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MICROENTERPRISE INNOVATION PROJECT (MICROSERVE)

Contract No. PCE-0406-I-00-5034-01

**PROPOSAL FOR THE SECOND PHASE OF THE PROGRAM
TO STRENGTHEN HUMAN RESOURCES
IN MICROFINANCE INSTITUTIONS**

**Delivery Order No. 3
Task Order No. 32**

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Project Officer, Private Sector Office
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**by:
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Proposal for the Second Phase of the Program to Strengthen Human Resources in Microfinance Institutions

I. Executive Summary

A survey of 14 institutions providing microfinance services revealed a strong and growing demand for training. Increased competition and new regulatory requirements have led to a need for stronger human resources at all levels. At the middle and upper management levels, training in human resource management and financial analysis is needed most. At the credit officer level, the survey showed a strong need for training in client relations and credit analysis.

The supply of microfinance training is widely dispersed among at least nine different institutions, none of which specializes in the microfinance sector. Microfinance service providers complained that these programs lack quality, depth and follow-up.

Bolivia's growing microfinance market justifies the creation of a national level training program specializing in the sector. The program should be developed and implemented in close coordination with the microfinance service providers, and should employ practical, interactive teaching methods. The following four programs are recommended to address the demand:

- 1) A *Diploma Program* designed to strengthen the financial and management skills of middle and upper level managers. This Program should incorporate and improve on the PRE 1998 program,
- 2) An *Open Training Program* designed to address the changing training needs of microfinance institution employees of all levels,
- 3) A *Customized Training Program* designed to meet the specific needs of individual institutions, and
- 4) An *International Program* providing world class instruction to middle and upper level managers from Bolivia and throughout the Latin American region.

The institutionalization of PRE should be accomplished through the creation of a new Microfinance Training Unit housed in an existing institution committed to the microfinance sector. The Unit should be responsible for planning and development functions, while the implementation of training programs should be contracted to training institutions on a competitive basis.

Developing a high quality microfinance training program will require donor support. At least five international institutions have stated they would support such a program with financial and other resources. These institutions, together with local development institutions and microfinance service providers, should form an Advisory Group to direct and monitor the PRE program.

In the first year of implementation, the Training Unit should limit operations to the Diploma and Open Training Programs. The International and Customized Programs should be added once the Unit has developed stronger administrative capacity and a greater understanding of market needs.

Projected revenue through course fees over the first three years is \$1.242 million; expenses are projected at \$1.545 million, including the costs of the Training Unit. This represents a level of cost coverage of over 80 percent. The projected deficit of just over \$300,000 could be covered by donor institutions.

II. The Bolivian Microfinance Training Market

A. Microfinance Training Demand

The development of a microfinance-training program begins with an understanding of market demand. Interviews with approximately 30 employees from more than a dozen Bolivian microfinance institutions revealed a large unmet demand for training. There are a number of reasons for this. First, Bolivia's microfinance sector has undergone explosive growth over the past decade. In 1988, the sector consisted of two institutions (both non-profit) providing services to about 5,000 clients. In 1998, there are dozens of institutions providing microfinance services. Fourteen of the major institutions serve over 300,000 clients. These same fourteen institutions have over 2,100 employees, many of whom have never received formal training in the microfinance area.

Second, competition among service providers has intensified dramatically. The supply of microcredit has become saturated in Bolivia's three major cities and several secondary centers. The fight for market share is being waged through efforts to provide better quality, lower cost services. This has led to profound changes in institutional strategies and operations that require better-qualified human resources. Competition has led directly to demand for training in:

- Marketing
- Client relations
- New product development
- Improving operating efficiencies

Third, the increased supply of microcredit has resulted in client over indebtedness. Delinquency rates throughout the sector have risen, and institutions are seeking both short-term remedies and long-term systemic solutions. These solutions include improved credit analysis, improved portfolio management, the development of functional credit bureaus, and more. All require improved human resource capabilities.

Fourth, the transformation of many microfinance institutions from NGOs to regulated, supervised financial entities has required them to fulfill numerous new requirements. These requirements are comprehensive, ranging from the composition of ownership to reporting to security. Many of these requirements were designed for the more sophisticated commercial banking sector, and represent an imposing challenge to the relatively small, inexperienced microfinance institutions.

The representatives of microfinance institutions are emphatic about the need to raise the quality of their human resources to meet these challenges of growth, competition and formalization. These same representatives cite the need for a requisite improvement in the relevance and quality of microfinance training programs available to them.

Some of the largest microfinance institutions have, out of necessity, developed strong internal training programs, especially BancoSol and PRODEM. Most of these training programs are directed at loan officers and other lower and middle level employees. These institutions plan to continue internal training regardless of whether quality external training programs become available. On the other hand, they are aware that any resources channeled into internal training imply reduced resources for their fundamental business of microfinance service delivery. They expressed an interest in external training services provided that these services meet their specific needs.

A summary and brief analysis of the local microfinance training demand survey can be found in Annex 3. The question on training needs revealed a long list of needs for all three employee categories, including upper level managers, middle level managers and credit officers. Prioritization of these needs is no simple task, since the fifth and sixth priorities were also very important to the institutions.

The two training areas demanded most by upper and middle level managers were human resource management and financial analysis/risk analysis. These needs are indicative of an increasingly competitive and formalized market. The executives felt a need to hone their financial analysis skills to improve the financial performance of their institutions. The strong desire for human resource management skills found in the local survey were largely absent in the international survey. Again, this is probably due to Bolivia's larger and more competitive microfinance sector.

At the credit officer level, two areas of training dominated survey responses: credit analysis and client relations. Credit analysis is nearly always placed at the top of the list of training priorities for credit officers. The heavy demand for training in client relations and marketing, on the other hand, is a relatively new phenomenon that, again, reflects increased competition.

Employee training budgets varied significantly across institutions, from a minimum of \$33 per employee to \$500 per employee in some of the larger institutions. Assuming an average budget per employee of \$300 per annum, microfinance institutions will spend over half a million dollars on training next year. This does not include subsidies and scholarships from donor institutions, which potentially will be significant. Neither does it include out-of-pocket contributions from potential students. This sector-wide budget indicates that a high quality microfinance-training program has the potential to cover a large part of its costs through fee income.

B. Microfinance Training Supply

The supply of microfinance training is widely dispersed among numerous institutions, none of which specializes in microfinance. Most are training institutions with a broad scope; others are Private Voluntary Institutions or private companies with multiple activities in addition to

training. The principal institutions providing training to microfinance institution employees include:

- 1) IBEE (La Paz): a business-training institute providing a wide range of courses and seminars targeted mainly at middle and upper management.
- 2) PROCAF (La Paz, Santa Cruz, and Cochabamba): a financial training institute sponsored by the Association of Bolivian Banks (ASOBAN).

