



Accelerated Microenterprise Advancement  
Project Support (**AMAP**)  
Contract No. GEG-I-803-02-00011-0  
TASK ORDER NO. 803 (PREMIER)

Economic Opportunities Strategic Team  
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# **2006 Work Plan PREMIER Project**

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Proyecto  
**PREMIER**

**Innovación y Fortalecimiento de las  
Finanzas para el Desarrollo**

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## **I. Introduction**

PREMIER will dedicate 2006 to accelerating the implementation and completion of critical project activities, and to carrying out the timely and accurate closure of all administrative aspects of the project.

Less than two years have expired since the PREMIER Project task order was signed. Circumstances having severe affects on two of the Project's three components have challenged the PREMIER team. First, the inauspicious social and political environment has affected the Project's principal component, Policy and Regulation. Second, a USAID ruling prohibiting grants administration under AMAP almost entirely shut down the third component, Finance Innovation, for about 10 months. Despite these setbacks, PREMIER has responded by developing new, innovative activities. As a result, our rate of expenditures has been on schedule, and we are confident the package of activities below can be effectively implemented during the months remaining in the contract.

### **1. Level of Effort and Budget**

This work plan is based on a budget of \$3,863,766, which is the ceiling amount of the original base period task order issued by USAID/Bolivia to DAI. In order to improve the preciseness of the budgeting process through contract termination, we have reviewed and revised actual (invoiced and accrued) project expenditures through October 2005. This information is attached as Annex I to the work plan. According to our records, total expenditures through October 2005 were \$2,322,799.

This document describes activities from November 2005 through the project termination date of September 30, 2006. The proposed budget for this period is \$1,540,967. The total planned LOE for the period is 1,280 days. Detailed LOE information can be found in the LOE Table in Annex VII.

## **II. Project Administration**

The 2006 work plan will emphasize ongoing administration of all Project elements, as well as systematic planning and oversight of project close-down. In January, PREMIER will develop a detailed Project close-down plan and checklist. This document will be submitted for USAID Contract Office approval. Particular emphasis will be placed on meticulous management of the budget, given the mutual interest of USAID and DAI in expending all obligated funding without exceeding the obligated amount.

The close-out plan will also include detailed information and timelines in the areas of contracting (both USAID matters and DAI sub-contractors), personnel, inventories, information technology, and grants administration.

### **III. Component 1: Policy and Regulation**

At the outset of PREMIER, the Policy and Regulation Component was clearly the main focus of this Project and of greatest interest to USAID. Our goal was to fortify the financial policy environment in favor of expansion and innovation within the context of a dynamic private market. Results have been hampered, particularly with regard to legislative initiatives, because of social and political instability.

The uncertain political outlook for 2006, the final year of PREMIER, has forced us to modify our annual plan. We will significantly reduce the resources devoted to legislative initiatives. Only minimal local resources will be devoted to ensuring that the new GOB is well informed about the movable guarantees legislation and credit bureau information analysis, in the event it decides to follow up with these actions.

Our main investments in this component will emphasize working with more permanent, less politicized GOB entities, including the SBEF and FONDESIF. Our strategy will turn its emphasis toward strengthening these institutions in order to protect the private financial sector, especially the microfinance institutions.

Following are the major activities planned under Component 1 for 2006:

#### **1. Encourage and Support Financial Policy and Legal Reform**

Movable guarantees and credit bureau legislation: In 2005 PREMIER invested considerable resources in drafting the legal underpinnings of movable guarantees legislation and in building technical and political consensus for the initiative. This resulted in a completed draft law that incorporated, to the extent possible, the interests of a broad range of private and public sector interests without sacrificing critical elements necessary to ensure economic impact.

As of the date of this report, the draft law had not been presented to Congress by the Ministry of Finance. This was due to several factors, most importantly the lack of stability and continuity within the Government.

The political outlook for 2006 appears even more uncertain. Regardless of the outcome of the December presidential elections, it is difficult to predict the future Government's economic priorities and the possible role of movable guarantees legislation. This has proved to a controversial and challenging area of legislation even in the best of economic and political circumstances; there have been numerous attempts to develop and pass movable guarantees laws in Bolivia for more than 10 years.

Given this backdrop, PREMIER does not plan on committing significant resources to movable guarantees legislation in 2006. Nevertheless, once the new government is installed, we will assess its economic and financial priorities, including the prospect for movable guarantees legislation. Should the new government express a commitment and

assign a highly capable counterpart, PREMIER will provide minimal technical resources in support of presenting, defending and passing the legislation.

These resources will consist mainly of local consultants in the legal and economics fields. *The total planned LOE for this effort is 35 consultant days (authorized under SOW-015/05).* We believe the commitment to provide these relatively modest resources is critical because it could pay huge dividends on an already significant USAID investment. The consultants, led by the PREMIER management team, will play a key role in facilitating the new government's understanding and ability to defend this complex piece of legislation. They will also provide the new government with critical background information about how and why the draft law was developed. Unlike PREMIER's strategy in 2005, we will not assume a leadership role in this effort. Our resources are too limited and the risks are too high.

The second legislative initiative planned under PREMIER involves credit bureau legislation. Despite a new regulatory framework that has allowed two private credit bureaus to enter the market, there are significant constraints to the development of the credit and information referencing market. The two most important areas involve the severe limitations to financial information (from the SBEF) and legal/administrative barriers to other public information. Facilitating the timely availability and reporting of these types of information would result in greater access to credit as well as strengthened risk management within financial institutions.

Similarly due to political uncertainty, we do not propose a major resource investment for this activity. Nevertheless, we believe it is too critical of a financial sector area to ignore. In 2005 PREMIER carried out initial activities in this area under the CEAL sub-contract. An issues paper was developed and feedback was acquired from the two private credit bureaus. At a minimum, PREMIER should carry out a comprehensive analysis of the critical constraints to credit bureau services development. This information will provide updated information to the private sector, the new government and USAID for the identification of potential future interventions.

PREMIER and USAID will share this analysis with the SBEF, the institution currently responsible for regulating the credit bureaus. Future decisions to remove information barriers will depend, in great part, on the SBEF's commitment to reform. The SBEF's decision will undoubtedly be influenced by its monopolistic role in processing and supplying Bolivia's credit information from regulated financial entities.

*The total level of effort planned to analyze credit bureau constraints is 40 days (already authorized by USAID under SOW-015/05).* Legal and economic consultants will research, analyze and prioritize current constraints to the collection and dissemination of credit and other public information.

Because of both political and budgetary considerations, PREMIER has decided to significantly reduce LOE under the sub-contract between DAI and the Center for Economic Analysis of Law (CEAL). *The total LOE, some of which had already been*

*provided at the time of this writing, will consist of 40 days of legal and economic expertise. This LOE will be divided between the movable guarantees legislation and credit bureau legislation, with emphasis on the latter.*

Fortunately, as a result of PREMIER's activities to date, several local consultants have gained experience in both movable guarantees legislation and credit bureau issues. We are confident these consultants will be able to accomplish the tasks outlined above at a much lower cost than the fully funded CEAL contract would have involved.

#### State Development Banking Reform (FONDESIF):

An important component of PREMIER's overall strategy has been to preserve and to strengthen Bolivia's liberalized financial market policy environment. We have implemented a number of initiatives in this area, culminating in 2005 with the development of a draft supreme decree of a new institutional framework for FONDESIF, Bolivia's government facility for microfinance. The decree, if signed, would bestow FONDESIF with technical mandates and an organizational structure appropriate to complement and catalyze the private financial sector. More importantly, the decree would help protect FONDESIF from politically motivated financial projects that could undercut or distort private sector expansion and diversification.

