



SUPPORT TO HAITI'S MICROFINANCE, SMALL AND MEDIUM ENTERPRISES SECTOR:

QUARTERLY REPORT:

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LIST OF ACRONYMS

AFD	Agence Française de Développement
ANIMH	Association Nationale des Institutions de Microfinance d'Haïti
APB	Association Professionnelle des Banques
BDS	Business Development Services
BRH	Banque de la République d'Haïti
CEC	Caisse d'Epargne et du Credit
CGAP	Consultative Group to Assist the Poor
CNIGS	Conseil National de l'Information Géo-Spatiale
CPs	Core Partners
DAI	Development Alternatives, Inc.
DCA	Development Credit Authority
DID	Développement International Desjardins
FINNET	Financial Services Network for Entrepreneurial Empowerment
GHESKIO	Le Groupe Haïtien pour l'Etude du Sarcome de Kaposi et des Infections Opportunistes
IPCCF	Inter Project Coordinating Committee on Finance
KNFP	Konsej Nasyonal Finansman Popile
LSP	Local Service Providers
MFI	Microfinance Institutions
MSME	Micro, Small or Medium Enterprises
NGO	Non-governmental Organization
PIF	Product Innovation Fund
POS	Points of Service (of financial institutions)
PRET	Program for the Recovery of the Economy in Transition
RAF	Rural and Agricultural Finance
SEEP	Small Enterprise Education Promotion Network
TA	Technical Assistance
TAMIS	Technical Assistance Management Information System

I. Introduction

Haiti MSME is a financial sector service project designed to facilitate transactions between the demanders and suppliers of financial services through supply-oriented interventions. Haiti MSME will improve the capacity of a core group of financial suppliers – namely strong microfinance institutions (MFIs), banks receiving DCA support, and USAID-supported *caisses populaires* (MSME CP), to design and deliver appropriate financial products to bankable enterprises from USAID’s MarChe, DEED, MYAP, IDEJEN, and KATA projects¹.

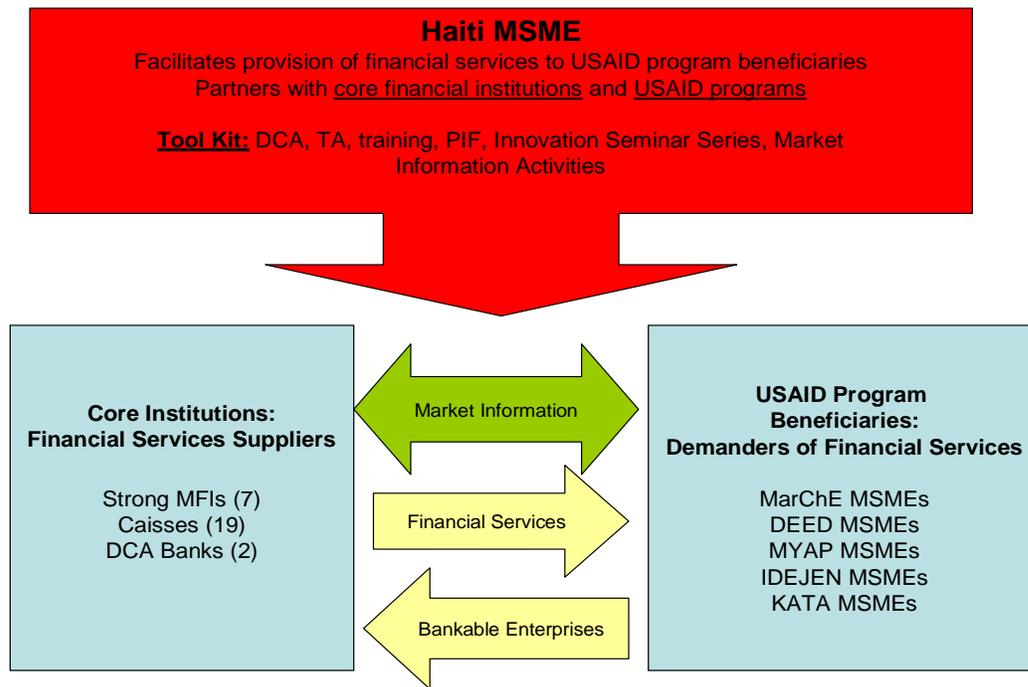
Haiti MSME contract objectives remain unchanged from year one to year two. However, as Haiti MSME enters its second year of implementation, DAI and USAID have revised the project’s strategy to better ensure that the following project objectives are met:

- *Supply Enhancement*—Build capacity of those MFIs and financial institutions best positioned to expand the delivery of financial services to priority geographic areas and productive micro, small, and medium enterprises (MSMEs);
- *Enabling Environment*—Provide guidance for improving the enabling environment for microfinance;
- *Supply Expansion*—Promote the development of new products that meet the diverse needs of MSMEs and encourage service expansion; and
- *Linkages*—Reduce information asymmetries between financial demand and supply and create linkages between USAID-supported enterprises and the Haitian financial sector.

The role of Haiti MSME in facilitating the provision of financial services and promoting financial linkages is illustrated in the graphic provided below.

¹ USAID selected these partner projects because the MSMEs supported by these projects: 1) will receive the capacity-building technical assistance that allows them to become more bankable enterprises; 2) are more likely to contribute to USAID’s overarching goals of increased income and employment generation; and 3) possess financing needs that more directly correspond with the financial services profile adhered to by the Haiti MSME-supported financial services providers.

Graphic: The Role of Haiti MSME: Facilitating Financial Linkages



It is Haiti MSME's responsibility to use appropriate incentives and risk management strategies to encourage the core financial institutions to provide innovative and sustainable financial services.

It is the responsibility of USAID's other projects to identify and strengthen the enterprises to bring them to a level to qualify for and to receive financial services.

Wherever possible, Haiti MSME will draw upon the financial and human resources offered by these other projects. Together, the projects will determine a joint financial services strategy to be implemented collectively and will decide where program resources can and should play a role. Haiti MSME will establish and chair a Coordinating Unit to implement this strategy.

Executive Summary:

The second full quarter of the Year 2 Work Plan continued to demonstrate that the revised strategy and realigned project objectives working well. Key elements of the workplan are providing substantial support and incentives that will encourage the expansion of the financial services sector in directions that will support USAID programming strategy. In this quarter the project produced a very high level of technical work supporting targeted results, using both planned and opportunistic events to reinforce the results.

Elements showing strong results include:

- *Core Partners:* The focus on core partners (CPs) has enriched our relationships and facilitated our work with them. Technical assistance packages have been discussed and defined with six of the seven MFI CPs, of which five have been implemented. TA packages with the commercial bank CPs, defined and commenced last year, have been completed with Sogebank/Sogesol and are underway with Capital Bank/MCC.
- *Partnership with ANIMH:* Two performance based agreements with ANIMH permit us to purchase services from ANIMH. In this manner we support the regular delivery of trainings to the sector and strengthen ANIMH's capacity to collect industry indicators on a timely basis.
- *Product Innovation Fund (PIF):* The PIF application period closed at 12/31/07 with a total of 120 applications received. Seventeen grants totaling \$1,122,835 have been approved by Haiti MSME. Two grants are pending: one is pending USAID approval and the other is pending Haiti MSME approval. The PIF grants are financing activities that lend strong support to USAID/Haiti objectives. Those objectives target financial service supply enhancement and expansion to targeted populations, including rural and agricultural clients, and the encouragement of a diversification of products and services. PIF funds have also fostered linkages with USAID projects and beneficiaries, MFIs, and private sector entities.
- *DCA Technical Support:* The DCA guarantees and the technical support being provided to the two DCA banks, Sogebank/Sogesol and Capital Bank/MCC, are helping to encourage expansion of lending to targeted sectors – particularly productive sector SMEs. Additionally, from them USAID has gained better visibility in the financial service sector. The creation of the APB Working Group on Finance, advised by Haiti MSME, is an excellent example of this. On March 28, the APB approved the definition for SMEs proposed by the Working Group for use by the financial service sector.
- *Inter-Project Coordinating Committee on Finance:* The creation of this Committee, chaired by Haiti MSME, is having important long term effects on the overall success of the project's objective of facilitating transactions between the demanders and suppliers of financial services. Groups participating in the committee have benefited from technical support and advice from Haiti MSME to help them advance their clients and beneficiaries towards access to credit. Additionally, Haiti MSME has

been able to facilitate linkages among members that are helping them to pool resources to achieve the goal of improved access to credit.

- *Market Information Activities:* A number of Haiti MSME initiatives are delivering improved information that facilitates the expansion of financial services and expanded service offerings: the third phase of Geographic Information System (GIS) points of service mapping was completed; planning for the microfinance census in consultation with sector working group was completed; and the launch of the census is scheduled for April.

II. Quarterly Report Performance Results

This Quarterly Report Performance Results includes in Sections A and B information about project objectives, and general and administrative activities for the quarter from January 1, 2008 to March 31, 2008, and a summary of key activities for the next quarter. Section C provides an overview of performance indicators for the same period.

A) Objectives:

Objective 1: Build Strong Institutions

Haiti MSME works directly with its Core Partners (CP) to reinforce their institutional capacity to better prepare them to meet the needs of an expanded, diversified client base.² CPs include: 7 MFIs, 19 CECs (caisses populaires) and 2 commercial banks.

