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**YEAR FIVE MATCHING GRANT ANNUAL AND
FINAL REPORT**

**To the United States
Agency for International Development**

**In fulfillment of the 1993-1998
USAID/Opportunity International Grant
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**Submitted by Opportunity International
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EXECUTIVE SUMMARY

Program Objective

Through USAID Matching Grant funding, Opportunity International (OI) was to create and link indigenous Partner Agencies in Bulgaria, Indonesia, Ghana, the Philippines, South Africa, and Zimbabwe to provide business training and lend capital to impoverished entrepreneurs. Opportunity also created a confederation of its Partners to improve the access and availability of the information and resources that, in turn, help the clients of Opportunity's Partner Agencies. Opportunity International continues to build on experience gained by creating and linking 58 indigenous MED agencies to create opportunities for impoverished entrepreneurs to succeed.

Three objectives achieved through the Matching Grant Program

1 Opportunity developed a new "leveraged" model of agency creation. Opportunity International used Matching Grant funding as seed capital to attract grants and soft loans in the early stages of agency formation. South Africa and Bulgaria's MED programs were created on this basis in 1993. Opportunity replicated this successful technique in Ghana.

2 Opportunity linked existing strong programs to formal sector funding. With Opportunity International and USAID funding, Opportunity's Partners in Indonesia, the Philippines and Zimbabwe are increasing their portfolio base through market-based funding.

3 Opportunity created a Partner Agency federation to equip its members. Opportunity continues its efforts to create a tighter network of Partner Agencies. Opportunity encourages its members to interact and learn from one another. In its 27 years of experience in working with indigenous NGO's, Opportunity International has found that its Partners can learn effectively from each other. One way Opportunity encourages this is by encouraging Partners to attend training sessions at established Regional headquarters in Indonesia, the Philippines, Russia, and Zimbabwe.

Principle Accomplishments and Priorities for the Future

AFRICA-Two new African NGOs have been developed and are providing loans under the Matching Grant program using the linkage and leverage model. Regional staff facilitated this process. The two new NGOs and an existing agency in Zimbabwe are being expanded using funding obtained from non-grant sources. In addition, a regional training center was created to upgrade the capacity of Opportunity partners and other MED implementers. Through the collaboration of the Africa Regional Office and the OI Network, lending operations are now running in Zambia as well. Currently, options are being pursued to start a Partner in Tanzania next year, and the other African Partners will continue to focus on expanding their current activities.

BULGARIA/Eastern Europe-Opportunity established both an Eastern European Regional Office and a local NGO in Bulgaria. The implementing agency in Bulgaria was developed using the linkage and leverage model. In late 1993, OI began operations in Russia. In 1994, plans were formed for a Partner Organization in Romania. In late 1995, Opportunity began forming Partners in FYR Macedonia, Poland, and in Rostov-On-Don, Russia. In 1996, the Eastern Europe Regional Office made arrangements to begin new programs in Croatia and Voronezh, Russia. A large amount of funding made it possible for expansion into Croatia, due to the stability of Opportunity's regional office which continues to be buttressed by the Matching Grant. Both the Croatian and new Russian partners have been lending since the first quarter of 1997. Last year, OI has secured funding to expand into Novgorod and Saratov in Russia as well. During this past year, OI established a Partner in Albania. In all, OI has expanded to 12 Partners in 7 different countries in this region. For 1999, plans are underway to establish a Partner in Montenegro, and significant research is being done on the feasibility of establishing more Cooperatives in the region.

INDONESIA-National expansion was already underway in Indonesia. Opportunity and its local partners obtained funding to replicate new agencies on three islands. Matching Grant funds were used to facilitate the creation of five rural development banks that will hold borrower savings and leverage additional resources. Opportunity is providing technical assistance and training to scale-up the bank's lending programs. A national coordinating and training organization established by Opportunity serve as the channel for Opportunity's input to Indonesia. During

the fourth year of the grant, OI established another MED organization that will implement the Trust Bank methodology. Expansion and improved service to clients were the focus of the Indonesian Partners during the final grant year. Due to the economic crisis, they were not able to establish the rural banks so this remains a priority for the future. There is a total of 16 microlending organizations in Indonesia.

PHILIPPINES-In the Philippines, Opportunity works with nine local agencies. These agencies are undertaking significant expansion and replication. The largest agency, TSPI, received authorization to create a development bank as a way to link with the formal sector. In addition to a formal bank, a Grameen Bank type poverty-lending program is being scaled-up to be nation-wide. This past year, OI selected the Philippines to be the site of a major expansion program. The goal of the expansion is to increase ten-fold the output of our Filipino Partners in the course of the next 5 years. By the year 2002, the goal is to reach 250,000 clients on an annual basis with a total loan portfolio of over \$150 million.

CONFEDERATION FORMALIZATION- Prior to the Matching Grant, the international confederation of Opportunity partner NGOs had very informal information exchange and technical assistance mechanisms. To formalize these structures for the long-term, Opportunity had two international conferences, utilizing an international confederation council, researching technical white papers, producing a program issues digest, and installing an international communications system. In addition to this, Opportunity established an Internet presence on the World Wide Web at "www.opportunity.org". Not only does this enable the public to explore Opportunity, more importantly it will enable our confederation to access useful information. A system of information dissemination with regard to best practices, current MED research material, funding possibilities was developed as part of our internet site. During the fourth year, OI concluded a two-year research and deliberation process regarding the future structure of the Opportunity Network. The conclusions were voted-on during the Global Conference this past grant year and ratified by each board of the OI Confederation of Partners. The Network, operating its headquarters in Oak Brook, IL is currently working on implementing the accreditation process for the 60 Partners in the Confederation.

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I Background and Project Context

A Opportunity's Mission, Global Network and Accomplishments

Opportunity International is a world-wide development organization that focuses exclusively on creating employment and income opportunities for the poor through small and microenterprise development. Founded in 1971 and headquartered in Oak Brook, Illinois, Opportunity's mission is as follows:

"Our **mission** is to provide opportunities for people in chronic poverty to transform their lives. Our **strategy** is to create jobs, stimulate small businesses, and strengthen communities among the poor. Our **method** is to work through indigenous Partner Agencies that provide small business loans, training and counsel."

In fulfillment of this mission Opportunity created and now coordinates an international confederation of 60 Microenterprise Partner Agencies operating in more than 128 urban centers in 30 countries of Africa, Asia, Europe, Latin America, and the Middle East. Four Regional Offices in Colombia, Zimbabwe, Australia and Bulgaria and Country Offices in Nicaragua, Poland, Russia, Macedonia, Croatia, India, the Philippines and Indonesia provide a range of management and technical support services to our Partner Agencies. The Network also includes Support Partner agencies including OI-US, the Women's Opportunity Fund, OI-UK, OI-Australia, Tear Fund (New Zealand) and OI-Deutschland. In 1999 three additional Support Partners will begin operations in Canada, France and Sweden.

These regional and country offices are currently staffed by approximately 40 technical and administrative personnel. The 60 Partner Agencies, now employing approximately 1,370 staff with average tenure exceeding 4 years, receive state-of-the-art training in MED through three regional training centers, regular in-country workshops and a bi-annual Field Exposure Training Program in the Philippines. The most recent Philippines training program provided operations and viability training for Executive Directors from 14 countries within the Opportunity Network.

The Opportunity International Network of regional and country offices and Partner Agencies produced the following results in 1997:

- 151,043 jobs were created or sustained
- \$28.2 million was loaned to 102,236 entrepreneurs
- 141,931 participants attended 21,331 small business training seminars
- 339,680 consulting visits were made to borrowers
- 94% payback was achieved for existing loans
- 85% of loans were made to women entrepreneurs

Opportunity International implements its program by working with key volunteer business and community leaders in a selected country to develop an indigenous NGO development agency. Opportunity then provides this new agency with management, programmatic and resource development training and funding over time, normally a 3-6 year period, until they reach programmatic and financial viability.

Three critical components form the core of Opportunity's assistance. First, small loans, averaging \$276, are provided to poor entrepreneurs to create a micro business or strengthen an existing one. Second, training in basic business skills provides these entrepreneurs knowledge to further develop their capacity to start and manage their businesses. Third, regular consultation to these fledgling businesses given on a monthly basis by project officers enhances a client's long-term success.

B Circumstances Surrounding the Program

Over the past ten years Opportunity International has experienced significant growth in geographic, financial, and programmatic terms. Building on this strength, Opportunity has now launched the confederation into a new phase of accelerated growth -- a scale-up initiative in which three new and three existing partners are creating national impact MED programs in their respective countries.

Four critical events took place to trigger this new, accelerated approach 1) In mid-1992, Opportunity's board, staff, and Partner Agencies shaped a strategic plan calling for exponential growth of services to the poor 2) USAID's 1992 mid-term evaluation of Opportunity's former Matching Grant concluded that Opportunity was poised for exponential growth 3) The pool of traditional grant funds for MED has proved insufficient to propel programs to nation-wide scale, yet new windows have opened for high caliber MED programs to access market-based funding from the formal sector 4) The dramatic shift in Eastern Europe and the former Soviet Union from Marxism to democracy, along with the dismantling of apartheid in South Africa, opened the doors for American NGOs to address deep-seated poverty and soaring unemployment among millions of people at a volatile time in history

C The Problem to Be Addressed by the Program

The problem to be addressed by the program is three-fold Each aspect of the problem involves a different player in the Opportunity International Network

1) **Beneficiaries** Target groups in each country have very high rates of under and unemployment While job skills exist, income and job creation is hampered by a lack of access to capital and business training Lack of stable income amplifies health, housing, and education problems Criteria for the selection of the countries in the program are as follows 1) Substantial under and unemployment, 2) Policy environment that permits micro-enterprise lending, 3) Potential for a nationwide program, 4) Local leadership willing to comprise board of local NGO

2) **Local NGOs** Opportunity's Partner NGOs face three problems 1) New agencies lack a programmatic track record that allows them to attract large block funding Staff and systems must be trained and tested before massive scale can be achieved 2) Agencies with track records face funding constraints because of more sophisticated financial management systems 3) Local NGOs lack access to information on the experience of other MED agencies and staff members lack professional development opportunities

3) **Opportunity's Confederation** The confederation of Opportunity Partners faces three problems that emerge from the rapid growth it is experiencing 1) As the confederation increases its number of partnerships, technical support, training, and evaluation needs to increase also Opportunity faces the dilemma of providing and coordinating these services in a cost-effective and non-bureaucratic manner 2) Expansion requires the recruitment and development of additional personnel from inside and outside the confederation 3) Communications capacity must be expanded in order for the confederation members to participate and be serviced

D Opportunity's Capabilities of Addressing the Problem

Throughout its 27-year history Opportunity has focused exclusively on implementing micro-enterprise projects This has been accomplished by building a confederation of 60 local NGOs in 30 countries, supported through a decentralized structure that places senior program staff at the regional level Regional and Partner Agency staff, now numbering more than 1,370, with average tenure exceeding 4 years, have received state-of-the-art training in MED through four regional training centers and regular in-country workshops

Opportunity has developed a comprehensive set of systems and materials designed to build the long-term vision, technical capacity, and fund-raising ability of its Partners Workshops on vision and mission, staff training materials, beneficiary training methods and materials, financial systems, program design and evaluation tools, monitoring systems, and grant writing training are some of the services and materials developed by Opportunity to strengthen its partners

Opportunity's network of 60 Partner agencies consistently demonstrates a capacity to develop innovative approaches to delivering MED services to the poor Indonesian partners have taken the lead in the creation of development banks Partners in the Philippines (Pinautubo), Zimbabwe (southern Africa drought) and Pakistan (1992 flood), Dominican Republic (Hurricane Georges), and Honduras and Nicaragua (Hurricane Mitch), have excelled in delivering MED services in rapid response to natural disasters Central American partners have developed business incubator projects for poor urban women who fall outside the normal parameters of a MED program

This singular focus on the development and strengthening of local NGO Partners, who run microenterprise development programs, has helped Opportunity International to become a leader in the development field

Opportunity's creation of the Women's Opportunity Fund strengthens the Network's ability to reach the poorest clients, especially women, through specializing in a particular poverty group-lending model. By means of Best Practices Workshops, exchange visits and on-going documentation, the Women's Opportunity Fund has capitalized on existing network relations to build the adaptable Trust Banks model- currently being implemented by 30 Partners in 20 countries, in four OI regions

Another example of OI's leadership in the field of MED is evidenced by the fact that Opportunity is one of seven primary NGO subcontractors on AID's "Microenterprise Best Practices" project. The goal of this project is to conduct research to discover the best practices taking place in the MED industry today. Opportunity researches issues such as the development of Management Information Systems for MED organizations, small business lending models, and leasing models. This research benefits Opportunity's Partners, and is also of value for the advancement of MED technology for the entire industry.

Opportunity has also been involved in being an active participant in the AIMS project, research transformation and impact indicators. This research is invaluable to the microenterprise industry in determining the long-term effects microenterprise has on the poor. As this continues to be an area of growing interest, OI will continue to lead the way in developing and testing research tools to be used throughout the industry.

II Program Methodology and Strategy

Opportunity International provides opportunities for people in chronic poverty to transform their lives by creating jobs and stimulating small businesses. Opportunity works through indigenous Partner Agencies that provide small business loans, training and counsel. For 27 years Opportunity has facilitated the growth of the international confederation of micro enterprise development with a commitment to two foundational principles: local ownership and a transformational approach to micro enterprise development.

A Opportunity International Philosophy

The program is predicated on two basic development facts. First, while Opportunity acknowledges the need for other development interventions, job creation programs empower beneficiaries to address their own basic needs in a sustainable way. People are better able to obtain health care, housing, food, education, etc. if they have a stable source of income. Second, Opportunity believes the development of local NGO's is the only effective and sustainable way of carrying out economic development. Funds invested in job creation through local NGOs leverage the broadest and most sustainable benefits.

B Program Purpose

Opportunity's purpose for this program was, and continues to be, to provide a lasting solution to hunger and suffering through the creation of income and employment opportunities for the poor of Indonesia, Zimbabwe, South Africa, the Philippines, Ghana, and Bulgaria.

Opportunity International projected in 1993 that by the end of the this Grant

- 125,410 jobs would be created
- 85,360 micro and small enterprise loans would be provided, focusing on the services, small industry, and agro-industry sectors of MED
- 91,100 people would have received business training
- 92% of the loans would be repaid
- 50% or more of the loans would be provided to poor women
- 30% of the loans would be provided to the poorest of the poor
- The six agencies would manage an average loan portfolio of \$2.3 million

C Program Goals

In order to achieve the program's purpose, there were several goals established as part of Opportunity's request for Matching Grant funds.

- 1 Opportunity would develop a new "leveraged" model of agency creation wherein Opportunity and USAID funding would be used as seed capital to attract substantial grant and soft loan funding at an early stage in the development of new agencies in South Africa (1993), Bulgaria (1993), and Ghana (1995)
- 2 Opportunity would link existing strong programs in Indonesia, the Philippines, and Zimbabwe to the formal sector for access to market-based funding
- 3 Opportunity would strengthen international mechanisms for cross-fertilization and support among our 60 existing and proposed partners in order to accelerate the learning curve for national impact programs and to increase partner's capacity to respond to natural disasters through MED business rehabilitation loans

D Program Priorities

Opportunity's existing program priorities fall naturally in sync with AID's policies and priorities for the Matching Grant program

- **Microenterprise Lending** Opportunity's program focuses exclusively on MED lending
- **Democracy** Opportunity enters newly democratic Eastern European and African nations as a way to support the stability of these new governments
- **A I D Focuses** All six missions focus on some form of private enterprise development
- **Institutional development** For 28 years Opportunity has worked only through local NGOs by building their vision, program capacity and fund raising ability
- **PVO Strengthening** This program dramatically increases Opportunity's capacity in three critical areas 1) the foundation for programs in Eastern Europe is laid, 2) its ability to leverage market-based resources, and 3) its international confederation is a formalized service and support structure for growth
- **Women in Development** More than 80% of Opportunity's lending program beneficiaries are women Through this program, Opportunity will be strengthening the Women's Opportunity Fund, a program to carry out enterprise formation projects for women
- **Replication** Under the previous Matching Grant, Opportunity adapted its program to the Africa context Under the current grant, the model is being replicated in four countries Opportunity now utilizes adaptation and replication of lessons learned in Asia, Africa, Latin America, and Eastern Europe
- **Peace Corps** Opportunity utilized Peace Corps volunteers in Bulgaria and Zimbabwe
- **Sustainability** Opportunity implements all country programs with strict plans for the agency to become self-sustaining Grant activities strengthen Opportunity's ability to leverage private resources and thus enhancing self-sustainability
- **Food Monetization** Opportunity is improving its capacity to access more technical means of financing Food monetization is a very high priority, particularly for use in Africa

E Approach

Opportunity's sole focus is developing local NGOs that implement microenterprise programs This mandate stems from the belief that unemployment is a root cause of hunger in LDCs Opportunity believes loans and training at a grassroots level are the most effective intervention to create needed employment Opportunity carries out its programs only through local NGOs (with minimal expatriate staff, presently 10, are used) Institutional development forms the backbone of Opportunity's work

Matching Grant activities centered on the need to make structural and programmatic adjustments to better address the challenges of growth identified in the evaluation Expansion in Africa and Eastern Europe was done with a new model that stresses going beyond viability to achieve massive scale This happened by leveraging greater resources such as savings, soft loans, and investment funds Existing programs in the Philippines, Indonesia, and Zimbabwe implemented national scale programs, but needed to make linkages with the formal sector to fully achieve their potential These linkages were achieved in many different ways, and studies conducted in all three of these countries discovered the best possible mechanism to achieve access to the formal sector The Matching Grant enabled our efforts to discover the best possible linkage for each of these countries

F Methodology

Opportunity's general methodology is to utilize a five-stage program model to develop an agency's vision, capacity and funding Stage one involves developing a volunteer board of directors Stage two encompasses hiring and training key staff, a pilot year is launched to test systems and staff Stage three occurs as the agency grows towards financial viability Stage four is a transitional phase when technical assistance declines and expansion is the focus Stage five is achieved when an agency reaches full maturity and becomes an interdependent partner in the international confederation

Opportunity's Matching Grant program accelerated the pace of this five-stage model and sought to encourage national scale programs. The five-stage model creates agencies isolated from the formal sector and limited by the availability of grant funding. The model is sound, but is being refined to more quickly create national scale agencies with links to the formal sector and the capacity to leverage market-based funding. Opportunity is utilizing a three component strategy for accomplishing this evolution. 1) Opportunity designed and is utilizing a linkage and leverage model to establish new programs in Africa and Eastern Europe/NIS. 2) Opportunity is expanding existing programs in the Philippines, Indonesia, and Zimbabwe to achieve massive national-scale using the linkage and leverage model. 3) Opportunity formalized its international confederation of Partner Agencies in order to maximize cross-agency information and vision exchange, develop human resources, and increase the financial management capacity of all members.

