



# SUPPORT TO HAITI'S MICROFINANCE, SMALL AND MEDIUM ENTERPRISES SECTOR:

## QUARTERLY REPORT:

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## **DISCLAIMER**

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## LIST OF ACRONYMS

|         |   |
|---------|---|
| AFD     | Agence Française de Développement   |
| ANIMH   | Association Nationale des Institutions de Microfinance d'Haïti                      |
| APB     | Association Professionnelle des Banques   |
| BRH     | Banque de la République d'Haïti   |
| CGAP    | Consultative Group to Assist the Poor   |
| CNIGS   | Conseil National de l'Information Géo-Spatiale                                      |
| CS      | Cooperating Sponsor (USAID Food Security Program)                                   |
| CPs     | Core Partners   |
| DAI     | Development Alternatives, Inc.  |
| DCA     | Development Credit Authority  |
| DID     | Développement International Desjardins  |
| FINNET  | Financial Services Network for Entrepreneurial Empowerment                          |
| GHESKIO | Le Groupe Haïtien pour l'Etude du Sarcome de Kaposi et des Infections Opportunistes |
| KNFP    | Konsey Nasyonal Finansman Popile  |
| LSP     | Local Service Providers   |
| MFI     | Microfinance Institutions   |
| MSME    | Micro, Small or Medium Enterprises  |
| NGO     | Non-governmental Organization   |
| PIF     | Product Innovation Fund   |
| POS     | Points of Service (of financial institutions)                                       |
| PRET    | Program for the Recovery of the Economy in Transition                               |
| RAF     | Rural and Agricultural Finance  |
| SEEP    | Small Enterprise Education Promotion Network  |
| TA      | Technical Assistance  |
| TAMIS   | Technical and Management Information System   |

## I. Introduction

Haiti MSME is a financial sector service project designed to facilitate transactions between the demanders and suppliers of financial services through supply-oriented interventions. Haiti MSME will improve the capacity of a core group of financial suppliers – namely strong microfinance institutions (MFIs), banks receiving DCA support, and USAID-supported *caisses populaires* (MSME CP), to design and deliver appropriate financial products to bankable enterprises from USAID’s MarChe, DEED, MYAP, IDEJEN, and KATA projects<sup>1</sup>.

Haiti MSME contract objectives remain unchanged from year one to year two. However, as Haiti MSME enters its second year of implementation, DAI and USAID have revised the project’s strategy to better ensure that the following project objectives are met:

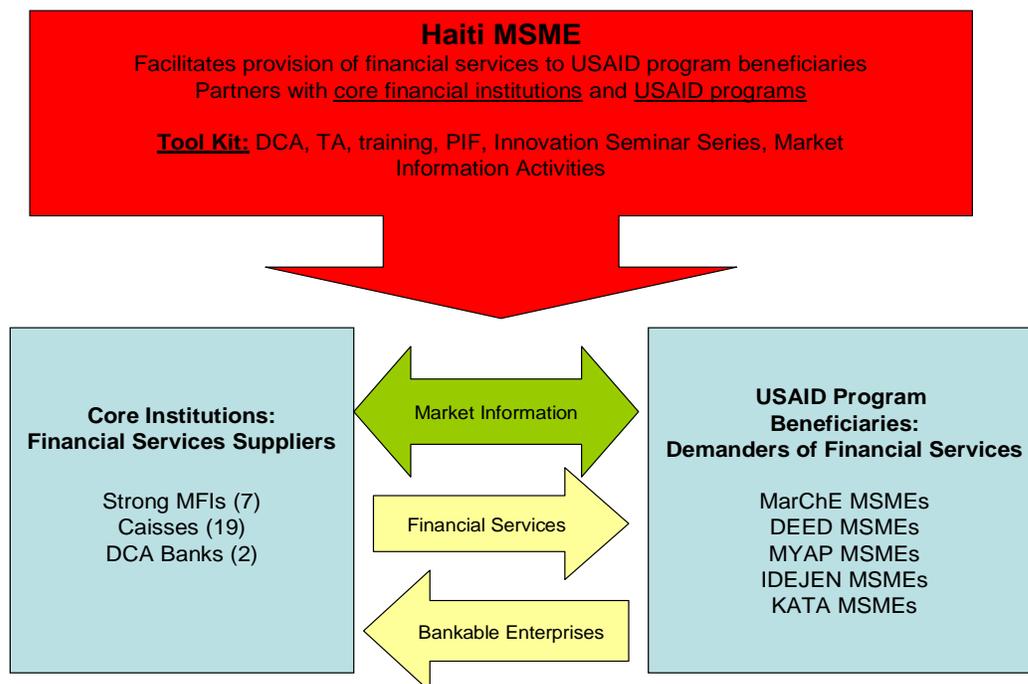
- *Supply Enhancement*—Build capacity of those MFIs and financial institutions best positioned to expand the delivery of financial services to priority geographic areas and productive micro, small, and medium enterprises (MSMEs);
- *Enabling Environment*—Provide guidance for improving the enabling environment for microfinance;
- *Supply Expansion*—Promote the development of new products that meet the diverse needs of MSMEs and encourage service expansion; and
- *Linkages*—Reduce information asymmetries between financial demand and supply and create linkages between USAID-supported enterprises and the Haitian financial sector.

The role of Haiti MSME in facilitating the provision of financial services and promoting financial linkages is illustrated in the graphic provided below.

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<sup>1</sup> USAID selected these partner projects because the MSMEs supported by these projects: 1) will receive the capacity-building technical assistance that allows them to become more bankable enterprises; 2) are more likely to contribute to USAID’s overarching goals of increased income and employment generation; and 3) possess financing needs that more directly correspond with the financial services profile adhered to by the Haiti MSME-supported financial services providers.

## Graphic: The Role of Haiti MSME: Facilitating Financial Linkages



It is Haiti MSME's responsibility to use appropriate incentives and risk management strategies to encourage the core financial institutions to provide innovative and sustainable financial services.

It is the responsibility of USAID's other projects to identify and strengthen the enterprises to bring them to a level to qualify for and to receive financial services.

Wherever possible, Haiti MSME will draw upon the financial and human resources offered by these other projects. Together, the projects will determine a joint financial services strategy to be implemented collectively and will decide where program resources can and should play a role. Haiti MSME will establish and chair a Coordinating Unit to implement this strategy.

## Executive Summary:

The first full quarter of the Year 2 Work Plan gave abundant early signs that the revised strategy and realigned project objectives are working well. Key elements of the workplan provide substantial support and incentives that will encourage the expansion of the financial services sector in directions that will support USAID programming strategy. Creativity and opportunistic programming have produced another quarter with a high level of activities and technical work supporting targeted results.

The elements that have shown immediate results include:

- *Core Partners:* The focus on core partners has enriched our relationships with the designated Core Partners (CPs). Technical assistance packages were discussed and defined with six of the seven MFI CPs, of which five have been implemented. TA packages with the commercial bank CPs were defined and commenced.
- *Partnership with ANIMH:* The signing of two performance based agreements to purchase services from ANIMH not only strengthened our relationship with ANIMH but moved it onto a service provider basis, thereby assuring delivery of trainings to and timely industry indicator collection from microfinance sector.
- *Product Innovation Fund (PIF):* The PIF application period closed at 12/31/07 with a total of 111 initial applications from a diversified group of institutions, many of them showing outstanding technical merits. A total of 8 proposals had been approved by Haiti MSME and forward to USAID for final approval by 12/31/07. All remaining grantees will be approved by Haiti MSME before the end of January and will be forwarded to USAID for approval. The PIF will support innovating activities lending strong support to project objectives of financial service supply enhancement and expansion. It also has fostered linkages with USAID projects and beneficiaries.
- *DCA Technical Support:* The DCA guarantees and the technical support being provided to the two DCA banks, Sogabank/Sogesol and Capital Bank, have brought excellent visibility for USAID activities in the financial service sector and have deepened the relationships and activities with the commercial banking sector and the Association Professionnelle de Banques (APB).
- *Inter-Project Coordinating Committee on Finance:* The creation of this Committee, chaired by Haiti MSME, will have important long term effects on the overall success of the project's objective of facilitating transactions between the demanders and suppliers of financial services. Ensuring that the "linkages strategy" is coordinated and successful, the Committee defines the roles and responsibilities: Haiti MSME functions as the representative of the "supply side"/financial institutions, and the other USAID projects as the representatives of their client groups who are the "demand side" for financial services.
- *Market Information Activities:* A number of Haiti MSME initiatives will deliver improved information which will facilitate expansion of financial services and expanded service offerings. Geographic Information System (GIS) points of service mapping is nearly completed and planning for the microfinance census in consultation with a working group that includes ANIMH, DID, ANACAPH, and KFNP, was completed.

## II. Quarterly Report Performance Results

This Quarterly Report Performance Results includes in Sections A and B information about project objectives, and general and administrative activities for the quarter from October 1, 2007 to December 31, 2007, and a summary of key activities for the next quarter. Section C provides an overview of performance indicators for the same period.

### **A) Objectives:**

#### **Objective 1: Build Strong Institutions**

Haiti MSME works directly with its Core Partners (CP) to reinforce their institutional capacity to better prepare them to meet the needs of an expanded and diversified client base.<sup>2</sup> The CP include: 7 MFIs, 19 caisses populaires and two commercial banks.

#### **Activity Outputs:**

##### *1.1/1.2 Improved technical capacity of CP institutions and other key market entities:*

Haiti MSME continued to define and implement technical assistance (TA) packages for its CP institutions. TA continued or was completed for five CPs and 19 caisses. The TA supported key elements of the CP's strategic and operational objectives including:

- FONKOZE: Strengthened MIS capacity and systems development
- ACME: Changed legal status to a Société Anonyme to attract foreign investors; and launched a Marketing and Client Follow Up Unit
- SFF: Improved technical capacity of senior operational staff
- SOGESOL: Support its development of an SME-finance unit.
- MCC: Rebuilding core capacity in its microfinance credit staff and management.
- FINCA: TA designed in MIS and back office support.
- MCN: Discussions have focused on development of SME Lending, rural and ag lending and on housing loan development as potential areas of assistance.
- 19 caisses (supported under DID subcontract): Improved technical capacity to achieve expansion of membership and savings; emphasis placed on adhesion to Le Levier and building the technical capacity to meet BRH prudential norm reporting requirements in the next few months..

