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AFIRMA Year 2 Work Plan

15 month work plan: October 2005 – December 2006

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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.

CONTENTS

1. Introduction	1
2. Task 1 - Strengthen MFI Capacity.....	2
2.1 AISol.....	3
2.2 AMUCSS	4
2.3 CADEMI.....	6
2.4 Caja Libertad.....	7
2.5 CAME	8
2.6 Compartamos	9
2.7 DESPENO.....	11
2.8 FIMEDER.....	12
2.9 FINCA México.....	13
2.10 FinComún	14
2.11 Fondo 5 de Mayo	15
2.12 ProMujer México.....	17
3. Task 2 - Develop a Local, Commercially-based MFI Support Services Industry	18
3.1 Contracting Local Consultants and Firms.....	19
3.2 Microfinance training of trainers program.....	20
3.3 Mentoring program.....	21
4. Task 3 - Support Innovations to Expand Access to Rural Finance & Remittances	22
4.1 RAF Workshop.....	23
4.2 Design and Launch Innovation Fund.....	23
4.3 IdenTIFY AREAS FOR INTERVENTION RELATED TO ENABLING ENVIRONMENT FOR RAF.....	24
5. Task 4 - Strengthen the Regulatory environment for micro- and rural finance	25
6. Task 5 - Strengthen the micro- and rural finance industry	25
6.1 Market Research	26
6.2 Credit Information Services.....	26
6.3 ProDesarrollo	27
6.4 Support GoM Microfinance Initiatives	29
7. Project Management.....	30
7.1 Project Administration.....	30
7.2 AFRIMA Bi-Annual Partner Meetings and Technical Workshops.....	31
7.3 Performance Monitoring and Reporting.....	32
8. Annex A – Consolidated Activities Chart	33

Index of Tables

Table 1 – AISol	4
Table 2 – AMUCSS.....	5
Table 3 – CADEMI	7
Table 4 – Caja Libertad	8
Table 5 – CAME.....	9
Table 6 – Compartamos.....	10
Table 7 – Despeno	12
Table 8 – FIMEDER	13
Table 9 – FINCA Mexico	14
Table 10 – FinComún.....	15
Table 11 – Fondo 5 de Mayo.....	17
Table 12 – ProMujer Mexico.....	18
Table 13 – Local consultants database.....	20
Table 14 – Microfinance training of trainers program.....	21
Table 15 – Mentoring program.....	22
Table 16 – Rural and Agricultural Finance Workshop.....	23
Table 17 – Innovation Fund.....	24
Table 18 – Regulation and Supervision of Microfinance.....	25
Table 19 – Market Research.....	26
Table 20 – Credit Information Services.....	27
Table 21 – ProDesarrollo training program.....	28
Table 22 – Microfinance compensation study	28
Table 23 – Microfinance performance benchmarking.....	29
Table 24 – Support GoM Microfinance Initiatives	29
Table 25 – AFIRMA bi-annual meetings and technical workshops.....	31
Table 26 – Performance monitoring and reporting.....	32
Table 27 – Consolidated Activities, Outputs, Responsibility and Resources.....	33

I. INTRODUCTION

The Access to Rural Finance for the Microenterprise (AFIRMA) Project, a USAID/México-funded project implemented by Development Alternatives, Inc. (DAI), forms a central part of USAID/México's Strategic Objective: **Increased Access to Financial Services by Underserved Populations**. AFIRMA is designed to help build an inclusive, sustainable microfinance sector in Mexico as a means to increase access to a range of financial services. The project's main goal can be summarized as:

"To contribute to the development of a dynamic, effective microfinance sector in Mexico that provides sustainable financial services to under-served urban and rural market segments, helping them manage risk and contribute to economic growth."

The AFIRMA Contract Scope of Work (SOW) outlines five distinct, interrelated tasks:

1. Strengthen the institutional capacity of MFIs;
2. Develop a local, commercially-based MFI support services industry;
3. Develop innovative products and technologies to expand access to rural financial services and remittances;
4. Strengthen the capacity of the *Comision Nacional de la Banca y Valores (CNBV)* and federation committees to supervise rural financial institutions (RFIs) and microfinance institutions (MFIs); and,
5. Improve the enabling environment for the rural and microfinance industry.

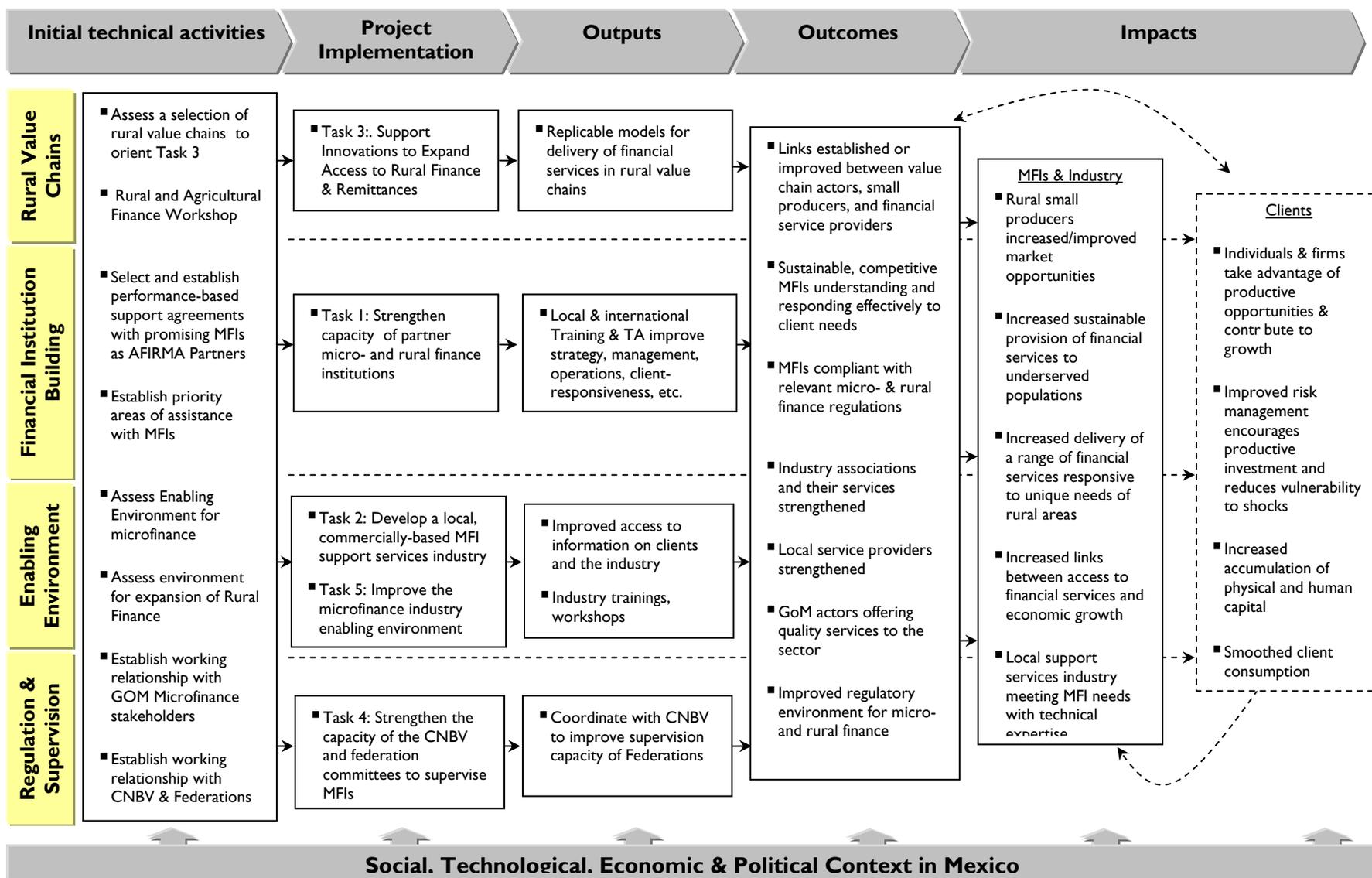
Figure I shows how these tasks fit together to implement the overall project strategy.

On August 25, 2005 the project held a one-day retreat to initiate planning for year two of AFIRMA, focusing on the tasks cited above and establishing agreement on the team's vision for each one. Present at the retreat were USAID CTO Geoffrey Chalmers, AFIRMA Chief of Party Fernando Fernandez, Senior Microfinance Specialist Willy Escobedo, Deputy Chief of Party Nathanael Bourns, Training Specialist Claudette Martinez, Administrative Manager Adriana Cedillo, and USAID/AFIRMA Intern Virginia Brandon.

One important result of the retreat, incorporated in this work plan, is that in order to maximize the impact of project resources (human, financial and time) the team must further integrate project components as more time and resources are dedicated to tasks beyond institution-building. Other results are specific to each task and are incorporated throughout this plan.

This document builds upon the retreat, outlining planned activities for the next fifteen months, October 2005 – December 2006. A fifteen-month plan is adopted for year 2 so that future annual plans will coincide with institution-level planning carried out toward the end of each calendar year (rather than the US Government's fiscal year). A separate section is dedicated to each of the five primary technical tasks, as well as a section on overall project management. Chief of Party **Fernando Fernandez** remains responsible for overall management of the five tasks while within each task an internal member of the full-time AFIRMA team will have primary responsibility for specific activities, as indicated in the sections that follow.

Figure I – Causal Model from the AFIRMA Performance Monitoring Framework



2. TASK I - STRENGTHEN MFI CAPACITY

AFIRMA's vision for Task I, consistent with the contract scope of work, is to select and strengthen a small group of financial institutions committed to and capable of sustainable growth, serving increasing numbers of clients in underserved segments of the Mexican market. Given the potential size of the Mexican market, AFIRMA recognizes that the 12 institutions selected do not represent the complete market, but in order to maximize limited resources, the project focuses on facilitating growth and change within institutions capable of having a demonstration effect.

As planned, the bulk of project activities to date fall under Task I, microfinance institution capacity-building. These initial support activities have focused on assessments and specific technical assistance in areas such as information technology, market research or product and credit technology modifications. During the following quarter, the period October – December 2005, all partners will be undertaking their own planning processes, some with AFIRMA support, and the project will, therefore, have more detailed plans for technical assistance for each institution prior to the end of calendar year 2005.

In AFIRMA's effort to promote and support increased outreach, it strives to strike a balance between the breadth of outreach, in terms of the number of new clients served, and the depth of outreach, in terms of the poverty level and geographic location of clients. The project strategy to work with institutions of various types, sizes and target markets, and the diverse institutional development needs of these institutions illustrate the potential trade-offs between achieving the greatest number of new clients with access to service (project goal is 500,000) and working with poorer and rural clients, where total growth may be slower and where institutions may require substantial capacity building before it is advisable to emphasize growth. As a result, choosing the simplest path to achieve quantitative targets is not an option. Factors such as geographic market, marginalization of target clientele and outreach in terms of providing financial services where they are most difficult to deliver as well as potential growth in the breadth of outreach are all factors that AFIRMA will continue to consider in prioritizing assistance.

In addition to the factors mentioned above, the principles on which AFIRMA works are:

- The activities **AFIRMA supports must respond to a well-thought-out business plan** for each partner over which the institution feels ownership and which addresses its needs and capacity for sound growth and sustainability. Experience shows that one-off consultancies and trainings that are not founded on a broader strategy tend to have little long-term impact. As mentioned previously, AFIRMA partners will all carry out strategic and business planning (some with direct AFIRMA assistance) in the coming months.
- AFIRMA takes a **demand-based approach** to working with institutions, responding proactively to the needs of each institution individually within the framework of well-thought-out business plans and within project objectives, while recognizing the need to maintain **flexibility** given that market conditions, and hence institutional needs, can change quickly.
- Related to the previous point, AFIRMA consultants are **facilitators of change**, but the partner institutions themselves must take ownership of the processes and of the changes themselves for the support to be effective in the long term.
- **Continuing support is based on results**, responsiveness and openness to change within each institution, as well as each institution's demonstrated capacity to absorb technical assistance and training.

One of the primary goals for project year one was to identify a set of MFIs that will be AFIRMA Partners, and to assist them in key areas, gaining the confidence of each partner, with the ultimate goal of increasing and improving their delivery of financial services to greater numbers of clients in under-served market segments. AFIRMA identified 12 MFIs of various types, target markets, and legal structures and began delivering assistance in priority areas. Preliminary plans for each institution over the period October 2005 – December 2006 are outlined below.

In the interest of leveraging resources and opportunities, AFIRMA will integrate Task 1 with Task 2 (Local Support Services Industry) by, among other activities, partnering local TA and firms with international specialists wherever it makes sense.

2.1 ALSOL

Alternativas Solidarias de Chiapas (AISol), an NGO using the Grameen group lending methodology based in San Cristobal de las Casas, is an NGO focused on serving indigenous women of Chiapas, many of whom live in rural areas and do not speak Spanish. AFIRMA assistance in years 1-2 is focused on building the foundations for future growth and continued penetration in rural under-served markets.

AISol has responded very well to the recommendations of AFIRMA consultant **Viviane Romero** (STTA July-August 2005), taking the need for operational and structural adjustments to heart. They have already implemented many of the recommended changes on their own, and have begun strategic planning, part of which involves their conversion to a *Sociedad Financiera Popular (SOFIPO)*, to be regulated under the *Ley de Ahorro y Credito Popular (LACP)* which will enable them in the long-term, once prepared, to legally take deposits.