Activity Outputs:

1.1/1.2 Improved technical capacity of CP institutions and other key market entities:

Haiti MSME continued to define and implement technical assistance (TA) packages for its CP institutions. To date, TA continued or was completed for five CPs and 19 CEC's. The TA supported key elements of the CP's strategic and operational objectives:

MFIs:

- FONKOZE: Strengthened MIS capacity and systems development
- ACME: Changing legal status to a Société Anonyme to attract foreign investors; and development of a Marketing and Client Follow Up Unit
- SFF: Improved technical capacity of senior operational staff; review of credit and operational manuals, policies and procedures
- SOGESOL: Support its development of an SME-finance unit.
- MCC: Rebuilding core capacity in its microfinance credit staff and management.

Although technical assistance has not yet begun for two CPs, FINCA and MCN, discussions are underway to identify appropriate areas of support.

CECs (supported under DID subcontract):

Work has focused on Improved technical capacity to achieve expansion of membership and savings; membership in Le Levier, the technical capacity to meet BRH prudential norm reporting requirements, and an implementation of new management reporting system "Decision".

² See ANNEX I for a description of Core Partners

- DID procurement activities to support identified strengthening requirements began this quarter, with purchases supporting improved MIS capacity and improved credit collections processes.

1.3 Completion of Year One Technical Assistance program

- TA commenced under the first year work plan was completed in the last quarter of FY 2007.

1.4 Provision of training responding to microfinance industry demand

- ANIMH provided three trainings during the quarter under its contract, with the offerings focused on Management of Delinquencies to address mounting difficulties with PAR in the sector.
- Haiti MSME also provided trainings to address rural and agricultural issues, including the pilot presentation of a new course: The Agricultural New Financial Product Development
- See Annex 9 for a list of trainings presented this quarter.

1.5 Presentation of Knowledge Sharing Seminars

The development and presentation of knowledge sharing events continued with the presentation of two “Innovations in Finance programs”:

- Rural Finance: “Lending Opportunities in the Rice and Sugar Value Chains in Haiti”, Lhermite Francois, Director, FDI.
- Social Performance Measurement: Social Performance Monitoring: Importance of Measurement, Mathieu Fortis, KNFP

1.6 Improved availability of performance indicators

Haiti MSME has worked with its CPs and with ANIMH to develop new mechanisms for the collection of institutional performance data. ANIMH provides the data and analysis of the CP ANIMH-members (6 of 7 MFI CPs), which is then consolidated with data from Fonkoze Foundation and DID.

Poverty Assessment Tool (PAT) - Haiti MSME completed the field survey using PAT for Haiti based on random sampling of institutions and over 400 questionnaires.

- Survey data results: 30.89% of microfinance clients surveyed are among the extremely poor populations of Haiti. .

1.7 Expanded and improved local service provider resources

The LSP Data Base begun in year one is being expanded with different of service providers and access to it will be broadened to other USAID projects and activities.

1.8 Expanded intern program

Based on “client satisfaction” expressed by the MFIs and organizations who have requested interns, the program is an unqualified success. Seventy two interns have benefited from professional opportunities with Haiti MSME and counterparties that include SFF, Fonkoze, ID, FEMA, DID and others.

Key Activities for Next Quarter:

Technical Assistance

- Completion of additional TA packages CPs.
- Implementation of initial TA packages for FINCA and MCN

Training

- ANIMH contracted trainings (3 per quarter)
- Other specialized trainings to be provided – RAF- Cap Haitian, Ag. New Product Development

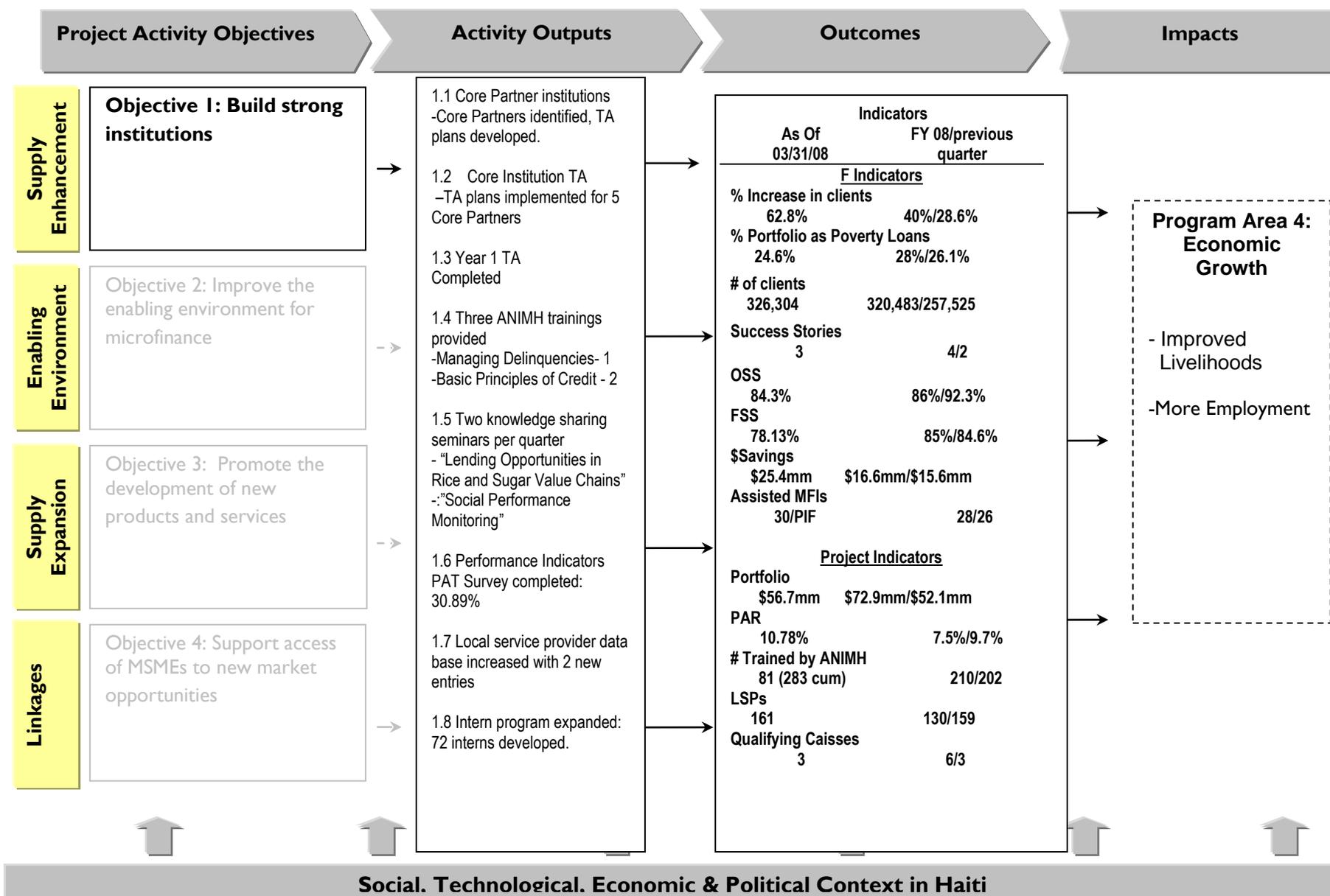
DID Contract

- Final adjustments to the new reporting system (“Decision”)
- Monthly production of financial information and statistics using the new format

Knowledge Sharing

- “Innovations in Finance” presentations
 - Microfinance and Youth Credit Programs: What Works:
 - Watershed Development and Enterprise Creation (DEED)
 - Agricultural Lending – Rice in the Artibonite (Socolavim)

Objective 1: Causal Model



Objective 2: Improve the Enabling Environment for Microfinance

Haiti MSME's work under Objective 2 has been refocused to support a diagnostic assessment of the current state of the enabling environment components – the policy, legal and regulatory structures or voids that need to be addressed. The diagnostic will identify key areas of changes needed, based on a best practice approach. The results will be published and presented in a series of forums to the microfinance sector, donors, and to the BRH and other government agencies. The broad dissemination of results will assist stakeholder work on enabling environment.

Activity Outputs

2.1 Conduct an Enabling Environment Diagnostic Assessment

The preparatory work for launching this study has been completed. Haiti MSME developed a "Haitian Microfinance Policy Issues Matrix" which identifies the broad areas of policy that impact the enabling environment for microfinance. The matrix drives the scope of work of the diagnostic assessment and will expose obstacles, constraints, and areas of change. The work is now anticipated for the fourth quarter of FY 08.

2.2 Dissemination of diagnostic results

The timing for dissemination of the assessment will also be for the fourth quarter of FY 08. This should coincide with the greater availability of information from the Haiti MSME market information activities.

