

**Performance Report – 3rd Quarter  
July 1, 2008 – September 30, 2008  
GER (Growing Entrepreneurship Rapidly) Initiative, Mongolia**

**Contractor:** CHF International  
**Cooperative Agreement #:** 438-A-00-02-00017-00  
**Reporting Period:** July 1, 2008 – September 30, 2008

## **A. Background**

The Growing Entrepreneurship Rapidly (GER) Initiative improves the quality of life of low- and medium-income families in the Ger and rural areas by providing business development and employment services. The GER Initiative began in the peri-urban Ger Areas of Darkhan in August 2002, Erdenet in March 2003, Ulaanbaatar in June 2003, and Choibalsan in July 2004. GER expanded in spring of 2006 to include Bulgan Aimag, Selenge Aimag, Tov Aimag, Baganuur, and Ulgii.

The GER Initiative works with a variety of private sector partners to facilitate its business and employment services. Local banks partner with GER to provide entrepreneurs with access to credit. Medium and large businesses are partners in the program's employment training, employment matching, and business-to-business linkages. GER also collaborates with local, private, and government business support services to develop their capacity and promote the sustainability of services.

## **B. Expected results at the conclusion of the contract**

- Improved capacity of peri-urban residents to initiate and expand businesses by providing demand-driven business development services and business training
- Increased access to business information, financial resources, and employment opportunities
- Strengthened capacity of local institutions and development stakeholders to support the demand-driven and commercially oriented needs of the target population

## **C. Current core activities**

### **1. BDC client recruitment**

As shown in Table 1 below, 811 new clients registered for services this quarter, down 39% from last quarter. GER has registered 45,744 clients over the LOP, of which 20,833 (46%) are business clients, 19,518 (43%) are employment clients, and 5,393 (12%) are "other"<sup>1</sup> clients.

Of the clients who registered this quarter:

44% registered as current or future business owner<sup>2</sup> (down from 46% last quarter)  
49% registered for employment services (up from 30% last quarter)  
7% registered for "other" services (down from 24% last quarter)

Of the new clients, 58% are female, up from 57% last quarter.

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<sup>1</sup> "Other" refers to Ger Area people who are interested in services unrelated to business or employment (i.e. information on Mongolian laws or how to register as a citizen).

<sup>2</sup> A future business owner is a new category to capture clients who want business services but are not yet business owners.

	<b>Clients</b>	<b>Male</b>	<b>Female</b>	<b>Avg. Ger Time (Yr.)</b>	<b>Avg. Age</b>	<b>Disabled</b>
Business Owner	200	82	118	12	39	7
Employment Client	395	184	211	12	27	0
Future Business Client	158	62	96	10	36	0
Other	58	14	44	11	39	0
<b>Total</b>	<b>811</b>	<b>342</b>	<b>469</b>	<b>11</b>	<b>35</b>	<b>7</b>

The table below summarizes the types of businesses operated by GER’s newly registered clients. As expected, the Producers replaced Traders as the largest segment of new clients. This is an annual trend that marks the start of the growing season.

<b>Sector</b>	<b>Number<sup>3</sup></b>	<b>%</b>
Producers	84	42%
Services	58	29%
Traders	58	29%
<b>Total</b>	<b>258</b>	<b>100%</b>

Within each sector, the most prevalent newly registered business types were:

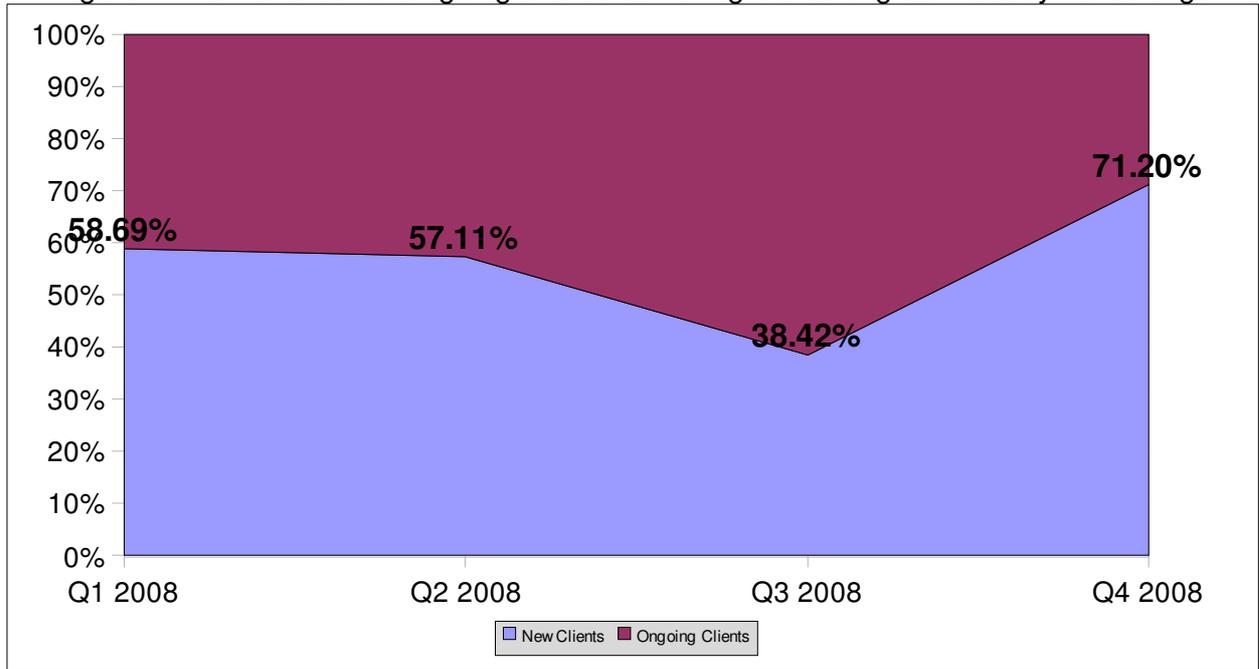
- Agriculture 65% of Producers (up from 46% in quarter 2)
- Repair 22% of Services (overtaking Transportation from quarter 2)
- Consumer Retail 47% of Traders (up from 58% in quarter 2)

## **2. Business Consulting**

GER Initiative business advisors provide one-on-one consulting on topics that are directly related to clients’ businesses. This quarter, 191 clients benefited from 248 consultancies. As the following graph indicates, ongoing clients increased to 71% of those receiving consultations. Typically, ongoing clients comprise 60% of GER’s consulting clients. The number of ongoing clients was 136 this quarter, as in the third quarter. New clients, however, decreased from 218 in quarter three to 55 in quarter four; resulting in the increased percentage of ongoing clients. This change is likely due to the reduced outreach activities during the transition of services from CHF to Development Solutions. The number of new clients should improve in Q1 FY2009 as CHF and Development Solutions launch new outreach activities.