At the time of this writing, FONDESIF management and the Ministers of Finance and Economic Development were committed to the implementation of the decree. Although the window of opportunity is growing smaller, we are still hopeful the decree will be signed by the current President in December. PREMIER management is closely following the status of the draft decree and is in ongoing dialogue with GOB counterparts. We may also request, if appropriate, the support of USAID management to heighten the visibility and urgency of the initiative.

We will also provide a minimal amount of critical follow-up legal support to help facilitate the political process required to achieve the signing of the decree. *A local lawyer experienced in financial sector legislation will be contracted for up to 20 days.*

*An additional 20 days LOE will be provided to assist FONDESIF in developing administrative and technical manuals for its personnel. FONDESIF requested this support during the first half of the 2005 calendar year. The request was approved by PREMIER in coordination with the USAID CTO at the time.*

## **2. Support Stronger and more Appropriate Financial Regulation and Supervision**

In the 2005 PREMIER work plan, we reported that the SBEF had been sluggish in developing a plan for the implementation of Basle II. Results in 2005 have been more encouraging. Once the SBEF established a new intendance for Basle II and assigned a highly competent manager as intendent (as required by the MOU signed between USAID and the SBEF), implementation of this activity has proceeded according to schedule.

The purpose of this activity is to support the SBEF in developing more effective regulatory and supervisory systems to ensure a more stable and dynamic financial sector. The standards outlined in Basle II essentially represent a significant conceptual change from supervision of the past. Implementation of Basle II will be technically complex and will require a completely different organizational culture within the SBEF.

Making the full transition to Basle II will require at least four years, possibly longer. USAID, through an MOU with the SBEF, agreed to provide technical support to “strengthen the SBEF’s capacity to regulate and supervise the financial sector employing principles and techniques based on the Basle II agreements.” The MOU, signed on February 25 of 2005, contains a four module program. The first of these modules, resulting in a strategic plan for the SBEF, will be completed in January of 2006.

Implementation of all four modules before the September 2006 completion date of PREMIER is unrealistic. Nevertheless, if USAID, PREMIER and the SBEF proceed quickly and with administrative efficiency, we believe it will be possible to fully implement three modules before this date. This will not will ensure meaningful progress in implementing Basle II standards within the SBEF, but it will help USAID demonstrate its commitment to fulfilling the terms of the MOU.

Module I will lay the groundwork for the substantive changes planned for in Modules II and III. Based on the analyses carried out in Module I, including in-depth interviews and a comprehensive survey of Bolivian financial entities, module II will involve the development of the new regulatory and normative structures for Basle II. Norms will be developed for managing risk in critical areas that were either not addressed or addressed with minimal attention, including liquidity risk, market risk and operating risk.

Module III will involve institutionalizing the new norms at a practical level. First, manuals for on-site and off-site supervision will be developed. Second, pilot supervision examinations and visits will be carried out by carefully chosen teams expressly for this purpose. Based on feedback from the pilot activity, the SBEF will develop a plan for full scale roll out of the new principles and procedures.

*Implementation of Modules II and III will require a total LOE of 240 days. This work will be distributed among three or four consultants in the areas of financial supervision and financial risks management.*

## **IV. Component 2: Industry Development**

### **1. Review and Revise Strategy to Support Development of Functioning, Sustainable Private Credit Bureaus**

PREMIER believes the development of a comprehensive and effective credit referencing system depends mainly on regulatory and/or legislative reforms that will allow for greater access and dissemination of information. As explained above, we plan to dedicate resources to this objective. In addition to the regulatory framework, a credit bureau system requires the participation of competent, sustainable private credit bureaus. Bolivia's two licensed credit bureaus are still relatively inexperienced and are currently providing only a small range of services. On the other hand, an encouraging development in 2005 was the steady expansion in demand, mainly by microfinance entities using INFOCRED services. This entity reached its financial breakeven point in August of 2005 and by the end of the calendar year was servicing over 100,000 credit consultations per month. The other credit bureau, ENSERBIC, continues to operate at a loss.

Both credit bureaus are fully owned by local institutions and utilize locally developed software. They have almost no access to international know how and no participation from the established international credit bureau companies, such as Experian, Trans Union and Equifax. On a demand basis, PREMIER will provide a limited amount of critical technical assistance to diversify services and improve operational efficiencies in the credit bureaus. This support will help enable the credit bureaus to continue operating despite the inadequate regulatory environment. Improved services to the financial institutions will also lead to modest improvements in credit access to needy clients and to reduce the costs of financial intermediation.

Although PREMIER has not identified the specific areas of technical assistance to be provided, possibilities include improvements in internal and external information collection and processing, the development of credit analysis models and the development of new client products and services. *The total LOE planned for 2006 is 40 local consultant days. In addition to this support, PREMIER will facilitate knowledge sharing from fully developed, international credit bureaus such as Certicom of Peru. This will be accomplished by supporting international travel and training opportunities. A budget of \$6,000 has been set aside for these activities.*

### **2. Support Financial NGOs to become more Transparent and Market Oriented**

Based on the success achieved in 2005 with minimal resources, PREMIER plans to continue supporting improved governance and transparency in both the unregulated and regulated financial sector. Planned activities include two courses and one seminar.

One of the two courses has already been conceptualized. The course will focus on operations risk management, an area which is new to the Bolivian financial sector. It is a

critical area to improving financial institution governance, and is also an integral part of Basle II standards. *The LOE required for the two courses will be 40 days. An additional sum of \$15,000 will be required for logistical support for the courses.*

PREMIER is planning a seminar on the topic of microfinance regulation. The event will mark the 10 year anniversary of Bolivia's Supreme Decree 24000, which created the normative framework for the Private Financial Funds (FFPs). This event is particularly relevant to Bolivia's non-regulated sector because it will provide a comparative analysis of different regulation models. Apart from Bolivia's model, other models from Peru, Brazil and possibly Honduras will be presented. Further, information will be provided about the so-called self-regulation models that have been developed in Bolivia and other countries. *The total cost of this international seminar is estimated at \$25,000.*

### **3. Develop and Implement Information and Support Services to the Microfinance Industry**

The PREMIER supported website [www.microfinanzasBolivia.com](http://www.microfinanzasBolivia.com) has proceeded according to schedule. Phase I, the development, launching and adjustment of site content was implemented during calendar year 2005. Phase II, which emphasizes shifting website management to an advisory board and planning for financial sustainability, has begun.

PREMIER's support in 2006 will be critical to the website's future. We will consolidate a strategy under Phase II to ensure the site's financial sustainability. This will involve a combination of mechanisms, such as selling advertising space, selling products and services through the site, charging nominal annual fees to financial entities whose institutional information is posted freely on the site, and others. Additional modest funding for the site will be mobilized through fees charged by AFIN to PREMIER assisted training events.

Phase III, the final phase of the website under PREMIER, will involve planning for and formally transferring the site from PREMIER to a private Bolivian institution. Initial discussions have already begun to this regard, with Centro AFIN as the leading candidate for the permanent website.