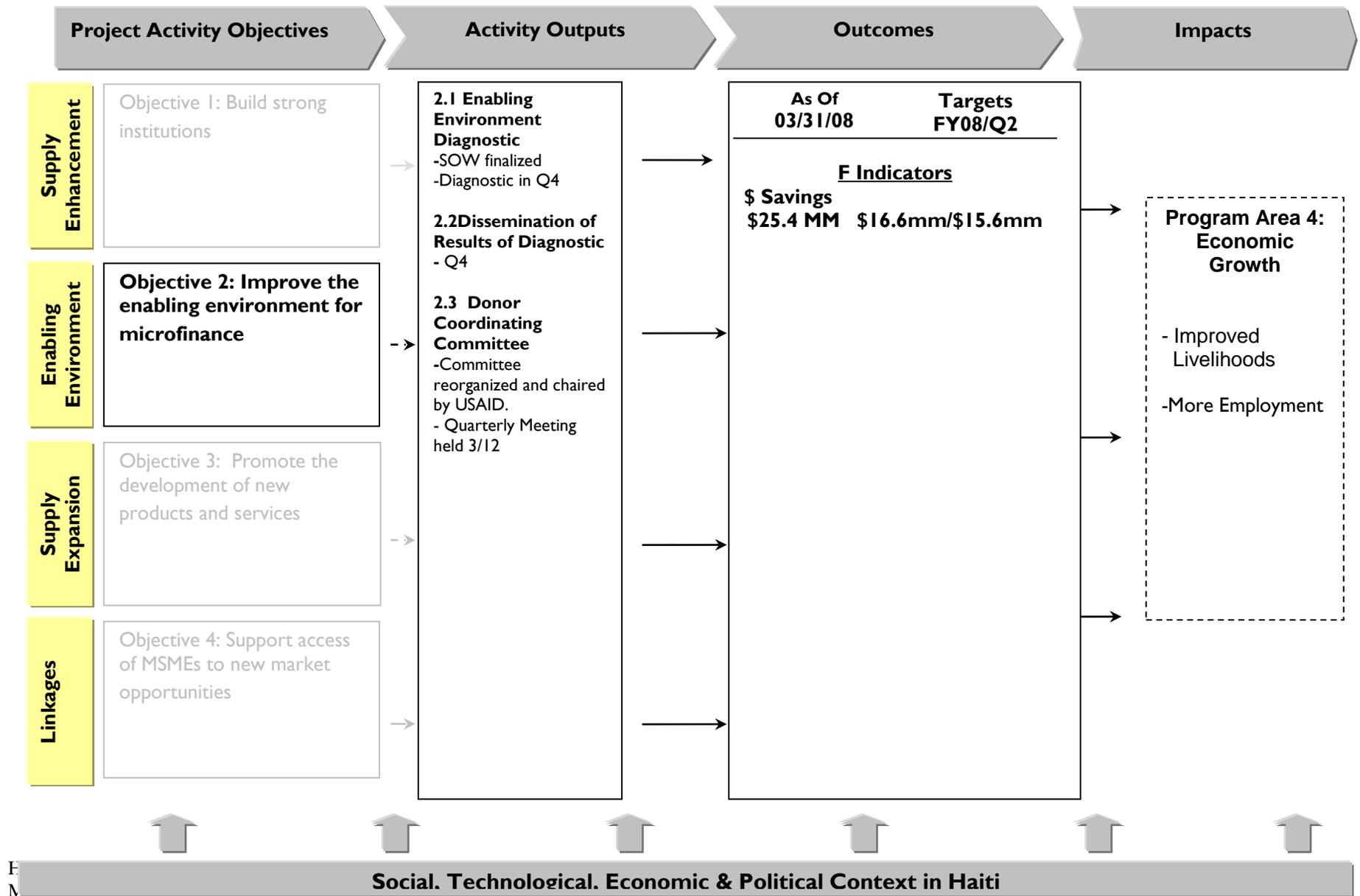
2.3 Donor Coordination Committee on Microfinance

Haiti MSME will continue to work with and through the Donor Coordination Committee on Microfinance. This Committee has been reorganized, meets quarterly, and is chaired by USAID

Key Activities for Next Quarter:

- Finalize SOW and Action Memo requesting approval of technical work on the Enabling Environment Diagnostic.
- Complete related market information preparations:

Objective 2: Causal Model



Objective 3: Promote the development of new products and services

Haitian MSMEs need sustainable access to a wide range of financial services. Haiti MSME facilitates broader access to finance through supporting expanded points of service, identifying new clients and markets, and development of products and services.

Activity Outputs

3.1 Increased availability of supply side financial sector information

- Microfinance Census: Work on this activity has been informed by the FINNET census and is designed to ensure its sustainable replication by the microfinance sector. A working group comprising ANIMH, KNFP, DID, and ANACAPH has helped to design and developed the final Scope of Work for the service provider. The questionnaire design and the report and analysis format were finalized in March. The trial questionnaire will be launched in April, with its full launch in May.
- Microfinance Blue Book (Directory): The workplan and approach are finalized, including the process for collecting the individual institutional information. Compilation of the book will proceed after the Microfinance Census results are available.
- GIS Mapping: Data from the first-two mapping phases covered 370 POS. Phase III, done in conjunction with the CNC, was completed in March, and will add another 100+ POS.

3.2 Encourage financial institutions to diversify market, client, and product offerings

Haiti MSME activities were focused on encouraging service expansion to rural and agricultural areas and to other targeted populations as well as on the development of financial products and services that meet the needs of those sectors. The themes were reinforced through the PIF and other activities.

3.3 Product Innovation Fund:

Following its launch in late June, the PIF has attracted exceptional interest from a broad variety of institutions and organizations. A total of 112 initial applications were received by the cut off date of 12/31/07. As of 3/31/08 17 grants had been approved, and two were pending approval.

Fonkoze	Expansion into rural zone:Support of a full service branch in Limbe – a location in a USAID targeted watershed.
AIC/FONKOZE	Support to introduction of microassurance product
ALO/ FONKOZE	Development of low cost money transfer/payment system
Plan/Idejen/ Fonkoze	Pilot program for education, entrepreneurial training, and entrepreneur support through credit program
ACME	Support ACME's expansion via four rural branch openings. One of the branches, Cabaret, is in the USAID-targeted Montrouis watershed.
DID/2 CEC	Pilot program for the development of bio metric identification allowing inter-caisses transactions.
DID/ 3 CEC	Development of loan products targeting rice value chain

MUCEC	Pilot project to support development of a school loan product for small garden farmers
Sogesol	Development and testing of credit scoring system
Sogesol	Development of cellular services to improve/expand client relationships
Sogesol	New branch expansion to Cite Soleil
ID	Market study and pilot to develop microinsurance product for clients
ID	Support for decentralization of ID to expanded outreach, service, and product offerings to highly vulnerable urban poor.
COOPECLAS	Development of loan products targeting coffee value chain
CAP	Loan product to encourage switch from charcoal to gas stoves
FINCA	Branch expansion into rural zone: Hinche
CRS	Develop programs from MFIs to support "Mutuelles"

3.4 Support and stimulate DCA guarantee programs

Haiti MSME worked with USAID and its two new DCA partner banks (Sogebank/Sogesol and Capital Bank) to design an SME finance TA package. Module I focused on an SME market assessment.³

- Modules II and III were completed with Sogesol during this quarter, and their SME program has begun.
- The TA package with Capital Bank has been proposed, and we are awaiting its acceptance.

APB Working Group on SME Finance: Created as an outcome of the roundtable organized by Haiti MSME at the end of its SME Finance Seminar Series last fall, this group is supported by Haiti MSME.

- On March 28, the group's proposed definition of SME in Haiti was accepted by the APB for use in the financial service sector.
- Other areas of work of the group during the quarter included bankability standards for SMEs and identification of training needs.

3.5 Support expansion of DCA guarantee programs

The SME seminar series generated a lot of interest in the DCA. Haiti MSME's supported the expansion of DCA guarantee program during the visit of USAID/Washington DCA teams and through ongoing meetings with potential DCA partners to develop the basis for term sheets.

3.6 Increased access to agricultural finance

RAF Training: In tandem with the Ministère d' Agriculture, des Ressources Naturelles et du Développement Rural (MARNDR), Haiti MSME presented its third RAF workshop in Artibonite. The workshop, held in St. Marc, attracted producer groups, CECs, MFIs and government agencies interested in the expansion of agricultural finance in Artibonite.

Development of New Agricultural Finance Products: Haiti MSME completed a new training module for MFIs to assist them in new product development related to

³ The study resulting from this TA has been widely distributed by Haiti MSME within in the financial sector, was presented during the SME seminar series, and has been presented to the microfinance sector.

agricultural. The pilot presentation of the training was held March 12-13 in Port au Prince.

Approvals made and or contracts were signed and disbursements begun for several PIF grants that are to support rural and agricultural activities through new products and service expansion.

- DID + 3 caisses: Development of loan products to support rice value chain participants
- COOPECLAS: Development of loan products to support coffee value chain participants
- MUCEC: Development of school loan program for families of small garden farmers
- ACME: Rural expansion through 4 branches (Fonds des Negres and Cabaret now open)
- FONKOZE: Branch expansion into rural watershed zone of Limbe
- FINCA: Branch expansion into rural zone of Hinche

Key Activities for Next Quarter

Market Information Activities

- Microfinance Census questionnaire distributed, results collected
- Start of work on production of Directory/Blue Book
- TA (Expat STTA) on development of common platform for GIS Data and for open access structure.

