specific Outputs Achieved

Nachala continues to grow at a rapid rate and increase its outreach to the poor. Since start-up in 1993, Nachala's loan portfolio has grown at a faster rate than any agency start-up in the history of the Opportunity network.

b. Effect on Target Groups Disaggregated by Gender

During this grant year, Nachala has made 158 loans for a total value of \$1,125,300. Of these loans, 46 loans were provided to women at a total value of approximately \$337,560. This translates to 30% of the total number of loans going to women and 30% of the total value of loans going to women.

During the grant year, 677 new jobs were created and 693 jobs were sustained for a total "job impact" of 1,370. Approximately 203 of the jobs were created for women and 208 were sustained for women.

During the year, Nachala conducted 14 training seminars with a total of 100 seminar participants. In addition, Nachala staff made 905 project visits to clients.

At the end of the grant year, Nachala's loans outstanding with clients equaled \$1,316,448.

c. Problems Encountered and How Addressed

Hyperinflation and an exchange crisis have made lending difficult at times. As stated in last year's annual report, Opportunity and NACHALA have tied loans 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.

As stated previously, NACHALA is currently drawing from a loan fund provided by the Bulgarian American Enterprise Fund. The arrangements with The Fund during the past grant year have been such that NACHALA does not receive interest for the loan, but a 3% origination fee on each loan with no other earned income to NACHALA. In addition to re-negotiating with BAEF, Nachala has identified a source of equity for its loan portfolio and will be obtaining borrowed funds to leverage its equity and increase its ability to impact the poor.

With the rapid expansion of Nachala, it is necessary to raise some of the skills of the Board. This would involve recruiting some new experienced Board members as well as extensive Board training.

NACHALA staff continue to struggle with the implementation of "Loan Administrator" software. This is considered high priority and will be a key issue in improving the loan management and reporting capabilities of NACHALA. Since NACHALA is not yet relying on "Loan Administrator", reports and primary loan records of NACHALA have continued to be maintained on the "Excel" system which NACHALA developed.

d. Impact Outside Project

Despite its rapid growth, Nachala is still a relatively new agency. Most of the focus has been on finding ways to expand its outreach and become a national program. However, Nachala has become the vehicle of other organizations to provide loans to entrepreneurs. The arrangement with the Bulgarian American Enterprise Fund is an illustration of this. Nachala expects involvement with other organizations to increase at the agency strongly anticipates opportunities to leverage funds as it builds equity into the agency.

e. Unintended Effects

Nachala's success have created a market for its products which can only be met by rapid expansion. The rapid expansion of Nachala has proven to be challenging for Board and staff as greater skill sets are required to manage the growth.

2. Comparison with Detailed Implementation Plan

The *Detailed Implementation Plan* specified that only one step with four segments would be taken to achieve its objectives in the second year of the Matching Grant for the country of Bulgaria: Development of the First Branch Office: Research and development; Office located and staff trained; Awareness campaign; and First loan made. For Eastern Europe, it was specified that feasibility studies for a Russian Expansion, Albania, Slovakia, and other NIS would occur during Year Two of the Matching Grant.

As was the case during Year One, the steps outlined in the Detailed Implementation Plan have been far surpassed. Nachala has already opened and is operating three offices in Sofia, Plovdiv, and Vellingrad. Plans for national expansion are underway.

In Eastern Europe, Opportunity representatives have begun forming new Partner Agencies in Poland and in Macedonia. Opportunity's Partner in Romania (IZVOR) began making loans in June. The Russia program has been expanded into Rostov-On-Don and plans are underway for further expansion.

B. Ghana

Background

The Africa Regional Director of Opportunity first visited Ghana in October of 1993. From December of 1993, when Kwabena Darko became chairman, until June 1994 the board 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 Twɛ 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.

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.

a. Specific Outputs Achieved

Since the agency's start-up, Sinapi Aba has experienced a rapid start-up, surpassing program objectives. Sinapi Aba made more loans during its first year than any other Opportunity start-up in the region. The following are some of Sinapi's accomplishments:

- Six staff members were employed
- Executive Director training was conducted
- Loan Officer training was conducted
- The initial stages of trust bank development with one-week training was provided
- A computer was purchased and basic familiarization and training was provided by the regional office
- Sinapi expects to open two branches in August 1995 in Akomadan and Ejura (90 and 60 miles from Kumasi, respectively).

Sinapi Aba has not experienced any major methodological changes. Staff changes have included replacement of a Project Manager with the acting Executive Director. A search is currently underway for a permanent Executive Director. The appointment of 4 project staff (3 project officers and 1 project secretary) was also made.

In addition to the work with Sinapi Aba, Opportunity 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 final version of this document was presented to World Bank during the grant year.

b. Effect on Target Groups Disaggregated by Gender

Of the 422 individual loans made during the past grant year, 172 were made to women and 250 to men, translating to 41% of total loans made to women. The total value of all loans made during the past year was \$87,582, of which approximately \$35,900, or 41%, was lent to women. The grant year end dollar value of Sinapi Aba's loan portfolio was \$23,434.

Of the 583 new jobs created over the past year, approximately 339, or 58% were created for women. Of the 997 jobs which were sustained over the past year, approximately 581, or 58%, were sustained for women.

Sinapi Aba conducted 97 training seminars with a total of 1,537 seminar participants during the grant year. 694 participants were women and 843 were men. Sinapi Aba loan staff made 761 project visits to clients. 316 of these visits were made to women and 445 were made to men.

There currently are groups of 30-50 women ready to receive loans when the “Trust Banks” program becomes established.

c. Problems Encountered and How Addressed

Problems were experienced with a Project Manager, which resulted in loan application and repayments being delayed. This Project Manager has been replaced. In addition, the Board Credit Committee assisted the new Executive Director in catching up and problems have been rectified.

d. Impact Outside Project

With the start-up program, most efforts have been focused on the project this past Grant year. However, discussions are underway with St. Luke Society in Kasei to assist them in training and to help them establish a rural bank to assist farmers and rural businesses.

e. Unintended Effects

No unintended effects were identified by Sinapi Aba.

2. Comparison with Detailed Implementation Plan

The *Detailed Implementation Plan* specified four specific steps to be taken for the second year Matching Grant in Ghana. 1) A Board of Directors would be identified during Quarters One and Two; 2) An Initial Board Retreat would be held during Quarter Two; 3) An Executive Director would be hired and trained during Quarter Two; 4) During the end of Quarter Two, a NGO would be incorporated.