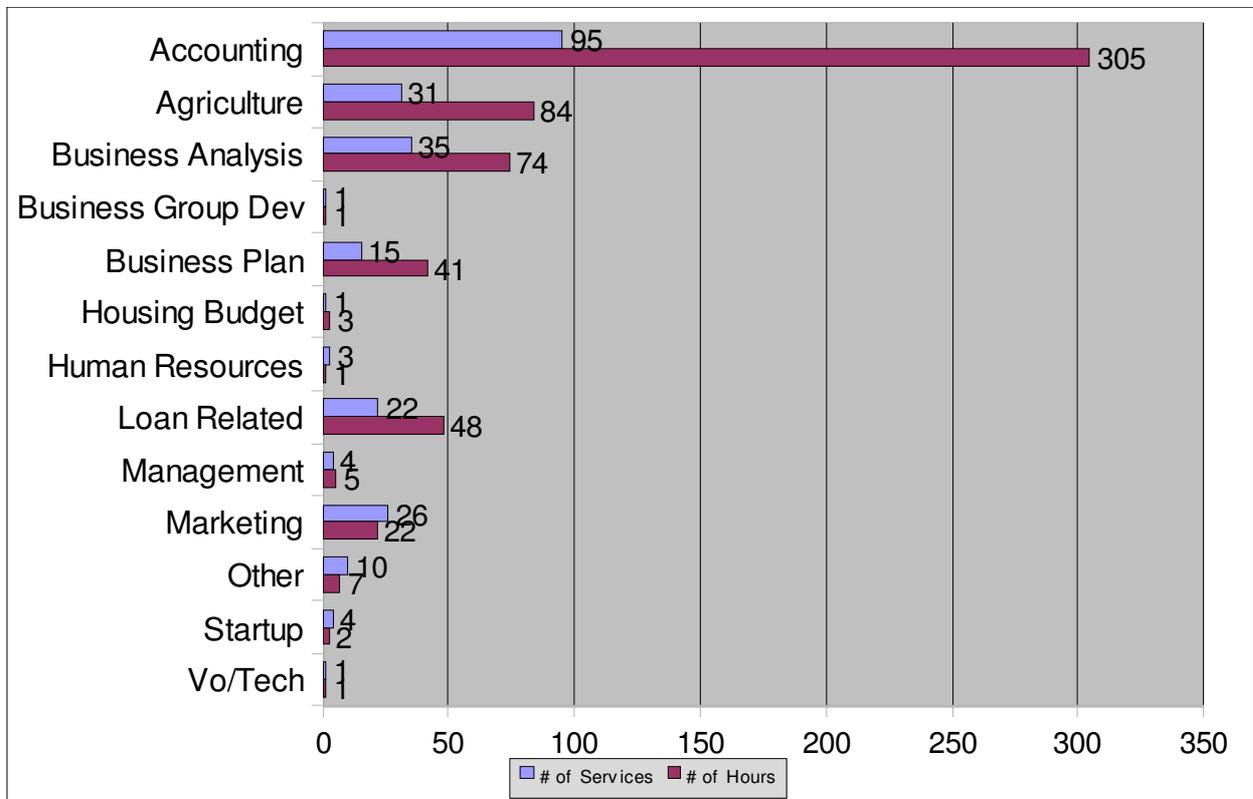
<sup>3</sup> The number of businesses may be greater than the number of business owner clients because many GER clients operate more than one business.

Figure 1: New Clients vs. Ongoing Clients Obtaining Consulting Services by Percentage



The graph below details the demand for each type of consulting service provided. Business consulting decreased overall by 45% in quarter four compared to the previous quarter, as most businesses were busy during the agriculture high season. Marketing consultancies was the only exception, increasing by 53% compared to last quarter.

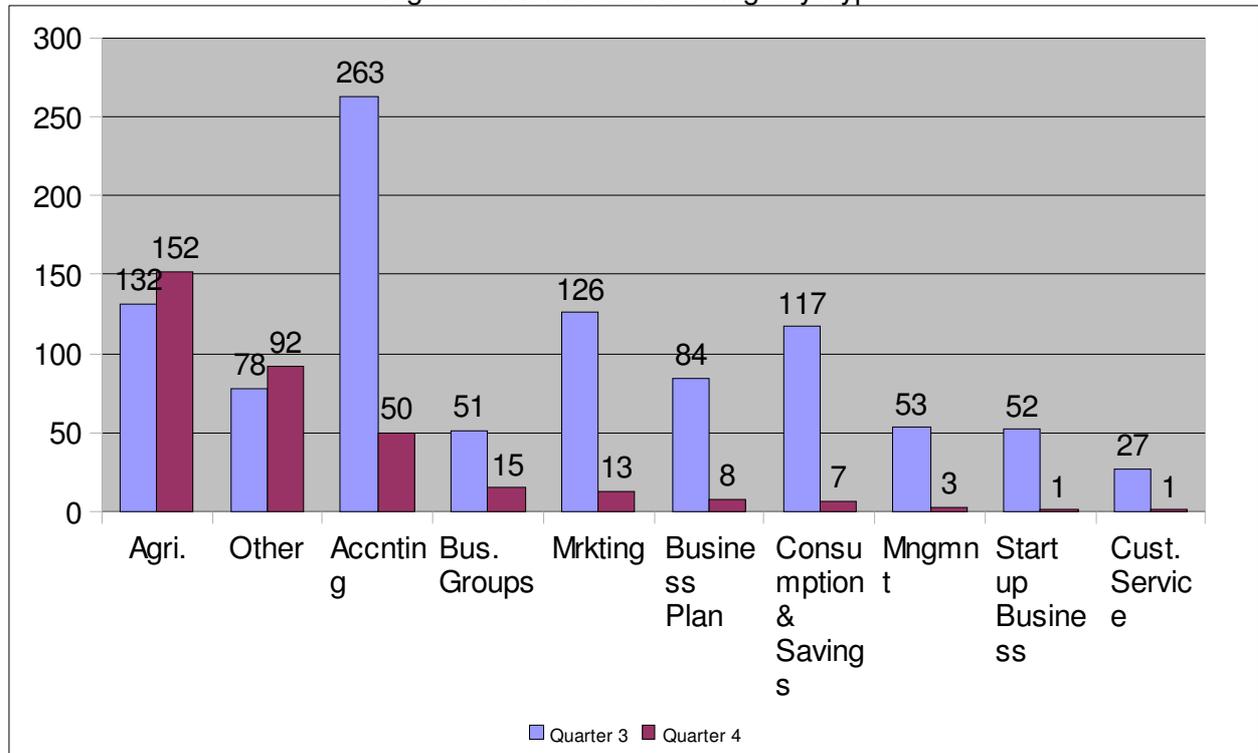
Figure 2: Consulting Services Provided



### 3. Business Training

GER provided 342 business trainings to 204 clients this quarter. Figure 3 compares the types of trainings for Q4 2008 and Q3 2008. Trainings Services continued to fall in Q4 due in large part to the decreased availability of bank lending. Clients are less likely to invest time in training if financial resources are not available to implement the lessons learned from the training. Agriculture related trainings were the only training types to increase during Q4, largely due to the spring season.

Figure 3: Number of Trainings by Type



This quarter, GER provided two different trainings for Norwegian Lutheran Mission's (NLM) agricultural clients in UB and remote districts of UB, including Nalaikh and Bagakhangai. A total of 42 clients attended the "Cherishing Vegetable, Protecting Vegetable from Insect" training and each training at each site lasted three hours. The attendees were very active during the training, especially in remote districts, due to the lack of agricultural professionals in their community. Secondly, a total of 45 clients attended the "Vegetable Preserving" practical training; each training at each site lasted six hours. The clients were taught how to make six different types of pickles, jams and dishes using common vegetables and waste parts of carrots and beets, which people used to discard.