*The LOE required to implement the activities described above will be provided by our long-term technical specialist, Maria del Carmen Grandi. A total of 133.5 days are budgeted. Additionally, we have budgeted an amount of \$10,000 to finance upgrades to the website.*

### **4. Support Expansion of Credit to Small and Medium Sized Businesses (SMEs) through Innovation**

SME access to credit, especially at the lower end, has been increasing due to the effort of the traditional MFIs. Much more needs to be done to help drive this important sector in Bolivia's economic development. PREMIER plans on dedicating modest resources to

one or two innovations designed to increase this access. The specific activities have not been determined, but PREMIER has been discussing potential initiatives with several institutions. One possibility involves providing technical support in the creation of SME guarantee funds for well organized SME industrial sectors. Such a fund would help to lower financial entities' risk in lending to the SME sector. *The planned LOE for these efforts is 50 consultant days.*

Another activity planned to support SMEs will involve conducting a trade fair for selected SME industries such as textiles or wood manufacturing. The fair will feature a broad array of companies that provide products and services to these sectors, including financial services. The purpose of the fair will be to help SMEs identify and compare input suppliers. This information in Bolivia has never been systematized, resulting in significant increases in terms of cost and time to SMEs; additionally, the lack of input supplier information has posed an entry barrier to new SMEs. *The fair will be implemented, and costs shared, in collaboration with USAID's BTBC Project. A budget of \$6,000 is proposed.*

## **5. Research and Develop New Financial Products**

The main initiative under this activity will be to launch and consolidate a private sector driven pilot project for indexed agriculture insurance. Starting in 2004, PREMIER has invested technical assistance resources in researching and gathering information fundamental to the development of agriculture insurance products based on climate and yields. By the end of calendar year 2005, this information will be complete and actuarial modeling will have begun.

PREMIER's approach to launching indexed agriculture insurance involves far less financial resources than any similar donor supported project in the world. This is because our approach hinges upon the private sector's investment at a very early stage, unlike other projects that involve several years of subsidies to government institutions and NGOs.

In 2005 PREMIER identified two interested reinsurers. One of these, AON, has demonstrated a commitment to investing in the Bolivian indexed agriculture insurance industry. AON currently manages similar insurance products in Argentina, and has on-the-ground technical resources in both Bolivia and Argentina to support this effort. *In 2006, PREMIER will continue to provide technical assistance from expert Mario Miranda to develop and fine tune the actuarial models. The total LOE will be 25 days. This activity will be complemented by a potential FIF activity with AON described in the innovation component section below.* Together, the resources will implement a pilot insurance product for the winter growing season of soy in 2006. PREMIER will monitor this activity closely to ensure that the insurance product is continued and expanded for future growing seasons.

In order to guarantee the provision of quality climate information into the future, PREMIER will purchase up to six meteorological stations. *The cost of the hardware and*

*software components for the stations is approximately \$2,000 each, or \$12,000 in total. The stations will be installed in local, non-profit government or non-government institutions. Possible candidates with whom PREMIER has already worked include the Center for Research in Tropical Agriculture (CITA) and the Humid Tropics Foundation.*

A second initiative under “New Financial Product” will attempt to facilitate the provision of expanded financial resources for family housing. These resources continue to be inadequate in meeting demand, due mainly to the short-term nature of financial system deposits. Greater volumes of long-term resources will be required. PREMIER’s strategy will be at the policy and regulatory level through modifying norms that will provide market incentives to develop and issue long-term commercial paper through the capital markets. This will be followed by an initiative to disseminate information about the new norms and to encourage the actors in the capital markets, including institutional investors, to leverage new long-term investment opportunities. *The total LOE for this initiative will be 25 consultant days.*

The third and final proposed in financial innovation will involve the development of mechanisms to facilitate more transparent and efficient information and transactions in the marketing chain of target agricultural commodities. These mechanisms will serve as mini- commodities markets, designed in particular to encourage more and higher quality small farmer production as a result of better market opportunities. PREMIER will begin, utilizing LTTA, by carrying out rapid assessments of the marketing chains of industries such as coffee and quinoa. Based on the assessments, PREMIER will evaluate the need and potential for developing these mini- commodities market mechanisms. Such mechanisms would consist of creating institutional structures capable of providing critical services such as price information, warehousing, grading and brokering between producers and buyers. *The total LOE for this effort will be 30 days of local consultant services.*

## **V. Component 3: Finance Innovation**

Given Bolivia’s environment of political uncertainty, PREMIER has shifted its emphasis from policy and regulations to financial innovation. This is where we believe we can attain greatest impact during the months remaining in the PRMIER contract. The principal instrument under this component, the Finance Innovation Fund (FIF), was inoperative for three quarters of 2005 due to administrative reasons. Despite this, our strong effort in the fourth quarter to re-ignite interest in the FIF was met with considerable enthusiasm from the financial sector.

During the first four months of 2006, we believe we can approve and finance between four and six high potential FIF operations. *This will require an approximate budget of \$150,000.* This does not include the 2% grants administration fee or two previously approved (but not disbursed) operations with Eco Futuro and Nafibo totaling \$58,517.

Even at this proposed budget level, total life of Project FIF grant expenditures will have reached only about \$232,000, less than 40 percent of the originally planned budget of \$600,000. This major reduction was caused by the approximately 10 month prohibition on AMAP grants administration due to contractual reasons.

## **1. Develop and Implement the Finance Innovation Fund (FIF)**

While our focus in early 2006 will be to help create and finance new innovations, we will also dedicate considerable LTTA resources in helping to implement and monitor two FIF operations that began in late 2005. Both of these operations, highly innovative, involve unprecedented initiatives through the capital markets. The first, a SME fund led by CAISA, will provide up to \$10 million in SME working capital financing through the capital markets. The second, an initiative led by NAFIBO, will develop and implement the securitization of NGO loan portfolio assets.

Because of the demand driven methodology of the FIF program, we cannot provide any definitive information about activities that have not yet been submitted, evaluated and approved. Nevertheless, we have been exploring several fascinating possible initiatives with financial counterparts. A brief description of three of these follows.

The first will involve the development of new systems and procedures to help Pro-Mujer more effectively administer the excess liquidity owned by its clients. This will not constitute formal savings mobilization, since NGOs are prohibited from accepting deposits. But it will lead to more efficient and transparent management of the liquidity of Pro-Mujer's 60,000 clients, and could encourage and facilitate an eventual decision by Pro-Mujer to become a licensed, regulated financial institution.

Los Andes Bank has shared a number of potential FIF operations ideas with PREMIER. One of the most interested involves the development of a mechanized credit payment system. This would allow the multitude of micro credit clients to make installment payment through an automated teller, thus freeing up bank personnel to improve and expand client services.

The third possible FIF operation, alluded to above, will provide critical technical support to AON in implementing the indexed agriculture insurance pilot project. The pilot will require considerable counterpart investment by AON and other private sector actors. The objective of this FIF operation is to defray some of the costs associated with high risk innovation. Support will be provided to develop the insurance product, to negotiate with local and international insurance and reinsurance providers, and to analyze legal and tax implications of the new product.