Nathanael Bourns will be responsible for overall coordination of AFIRMA's technical assistance with AISol and will coordinate the following activities:

- **Strategic and Operational Planning.** AFIRMA will hire **Reuben Summerlin**, a microfinance specialist from Alternative Credit Technologies (ACT) with expertise in group lending, to help AISol refine the strategic plan being developed, to help with the process of strategic and business planning, and to review financial projections for the business plan.
- **Implementation of operational modifications and training of new Operations Manager.** Mr. **Summerlin** will also do follow-up work on the operational modifications in process, helping AISol to solidify a sound process of change recommended by Ms. Romero. One of AISol's urgent needs is to hire an Operations Manager in order to relieve the general manager of her operational responsibilities, and Mr. Summerlin will help AISol define the profile and position, assist with the identification process, and with initial training.
- **Improvements in audit and Internal Control.** During the diagnostic phase, AFIRMA identified a number of internal control challenges that AISol is facing. AISol participated in the ProDesarrollo / AFIRMA training on audit and internal control in July 2005 and as a follow-on to the training, AFIRMA consultant **Alejandro Guevara** (Internal Auditor for Caja Arequipa in Peru) will assist AISol to address internal control weaknesses and to define and contract a quality external audit.

- **Legal Structure and Transformation to SOFIPO.** AISol sees great unmet demand for access to safe savings accounts among its current and potential clients in rural Chiapas, a point clearly supported in the client focus groups that Ms. Romero conducted. Under the LACP, entities that mobilize deposits must be regulated either directly by the CNBV or by Federations that have delegated authority. AISol takes deposits as part of a guarantee and does not on-lend those resources, but given the demand, would like to develop voluntary savings. AISol is negotiating with the Federation Fed Rural (which is in process of obtaining delegated supervisory authority) to advise them on conforming to the LACP and later to supervise AISol as a SOFIPO. This will imply a cost of 12,000 pesos (USD \$1,120) per month once AISol joins the federation, and given the economic interests of Fed Rural, it is necessary to have an independent third-party opinion on AISol's options for legal transformation. To this end, in late 2005 or early 2006 AFIRMA plans to hire, short-term, **a local firm with in-depth knowledge of the LACP to advise AISol** on its options and timing for transformation and to develop a preliminary transformation plan.

In addition to the tasks above, pending confirmation that it is consistent with USAID regulations, AFIRMA will assist AISol and/or other interested project partners to apply for the USAID/Washington office of Microenterprise Development International Grants Program (IGP). Given that one of the IGP's for 2006 (around \$500,000) will focus on expanding access to financial services in rural areas, AISol is best positioned among the AFIRMA partners, and as stated previously has responded especially well to the AFIRMA technical assistance provided to date. ¹

Table I – AISol
Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources	Dates
Strategic and operational planning	<ul style="list-style-type: none"> • Final AISol Strategic and Business Plan • Planning process strengthened 	Bourns	Reuben Summerlin	Nov. 2005
Operational Adjustments / training of New Ops Manager	<ul style="list-style-type: none"> • New Operations Manager trained • Products and processes adjustments implemented 	Bourns	Summerlin, junior to mid-level consultant (possibly resident, TBD)	Jan. – Dec. 2006
Audit and internal control	<ul style="list-style-type: none"> • Improved internal controls • Format for contracting external audit 	Bourns	Alejandro Guevara (5 days)	Dec. 2005
Legal Structure & Transformation to SOFIPO	<ul style="list-style-type: none"> • Cost-Benefit analysis of transformation to SOFIPO • Legal Transformation Plan and proposed capital structure 	Bourns	Local firm - specialist in LACP (est. \$15,000)	Dec. 2005 – Jan. 2006

2.2 AMUCSS

AMUCSS is a network of 7 *Micro Bancos* which operate somewhat independently, providing savings, credit and other services in isolated rural areas in southern Mexico, often in areas where there are no other financial service providers. AMUCSS lacks consolidated accounting for the group of MicroBancos and the current structure and lack of reliable information makes board functioning, financial management and decision making overall

¹ For others, the shift to rural financial services, or in some cases, time necessary to prepare a quality proposal, could present an unnecessary distraction.

AMUCSS is beginning to put a great deal of thought and effort into dealing with the serious structural, operational, and financial management challenges that it faces in its network of *microbancos*. AFIRMA will continue to support efforts to improve internal control and financial reporting through STTA from Rafael Tejada, a 10-month contract with local accountant Martin Yedra, and a small purchase order with the local firm CTI to help implement the information system, RANA.

In year two, **Willy Escobedo** will be responsible for coordinating the following activities with AMUCSS:

- **Continue supporting implementation of operational standards and basic financial management.** Improved internal controls and financial management are of paramount importance given that the *microbancos* mobilize savings. AFIRMA will continue to support AMUCSS with the work of **Martin Yedra**, supported by **Rafael Tejada**.
- **Management Information Systems (MIS) Implementation.** AFIRMA will continue supporting implementation of the RANA MIS through local firm CTI.
- **Support strategic and business planning process.** AMUCSS has requested AFIRMA assistance to develop a 5-year business plan. **John Magill** a senior microfinance specialist at DAI will facilitate this process.
- **Clarify Structure and Governance of the Red de Microbancos.** One of the principles under which the AMUCSS *microbanco* network has operated has been through near complete decentralization of operations and decision-making, with AMUCSS (central office) assisting with training, seeking funds, and applying standards, etc. While recognizing the importance of a high level of decentralization in microfinance, AMUCSS management sees that the current structure requires greater levels of internal control. AFIRMA will bring in **John Magill**, building on the planning process, to help AMUCSS analyze options for structuring the current network and to work with AMUCSS management and managers of *microbancos* to facilitate understanding and agreement on the organizational structure and, at a high level, roles and responsibilities.
- **Management Training for the managers of microbancos.** AFIRMA will continue to support the participation of managers of *microbancos* in management training offered by the local firm **FINDES**.

Table 2 – AMUCSS
Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources	Dates
operational and financial management standards	<ul style="list-style-type: none"> Accounting, information and internal control standards across <i>microbancos</i> 	Escobedo	Martin Yedra (210 days), Rafael Tejada (98 days)	Oct.2005 – Dec. 2006
MIS Implementation	<ul style="list-style-type: none"> System implemented in all <i>microbancos</i> 	Escobedo	Local firm CTI	Oct-Dec 2005
Strategic and operational planning	<ul style="list-style-type: none"> Final AMUCSS Strategic Plan Planning process strengthened 	Escobedo	John Magill (30 days)	Nov. 2005
Clarify Structure and Governance	<ul style="list-style-type: none"> Organizational structure appropriate for AMUCSS determined 	Escobedo	John Magill (10 days), Loc. jr. cons. (30 days)	Feb. – Mar. 2006
Training	<ul style="list-style-type: none"> Management training courses completed by all <i>microbanco</i> managers 	Martinez, Escobedo	Contract with local firm FINDES	Oct 2005 - Feb 2006

2.3 CADEMI

CADEMI achieved profitability after only 1.5 years, very quickly for a microfinance institution, due to its high financial margins (even for the Mexican market) offering group loans to microenterprise clients in San Luis Obispo, and has formed the basis for successful operations and growth.

Ramiro Carrasco, a senior microfinance specialist from AFIRMA Subcontractor Quisqueya Finance, worked with CADEMI in year 1 to implement needed organizational adjustments identified in the AFIRMA diagnostic. Mr. Carrasco's recommendations were well received and CADEMI has requested to work with him in other priority areas.

CADEMI is in the process of identifying a new information system. Despite otherwise solid financial reporting capabilities, the current system does not allow CADEMI to easily track portfolio-at-risk, and the system has other rigidities that may complicate needed operational adjustments.

Fernando Fernandez will maintain primary responsibility for AFIRMA's assistance to CADEMI and will focus on:

- **Support strategic and business planning process.** - CADEMI has requested AFIRMA assistance to develop a 5-year business plan. AFIRMA will hire on a short-term basis **Liliana Botega** to facilitate the planning process.
- **Adjustment of group lending credit methodology.** Ramiro Carrasco and the initial AFIRMA diagnostic identified changes necessary to make the methodology more efficient and to improve client service. Mr. Carrasco will lead an adjustment process for the current group credit product.
- **Develop individual lending product.** – **Ramiro Carrasco** and a local consultant (possibly a 1-year resident) will work during one year with Mr. Carrasco and support other areas AFIRMA is providing assistance
- **Improvements in Internal Control.** During year 1, AFIRMA consultant **Rafael Tejeda** (Quisqueya), helped identify a number of internal control problems that he will return to help CADEMI address in year 2.
- **Legal Transformation under the LACP.** AFIRMA will hire a **local consultant or firm with in-depth knowledge of the LACP** to work with CADEMI to examine options for conversion to a SOFIPO, based on legal requirements and CADEMI's long-term plans.

Another potential area of support is in MIS improvements, although this work will require further definition over the course of year 2. In year 1 AFIRMA consultant Carlos Paredes hosted the general manager in Peru where they analyzed options for management information systems and visited microfinance institutions that had implemented the systems. Depending upon CADEMI's MIS needs determined through the planning process, AFIRMA will consider bringing back Carlos Paredes to help CADEMI with defining its system requirements, after which AFIRMA would come to agreement on the project's level of effort in support of selection, customization, testing, implementation in parallel and roll-out, ensuring that the new system can meet new operational needs and produce information necessary for proactive management of microfinance operations (e.g. portfolio-at-risk per credit officer as of 1 day of delinquency).

To assist with overall implementation of this program, AFIRMA will consider hiring a **local resident consultant** (preferably from San Luis Potosi) with experience in one or more of the areas highlighted above for a period of one year. Different from the other resident consultants AFIRMA is considering for other partners, preference would be given to a consultant who would consider joining CADEMI full-time (on their payroll) following the consultancy.

Table 3 – CADEMI
Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources (LOE)	Dates
Strategic and Business planning	<ul style="list-style-type: none"> 5-year Strategic and business plan Financial projections 	Fernandez	Liliana Botega (20 days), Fernando Fernandez	Dec 2005
Credit methodology and product adjustments	<ul style="list-style-type: none"> Adjustments to existing group lending product and methodology 	Fernandez	Ramiro Carrasco (20 days)	Jan - 2006
Develop individual lending product	<ul style="list-style-type: none"> New individual lending product developed based on client and CADEMI needs 	Fernandez	Ramiro Carrasco (45 days) , Local junior resident consultant (TBD, 1 year)	May 2006
Internal Control Improvements	<ul style="list-style-type: none"> Implementation of recommendations made by Rafael Tejada in Year 1 	Fernandez	Rafael Tejada (15 days)	Nov. 2005
Analysis of legal transformation options	<ul style="list-style-type: none"> Cost-Benefit analysis of transformation to SOFIPO 	Fernandez	Local Firm or consultant with understanding of LACP (est. \$10,000)	Sept. 2006

2.4 CAJA LIBERTAD

Caja Libertad, one of Mexico's largest credit unions, has a nation-wide presence and, like most credit unions, is most active in the segment of salaried workers, although it does have an active loan portfolio with micro and small enterprises. Work in year 1 began with a study tour to Ecuador to visit banks and credit unions with successful microfinance operations.

Robin Bell has worked with Caja Libertad to analyze the feasibility of adding an individual microcredit product, and in year 2 will work to implement plans. Vicente Avalos conducted an assessment of Caja Libertad's savings operations, assisting the current asset-liability mismatch (*descalce* - long-term loans funded through short term deposits).

In year two, **Fernando Fernandez** will be responsible for coordinating the following activities with Caja Libertad:

- Microcredit product development.** **Robin Bell** will continue to work with Caja Libertad to design and implement a microcredit pilot product in 4-5 branches, and later in the year, depending upon results, to roll-out the product. It will be important to ensure that the product being designed is understood and has the commitment of the highest levels of the organization and that it fits with the organizational strategy. **Fernando Fernandez** and **Willy Escobedo** will support the internal consensus-building efforts regarding the new product.

- **Risk Management Diagnostic.** AFIRMA Risk management specialist **Max Errazuriz** will carry out a risk diagnostic and determine the possibility of assisting CL to establish a risk management unit.
- **Feasibility Analysis for a Remittances Product.** AFIRMA will help Caja Libertad determine the feasibility of adding a remittance product. DAI Senior Consultant **John Magill** will assist CL to generate financial projections to determine the options and potential for a remittance product. Depending upon the results of the analysis, AFIRMA would consider supporting product development and coordination with one or more international remittance operators.

Table 4 – Caja Libertad
Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources (LOE)	Dates
Microcredit product development	<ul style="list-style-type: none"> • Pilot product • Roll-out of refined microcredit product 	Fernandez	Bell (60 days), Local junior consultant (120 days), Escobedo	Oct 2005 – Oct. 2006
Risk Management Unit	<ul style="list-style-type: none"> • Risk management unit established within the CL organizational structure 	Fernandez	Max Errazuriz (20 days)	Feb-April 2006
Remittances product feasibility	<ul style="list-style-type: none"> • Feasibility analysis of adding a remittances product • Financial projections 	Fernandez	John Magill (24 days)	Mar 2006

2.5 CAME

CAME is one of Mexico's largest microfinance institutions in terms of total clients, offering village banking group loans. Despite significant size and success, CAME needs to improve its product offering, operations and client retention.

CAME is in the process of implementing the Inova/FinMas management information system and AFIRMA brought in Miguel Garcia, a former employee of the IT firm Inova of Bolivia, to assist with system implementation. The first stage of the implementation has advanced well, and will continue in Year 2.