PIF

- Awarding of final grants
- Continuing disbursements
- Quarterly reporting

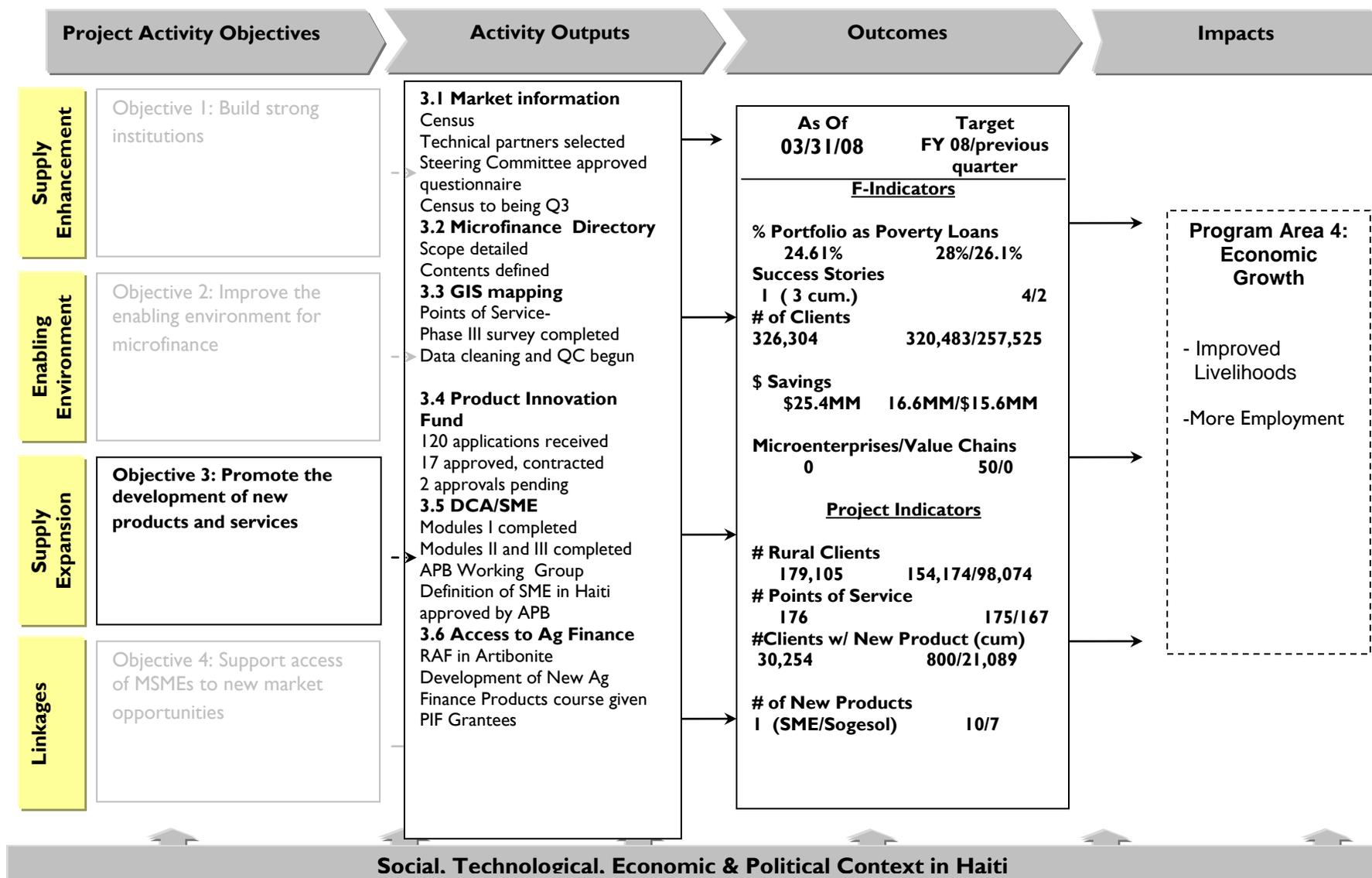
DCA/SME

- Continuation of DCA Technical Modules
- Working Group on SME Finance continues : bankability standards
- Round table on lease and equipment finance
- Work with ODC in the development of new DCA guarantees

Rural and Agricultural Finance

- Presentation of RAF workshop in Cap Haitian
- Delivery of selected training to rural caisses (Managing Delinquencies; Development of New Agricultural Finance Product;)
- Innovations in Finance – Rice Production in the Artibonite (Socalavim) Watershed Development and Enterprise Creation (DEED):
- Work on PIF activities related to rural and agricultural sectors continue

Objective 3: Causal Model



Objective 4: Support Access of Micro, Small, and Medium Enterprises to New Market Opportunities

Haiti MSME focuses coordination between willing and able financial institutional supply and bankable MSMEs and projects. The coordination is critical to match financial products and services with the demand of Haiti's productive MSMEs.

Activity Outputs

4.1-Coordinated financial linkages

Many activities have emerged from the monthly Inter-Project Coordinating Committee on Finance⁴:

- Design of follow up processes and activities with KATA;
- Delivery of 2 day TOT to KATA staff (and others) on Basics of Microfinance + tools for developing and monitoring MFI linkages
- Designed youth savings survey for KATA
- Discussion of replication/adaptation of activity with IDEJEN.
- Link between Plan/Idejen/Fonkoze for youth entrepreneurs, supported by PIF and Haiti MSME interns
- Link between FHI and Fonkoze for HIV/AIDS populations, PIF supported

Haiti MSME's COP, Greta Greathouse, worked with USAID to develop the Mission Wide Linkages Activities program and contents.

4.2 Dissemination of Supply Side Information:

Significant attention was spent on collecting points of service data, as described in Objective 3. The data has been used with the KATA, CRS and other programs to identify the points of financial service available in each of their target regions.

4.3 Definition of SME lending requirements of Haitian Banks:

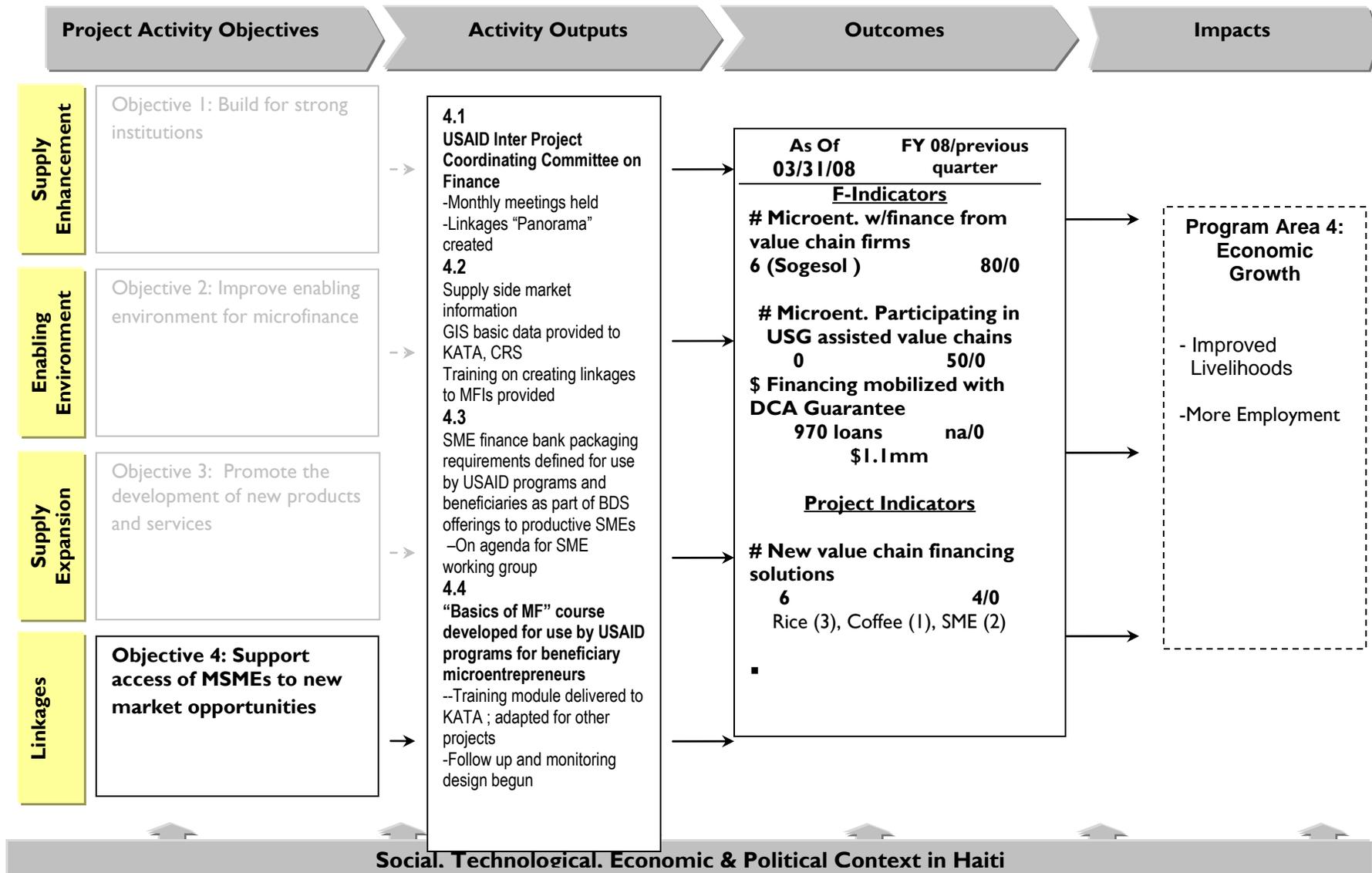
DCA TA under Objective 1 was begun and will help to define "bankability" standards at those two banks. The standards will be disseminated through the Inter Project Coordinating Committee on Finance (IPCCF) to ensure properly designed BDS options and to create a bankable pipeline of SME loan clients.