**PREMIER Project expenditures  
from January 2004 through October 2005**

Component	Activity	SOW	CONSULTORES	Days	GRANTS	LABOR	ODC	Grand Total			
1	B.1	ITF					\$1,773	\$1,773			
		SOW-003/05	JAVIER URCULLO	16		\$15,446	\$500	\$15,946			
		SOW-004/04	PENA DE LA, NURIA	10		\$13,087	\$2,685	\$15,772			
		SOW-005/04	GONZALES VEGA, CLAUDIO	15		\$19,631	\$1,076	\$20,707			
		SOW-012/04	GONZALES VEGA, CLAUDIO	19		\$24,866		\$24,866			
			VILLAFANI, MARCELO			\$9,325		\$9,325			
			ODCs Total					\$4,012	\$4,012		
			<b>SOW-012/04 Total</b>					<b>\$34,191</b>	<b>\$4,012</b>	<b>\$38,202</b>	
		SOW-017/04	GONZALES VEGA, CLAUDIO	9		\$11,778		\$11,778			
			ODCs Total					\$520	\$520		
			<b>SOW-017/04 Total</b>					<b>\$11,778</b>	<b>\$520</b>	<b>\$12,298</b>	
		SOW-023/04	GASTON MONTELLANO	45		\$40,733		\$40,733			
			RAMIRO GUEVARA	40		\$37,973		\$37,973			
			ODCs Total					\$3,885	\$3,885		
			<b>SOW-023/04 Total</b>					<b>\$78,706</b>	<b>\$3,885</b>	<b>\$82,591</b>	
		SOW-025/04	CEAL ODCs					\$14,961	\$14,961		
			FLEISIG, HEYWOOD	45		\$58,892		\$58,892			
			PENA DE LA, NURIA	91		\$119,094		\$119,094			
			SPAGNOLE, JOHN	7		\$9,161		\$9,161			
			<b>SOW-025/04 Total</b>					<b>\$187,147</b>	<b>\$14,961</b>	<b>\$202,108</b>	
		SOW-028/04	GOMEZ SOTO, FRANZ	40		\$18,650		\$18,650			
			GONZALES VEGA, CLAUDIO	56		\$73,288		\$73,288			
			VILLAFANI, MARCELO	45		\$18,245		\$18,245			
			OSU Total					\$39,095	\$39,095		
			<b>SOW-028/04 Total</b>					<b>\$110,183</b>	<b>\$39,095</b>	<b>\$149,279</b>	
		SOW-032/04	SEMINARIO BANCA DESARROLLO					\$14,920	\$14,920		
			SOW-041/04	RAUL BÖHRT	4		\$2,487	\$5,543	\$8,030		
			<b>B.1 Total</b>					<b>\$472,656</b>	<b>\$88,968</b>	<b>\$561,625</b>	
		B.2	ASOFIN					\$2,786	\$2,786		
			SOW-015/04	RAUL BÖHRT	6		\$3,791	\$267	\$4,059		
			SOW-035/04	ANTONIO PERES VELASCO	10.625		\$4,430		\$4,430		
			<b>B.2 Total</b>					<b>\$8,221</b>	<b>\$3,053</b>	<b>\$11,274</b>	
		B.3	SBEF					\$5,556	\$5,556		
			SBEF- BANCOLOMBIA					\$2,702	\$2,702		
			SOW-002/04	ROSALES, RAMON Total			\$10,470		\$10,470		
				ALBA, CARLOS Total			\$8,581		\$8,581		
				ODCs Total					\$2,557	\$2,557	
				<b>SOW-002/04 Total</b>					<b>\$19,051</b>	<b>\$2,557</b>	<b>\$21,608</b>
			SOW-006/05	ACEVEDO, JULIO	56.5		\$53,869		\$53,869		
				MARCELO CASTELLANOS	30		\$18,789		\$18,789		
				RUEHMER, CHRISTIAN Total	10		\$12,353		\$12,353		
POZO, ELOY Total	15				\$11,212		\$11,212				
	ODCs Total						\$7,237	\$7,237			
	<b>SOW-006/05 Total</b>					<b>\$96,223</b>	<b>\$7,237</b>	<b>\$103,460</b>			
SOW-016/04	JOSE ARIEL CARVAJAL	38		\$16,570	\$93	\$16,663					
SOW-026/04	RODOLFO CARDONE	22		\$10,012	\$1,435	\$11,447					
SOW-030/04	JOSE ARIEL CARVAJAL	10		\$4,567	\$476	\$5,044					
	<b>B.3 Total</b>					<b>\$146,423</b>	<b>\$20,057</b>	<b>\$166,480</b>			
B.3.	SBEF					\$5,746	\$5,746				
	<b>B.3. Total</b>					<b>\$5,746</b>	<b>\$5,746</b>				
<b>1 Total</b>						<b>\$627,301</b>	<b>\$117,824</b>	<b>\$745,125</b>			

Component	Activity	SOW	CONSULTORES	Days	GRANTS	LABOR	ODC	Grand Total	
2	C.1	SOW-009/04	GUIDO ROSALES	30		\$4,642		\$4,642	
			IVAN PANIAGUA	30		\$1,390		\$1,390	
			RENE BILBAO	30		\$3,619		\$3,619	
		<b>SOW-009/04 Total</b>					<b>\$10,581</b>		<b>\$10,581</b>
		SOW-019/04	LLENAS, MIGUEL	20		\$16,807	\$4,945		\$21,752
		SOW-034/04	MARIO REQUENA	72		\$36,832	\$1,082		\$37,914
	<b>C.1 Total</b>						<b>\$64,219</b>	<b>\$6,027</b>	<b>\$70,246</b>
	C.1.	INFOCRED					\$804		\$804
	<b>C.1. Total</b>							<b>\$804</b>	<b>\$804</b>
	C.2	<b>FINRURAL</b>						\$225	\$225
		SOW-001/05	RODOLFO CARDONE	13		\$5,880	\$736		\$6,616
		SOW-008/04	RODOLFO CARDONE	25		\$11,496	\$1,411		\$12,907
		SOW-011/05	CARLOS VELARDE	4		\$1,092	\$1,891		\$2,983
		SOW-036/04	CARLOS VELARDE	18		\$4,879	\$4,672		\$9,551
		SOW-040/04	Autorregulacion				\$5,400		\$5,400
	<b>C.2 Total</b>						<b>\$23,346</b>	<b>\$14,335</b>	<b>\$37,681</b>
	C.3	AFIN						\$70	\$70
		SOW-007/04	ROBERTO MALDONADO	20		\$2,644			\$2,644
		SOW-007/05	MARIA DEL CARMEN GRANDI			\$8,962			\$8,962
		<b>PAG WEB</b>						\$10,056	\$10,056
		SOW-011/04	OMAR VILLACORTA	20		\$857			\$857
		SOW-020/04	OMAR VILLACORTA	60		\$2,550	\$57		\$2,607
		SOW-021/04	OMAR VILLACORTA	156.25		\$6,807	\$59		\$6,866
SOW-031/04		NOVA				\$3,425		\$3,425	
<b>C.3 Total</b>						<b>\$21,819</b>	<b>\$13,666</b>	<b>\$35,486</b>	
C.4	<b>FIE-BANCOLOMBIA</b>						\$330	\$330	
	<b>PRODEM-BANCOLOMBIA</b>						\$1,130	\$1,130	
C.4	<b>BBV</b>						\$1,497	\$1,497	
	<b>BSOL-BANCOLOMBIA</b>						\$688	\$688	
	<b>CLA-BANCOLOMBIA</b>						\$491	\$491	
	<b>FIE-BANCOLOMBIA</b>						-\$68	-\$68	
	<b>PRODEM-BANCOLOMBIA</b>						\$382	\$382	
	<b>PYMES</b>						\$503	\$503	
	SOW-005/05	MARIA DEL CARMEN GRANDI	8		\$699	\$612		\$1,311	
	SOW-009/05	ARAUJO, JAIME	10		\$3,624	\$1,950		\$5,574	
		FORGUES JEANNINE	10		\$3,624	\$1,950		\$5,574	
		MONTAÑO, GARY	15		\$4,084	\$1,100		\$5,184	
	<b>SOW-009/05 Total</b>					<b>\$11,333</b>	<b>\$5,000</b>	<b>\$16,333</b>	
	SOW-010/04	LLENAS, MIGUEL Total	7		\$5,115	\$13,206		\$18,321	
	SOW-010/05	REAL DATA S.R.L.-GIOVANNA HURTADO APONTE					\$8,190	\$8,190	
	SOW-036/04	CARLOS VELARDE	5		\$1,359			\$1,359	
	SOW-039/04	DINKO FERNANDEZ	88.5		\$22,506			\$22,506	
RODOLFO CARDONE		90		\$40,826			\$40,826		
<b>ODCsTotal</b>						\$74	\$74		
<b>SOW-039/04 Total</b>						<b>\$63,332</b>	<b>\$74</b>	<b>\$63,405</b>	
<b>C.4 Total</b>						<b>\$81,838</b>	<b>\$32,034</b>	<b>\$113,872</b>	
C.5	SOW-007/05	NOVA INTERACTIVA SRL				\$1,265		\$1,265	
	SOW-008/04					\$15		\$15	
	SOW-008/05	BBP				\$314		\$314	
	SOW-011/05					\$168		\$168	
	SOW-018/04	MIRANDA, MARIO	9		\$11,778	\$2,985		\$14,763	
	SOW-024/04	RAUL RIVERO	30		\$9,492	\$26		\$9,519	
	SOW-037/04	MIRANDA, MARIO	25		\$32,718	\$1,856		\$32,718	
		RODRIGUEZ, JORGE	11		\$9,354	\$2,948		\$9,354	
<b>SOW-037/04 Total</b>					<b>\$42,072</b>	<b>\$4,804</b>	<b>\$46,875</b>		
<b>C.5 Total</b>						<b>\$63,342</b>	<b>\$9,577</b>	<b>\$72,919</b>	
<b>2 Total</b>						<b>\$254,565</b>	<b>\$76,443</b>	<b>\$331,009</b>	