Other institutions that have a smaller offering of microfinance courses are:

- 1) INCOOCAP (Santa Cruz): a training institute for credit unions.
- 2) IDEA (La Paz, Santa Cruz, and Cochabamba): a business-training institute providing a wide range of courses and seminars targeted mainly at middle and upper management.
- 3) PROPERCLA (Cochabamba and Santa Cruz): a small non-governmental organization, which provides technical assistance and training to businesses and non-governmental organizations, especially in the area of organizational and human resources development.
- 4) Universidad Católica: Bolivia's largest private university.
- 5) MEDA (Santa Cruz): the Mennonite international assistance organization that provides development assistance in a wide range of areas, including microfinance.
- 6) Price-Waterhouse (La Paz, Santa Cruz, and Cochabamba): an international consulting firm with broad operations, including training courses in business and finance.
- 7) FUNDES (Cochabamba, La Paz, and Santa Cruz): a Swiss based private voluntary organization specializing in support to micro and small businesses.

The first group of institutions, including IBEE and PROCAF, has developed formal microfinance training programs. The institutions in the second group have conducted microfinance-training programs on an occasional basis, usually consisting of short courses or seminars lasting no more than three days. The events offered by all nine institutions have addressed a wide range of topics, from credit analysis (the most common course) to human resource management. According to survey responses, most of the courses are overly theoretical. They do not provide students with enough practical tools needed for their jobs. Furthermore, a large percentage of instructors do not have sufficient microfinance experience, survey respondents complained. Finally, the interviewees felt that there was too much emphasis on one-way teaching and that greater interaction among students and instructors should be used.

III. Program Concept

Bolivia has one of the world's most developed microfinance sectors. In a relatively small country of eight million inhabitants, microfinance institutions presently serve over 300,000 clients. The

growing and increasingly competitive sector has created a large unmet demand for microfinance training, especially in La Paz, Cochabamba and Santa Cruz.

Mostly donors have invested millions of dollars in Bolivia's microfinance sector. The bulk of these funds have been used for portfolio funding or operational costs, and a lesser amount for technical assistance. Very little has been used for training, and most of those resources have been dispersed widely among training institutions. There are compelling reasons for these same investors to support the creation of a high quality microfinance training program. A relatively small investment would help insure their larger investments. A joint effort among donors and other institutions poses economies of scale that could improve program sustainability and lower overall costs.

Any investment in microfinance training within Bolivia should focus first on the local market. Well-designed and well-implemented training programs will strengthen the microfinance sector and its ability to provide quality services to a larger number of microenterprises well into the future. The objective of PRE should be to become the primary source of training for most of Bolivia's microfinance institutions. By developing a range of highly relevant, quality training programs, microfinance institutions will regard PRE as a necessity rather than a low priority budget item.

The organizers of PRE 1998 committed an error by not giving greater emphasis to program institutionalization. Microfinance training is not a one-time or a one-year undertaking. It must be sustained and improved over the years to respond to market needs. This will only be achieved through strong institutional support consisting of microfinance leadership and technical capacity. The future of PRE depends on these institutional factors.

Part of this consultant's scope of work included the development of PRE International, a regional training program for employees of microfinance institutions throughout the Latin American region. Independent of the national program, PRE International has the potential to serve an international training niche in a sustainable way. Nonetheless, such a program's benefit to the local microfinance sector would be marginal. The simultaneous development and implementation of national and international programs is ambitious, administratively and technically. Such an approach will require strong leadership and administrative capacity. Although the budget in Annex 2 includes PRE International in the first year of the Second Phase, the organizers of PRE should consider postponing the international program until the second year as outlined in the Implementation Plan in Section VI.

IV. Program Structure and Content

A. Geographical Coverage

The microfinance sector operates nationally. Therefore, a first-rate microfinance-training program must also operate nationally. At a minimum, PRE will have to establish comprehensive training programs in La Paz, Santa Cruz and Cochabamba. All of the major microfinance institutions provide a significant level of services in all three cities. Their employees, be they loan officers, cashiers or accountants, are equally in need of training regardless of where they are stationed. Most of the microfinance institutions have expressed a desire to standardize the type

and quality of training for all their employees, but have not been able to do so due to the absence of these services on a nationwide basis.

Many secondary cities and rural areas, including Sucre, Potosí and Tarija, have lively microfinance markets with numerous institutions and employees. Although it would not be cost effective to organize major microfinance training programs in these areas, certain high priority courses could be offered.

B. Course Scheduling

Based on interviews with PRE 1998 students and on the national survey of microfinance training needs, there is a strong preference to attend courses on weekend evenings and Saturday mornings. There is a lesser preference for attending courses on Saturday afternoons.

There may be instances where courses must be completed in a short period of time, especially when they involve international instructors. Nonetheless, PRE should avoid scheduling full day classes over consecutive days. Students with full-time employment find such an arrangement highly inconvenient. An alternative would be to begin classes in the early afternoon and, if necessary, extend class hours into the evening.

Because microfinance institutions universally experience a heavy increase in workload during the final week of every month, courses should be scheduled to avoid these periods. Finally, courses should be kept to a minimum during the period October through December, and should be avoided altogether during December.

C. Proposed Program Components and Content

Growing sophistication of the demand for microfinance training requires greater sophistication of the supply. Currently, this demand is not satisfied by the institutions providing microfinance training in Bolivia. If it were, there would be no need to expand and improve PRE.

PRE course topics must be developed based on careful, ongoing assessments of microfinance institutions' training needs. These needs are changing quickly with institutional growth, increased competition and incredibly dynamic changes in the marketplace (clients), technologies (methodological and computer) and the regulatory environment.

Programs should employ practical, interactive teaching methods. The body of useful publications on microfinance is growing, and includes materials from Accion International, GEMINI, CGAP and by individual authors. PRE should study and utilize these materials to the extent practicable.

To establish itself as the primary source of microfinance training, PRE must develop an array of services to meet the increasingly sophisticated demand. These services should be divided into four separate program components:

C1. PRE Diploma Program

Like PRE 1998, this program should be designed to strengthen the financial and management skills of middle and upper level managers. Increased flexibility in the program's structure will allow a greater number of managers to participate. Following are some of the proposed structural characteristics of the program:

- *Geographical distribution.* The microfinance sector is well established in Bolivia's three major cities. Although the largest number of microfinance institution employees are stationed in La Paz/El Alto, Santa Cruz and Cochabamba each have hundreds of employees working at these institutions. Therefore, it is in the best interest of the market and financial viability of the training program to offer training in all three major cities.
- *Customized program length.* Students should be allowed to complete the program at their own pace, in as short as a one year period, or as long as three years.
- *Core and elective courses.* The program should be divided between mandatory core courses and elective courses. Approximately five core courses should cover fundamental microfinance topics required to attain a diploma. Students should be required to complement their core courses by choosing a minimum of four to six elective courses from a list of approximately a dozen. This will allow them to attend only those elective courses that will interest or benefit them. The total number of courses required for the diploma should be reduced from 14 to no more than eleven.
- *Semester planning.* A complete program catalog of courses should be developed and published with general information about course topics and possible instructors. More specific catalogs should be developed on a semester basis, including detailed course descriptions, exact dates and confirmed instructors. This would benefit both students and administration. It would allow students to plan on a six-month basis and it would help prevent unforeseen changes in dates and instructors common to the 1998 program.

Course content should remain essentially the same as the 1998 program, with the addition of several elective courses. Course length should be reviewed and adjusted to allow more time for some courses and less time for others. The PRE Diploma courses, as in 1998, should be open to non-diploma participants. Finally, the number of international professors should be reduced to between a quarter and a third of total instructors. This would allow the program to reduce costs without losing its international character.

