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AMAP FINANCIAL SERVICES KNOWLEDGE GENERATION PROJECT

Quarterly Report #18 : Year 5, Quarter 3

April 1 to June 30, 2008

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AMAP FINANCIAL SERVICES KNOWLEDGE GENERATION PROJECT

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Quarterly Report #18: Year 5, Quarter 3

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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I. INTRODUCTION

In September 2003, the Development Alternatives, Inc. (DAI) consortium was awarded one of the AMAP Financial Services Knowledge Generation task order contracts under the AMAP Microfinance IQC. The overall purpose of the project is to generate knowledge that will help move the microfinance field forward in its efforts to extend efficient, sustainable, and quality financial services to the poor. It is also expected that this new knowledge will help increase the capacity of EGAT/MD and its partner USAID missions to design and strengthen the implementation, monitoring, and evaluation of USAID-supported microfinance projects. This effort will form part of an overall learning/management system intended to facilitate innovation and improvements to on-going projects and the development of new cutting-edge activities.

DAI'S PARTNERS IN FKSG

- ACCION International
- Alternative Credit Technologies
- The SEEP Network
- IMCC
- J.E. Austin
- Ohio State University, Rural Finance Program
- Bannock Consulting
- ECIAfrica
- QED LLC

The AMAP Financial Services Knowledge Generation (FSKG) project is composed of three components:

1. Core knowledge generation component. The bulk of the effort falls into this component. Knowledge generation activities includes, but is not limited to: research, applied research, action research, technical services, conferences, seminars and other activities, all of which feed into USAID's core long term microenterprise learning agenda.
2. Short term technical services component. This component will include short term technical services and training activities specified by technical directions provided to DAI from the Office of Microenterprise Development (OMD). These short term activities will also feed the core knowledge/learning agenda, but will be based upon requests from OMD and emerge as "windows of opportunity."
3. Knowledge management/collaboration component. This component will allow each of the contractors to support knowledge generation, synthesis and cross fertilization within the financial services sector of AMAP as well as across the two other sectors, Enabling Environment and Business Development Services.

The original contract award funded Component 1 only, and totaled \$4,773,991. Components 2 and 3 were funded in February 2004, each with an additional \$300,000, bringing the current total budget to \$5,373,991. On June 21, 2005 a third obligation of \$945,625 was made, bringing the obligated amounts to \$2,965,625. Finally, on May 24, 2006 USAID made a fourth obligation, bringing the obligated total for the project to \$3,640,625. USAID decided the allocation of the new obligation among Components 1, 2 and 3 on February 12, 2007.

II. STATUS OF COMPONENT ACTIVITIES: QUARTER 18

A. PROJECT MANAGEMENT

Summary of Progress: The Project Management Team, composed of Project Director Lauren Mitten, Deputy Project Director Catherine Johnston, Project Associate Donata Kane, met weekly to coordinate project activities, including:

- Finalizing and gaining approval for subcontractor task orders;
- Finalizing and gaining approval for individuals to complete research under the project;
- Developing the FSKG work plan covering the remaining contract period;
- Drafting, submission, review, revision and approvals for topic and sub-topic work plans;
- Managing research teams and moving research forward;
- Coordinating with USAID and other key donors engaged in similar research and applied research activities;
- Coordinating with the Knowledge Management contractor on key inputs to research formats, research branding, style and design, processes, etc.; and
- Communicating with the broader consortium about activities and updates.

Project activity coordination continued on each of the topics approved in years one and two.

Work continued this quarter to advance knowledge management activities in coordination with other consortia (namely Chemonics) and with the USAID knowledge management contractor, QED. These activities are described in the Component 3 section below.

On April 27, 2006, DAI received notification from CTO Barry Lennon of the planned FY06 obligation of \$675,000 for the project. The notification included distribution of the research budget in response to DAI's Year 3 Workplan. The distribution of funds included the re-allocation of funds among research topics, in addition to the increases. DAI responded to this notification, informing USAID that there were several discrepancies between the funds required for previously approved workplans, and the revised allocation of funds reflected in the FY06 obligation. On February 12, 2007, DAI received approval from Ms. Nhu-An Tran, the new AMAP FSKG CTO, regarding the revised allocation of funds.

USAID modified the AMAP FSKG contract on May 24, 2006, increasing the total obligated amount by \$675,000 and extending the period of performance through September 29, 2008.

