

DEVELOPMENT ALTERNATIVES, INC./ FINNET (DAI/FINNET)
Contract No. 521-C-00-00-00019-00
QUARTERLY REPORT (October-December 2001)

CONTRACT OBJECTIVES

USAID Haiti Economics Group:

- Strategic Objective 1: Sustainable Increased Income for the Poor
- Intermediate Result 1.2 Small and Micro-entrepreneurs Economically Empowered

In the context of USAID Haiti's Strategic Objective 1 and Intermediate Result 1.2, DAI/FINNET's goal is to facilitate the development of microfinance in Haiti to improve the financial services available to the working poor. DAI has organized its work into two principal categories, which are institution building and industry building.

EXECUTIVE SUMMARY

October through December 2001 is the third quarter of DAI/FINNET's second year. This was a particularly active period with progress on several different fronts.

On the industry building side:

- Initiated training at the newly opened Regional Support Center (CARM Nord) in Cap Haitien.
- Began pilot testing with Tier 1 Partner to develop a practical approach to conducting impact assessments and for monitoring and evaluating programs.
- Introduced software enhancements for the transmission of data and other improvements for the bad debtors' list to the Credit Information exchange group.
- Convened 45 representatives of 23 MFIs to meet a representative of the Micro Credit Summit visiting Haiti to recruit members.
- Presented the DAI/FINNET experience in linking microfinance and micro insurance to a conference of health care providers sponsored by the March Foundation.

On the institution building side:

- Conducted discussions with key partners to ascertain how best to help these institutions absorb the technical assistance offered by FINNET.
- Continued to refine the reporting process by partner institutions to improve the accuracy, reliability, and timeliness of the reports.
- Sponsored five participants from Haiti to travel to Dakar to CAPAF, the CGAP training center for Francophone Africa, to be trained as trainers for accounting.
- Sponsored two Haitians to attend a Micro Insurance training in Dakar on the aspects of running a health mutual.
- Sponsored 7 representatives of 6 Haitian MFIs at the IDB's Micro Enterprise Forum in Santo Domingo that was attended by 700 people from 25 countries.

Some more general observations regarding our work and the environment in which we operate are:

- DAI/FINNET engaged key partners in discussions **to determine how to help institutions better absorb the technical assistance** that is provided by FINNET. Many obstacles in implementing changes and new ideas have been observed both at head offices and in the field offices.

Problems that have been identified include the lack of senior management time to track implementation, lack of effective means of communication within the organizations to delegate responsibilities, an insufficient understanding of the practical implications of what is actually taught in training sessions, and insufficient resources, both financial and human resources.

Examples of some of the solutions being explored are: to place technical staff/consultants for a period of up to one year in a specific department to be the “champion of change”; to hire senior local advisors to work on a specific issue in an institution on an on-going basis; to organize service contracts with IT firms to provide IT support for an extended time; and to partially finance strategic equipment. DAI/FINNET is looking for ways to channel some of this work through its existing sub-contract with AGIR and its Institution Building Financial Awards Program.

- As a part of DAI/FINNET’s **initiative to measure the impact of microfinance relating to borrowers and to ensure that clients are offered appropriate products and services**, work began with ACLAM on a pilot test basis to conduct a client satisfaction survey. The results will determine if this tool is a practical approach for MFIs in Haiti to conduct impact assessments and to measure program performance.
- Recognizing that **a number of newly created, unlicensed credit and savings cooperatives have opened in Haiti** and to better understand what are the probable negative ramifications of this activity, USAID requested that DAI/FINNET and DID/Desjardins brief them on this issue.

These cooperatives offer up to 10-13% per month on deposits of HTG 5,000 or more. The common belief among microfinance practitioners and advisors is that this phenomenon has some similarity to a pyramid scheme. However, the timing is such that negative consequences are not easily discerned at this point.

Obviously, the cooperatives working with DID and other “serious” cooperatives do not participate in these schemes. There is, however, a high potential of a shock to the country’s already fragile economy and financial system. In the longer term, the consequences of a crisis could be a loss of confidence in financial institutions as a whole.