In Zuunmod, GER provided two agriculture trainings to six clients who grow vegetables for both household and business purposes: the "Cherishing Vegetable, Protecting Vegetable from Insects" and the "Building Storage" trainings. At the first training, the trainees were taught how to care for and protect plants from insects. The second training taught how to choose the right location and the right soil for the construction of under or above ground storage as well as what materials should be used for construction.

In Ulgii, GER organized a sixteen-hour "Chicken Raising" training for six clients who were interested in running chicken farming businesses from Ulaankhus soum, 40 km from Ulgii. The training was both theoretical and practical. The theoretical training included how to raise, maintain, feed, house, breed and vaccinate chickens, and nurse chicks. As part of the practical training, the trainees visited two chicken farms where the farmers shared their experience and gave practical advice.

In Erdenet, GER organized the "Financial Statements Preparation" training for micro enterprise accountants. Seven clients attended the five and a half day training. On the last day of the training,

Orkhon aimag's Tax Department inspectors participated and provided an explanation on renewed tax laws and recent code revisions. The trainees expressed satisfaction with the training program. During the training, practical exercises were taught in conjunction with theory so that the trainees could immediately implement the new skills they learned.

At the request of Bulgan Soum Government Office of Bulgan aimag, GER organized vocational training for restaurant wait staff. The focus of the training was to improve the service and atmosphere of cafés, restaurants, and hotels in order to attract a greater number of customers and increase these businesses' income. Nine employees from local restaurants and cafés attended the one-day training and gained skills and knowledge that they previously did not have, including regulations on how to set a table for a reception, behavioral requirements, communication standards, and general customer service standards. This training was significant due to the fact that it corresponded with Bulgan's goal of using 2008 as a year for cultural development, as well as the 70th anniversary of Bulgan aimag.

Also in Bulgan, GER provided the Agriculture Training for World Vision clients. The training had two parts: Vegetable Preserving and Storage Building. A total of 25 clients from Bulgan and nearby soums attended the training; 90 percent of them are vegetable business owners. The trainees learned how to preserve common vegetables, such as cucumbers, tomatoes, carrots and garlic; how to make kimchi; how to build vegetable storage; which construction materials can be used for storage; and what the storing conditions should be for different vegetables.

GER organized the Insect Control Training for local vegetable growers in response to survey results on challenges to growing vegetables in Choibalsan. A teacher from the Technique and Technology College in Choibalsan delivered field training at the college's greenhouse and taught the clients simple, biological methods for fighting insects. Sixteen clients attended.

Darkhan – Uul aimag's Council for the People with Disabilities (CPD) received a consulting service on developing a business plan and financial calculation from GER and submitted their proposal about establishing a Rehabilitating Therapy room for their members to the local and international organizations. This quarter, CPD received financing from the Norwegian Lutheran Mission (NLM) and the Darkhan Red Cross Society. NLM supplied CPD's Rehabilitating Therapy room, which they rent at a local school with necessary equipment valued at \$3,035. Red Cross donated \$260 for mobile therapy service for disabled and retired residents.

GER's Bayangol BDC organized the "Vegetable Preserving" training in collaboration with the "Suman Gun" LLC, which expanded its business by opening a vegetable preservation workshop last summer. "Suman Gun" signed an agreement with three GER vegetable business groups to buy the client groups' fresh cucumber. A total of 27 clients attended the training and they learned how to make 17 different types of pickles and preserves. As a result of the training, the clients will be able to keep their vegetables for longer periods and sell their value-added product at a higher price.

#### 4. Financial Services<sup>4</sup>

##### *Loan Facilitation (LF)*

GER facilitates loans to clients through five commercial banks. The number of loans facilitated by the program this quarter was 124, down from 239 last quarter. The total value of loans facilitated this quarter was \$176,168, down from \$380,809 last quarter.

On average, the terms of this quarter's facilitated loans were:

- Loan size: \$1,240, down from \$1,421 last quarter
- Loan term: 13.8 months, down from 14.4 months last quarter
- Interest rate: 2.4% per month, equal to last quarter

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<sup>4</sup> Average exchange rate used for this quarter: 1,174.8930 ¥ to 1 US Dollar

GER clients continue to be affected by the reduction in lending across Mongolia. Khan Bank, GER's largest banking partner, has stopped nearly all business lending in the later half of this quarter. Only Xac Bank continues to offer loans, albeit at a reduced level compared to last year.

Of the 5,744 loans valued at approximately \$6,188,672 facilitated over the life of the project, the outstanding portfolio at the end of the quarter consisted of \$763,702 and 699 active borrowers. Within this outstanding portfolio, thirteen loans were in arrears with a remaining principal balance of \$5,549. This marks a significant increase in loan facilitation arrears. CHF is working closely with Development Solutions and its bank partners to bring these late loans back on schedule.

Table 3: Loan Facilitation Arrears

	Q3		Q4	
	# Loans	Amount	# Loans	Amount
Overdue (up to 30 days past due)	1	\$302	6	\$966
Abnormal (31 – 60 days past due)	0	\$0	1	\$87
Doubtful (61 – 90 days past due)	0	\$0	0	\$0
Bad (> 90 days past due)	2	\$875	6	\$4,496
<b>Total</b>	<b>3</b>	<b>\$1,177</b>	<b>13</b>	<b>\$5,549</b>

There are nine defaults in the loan facilitation portfolio. Given their roles as loan administrators and providers of capital, our bank partners retain the right to decide when to write off a loan. No loans were written off by banks during this quarter.

#### *Capital Augmentation Fund (CAF)*

GER developed the Capital Augmentation Fund (CAF) in July 2004. CAF is a syndicated lending program which provides loans to businesses through banks. CAF loan decisions are based on cash flow, rather than collateral. Banks provide loans through CAF when the businesses do not meet their lending requirements. This allows promising businesses with insufficient collateral, such as start-ups, to obtain loans.

The decreased Loan Facilitation with the commercial banks continues to put increased demand for CAF loans. To ensure a sound portfolio in accordance with GER's overall strategy of promoting loan facilitation through its commercial bank partners, CHF continues to limit CAF lending. This limitation is temporary, and CHF has started to disburse more loans in Q1 FY2009.

To date, 1,024 CAF loans have been approved, valued at approximately \$1,288,496. Only six loans were disbursed this quarter, compared to 52 loans last quarter. The value of this quarter's loans decreased to \$6,550 from \$92,347 last quarter.

