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# ACCELERATED MICROENTERPRISE ADVANCEMENT PROJECT (AMAP) FINANCIAL SERVICES IQC

**Contract Number GEG-I-00-00-02-00013-00**  
**Quarterly Performance Report Number 10**  
**January 1, 2005 – March 31, 2005**

## Knowledge Generation Research Team to Examine Access to Capital for MFIs in Three Countries

During this quarter, the AMAP Knowledge Generation Access to Capital research team began planning for three case studies to investigate the supply and demand for capital for microfinance institutions (MFIs) as well as the regulatory and market environments for investment. The case studies will take place in Peru, Uganda and Philippines during April and May. Marc de Sousa-Shields and Bradley King of Enterprising Solutions will lead research on the demand for capital from microfinance institutions while Lisa Lindsley will conduct research on the supply of finance. Deborah Burand and Kate Druschel of the IRIS Center will work with Jacques Trigo, former Superintendent of Banks of Bolivia to examine the legal and regulatory frameworks for investments in MFIs in each of the three countries.

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## Developing a Conceptual Framework for Measuring Outreach

Background work to develop the conceptual framework for measuring the outreach of microfinance institutions began in January 2005 under the AMAP Knowledge Generation task order. During this quarter research director, Dr. Gary Woller, gathered background information for the development and refinement of social performance measurement tools.

Woller conducted a thorough review of literature on this topic and spoke with numerous experts on MFI outreach. Woller also spoke with representatives from several social performance initiatives as well as met with representatives from key stakeholder groups, including social investors. In addition, he attended a meeting on social performance measurement in Paris, France and informally shared the framework for this AMAP research with CGAP, donor agencies, foundations, and rating agencies.

The Conceptual Note for the Measuring Outreach topic was completed and submitted to USAID during the fourth quarter of 2004. Dr. Woller is incorporating USAID's comments and the final document will be released on the USAID microLINKS website in April 2005.

### CHEMONICS CONSORTIUM PARTNERS

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## AMAP Knowledge Generation Conducts Youth and Microfinance Field Study in Uganda

A team of local and international experts in youth and microfinance carried out a field study in March in Kampala, Uganda to examine the demand for and supply of microfinance for youth. The team conducted 30 separate focus groups to gather qualitative information from youth and youth service providers. The team also administered questionnaires to ten youth development organizations and three microfinance institutions to collect quantitative information for the case study. Quantitative and qualitative findings are currently being reviewed and will be disseminated in a report to be finalized in April of 2005.

Drawing from lessons learned and tools developed in Uganda, a separate team will conduct a similar field study in the West Bank during the second quarter of 2005.

## Knowledge Generation Task Order Drafts Case Studies on Innovations in Rural and Agricultural Finance

In March, the Rural and Agricultural Finance (RAF) research team submitted a draft case study for USAID review in February entitled *Moldova: Innovations in Agricultural Lending*. The RAF team also submitted drafts of microNOTES on *Value Chain Finance* and *Innovations in Rural Deposit Mobilization* in March.

In coming months the team will conduct a case study on *Innovations in Agricultural Leasing in Russia and Uzbekistan*. This case study will evaluate the effectiveness of leasing as a tool to expand financial services and promote rural economic growth.

## AMAP Knowledge Generation Research Directors Share Knowledge with Microfinance Practitioners

Geetha Nagarajan presented on “Microfinance in Disaster and Conflict-Affected Areas” at the “Millennium Development Goals: Role for Microfinance” conference in Dublin on March 14, 2005. The conference was organized by Concern WorldWide and supported by DFID and University of Ireland in Dublin.

On March 15, 2005, Marc de Sousa-Shields spoke at the Regional Conference on Expanding the Frontiers of Commercial Microfinance hosted by the Asian Development Bank in the Philippines.

## AMAP Deepening the Microfinance Sector in Malawi

The AMAP Deepening the Microfinance Sector in Malawi team set up operations and began work in Lilongwe this quarter. Led by Chief of Party, Victor Luboyeski and supported by Capacity Building Specialist, Teresa Maru, the team opened its project office, hired administrative support staff, and established normal operations.

This \$3.5 million, three-year task order aims to strengthen and deepen the country’s microfinance sector and is specifically directed at helping expand access to capital by micro, small and medium enterprises (MSMEs). Given the structure of Malawi’s economy, it is expected that many of the MSMEs assisted will have linkages to the agricultural sector and will contribute to increased employment and higher rural incomes.

This quarter, efforts focused on building consensus among local stakeholders in Malawi as well as identifying targets of opportunity for initial activities. The project work plan will be finalized in the second quarter of 2005.

