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**Matching Grant Program  
Revised Detailed  
Implementation Plan**

**November 2002**

prepared for  
**UNITED STATES AGENCY FOR  
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# REVISIONS TO THE DETAILED IMPLEMENTATION PLAN

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## ***Revised Detailed Implementation Plan***

### **A1. INTRODUCTION**

The following report has been developed as a result of a request to bring more clarity to the Detailed Implementation Plan submitted in March 2002. The objective is to expand on the Peru section and to revise the planning matrix to include performance indicators and targets.

### **B1.2 ORGANIZATIONAL CAPACITY**

#### **Peru**

MEDA Peru seeks to be a leader in the promotion of agribusiness development and will work to strengthen the capacity of private sector service providers to deliver appropriate and needed services to small and micro farmers.

MEDA Peru will work directly to address Peru's problems of poverty, lack of employment, and unsustainable use of natural resources and illicit coca cultivation. The goal is to build sustainable businesses that result in increased income for the poor. The projects aim to accomplish this by developing innovative linkages for the production and marketing of agricultural products.

#### ***Rationale for a Private-sector partnership approach for the promotion of agribusiness development:***

MEDA has always maintained a philosophy of market led economic development. This has meant that business services offered were designed to address market needs. Historically, MEDA got involved in the creation of businesses in areas where there exist a market but lacked businesses to support that market. MEDA's agribusiness involvement included the creation of businesses such as Assomex in Bolivia, a bean marketing company that exported beans, and starting up COFAM in Nicaragua, another bean marketing company.

The matching grant program in Peru will enable MEDA to pilot a different model to support the growth of business services in agriculture. Instead of creating businesses to address market needs, MEDA will partner with companies that already exist in the market, or that is serving the needs in a similar field. The two markets identified are rice production in the San Martin region and hydroponics produced fruits and vegetables in the outskirts of Lima. This strategy is part of MEDA's overall strategy to move towards forging partnerships rather than the traditional experience of starting up marketing businesses. This is also in line with donor guidelines to support the market development approach of supporting BDS facilitators (MEDA) rather than directly funding and subsidizing the BDS providers.

Funding from the MG program will enable MEDA to partner with two private-sector agribusinesses: Agronegocios and Productos Hydroponico S.A.C. Both partners were chosen because they are leaders in their respective fields, portray a strong social mission while demonstrating an ability to become financially viable, and desire to work with rural farmers so as to increase the level of income of rural producers through technical assistance, the provision of sustainable marketing services, and at the same time increase their net profit and sales.

## Organizational Capacity

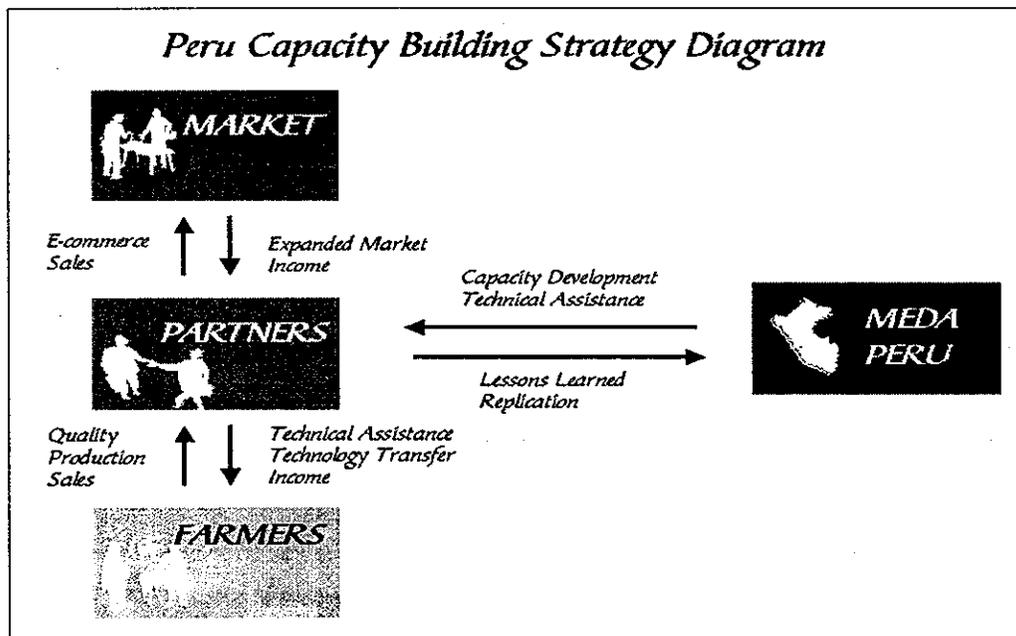
The MG program will enable MEDA Peru to **develop the capacity to manage BDS programs following industry best practices** as well as **strengthen the organizational capacity of partners to delivery effective non-financial marketing services to small holder farmers**.

Technical assistance and training received through headquarters, consultants, and MEDA members will build capacity in MEDA Peru to deliver effective assistance to partners and clients (small farmers).

Peru is MEDA's newest international field office. In September 2000, MEDA initiated a pilot project to produce and export first quality processed and canned palm heart from the Puerto Bermudez region of Peru and assist 150 farmers reach export markets in the process. The project consisted of 2 part-time technical staff.

The MG program will allow MEDA Peru to expand operations and increase resources. Project funds will be used to strengthen and train local staff in project management skills, monitoring and evaluation methodologies and in financial management and controls. Training will be supported by the technical resource unit at headquarters in coordination with the department of International Operations and the finance manager.

Diagram 1



## Assessment of Organizational Capacity

### MEDA PERU

MEDA opened an office in Lima Peru in the beginning of 2002. A country manager, Sonia Dominguez, was hired in September of 2002 and will oversee all of MEDA's operations in Peru as well as direct the activities under the MG program. Oscar Perez

was hired at the same time and serves as the monitoring and evaluation specialist. In addition, the office includes an administrative assistant and a part-time accountant.