In January 2007, Colleen Green stepped down as Project Director. Lauren Mitten has assumed this role. In May of 2008, Catherine Johnston accepted a long-term overseas assignment and resigned as the Deputy Project Manager on AMAP FSKG. DAI has identified a replacement candidate and will seek approval for this proposed candidate, Lisa Lynn, next quarter.

Budget Expended to Date: Through the third quarter of project year five, DAI expended \$509,851.39 on project management labor and ODCs, with a remaining approved amount of \$26,866.61.

B. COMPONENT ONE: KNOWLEDGE GENERATION

THEME 1: INSTITUTIONAL AND INNOVATIVE MODELS FOR OUTREACH

Constraints and Potential of State-Owned Retail Banks

Summary of Progress: There is no further work under this topic.

Personnel Who Contributed to this Research: The following individuals have been approved to contribute to this research activity:

Researcher	Firm/Organization	Job Category	Level
Robin Young, Research Leader	DAI	Microenterprise Research Specialist	I
Colleen Green	DAI	Microenterprise Research Specialist	I
Jay Dyer,	DAI	Financial Analyst	I
Zan Northrip	DAI	Financial Analyst	I
John Gutin	DAI	Microenterprise Research Specialist	III
Robert Vogel	IMCC	Microenterprise Research Specialist	I
James Hansen	IMCC	Microenterprise Research Specialist	I
Petronillo Casuga	IMCC	CCN	
Gilberto Llanto	IMCC	CCN	
Cerstin Sander	Bannock Consulting	TCN	
Anju Aggarwal	Bannock Consulting	TCN	
Gerhard Coetzee	ECIAfrica	TCN	
Gerda Piprek	ECIAfrica	TCN	
Phetsile Dlamini	ECIAfrica	TCN	
Neil Brislin	ECIAfrica	TCN	
Tillman Bruett	ACT	Microenterprise Research Specialist	I
Carlos Abreu	DAI	Microenterprise Research Specialist	II
Bassem Adly	DAI	TCN	

Budget Expended to Date: A total of \$194,521.63 has been expended for the SORBs topic. This represents 100% of the total SORBs budget approved to date. Of the 125 days approved, a total of 215.7 days have been billed to the SORBs research activity. The difference in LOE is due to a reallocation of higher labor rate days to lower labor rate categories.

Commercial Banks and Commercial Bank/MFI Linkages

Under the topic Commercial Banks in Microfinance, two of the three subtopics have been approved. These two approved topics are Commercial Banks in Microfinance and Commercial Bank/MFI Linkages.

Commercial Banks in Microfinance

Summary of Progress: Work under this topic is complete.

Personnel Who Contributed to this Research: The following individuals have been approved for research on this activity:

Researcher	Firm/Organization	Job Category	Level
Robin Young, Research Leader	DAI	Microenterprise Research Specialist	I
Nancy Natilson	DAI	Microenterprise Research Specialist	I
Robert Dressen	DAI	Financial Analyst	I
Lynne Curran	ACCION International	Financial Analyst	I
Deborah Drake	ACCION International	Microenterprise Research Specialist	I
Cesar Lopez	ACCION International	Microenterprise Program Administrative Specialist	I

Commercial Bank/MFI Linkages

Summary of Progress: Ms. Deborah Burand’s completed the guide for MFIs interested in forming strategic alliances with commercial banks and the related microNOTE. These reports are now available on microLINKS.

During the quarter, MicroSave/India conducted the demand-side market research and analysis for the savings study in four states in North East India. Both USAID and DAI have reviewed MicroSave/India’s final report, “Understanding and Responding to the Savings Behavior of Poor People in the North East of India,” which will be formatted and posted to microLINKS next quarter.

How people use available savings options depends on their specific needs. These needs often emerge from the different life cycle events and are determined by the pressure these events create. The needs and uses of savings can be broadly classified into short-term or long-term or into planned (one time or recurring) or emergency. The researchers determined that a single product could not meet the diverse financial needs of the poor people living in the four states—Assam, Meghalaya, Manipur, and Tripura. Instead, four product options emerged from this research, based on the preferences of the poor. These products are:

- General Savings Accounts: Encourage poor people to enter the formal financial system, through simple demand saving accounts.
- Short-term Recurring Deposit Accounts: Help the poor to saving up small lump sums to address a variety of small and often recurring clients savings needs.
- Long-term Recurring Deposit Accounts: Help strengthen coping mechanisms by providing the poor with a way to save for planned expenses and to reduce dependence on loans.
- Monthly/Annual Fixed Deposit with Certificate Accounts: Allow the poor to capture seasonal cash surpluses for future uses, through this simple and flexible fixed-deposit product.