Sinapi Aba has far outpaced the steps outlined in the Detailed Implementation Plan, as the Partner formed quickly and has already broken Opportunity’s record in Africa for most loans made in the first year.

C. Indonesia

a. Specific Outputs Achieved

In the past grant year, DBB has widened its network in Eastern Indonesia through establishing 4 new members to help the poor and alleviate poverty in its areas. Those are:

- Yayasan Tanaoba Lais Manekat (TLM) - located in Hupang - East Nusa Tenggara
- Yayasan Tallu Bulinna (YTB) - located in Mamasa - South Sulawesi
- Yayasan Bina Sejahtera (YBS) - located in Gorontalo - North Sulawesi
- Yayasan Bina Sejahtera Lestari (BSL) - located in Dill - East Timor

These new institutions formally became part of the OPPORTUNITY network in September 1994. To date, the 15 members of the DBB Network and its branch units include the following agencies:

- DBB (Bali)
- MATEPE (South Sulawesi), branch offices in Sappeng, Malino, Setayar, and Pangkep
- TBL (Central Sulawesi)
- DBM (North Bengkulu)
- KPS (East Sumba)
- YBK (Central Sulawesi)
- LSS (South Sulawesi)
- DBL (Bali)
- MOTIGAU (Central Sulawesi)
- BKM (Central Sulawesi)
- YWH (North Maluku)
- YTB (South Sulawesi)
- YBS (North Sulawesi)
- TLM (East Nusa Tenggara)
- BSL (East Timor)

To further meet the rural community need, mature members are increasing their services by implementing the following Rural Bank services:

- MATEPE has established a Rural Bank in Mandai - Ujung Pandang which has been in operation since May 1994. The bank is called PT. BPR MATEPE.
- TBL established a Rural Bank in Summersari which is currently waiting for operational license. The name of the bank is PT. BPR Binarta Luhur.
- DBM established a Rural Bank in Padang Jaya - North Bengkulu which has operated since September 1994. The bank is called PT. BPR Dion Binarta.

Over the past grant year, DBB's network increased its services to the poor by 426.17% or 4 times the average rate of annual increase in past years.

b. Effect on Target Groups Disaggregated by Gender

During the second year of the Matching Grant, Opportunity's network of Partner Agencies in Indonesia provided 2,300 loans to entrepreneurs for a total value of US\$872,460. Of these loans, 642 were made to women translating to 28% of total loans being made to women.

During the grant year, Opportunity's Indonesian network created 3,041 new jobs and sustained 4,954 jobs for a total job impact of 7,995. Of these, approximately 2,218 were impacted for women.

Also during the grant year, the DBB network conducted 103 training seminars with 1,643 participants. DBB network staff made 7,493 project visits to clients.

At the end of the grant year, Opportunity's Partners in Indonesia had a total loan portfolio of \$920,573.

DBB's impact on women goes far beyond the loans made directly to women. The empowerment to the family through loans made to men have greatly benefited women in Indonesia. In addition, DBB, as a way of helping to empower women who are mostly illiterate and not well-educated, has cooperated with the local Cultural and Education Department to give a literacy short course. This course is coupled with small business training to improve the skills of women.

c. Problems Encountered and How Addressed

- Distance and Infrastructure - Most of the members are located in small towns and are located a distance from the capital. In addition, these areas often have a poor infrastructure and communication facilities. This hampers reporting. Plans are underway to equip each DBB member's office with a FAX machine, which should help alleviate the problem.
- Skills - Most of the beneficiaries have a low level of education (most have not graduated elementary school) or are even illiterate. This is a serious problem that constrains the effectiveness of the community training program and field assistance.
- Experience - Finding staff experienced in MED in Indonesia is also a problem faced by the lending institutions. Plans are underway to conduct sub-regional training and exchange to improve the skills of Indonesian network staff.

d. Impact Outside Project

The service program of DBB's network is well-respected by the local community. This is a result of the success of the agency in helping the local community in increasing their income and this success story spreads out among the communities. Although the success of the program is not effecting the local government policy, it is an evidence that related government bureau agreed to cooperate with the local institution in a certain program.

DBB has been asked by other local institutions to cooperate with and train other programs. DBB was invited to join the PDF (Participatory Development Forum) as a member. PDF is the umbrella organization of the NGOs in Indonesia.

DBB, as a way of helping to empower women who are mostly illiterate and not well-educated, has cooperated with the local Cultural and Education Department to give a literacy short course. This course is coupled with small business training to improve the skills of women.

e. Unintended Effects

It was not expected that the network would grow at the rate it has. This growth is effecting the available funds to support the program. Particularly with new agencies, there is the challenge of gaining credibility before being able to source funds outside of Opportunity. Because of this, it is important that the programs have enough seed funds to secure that the program is well implemented and can gain future outside funding.

2. Comparison with Detailed Implementation Plan

The *Detailed Implementation Plan* specified two activities to occur during year two of the Matching Grant: 1) Establish a Second Rural Development Bank during Quarters One through Three; 2) Hold the Initial Staff Training for the Second Development Bank during Quarters Three and Four.

DBB is ahead of schedule, as there are now the following three rural development banks operating in Indonesia:

- MATEPE has established a Rural Bank in Mandai - Ujung Pandang which has been in operation since May 1994. The bank is called PT. BPR MATEPE.
- TBL established a Rural Bank in Summersari which is currently waiting for operational license. The name of the bank is PT. BPR Binarta Luhur.
- DBM established a Rural Bank in Padang Jaya - North Bengkulu which has operated since September 1994. The bank is called PT. BPR Dion Binarta.

D. Philippines

a. Specific Outputs Achieved

TSPI continues to grow and to expand its outreach to the poor both through increasing the dollar volume of loans and by further diversifying its microenterprise services. Some examples of this diversification include a “Grameen” style lending program, as well as a movement by TSPI towards becoming a development bank.

b. Effect on Target Groups Disaggregated by Gender

In the second grant year, TSPI provided 2,039 loans to the poor for a total value of \$2,000,605. Of these loans, 1,394 loans were provided to women which translates to 68.4% of total loans being provided to women.

During the second grant year, TSPI created 1,909 new jobs and sustained 2,748 jobs for a total job impact of 4,657. Of these jobs, approximately 3,166 jobs were impacted for women.

