

ACCELERATED MICROENTERPRISE ADVANCEMENT PROJECT (AMAP) MICROFINANCE IQC



Contract Number GEG-I-00-00-02-00013-00
Quarterly Performance Report Number 5
October 1, 2003 – December 31, 2003

Chemonics Consortium Assesses Malawi's Microfinance Sector

Chemonics is wrapping up an assessment of Malawi's microfinance sector and making recommendations for potential USAID initiatives to support the industry. The assessment followed Chemonics' standard "Financial Systems" approach, treating microfinance as part of Malawi's overall financial services market and focusing on the development of sustainable financial institutions. Using this Financial Systems approach, the Chemonics team evaluated the supply and demand for microfinance services. They also examined the relevant policies, laws, regulations and supervision practices as well as socioeconomic trends that influence the development and nature of microfinance services and facilitate innovation. The team's methodology and findings will feed into an overall,

Inside This Report

Malawi Microfinance Sector Assessment	1
Knowledge Generation Task Order	2
New Requests for Proposal	2
Activities and Accomplishments	2
Publications	3
Management and Administrative Issues	3
Financial Summary	3

collaborative AMAP knowledge management system which will synthesize and disseminate this knowledge to practitioners and USAID, as well as to policy makers and other donors.

Chemonics' assessment of the policy environment for microfinance included an examination of the Malawian government's fiscal and monetary policies as well as other relevant policies affecting the agricultural and financial sectors. Chemonics collaborated closely with major stakeholders including banks, cooperatives, government ministries, NGOs, donor agencies and microentrepreneurs to evaluate the legal and regulatory environment for microfinance.

The Chemonics team also assessed the performance and outreach of Malawian microfinance institutions accounting for the majority of activity in the sector. In addition, they geo-referenced the locations of all leading MFIs and commercial banks that provide financial services for microentrepreneurs.

Chemonics is currently working with USAID/Malawi to finalize its recommendations for program investments that would help to create an efficient, responsive, and financially sustainable microfinance industry. Pending comments from the mission, the report will be finalized in February of 2004. For more information about this assessment please contact USAID/Malawi Private Sector Advisor, Richard Kimball at rkimball@usaid.gov.

CHEMONICS CONSORTIUM PARTNERS

American Refugee Committee
Refugee and post-conflict microfinance

Bankworld, Inc.
Financial institution regulation and supervision

exchange, L.L.C.
Information technology, training, change management

Enterprising Solutions
Program assessment and design, enterprise development

IRIS Center, University of Maryland
Enabling environment; regulation and supervision

Marriott School at BYU
Research, impact assessments; client satisfaction

Moore Media Group
Knowledge management, IT solutions, multimedia technology

Shorebank Advisory Services
Small business loan product design and bank training

AMAP/Microfinance Knowledge Generation Task Order Gets Underway

During this quarter USAID/MD introduced a new thematic framework outlining 6 research themes to guide research under the Knowledge Generation task order. Chemonics' Knowledge Generation Director, Anita Campion, met with USAID/MD Theme Managers and other AMAP contractors to discuss this new framework and to receive initial technical input and feedback on research topics assigned to the Chemonics consortium.

Chemonics submitted concept papers for each research topic to USAID/MD Theme Managers for final review and approval, and followed up to request feedback on the work plans outlined for each topic. Chemonics incorporated this feedback into the concept papers and further coordinated with other AMAP contractors to identify potential areas for collaboration and to avoid duplication of efforts under research themes. The Chemonics KG task order management team also held a half-day workshop in mid-December for consortium members and Research Directors to provide an overview of the thematic framework, introduce each research topic, and discuss management and technical issues.

Chemonics Consortium Receives Requests for Proposal from USAID/Kenya and USAID/Colombia

During the reporting period the Chemonics consortium received two Tier II proposals, one from USAID/Kenya and another from USAID/Colombia. Proposals for both task orders are due in the first quarter of 2004.