- Loan size: \$1,092 down from \$1,776 last quarter
- Loan term: 12.3 months, down from 14.3 months last quarter
- Interest rate: 2.0% per month, equal to last quarter

At the end of the quarter, CAF had 238 borrowers with outstanding loans worth \$324,173 in total. Of the current CAF loans, 30 loans were in arrears with a remaining principal balance of \$26,191, down from \$29,582 in the previous quarter. To date, three CAF loans have been written off. The current arrears break down as follows:

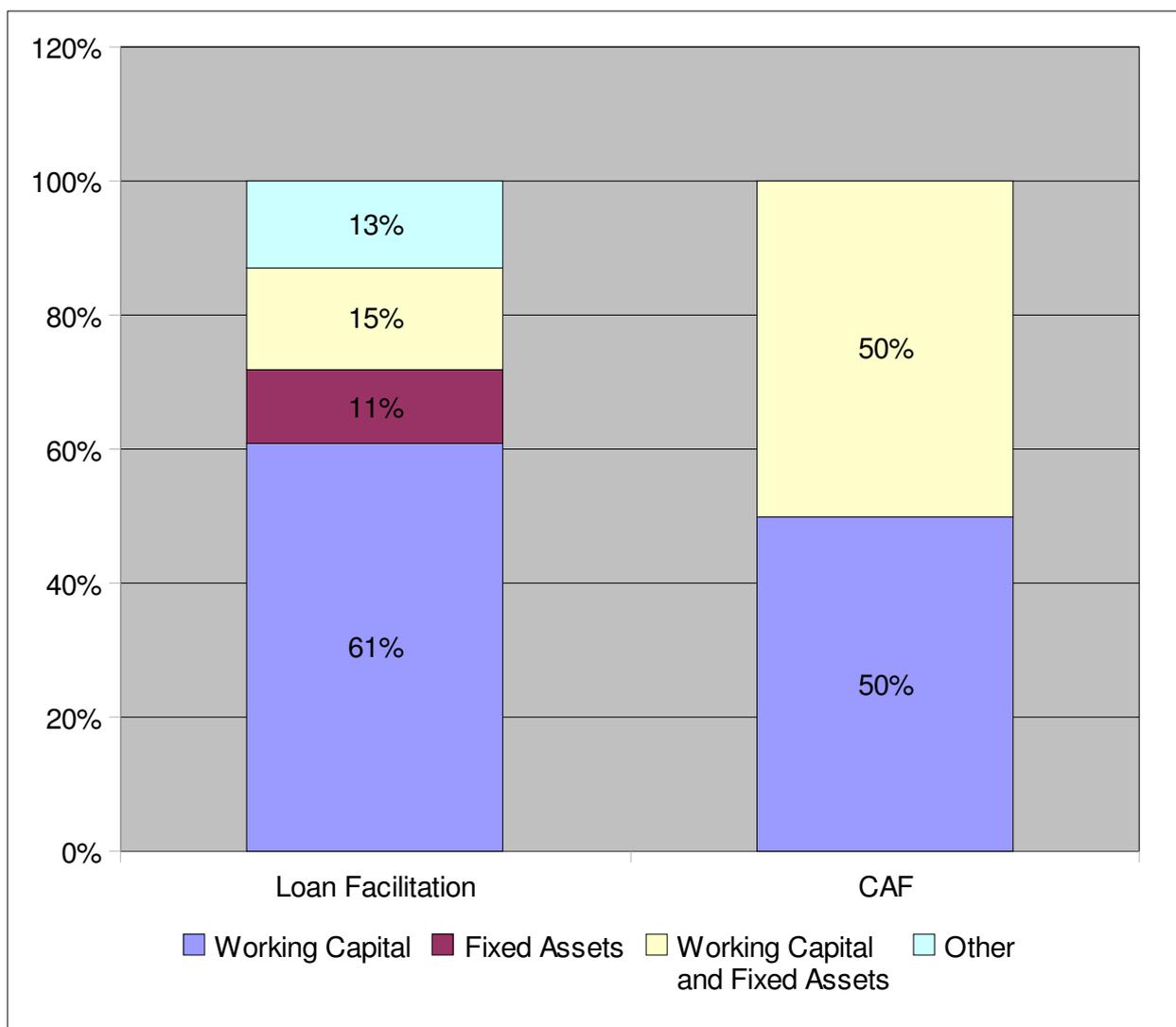
Table 4: CAF Arrears

	Q3		Q4	
	# Loans	Amount	# Loans	Amount
Overdue (up to 30 days past due)	11	\$8,225	9	\$5,526
Abnormal (31 – 60 days past due)	3	\$368	4	\$2,762
Doubtful (61 – 90 days past due)	3	\$2,275	2	\$150
Bad (> 90 days past due)	13	\$18,714	15	\$17,752
<b>Total</b>	<b>30</b>	<b>\$29,582</b>	<b>30</b>	<b>\$26,191</b>

*Loan Purpose*

This quarter, banks reduced their exposure to longer termed fixed asset and combination (fixed asset and working capital) loans. Only 26% of all loans facilitated this quarter were used for fixed asset or fixed asset/working capital. Working capital continues to be the most frequent loan purpose for Loan Facilitation and represented half of all CAF loans this quarter.

Figure 4: Loan Purpose by Number of Facilitated and CAF loans



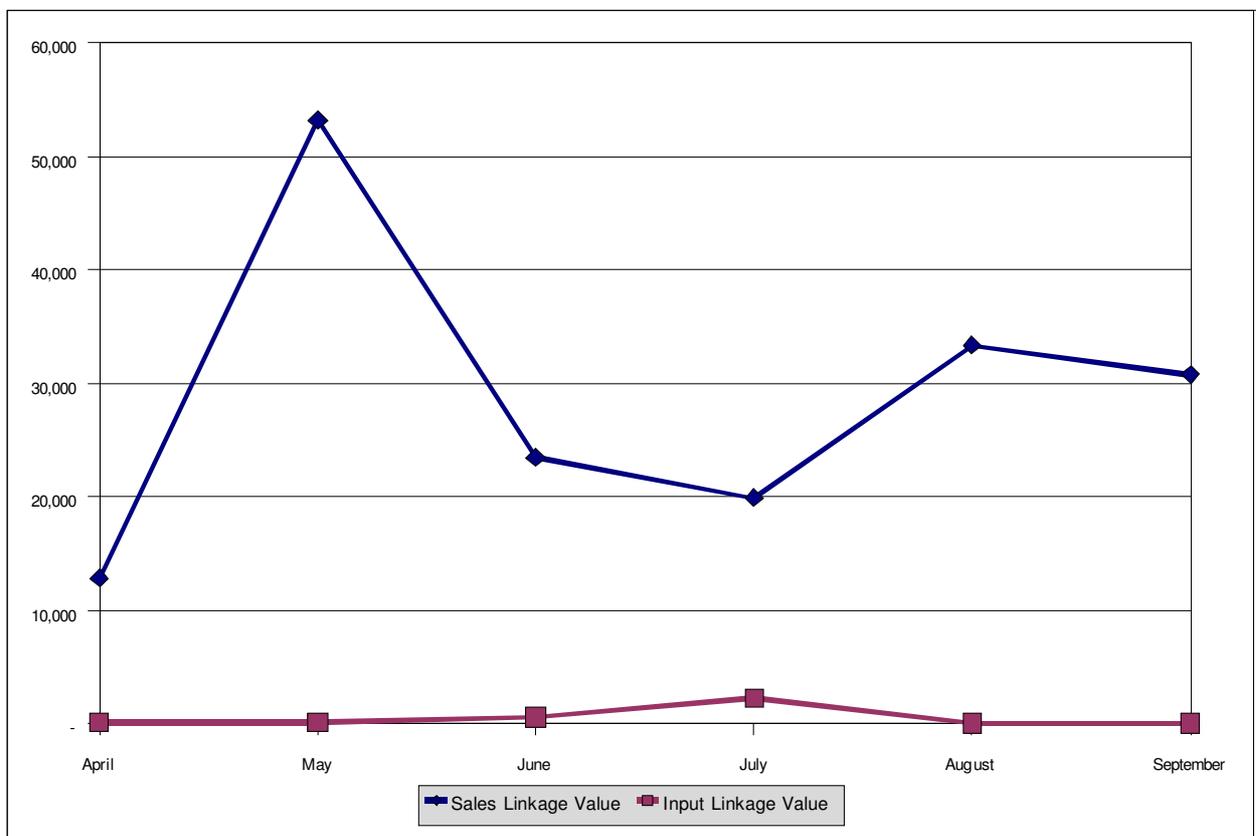
## 5. Linkages

Linkages provide tangible benefits to clients, such as lowered costs (input linkage) or increased sales (sales linkage). Linkages also allow GER staff to mentor clients in time management, costing and pricing, product quality, and new market development.