G Strategy

In the remaining year of this century Opportunity plans to continue to build and strengthen its world class and worldwide confederation of MED agencies. Plans continue to focus on two types of growth: new Partners and expansion of existing agencies. Eleven partners have been created in Eastern Europe and the NIS, with plans to establish at least two more partner in the region in the coming years. The region is also organizing cooperatives for loan funds. Africa will scale-up to establish two new Partners, each year. The Philippines launched its country-wide capacity building initiative this year, and India will do so by early next year. In addition, many Partners has committed themselves to significantly scaling up their individual programs in order to meet the OI Network goal of reaching 2 million families by 2002. The Matching Grant provided Opportunity with seed capital needed to launch this expansion and the institution building capacity to support this growth over the long-term.

Opportunity accelerated the pace of its agency creation and expansion model by linking local NGOs and their beneficiaries to the formal sector and leveraging market-based funding. The program is designed to create three new agencies in South Africa, Bulgaria, and Ghana, and expand three existing programs in the Philippines, Zimbabwe, and Indonesia with this new model. These six agencies will 1) expand their lending capital to an average portfolio of \$2.3 million, 2) target at-risk groups such as disaster victims, rural groups and women, 3) over the five year LOP make 85,360 loans that will create 125,410 jobs, and 4) provide basic business training for 90,100 people.

In order to achieve these results Opportunity's headquarters program management team (Executive V.P., Program Officer, and Director of Finance) and its Regional Directors in Africa, Eastern Europe, and Asia accomplished the following:

- Refined the model for development banks pioneered in Indonesia, developing comprehensive management systems and staff training modules to ensure quality replication, and training staff of newly opened banks.
- Established a new regional office in Sofia, Bulgaria.
- Established a new regional MED training center in Zimbabwe.
- Created a coordinating body for the international confederation that will provide a forum for professional development of members, developing regular communication mechanisms, and helping to formulate confederation strategy.
- Upgraded financial management skills and installed computer-based loan portfolio management systems across the federation.
- Provided technical assistance to Partners in establishing the legal and financial structures needed to attract and utilize large soft loans and blocks of investment dollars.

These items were all accomplished previous to completion of the Matching Grant.

III Monitoring and Evaluation

A Summary

Monitoring and evaluation are an integral part of Opportunity's partnership with confederation members. Annual program plans and budgets are submitted and reviewed each October. Progress towards program and financial goals is monitored via monthly and quarterly reports that are monitored by regional and support offices. Clear definitions and guidelines were established for this reporting process. Comparative Performance Reports based on 12 key indicators are developed from the quarterly reports and distributed throughout the Network, ranking Partners by their age and performance. Also, Opportunity and its Partners undergo an independent financial audit on an annual basis. Internal country program evaluations are done at the request of local agencies and funders by in-house and external evaluators. The Matching Grant enabled Opportunity to systematize evaluations and utilize partner staff for the evaluation of other agencies.

Critical indicators are being monitored and evaluated through Opportunity's existing program management system. The creation of jobs and increases in beneficiary income are measured through on-site interviews and observation. Baseline data is taken with the initial loan application. Actual jobs created and jobs sustained, increases in income and quality of life indicators are measured at the completion of loan repayment. These indicators are monitored on a quarterly basis and are evaluated via periodic program audits by regional staff.

Agency progress toward self-sustainability is evaluated in four ways. One, the board's involvement is monitored by their financial and time involvement. Two, financial management systems are evaluated on their accuracy, timeliness and usefulness to program staff. Three, training programs are evaluated on their responsiveness to beneficiary needs and their effective integration with credit delivery. Four, ability to achieve resource mobilization goals through a variety of means (grants, soft loans, etc.) is evaluated against an agency's goals and against other confederation members. Institution building components of this program are being evaluated on an annual basis, both as part of Opportunity's annual program planning and review process and in reporting to AID. The US program team monitored and reported progress in relation to the detailed implementation plan in this report.

An external evaluator, Mr. Steve Silcox, was utilized to perform the mid-term evaluation of the OI matching grant during the third grant year. The evaluation was extremely thorough, involving trips to the OI Chicago headquarters office, Sinapi Aba in Ghana, and NACHALA in Bulgaria. The report was positive, and made quality recommendations for improvement. The following excerpt from the report indicates the success of OI at achieving the purpose of the matching grant: "The progress made in achieving the three grant objectives demonstrates that Opportunity International is well on its way to achieving the purpose of the matching grant from USAID/PVC."

B PVO Refinements, Changes, and Additions

1 Baseline Data

For existing Partners, pertinent baseline data includes statistics on the scope and impact of services delivered. This includes number and type of loans, amount lent, repayment rate, jobs created and strengthened, training courses, and consulting visits. In addition to these items, OI now collects loan-aging reports, group lending data, borrowed funds information and specific income and expense data as well. Qualitative variables include the geographic area of service delivery, the types of non-financial services, and the amount and duration of funding sources for local partner operations other than Opportunity.

2 Targets

For the LOP (1993-1998), Opportunity, through its Partner Agencies, received direct Matching Grant funding to provide 85,360 micro and small enterprise loans, train 91,100 people, create 125,410 jobs, maintain a 92% repayment rate, provide 50% or more of the loans to poor women, provide 30% of the loans to the poorest of the poor, and manage an average loan portfolio among the agencies of \$2.3 million. In addition, indirectly supported agencies increased these numbers dramatically.

3 Critical Indicators of Effectiveness

Opportunity is monitoring the following performance indicators of its indigenous Partner Agencies growth and development of program services (refer to baseline data above), socio-economic impact of methods and benefit processes to generate income and employment, institutional development of local partners as indicated by financial viability (cost effectiveness and fund raising), quality and appropriateness of program design and methods, quality of board and staff, and absence of critical dependence, particularly on church networks

Documentation and case studies of the Opportunity model have confirmed that these indicators remain valid Opportunity has taken steps to increase the flow of information regarding these indicators, not only from the individual Partners to Opportunity, but also among the Partners themselves

In addition to these six indicators, Opportunity's program staff monitor the qualitative and quantitative aspects of efforts to establish a global confederation of its partners These include a number of cross regional meetings and seminars, a number of publications sent between all partners, joint participation in program innovations, involvement in training, etc

4 Benchmarks of Project Progress

Benchmarks related to new agency development, support for existing agencies, and agency regeneration are discussed in the appropriate individual country reports

5 Monitoring Plan

Monitoring progress of this grant was important to Opportunity International During years one and two of this Matching Grant, we updated our maintenance of Partner Agency statistics to be fully automated In year three, we developed a report that ranks each partner on 13 different crucial indicators on a quarterly basis In year four, we expanded our monitoring system to include a Trend Analysis Report for each partner that compares six different indicators for each partner over the last six quarters During year five, we refined the individual organizational assessment system and developed a new comparative performance reporting system available on a quarterly basis to all members of the confederation Reports are now available, and updated quarterly, for all members of the Opportunity Network to access on the World Wide Web

6 Evaluation Plan

Each annual report of this Matching Grant presents a qualitative and quantitative analysis of how the goals of the grant were accomplished Analysis is presented in accordance with the procedures outlined in the grant agreement The regional and headquarters staff prepared this report The final report, included in this report, summarizes the accomplishments and failings, description of activities and methods employed during the grant period, comments on the future of the program and a fiscal reports which describes in detail how the funds were used

C Status of Midterm Assessment and/or Final Evaluation

An outside evaluator, Mr Stephen Silcox, performed the midterm assessment during year four of the grant Mr Silcox spent time at Opportunity headquarters in Chicago, Partner Agency Sinapi Aba in Ghana, and Partner Agency NACHALA in Bulgaria Mr Silcox spent time with each of these partner agencies, as well as Ken Vander Weele, Opportunity's Eastern Europe Regional Director, and Makonen Getu, Africa Deputy Regional Director The report was very thorough, and concluded that OI was en route to completing all of the objectives of the matching grant The Regional Directors who oversee the Partners involved in this grant conducted internal final evaluations on their programs

IV Review and Analysis of Project Results by Country

A Bulgaria/Eastern Europe

Background

Opportunity began its work in Europe in early 1993 when Ken Vander Weele was hired to be the Regional Director. Mr. Vander Weele received his MBA from the University of Chicago and is a Ph.D. Candidate from the Open University of Oxford, England. He is a CPA and has a strong background in executive finance. He and his family relocated to Sofia, Bulgaria in February 1993 to begin Opportunity's first European Partner Agency. A voluntary Board of Directors was identified which agreed to form a Bulgarian not-for-profit foundation. In 1995, Mr. Vander Weele relocated the regional office to Vienna, Austria to better service OI's objective of regional expansion.

NACHALA (Beginnings) Foundation was incorporated as a Bulgarian not-for-profit organization in July 1993. Through the work of Opportunity's Regional Office in Sofia, a voluntary Board of Directors was identified which agreed to form an organization whose purpose is to reduce unemployment and contribute to the economic development of Bulgaria. The Foundation's strategy is to create jobs, stimulate small business, and promote entrepreneurship. Small loans are extended to entrepreneurs who can create employment by starting or expanding small businesses, yet who are not able to obtain capital from other sources.

Following its incorporation, NACHALA quickly established loan policies, hired staff, opened three offices (in Sofia, Plovdiv, and Velingrad) and began making pilot loans.

a Specific Outputs Achieved

With the stabilization of the Bulgarian economy and currency in the summer of 1997, the most significant change during the grant year has been the launch of a new lending organization called NACHALA COOPERATIVE. This new organization was registered in July 1997 and began lending in October, 1997. NACHALA COOPERATIVE is registered as a credit cooperative under Bulgarian laws.

All of the staff of NACHALA Foundation was moved to the Cooperative in December 1997. Also, the board of the Foundation is the same as the board of the Cooperative. The four branch offices of the NACHALA Foundation were taken over by the Cooperative. This change in legal structure was made due to barriers in operating as an NGO. In the future, the Cooperative legal form will permit NACHALA to provide savings deposit services to its clients/members. NACHALA Cooperative intends to offer savings deposit services during 1999.

The loan portfolio of the Cooperative has been funded via an IGP grant from the Global Bureau of USAID, a LIEN grant from EC-Phare, and a grant from a private foundation in Minneapolis. In total, these grants provide the Cooperative with capital of approximately \$750,000. Also, the Bulgarian American Enterprise Fund (BAEF) has agreed to make a loan of \$300,000 to the NACHALA Cooperative to expand its loan portfolio.

The focus of most of the staff during this grant year was to get the Cooperative off to a fast start. This happened due to the experience and commitment of the staff and the loyalty of the old client base. During the grant year, the Cooperative made 340 loans totaling approximately \$600,000. These loans created or sustained more than 1,500 jobs. The average loan term is 12 months. During the grant year, none of the Cooperative loans were written off and no loans were delinquent more than 30 days. Due to this excellent start, the Cooperative believes it will be operationally sustainable by the end of 1999.

Also, one employee remained in the Foundation to collect old BAEF loans made before the collapse of the Bulgarian economy in 1996-97. These efforts proved moderately successful and the BAEF micro-loan portfolio was reduced by more than 50%. The Foundation will continue in its efforts to liquidate the old portfolio. Excluding technical assistance payments made by BAEF to OI, the BAEF made a cumulative net profit on the micro-loan portfolio managed by NACHALA. The cumulative interest earned by BAEF exceeds its loan losses and direct operating costs on the portfolio. This should improve even further in the next year as some of the old written off loans are ultimately collected. This is an excellent cumulative result in view of the collapse of the Bulgarian

economy in 1996-97. Also, the relationship between OI, NACHALA, and BAEF has continued to be positive and constructive as evidenced by BAEF's recent loan commitment to the NACHALA Cooperative.

In August, 1998, the Cooperative opened its 5th branch office in Varna. This provides an outlet for the Black Sea region and gives almost complete national coverage. The senior loan officer who opened the Pleven office in 1996 moved to Varna to open this new office.

NACHALA has now had two years of continuity in the composition of its board, Executive Director, and senior loan officers. This continuity has helped NACHALA through the difficulties encountered during the economic crisis of 1996-97. During this last year, a new financial director was hired. This has improved financial reporting and control. NACHALA is proficient in managing its portfolio via Loan Administrator software. Five other OI partners in Eastern Europe now use this software system.

b Effect on Target Groups Disaggregated by Gender

NACHALA completed a pilot program to encourage female entrepreneurship in the Pleven region. This program provided training and consulting for women to begin micro-enterprises. More than 70 women participated in the training, which focused on how to start a business. This pilot program resulted in 24 new women-owned business start-ups. Also, the loans made by NACHALA enabled the cooperative to increase its percentage of loans to women from under 25% to more than 33% within the grant year.

Additionally, in conjunction with the Mayor of Sofia, NACHALA conducted two seminars for unemployed people on how to start a business. Approximately 80 people attended these seminars.

c Problems Encountered and How Addressed

NACHALA did not encounter any significant new problems during this grant year. However, it finally overcame most of the problems created by the collapse of the Bulgarian currency and economy in 1996-97.

To overcome these problems, NACHALA formed the new NACHALA Cooperative as previously indicated. The Cooperative started with loan policies intended to help it overcome past difficulties. These policies included a focus on short term loans under 12 months, a reduction in the average loan size by more than 50 percent, and a focus on personal guarantors rather than collateral. These policies have helped the Cooperative to have an excellent first year. Also, loan repayment terms of the Cooperative continue to be indexed to the dollar in the same manner as the old BAEF portfolio. This indexation saved the BAEF portfolio and NACHALA from complete collapse when the Bulgarian currency collapsed by 30-fold during a 12-month period in 1996-97.

d Impact Outside Project

NACHALA was the first micro-finance institution in Bulgaria and is still the largest. NACHALA has been very open in sharing its experience and helping new organizations get started. During this last year, NACHALA has shared its experience with the Swiss Development Cooperation, Soros Foundation, VOCA, Peace Corps, Catholic Relief Services, and the Institute for Encouragement. NACHALA hopes to help other organizations get a good start and to ultimately help increase the total pool of capital available to micro-enterprises in Bulgaria.

e Unintended Effects

The NACHALA Business Club was started in 1997 by a group of 35 clients for networking purposes. This was completely a client initiative and was not part of NACHALA's initial plan. This Club continued to grow during the grant year and is now has more than 400 dues-paying members. NACHALA helped the Club secure a grant from the UK Know How Fund. This grant helped to grow the Club and its services.

The Club opened a business center comprised of an office, library, and cafe in downtown Sofia. This new center has further increased networking and training opportunities. Many members are doing business with each other and the club publishes an advertising directory. The Club was also recently featured on a business television program.

The NACHALA Business Club takes an active role in advocating for a better small business environment in Bulgaria. The Club is a founding member of the Bulgarian Partnership for Small Business. One Club board member is on the Executive Committee of the Bulgarian Partnership, which has had several meetings with Bulgaria's Prime Minister.

2 Comparison with Detailed Implementation Plan

The Detailed Implementation Plan for year five provided that four branch offices would be functioning in Bulgaria and with regard to the EE Region as a whole, a review and expansion would occur in both new countries, one and two. As was the case in prior years, the steps outlined in the Detailed Implementation Plan continue to be far surpassed. NACHALA opened its 5th branch office in Bulgaria, despite the difficulties encountered in 1996-97.

For Eastern Europe as a whole, OI used its experience in Bulgaria to start 11 micro-finance institutions. This includes five institutions in Russia and six different countries in Eastern Europe/Balkans (Bulgaria, Romania, Poland, Macedonia, Croatia, and Albania). These institutions collectively made more than 6,500 loans totaling \$17 million as of September 30, 1998. These loans have impacted more than 18,000 jobs. Projections for 1999 indicate continued growth of greater than 50 percent per year as some of the newer institutions mature.

All of the partners are showing progress towards achieving operational sustainability, and three achieved 100 percent sustainability by the quarter ended September 30, 1998. Except for the Albanian program, which is just starting, all the other partners have operating sustainability in excess of 50 percent.