The report contains detailed information about these products and how they meet the preferences of the poor.

Personnel Contributing to this Research: The following individuals have been approved for research on this activity:

Researcher	Firm/Organization	Job Category	Level
Mary Miller, Research Leader	DAI	Financial Analyst	I
Colleen Green	DAI	Microenterprise Research Specialist	I
Hillary Miller	DAI	Microenterprise Research	II

		Specialist	
Alexis Curtis	DAI	Microenterprise Research Specialist	III
Robin Bell	Bannock Consulting	Microenterprise Research Specialist	I
Ignacio Estevez	DAI	Microenterprise Research Specialist	I
Lauren Mitten	DAI	Microenterprise Research Specialist	II
Deborah Burand	DAI	Microenterprise Research Specialist	I

Budget Expended to Date for both Commercial Bank Topics: A total of \$231,596.54 has been expended for both subtopics through quarter end. \$99,385.46 remains under this topic and will be used to fund the savings research in India and the completion of Deb Burand's work on linkages.

THEME 2: MARKET RESEARCH AND NEW PRODUCT DEVELOPMENT

Housing Products

Summary of Progress: No new work took place during the quarter. However, DAI did work with Carissa Page of USAID and Lisa Lagreid of QED to develop an After Hours Seminar held on April 22 to promote the papers and to engage the broader community in a discussion of the key topics that arose from the research. The seminar speakers-- Stephanie Schmidt from ASHOKA, Franck Daphnis from DIG, and Patrick Kelley from Habitat for Humanity--represented different delivery models for housing microfinance and explored:

- Overview of the organization's model and its intended goals, including if and how these goals address issues of scale and sustainability (sustainability defined as autonomously financially sustainable).
- A review of the strengths and weaknesses of the organization's model. Not every model can accomplish everything!
- The best role for donors and subsidies, with a good explanation of why - differing goals for the organizations should lead to differing opinions about the best role for donors.
- The organization's place on the spectrum of solutions for providing housing finance for the poor, which ranges from a bundled set of services to "just" a micro loan intended to be used for housing purposes. Thoughts about the spectrum and what is important for increasing access to safe, affordable housing for the poor.

Personnel Contributing to this Research: The following personnel have been approved for work on this topic:

Researcher	Firm/Organization	Job Category	Level
Nino Mesarina	ACCION	Microenterprise Research Specialist	I
Mery Solares	ACCION	TCN	
Sally Merrill	Urban Institute	Microenterprise Strategic Planning Specialist	I
Noah Fishman	Urban Institute	Microenterprise Research Specialist	III

Brooke Linkow	Urban Institute	Microenterprise Research Specialist	II
Amy Davis Kruize	ICA	Microenterprise Research Specialist	I
Joan Hall	ICA	Microenterprise Research Specialist	I
Richard Martin	ICA	TCN	
Ashna Mathema	ICA	Microenterprise Research Specialist	I
James Hokans	ICA	Microenterprise Research Specialist	I

Budget Expended to Date: To date, \$159,360.52 has been spent on this topic. This amount is \$24,360.52 over the approved amount. DAI will adjust this overage during the budget realignment process of project closedown.

HIV/AIDS Responsive Products and Services

Summary of Progress: USAID approved the third and fourth microNOTEs in the HIV/AIDS and Microfinance MicroNOTE series. These NOTES, titled “Microinsurance for Markets Affected by HIV/AIDS” and “Products to Serve and HIV/AIDS-Affected Market: Savings” respectively, are now available through MicroLINKS.

MicroNOTE #3, “Microinsurance for Markets Affected by HIV/AIDS,” written by Taara Chandani of Banyan Global, explores how microinsurance can be an effective risk management strategy to protect poor households from these devastating losses; how different insurers have responded to the pandemic with appropriate and affordable coverage; and the challenges and risks inherent in serving communities with a high prevalence of HIV/AIDS.

MicroNOTE #4, by Lisa Parrott of Save the Children, explores how savings services can help households build up their asset base to prepare for the economic shocks brought about by HIV/AIDS. It offers examples of savings products, describes the key questions to ask before attempting to manage deposits in HIV/AIDS-affected markets, and lists some of the challenges to providing savings services.