GENERAL ACTIVITY REPORT

Similar to previous quarters, the general activity report is divided into three parts that correspond to the three principal segments of our work. As outlined in TAMIS Document #1, they are: industry component, institution building component, and financing component. Where possible, documents generated from TAMIS are used as supporting documents to the quarterly report.

INDUSTRY COMPONENT

Information and Networking:

- **Website: www.daifinnet.com was enhanced.** The website now contains a new page called "Statistiques" (<http://www.daifinnet.com/statistiques/statistiques.htm>), where visitors can obtain general information about Haitian MFIs by methodology, by zone, and by legal status. The database also contains information about MFIs inventoried at the CARM level. The information from this database comes from the annual census of MFIs conducted by DAI/FINNET.

Concrete proof of website use was acknowledged by a visit to our office of a student from the Stockholm School of Economics to follow up on research that he was doing on microfinance in Haiti. He had used the information from our database available on our website as a statistical basis for his study.

During this past quarter, the website received 11,255 hits and 346 visitors.

- **International investors in Haitian MFIs visited DAI/FINNET.** Though external financing sources remain limited for Haitian MFIs, there is an increasing interest from investors given the growth of microfinance in Haiti. During October, two investors in Haitian MFIs were in the country to check up on their investments and to identify new opportunities.

Profund, an investor and lender to Sogesol, was in Port au Prince to attend the annual general meeting of Sogesol. After one year of operation, the company has exceeded expectations and will break even in the coming year. Doen Foundation from the Netherlands was also in Haiti to visit Fonkoze to whom it has granted two medium term loans to fund business development. Their principal objective was to determine if they would like to convert their loans into capital in the new Bank Fonkoze. As one of the advisors to Fonkoze, DAI/FINNET's opinions were solicited on both the institution and the economy in general.

DAI/FINNET also met with representatives from Blue Orchard Group, who manages the Dexia Microcredit Fund, a mutual fund that invests in microfinance institutions all over the world. While in Haiti, the group also met with FHAF, MEDA, FONKOZE, and ACME.

- **Explored links with Project Education 2004:** DAI/FINNET met with a representative of this USAID funded project aimed at improving the quality of education at the community level. The project does a regular radio transmission. DAI/FINNET will explore ways to utilize Ed 2004's radio program to diffuse lessons about microfinance to the community. The project has also requested that an introductory training on the basic principles of microfinance be provided to the community coordinators.
- **Initiated Regional Partner Forum in CARM/Nord :** The first of regular quarterly partner's forums was held at the recently opened CARM in Cap Haitien. Sixteen people from 11 institutions attended. They represented two commercial banks, seven credit cooperatives, and two village bank programs.

The topic of the meeting was the " Evolution of Microfinance in Haiti." Signaling an active interest in microfinance issues, a lively debate was engaged on the current trend of credit cooperatives offering 10% per month on deposits and on the interest of commercial banks in microfinance.

- **Haiti represented at Microfinance Finance Conferences in Santo Domingo:** Haitian commercial banks in microfinance and Haitian microfinance institutions were well represented at both the USAID Workshop for Commercial Banks in Microfinance (12 – 13 November) and the IDB Micro Enterprise Forum (14 – 16 November), both of which were held in Santo Domingo.

Nine representatives from five Haitian commercial banks and their microfinance affiliates attended the USAID workshop. There were a total of 80 attendees from 17 different countries. SOGESOL gave a presentation during the session on the different business models for microfinance in commercial banks. SOGESOL's model is somewhat unique in as much as it is a service company that generates the business, makes the loans, and manages the portfolio. Loans are booked at SOGEBANK. This model avoids the usual MFI problems of funding and regulation. SOGEBANK was originally advised by a DAI sister company, Bannock Consulting. As an aside, DAI/FINNET also met with a professor for the John F. Kennedy School of Government at Harvard, who is preparing a case study on SOGESOL.