Despite progress on the IT support, work with CAME has been slower than what AFIRMA had originally hoped. Regular meetings have been held, scopes of work defined and consultants identified, but none, with the exception of Miguel Garcia, have been mobilized. In part, this has been due to bad luck in scheduling consultants and differing points of view between the CAME and AFIRMA on appropriate consultants for a given job. From AFIRMA's perspective, however, the internal prioritization of projects at CAME remains unclear. Furthermore, those coordinating activities with AFIRMA are external consultants rather than institutional managers and it is unclear whether they have the authority to take decisions.

In year 2, we will work with CAME management (and with any others assigned to coordinate with AFIRMA) to ensure that priority activities pick up pace. **Willy Escobedo** will be responsible for coordinating the following activities:

- **FinMas System Implementation.** AFIRMA consultant **Miguel Garcia** will continue to support system implementation to help CAME ensure that the FinMas system is installed and functioning

in all branch offices. Depending on results AFIRMA may consider supporting further training on the new system.

- **Operational Growth Strategy.** CAME has requested assistance with its operational strategy for expanding into new geographic areas, as well as adjusting certain aspects of the current village banking methodology. AFIRMA will work with CAME to identify a consultant or firm to will assist with planning. It will be important to ensure that prior to operational planning AFIRMA consultant fully understands CAME's internal strategic and business planning process as well as the priorities that management have highlighted for 2006.
- **Credit methodology adjustments.** AFIRMA will hire **Liliana Botega** formerly a manager at Caja Los Andes and more recently with Women's World Banking, to evaluate the current village banking methodology, as implemented at CAME to understand limitations and make recommendations. Despite substantial growth in total clients, many are not making it past the first cycles, making it hard for CAME to improve client services, efficiency and profitability. Therefore one of the key outputs will be to recommend changes geared toward improving overall client retention.
- **Legal Structure and Transformation to SOFIPO.** CAME will consider the possibility of converting to a SOFIPO under the LACP. CAME takes deposits only as a partial loan guarantee, does not on-lend those resources, and is therefore not obligated to transform, but would like to consider offering voluntary savings products in the future. In 2006 AFIRMA plans to hire, short-term, **a local firm with in-depth knowledge of the LACP to advise CAME** on their options and timing for transformation and to develop a preliminary transformation plan.

Table 5 – CAME
Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources (LOE)	Dates
FinMas System implementation	<ul style="list-style-type: none"> • System fully implemented and functioning in headquarters and all branch offices 	Escobedo	Miguel Garcia (45 days)	Nov –Dec 2005
Operational Growth Strategy	<ul style="list-style-type: none"> • Operational plan consistent with CAME's strategic plan • Methodology for expansion and branch opening 	Escobedo	Microfinance Operations specialist TBD (20 days)	Dec 2005
Credit methodology adjustments	<ul style="list-style-type: none"> • Improved client retention 	Escobedo	Liliana Botega (44 days)	Nov – April 2006
Legal Structure & Transformation to SOFIPO	<ul style="list-style-type: none"> • Cost-Benefit analysis of transformation to SOFIPO 	Escobedo	Local short-term Purchase order with Local specialist in LACP (est. \$15,000)	June – July 2006

2.6 COMPARTAMOS

AFIRMA subcontractor Acción International has taken the lead in delivering assistance to Compartamos. Acción Vice President Monica Brand, who has been Acción's primary coordinator with Compartamos in recent years, is leading a team to develop new products for housing improvement, to build upon and improve the individual lending product, and to develop the in-house capacity to carry out product

development and/or refinement in the future, without relying on external consultants (as has been the case throughout the history of Compartamos).

Nathanael Bourns will be responsible for overall coordination of AFIRMA’s technical assistance with Compartamos, coordinating with **Monica Brand** to continue the following activities:

- **Increase Efficiency and Productivity.** Despite its size and well-documented success, Compartamos remains relatively inefficient by international standards. Acción consultant **Wilmer Guevara** is working intensively with the Operations Manager and his team to improve the operational efficiency of the lending operations and to increase the client portfolios that each loan officer can handle, particularly focusing on refinements in the individual lending product methodology.
- **Process for new product development.** **Monica Brand** will work with Acción consultants **Mery Solares** and **Raul Gomez** to help Compartamos internalize the process for new product development through training and practical application (see next point) so that Compartamos can reduce its dependence on external consultants for product development and refinements.
- **Development of a housing improvement product.** As a practical application of the training outlined above, **Monica Brand, Mery Solares** and **Raul Gomez**, will lead the operations team at Compartamos to design, pilot and roll-out a housing improvement loan product.

In late 2005 AFIRMA will work with Compartamos to determine whether there are other areas AFIRMA might be of assistance. One possible area is in developing the internal capacity to design, deliver and manage **savings** products, once Compartamos has converted to a bank (likely by the end of 2005). Any work in the area of savings will be coordinated with WOCCU, who has a resident advisor currently working on Compartamos’ future savings products.

Another potential area – following conversion to a bank – might be rural and agricultural lending. Experiences in Central and South America with lending up to 30% of portfolio to “agriculture-dependent households” could represent an interesting model for a strong MFI such as Compartamos. While they have little experience in this area, they are interested, have an expansive branch structure, a strong in-house training program that would facilitate a well-planned expansion into a new line of business, and are sufficiently solid financially to allow for some riskier initiatives.

Table 6 – Compartamos
Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources (LOE)	Dates
Increase Efficiency and Productivity	<ul style="list-style-type: none"> Operational efficiency improved Loan officer productivity increased 	Bourns	Monica Brand (10 days), Wilmer Guevara (180 days)	Oct. 2005 – June 2006
Internalize process for new product development	<ul style="list-style-type: none"> Operational staff trained on the process for new product development 	Bourns	Monica Brand (15 days), Mery Solares (15 days), Raul Gomez (15 days)	Oct – Dec . 2005
Develop housing improvement loan product	<ul style="list-style-type: none"> Internal process for product development applied Housing product developed 	Bourns	Monica Brand (15 days), Mery Solares (35 days), Raul Gomez (25 days)	Jan. 2005 – June 2006

2.7 DESPENO

Despeno, a private finance company, has roots in the agricultural economy of Sinaloa, with agricultural lending experience, in-depth knowledge of the rural economy of the region. Changes in the way that the GoM program FIRA operates (elimination of what was previously a 90% guarantee on agricultural loans made with a FIRA line of credit) have caused major shift from Despeno's focus on agricultural lending towards traditional solidarity group lending to urban and semi-urban microentrepreneurs, a relatively new area for the company.

DAI microfinance operational specialist Claudia Ordonez has worked with Despeno to improve its group lending microcredit methodology, working closely with microfinance HR specialist Eliana Otondo, who has begun the first part of her work to improve human resource management.

Fernando Fernandez will maintain primary responsibility for AFIRMA's assistance to DESPENO in Year 2. AFIRMA assistance will focus on:

- **Support strategic and business planning process.** – DESPENO has requested AFIRMA assistance to develop a 5-year business plan. DAI consultant **Ignacio Estevez** will facilitate the planning process.
- **Credit Methodology Improvements.** DAI banking and microfinance consultant **Ignacio Estevez** will work to implement the microcredit adjustments that Claudia Ordonez has identified, and will review Despeno's agricultural lending operations. AFIRMA plans to work with Despeno to identify a **local consultant** (preferably from Culiacan) to accompany this process.
- **Human resources strategy.** Related to the operational adjustments that Claudia Ordonez has developed with Despeno, microfinance HR specialist **Eliana Otondo** will finish her work on improving human resource management and the process for identifying, contracting and remunerating loan officers.
- **Observational Study Tour.** AFIRMA will support a study tour for microcredit staff to visit successful Bolivian microfinance institutions.
- **Improvements in audit and Internal Control.** During the diagnostic phase, AFIRMA identified a number of internal control challenges that Despeno faces. Despeno participated in the ProDesarrollo / AFIRMA training on audit and internal control in July 2005 and as a follow-on to the training, AFIRMA consultant **Rafael Tejeda** (Quisqueya) will assist Despeno to address internal control weaknesses and to define and contract a quality external audit.
- **Management Information System.** Depending upon DESPENO's MIS needs determined through the planning process, AFIRMA will consider bringing in Carlos Paredes to help with system needs definition, after which AFIRMA would come to agreement on the project's level of effort in support of selection, customization, testing, implementation in parallel and roll-out, ensuring that any new system meets new operational needs and produce information necessary for proactive management of microfinance operations.

Table 7 – Despeno

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources (LOE)	Dates
Strategic and Business planning	<ul style="list-style-type: none"> 5-year Strategic and business plan Financial projections 	Fernandez	Ignacio Estevez (20 days), Escobedo	Dec 2005
Credit methodology and product adjustments	<ul style="list-style-type: none"> Adjusted product and methodology Review agricultural lending operations 	Fernandez	Estevez (40 days), Local consultant (60 days)	Nov. 2005 – Jan 2006
Audit and internal control	<ul style="list-style-type: none"> Improved internal controls Format for contracting external audit 	Fernandez	Rafael Tejada (5 days)	Oct. 2005
Human resources strategy	<ul style="list-style-type: none"> Institutional training plan HR strategy for microfinance 	Fernandez	Eliana Otondo (12 days)	Oct. 2005
Study Tour	<ul style="list-style-type: none"> Observational study tour in Bolivia for microcredit team. 	Martinez	15,000 training budget	Oct 2005
MIS	<ul style="list-style-type: none"> System needs definition 	Fernandez	Carlos Paredes (18 days)	June 2006

2.8 FIMEDER

FIMEDER is a relatively young MFI that offers group loans which, unlike most, has invested heavily in back office processes and systems prior to attaining a size to justify the investments. The structure weighs heavily on FIMEDER and today profitable growth and expansion of services represent a major challenge.

Before beginning technical assistance plans Fernando Fernandez took FIMEDER managers to visit successful, efficient microfinance institutions in Ecuador. Following the trip, AFIRMA developed an aggressive technical assistance plan for growth, including an intensive one-week training on sales techniques for loan officers delivered by Peruvian microfinance training specialist Mauricio Lerner, and training in individual lending for managers and staff delivered by AFIRMA consultant Vicente Avalos. In coordination with these activities Mexican Banking HR specialist Vayda Sosa has begun reviewing FIMEDER's administration of human resources.

Willy Escobedo will be responsible for coordinating the following activities:

- **Facilitate strategic and business planning process.** – FIMEDER has requested AFIMRA assistance to develop strategic and business plans. AFIRMA consultant **Max Errazuriz** will facilitate the planning process.
- **Human Resources administration.** Mexican Banking HR specialist Vayda Sosa will continue to work with FIMEDER to improve their human resource management.
- **Pilot Individual Lending Product.** AFIRMA consultant Vicente Avalos will support the development of a pilot individual lending product to be tested and refined in 1-2 branches. Depending upon results, AFIRMA may support refinement and roll-out of the product.

Based on the planning process, AFIRMA will determine other priority areas for support.

Table 8 – FIMEDER**Activities, Outputs, Responsibility and Resources**

Task	Outputs	Responsibility	Resources (LOE)	Dates
Strategic planning	<ul style="list-style-type: none"> Strategic and business plans Management trained on planning process 	Escobedo	Max Errazuriz (30 days)	Nov. 2005
HR administration	<ul style="list-style-type: none"> New HR manuals and processes implemented 	Escobedo	Vayda Sosa (20 days)	Sept-Oct. 2005
Pilot Individual Lending Product	<ul style="list-style-type: none"> Pilot product launched and tested 	Escobedo	Vicente Avalos (30 days)	Jan-Mar 2006

2.9 FINCA MÉXICO

FINCA Mexico has been particularly proactive in requesting AFIRMA support and the project provided intensive assistance in Year 1 in support of FINCA's rapid growth. Specifically, AFIRMA consultant Johnny Velasco assisted FINCA with operational and product adjustments and developed trainings and a new operations manual based on the adjusted processes. On the administrative side, AFIRMA contracted local firm *Servicios Internacionales de Negocios (SIN)* to develop a full set of administrative manuals and brought in DAI IT consultant Carlos Paredes to help with IT planning and security.

Given the positive response to assistance and current needs to further systematize processes and consolidate adjustments during a period of rapid growth, AFIRMA will continue providing intensive assistance in year 2. AFIRMA will coordinate with Ivana Fertziger, the recently-arrived EMDAP resident (sponsored by USAID/Mexico). Ms. Fertziger's primary responsibilities will be 1) to coordinate with AFIRMA-sponsored initiatives and consultants, and 2) to evaluate the managerial operations staff and design a systematic training program for branch managers and supervisors. This second responsibility may imply substantial overlap with Johnny Velasco, especially once he remains as a longer-term resident advisor. The two roles are distinct (Mr. Velasco's role being more senior and more based on considerably more on-the-ground operational experience) - but the impact of both advisors will be much greater if they work in close coordination and complement each other. This is primarily the responsibility of Gonzalo Puente (and initial signs are positive in this respect), but AFIRMA can assist in this regard through its interactions and coordination efforts between Willy Escobedo and Gonzalo Puente.

Willy Escobedo will be responsible for coordinating the following activities:

- **Train operational staff and new operations manager.** Based on the operational adjustments and new operating manual AFIRMA consultant **Johnny Velasco** has developed, AFIRMA will assist FINCA in covering the majority of the cost of Mr. Velasco for one year as a **resident consultant**, consistent with parameters established among AFIRMA staff and USAID.²
- **IT support and planning.** FINCA has recently completed implementation of the latest version of SIEM, the MIS used by all FINCA affiliates. Given that local staff now has time to dedicate to other IT needs, **Carlos Paredes**, who worked closely with FINCA in year 1, will continue his work on IT security and planning.