In November 2001, a strategic planning session helped to determine the following organizational needs for MEDA Peru:

<b>Diagnosis</b>	<b>Findings</b>
Orientation and training for Country Manager	<p>The country Manager, Sonia Dominguez was hired in September 2002. In the same month, the regional manager for Latin America spent 2 weeks in Peru and provided orientation to the job for the Country Manager. Together, they reviewed the objectives for the PVC and visited with project partners and the various donor agencies. Both spent another week in Bolivia to look over various MEDA projects in Bolivia and to share and learn from the experiences of the country manager in Bolivia.</p> <p>In October, Ms. Dominguez spent a week in the MEDA office in Lancaster for orientation to MEDA's international operations. She spent another week in Canada with the various International Economic Development department directors. Ms. Dominguez attended the DIP planning workshop hosted by USAID MG Program in that same month. The orientation concluded with her participation at the annual MEDA convention, "Business as a calling" in Chicago in November to meet with various MEDA members and to participate in a panel on agribusinesses: building linkages to small holder farmers.</p>
MEDA Peru to receive training on accounting, auditing and financial reporting procedures	<p>MEDA Peru currently employs a part-time accountant to provide accounting and bookkeeping functions for the matching grant programs in Peru. Financial reports were done under basic spreadsheets in Microsoft excel. With the complexity and sophistication required in managing the finance for the MG program, it was determined that office would install the accounting software, ACCPAC. The program is currently being used in the rest of MEDA field programs. The installation will be followed with a visit by the finance manager from MEDA headquarters. Peru's accountant will continue to receive training and mentorship from headquarters up to a level of proficiency where he is able to work independently. Finance Manager will carry out annual financial audits.</p>
Define organizational needs, HR policies and procedures	<p>MEDA Peru will need to determine what resources is needed to implement the matching grant project including the job descriptions of all the staff, training needs, HR policies and operational procedures. The country manager will report directly to the Director of International Operations and headquarters will provide support and assistance in terms of determining these HR needs.</p>
Increase technical expertise in agribusiness. Ag.	<p>To position itself as a leader in agribusiness development, MEDA Peru needs to expand its present staff capacity to include experience and expertise in agribusiness, ag-marketing and agriculture project management. MEDA Peru will also benefit from</p>

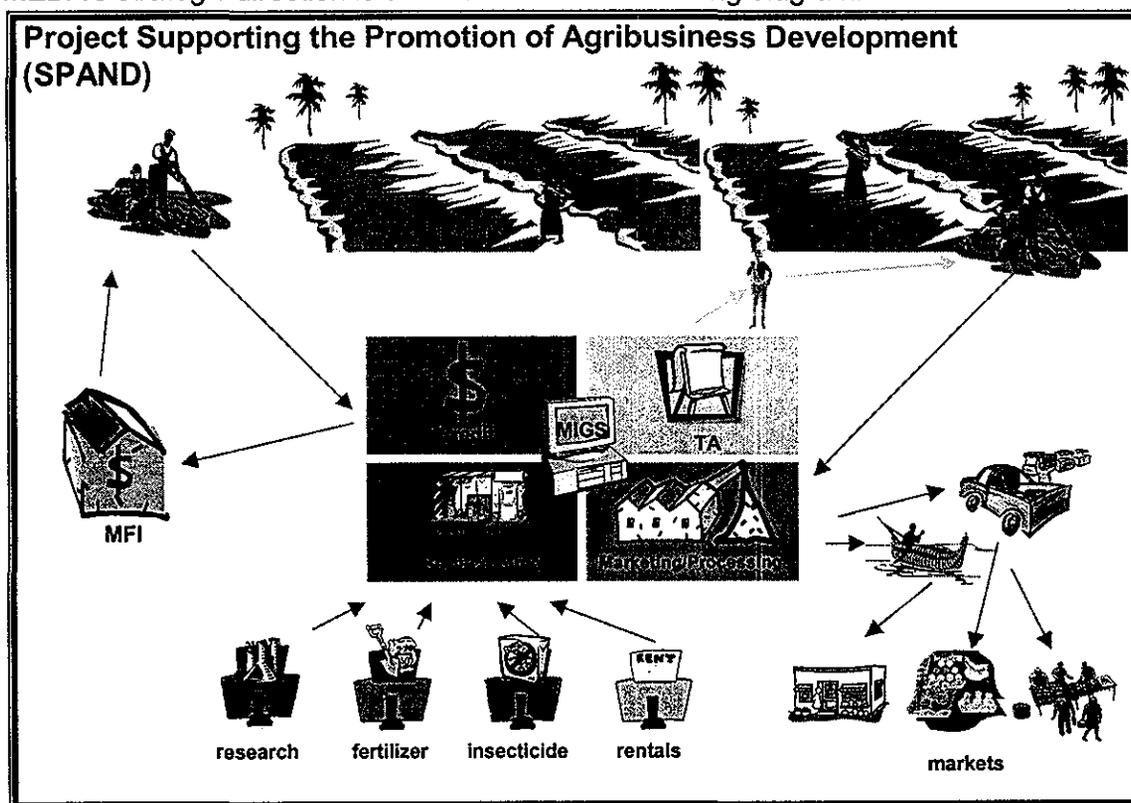
Marketing and the supervision of partner programs.	closer collaboration with headquarters to move forward on their strategy and to attain tools and technical assistance from headquarters for the delivery and monitoring of programs.
Building capacity in project management, monitoring and evaluation techniques	The country manager reports to both the director of International Operations and the Regional manager of Latin America. MEDA Peru also follows reporting procedures that includes monthly reporting, mid year and annual evaluations, country strategies and annual plan of operations. These reports include an analysis of program performance against target objectives. In addition, the TRU has been charged with providing training on monitoring and evaluation approaches, impact and gender and environment issues.