##### *1.3 Completion of Year One Technical Assistance program*

TA commenced under the first year work plan was completed in the previous quarter.

##### *1.4 Provision of training responding to microfinance industry demand*

Haiti MSME contracted ANIMH to provide three demand-driven trainings each quarter. Additionally, Haiti MSME's Ose Pierre has presented trainings at the ANIMH training center. Haiti MSME also provides trainings to address more specialized needs. See Annex 9 for a list of trainings presented this quarter.

##### *1.5 Presentation of Knowledge Sharing Seminars*

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<sup>2</sup> See ANNEX I for a description of Core Partners

The development and presentation of knowledge sharing events continued with the presentation of three “Innovations in Finance programs”:

- Encouragement of SME Lending: Two sessions provided insight for MFIs considering upscaling.
- Product diversification: AIC provided an overview of microinsurance

#### *1.6 Improved availability of performance indicators*

Haiti MSME has worked with its CPs and with ANIMH to develop new mechanisms for the collection of institutional performance data. ANIMH will provide the data and analysis of the CP ANIMH-members, which will be consolidated with data from Fonkoze Foundation and DID.

To comply with Congressionally mandated poverty assessments, the project also prepared for the implementation of the new Poverty Assessment Tool.

#### *1.7 Expanded and improved local service provider resources*

The LSP Data Base begun in year one is being expanded with different of service providers and access to it will be broadened to other USAID projects and activities.

#### *1.8 Expanded intern program*

Based on “client satisfaction” expressed by the MFIs and organizations who have requested interns, the program is an unqualified success. Fifty-two interns have benefited from opportunities including: GIS mapping, MIS, market studies, client evaluation surveys, and credit administration. Although the placement of interns into permanent positions is not an objective of this program, two interns have become permanent employee of Core Partners (FONKOZE and DID).

### **Key Activities for Next Quarter:**

#### Technical Assistance

- Completion of TA packages for MCC, SFF, and SOGESOL.
- Implementation of initial TA packages for FINCA and MCN,

#### Performance Indicators

- Field survey using Poverty Assessment Tool

#### Training

- ANIMH contracted trainings (3 per quarter)
- Other specialized trainings to be provided – RAF, Ag. New Product Development

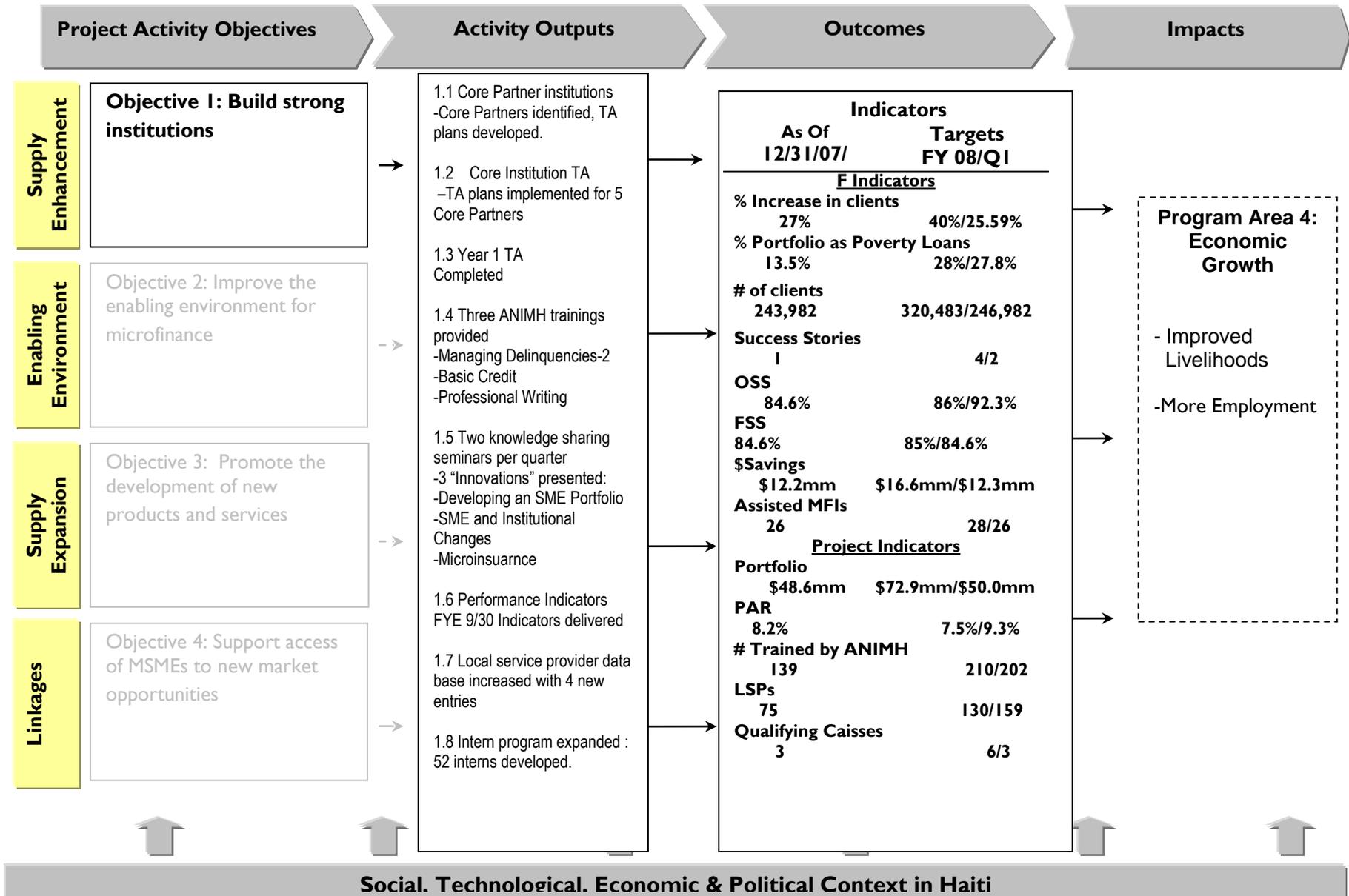
#### DID Contract

- Final caisses preparation for regulatory norm reporting to BRH

#### Knowledge Sharing

- Innovations in Finance presentations
  - Housing Loans and Microfinance (Habitat for Humanity)
  - Opportunities for Microfinance: Lending to Rice and Sugar Value Chains (FDI, L’Hermitte Francois)
  - Poverty Assessment Tools (Lauren Mitten, Natalie Domond/ DAI)
  - Employee Savings Plans in Haiti

## Objective 1: Causal Model



## **Objective 2: Improve the Enabling Environment for Microfinance**

Haiti MSME's work under Objective 2 has been refocused to support a diagnostic assessment of the current state of the enabling environment components – the policy, legal and regulatory structures or voids that need to be addressed. The diagnostic will identify key areas of changes needed, based on a best practice approach. The results will be published and presented in a series of forums to the microfinance sector, donors, and to the BRH and other government agencies. The broad dissemination of results will assist stakeholder work on enabling environment.

### **Activity Outputs**

#### *2.1 Conduct an Enabling Environment Diagnostic Assessment*

The preparatory work for launching this study has been completed. Haiti MSME developed a "Haitian Microfinance Policy Issues Matrix" which identifies the broad areas of policy that impact the enabling environment for microfinance. The matrix drives the scope of work of the diagnostic assessment and will expose obstacles, constraints, and areas of change. The work is now anticipated for the third quarter of FY 08 in order to benefit from the results of the microfinance census

#### *2.2 Dissemination of diagnostic results*

The timing for dissemination of the assessment will also be for the third quarter of FY 08. This should coincide with the greater availability of information from the Haiti MSME market information activities

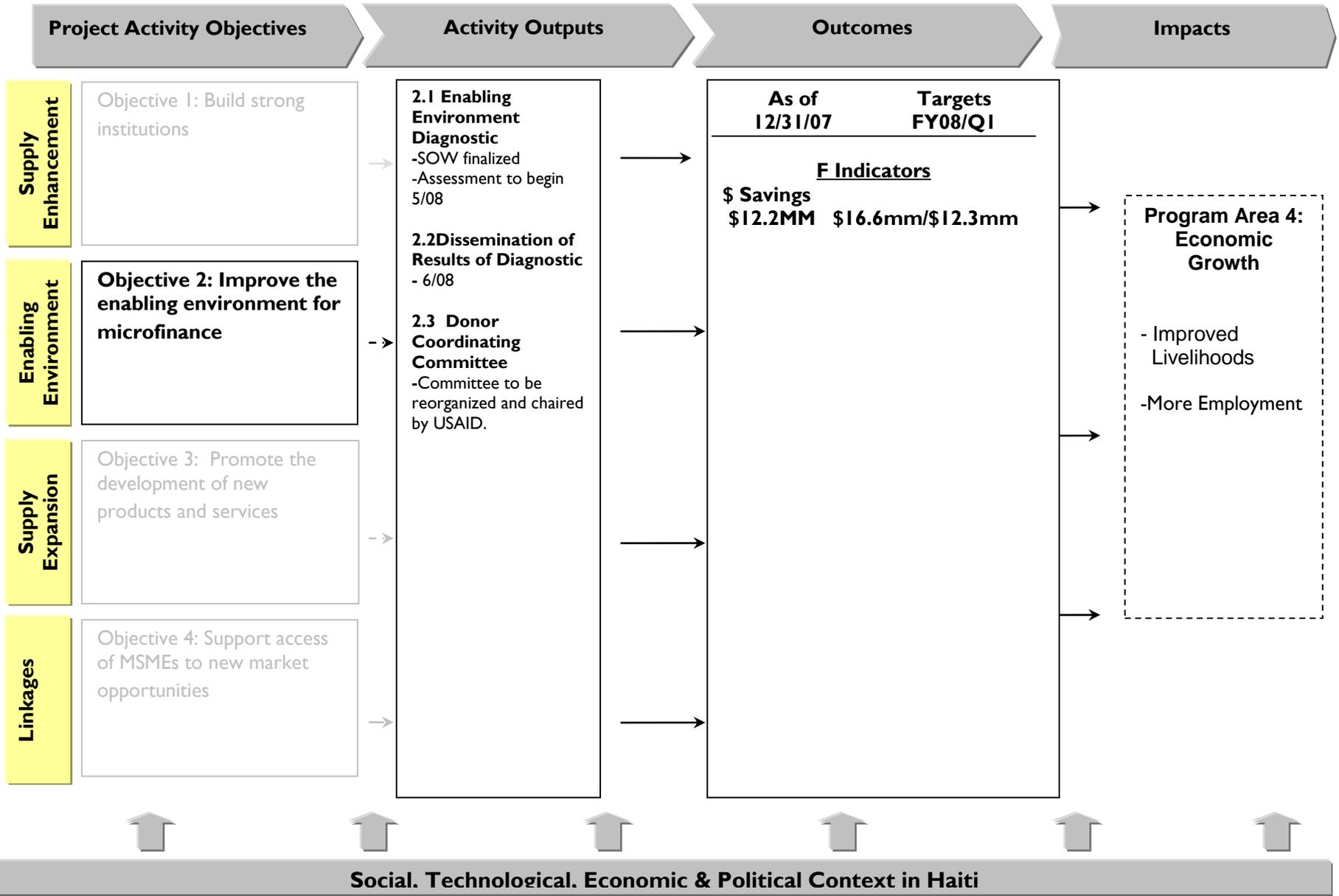
#### *2.3 Donor Coordination Committee on Microfinance*