Also during the grant year, TSPI conducted 582 training seminars with 4,618 participants. TSPI staff made 9,010 project visits during the year.

c. Problems Encountered and How Addressed

The new branch targeted to be opened in the past quarter for TSPI’s group lending program has been delayed as the initial project area surveyed and identified (Binangonan, Rizal) is being reconsidered due to a possible duplication with another organization doing Grameen Bank replication in the area. An alternative site in Rizal is now being surveyed.

d. Impact Outside Project

Due to TSPI’s growing international reputation, Benjie Montemayor (TSPI’s Executive Director) was invited to participate in several conferences and events sponsored by the World Bank. Lessons learned and taught by TSPI to international forums increase its impact around the world.

TSPI has also participated in the Philippine Government’s “Task Force on Credit for the Poor.”

The Kabuhayan program (Grameen replication) has the support and endorsement of the local representatives of the National Housing Authority as well as barangay (village) officials as the program complements their own development interventions (specifically housing) in the communities covered. Specific impact of the program on the community is yet to be determined.

e. Unintended Effects

While the group lending project mainly seeks to improve the economic status of women, a positive effect shown is how some of the women, through their centers (4 to 6 groups organize a center) are empowered to actively participate in decision-making concerning community affairs, e.g., garbage disposal system, construction of pathways, etc.

2. Comparison with Detailed Implementation Plan

The *Detailed Implementation Plan* specified several activities to occur during year two of the Matching Grant: 1) In the continuation of the launching of the poverty lending program, during Quarter One a program design for each partner would be finalized; during Quarters Two through Four operations would begin for the Poverty Lending Programs; 2) To continue incorporating a development bank, staff training would occur during Quarter One; during Quarters Three and Four bank operations would commence.

- Plans continue to move ahead for the establishment of a development bank. During Year One, a proposal was submitted to Opportunity International. 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. Due to the heavy requirements by Senior Staff at both ends for this arrangement, the process has taken longer than anticipated. Further discussions will take place in September 1995 at Opportunity's conference in Malaysia.
- An international conference on poverty lending occurred in October, 1994.
- TSPI's poverty lending program is well underway. TSPI experienced a 37% increase in the number of active borrowers in the past year. Through the program, 1,961 new jobs were created. This year TSPI's two branches increased their value of loans distributed by more than \$1 million. The repayment rate on loans has risen to 97.2%.

E. South Africa

Izibuko Foundation, Opportunity's Partner in South Africa, changed its name to "SEED" during the second grant year.

a. Specific Outputs Achieved

- 5 full-time staff are now in place
- Loan program has been accelerated, with 947 loans totaling \$173,950 made during the past six months
- All applicants are currently participating in a basic training program which provides training on pricing, marketing, and cash marketing.
- Thus far, 100% of clients who have paid back a first loan have applied for second loan.
- Plans are underway to expand outside SOWETO, possibly to Davidson and Katlehong

b. Effect on Target Groups Disaggregated by Gender

In the past Grant Year, 225 individual loans and 722 group loans were made to entrepreneurs, for a total of 947 micro loans. The total value lent during the year was \$173,950.

Of the 225 individual loans, 175 (or 78%) were made to women. Of group loans, 575 to were made to women and 147 to men. Total loans, therefore equal 750 to women out of a total of 947, or 79.2%. As a percentage of value, approximately \$127,850 was lent to women and approximately \$41,100 to men, or 76% of total loan value.

Out of 212 new jobs created over the past grant year, approximately 139 were created for women and 73 for men. Out of the 947 jobs sustained in the past year, 733 were sustained for women and 214 for men. This translates to over 75% of total jobs impacted being impacted for women.

10 training seminars were conducted over the past year with a total of 67 seminar participants, of which approximately 50 were women. 202 project visits were made by SEED in the past year.

c. Problems Encountered and How Addressed

- Bottleneck in loan approval and disbursement - additional staff were added and an additional signatory is needed to sign checks so sole responsibility does not fall on ED
- Management information and accounting systems inadequate - Opportunity's Africa Regional Director has been involved in installing and training on Microbanker during this past grant year.
- Board Responsibility - A need to decrease the length of time required to establish policy and make budgetary decisions. This has negatively affected SEED's operations. The Board has acknowledged this need.
- Need improved information system to enhance credit management and controls - OF regional office providing input on this.

d. Impact Outside Project

Efforts have been focused on the agency itself, as this past year has involved significant scale-up in the lending program.

e. Unintended Effects

Many of the loans made to traders have proven to have somewhat limited job creation potential. More training will be needed and efforts will have to be focused on a wider variety of target clients.

2. Comparison with Detailed Implementation Plan

The *Detailed Implementation Plan* specified that two specific steps would be taken to achieve its objectives in the second year of the Matching Grant. 1) Expansion planning would begin, including research and planning, through Quarters Two, Three and Four; 2) An Annual Review of the First Site Program would be conducted.

As stated above, SEED's loan program has been accelerated in Year Two, with 947 micro loans made for a total value of \$173,950. These figures demonstrate significant growth of activity in the past year.

Plans are now underway to expand outside SOWETO. Two possible sites have been chosen for expansion: Davidson and Katlehong.

F. Zimbabwe

a. Specific Outputs Achieved

The following outputs were achieved during Year Two of the Matching Grant:

- 4 branch offices opened: Harare, Gweru, Bulawayo, and Mutaro with 3 satellite offices
- Loan portfolio comprises 3,500 loans with US\$350,000 loaned
- 80% of first loan clients apply for and receive second loans
- 95% repayment rate
- Staff of 3 in 1992, now have 42, with 16 loan officers
- Loan officer training provided
- Debtor collection computer system in place
- Development and expansion of Trust Banks to women's groups
- Pursuing of additional fundraising efforts

b. Effect on Target Groups Disaggregated by Gender

Of the 2,603 individual loans made during the past grant year, 1,797 were made to women and 806 to men, translating to 69% of total loans made to women. The total value of all loans made during the past year was \$387,378, of which approximately \$255,669, or 66%, was lent to women. The grant year end dollar value of Zambuko's loan portfolio was \$727,273.

1,406 new jobs were created and 1,909 jobs were sustained over the past year for a total job impact of 3,315.

Zambuko conducted 177 training seminars with a total of 1,862 seminar participants during the grant year. Zambuko loan staff made 1,729 project visits to clients.

