



**Accelerated Microenterprise Advancement Project (AMAP)/
Microfinance Indefinite Quantity Contract
GEG-I-00-00-02-00013-00**

Quarterly Performance Report No. 3

April 1, 2003 – June 30, 2003

Prepared by:
Chemonics International

Consortium members include:
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A. Contributing to AMAP Program Objectives

The objectives of the Accelerated Microenterprise Advancement Project and the Chemonics Consortium are to:

- Expand the delivery of financial services to microentrepreneurs and low-income households;
- Increase the capacity of financial providers to serve microenterprises;
- Expand the dissemination of best practices in USAID-sponsored programs in the microfinance field; and to
- Promote the development and adoption of policy, laws and regulation that encourage the start-up, stabilization, and competitiveness of microenterprises and the institutions and markets that serve them.

B. Activities and Accomplishments During the Reporting Period

During this reporting period, the Chemonics AMAP/Microfinance consortium received 3 new requests for task order proposals from USAID missions – Bolivia, El Salvador and Morocco – and one request for a revised proposal from USAID’s Microenterprise Division. The Chemonics consortium responded to these requests in a timely manner to provide USAID with high quality consultants and technical assistance services.

In the months of May and June, Chemonics successfully initiated and completed its first task order under the AMAP/Microfinance IQC, undertaking a mid-term evaluation of the Rural Financial Services (SEFIR) activity for USAID/Bolivia. Confirming our commitment to actively involve our consortium in the preparation and implementation of proposals and projects, Chemonics’ small business subcontractor Enterprising Solutions played a major role in the implementation of this first task order. As we receive more task order requests we will continue to actively involve our subcontractors to provide USAID with the highest quality technical assistance and expand the number of small businesses substantively participating in USAID activities.

Chemonics also worked closely with USAID to revise our business proposal for the Knowledge Generation task order to be more in line with the Microenterprise Division’s expectations and objectives. We look forward to receiving this task order award in the third quarter of 2003.

B1. Task Order Proposals Submitted

On April 9, 2003, the Chemonics AMAP/Microfinance consortium submitted its proposal for the Rural Financial Services (SEFIR) Activity assessment task order to USAID/Bolivia. Chemonics and Enterprising Solutions proposed a total of 46 days level of effort to evaluate the implementation of activities under each of the three components of the SEFIR project:

Innovation and Expansion; Microfinance Industry Development; and Policy and Regulatory Environment.

In response to a request from USAID, Chemonics also submitted a revised business proposal on June 23, 2003 for the Microenterprise Division's Knowledge Generation task order. Chemonics revisions reflected USAID's allocation of knowledge generation topics to all three AMAP/Microfinance contractors as well as level of effort suggestions provided by the Contracts office. Revisions reduced Chemonics' proposed level of effort and budget for the task order by roughly 20 percent.

B2. Task Orders Awarded and Completed

B2a. Task Order 800, Mid-Term Evaluation of the Rural Financial Services (SEFIR) Activity. May 11, 2003 – June 23, 2003

Technical summary. USAID/Bolivia awarded Chemonics its first task order under the AMAP/Microfinance indefinite quantity contract on May 8, 2003. Under task order number 800, USAID/Bolivia contracted Chemonics to complete a mid-term evaluation of the mission's Rural Financial Services (SEFIR) activity. The objectives of the evaluation were to:

- Assess whether the RFS scope best responded to the sector needs given the socio-economic situation of Bolivia;
- Examine whether RFS activities had resulted, or had the potential to result in, positive and sustainable impacts to microfinance institutions and the sector as a whole;
- Determine if SEFIR implementation strategies were proving to be effective in achieving RFS objectives; and
- Recommend any necessary adjustments to the RFS Activity scope or implementation structure to better suit the current socio-economic environment, to better match the individual experience and skills of the long-term technical assistance team, and to enable future expansion to rural areas.