Key Activities for Next Quarter

- Host IPCCF meetings to track progress on existing linkage activities and to define new opportunities.
- Coaching and mentoring of KATA staff previously trained
- "Pitch session" for MFIs to present their clients' needs to MFIs
- Expand KATA type of training to other USAID programs as demanded.
- Design of activities to promote expanded knowledge of financial supply options for "clients" of other USAID projects/programs.

⁴ See ANNEX 3 for the list of the Committee members. The group has been expanded beyond the original list, which included DEED, MarCHe, MYAP, KATA and I Trade.

Objective 4: Causal Model



B) General and Administrative

Administrative activities of the project during the quarter ending 3/30/08 included the completion of a number of internal and external audit processes following the discovery of theft and fraud committed by the project Accountant. An external firm, CEGEC, prepared a final audit report on the matter that was submitted 3/30/08.

Additional G&A activities and outputs include:

- Year 2 Annual Report submitted.
- PMP with indicators for FYE 08 (9/30/07) reviewed and finalized
- Issue # 3 of Newsletter (12/31/07) submitted and approved
- Success Story # 3 Approved (10 Years of Success: USAID Cooperation with ACME)
- Website approved
- Revised Branding and Marking Plan submitted. Approval pending
- Contract and Budget Modification # 4 re-submitted (LTTA)
- Action Memos Submitted and Approval Status:
 - #41 STTA for Microfinance Census
 - #42 STTA for Core Partner SFF
 - #43 STTA for Core Partner MCC
 - #44 Motorcycle Waiver for subcontractor DID (pending)
- Action Memos Approved:
 - #39 Approval for DID Michele Breton (1/19/08)
 - #40 DCA TA revision
 - #41 Approval for STTA for Microfinance Census
 - #42 STTA for Core Partner SFF
 - #43 STTA for Core Partner MCC
- PIF Approval Memos Submitted
 - #5 - #20: Grants approval
 - Still pending: # 3 (Waiver Branding and Marking) ; #19 (MUCEC Vehicle Waiver); and #20 (MCN Grant approval) still pending

Key General and Administrative Activities for Next Quarter:

- Final approval of PMP (pending)
- Revised Training Plan for Year Two to be submitted
- Blanket waiver of Branding and Marking Policy for PIF Grantees (pending)
- Approval of revised LTTA structure. (approved 4/2)

C) Indicators

Microfinance Sector Overview:

The sector in general continued to exhibit growth, particularly in clients and savings. Growth was held in check, however, by the difficult economic conditions in Haiti, as institutions are struggling with rising PAR statistics.

This quarter results reflect the inclusion of results of PIF Grantees for the first time. Their results reporting has been added to that of the Core Partners, producing even stronger results for this quarter. Indicators benefiting from the inclusion of PIF Grantee data include those measuring the number of clients, the volume of savings, and the total credit portfolio.

Several project indicators showed very promising results:

- Total clients grew from 257,525 to 326,304, fueled by the inclusion of PIF Grantees. 70+% of clients are female.
- Total value of savings mobilized jumped to \$25.4mm from \$15.6mm, because of two factors: SFF and Fonkoze's dramatic increase in savings, which is part of their plan to have 200,000 clients by 2011, and because of the addition of the savings from 5 large caisses that are PIF Grantees.
- Total portfolio grew from \$52.1mm to \$56.7mm during the quarter, as the addition of PIF grantees' portfolios masked an actual decline among Core Partners portfolio. Part of the decline in the Core Partner portfolio is attributable to seasonal swings in borrowing needs, but the decline also is the result of the severe economic conditions facing the country.
- Points of Service – now includes the POS of the 2 commercial bank Core Partners. It also includes the addition to our reporting base of five MFIs that are PIF grantees and who added 9 of the new POS total. (ID, MUCEC, COOPECLAS, CPF). The total of Core Partner and PIF Partner POS is now 176, of which 122 are microfinance POS.

MFI sector data reporting:

- Portfolio at risk (PAR >30) increased from 9.67% to 10.78%. The reporting group shows greatly varying performance under this measure with a mostly upward trend. For example, ACME posted 6.54%; FINCA, 7.91%, (a significant increase from last quarter, where they reported 2% PAR); FONKOZE, 20.3% and MCC, 11%. The increasing rate of delinquencies is a major concern for the sector and poses a substantial obstacle to activities such
- The measurement of the % of Core Partners achieving OSS and FSS fell this quarter, driven by declines in the number of both Core Partners and PIF Grantees achieving these benchmarks. Last quarter, of reporting institutions, 92.31% achieved OSS vs. 84.38% this quarter. Similarly, last quarter, of reporting institutions, 84.6% achieved FSS, while only 78.13% did so this quarter. The declines are driven by the impact of increasing delinquencies on profitability of Core Partners and by the impact of PIF Grantees, some of whom tend to be a bit weaker than the Core Partner group.

Other important data:

- No loans had yet been disbursed under the DCA guarantees.

- The number of clients benefiting from new product introductions soared to 30,254, from 21,089 last month.

USAID Data Reporting Base

During FY 07, the reporting base used by Haiti MSME was changed from a group of 37 (All ANIMH members + Fonkoze + 19 DID caisses) to 26 Core Partners (6 ANIMH members + Fonkoze + 19 DID caisses.) The data provided for this quarter is based on Core Partner MFI information for the first time. Data is reported as of 12/31/07. The baseline data used by the project and the targets were based on the larger reporting base used throughout the first three quarters of the year. Year to year comparisons are distorted by this change.

Core Partners represent some of the largest microfinance institutions and account for a large percentage of the clients and credit portfolio. Most are better managed and will show lower PAR rates and higher OSS and FSS ratios.

Starting with this quarter, PIF Partner data will be included along with Core Partner data in the USAID Data Reporting Base.

III. Key Constraints and Other Issues

Under the Year 2 Work Plan, Haiti MSME has rationalized its activities to facilitate its work while reducing constraints that existed during the first year.

LTTA Structure

With a new programming structure, Haiti MSME has a revised LTTA configuration for the following key reasons:

- To respond to increased programming and coordination required, particularly the identification and management of financial linkage opportunities with USAID program beneficiaries;
- To ensure seamless supervisory structures and responsibility transitions at the time of demobilization of the Expatriate Capacity Building and Impact Coordinator, Alexis Curtis.

An important component of the revised LTTA structure is the:

1. Revised responsibilities for the Local Capacity Building and Impact Coordinator
2. Addition of CCN LTTA position – Microfinance and Financial Linkages Administrator, a newly created junior technical position.

The new LTTA structure is cost effective, permitting us to add LOE through the creation of a junior support position, while staying with the original LOE budget allocation.

Performance Indicators

Under the new work plan, Haiti MSME has a performance based contract with ANIMH to provide timely reporting of performance indicators from ANIMH members who are Core Partners

- All CPs provide their data one month from quarter's end. .
- The ANIMH CPs report the data to ANIMH, while DID and FONKOZE who is not an ANIMH member, report theirs directly to the project.
- ANIMH's data report and analysis is due to Haiti MSME one week later (Q+1 wk) , and our indicators are due to USAID the following week (Q+2 wks) or six weeks after the quarter's end.

Although this system has worked well, several factors contributed to delays in receipt of indicators including, the difficulties caused by the demonstration in April, personnel turnover, and empty CFO positions at several institutions.

Decreasing Portfolio Quality at MFIs,

The difficult economic conditions in Haiti and the spiraling prices of basic commodities have combined to hit the Haitian microfinance sector very hard. With a high percentage of MFI clients involved in commerce, the high price levels have badly hurt their business. Consequently, MFIs are facing increasing levels of PAR, which can restrict their ability to develop new products, take on new risks, and to expand geographically.

- To address this issue, Haiti MSME and ANIMH have expanded their offerings of classes on Delinquency and Interest Rate Management. Haiti MSME will also be offering the same class to caisse populaires and others in the provinces, as well as working with individual MFIs to complete the certification of some of their staff as trainers in this subject.