The Eastern Europe Microcredit Loan Fund is now incorporated in the United Kingdom and has loan commitments of \$1 million made to it. The Fund will make its first loans to partners prior to December 1998. This Fund will access commercial sources of financing for all OI Partner Organizations that meet a specific set of standards as determined by the fund. The intention of this loan fund is two-fold. Primarily, the fund is intended to create an additional source of credit for our Partners to expand their client reach and benefit more entrepreneurs. Second, the fund intends to give our Partners experience in managing borrowed funds to expand their programs.

B Ghana

Background

The Africa Regional Director of Opportunity first visited Ghana in October of 1993. From December of 1993, when Kwabena Darko became chairman, until June 1994, the board developed its vision, mission and goals, selected an Executive Director and registered the organization. The board named the agency Sinapi Aba, which means Mustard Seed in the Twe language. Opportunity assisted in the development of the board by participating in a board retreat and hosting the Sinapi Aba Chairman on a visit to Zimbabwe to see the work of Zambuko Trust.

Sinapi Aba began making loans in August of 1994. With limited funds available for the agency in 1994, the board decided to focus on entry-level microenterprises as a way of spreading the impact as broadly as possible. They set the maximum first loan amount at US\$ 200, with larger loans available to clients who pay back their first loans on time.

Sinapi Aba Trust since inception has achieved numerous laudable feats on international, continental and national levels. In the international sphere, the Sinapi's Board chairman became chair of the Opportunity Network in October 1997. Sinapi's performance levels and gained it inclusion as one of the best implementing development agencies in Africa. Within the Africa Region, Sinapi contributed to the formation of the Opportunity International Regional Advisory Board (RAB) which assists in the coordination of activities of all its implementing partners in Africa. In Ghana, Sinapi is rated among the top microfinance institutions and has received media coverage from Business and Financial Times, Ghana News Agency and Ghanaian Chronicle.

a Specific Outputs Achieved

Since the agency's start-up, Sinapi Aba has experienced rapid development surpassing program objectives. The following are some of Sinapi's accomplishments over this past grant year:

- Trust Banks have 100% repayment rate
- Raised \$100,000 from an OI-US private donor whose investment enabled the acquisition of Sinapi Aba's new building
- Increased staff from 18 to 28 as of August 1998
- Opened additional branch offices in the Koforidua (Eastern), Sunyani (Brong Ahafo) and Tamale (Northern) regions
- SA's overall arrears rate as at August 1998 is about 5.3% whilst portfolio at risk about 7.8%
- SA raised funding from the following technical donors: European Union, Groupe Development, African Development Foundation, Cooperation for Development
- Proposals are pending with Christian Life Centre, NZANG and Tear Fund Foundation, all based in New Zealand
- SA completed its three year project funding with DFID. A detailed report was submitted to the donor through Opportunity Trust – UK. Solicitation for an additional 3 years of funding is underway
- SA is collaborating with the Ashanti Region Susu Collectors Association and has provided C45m (approximately \$23,000) to Susu Collectors for client-lending
- Purchased from Trans Atlantic Corporation-USA five additional computers, three Ups and other accessories, in order to network SA's Head Office operations
- SA invested approximately C70m (US\$29,915) in the renovation of its new head office
- Conducted research on impact studies and customer needs assessment under the auspices of CHORD consultancy. The Board of Directors are responding favourably to the recommendations made by the consultants

In addition to these things, Sinapi Aba was selected by OI to be the African Partner Organization to participate in a study on the impact effects of OI partners on their clients. This study is intended to assess the impact of our credit programs on clients. Sinapi is also a member of a research group of MFIs led by Technoserve. This group is being sponsored by the World Bank to assess the impact of MED in rural areas of Ghana.

b Effect on Target Groups Disaggregated by Gender

Of the 6,702 (1,764 growth, 4,778 group and 160 other) loans made during the past grant year, 5,901 were made to women and 801 to men, translating to 88% of total loans made to women. The total value of all loans made during the past year was US\$ 727,769, of which approximately US\$ 595,393, or 82%, was lent to women. The grant year end dollar value of Sinapi Aba's loan portfolio was US\$ 921,501.

Of the 608 new jobs created over the past year, approximately 520, or 86% were created for women. Of the 8,161 jobs which were sustained over the past year, approximately 2,556 or 31%, were sustained for women.

Sinapi Aba conducted 200 training seminars with a total of 9,866 seminar participants during the grant year. Sinapi Aba loan staff made 14,065 project visits to clients.

c Problems Encountered and How Addressed

Sinapi Aba's operations suffered a setback when all of Ghana was plunged into an intermittent rationing of power. The effects on Sinapi were:

- The organization's arrears rate rose from 4.2% to 5.3%
- The portfolio at risk increased from 5% to 7.8%
- Sinapi was unable to capture the loans portfolio on time
- Delays occurred when sending out program and financial reports as well as faxes, e-mail and Internet

There is marked improvement though the water level is still considered unsatisfactory. The business centers are now supported with electricity during the day. This situation has compelled SA to submit a proposal for assistance from the Opportunity International Regional Office of Africa to procure a 75 KVA Generator for its new head office site.

d Impact Outside Project

Though SA has not start mobilizing savings directly, its 70% ownership of Amantin Kasei Community Bank is promoting savings mobilization among rural microenterprises. SA will establish a branch office in Kumasi and adopt clients compulsory savings in the bank. This will serve as an economical source of funds for lending to all prospective clients.

As a policy, SA ensures that its clients' businesses are not hazardous to the environment. SA inculcates in its clients through training to be agents in propagating to others the need to be environmentally friendly. Arrangements were reached with SADAT, a Kumasi based Sanitary Institution, to provide a waste bin in the city as a means of promoting socially responsible corporate images.

This has led to significant environmental improvements. The collaboration with TechnoServe has gained a lot of momentum in the Brong Ahafo and the Ashanti regions. SA also collaborates with local churches and businesses, including the African Development Foundation (ADF), First Allied Savings and Loans, Home Finance Company and UNDP.

e Unintended Effects

Sinapi Aba has gained a large deal of publicity due to the quick success it has achieved. Links have been made with local churches and community groups to give exposure visits to SA clients. Also, this increased publicity has brought in inquiries from rural poor from all over the country.

2 Comparison with Detailed Implementation Plan

The *Detailed Implementation Plan* specified that in year five of the Matching Grant in Ghana an annual review of the program would occur. Price Waterhouse performed a financial review of Sinapi during this final grant year. The impact assessment continues to be evaluated by loan officers on a weekly basis. Their reports are most

encouraging. Additionally, research work was conducted through CHORD consultancy group to evaluate the effectiveness of the impact studies and do a customer needs assessment. The Board of Directors is encouraged by the results of this research and is addressing the recommendations in a favorable manner.

Regarding outreach, Sinapi Aba has carried out operations in all the areas stated in the DIP. Sinapi is still reaching further and has extended plans to develop branches in the Volta, Central, Western and Greater Accra regions by the year 2000.

C Indonesia

a Specific Outputs Achieved

During year five, new applications for BPRs (Rural Banks) were made. These are still in the process of getting the permission of government authority. Since the BPR applications are complicated by the economic and political crisis in Indonesia, most of the Indonesian partners focus on establishing cooperative units as an alternative in supporting their work.

With this support, the network's staff focused their work to expand the loan program. Compared with last period, the loan inquiry increased by 29.3 percent and the loan disbursement increased by 84.4 percent. As a result, the loan portfolio significantly increased by 35 percent. This change indicates the Indonesian network improved its service program, in both quality and quantity. To maintain and further increase the service quality, the total staff has increased 115 percent.

To date, the 16 members of the DBB Network and its branch units include the following agencies:

- DBB (Bali)
- MATEPE (South Sulawesi), branch offices in Sappeng, Malino, Setayar, and Pangkep, Co-operative unit in Ujung Pandang TBL (Central Sulawesi)
- TBL (Central Sulawesi), branch offices in Kota Raya and Biromaru (in progress)
- DBM (North Bengkulu), branch office in Muko-muko
- KPS (East Sumba), branch office in Waikabubak (in progress), Co-operative unit office in Waingapu
- YBK (Central Sulawesi), service units in Bunta
- LSS (South Sulawesi)
- DINARI (Bali)
- MOTIGAU (Central Sulawesi)
- BKM (Central Sulawesi), branch office Pendolo (in progress)
- YWH (North Maluku)
- YTB (South Sulawesi)
- YBS (North Sulawesi)
- TLM (East Nusa Tenggara), branch offices in Soe and Kalabahi, Co-operative unit offices in Soe, Kalabahi and Bellu
- BSL (East Timor), branch office in Covalima (in progress), Co-operative unit office in Dili
- WKP (Bali)

The improvement in the quality of Indonesian network services is increasing support of both private and government donors at national and international level. On the national level, the four partners have been supported with soft loan by the local government bank via a program called "PHBK" (Cooperation Development between Bank and Community Self-Help Group). International organizations such as USAID, AusAID, Tear Fund, Schmitz Stiftung, EZE, as well as individual donors also support the network service program. In this period there are 10 donors supporting the Indonesian services, an increase of 100 percent.

Due to the current Indonesian monetary and economic crisis and high inflation rate (80 to 100 percent at the end of the year), basic commodities prices increased more than four times. Consequently, small entrepreneurs need more capital to develop their businesses. Thus the average loan size increased by 27.2 percent.

Five Partners (TLM, YBK, BSL, Dinari and KPS) are launching an individual daily credit program in response to the economic crisis. Pilot Projects proved this methodology is more comfortable for the Indonesian micro-entrepreneurs because the repayment is smaller and alleviates the burden of a cumulative repayment at the end of the week or month. This is particularly appropriate for the market vendor as they can pay directly with their daily income. Although this program needs more staff time, mobilization and accurate data record, this program is successful in helping clients avoid misusing their income. From the institution's standpoint, this typical program is more profitable (as high interest rates are acceptable on a daily repayment basis), accelerates cash flow, loan fees and high repayment rate (100 percent).

b Effect on Target Groups Disaggregated by Gender

In 1997 three DBB network members Matepe, TBL and DBM disbursed loans through their existing BPR's. The BPR's were a large support base in helping the poor communities within their areas. During the grant year, 9,615 loans were disbursed of which 5,192 or 54% were granted to women.

These loans created 2,967 new jobs and supported 10,323 existing jobs. The CIANDRI and individual daily credit programs are primarily supporting the loan assistance for women. Over the past period these partners have achieved a 44.9 percent growth in the number of loans provided and the total loan value has grown by 84.4 percent.

An additional benefit of this credit program is the awareness and education it provides to clients. The higher standard of living they achieve changes their way of thinking and attitude. They are now more concerned about their children's education, the way to take care of their family's health, etc. Some beneficiaries who have succeeded with their businesses have built new brick houses, bought trucks and now wear shoes when they are working.

In supporting the clients' business development, there were 151 training sessions. These focused on small business management, including the transformation of appropriate agriculture technology such as pig raising, cattle fattening, cacao plantation etc. These training sessions were attended by 2,997 participants, consisting of 1,588 male clients and 1,409 female clients.

Most of the training sessions co-operate with the related local government bureaus such as the Livestock Bureau, Man Power Department, the Agriculture Department etc. During training the participants' awareness of environmental matters was heightened, i.e. learning how to manage the waste of their product properly. In a particularly environmentally focused program, the DBB Foundation in Denpasar cooperated with Indomas Mulia Ltd. to successfully implement the World Bank Project titled "Consultants Services for Community Consultation on Solid Waste".

Other initiatives to access loan program were achieved through community development projects. In Kupang, the local partner provided a pushcart for the vegetables vendors. The purpose of this project is to support them with a pushcart with which the clients can 'peddle' their vegetables and fruits. With this cart their vegetables are sheltered, keeping them fresh and protecting them from dirt and insects such as flies, rather than laying their food stuffs on a piece of gunny sack as their traditional marketing. This is a successful transformation of strategic marketing. After they sell the vegetables at the market, they sell the remaining vegetables to the nearby houses. Beneficiaries who received these carts improved their daily income by more than 50%.

The Rural Polyclinic program for pregnant women has also supported the formation of a women's group in East Timor. DBB's partner in Timor, BSL, followed up this group with loan assistance to develop their family business at home. This program gave the opportunity for the women to show they have the ability to be self-reliant and increasing their dignity.

c Problems Encountered and How Addressed

As mentioned before, the economic crisis in Indonesia has a wide national impact on the economic and political situation in Indonesia. The high price of the daily needs also impacts the micro-business development. Through June 1998, the price of basic commodities increased while the community's purchasing power decreased. As a result, numerous micro-businesses collapsed. The credit program, also affected, suffered a four percent increase in overdue loans compared to the same time period last year. Most of the overdue clients are in the urban and city areas.

To overcome this problem, the foundation rescheduled previous loans, and, where necessary, provided guidance and additional loans. Although the businesses did not develop at the same rate as before, they evaded total failure. The credit institutions are seeking new innovations to continue to help these micro-businesses prosper.

Many of the reporting problems of the network member are caused by communication infrastructure constraints. To overcome this DBB established a computerised accounting system and uses e-mail service for its transmissions. To

scale up the staff's skill to operate its system, DBB conducted computer training in Denpasar last June. The main purpose of this program is to overcome the late reporting from DBB's Network Members as well as enhance the accuracy of the report.

d Impact Outside Project

Evidence of the wide impact of the Network's successful program implementation is that many unaffiliated international institutions visit the projects, including GTZ, APRACA, AusAID, etc. At the national level, DBB was asked to be the associate institution of Bina Swadaya Foundation and Indomas Mulia Ltd. in implementing their community development program.

e Unintended Effects

Loan size requests and the number of loan applications submitted are augmenting for the Indonesian Partners, another result of the monetary crisis. These increased demands are consequences of the high prices for basic commodities. DBB's members could not meet all the loan needs due to limited capital funds. Therefore, DBB continually searches for additional capital to meet the communities needs.

2 Comparison with Detailed Implementation Plan

Due to the monetary and political crisis in Indonesia, the Government's policy to stabilize the Indonesian economy postponed all of the Rural Bank's applications, including DBB's proposals for the five intended Rural Banks. It is hoped that after next year, the situation in Indonesia will stabilize and the policy will change.

As mentioned above, to keep the project ongoing, DBB's members pursued the alternative of establishing Cooperative Units. The current government policy on cooperative units allows a wider function than Rural Banks. As Cooperative Units, the Partners will not only provide loan and saving activities, but also have an infrastructure to distribute basic commodities and other business products that support the MED programs.

D Philippines

Background

Opportunity has nine partner organizations in the Philippines. These organizations are dispersed throughout the Philippines, with the majority of them based in Luzon. The Filipino Partner organizations are coordinated by our Philippines Country Office, APPEND, which provides technical assistance and support.

APPEND is a highly regarded lending and entrepreneurial training organization, providing nearly half of the jobs generated by the world-wide Opportunity Network and serving as a model for emerging Opportunity Partners. In 1997, close to 60,000 poor entrepreneurs opened new businesses or improved existing businesses through APPEND.

During year four of the grant, our Filipino Partners grew both in terms of outreach and impact. The staff of the APPEND partners grew from 327 to 420 full-time workers. Also, the number of lending branches went from 20 to 32 in one year's time.

This massive organizational growth required capacity building activities in such areas as microfinance management, Executive Director training, board development workshops, on-the-job training for loan officers, and training in community organizing, book keeping, and accounting for current loan officers. These trainings were coordinated by APPEND and Opportunity, with the majority of the training happening on site.

a Specific Outputs Achieved

Last year, the Philippines was selected by Opportunity to be the site for a major expansion program. The Philippines was selected due to its capacity for growth, the quality of the staff, and the potential for large scale. The goal is to increase the client level from its current status of about 30,000 active clients to a total of 250,000 active clients by the year 2002. This will require a major influx of capital for improved MIS and increased loan funds.

To launch this expansion, Opportunity International will raise \$5 million in private funding, which will leverage \$85 million in grants and soft loans from the World Bank, the Asia Development Bank, AusAid, USAID, the private sector and the Government of the Philippines. To date Opportunity International – US has leveraged \$2.1 million from the private sector.

Further achievements include

- A retreat with board and senior staff members of our nine partners in the Philippines was held to develop a consensus on the steps being taken to achieve rapid growth. Board members recognized the need to develop their ability to oversee much larger operations. They set up a Governance committee that will conduct a review and carry out training of each board, based on research on the Best Practices of Boards undertaken by Opportunity.
- A consultant who formerly worked with Citibank conducted an operational audit of two partners in the Philippines who indicated areas that need to be strengthened to be able to withstand rapid growth.
- A consultant from the World Bank assisted our Partners in developing five year month-by-month projections of the financial and human resources needed for the expansion plan.
- The government of the Philippines introduced a major Poverty Alleviation Program that would add another \$100 million for microenterprise credit programs. The bill to enact this program is currently before the Filipino Congress. These funds will be provided to institutions like our Partners in the form of loans, and our Partners will need to have sufficient equity to qualify for these loans.
- A Chief of Party was hired to manage the capacity building team in the Philippines. Currently contracted for one year, the Chief of Party will monitor the Partners' progress towards objectives, coordinate and support fundraising efforts, and coordinate the process of bringing in new members to the APPEND network.
- Opportunity International-US hired an Asia Regional Coordinator whose current primary focus is the capacity building project in the Philippines.

b Effect on Target Groups Disaggregated by Gender

In the final grant year, the Filipino Partners provided 39,827 loans to the poor for a total value of US\$ 6,230,738. Of these loans, 37,437 loans were provided to women which translates to 94% of total loans being provided to women.