Component	Activity	SOW	CONSULTORES	Days	GRANTS	LABOR	ODC	Grand Total	
3	C.4	SOW-008/05	LEITON, JORGE	18		\$4,855		\$4,855	
			MORENO, FRANCISCO	18		\$6,579		\$6,579	
		<b>SOW-008/05 Total</b>					<b>\$11,434</b>		<b>\$11,434</b>
	<b>C.4 Total</b>						<b>\$11,434</b>		<b>\$11,434</b>
	D.1	FIF		CAISA		\$33,000			\$33,000
				ECOFUTURO S.A. FFP		\$3,970			\$3,970
				PROMUJER		\$42,730			\$42,730
				UNDESCOOP Y OTROS					\$7,320
			SOW-002/05	MARIA DEL CARMEN GRANDI	31		\$1,836	\$1,026	\$2,862
			SOW-004/05	SOLARES, MARIA	8		\$2,575	\$1,656	\$4,231
			SOW-022/04	TITULOS FORESTALES				\$2,137	\$2,137
			SOW-027/04	GARY MONTAÑO	11		\$2,980	\$1,012	\$3,992
			SOW-033/04	SOLARES, MARIA	3		\$966		\$966
				GOMEZ VELASQUEZ, RAUL	6		\$1,543		\$1,543
			ODCs Total				\$2,932	\$2,932	
	<b>SOW-033/04 Total</b>					<b>\$2,508</b>	<b>\$2,932</b>	<b>\$5,440</b>	
<b>D.1 Total</b>					<b>\$79,701</b>	<b>\$9,900</b>	<b>\$16,088</b>	<b>\$105,689</b>	
<b>3 Total</b>					<b>\$98,753</b>	<b>\$21,334</b>	<b>-\$2,965</b>	<b>\$117,122</b>	
4	ADMIN	ADMIN				-\$414	\$307,112	\$306,698	
		FONDESIF					\$6,071	\$6,071	
		SBEF					\$431	\$431	
		SOW-003/04	FRIES, TAMI			\$5,133	\$1,710	\$6,843	
		SE				\$234,477	\$55,339	\$289,816	
		SS				\$473,364	\$45,145	\$518,509	
			SS-BANCOLOMBIA Total				\$1,175	\$1,175	
		<b>SS &amp; SE</b>					<b>\$707,841</b>	<b>\$101,659</b>	<b>\$809,500</b>
<b>4 Total</b>					<b>\$712,560</b>	<b>\$416,983</b>	<b>\$1,129,543</b>		
<b>Grand Total</b>					<b>\$98,753</b>	<b>\$1,615,760</b>	<b>\$608,286</b>	<b>\$2,322,799</b>	

**Project expenditures from November 2005 through September 2006**  
**"Based on full option period budget (\$3,863,766)."**

November 2005 to September 2006

Component	Activity	SOW	CONSULTANTS	Days	FBDR	GRANTS	LABOR	ODC	Grand Total	
1	B.2	FONDESIF	TBD	20	402.00		\$8,040	\$1,000	\$9,040	
			CRISTINA CHUMACERO	20	250.00		\$5,000		\$5,000	
		SOW-014/05	GEAL						\$31,260	\$31,260
			FLEISIG, HEYWOOD		15	1,370.09		\$20,551		\$20,551
			PENA DE LA, NURIA		25	1,370.09		\$34,252		\$34,252
		<b>SOW-014/05 Total</b>			<b>40</b>			<b>\$54,804</b>	<b>\$31,260</b>	<b>\$86,064</b>
		SOW-015/05	MARIO REQUENA		40	514.76		\$20,591	\$1,100	\$21,691
	RAMIRO GUEVARA			35	953.45		\$33,371	\$2,200	\$35,571	
	<b>SOW-015/05 Total</b>			<b>75</b>			<b>\$53,961</b>	<b>\$3,300</b>	<b>\$57,261</b>	
	<b>B.1 Total</b>				<b>155</b>			<b>\$121,805</b>	<b>\$35,560</b>	<b>\$157,365</b>
	B.3	SOW-006/05	ACEVEDO, JULIO		43.5	953.45		\$41,475	\$3,200	\$44,675
			MARCELO CASTELLANOS		45	621.60		\$27,972	\$450	\$28,422
			RUEHMER, CHRISTIAN		5	1,235.34		\$6,177	\$3,000	\$9,177
		<b>SOW-006/05 Total</b>			<b>93.5</b>			<b>\$75,624</b>	<b>\$6,650</b>	<b>\$82,274</b>
		MODULES II & III	ACEVEDO, JULIO		100	953.45		\$95,345	\$7,476	\$102,821
	MARCELO CASTELLANOS			80	621.60		\$49,728	\$5,000	\$54,728	
	TBD			60	953.45		\$57,207	\$5,000	\$62,207	
<b>MODULES II &amp; III Total</b>			<b>240</b>			<b>\$202,280</b>	<b>\$17,476</b>	<b>\$219,756</b>		
<b>B.3 Total</b>				<b>333.5</b>			<b>\$277,904</b>	<b>\$24,126</b>	<b>\$302,030</b>	
<b>1 Total</b>				<b>488.5</b>			<b>\$399,709</b>	<b>\$59,686</b>	<b>\$459,395</b>	
2	C.1	Credit Bureaus TA	TBD	40	402.00		\$16,080	\$1,250	\$17,330	
		International Travel Training	TBD					\$6,000	\$6,000	
	<b>C.1 Total</b>				<b>40</b>			<b>\$16,080</b>	<b>\$7,250</b>	<b>\$23,330</b>
	C.2	Courses Auditing/Governance Seminar	TBD	40	555.00		\$22,200	\$15,000	\$37,200	
			TBD					\$25,000	\$25,000	
	<b>C.2 Total</b>				<b>40</b>			<b>\$22,200</b>	<b>\$40,000</b>	<b>\$62,200</b>
	C.3	SOW-007/05	MARIA DEL CARMEN GRANDI	133.5	88.76		\$11,849		\$11,849	
		Web Site Upgrades	NOVA Interactiva					\$10,000	\$10,000	
	<b>C.3 Total</b>				<b>133.5</b>			<b>\$11,849</b>	<b>\$10,000</b>	<b>\$21,849</b>
	C.4	SME Finance Developm	TBD	50	402.00		\$20,100	\$2,500	\$22,600	
	C.4	Seminar/Trade Show	TBD					\$6,000	\$6,000	
	<b>C.4 Total</b>				<b>50</b>			<b>\$20,100</b>	<b>\$8,500</b>	<b>\$28,600</b>
	C.5	Agriculture Insurance	MARIO MIRANDA-OSU	25	1,370.09		\$34,252	\$1,250	\$35,502	
		Purchase of Climate Stations						\$12,000	\$12,000	
Dev of Housing Credit		TBD	25	402.00		\$10,050	\$2,690	\$12,740		
Dev of Mini Commodities Markets		TBD	30	402.00		\$12,060	\$1,500	\$13,560		
<b>C.5 Total</b>				<b>80</b>			<b>\$56,362</b>	<b>\$17,440</b>	<b>\$73,802</b>	
<b>2 Total</b>				<b>343.5</b>			<b>\$126,591</b>	<b>\$83,190</b>	<b>\$209,781</b>	
3	D.1	FIF	ECOFUTURO S.A. FFP Grant			\$3,417		\$3,417		
			NAFIBO Grant			\$55,100		\$55,100		
			FIF GRANTS (TBD)			\$150,000		\$150,000		
			Grant Fee		2.00%	\$3,000		\$3,000		
	<b>D.1 Total</b>						<b>\$211,517</b>	<b>\$211,517</b>		
<b>3 Total</b>						<b>\$211,517</b>		<b>\$211,517</b>		