Haiti MSME will continue to work with and through the Donor Coordination Committee on Microfinance. This Committee is being reorganized to become a more official entity (requested by GoH) and will be initially chaired by USAID

### **Key Activities for Next Quarter:**

- Finalize SOW and Action Memo supporting technical work on the Enabling Environment assessment and complete related market information preparations:
- GIS mapping of POS completed
- Microfinance census launched

## Objective 2: Causal Model



### **Objective 3: Promote the development of new products and services**

Haitian MSMEs need sustainable access to a wide range of financial services. Haiti MSME facilitates broader access to finance through supporting expanded points of service, identifying new clients and markets, and development of products and services.

#### **Activity Outputs**

##### *3.1 Work with the microfinance sector to develop a sustainable, annual microfinance census that presents and analyzes industry trends*

Work on this activity has been informed by the FINNET census and is designed to ensure the sustainable replication by the microfinance sector. A working group comprising ANIMH, KNFP, DID, and ANACAPH designed and developed the final Scope of Work, which was sent to several service providers. Work will commence in February.

##### *3.2 A directory or bluebook on microfinance industry information and institutional products and service offerings*

The workplan and approach were finalized, including the process for collecting the individual institutional information.

##### *3.3 GIS mapping to illustrate the availability and distribution of financial services supply.*

Data from the first-two mapping phases is completed - covering 370 POS. Haiti MSME is working with the Conseil National des Cooperatives (CNC) to implement the final phase, which includes the remaining caisses populaires (approximately 100+).

##### *3.4 Encourage financial institutions to diversify market, client, and product offerings*

Haiti MSME activities were focused on reducing institutional risk for new product development or during the product implementation, as well as providing incentives for new product innovation. The themes were reinforced through the PIF and other activities.

##### *Product Innovation Fund:*

Following its launch in late June, the PIF has attracted exceptional interest from a broad variety of institutions and organizations. A total of 111 initial applications were received by the cut off date of 12/31/07. Of these, 30 were invited to submit detailed proposals. Eight proposals had been approved by Haiti MSME and forwarded to USAID:

|                                       |  |
|---------------------------------------|--|
| Fonkoze                               | Support of a full service branch in Limbe - a USAID targeted watershed.  |
| ACME                                  | Support ACME's expansion via four branch openings. One of the branches, Cabaret, is in the USAID-targeted Montrouis watershed. |
| DID/2 Caisses Populaires of Le Levier | Pilot program for the development of bio metric identification allowing inter-caisses transactions.                            |
| MUCEC                                 | Pilot project to support development of a school loan product  |
| Sogesol                               | Development and testing of credit scoring system   |
| Sogesol                               | Development of cellular services to improve/expand client relationships  |
| ID                                    | Market study and pilot to develop microinsurance product for clients   |
| ID                                    | Support for decentralization of ID to expanded outreach, service, and product offerings to highly vulnerable urban poor.       |

##### *3.5 Support and stimulate DCA guarantee programs*

Haiti MSME worked with USAID and its two new DCA partner banks (Sogebank/Sogesol and Capital Bank) to design an SME finance TA package. This first component focused on an SME market assessment.<sup>3</sup> Modules II and III were begun with Sogesol during this quarter and will be completed during the next quarter.

To affect broad sector impact, Haiti MSME delivered with the APB a four part SME finance series. The series outlined how to develop and implement an SME strategy. The last two workshops were presented in early October, including a senior leadership roundtable. An outcome of the roundtable was the creation of an SME Finance working group. The APB 's Board approved the creation of this group and the first meeting was held in December. Haiti MSME is a member of the group and provides technical support.

### *3.6 Support expansion of DCA guarantee programs*

The SME seminar series generated a lot of interest in the DCA. Haiti MSME's support for the expansion of DCA guarantee program will expand next quarter with the visit of USAID/Washington development teams.

### *3.7 Increased access to agricultural finance*

In tandem with the Ministere d' Agriculture, des Ressources Naturelles et du Developpement Rural (MARNDR), Haiti MSME commenced planning of the RAF workshop in Artibonite. Haiti MSME also developed a new training module for MFIs to assist them in new product development related to agricultural finance. Several PIF grants were reviewed to support RAF activities, which will be finalized next quarter

## **Key Activities for Next Quarter**

### Market Information Activities

- Selection of technical partner for Census work and work begun
- Start of work on production of Directory
- Completion of Phase III of GIS mapping and production of initial GIS map(s)

### PIF

- Conclusion of Committee Review of Initial and Final applications
- Awarding of all grants and additional PIF grants disbursements

### DCA/SME

- Continuation of DCA Technical Modules
- Working Group on SME Finance continues - SME Definition for Haiti and
- Design of a knowledge sharing activity for SMEs on bankability.
- Work with ODC in the development of new DCA guarantees

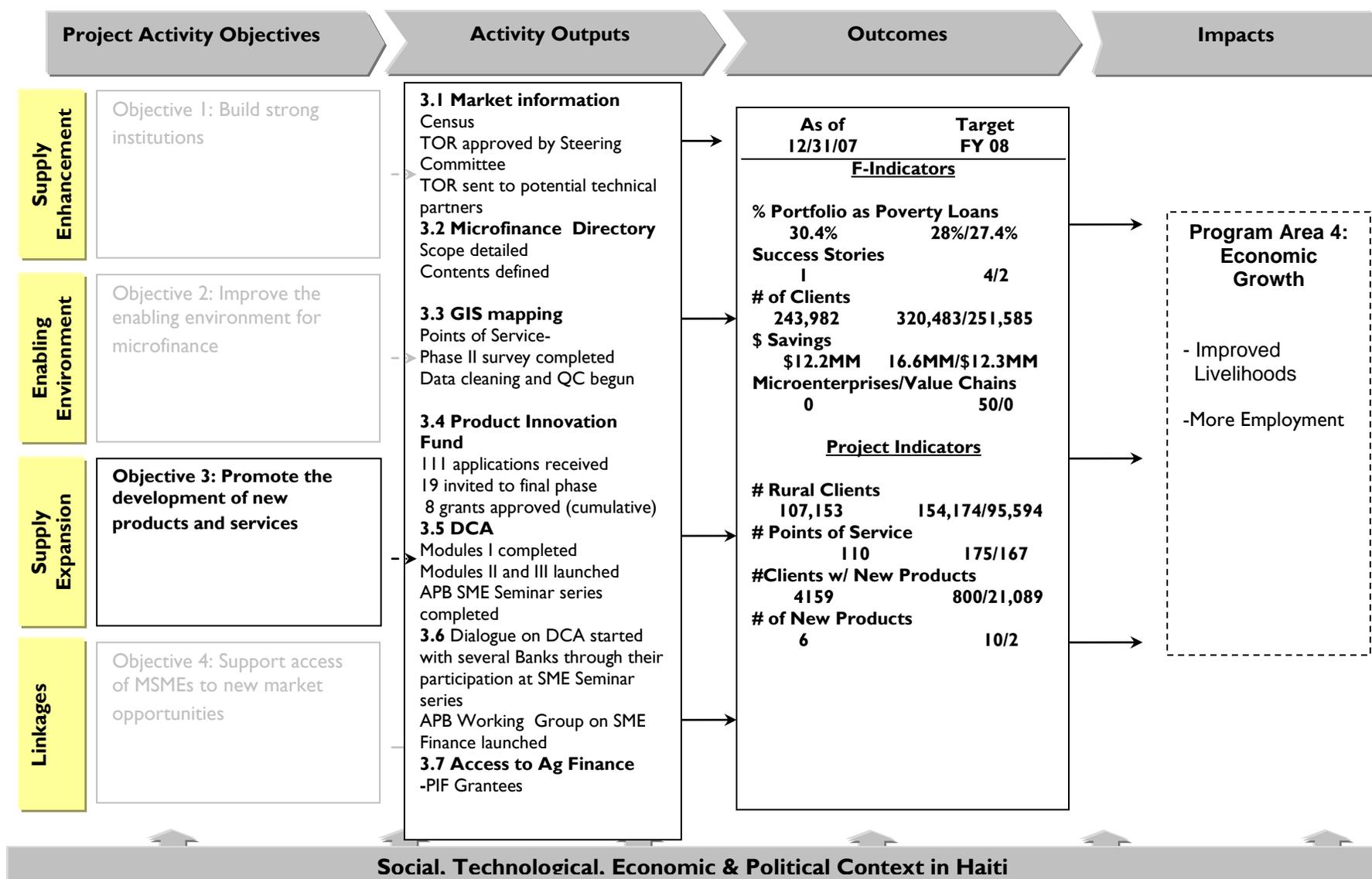
### RAF

- Presentation of RAF workshop in Artibonite
- Delivery of training on microfinance product development using value chain approach
- Innovations in Finance - MFIs and Value Chain Finance Opportunities
- Work on PIF activities related to RAF begin

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<sup>3</sup> The study resulting from this TA has been widely distributed by Haiti MSME within in the financial sector, was presented during the SME seminar series, and has been presented to the microfinance sector.