Chemonics and Enterprising Solutions fielded Steve Smith, Microenterprise Strategic Planning Specialist and Michael Steidl, Legal and Regulatory Specialist on May 20, 2003 to begin the evaluation. Over the course of the first two weeks of their assignment, Mr. Smith and Mr. Steidl interviewed USAID staff, the SEFIR project team, partner microfinance institutions, other donor agencies in Bolivia and the Bolivian Superintendency of Banks. The evaluation team then organized their findings from these interviews as well as SEFIR publications and presented them along with a series of recommendations for the project to USAID staff.

The evaluation team incorporated their conclusions and recommendations in a final report for USAID/Bolivia submitted on June 23, 2003. The report concluded that while the project was making progress towards achieving its objectives there was room for improvement in the technical approach and management of the activity. For more information about the evaluation please contact Ms. Gabriela Salazar at the USAID/Bolivia mission.

Financial summary. As required by contract, below please find a summary of the financial activity for the above referenced task order.

Task Order Title	Task Order Number	Authorized Expenditure	Actual Expenditure	Balance	Estimated Completion Date	Actual Completion Date	Balance in Days
Bolivia RFS Evaluation	800	\$49,986	\$45,013	\$4,973	6/23/2003	6/23/2003	0

C. Publications

This quarter, Chemonics published and submitted the following reports to USAID:

- *Bolivia: Mid-Term Evaluation of the Rural Financial Services Activity* written by Steven Smith and Michael Steidl under AMAP/Microfinance task order number 800.

D. Management and Administrative Issues

D1. Meetings Attended

On May 27, 2003 the Chemonics consortium received a request from Bruce Baltas, Contracting Specialist, for a revised business proposal for the Knowledge Generation task order. Mr. Baltas provided Chemonics with a list of knowledge generation topics as well as suggested level of effort numbers for each topic. Melissa Logan, IQC Project Manager and Anita Campion, proposed Research Director on the Knowledge Generation task order, met with CTO Liza Valenzuela, to discuss the suggested level of effort figures and objectives for each topic. As a result of this meeting, Chemonics revised its business proposal and submitted it to USAID on June 23, 2003. Chemonics expects to receive a contract award for this task order in the third quarter of 2003.

D2. Adjustments to Annual Work Plan

IQC Project Manager, Melissa Logan, spoke with AMAP/Microfinance Contracting Officer, Michael Gushue, and with Technical Officer, Barry Lennon during the second quarter of 2003 to receive further clarification on the Annual Work Plan. Mr. Lennon agreed that the Chemonics consortium could wait until it had been awarded additional task orders under the IQC to develop its Annual Work Plan for this year.

D3. Amendments to the Core IQC Contract

We were alerted on April 1, 2003 through the USAID/Bolivia Contracting Officer, Betty Jo Santibañez that Michael Gushue, Contracting Officer for the AMAP IQC had confirmed that an administrative modification to Chemonics' core IQC contract would be forthcoming. This modification will change the Organization Conflict of Interest provisional restriction from 36 months to 18 months. As of June 30, 2003, receipt of this modification from the USAID Contracts office is still pending.

D4. Clarification on the Core IQC Contract

As noted above, Chemonics received clarification from AMAP Contracting Officer, Michael Gushue regarding the organizational conflict of interest clause in our core AMAP/Microfinance contract. Mr. Gushue explained that an older clause was placed in the contract by Contract's ProDocs drafting system. He stated that newer language from Contract Information Bulletin no. 99-17 should have been included in the core IQC the contract, and that he would undertake an administrative action to make the change. This modification will change the period of ineligibility from 36 to 18 months.

E. Financial Information

The tables below highlight the Chemonics consortium's financial activities under the AMAP/Microfinance contract during this quarter.

Table 1. Task Order Spending to Date

	Workdays Ordered	Other Direct Costs	General & Administrative	Total
Task Order 800 - Bolivia RFS Evaluation	\$41,738	\$3,117	\$158	\$45,013
Total	\$41,738	\$3,117	\$158	\$45,013
AMAP/Microfinance IQC Ceiling Price				\$180,000,000
Total Funds Available under IQC Contract				\$179,954,987