## B2. PARTNERSHIP PLAN

### Peru

MEDA Peru will partner with two agribusinesses: Agronegocios and Productos Hydroponics S.A.C. (PHISAC). Like MEDA, these organizations seek to increase the level of income of rural producers through the provision of sustainable marketing services.

MEDA's strategic direction is summarized in the following diagram:



### Agronegocios

*Partnership with Agronegocios will strengthen MEDA's experience in applying the market development approach*

Agronegocios is an agricultural marketing company that purchase, processes and markets rice from the San Martin region of Peru to wholesalers in Lima and other national markets. These wholesalers sell the product on to retailers who sell the product to the public. Agronegocios generates a profit from the margins between the price at which it purchases the grain from the farmers, and the price at which it sells the grain to the wholesalers. The company is dedicated to helping farmers produce the best product possible and pay the highest prices for this product permitted by the market. Agronegocios fills a market gap in that no other company is providing marketing information to farmers (quality demands) that allow the farmer to produce according to the demands of the market and attain higher prices. This allows for unfair price competition as purchasers may increase the nominal price offered to farmers, but ultimately pay less for the product. With Agronegocios in the market, the competition must pay competitive prices and demonstrate transparency and accuracy in the process.

Among the agricultural products produced in the region of San Martin, rice represents 60% of the total production and 55% of the agriculture GNP. The total rice production is around 50,000 hectares (average farm land is between 1-5 hectares).

The project will focus on providing marketing services to micro and small rice farmers in the San Martin region of Peru. MEDA will partner with Agronegocios to implement a sustainable approach to support the promotion of agribusiness to small farmers. The model will assist farmers by providing information on quality standards for rice required by the markets (TA), and provide a link between wholesales which sell services to farmers such as fertilizers, seeds, pesticides and equipment; and farmers in need of access to such reliable services at reasonable prices (Service Links). Agronegocios will assist farmers find channels to sell their rice production and ensure that farmers receive fair prices during the processing of rice and in the markets (Processing + Markets). An essential component of the project also includes helping farmers find access to credit for their production. While the project is not equip with a credit component, MEDA will work with Agronegocios to explore options to find credit financing for farmers from financial institutions.

## **Hydroponics**

### ***Partnership with PHISAC will enable MEDA to pilot and test a sustainable model to bring high-tech irrigation technology to small-scale farming***

PHISAC is a company whose main area of activity is the production and marketing of hydroponics fruits and vegetables. The company is based 30 km outside of Lima. PHISAC was formed two years ago and is looking to expand its operations to increase its production of strawberries, lettuce, and tomatoes, in addition to expanding its production base to include other produce. On 2 hectares of land, PHISAC is unable to produce sufficient quantities of tomatoes, snow peas and strawberries for sale to meet the growing demand in the Lima markets.

The company has a simple structure with a manager and key technical staff, who oversee production, quality control, and marketing. PHISAC will contribute to the project making its proven hydroponics production technology accessible to small farmers. In addition, PHISAC will work closely with MEDA to establish marketing channels for hydroponics production that will emerge from this project.

MEDA Peru will assist PHISAC to carry out market studies to understand the demand for hydroponics products in Lima and to research profitable new crops for production. MEDA Peru will work closely with PHISAC to develop a marketing strategy to expand their growth and demand in the local and international markets. The department of MEDA Trade in headquarters will assist to connect PHISAC to new markets and buyers in North America.

MEDA Peru will provide technical and marketing assistance to a small group of farmers interested in applying drip irrigation technology to produce vegetables and fruits. While farmers express an interest in increased income and production, they do not have sufficient capital to invest in technology that is costly to install. The MG program and enable MEDA to partner with the farmers to establish the drip irrigation system and provide financing to farmers. MEDA Peru is filling a growing demand of helping poor and micro farmers access technology to improve the quality of the production to ultimately attain higher prices and income for their livelihoods.

### **B3. TECHNICAL INTERVENTIONS**

#### ***Strengthen partners' organizational capacity so as to deliver effective marketing and technical services to farmers***

MEDA Peru will equip partners to improve business planning and financial management practices. This will include helping partners define their operational policies and procedures and setting project targets and performance. The marketing toolkit developed at headquarters will facilitate this capacity building for partners and strengthen their marketing services.

#### ***Strengthen the delivery of technical assistance and the demand of marketing services to small holder farmers***

MEDA Peru will work with partners at developing a technical assistance package for production. The package will include hydroponics and drip irrigation technology implementation for small commercial farmers of fruits and vegetables; and production and marketing services for rice producers in San Martin region. This technical assistance package is designed to build the capacity within farmers so that they can deliver quality production to partners, ensuring a steady income and fetching higher prices for their production.

MEDA Peru will work with the project partners to develop and use new marketing technology. Training topics will include the relevance of the various elements that make up a marketing management. Special attention will be placed on export management of food and agricultural productions.

#### ***Develop market information and monitoring systems to track farmer productivity and financial projections***

MEDA Peru will work closely with the partners at developing their capacity to access and use information for their own strengthening. MEDA Peru will assist partners in developing an internal information system which will incorporate market, production and client profiles and will allow partners to make more informed decisions regarding their production levels, costs and sales strategy. The MIS system will be developed and tested first for the rice project.

## **Implementation Strategy**

MEDA will engage in technical assistance with partners in all year. In year one, a business plan will be developed with partners, focusing on areas for improvement and growth. The baseline assessment revealed that financial management is a weakness in both partnerships. Financial planning and reporting schedules and forms will be developed with the partners that will in turn strengthen their management capacity.