² See "Memoria de reunion – Consultores residentes" based on AFIRMA meeting with USAID CTO Geoffrey Chalmers on Sept. 20, 2005.

- **Develop individual lending product.** Similar to other village banking institutions, FINCA Mexico recognizes the importance of retaining clients that are in later cycles of group loans and have demonstrated the repayment capacity to justify individual loans. **AFIRMA will identify a consultant** or local firm to assist with the development of an individual lending product later in year 2.
- **Activity-based costing system.** Building upon the ProDesarrollo / AFIRMA costing training delivered in Year 1, AFIRMA costing specialist **Milagros Chiappe** will help FINCA develop a costing system.
- **Legal Structure and Transformation to SOFIPO.** FINCA will consider the possibility of converting to a SOFIPO under the LACP. FINCA takes deposits only as part of a guarantee and does not on-lend those resources, and is therefore not obligated to transform. In 2006 AFIRMA plans to hire, **Luis Felipe Lizarraga** a local consultant with experience advising MFIs on the LACP to help FINCA define options for transformation and, if necessary to develop a preliminary transformation plan.

Table 9 – FINCA Mexico
Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources (LOE)	Dates
Train operational staff and new operations manager	<ul style="list-style-type: none"> • New Operations manager fully trained and effectively managing all operations • All operational staff trained on adjusted methodology and new products 	Escobedo	Johnny Velasco (1 year resident)	Nov 2005 – Oct. 2006
IT support and planning	<ul style="list-style-type: none"> • Recommended data security systems implemented 	Escobedo	Carlos Paredes (22 days)	Nov 2005
Activity-based costing system	<ul style="list-style-type: none"> • Costing system designed and implemented 	Escobedo	Milagros Chiappe (20 days)	June 2006
Individual lending product	<ul style="list-style-type: none"> • Individual product developed, tested and rolled out to branches. 	Escobedo	TBD	Aug 2006
Legal Structure & Transformation to SOFIPO	<ul style="list-style-type: none"> • Cost-Benefit analysis of transformation to SOFIPO 	Escobedo	Luis Felipe Lizarraga (15 days)	July 2006

2.10 FINCOMÚN

FinComún is one of only two AFIRMA partners that currently mobilize voluntary savings, although funding has come largely from high balance deposits held by individuals that might be considered social investors, and from government program funding (e.g. ProNafim). FinComún has grown substantially in recent years and management recognizes the need to diversify and build its funding sources, especially considering that government funding could change significantly with the political process in 2006. To this end, Willy Escobedo worked with FinComún to evaluate its deposit products and overall deposit mobilization approach. Mr. Escobedo's findings had a very positive impact within the institution, which is re-thinking its funding strategy and deposit services.

FinComún also is dealing with loan delinquency problems that stem in part from its methodology for transferring portfolios of clients from one loan officer to another when the loan officer is promoted or

moved to open a new area. Also, as noted in the AFIRMA diagnostics and reinforced by AFIRMA consultant Max Errazuriz, the proliferation of interesting projects coupled with a general lack of prioritization, highlights the need for facilitated strategic planning.

Willy Escobedo will be responsible for coordinating the following activities:

- **Support strategic and business planning process.** – FinComún has requested AFIRMA assistance to develop a 5-year business plan. AFIRMA will bring in Luis Noel Alfaro, a professor of strategy at INCAE in Costa Rica who has worked with DAI on planning for microfinance, to facilitate the planning process.
- **Activity-based costing system.** AFIRMA costing specialist **Milagros Chiappe** will review and make recommendations on FinComun’s current costing system in early Year 2 and return later to help establish a costing system with the MIS FinComún is implementing.
- **Credit methodology and product improvements.** **Michael Steidl**, will work with FinComún to adjust the current lending methodology, focusing in particular on improving credit analysis and guarantee mechanisms to improve portfolio quality.
- **Risk management unit.** Max Errazuriz will return following the strategic planning activity to help FinComún establish a risk management unit, building upon his recommendations in year 1.

Based on the planning process, AFIRMA will determine other priority areas for support.

Table 10 – FinComún
Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources (LOE)	Dates
Strategic and Business planning	<ul style="list-style-type: none"> • 5-year Strategic and business plan • Financial projections 	Escobedo	Luis Noel Alfaro (60 days)	Oct. 2005
Activity-based costing system	<ul style="list-style-type: none"> • Costing system implemented with FinComun’s new MIS 	Escobedo	Milagros Chiappe (12 days)	Oct. 2005 and June 2006
Credit methodology and product improvements	<ul style="list-style-type: none"> • Adjustments to existing group lending product and methodology 	Escobedo	Michael Steidl (38 days)	Oct. 2005
Risk management unit	<ul style="list-style-type: none"> • Risk management unit established and functioning 	Escobedo	Max Errazuriz (30 days)	Feb 2006

2.11 FONDO 5 DE MAYO

Fondo 5 de Mayo has responded exceptionally well to assistance that DAI Consultant Robin Young and others have delivered in Year 1 in response to needed changes in the microcredit methodology and product. Given this response, management’s openness to assistance, and F5M’s very positive sustainable growth prospects, the plan for year two is intensive, and will flow from F5M’s strategic planning process, which AFIRMA will facilitate. **Nathanael Bourns** will be responsible for coordinating the following activities:

- **Support strategic and business planning process.** – Fondo 5 de Mayo has requested AFIRMA assistance to develop 5-year strategic and business plans. **Alex Silva**, former manager of the

microfinance investment fund based in Costa Rica ProFund, will facilitate the planning process and to train F5M management on planning for MFIs. **Robin Young** will support the process of operational planning and financial projections using the MicroFin tool and training staff on its use.

- **Train and develop operational staff.** Based on the operational adjustments recommended during Ms. Young's diagnostic of the solidarity group lending methodology and product, and introduction of the planned individual lending product, AFIRMA will hire **Hector Cisneros**, who has worked with Financiera Calpia (Banco Procredit) and later DAI in El Salvador, to lead F5M through implementation of changes and train all operational staff. Depending upon the results of a short-term consultancy and the continued interest of F5M, the project will contract Mr. Cisneros for one year as a **resident consultant**, consistent with parameters established with USAID.³ This continued consultancy would work with the institution to, among other things, develop the in-house capacity to conduct a formal microcredit training program for staff.
- **MIS support and planning.** Depending upon the F5M planning process, AFIRMA will determine the need to support adjustments to the institution's MIS or the process of procuring a new MIS. DAI's senior IT consultant **Gabor Simon**, will support IT planning as necessary.
- **Develop individual lending product.** The market study carried out in year 1, highlighted the demand for individual loans and client repayment capacity to justify individual loans. **Robin Young** will work with **Hector Cisneros** to assist with the development of an individual lending product. **Willy Escobedo** will support with short training modules during the process.
- **Activity-based costing system.** Building upon the ProDesarrollo / AFIRMA costing training delivered in Year 1, AFIRMA costing specialist **Milagros Chiappe** will help F5M develop a costing system. This will be particularly useful for F5M to accurately allocate costs related to financial and non-financial services, among its branch network, and to measure the profitability of the new credit products it plans to introduce over the coming year.
- **Legal Structure and options.** Although not an urgent need given that F5M does not mobilize deposits, F5M will consider during the strategic planning process the possibility of legal transformation under the LACP. In 2006 AFIMRA plans to hire, **Luis Felipe Lizarraga** a local consultant with experience advising MFIs on the LACP or a specialized local firm, to help F5M define options for legal transformation.

³ See "Memoria de reunion – Consultores residentes" based on AFIRMA meeting with USAID CTO Geoffrey Chalmers on Sept. 20, 2005.

Table 11 – Fondo 5 de Mayo

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources (LOE)	Dates
Strategic and Business planning	<ul style="list-style-type: none"> 5-year Strategic and business plan Financial projections Training on planning and tools 	Bourns	Alex Silva (24 days), Robin Young (24 days)	Oct.-Dec 2005
Operational Training	<ul style="list-style-type: none"> All operational staff trained on adjusted methodology and new products 	Bourns	Hector Cisneros (1 year resident)	Nov 2005 – Oct. 2006
IT support and planning	<ul style="list-style-type: none"> Planning for system adjustments or new system 	Bourns	Gabor Simon (18 days)	Dec 2005
Activity-based costing system	<ul style="list-style-type: none"> Costing system designed and implemented 	Bourns	Milagros Chiappe (20 days)	June 2006
Individual lending product	<ul style="list-style-type: none"> Individual product developed, tested and rolled out to branches. 	Bourns	Young (30 days), Cisneros, Escobedo	Dec 2005 – Mar 2006
Legal Structure & options	<ul style="list-style-type: none"> Cost-Benefit analysis of transformation to SOFIPO or other legal structure 	Bourns	Luis Felipe Lizarraga (15 days) or local firm	Aug 2006

2.12 PROMUJER MÉXICO

ProMujer México (PMM) has shown great openness to AFIRMA assistance once the partnership agreement was signed following a long period of consideration by the board of directors. In year one Hillary Miller-Wise led a team consisting of AFIRMA Associate Brooke Jones⁴ and the local marketing firm SERTA, to begin developing a marketing strategy. Other needs became apparent during this process, including the need to review PMM's human resources management, operational processes and, as signaled in the AFIRMA diagnostic phase, overall information management and the need for further decentralization of processes.

During the AFIRMA diagnostic, DAI's Senior IT Specialist Gabor Simon identified significant risks within the management information system, some of which have become problems. PMM is aware of the problems and believes they can be fixed in the short-term through a series of patches. Although PMM has not requested IT support from AFIRMA, it will be important for the project to accompany progress and possibly provide support, depending on the results of the planning process.

Nathanael Bourns will be responsible for coordinating the following activities:

- **Marketing.** **Hillary Miller-Wise** and **Brooke Jones** have helped ProMujer determine their initial needs for marketing, product refinements, and work will continue in year 2 with the **Mexican marketing consulting firm SERTA.**
- **Strategic planning.** ProMujer International supports a planning process each year with its affiliates. ProMujer will bring in Jenny Dempsey to facilitate the planning process. **Nathanael Bourns** will participate in the process in order to ensure that AFIRMA activities are consistent with the PMM strategy and to define the AFIRMA work plan with PMM.

⁴ Time for Ms. Jones has been covered through DAI overhead since, despite significant experience in marketing for village banking, she does not have the sufficient years of experience to fit the AMAP category description for a level 3 (junior) consultant. She will reach this level of experience in Year 2, and assuming continuing need, AFIRMA would begin billing her time spent on technical deliverables.

- **Human resources strategy.** Related to the operational adjustments that Hillary Miller-Wise and Brooke Jones have identified, microfinance HR specialist **Eliana Otondo** will carry out a comprehensive diagnostic of human resources at PMM in coordination with Tony Sheldon (paid by USAID/Washington for all ProMujer affiliates).
- **Back office processes.** AFIRMA will bring in a microfinance administrative specialist to help conceptualize back office functions within the decentralized structure to which PMM is moving. The international specialist will work with a **local firm** (TBD) to assist ProMujer to systematize its back office processes and procedures, and to create administrative manuals.
- **MIS support and planning.** Depending upon the ProMujer planning process, AFIRMA will determine the need to support adjustments for the process of procuring a new MIS. DAI's IT consultants **Gabor Simon or Carlos Paredes** could be mobilized to support IT planning as necessary.

Based on the planning process, AFIRMA will determine other priority areas for support.

Table 12 – ProMujer Mexico
Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources (LOE)	Dates
Marketing Strategy	<ul style="list-style-type: none"> • Adjustments to microcredit product and methodology • Review of agricultural lending operations 	Bourns	Hillary Miller-Wise (30 days), Brooke Jones (15 days), SERTA (\$25,000)	Nov. 2005 – May 2006
Human resources strategy	<ul style="list-style-type: none"> • Institutional training plan • HR strategy for microfinance 	Bourns	Eliana Otondo (18 days)	Nov. 2005
Strategic Planning	<ul style="list-style-type: none"> • AFIRMA's role in ProMujer México strategy 	Bourns	Bourns	Dec. 2005
MIS support and planning	<ul style="list-style-type: none"> • TBD 	Bourns	Gabor Simon or Carlos Paredes, or TBD	Jan. 2006
Back office processes	<ul style="list-style-type: none"> • Administrative Manual 	Bourns	MFI Admin Specialist (TBD) and Local firm (TBD)	Dec 2005- Feb 2006

3. TASK 2 - DEVELOP A LOCAL, COMMERCIALY-BASED MFI SUPPORT SERVICES INDUSTRY

A local support services industry is critical to the growth of rural and microfinance in Mexico, and AFIRMA will build upon and improve the supply of training, technical assistance, audit, research, product development, and other services as MFIs demand. In the third quarter of year one, as part of the project baseline to better understand the market for local services to MFIs, AFIRMA carried out a survey of the supply and demand for local support services, which showed that developing this industry will require focus on both supply and demand.

During the AFIRMA one-day retreat to initiate planning for year two, participants established that **task 2 activities will be linked with our MFIs partners** under Task 1, partnering qualified local firms and consultants who would benefit from specialization in certain areas with international specialists on

certain assignments. This task was originally budgeted as a grant fund, but as indicated in the first AFIRMA contract modification, the activities will be run primarily through **purchase orders with local firms**.