During the fifth grant year, the Philippines Partners created 20,178 new jobs and sustained 26,448 jobs for a total job impact of 46,626. Of these jobs, approximately 43,828 jobs were impacted for women.

Also during the grant year, they conducted 6,200 training seminars with 77,703 participants. Collectively, the Philippines Partners staff made 176,303 project visits during the year.

KMBI, the Philippines Partner in Manila, continues to be a leader throughout the Opportunity International Network in its training for group lending programs. KMBI provides nearly 99% of its loans to women.

c Problems Encountered and How Addressed

One of the largest challenges for the Philippine Partners this year has been the Asia Economic Crisis that has deflated the value of the Peso. While the region's arrears rate has increased during this time, the region is still at more than 90% operational sustainability. Current trends in reporting on these Partners show that with the sound systems they have in place, their operations are not in jeopardy.

Finding access to commercial funds is also difficult in this region. PCFC funding is challenging to access due to the policies in place. There is a long amount of lag time between being accepted for funding and the actual disbursement of funds. Opportunity's ability to raise \$2 million in private funds has secured the capacity building project in the Philippines to continue on schedule.

One final obstacle for the Philippines is in MIS, which is currently incapable for the level of projected growth. TSKI, located in Iloilo City, hired a local specialist to design a database, financial management system for them. Reviews of this system disclosed a high probability that other Philippine Partners will be able to use the same system.

d Impact Outside Project

The evolution of the APEX Bank is a model that has the potential to be replicated throughout the world. As the research and project begins to unfold, careful documentation will be made for future models.

As a leader in the Opportunity Network taking on the challenge of scale-up, the Philippines capacity building efforts are serving as a model for other Opportunity International Partners. Plans for scale-up in India are on the agenda for January 1999, and Indonesia and Africa will be following soon after.

As previously mentioned, KMBI's experience as a leader in the Trust Bank group lending methodology has set the course for many other Partners. Lessons learned from researching KMBI's Trust Bank program were incorporated into the Women's Opportunity Fund Trust Bank Manual, which is distributed externally and well as used by all Opportunity International Partners involved in group lending.

e Unintended Effects

No significant unintended effects were noticed during the course of this final grant year.

2 Comparison with Detailed Implementation Plan

The *Detailed Implementation Plan* specified that the Philippines would integrate poverty lending with bank operations during all four quarters of the final years of the matching grant. The new bank was to also become autonomous during quarter two.

At first, OI and Append were working with TSP to form the development bank, and funds were set aside to invest in it. However, in early 1998, the Board of TSPI decided not to establish the bank. OI is now working with Append to explore the potential for the Apex Bank. OI has partnered with another foundation to complete a comprehensive feasibility study and begin operations of the Apex bank. It is projected that by the end of 1999 the Apex Bank will be operating in the Philippines.

E South Africa

a Specific Outputs Achieved

The following outputs were achieved in the last grant year

- A net increase to 17 staff members nine Loan Officers, five Branch Managers, two administrators and two collections officers
- The generic 'Group Scheme' became an official Trust Bank Program with four loan officers and 1 Branch Manager This team will concentrate on serving women in poorer, semi-formal settlements in and around Soweto
- Two satellite offices, called business development centres (BDCs), were added for a current total of five
- A Terms of Reference was accepted for a two-component evaluation of the SOMED project Separate 'institutional' and impact evaluations were implemented in September 1998
- A computerized Loan Management System that interfaces with other components of SEED's MIS was developed, allowing for more immediate, accurate and easily accessed information on all aspects of the loan portfolio
- A Human Resources Manager was appointed who is responsible for updating the HR database, establishing a performance management system and developing a staff-training program (in conjunction with SOMED)

b Effect on Target Groups Disaggregated by Gender

In the past Grant Year, 1,264 individual loans, 225 Trust Bank loans and 140 Solidarity Group Loans were made to entrepreneurs, for a total of 1,629 micro loans The total value lent during the year was US\$743,998

Of the 1,264 individual loans, 1,011 (or 80%) were made to women Of group and solidarity loans, 338 were made to women Total loans, therefore equaled 1,349 to women out of a total of 1,629, or 83% As a percentage of value, approximately US\$ 706,096 was lent to women and approximately US\$ 156,045 to men, or 82% of total loan value

Out of 495 new jobs created over the past grant year, approximately 401 were created for women and 94 for men Out of the 1,783 jobs sustained in the past year, 1,392 were sustained for women and 391 for men This translates to over 78% of total jobs impacted being impacted for women

1,763 project visits were made by SEED in the past year

c Problems Encountered and How Addressed

- Further analysis on the efficiency of the "Group Scheme" concluded that it should become a full-fledge Trust Bank program This step promotes methodological soundness, and cost efficiency
- SEED experienced unacceptably high rates of staff turnover during the year This was partly due to non-performance and eventual dismissal of some staff, while others resigned for better paying jobs, and some left due to changes in family circumstances This resulted in erratic progress in core activities SEED embarked on an ambitious recruitment drive after deciding to upgrade positions as well as create new ones The result is a more highly experienced and qualified work force with clear job descriptions and performance targets
- Portfolio quality improved during the year A collections department was formed and attached to SEED's contracted attorneys Since then, a significant increase in the recovery of bad debts and loan amounts has resulted

d Impact Outside Project

SEED's contribution to the South African alliance of Microenterprise Development Practitioners (AMEDP) has grown with the CEO sitting on working committees to establish standards of MFI practice

The Gauteng Self-Employed Women's Association (GASEWA) has forged links with SEED and referred some its members to SEED for loans

e Unintended Effects

Due to the increasing recognition and publicity that SEED has received over the past few years, many other government and non-government organizations are coming to them for input on policy decisions

2 Comparison with Detailed Implementation Plan—WAITING TO HEAR FROM KURAI 11/10

The *Detailed Implementation Plan* specified three actions for the fourth year of the Matching Grant 1) An Annual Review of the First Site Program would be conducted, 2) An Annual Review of the Second Site Program would be conducted, 3) Expansion into the third site would commence

The annual review of the first two site expansion locations took place as scheduled They were organized and conducted as part of a continuing organizational review process involving both SEED and the Africa Regional Office Along with this internal review, and evaluation of the program was carried out by SDF, including a full financial audit and program review

Expansion into the third site occurred this past grant year as scheduled SEED now consists of a main office and three satellite offices

F Zimbabwe

a Specific Outputs Achieved

The following were achieved during the Fifth Year of the Matching Grant

- Continued decentralization of Operations resulted in the opening of four new branches in Rusape, Zvishavane, Chipinge and Marondera
- Currently, there are 24 Branch Offices and five Regional Offices countrywide
- Loans disbursed increased by 31% compared to the previous grant year
- More effort was directed towards consolidation of the portfolio and developing capacity in the different branches that were opened during the previous year
- Several training workshops were run internally to equip Loan Officers and other support staff
- Trust Banks were established in four other Regions (apart from Harare) Gweru, Bulawayo, Masvingo and in Mutare
- Zambuko has achieved 80% operational viability
- Arrears reduced from greater than 30% to 24% Efforts towards capacity development planned for the upcoming year should see a further reduction in arrears to levels not more than 10% by this time next year
- Savings mobilization plans were suspended during the year under review in order to strengthen internal control systems Plans are underway to introduce savings mobilization during this upcoming year
- Zambuko's Head Office acquired new premises with USAID assistance

b Effect on Target Groups Disaggregated by Gender

Of the 10,589 loans made during the past grant year, 8,562 were made to women and 2,027 to men, translating to 81% of total loans made to women The total value of all loans made during the past year was US \$1,579,197 of which approximately US\$1,247,200, or 79%, was lent to women The grant year end dollar value of Zambuko's loan portfolio was US\$892,491

5,226 new jobs were created and 11,572 jobs were sustained over the past year for a total job impact of 16,798

Zambuko conducted 203 training seminars with a total of 3,389 seminar participants during the grant year Zambuko loan staff made 65,934 project visits to clients

Trust Banks (a group lending methodology) continues to expand in outreach Zambuko Trust is currently lending to 2,593 women through this methodology Initial loan sizes range between Z\$800-1000 (US\$ 100-125) Typical businesses include sewing, crocheting, tuck shops and cross-border trading Overall, 93% of loans in the Trust Banks program have been made to women, and they are experiencing a 95% repayment rate

c Problems Encountered and How Addressed

The rapid expansion and decentralization that Zambuko embarked on during the previous year created a capacity constraint for the organization Loan-seekers nationwide continuing to apply for financial assistance also exacerbates the demands placed on the organization A number of training workshops were conducted for Loan Officers and other support staff in regards to these issues On-the-job training of Loan Officers continues through the assistance of Branch and Regional Managers at the different locations countrywide

The SEED Foundation gave a demonstration of their loan-tracking program during training workshops in June 1998 Opportunity partners in the Africa Region were impressed with its capabilities Plans are underway to acquire and install the program at Zambuko This hopefully will reduce the organization's MIS insufficiencies

d Impact on Outside Project

Zambuko had the honor to host a delegation of 12 officials from the Australian Parliament Apart from discussions in the office, the group also visited clients in the field The Australian Government is providing Zambuko with grant funds over a five-year period ending in 1999

More than 15 members from the Department of Psychology at the University of Zimbabwe visited Zambuko to obtain in-depth knowledge of the organization's operations. They also spent some time in the field talking to Zambuko's clients.

Zambuko also hosted a variety of guests from different parts of Africa, including visitors from Zambia and Mozambique. The main purpose was to find out how Zambuko runs its operations in order to set up similar institutions in their respective countries.

e Unintended Effects

No unintended effects were observed in the past grant year.

2 Comparison with Detailed Implementation Plan

Zambuko Trust held a strategic planning meeting in November 1997. Participants included Board members, Management from the Head Office and Regional Office, and client representatives from all five regions. A review was made of the organization's current performance and strategies mapped out aimed at delivering quality service, maintaining a quality portfolio, and scaling-up organization operations by at least one third every year for the next five years.

The final year of the Matching Grant for Zambuko called for an annual review of its programs. Currently an audit of the organization's financial statements for the financial year ended August 31, 1998 is being carried out by a reputable external audit firm.

The AIMS impact assessment study/survey is also still ongoing. Feedback gathered internally by Loan Officers states Zambuko is making a positive difference in loan beneficiaries' lives. Disposable incomes in families has increased, resulting in an improved ability to feed families, send children to school, and purchase household goods as well as immovable properties.

In December 1997, Zambuko Trust held a staff retreat, where a branch by branch and region by region review of the organization's performance was made, and targets were set for the year beginning January 1, 1998. The staff spent three days together reviewing the organization's current performance and mapping out strategies for the new financial year. Zambuko also held training workshops for its Loan Officers and for its support staff, respectively. The main thrust was to build capacity within the organization.

G Confederation

NOTE FOR INFORMATION ON CONFEDERATION ACTIVITIES, See Section V, entitled *Review and Analysis of Headquarters Support Activities* Below is a comparison to Detailed Implementation Plan Goals

The *Detailed Implementation Plan* specified three steps that would be taken to achieve its objectives in the final year of the Matching Grant 1) An International Conference would be held during Quarter 2, 2) A council meeting would be held during Quarter Two, and 3) A Program White Paper would be published during Quarter Four

During the Global Conference, the Network Design Council presented for review and discussion 11 resolutions Partners also provided comments and recommendations on the resolutions for careful consideration by the Network Board upon completion of the ratification process The votes taken at the regional meetings were presented at the Network Forum meeting held on 10-11 October, 1997, and all 52 Partner Organizations in attendance approved the resolutions

The Network Office followed up the Global Conference with a council meeting in Krakow, Poland in July 1998 The primary outcomes of this Network Board meeting were the development of Network-wide budgeting priorities for 1999 and several policy decisions in support of the 5-Year Vision Statement This Network-wide budgeting process for 1999 thta began in September and concluded in November was a new opportunity for all Network Partners to plan and coordinate their activities and budgets for the coming year

A Program White Paper was published by Makonen Getu (OI Africa Regional Office Assistant Director) in May of 1998 further developing the findings of the transformation study which began in 1996 Opportunity International defines transformation development as ' A deeply rooted change in beliefs, values, attitudes, actions, relationships structures made manifest in and for the betterment of the economic, political, social and spiritual behavior of an individual, family, community or organization ' The white paper disseminates these domains of transformation into different indicators and ways of measuring them Currently further field research is being conducted and the findings will be presented at the 1999 Global Conference Transformation Tools, developed by Nancy Horn, OI Director of International Training are being used in the research

The "Partnership Quarterly" continues to be published and distributed to the entire Opportunity International network on a quarterly basis Substantial improvements were made to both the content, structure, and appearance of the digest A Trust Bank Newsletter insert has been added to promote dialogue on group lending practices

In addition to the Partnership Quarterly, a technical reports digest titled, "Field Notes" continues is distributed quarterly and documents the best practices and research that takes place among OI partners around the world The main contributors to this publication are Opportunity staff and research associates working on specific areas of MED

Finally, the Network Office distributes a bi-weekly review to the entire Network called "Network Notes " This review is a nexus of information for the whole Network, providing an update on significant accomplishments of Partners and information on where training events are taking place or what new research is being conducted

V Review and Analysis of Headquarters Support Activities

Opportunity developed a comprehensive set of systems and materials designed to build the long-term vision, technical capacity, and fund-raising ability of its Partners. Workshops on vision and mission, staff training materials, beneficiary training methods and materials, financial systems, program design and evaluation tools, monitoring systems, and grant writing training are some of the services and materials developed by Opportunity to strengthen its Partners.

The following highlights some of Opportunity's headquarters support activities

Partner Agency Staff Development

- In 1994 Opportunity developed and taught a curriculum module entitled "MED 101" designed for Partner Agency credit officers. This course is repeated on an as-needed basis.
- A follow-up "MED 201" was developed in 1995 to continue to expand the skills of Partner Agency loan officers. This course will be repeated as needed.
- Opportunity continues to provide an annual formal course to improve the skills of credit officers for a scale-up lending program.
- Opportunity's Regional Directors and Assistant Regional Directors mentor senior staff and board members in key areas of MED management and institutional development.
- Opportunity facilitates networking among Partner Agency staff through its e-mail network and by providing staff exchanges.
- Regional Offices provide numerous training workshops throughout the year that specifically address the needs of partners in their region.
- With the creation of the Network

MIS and Communications Systems

Opportunity provides periodic technical assistance to Partner Agencies in accounting and portfolio management systems. In year three of the grant, Opportunity formed an MIS task force composed of key regional network representatives and external consultants. The goal of the Task Force was to develop a management information system that would provide loan portfolio management that would track both financial and programmatic information. Implementation and revision of the system were made in grant year four and distributed to all Partner Organizations. There has been significant improvement in the tracking of pertinent information from headquarters, which has proven to be an asset to the Regional Offices and Partners throughout the Network due to the creation of the Microfinance Accountability and Performance Service Center (MAPS). Through MAPS, all Partner performance and financial reports, trend analysis and graphs are accessible to the Network on the Opportunity World Wide Web site. This information is updated every quarter end and the Comparative Performance Reports are developed from this information. MAPS also provides business plan training on the financial model that was developed by the OI-US Director of Business Planning and Grants Management, Ken Koskela.

Confederation Building

Opportunity has met its objective of finalizing its informal international network. The project involved a process of formalization. During the second year of project activity three meetings of staff and board from various network members were held. The focus of these meetings was to define the common principles and values that unite the network. These themes were also the content of the International Conference that took place in Malaysia at the beginning of the previous grant year. One of the results of this conference was the formation of the "Network Design Council" (NDC). This council, composed of representatives from all levels of the Opportunity organizational structure, was formed to make recommendations regarding where the confederation should move in the coming years. The NDC developed a specific set of recommendations for the structure of the network. The recommendations called for significant changes in the way the network conducts business. The final result of the NDC's work formalized the Opportunity Network.

The final recommendations of the NDC were formally set out at the Network Global Conference which took place in November of this past grant year. Each board of the Partners of the Opportunity Network was asked to ratify or amend the new structure, officially called the Opportunity Network. Once ratified, the Network adopted and implemented changes immediately. The Opportunity Network reflects the OI concept of partnership at all levels of the network. This international body, composed of elected senior members from Opportunity support and regional Partners enables Opportunity to supply loans and training to the maximum number of poor people as possible.

Staffing

In Year One, seven staff members were to be hired. This objective was accomplished. No additional staff was projected to be hired for the headquarters staff as part of this grant. However, two staff members changed during Year Three of the Matching Grant. Dominic Magwada became the Africa Regional Director, and Makonen Getu became the Africa Assistant Regional Director. This was due to the decision to move Larry Reed, the former Africa Regional Director, into a new position in the headquarters office. Also, Richard Smith was replaced by Kuraɪ Chitima in the Africa Regional Office as Program Officer. Finally, Rick Halmekangas assumed Ken Koskela's position as Confederation Secretary, and Colette Djoum replaced Allyson Miller as Financial Controller.

During the final grant year, Larry Reed became the director of the Opportunity Network. He is supported by Suzy Salib, Rob Werner and Vanessa Harper. The OI-US Program Team also expanded its team significantly in this last year to properly support the expansion of the Network. New Regional Coordinator (RC) positions were developed to increase communication between Partners and OI-US, as well as to do regional specific fundraising. Chris Reedy was hired as Regional Coordinator for Eastern Europe, and Benjie Montemayor, previously the executive director of OI's strongest Partner in the Philippines, came on as the RC for Asia, and Abby Probasco recently accepted the position as RC for Latin America. Finally, Margaret Walen replaced Rick Halmekangas as Confederation Secretary as Mr. Halmekangas will now be the Country Director for OI's newest Partner in Albania. These staffing changes represent greater specialization in staffing needs and a move toward increased efficiency.