## Objective 3: Causal Model



## **Objective 4: Support Access of Micro, Small, and Medium Enterprises to New Market Opportunities**

Haiti MSME focuses coordination between willing and able financial institutional supply and bankable MSMEs and projects. The coordination is critical to match financial products and services with the demand of Haiti's productive MSMEs.

### **Activity Outputs**

#### *4.1-Coordinated financial linkages*

Several activities emerged from the monthly Inter-Project Coordinating Committee on Finance<sup>4</sup>:

- Linkages panorama designed to assist in the identification of access to finance issues and proposed solutions (see Annex 4).
- "Client Transformation Continuum" developed and distributed to help identify level of preparedness and interventions for various client groups
- Haiti MSME's presentation of Basic Microfinance module for five regional training meetings of KATA client groups during October and November
- Design of follow up processes and activities with KATA; discussion of replication/adaptation of activity with IDEJEN.

#### *4.2 Dissemination of Supply Side Information:*

Significant attention was spent on collecting points of service data, as described in Objective 3. The data has been used with the KATA, CRS and other programs to identify the points of financial service available in each of their target regions.

#### *4.3 Definition of SME lending requirements of Haitian Banks:*

DCA TA under Objective 1 was begun and will help to define "bankability" standards at those two banks. The standards will be disseminated through the inter project coordinating committee to ensure properly designed BDS options and to create a bankable pipeline of SME loan clients.

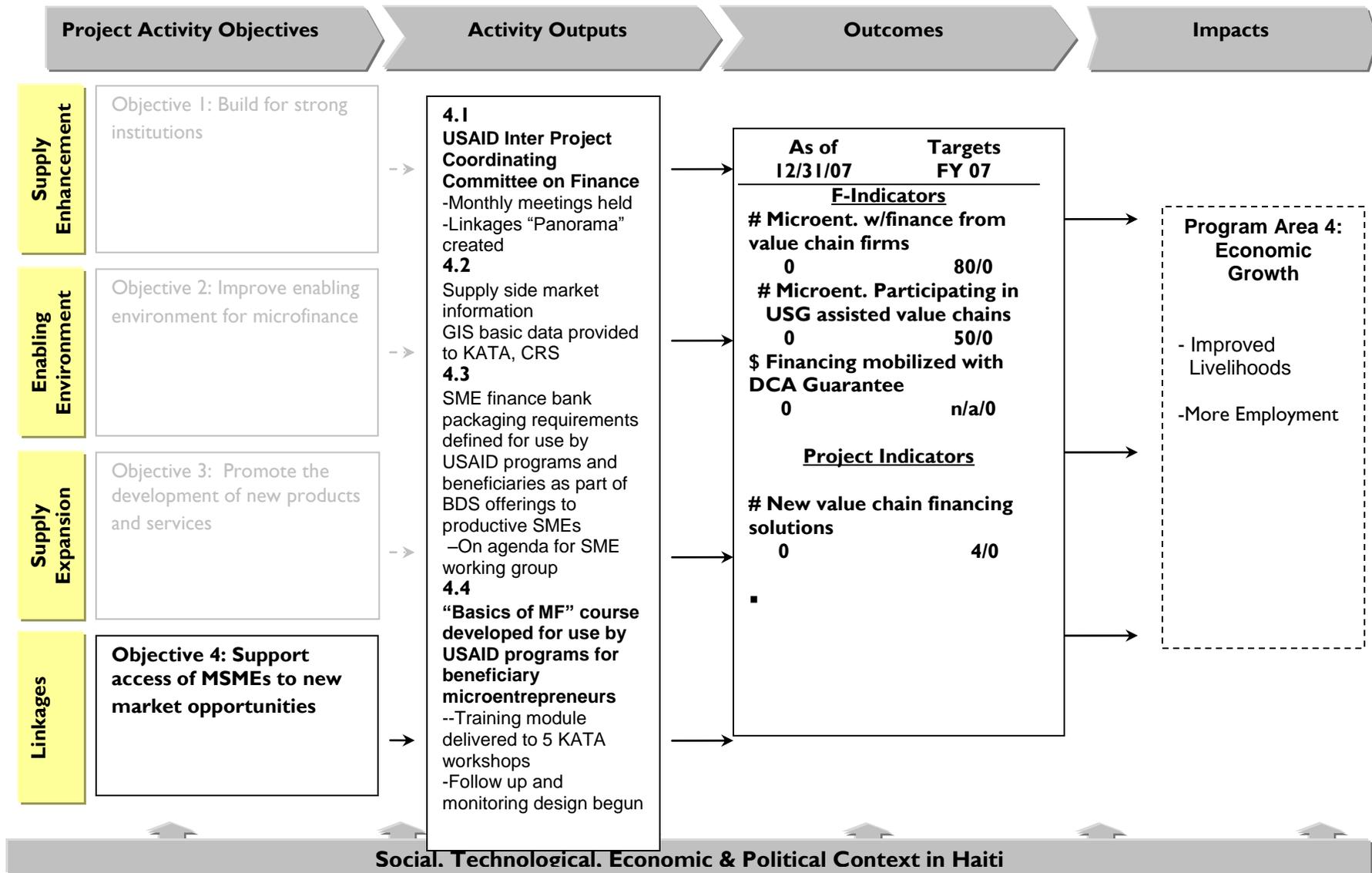
### **Key Activities for Next Quarter**

- Host inter-project coordinating committee meetings to track progress on existing linkage activities and to define new opportunities.
- Provide training of trainers to KATA staff on "Basics of Microfinance" to facilitate replication of the course to its beneficiaries.
- Provide in-depth microfinance training to KATA staff (training to be adapted for IDEJEN and delivered).
- Expand KATA type of training to other USAID programs as demanded.
- Design of activities to promote expanded knowledge of financial supply options for "clients" of other USAID projects/programs.

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<sup>4</sup> See ANNEX 3 for the list of the Committee members. The group has been expanded beyond the original list, which included DEED, MarCHe, MYAP, KATA and I Trade.

## Objective 4: Causal Model



## **B) General and Administrative**

Administrative activities of the project during the quarter ending 12/31/07 included a number of internal and external audit processes following the discovery of theft and fraud committed by the project Accountant. The Administration and Finance team prepared an initial estimate of funds misappropriated. An initial report for USAID was prepared (October 30, 2007). A local CPA firm was engaged to conduct an external audit. The delivery of the audit report was delayed by external factors (UNIBANK's slowness in delivery check copies and illness among the audit team members). The revised draft report is expected in January.

Additional G&A activities and outputs include:

- Year 2 Annual Report submitted.
- PMP with indicators for FYE 07 (9/30/07) submitted
- Year 1 Project Newsletter submitted and approved
- Success Story # 2 submitted (ANIMH Training Center)
- Revised Branding and Marking Plan submitted. Approval pending
- Action Memos Submitted:
  - #39 Approvals for DID Michele Breton (approved 1/10/08)
  - #40 Contract amendment LTTA Structure
- Action Memos Approved:
  - #33 Tamis Modification
  - # 34 TA to Core Partner ACME – Strategic Plan Development/Market Research Unit Support
  - #35 TA to Core Partner SFF – Training and Capacity Development
  - #36 TA to Core Partner MCC – Credit Management
  - #37 PAT – Poverty Assessment Tool Implementation in Haiti
  - #38 New Product Development Value Chain Approach for MFIs
- PIF Approval Memos Submitted
  - #3, Branding and Marking waiver
  - #4, Resubmission of ID Decentralization proposal
- PIF Approval Memos Approved
  - #2, TCN waiver
  - #4, ID Decentralization and microinsurance proposals
  - #5, MUCEC School loan proposal
  - #6, Sogesol Cellular technology and credit scoring proposals
- Contracting Issues- Included in “Action Memos Submitted”
  - Action Memo # 40 Contract Amendment LTTA Structure
  - Action Memo # 39 Approvals and waivers for Subcontractor Key Personnel, for Michele Breton submitted (approved 1/10/08)
- Other USAID Approvals Pending
  - Haiti MSME WebSite
  - Issue # 2 Haiti MSME Newsletter

### **Key General and Administrative Activities for Next Quarter:**

- Final approval of PMP (pending approval of Mission PMP)
- Revised Training Plan for Year Two to be submitted
- Blanket waiver of Branding and Marking Policy for PIF Grantees
- Approval of revised LTTA structure.

### **C) Indicators**

#### **USAID Data Reporting Base**

During FY 07, the reporting base used by Haiti MSME was changed from a group of 37 (All ANIMH members + Fonkoze + 19 DID caisses) to 26 Core MFI Partners (6 ANIMH members + Fonkoze + 19 DID caisses+ 2 commercial banks<sup>5</sup>.)The data provided for this quarter is based on Core Partner information reported as of 12/31/07 except in the case of one Core Partner . Because of a system failure at the institution, no financial information for 12-31-07 is available and we have substituted their 9-30-07 information.

The baseline data used by the project was based on the larger original reporting base of Year 1 and used for the first three quarters of that year.

Core Partners represent some of the largest microfinance institutions and account for a large percentage of the clients and credit portfolio. Most are better managed and will show lower PAR rates and higher OSS and FSS ratios than the sector in general.

Beginning next quarter the number of reporting institutions will be expanded to include those PIF grantees that are not part of our Core Partner Group.