C2. Open Training Program

The proposed Open Training Program is essentially a revised and more systematic approach to the PRE Complementary Events Program of 1998. It should consist of a wide variety of courses, seminars, conferences and workshops. The program should be offered in all three major cities. The Open Training Program should be managed in an agile manner by responding on a timely

basis to the expressed needs of the microfinance institutions. Examples of Open Training Program events might include:

- *Technical training for all different categories of employees, with an emphasis on operational staff.* This program should be organized systematically. It should consist of a catalog of courses for different employee categories (ie., loan officers, regional managers, accountants, etc.). The program should overlap with the PRE Diploma Program, especially courses for upper and middle level managers. In other words, courses should be open to enrollment by diploma and non-diploma candidates alike. Based on the local market survey, the following topics should be considered priorities:

For Upper Level Managers

Strategic and Business Planning
Leadership and Human Resource Management
Financial and Risk Analysis
Supervision and Regulation

For Middle Level Managers

Human Resource Management
Financial and Risk Analysis
MIS and Computer Management
Supervision and Regulation

For Credit Officers

Credit Analysis
Client Relations and Marketing

For Accounts and Systems Specialists

Accounting
Internal Control
MIS and Computer Management

- *Seminars and workshops on contemporary topics.* Examples might include (1) seminars on important superintendency regulations affecting microfinance institutions, (2) workshops on themes of common interest such developing a credit bureau, (3) a seminar on the impact of the Asian crisis on Bolivian microenterprises.
- Short courses that take advantage of visiting international consultants.
- International seminars and other events.

C3. Customized Training Program

Several microfinance institutions have expressed a desire for customized training. BancoSol has established an internal capacity to conduct such programs, while some other institutions occasionally hire consultants to develop and conduct programs suited to their needs. Every institution is unique, especially in operational areas such as management information or employee manuals. Customized training in some of these areas is not just preferable; it is necessary. The larger microfinance institutions have large numbers of employees with similar if not identical job descriptions, especially in the loan officer category. Sending most of their employees to a customized training program has several advantages:

- 1) Training can be tailored to the institutions' needs and practices,
- 2) Training can be offered where and when the institutions' desire. This would simplify logistics,
- 3) Institutions benefit by the economies of scale associated with customized training programs.

To develop and maintain an effective customized training program, PRE administrators must establish and maintain constant communication with the decision-makers from the microfinance institutions. Together, PRE and the institutions could design training programs that cater to the institutions' needs. This will require administrators with dynamic personalities and strong institutional assessment skills.

Both BancoSol and PRODEM have the internal capacity to design and conduct training courses for their employees. Nonetheless, these courses do not cover all their training needs. Furthermore, each institution expressed a preference for quality externally provided programs, which would allow them to focus instead on their principal business: the provision of microfinance services.

This proposal recommends that Customized Training begin in the second year of the second phase of PRE. There are two reasons for this. First, the Implementing Unit's administrative and technical capacities may not be adequate for the implementation of three major training components in its first year. Therefore, it should limit itself to implementation of the Diploma and Open Training programs. Second, the Implementing Unit should use the first year to familiarize itself with each institution's needs and in gaining the confidence of their executives.

C4. PRE International

A survey of Latin American microfinance institutions revealed a strong demand for high quality, Spanish language training for their middle and upper level managers. As one of the region's most accomplished and dynamic microfinance markets, Bolivia is a logical site for an international training program.

PRE International could respond to this demand by developing a highly relevant, practical training program for microfinance managers. The program could incorporate three learning approaches, including:

- World-class teachers with practical experience in microfinance.
- Representatives from successful Bolivian and regional microfinance institutions will share their experiences with students.
- In-depth visits to Bolivian microfinance institutions will expose students to their tangible operations.

Based on needs expressed through the international survey, the following courses should be organized for the first year: business planning, risk management, regulation and supervision and the design and implementation of savings programs. In the first year, PRE International should organize a two-week session. This could be expanded to two two-week sessions in the second year. A detailed proposal for PRE International, including budgets and financial projections, can be found in a separate paper entitled “The International Program to Strengthen Human Resources in Microfinance Institutions,” a proposal to the “Microenterprise Best Practices Grant Facility.”

V. Institutionalization of PRE

A. Creation of a Microfinance Training Unit

The institutionalization of PRE requires a local institution with strong leadership and a commitment to the microfinance sector. Using an existing training institution to implement PRE would be the ideal option. Unfortunately, none of the nine institutions listed in Section 1 fulfills these requirements, and this consultant knows of no others.

The second best option is to create a microfinance-training unit, preferably within an existing institution. The institution chosen should combine some level of microfinance experience with a strong interest in expanding its role in the sector. The nine institutions listed in Section II could be considered. Other suggested criteria for the evaluation and selection of participating institutions should include:

- Strong management and administrative capacity
- Proven record of quality service delivery
- Adequate educational infrastructure
- Strong leadership and clear institutional goals

The Microfinance Training Unit should be created with a staff of two, possibly three persons. The Unit Administrator should have at least several years of experience in microfinance. He or she should have strong analytical skills and should be enthusiastic about the prospect of spending a great deal of time with the managers and employees of microfinance institutions. A second person with strong administrative skills should also be hired. The Unit could be given additional technical and administrative support from the institution’s permanent staff, when needed.

The Microfinance Training Unit should mainly focus on planning and development functions, including:

- Assessing microfinance institutions' training needs
- Developing course topics and curricula
- Identifying and contracting local and international instructors
- Contracting logistical and other services to training institutions
- Monitoring and evaluating PRE

The Unit should not be responsible for program administration. This should be carried out by institutions specializing in training administration, including those listed in Section I. The Microfinance Training Unit should solicit bids for these services, which would include, at a minimum, all infrastructure and logistical arrangements. Depending on its interests and capabilities, an implementing institution could assume additional responsibilities such as curricula development and identifying and negotiating with instructors. At an extreme, institutions could submit unsolicited proposals for full microfinance training programs that meet all PRE's requirements and standards. In such a case, the Unit's responsibility would be limited to monitoring and evaluating the implementing institution's performance.

No single institution should be awarded a contract or grant to implement PRE; instead, institutions should be contracted on a competitive basis. This arrangement would have two important advantages. First, it would create a dynamic, competitive environment forcing institutions to demonstrate their commitment and capacity every time a new contract is awarded. Second, it eliminates the risk of investing all the program's resources in one institution over an extended period of time. Institutions that perform poorly would be less competitive in future contract solicitations.

Once the Microfinance Training Unit is established and functioning, the mother institution will have three options for the program's future institutionalization. After a year or two, it is possible that one of the implementing institutions would emerge as the most capable and committed. The first option would be to merge Microfinance Training Unit into this institution, thereby created a single institution with full responsibility for planning and implementing PRE. A second option would be to continue the Unit's planning role over the medium to long term, with continued participation from several training implementing institutions. A third option should be considered only if the performance of contracted institutions proves to be poor, which would force the institution to expand the Unit's responsibilities to include logistics and infrastructure arrangements, essentially creating yet another Bolivian business training institution. These options should be considered in light of the institution's overall institutional goals and an assessment of program implementation during the first and second years.