ANNEX 1 Haiti MSME Partners

CORE PARTNERS

MFIs	Caisses Populaires	Commercial Banks
ACME	DID supported caisses	Sogebank
Finca		Capital Bank
FONKOZE		
MCC		
MCN		
SFF		
Sogesol		
7	19	2
PIF PARTNERS		
ID	MUCEC	
	COOPECLAS	
	CPF	
1	3	0

ANNEX 2 Haiti MSME Project Objectives and Tool Kit

Haiti MSME Project Objectives

Project activities center around four contractual objectives:

Objective 1: **Build Strong Institutions**

Objective 2: **Improve Enabling Environment for Microfinance**

Objective 3: **Promote the Development of New Financial Products and Services**

Objective 4: **Support Access of Micro, small and Medium Enterprises to New Market Opportunities**

During June, 2007, USAID met with DAI and Haiti MSME to review project activities to better support the USAID strategy in Haiti once the new programming activities are in place. As a result of this review, Haiti MSME activities have been realigned to better support USAID current strategy for the program. The new strategy and programming is reflected in the Year 2 Work Plan for Haiti MSME, and in its planned technical activities.

Haiti MSME Tool Kit

Haiti MSME draws upon an integrated set of tools to achieve results.

Performance Innovation Fund (PIF). Designed to “jump-start” innovative financial development initiatives, PIF—a \$ 1.2 million grant fund, will help Haitian institutions develop products adapted to Haitian needs and to improve their institutional capacity to manage increased product and client diversification.

Haiti MSME will use the Innovation Seminar Series to introduce new product concepts and innovations. Interested PIF applications will benefit from the latest thinking and experiences and will develop proposals for the Haitian context that take into consideration lessons learned and experiences abroad.

Development Credit Authority (DCA) Guarantees. DCA guarantees—a type of structured financial solution—encourage financial institutions to meet the financial needs of MSME productive enterprises by mitigating some of the risk. In addition to the financial guarantee, participating institutions receive tailored technical assistance.

Capacity-Building Training and Technical Assistance. Haiti MSME will provide training and technical assistance to those financial institutions best positioned to expand the delivery of financial services to MSMEs. Focused on ensuring local capacity development, Haiti MSME will pair local technical experts with international technical experts as a way of transferring knowledge.

Market Information Activities. Financial institutions throughout Haiti lack access to reliable market information. Without access to this type of information, institutions find it difficult to exploit business opportunities. Often, they are reluctant to develop new types of products and expand product offerings to new

types of clients. Like financial service suppliers, demanders of financial services also lack critical market information. They do not know what products and services available, by whom, where, and at what terms. Haiti MSME will address this market information constraint by: 1) conducting an annual microfinance census that presents and analyzes industry trends; 2) sharing institutional performance information for core institutions on a quarterly basis; 3) compiling a directory on MFIs' product and service offerings; and 4) disseminating geographical information system (GIS) maps to graphically illustrate the availability and distribution of financial services supply (see Objective 3 for more information).

ANNEX 3 Inter Project Coordinating Committee on Finance: Membership

Institution	Program/Project	Name	Email
USAID/Haiti	Economic Growth	Alex Deprez	adeprez@usaid.gov
USAID/Haiti	KATA	David Delgado	ddelgado@usaid.gov
USAID/Haiti	Haiti MSME	Eunice Irizarry	eirizarry@usaid.gov
USAID/Haiti	PEPFAR	Judith Timyan, Olbeg Desinor	jtmyan@usaid.gov, odesinor@usaid.gov
USAID/Haiti	Health	Pierre Mercier	pmercier@usaid.gov
USAID/Haiti	Governance	Karla Victor	kvictor@usaid.gov
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USAID/Haiti	MYAP	Dennis McCarthy	dmccarthy@usaid.gov
USAID/Haiti	iTrade	Sally Baker	sybaker@usaid.gov
USAID/Haiti	PEPFAR	Olbeg Desinor	odesinor@usaid.gov
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USAID/Haiti	HIS	Philippe Accilien	Paccilien@usaid.gov
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DAI	Haiti MSME	John Jepsen	john_jepsen@dai.com
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EDC	IDEJEN	Pierre Taverne	tavernelamour@yahoo.com
OIM	OIM	Rodney Babe	Rbabe@iom.int
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CRS	PEPFAR	Alan Isaac	aisaac@crshaiti.org
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Capital Bank	DCA	Edlyne Coicou	lyncoicou@yahoo.ca
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FHI	PEPFAR	Magda Cheron	
Gehskio	PEPFAR	Maria Deschamps	mariehd@gheskio.org
OREI		Claude Deschamps	pecd2002@yahoo.com
World Vision	MYAP	Lionel Isaac	lionelisaac@wvi.org

ANNEX 4 Haiti Inter Project Coordinating Committee on Finance: LINKAGES

USAID Program	New Product Development	Geographical Expansion	BDS to beneficiaries	Linkages	Information Sharing
KATA	<p>PIF grants support new product development and new technologies to expand delivery of existing products throughout Haiti - through linkages strategy will encourage financial institutions to offer relevant financial services to KATA beneficiaries in all five KATA regions</p> <p>In the approval process of a PIF grant to encourage housing improvement loans by MCN</p>	<p>Approved PIF grant for Sogesol to maintain a permanent presence in Cite Soleil; Providing input into incubator design in Cite Soleil in order to house MFIs; Discussed with all MFI partners expansion plans into Cite Soleil; organized microfinance representation at Cite Soleil Forum on Entrepreneurship and at working group meetings (Sogesol, ID, FEMA, ACME)</p> <p>ID PIF grant approved to expand in the poorest and 'hottest' regions in PaP with poverty lending</p>	<p>Basics of MF course designed and delivered to KATA microentrepreneur beneficiaries in Oct/Nov 2007. Follow-up training and ToT to KATA staff designed and delivered 14-15 Feb. 2008.</p>	<p>Identified MFI operators in KATA regions. In tandem with MF Basics course, information sharing event between KATA beneficiaries and local MFIs were held</p> <p>Rural and Agricultural Finance training to be held in Gonaives 20-22 March 2008</p> <p>Significant follow-up to MF course/TOT with KATA regional staff on-going, including site visits to KATA offices and regional MFI branches</p>	

<p>IOM</p>	<p>PIF Grant approved for Fonkoze and AIC to launch insurance product. PIF grant approved for ID to assess and develop a microinsurance product.</p>	<p>Approved PIF grant for Sogesol to maintain a permanent presence in Cite Soleil; Providing input into incubator design in Cite Soleil in order to house MFIs; Discussed with all MFI partners expansion plans into Cite Soleil; organized microfinance representation at Cite Soleil Forum on Entrepreneurship and at working group meetings (Sogesol, ID, FEMA, ACME)</p> <p>ID PIF grant approved to expand in the poorest and 'hottest' regions in PaP with poverty lending</p>	<p>Discussed application of Basics of MF course to IOM supported microenterprise beneficiaries</p>	<p>Provided best practice documents on microfinance and social safety nets that were used in MF project design</p>
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<p>DEED</p>	<p>Approved PIF grant to pilot a loan product to encourage purchase of natural gas-burning stoves with a Caisse Populaire Fraternelle based in Cap Haitien; Coordinating with GDA team on Bosch Seimans visit to discuss potential financing options for the purchase of a vegetable-oil burning stove</p>	<p>Approved Fonkoze PIF grant to expand into Limbe watershed; approved ACME PIF grant to expand into Montrouis watershed (MCN grant in approval process to expand into this watershed as well)</p>		<p>Attended Fonkoze-Limbe branch opening; ACME-Cabaret branch opening to begin to establish relationships with key service providers in their watershed region</p>
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Marche (not mobilized)	<p>SME Finance expansion: DCA agreements to expand SME finance to product sector signed; TA with partner banks commenced; SME Seminar series completed; SME Sector working group formed</p> <p>Approved grants to develop and roll-out ag-based loans in the rice and coffee sectors (with three DID supported caisses and COOPECLAS) in Artibonite, Plateau Centrale</p> <p>Training for MFIs on designing new ag-based financial products using the value chain approach - PaP 10-14 March 2008</p> <p>Discussing additional DCA deal development focused on productive sector enterprises</p>			Rural and Agricultural Finance training held in St. Marc 20-22 March 2008	
iTrade	<p>SME Finance expansion: DCA agreements signed; TA with partner banks commenced; Seminar series completed; Sector working group formed, SME finance definition agreed-upon</p>			Created MoU with iTrade for coordination on financial component of Hope, IOO, and SME activities	