4	ADMIN	Local Staff and Benefits				\$104,358	\$104,358		
		Program Support Costs				\$58,000	\$58,000		
		Travel, Transportation, Per Diem				\$14,318	\$14,318		
	<b>ADMIN Total</b>					<b>\$176,676</b>	<b>\$176,676</b>		
		SE Total	215	594.68		\$127,856	\$127,856		
	SS Total	233	1,290.00		\$300,570	\$23,915	\$324,485		
	<b>Total SS &amp; SE</b>	<b>448</b>			<b>\$428,426</b>	<b>\$23,915</b>	<b>\$452,341</b>		
<b>4 Total</b>		<b>448</b>			<b>\$0</b>	<b>\$428,426</b>	<b>\$200,592</b>	<b>\$629,018</b>	
		DAI PREMIER G&A Costs		9.10%		\$31,256	\$31,256		
<b>Grand Total</b>		<b>1280</b>				<b>\$211,517</b>	<b>\$954,727</b>	<b>\$374,723</b>	<b>\$1,540,967</b>

EXPENDITURES AS OF OCTOBER 31ST, 2005	\$98,753	\$1,615,760	\$608,286	\$2,322,799
<b>TOTAL AT SEPTEMBER 30TH, 2006</b>	\$310,270	\$2,570,487	\$983,009	<b>\$3,863,766</b>
BASE PERIOD BUDGET	\$612,000	\$2,307,132	\$944,634	\$3,863,766
<i>DIFFERENCE TOTAL vs Base Period Budget</i>	\$301,730	-\$263,355	-\$38,375	\$0
OBLIGATED AMOUNT				\$3,577,000
<i>DIFFERENCE TOTAL vs. Obligated Amount</i>				\$286,766

**Project expenditures from November 2005 through September 2006**  
**"Based on intermediate budget of \$3,677,317."**

November 2005 to September 2006

Component	Activity	SOW	CONSULTANTS	Days	FBDR	GRANTS	LABOR	ODC	Grand Total
1	B.2	FONDESIF	TBD	20	402.00		\$8,040	\$1,000	\$9,040
			CRISTINA CHUMACERO	20	250.00		\$5,000		\$5,000
			MARIO REQUENA	40	514.76		\$20,591	\$1,100	\$21,691
			RAMIRO GUEVARA	35	953.45		\$33,371	\$2,200	\$35,571
			<b>SOW-015/05 Total</b>	<b>75</b>			<b>\$53,961</b>	<b>\$3,300</b>	<b>\$57,261</b>
	<b>B.1 Total</b>				<b>115</b>		<b>\$67,001</b>	<b>\$4,300</b>	<b>\$71,301</b>
	B.3	SOW-006/05	ACEVEDO, JULIO	43.5	953.45		\$41,475	\$3,200	\$44,675
			MARCELO CASTELLANOS	45	621.60		\$27,972	\$450	\$28,422
			RUEHMER, CHRISTIAN	5	1,235.34		\$6,177	\$3,000	\$9,177
			<b>SOW-006/05 Total</b>	<b>93.5</b>			<b>\$75,624</b>	<b>\$6,650</b>	<b>\$82,274</b>
	MODULES II & III	ACEVEDO, JULIO	90	953.45		\$85,811	\$7,000	\$92,811	
		MARCELO CASTELLANOS	70	621.60		\$43,512	\$5,000	\$48,512	
		TBD	60	953.45		\$57,207	\$5,000	\$62,207	
		<b>MODULES II &amp; III Total</b>	<b>220</b>			<b>\$186,530</b>	<b>\$17,000</b>	<b>\$203,530</b>	
	<b>B.3 Total</b>				<b>313.5</b>		<b>\$262,154</b>	<b>\$23,650</b>	<b>\$285,804</b>
<b>1 Total</b>				<b>428.5</b>		<b>\$329,155</b>	<b>\$27,950</b>	<b>\$357,105</b>	
2	C.2	Courses Auditing/Governance Seminar	TBD	40	555.00		\$22,200	\$15,000	\$37,200
			TBD				\$25,000		\$25,000
		<b>C.2 Total</b>	<b>40</b>			<b>\$22,200</b>	<b>\$40,000</b>	<b>\$62,200</b>	
	C.3	SOW-007/05	MARIA DEL CARMEN GRAND	133.5	88.76		\$11,849		\$11,849
		Web Site Upgrades	NOVA Interactiva					\$10,000	\$10,000
	<b>C.3 Total</b>				<b>133.5</b>		<b>\$11,849</b>	<b>\$10,000</b>	<b>\$21,849</b>
	C.4	SME Finance Developm	TBD	50	402.00		\$20,100	\$2,500	\$22,600
	C.4	Seminar/Trade Show	TBD					\$6,000	\$6,000
	<b>C.4 Total</b>				<b>50</b>		<b>\$20,100</b>	<b>\$8,500</b>	<b>\$28,600</b>
	C.5	Agriculture Insurance	MARIO MIRANDA-OSU	25	1,370.09		\$34,252	\$1,250	\$35,502
Purchase of Climate Stations							\$12,000	\$12,000	
<b>C.5 Total</b>				<b>25</b>		<b>\$34,252</b>	<b>\$13,250</b>	<b>\$47,502</b>	
<b>2 Total</b>				<b>248.5</b>		<b>\$88,402</b>	<b>\$71,750</b>	<b>\$160,152</b>	
3	D.1	FIF	ECOFUTURO S.A. FFP Grant			\$3,417		\$3,417	
			NAFIBO Grant			\$55,100		\$55,100	
			FIF Grants (TBD)			\$120,000		\$120,000	
			Grant Fee		2.00%	\$2,400		\$2,400	
			<b>D.1 Total</b>			<b>\$180,917</b>		<b>\$180,917</b>	
<b>3 Total</b>						<b>\$180,917</b>		<b>\$180,917</b>	
4	ADMIN	Local Staff and Benefits					\$104,358	\$104,358	
		Program Support Costs					\$58,000	\$58,000	
		Travel/Transportation/Per Diem					\$14,318	\$14,318	
	<b>ADMIN Total</b>						<b>\$176,676</b>	<b>\$176,676</b>	
		SE Total		215	594.68		\$127,856		\$127,856
		SS Total		233	1,290.00		\$300,570	\$23,915	\$324,485
<b>Total SS &amp; SE</b>				<b>448</b>		<b>\$428,426</b>	<b>\$23,915</b>	<b>\$452,341</b>	
<b>4 Total</b>				<b>448</b>		<b>\$428,426</b>	<b>\$200,592</b>	<b>\$629,018</b>	
		DAI PREMIER G&A Costs			9.10%		\$27,327	\$27,327	