Trust Banks (a group lending methodology) were established during the second grant year. Zambuko Trust is lending to 33 women through 6 groups. Initial loan sizes range between Z\$800-1000 (US\$ 100-125). Typical businesses include sewing, crocheting, tuck shops and cross-border trading. Overall, around 75% of loans in the Trust Banks program have been made to women.

c. Problems Encountered and How Addressed

- 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.
- Need for more experienced staff - concerned effort to employ and adequately compensate highly qualified staff for program
- Better information system - computer systems updated and revised Microbanker to be used
- 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.

d. Impact on Outside Project

Zambuko continues to build on its reputation for successful credit lending to entrepreneurs. The Dutch Government has learned of Zambuko and asked them to submit a proposal for funding because of the agency's success.

e. Unintended Effects

The increased awareness of Zambuko's program has created a great demand for credit to microenterprises. Zambuko currently has 1400 approved loans awaiting funding.

2. Comparison with Detailed Implementation Plan

The *Detailed Implementation Plan* specified that four specific steps would be taken to achieve its objectives in the second year of the Matching Grant. 1) Develop an Advanced Curriculum during Quarter One; 2) Expand Operations to the First Rural Center through Quarters One and Two; 3) Expand Operations to the Second Rural Center during Quarters Three and Four; 4) Operate the Training Center during Quarter Four.

Regarding Point One, Opportunity developed and advanced training curriculum entitled "MED 201" which serves as a follow-up to the previously developed "MED 101".

Regarding Points Two and Three, Zambuko exceeded the goals by opening four branch offices over the past year of the Matching Grant.

Regarding the Regional Training Center (Point 4), the following highlights the training provided in Year Two of the Grant:

- SEEP/Gemini in July
- Regional Conference in October
- Executive Directors Training in April
- Senior Loan Officers in July
- Introductory Loan Officers in August
- Information Systems in October
- Senior Managers in October
- Computer Training/ Support provided to Partner Agencies

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 several workshops 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 SEED 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

NOTE: FOR INFORMATION ON CONFEDERATION ACTIVITIES, See Section V, entitled *Review and Analysis of Headquarters Support Activities*. Below is a comparison to Detailed Implementation Plan Goals.

The *Detailed Implementation Plan* specified that three specific steps would be taken to achieve its objectives in the second year of the Matching Grant. 1) A confederation e:mail system would be established, 2) A council meeting would be held during Quarter Two, 3) A Program White Paper would be published during Quarter Four. 4) Publishing of the Quarterly Program Digest would continue.

Regarding point one, the confederation e:mail system, which was previously established, continues to grow as new partners go on-line. Discussions are now underway about the possibility of creating a worldwide internet information gopher for the Opportunity International network. This would serve as an information warehouse to collect and disseminate the most valuable knowledge and information available throughout the network. The development of such a system would greatly increase the "value added" by the Opportunity International Training Department. If the decision is made to implement the system, it is probable that work on establishment of the system would begin in the coming grant year.

The Coordinating Council met three times during the past year to continue discussions on the Global Framework issue, as well as numerous management issues such as Information Management within the network, Partner Agency Statistical Reporting, etc.

A Program White Paper (begun during Grant Year One) has been completed and published by Larry Reed for the World Bank. The document focused on micro-lending in Ghana.

The "Partnership Quarterly" continued to be published and distributed to the entire Opportunity International network on a quarterly basis. Substantial improvements were made to both the content, structure, and appearance of the digest.

V. Review and Analysis of Headquarters Support Activities

Opportunity 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 Opportunity to strengthen its partners.

The following highlights some of Opportunity's headquarters support activities:

Partner Agency Staff Development

- Key new management staff are enrolled in Opportunity's annual Field Exposure Training Program in the Philippines that focuses on MED operations and viability models.
- In 1994 Opportunity developed and taught a curriculum module entitled "MED 101" designed for Partner Agency credit officers. This course is repeated on an as-needed basis.
- A follow-up "MED 201" was developed in 1995 to continue to expand the skills of Partner Agency loan officers. This course will be repeated as needed.
- Opportunity continues to provide an annual formal course to improve the skills of credit officers for a scaled-up lending program.
- Opportunity's Regional Directors and Assistant Regional Directors mentor key senior staff and board members in key areas of MED management and institutional development.
- Opportunity facilitates networking among Partner Agency staff through its e:mail network and by providing for staff exchanges.

MIS and Communications Systems

Opportunity provides periodic technical assistance to Partner Agencies in accounting and portfolio management systems. Opportunity has recently formed an MIS Task Force headed by our Director of MIS, Herb Criley, and comprised of key regional network representatives and consultants from Arthur Andersen's Management Consulting Group. This Task Force will develop a comprehensive loan portfolio management system for the Partner Agencies in our network that will be installed and supported by regional centers. These centers will also provide comprehensive report-writing services to these Agencies to allow them to track a comprehensive set of financial and programmatic indicators on a daily basis.

Confederation Building

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 second 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. As set out in Year One's Annual Report, preliminary recommendations have been completed for what Opportunity International's international structure could look like and the process for creating it. Years three to five will involve implementing that plan.

Staffing

In Year One, seven staff were to be hired. This objective was accomplished. The following people were added to Opportunity'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
Allyson Miller

Confederation Secretary/Administrator
Financial Controller

No additional staff were projected to be hired for the headquarters staff as part of this grant. However, two staff members have been changed during Year Two of the Matching Grant. Lindsay Hykes has replaced AnnMarie Karlsen as Director of International Training. Neill Mawhinney has replaced Richard Smith as Senior Program Officer for the Africa Region.

Training

During year one, training 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. During Year Two of the Grant, plans for significant expansion of Opportunity's training were made. This expansion, if implemented, would involve the following:

- The development of a worldwide internet gopher for the Opportunity International network. This would serve to collect and disseminate the most useful knowledge and information available on MED practices.
- The development of approximately 6 "MED Tool Kits" which would be highly focused on identified areas of need, such as Board Development and Financial Viability.
- The establishment of optional consulting services
- A greater emphasis on regional, rather than central, training

Opportunity's quarterly newsletter, the Partnership Quarterly, continues to serve as a means for on-going training and technical assistance as well as a means for cross regional information exchange.