**Microfinance Sector Overview:** The sector in general exhibited moderated growth: in credit portfolio, numbers of clients and in savings. The continuing difficult economic conditions in Haiti are in part responsible for holding growth in check and for deterioration in portfolio quality. The lack of updated information from one Core Partner is also responsible for holding down the overall growth rate shown.

Several project indicators showed very promising results:

- Total clients benefiting from new product introduction during the quarter soared to 21,089, driven primarily by FONKOZE's introduction of its new micro-assurance product in pilot groups.
- Points of Service – now includes the POS of the 2 commercial bank Core Partners, bringing the total to 167 POS, of which 103 are microfinance POS.

MFI sector data reporting:

- Total portfolio grew only 3.1% from the previous quarter to \$50.07mm.

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<sup>5</sup> Data from commercial bank Core Partners is included in relevant indicators.

The 3.1% growth rate disguises some individual outstanding performances. ACME posted a 25% growth rate in this quarter, which is traditionally its most productive.

- Total number of clients grew 3.2% to 251,585 (60% female).

This growth rate was achieved despite the static reporting from one Core Partner and a modest decline reported by FINCA. The % of women clients dropped from 65% to 60%

- Total value of savings .08% from \$12.2mm to \$12.3mm

The smaller than usual growth in savings came from a \$2mm drop in savings reported by FINCA, which was not offset by growth rates in the caisses nor in Fonkoze, the largest contributors to the savings number.

- Portfolio at risk (PAR >30) increased from 7.7% to 9.3%.

The reporting group shows greatly varying performance under this measure with a mostly upward trend. ACME posted 5.79%; FINCA, 2%; the caisses, an average of 12.06%; FONKOZE, 16,99% and MCC, 22%.

- Performance as measured by both OSS (92.31%) and FSS (84.6%) ratios were both positive.

Of reporting institutions, 92.31% achieved OSS, a modest improvement from the previous quarter, and 84.6% achieved FSS, unchanged from the previous quarter.

Other important data:

- Poverty loans as a % of total loans dropped from 30.4% to 27.28%, as a result of improved reporting by the participants.
- Rural loans dropped from 107,153 to 95,594. The decrease results from a change in the reporting by the DID caisses who reclassified 12,000 loans from the “rural” to the “provincial cities”, category. Loans made by institutions in the provincial cities may well be to rural clients but the caisses systems do not permit that type of identification.
- No loans had yet been disbursed under the DCA guarantees.

### **III. Key Constraints and Other Issues**

Under the Year 2 Work Plan, Haiti MSME has rationalized its activities to facilitate its work while reducing constraints that existed during the first year.

#### **LTTA Structure**

With a new programming structure, Haiti MSME has requested a revised LTTA configuration for the following key reasons:

- To respond to increased programming and coordination required, particularly the identification and management of financial linkage opportunities with USAID program beneficiaries;
- To ensure seamless supervisory structures and responsibility transitions at the time of demobilization of the Expatriate Capacity Building and Impact Coordinator, Alexis Curtis.

An important component of the revised LTТА structure is the:

1. Revised responsibilities for the Local Capacity Building and Impact Coordinator, resulting in the need for a more junior person in this position and
2. Addition of CCN LTТА position – Microfinance and Financial Linkages Administrator, a newly created junior technical position. The addition of the MFL Administrator is in response to the significant increase in MFI technical activities and training, the focus on linkages to other USAID programs, and the expansion of local capacity building activities, particularly the internship program.

The proposed LTТА structure with two junior positions is cost effective, permitting us to expand the number of LOE days while staying with the original LOE budget allocation.

### **Performance Indicators**

Under the new work plan, Haiti MSME has a performance based contract with ANIMH to provide timely reporting of performance indicators from ANIMH members who are Core Partners

- All CPs provide their data one month from quarter's end. .
- The ANIMH CPs report the data to ANIMH, while DID and FONKOZE who is not an ANIMH member, report theirs directly to the project.
- ANIMH's data report and analysis is due to Haiti MSME one week later (Q+1 wk) , and our indicators are due to USAID the following week (Q+2 wks) or six weeks after the quarter's end.

This contract, the quality of the Core Partners, and an excellent dialogue with the Core Partners will greatly facilitate the timely collection of data and the quality of the data..

### **ANIMH**

The working relationship with ANIMH has improved and is already demonstrating positive results. While providing support to ANIMH through two contracts for the delivery of services (data collection and training), Haiti MSME maintains a greater freedom with respect to its activities in microfinance and greatly enhanced flexibility.

- Personnel issues continue to exist at ANIMH. The most notable impact for us has been the minor start up problems associated with the Training Center.



## ANNEX 1 Haiti MSME Core Partners

| <b>MFIs</b> | <b>Caisses Populaires</b> | <b>Commercial Banks</b> |
|-------------|---------------------------|-------------------------|
| ACME        | 19 DID supported caisses  | Sogebank                |
| Finca       |                           | Capital Bank            |
| FONKOZE     |                           |                         |
| MCC         |                           |                         |
| MCN         |                           |                         |
| SFF         |                           |                         |
| Sogesol     |                           |                         |
| 7           | 19                        | 2                       |

## **ANNEX 2 Haiti MSME Project Objectives and Tool Kit**

### **Haiti MSME Project Objectives**

Project activities center around four contractual objectives:

Objective 1: **Build Strong Institutions**

Objective 2: **Improve Enabling Environment for Microfinance**

Objective 3: **Promote the Development of New Financial Products and Services**

Objective 4: **Support Access of Micro, small and Medium Enterprises to New Market Opportunities**

During June, 2007, USAID met with DAI and Haiti MSME to review project activities to better support the USAID strategy in Haiti once the new programming activities are in place. As a result of this review, Haiti MSME activities have been realigned to better support USAID current strategy for the program. The new strategy and programming is reflected in the Year 2 Work Plan for Haiti MSME, and in its planned technical activities.

### **Haiti MSME Tool Kit**

Haiti MSME draws upon an integrated set of tools to achieve results.

*Performance Innovation Fund (PIF).* Designed to “jump-start” innovative financial development initiatives, PIF—a \$ 1.2 million grant fund, will help Haitian institutions develop products adapted to Haitian needs and to improve their institutional capacity to manage increased product and client diversification.

Haiti MSME will use the Innovation Seminar Series to introduce new product concepts and innovations. Interested PIF applications will benefit from the latest thinking and experiences and will develop proposals for the Haitian context that take into consideration lessons learned and experiences abroad.

*Development Credit Authority (DCA) Guarantees.* DCA guarantees—a type of structured financial solution—encourage financial institutions to meet the financial needs of MSME productive enterprises by mitigating some of the risk. In addition to the financial guarantee, participating institutions receive tailored technical assistance.

*Capacity-Building Training and Technical Assistance.* Haiti MSME will provide training and technical assistance to those financial institutions best positioned to expand the delivery of financial services to MSMEs. Focused on ensuring local capacity development, Haiti MSME will pair local technical experts with international technical experts as a way of transferring knowledge.

*Market Information Activities.* Financial institutions throughout Haiti lack access to reliable market information. Without access to this type of information, institutions find it difficult to exploit business opportunities. Often, they are reluctant to develop new types of products and expand product offerings to new

types of clients. Like financial service suppliers, demanders of financial services also lack critical market information. They do not know what products and services available, by whom, where, and at what terms. Haiti MSME will address this market information constraint by: 1) conducting an annual microfinance census that presents and analyzes industry trends; 2) sharing institutional performance information for core institutions on a quarterly basis; 3) compiling a directory on MFIs' product and service offerings; and 4) disseminating geographical information system (GIS) maps to graphically illustrate the availability and distribution of financial services supply (see Objective 3 for more information).

## ANNEX 3 Inter Project Coordinating Committee on Finance: Membership

| Institution   | Program/Project | Name  |
|---------------|-----------------|---|
| USAID/Haiti   | Economic Growth | Alex Deprez                                 |
| USAID/Haiti   | KATA            | David Delgado                               |
| USAID/Haiti   | Haiti MSME      | Eunice Irizarry                             |
| USAID/Haiti   | PEPFAR          | Judith Timyan, Olbeg Desinor                |
| USAID/Haiti   | Health          | Pierre Mercier                              |
| USAID/Haiti   | Governance      | Karla Victor                                |
| USAID/Haiti   | Education       | Wick Powers                                 |
| USAID/Haiti   | MYAP            | Dennis McCarthy                             |
| USAID/Haiti   | iTrade          | Sally Baker                                 |
| USAID/Haiti   | DEED            | Ben Swartley                                |
| DAI           | Haiti MSME      | Greta Greathouse                            |
| DAI           | Haiti MSME      | John Jepsen                                 |
| DAI           | Haiti MSME      | Ose Pierre                                  |
| CHF           | KATA            | William Holbrook                            |
| CHF           | KATA            | Eileen Hoffman                              |
| CHF           | KATA            | Eline Mystal                                |
| EDC           | IDEJEN          | Melanie Beauvy                              |
| EDC           | IDEJEN          | Jean Thomas Giraud                          |
| EDC           | IDEJEN          | Pierre Taverne                              |
| OIM           | OIM             | Rodney Babe                                 |
| FHI           | PEPFAR          | Madga Cheron                                |
| CRS           | PEPFAR          | Alan Isaac                                  |
| JHU/MSH       | PEPFAR          | Laurent Elsie, Julma Gertha                 |
| World Concern | PEPFAR          | Christon Domond, Vilbert Douilly            |
| Plan Haiti    | PEPFAR          | Michelet William, Jean Oriol Dezemma        |
| Chemonics     | iTrade          | Thierry Bungener                            |
| Chemonics     | iTrade          | Marlene Sam                                 |
| DAI           | DEED            | Tim Aston                                   |
| DAI           | DEED            | Nick Hobgood                                |
| CRS           | MYAP            | Jeffrey McIntosh, William Canny, Alan Isaac |
| ACDI VOCA     | MYAP            |   |
| World Vision  | MYAP            | Lionel Isaac                                |