<p>IDEJEN</p>	<p>Approved PIF grant to encourage lending to IDEJEN-supported out of school youth. The grant will be implemented in tandem with PLAN and Fonkoze Foundation. Supported linkage between Sogesol and IDEJEN on MoU for loans to out of school youth beneficiaries. Supported implementation of an informal savings study. Haiti MSME working with MFIs and caisses populaire to create school loan products. PIF grant approved for school loan products offered by MUCEC in Camp Perrin and school loan pilot launched with Caisse Populaire CREPS in Marigot.</p>			<p>Defined TA and training for IDEJEN staff to increase awareness of MF and MF options. Will be rolled-out in late Q2 or early Q3. CRS and IDEJEN linked on the CRS-led Haiti MSME Grant to increase financial resources to mutuelles in the South in order to expand services, particularly access to savings</p>	
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<p>MYAP - World Vision (as of 9/07)</p> <p>La Gonave/Central Plateau</p>	<p>Support Fonkoze Foundation - key partner MFI - who is piloting BRAC replication on La Gonave and in Plateu Centrale</p> <p>Approved PIF grant for COOPECLAS to develop and roll-out credit options to the sugar and coffee sectors in Lascahobas</p>	<p>Approved PIF grant for FINCA branch expansion into Hinche</p>			
<p>MYAP - ACDI VOCA (as of 9/07)</p> <p>Southeast (Jacmel, Cotes de Fer)</p>	<p>School loan pilot launched with Caisse Populaire CREPS in Marigot.</p>				
<p>MYAP - CRS (as of 9/07)</p> <p>South (Enterprise development focused on South Coast/St. Jean - Tiburon Watershed)</p>	<p>Approved PIF grant to link mutual groups in the South Department with traditional MFIs in order to expand financial service availability and liquidity</p> <p>Providing input and support to CRS sponsored savings-led TA assessment, including the identification of MFI points of service in the region</p>	<p>PIF grant approved to ACME to provide for branch openings in Fonds de Negres and Aquin in Departement du Sud . Direct TA provided to Haiti MSME supported caisses populaires (the majority of the 19 are located in the Departement du Sud)</p>		<p>Linking CRS and IDEJEN on mutuelle work in the South</p>	

<p>All</p>	<p>DCA agreements signed to encourage Rural microfinance services (outside of PaP) and SME finance expansion to productive-sector enterprises PIF RFA distributed to all projects to encourage applications for relevant financial services targeting program beneficiaries New Product Development courses provided to MFIs PIF grant to ALO and FONKOZE approved to expand payment service options across Haiti</p>	<p>Approved PIF application to encourage inter-caisse transactions through biometric identification PIF RFA distributed to all projects to encourage applications for relevant financial services targeting program beneficiaries</p>	<p>Basics of Microfinance Course created targeting unserved microentrepreneurs</p>	<p>GIS mapping of financial points of service commenced, information used to link USAID program beneficiaries to MFIs;</p>	<p>Launched Inter Project Coordinating Unit on Access to Finance Provided tools and information: best practice documents on microfinance and social safety nets. "Client Transformation Continuum" tool for helping projects to identify the level of financial preparedness of their clients and the needed inputs to improve their level.</p>
<p>Other USAID Programs</p>					

<p>PEPFAR</p>	<p>Provided training on Defining Options: Microfinance and HIV/AIDS to PEPFAR partners and MFIs.</p> <p>Coordinating follow-up TA to MFIs to encourage needed institutional changes to offer services to HIV/AIDS affected populations</p> <p>In the approval process of a PIF grant to FHI to work with two MFIs in the design of a new product targeting HIV/AIDS affected households</p>	<p>Finalizing approval of two Microinsurance pilot programs with ID and Fonkoze/AIC</p>			
<p>CASS Program</p>				<p>Coordinate to identify interns to fulfill Haiti MSME intern demands from partner MFIs</p>	

ANNEX 5 Haiti MSME Indicators

Haiti MSME "F" Indicators													
AAD/F Element	Performance Indicators *	Unit of Measure	Disaggregated by:	Data Source & Implementing Partner(s)	Baseline Year/ Month	Baseline Value	2007 Target	2007 Actual	Qtr 1 2008 Actual	Qtr 2 2008 Actual	Qtr 3 2008 Actual	Q4 2008 Actual	2008 Target
Program Areas Indicator: 4.7 Economic Opportunity Result Statement: "Equitable access to essential financial services from diverse providers to low income Haitian families and micro and small scale enterprises/activities increased."													
0.1 "F"	OI: % of portfolio outstanding at USG assisted microfinance institutions held as poverty loans	%	F, M	DAI (ANMIH, KNFP, DID and/or MFIs directly)	Sep-06	13.70%	15%	30.40%	26.10%	24.61%			28%
0.2 "F"	O: Total number of microenterprises receiving finance from participating firms in a USG assisted value chain	# (cumulative)	None	DAI (Value chain actors, financial institutions) and/or other USAID program	2006	N/A	4	0	0	0			80

0.3 "PI"	OI: # of USG – branded success stories published	# (cumulative)	National publication[1] and USG publication	DAI (ANIMH, KNFP, DID and/or MFIs directly) & DCA partners	2006	0	2	1	2	3			4
Program Element Indicator: 4.7.1 Inclusive Financial Markets Result Statement: "Increased capacity of financial institutions to offer diversified financial services to low income Haitian families and micro-scale enterprises/activities."													
4.7.1.1 "PI"	OI: %increase in # of clients at USG-assisted microfinance institutions	%	F/M	DAI (ANIMH, KNFP, DID and/or MFIs directly)	Sep-06	0% (63% female)	25% (63% female)	21.76% (64% female)	28.56% (69.64% female)	62.89% (79% women)			40% (65% female)
4.7.1.2 "F"	OI: Percentage of USG-assisted microfinance institutions that have reached operational sustainability	%	None	DAI (ANIMH, KNFP, DID and/or MFIs directly)	Sep-06	57%	61%	84.62%	92.31%	84.38%			86%

4.7.1.3 "F"	OI: Percentage of USG-assisted microfinance institutions that have reached financial sustainability	%	None	DAI (ANIMH, KNFP, DID and/or MFIs directly)	Sep-06	49%	50%	84.62%	84.62%	78.13%			85%
4.7.1.4 "F"	O: Number of clients at USG-assisted microfinance institutions	#	F/M	DAI (ANIMH, KNFP, DID and/or MFIs directly)	Sep-06	200,322 (126,203 women) (74,119 men)	283,318 (177,860 women) (105,458 men)	243,982 (202,796 women) (41,186 men)	257,525 (224,086 women) (43,439 men)	326,304 (258,321 women) (67,983 men)			320,483 (208,314 women) (112,169 men)
4.7.1.5 "F"	O: Total savings deposits held in USG-assisted microfinance institutions	USD	None	DAI (ANIMH, KNFP, DID and/or MFIs directly)	Sep-06	\$13,173,653	\$14,475,397	\$12,187,396	\$15,577,236	\$25,359,536			\$16,608,105
4.7.1.6 "F"	O: Number of microfinance institutions supported by USG financial or technical assistance	#	None	DAI (DID and/or MFIs directly)	Sep-06	37	38	26	26	32			28

Program Element Indicator: 4.7.3 Strengthen Microenterprise Productivity
Result Statement: "Increased total flow of finances to MSME to be able to benefit form targeted market opportunities."

4.7.3.1 "F"	O: Total number of microenterprises participating in USG assisted value chains	# (cumulative)	None	DAI (Value chain actors, financial institutions) and/or other USAID programs	Sep-06	N/A	10	0	0	0			50
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*Macro Impact (MI), Outcome Impact or Program Area Impact (OI) & Output Indicators (O) + Project Specific Indicators (PI)

**These indicators are calculated using Jan-March 2008 data for all core partners, excluding the caisses populaires, for whom Dec 1007 data was used.

Haiti MSME Project Level Indicators													
AAD /F Element	Performance Indicators *	Unit of Measure	Disaggregated by:	Data Source & Implementing Partner (s)	Baseline Year/Month	Baseline Value	2007 Target	2007 Actual	Qtr 1 2008 Actual	Qtr 2 2008 Actual	Qtr 3 2008 Actual	Q4 2008 Actual	2008 Target
Result Statement: Objective 1: Build Strong Institutions													
1.1	O: Value of gross loan portfolio outstanding	USD	M/F	ANIMH, KNFP, DID and/or MFIs	Sep-06	\$43,507,999 (\$26,539,879 Female)	\$53,892,216 (\$33,952,096 Female Borrowers)	\$48,556,775 (\$31,269,943 Female Borrowers)	\$52,078,825 (\$36,343,571 female borrowers)	\$56,665,789 (\$34,537,110 (female borrowers)			\$72,973,600 (\$47,432,840 Female Borrowers)
1.2	O: Portfolio-at-risk>30 days	%	N/A	ANIMH, KNFP, DID and/or MFIs	Sep-06	7.77%	7%	8.20%	9.67%	10.78%			7.50%

1.3	OI: Number of ANIMH funding sources	#	N/A	ANIMH	Dec-06	4	6	5	7	7			7
1.4	O: Number of trainees participating in ANIMH course offerings	# (cumulative)	M/F	ANIMH	Dec-06	0	60 (18 female) (42 male)	139 (34 female) (105 male)	202 <u>Qrt 1</u> 63 (20 female) (43 male)	283 (67 women) (216 men) <u>Qtr 2</u> 81 (13 female) (68 male)			210 (63 female) (147 male)
1.5	O: Number of Haitian local service providers (LSP) registered to serve the industry	#	Registered LSPs Registered LSPs whose skills are enhanced by project + interns.	Haiti/MSME/ANIMH local service provider database and Haiti/MSME intern program database	Dec-06	0	100 (Registered LSPs) 30 (Registered LSPs whose skills are enhanced by the project + interns)	72 (Registered LSPs) 40 (Registered LSPs whose skills are enhanced by the project + interns)	159 (Registered LSPs) 52 (Registered LSPs whose skills are enhanced by the project + interns)	161 (Registered LSPs) 72 (Registered LSPs whose skills are enhanced by the project + interns)			130 (Registered LSPs) 40 (Registered LSPs whose skills are enhanced by the project + interns)
1.6	OI: % of ANIMH microfinance institutions reporting performance indicator data on-time	%	N/A	ANIMH	Sep-06	27%	35%	35%	18%	29%			40%