As part of the Unit's function and services, a microfinance library of high quality publications should be established, with an emphasis on training materials. These materials would be useful to the Unit's staff in the development of curricula. They would also be useful to instructors and students. The library should be open to the public.

In this consultant's opinion, PRE organizers should consider FUNDA-PRO as the mother institution for the Microfinance Training Unit. This is Bolivia's only institution combining a broad interest in the microfinance sector with technical capacity. FUNDA-PRO has played an

important role in Bolivia's microfinance sector for over five years by providing second story financing to microfinance service providers. FUNDA-PRO has developed other programs to support the sector, including the PRE 1998 program, and has initiated and coordinated several important initiatives in support of the sector. Finally, FUNDA-PRO has established a unique role in the sector by forming formal and informal relationships with institutions throughout Bolivia and internationally.

B. The Role of Local and International Support Institutions

Thus far this proposal has discussed two different groups of institutions, those that provide microfinance services and those that provide training to microfinance institution employees. There is a third group of institutions with a major stake in this sector. It includes microfinance institution associations, international donors and private non-governmental organizations. These institutions provide financial and/or non-financial support to the microfinance sector. The most important of these is the donor group because it provides the bulk of financial resources.

Bolivia's three largest microfinance service providers owe their success largely to donor institutions. BancoSol, Caja Los Andes and PRODEM received large grants to finance their loan portfolios and technical assistance requirements. Microfinance continues to be a donor driven sector, albeit decreasingly so. Collateral services that are not self-sufficient have been and will continue to be financed by donors. Training is one of these collateral services.

This proposal is based on the assumption that microfinance training requires subsidies, and therefore will be donor driven, particularly in its initial stages. It is highly unlikely that any of the institutions listed in Section II would develop and implement a comprehensive microfinance training program without donor support.

This paper proposes a "team" approach to microfinance training support. Five major donors have supported microfinance in the past and have expressed an interest in continuing their participation. These institutions include the Inter-American Development Bank (IDB), USAID, the Canadian Bi-lateral Development Agency (CIDA), the Swiss Bi-lateral Development Agency (COSUDE), and the German Bi-lateral Development Agency (GTZ). Over the past few years, each of these institutions has provided relatively minor support for microfinance training, usually to different implementing institutions. These same donors now agree that their past levels of support will not meet the microfinance industry's needs in the future. More resources are needed, and they must be pooled to create and sustain a first rate microfinance training program. As the Swiss representative stated, "Bolivia is too small for more than one microfinance training program."

All the donors listed above are members of the Donor Microfinance Group, which meets occasionally to exchange ideas and to develop policy positions. Experience in Bolivia and other countries has shown that donor coordination is most effective when the donors participate together in concrete projects. Microfinance training is a logical choice for such a project.

There are three Bolivian microfinance associations (CIPAME, FINRURAL, and ASOFIM) and several international NGOs that also have a keen interest in microfinance training. They believe

that a concerted effort among donors and their institutions will be needed to develop a high quality program.

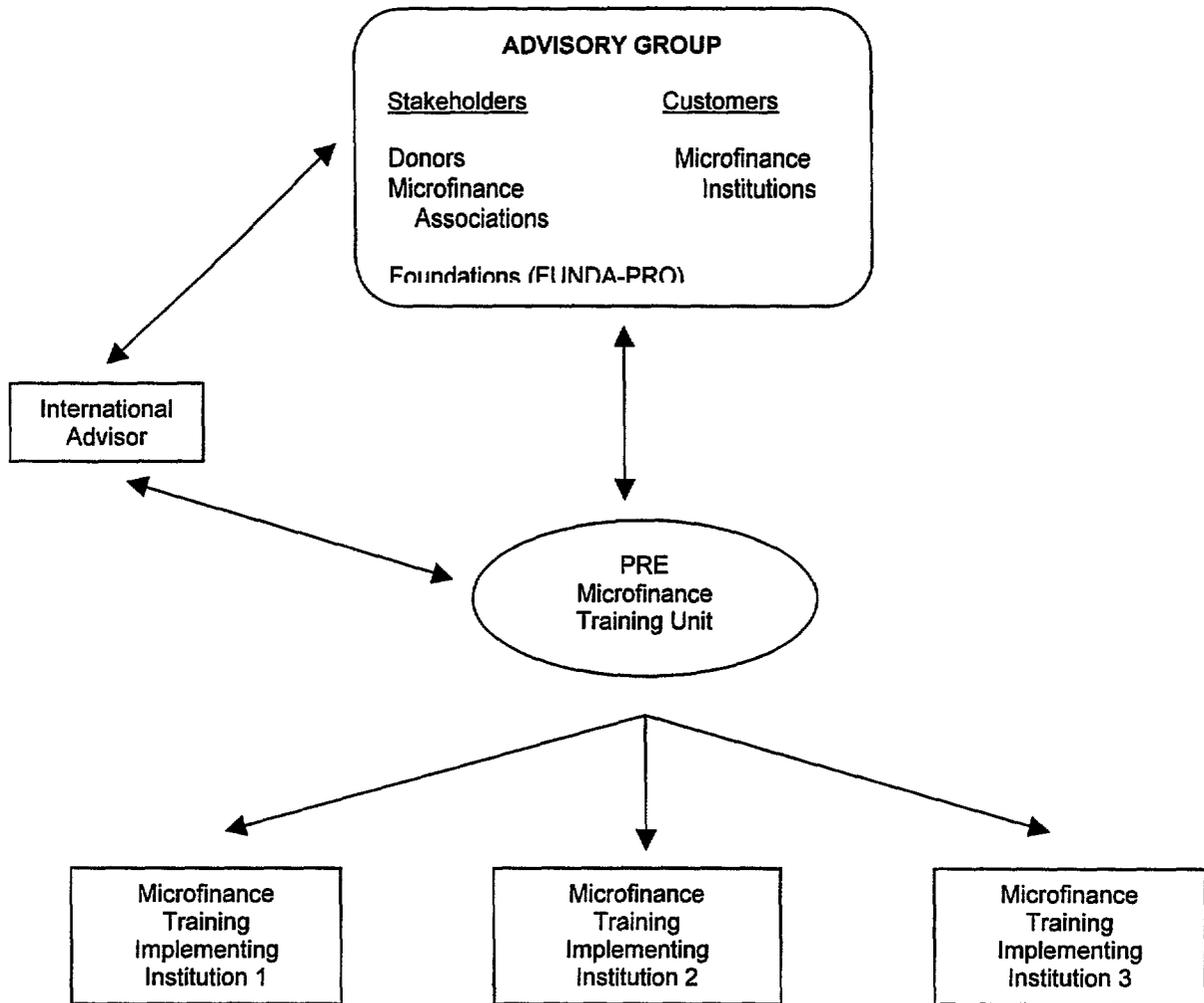
Donors and representatives from the microfinance associations and a few key NGOs should organize themselves to share views on the institutionalization of a microfinance-training program. This is the first step required in the development of PRE's second phase. This consultant recommends the creation of a PRE Advisory Group consisting of representatives from the above institutions. To assure that the Group will be responsive to the sector's needs (customer focus); it should invite up to three microfinance institutions to join. The Group's principal responsibilities would be to:

- 1) Provide financial support and oversight of PRE
- 2) Provide technical direction to PRE
- 3) Monitor and evaluate PRE performance; recommend changes and adjustments as appropriate

Finally, PRE should invite Claudio Gonzalez-Vega to act as International Advisor for the PRE program. In PRE-1998, he was rated as the best of 18 national and international instructors. He brings three important facets to the program:

- Decades of experience and knowledge in international microfinance
- Close contacts with other international microfinance experts
- Strong credibility as an instructor

Below is a diagram of the proposed institutional organization of PRE. The use of three implementing institutions is illustrative and could vary.