## ANNEX 4 Haiti Inter Project Coordinating Committee on Finance: LINKAGES

| USAID<br>Economic<br>Growth<br>Programs | New Product Development  | Geographical<br>Expansion  | BDS to<br>beneficiaries  | Linkages   | Information Sharing |
|---|--|--|--|--|---------------------|
| KATA                                    | <p>PIF grant approved for ID to assess and develop a microinsurance product</p> <p>PIF grant approved for Fonkoze and AIC to expand microinsurance product and potentially offer additional insurance products</p> | <p>In initial approval stages of PIF grants for Sogesol and FHAF to maintain a permanent presence in Cite Soleil; Providing input into incubator design in Cite Soleil in order to house MFIs; Discussed with all MFI partners expansion plans into Cite Soleil; organized microfinance representation at Cite Soleil Forum on Entrepreneurship and at working group meetings (Sogesol, ID, FEMA, ACME)</p> <p>ID PIF grant in the approval process to expand in the poorest and 'hottest' regions in PaP with poverty lending</p> | <p>Basics of MF course designed and delivered to KATA microentrepreneurs beneficiaries in Oct/Nov 2007. Follow-up training and ToT to KATA staff designed and will take place 14-15 Feb. 2008.</p> | <p>Identified MFI operators in KATA regions. In tandem with MF Basics course, information sharing event between KATA beneficiaries and local MFIs were held</p> <p>Rural and Agricultural Finance training to be held in Gonaives 20-22 March 2008</p> |                     |

| <b>USAID Economic Growth Programs</b> | <b>New Product Development</b>   | <b>Geographical Expansion</b>   | <b>BDS to beneficiaries</b>   | <b>Linkages</b> | <b>Information Sharing</b>  |
|---------------------------------------|--|---|---|-----------------|---|
| <b>IOM</b>                            | PIF grant approved for ID to assess and develop a microinsurance product | <p>In initial approval stages of PIF grants for Sogesol and FHAF to maintain a permanent presence in Cite Soleil; Providing input into incubator design in Cite Soleil in order to house MFIs; Discussed with all MFI partners expansion plans into Cite Soleil; organized microfinance representation at Cite Soleil Forum on Entrepreneurship and at working group meetings (Sogesol, ID, FEMA, ACME)</p> <p>ID PIF grant approved to expand in the poorest and 'hottest' regions in PaP with poverty lending</p> | Discussed application of Basics of MF course to IOM supported microenterprise beneficiaries |                 | Provided best practice documents on microfinance and social safety nets that were used in MF project design |

| <b>USAID Economic Growth Programs</b> | <b>New Product Development</b>  | <b>Geographical Expansion</b>   | <b>BDS to beneficiaries</b> | <b>Linkages</b>   | <b>Information Sharing</b> |
|---------------------------------------|---|---|-----------------------------|---|----------------------------|
| <b>DEED (not mobilized)</b>           | In initial phases of approving PIF grant to pilot a loan product to encourage purchase of natural gas-burning stoves with a Caisse Populaire Fraternite based in Cap Haitian; Coordinating with GDA team on Bosch Seimans visit to discuss potential financing options for the purchase of a vegetable-oil burning stove  | Approved Fonkoze PIF grant to expand into Limbe watershed; approved ACME PIF grant to expand into Montrouis watershed |                             |   |                            |
| <b>Marche (not mobilized)</b>         | <p>SME Finance expansion: DCA agreements to expand SME finance to product sector signed; TA with partner banks commenced; SME Seminar series completed; SME Sector working group formed</p> <p>In approval process of PIF grants to develop and roll-out ag-based loans in the rice, sugar, and coffee sectors (with three DID supported caisses and COOPECLAS) in Artibonite, Plateau Centrale</p> <p>Training for MFIs on designing new ag-based financial products using the value chain approach - PaP 10-14 March 2008</p> |   |                             | Rural and Agricultural Finance training to be held in Gonaives 20-22 March 2008 |                            |

| <b>USAID Economic Growth Programs</b> | <b>New Product Development</b>   | <b>Geographical Expansion</b> | <b>BDS to beneficiares</b> | <b>Linkages</b>  | <b>Information Sharing</b> |
|---------------------------------------|--|-------------------------------|----------------------------|--|----------------------------|
| <b>iTrade</b>                         | SME Finance expansion: DCA agreements signed; TA with partner banks commenced; Seminar series completed; Sector working group formed   |                               |                            |  |                            |
| <b>IDEJEN</b>                         | In the approval process of a PIF grant to encourage lending to out of school youth - particularly those supported by the IDEJEN project. The grant will be implemented in tandem with PLAN and Fonkoze Foundation. Haiti MSME working with MFIs and caisses populaire to create school loan products. PIF grant approved for school loan products offered by MUCEC in Camp Perrin and school loan pilot launched with Caisse Populaire CREPS in Marigot. |                               |                            | Defined TA and training for IDEJEN staff to increase awareness of MF and MF options. Will be rolled-out in late Q2 or early Q3 |                            |

| <b>USAID Economic Growth Programs</b>  | <b>New Product Development</b>   | <b>Geographical Expansion</b>  | <b>BDS to beneficiares</b> | <b>Linkages</b> | <b>Information Sharing</b> |
|--|--|--|----------------------------|-----------------|----------------------------|
| <b>MYAP - World Vision (as of 9/07)</b><br><br><b>La Gonave/Central Plateau</b>                  | <p>Support Fonkoze Foundation - key partner MFI - who is piloting BRAC replication on La Gonave and in Plateu Centrale</p> <p>In final approval process of PIF grant for COOPECLAS to develop and roll-out credit options to the sugar and coffee sectors in Lascahobas</p>  | In final approval process of PIF grant for FINCA branch expansion into Hinche  |                            |                 |                            |
| <b>MYAP - ACDI VOCA (as of 9/07)</b><br><br><b>Southeast (Jacmel, Cotes de Fer)</b>              | School loan pilot launched with Caisse Populaire CREPS in Marigot.   |  |                            |                 |                            |
| <b>MYAP - CRS (as of 9/07)</b><br><br><b>South (ED focused on South Coast-Tiburon Watershed)</b> | <p>In approval process of PIF grant to link mutual groups in the South Department with traditional MFIs in order to expand financial service availability and liquidity</p> <p>Providing input and support to CRS sponsored savings-led TA assessment, including the identification of MFI points of service in the region</p> | Direct TA provided to Haiti MSME supported caisses populaires (the majority of the 19 are located in the Departement du Sud) |                            |                 |                            |

| <b>USAID Economic Growth Programs</b> | <b>New Product Development</b>   | <b>Geographical Expansion</b>   | <b>BDS to beneficiaries</b>   | <b>Linkages</b>   | <b>Information Sharing</b>  |
|---------------------------------------|--|---|---|---|---|
| <b>All</b>                            | DCA agreements signed to encourage Rural microfinance services (outside of PaP) and SME finance expansion to productive-sector enterprisesPIF RFA distributed to all projects to encourage applications for relevant financial services targeting program beneficiariesNew Product Development courses provided to MFIs. PIF grant to ALO and FONKOZE in final approval process to expand payment service options across Haiti | Approved PIF application to encourage inter-caisse transactions through biometric identificationPIF RFA distributed to all projects to encourage applications for relevant financial services targeting program beneficiaries | Basics of Microfinance Course created targeting unserved microentrepreneurs | GIS mapping of financial points of service commenced, information used to link USAID program beneficiaries to MFIs; | Launched Inter Project Coordinating Unit on Access to FinanceProvided tools and information: best practice documents on microfinance and social safety nets. "Client Transformation Continuum" tool for helping projects to identify the level of financial preparedness of their clients and the needed inputs to improve their level. |
| <b>Other USAID Programs</b>           |  |   |   |   |   |

| <b>USAID Economic Growth Programs</b> | <b>New Product Development</b>   | <b>Geographical Expansion</b>  | <b>BDS to beneficiaries</b> | <b>Linkages</b>   | <b>Information Sharing</b> |
|---------------------------------------|--|--|-----------------------------|---|----------------------------|
| <b>PEPFAR</b>                         | <p>Provided training on Defining Options: Microfinance and HIV/AIDS to PEPFAR partners and MFIs.</p> <p>Coordinating follow-up TA to MFIs to encourage needed institutional changes to offer services to HIV/AIDS affected populations</p> | Finalizing approval of two Microinsurance pilot programs with ID and Fonkoze/AIC |                             |   |                            |
| <b>CASS Program</b>                   |  |  |                             | Coordinate to identify interns to fulfill Haiti MSME intern demands from partner MFIs |                            |