Organizational Relationship Between Opportunity and our Partner Agencies

Each agency relates to Opportunity in the following manner:

- a. **A Memorandum of Understanding.** Opportunity and its Partner Agencies sign an annual Memorandum of Understanding that specifies mutual program and financial commitments, resource development plans, program objectives and reporting requirements.
- b. **Core Values and Standards.** Each member of Opportunity's confederation of Partner Agencies commits to a set of core program and finance values and standards developed by the network. Although this commitment is not legally binding the document serves as a set of clear guidelines that delineate the nature of membership in the network.
- c. **Annual Regional Conferences.** Opportunity coordinates 3-5 day annual regional conferences for Partner Agencies in each region for the purposes of planning, budgeting, training and relationship building. 1995 regional conferences for Asia, Africa and Central Europe will be held in Malaysia in September in conjunction with the bi-annual conference listed below.
- d. **Bi-annual International Conferences.** Opportunity's next bi-annual conference for the complete network of Partner Agencies will be held in Malaysia in September. A three day symposium for Executive Directors and Board Members will focus on board/staff relationships and a five day conference will provide a number of workshops for agency staff on a variety of MED topics.

VI. Financial Report

Financial Narrative for Matching Grant Annual Report

Through the second year of this grant, Opportunity International committed to provide \$1,689,000 to match AID contribution of \$1,500,000. The actual amount provided by Opportunity by the end of the second year has greatly exceeded that figure. Thus far, Opportunity has raised \$5,261,000 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, funding for a significant grant will start in the first quart of 1996 which will greatly provide our match requirement. 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. While we are currently behind in match for our agency in Bulgaria, this is due to a problem with the organization which provides the loan funds for the project. This delay has diminished the need for funding operations. The agency is also ahead of expectations on achieving its goal of viability, which has also reduced its need to subsidize ongoing operations. As the agency continues its expansion to all areas of Bulgaria, it will spend those funds as needed.

As in the first year, 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 second year of the grant. The training director is now in place and has begun to initiate a regional training program.

No budget changes are requested at this point.

Matching Grant
 FY93 Application
 REVISED 9/95

PVO: Opportunity International

SOURCE OF FUNDS	1992	1993	1994	1995	Projections		1998
					1996	1997	
A.I.D. Matching Grant	450	475	750	750	750	750	500
Private * ----- Cash	2453	3993	5095	7622	5832	6172	5620
Host/Other Gvmt - Cash							
Other AID Grants							
Other U.S. Gvmt		53	300	2786	2739	2661	1055
Other							
Consulting	40	45	60	75	85	95	105
TOTALS:	2943	4566	6205	11233	9406	9678	7280

* List below the major donors in this category.

SOURCE OF PRIVATE FUNDS	1992	1993	1994	1995	Projections		1998
					1996	1997	
Boards	795	907	935	982	1031	1082	1136
Other Individuals	705	1104	1150	1265	1328	1395	1464
Domestic and Int'l Foundations	953	2082	3010	5375	3473	3695	3019

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AFRICA REGION	# of Days	Year 1			Year 1 Actual			Year 2			Year 2 Actual			Year 3			Year 4			Year 5			Total LOP		
		AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	Opp Int	Total	AID	Opp Int	Total	AID	Opp Int	Total			
I. Program Mgmt Elements																									
a) Salaries/Expenses																									
- Regional Director @ \$200/day	245	25	25	49	25	25	49	26	26	52	26	28	54	41	14	54	29	29	57	57	3	60			
- Regional Training Director @ \$96.15/day	260	13	13	25	9		9							14	14	28	21	7	28	29	2	31			
- Senior Program Officer @ \$57.70/day	260	8	8	15	7	7	14	8	8	16	8	5	13	8	9	17	13	4	17	17	1	18			
b) Travel			21	21		15	15		22	22		52	52		23	23		25	25		25	25			
c) Other (list)																									
Communications		4	1	6	4	6	10	5	2	6	5	5	10	5	2	6	3	3	7	4	4	7			
Curriculum Development		2	1	3				11	4	15	3		3	8	3	10	2	2	3						
Miscellaneous		4	1	5	4	16	20	4	1	5	4	23	27	4	1	5	6		6	3	3	6			
SUBTOTAL - Africa Region Mgmt Elements		55	69	124	48	68	117	54	63	116	46	113	159	79	66	145	74	69	143	109	38	147			
II. Procurement																									
a) Supplies (total)			6	6		1	1		5	5		33	33		5	5		6	6		6	6			
b) Services (total)																									
SUBTOTAL - Africa Region Procurement			6	6		1	1		5	5		33	33		5	5		6	6		6	6			
III. Evaluation																									
a) Ongoing																									
Salary																									
- Regional Director @ \$200/day	15	2	1	3	2	1	3	2	1	3	2	2	4	2	1	3	2	2	3	3		3			
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	2	4	2	1	3	2	2	3	3		3			
TOTAL AFRICA		57	76	133	50	70	121	56	68	124	48	148	196	81	72	153	75	77	152	112	43	156			
																				381	336	717			

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ASIA REGION	# of Days	Year 1			Year 1 Actual			Year 2			Year 2 Actual			Year 3			Year 4			Year 5			Total LOP		
		AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total
I. Program Mgmt Elements																									
a) Salaries/Expenses																									
- Regional Director @ \$153.80/day	185	26	3	29	26	3	29	27	3	30	27	3	30	28	3	31	30	3	33	31	3	35	141	16	157
- Asst Reg'l Director @ \$96.10/day	185	16	2	18	16	2	18	17	2	19	17	2	19	18	2	20	19	2	21	19	2	22	89	10	98
- 2 Interns @ \$12,000/yr each	260	22	2	24	22	2	24	23	3	25	23	3	26	24	2	26	25	3	28	26	3	29	120	13	132
b) Travel			33	33		33	33		34	34		34	34		36	36		38	38		40	40			180
c) Other (list)																									
Communications		12		12	12		12	13		13	13		13	13		13	14		14	15		15	66		66
Miscellaneous		21		21	21		21	22		22	22		22	23		23	25		25	26		26	117		117
SUBTOTAL -- Asia Region Mgmt Elements		97	40	136	97	40	137	101	42	143	102	42	144	106	43	149	112	46	158	117	48	165	533	218	750
II. Procurement																									
a) Supplies (total)			13	13		13	13		13	13		13	13		14	14		15	15		15	15		70	70
b) Services (total)																									
SUBTOTAL -- Asia Region Procurement			13	13		13	13		13	13		13	13		14	14		15	15		15	15		70	70
III. Evaluation																									
a) Ongoing																									
Salaries:																									
- Regional Director @ \$153.80/day	10	2		2	2		2	1		2	1		2	2		2	1		2	1		2	6	2	9
- Asst Reg'l Director @ \$96.10/day	10	1		1	1		1	1		1	1		1	1		1	1		1	1		1	4	2	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)																									
SUBTOTAL -- Asia Region Evaluation		2		2	3		3	2	1	3	2	1	3	3		3	1	1	3	1	1	3	10	4	14
TOTAL ASIA		99	52	151	100	53	153	103	55	159	104	56	160	109	57	166	113	62	175	119	65	184	543	291	834