In year 2, MEDA Peru will assist partners implement a technical assistance package to improve the delivery of technical services and marketing to farmers. During production cycles, technical staff will be delivering technical assistance to farmers in the form of assistance and follow-up to ensure quality, pest control, sufficient use of fertilizer and consistent seed variety. Staff will also arrange for the farmers to get together for a "Día del Campo" (Day in the field) to meet with service representatives that sell fertilizers; chemicals, seeds, machineries and tools, to learn about new technologies and products available in the market. MEDA Peru will help partners develop better training and more innovative technical assistance using the Día del Campo approach that can be replicated in other product markets and regions.

In year 2, MEDA Peru will work at strengthening the information systems of partners, in order that they may be able to make improved use of information technology for their marketing and operations.

Beginning midway through year one, MEDA Peru will work close with the partners to develop their marketing and distribution channels by strengthening linkages between suppliers and clients. Training and technical assistance in areas such as customer retention and satisfaction, backward and forward distribution linkages, quality standards in marketing and product development will be provided to partners.

### **B4. PLAN TO ACHIEVE SUSTAINABILITY**

MEDA Peru hopes to create sustainable linkages between small farmers and their access to markets through private sector agriculture marketing companies. MEDA will develop and test sustainable models for delivering technical assistance to farmers in a cost-effective manner. The matching grant program will bring important lessons learned on how to work with private sector providers to deliver quality services to small holder farmers and how to ensure proper follow-up and technical support from MEDA.

MEDA Peru intends to replicate these learning, along with industry best practices to deliver new and effective programs as well as develop new partnerships in Peru and in other country programs. Lessons learned will be documented and shared with other MEDA programs and to other organizations through the MEDA consulting group.

Important to the sustainability of the project is to develop a clear plan for the exit strategy at the end of project funding. MEDA will work diligently on this strategy beginning at midpoint. The aim is to leave behind sustainable businesses that is able to generate profits while maintaining an interest to increase farmer income.

## B5. PLANNING MATRIX

### HEADQUARTERS

Program Objectives	Major Planned Activities	Indicators	Targets			Data Sources and Collection Methods
			Baseline	Mid-Point	End of Project	
<b>Organizational Development</b>						
<p>Improve the synergy between IED's four departments to develop integrated and more effective services to MEDA's field partners and clients</p>	<ul style="list-style-type: none"> <li>Review of MEDA's current operational and organizational structure</li> <li>External consultant to carry out formal organizational review</li> <li>Department directors develop plans for increase synergy and cooperation between programs</li> <li>Carry out strategic discussions about MEDA's current operations vs. future strategies</li> </ul>	<ul style="list-style-type: none"> <li>Departments' annual review and plan of operations (ARPO)</li> <li># of concept papers/proposal developed for funding</li> <li>An improved organizational structure defined for the International Economic Development Dept</li> </ul>	<p>Carried out annually</p> <p>As of Oct 1 2001, 0</p> <p>IED will begin an organizational review and examine current challenges in org. structure and determine changes needed</p>	<p>2 ARPOs/ dept. completed</p> <p>6</p> <p>Organizational review completed and potential restructuring decisions will be made</p>	<p>3 ARPOs/ dept completed</p> <p>12</p> <p>New strategy defined and in place</p>	<ul style="list-style-type: none"> <li>ARPO reports</li> <li>IED Monthly Reports</li> <li>Concept papers completed</li> <li>Proposals developed</li> <li>IED strategy discussion pieces</li> <li>Organization chart</li> <li>Organization Review report</li> </ul>
<p>Strengthen HQ technical expertise in BDS, production-marketing linkages</p>	<ul style="list-style-type: none"> <li>Recruitment of technical advisors in Agriculture and BDS</li> <li>Develop technical strategy in BDS, production-marketing linkages and microfinance</li> </ul>	<ul style="list-style-type: none"> <li># of technical BDS/Ag advisors based in HQ</li> <li>Programs adopting new BDS Market Development strategy</li> <li>% of proposals that receive funding/ total # of proposals developed</li> </ul>	<p>1</p> <p>0 (No current program has adopted BDS Market Development approach)</p> <p>0 (at the start of PVC funding)</p>	<p>2</p> <p>25% programs applying market development approach</p> <p>10%</p>	<p>4</p> <p>75% programs applying market development approach</p> <p>25%</p>	<ul style="list-style-type: none"> <li>Organization chart</li> <li>Technical trip reports</li> <li>Monthly IED report</li> <li>Annual program reports</li> <li>BDS Strategy Paper</li> <li>Concept papers/ proposals</li> </ul>

Program Objectives	Major Planned Activities	Indicators	Targets			Data Sources and Collection Methods
			Baseline	Mid-Point	End of Project	
<b>Technical Intervention</b>						
Strengthen monitoring, evaluation and reporting process of BDS programs	<ul style="list-style-type: none"> <li>Revise current monitoring and evaluation process for BDS and develop BDS performance indicators</li> <li>Develop BDS monitoring sheets and train staff on its use</li> <li>Carry out monthly monitoring of programs</li> </ul>	<ul style="list-style-type: none"> <li>BDS monitoring sheets developed and used by partners</li> <li># of BDS indicators developed as performance benchmarks</li> </ul>	No project using BDS monitoring sheets  0	BDS monitoring sheets developed for all partners in Peru and functional  5	Timely monitoring sheets submitted to HQ monthly  8	<ul style="list-style-type: none"> <li>Monthly monitoring sheets</li> <li>Annual evaluation performance measurement</li> </ul>
Develop social impact indicators to be incorporated into MEDA investments	<ul style="list-style-type: none"> <li>Research and develop investment impact tools</li> <li>Apply investment impact tools to due diligence process</li> <li>Monitoring of impact indicators in investments</li> </ul>	<ul style="list-style-type: none"> <li># of social investment indicators developed as performance benchmarks</li> <li># of investments evaluated using criteria</li> </ul>	0  0	2  20%	5  100%	<ul style="list-style-type: none"> <li>Due diligence on investments</li> <li>Social impact criteria checklist</li> <li>Quarterly investment reports</li> </ul>
Enhance expertise in the delivery of MIS for financial and impact tracking	<ul style="list-style-type: none"> <li>Identify system needs specific to BDS and Microfinance programs</li> <li>Identify HQ MIS reporting needs</li> <li>Carry out a system needs assessment for programs</li> <li>Develop and test appropriate systems</li> <li>Implement systems for HQ and partner programs</li> <li>Train staff on the application of software</li> </ul>	<ul style="list-style-type: none"> <li>Continuous improvements carried out on MIS system (MFI)</li> <li>BDS MIS system developed and used by various partners</li> <li>Financial tracking system developed for country programs</li> </ul>	Currently 2 MIS systems exist for MEDA's microfinance programs  BDS MIS system not developed  Country programs not currently submitting financial reports through web system	MIS system to serve 60% of programs MIS reporting needs  On going programming, testing and design of system Financial tracking system developed and all country programs trained on system	MIS system to serve 100% of programs MIS reporting needs and/or upgraded into new system MIS system tested and used by 2 partner projects Financial tracking system function and used by all programs	<ul style="list-style-type: none"> <li>MIS systems report (Annual)</li> <li>Financial and monitoring reports generated from MIS systems</li> <li>Quarterly progress reports</li> </ul>