VI. Implementation Plan

As this proposal involves a geographical and programmatic expansion of the PRE 1998 program, it will also require expanded administrative and technical capacity. Part of this will be solved through the contracting of training institutions to administer aspects of the program. Nevertheless, the proposal outlined in Section III represents a major challenge for the Advisory Group and the Microfinance Training Unit.

The process of organizing the Advisory Group and establishing a functional Training Unit will require between four to six months. During the first year of operation, the program should limit its activities to a full Diploma Program and a modest Open Training Program. This is because the Diploma Program requires modification only, while the Open Training Program will be technically and logistically simpler than PRE International and the Customized Training Program. PRE International and Customized Training Programs should be afforded ample time for planning and development, and thus should be postponed until the second year.

Below is a recommended three-year implementation plan for the four components of PRE.

Year 1

Full Diploma Course (with enrollment open to non-diploma candidates)

Six core courses held in La Paz, Cochabamba and Santa Cruz (18 events)
Four elective courses in La Paz, Cochabamba and Santa Cruz (12 events)
Four elective courses held in La Paz only

TOTAL number of distinct Diploma courses: 14
TOTAL number events held: 34

Open Training Program

Two 15 hour technical courses in La Paz, Cochabamba and Santa Cruz (6 events)
One international seminar in La Paz
One short course held in La Paz and Santa Cruz (2 events)
One workshop held in La Paz

TOTAL number of distinct Open Training events: 5
TOTAL number of events held: 10

Year 2

Full Diploma Program

Six core courses held in La Paz, Cochabamba and Santa Cruz (18 events)
Four elective courses in La Paz, Cochabamba and Santa Cruz (12 events)
Four elective courses held in La Paz only

TOTAL number of distinct Diploma courses: 14
TOTAL number events held: 34

Open Training Program

Two 15 hour technical courses in La Paz, Cochabamba and Santa Cruz (6 events)
One international seminar in La Paz
One short course held in La Paz and Santa Cruz (2 events)
One workshop held in La Paz

TOTAL number of distinct Open Training events: 8
TOTAL number of events held: 16

PRE International Program

One two-week program held in La Paz

Customized Training Program

Two courses conducted with two institutions in La Paz, Santa Cruz and Cochabamba (12 events)

Year 3

Full Diploma Program

Six core courses held in La Paz, Cochabamba and Santa Cruz (18 events)
Four elective courses in La Paz, Cochabamba and Santa Cruz (12 events)
Four elective courses held in La Paz only

TOTAL number of distinct Diploma courses: 14
TOTAL number events held: 34

Year 3

Open Training Program

Three 15 hour courses in La Paz, Cochabamba and Santa Cruz (9 events)
One international seminar in La Paz
One short course held in La Paz and Santa Cruz (2 events)
One workshop held in La Paz, Santa Cruz and Cochabamba (3 events)

TOTAL number of distinct Open Training events: 8

TOTAL number of events held: 16

PRE International Program

Two-week programs in La Paz

Customized Training Program

Two courses conducted for two institutions in La Paz, Santa Cruz, and Cochabamba (12 events)

VII. Budget and Financing

A. Summary Budget Analysis

The proposed second phase budget is based on the Implementation Plan in the previous section. The only difference is that the PRE International Program is budgeted for all three years so as to be consistent with FUNDA-PRO's proposal to the Microenterprise Best Practices Project (MBP). This paper recommends that PRE International be postponed until the second year.

An excellent quality, well-managed microfinance training program could cover most or possibly all of its costs. As the Summary PRE Budget in Annex 2 shows, cost recovery for all programs over three years is projected at 94 percent. Adding the costs of the Training Implementation Unit, the program would still attain 80 percent cost coverage over three years, and would reach 88 percent by the third year. This is within the range of successful business training institutes found in the developing world.

The level of cost coverage among the four components is comparable. Budget projections show the Diploma Program with the highest level of cost recovery at 96 percent and the Customized Training Program with the lowest level at 87 percent. Cost recovery improves over the three-year period from a first year level of 89 percent to a third year level of 99 percent.

Projected revenue through course fees over the three years is \$1.242 million. Total three-year expenses for all four programs are \$1.323 million, not including the Training Implementation expenses. Adding these, the program will cost \$1.545 million. The three-year cost of the Training Implementation Unit is \$222,000. The Unit's budget incorporates the cost of three full-time staff, including two professionals and a secretary. The logic of the Unit's creation rests on the assumption that PRE will expand significantly. This will reduce the marginal cost of the Unit to less than 17 percent of all program expenses over the first three years. If the PRE program were reduced to only one program □ PRE International, for example □ the marginal cost of the Unit would increase to 54 percent of all program expenses. This situation would not be economically justifiable.

The most important assumption contained in the budget relates to the projected number of participants. The following numbers of projected participants per event were determined based on market survey responses and on recent experience in the Bolivian microfinance market.

- 30 students for all local courses of 15 or more hours
- 40 students for workshops and one-day courses
- 150 participants for international seminars

The total PRE budget for income from local participation is realistic. In the second year of the program, projected fees charged by PRE will be about \$300,000. Fourteen of Bolivia's major microfinance institutions now spend approximately \$705,000 annually to train their 2100 employees. Accordingly, PRE will have to provide about 40 percent of the market's training services to reach its income goal.

The number of participants projected for PRE International was more difficult to estimate. Of the three scenarios (pessimistic, modes, and optimistic) developed for FUNDA-PRO's MBP proposal, the modest scenario was followed for the purpose of this budget.

A 20 percent reduction in participant registration would result in a reduction in income of \$248,000, and would reduce the level of overall program cost recovery from 80 percent to 64 percent.

All the budgets include a 9 percent tax line item under "other direct costs." The actual amount of taxes on fee income will be 16 percent, but will be reduced by approximately seven percent through the submission of invoices representing many of the program's direct costs.

Finally, the budgets in Annex 2 do not include line items for equipping and furnishing the PRE Implementation Unit offices. These items were donated for the first phase of the PRE program, and it is assumed they would be transferred to the Implementation Unit.

B. Financing Options

The three year projected budget deficit is about \$303,000. Assuming PRE can engender the support and participation of most of the institutions listed in Section V of this proposal, financial resources to cover the deficit should be fairly easily procured. Donors are currently spending more than the projected annual PRE program cost of just over \$100,000, with limited results. Following are four compelling reasons for donors to support PRE:

- 1) Low overall cost and high level of cost coverage
- 2) Institutionalization of a permanent microfinance training program,
- 3) High quality training
- 4) Increased supply of microfinance training throughout the country

Donors vary in the types of expenses they can finance. Some provide direct monetary grants, other technical assistance, while others can supply only equipment and other fixed assets. PRE

will require all of the above. Therefore, its organizers should analyze and maximize the donor support options available.