During this quarter, the total estimated value of trade fairs and linkages facilitated by the project was \$104,101, up from \$94,847.

Since the beginning of our extension in April 2006, GER has facilitated linkages valued at \$812,862.<sup>5</sup> As shown in the following graph, the value of sales linkages increased considerably in May. This increase was due to trade fairs related to the Tsagaan Tsar Holiday and large export orders for felt slippers.

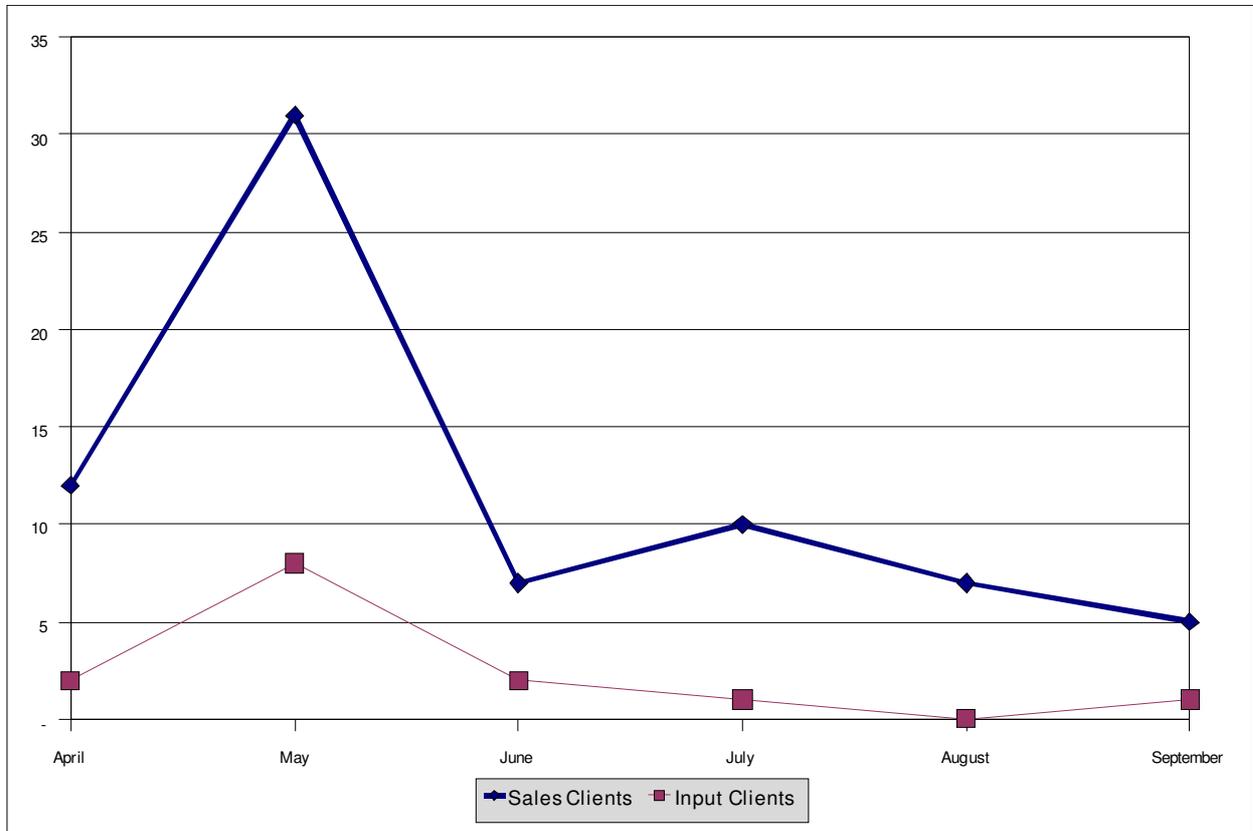
Figure 5: Sales and Input Linkage Value by Month<sup>6</sup>



<sup>5</sup> Our reporting requirements changed in April of 2006. For this reason, we began tracking the value of linkages from this point forward.

<sup>6</sup> Excludes trade fairs.