Program Objectives	Major Planned Activities	Indicators	Targets			Data Sources and Collection Methods
			Baseline	Mid-Point	End of Project	
<b>Partnership</b>						
Improve delivery of technical assistance and field monitoring and evaluation capacity	<ul style="list-style-type: none"> <li>Identify training needs of field programs</li> <li>Carry out training in cross-cutting themes</li> <li>Review and revise current monitoring and reporting systems</li> <li>Enforce monthly monitoring systems</li> <li>Carry out impact studies on project beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li># of staff training on cross-cutting themes carried out</li> <li>participants incorporating training themes in project mgmt</li> <li># of reports focused on cross-cutting these submitted to HQ from field</li> <li># of beneficiary impact studies completed</li> </ul>	<p>0*cross cutting training refers to gender, environment and impact training</p> <p>All programs to define strategy to accomplish cross cutting objectives</p> <p>None of the programs are providing cross cutting analysis performance objectives</p> <p>0 impact studies currently completed</p>	<p>3 (moz. Peru and HQ)</p> <p>Cross cutting objectives accomplish in 1 of the 3 themes for all programs</p> <p>Each program to deliver analysis report on one theme</p> <p>Baseline studies completed</p>	<p>9 (all 3 programs trained in all three themes)</p> <p>Cross cutting objectives accomplished in all 3 of the 3 themes.</p> <p>Each program to deliver analysis on 2 of the themes</p> <p>Ranking should improve to 4</p> <p>Impact studies completed for Moz and Peru</p>	<ul style="list-style-type: none"> <li>Field reports</li> <li>Annual review and plan of options</li> <li>Training satisfaction forms</li> <li>Performance Management Review Process</li> </ul>
Increase monitoring and evaluation capacity in field programs	<ul style="list-style-type: none"> <li>Review and revise current monitoring reporting systems</li> <li>Enforce monthly monitoring systems</li> <li>Carry out impact study of project beneficiaries</li> <li>Provide training on BDS performance measurement</li> </ul>	<ul style="list-style-type: none"> <li>Define use of new report structure</li> <li># of BDS monitoring reports received from field</li> <li>total # of impact studies completed (BDS)</li> </ul>	<p>Current rpts provide basic data</p> <p>No monitoring reports submitted (qtly)</p> <p>1</p>	<p>Implement new standards</p> <p>50% using quarterly m. sheets</p> <p>1</p>	<p>All programs using new standards</p> <p>100%</p> <p>3</p>	<ul style="list-style-type: none"> <li>Monthly and quarterly BDS reports</li> <li>Baseline study analysis</li> </ul>
<b>Sustainability</b>						
Support and strengthen a locally managed	<ul style="list-style-type: none"> <li>Provide monitoring and management oversight</li> <li>Develop a strategy for</li> </ul>	<ul style="list-style-type: none"> <li># of management visits to Kulane</li> </ul>	<p>1 (as per funding for PVC II)</p>	<p>3</p>	<p>6</p>	<ul style="list-style-type: none"> <li>Trip reports</li> <li>Discussions regarding expansion/</li> </ul>

Program Objectives	Major Planned Activities	Indicators	Targets			Data Sources and Collection Methods
			Baseline	Mid-Point	End of Project	
Microfinance Institution in Mozambique	<ul style="list-style-type: none"> <li>the future of the institution</li> <li>Provide technical support and supervision of performance</li> <li>Contribute lesson learns to other programs and to MCG</li> </ul>	<ul style="list-style-type: none"> <li>Determine strategy to expand/merger</li> <li>Increase loan capital for lending</li> </ul>	<p>Strategy to expand/merger not currently defined</p> <p>Baseline loans outstanding (\$46,000)</p>	<p>Kulane to begin exploring options for expansion and merger and make contact with at least 2 potential institutions</p> <p>Increase by 15%</p>	<p>Future strategy for Kulane defined and process towards merger in effect</p> <p>Increase by 20%</p>	<ul style="list-style-type: none"> <li>merger</li> <li>SEEP reports</li> <li>Microfinance monitoring sheets</li> </ul>
Support the development of BDS Market development programming	<ul style="list-style-type: none"> <li>Provide monitoring and management oversight</li> <li>Develop a global BDS/Production Marketing Strategy</li> <li>Give guidance in the design and delivery of BDS programs</li> <li>Provide training workshop to country managers</li> <li>Plan and deliver BDS conference</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring of BDS performance targets</li> <li># of Concept papers developed and submitted for funding applying the principles of the market development approach</li> </ul>	<p>Monitoring of BDS</p> <p>Performance not currently carried out</p> <p>0 (Current programs do not follow the market development approach)</p>	<p>Quarterly/ Annual Analysis carried out</p> <p>3 (at least 1 of the proposal developed for programs other than Peru)</p>	<p>Provide end of project evaluation</p> <p>6 (at least 2 of the concept papers are approved for funding)</p>	<ul style="list-style-type: none"> <li>Monitoring sheets</li> <li>Annual Evaluations</li> <li>Concept papers completed</li> <li>Proposals submitted</li> <li>BDS conference proceedings</li> </ul>
Contribute to industry-wide best practices for SME development	<ul style="list-style-type: none"> <li>Participate in SEEP Meetings and other international conferences</li> <li>Develop case studies to share with industry practitioners</li> </ul>	<ul style="list-style-type: none"> <li># of conferences attended</li> <li># of workshops delivered</li> <li># of case studies developed</li> </ul>	<p>1</p> <p>1</p> <p>0</p>	<p>3</p> <p>2</p> <p>1</p>	<p>6</p> <p>3</p> <p>2</p>	<ul style="list-style-type: none"> <li>Case studies developed</li> <li>IED monthly report</li> <li>Trip reports</li> </ul>