VIII. Marketing of PRE

Marketing will be important to PRE's success, especially during the first few years. Because the great majority of the microfinance market is served by about a dozen institutions, PRE should aim its promotional efforts directly at them. There are a few potentially effective, low cost ways of achieving this described below.

Marketing Approach 1: Communication and Interaction

As explained in section III, the Microfinance Training Unit's director should combine strong analytical and interpersonal skills. He or she must also have a thirst for hard work. A large percentage of this person's time will be spent in communication with the managers and employees of microfinance institutions in assessing their training needs. This work will indirectly serve an important marketing function, as well, by engendering the institutions' confidence in PRE that will result in their greater willingness to enroll in PRE courses.

Marketing Approach 2: Exploit the Advisory Group

A second powerful marketing tool will come from the Advisory Group, providing it functions effectively and it is satisfied with the work of the Training Unit and the implementing institutions. Some of the Group members will be representatives of microfinance institutions. Other members will represent donors, international NGOs and associations providing financial, technical or political support to the microfinance institutions. These Group members will potentially exert significant influence on the training decisions of most of Bolivia's microfinance institutions.

Other traditional approaches to program marketing should also be used. Program and course brochures should be mailed to microfinance institutions, appropriately. National level programs should be mailed to all the institutions, whereas regional programs should be mailed to microfinance institutions' representatives in those areas. Finally, conventional newspaper advertising should be employed at modest levels.

PRE International should be marketed at both the local and international microfinance market. There are relatively inexpensive ways of reaching a wide, specific international audience, including:

- E-mail direct or through web sites such as the Development Finance Network (sponsored by Ohio State University),
- Bilateral and other donors through their international networks, especially those donors which are members of the Advisory Group.

Other methods include direct mailing of promotional materials and the attendance of a PRE representative at one or two major regional microfinance events. For the latter, PRE should consider designing a simple, attractive booth to promote the International program.

IX. Monitoring and Evaluation of PRE

Clearly defined goals are vital to any program or institution, especially ones in their first years of existence. This axiom will be important to PRE in order to prevent the diverse group of institutions participating on the Advisory Group from pushing and pulling the program in different directions. A simple, clear and useful monitoring and evaluation plan will help PRE maintain its focus and will allow PRE to measure implementation progress and program impact.

A Monitoring Plan should be developed to track the progress of the Implementation Plan. The Implementation Plan should contain realistic training projections based on budgetary and human resource limitations, and the Monitoring Plan should consist of concrete operational benchmarks and targets, including dates and persons responsible. A lesson learned from PRE 1998 was the importance of avoiding changes in course dates and instructors. Such changes have a severe negative impact on the public image of a training program. For this reason this consultant recommends limiting PRE to the Diploma and Open Training programs in the first year.

The Evaluation Plan should measure PRE's impact. The easiest and most effective way of measuring impact is through course attendance and fee income. High attendance and income are excellent indicators for the market's satisfaction with training products. Targets for both of these indicators should be defined, tracked and reported for all of PRE's courses and overall programs.

Two other evaluation tools should be used for all PRE programs. First, course and program evaluation instruments should be designed and administered. The data from these evaluations should be synthesized in one-page summaries and reported to interested parties. The PRE 1998 course evaluations were useful and could be modified for the future program. Focus groups comprised of PRE students should also be employed. With a capable and impartial facilitator, these groups will likely provide frank, honest feedback about program strengths and weaknesses.

The post-course and post-program evaluation instruments discussed above will not measure the medium-term impact of training programs. It is difficult if not impossible to reliably measure the impact of short-term training programs. Nonetheless, general tendencies can be assessed through follow-up evaluation instruments. These instruments should be administered to PRE students and their direct supervisors approximately six months after completing their training. The information collected will provide PRE administrators with information about what aspects of PRE are being applied in the workplaces of ex-students and how they are being applied.

ANNEX 1

Persons Interviewed

Miguel Hoyos, Executive Director	FUNDA-PRO, member of Oversight Committee
John Owens, Microfinance Specialist	USAID/Bolivia; Member Oversight Committee
Vivian Romero	PLAN International, Member, Oversight Committee
Mario Clavijo, Director, IBEE	Member, Oversight Committee
Mario Blanco, Director, IBEE	Member of Oversight Committee; PRE Instructor
Gabriel Fuentes, Catholic University	Member of Oversight Committee
Claudio Gonzalez-Vega, PRE International	PRE Advisor and Instructor
Patricia Parraga, General Manager	IBEE
Lourdes Monje, Coordinator	IBEE
Amparo Del Aguila, Secretary	IBEE
Cecilia Campero, Coordinator	PRE, December 1997 through June 1998
Guillermo Monje, Coordinator	PRE, July 1998 through December 1998
Hugo Bellot, Student	PRE
José Auad Lema	PRE
Liliana Bottega, Student	PRE
Victor Hugo Duenas, Student	PRE
Rafael Mendoza, Student	PRE
Jorge Tipisman, Student	PRE
Norma Quisbert, Student	PRE
Carlos Ross Millinedo, Student	PRE
Jacqueline Juarez, Student	PRE
Marcela Alcocer, Student	PRE

María Ximena Artega, Student	PRE
Walter Mejía Coca, Student	PRE
Robin Young, Instructor	PRE
Pilar Ramirez, President	FIE; Complementary Even Instructor
Enrique Blanco, Instructor	PRE
Pedro Arriola, General Manager, Caja Los Andes	PRE Instructor
Rosa Isabel Posa, Manager, Human Resources Department	Banco-Sol
Carmen Velasco, Executive Director	Pro-Mujer; Part-time PRE Student
Francisco Pérez, National Director	WOCCU
Rene Brugger, Representative for Microenterprise Development	COSUDE
Gustavo Bracomante	Canadian International Development Agency
Martina Wendemeyer	GTZ (German Bi-lateral Development Agency)
Joaquim Schirmir	GTZ
Reynaldo Marconi, Director	FINRURAL
Gustavo Birbuet, Executive Director	ANED
Anne Bordonaro	Chemonics International Inc.

ANNEX 2

PRE Second Phase Budgets

ANNEX 1

BUDGET: INTERNATIONAL MICROFINANCE TRAINING PROGRAM YEAR 1

EXPENSES:

PERSONAL:

Program Director (\$3,000/mo x 12 months x 3/4)	\$27,000
Program Assistant (\$600/mo x 12 mo x 3/4)	\$5,400

International Advisor and Professors (3)	
Salary Advisor (\$500/day x 27 days)	\$13,500
Salary Professors (\$500/day x 18 days x 2 profs)	\$18,000
Airfare (\$1,500 x 3 round trips)	\$4,500
Hotel and Per diem (\$120 x 12 days x 3 profs)	\$4,320
Other costs	\$2,000

International Practitioners (3)	
Salary (\$400/day x 3 days x 3 pract)	\$3,600
Airfare (\$1,500 x 3 round trips)	\$4,500
Hotel and Per Diem (120 x 3 days x 3 pract)	\$1,080

Institutional Training Visits (6 visits to 3 institutions)	
Flat Fee of \$5000 per institution	\$15,000

Local Professors and Practitioners (6)	
Salary (\$300/day x 2 days x 6 Profs)	\$3,600

OTHER DIRECT COSTS:

Teaching materials (\$60/student x 80 students)	\$4,800
Seminar Facilities (\$200/day x 12 days)	\$2,400
Food and Beverage (\$330/day x 10 days)	\$3,300

INDIRECT COSTS:

Office Rental (\$800/mo x 12 months x 3/4)	\$7,200
Communication (\$400/mo x 12 mo)	\$4,800
Publicity	\$2,200
Mailing and Other Dissemination Costs	\$4,000
Equipment	\$4,500
Office Materials	\$1,500
International and Local Travel for Staff	\$4,800

TOTAL	\$142,000
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INCOME:

FEES:

Full Program Participants (40 x \$1,500/student)	\$60,000
One Week Participants (40 x \$800/student)	\$32,000

Best Practices Grant	\$50,000
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TOTAL	\$142,000
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NOTE: In the first year, 3/4 of PRE personnel and office rental costs will be borne by PRE/Internationa, while 1/4 of these costs will be borne by the PRE national program.