Next quarter, DAI will publish three more microNOTEs—one on the role of the donor, another on workplace policies and programs, and yet another on risk management strategies for MFIs operating in HIV/AIDS prevalent markets.

Also during the quarter, the SEEP Network launched the Microenterprise and HIV/AIDS website (also known as the HAMED online guide) to the SEEP HAMED working group and then publically to the all interested parties at the HIV/AIDS and Microenterprise Development After Hours Event held at QED on June 11. Later in June, the SEEP Network facilitated an online conference to more broadly publicize the website and guide.

Personnel Contributing to this Research: The following personnel are contributing (or have contributed) to this research initiative.

Researcher	Firm/Organization	Job Category	Level
Colleen Green, Research Leader	DAI	Microenterprise Research Specialist	I
Anita Fiori de Abreu	DAI	Microenterprise Research Specialist	III
Lauren Mitten, Research Leader	DAI	Microenterprise Research	II

(new)		Specialist	
Frances Bundred	ECI	TCN	
Dominique Browers	ECI	TCN	
Mary McVay	SEEP	Microenterprise Research Specialist	I
Pauline Achola	MEDA/SEEP	TCN/Purchase Order	
Carrie Miller	CRS/SEEP	Microenterprise Research Specialist	II
Laura Van Vuuren	SEEP	Microenterprise Research Specialist	I
Sabina Rogers	SEEP	Microenterprise Research Specialist	III
Taara Chandani	Banyan	Microenterprise Research Specialist	II
Lisa Parrott	Save the Children	Purchase Order	

Budget Expended to Date: As of quarter end, DAI spent \$164,270.21 on this research topic. \$51,513.79 remains for the completion of the microNOTE series and Phase 2 of the SEEP activity.

THEME 3: PUSHING THE FRONTIER – RURAL AND AGRICULTURAL FINANCE

Rural and Agricultural Finance

Summary of Progress:

Value Chain Finance Action Research:

Mexico: The value chain finance action research in Mexico is underway. This activity to support the mango value chain in Mexico is being implemented in conjunction with DAI/USAID’s AFIRMA project. The focus of this activity is to:

1. Build upon the project’s initial value chain analysis to identify specific opportunities and constraints that AFIRMA and/or other actors can address to improve competitiveness among small producers in the mango value chain in Mexico.
2. Identify and provide information to specific providers of sustainable financial services interested in financing a portion of investments in upgrading.
3. Design project support identifying specific actions with value chain actors, financial service providers, and other relevant government or non-government support programs.

The deliverables from this research will include:

- Final Mango Value Chain Analysis report
- Presentation to USAID of analysis and outline of potential project activity design
- Report recommending specific project activities and indicators to track progress
- Case study on the use of the value chain finance guidelines in the mango value chain analysis and programming

DAI will finalize all deliverables next quarter. Note: USAID has approved DAI’s request to bill this work to Component 2—Short-Term Technical Services.

Albania: During the quarter, DAI received USAID approval to start the Albania action research on the apple value chain.

This scope of work is for a jointly funded AAC and AMAP FSKG activity to provide consultants who will work with AAC staff to:

- Build upon existing AAC analysis of the apple value chain in the Korça region to develop a Value Chain Upgrading Plan which addresses critical finance constraints, and is consistent with key stakeholder’ business plans and capacities.
- Evaluate the ability of potential suppliers of finance including banks, NGOs and value chain actors – identify constraints to the provision of finance and potential solutions to address these constraints.
- Provide a case study assessing the use of the Value Chain Finance Guidelines in the analysis and development of the upgrading strategy for the apple value chain.

The Team Leader will travel to Albania in July to conduct the field research for this assessment. Deliverables will consist of a written **value chain upgrading and financing plan** incorporating stakeholder input from field consultations that will present a proposition for an upgrading strategy and action plan for use by the AAC project.

An **addendum** to the report will evaluate the degree to which the value chain finance guidelines developed under FSKG were useful to team members during the assignment and describe specific difficulties or insights that were encountered in applying the guidelines during the study mission. This addendum will describe how the guidelines were used to improve the value chain analysis, suggesting revisions to the guidelines, and documenting lessons learned in incorporating finance into value chain analysis and upgrading strategies.