Training

During year one, training focused on the creation and testing of a comprehensive training program for partner agency senior staff. This involved the research and writing of training materials and facilitators guides for program design and management. This curriculum continues to evolve from Opportunity's worldwide experience and included contributions from Partner staff as well as Opportunity technical staff. During Year Two of the Grant, plans for significant expansion of Opportunity's training were made. During Grant Year Three, the planning and implementation of these programs continued. During Grant Year Four, Opportunity hired Dr. Nancy Horn to take over as Director of International Training. In the final Grant Year, Paige Garber was hired to assist Dr. Horn in developing more tools and research which is distributed to both members of our Network and the greater MED community. Dr. Horn works extensively around the globe to present and implement within the Network her training tools. During this final grant year, Dr. Horn's tools to research transformational impact were distributed throughout the Network.

The Women's Opportunity Fund conducted Trust Bank loan officer training in all four regions (Africa, Latin America, and Asia, and eastern Europe), and is in the process of developing a standard training tools kit for Partner Agency use. In Grant Year Three, the WOF printed a partial draft version of The Trust Banks Manual, as an introductory tool to this lending methodology. Since then, this manual has been widely received throughout the microfinance community where most OI Partners as well as outside organizations are adopting the methodology. During the final grant year the manual was published also in Spanish, and a special version was produced for the Eastern European region.

Opportunity's quarterly newsletter, the Partnership Quarterly, continues to serve as a means for on-going training and technical assistance as well as a means for cross regional information exchange. In addition to this internal publication, the OI Training Department has introduced another publication called "Field Notes." This quarterly digest documents current research and best practices from throughout the Opportunity Network. Its readership includes all members of the Network, technical donors, multi-lateral donors, foundations, private individuals, and many more interested parties around the world. The Opportunity Network now publishes "Network News," a bi-

weekly publication circulated on email throughout the entire Network with current news, opportunities and activities occurring at the Partner, Regional and Support Offices

Organizational Relationship Between Opportunity and our Partner Agencies

The Opportunity International model of development is based completely on partnership. Each actor relates as an autonomous organization who benefits from partnership. This structure is currently being examined by the NDC in an effort to formalize our partnership structure. Currently, each agency relates to Opportunity in the following manner:

- a **A Memorandum of Understanding** Opportunity and its Partner Agencies sign an annual Memorandum of Understanding that specifies mutual program and financial commitments, resource development plans, program objectives and reporting requirements
- b **Core Values and Standards** Each member of Opportunity's confederation of Partner Agencies commits to a set of core program and finance values and standards developed by the network. Although this commitment is not legally binding the document serves as a set of clear guidelines that delineate the nature of membership in the network
- c **Annual Regional Conferences** Opportunity coordinates 4-8 day annual regional conferences for Partner Agencies in each region for the purposes of planning, budgeting, training and relationship building. These conferences have expanded to include more technical training as well, and have proven an asset to building value into each region
- d **Bi-annual International Conferences** Opportunity coordinates an 8-10 day bi-annual conference that involves participant from over 35 countries. The last Global Conference took place in Virginia Beach, VA during the first quarter of this past grant year as was set out in the Detailed Implementation Plan. A three-day symposium for Executive Directors and Board Members focused on board/staff relations and a five-day conference provided a number of workshops for all agency staff on a variety of MED topics

VI Financial Report

Financial Narrative for Matching Grant Annual Report

The Matching Grant commenced in 1993. There were two major modifications to this cooperative agreement, one in 1996 for the Women's Opportunity Fund and our partner in Zimbabwe and one in 1997 for our partner in Zimbabwe. Through the fifth and final year of this grant, Opportunity International committed to provide \$4.2 million to match the AID contribution of \$4.5 million. The actual amount provided by Opportunity by the end of the agreement greatly exceeded that figure, Opportunity raised over \$11.1 million for the match.

As shown on the attachment, Opportunity more than met its match requirements for the life of the project. For several of our programs, our match greatly exceeded the projected amounts, due mostly to large grants from U.S. and international donors. These grants for the Philippines, Indonesia, and Zimbabwe are multi-year grants which will continue to provide matching funds in the future. In South Africa, funding for a significant grant started in the first quarter of 1996 which greatly exceeded our match requirement. We received funding for our agency in Ghana, which commenced operations in 1994. If the agency continues to perform at present levels, it too should continue to attract additional funding. We ended slightly behind in match for our agency in Bulgaria, but this was more than offset by match funding for the agencies cited above.

AFRICA REGION	# of Days	Year 1			Year 1 Actual			Year 2			Year 2 Actual			Year 3			Year 3 Actual			Year 4			Year 4 Actual			Year 5			Year 5 Actual			Total LOP		
		AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total			
I. Program Mgmt Elements																																		
a) Salaries/Expenses																																		
Regional Director @ \$200/day	245	25	25	49	25	25	49	26	26	52	26	28	54	41	14	54	41	19	60	29	29	57	29	29	58	57	3	60	57	3	60	178	103	281
Regional Training Director @ \$96 15/day	260	13	13	25	9		9							14	14	28	14	14	28	21	7	28	21	7	28	29	2	31	29	2	31	73	23	96
Senior Program Officer @ \$57 70/day	260	8	8	15	7	7	14	8	8	16	8	5	13	8	9	17	8	9	17	13	4	17	13	4	17	17	1	18	17	1	18	53	26	79
b) Travel			21	21	15	15		22	22		52	52		23	23		66	66		25	25		25	25		25	25		25	25		183	183	
c) Other (list)																																		
Communications		4	1	6	4	6	10	5	2	6	5	5	10	5	2	6	5	28	33	3	3	7	3	43	46	4	4	7	4	4	8	21	85	106
Curriculum Development		2	1	3				11	4	15	3		3	8	3	10	2		2	2	3	2	1	3							7	1	8	
Miscellaneous		4	1	5	4	16	20	4	1	5	4	23	27	4	1	5	4	57	61	6		6	6		6	3	3	6	3	3	5	21	98	119
SUBTOTAL -- Africa Region Mgmt Elements		55	69	124	48	68	117	54	63	116	46	113	159	79	66	145	74	193	267	74	69	143	74	109	183	109	38	147	110	37	147	352	520	872
II. Procurement																																		
a) Supplies (total)																																		
			6	6	1	1		5	5		33	33		5	5		17	17		6	6		9	9		6	6		6	6		66	66	
b) Services (total)																																		
SUBTOTAL Africa Region Procurement			6	6	1	1		5	5		33	33		5	5		17	17		6	6		9	9		6	6		6	6		66	66	
III. Evaluation																																		
a) Ongoing																																		
Salary																																		
Regional Director @ \$200/day	15	2	1	3	2	1	3	2	1	3	2	2	4	2	1	3	2	1	3	2	2	3	2	1	3	3		3	3	3	3	11	5	15
b) Mid term																																		
1 Consultants																																		
Unknown at \$350/day																																		
2 Travel																																		
3 Other (list)																																		
c) Final																																		
1 Consultants																																		
Unknown at \$350/day																																		
2 Travel																																		
3 Other (list)																																		
SUBTOTAL -- Africa Region Evaluation		2	1	3	2	1	3	2	1	3	2	2	4	2	1	3	2	1	3	2	2	3	2	1	3	3		3	3	3	3	11	5	15
TOTAL AFRICA		57	76	133	50	70	121	56	68	124	48	148	196	81	72	153	76	211	287	75	77	152	76	119	195	112	43	156	112	43	155	362	591	953

ASIA REGION	# of Days	Year 1			Year 1 Actual			Year 2			Year 2 Actual			Year 3			Year 3 Actual			Year 4			Year 4 Actual			Year 5			Year 5 Actual			Total LOP			
		AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total				
I. Program Mgmt Elements																																			
a) Salaries/Expenses																																			
Regional Director @ \$153 80/day	185	26	3	29	26	3	29	27	3	30	27	3	30	28	3	31	28	3	31	30	3	33	30	3	33	31	3	35	31	3	34	142	15	157	
Asst Reg I Director @ \$96 10/day	185	16	2	18	16	2	18	17	2	19	17	2	19	18	2	20	18	2	20	19	2	21	19	2	21	19	2	22	19	2	21	89	10	99	
2 interns @ \$12 000/yr each	260	22	2	24	22	2	24	23	3	25	23	3	26	24	2	26	24	2	26	25	3	28	25	3	28	26	3	29	26	3	29	120	13	133	
b) Travel			33	33			33	34	34			34	34			36	36			36	36			38	38			38	38			40	40	181	181
c) Other (list)																																			
Communications		12		12	12		12	13		13	13		13	13		13	13		13	14		14	14		14	15		15	15		15	67		67	
Miscellaneous		21		21	21		21	22		22	22		22	23		23	23		23	25		25	25		25	26		26	26		26	117		117	
SUBTOTAL Asia Region Mgmt Elements																																			
		97	40	136	97	40	137	101	42	143	102	42	144	106	43	149	106	43	149	112	46	158	113	46	159	117	48	165	117	48	165	535	219	754	
II. Procurement																																			
a) Supplies (total)																																			
			13	13		13	13		13	13		13	13		14	14		14	14		15	15		15	15		15	15		15	15		70	70	
b) Services (total)																																			
SUBTOTAL Asia Region Procurement																																			
			13	13		13	13		13	13		13	13		14	14		14	14		15	15		15	15		15	15		15	15		70	70	
III. Evaluation																																			
a) Ongoing																																			
Salaries																																			
Regional Director @ \$153 80/day	10	2		2	2		2	1	1	2	1	1	2	2	2	2	2	2	1	1	2	1	1	2	1	1	2	1	1	2	7	3	10		
Asst Reg I Director @ \$96 10/day	10	1		1	1		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	5	2	7	
b) Mid term																																			
1 Consultants																																			
Unknown at \$350/day																																			
2 Travel																																			
3 Other (list)																																			
c) Final																																			
1 Consultants																																			
Unknown at \$350/day																																			
2 Travel																																			
3 Other (list)																																			
SUBTOTAL -- Asia Region Evaluation																																			
		2		2	3		3	2	1	3	2	1	3	3		3	3		3	1	1	3	2	2	4	1	1	3	2	2	4	12	5	17	
TOTAL ASIA																																			
		99	52	151	100	53	153	103	56	159	104	56	160	109	57	166	109	57	166	113	62	175	115	63	178	119	65	184	119	65	184	547	294	841	

	# of Days	Year 1			Year 1 Actual			Year 2			Year 2 Actual			Year 3			Year 3 Actual			Year 4			Year 4 Actual			Year 5			Year 5 Actual			Total LOP				
		AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total	AID	OPP	Total					
HOME OFFICE																																				
I. Program Mgmt Elements																																				
a) Salaries/Expenses																																				
Exec VP Program @ \$211 50/day	92	18	2	19	18	2	20	6	2	7	6	3	9	6	2	8	6	2	8	7	2	9	7	2	9	8	2	10	8	2	10	45	11	56		
Program Assoc @ \$103 85/day	112	10	1	12	10		10	2		2	2		2	2		2	2		2	2		2	2		2	2		2	2		2	18		18		
Program Asst @ \$84 60/day	61	5	1	5	5	1	6	5	1	6	5	1	6	5	1	6	5	1	6	7	1	8	7	1	8	7	1	8	7	1	8	29	5	34		
Finance Coordinator @ \$135/day	156	19	2	21	19	2	21	17	2	19	17	2	19	17	2	19	17	2	19	18	2	20	18	2	20	19	2	21	19	2	21	90	10	100		
International Training Director								20		20	20	21	41	20		20	20	20	40	21		21	21		21	22		22	22		22	83		41		
b) Travel			4	4	7	7		4	4		60	60		4	4		2	2		6	6		6	6		7	7		7	7		7	82	82		
c) Other (list)																																				
Communications		1		1	2		2	1		1	1	2	3	1		1	1		1	1		1	1		1	1		1	1		1	5	2	7		
Miscellaneous		5		5	5		5	5		5	5		5	5		5	5		5	6		6	6		6	6		6	6		6	27		27		
SUBTOTAL -- Home Office Mgmt Elements																																				
		58	10	67	59	12	71	56	9	64	56	89	145	56	9	65	56	27	83	62	11	73	62	11	73	65	12	77	65	12	77	297	151	448		
II. Procurement																																				
a) Supplies (total)																																				
			1	1	2	2		1	1		4	4		1	1		1	1		1	1		1	1		1	1		1	1		9	9			
b) Services (total)																																				
SUBTOTAL Home Office Procurement																																				
		1	1		2	2		1	1		4	4		1	1		1	1		1	1		1	1		1	1		1	1		9	9			
III. Evaluation																																				
a) Ongoing																																				
Salaries																																				
Exec VP Program @ \$211 50/day	10	2		2	2		2	2		2	1	3	2		2	2		2	2		2	2		2	2		3	2		2	10	1	11			
Program Assoc @ \$103 85/day	10	1		1			1	1		1	1	1	1	1		1	1		1	1		1	1		1	1		1	1		3	2	5			
Program Asst @ \$84 60/day	10	1		1	3		3	1		1	1	1	1	1		1	1		1	1		1	1		1	1		1	1		5	5				
b) Mid term																																				
1 Consultants																																				
Unknown at \$350/day																																				
2 Travel																																				
3 Other (list)																																				
c) Final																																				
1 Consultants																																				
Unknown at \$350/day																																				
2 Travel																																				
3 Other (list)																																				
Program Personnel Salary																																				
SUBTOTAL -- Home Office Evaluation																																				
		4		4	5		5	3	1	4	3	2	5	3	1	4	3	1	4	4		4	4		4	4		4	1	6	4	1	5	18	4	21
IV. Confederation Building																																				
a) Salaries/Expenses																																				
Exec VP Program @ \$211 50/day	102	19	2	22	19	2	21	18	2	20	18	2	20	20	2	22	20	2	22	23	2	25	23	2	25	24	3	27	24	3	27	104	11	115		
Internat'l Coordinator @ \$107 69/day	260	25	3	28	25	3	28	26	3	29	26	3	29	26	3	29	26	3	29	29	3	32	29	3	32	31	3	34	31	3	34	137	14	151		
Program Assoc @ \$103 85/day	82	8	1	9	8		8	8	1	9	8	1	9	8	1	9	8	1	9	9	1	10	9	1	10	9	1	10	9	1	10	42	4	46		
Program Asst @ \$84 60/day	133	10	1	11	5		5	5	1	6	5	1	6	5	1	6	5	1	6	12	1	13	12	1	13	12	1	13	12	1	13	44	4	48		
b) Travel																																				
			6	6	10	10		6	6		6	6		6	6		6	6		7	7		7	7		7	7		7	7		7	36	36		
c) Other (list)																																				
Communications																																				
		1		1	1		2	1		1	1	7	8	1		1	1		1	2		2	2		2	2		2	2		2	7	8	15		
Miscellaneous																																				
		8		8	10		10	8		8	8		8	8		8	8		8	8		8	8		8	8		8	9		9	41		41		
International Conferences																																				
								5	63	68	5	60	65	15		15	15		15	15		5	60	65	5	26	31					25	86	111		
SUBTOTAL -- Home Office Confederation Building																																				
		71	13	84	68	16	84	71	76	147	71	79	150	83	13	96	83	13	96	88	74	162	88	40	128	86	15	102	87	15	102	400	163	563		
TOTAL HOME OFFICE																																				
		133	24	156	132	30	162	130	87	217	130	173	304	142	24	166	142	42	184	154	87	241	154	52	206	156	30	186	156	29	185	715	326	1041		

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VII Lessons Learned and Long-Term Project Implications

Confederation Process

Their recommendations for implementing the Opportunity Network were presented by the Network Design Council during this final grant year at the Global Conference and were ratified by all the Partners to officially form the Opportunity Network. The establishment of a formal Network has refined the lines of communication between Implementing and Support Partners thereby improving the quality of reporting and streamlining guidelines for funding and expansion. Additionally, Service Centers were established as centers of expertise for services that are commonly accepted as crucial components of a successful MED program. They currently include Microfinance, Accountability and Planning Systems, Organizational Governance, and Trust Banks. They are designated by the Network Board and supervised by the Network Office. Next year a Growth Loans Service Center and potentially an Accreditation Service Center will be established.

Training

During the first two years of the Matching Grant, Opportunity's training involved extensive travel by a Director of International Training to Opportunity regional offices. Through extensive research conducted by Opportunity's new Director of International Training and Opportunity's Executive Vice President in year two of the matching grant, it was determined that the restructuring of the way training is currently being carried out would best meet the needs of the confederation.

In grant year three, Opportunity International's Training Department put greater emphasis on the collection and dissemination of vital MED and network information and also the production of quality training resources. Methods were investigated to decentralize the training and shift training responsibilities to the Regional Offices. The Training Department now functions as the hub of the Opportunity knowledge network with the primary responsibility of consolidating and disseminating knowledge throughout the Opportunity confederation of Partner organizations. Current developments of Dr. Nancy Horn, the Director on International Training hired in year four, include a system for consolidating field knowledge on topics of interest to the Network based on field experience, and consolidation of these experiences into key tools and techniques which are used as training tools.

During grant year four, Dr. Horn provided substantial training for regional trainers on how to use these training tools, began adapting important training resources to an internet-based training system, and established an e-mail based information center that will provide responses to requests for information from the field.