The IDB's Micro Enterprise Forum brought together nearly 700 people from 25 countries. This year's conference topic was: *Innovations for Microenterprise Development*. DAI/FINNET sponsored the attendance of 7 representatives of 6 Haitian MFIs, including ACLAM, FHAF, FODEPE, GTIH, GRAIFSI, and SADA. In addition, representatives of MEDA, SOGESOL, and SOFIHDES also participated. One of the most enlightening realizations for the Haitian delegation was how relatively small the Haitian MFIs are, which brought to the forefront the idea of merging existing institutions. They also learned from the experience from other countries about the importance of association and coalition building in working towards a legal framework for MFIs.

Industry Infrastructure:

- **Credit Information Exchange & Credit Bureau**

The Bad Debtors List for Metropolitan Port au Prince at 30 December 2001 included 4,660 names, an increase of 575 names since last quarter. In November, a ninth institution, Initiative Développement (ID), was accepted as a new member of the list. ID's microfinance program, affiliated with InterAide, was launched in 1998 and currently has 600 active clients.

The Port au Prince MFI Credit Information Exchange was given a presentation by DAI/FINNET's IT Masters students (MBDS Project Team) of software changes that are to be made in the transmission of data and improvements made for accessing data on LANs. Appointments were made with each MFI to install the new software and conduct a short training session for their staff.

The list for the Southern Province, published by CARM Sud, contained 241 names as of the end of November, up from 180. The next list will be published in February 2002. Ten MFIs are members of the convention, and FINCA has sent a letter signaling an interest to participate.

In addition, the concept of a credit information exchange was also presented to the partners of CARM Nord. In the first quarter of 2002, it is planned to replicate the experience of Les Cayes with having a regional bad debtors list.

There continues to be no progress made on the BRH's project to create a national credit bureau. This is due to management changes at the BRH and problems between the IDB and the contractor, KPMG.

- **External Audits**

During the previous quarter, DAI/FINNET, in collaboration with Freedom from Hunger/Microstart, launched a drive to make professional audits of MFIs in Haiti a reality.

Three of DAI/FINNET key partners have now signed contracts with local audit firms to begin their first full scale external audit. Two audit firms have won contracts with the three. This marks a tangible result by having partners subject to professional audits and by having the interest of local audit firms in working with MFIs.

- **Client Surveys, Market Research, and Impact Assessments**

During November, preparations were finalized and the work began on pilot testing for the client satisfaction survey. DAI/FINNET is collaborating with ACLAM, using the experience as a pilot test that can eventually be used by other MFIs. DAI/FINNET is financing the cost of the lead consultant and his team of surveyors.

The field data collection has now been completed. While some difficulties were encountered in terms of logistics, communications, and preparation, the surveyors succeeded in interviewing the majority of the 740 clients selected as part of the sample. DAI/FINNET will work with ACLAM to capture the lessons learned in order to share with other MFIs. The final report will be completed in January 2002.

Some preliminary lessons learned are:

- Clients should be informed and sensitized in advance on the purpose of the survey otherwise they will not see the value in answering the questions. This awareness building should be done by ACLAM field staff and also reiterated by the surveyors.
- Credit coordinators and promoters should be implicated in the preparation of the sampling list (list of clients to be interviewed in each zone). Since they are the ones who are most familiar with the conditions of the region, they would be in the position to know the length of time it would take to get to clients, and anticipate the difficulties that the surveyors will face. These realities could then be incorporated into the planning and the training for the surveyors.
- For surveys that will be conducted in more than one provincial department, it would be better to have one team of surveyors rather than several teams working simultaneously in different departments. This provides continuity and consistency in the collection of information. In addition, the team has more flexibility to adjust their speed and the time spent with each client or in each zone accordingly.
- Clear and continuous communication between the head office and the field staff are key in successfully mobilizing and preparing the staff and the clients.
- The role of the field supervisor is very important. The person should possess the ability to work collaboratively with others, to be flexible in a difficult environment, and to maximize the use of the time allotted in the field.