Figure 6: Number of New Clients Involved in Linkages per Month<sup>7</sup>

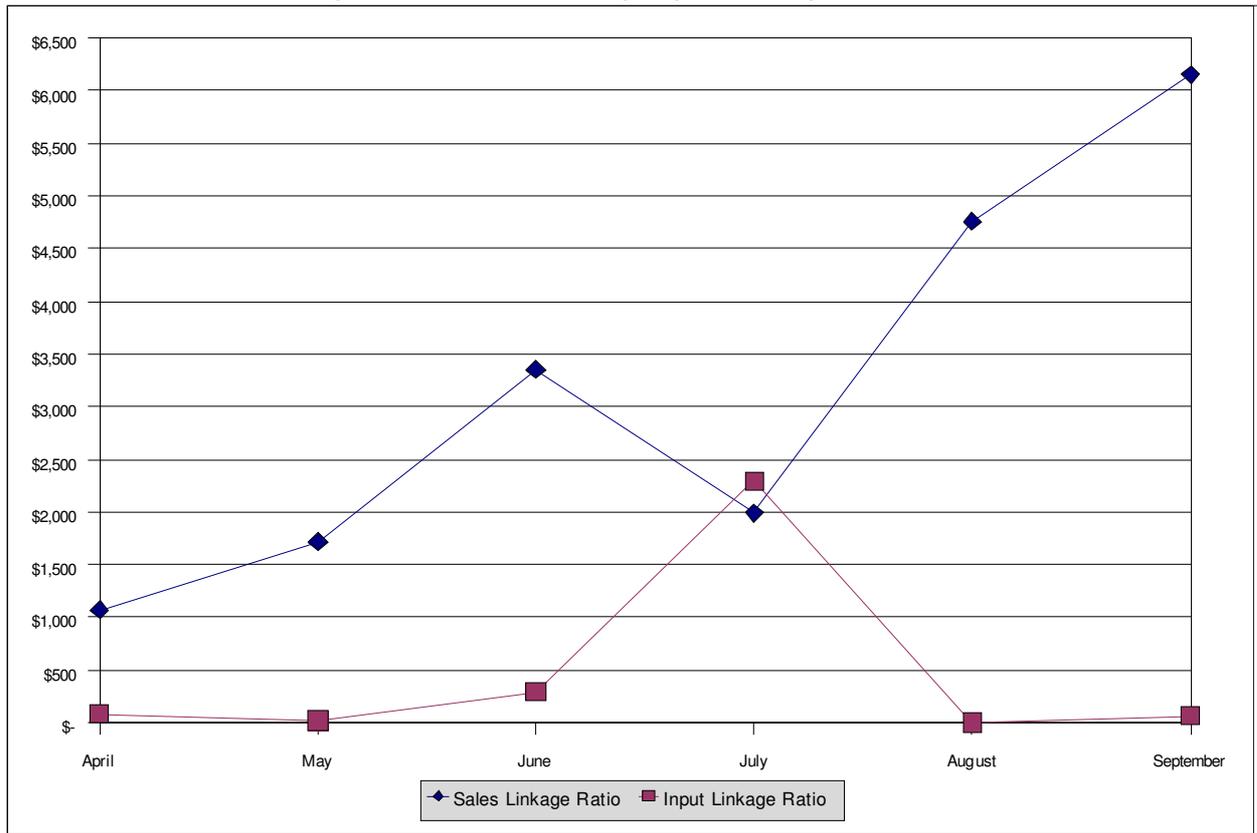


In Figure 7, we see that the value of a linkage per client increased this quarter, again due to non-trade fair domestic and export orders.

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<sup>7</sup> Excludes trade fairs.

Figure 7: Value of Linkages per Client per Month<sup>8</sup>



Examples of linkages completed this quarter include:

- GER linked clients to the Southgobi Sands LLC, which ordered 36 pieces of metal lockers and 200 pieces of metal suitcases for combined total sales of \$22,582.

GER established new linkage relationships with A&U LLC, a geological research company; DRD LLC, a drilling company; IMC Mongolia LLC, a mining and geology consultancy company; Birga Tour, a tour operator; Claude Merchez, a French importer; Polo Resources, a geology and mining company; and Khaan Resources Inc., a geology and mining company.

Three new relationships were also established in branch level; one in Tolgoit with Gurvansaikhan LLC, a mining company; one in Zuunmod with a mineral water producer; and one in Ulgii with Khumus Khana, an airag (horse milk drink) house.

#### Trade Fairs

- In Darkhan, GER organized the “Green Days of Autumn –2008” trade fair in collaboration with the Food and Agriculture Department of Darkhan-Uul aimag, Darkhan Soum Governor Office and Ag Bank. A total of 88 businesses participated in the trade fair; 60 of them were GER clients from Darkhan, Orkhon, Khongor, Sukhbaatar and Shaamar soums, and the remaining 28 were non-GER clients from Darkhan. During the trade fair, a variety of fresh grown and preserved common and uncommon vegetables, fruit jams, berry bushes and trees, dairy products and farm animals were sold. Total sales income for clients was \$11,071, and sales orders totaled \$7,196. The organizers awarded medals and prizes to 25 successful agriculture business clients of Darkhan-Uul aimag in the categories of “Best Cattle”, “Healthy Food” and “Golden Autumn.” Twelve GER clients were awarded prizes.
- GER organized a Business Linkage Day event in Choibalsan. One aim of the event was to introduce GER souvenir, dairy, and vegetable producing clients’ products to the largest local

<sup>8</sup> Excludes trade fairs.

supermarkets, restaurants, and government organizations. Another objective was to make sales to foreign volunteers who live in Choibalsan and solicit their ideas for product and sales presentation improvements. Eleven project clients displayed their products for visits from representatives of two supermarkets, four restaurants, and from about ten foreign volunteers. The clients earned \$184 from sales and received \$21 worth of orders. The Khishig supermarket agreed to sell felt crafts produced by clients, Enkhtuya, Uuganbayar, Oyunbold and Khudermunkh. The Olikhon supermarket will now sell vegetables and dairy products of clients, Purevsuren, Munkhtuya, and Dolgor. The clients will receive written comments and suggestions offered by the volunteer observers.

## **6. Business Associations**

With IMPACTS, CHF International's Cooperative Development Project, GER defines business groups in three types: transactional, informal, and formal. Transactional groups are comprised of individual GER business clients who come together only for specific instances such as a joint purchase or joint sale. They do not share assets and generally do not work together daily. Informal groups are groups that are not registered legally as a business, yet they share an asset and work together. Formal groups are legally registered as cooperatives.

GER provided services to 99 active transactional, informal, and formal groups over the course of the quarter. Highlights of business group activities this quarter include:

- A vegetable grower business group was formed in Choibalsan. Seven members of the newly established group took the "New Business Group's" pack service. As a result, group members have the same understanding about group formation, functions, and operation. In June, GER assisted them to obtain top grade potato seeds. By forming a group, the members will give a portion of their harvest to the local potato reserve fund and will also create a reserve of top grade potato seeds for themselves.
- In Tolgoit, one pig farmers' group was formed. In June, three clients attended pig farming training organized by the IMPACTS' Pork Value Chain Program and decided to cooperate together. They started working as a group in terms of feed supply and pork sales to save cost.
- GER and IMPACTS helped form two new cooperatives with assistance from the Mongolian – German Bridge (MGB) NGO. Six members purchased the Market Linkage Package training, which includes Business Planning, Bookkeeping, Costing & Pricing, Effective Selling and Linkage trainings. The trainings lasted twelve hours.
- In Erdenet, two business groups received a consultancy on forming and registering an entity from GER. One of these groups, the Gazriin Uguuj, an agriculture business group, registered as a formal cooperative. The other group, Erchim, a Ger rope spinning business group, registered officially as a formal business.
- "Darkhan Noos Cooperative," a wool handicraft cooperative, completed an order of 100 pairs of wool socks for exporting to the US. The total sales amount was \$991.

## **7. Employment Services**

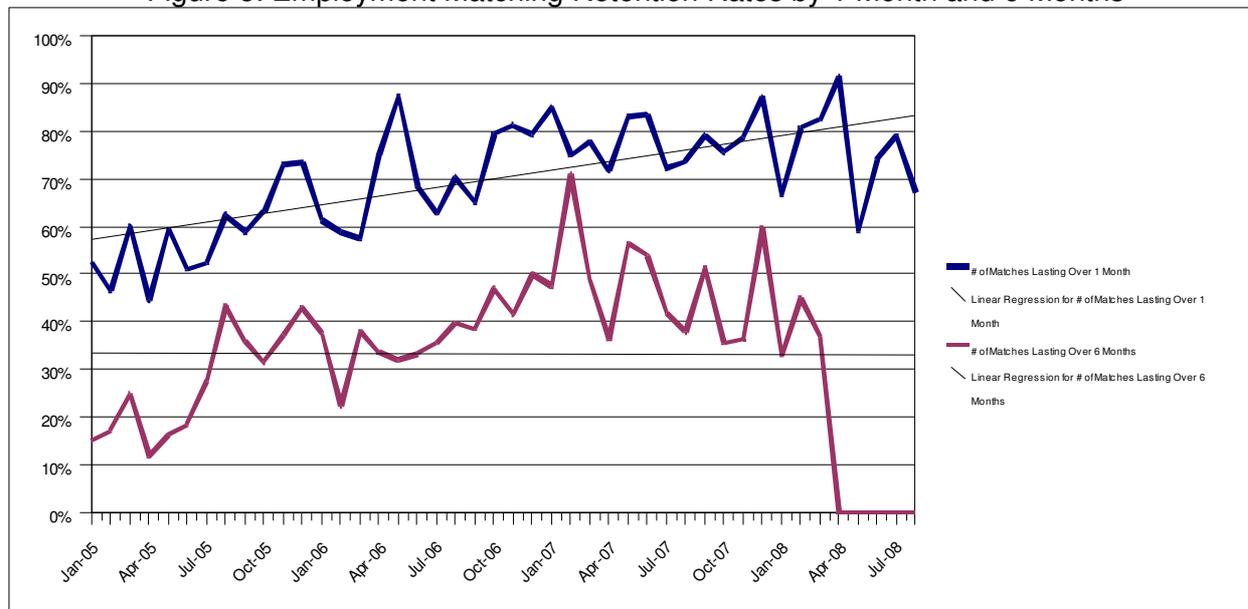
GER's employment services include soft skills training, vocational training, and job matching. Employment soft skills training decreased to 67 people from last quarter's 162 people. Longer-term vocational trainings decreased to 58 people from 167 people last quarter.