A good example of this concept is the work Hillary Miller-Wise and Brooke Jones are doing with the local marketing firm SERTA through a purchase order cost-shared between AFIRMA and ProMujer. Together, the team is working with ProMujer to develop a comprehensive marketing strategy, an activity that will continue in year 2. This model has teamed a local firm with good general capabilities in marketing with international specialists who understand the nuances of marketing for microfinance.

Developing similar initiatives that build the specialized capacity of local service providers to assist the microfinance industry while using cost sharing mechanisms to ensure quality services are procured at competitive prices will be central to Task 2. AFIRMA will focus on three lines of action: creating a consultant's database and developing two strengthening programs for technical assistance and training providers (firms and individuals), each of which is outlined below.

3.1 CONTRACTING LOCAL CONSULTANTS AND FIRMS

Through survey carried out by USAID/AFIRMA Intern Virginia Brandon, the project was able to gain a sense of the supply and demand for support services among Task 1 partners. One comment that came up numerous times in the survey and subsequent interviews was that information on firms and what they do (or don't do) well is isolated and not widely shared among institutions. AFIRMA will work with ProDesarrollo in an attempt to pool and share information on service providers.

- **Consultant database.** AFIRMA will contract a **local IT services firm** to construct a consultant database to be housed within ProDesarrollo. Initially the effort will focus on pulling together basic information on local firms that ProDesarrollo and AFIRMA partners use or have used in the past. Users of the database will then be asked to provide comments on providers they have used, gradually building up a file for each provider (perhaps similar to the review process on Amazon.com, although the benefits and risks of such an approach will be considered carefully). In year 2 AFIRMA will work out the details of access, cost and structure of the database with ProDesarrollo and other AFIRMA partners.⁵ While the main purpose of the database is as a resource to MFIs, by structuring the information and feedback mechanisms appropriately, it will also serve as a means of monitoring progress toward the development of a local support services industry.
- **Contracting workshop.** Based upon findings of the initial survey of local support services mentioned above, partner MFIs would benefit from training on how to develop terms of reference for support services, and structure and manage the contracts for results. AFIRMA will bring in a **contracts specialist** (TBD) to develop a short workshop to assist MFIs with this process.

⁵ One possible model is the effort developed by DAI on a USAID-funded project in Bolivia, which AFIRMA will examine.

Table 13 – Local consultants database

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources	Dates
Identify consulting and training firms interested in providing TA and Training to MFIs	<ul style="list-style-type: none"> • Database of TA&T service providers • Possible target recipients of MTT program 	Martinez	IT Firm, Local junior database specialist, ProDesarrollo Staff	Nov 2005
Contracting Workshop	<ul style="list-style-type: none"> • MFI Participants trained on how to contract technical & management services 	Martinez	Contracts specialist (TBD 15 days)	Mar 2006

3.2 MICROFINANCE TRAINING OF TRAINERS PROGRAM

Mexico has substantial general human resources and consulting capacity, but limited specialized consulting capacity for microfinance, and significant differences in quality of services from one region to another. One of AFIRMA's key goals under Task 2 is to strengthening consulting and training firms, universities and research firms in areas such as internal and external audit, training in core operational and back-office areas, and consulting, especially where there is likely to be an ongoing market for the services (such as strategic and business planning, market research, MIS, Accounting, LACP, HR management).

As mentioned previously, to the extent possible, efforts under this activity in year 2 will be linked with the institution-building activities under Task 1, will be coordinated with ProDesarrollo wherever possible (considering their current workload) and will focus initially on designing and delivering a training-of-trainers program in the following steps:

- **Evaluate consulting and training firms.** This activity will build upon the initial survey AFIRMA conducted in August 2005, which focused primarily on the demand for services, but also gave some insights into the current supply. **Ricardo Calvo**, a senior microfinance specialist from Acción who participated in the initial survey, will return to examine the supply of services in areas that AFIRMA partners prioritized (need for service in the areas of operations/methodology and strategy were at the top of the list).
- **Design training curriculum and training toolkit.** Acción training specialist **Susana Barton** will work with **Ricardo Calvo** and a **local consultant** (TBD) to design the training curriculum, customizing training materials, exercises, and trainers' notes to the Mexican environment, but building upon the sizeable body of training materials readily available.
- **Deliver MTT program.** **Susana Barton** and a **local consultant** identified above will deliver the training as a pilot test, and will refine the participant and trainer materials based upon course results.
- **Deliver training toolkit for courses of MTT program.** Based upon the results of the pilot course, **Susana Barton** and a **local consultant** will roll out the training.

Table 14 – Microfinance training of trainers program

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources	Dates
Evaluate consulting and training firms	<ul style="list-style-type: none"> • Topics to prepare training curricula for MTT program • Diagnostic of training and consulting firms 	Martinez	Ricardo Calvo (Acción, 18 days)	Nov-Dec 2005
Design of training curricula for MTT program and training toolkit	<ul style="list-style-type: none"> • Training program curriculum • Pilot course for providers 	Martinez	Ricardo Calvo, Susana Barton (Acción) and junior to mid-level local consultant.	January 2006
Deliver pilot MTT program	<ul style="list-style-type: none"> • TA&T firms (at least 20 consultants and/or trainers of these institutions) with better microfinance understanding. 	Martinez	Accion, senior consultant. Local contract with University / Training firm.	February 2006
Design and deliver training toolkit for courses of MTT program	<ul style="list-style-type: none"> • MTT program for providers • TA&T firms strengthened (at least 20 consultants and/or trainers of these institutions). 	Martinez	Subcontract with Accion. Ricardo Calvo (senior), Susana Barton (senior) and junior to middle consultant.	March-Sept 2006

3.3 MENTORING PROGRAM

As indicated in the section above, there is no shortage in Mexico of intelligent, educated, young professionals who, with the right training, could fill positions in AFIRMA partner institutions or work as microfinance consultants. Some such training is obviously specific to each job, but part of the general training that is missing in Mexico is an intensive, practical course that can give young professionals the tools required to be of significant value to the sector.

This approach will be focused on strengthening independent consultants, trainers, and potential employees of MFIs in the theoretical foundations and practical application of microfinance in Mexico. This is a microfinance education program for junior consultant trainees that includes classroom work and practical application through paid field work (possibly pairing with the GoM required *Servicio Social* work) for qualifying students. **Claudette Martinez** will have primary responsibility for coordinating the following actions:

- **Design program operational manual.** **Fernando Fernandez** and **Claudette Martinez**, in coordination with the **USAID-funded OSU-CIDE Ties program**, will develop an operational manual for the mentorship program including guidelines for program participants and trainers/partner institutions (e.g. AFIRMA, TIES, **CGAP**, MFMI, GoM Programs) for the activity and submit to USAID for approval. Curriculum design specialist **Bonnie Kliggerman** will support the project during the initial design of the program. The manual will include the candidate profile (academic requirements, professional requirements, and geographic location), the application and selection process, as well as a draft microfinance training design (training scheme, certification, instructors, location, duration, practical field work process).
- **Memorandum of understanding with selected institutions.** **Claudette Martinez** will coordinate a memorandum of understanding establishing the roles and responsibilities of each institution involved in the program.
- **First application and selection process.** **Claudette Martinez** will work with the institutions involved to coordinate the application and selection processes (based on resumes, essays,

recommendations, interviews). The process should result in a short-list of around 30 interested candidates for microfinance training.

- **Deliver microfinance training program.** **Claudette Martinez** will work with **Hillary Miller-Wise** to coordinate AFIRMA's participation in the program, likely to involve trainers on practical applications from DAI or Acción, while CIDE and OSU are likely to provide the theoretical framework.
- **Practical Implementation – Field Work.** Based upon participant performance in the course, instructors will help AFIRMA generate a list of selected junior professionals (around 20) to participate in practical assignments, coupled with senior AFIRMA consultants or subcontractors on technical consultancies, or incorporated directly into MFIs.

AFIRMA will monitor performance of the junior professionals through feedback from instructors, senior consultants and partner MFIs and examine how to modify and/or institutionalize the program for project year 3.

Table 15 – Mentoring program
Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources	Dates
Design program operational manual	<ul style="list-style-type: none"> • Approved manual of Mentoring program • Work plan with institutions involved • Candidate Profile • Application and selection process • Draft of microfinance training design 	Fernandez and Martinez	Bonnie Kliggerman (18 days), OSU-CIDE TIES program STTA TBD	Jan-Feb 2006
Memorandum of understanding with selected institutions.	<ul style="list-style-type: none"> • Action plan in coordination with the OSU-CIDE TIES program • Agreements other institutions, programs 	Martinez		Jan-Feb 2006
First application and selection process (MP 2006)	<ul style="list-style-type: none"> • Shortlist of candidates (at least 30 persons) for microfinance training. 	Martinez	OSU-CIDE TIES program	Feb-March 2006
Delivery of microfinance training program.	<ul style="list-style-type: none"> • Training • List of selected juniors consultants to MP program 2006-2007(at least 20 consultants) 	Martinez	OSU-CIDE TIES H. Miller-Wise (24 days), TBD	April 2006
Practical implementation - field work (MP)	<ul style="list-style-type: none"> • Agreements • Juniors working with AFIRMA MFI partners 	AFIRMA technical team		May-Dec 2006

4. TASK 3 - SUPPORT INNOVATIONS TO EXPAND ACCESS TO RURAL FINANCE & REMITTANCES

AFIRMA will work to stimulate the introduction of new technologies, approaches, distribution channels, or other elements that facilitate rural clients' and small farmers' access to appropriate financial services, and to improve institution's capacity to reach underserved populations, especially rural clients. Early in year 2 AFIRMA will focus on understanding the possibilities for spurring innovation in the design and delivery of financial services in Mexico, particularly in rural value chains. As discussed during the one-day AFIRMA retreat, an adjusted Rural and Agricultural Finance (RAF) workshop (based on those delivered through the USAID/Washington Office of Microenterprise Development) will form the start-up activity for this task.

4.1 RAF WORKSHOP

In November 2005 the AFIRMA team will work with **USAID CTO Geoffrey Chalmers** to plan the initial workshop, determine specific target audience, roles and responsibilities, and resources to be dedicated to the training.

Nathanael Bourns will coordinate AFIRMA's role (as defined through the initial planning) in the following:

- **Adjust RAF workshop material for Mexico.** AFIRMA consultants **Robin Young** and **Rodolfo Quiros** will work with USAID/Washington trainers and a local finance specialist (possibly local researcher **Pilar Campos**) to adjust the RAF materials to the target audience in Mexico and will hire a **local translator** to translate RAF training materials (manual, handouts, presentations and cases) into Spanish.
- **Deliver workshop.** **Robin Young, Rodolfo Quiros** and the **local consultant** will deliver the modified RAF training to 15 -20 participants. One important outcome of the workshop will be a short-list of possible actors and initiatives to further develop this task. Through the workshop, AFIRMA will establish relationships with practitioners and donors working in rural areas.
- **Design program plan.** This would potentially include, but not limited to, the design of the innovations fund, and a "Stakeholders workshop" as one initial intervention in RAF. As follow up to the RAF workshop, AFIRMA would investigate interest and feasibility in shorter adaptation of the workshop to be held with audience comprising financial institutions, value chain actors, government officials, aimed at facilitating discussion and understanding between these actors.

Table 16 – Rural and Agricultural Finance Workshop

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources	Dates
Adjust RAF workshop material for Mexico	<ul style="list-style-type: none"> • Curricula of RAF Workshop adjusted for practitioners and donors • Final training toolkit of RAF workshop, ready to be replicated 	Bourns	Chalmers, Young (15 days), Quiros (15 days), local consultant (30 days) translator	Nov 2005-Mar 2006
Deliver workshop	<ul style="list-style-type: none"> • RAF Workshop held (+/- 15 participants with a new vision of RAF) • List of possible actors to establish joint ventures to develop this task. 	Bourns	Robin Young (5 days), Rodolfo Quiros (5days), local consultant (5 days)	April 2006
Design of program plan,	<ul style="list-style-type: none"> • Approved action plan to identify and set up innovation projects • Stakeholders workshop 	Bourns	Geoffrey Chalmers, AFIRMA Team	May 2006

4.2 DESIGN AND LAUNCH INNOVATION FUND

- **Design Innovation Fund.** Based upon findings from the workshop, DAI Senior Microfinance and Management Specialist **Doug McLean** will work with the AFIRMA team to develop operational and technical guidelines for the innovation fund, including competition processes (in

compliance with USAID Grants requirements) and will help AFIRMA determine the guiding principles of the fund.

- **Launch Innovation Fund.** **Geoffrey Chalmers** and **Fernando Fernandez** will present the concepts behind the Innovation Fund, as well as the evaluation process and criteria (either as part of an open AFIRMA meeting or through a series of short presentations to potentially interested parties), and will make available a simple format to follow for interested parties to present short descriptions of proposed innovations.
- **Technical review of proposals.** A technical review committee (USAID, AFIRMA, external reviewer) will review proposals based on criteria and review committee established in the innovation fund manual.
- **Selection of initiatives.** The technical review committee will select 4-5 initiatives to support in project year 3.