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EAST EUROPE REG	# of Days	Year 1			Year 1 Actual			Year 2			Year 2 Actual			Year 3			Year 4			Year 5			Total LOP					
		AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total			
I. Program Mgmt Elements																												
a) Salaries/Expenses	169	27		27	27	2	29	28		28	28		28	40		40	52		52	60		60	208		208			
- Regional Director @ \$219.25/day																												
- Support Staff @ 21.15/day	199	5		5	3		3	5		5	5		5	5		5	5		5	3		3	23		23			
b) Travel			15	15		21	21		16	16		20	20		16	16		17	17		18	18		82	82			
c) Other (list)																												
Communications		3		3	3	3	6	3		3	11	4	15	3		3	3		3	3		3	14		14			
Miscellaneous		9		9	9	5	14	9		9	1		1	9		9	10		10	10		10	47		47			
SUBTOTAL -- East Europe Reg Mgmt Elements		43	15	58	42	31	73	45	16	60	45	24	69	57	16	73	70	17	87	77	18	95	292	82	374			
II. Procurement																												
a) Supplies (total)			9	9		1	1		5	5		5	5		5	5		5	5		6	6		30	30			
b) Services (total)																												
SUBTOTAL -- East Europe Reg Procurement			9	9		1	1		5	5		5	5		5	5		5	5		6	6		30	30			
III. Evaluation																												
a) Ongoing																												
Salary																												
- Regional Director @ \$219.25/day	9	1		1	1		1	1		1	1		1	2		2	3		3	3		3	11		11			
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 -- East Europe Reg Evaluation		1		1	1		1	1		1	1		1	2		2	3		3	3		3	11		11			
TOTAL EAST EUROPE		45	24	69	43	32	75	46	20	67	46	29	76	59	21	80	73	23	95	80	24	104	303	112	415			

HOME OFFICE	# of Days	Year 1			Year 1 Actual			Year 2			Year 2 Actual			Year 3			Year 4			Year 5			Total LOP					
		AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total			
I. Program Mgmt Elements																												
a) Salaries/Expenses																												
- Exec VP - Program @ \$211.50/day	92	18	2	19	18	2	20	6	2	7	6	3	9	6	2	8	7	2	9	8	2	10	45	10	54			
- Program Assoc @ \$103.85/day	112	10	1	12	10		10	2		2	2		2	2		2	2		2	2		2	18	1	20			
- Program Asst @ \$84.60/day	61	5	1	5	5	1	6	5	1	6	5	1	6	5	1	6	7	1	8	7	1	8	29	3	32			
- Finance Coordinator @ \$135/day	156	19	2	21	19	2	21	17	2	19	17	2	19	17	2	19	18	2	20	19	2	21	90	10	100			
- International Training Director								20		20	20		20	20		20	21		21	22		22						
b) Travel			4	4		7	7		4	4		60	60		4	4		6	6		7	7			25	25		
c) Other (list)																												
Communications		1		1	2		2	1		1	1	2	3	1		1												
Miscellaneous		5		5	5		5	5		5	5		5	5		5	6		6	6		6	5			5		
SUBTOTAL -- Home Office Mgmt Elements		57	10	67	59	12	71	56	9	64	56	88	145	56	9	65	62	11	73	65	12	77	296	50	346			
II. Procurement																												
a) Supplies (total)			1	1		2	2		1	1		4	4		1	1		1	1		1	1		6	6			
b) Services (total)																												
SUBTOTAL -- Home Office Procurement			1	1		2	2		1	1		4	4		1	1		1	1		1	1		6	6			
III. Evaluation																												
a) Ongoing																												
Salaries:																												
- Exec VP - Program @ \$211.50/day	10	2		2	2		2	2		2	2	1	3	2		2	2		2	2		2	10	1	11			
- Program Assoc @ \$103.85/day	10	1		1					1	1		1	1		1	1		1	1		1	1	3	2	5			
- Program Asst @ \$84.60/day	10	1		1	3		3	1		1	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	5		5	3	1	4	3	2	5	3	1	4	4		4	4	1	6	18	4	22			
IV. Confederation Building																												
a) Salaries/Expenses																												
- Exec VP - Program @ \$211.50/day	102	19	2	22	19	2	21	18	2	20	18	2	20	20	2	22	23	2	25	24	3	27	104	11	116			
- Internatl Coordinator @ \$107.69/day	260	25	3	28	25	3	28	26	3	29	26	2	28	26	3	29	29	3	32	31	3	34	137	15	152			
- Program Assoc @ \$103.85/day	82	8	1	9	8		8	8	1	9	8	1	9	8	1	9	9	1	10	9	1	10	42	5	47			
- Program Asst @ \$84.60/day	133	10	1	11	5		5	5	1	6	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		6	6		7	7		7	7			32	32		
c) Other (list)																												
Communications		1		1	1	1	2	1		1	1	7	8	1		1	2		2	2		2	7			7		
Miscellaneous		8		8	10		10	8		8	8		8	8		8	8		8	8		8	40			40		
International Conferences																												
SUBTOTAL -- Home Office Confederation Building		71	13	84	68	16	84	71	76	147	71	79	150	83	13	96	88	74	162	86	15	102	399	192	591			
TOTAL HOME OFFICE		132	24	156	132	30	162	130	87	217	130	173	303	142	24	166	154	86	241	156	30	186	714	251	965			

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VII. Lessons Learned and Long-Term Project Implications

Confederation Process

During the second grant year, it was once again made clear that 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. Time constraints and travel schedules of Opportunity Senior Staff can slow down the confederation process, as the Opportunity Confederation is a large international network with Partner Agencies and offices around the world.