GER matched 295 people to jobs, up from 226 people last quarter. Of those 295 people, 66 were matched to temporary jobs, 18 to seasonal jobs, and 211 to long-term jobs.

Monitored retention rates are illustrated in the figure below. In this report, the June, July, and August matches were monitored. The job retention rates (beyond one month) were as follows: June-74%, July-79% and August-67%. Overall, during the three months, 145 people were placed in long term jobs and 106 people (73%) stayed in the job at least one month.

The figure below contains the data for unemployed clients that remained in their jobs for six months. For this report, we are monitoring from March 2008. In March, 51 clients were matched to long term jobs and as of September 2008, 19 clients (37%) were still in the job. This percentage is down from 60% in the previous quarter. While the rates vary considerably month to month, the overall average retention rate since January 2007 has leveled off at 75% for 1 month and 45% for 6 months.

Figure 8: Employment Matching Retention Rates by 1 Month and 6 Months



Activities within employment services that took place this quarter include:

- In Darkhan, GER organized a “Soft Skills” training and a set of “Resume/CV Writing”, “Writing a Cover Letter” and “Preparing for a Job Interview” trainings for a total of fourteen clients. Seven of the clients participated in the “Soft Skills” training, and the other seven clients attended the complete set of trainings.
- GER has closely been collaborating with Khan-Uul and Sukhbaatar districts’ Labor and Welfare Offices on employment matching and vocational training. This month, at the request of Khan-Uul District’s Labor and Welfare Office, two UB Business Advisors delivered the “New Start” employment training for 22 unemployed clients registered with the Labor Office. The training lasted fifteen hours and covered topics including Labor Law, writing CVs and cover letters, preparing for job interviews and soft skills.
- In Darkhan, GER organized an “Employment Campaign” to promote employment matching services for two weeks. During the campaign, GER advisors met with local businesses and organizations including “Tushig-Uul” LLC, “Urgats Khuns” Bakery, “Golden Pyramid” Construction Company, SOS Children’s Organization, “Darkhan Setgemj” Partnership, “Haraa”, “Darkhan” and “Urtuuchin” Hotels and introduced registered job-seeking clients’ CVs to them for any available job vacancies. Fifteen clients were matched to jobs for the positions of site engineer, accountant, cook, waiter, assistant worker and cleaner.

#### Labor Days

- A Labor Day was held in Bayangol and over 20 unemployed clients took part in the event. Nine clients attended employment trainings, such as “Resume/CV Writing”, “Writing a Cover Letter” and “Labor Law”; sixteen clients were introduced to potential employers for positions including driver, construction assistant worker, carpenter, plumber, cook, baker and janitor. So far, the Bridge construction company has employed one client as an assistant plumber.

- Tolgoit BDC organized a Labor Day during which more than 60 clients came to the branch office and received employment information. So far, local employers have employed six clients, mostly in the construction sector.

Partnerships:

- GER concluded a new vocational training agreement with the Wood and Construction Professional Competence Center.

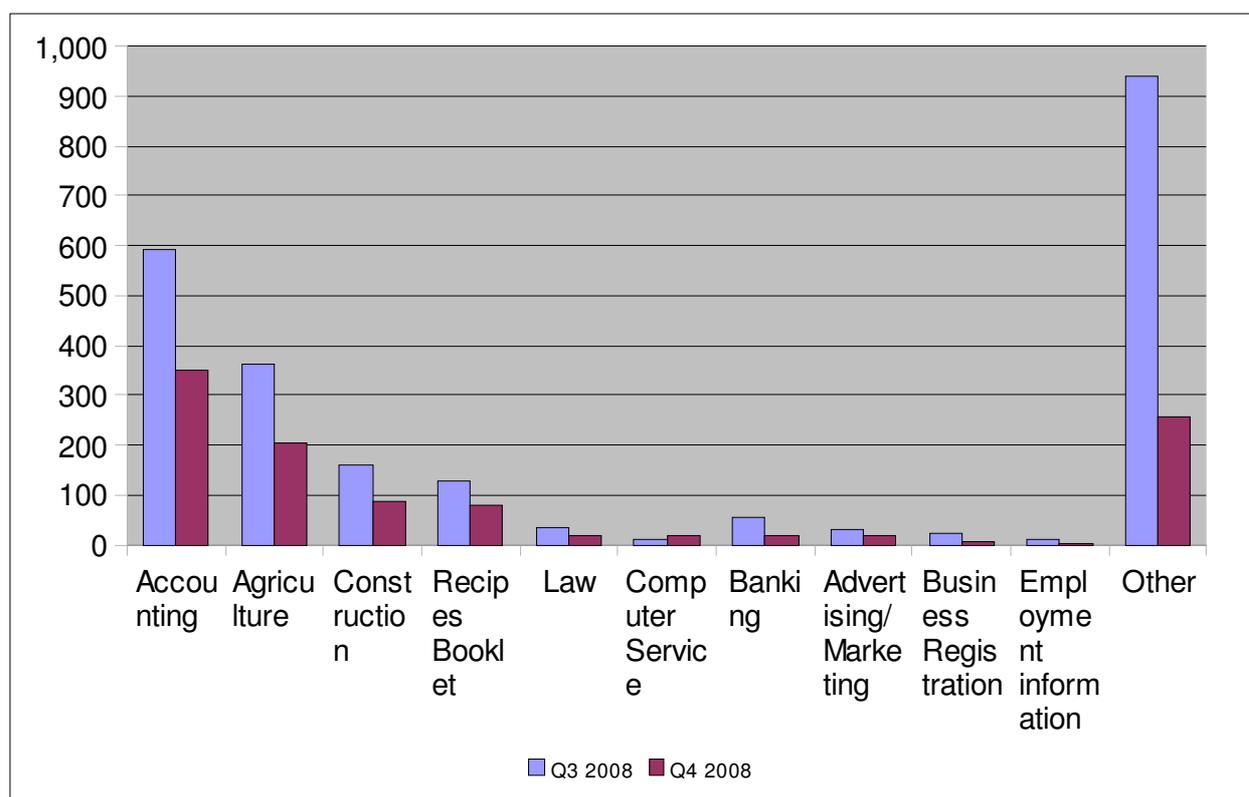
## **8. Information Services**

Information Services include activities centered on clients' individual requests, activities that provide general information to Ger Area residents about important issues in their communities, and activities implemented for or with government representatives. As in previous quarters, accounting information continues to be the dominant type of information requested. This quarter saw notable increases in construction information requests as clients prepare for spring.