## MOZAMBIQUE

Program Objectives	Major Planned Activities	Indicators	Targets			Data Sources and Collection Methods
			Baseline	Mid-Point	End of Project	
<b>Organizational Development</b>						
Improve strategic management practices through developing an institutional and governance structure	<ul style="list-style-type: none"> <li>• Research structural options (investment society, merger)</li> <li>• Decide on structure</li> <li>• Define and implement steps to institutional transformation</li> <li>• Define the composition of the governance structure</li> <li>• Put in place appropriate governance structure</li> </ul>	<ul style="list-style-type: none"> <li>• Change in institutional</li> <li>• Governance structure installed</li> </ul>	<p>No defined structure</p> <p>No change to governance structure</p>	<p>Begin steps towards new structure</p> <p>Investigation into potential options</p>	<p>Process in progress or merger completed</p> <p>Governance structure in place</p>	<ul style="list-style-type: none"> <li>• Technical Trip reports</li> <li>• Annual Evaluations</li> <li>• Investigation reports</li> </ul>
Increase organizational learning through enhance capacity to increase client demand	<ul style="list-style-type: none"> <li>• Design and implement client exit surveys and customer satisfaction interviews</li> <li>• Revise and design products as needed</li> </ul>	<ul style="list-style-type: none"> <li>• Client retention rate</li> </ul>	87%	90%	93%	<ul style="list-style-type: none"> <li>• Monthly Seep reports</li> <li>• Annual Evaluation of performance</li> </ul>
Improve financial management capability and financial reporting features	<ul style="list-style-type: none"> <li>• Training for senior staff in financial management and internal controls for MFIs</li> <li>• Upgrade existing MIS and accounting systems as necessary</li> </ul>	<ul style="list-style-type: none"> <li>• Training sessions conducted</li> <li>• Improvements made on MIS and accounting system</li> </ul>	<p>Training not carried out</p> <p>Current MIS system is serving the need of Kulane</p>	<p>Training completed in: internal control mgmt &amp; cash flow mgmt</p> <p>As program expands, new reports are required. System will include 5 impact indicators.</p>	<p>Training completed in: advance financial modeling and ratio analysis</p> <p>Strategy of MIS upgrade that could lead to a change in system as needs progress</p>	<ul style="list-style-type: none"> <li>• Annual Evaluation</li> <li>• Staff Performance review</li> <li>• Systems manager trip report</li> <li>• Annual Workplan review</li> </ul>
Improve Human Resource Management	<ul style="list-style-type: none"> <li>• Training in staff performance mgmt provided to senior mgmt team</li> <li>• Support in the area of human resource management</li> </ul>	<ul style="list-style-type: none"> <li>• # of staff trained</li> <li>• Staff retention rate</li> </ul>	<p>1</p> <p>&gt;90%</p>	<p>2</p> <p>&gt;90%</p>	<p>4</p> <p>&gt;90%</p>	<ul style="list-style-type: none"> <li>• Yearly ARPO</li> <li>• Annual Evaluations</li> </ul>

Program Objectives	Major Planned Activities	Indicators	Targets			Data Sources and Collection Methods
			Baseline	Mid-Point	End of Project	
<b>Technical Interventions</b>						
Increase ability to detect fraudulent practices through new processes	<ul style="list-style-type: none"> <li>Receive training in internal control practices</li> <li>Implement or revise policies</li> <li>Recruit/Train an internal auditor</li> </ul>	<ul style="list-style-type: none"> <li>Policies and procedures revised</li> <li>Accounting staff applying internal control procedures</li> </ul>	No policy in place/no internal auditor	Internal control policy manual available and training provided	Internal control policy implemented and internal auditor hired/trained	<ul style="list-style-type: none"> <li>Yearly ARPO</li> <li>Annual Evaluations, mid-term review</li> </ul>
Improve Business mgmt capacity in clients	<ul style="list-style-type: none"> <li>Survey list of training courses offered locally</li> <li>Explore linkages and facilitate access for clients</li> <li>Collect data from individual clients on equity growth</li> </ul>	<ul style="list-style-type: none"> <li>Improved growth in equity rate for ind. Clients</li> <li>Improved repayment rate for repeat clients</li> </ul>	Equity growth measurement not available	>5% average growth in client equity	>10% average growth in client equity	<ul style="list-style-type: none"> <li>Monthly SEEP reports</li> <li>Annual Evaluations</li> </ul>
Improve staff capacity through training	<ul style="list-style-type: none"> <li>Training and technical assistance for new and existing staff</li> <li>Credit management training will be required for the Credit Supervisor</li> </ul>	<ul style="list-style-type: none"> <li># of staff trained</li> <li>New credit officers to achieve target caseload w/n 6 months</li> <li>Credit Supervisor able to analyze portfolio indicators</li> </ul>	Staff capacity not optimal	Incentive scheme for Credit officer implemented that includes indicators for portfolio at risk, min. # of active clients and loans, value of loans disbursed	Financial Performance improved and all financial project targets met 100%	<ul style="list-style-type: none"> <li>Monthly SEEP reports</li> <li>Staff Performance review</li> </ul>
<b>Partnership</b>						
Establish innovative partnerships for new product development in mosquito treated bednets	<ul style="list-style-type: none"> <li>Carry out market research</li> <li>Encourage clients to increase amount of loans and purchase ITNs on credit</li> <li>Clients receive vouchers to be exchanged for ITNs at authorized shops</li> <li>Credit officers promote sale of nets</li> </ul>	<ul style="list-style-type: none"> <li># of clients purchasing nets</li> <li>\$ of sales/credit officer</li> </ul>	0  0	At least 10% of clients purchasing nets 10% of credit officer clients purchasing nets	At least 25% of clients purchasing nets 15% of credit officer clients purchasing nets	<ul style="list-style-type: none"> <li>ITN report</li> <li>ITN indicators</li> </ul>