Kenya: USAID has approved DAI’s request to conduct action research of the fish value chain in Kenya. Another USAID/DAI project KARF and FSKG will jointly fund this activity to:

- Build upon existing KARF analysis of the fisheries value chain in Kenya to develop a Value Chain Upgrading Plan which addresses critical finance constraints, and is consistent with key stakeholder’ business plans and capacities.
- Evaluate the ability of potential suppliers of finance including banks, NGOs and value chain actors – identify constraints to the provision of finance and potential solutions to address these constraints (lower risks, costs).
- Provide a case study assessing the use of the Value Chain Finance Guidelines in the analysis and development of the upgrading strategy for the fisheries value chain.

The Team Leader will travel to Kenya in July to conduct the field research for this assessment. Deliverables will consist of a written **value chain upgrading and financing plan** incorporating stakeholder input from field consultations that will present a proposition for an upgrading strategy and action plan for use by the KARF project and stakeholders in the fisheries and finance sectors.

An **addendum** to the report will evaluate the degree to which the value chain finance guidelines developed under FSKG were useful to team members during the assignment and describe specific difficulties or insights that were encountered in applying the guidelines during the study mission. This addendum will describe how the guidelines were used to improve the value chain analysis, suggesting revisions to the guidelines, and documenting lessons learned in incorporating finance into value chain analysis and upgrading strategies.

In addition to the above approved value chain finance action research, USAID has approved the writing of a report that summarizes the current literature on value chain finance, taking into account all the lessons learned under FSKG. It will also incorporate the lessons learned from 3 value-chain finance case-studies described above. These case studies will also help evaluate the degree to which the value chain finance guidelines developed under FSKG were useful to value chain assessment teams in the field and describe specific difficulties or insights that were encountered in applying the guidelines during the study mission. Overall, the synthesis report will provide guidelines and practical lessons learned on how to improve value chain analysis and upgrading strategies by incorporating finance into them.

Personnel Contributing to this Research: The following individuals have been approved to work on the rural finance work plan.

Researcher	Firm/Organization	Job Category	Level
Catherine Johnston, Research Leader	DAI	Microenterprise Research Specialist	II
Colleen Green	DAI	Microenterprise Research Specialist	I
David Neven (new Research Leader)	DAI	Microenterprise Research Specialist	I
Hillary Miller Wise	DAI	Microenterprise Research Specialist	II
Zan Northrip	DAI	Financial Analyst	I
Jenny Pan	DAI	Microenterprise Research Specialist	II
Alexis Curtis	DAI	Microenterprise Research Specialist	III
Mary Miller	DAI	Microenterprise Research Specialist	I
Claudio Gonzalez-Vega	OSU	Microenterprise Research Specialist	I
Jorge Rodriguez-Meza	OSU	Microenterprise Research Specialist	III
Sarah Lowder	OSU	Microenterprise Research Specialist	III
Rodolfo Quiros	OSU	CCN	
Alejandro Canadas	OSU	Microenterprise Research Specialist	III
Richard Meyer	OSU	Microenterprise Research Specialist	I
Patrick Hanneman	ICA	Microenterprise Research Specialist	I
Heather Dale	DAI	Microenterprise Research Specialist	II

Budget Expended to Date: To date, DAI has spent a total of \$261,095.54, with an approved remaining amount of \$121,513.46.

THEME 4: IMPROVING MICROFINANCE MANAGEMENT

MFI Guide to Technology

Summary of Progress: During this quarter, Alice Liu completed the outsourcing research under the MFI Technology component and submitted a draft report for review. Next quarter, this final report will be formatted and posted on microLINKS. Ms. Liu was invited to present at the CGAP/CAPAF technology conference in Cameroon in early July. Her outsourcing research will be the foundation of her presentation. USAID has approved the use of knowledge management funds to cover Alice’s labor and travel related costs, associated with her attendance.

Personnel Contributing to this Research: The following personnel has been approved to work on this research activity. Alice Liu is the DAI research manager, coordinating with ACCION and other DAI researchers on a regular basis.

Researcher	Firm/Organization	Job Category	Level
John Cann	DAI	Microenterprise Research Specialist	I
Alice Liu, Research Manager	DAI	Microenterprise Research Specialist	I
Alexis Curtis	DAI	Microenterprise Research Specialist	III
Cynthia Canelas	DAI	Microenterprise Research Specialist	II
Susana Barton	ACCION	Microenterprise Research Specialist	I
Carlos del Busto	ACCION	TCN	
Billy Vera	ACCION	TCN	
Raul Gomez Velasquez	ACCION	TCN	
Deborah Drake	ACCION	Microenterprise Research Specialist	I
Rekha Reddy	ACCION	Microenterprise Research Specialist	II
Tim Sparkman	DAI	Microenterprise Research Specialist	III

Budget Expended to Date: As of quarter end, DAI expended \$119,645.22 on this topic. \$7,069.78 remains.