New Product Development:

- **Insurance**

The local consultant hired to design the public education campaign for clients of the micro insurance product has completed the training module on the theme of risk mitigation. The second module on the structure and function of insurance will be completed and training for COD/EMH field staff on these two modules will take place in January 2002. Final negotiations have also been completed regarding the Stabilization Fund that will be established by COD/EMH using a Financial Assistance Award from DAI/FINNET.

DAI/FINNET was invited to make a presentation to a group of health care providers and organizations interested in accessing health care services at a two-day workshop organized by the March Foundation. The workshop was held in December at Xaragua and was financed by a grant from the Gates Foundation. Jocelyn Viau, DAI/FINNET's in-house micro insurance consultant, made a presentation on our experience in linking microfinance and micro insurance.

INSTITUTION BUILDING COMPONENT**Non-Bank Technical Assistance:**

During the past quarter, technical assistance was focused on improving the MFI's core systems and infrastructure rather than on general training activities. As mentioned above, DAI/FINNET is evaluating its partners' ability to absorb technical assistance and to put in place the proper building blocks for the institution. All of our partners have reached a stage in their evolution where good financial management and internal controls system, rigorous supervision, as well as trained and financially motivated staffs are required to ensure an adequate level of institutional readiness. Accordingly, DAI/FINNET will align its technical assistance in the coming year to better address these realities.

The section below provides a summary of the types of activities undertaken with each of the key partners, as well as the training seminars that were offered to non-bank partners during Y2Q3.

ACTIVITY	DATE	ACLAM	ACME	COD/EMH	FODEPE	MEDA
<i>Port-au-Prince Based</i>						
Microcredit Summit Meeting	10/19/01 & 10/22/01	✓	✓	✓	✓	✓
Internal Account Management	12/19/01					✓
<i>Overseas-based</i>						
IDB Microenterprise Forum, Santo Domingo	11/14-11/16/01	✓			✓	✓
Microinsurance Administrative & Financial Management Training, Dakar	11/26/01-12/01/01			✓		
<i>CARM-Based</i>						
Business Skills for Microentrepreneurs	10/23-10/26/01			✓	✓	✓

- **Individual Institutional Interventions**

ACLAM

ACLAM senior and field staff actively participated in the training sessions provided by DAI/FINNET this quarter. In addition, the Director attended the IDB Microenterprise Forum in Santo Domingo.

The field data collection for ACLAM's client satisfaction survey was completed this past quarter. See the Industry Section of the quarterly report under Client Surveys for more information.

ACLAM has identified a consultant who could resolve the problems the institution has been experiencing with the accounting software Solomon. The consultant is expected to be in Haiti in January 2002. A request has been submitted to DAI/FINNET's Financial Assistance Award Fund to finance the consultant's fees for this activity.

ACME

Senior Raymond, formerly BUH's Microfinance Director, began work as ACME's new Executive Director in October 2001. The former director, Bernard de Brouwer, will continue to play a role in the institution as President of the Board.

The developer of Loan Performer arrived in Haiti in November to install the portfolio software at ACME. The software was installed in a network configuration to enable real-time and simultaneous data entry. DAI/FINNET used the Financial Assistance Award vehicle to purchase a server and an inverter (to protect the server) for ACME.

ACME hired two assistant accountants for the central office to alleviate the workload of the senior accountant, Anderson Guerrier. Given Anderson's experience with the institution, it is envisioned that he will be groomed to become a Finance Director.

COD/EMH

COD/EMH continues to participate in trainings provided by DAI/FINNET at the Port-au-Prince and the CARM levels. In addition, the micro insurance coordinator attended the ILO/STEP training on managing health mutuals in Dakar, Senegal in November.

Work on the accounting systems continued throughout the quarter. In November, our subcontractor AGIR conducted a two day workshop for COD/EMH's field staff to teach them how to gather the data for their monthly and quarterly reports and to complete the report forms. This follows working sessions that AGIR held with COD/EMH's head office staff on redesigning and standardizing the forms. The forms allow COD/EMH management to obtain essential information from their field office on the portfolio outstanding, total loans disbursed and reimbursed, and the cash flow situation.