Table 17 – Innovation Fund
Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources	Dates
Design Innovation Fund	<ul style="list-style-type: none"> • Objectives and modus operandi of the fund • Approved fund manual 	Bourns	Doug McLean (12 days)	April-July 2006
Launch Innovation Fund	<ul style="list-style-type: none"> • Request for proposals or other evaluation mechanism issued 	Bourns	Doug McLean (6 days), Fernandez	Sept. 2006
Technical review of proposals	<ul style="list-style-type: none"> • Select initiatives to support • Negotiate grant agreements 	Bourns	Review committee, Chalmers, Fernandez	Oct. 2006
Selection	<ul style="list-style-type: none"> • 4-5 initiatives selected for grant funding support 	Bourns	Review committee, Chalmers, Fernandez	Nov. 2006

4.3 IDENTIFY AREAS FOR INTERVENTION RELATED TO ENABLING ENVIRONMENT FOR RAF

AFIRMA’s work on the enabling environment under Tasks 4 and 5 is for the most part limited to the regulatory and supervisory framework under the LACP, federation strengthening, and collaboration and support for industry initiatives, to the exclusion of legal and policy issues such as collateral laws, contract enforcement, branch restrictions, restrictions on investment in government bonds, etc. This is mostly related to a need to prioritize scarce resources, and the reality of what AFIRMA would be able to accomplish on such complicated and large-scale issues. However, as Task 3 is further developed during and after the RAF workshop, such issues may need to be addressed, since they tend to be more important when discussing rural and/or agricultural finance. AFIRMA and USAID will reassess following the RAF workshop whether any legal/policy issues related to RAF have emerged as high-priority obstacles worthy of consideration for USAID/AFIRMA intervention, most likely in close coordination with other donors and GOM.

5. TASK 4 - STRENGTHEN THE REGULATORY ENVIRONMENT FOR MICRO- AND RURAL FINANCE

Under this task, AFIRMA will work with the *Comisión Nacional de Bancos y Valores* (CNBV) and Federation Committees to develop risk-based supervision appropriate to microfinance.

Fernando Fernandez will have primary responsibility for this task, and will coordinate with AFIRMA subcontractor **International Consulting Consortium** (ICC), a firm specialized in financial regulation and supervision in Latin America. At the request of the CNBV the assistance program will begin in 2006, initially to involve:

- **Work plan with the CNBV.** The Project will coordinate with the CNBV to develop technical assistance and training plans with the Federations.
- **Training program for Federations.** Based on initial diagnostics of the needs of federations, the project will mobilize ICC's **Ramon Rosales**, former Bank Superintendent in Peru and **Miguel Barba**, ICC Senior Legal Advisor, to work with the CNBV to design and deliver a training program for supervisors to whom the CNBV has delegated authority.

Based on planning with the CNBV in early 2006, the project will define other activities.

Table 18 – Regulation and Supervision of Microfinance

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources	Dates
Work plan with CNBV to prioritize assistance	<ul style="list-style-type: none"> • Finalized work plan 	Fernandez	Ramon Rosales (ICC, 6 days)	Feb 2006
Training program for Federations	<ul style="list-style-type: none"> • Diagnostic of federation training needs coordinated with the CNBV • Training materials for Federations on supervision of microfinance • Training delivered with CNBV 	Fernandez	Ramon Rosales (ICC, 15 days), Miguel Barba (ICC, 50 days)	Apr-Aug 2006

6. TASK 5 - STRENGTHEN THE MICRO- AND RURAL FINANCE INDUSTRY

The primary goals of this task are to promote microfinance sector initiatives in alliance with GoM agencies, such as PRONAFIM, Financiera Rural and Bansefi, or associations such as ProDesarrollo that will strengthen industry infrastructure and information. Activities under this task include supporting private sector stakeholders in microfinance, GoM initiatives, and other stakeholders.

In year 1, AFIRMA supported **ProDesarrollo** training initiatives, helped **PRONAFIM** plan a national conference to be held in October 2005, conducted a comprehensive diagnostic of **Financiera Rural**, and is coordinating with the **Banco de Mexico** (Central Bank) and the **CNBV** on options for improving credit information services in Mexico. AFIRMA subcontractor Ohio State University (OSU) also conducted a market study of the rural financial sector in Mexico. In year 2 activities under Task 5

will be along four main lines: market research, support of ProDesarrollo, support and work with GoM microfinance initiatives, credit information services.

6.1 MARKET RESEARCH

In Year 1, DAI subcontractor The Ohio State University (OSU) began a rapid assessment of the breadth and variety found in rural financial markets in Mexico. The assessment was conducted by a team of researchers from the Rural Finance Program at OSU led by Dr. Claudio Gonzalez-Vega, and including Rodolfo Quiros, Franz Gomez, and Carlos Alpizar. Based upon the results of the report, AFIRMA will:

- **Present findings of Rural Financial Assessment and facilitate discussion.** At the AFIRMA bi-annual meeting in January 2006, **Dr. Gonzalez-Vega** will lead a participatory discussion of research findings.
- **Determine follow-on research.** Following presentation of the study and feedback from participants, **Fernando Fernandez, Geoffrey Chalmers** and **Dr. Gonzalez-Vega** will determine priority areas for further investigation.

Table 19 – Market Research
Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources	Dates
Present findings of rural finance study	<ul style="list-style-type: none"> • Participatory discussion of findings with AFIRMA partners 	Fernandez	Geoffrey Chalmers, Claudio Gonzalez-Vega (5 days)	Jan 2006
Determine follow-on research	<ul style="list-style-type: none"> • Priorities for investigation • Research design 	Fernandez	Claudio Gonzalez-Vega (5 days)	Mar 2006

6.2 CREDIT INFORMATION SERVICES

In September 2005, DAI Credit Bureau Specialist Miguel Llenas conducted a diagnostic of credit information services in Mexico, which showed that credit information in Mexico is currently highly fragmented, controlled by major financial service providers, at high cost, and of limited use for MFIs given the current market structure.

Based upon the diagnostic, **Fernando Fernandez, Miguel Llenas** with support from **Nathanael Bourns** will work with the GoM, MFI partners and various private sector actors, ProDesarrollo, the IFC (which is planning to start a third credit bureau) and the World Bank to determine a plan of action to improve the credit information environment for microfinance and for **financial deepening in Mexico in general.**

AFIRMA's plans for this component are based in part upon results from meetings with USAID/Washington and The World Bank/IFC and ongoing consultations with the Banco de Mexico. The IFC has agreed in principle to hold an open bid for interested credit bureaus and USAID, the World Bank and the IFC have all agreed to coordinate on an education campaign for policy makers.

Initial plans include:

- **Consensus building / informational workshops.** **Miguel Llenas** in coordination with World Bank Credit Information Systems Expert **Margaret Miller** will present international best practices in credit information services at a series of closed workshops for different actors (due to the potentially sensitive nature of this effort). He will also present his findings from the diagnostic in Mexico and AFIRMA's recommendations.
- **Review of new draft law on credit information.** Banco de Mexico will share a draft law being developed to create a parallel legal structure under which credit information services could operate. AFIRMA will bring in **Nuria de la Peña** from subcontractor the Center for Economic Analysis of Law to analyze the proposed law together with a **local financial/legal specialist**.

Based upon results of the workshops and coordination with Banco de Mexico, the IFC and other actors, AFIRMA will determine next steps for this activity in March 2006. Options include advising the Banco de Mexico on steps to reform (based on request/demand from BM); awareness building among popular finance institutions (PFIs) on the uses of CBs and the pros/cons and considerations of investing in the new credit bureau.

Table 20 – Credit Information Services

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources	Dates
Consensus building workshops	<ul style="list-style-type: none"> • Series of workshops carried out • Refined approach to increasing access to credit information services 	Fernandez	Miguel Llenas (53 days)	Oct 2005 – July 2006
Review of new draft law provided by Banco de Mexico	<ul style="list-style-type: none"> • Review and recommendations on the draft law 	Fernandez	Nuria de la Pena (12 days)	Dec 2005

6.3 PRODESARROLLO

In year 2 AFIRMA will continue to work closely with ProDesarrollo, as one of the important permanent representatives of the microfinance sector in Mexico. The three broad activities planned for year 2 are continued support of training, compensation survey, and benchmarking, in addition to the consultant database (Table 13) and the credit information services activity (Table 20) described above.

- **Training program.** **Claudette Martinez** will coordinate the training program with ProDesarrollo. Building upon year 1 support of ProDesarrollo, the project will assist with three programs:
 - *Audit and Internal Control.* **Alejandro Guevara** and **Rafael Tejada** will continue to implement the practical follow-on to the audit and internal control training program they led in July 2005. This training approach, coupling classroom training with practical follow-up is likely to serve as a model for other training programs in Mexico.
 - *Fourth Latin-American Leadership Program.* AFIRMA is working with ProDesarrollo to strengthening this annual conference, which is the main training program organized by ProDesarrollo. In November, AFIRMA will sponsor the following highly regarded

international specialists: **Juan Buchenau, Sharon D'onofrio, Claudio Gonzalez-Vega, Susana Barton and Rochus Mommartz.**

- *Accounting workshop with two follow-up consultancy sessions.* Using the audit and internal control program as a model, during year 2 AFIRMA will support ProDesarrollo to work with a **local firm** and, possibly an **international specialist** (TBD) in accounting for microfinance, to develop training on accounting standards for microfinance and under the LACP. In addition to the obvious importance of this issue for MFIs, this effort will improve the quality of information reported to AFIRMA and other stakeholders.

Table 21 – ProDesarrollo training program

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources	Dates
Deliver conference on leadership	<ul style="list-style-type: none"> • Training held for about 70 participants, report • Course Material 	Martinez	Five Senior STTA (10 days each one), Ford Foundation	Nov 2006
Accounting Training programs	<ul style="list-style-type: none"> • Training curricula • Work plan 	Martinez	Local Firm with knowledge of LACP	Jan 2006
Delivery accounting training course and follow up consultancies.	<ul style="list-style-type: none"> • Training & consultancies completed • 8 strengthened MFIs' accountants and/or financial managers 	Martinez	STTA (30 days); Local firm or consultant ProDesarrollo Staff	Apr-Aug 2006

- **Compensation Study.** **Fernando Fernandez** will coordinate with ProDesarrollo and a **local firm** to design and conduct a study of compensation in the microfinance sector. This is an initiative that ProDesarrollo members have requested, and have shown openness to share institutional compensation data.

Table 22 – Microfinance compensation study

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources	Dates
Design Compensation Study	<ul style="list-style-type: none"> • Agreed principles and approach among partners and ProDesarrollo 	Fernandez	ProDesarrollo, Local firm	Jan 2006
Carry out Study	<ul style="list-style-type: none"> • Study completed 	Fernandez	Local Firm	Feb-Mar 2006

- **Microfinance performance benchmarking.** **Nathanael Bourns** and **Claudette Martinez** will work with ProDesarrollo in an effort to consolidate the MFI indicator reporting process into a single agreed-upon tool that incorporates international best practices with elements of accounting standards and CNBV charts of accounts. In this effort, AFIRMA will bring in **Tillman Bruett**, a Partner at Alternative Credit Technologies (ACT) who has played an important role in industry standardization of financial indicators, to ensure that the initiative is compliant with the latest international standards, as well as a local firm specialized in the LACP and CNBV charts of accounts.

Table 23 – Microfinance performance benchmarking

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources	Dates
Common Benchmarking Standards	<ul style="list-style-type: none"> • Common plan of action • Adjustments required to unify existing ProDesarrollo / AFIRMA tools 	Bourns	Claudette Martinez, Till Bruett (12 days), Finance specialist firm	Dec 2005 – Jan 2006
Benchmarking tool	<ul style="list-style-type: none"> • Agreed-upon tool implemented • Other agencies/donors agree to use the tool for their reporting requirements 	Bourns	Martinez, Bruett (12 days), Finance specialist firm	Feb-Dec 2006

6.4 SUPPORT GOM MICROFINANCE INITIATIVES

Fernando Fernandez will have primary responsibility for coordinating with GoM agencies, in close coordination with **Geoffrey Chalmers**. AFIRMA will remain responsive to GoM microfinance initiatives as they are likely to evolve by late 2006 with federal elections and a new government. Three initiatives are currently defined for year 2:

- **National Program for Finance of Microenterprises (PRONAFIM)**. **Fernando Fernandez** and **Willy Escobedo** have supported preparations for the annual PRONAFIM conference to be held in October 2005.
- **Financiera Rural**. – Based on recommendations of Miguel Davila and Robin Bell in year 1, AFIRMA will bring in **Mr. Davila** and HR specialist **Eliana Otondo** to design and deliver training courses for support a human resources training program for Financiera Rural.
- **Banco de Mexico**. **Fernando Fernandez** and **Miguel Llenas** will coordinate with the Central Bank on the credit information services activity.

AFIRMA will also seek to work with the government trust fund for rural development, FIRA as the project begins work under Task 3. Also, related to supporting GOM initiatives, AFIRMA will look into the possibility of supporting sector-driven initiatives to inform and educate GOM actors on micro and rural finance prior to and during the transition period to a new administration in 2006.