Program Objectives	Major Planned Activities	Indicators	Targets			Data Sources and Collection Methods
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Establish new partnerships to provide start-up credit to retrenched or formally state owned employees	<ul style="list-style-type: none"> <li>Explore opportunities to link with programs providing alternative employment opportunities to retrenched employees of major companies</li> </ul>	<ul style="list-style-type: none"> <li># of organizations consulted and presentation made</li> </ul>	0	1 contact made and criteria for lending established	Client base expanded through partnership	<ul style="list-style-type: none"> <li>Investigation report</li> </ul>
<b>Achieving Sustainability</b>						
Form a strong, sustainable credit institution	<ul style="list-style-type: none"> <li>Sound portfolio mgmt</li> <li>Implement new governance structure</li> </ul>	<ul style="list-style-type: none"> <li>Financial sustainability ratio</li> <li># of active clients</li> <li>Definition of institutional structure</li> </ul>	47%	71%	86%	<ul style="list-style-type: none"> <li>Monthly Seep Reports</li> <li>SEEP reports</li> <li>Annual Evaluation</li> <li>Mgmt Reports</li> </ul>
Develop new product lines	<ul style="list-style-type: none"> <li>Product research</li> <li>Product development and testing</li> <li>Provide linkages for business development training to clients</li> </ul>	<ul style="list-style-type: none"> <li># of new products for alternative sectors</li> <li>Increase in avg. loan size</li> </ul>	2 products (solidarity & individual) Avg. loan size - \$48	1 new product researched 66%	Introduce rural credit line 26%	<ul style="list-style-type: none"> <li>Annual evaluations</li> <li>Monthly Narratives</li> </ul>
Provide high quality loan products to an expanding client base	<ul style="list-style-type: none"> <li>Research linkages with ITNs</li> <li>Conduct Market research for innovative value-added products</li> <li>Design/revise/test and place products on the market</li> </ul>	<ul style="list-style-type: none"> <li>ITN product developed</li> <li>repayment rate</li> <li>Rural credit product developed</li> </ul>	No defined product 92.5%	ITN providers established 94%	Line of credit available ITN 98%	<ul style="list-style-type: none"> <li>Monthly Narratives</li> <li>Annual Evaluation</li> </ul>

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Program Objectives	Major Planned Activities	Indicators	Targets			Data Sources and Collection Methods
			Baseline	Mid-Point	End of Project	
<b>Organizational Development</b>						
Strengthen partners organizational capacity so as to deliver effective services to farmers	<ul style="list-style-type: none"> <li>Work with partners to develop operational policies and procedures</li> <li>Develop project workplan</li> <li>Carry out due diligence/SWOT analysis</li> <li>Research new product development</li> <li>Assist to develop governance structure</li> </ul>	<ul style="list-style-type: none"> <li>Operational policies and procedures implemented</li> <li>SWOT analysis</li> <li>Market Research into new products</li> </ul>	Not in place  Basic assessment of partner  No research currently undertaken	Operational policies implemented  2 SWOT analysis completed  Carry out Market Research for 2 new products	Operational procedure and policies functioning Revise and update SWOT analysis  Market Research will result in the production of 2 new product	<ul style="list-style-type: none"> <li>Financial reports</li> <li>SWOT analysis</li> <li>Monitoring sheets</li> <li>Evaluation reports</li> <li>Finance manager trip report</li> </ul>
Develop capacity of MEDA Peru to manage BDS programs following industry best practices	<ul style="list-style-type: none"> <li>Orientation and training of Country Manager in project management</li> <li>Define organizational needs, HR policies and procedures</li> <li>Increase capacity in financial system</li> <li>Increase technical expertise in agriculture, marketing and agribusiness and BDS</li> <li>Project staff to receive training</li> </ul>	<ul style="list-style-type: none"> <li># of staff managing project</li> <li>Financial accounting system in place</li> <li>Staff receive BDS training</li> <li># of concept papers created by local field prog.</li> </ul>	1  Basic reports in Excel.  Limited knowledge of BDS  0	3  Implement Acct. software  Staff able to monitor and implement BDS projects 2	4  Financial rpts submitted using system  Staff able to replicate and design new BDS programs 4	<ul style="list-style-type: none"> <li>Organizational Chart</li> <li>Financial Reports</li> <li>Annual Evaluations</li> <li>Proposals</li> <li>Quarterly Monitoring Sheets</li> </ul>
<b>Technical Interventions</b>						
Strengthen the delivery of technical assistance and demand of marketing services to small holder farmers	<ul style="list-style-type: none"> <li>Provide technical assistance in rice cultivation to farmers</li> <li>Assist in the implementation of a market information and inventory database for farmers</li> <li>Carry out training in market research methodology</li> <li>Train partners on accessing market information for quality, and market price for rice</li> </ul>	<ul style="list-style-type: none"> <li># of farmers reached</li> <li># females</li> <li>#of farmers accessing credit</li> <li># of markets accessed</li> </ul>	30  3%  0 (none of the farmers have access to credit) 1 markets exist for Lima	100  10%  50  15%  1 + 1 new market for rice available	150  12%  150  25%  Sustained 3 markets for selling rice	<ul style="list-style-type: none"> <li>Partner reports</li> <li>Monitoring sheets</li> <li>Monitoring and Evaluation reports</li> </ul>