## ANNEX 5 Haiti MSME Indicators

| Haiti MSME "F" Indicators   |  |                 |                   |   |                      |                |             |             |                   |                   |                   |                |             |
|---|--|-----------------|-------------------|---|----------------------|----------------|-------------|-------------|-------------------|-------------------|-------------------|----------------|-------------|
| AAD/F Element   | Performance Indicators *   | Unit of Measure | Disaggregated by: | Data Source & Implementing Partner(s)                                       | Base line Year/Month | Baseline Value | 2007 Target | 2007 Actual | Qtr 1 2008 Actual | Qtr 2 2008 Actual | Qtr 3 2008 Actual | Q4 2008 Actual | 2008 Target |
| <b>Program Areas Indicator: 4.7 Economic Opportunity Result Statement: "Equitable access to essential financial services from diverse providers to low income Haitian families and micro and small scale enterprises/activities increased."</b> |  |                 |                   |   |                      |                |             |             |                   |                   |                   |                |             |
| 0.1 "F"   | OI: % of portfolio outstanding at USG assisted microfinance institutions held as poverty loans               | %               | F, M              | DAI (ANMIH, KNFP, DID and/or MFIs directly)                                 | Sep-06               | 13.70%         | 15%         | 30.40%      | 27.28%            |                   |                   |                | 28%         |
| 0.2 "F"   | O: Total number of microenterprises receiving finance from participating firms in a USG assisted value chain | #               | None              | DAI (Value chain actors, financial institutions) and/or other USAID program | 2006                 | N/A            | 4           | 0           | 0                 |                   |                   |                | 80          |

|   |   |   |   |  |        |                 |                  |                     |                     |  |  |  |                  |
|---|---|---|---|--|--------|-----------------|------------------|---------------------|---------------------|--|--|--|------------------|
| 0/3 "PI"  | OI: # of USG – branded success stories published  | # | National publication[1] and USG publication | DAI (ANIMH, KNFP, DID and/or MFIs directly) & DCA partners | 2006   | 0               | 2                | 1                   | 2                   |  |  |  | 4                |
| <b>Program Element Indicator: 4.7.1 Inclusive Financial Markets Result Statement: "Increased capacity of financial institutions to offer diversified financial services to low income Haitian families and micro-scale enterprises/activities."</b> |   |   |   |  |        |                 |                  |                     |                     |  |  |  |                  |
| 4.7.1.1 "PI"  | OI: %increase in # of clients at USG-assisted microfinance institutions                               | % | F/M   | DAI (ANIMH, KNFP, DID and/or MFIs directly)                | Sep-06 | 0% (63% female) | 25% (63% female) | 21.76% (64% female) | 25.59% (60% female) |  |  |  | 40% (65% female) |
| 4.7.1.2 "F"   | OI: Percentage of USG-assisted microfinance institutions that have reached operational sustainability | % | None  | DAI (ANIMH, KNFP, DID and/or MFIs directly)                | Sep-06 | 57%             | 61%              | 84.62%              | 92.31%              |  |  |  | 86%              |

|  |   |     |      |   |        |  |   |  |   |  |  |  |   |
|--|---|-----|------|---|--------|--|---|--|---|--|--|--|---|
| 4.7.1.3<br>"F"   | OI: Percentage of USG-assisted microfinance institutions that have reached financial sustainability | %   | None | DAI (ANIMH, KNFP, DID and/or MFIs directly) | Sep-06 | 49%  | 50%   | 84.62%                                     | 84.62%                                      |  |  |  | 85%   |
| 4.7.1.4<br>"F"   | O: Number of clients at USG-assisted microfinance institutions                                      | #   | F/M  | DAI (ANIMH, KNFP, DID and/or MFIs directly) | Sep-06 | 200,322<br>(126,203 women)<br>(74,119 men) | 283,318<br>(177,860 women)<br>(105,458 men) | 243,982<br>(202,796 women)<br>(41,186 men) | 251,585<br>(151,423 women)<br>(100,162 men) |  |  |  | 320,483<br>(208,314 women)<br>(112,169 men) |
| 4.7.1.5<br>"F"   | O: Total savings deposits held in USG-assisted microfinance institutions                            | USD | None | DAI (ANIMH, KNFP, DID and/or MFIs directly) | Sep-06 | \$13,173,653                               | \$14,475,397                                | \$12,187,396                               | \$12,273,264                                |  |  |  | \$16,608,105                                |
| 4.7.1.6<br>"F"   | O: Number of microfinance institutions supported by USG financial or technical assistance           | #   | None | DAI (DID and/or MFIs directly)              | Sep-06 | 37   | 38  | 26   | 26  |  |  |  | 28  |
| <b>Program Element Indicator: 4.7.3 Strengthen Microenterprise Productivity</b><br><b>Result Statement: "Increased total flow of finances to MSME to be able to benefit form targeted market opportunities."</b> |   |     |      |   |        |  |   |  |   |  |  |  |   |

|                |  |   |                                  |  |        |     |    |   |   |  |  |  |    |
|----------------|--|---|----------------------------------|--|--------|-----|----|---|---|--|--|--|----|
| 4.7.3.1<br>"F" | O: Total number of microenterprises participating in USG assisted value chains | # | 139<br>(34 female)<br>(105 male) | DAI (Value chain actors, financial institutions) and/or other USAID programs | Sep-06 | N/A | 10 | 0 | 0 |  |  |  | 50 |
|----------------|--|---|----------------------------------|--|--------|-----|----|---|---|--|--|--|----|

\*Macro Impact (MI), Outcome Impact or Program Area Impact (OI) & Output Indicators (O) + Project Specific Indicators (PI)

| Haiti MSME Project Level Indicators                             |  |                 |                   |                                       |                     |                                       |   |                                       |   |                   |                   |               |  |
|---|--|-----------------|-------------------|---------------------------------------|---------------------|---------------------------------------|---|---------------------------------------|---|-------------------|-------------------|---------------|--|
| AAD/F Element   | Performance Indicators *                     | Unit of Measure | Disaggregated by: | Data Source & Implementing Partner(s) | Baseline Year/Month | Baseline Value                        | 2007 Target                                     | 2007 Actual                           | Qtr 1 2008 Actual                               | Qtr 2 2008 Actual | Qtr 3 2008 Actual | Q 2008 Actual |  |
| <b>Result Statement: Objective 1: Build Strong Institutions</b> |  |                 |                   |                                       |                     |                                       |   |                                       |   |                   |                   |               |  |
| 1.1   | O: Value of gross loan portfolio outstanding | USD             | M/F               | ANIMH, KNFP, DID and/or MFIs          | Sep-06              | \$43,507,999<br>\$26,539,879 (Female) | \$53,892,216<br>\$33,952,096 (Female Borrowers) | \$48,556,775<br>\$31,269,943 (female) | \$50,071,974<br>(\$34,447,293 female borrowers) |                   |                   |               |  |
| 1.2   | O: Portfolio-at-risk>30 days                 | %               | N/A               | ANIMH, KNFP, DID and/or MFIs          | Sep-06              | 7.77%                                 | 7%  | 8.20%                                 | 9.30%   |                   |                   |               |  |
| 1.3   | OI: Number of ANIMH funding sources          | #               | N/A               | ANIMH                                 | Dec-06              | 4                                     | 6   | 5                                     | 7   |                   |                   |               |  |

|     |   |   |  |   |        |     |  |   |  |  |  |  |
|-----|---|---|--|---|--------|-----|--|---|--|--|--|--|
| 1.4 | O: Number of trainees participating in ANIMH course offerings   | # | M/F  | ANIMH   | Dec-06 | 0   | 60<br>(18 female)<br>(42 male)   | 139<br>(34 female)<br>(105 male)  | 202<br>(54 female)<br>(148 male)   |  |  |  |
| 1.5 | O: Number of Haitian local service providers (LSP) registered to serve the industry                       | # | Registered LSPs<br><br>Registered LSPs whose skills are enhanced by project + interns. | Haiti/MSME/ANIMH local service provider database and Haiti/MSME intern program database | Dec-06 | 0   | 100<br>(Registered LSPs)<br><br>30<br>(Registered LSPs whose skills are enhanced by the project + interns) | 72<br>(Registered LSPs)<br><br>40<br>(Registered LSPs whose skills are enhanced by the project + interns) | 159<br>(Registered LSPs)<br><br>52<br>(Registered LSPs whose skills are enhanced by the project + interns) |  |  |  |
| 1.6 | OI: % of ANIMH microfinance institutions reporting performance indicator data on-time                     | % | N/A  | ANIMH   | Sep-06 | 27% | 35%  | 35%   | 18%  |  |  |  |
| 1.7 | O: # of caisses populaires who qualify for membership in the Federation Le Levier through USG assistance. | # | N/A  | DID   | Sep-06 | 0   | 3  | 3   | 3  |  |  |  |

**Result Statement: Objective 3: Promote the development of new products and services**

|     |   |   |  |  |        |         |   |         |           |  |  |  |
|-----|---|---|--|--|--------|---------|---|---------|-----------|--|--|--|
| 3.1 | O: Number of rural clients                                      | # | N/A  | Core Partners                            | Sep-06 | 105,302 | 126,362   | 107,153 | 95,594 ** |  |  |  |
| 3.2 | O: Number of points of service                                  | # | N/A  | Core Partners                            | Sep-06 | TBD     | TBD   | 110     | 167 ***   |  |  |  |
| 3.3 | O: Number of clients benefiting from new product introductions  | # | M/F, and region (rural areas, [including "watershed" zones of Limbe and Montrouis], provincial cities, [including Petit Goave, Gonaives, Cap-Haitien, Saint Marc, Les Cayes, Jérémie, Miragoane], and Port-au-Prince). | ANIMH,KNFP,DID and/or MFIs, DCA partners | N/A    | 0       | 600<br>378 (Women)<br>222 (Men)<br>120 (Port-au-Prince)<br>144 (Provincial Cities)<br>336 (Rural areas) | 4,159   | 21,089    |  |  |  |
| 3.4 | O: Number of new products and innovations successfully launched | # | N/A  | ANIMH,KNFP,DID and/or MFIs, DCA partners |        | 0       | 7   | 6       | 2         |  |  |  |

**Result Statement: Objective 4: Support Access of Micro, Small, and Medium Enterprises to New Market Opportunities**

|     |  |   |     |   |   |   |   |   |  |  |  |
|-----|--|---|-----|---|---|---|---|---|--|--|--|
| 4.1 | OI: New value chain financing solutions introduced | # | N/A | Value chain actors and financial institutions | 0 | 3 | 0 | 0 |  |  |  |
|-----|--|---|-----|---|---|---|---|---|--|--|--|

\* Macro Impact (MI), Outcome Impact or Program Area Impact (OI) & Output Indicators (O) + Project Specific Indicators (PI)

\*\* Decrease due to DID moving 12,794 clients from rural category to "provincial cities" category. Some 80,000 clients overall are located in "provincial cities", so overall numbers are higher in Prince, however these numbers are not included in rural categorization here.