**BUDGET: INTERNATIONAL MICROFINANCE TRAINING PROGRAM
YEAR 2**

EXPENSES:

PERSONAL:

Program Director (\$3,333/mo x 12 months x 1/2)	\$20,000
Program Assistant (\$633/mo x 12 mo x 1/2)	\$3,800

International Advisor and Professors (5)	
Salary Advisor (\$550 x 46 days)	\$25,300
Salary (\$550/day x 18 days x 4 profs)	\$39,600
Airfare (\$1,500 x 6 round trips)	\$9,000
Hotel and Per diem (\$120 x 12 days x 6 profs)	\$4,320
Other costs	\$2,320

International Practitioners (6)	
Salary (\$400/day x 3 days x 6 pract)	\$7,200
Airfare (\$1,500 x 6 round trips)	\$9,000
Hotel and Per Diem (120 x 3 days x 6 pract)	\$2,160

Institutional Training Visits (12 visits to 3 institutions)	
Flat Fee of \$10000 per institution	\$30,000

Local Professors and Practitioners (12)	
Salary (\$300/day x 2 days x 12 Profs)	\$7,200

OTHER DIRECT COSTS:

Teaching materials (\$60/student x 170 students)	\$10,200
Seminar Facilities (\$200/day x 24 days)	\$4,800
Food and Beverage (\$450/day x 20 days)	\$9,000

INDIRECT COSTS:

Office Rental (\$800 x 12 x 1/2)	\$4,800
Communication (\$400/mo x 12 mo)	\$4,800
Publicity	\$3,000
Mailing and Other Dissemination Costs	\$5,000
Equipment	\$4,000
Office Materials	\$1,500
International and Local Travel for Staff	\$5,000

TOTAL	\$212,000
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INCOME:

FEES:

Full Course Participants (90 x \$1,600/student)	\$144,000
One Week Participants (80 x \$850/student)	\$68,000

TOTAL	\$212,000
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NOTE: In the second year, half of full-time staff and office rental costs will be borne by the local program, and half will be borne by PRE/International.

ANNEX 1

BUDGET: INTERNATIONAL MICROFINANCE TRAINING PROGRAM YEAR 1

EXPENSES:

PERSONAL:

Program Director (\$3,000/mo x 12 months x 1/2)	\$18,000
Program Assistant (\$600/mo x 12 mo x 1/2)	\$3,600

International Advisor and Professors (2)	
Salary Advisor (\$500/day x 22 days)	\$11,000
Salary Professor (\$500/day x 18 days x 1 prof)	\$9,000
Airfare (\$1,500 x 2 round trips)	\$3,000
Hotel and Per diem (\$120 x 12 days x 2 profs)	\$2,880
Other costs	\$1,000

International Practitioners (2)	
Salary (\$300/day x 3 days x 2 pract)	\$1,800
Airfare (\$1,500 x 2 round trips)	\$4,500
Hotel and Per Diem (120 x 3 days x 2 pract)	\$720

Institutional Training Visits (2 institutions)	
Flat Fee of \$3000 per institution	\$6,000

Local Professors and Practitioners (2)	
Salary (\$300/day x 2 days x 2 Profs)	\$1,200

OTHER DIRECT COSTS:

Teaching materials (\$50/student x 45 students)	\$2,250
Seminar Facilities (\$150/day x 12 days)	\$1,800
Food and Beverage (\$125/day x 10 days)	\$1,250

INDIRECT COSTS:

Office Rental (\$800/mo x 12 months x 3/4)	\$7,200
Communication (\$400/mo x 12 mo)	\$4,800
Publicity	\$5,000
Mailing and Other Dissemination Costs	\$4,000
Equipment	\$4,500
Office Materials	\$1,500
International and Local Travel for Staff	\$4,000

TOTAL	\$99,000
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INCOME:

FEES:

Full Program Participants (15 x \$1,500/student)	\$22,500
One Week Participants (30 x \$800/student)	\$24,000

Best Practices Grant	\$50,000
Other Grant Funding	\$2,500

TOTAL	\$99,000
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NOTE: Half the costs for PRE personnel and office rental will be borne by PRE/International and half will be borne by the national program.

**BUDGET: INTERNATIONAL MICROFINANCE TRAINING PROGRAM
YEAR 2**

EXPENSES:

PERSONAL:

Program Director (\$3,333/mo x 12 months x 1/2)	\$20,000
Program Assistant (\$633/mo x 12 mo x 1/2)	\$3,800
International Advisor and Professors (3)	
Salary Advisor (\$550 x 24 days)	\$13,200
Salary Professors (\$550/day x 10 days x 2 profs)	\$11,000
Airfare (\$1,500 x 4 round trips)	\$6,000
Hotel and Per diem (\$120 x 12 days x 3 profs)	\$4,320
Other costs	\$2,000
International Practitioners (4)	
Salary (\$400/day x 3 days x 4 pract)	\$4,800
Airfare (\$1,500 x 4 round trips)	\$6,000
Hotel and Per Diem (120 x 3 days x 4 pract)	\$1,440
Institutional Training Visits (4 visits to 2 institutions)	
Flat Fee of \$6000 per institution	\$12,000
Local Professors and Practitioners (4)	
Salary (\$300/day x 2 days x 4 Profs)	\$2,400
OTHER DIRECT COSTS:	
Teaching materials (\$50/student x 90 students)	\$4,500
Seminar Facilities (\$150/day x 24 days)	\$3,600
Food and Beverage (\$140/day x 20 days)	\$2,800
INDIRECT COSTS:	
Office Rental (\$800 x 12 x 1/2)	\$4,800
Communication (\$400/mo x 12 mo)	\$4,800
Publicity	\$6,000
Mailing and Other Dissemination Costs	\$5,000
Equipment	\$4,000
Office Materials	\$1,500
International and Local Travel for Staff	\$4,000
TOTAL	\$127,960

INCOME:

FEES:

Full Course Participants (30 x \$1,600/student)	\$48,000
One Week Participants (60 x \$850/student)	\$51,000
Grant Funding (source to be determined)	\$28,960
TOTAL	\$127,960

ANNEX 1

BUDGET: INTERNATIONAL MICROFINANCE TRAINING PROGRAM YEAR 1: One Two Week Program

EXPENSES:

PERSONAL:

Program Director (\$3,000/mo x 12 months x 1/2)	\$18,000
Program Assistant (\$750/mo x 12 mo x 1/2)	\$4,500
International Advisor and Professors (3)	
Salary Advisor (\$500/day x 16 days)	\$8,000
Salary Professor (\$500/day x 20 days)	\$10,000
Salary Professor (\$500/day x 8 days)	\$4,000
Airfare (\$1,500 x 4 round trips)	\$6,000
Hotel and Per diem (\$120 x 28 days)	\$3,360
Other costs	\$1,000
International Practitioners (2)	
Salary (\$300/day x 3 days x 2 pract)	\$1,800
Airfare (\$1,500 x 2 round trips)	\$4,500
Hotel and Per Diem (120 x 3 days x 2 pract)	\$720
Institutional Training Visits (3 institutions)	
Flat Fee for two visits to one institution	\$5,000
Flat Fee for one visit each to two institutions	\$6,000
Local Professors and Practitioners (3)	
Salary (\$300/day x 2 days x 3 Profs)	\$1,800

OTHER DIRECT COSTS:

Teaching materials (\$50/student x 50 students)	\$2,500
Seminar Facilities (\$150/day x 12 days)	\$1,800
Food and Beverage (\$180/day x 10 days)	\$1,800

INDIRECT COSTS:

Office Rental (\$800/mo x 12 months x 3/4)	\$7,200
Communication (\$400/mo x 12 mo)	\$4,800
Publicity	\$5,500
Mailing and Other Dissemination Costs	\$4,000
Equipment	\$4,500
Office Materials	\$1,500
International and Local Travel for Staff	\$4,000

TOTAL **\$112,280**

INCOME:

FEES:

Full Program Participants (20 x \$1,500/student)	\$30,000
One Week Participants (36 x \$800/student)	\$28,800

Best Practices Grant	\$50,000
Other Grant Funding	\$3,480

TOTAL **\$112,280**

NOTE: Half the costs for PRE personnel and office rental will be borne by PRE/International and half will be borne by the national program.

BUDGET: INTERNATIONAL MICROFINANCE TRAINING PROGRAM
YEAR 2: Two Two Week Programs

EXPENSES:

PERSONAL:

Program Director (\$3,333/mo x 12 months x 1/2)	\$20,000
Program Assistant (\$780/mo x 12 mo x 1/2)	\$4,680

International Advisor and Professors (4)	
Salary Advisor (\$550 x 24 days)	\$13,200
Salary Professor (\$550 x 36 days)	\$19,800
Salary Professors (\$550/day x 16 days)	\$8,800
Airfare (\$1,500 x 6 round trips)	\$9,000
Hotel and Per diem (\$120 x 56 days)	\$6,720
Other costs	\$2,000

International Practitioners (4)	
Salary (\$350/day x 3 days x 4 pract)	\$4,200
Airfare (\$1,500 x 4 round trips)	\$6,000
Hotel and Per Diem (120 x 3 days x 4 pract)	\$1,440

Institutional Training Visits (3 institutions)	
Flat Fee for four visits to one institution	\$9,000
Flat Fee for two visits each to two institutions	\$10,000

Local Professors and Practitioners (6)	
Salary (\$300/day x 2 days x 6 Profs)	\$3,600

OTHER DIRECT COSTS:

Teaching materials (\$50/student x 108 students)	\$5,400
Seminar Facilities (\$200/day x 24 days)	\$4,800
Food and Beverage (\$220/day x 20 days)	\$4,400

INDIRECT COSTS:

Office Rental (\$800 x 12 x 1/2)	\$4,800
Communication (\$450/mo x 12 mo)	\$5,400
Publicity	\$6,000
Mailing and Other Dissemination Costs	\$5,000
Equipment	\$4,000
Office Materials	\$1,500
International and Local Travel for Staff	\$4,000

TOTAL	\$163,740
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INCOME:

FEES:	
Full Course Participants (40 x \$1,600/student)	\$64,000
One Week Participants (68 x \$850/student)	\$57,800

Grant Funding (source to be determined)	\$41,340
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TOTAL	\$163,140
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**BUDGET: INTERNATIONAL MICROFINANCE TRAINING PROGRAM
YEAR 3: Two Two Week Programs**

EXPENSES:

PERSONAL:

Program Director (\$3,500/mo x 12 mo x 1/2)	\$21,000
Program Assistant (\$800/mo x 12 mo x 1/2)	\$4,800

International Advisor and Professors (5)	
Salary Advisor (\$550 x 36 days)	\$19,800
Salary Professors (\$550/day x 16 days x 4 profs)	\$35,200
Airfare (\$1,500 x 6 round trips)	\$9,000
Hotel and Per diem (\$130 x 12 days x 6 profs)	\$9,360
Other costs	\$2,000

International Practitioners (4)	
Salary (\$400/day x 3 days x 4 pract)	\$4,800
Airfare (\$1,500 x 4 round trips)	\$6,000
Hotel and Per Diem (130 x 3 days x 4 pract)	\$1,560

Institutional Training Visits (12 visits to 3 institutions)	
Flat Fee of \$8000 per institution	\$24,000

Local Professors and Practitioners (12)	
Salary (\$350/day x 2 days x 12 Profs)	\$7,200

OTHER DIRECT COSTS:

Teaching materials (\$60/student x 165 students)	\$9,900
Seminar Facilities (\$200/day x 24 days)	\$4,800
Food and Beverage (\$450/day x 20 days)	\$9,000

INDIRECT COSTS:

Office Rental (\$800 x 12 x 1/2)	\$4,800
Communication (\$600/mo x 12 mo)	\$7,200
Publicity	\$6,500
Mailing and Other Dissemination Costs	\$5,000
Equipment	\$4,000
Office Materials	\$2,000
International and Local Travel for Staff	\$5,000

TOTAL	\$202,920
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INCOME:

FEES:

Full Course Participants (75 x \$1,600/student)	\$120,000
One Week Participants (90 x \$850/student)	\$76,500

Grant funding (source to be determined)	\$6,420
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TOTAL	\$202,920
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Survey of Bolivian Microfinance Institutions

Institutions surveyed:

IDEPRO, Roberto Ballesteres, Manager, Cochabamba
BancoSol, La Paz, Rosa Isabel Poza, Director of Organizational Development
BancoSol, Santa Cruz, Claudia Maria Fasscil, Claudia Ordoñez
Cooperativa Quillacollo, Rolando de la Fuente
Cooperativa San Pedro, Julio Zapata
Agrocapital, Fernando Cáceres, Manager
Agrocapital, Mario Andia, Credit Supervisor
Banco Económico, Renee Muñoz
Cooperativa Jesus Nazareno, Jimmy Diamond
Cooperativa Hospicio, Ramiro Arias Alborta
FIE, Pilar Ramirez, President
FIE, Elizabeth Nava, Credit Manager
WOCCU, Francisco Perez
Caja Los Andes, Liliana Bottega y Pedro Arriola
PRODEM, Sergio Prudencio
ProMujer, Carmen Velasco, Executive Director
Sartawi, Jorge Tipisman, General Manager
ANED, Gustavo Birbuet, General Manager
FADES, José Auad Lema, National Credit Manager
CRECER, Robert Ridgeley

In addition, approximately 12 credit officers and middle managers were interviewed.