Training

During the first year of the Matching Grant, Opportunity's training involved extensive travel by a Director of International Training to Opportunity regional offices. Through extensive research conducted by Opportunity's new Director of International Training and Opportunity's Executive Vice President, it was determined that the restructuring of the way training is currently being carried out would best meet the needs of the confederation.

During the upcoming grant year, Opportunity International's Training Department will greater emphasize the collection and dissemination of vital MED and network information and also the production of quality training resources. One on one training will be done primarily at the regional level. Opportunity's Training Department will have to be expanded as part of this new emphasis.

Network Relationships

As the Opportunity International network grows, so does the relational complexity within the network. In Years One and Two of this Matching Grant, Opportunity has realized the need to clearly define relationships with its Partner Agencies and partnering organizations. Opportunity has responded to this through extensive discussions of "Global Framework" by Senior Staff during its regional meetings. Ongoing discussions will continue into Year Three of the Matching Grant.

Institutional Development

During Year Two of the Matching Grant, Opportunity International has greater realized the importance of tracking key performance indicators of its Partner Agencies. Issues such as sustainability are of critical importance in increasing the outreach of lending agencies. In response, Opportunity International is extensively revising its program reporting system to track several key indicators and greater emphasize indicators such as sustainability and efficiency/effectiveness. This revision will take place in September and October of 1995 and will involve input from Opportunity's Regional Directors, key program staff, and the majority of Opportunity's Partner Agency Executive Directors.

Flexibility

Opportunity's expansion into Eastern Europe under the Matching Grant has reinforced the necessity to remain flexible as an organization. Opportunity continues to operate under the "flexibility principle" in this region. During Year Two of the Matching Grant, Opportunity launched a business support services center, otherwise known as an "incubator" in Nizhny Novgorod, Russia. Opportunity also continued its micro-leasing program during Year Two.

Leveraging of Funds

As stated in the Year One annual report, Opportunity believes that a continuation of the "linkage and leverage" model is the appropriate path to pursue. Opportunity has identified and is utilizing borrowed funds around the world. Greater use of borrowed funds largely depends on the development and scale up of existing agencies.

VIII. Recommendations

A. To Project Leadership and PVO

In Bulgaria and other countries in Eastern Europe, local project leaders made the decision not to work with informal and unregistered businesses. The rationale for this decision was that the legal barriers to business registration were not great and these transitional economies did not need a "Third World type" informal sector and dualistic economic model. After now working in the region for approximately three years, our Eastern Europe Regional Director believes that the barriers to registered micro businesses are growing. He is of the opinion that working with the informal sector is now a good option and would enable programs to reach poorer people and provide smaller loan sizes. These barriers are discussed in the next section, paragraph #1.

Additional suggestions are as follows:

- 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

In Eastern Europe, there is a great need to improve the legal environment for small businesses in the following principal areas. The following suggestions seem pervasive in the region among consultants and other NGOs working in the region:

- Legislation for NGOs - Needs to be clear what are acceptable activities. Recommendation is to liberalize current NGO laws.
- Legal protection for small businesses.
- Tax Laws - Change to enable small businesses to function legally. The current tax structures are often onerous and provide great incentive to avoid tax and stay informal.

Additional suggestions are as follows:

- Microenterprise needs to be seen as a key part of the overall strategy for business and financial development.
- Microenterprises should be provided with access to credit, but not at below market interest rates.
- NGOs with proven track records in providing credit to microenterprises should be allowed access to any funds that the government might make available to the banking sector for small businesses.
- 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.
- It is important to recognize the key role that NGOs have played in developing microenterprise lending technology.

- Funding should continue to be provided to NGOs so that they can continue to develop and adapt this technology as the environment for microenterprises changes (e.g. the move to market economies and trade liberalization).
- Mechanisms should be developed for learning from NGO experience and disseminating this information more broadly.

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 Regina Coleman	

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 aregional 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.

In its first year NACHALA opened offices in three cities. Since the program's inception \$183,331. has been loaned. This has resulted in the creation of 1078 new jobs and the strengthening of 1195 jobs for a total job impact of 2273. 1085 on-site visits have been made, as well as 31 training seminars held with a total of 270 participants.

COUNTRY INFORMATION (SECONDARY)

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

COUNTRY FUNDING INFORMATION (\$000)

YEAR	FY94	FY 95		
AID \$	7	9		
PVO \$	69	26		
INKIND	0			
LOCAL	0			
TOTAL	76	35		

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

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

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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 Regina Coleman	

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

SINAPI ABA began making loans in August of 1994. In its first year Sinapi Aba made more loans (422) than any other Opportunity start-up in the region. The total value of all loans is \$87,582,583 new jobs were created and 997 jobs sustained for a total job impact of 1580. Six staff members have been employed and trained. Training for the executive director, loan officers and in the initial stages of trust bank development have been provided by the regional office.

COUNTRY INFORMATION (SECONDARY)

Country GHANA	Location in Country (Region, District, Village) KUMASI
PVO Representative's Name LARRY REED	Local Counterpart/Host Country Agency SINAPI ABA

COUNTRY FUNDING INFORMATION (\$000)

YEAR	FY94	FY 95		
AID \$		30		
PVO \$	4	47		
INKIND	0			
LOCAL	0			
TOTAL	4	77		

**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 Regina Coleman	

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 fifteen full partners in Opportunity's DBB network in Indonesia. Three of the partners are associated with development banks. In the second year of the Matching Grant, Opportunity's Indonesian partners provided approximately \$872,460 in loans to small entrepreneurs. This has resulted in the creation of 3,041 jobs and the strengthening of an additional 4,954 jobs for a total job impact of 7,995 jobs. Opportunity's partners conducted 7,493 on-site visits to clients and 013 training seminars with 1,643 participants.

COUNTRY INFORMATION (SECONDARY)

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

COUNTRY FUNDING INFORMATION (\$000)

YEAR	FY94	FY 95		
AID \$	77	67		
PVO \$	265	703		
IN KIND	0			
LOCAL	0			
TOTAL	342	770		

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

OMB No. 0412-0530
Expiration Date: 03/31/99

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 Regina Coleman	

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

TSPI experienced significant expansion in its outreach to the poor with a 37% increase in the number of active borrowers and an increase of more than \$1 million in the value of loans distributed. In the second year of the Matching Grant 2039 loans were made with a total value of \$2,000,605. These loans created 1,909 new jobs and sustained 2,748 for a total job impact of 4,657. Also during the year, TSPI conducted 582 training seminars with 4,618 participants. TSPI staff made 9,010 visits to project sites. Plans continue to move forward for the establishment of a development bank. Further discussion regarding this will take place in September 1995 at Opportunity's conference in Malaysia.