<b>Grand Total</b>	<b>1,125</b>	<b>\$180,917</b>	<b>\$845,983</b>	<b>\$327,618</b>	<b>\$1,354,518</b>
EXPENDITURES AS OF OCTOBER 31ST, 2005		\$98,753	\$1,615,760	\$608,286	\$2,322,799
<b>TOTAL AT SEPTEMBER 30TH, 2006</b>		\$279,670	\$2,461,743	\$935,904	<b>\$3,677,317</b>
BASE PERIOD BUDGET		\$612,000	\$2,307,132	\$944,634	\$3,863,766
<i>DIFFERENCE TOTAL vs Base Period Budget</i>		\$332,330	-\$154,611	\$8,730	\$186,449
OBLIGATED AMOUNT					\$3,577,000
<i>DIFFERENCE TOTAL vs. Obligated Amount</i>					\$100,317

**Project expenditures from November 2005 through September 2006**  
**"Based on budget amount of amount obligated through FY-2005 (\$3,577,000)."**

November 2005 to September 2006

Component	Activity	SOW	CONSULTANTS	Days	FBDR	GRANTS	LABOR	ODC	Grand Total	
1	B.1	FONDESIF	TBD	20	402.00		\$8,040	\$1,000	\$9,040	
			CRISTINA CHUMACERO	20	250.00		\$5,000		\$5,000	
		SOW-015/05	MARIO REQUENA	40	514.76		\$20,591	\$1,100	\$21,691	
			RAMIRO GUEVARA	35	953.45		\$33,371	\$2,200	\$35,571	
		<b>SOW-015/05 Total</b>			<b>75</b>		<b>\$53,961</b>	<b>\$3,300</b>	<b>\$57,261</b>	
		<b>B.1 Total</b>			<b>115</b>		<b>\$67,001</b>	<b>\$4,300</b>	<b>\$71,301</b>	
	B.3	SOW-006/05	ACEVEDO, JULIO		43.5	953.45		\$41,475	\$3,200	\$44,675
			MARCELO CASTELLANOS		45	621.60		\$27,972	\$450	\$28,422
			RUEHMER, CHRISTIAN		5	1,235.34		\$6,177	\$3,000	\$9,177
		<b>SOW-006/05 Total</b>			<b>93.5</b>		<b>\$75,624</b>	<b>\$6,650</b>	<b>\$82,274</b>	
	MODULES II & III		ACEVEDO, JULIO		84	953.45		\$80,090	\$4,000	\$84,090
			MARCELO CASTELLANOS		64	621.60		\$39,782	\$3,000	\$42,782
			TBD		62	953.45		\$59,114	\$3,000	\$62,114
			<b>MODULES II &amp; III Total</b>		<b>210</b>		<b>\$178,986</b>	<b>\$10,000</b>	<b>\$188,986</b>	
	<b>B.3 Total</b>			<b>303.5</b>		<b>\$254,610</b>	<b>\$16,650</b>	<b>\$271,260</b>		
<b>1 Total</b>				<b>418.5</b>		<b>\$321,611</b>	<b>\$20,950</b>	<b>\$342,561</b>		
2	C.2	Courses	TBD	20	555.00		\$11,100	\$6,000	\$17,100	
		Auditing/Governance Seminar	TBD					\$25,000	\$25,000	
		<b>C.2 Total</b>			<b>20</b>		<b>\$11,100</b>	<b>\$31,000</b>	<b>\$42,100</b>	
	C.3	SOW-007/05	MARIA DEL CARMEN GRAN	133.5	88.76		\$11,849		\$11,849	
		Web Site Upgrades	NOVA Interactiva					\$10,000	\$10,000	
		<b>C.3 Total</b>			<b>133.5</b>		<b>\$11,849</b>	<b>\$10,000</b>	<b>\$21,849</b>	
C.5	Agriculture Insurance Purchase of Climate Stations	MARIO MIRANDA-OSU	25	1,370.09		\$34,252	\$1,250	\$35,502		
							\$12,000	\$12,000		
	<b>C.5 Total</b>			<b>25</b>		<b>\$34,252</b>	<b>\$13,250</b>	<b>\$47,502</b>		
<b>2 Total</b>				<b>178.5</b>		<b>\$57,202</b>	<b>\$54,250</b>	<b>\$111,452</b>		
3	D.1	FIF	ECOFUTURO S.A. FFP Grant				\$3,417		\$3,417	
			NAFIBO Grant				\$55,100		\$55,100	
			FIF Grants (TBD)				\$85,839		\$85,839	
			Grant Fee			2.00%	\$1,717		\$1,717	
		<b>D.1 Total</b>					<b>\$146,073</b>		<b>\$146,073</b>	
<b>3 Total</b>						<b>\$146,073</b>		<b>\$146,073</b>		
4	ADMIN	Local Staff and Benefits					\$104,358		\$104,358	
		Program Support Costs					\$58,000		\$58,000	
		Travel/Transportation/Per Diem						\$14,318		\$14,318
		<b>ADMIN Total</b>						<b>\$176,676</b>	<b>\$176,676</b>	
			SE Total	215	594.68		\$127,856		\$127,856	
		SS Total	233	1,290.00		\$300,570	\$23,915	\$324,485		
	<b>Total SS &amp; SE</b>			<b>448</b>		<b>\$428,426</b>	<b>\$23,915</b>	<b>\$452,341</b>		
<b>4 Total</b>				<b>448</b>		<b>\$428,426</b>	<b>\$200,592</b>	<b>\$629,018</b>		
		DAI PREMIER G&A Costs			9.10%		\$25,097	\$25,097		
<b>Grand Total</b>				<b>1,045</b>		<b>\$146,073</b>	<b>\$807,239</b>	<b>\$300,889</b>	<b>\$1,254,200</b>	

**Project expenditures from November 2005 through September 2006**  
**"Based on budget amount of amount obligated through FY-2005 (\$3,577,000)."**

EXPENDITURES AS OF OCTOBER 31ST, 2005	<u>\$98,753</u>	<u>\$1,615,760</u>	<u>\$608,286</u>	<u>\$2,322,799</u>
<b>TOTAL AT SEPTEMBER 30TH, 2006</b>	<b>\$244,826</b>	<b>\$2,422,999</b>	<b>\$909,175</b>	<b>\$3,577,000</b>
BASE PERIOD BUDGET	\$612,000	\$2,307,132	\$944,634	\$3,863,766
<i>DIFFERENCE TOTAL vs Base Period Budget</i>	\$367,174	-\$115,867	\$35,459	\$286,766
OBLIGATED AMOUNT				\$3,577,000
<i>DIFFERENCE TOTAL vs. Obligated Amount</i>				\$0

**2006 Work Plan for budget of \$3,677,317:**  
**Activities to be removed or reduced from option period ceiling**

The PREMIER work plan for a budget of \$3,677,317 involves cuts and reductions from the work plan budget of \$3,863,766. What follows is a description and short explanations justifying the proposed changes:

**Component I: Policy and Regulation**

1. Under activity B.2., SOW-014/05 implemented by CEAL is reduced from 40 to zero days. While we believe the technical support provided by CEAL could provide critical insights in developing the movable guarantees and credit bureau laws, an uncertain political outlook may limit the impact. In addition, under this budget we have retained well prepared, lower cost local consultants to provide assistance should a new government take up these important legislative initiatives.