Program Objectives	Major Planned Activities	Indicators	Targets			Data Sources and Collection Methods
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Implement a market information and monitoring system to track farmer productivity and financial projections* (This refers to outputs generated from the MIS system)	<ul style="list-style-type: none"> <li>Assist in the design of a client tracking system</li> <li>Provide technical advise on implementing system</li> <li>Assist in the pilot test phase</li> <li>Install system with partner programs</li> <li>Application of data for marketing research, client monitoring</li> <li>Generate reports and analysis</li> <li>Market system to interested parties</li> </ul>	Indicators tracked by MIS system <ul style="list-style-type: none"> <li># of demonstrations made to various institutions.</li> <li># of systems installed with partner org.</li> <li>#of clients tracked in system</li> <li># of service providers monitored w/n system</li> <li># of ag. products monitored</li> </ul>	MIS system is currently under development. As such, all indicators begin at 0  0  0  0  0	5 (for donor agencies and NGOs)  1  150  5  2 (potentially rice and cotton)	10  2  350  15  3	<ul style="list-style-type: none"> <li>Systems reports</li> <li>Monitoring reports generated from the system</li> </ul>
<b>Partnerships</b>						
Partnership with PHISAC to pilot and test a sustainable model to bring high-tech irrigation technology to small-scale farming	<ul style="list-style-type: none"> <li>Develop and test irrigation systems for small holder farmers</li> <li>Implement irrigation systems</li> <li>Identify products for production</li> <li>Provide initial set-up training</li> <li>Carry out technical assistance to farmers</li> <li>Monitor quality and productivity of crops</li> </ul>	<ul style="list-style-type: none"> <li># of irrigation systems implemented</li> <li># of ag. Products identified for production</li> <li>% increase in productivity</li> </ul>	2  Currently snow peas  No crops currently produced	8  Snow peas + introduction of one other crop  15% increase from first harvest	20  Total of 3 crops produced  25% increase from first harvest	<ul style="list-style-type: none"> <li>Technical staff report</li> <li>Evaluation reports</li> <li>Monitoring sheets</li> <li>Field assessments</li> </ul>
Partnership with Agronegocios will strengthen MEDA's learning in applying market development	<ul style="list-style-type: none"> <li>Inject MEDA investment into partnership</li> <li>Link farmers with service providers, MFI and markets</li> <li>Seek local and international buyers of rice</li> </ul>	<ul style="list-style-type: none"> <li>% increase in working capital of company</li> <li># of farmers accessing</li> </ul>	Initial working capital investment of \$50,000 from MEDA 30	3% increase in working capital  100	7% increase in working capital  150	<ul style="list-style-type: none"> <li>Financial Reports</li> <li>Monitoring Reports</li> <li>HR chart</li> <li>Sales Reports</li> </ul>



Program Objectives	Major Planned Activities	Indicators	Targets			Data Sources and Collection Methods
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approach to the rice sector	<ul style="list-style-type: none"> <li>Improve the quality of rice for sale</li> <li>Strengthen operations of company</li> <li>Participate in the board and governance structure of company</li> </ul>	<ul style="list-style-type: none"> <li>services from Agronegocios</li> <li># metric tons of rice sold thru Agronegocios</li> </ul>	1,513	2,880	3 5,420	
<b>Achieving Sustainability</b>						
Create sustainable linkages between small farmers and their access to markets through private sector agribusiness	<ul style="list-style-type: none"> <li>Develop and test sustainable models for technical assistance</li> <li>Ensure proper monitoring and responses to variations</li> <li>Strengthen partnership capacity</li> <li>Ensure adequate follow-up and technical support to farmers</li> <li>Provide advisory oversight to managerial and operational decisions</li> <li>Participate in board structure</li> <li>Plan for exit strategy</li> </ul>	<ul style="list-style-type: none"> <li>% increase of farmer participation</li> <li>growth in company sales</li> <li>% increase in farmer income</li> <li># of beneficiaries</li> <li># of farm hectares worked</li> </ul>	(baseline =93)  baseline=s/560,821  base (calculated on 105sols/mth) 150 (avg. hh = 5members) 90hectares (avg. family =3hectares)	25%  s/1,336,320  15%  >400  300hectares	50%  s/2,2505,600  30%  >600  450 hectares	<ul style="list-style-type: none"> <li>Monitoring reports</li> <li>Annual Sales report</li> <li>End of Project impact evaluation</li> </ul>
Replication of best practices in new program delivery and partnership	<ul style="list-style-type: none"> <li>Document lessons learned</li> <li>Research and kept abreast on industry best practices, case studies</li> <li>Engage in sharing lessons with other MEDA programs</li> <li>Seek out new partnership and potential project ideas</li> <li>Develop proposals</li> <li>Design new programming</li> </ul>	<ul style="list-style-type: none"> <li># of case studies on lessons learned developed</li> <li># participation in workshops/conf</li> <li># of partnerships solicited</li> <li># of proposals developed for funding</li> <li># of new programs</li> </ul>	0  0  0  0  0	1  1  3  2  2	2  3  5  3  2	<ul style="list-style-type: none"> <li>Case studies</li> <li>Annual Review and Plan of Operations</li> <li>Concept papers</li> <li>Proposals</li> <li>Contracts</li> </ul>