Disseminating the Defining Options Curriculum

Summary of Progress: Work under this topic has been completed.

Personnel Contributing to this Research: The following individuals are approved to work on this research topic.

Researcher	Firm/Organization	Job Category	Level
Colleen Green, Research Leader	DAI	Microenterprise Research Specialist	I
Mary Miller	DAI	Microenterprise Research Specialist	I
Jenny Pan	DAI	Microenterprise Research Specialist	III
Frances (Fraser) Bundred	ECI	TCN	
Petronella Chigara	ECI	TCN	
Dominique Brouwers	ECI	TCN	
Tatiana Mata	ECI	TCN	

Budget Expended to Date: DAI has expended a total of \$218,297.31. This represents 99.2% of the total funding approved for this project. Of the 163.5 days approved for this topic, DAI billed 155.9 days to this research topic.

The Missing Middle: Middle Management Training for MFIs

Summary of Progress:

During the period, the ILO completed the training certification program in Bolivia, Pakistan, and Senegal and launched the Trainer Community of Practice (CoP). Next quarter, the ILO will complete the last two deliverables—two microNOTEs.

QED has completed its component—helping the ILO to set up and launch the CoP. Next quarter, QED will finalize a microNOTE, which highlights guidelines for starting this type of CoP and describes lessons learned from the ILO CoP experience.

Personnel Contributing to this Research: The following personnel are approved for work on this topic.

Researcher	Firm/Organization	Job Category	Level
Lauren Mitten, Research Manager	DAI	Microenterprise Research Specialist	II
Kristine Powers	QED	Microenterprise Research Specialist	I
Ecaterina Marshall	QED	Microenterprise Research Specialist	I
Catherine Horn	QED	Microenterprise Research Specialist	III
Lucie Lamoureux	QED	TCN	

Through the purchase order with ILO, the ILO will be providing a cadre of trainers.

Budget Expended to Date: To date, DAI has expended \$171,141.27 on this topic. \$226,764.15 remains to fund the training and knowledge management components of this activity. USAID approved the transfer of funds from the access to capital topic to this activity line budget.

Money Transfers and Remittances

Summary of Progress:

Newsletter

The newsletter team (Manuel Orozco, IAD, and Anna Ferro, DFID) produced the 14th newsletter in May with the following contents:

- Worldwide Trends in International Remittances
- Remittances and Financial Intermediation
- Research Note: Remittances by the Highly Educated

- Guest Article: Two Global Geographies for Remittances: States Formalize One But Not the Other
- Country Profile: Moldova
- Events
- Publications

One more newsletter is scheduled to be completed by the end of July.

Research

2007-2008 Workplan		
Understanding the U.S- Nigeria Remittances Corridor	April-October 2007	Completed
Household Survey/Analysis of Remittance Flows to Armenia	March-January 2008	Completed
Analysis of alternative payments in Mexico		Cancelled
Good practices guidelines for household surveys	3 rd quarter 2008	In progress
Lessons learned from MFI-remittances linkages	1 st and 2 nd quarter of 2008	Nearly completed

Household Survey/Analysis of Remittance Flows to Armenia

The Armenia survey and analysis were completed and the final report will be finished in July.

Lessons learned from MFI-remittances linkages: The surveys and draft report were completed. The final report will be completed in July.

Good practices guidelines for household surveys: This report is at the rough draft stage and will be completed in July.

Personnel Contributing to this Research: The following personnel are approved for work on this topic. Note: not all staff approved are currently working on the topic.