In the final grant year, Dr. Horn developed tools to measure transformation in clients as a direct result of their association with OI. Her work in this field is recognized outside of the Network as she has contributed to other outside research, including the AIMS impact research. Dr. Horn will travel extensively throughout the Network in the upcoming year to train Partners on how to implement these and other tools. She will specifically focus on the Philippines where OI is currently implementing a scale-up expansion program.

Network Relationships

As the Opportunity International network grows, so does the relational complexity within the network. In Years One and Two of this Matching Grant, Opportunity realized the need to clearly define relationships with its Partner Agencies and partnering organizations. Opportunity has responded to this through extensive discussions of "Global Framework" by Senior Staff during its regional meetings. This resulted in the creation of the "Network Design Council" which made definitive suggestions on network relationships for the Network structure. These suggestions were announced and ratified at the Global Conference at the beginning of the final grant year. The past year has included setting guidelines for Network Membership and the roles of each level of Partnership with the Network. The establishment of Service Centers is an example of how the Network will aid the Implementing Partners in achieving accreditation. The confederation process has opened up a forum of exchange among implementing Partners that transcends regions. At the Eastern European Conference during the final month of the grant an Executive Director from one of the OI African Partners was asked to be a guest speaker. Through his presentation, the Partners learned that many issues they each deal with are also issues throughout the Network.

Institutional Development

During Year Two of the Matching Grant, Opportunity International decided to place a greater importance on the tracking of key performance indicators of its Partner Agencies. Issues such as sustainability are of critical importance in increasing the outreach of lending agencies. In response, Opportunity International extensively revised its program reporting system to track several key indicators and greater emphasize indicators such as sustainability and efficiency/effectiveness. These revisions took place in September and October of 1995 and will involve input from Opportunity's Regional Directors, key program staff, and the majority of Opportunity's Partner Agency Executive Directors. Final revisions were made in the first quarter year four, and the system was distributed to the entire network through the regional offices. At the end of the third grant year, three of the four regional offices had made the difficult transition to the new reporting system. By the end of the first quarter of this past grant year, all regions were reporting on this improved system. During this final grant year, significant improvement on the accuracy and timeliness of the reports received was made due to this new system. This in turn created significant impact on the information received and distributed to the rest of the Network.

Flexibility

Opportunity's expansion into Eastern Europe under the Matching Grant has reinforced the necessity to remain flexible as an organization. Opportunity continues to operate under the "flexibility principle" in this region. During Year Two of the Matching Grant, Opportunity launched a business support services center, otherwise known as an "incubator" in Nizhny Novgorod, Russia. In grant year three, OI expanded this system to another of its Russian partners in Rostov-on-Don. The Partner in Nizhny Novgorod established a women's savings and loan cooperative as a form of a Trust Bank program. Opportunity also continued its micro-leasing program during Year Three. Also in keeping with the model of flexibility and the Matching Grant goal of expansion in Eastern Europe, OI has initiated development of two new Partners in this region. In grant year four, lending commenced at the new partners in Voronezh, Russia, Osijek, Croatia. The region continues to expand with the implementation of a Partner in Albania and preparations being made for a start-up in Montenegro.

In year four, flexibility was needed again to react to the economic collapse in Bulgaria where the economy experienced inflation of 1,400%. Since NACHALA, our partner in Bulgaria, loan money pegged to the US dollar, many clients had great difficulty repaying their loans. The OI Eastern Europe Regional Office, in collaboration with Opportunity headquarters, worked with NACHALA to help sustain their existence over the past grant year. New lending was temporarily terminated, and an aggressive system of payment collection was put in place. NACHALA also established an innovative method of assisting clients with business re-structuring to enable their clients to survive the crisis. OI headquarters and the Regional Office deployed staff to assist NACHALA in creating a new business plan that would make their lending operations more resilient to macro-economic fluctuations.

New lending commenced at NACHALA during grant year five. With the stabilization of the Bulgarian economy and currency in the summer of 1997, the most significant change during the grant year has been the launch of a new lending organization called NACHALA COOPERATIVE. This new organization was registered in July 1997 and began lending in October, 1997. NACHALA COOPERATIVE is registered as a credit cooperative under Bulgarian laws. During the grant year, the Cooperative made 340 loans totaling approximately \$600,000. These loans created or sustained more than 1,500 jobs. The average loan term is 12 months. During the grant year, none of the Cooperative loans were written off and there were no loans delinquent more than 30 days. Due to this excellent start and the organization's flexibility to overcome the economic situation, the Cooperative believes it will be operationally sustainable by the end of 1999.

Leveraging of Funds

As stated in the Year One annual report, Opportunity believes that a continuation of the "linkage and leverage" model is the appropriate path to pursue. Opportunity has identified and is utilizing borrowed funds around the world. In grant year three, approximately 50% of Opportunity lending agencies were utilizing borrowed funds or in the process of procuring commercial funding. Greater use of borrowed funds largely depends on the development and scale up of existing agencies. This will be advanced by the activities of the Managing Director of the Network.

Office, Larry Reed The primary focus of this new position will be the massification of select Opportunity Partner Organizations that have expressed the desire and capability to grow

The Philippines has been selected as the first site for major expansion OI is focusing its efforts over the next four years to increase the capacity of our Filipino partners to enable them to reach 250,000 active clients by the year 2002 This will require a great deal of technical assistance and systems support from many members of the network An aggressive funds leveraging plan was devised to utilize \$5 million dollars of equity funding to access a total of \$20 million in borrowed and granted funds To date, \$2.1 million has been leveraged for this expansion program

VIII Recommendations

A To Project Leadership and PVO

In Bulgaria and other countries in Eastern Europe, local project leaders made the decision not to work with informal and unregistered businesses. The rationale for this decision was that the legal barriers to business registration were not great and these transitional economies did not need a "Third World type" informal sector and dualistic economic model. After now working in the region for approximately three years, our Eastern Europe Regional Director believes that the barriers to registered micro businesses are growing. He is of the opinion that working with the informal sector is now a good option and would enable programs to reach poorer people and provide smaller loan sizes. These barriers are discussed in the next section, paragraph #1.

Due to increased flow of information, as a result of growth and an expanded confederation e-mail system, additional language capacity must be built in to the system to ensure that the English language bottleneck can be overcome. For example, as the network grows, those in Asia will need to communicate with agencies in Latin America which communicate in Spanish. Efforts being made in the headquarters office (such as publishing a "Partnership Quarterly" in Spanish) should continue and be expanded. Software programs are being investigated that will enable communication in many of the different languages represented by members of the Opportunity network. Tools and manuals, such as the Trust Bank Manual, are now available in Spanish.

As recommended in the matching grant mid-term evaluation, OI must now focus on rapidly increasing the scale of operations for a selected group of partners. Many OI partners have reached a point of credible effectiveness, but need to expand operations to reach more clients with their successful methodology of credit delivery. This will be addressed over the coming years with the expansion program in the Philippines.

OI must continue and bolster support to all regional offices. Technical assistance can be more efficiently delivered from a regional setting rather than a concentration of expertise in the headquarters office. More funding must be made available to the regional offices to hire quality staff and provide valued services to the OI partners. Each region now has a technical assistance expert and three regions have Trust Bank Coordinators. Their roles are to troubleshoot and train Partners on specific areas of excellence.

B To Country and Local Leaders

In all of the regions where Opportunity operates, improvement in the legal environment for small businesses remains an important task. Specific areas for improvement include:

- Legislation for NGOs – Need to provide a legal framework for NGO lending
- Legal protection for small businesses
- Tax Laws - Change to enable small businesses to function legally. The current tax structures are often onerous and provide great incentive to avoid tax and stay informal. With the increased success of microenterprise organizations, the policy environment has not been adapted at the same pace. This needs to occur in order for MED to reach its full potential.

Additional suggestions are as follows:

- Microenterprise needs to be seen as a key part of the overall strategy for business and financial development
- Microenterprises should be provided with access to credit, but not at below market interest rates
- NGOs with proven track records in providing credit to microenterprises should be allowed access to any funds that the government might make available to the banking sector for small businesses
- NGO managers need to recognize the fundamental structural changes implied by a move towards more formal financial institutions. The transition from an NGO to a development bank will require different staffing capabilities and a change in corporate culture. Hurdles in the process need to be recognized in advance and the required time and effort in the transition should not be underestimated.

C To Donors or Other Organizations

- The creation of development banks has highlighted the need for further research on the part of donor agencies regarding the capitalization of microenterprise programs. Studies, such as Opportunity International's recently completed study for the World Bank, will be critical in obtaining necessary research for the transition.
- It is important to recognize the key role that NGOs have played in developing microenterprise lending technology.
- Funding should continue to be provided to NGOs so that they can continue to develop and adapt this technology as the environment for microenterprises changes (e.g. the move to market economies and trade liberalization).
- Mechanisms should be developed for learning from NGO experience and disseminating this information more broadly.
- The role of technical assistance from network organizations needs to be appreciated and funded by the MED donor community. Development theory of the past assumed that MED organizations would require less technical assistance as they matured. However, in the new environment of scale and rapid expansion, MED implementing organizations need continuous technical assistance to grow.

IX FINAL REPORT

1 Background

The purpose of the Matching Grant was to provide support for OI to accelerate the pace of its agency creation and expansion model by linking local NGOs and the beneficiaries to the formal sector and leveraging market-based funding. The PVC Office provided a total of \$3.75 million over five years and OI provided matching funds of \$4 million for a total project valued at \$7.75 million.

In order to achieve the objectives of the Cooperative Agreement, Opportunity established the following goals:

1. Opportunity would develop a new "leveraged" model of agency creation wherein Opportunity and USAID funding would be used as seed capital to attract substantial grant and soft loan funding at an early stage in the development of new agencies in South Africa (1993), Bulgaria (1993), and Ghana (1995).
2. Opportunity would link existing strong programs in Indonesia, the Philippines, and Zimbabwe to the formal sector for access to market-based funding.
3. Opportunity would strengthen international mechanisms for cross-fertilization and support among our 60 existing and proposed partners in order to accelerate the learning curve for national impact programs and to increase partner's capacity to respond to natural disasters through MED business rehabilitation loans.

Opportunity International projected that by the end of the Grant:

- 125,410 jobs would be created
- 85,360 micro and small enterprise loans would be provided focusing on the services, small industry, and agro-industry sectors of MED
- 91,100 people would have received business training
- 92% of the loans would be repaid
- 50% or more of the loans would be provided to poor women
- 30% of the loans would be provided to the poorest of the poor
- The six agencies would manage an average loan portfolio of \$2.3 million

Summary of Program Accomplishments and Failures

Objective 1

Opportunity successfully used the money from the PVC grant to form new partner agencies and obtain grant and soft loan money from other sources to leverage the PVC grant funds and OI funds in South Africa, Bulgaria, and Ghana.

Using previous experience from different regions around the world allowed new Partners to develop quickly. In Ghana the program made its first loan in August 1994 although it was not scheduled to occur until the second quarter of 1996. By the end of October 1996, more than 1500 loans were made to individuals and Trust Banks totaling \$340,000.

Bulgaria also surpassed its objectives by establishing three branch offices that were lending when only one branch was projected by the end of 1996. Additionally in Eastern Europe, excelled in establishing two Partners in Russia rather than one by then end of 1996. Russia now has six Partners and sustainable programs are also running in Romania, Poland, Macedonia, and Croatia. Operations during 1998 began in Albania and there is a potential for a Partner to open in Montenegro in 1999.

The seed capital provided by Opportunity International and USAID attracted substantial grant from AusAid for South Africa in 1993, the Bulgarian American Enterprise Fund in Bulgaria. Ghana found an opportunity to link to the formal financial sector as described in Objective 2.

Objective 2

Opportunity International developed linkages to the formal sector in order to strengthen the program in Indonesia, the Philippines and Zimbabwe. Additionally, Ghana established a linkage thus raising Opportunity International above the benchmark of the original objective.

In Indonesia, two rural banks became operational in 1994, and a third one was established in 1997. However, due to the current economic and political crisis in Indonesia, the government postponed all Rural Bank applications in order to stabilize the economy. DBB took advantage of this time to focus on establishing cooperative units as an alternative in supporting their work and hope to be running the additional five banks by the end of 1999.

In Zimbabwe, Zambuko trust negotiated a line of credit with Barclays Bank paying the market rate of 35%. This organization also received an add-on of \$500,000 from USAID as the result of a gift presented by First Lady Hillary Clinton to be used specifically towards their Trust Bank Program.

The Philippines was scheduled to develop an incorporated development bank by the end of the grant. The formation of this institution was postponed when the Partner TSPI's Board decided that TSPI would not become a bank. However, feasibility research is underway to form an Apex Bank which would serve all the Partners in the Philippines. Opportunity is working with another foundation to explore the possibility of taking over an existing bank. It is projected that the Apex Bank will be operating in 1999.

The Philippines is now the site of a scale-up plan whereby the region will serve 250,000 active clients by 2002. To date, Opportunity has leveraged \$2.1 million in support of this program. Opportunity also developed in-country convertible soft-loan programs whereby the Partners are required to meet set expectations by certain prescribed dates before set funding dates.

While Ghana was not originally targeted for developing a link with the formal financial sector, the Central Bank of Ghana approved the formation of a community bank in Amanotin (north of Kumasi) which had a shareholder and Board member connected to Smapu Aba Trust.

Objective 3

Opportunity strengthened its mechanisms for cross-fertilization and the sharing of information amongst its Partners with the ratification of the Opportunity Network. The ratification of this entity formally linked the six Support Partners and 60 Implementing Partners. With the Network Office operating, many service centers were established to offer expertise for services that are commonly accepted as crucial components of a successful MED program. They currently include Microfinance Accountability and Planning Systems, Organizational Governance, and Trust Banks. They are designated by the Network Board and supervised by the Network Office. Additionally there are regional training sessions in each of the four OI regions to offer regular workshops and host regional conferences.

Through Opportunity's publications such as the "Partnership Quarterly" and Network Notes, Opportunity shares success stories and lessons learned throughout the Network. The strength of this cross-fertilization process has enabled Opportunity to excel in delivering MED services in response to natural disasters, the most current example being Hurricane George in Honduras. While the Philippines is the site of a formal expansion project, Partners in Indonesia, India, and throughout Africa and Latin America are making personal commitment towards capacity building and having a greater client impact.

Actual vs Projections to be achieved by the Program

Projection	Actual
125,410 jobs would be created	124,619 jobs were created
85,360 loans would be provided	189,934 loans were provided
91,100 people would receive business training	323,695 received business training
92% of the loans would be repaid	94% of the loans were repaid
50% of the loans would be provided to women	61% of the loans were provided to women
30% of the loans would reach the poorest of the poor	41% of the loans reached the poorest of the poor
The agencies would maintain an averaged loan portfolio of \$2.3 million	The agencies maintained an average loan portfolio of \$1.6 million

As shown above, Opportunity significantly exceeded most of its projections by achieving the goals that were established at the beginning of the grant. Due to the strengthening of the dollar as a result of hyperinflation in some of the targeted countries (Indonesia and Bulgaria), the dollarized average loan portfolio was less than anticipated.

2 Overall Description of the Activities under the Program during the Period of this Grant

The activities pursued during the Matching Grant work a direct, pragmatic result of the objective, purpose and goals of this grant. A summary of each Partner activity follows:

Bulgaria

For Eastern Europe as a whole, OI used its experience in Bulgaria to start 11 micro-finance institutions. This includes five institutions in Russia and six different countries in Eastern Europe/Balkans (Bulgaria, Romania, Poland, Macedonia, Croatia, and Albania). These institutions collectively made more than 6,500 loans totaling \$17 million as of September 30, 1998. These loans have impacted more than 18,000 jobs. Projections for 1999 indicate continued growth of greater than 50 percent per year as some of the newer institutions mature.

All of the partners are showing progress towards achieving operational sustainability, and three achieved 100 percent sustainability by the quarter ended September 30, 1998. Except for the Albanian program, which is just starting, all the other partners have operating sustainability in excess of 50 percent.

The Eastern Europe Microcredit Loan Fund is now incorporated in the United Kingdom and has loan commitments of \$1 million made to it. The Fund will make its first loans to partners prior to December 1998. This Fund will access commercial sources of financing for all OI Partner Organizations that meet a specific set of standards as determined by the fund. The intention of this loan fund is two-fold. Primarily, the fund is intended to create an additional source of credit for our Partners to expand their client reach and benefit more entrepreneurs. Second, the fund intends to give our Partners experience in managing borrowed funds to expand their programs.

Due to the 1996 economic crisis in Bulgaria, NACHALA had to make significant changes in its operations to remain open. With the stabilization of the Bulgarian economy and currency in the summer of 1997, they opened a new lending organization called NACHALA COOPERATIVE. This new organization was registered in July 1997 and began lending in October, 1997. NACHALA COOPERATIVE is registered as a credit cooperative under Bulgarian laws. The cooperative structure has worked well in Bulgaria. Even despite the economic hardships that occurred, NACHALA superseded its expectations and opened five branch offices rather than the predicted four before the end of the grant.