DAI/FINNET continued to provide technical assistance to COD/EMH on its pilot health micro-insurance project in Petit Goave. See the Industry Section of the quarterly report under New Product Development for more information.

FODEPE

The FODEPE Credit Coordinator attended the IDB Microenterprise Forum in Santo Domingo, and its field staff actively participated in the training held at the CARM level.

DAI/FINNET is in the process of completing a training needs assessment for FODEPE staff. The needs assessment for the field staff and middle management has been completed; the assessment for the Director will be completed next quarter. In addition, an institutional evaluation is being undertaken by AGIR which will feed into the technical assistance work plan for the institution.

The recruitment of a new accountant for FODEPE continues. A candidate had been identified but was not approved by the Board. DAI/FINNET has requested AGIR to help FODEPE identify an appropriate candidate.

MEDA

MEDA actively participated in all the trainings provided by DAI/FINNET at the Port au Prince and the CARM levels.

Work on the internal account was re-launched this past quarter. MEDA provided its feedback on the operations manual and the revised tools that were developed jointly by AGIR and Osé Pierre. A training on the new tools and procedures was conducted in December for all MEDA credit officers and regional coordinators. DAI/FINNET will conduct follow-up with the credit officers next quarter to ensure that the new system has been properly implanted.

MEDA commenced testing on its new home-grown portfolio management software called APA. DAI/FINNET is interested in tracking the performance of the system as it represents a lower-cost alternative for MFIs searching for portfolio management software.

Commercial Bank Technical Assistance:

- **Individual Institutional Interventions**

Banque de l'Union Haitienne (BUH)

Technical assistance to BUH came to a halt pending a final outcome of the approval for the acquisition of BUH by SOGEBANK. The microfinance activity at BUH has stalled and the stability of the BUH program was aggravated further by the departure of the previous microfinance manager. The new manager, Mario Celestin, is expected to seek advice and assistance from DAI/FINNET as he will require technical guidance given his limited role in microfinance before this new assignment. DAI/FINNET is well placed to provide such assistance given the very active role played by the previous DAI/FINNET COP in the development of the BUH microcredit program.

Capital Bank

DAI/FINNET continues to advise Capital Bank on their plans to introduce a microcredit program. Having completed its initial feasibility study for launching a microfinance product, Capital Bank sought DAI/FINNET's input on the assumptions for their strategic plan and opinions on how to proceed.

FONKOZE

FONKOZE has made some progress in preparations to apply for a banking license. DAI/FINNET met with FONKOZE and its legal advisors to review the proposed corporate structure and shareholders structure. To avoid the governance issues

associated with a Foundation being a major shareholder, a private local corporation FONKOZE, S.A. will be formed and will be the majority shareholder in the Bank. The corporation, in turn, will be owned by local and foreign shareholders with FONKOZE Foundation holding a majority of the voting shares.

FONKOZE is considering the purchase of EMerge, a portfolio management software developed by Tenemos/DBS in South Africa. An overseas study tour is scheduled in the coming quarter to examine in more depth the functionalities of the system. If a decision is made to purchase the software, DAI/FINNET will consider co-financing the installation cost through the Financial Assistance Award Fund, using the same approach undertaken with ACME.

Credit Union Technical Assistance:

Project momentum has picked up as of the recent quarter and the DID work plan is more or less on target. Although DID/Desjardins had planned to have nine cooperatives functioning in its FINNET network by November 2001, those projections were revised to six. To date, there are six credit unions in operations, three are being launched, and work is under way with six new potential partners.

It is noted, however, that some imaginative solutions will be required to help new cooperatives in the start-up phase to mobilize savings at a sufficiently rapid pace to allow credit activities to commence. The large number of new cooperatives opening in the last few months poses a major challenge to DID partners in their efforts to accumulate savings. A more detailed report of DID/Desjardins activities for this quarter is included in the supporting documents section of this quarterly report.