Researcher	Firm/Organization	Job Category	Level
Manuel Orozco, Editor - CURRENT	InterAmerican Dialogue	Microenterprise Research Specialist	I
Bryanna Millis – CURRENT	DAI	Microenterprise Research Specialist	II
Anna Ferro - CURRENT	DFID		
Maria Jaramillo- PAST	ACCION International	Microenterprise Research Specialist	II
Juliette Gelbard - PAST	DAI	Microenterprise Research Specialist	III
Catherine Johnston – PAST	DAI	Microenterprise Research Specialist	II
Anna Lindley – PAST	DFID		
Anke Wolfe, Editor – PAST	DFID		
Cerstin Sander, Editor - PAST	DFID and Bannock Consulting	TCN	
Anju Aggarwal – PAST	Bannock Consulting	TCN	
Enrique Mendizabal - PAST	Bannock Consulting	TCN	
Vicky Seymour – PAST	DFID	TCN	
Robert Vickers – PAST	DAI	Microenterprise Research Specialist	III
Sarah Berghorst – PAST	DAI	Microenterprise Research Specialist	III

Contracts

IAD's sub-contract ceiling was raised to \$140,971 with an additional 17 days of LOE available for Manuel Orozco to complete the scheduled work and provide assistance to field missions as requested.

Budget Expended to Date: As of quarter end, DAI has spent \$242,099.85 on this topic. This topic is over by \$25,274.85, which DAI should have been billed to the STTA line. This correction will take place next quarter.

Credit Scoring for Microfinance

Summary of Progress: All research under this topic is complete.

Personnel Contributing to this Research: The following personnel have been approved to work on this research topic.

Researcher	Firm/Organization	Job Category	Level
Dean Caire	Bannock Consulting (DAI Europe)	Microenterprise Research Specialist	I
Jay Dyer	Bannock Consulting (DAI Europe)	Microenterprise Research Specialist	I
Susana Barton	ACCION	Microenterprise Research Specialist	I
Alexandra de Zubiria	ACCION	TCN	
Neil Brislin	ECIAfrica	TCN	
Frances (Fraser) Bundred	ECIAfrica	TCN	

Budget Expended to Date: DAI billed \$49,903 for this activity. Of the 61 days allocated for this research, a total of 50.1 have been billed to date.

Promotion of Financial Standards

Summary of Progress: This research topic has been completed. All final deliverables have been posted on microLINKS.

Personnel Contributing to this Research: We have received approval for all personnel working on this topic:

Researcher	Firm/Organization	Job Category	Level
Till Bruett	ACT	Microenterprise Research Specialist	I
Dana Dekanter	SEEP Network	Microenterprise Research Specialist	I
Sharyn Tenn	SEEP Network	Microenterprise Research Specialist	II

In addition, members of the SEEP Financial Services Working Group provided volunteer time to the activity.

Budget Expended to Date: DAI has expended a total of \$129,261 for this topic. This represents 100% of the total approved budget. DAI billed 66.6 days of the approved 56.6 days.

THEME 5: GAINING ACCESS TO CAPITAL

Private Debt Placements/Guarantee Research

Summary of Progress: DAI and USAID combined the Private Debt Placements/Guarantee Research and DCA Credit Enhancements topics.

All work under this topic is complete.

Personnel Contributing to this Research: The following individuals have been approved to contribute to this research.

Researcher	Firm/Organization	Job Category	Level
Mary Miller	DAI	Financial Analyst	I
Robert Dressen	DAI	Financial Analyst	I
Carlos Abreu, Research Leader	DAI	Financial Analyst	II
Till Bruett	SEEP Network	Financial Analyst	I
Andrew Ippini	DAI	Microenterprise Research Specialist	III
Brooke Jones	DAI	Microenterprise Research Specialist	III

Budget Expended to Date: To date, a total of \$23,628 have been billed to this topic. No funds remain, as excess funds were transferred to the middle management topic.

DCA Credit Enhancements

Summary of Progress: No other work took place under this topic during the quarter.

For other updates, see also the Private Debt Placements topic.

Personnel Contributing to this Research: The following individuals are expected to contribute to the research.

Researcher	Firm/Organization	Job Category	Level
Mary Miller, Research Leader	DAI	Microenterprise Research Specialist	I
John Jepsen	DAI	Microenterprise Research Specialist	II
Carlos Abreu	DAI	Microenterprise Research Specialist	II
Andrew Ippini	DAI	Microenterprise Research Specialist	III

Budget Expended to Date: DAI has spent a total of \$50,625.36 through June 2008 towards the completion of the work plan. \$3,370.35 remains.

THEME 6: ENABLING ENVIRONMENT FOR MICROFINANCE

Network Research

Summary of Progress: Research under this topic has been completed. No other research is planned at this time.

Personnel Contributing to this Research: The following individuals have been approved to carry out the research under this topic.