Ghana

The following are the major activities that took place at Smapı Aba Trust during the five year grant period

- Board & staff planning meetings occurred each year on how to reach objectives and make projections for the upcoming years
- Lending to micro entrepreneurs reached 71% of the poorest of the poor
- Promoted saving mobilization among rural microentrepreneurs by owning 70% shares in Amantin Kasei Community Bank
- Client training was provided at a fee
- Staff and board training and development was provided on-site and at the regional training center
- Monitoring activities of client loans increased Three cars were purchased for this purpose Most loan officers use public transport for their work
- A USAID evaluation in 1996 took place
- Transformation research carried out by OI in 1996 included Smapı Aba Trust as a case study
- An impact study by CHORD was done in 1998

Indonesia

The Indonesian Partners in the DBB Network significantly improved the quality of services provided to its 16 members By improving the service quality with increased training on MED as well as the services provided to clients, the Network was able to remain strong during the Indonesian economic crisis Training included training program managers in program planning, management, monitoring, and evaluation as well as teaching loan officers key aspects of delivering financial services An emphasis was put of the management of savings programs although the crisis rendered the Network unable to open all five Rural Development Banks (BPR) due to the government freeze on BPR's However, the region exceeded its expectations at the end of five years by maintaining a loan portfolio worth \$1 million and creating 25,877 jobs when only 5,500 were projected

Philippines

The main activity in the Philippines during the Matching Grant five year period was preparing the region for its major scale-up of reaching 250,000 active client base by the year 2002 In order to reach this goal, the APPEND Network of the Philippines focused on building its operational capacity by redeveloping structures, upgrading management and information systems, and hired and trained talented, dedicated people To capitalize the loan portfolio, APPEND will obtain \$65 million in grants, borrowed funds, and client savings from the Philippines and \$20 million from sources in other countries

To date, a Chief of Party has been hired to coordinate and oversee the activities related to scale-up and many of the Partners have made changes in their own staff in order to have the right mix of people who will promote the vision of expansion Currently, a new MIS system is under development at TSKI by an MIS expert and will then be implemented throughout the Network

Opportunity International is working with APPEND to provide the needed training and business planning individually with each Partner in order to realize the goals of scale-up Soft-loan contracts during 1998 were signed and the first tranche of funds disbursed to three Partners In early 1999, the next set of three Partners will enter into similar contracts which critically evaluate each Partner's progress quarterly and certain objectives must be achieved before the next set of funds are distributed for capacity building

South Africa

The following activities took place at SEED during the five year period of the grant

- The program developed a loan tracking system that may be shared with the other partner organizations in the region
- Five Satellite offices were put into operation
- The Star Group performed a special audit in 1997 of SEED in addition to annual audits

- An impact and institutional assessment study was carried out
- SEED received borrowed funds from a government department in Khula
- SEED received grant funding with OI assistance from DfID in the UK
- New Board and staff members were recruited
- Training took place for staff by the OI regional training program and through SEED's internal training program

Zimbabwe

Zambuko Trust (ZT) has exceeded all the targets set in the Detailed Implementation Plan. There was training of staff and board members and the regional training center for Africa was opened at this program site. Annual audits and several evaluations were carried out including a mid term evaluation by AusAID and an AIMS impact assessment study. All evaluations provided positive feedback on Zambuko Trusts progress.

Due to the additional funding Zambuko Trust received from Hillary Clinton's grant combined with the matched USAID/OI funding, Zambuko Trust was able to accomplish the following activities in its Trust Bank Program.

In 1995, ZT tested the Trust Bank program in the area of Harare (Chitungwiza). ZT hosted the first Africa Trust Banks Training in December 1995, including participants from Zimbabwe, Ghana, Zambia, Uganda, South Africa and Jamaica. The training introduced the other partners to the Trust Bank program and allowed them to actually visit Trust Bank clients of Zambuko's program.

In 1996, ZT replicated the Trust Bank program in other programs in the Harare area. ZT also held the First Annual Trust Bank Congress, a gathering of Trust Bank clients across Zimbabwe, arranged by and for the Trust Bank clients to celebrate their successes through the Trust Bank program. This program is the first of its kind, demonstrating the value that the clients place on the program, and also revealing the positive relationship established between Zambuko and the Trust Bank clients. In November, ZT hosted a loan officer training for 19 participants from Zambuko Trust and SEED Foundation in South Africa.

In 1997, ZT focused on training loan officers at the branch offices in order to expand the Trust Bank program to other areas of Zimbabwe. They developed an operating manual to specifically outline individual and Trust Bank loan methods in Zimbabwe. The Trust Bank clients also held the Second Annual Trust Bank Congress. WOF conducted an in-depth evaluation of Zambuko's Trust Bank program and made suggestions for improvement as ZT expanded. In May, nine African loan officers, including two from Zambuko, attended a loan officers' training at KMBI, an implementing partner in the Philippines. Then Zambuko hosted a follow-up training for those loan officers that attended training at KMBI and other loan officers. This training focused on transformation and expansion.

Zambuko Trust focused on quality control during 1998. They hired a Trust Bank Coordinator to oversee all of the projects in Zimbabwe and to control the quality of the programs. An intern at ZT is working on compiling Loan Officer training modules for training and standardization of loan officer development at ZT. Also, the ZT Trust Bank clients held the Third Annual Trust Bank Congress. At the Congress, the clients highlighted the Trust Bank groups with the best repayment rates (100%) and the highest amount of savings. The groups also demonstrated their creativity through drama presentations about challenging Trust Bank situations and solutions.

Confederation

During the five year Matching Grant much preparation was done to prepare for the establishment of a ratified confederation. The Opportunity Network was officially formed at the 1997 Global Conference in Virginia Beach, VA when the then 58 Partners voted unanimously of the structure and suggestions of the Network Design Council.

The Network is employing a process of accreditation as a mechanism for building Network-wide best practice and reviewing the performance of an organization against standards and guidelines developed by the Network. Central to the accreditation process will be an organization's self-evaluation and a peer review process that results in organizational assessment, evaluation, and planning.

The Network is governed by a Board of Directors whose objectives are to Determine strategic priorities for the entire Network, Maintain the mission and vision of the Network, Develop global budget recommendations and supervise the Network Office. The Network Board also manages the use of the Opportunity International trademark, defines criteria and principles for approving new Members, and determines interim accreditation categories and standards, subject to ratification by the General Assembly.

The Network Office maintains a Network-wide flow of communication and information via publications and the World Wide Web. It provides support and accountability for Network Service Centers, provides opportunities for Network-wide training and staff exchanges, manages Network task forces, manages the process of developing a Network budget, develops and maintains global strategic alliances, develops new Support Partners, and manages Regional Offices.

Womens Opportunity Fund

In 1995, WOF pilot-tested the Trust Bank methodology in six partners in Zimbabwe, Colombia, the Dominican Republic, Russia and Guatemala. As those partners discovered successes and adaptations of the methodology, the Women's Fund built upon their experiences and learnings through training. The Women's Fund held Trust Bank workshops in Latin America and Africa. In 1996, the Women's Fund focused on training loan officers at the partners that had already pilot-tested Trust Banks and conducting workshops for the regions in which the Trust Bank program was starting, such as Asia. Five loan officer trainings were held and one Trust Bank workshop. As partners across various regions grew their Trust Bank programs, a standardization was needed. Thus, in 1997 the Women's Fund worked to consolidate the methodology, resulting in the production of the Trust Bank Manual. Four trainings were held to facilitate the partners' consolidation of program and expansion into new areas of their regions. In 1998, the Regional Coordinators organized training in their regions as needed, and facilitated the exchange of best practices among the partners. The Women's Fund has provided more tools to the partners for use in scale-up and movement toward sustainability, such as an Internal Account Toolkit created in conjunction with SEEP and the Simplified Viability Model, created by Ken Koskela and modified by Larry Reed. The Women's Fund is currently taking the initial steps in creating a Loan Officer Toolkit to be used with in-house Loan Officers.

3 Descriptions of Methods of Work Used

A "one size fits all" lending system does not tap into the broad range of potential among the working poor. Thus, Opportunity has developed a two-tier lending system that serves entrepreneurial people who are both marginally and deeply poor. Growth loans serve entrepreneurs who have the business savvy and resources to establish or strengthen a business. Trust Banks and other group lending methods empower people who do not have the experience, confidence, opportunities, and resources to succeed on their own. Group loans are co-guaranteed by six to 30 women and men who meet weekly to support each other's business efforts and to learn basic business skills. Together, they explore the potential of personal, economic, and community change unleashed by a group when individual efforts may fail.

The work of the Women's Fund has progressed in four clear stages. In 1995, WOF focused on pilot testing the Trust Bank methodology in Africa, Eastern Europe, and Latin America (specifically Zimbabwe, Russia, Colombia, Guatemala and the Dominican Republic). In 1996, WOF provided intense training for Loan Officers and workshops on the Trust Bank method in each of the four regions. During 1997, WOF focused on consolidating the program and documenting the methodology. In unique contexts, such as Eastern Europe, the implementing partners worked with the Regional Coordinator to establish standards specific to that region. In 1998, WOF is working on scaling up the implementing partners and making them sustainable.

4 Program Continuation and Direction

Opportunity International remains committed to these Partners that were included in the PVC Five Year Matching Grant. During the regional board meetings in October 1998 plans were mapped out for the course of progress in the upcoming year.

Eastern Europe's Microcredit Loan Fund is now incorporated with loan commitments of \$1 million made to it. The Fund will make its first loans to partners before yearend. This Fund will access commercial sources of financing for all OI Partner Organizations that meet a specific set of standards as determined by the fund. The intention of this loan fund is two-fold. Primarily, the fund is intended to create an additional source of credit for our Partners to expand their client reach and benefit more entrepreneurs. Second, the fund intends to give our Partners experience in managing borrowed funds to expand their programs. Additionally, OI hopes to consolidate its Russia Implementing Partners into a single institution. Finally, the Eastern Europe Regional Office is actively seeking funding for intensive research and development leading to the transformation of some partners to institutions that can legally offer a savings product to clients. The research will involve working to understand the legal-regulatory requirements (for each country) of such a transformation and market research for product development (for each market).

Sinapi Aba Trust in Ghana will continue to emphasize the Trust Bank methodology at its organization. With the success of its current program, Opportunity is researching the possibility of the Sinapi Aba becoming the sight of the next Trust Bank Shareholder Program which was launched in Colombia, Latin America this year. As part of the shareholder program, Sinapi Aba would reach its goal to make 70 to 80% of its program focused on Trust Banks. Plans to expand to Volta, Central, western and greater Accra regions by 2000 will give Sinapi Aba national coverage. Promote savings. Finally, Opportunity in 1999 will study the feasibility of establishing cross-border Partners. If believed to be successful, Sinapi Aba could go into Cameroon. As for South Africa, SEED will focus on the scale-up of its activities and the goal of becoming fully sustainable. OI-US will invest \$125,000 from its new USAID Matching Grant into Zambuko Trust, currently the largest partner in the Network, serving an active client base of more than 15,000. With these funds from OI-US and \$272,000 from OI-Australia, Zambuko has targeted reaching 20,000 clients by year-end.

The Indonesian Partners hope their applications for the additional Rural Banks will be approved by the government next year. Until then, the Partners will continue to establish cooperative units as an alternative to supporting their work or researching the feasibility of taking over existing Rural Banks. With the VASS money recently received via Tear Fund, New Zealand five Partners will be strengthening and building the capacity of their Trust Bank Programs. Also, money was recently granted to establish a new Partner in Tangerang, West Java.

The Philippines will continue to set the pace for the scale-up program. Plans for 1999 developing an integrated accounting, loan-portfolio management system for Partners, to lay the groundwork for the establishment of either a wholesale or retail bank, and to develop and implement staff and board training programs. In early 1999, three more Partners will sign contracts and memorandum of understanding which will officially make them part of the Scale-up Program.

The Network future goals directly correlate to the above mentioned for each Partner as it is the Network's purpose to serve the Partners through Service Centers, publications and training. While the Network web site is already established, Network-wide reporting and information sharing must be integrated into it. Also, the accreditation process will be implemented in all four regions. Partners in Indonesia, Russia and Central America will continue to face real challenges in 1999 and the years ahead as they emerge from difficult economic situations and natural disasters. Fundamental to properly serving these Partners will be examining the way in technical service is provided to all Partners. The Network will explore new ways to achieve maximum value-added service and the highest stewardship of our human and financial resources. Input from all Partners is vital to the success of this effort. Related to this is the challenge of launching a new Service Center for MIS that will benefit all Partners.

As the first official Service Center for the Opportunity Network, the Trust Bank Service Center (WOF) has outlined its services and products that will be available to the Network. The product developments of the Service Center will include Trust Bank Manual (English, Spanish, Indonesian) - already available, Eastern Europe Trust Bank Manual (English, Russian) - already available, India Trust Bank Model, Service Center Guide, Loan Officer Training Toolkit, Loan Supervisor Training Toolkit, Senior Managers' Toolkit, Trust Bank Program Accreditation Standards, Group Lending Conversions, Financial Sustainability Worksheet, Transformation Toolkit, Savings Toolkit, Graduation Guide, Poverty-Targeting Indicators, Job Creation Impact Women in Leadership, and Savings/Insurance Options. Those products have been arranged into a product development timeframe and budget, with every mentioned product completed by the year 2002.

Attachment A Country Data Sheets (Form 1570-11)

PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECTS

OMB No 0412-0530
Expiration Date 03/31/89

FOR OFFICIAL USE ONLY

PVO Type	Project Number		
Appropriation	Level		
Country Code	Fund Type	Technical Code	
Project Officer	Key 1	Key 2	

PROJECT INFORMATION (PRIMARY)

Name of Organization Opportunity International		Grant/Contract Number FAO-0158-A-00-3072-00
Start Date (MM/DD/YY) 9/24/93	End Date (MM/DD/YY) 9/23/98	AID Project Officer's Name Regina Coleman

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
94	\$750,000	97	\$750,000
95	\$750,000	98	\$750,000
96	\$750,000		
LOP	\$3,750,000		

Activity Description

OPPORTUNITY International is involved in the development of an indigenous agency which assists poor entrepreneurs through a revolving credit program. The project provides credit to micro-enterprises which will either improve the living standard of the owner or create jobs for the unemployed. The agency provides technical assistance in addition to credit through training seminars and on-sight visits.

During Grant Year Five, loan activities began again under the new formation of the NACHALA COOPERATIVE NACHALA distributed 340 loans for a total value of \$573,200 during grant year five These loans created 532 jobs and sustained 1,019 jobs

Status

After Opportunity opened a Regional Office in 1993, Nachala Foundation was incorporated The Regional Director assisted in building a Board of Directors and assisted in hiring staff Staff training was provided by Opportunity staff First loans were made at the end of 1993

COUNTRY INFORMATION (SECONDARY)

Country Bulgaria	Location in Country (Region, District, Village) Sofia, Plovdiv, Vellingrad, Pleven
PVO Representative's Name Ken Vader Weele	Local Counterpart/Host Country Agency Bisser Bucharov NACHALA Foundation

COUNTRY FUNDING INFORMATION (\$000)

YEAR	FY94	FY 95	FY 96	FY 97	FY98
AID \$	7	9	8	1	N/A
PVO \$	69	26	22	52	
INKIND	0				
LOCAL	0				
TOTAL	76	35	30	53	N/A

AID 1550-11 (6-86)

PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECTS

OMB No 0412-0530
Exp 1 on D to 03/31/89

FOR OFFICIAL USE ONLY

PVO Type	Project Number		
Appropriation	Level		
Country Code	Fund Type	Technical Code	
Project Officer	Key 1	Key 2	

PROJECT INFORMATION (PRIMARY)

Name of Organization	Opportunity International		Grant/Contract Number	FAO-0158-A-00-3072-00
Start Date (MM/DD/YY)	9/24/93	End Date (MM/DD/YY)	9/23/98	AID Project Officer's Name
				Regina Coleman

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
94	\$750,000	97	\$750,000
95	\$750,000	98	\$750,000
96	\$750,000		
LOP	\$3,750,000		

Activity Description

OPPORTUNITY International is involved in the development of an indigenous agency which assists poor entrepreneurs through a revolving credit program. The project provides credit to micro-enterprises which will either improve the living standard of the owner or create jobs for the unemployed. The agency provides technical assistance in addition to credit through training seminars and on-sight visits.

Status
Sinapi Aba began making loans in August of 1994. In Year Five Sinapi made 6,702 loans for a total value of approximately \$ 1,416,800 with 81 % of the loan portfolio going to women. This has resulted in 608 new jobs and 8,161 jobs sustained for a total job impact of 8,769 jobs. Six loan officers were employed in grant year three, a financial manager was hired, and two more staff were added. Training for all of these staff was provided by the Africa Regional Office along with technical assistance regarding the upgrading of their MIS system. The Board of Directors implemented new policies regarding interest rates, lending procedures, and portfolio quality management. Plans for the implementation of the Trust Banks group lending program were developed.

COUNTRY INFORMATION (SECONDARY)

Country	GHANA	Location in Country (Region, District, Village)	KUMASI
PVO Representative's Name	Dominic Magwada	Local Counterpart/Host Country Agency	James Acquaye SINAPI ABA

COUNTRY FUNDING INFORMATION (\$000)

YEAR	FY94	FY 95	FY96	FY 97	FY98
AID \$		30	31	21	21
PVO \$	4	47	146	250	0
IN-KIND	0				0
LOCAL	0				0
TOTAL	4	77	177	271	21

AID 1550-11 (6-86)

PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECTS

OMB No 0-412-0530
Expiration Date 03/31/89

FOR OFFICIAL USE ONLY

PVO Type	Project Number	
Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization Opportunity International	Grant/Contract Number FAO-0158-A-00-3072-00
Start Date (MM/DD/YY) 9/24/93	End Date (MM/DD/YY) 9/23/98
AID Project Officer's Name Regina Coleman	

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
94	\$750,000	97	\$750,000
95	\$750,000	98	\$750,000
96	\$750,000		
LOP	\$3,750,000		

Activity Description

OPPORTUNITY International is involved in the development of an indigenous agency which assists poor entrepreneurs through a revolving credit program. The project provides credit to micro-enterprises which will either improve the living standard of the owner or create jobs for the unemployed. The agency provides technical assistance in addition to credit through training seminars and on-sight visits

Status

With the addition of a new agency, there are now 16 full partners in Opportunity's DBB network in Indonesia. Three of the partners are associated with development banks, and six more have begun the process of creating similar bank associations.