Information-related activities this quarter include:

- In Erdenet, GER organized an Open Day. Throughout the day, about 50 visitors approached and were interested in GER services and introduced to the project and its services. The residents were mostly interested in employment matching services and agriculture manuals and booklets. Twenty-five clients were registered for employment matching services on that day, while client evaluations and introductions to potential employers are still ongoing.
- The Khashaa Valuation Survey (KVS) – 2007 report was completed this quarter. GER has been conducting the KVS annually since 2003. The survey's main goals are the following:
  1. To collect accurate information about khashaa market and provide residents with collected information;
  2. To improve ability of khashaas and houses to be used as loan collateral;
  3. To identify factors that influence the price of khashaas and houses.
- In Erdenet, GER has been collaborating with local television channel "TV-10" for six months on its television show "The Taste of Life" which motivates local residents to improve their lives on their own. Over ten GER clients participated in the show by sharing their experiences and demonstrating their businesses, which has positively influenced residents' behavior and has led to an increase in the clients' sales. This quarter, GER began working with another local TV station, "Lkha," with the same purpose. Two Bulgan clients participated in the August show; Tsetsegdelger, the lumber trader and vegetable grower; and Delgertsetseg, the vegetable grower. Both clients discussed their businesses, and Delgertsetseg taught the audience how to make pumpkin jam and pickles.

Figure 9: Top Ten Types of Information Provided



## 9. Partnerships

Transcapital, a Mongolian registered non-banking institution, approached CHF at the end of this quarter regarding possible collaboration. CHF outlined its partnership agreements with its other bank and non-banking partners. Transcapital is now reviewing the material.

## 10. Local Staffing

As of September 30, 2008, CHF employs 18 local staff and two expats. Development Solutions will employ 50 local staff and no expats as of October 1. Development Solutions will add additional staff during the month of October.

## 11. Business Development and Employment Services Centers and Branch Offices

GER operates out of thirteen branch offices. We have six branches in Ulaanbaatar and one each in Darkhan, Erdenet, Choibalsan, Ulgii, Baganuur, Bulgan, Selenge, and Tov.

## 12. International Staff Changes, Consultants, Volunteers, and Visits

NTR

## 13. Reports completed

NTR

## 14. Current subcontracting activities

CHF has submitted a request to add Development Solutions as a sub award under GER Initiative. This sub award was outlined in the recent extension proposal submitted to USAID. Development Solutions will provide direct business development services to GER clients while CHF will focus on the linkage activities and bank partnerships. Approximately 75% of CHF local staff will move to Development Solutions in October 2008.

## 15. Performance

This is the eleventh and final quarter for the April 2006 – September 2008 extension of our Cooperative Agreement. The table on the following page summarizes targets and results achieved during this extension period. As of September, all primary targets (highlighted rows) and most secondary targets have been achieved. A new extension has been approved for the period October 2008 – March 2009 and will be reflected in future quarterly reports.

Table 5: Results by Q4 FY 2008 Compared to Targets

Indicators & Results	Period Result	FY08 Year to Date		LOP (4.06 – 9.08)		%LOP 100%
		Result	Target	Result	Target	% Target Completed
Business Service Fees Collected	\$23,872	\$103,429	\$24,400	\$202,324	\$61,000	332%
Clients Registered for Business Services	358	2,352	4,000	9,065	10,000	91%
% Repeat Clients Various Services	67%	71%	65%	64%	65%	98%
<b>New Businesses Created</b>	<b>52</b>	<b>257</b>	<b>100</b>	<b>693</b>	<b>250</b>	<b>277%</b>
<b>Expanded/Improved Businesses</b>	<b>243</b>	<b>1,074</b>	<b>720</b>	<b>2,585</b>	<b>1,800</b>	<b>144%</b>
Avg % Increase In Sales	185%	139%	40%	186%	40%	465%
Avg % Increase In Assets	184%	237%	20%	254%	20%	1270%
Avg % Increase In Working Capital	179%	142%	40%	173%	40%	433%
<b>Jobs Generated</b>	<b>234</b>	<b>1,187</b>	<b>400</b>	<b>3,423</b>	<b>1,000</b>	<b>342%</b>
Long-Term Jobs Generated	233	1095	340	3107	850	366%
Employment Service Fees Collected	\$469	\$4,079	\$3,600	\$10,834	\$9,000	120%
Clients Registered for Employment Services	395	1,783	2,400	6,477	6,000	108%
<b>Clients Matched to Jobs</b>	<b>295</b>	<b>923</b>	<b>1,200</b>	<b>3,039</b>	<b>3,000</b>	<b>101%</b>
% Matches Lasting Over 6 Months	38%	45%	50%	43%	50%	86%
Estimated Value of Linkages	\$104,101	\$371,283	\$280,000	\$798,601	\$700,000	114%
Business-to-Business Linkages	479	1,793	250	4,923	625	788%
Value of Loans Facilitated	\$203,313	\$1,129,757	\$720,000	\$3,396,808	\$1,800,000	189%
Loans Facilitated	164	813	880	2,911	2,200	132%
Value Of CAF Loans	\$6,550	\$320,788	\$210,000	\$799,336	\$525,000	152%

CAF Loans	6	235	320	589	800	74%
Clients Receiving Info	1,059	7,117	3,200	15,719	8,000	196%
Business Groups Formed / Supported	99	110	60	131	150	87%
Clients Vocationally Trained	78	340	340	951	850	112%
Employers Trained in HR	0	40	24	208	60	347%
Labor Days Held	2	9	24	50	60	83%
% of Long-Term Matches	72%	67%	0%	67%	60%	112%
# of Long-Term Matches	211	617	390	2,042	2,350	87%
% Matches Lasting Over 1 Month	73%	78%	NA	77%	NA	0%
# of Matches Lasting Over 1 Month	86	440	650	1,469	1,950	75%
% Matches Lasting Over 6 Months	38%	45%	50%	43%	50%	86%
# of Matches Lasting Over 6 Months	46	362	325	731	975	75%

## 16. Fees for Service

GER collected service fees from clients worth \$23,872 this quarter, compared to \$32,129 last quarter; a 26% decrease led this time by a drop in the number of Training and Consulting services.

Table 6: Fees Collected per Service

Activities	Q3 2008	% of Total	Q4 2008	% of Total	% Change
Training & Consulting	\$6,977	22%	\$2,402	10%	-66%
Linkages & Information	\$16,703	52%	\$15,926	67%	-5%
Loan Facilitation (client)	\$2,755	9%	\$2,244	9%	-19%
Loan Facilitation (bank)	\$4,566	14%	\$2,831	12%	-38%
Employment Services	\$1,076	3%	\$469	2%	-56%
Business Association	\$52	0%	\$0	0%	--
<b>Total</b>	<b>\$32,129</b>	<b>100%</b>	<b>\$23,872</b>	<b>100%</b>	<b>-26%</b>

## 17. Statement of Work

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