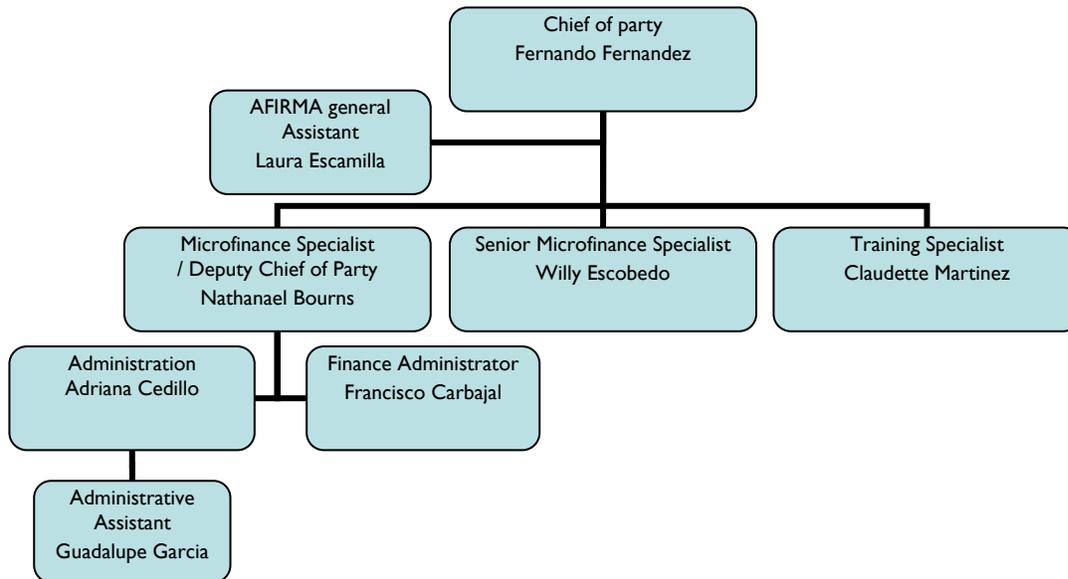
Table 24 – Support GoM Microfinance Initiatives

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources	Dates
PRONAFIM conference	<ul style="list-style-type: none"> • Conference • Follow-on activities with Pronafim 	Fernandez	Willy Escobedo, Robin Young (3 days),	Oct 2005
Financiera Rural	<ul style="list-style-type: none"> • Human resources training program 	Martinez, Fernandez	Miguel Davila (20 days) Eliana Otondo (20 days)	June 2006
Banco de Mexico	<ul style="list-style-type: none"> • Coordination on credit information services initiative 	Fernandez	Miguel Llenas (outlined above)	Nov 2005 – Mar 2006

7. PROJECT MANAGEMENT

Fernando Fernandez has primary responsibility for working with USAID to guide the technical activities outlined above towards the stated project goals, ensuring that AFIRMA responds proactively to market trends and project partner needs. He also has primary responsibility for managing the AFIRMA project team, as structured in the diagram below.



7.1 PROJECT ADMINISTRATION

- **Contracts.** Within the AFIRMA office, **Nathanael Bourns** has primary responsibility for coordinating with the USAID/EI Salvador contracts office on project contractual and budgetary issues. He is also responsible for coordinating with DAI Senior Contracts Specialist **Stephen MacLeod**, responsible for the AFIRMA contract within DAI's home office. Mr. Bourns, with support from AFIRMA Office Manager **Adriana Cedillo** handles the project's issuance of contracts and purchase orders for technical work with local firms and individuals.
- **General Office Administration.** **Adriana Cedillo** is responsible for overall office administration, handling relationships with service providers to AFIRMA, local employee contracts, and compliance with applicable local laws and regulations.
- **AFIRMA Financial Reporting.** **Francisco Carbajal**, in coordination with **Adriana Cedillo** and **Nathanael Bourns**, will be responsible for producing AFIRMA's financial reports delivered to DAI home office on a weekly basis.
- **Home office project support.** AFIRMA will continue to coordinate on a daily basis with Home Office Associate **Brooke Jones**. Ms. Jones also will assist AFIRMA in November with transition to the Oracle ERP system, and will review the AFIRMA operating manual. "Home Office" Technical Backstopper **Robin Young** (from her home in Costa Rica) will support AFIRMA while **Hillary Miller-Wise** (based at DAI/Bethesda) is on maternity leave into early 2006, reviewing project reports, contract deliverables and identifying consultants for technical assignments.

- **Management Visit.** Economics, Business and Finance Group Vice President **Robert Dressen** will visit Mexico in mid-2006 to discuss progress towards project implementation and meet with USAID and the project staff. AFIRMA team will take advantage of Mr. Dressen’s visit to review mid-year progress towards implementation of the year 2 work plan.

7.2 AFIRMA BI-ANNUAL PARTNER MEETINGS AND TECHNICAL WORKSHOPS

At the AFIRMA retreat on August 25, the team reaffirmed the value of holding regular meetings to share lessons learned, market information, performance indicators, and to plan and prioritize joint initiatives. However, it was also recognized that our partners are currently required to attend too many meetings and conferences, so AFIRMA will hold less frequent general meetings (quarterly meetings were originally planned), and hold technical workshops as opportunities/needs present themselves. Meetings will be participatory whenever possible, and AFIRMA will obtain regular and systematic feedback from participants.

Adriana Cedillo will support **Claudette Martinez** and the AFIRMA team to organize the following meetings:

- **January 2006 AFIRMA bi-annual meeting.** **Claudio Gonzalez-Vega** will present findings from the OSU market study in a participatory style, **Miguel Llenas** will present the credit information services activity, and **Nathanael Bourns** will present the performance monitoring information.
- **Technical Workshops.** Based on interest and recommendations obtained at the January bi-annual meeting, AFIRMA will consider holding one or more workshops on technical topics of interest/importance to partners. These will be interactive workshops, aimed at mid or mid-high managers, and will be based on models of peer-learning in which peers learn from each other on specific technical topics. Specific topics will be selected based on MFI priorities (one initial idea could be a workshop related to LACP and options), and participation would be non-mandatory.
- **AFIRMA Bi-annual meeting and planning Workshop.** In July 2006, AFIRMA will hold a group planning workshop to prioritize industry-level initiatives for year 3.

Table 25 – AFIRMA bi-annual meetings and technical workshops

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources	Dates
AFIRMA Bi-annual meeting	<ul style="list-style-type: none"> • Market study, credit bureau, and performance monitoring results presented • First Technical workshop defined 	Martinez, Cedillo	AFIRMA Team, Claudio Gonzalez-Vega (5 days), Miguel Llenas,	Jan 2006
Technical Workshop	<ul style="list-style-type: none"> • Technical content presented 	Martinez, Cedillo	TBD	TBD
AFIRMA Bi-annual meeting and planning workshop	<ul style="list-style-type: none"> • Technical Presentations of project results • Participatory plan for Industry-level priorities in year 3 	Martinez, Cedillo	AFIRMA Team	Aug 2006

7.3 PERFORMANCE MONITORING AND REPORTING

Nathanael Bourns will maintain primary responsibility for performance monitoring and coordinating AFIRMA reporting to USAID, working closely with **Claudette Martinez** and DAI Consultant **Francisco Hernandez** on Task I reporting, which is most intensive. In addition to reporting established in the performance monitoring plan, Mr. Bourns will work with the team to write up instances in which the project has had success in implementation that should be shared widely.

Table 26 – Performance monitoring and reporting

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources	Dates
Quarterly and Annual Reports	<ul style="list-style-type: none"> • Reports completed: Jan 30, Apr 30, July 30, Oct. 30 (annual) • MRR reporting 	Bourns	AFIRMA Team	Quarterly
Technical Performance Monitoring	<ul style="list-style-type: none"> • Implement Performance Management Plan 	Bourns	Claudette Martinez, Francisco Hernandez (30 days)	Quarterly
Year 3 Work Plan	<ul style="list-style-type: none"> • Approved Work Plan 	Bourns	AFIRMA Team, Geoffrey Chalmers	Nov-Dec 2006

8. ANNEX A – CONSOLIDATED ACTIVITIES CHART

Table 27 – Consolidated Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources	Dates
Task I - AISol				
Strategic and operational planning	<ul style="list-style-type: none"> Final AISol Strategic and Business Plan Planning process strengthened 	Bourns	Reuben Summerlin	Nov. 2005
Operational Adjustments / training of New Ops Manager	<ul style="list-style-type: none"> New Operations Manager trained Products and processes adjustments implemented 	Bourns	Summerlin, mid-level consultant (possibly resident, TBD)	Jan. – Dec. 2006
Audit and internal control	<ul style="list-style-type: none"> Improved internal controls Format for contracting external audit 	Bourns	Alejandro Guevara (5 days)	Dec. 2005
Legal Structure & Transformation to SOFIPO	<ul style="list-style-type: none"> Cost-Benefit analysis of transformation to SOFIPO Legal Transformation Plan and proposed capital structure 	Bourns	Local firm - specialist in LACP (est. \$15,000)	Dec. 2005 – Jan. 2006
Task I – AMUCSS				
Continue implementation of operational and financial management standards	<ul style="list-style-type: none"> Common accounting, information management, and internal control standards established across the <i>redes de microbancos</i> 	Escobedo	Martin Yedra (210 days), Rafael Tejada (98 days) ,	Oct. 2005 – Dec. 2006
MIS Implementation	<ul style="list-style-type: none"> System implemented in all microbancos 	Escobedo	Local firm CTI	Oct-Dec 2005
Strategic and operational planning	<ul style="list-style-type: none"> Final AMUCSS Strategic Plan Planning process strengthened 	Escobedo	John Magill (30 days)	Nov. 2005
Clarify Structure and Governance	<ul style="list-style-type: none"> Organizational structure appropriate for AMUCSS determined 	Escobedo	John Magill (10 days), Local jr.(30 days)	Feb. – Mar. 2006
Training	<ul style="list-style-type: none"> Management training courses completed by all microbanco managers 	Martinez, Escobedo	Contract with local firm FINDES	Oct 2005 -Feb 2006
Task I – CADEMI				
Strategic and Business planning	<ul style="list-style-type: none"> 5-year Strategic and business plan Financial projections 	Fernandez	Liliana Botega (20 days), Fernando Fernandez	Dec 2005
Credit methodology and product adjustments	<ul style="list-style-type: none"> Adjustments to existing group lending product and methodology 	Fernandez	Ramiro Carrasco (20 days)	Jan - 2006
Develop individual lending product	<ul style="list-style-type: none"> New individual lending product developed based on client and CADEMI needs 	Fernandez	Ramiro Carrasco (45 days), resident consultant (TBD, 1 year)	May 2006
Internal Control Improvements	<ul style="list-style-type: none"> Implementation of recommendations made by Tejada in Year I 	Fernandez	Rafael Tejada (15 days)	Nov. 2005
Analysis of legal transformation options	<ul style="list-style-type: none"> Cost-Benefit analysis of transformation to SOFIPO 	Fernandez	Local LACP Firm /consultant	Sept. 2006
Task I – Caja Libertad				
Microcredit product development	<ul style="list-style-type: none"> Pilot product Roll-out of refined microcredit product 	Fernandez	Bell (60 days), Local junior consultant (120 days), Escobedo	Oct 2005 – Oct. 2006
Risk Management Unit	<ul style="list-style-type: none"> Risk management unit established within the CL organizational structure 	Fernandez	Max Errazuriz (20 days)	Feb-April 2006
Remittances product feasibility	<ul style="list-style-type: none"> Feasibility analysis of adding a remittances product Financial projections 	Fernandez	John Magill (24 days)	Mar 2006

Task I – CAME				
FinMas System implementation	<ul style="list-style-type: none"> System fully implemented and functioning in headquarters and all branch offices 	Escobedo	Miguel Garcia (45 days)	Nov –Dec 2005
Operational Growth Strategy	<ul style="list-style-type: none"> Operational plan consistent with CAME's strategic plan Methodology for expansion and branch opening 	Escobedo	Microfinance Operations specialist TBD (20 days)	Dec 2005
Credit methodology adjustments	<ul style="list-style-type: none"> Improved client retention 	Escobedo	Liliana Botega (44 days)	Nov – April 2006
Legal Structure & Transformation to SOFIPO	<ul style="list-style-type: none"> Cost-Benefit analysis of transformation to SOFIPO 	Escobedo	Local firm specialist in LACP	June – July 2006
Task I – Compartamos				
Increase Efficiency and Productivity	<ul style="list-style-type: none"> Operational efficiency improved Loan officer productivity increased 	Bourns	Monica Brand (10 days), Wilmer Guevara (180 days)	Oct. 2005 – June 2006
Internalize process for new product development	<ul style="list-style-type: none"> Operational staff trained on the process for new product development 	Bourns	Brand (15 days), Mery Solares (15 days), Raul Gomez (15 days)	Oct – Dec . 2005
Develop housing improvement loan product	<ul style="list-style-type: none"> Internal process for product development applied Housing product developed 	Bourns	Brand (15 days), Mery Solares (35 days), Raul Gomez (25 days)	Jan. 2005 – June 2006
Task I – Despeno				
Strategic and Business planning	<ul style="list-style-type: none"> 5-year Strategic and business plan Financial projections 	Fernandez	Ignacio Estevez (20 days), Escobedo	Dec 2005
Credit methodology and product adjustments	<ul style="list-style-type: none"> Adjustments to microcredit product and methodology Review of agricultural lending operations 	Fernandez	Ignacio Estevez (40 days), Local consultant (60 days)	Nov. 2005 – Jan 2006
Audit and internal control	<ul style="list-style-type: none"> Improved internal controls Format for contracting external audit 	Fernandez	Rafael Tejeda (5 days)	Oct. 2005
Human resources strategy	<ul style="list-style-type: none"> Institutional training plan HR strategy for microfinance 	Fernandez	Eliana Otondo (12 days)	Oct. 2005
Study Tour	<ul style="list-style-type: none"> Observational study tour in Bolivia for microcredit team. 	Martinez	15,000 training budget	Oct 2005
Management Information Systems	<ul style="list-style-type: none"> System needs definition 	Fernandez	Carlos Paredes (18 days)	June 2006
Task I – FIMEDER				
Strategic planning	<ul style="list-style-type: none"> Strategic and business plans Management trained on planning process 	Escobedo	Max Errazuriz (30 days)	Nov. 2005
HR administration	<ul style="list-style-type: none"> New HR manuals and processes implemented 	Escobedo	Vayda Sosa (20 days)	Sept-Oct. 2005
Pilot Individual Lending Product	<ul style="list-style-type: none"> Pilot product launched and tested 	Escobedo	Vicente Avalos (30 days)	Jan-Mar 2006
Task I – FINCA Mexico				
Train operational staff and new operations manager	<ul style="list-style-type: none"> New Operations manager trained, managing operations Operational staff trained on methodology and new products 	Escobedo	Johnny Velasco (1 year resident)	Nov 2005 – Oct. 2006
IT support and planning	<ul style="list-style-type: none"> Recommended data security systems implemented 	Escobedo	Carlos Paredes (22 days)	Nov 2005
Activity-based costing system	<ul style="list-style-type: none"> Costing system designed and implemented 	Escobedo	Milagros Chiappe (20 days)	June 2006
Individual lending product	<ul style="list-style-type: none"> Individual product developed, tested and rolled out to branches. 	Escobedo	TBD	Aug 2006
Legal Structure & Transformation to SOFIPO	<ul style="list-style-type: none"> Cost-Benefit analysis of transformation to SOFIPO 	Escobedo	Luis Felipe Lizarraga (15 days)	July 2006
Task I – FinComún				
Strategic and Business planning	<ul style="list-style-type: none"> 5-year Strategic and business plan Financial projections 	Escobedo	Luis Noel Alfaro (60 days)	Oct. 2005