In the fifth year of the Matching Grant, Opportunity's Indonesian Partners provided 9,615 loans for a total value of \$496,893. This has resulted in the creation of 2,967 new jobs and the strengthening of an additional 10,323 jobs for a total job impact of 13,290 jobs.

COUNTRY INFORMATION (SECONDARY)

Country Indonesia	Location in Country (Region District Village) Nationwide
PVO Representative's Name Leigh Coleman	Local Counterpart/Host Country Agency Priyati Reksasiswaya, DBB

COUNTRY FUNDING INFORMATION (\$000)

YEAR	FY94	FY 95	FY96	FY 97	FY98
AID \$	77	67	67	84	84
PVO \$	265	703	290	326	0
INKIND	0				
LOCAL	0				
TOTAL	342	770	357	410	84

AID 1550-11 (R&E)

PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECTS

OMB No 0412-0530
Expiration Date 03/31/89

FOR OFFICIAL USE ONLY

PVO Type	Project Number	
Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization Opportunity International	Grant/Contract Number FAO-0158-A-00-3072-00
Start Date (MM/DD/YY) 9/24/93	End Date (MM/DD/YY) 9/23/98
AID Project Officer's Name Regina Coleman	

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
94	\$750,000	97	\$750,000
95	\$750,000	98	\$750,000
96	\$750,000		
LOP	\$3,750,000		

Activity Description

OPPORTUNITY International is involved in the development of an indigenous agency which assists poor entrepreneurs through a revolving credit program. The project provides credit to micro-enterprises which will either improve the living standard of the owner or create jobs for the unemployed. The agency provides technical assistance in addition to credit through training seminars and on-sight visits.

Serial

As for the other 8 partners in the Philippines that are supported by the Matching Grant, much progress has been made. Expansion plans are in place to reach 250,000 clients on an annual basis by 2002. In Grant Year Five Filipino Partners made 39,827 loans for a total value of \$,678,284. These loans created 20,178 new jobs and sustained another 26,448 jobs for a total job impact of 46,626 jobs.

COUNTRY INFORMATION (SECONDARY)

Country Philippines	Location in Country (Region District Village) Nationwide
PVO Representative's Name Leigh Coleman	Local Counterpart/Host Country Agency Benjie Montemayor, TSPI

COUNTRY FUNDING INFORMATION (\$000)

YEAR	FY94	FY 95	FY96	FY 97	FY98
AID \$	118	118	84	76	27
PVO \$	589	1447	1266	685	0
INKIND	0				
LOCAL	0				
TOTAL	707	1565	1350	761	27

AID 1550-11 (R-RA)

(See instructions for details)

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PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECTS

OMB No 0417-0530
Exp. Date 03/31/89

FOR OFFICIAL USE ONLY

PVO Type	Project Number	
Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization Opportunity International	Grant/Contract Number FAO-0158-A-00-3072-00
Start Date (MM/DD/YY) 9/24/93	End Date (MM/DD/YY) 9/23/98
AID Project Officer's Name Regina Coleman	

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
94	\$750,000	97	\$750,000
95	\$750,000	98	\$750,000
96	\$750,000		
LOP	\$3,750,000		

Activity Description

OPPORTUNITY International is involved in the development of an indigenous agency which assists poor entrepreneurs through a revolving credit program. The project provides credit to micro-enterprises which will either improve the living standard of the owner or create jobs for the unemployed. The agency provides technical assistance in addition to credit through training seminars and on-sight visits.

During grant year five of the matching grant, SEED provided 1,629 loans for total value of \$744,000 with approximately 77% of the loan fund going to women. This resulted in the creation of 495 new jobs and the sustaining of 1,783 jobs for a total job impact of 2,278 jobs.

COUNTRY INFORMATION (SECONDARY)

Country South Africa	Location in Country (Region District Village) Soweto
PVO Representative's Name Dominic Magwada	Local Counterpart/Host Country Agency Joe Maswanganyi, SEED

COUNTRY FUNDING INFORMATION (\$000)

YEAR	FY94	FY 95	FY96	FY97	FY98
AID \$	31	29	19	0	3
PVO \$	71	55	156	254	0
INKIND	0				
LOCAL	0				
TOTAL	102	84	175	254	3

PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECTS

OMB No 0412-0530
Expiration Date 03/31/89

FOR OFFICIAL USE ONLY

PVO Type	Project Number	
Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization Opportunity International	Grant/Contract Number FAO-0158-A-00-3072-00
Start Date (MM/DD/YY) 9/24/93	End Date (MM/DD/YY) 9/23/98
AID Project Officer's Name Regina Coleman	

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
94	\$750,000	97	\$750,000
95	\$750,000	98	\$750,000
96	\$750,000		
LOP	\$3,750,000		

Activity Description

OPPORTUNITY International is involved in the development of an indigenous agency which assists poor entrepreneurs through a revolving credit program. The project provides credit to micro-enterprises which will either improve the living standard of the owner or create jobs for the unemployed. The agency provides technical assistance in addition to credit through training seminars and on-sight visits.

Status

During year five of the matching grant, Zambuko Trust provided 10,589 loans for a total value of \$1,579,197 with 77 % of the loan fund went to women. This resulted in the creation of 5,226 new jobs, and the sustaining of 11,572 jobs for a total job impact of 16,798 jobs.

COUNTRY INFORMATION (SECONDARY)

Country Zimbabwe	Location in Country (Region District Village) Harare and 7 other areas
PVO Representative's Name Dominic Magwada	Local Counterpart/Host Country Agency Ngwiza Mnkandala, Zambuko Trust

COUNTRY FUNDING INFORMATION (\$000)

YEAR	FY94	FY95	FY96	FY97	FY98
AID \$	40	20	N/A	N/A	N/A
PVO \$	110	177			
INKIND	0				
LOCAL	0				
TOTAL	150	197	N/A	N/A	N/A

Attachment B Logical Framework

LOGICAL FRAMEWORK

<u>GOAL</u>	<u>INDICATOR</u>	<u>VERIFICATION</u>	<u>ASSUMPTIONS</u>
To provide a lasting solution to hunger and suffering through the creation of income and employment opportunities for the poor of developing nations	Increased profitability and employment in loan recipient businesses	Opportunity obtains benchmark financial and employment information during the loan application. The same data is collected and compared in a close-out process when the loan is repaid.	The primary assumption underlying OI's work in these seven countries is that there is sufficient political stability to allow indigenous MED agencies to provide services.
<u>PURPOSE</u> To develop and implement an accelerated growth model of MED on a national scale in six countries: Zimbabwe, Indonesia, Philippines, South Africa, Bulgaria and Ghana.	Six national scale programs linked to the formal sector and having: 1) Lending capital averaging \$2.3 million 2) Programs targeting at least two regions of the country 3) LOP job creation greater than 129,000 4) LOP loans made greater than 90,000 5) Business training provided to more than 94,000 beneficiaries over LOP.	1) Financial statements of partner NGO's 2) Program evaluations and annual reports 3) Quarterly program reports which track loans made, jobs created, and beneficiaries trained.	

<u>OUTPUTS</u>	<u>INDICATOR</u>	<u>VERIFICATION</u>	<u>ASSUMPTIONS</u>
<p>I) Three new national scale MED programs in South Africa, Bulgaria, and Ghana</p> <p>II) Three existing programs in the Philippines Indonesia and Zimbabwe which link at risk groups to formal sector and scaled up for nationwide impact</p> <p>III) Formalized global confederation that accelerates learning curve for national impact programs and increases capacity to respond to natural disasters through business rehabilitation loans</p>	<p>I a) Selection and training of boards and staff for two African agencies</p> <p>I b) African agencies lend \$250 000 after 1 year of full operations</p> <p>I c) Eastern Europe regional staff hired, trained and located in Bulgaria</p> <p>I d) Legal incorporation of Bulgarian agency</p> <p>I e) Feasibility studies done in three Eastern European countries</p> <p>I f) Documentation of institutional and methodological issues facing linkage model</p> <p>II a) Indonesian, Filipino and Zimbabwean agencies increase lending by 50% and utilize \$1 million in non grant funding</p> <p>II b) Agencies target at risk groups to link with formal sector</p> <p>II c) Agencies, regions and OI home office strengthen links to market based funding sources</p> <p>III a) Two international conferences</p> <p>III b) International council membership defined and annual meetings held</p> <p>III c) Partner NGO staff used on three cross regional projects per year</p> <p>III d) Publication of five MED technical "white papers"</p> <p>III e) Publication of program digest</p> <p>III f) Regional offices linked by computer modem</p>	<p>1) Annual regional planning documents</p> <p>2) Quarterly regional director program progress reports</p> <p>3) Annual regional office evaluations</p> <p>4) Annual partner planning documents</p> <p>5) Quarterly partner NGO financial and program reports</p> <p>6) Partner NGO financial audits and program evaluations</p> <p>7) Annual program reports to FHA/PVC</p>	<p>OI operates under the assumption that key economic indicators relating to currency remain within parameters that do not substantially decapitalize its loan portfolio We track inflation and the dollar value of currency in particular Our agencies have developed sophisticated mechanisms to preclude adverse impact in most situations</p>

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<u>INPUTS</u>	<u>INDICATOR</u>	<u>VERIFICATION</u>	<u>ASSUMPTIONS</u>
<p>I a) Develop boards and train staff for two new African Agencies I b) Provide loan fund seed grants I c) Establish Eastern Europe regional office I d) Develop boards and train staff for new Bulgarian agency I e) Research feasibility of programs in 3 Eastern European countries I f) Evaluate institutional and methodological aspects of linkage model I g) Establish Africa Regional Training Center</p> <p>II a) Deliver technical assistance and institutional development seed grants to Indonesian, Filipino and Zimbabwean agencies II b) Research and implement plan for accessing formal financial market sources of capital II c) Establish 5 development banks & management/training systems</p> <p>III a) Organize international conference to establish confederation policy and agenda III b) Establish international coordinating council III c) Upgrade confederation's financial reporting capacity III d) Use NGO staff and interns for confederation projects III e) Research and write 5 program "white papers" III f) Distribute technical program digest</p>	<p>I a) 90 per/months Africa regional staff I b) \$300,000 seed grants provided to four African agencies over 24 36 months I d) 30 per/months Eastern Europe regional staff</p> <p>II a) 120 per/months, Asia regional staff II b) 30 per/months Africa regional staff</p> <p>II a) 4 per/months, home office program staff II b) 30 per/months, home office program staff II c) 10 per/months, partner NGO staff II d) 15 per/months, home office program staff II e) 15 per/months home office program staff II f) 3 per/months, home and regional program staff</p> <p>III a) 75 per/months, home office finance and regional program staff III b) 20 per/months, home and regional office finance staff</p>	<p>1) Annual budget documents from home, regional and partner NGO offices 2) Monthly financial reports from home and regional offices 3) Monthly financial reports from African and Bulgarian NGO's 4) Quarterly financial reports from Indonesian and Filipino NGO's 5) Annual independent financial audits 6) Required monthly, quarterly and annual reports to A I D</p>	<p>1) That historic access to soft loans and other market based funding will be maintained 2) That Governments will maintain their current favorable policies relating to the development bank model</p>

Attachment C List of New USAID Grants Since Starting Date of Matching Grant

Albania (NIS-A-00-98-00019-00)

Performed for USAID, 320 Twenty-First Street, N W , Washington, D C 20523

Total Amount \$3,000,000, Beginning Date 7/11/98, Ant Ending Date 6/14/02

Description of Project Purpose of the program is to establish a sustainable enterprise development organization to support accelerated SME development in Albania The principal focus of the organization will be on activities that generate jobs and increased productivity

Croatia (EPE-00-23-A-00-6022-00)

Performed for USAID, 320 Twenty-First Street, N W , Washington, D C 20523

Total Amount \$3,000,000, Beginning Date 8/1/96, Ant Ending Date 7/31/99

Description of Project Purpose of the program is to establish a sustainable enterprise development organization to support accelerated SME development in Slavonia The principal focus of the organization will be on activities that generate jobs and increased productivity

- **Implementation Grant Program (RFA# G/EG/MD-95-A-001)**

Performed for USAID, 320 Twenty-First Street, N W , Washington, D C 20523

Total Amount \$2,500,000, Beginning Date 10/95, Ending Date 10/00

Description of Project Purpose of the program is the significant expansion of 2 key Opportunity Partner Agencies with the purpose of increasing the benefits provided by the programs and also increasing the self-sufficiency, scale, and efficiency of the indigenous NGO's carrying-out the programs

- **FYR Macedonia #EPE-0023-G-00-5067-00**

Performed for USAID, 320 Twenty-First Street, N W , Washington, D C 20523

Total Amount \$2,053,000, Beginning Date 5/95, Ending Date 8/30/99

Description of Project The implementation of a nation-wide, sustainable micro-credit program targeted to small and microbusiness in FYR Macedonia The program provides credits ranging from \$1,000 to \$20,000 to microenterprises and small businesses for short-term working capital and long-term financing of hard assets

Rostov-on-Don #118-0005-A-00-5124-00

Performed for USAID Moscow, PSC 77, APO AE 09721

Total Amount \$1,613,919, Beginning Date 3/95, Ending Date 3/1/98

Description of Project The replication of Opportunity International's program in Nizhny Novgorod in the city of Rostov-on-Don, including credit services, training, and a business support center (incubator building)

- **Polish American Enterprise Fund**

Performed for USAID/Fundusz Mikro

Total Amount \$3,375,000, Beginning Date 3/95, Ending Date 3/98

Description of Project Establish a small lending program to support the development of the private sector and the market economy in Poland

- **Matching Grant #FAO-0158-A-00-3072-00**

Performed for USAID, 320 Twenty-First Street, N W , Washington, D C 20523

Total Amount \$3,750,000, Beginning Date 9/24/93, Ending Date 9/23/98

Description of Project Project purpose is threefold 1) Develop a new "leveraged" model of agency creation wherein OI and USAID funding capital will be used as seed capital to attract substantial grant and soft loan funding at an early stage in the development of new agencies in South Africa, Bulgaria, and Ghana 2) Link existing strong programs in Indonesia, the Philippines and Zimbabwe to the formal sector for access to market-based funding 3) Strengthen mechanisms for cross-fertilization and support among partners in order to accelerate the learning curve for national impact programs and to increase partner's capacity to respond to natural disasters through MED business rehabilitation loans

Incubator Project # 110-0005-A-00-4040-00

Performed for USAID Moscow, PSC 77, APO AE 09721

Total Amount \$2,027,634, Beginning Date 9/94, Ending Date 8/30/99

Description of Project The establishment of a full service microbusiness incubator which will support the emerging private sector through provision of physical space, shared business support services, on-sight consulting and the embedding of these businesses in support and expert networks Also, the expansion of Opportunity's micro credit program through expansion of its leasing financing vehicle

- **World Learning #NIS-2022-00-12**

Performed for World Learning, sub grantee for USAID Agreement #CCS-0001-A-00-2022-00

Total Amount \$550,000, Beginning Date 5/6/93, Ending Date 5/31/95

Description of Project Project is designed to accomplish the following 1) Create job and income generating opportunities for people who have been particularly marginalized under the current economic transition 2) Contribute to the broader economic development of the country by supporting micro business development These are accomplished through making credit and business training available to Russians who are unable to receive loans in the banking system, particularly single mothers, pensioners, and unemployed persons

- **World Learning #NIS-2022-00-29**

Performed for World Learning, sub grantee for USAID Agreement #CCS-0001-A-00-2022-00

Total Amount \$288,000, Beginning Date 5/26/94, Ending Date 3/31/96

Description of Project Project is designed to strengthen the capacity of local NGOs, particularly those working in job creation This is being accomplished through the formation of an alliance and the development of microenterprise projects

Bulgarian American Enterprise Fund Grant

Performed for USAID/BAEF

Total Amount \$3,450,000, Beginning Date 1/93, Ending Date 12/95, extended to 12/98

Description of Project Establishment of a nation-wide small business lending program in Bulgaria

- **Nicaragua**

Performed for USAID/PMU-Managua

Total Amount \$1,500,000, Beginning Date 1/95, Ending Date 12/97

Description of Project Expansion of lending programs in Managua and replication to two rural sites

GEMINI

Performed for USAID/Development Alternatives, Inc

Total Amount Reimbursed on services provided, Beginning Date 1989, Ending Date 6/95

Description of Project A coalition of four NGOs providing technical assistance and research on a range of topics related to microenterprise development Prime contractor is DAI

- **USAID Matching Grant #OTR-0158-A-00-8157-00**

Performed for USAID, 320 Twenty-First Street, N W , Washington, D C 20523

Contact Devorah Miller, 703-351-0219

Total Amount \$2,250,000, Beginning Date 5/23/88, Ending Date 6/30/93

Description of Project Further development of indigenous small and micro enterprise development agencies and supporting institutions in seven countries that provide credit and related services to low income entrepreneurs and to develop an international confederation which supports the creation and long-term growth of these agencies