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ACCELERATED MICROENTERPRISE ADVANCEMENT PROJECT (AMAP) FINANCIAL SERVICES IQC

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July 1, 2006 – September 30, 2006

Bringing Mobile Phone Banking from the Philippines to Nigeria in 2007

The Financial Services Knowledge Generation task order is helping to bring innovative mobile phone banking technology to Nigeria through coordination with USAID Nigeria's MARKETS program.

Utilizing short message service (SMS), or text messaging, technology currently available from most cellular phone service providers worldwide, this new service enables users to transfer pre-paid phone card values to registered businesses and vendors. USAID/Philippine's MABS program teamed up with a local mobile phone service provider, the Central Bank of the Philippines (BSP), and program participant banks to develop the platform on which a maximum dollar value of transactions can be performed between a variety of users and vendors. Participant rural bank clients can now transfer money via cell phone directly to their bank to make payments on their microloans. This same technology can be used in the Philippines to pay utility bills, make purchases and send remittances to friends and relatives living in other areas of the Philippines.

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This new service turns a cellular phone into an electronic wallet as easy to use as a debit or ATM card is in the US, while eliminating the need for banks to invest in costly infrastructure and machinery to enable its use.

In order to comply with the US Patriot Act provisions against money laundering, regulations specific to mobile phone banking were put into place by the BSP. These safeguards included regulations regarding identification of payment remitters as well as payment recipients, adequate tracking of payment transfers, use of personal identification numbers to protect against fraud and finally, transactional limits similar to those for ATM cards.

The Knowledge Generation task order will fund the a scope of work for a Philippine Mobile Banking Specialist, together with a USAID/Washington IT Specialist to visit Nigeria in the fourth quarter of 2006 to investigate the feasibility of transferring and adapting this mobile banking technology to the Nigerian context. The team will be examining both the technological implications of bringing mobile banking to Nigeria, as well as the legal and regulatory framework that needs to be put into place to enable the secure completion of financial transactions taking place via mobile phone.

Adoption of this technology in Nigeria would help both banks and businesses of all sizes to overcome the significant infrastructure limitations that impede the effective use of internet-based banking applications, such as frequent power outages and the comparatively high cost of investing in computer equipment.

DMS explores opportunities for expanding lending in Malawi

During the month of August, DMS fielded a Chemonics DCA specialist from the home office to conduct a DCA market feasibility study for Malawi. Preliminary findings showed a strong demand from several commercial banks to expand their SME lending portfolios. The study also revealed that leasing was a promising option for DCA guarantees. Based on the preliminary findings, USAID/Malawi is planning to include DCA funding into its FY2007 and FY2008 Country Operations Plan.

Haiti DCA Supports Financial Institutions' Development

The Haiti DCA Support program worked with SOFIHDES this quarter to identify candidates for two long-term positions within the institution: a credit officer and a senior credit advisor. The program fielded a recruitment specialist at the end of September 2006 to conduct interviews and select a candidate in collaboration with SOFIHDES. No suitable candidate for the credit advisor position was identified however, and after deliberations with SOFIHDES' general manager and USAID, all concluded that a new scope of work for the position was required in order to attract the expertise and experience needed to advise the credit unit. The program changed the focus of the recruit to identify a credit advisor who can serve up to eleven days each month to support capacity building within the institution's credit unit. The recruit for the credit advisor is currently underway and is expected to be finalized in November or December of 2006.

Publications

The following publications were approved during this quarter.

- microREPORT on Integrating the Social Audit Tool
- Peru microREPORT on Value Chain Finance.
- microNOTE on PVOs and the Commercialization of Microfinance
- microNOTE on Donor Coordination in Conflict-Affected Areas of Africa

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
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No task orders were awarded during this quarter.

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

Task Order	Year 1 2002- 2003	Year 2 2003- 2004	Year 3 2004- 2005	Year 4 2005- 2006	TOTAL
Task Order 804: Deepening the Microfinance Sector in Malawi	\$0	\$12,280	\$635,012	\$867,254	\$1,514,546
Task Order 803: Assessment of Village Savings and Loan Associations in Guinea	\$0	\$0	\$163,754	\$0	\$163,754
Task Order 801: Malawi Microfinance Sector Assessment	\$0	\$64,762	\$0	\$0	\$64,762
Task Order 800: Bolivia RFS Evaluation	\$45,565	\$0	(\$37)	\$0	\$45,528
Task Order 03: Technical Assistance in Support of the Haiti DCA Program	\$0	\$0	\$0	\$100,969	\$100,969
Task Order 01: Knowledge Generation	\$0	\$361,657	\$865,710	\$ 514,429	\$1,741,796
Total	\$45,565	\$438,699	\$1,664,439	\$1,482,652	\$3,631,355

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, exchange, 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.

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