In summary, in the South east, two new cooperatives have been launched, one in Thiotte and one in Belle-Anse. A promotional committee was established in Jacmel to support the start up in that town. There are now five cooperatives associated with the project. In the South, though several start-ups were planned, only two were launched as one cooperative has only signed the agreement letter. Moreover, it is expected that some positive results will be achieved in January 2002 with the work that has been started with five new locations. In the Northwest, DID started to work with 4 new potential partners. It is hoped that there will be at least two new cooperatives launched in the first quarter of 2002.

The following statistics are based on information available for nine cooperatives: the number of total members is 4,600 up from 2,813 with the addition of two new cooperatives and the integration of data from the cooperatives in Chardonnières and St. Louis du Nord; more than 67% of savings were converted to loans. Savings grew by 72% and loans were up 44%. Women make up 36% of the cooperatives' membership and account for 36% of the loans taken.

Training and Tools:

- **Accounting Training of Trainers in Dakar**

In collaboration with CAPAF, the CGAP-sponsored training center in Dakar, DAI/FINNET sent four candidates to be trained as trainers in accounting and one person to be trained as a supervisor. DAI/FINNET is particularly pleased with this new partnership as it makes available quality training materials in French and provides a rigorous structure to build local technical expertise in Haiti.

Three of the candidates are from local consulting firms and one the manager of DAI/FINNET's CARMs. Two other training of trainers courses, portfolio and delinquency management and financial analysis, will be offered in the next several months. The first duplication of the accounting course in Haiti is planned for March 2002.

DAI/FINNET's objective is have training expertise and appropriate training materials to use in training field staff in areas that are key to the success of their work. Some of the same material can also be re-packaged and used to train micro entrepreneurs.

- **Micro Insurance Training in Dakar**

DAI/FINNET sponsored Ismène Paul, COD/EMH's micro insurance coordinator, and Jocelyn Viau, DAI/FINNET's local consultant for micro insurance, to attend a workshop in Dakar. This training was organized by the ILO to teach basic skills on how to manage a health mutual. The timing of the workshop was propitious inasmuch as COD/EMH planned to launch a pilot project in December, to link a newly created health mutual with its village banks. Mr. Viau & Ms. Paul made a presentation on COD/EMH's pilot program at the workshop. Haiti's experience was of particular interest since it is one of the few initiatives in the world to link micro finance and micro health insurance directly.

- **CARM Nord Training**

CARM Nord held its first formal training at the newly opened Regional Support Center in Cap Haitien. Fifteen representatives from three institutions (MEDA, COD/EMH, FODEPE) attended the four day course on "How to Manage Your Business" and "How to Increase Your Sales." The CARM supervisors conducted the training under the supervision of CAFEM, the local service provider for Freedom from Hunger's Microstart program. FFH designed the two modules as part of the Credit with Education program. It is planned that in the future each MFI will begin to offer these courses to their clients using their own staff as trainers, with the CARM staff as monitors.

- **Basics in Microfinance: Plan International**

Using techniques learned in the Global Learning Adult Education courses, Murat Gilot and Ose Pierre from the CARM unit at FINNET designed a course, "Introduction to

Microfinance,” and taught it to 36 of PLAN International’s staff in the Northeast Province. Completely satisfied with this training and recognizing the importance of the training that DAI/FINNET did for its field staff, Plan International has requested additional training for their program unit managers and country management team. To make sure that the training correctly addresses the needs of these managers, a training needs assessment will be conducted and the existing modules modified in consequence. Plan International’s head office was very impressed by the work that DAI/FINNET has done and is looking to replicate the experience in other countries.

General Advisory Services:

This quarter DAI/FINNET staff met with, advised, or gave briefings to several diverse parties interested in microfinance. These include donors, non-partner MFIs, and technical service providers. The most substantive were:

- **CMP as a provider of Business Training Services**

In its continuing search for appropriate business training courses and local trainers, DAI/FINNET met with CMP, a local training center. The training institution offers courses such as report writing, time management, supervisory and management skills, and customer service skills. CMP is expected to present a proposal for delivery of services to DAI/FINNET.

- **UNDP**

Two UNDP researchers working on input for the UNDP Poverty and Private Sector Reports visited DAI/FINNET. It is recognized that DAI/FINNET is a valid source of quality information for researchers looking into areas like poverty alleviation or private sector initiatives. Microfinance plays an important role in each.