COUNTRY INFORMATION (SECONDARY)

Country Philippines	Location in Country (Region, District, Village) Nationwide
PVO Representative's Name Leigh Coleman	Local Counterpart/Host Country Agency Benjie Montemayor, TSPI

COUNTRY FUNDING INFORMATION (\$000)

YEAR	FY94	FY 95		
AID \$	118	118		
PVO \$	589	1447		
INKIND	0			
LOCAL	0			
TOTAL	707	1565		

**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 Regina Coleman	

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

SEED experienced significant growth this year, offering 947 loans with a total value of \$173,950. All applicants are currently participating in basic training on pricing and marketing. Thus far 100% of the clients who have paid back a first loan have applied for a second. Five full time staff are now in place. Plans are now underway to expand outside SOWETO Davidson and Katlehong are being considered as possible sites for expansion.

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, SEED

COUNTRY FUNDING INFORMATION (\$000)

YEAR	FY94	FY 95		
AID \$	31	29		
PVO \$	71	55		
INKIND	0			
LOCAL	0			
TOTAL	102	84		

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

OMB No. 0412-0630
Expiration Date: 07/31/89

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-00-3071-00
Start Date (MM/DD/YY) 9/24/93	End Date (MM/DD/YY) 9/23/98
AID Project Officer's Name Regina Coleman	

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 two of the Matching Grant, "Zambuko" provided approximately 2,603 loans for a total value of \$387,378. This has resulted in the creation of 1,406 jobs and the strengthening of 1,909 jobs for a total job impact of 3,315 jobs.

In addition, the Africa Regional Office provided many training seminars at it's new training center. There was a regional conference in October, training for Executive Directors in April, for Senior Loan Officers in July, Introductory Loan Officers in August and training on information systems and computers in October.

COUNTRY INFORMATION (SECONDARY)

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

COUNTRY FUNDING INFORMATION (\$000)

YEAR	FY94	FY95			
AID \$	40	20			
PVO \$	110	177			
INKIND	0				
LOCAL	0				
TOTAL	150	197			

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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

<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>

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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>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>1) Annual budget documents from home, regional and partner NGO offices</p> <p>2) Monthly financial reports from home and regional offices</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>
<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>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>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>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>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>		

Attachment C: List of New USAID Grants Since Starting Date of Matching Grant

Implementation Grant Program (not yet signed, RFA# G/EG/MD-95-A-001)

Performed for: USAID, 320 Twenty-First Street, N.W., Washington, D.C. 20523.

Contacts: Deborah Miller, 202-663-2330 (phone), 202-663-2708 (fax); Beth Rhyne, 202-663-2360 (phone), 202-663-2708 (fax)

Total Amount: \$2,500,000; Anticipated Beginning Date: 10/95; Ant. Ending Date: 10/00

Description of Project: Purpose of the program is the significant expansion of 2 key Opportunity Partner Agencies with the purpose of increasing the benefits provided by the programs and also increasing the self-sufficiency, scale, and efficiency of the indigenous NGO's carrying-out the programs.

FYR Macedonia #EPE-0023-G-00-5067-00

Performed for: USAID, 320 Twenty-First Street, N.W., Washington, D.C. 20523.

Contacts: Stephen Dean, 703-875-1160, (phone), 703-875-1957 (fax); Bill Binns, 703-875-5214 (phone), 703-875-5217 (fax)

Total Amount: \$2,053,000; Beginning Date: 5/95; Ending Date: 8/30/99

Description of Project: The implementation of a nationwide, sustainable micro-credit program targeted to small and microbusiness in FYR Macedonia. The program provides credits ranging from \$1,000 to \$20,000 to microenterprises and small businesses for short-term working capital and long-term financing of hard assets.

Poland

Performed for: Fundusz Mikro, ul. Poznanska 16/3, 00-680 Warszawa, Poland.

Contacts: Rosalind Copisarow, 48-2-622-26-35 (phone), 48-2-622-39-40 (fax); Simon, 48-2-622-26-35 (phone), 48-2-622-39-40 (fax)

Total Amount: Drawn down funds, projected \$3 mil.; Beginning Date: 12/94; Ending Date: 12/97

Description of Project: The establishment of a sustainable micro-credit program targeted to small and microbusiness in Poland. The program provides credits ranging from \$1,000 to \$20,000 to microenterprises and small businesses for short-term working capital and long-term financing of hard assets.

Rostov-on-Don #118-0005-A-00-5124-00

Performed for: USAID Moscow, PSC 77, APO AE 09721.

Contacts: Orion Yeandel, 7-095-956-4281 (phone), 7-095-956-7092 (fax); Leslie McCuaig, 7-095-956-4281 (phone), 7-095-956-7092 (fax)

Total Amount: \$1,613,919; Beginning Date: 3/95; Ending Date: 3/1/98

Description of Project: The replication of Opportunity International's program in Nizhny Novgorod in the city of Rostov-on-Don, including credit services, training, and a business support center (incubator building).

Incubator Project # 110-0005-A-00-4040-00

Performed for: USAID Moscow, PSC 77, APO AE 09721.

Contacts: Kim Randall, USAID Moscow, 7-095-956-4281 (phone), 7-095-956-7092 (fax); Leslie McCuaig, 7-095-956-4281 (phone), 7-095-956-7092 (fax)

Total Amount: \$2,027,634; Beginning Date: 9/94; Ending Date: 8/30/99

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.

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.

Contacts: Marguerite N. Mininni & Tom Kelly, 202-408-5420 (phone), 202-898-1920 (fax)

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.

Nicaragua

Performed for: USAID/PMU-Managua

Contacts: Michael Kenyon (USAID), 505-2-67-05-02 (phone), 505-2-783-828 (fax); Dr. Leonel Valdivia (PMU), 505-2-222005 (phone), 505-2-664-354 or 284-043 (fax)

Total Amount: \$1,500,000; Beginning Date: 1/95; Ending Date: 12/97

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

Performed for: USAID-Philippines

Total Amount: \$550,000; Beginning Date: 10/94; Ending Date: 9/96

Description of Project: Establishment of Kabuhayan/Grameen replication in metro-Manila area.