\*\*\* As of this quarter, (Oct-Dec 2007), number of Points of Service includes two commercial banks that are new USAID partners, (SOGEBANK and Capital Bank, agreements). Their points of service were collected in October 2007, via Haiti MSME's GIS data collection exercise, and are now included in the total number of p

## ANNEX 6 Haiti MSME Quarterly Financial Report

|  | A   | B                             | C  | D  | E  | F   | G  | H  | I = sum(C H)                      |
|--|---|-------------------------------|--|--|--|---|--|--|-----------------------------------|
|  | Approved Contract Budget From 7/20/06 to 7/19/09 Cost | Amount Obligated to Date Cost | Billed Expenditures Q4 July - Sept 2006 Cost | Billed Expenditures Q1 Oct - Dec 2006 Cost | Billed Expenditures Q2 Jan - March 2007 Cost | Billed Expenditures Q3 April - June 2007 Cost | Billed Expenditures Q4 July - Sept 2007 Cost | Billed Expenditures Q1 FY 08 Oct-Dec 2007 Cost | Cumulative through Sept 2008 Cost |
| <b><u>COST EXHIBIT</u></b>                                   |   |                               |  |  |  |   |  |  |                                   |
| <b><u>Workdays Ordered</u></b>                               | \$ 2,694,469  | \$ 1,794,792                  | \$ 129,288                                   | \$ 160,619                                 | \$ 181,803                                   | \$ 207,058                                    | \$ 222,457                                   | \$ 252,794                                     | \$ 1,154,019                      |
| <b><u>5% Labor Withholding</u></b>                           | \$ -  | \$ -                          | \$ (6,464)                                   | \$ (8,031)                                 | \$ (9,090)                                   | \$ (10,419)                                   | \$ (11,123)                                  | \$ (4,872)                                     | \$ (50,000)                       |
| <b><u>Other Direct Costs</u></b>                             | \$ 3,005,853  | \$ 1,769,439                  | \$ 117,698                                   | \$ 317,974                                 | \$ 142,955                                   | \$ 224,206                                    | \$ 249,442                                   | \$ 330,310                                     | \$ 1,382,586                      |
| <b><u>Subgrants</u></b>                                      | \$ 1,224,000  | \$ 1,088,752                  | \$ -   | \$ -                                       | \$ -   | \$ -  | \$ -   | \$ 58,608                                      | \$ 58,608                         |
| <b><u>G&amp;A</u></b>  | \$ 273,532  | \$ 161,017                    | \$ 10,712                                    | \$ 29,090                                  | \$ 13,009                                    | \$ 20,079                                     | \$ 22,564                                    | \$ 30,195                                      | \$ 125,649                        |
| <b><u>TOTAL</u></b>  | \$ 7,197,854  | \$ 4,814,000                  | \$ 251,234                                   | \$ 499,653                                 | \$ 328,677                                   | \$ 440,924                                    | \$ 483,340                                   | \$ 667,035                                     | \$ 2,670,863                      |
| <b><u>CUMULATIVE TOTAL (excluding labor withholding)</u></b> |   |                               | \$ 257,698                                   | \$ 765,382                                 | \$ 1,103,149                                 | \$ 1,554,493                                  | \$ 2,048,955                                 | \$ 2,720,862                                   | \$ 2,720,862                      |
| % of Obligation spent  |   |                               | 5.35%  | 15.90%                                     | 22.92%                                       | 32.29%  | 42.56%                                       | 56.52%   | 56.52%                            |
| % of Total budget spent                                      |   |                               | 3.58%  | 10.63%                                     | 15.33%                                       | 21.60%  | 28.47%                                       | 37.80%   | 37.80%                            |

## ANNEX 7 Haiti MSME Financial Analysis by Objective

| Percentage Spent by Objective thru Dec 31, 2007 |        |
|---|--------|
| Objective 1:                                    | 23.46% |
| Objective 2:                                    | 1.95%  |
| Objective 3:                                    | 11.66% |
| Objective 4:                                    | 5.82%  |
| Office & Administration:                        | 57.11% |

## ANNEX 8 Haiti MSME Pipeline Analysis

|   | A   | B                             | C  | D  | E  | F   | G  | J   | K   | L  | M  | L = sum(C:M)                      |
|---|---|-------------------------------|--|--|--|---|--|---|---|--|--|-----------------------------------|
|   | Approved Contract Budget From 7/20/06 to 7/19/09 Cost | Amount Obligated to Date Cost | Billed Expenditures Q4 July - Sept 2006 Cost | Billed Expenditures Q1 Oct - Dec 2006 Cost | Billed Expenditures Q2 Jan - March 2007 Cost | Billed Expenditures Q3 April - June 2007 Cost | Billed Expenditures Q4 July - Sept 2007 Cost | Billed Expenditures FY Q1 2008 October - December 2007 Cost | Anticipated Expenditures FY Q2 2008 January - March 2008 Cost | Anticipated Expenditures FY Q3 2008 April - June 2008 Cost | Anticipated Expenditures FY Q4 2008 July - September 2008 Cost | Cumulative through Sept 2008 Cost |
| <b>COST EXHIBIT</b>                                 |   |                               |  |  |  |   |  |   |   |  |  |                                   |
| <u>Workdays Ordered</u>                             | \$ 2,694,469  | \$ 1,794,792                  | \$ 129,288                                   | \$ 160,619                                 | \$ 181,803                                   | \$ 207,058                                    | \$ 222,457                                   | \$ 252,794  | \$ 288,551  | \$ 288,551   | \$ 288,552   | \$ 2,019,673                      |
| <u>5% Labor Withholding</u>                         | \$ -  | \$ -                          | \$ (6,464)                                   | \$ (8,031)                                 | \$ (9,090)                                   | \$ (10,419)                                   | \$ (11,123)                                  | \$ (4,872)  | \$ -  | \$ -   | \$ -   | \$ (50,000)                       |
| <u>Other Direct Costs</u>                           | \$ 3,005,853  | \$ 1,769,439                  | \$ 117,698                                   | \$ 317,974                                 | \$ 142,955                                   | \$ 224,206                                    | \$ 249,442                                   | \$ 330,310  | \$ 220,730  | \$ 220,730   | \$ 220,730   | \$ 2,044,777                      |
| <u>Subgrants</u>                                    | \$ 1,224,000  | \$ 1,088,752                  | \$ -   | \$ -                                       | \$ -   | \$ -  | \$ -   | \$ 58,608   | \$ 291,348  | \$ 291,348   | \$ 291,348   | \$ 932,652                        |
| <u>G&amp;A</u>                                      | \$ 273,532  | \$ 161,017                    | \$ 10,712                                    | \$ 29,090                                  | \$ 13,009                                    | \$ 20,079                                     | \$ 22,564                                    | \$ 30,195   | \$ 20,086   | \$ 20,086  | \$ 20,086  | \$ 185,908                        |
| <b>TOTAL</b>  | \$ 7,197,854  | \$ 4,814,000                  | \$ 251,234                                   | \$ 499,653                                 | \$ 328,677                                   | \$ 440,924                                    | \$ 483,340                                   | \$ 667,035  | \$ 820,716  | \$ 820,716   | \$ 820,717   | \$ 5,133,011                      |
| <b>CUMULATIVE TOTAL (without labor withholding)</b> |   |                               | \$ 257,698                                   | \$ 765,382                                 | \$ 1,103,149                                 | \$ 1,554,493                                  | \$ 2,048,955                                 | \$ 2,720,863  | \$ 3,541,578  | \$ 4,362,294   | \$ 5,183,010   |                                   |
| % of Obligation spent                               |   |                               | 5.35%  | 15.90%                                     | 22.92%                                       | 32.29%  | 42.56%                                       | 56.52%  | 73.57%  | 90.62%   | 107.67%  |                                   |
| % of Total budget spent                             |   |                               | 3.58%  | 10.63%                                     | 15.33%                                       | 21.60%  | 28.47%                                       | 37.80%  | 49.20%  | 60.61%   | 72.01%   |                                   |

## ANNEX 9 Haiti MSME Quarterly Training Summary

| Title  | Date                         | Place                   | Number of Participants |            |             |
|--|------------------------------|-------------------------|------------------------|------------|-------------|
|  |                              |                         | Men                    | Women      | Total       |
| SME Finance Seminar Series<br>Workshop 3: Keeping Current                  | 3 October 2007               | Villa Creole            | 9                      | 5          | 14          |
| SME Finance Seminar Series<br>Workshop 4: Leadership and<br>Moving Forward | 9 October 2007               | Villa Creole            | 20                     | 6          | 26          |
| Measure and Management of<br>Delinquencies                                 | 21 au 23<br>November<br>2007 | ANIMH                   | 7                      | 1          | 8           |
| Effective Leadership   | 18-19 October<br>2007        | ANIMH                   | 9                      | 6          | 15          |
| Basics of Credit   | 16-17<br>November<br>2007    | Micro Crédit<br>Capital | 7                      | 2          | 9           |
| Basics of Microfinance for KATA<br>Entrepreneurs                           | 23 October<br>2007           | Port-au-<br>Prince      | 49                     | 12         | 61          |
| Basics of Microfinance for KATA<br>Entrepreneurs                           | 24 October<br>2007           | Petit Goave             | 22                     | 11         | 33          |
| Basics of Microfinance for KATA<br>Entrepreneurs                           | 5 November<br>2007           | Saint Marc              | 17                     | 9          | 26          |
| Basics of Microfinance for KATA<br>Entrepreneurs                           | 6 November<br>2007           | Gonaives                | 29                     | 16         | 45          |
| Basics of Microfinance for KATA<br>Entrepreneurs                           | 8 November<br>2007           | Cap-Haitien             | 66                     | 14         | 80          |
| Measure and Management of<br>Delinquencies                                 | 05 au 07<br>December 2007    | ANIMH                   | 7                      | 2          | 9           |
| Basics of Credit   | 19 au 21<br>December 2007    | ANIMH                   | 5                      | 2          | 7           |
| <b>TOTAL Quarter ended 12 31 07</b>  |                              |                         | <b>247</b>             | <b>86</b>  | <b>333</b>  |
| <b>TOTAL YEAR ONE</b>  |                              |                         | <b>250</b>             | <b>117</b> | <b>367</b>  |
| <b>TOTAL Project Trainings TO<br/>DATE</b>                                 |                              |                         | <b>497</b>             | <b>203</b> | <b>700</b>  |
| <b>Percentage</b>  |                              |                         | <b>71%</b>             | <b>29%</b> | <b>100%</b> |