Activity-based costing system	<ul style="list-style-type: none"> Costing system implemented with FinComun's new MIS 	Escobedo	Milagros Chiappe (12 days)	Oct. 2005 & Jun 2006
Credit methodology and product improvements	<ul style="list-style-type: none"> Adjustments to existing group lending product and methodology 	Escobedo	Michael Steidl (38 days)	Oct. 2005
Risk management unit	<ul style="list-style-type: none"> Risk management unit established and functioning 	Escobedo	Max Errazuriz (30 days)	Feb 2006
Task 1 – Fondo 5 de Mayo				
Strategic and Business planning	<ul style="list-style-type: none"> 5-year Strategic and business plan w/ Financial projections Training on planning processes and tools 	Bourns	Alex Silva (24 days), Robin Young (24 days)	Oct.-Dec 2005
Train operational staff products and methodologies	<ul style="list-style-type: none"> All operational staff trained on methodology and new products 	Bourns	Hector Cisneros (1 year resident)	Nov 2005–Oct. 2006
IT support and planning	<ul style="list-style-type: none"> Planning for system adjustments or new system 	Bourns	Gabor Simon (18 days)	Dec 2005
Activity-based costing system	<ul style="list-style-type: none"> Costing system designed and implemented 	Bourns	Milagros Chiappe (20 days)	June 2006
Individual lending product	<ul style="list-style-type: none"> Individual product developed, tested and rolled out to branches. 	Bourns	Young (30 days), Cisneros, Escobedo	Dec 2005 – Mar 2006
Legal Structure & options	<ul style="list-style-type: none"> Cost-Benefit analysis of transformation to SOFIPO or other legal structure under the LACP 	Bourns	Luis Felipe Lizarraga (15 days) or local firm	Aug 2006
Task 1 – ProMujer Mexico				
Marketing Strategy	<ul style="list-style-type: none"> Adjustments to microcredit product and methodology Review of agricultural lending operations 	Bourns	Hillary Miller-Wise (30 days), Brooke Jones (15 days), SERTA (\$25,000)	Nov. 2005 – May 2006
Human resources strategy	<ul style="list-style-type: none"> Institutional training plan HR strategy for microfinance 	Bourns	Eliana Otondo (18 days)	Nov. 2005
Strategic Planning	<ul style="list-style-type: none"> AFIRMA's role in ProMujer México strategy 	Bourns	Bourns	Dec. 2005
MIS support and planning	<ul style="list-style-type: none"> TBD 	Bourns	Gabor Simon or Carlos Paredes, or TBD	Jan. 2006
Back office processes	<ul style="list-style-type: none"> Administrative Manual 	Bourns	MFI Admin Specialist & Local firm	Dec 2005-Feb 2006
Task 2 – Local consultants database				
Identify consulting / training firms interested in providing TA and Training to MFIs	<ul style="list-style-type: none"> Database of TA&T service providers Possible target recipients of MTT program 	Martinez	IT Firm, Local junior database specialist, ProDesarrollo Staff	Nov 2005
Contracting Workshop	<ul style="list-style-type: none"> MFI Participants trained on how to contract technical & management services 	Martinez	Contracts specialist (TBD 15 days)	Mar 2006
Task 2 – Microfinance training of trainers program				
Evaluate consulting and training firms	<ul style="list-style-type: none"> Topics to prepare training curricula for MTT program Diagnostic of training and consulting firms 	Martinez	Ricardo Calvo (Acción, 18 days)	Nov-Dec 2005
Design of training curricula for MTT program and training toolkit	<ul style="list-style-type: none"> Training program curriculum Pilot course for providers 	Martinez	Ricardo Calvo, Susana Barton (Acción) and junior to mid-level local consultant.	January 2006
Deliver pilot MTT program	<ul style="list-style-type: none"> TA&T firms (at least 20 consultants and/or trainers of these institutions) with better microfinance understanding. 	Martinez	Accion, senior consultant. Local contract with University / Training firm.	February 2006
Design and deliver training toolkit for courses of MTT program	<ul style="list-style-type: none"> MTT program for providers TA&T firms strengthened (at least 20 consultants and/or trainers of these institutions). 	Martinez	Subcontract with Accion. Ricardo Calvo (senior), Susana Barton (senior) and junior to middle consultant.	March-Sept 2006
Task 2 – Mentoring program				

Design program operational manual	<ul style="list-style-type: none"> • Approved manual of Mentoring program • Agreed upon work plan with institutions involved • Candidate Profile • Application and selection process • Draft of microfinance training design 	Fernandez and Martinez	Bonnie Kliggerman (18 days), OSU-CIDE TIES program STTA TBD	Oct 2005-Feb 2006
Memorandum of understanding with selected institutions.	<ul style="list-style-type: none"> • Action plan in coordination with the OSU-CIDE TIES program • Agreements other institutions, programs 	Martinez		Jan-Feb 2006
First application and selection process (MP 2006)	<ul style="list-style-type: none"> • Shortlist of candidates (at least 30 persons) for microfinance training. 	Martinez	OSU-CIDE TIES program	Feb-March 2006
Delivery of microfinance training program.	<ul style="list-style-type: none"> • Training • List of selected juniors consultants to MP program 2006-2007(at least 20 consultants) 	Martinez	OSU-CIDE TIES Hillary Miller-Wise (24 days), Other STTA TBD	April 2006
Practical implementation - field work (MP)	<ul style="list-style-type: none"> • Agreements • Juniors consultants working with AFIRMA MFI partners 	AFIRMA technical team	Contract qualifying candidates as local consultants	May-Dec 2006
Task 3 – Rural and Agricultural Finance Workshop				
Adjust RAF workshop material for Mexico	<ul style="list-style-type: none"> • Curricula of RAF Workshop adjusted for practitioners and donors • Final training too kit of RAF workshop, ready to be replicated 	Bourns	Geoffrey Chalmers, Young (15 days), Quiros (15 days), local consultant (30 days) translator	Nov 2005-Mar 2006
Deliver workshop	<ul style="list-style-type: none"> • RAF Workshop held • List of possible actors to establish joint ventures to develop this task. 	Bourns	Robin Young (5 days), Rodolfo Quiros (5days), local consultant (5 days)	April 2006
Design of program plan	<ul style="list-style-type: none"> • Approved action plan to identify and set up innovation projects 	Bourns	Geoffrey Chalmers, AFIRMA Team	May 2006
Task 3 – Design and launch Innovation Fund				
Design Innovation Fund	<ul style="list-style-type: none"> • Objectives and modus operandi of the fund • Approved fund manual 	Bourns	Doug McLean (12 days)	June-July 2006
Launch Innovation Fund	<ul style="list-style-type: none"> • Request for proposals or other evaluation mechanism issued 	Bourns	Doug McLean (6 days), Fernandez	Sept. 2006
Technical review of proposals	<ul style="list-style-type: none"> • Select initiatives to support • Negotiate grant agreements 	Bourns	Review ctte, Chalmers, Fernandez	Oct. 2006
Selection	<ul style="list-style-type: none"> • 4-5 initiatives selected for grant funding support 	Bourns	Review Ctte, Chalmers, Fernandez	Nov. 2006
Task 4 – Regulation and Supervision of Microfinance				
Work plan with CNBV to prioritize assistance	<ul style="list-style-type: none"> • Finalized work plan 	Fernandez	Rosales (ICC, 6 days) Chalmers	Feb 2006
Training program for Federations	<ul style="list-style-type: none"> • Training materials for Federations on supervision of microfinance • Training delivered with CNBV 	Fernandez	Ramon Rosales (ICC, 15 days), Miguel Barba (ICC, 50 days)	Apr-Aug 2006
Task 5 –Market research				
Present findings of rural finance study	<ul style="list-style-type: none"> • Participatory discussion of findings with AFIRMA partners 	Fernandez	Chalmers, Gonzalez-Vega (5 days)	Jan 2006
Determine follow-on research	<ul style="list-style-type: none"> • Priorities for investigation • Research design 	Fernandez	Claudio Gonzalez-Vega (5 days)	Mar 2006
Task 5 – Credit information services				
Consensus building workshops	<ul style="list-style-type: none"> • Series of closed workshops carried out • Refined approach to increasing access to useful credit information services 	Fernandez	Miguel Llenas (53 days)	Oct 2005 – Mar 2006
Review draft law provided by Banco de Mexico	<ul style="list-style-type: none"> • Review and recommendations on the draft law 	Fernandez	Nuria de la Pena (12 days)	Dec 2005

Task 5 – ProDesarrollo training program				
Deliver conference on leadership	<ul style="list-style-type: none"> • Training held, Training program report • Course Material 	Martinez	5 Senior STTA (10 days each) ProDesarrollo, Ford Foundation	Nov 2006
Design of training programs: Accounting Training & Conference on Leadership	<ul style="list-style-type: none"> • Training curricula • Work plan 	Martinez	ProDesarrollo Staff, Local Firm with knowledge of LACP	Jan 2006
Delivery accounting training course and follow up consultancies.	<ul style="list-style-type: none"> • Training held & Follow up consultancies carried out. • +/- 8 strengthened MFIs' accountants and/or financial managers 	Martinez	STTA (30 days); Local firm or consultant, ProDesarrollo Staff	Apr-Aug 2006,
Task 5 – Microfinance Compensation study				
Design Compensation Study	<ul style="list-style-type: none"> • Agreed principles and approach among partners and ProDesarrollo 	Fernandez	ProDesarrollo	Jan 2006
Carry out Study	<ul style="list-style-type: none"> • Study completed 	Fernandez	ProDesarrollo, Local Firm	Feb-Mar 2006
Task 5 – Microfinance performance benchmarking				
Common Benchmarking Standards	<ul style="list-style-type: none"> • Common plan of action • Adjustments required to unify existing ProDesarrollo / AFIRMA tools 	Bourns	ProDesarrollo, Martinez, Bruett (12 days) LACP/Finance specialist	Dec 2005 – Jan 2006
Benchmarking tool	<ul style="list-style-type: none"> • Agreed-upon tool implemented • Other agencies/donors agree to use the tool for their reporting 	Bourns	ProDesarrollo, Martinez, Bruett (12 days) LACP/Finance specialist firm	Feb-Dec 2006
Task 5 – Support GoM Microfinance initiatives				
PRONAFIM conference	<ul style="list-style-type: none"> • Conference • Follow-on activities with Pronafim 	Fernandez	Willy Escobedo, Robin Young (3 days),	Oct 2005
Financiera Rural	<ul style="list-style-type: none"> • Human resources training program 	Martinez, Fernandez	Davila (20 days), Otondo (20 days),	June 2006
Banco de Mexico	<ul style="list-style-type: none"> • Coordination on credit information services initiative 	Fernandez	Miguel Llenas (outlined above)	Nov 2005 – Mar 2006
Project Management – AFIRMA bi-annual meetings and technical workshops				
AFIRMA Bi-annual meeting	<ul style="list-style-type: none"> • Market study, credit bureau, & performance results presented • First Technical workshop defined 	Martinez, Cedillo	AFIRMA Team, Claudio Gonzalez-Vega (5 days), Miguel Llenas,	Jan 2006
Technical Workshop	<ul style="list-style-type: none"> • Technical content presented 	Martinez, Cedillo	TBD	TBD
AFIRMA Bi-annual meeting and planning workshop	<ul style="list-style-type: none"> • Technical Presentations of project results • Participatory plan for Industry-level priorities in year 3 	Martinez, Cedillo	AFIRMA Team	Aug 2006
Project Management – Performance monitoring and reporting				
Quarterly and Annual Reports	<ul style="list-style-type: none"> • Reports completed: Jan 30, Apr 30, July 30, Oct. 30 (annual) • MRR reporting 	Bourns	AFIRMA Team	Quarterly
Technical Performance Monitoring	<ul style="list-style-type: none"> • Implement Performance Management Plan 	Bourns	Martinez, F. Hernandez (30 days)	Quarterly
Year 3 Work Plan	<ul style="list-style-type: none"> • Approved Work Plan 	Bourns	AFIRMA Team, Geoffrey Chalmers	Nov-Dec 2006

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