## Chemonics Consortium Proposes Strategy to Support Market-Led Agribusiness and Private Sector Development in East Timor

On March 15, 2005 the Chemonics Consortium submitted a task order proposal to USAID/Indonesia under the AMAP Financial Services IQC to support implementation of the Bolstering Agriculture and Sustainable Agribusiness/Private Sector Reform (BASAR) project in East Timor. The purpose of this proposed three-year, \$6 million program is to accelerate the development of East Timor's nascent agriculture, agribusiness, and private sector by developing critical market linkages that will encourage agribusiness, micro-, small- and medium enterprises (MSMEs) to establish and grow.

The numerous earthquakes and tsunami crisis affecting Indonesia and other countries in the Indian Ocean have led to a shift in mission priorities to disaster relief and reconstruction. Award of this task order is still pending, but expected in the second quarter of 2005.

## Publications

The [\*Assessment of Financial Regulation and Access for the Poor in Georgia\*](#) microREPORT was published on the USAID microLINKS website in March. This document discusses Georgia's financial services market, the country's regulatory and supervisory environment, options for transformation among Georgia's non-licensed microfinance organizations, and governance factors that affect microfinance.

In March, a microNOTE on [\*Microfinance, Youth and Conflict: Emerging Lessons and Issues\*](#) was published to microLINKS. This note covers the variety of issues involved with offering microfinance to youth in general, and the additional issues that are presented in conflict situations.

This quarter, the Chemonics AMAP Consortium submitted the final report for its [\*Assessment of Guinea's ENRMA Microfinance Activities\*](#). This report, prepared by Chemonics and the American Refugee Committee (ARC), assesses the strengths and weaknesses of village-level savings and loan associations (C<sup>3</sup>) in Guinea and examines viable options for future C<sup>3</sup> support activities. The report also provides an overview of microfinance networks in Guinea, including an examination of products offered, current financial performance and geographic coverage.

## Chemonics Hosts Third Annual AMAP Consortium Member Meeting

Chemonics AMAP Financial Services Consortium members came together in February for a half-day working session. The meeting allowed consortium members to interact with one another and share information about their work on USAID and non-USAID activities.

The day was spent discussing general contract issues, current and prospective task orders under the IQC, and methods for improving the speed and quality of service delivery.

Chemonics also introduced consortium members to the microLINKS website and proposed ways to use the site as a tool for knowledge sharing on AMAP and non-AMAP related initiatives.

## Activities and Accomplishments during the Reporting Period

**Table 1. Task Orders Submitted**

Title	USAID Mission	Estimated Task Order Amount	Date Submitted	Status of Task Order Award
Bolstering Agriculture and Sustainable Agribusiness and Private Sector Reform	USAID/East Timor	\$5,784,292	03/15/2005	Pending

**Table 2. Task Orders Awarded**

Title	USAID Mission	Task Order Amount	Date Awarded	Expected Start Date	Expected End Date
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No task orders were awarded during this quarter.

**Table 3. Task Orders Completed**

Title	USAID Mission	Task Order Amount	Date Awarded	Start Date	End Date
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No task orders were completed during this quarter.

## AMAP/Microfinance IQC Financial Summary

**Table 4. Task Order Spending**

Task Order	Year 1 2002 – 2003	Year 2 2003 - 2004	Year 3 Oct - Dec 2004	Year 3 Jan - Mar 2005	TOTAL
Task Order 804: Deepening the Microfinance Sector in Malawi		\$12,280	\$87,004	\$172,145	\$271,429
Task Order 803: Assessment of Village Savings and Loan Associations in Guinea		\$0	\$134,377	\$0	\$134,377
Task Order 801: Malawi Microfinance Sector Assessment		\$64,762	\$0	\$0	\$64,762
Task Order 800: Bolivia RFS Evaluation	\$45,565	\$0	\$0	\$0	\$45,565
Task Order 01 – Knowledge Generation		\$361,657	\$172,501	\$144,297	\$678,455
<b>Total</b>	<b>\$45,565</b>	<b>\$438,699</b>	<b>\$393,882</b>	<b>\$316,442</b>	<b>\$1,194,588</b>

This publication was produced for review by the United States Agency for International Development. It was prepared by Chemonics International Inc. in conjunction with AMAP consortium members American Refugee Committee, Bankworld, echange, Enterprising Solutions, IRIS and Shorebank Advisory Services.

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

For more information on the Accelerated Microenterprise Advancement Project Financial Services Component, please visit <http://www.microlinks.org> or contact Barry Lennon, Cognizant Technical Officer at [blennon@usaid.gov](mailto:blennon@usaid.gov) or at (202) 712-1598.