- **FHAF**

FHAF has requested assistance from DAI/FINNET to review its strategic plan, to help it develop a human resource plan, and to study needed changes in its accounting and internal controls system. The institution is looking into strengthening these technical areas in preparation for an evaluation by the BRH, as part of its application to the microfinance funding window of FDI. This marks an important step forward in developing a stronger relationship with one of the oldest and best established MFIs in Haiti.

- **Peace Corps**

For the past three years, DAI/FINNET has given presentations on microfinance in Haiti to Peace Corps trainees who are to be assigned to business activities. To date, most of the volunteers slated for financial services work have been assigned to credit cooperatives. For the new class commencing training in March 2002, DAI/FINNET will

try to place some of the volunteers within our MFI partners. A copy of the volunteers' profiles has been requested, at which time we will determine if there exists a match between the competency of the volunteer and the needs of our partners. DAI/FINNET will also assist the Peace Corps in preparing the Freedom from Hunger modules on enterprise development to be taught during in-service training.

FINANCING COMPONENT

SOFIHDES Technical Assistance:

There continues to be an impasse in addressing several outstanding issues between SOFIHDES and USAID. While we had expected to hear from SOPHIDES as to the final resolution and the restart of the work on the MIF, we have not been informed as to any change in status since the previous quarter.

Institution Building Financial Assistance Awards Program:

DAI/FINNET received three requests for funding this past quarter: (a) a request by ACLAM to finance a consultant to fix the Solomon system; (b) a request by ACME to purchase a network server and an inverter; and (c) a request by Fonkoze to partially pay for its 2000 external audit. The total amount for these requests is approximately \$24,000, bringing the total amount expended to date at \$83,000.

PROJECT MANAGEMENT

Personnel:

As of 30 December DAI/FINNET employed 15 people; five seniors, five juniors, and five support personnel. A local consultant, Jocelyn Viau, continues to work on a contractual basis on micro insurance. We also signed a four months contract with the MBDS Project team to upgrade information and communications technologies of the partner MFIs.

Results Reporting – Monitoring & Evaluation:

A separate section of the quarterly report is devoted to the statistical results of key partners. As the reporting systems of partners improve, the information in the report will be enhanced.

Budget Comments:

As of 31 December 2001, a summary of financial information pertaining to invoicing is as follows:

Contract Amount: USD 10,307,002

Amount Obligated: USD 3,650,000

Cumulative Amount Invoiced: USD 2,281,927

Average Monthly Burn Rate: USD 108,663

This is driven by the higher billing levels of DID/Desjardins now that that component of the project has picked up momentum, increased use of the Financial Awards by MFIs, and more international training. Additionally, we expect billings to increase to an anticipated level of USD 120,000 over the next several months. After the current review of the partners' technical assistance needs with a view to enhancing and increasing the assistance, this number is expected to rise to USD 146,000. In that light, an internal DAI review of the budget is underway and may result in a request for a budget re-alignment.

TAMIS DOCUMENT INDEX

1. Major Work Plan Components
2. Partners Report
 - a. Tier One
 - b. Tier Two
3. Resource Center Activity Report
4. Action Memorandum Report
5. Cumulative Output Report
6. Training Statistics Report

PARTNER LIST
TAMIS Document # 2

TIER ONE - KEY PARTNERS

INSTITUTION	METHODOLOGY	COMMENTS
ACLAM (World Concern)	Village Banking	NGO
ACME	Individual Loans	NGO
Banque de l'Union Haitienne (BUH)	Individual Loans	Commercial Bank
COD/EMH	Village Banking	NGO
MEDA	Village Banking	NGO
FODEPE	Village Banking	NGO

TIER TWO PARTNERS

INSTITUTION	METHODOLOGY	COMMENTS
Capital Bank	Individual Loans	Commercial Bank
FONKOZE	Solidarity Loans	NGO
GRAIFSI	Credit Mutuals	NGO