**Component II: Industry Development**

1. Under activity C.1., technical assistance and international training to private credit bureaus is eliminated. We believe the amount and type of technical assistance that was planned would not have proved critical to the bureaus' sustainability. Last year both bureaus achieved improvements in both technical services and financial sustainability. Nevertheless, they are still barely treading water. At least one of these bureau's survival will be critical to the future provision of this vital service. It has been categorically proven that credit bureaus facilitate significant credit expansion.
2. Under activity C.5., two tasks are eliminated, including development of housing credit and development of mini commodities markets. These activities, although highly innovative and potentially important to the housing and agriculture sectors, have yet to be initiated.

**Component III: Finance Innovation**

1. Under activity D.1., the Finance Innovation Fund (FIF) budget is reduced from \$150,000 to approximately \$120,000. FIF innovations are a high priority for PREMIER. Recently approved grant operations have been highly innovative and have great potential impact; three anticipated innovation proposals are similarly innovative. The reduction of \$30,000 proposed for this intermediate budget will not severely inhibit PREMIER's ability to meet project goals. Nevertheless, it is worth mentioning that the original total estimated cost budget included \$600,000 for this activity. At a proposed 2006 budget of \$120,000, the total FIF grants at end of project will reach approximately \$240,000, less than half the originally budgeted amount.

**2006 Work Plan for budget of \$3,577,000:  
Activities to be removed or reduced from option period ceiling**

The PREMIER work plan for a budget of \$3,577,000 involves cuts and reductions from the work plan budget of \$3,863,766. What follows is a description and short explanations justifying the proposed changes:

**Component I: Policy and Regulation**

2. Under activity B.2., SOW-014/05 implemented by CEAL is reduced from 40 to zero days. While we believe the technical support provided by CEAL could provide critical insights in developing the movable guarantees and credit bureau laws, an uncertain political outlook may limit the impact. In addition, under this budget we have retained well prepared, lower cost local consultants to provide assistance should a new government take up these important legislative initiatives.
3. Under activity B.3., LOE to the SBEF is reduced from 240 to 210 days. With this reduction of about 13 percent, we believe the impact of technical assistance in implementing modules II and III of the SBEF's transition plan to Basle II standards will still be significant. This scenario will require PREMIER and the SBEF to implement T.A. with greater efficiency. Another ramification of this action is the reduction of assistance under the USAID-SBEF MOU. It is very possible the SBEF will be PREMIER and USAID's only legitimate government counterpart in the finance arena by next year. It will be important to preserve this relationship.

**Component II: Industry Development**

3. Under activity C.1., technical assistance and international training to private credit bureaus is eliminated. We believe the amount and type of technical assistance that was planned would not have proved critical to the bureaus' sustainability. Last year both bureaus achieved improvements in both technical services and financial sustainability. Nevertheless, they are still barely treading water. At least one of these bureau's survival will be critical to the future provision of this vital service. It has been categorically proven that credit bureaus facilitate significant credit expansion.
4. Under activity C.2., the number of courses on auditing and governance is reduced from two to one. This proposal is based on the fact that, at the time of this writing, only one of the two planned courses had been conceptualized.
5. Under activity C.4., SME finance development and seminar/trade show are eliminated. This sector is of great importance to Bolivia's economic development, and unfortunately has little access to credit. While we believe the activities planned here would help to spur innovations leading to expanded credit to SMEs, we have yet to identify the concrete actions (except for the trade show)

that would be taken. Given the limited time period in the project, compared with the daunting task of facilitating SME credit, we decided to drop these activities.

6. Under activity C.5., two tasks are eliminated, including development of housing credit and development of mini commodities markets. These activities, although highly innovative and potentially important to the housing and agriculture sectors, have yet to be initiated.

### **Component III: Finance Innovation**

2. Under activity D.1., the Finance Innovation Fund (FIF) budget is reduced from \$150,000 to approximately \$85,000. FIF innovations are a high priority for PREMIER. Recently approved grant operations have been highly innovative and have great potential impact; three anticipated innovation proposals are similarly innovative. We estimate these will amount to approximately \$85,000. Nevertheless, we are confident that at least one or two innovative, high impact proposals could be developed and implemented in 2006 were the resources available.

## Level of effort table (for all three budget scenarios)

January 20th, 2004 to September 2006

		LABOR DAYS	LABOR DAYS BASED ON				
		01/20/04 to 10/31/05	Obligated Amount \$3,577,000		Intermediate Amount \$3,677,317		Base Period Budget \$3,863.766
<b>A. U.S. Expatriate Professionals</b>							
LTTA	STEVE SMITH (*)		233		233		233
	<b>Subtotal U.S. Expatriate LTTA</b>			<b>233</b>		<b>233</b>	<b>233</b>
STTA	RUEHMER, CHRISTIAN		5		5		5
STTA	TBD		0		0		0
	<b>Subtotal U.S. Expatriate STTA</b>			<b>5</b>		<b>5</b>	<b>5</b>
<b>Total U.S. Expatriate Professionals</b>		<b>401</b>	<b>238</b>		<b>238</b>		<b>238</b>
<b>B. Locally-Hired National or Other Non-U.S. Expatriates (TCN/CCN)</b>							
LTTA	SALOMON EID		215		215		215
LTTA	MARIA DEL CARMEN GRANDI		133.5		133.5		133.5
	<b>Subtotal Locally Hired CCN/TCN LTTA</b>	<b>633.75</b>	<b>349</b>		<b>349</b>		<b>349</b>
STTA	CRISTINA CHUMACERO		20		20		20
STTA	MARIO REQUENA		40		40		40
STTA	RAMIRO GUEVARA		35		35		35
STTA	ACEVEDO, JULIO		127.5		133.5		143.5
STTA	MARCELO CASTELLANOS		109		115		125
STTA	TBD		102		170		265
	<b>Subtotal Locally Hired CCN/TCN STTA</b>		<b>434</b>		<b>513.5</b>		<b>628.5</b>
<b>Total TCN/CCN</b>		<b>1698</b>	<b>782</b>		<b>862</b>		<b>977</b>
<b>C. Subcontractors Labor - STTA</b>							
OSU	MARIO MIRANDA-OSU		25		25		25
	FLEISIG, HEYWOOD						15
	PENA DE LA, NURIA						25
<b>Total Subcontractors Labor</b>		<b>445</b>	<b>25</b>		<b>25</b>		<b>65</b>
<b>TOTAL LABOR</b>		<b>2,544</b>	<b>1,045</b>		<b>1,125</b>		<b>1,280</b>

(\*) Includes labor for Sept/05 that was not billed in October/05