Under the task order requested by USAID/Kenya, the Chemonics consortium would provide a long-term advisor to Kenya's Association of Microfinance Institutions (AMFI). The long-term advisor would work directly with AMFI to strengthen the association as well as to build the capacity of its members.

For USAID/Colombia, Chemonics is proposing a team of short-term technical experts to evaluate the mission's investments to support microfinance. This analysis would involve an assessment of Colombia's microfinance sector as well as an evaluation of the impact of all USAID/Colombia supported programs on the sector. The team would also recommend new or enhanced initiatives to support microfinance in Colombia.

Activities and Accomplishments during the Reporting Period

Table 1. Task Orders Submitted

Title	USAID Mission	Estimated Task Order Amount	Date Submitted	Status of Task Order Award
-------	---------------	-----------------------------	----------------	----------------------------

No task orders were submitted during this reporting period.

Table 2. Task Orders Awarded

Title	USAID Mission	Task Order Amount	Date Awarded	Expected Start Date	Expected End Date
Microfinance Sector Assessment	USAID/Malawi	\$68,788	12/01/2003	12/04/2003	2/28/2004

Table 3. Task Orders Completed

Title	USAID Mission	Task Order Amount	Date Awarded	Start Date	End Date
-------	---------------	-------------------	--------------	------------	----------

No task orders were completed during this reporting period.

Chemonics holds 2nd Annual AMAP/Microfinance Consortium Meeting

On December 16, 2003 Chemonics brought together the members of its AMAP/Microfinance consortium for a one-day conference. Consortium members spent the day discussing general contract issues, existing and potential task orders under the IQC, and methods for improving the speed and quality of service delivery. Chemonics also provided consortium members with a summary of the AMAP Partners' Meeting hosted by USAID in October of 2003. In addition, consortium members provided Chemonics with feedback on the proposal process as well as ideas for increasing awareness of the AMAP program in USAID missions around the world.

Publications

No publications were produced under the IQC during this reporting period.

AMAP/Microfinance IQC Financial Summary

Table 4. Task Order Spending in Year One

	Quarter 1 Jan - Mar 2003	Quarter 2 Mar - Jun 2003	Quarter 3 Jul - Sep 2003	Quarter 4 Sep - Dec 2003	TOTAL 2003
Task Order 801 – Malawi Microfinance Sector Assessment				\$37,413	\$37,413
Task Order 800 – Bolivia RFS Evaluation		\$45,565			\$45,565
Task Order 01 – Knowledge Generation				\$28,125	\$28,125
Total	\$0	\$45,565	\$0	\$65,538	\$111,103

Amendments and Clarification to the Core IQC Contract

We were alerted on April 1, 2003 through the USAID/Bolivia Contracting Officer, Betty Jo Santibañez that Michael Gushue, Contracting Officer for the AMAP IQC had confirmed that an administrative modification to Chemonics' core IQC contract would be forthcoming. Mr. Gushue explained that an older clause was accidentally placed in the contract by the Agency's ProDocs drafting system. He stated that newer language from Contract Information Bulletin no. 99-17 should have been included in the core IQC the contract, and that he would undertake an administrative action to make the change. This modification will change the Organization Conflict of Interest provisional restriction from 36 months to 18 months. As of December 31, 2003, receipt of this modification from the AMAP IQC Contracting Officer is still pending.



For information on Chemonics' AMAP/Micro consortium services:

Melissa Gentry Logan
 AMAP/Micro Senior Manager
 Chemonics International Inc.
 Phone: (202) 955-7496
 Fax: (202) 955-7540
 E-mail: mlogan@chemonics.net
<http://www.chemonics.com>



For information on USAID AMAP/Micro:

Barry Lennon
 AMAP/Micro CTO
 USAID Washington
 Phone: (202) 712-1598
 E-mail: blennon@usaid.gov
<http://www.usaidmicro.org>