1.7	O: # of caisses populaires who qualify for membership in the Federation Le Levier through USG assistance.	#	N/A	DID	Sep-06	0	3	3	3	3			6
Result Statement: Objective 3: Promote the development of new products and services													
3.1	O: Number of rural clients	#	N/A	Core Partners	Sep-06	105,302	126,362	107,153	98,074**	179,105			154,174
3.2	O: Number of points of service	#	N/A	Core Partners	Sep-06	TBD	TBD	110	167 ***	176			175

3.3	O: Number of clients benefiting from new product introductions	# (cumulative)	M/F, and region (rural areas, [including "watershed" zones of Limbe and Montrouis], provincial cities, [including Petit Goave, Gonaives, Cap-Haitien, Saint Marc, Les Cayes, Jérémie, Miragoane], and Port-au-Prince).	ANIMH,KNFP,DID and/or MFIs, DCA partners	N/A	0	600 378 (Women) 222 (Men) 120 (Port-au-Prince) 144 (Provincial Cities) 336 (Rural areas)	4,159	21,089	****30,254			800 504 (Women) 296 (Men) 160 (Port-au-Prince) 192 (Provincial cities) 448 (Rural areas)
3.4	O: Number of new products and innovations successfully launched	#	N/A	ANIMH,KNFP,DID and/or MFIs, DCA partners		0	7	6	7	8			10
Result Statement: Objective 4: Support Access of Micro, Small, and Medium Enterprises to New Market Opportunities													

4.1	OI: New value chain financing solutions introduced	#	N/A	Value chain actors and financial institutions	0	3	0	0	4			4
* Macro Impact (MI), Outcome Impact or Program Area Impact (OI) & Output Indicators (O) + Project Specific Indictors (PI)												
** Decrease due to DID moving 12,794 clients from rural category to "provincial cities" category. Some 80,000 clients overall are located in "provincial cities", so outside of Port-au-Prince, however these numbers are not included in rural categorization here.												
*** As of this quarter, (Oct-Dec 2007), number of Points of Service includes two commercial banks that are new USAID partners, (SOGEBANK and Capital Bank, via DCA agreements). Their points of service were collected in October 2007, via Haiti MSME's GIS data collection exercise, and are now included in the total number of points of service.												
****Includes 6 new Sogesol SME clients												
*****These indicators are calculated using Jan-March 2008 data for all core partners, excluding the caisses populaires, for whom Dec 1007 data was used.												

ANNEX 6 Haiti MSME Quarterly Financial Report

	Approved Contract Budget From 7/20/06 to 7/19/09 Cost	Amount Obligated to Date Cost	Billed Expenditures Q4 July - Sept 2006 Cost	Billed Expenditures Q1 Oct - Dec 2006 Cost	Billed Expenditures Q2 Jan - March 2007 Cost	Billed Expenditures Q3 April - June 2007 Cost	Billed Expenditures Q4 July - Sept 2007 Cost	Billed Expenditures Q1 FY 08 Oct-Dec 2007 Cost	Billed Expenditures Q2 FY 08 Jan-March 2008 Cost	Cumulative through March 2008 Cost
COST EXHIBIT										
<u>Workdays Ordered</u>	\$ 2,694,469	\$ 1,794,792	\$ 129,288	\$ 160,619	\$ 181,803	\$ 207,058	\$ 222,457	\$ 252,794	\$ 230,762	\$ 1,384,782
<u>5% Labor Withholding</u>	\$ -	\$ -	\$ (6,464)	\$ (8,031)	\$ (9,090)	\$ (10,419)	\$ (11,123)	\$ (4,872)	\$ -	\$ (50,000)
<u>Other Direct Costs</u>	\$ 3,005,853	\$ 1,769,439	\$ 117,698	\$ 317,974	\$ 142,955	\$ 224,206	\$ 249,442	\$ 330,310	\$ 263,646	\$ 1,646,233
<u>Subgrants</u>	\$ 1,224,000	\$ 1,088,752	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,608	\$ 243,688	\$ 302,297
<u>G&A</u>	\$ 273,532	\$ 161,017	\$ 10,712	\$ 29,090	\$ 13,009	\$ 20,079	\$ 22,564	\$ 30,195	\$ 23,992	\$ 149,640
TOTAL	\$ 7,197,854	\$ 4,814,000	\$ 251,234	\$ 499,653	\$ 328,677	\$ 440,924	\$ 483,340	\$ 667,035	\$ 762,089	\$ 3,432,952
<u>CUMULATIVE TOTAL (excluding labor withholding)</u>			\$ 257,698	\$ 765,382	\$ 1,103,149	\$ 1,554,493	\$ 2,048,955	\$ 2,720,862	\$ 3,482,951	\$ 3,482,951
% of Obligation spent			5.35%	15.90%	22.92%	32.29%	42.56%	56.52%	72.35%	72.35%
% of Total budget spent			3.58%	10.63%	15.33%	21.60%	28.47%	37.80%	48.39%	48.39%

ANNEX 7 Haiti MSME Financial Analysis by Objective

Percentage Spent by Objective thru March 31, 2008	
Objective 1:	23.28%
Objective 2:	1.70%
Objective 3:	13.90%
Objective 4:	6.51%
Office & Administration:	54.61%

ANNEX 8 Haiti MSME Pipeline Analysis

	A	B	C	D	E	F	G	J	K	L	M	L = sum(C:M)
	Approved Contract Budget From 7/20/06 to 7/19/09 Cost	Amount Obligated to Date Cost	Billed Expenditures Q4 July - Sept 2006 Cost	Billed Expenditures Q1 Oct - Dec 2006 Cost	Billed Expenditures Q2 Jan - March 2007 Cost	Billed Expenditures Q3 April - June 2007 Cost	Billed Expenditures Q4 July - Sept 2007 Cost	Billed Expenditures FY Q1 2008 October - December 2007 Cost	Billed Expenditures FY Q2 2008 January - March 2008 Cost	Anticipated Expenditures FY Q3 2008 April - June 2008 Cost	Anticipated Expenditures FY Q4 2008 July - September 2008 Cost	Cumulative through Sept 2008 Cost
COST EXHIBIT												
<u>Workdays Ordered</u>	\$ 2,694,469	\$ 1,794,792	\$ 129,288	\$ 160,619	\$ 181,803	\$ 207,058	\$ 222,457	\$ 252,794	\$ 230,762	\$ 288,551	\$ 288,552	\$ 1,961,885
<u>5% Labor Withholding</u>	\$ -	\$ -	\$ (6,464)	\$ (8,031)	\$ (9,090)	\$ (10,419)	\$ (11,123)	\$ (4,872)	\$ -	\$ -	\$ -	\$ (50,000)
<u>Other Direct Costs</u>	\$ 3,005,853	\$ 1,769,439	\$ 117,698	\$ 317,974	\$ 142,955	\$ 224,206	\$ 249,442	\$ 330,310	\$ 263,646	\$ 220,730	\$ 220,730	\$ 2,087,693
<u>Subgrants</u>	\$ 1,224,000	\$ 1,088,752	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,608	\$ 243,688	\$ 307,901	\$ 307,901	\$ 918,099
<u>G&A</u>	\$ 273,532	\$ 161,017	\$ 10,712	\$ 29,090	\$ 13,009	\$ 20,079	\$ 22,564	\$ 30,195	\$ 23,992	\$ 20,086	\$ 20,086	\$ 189,813
TOTAL	\$ 7,197,854	\$ 4,814,000	\$ 251,234	\$ 499,653	\$ 328,677	\$ 440,924	\$ 483,340	\$ 667,035	\$ 762,089	\$ 837,269	\$ 837,270	\$ 5,107,490
<u>CUMULATIVE TOTAL (without labor withholding)</u>			\$ 257,698	\$ 765,382	\$ 1,103,149	\$ 1,554,493	\$ 2,048,955	\$ 2,720,863	\$ 3,482,952	\$ 4,320,220	\$ 5,157,490	
% of Obligation spent			5.35%	15.90%	22.92%	32.29%	42.56%	56.52%	72.35%	89.74%	107.14%	
% of Total budget spent			3.58%	10.63%	15.33%	21.60%	28.47%	37.80%	48.39%	60.02%	71.65%	

ANNEX 9 Haiti MSME Quarterly Training Summary

Training Report January – March, 2008

Course	Date			
		Total	Female	Male
Time Management for MCC by IDE	February 8-9	18	3	15
TOT for KATA Microfinance for Microentrepreneurs	February 14-15	21	6	15
ANIMH Training Center PO Principes de Base de Credit	February 12-14	13	3	10
ANIMH Training Center PO Principes de Base de Credit	February 20 - 22	10	3	7
Delinquency Management (ANIMH Ose et Marcelle certified for this course now)	March 5-7	18	1	17
New Product Development AG and Financial	March 12-14	24	3	21
FRA / Artibonite	March 17-19	30	7	23
ANIMH Training Center PO Delinquency Management - a new trainer will be certified)	March 24-26	18	4	14
Total		152	30	122