Researcher	Firm/Organization	Job Category	Level
Sharyn Tenn	SEEP Network	Microenterprise Research Specialist	II
Patrick McAllister	SEEP Network	Microenterprise Legal and Regulatory Specialist	I

Budget Expended to Date: To date, \$96,073 have been expended through June 2008. This represents 100% of the total approved budget. 61.1 days have also been expended.

Proving Microfinance Matters

Summary of Progress: Work under this topic has been discontinued. The USAID CTO reallocated funding under this topic to other research topics.

Personnel Contributing to this Research: The following individuals have been submitted for approval to work on this topic.

Researcher	Firm/Organization	Job Category	Level
Colleen Green, interim research leader	DAI	Microenterprise Research Specialist	I
Zan Northrip	DAI	Financial Analyst	I
Jorge Rodriguez-Meza	OSU	Microenterprise Research Specialist	II
Claudio Gonzalez- Vega	OSU	Microenterprise Research Specialist	I
Lily Zandiapour	QED	Microenterprise Research Specialist	I
Pat Vondal	QED	Microenterprise Research Specialist	I
Ulrich (Rick) Ernst	DAI	Financial Analyst	I
Don Snodgrass	DAI	Microenterprise Research Specialist	I
TBD	DAI/SEEP/OSU	Microenterprise Research Specialist	I, III, I

Budget Expended to Date: DAI expended \$38,814 (or 100% of the approved funded amount) and 37.5 days of level of effort.

Component 2: Technical Services

Two pieces of work have taken place under this component: The Microinsurance Notes series and Defining Options in Haiti. The Defining Options in Haiti activity is complete and so is the Microinsurance Note Series, produced by Michael McCord. (Earlier quarterly reports provide detailed information about both of these activities.)

USAID agreed to fund a third piece of research under this component—direct assistance to Mexico USAID Mission on value chain finance action research programming. Please see Rural and Agricultural Finance section of this report for more information about this activity.

Budget Expended to Date: As of June 2008, DAI billed \$170,604.52 under this component, leaving \$129,395.48 in remaining approved funds.

Component 3: Knowledge Management and Dissemination

Several activities took place to increase the quality of the dissemination of FSKG research.

- On June 11, DAI Activity Manager and Project Director, Lauren Mitten, participated in the After Hours Event on Resources for HIV/AIDS and Microenterprise Development. During this event, Ms. Mitten shared the objectives of the FSKG research in this area and the outcomes/lessons learned achieved to date, highlighting specifically the Defining Options curriculum, action research, and microNOTE series. Lisa Parrott, from Save the Children, presented the Guide for Economic Strengthening for Vulnerable Children, developed with funding from USAID. Mary McVay demonstrated the Microenterprise and HIV/AIDS website, developed by the SEEP Network with funding from USAID through DAI's AMAP FSKG contract.
- DAI Principal Development Specialist John Magill began work on follow-up to the State-Owned Retail Banks (SORBs) research previously completed under FSKG. Mr. Magill's research had been intended as a stock-taking exercise, with a couple avenues for further research. However, he found that there is need to compile a list of success factors for SORBs development and reform so we allotted him more time to pursue this line of inquiry. Mr. Magill came to Washington DC in late June to liaise with CGAP and the IDB, and plans to write his report in July.
- DAI Associate Development Specialist Tim Sparkman compiled a list of U.S. graduate programs offering concentrations with a microfinance element—mainly international development degrees—and collected contact information for those degree programs. QED transferred to DAI a box of materials describing the resources available to interested students on the microLINKS website. Mr. Sparkman will communicate with those degree programs and have the materials available to incoming students at the start of the Fall semester. It is anticipated that students will use the microLINKS website as a resource for class assignments.
- During the quarter, DAI worked with QED/IRG to organize a Speakers Corner, titled "Savings—The Forgotten Half of Financial Interventions," scheduled to take place in mid-July.

Budget Expended to Date: To date, DAI has spent a total of \$200,817.93 on knowledge management related activities as well as for other technical instructions that have been issued under this line item. There remains \$49,182.07 in approved funds under this component.

III. PROJECT EXPENDITURES

The total project expenditures for Quarter 18 are provided in a separate attached spreadsheet accompanying this quarterly report. Project expenditures are broken out by Labor and Other Direct Costs (ODCs). A total of \$3,031,852.14 has been expended on this project through June 30, 2008.