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Volunteers for Economic Growth Alliance

VEGA 2007 Quarterly Report 4

(October 1 – December 31, 2007)

**LEADER WITH ASSOCIATE AGREEMENT (LWA)
EEM-A-00-04-00002-00**

**Prepared for the United States Agency for
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**Volunteers for Economic Growth Alliance
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This is the fourth Quarterly Report submitted to USAID for 2007. This report covers what VEGA has accomplished in the period from October through December 2007.

Part I. Governance

A. Administrative Matters

New Member Organization

VEGA increased its membership with the approval of the Board of Directors, just prior to its October 10 meeting, of the application of Encore! Service Corps International.

Encore! Service Corps International's mission is to address the major social challenges of our time by deploying the skills, experience and commitment of former Peace Corps Volunteers (PCVs) and others to meet those challenges. Encore! Service Corp International (Encore!) volunteers donate their time for three weeks to three months, and pay for their own international travel, in-country meals and incidentals; the host NGO supplies housing and in-country transportation. Because they have already lived and worked at the grassroots level in the developing world for two years or more, Encore! volunteers bring to their assignments a unique combination of cross-cultural sensitivity, professional expertise and a lifelong commitment to service

Independent Audit

Gelman, Rosenberg and Freedman, Certified Public Accountants, the Independent Auditor that VEGA retained to audit its finances for 2005 and 2006 completed its A-133 Audit- Financial and Federal Award Compliance Examination in December. The Audit Report's conclusion was: "In our opinion, the financial statements [examined by the Auditor] present fairly, in all material respects, the financial position of VEGA as December 31, 2006 and December 31, 2005, and its changes in net assets and its cash flows for the years then ended in conformity with the accounting principles generally accepted in the United States of America." Copies of the A-133 Audit Report were submitted to USAID as required, and are retained by VEGA.

B. Board of Directors Meeting

The Board of Directors held its second meeting of the year on October 10, and considered a full agenda of VEGA business.

Agenda

- New Member Report

- Approval of 2006 Minutes; Resolution to Expand the Executive Committee
- Director’s Report
- Financial Report and Review of Annual Audit
- VEGA Projects Report
- USAID Representative Comments
- Review of Progress on VEGA Business Development FY 2007
- Governance: Vote on Board Officers and Executive Committee Members
- Preview for VEGA Business Development FY 2008
- Planning for 2009 and Beyond

Election of Officers and other Executive Committee Member

By Board vote, the following Board Officers and Executive Committee members were elected to two-year terms of service:

Board Officer Position	Elected
Chair	Spencer King
Vice Chair	Deirdre White
Treasurer	Bill Dant
Secretary	Keith Watson
Executive Committee Members (Not Board Officers)	Fred Smith, Tom Campbell

Commitment to Organizational Sustainability

Both out-going Board Chair David Norman and newly-elected Board Chair Spencer King underscored the importance of action over the coming year to achieve organizational sustainability for VEGA up to and beyond the February 2009 completion date of the present LWA. The first priority is to fulfill all commitments to USAID under the LWA, the 12 current Associate Cooperative Agreements, and any future Associate Cooperative Agreements. The second priority is to secure, on the basis of the demonstrated quality of VEGA’s service over the 5-year implementation period of the original LWA, an LWA extension that keeps in place the value that VEGA provides as an easily accessible economic growth services provider to USAID Missions and Offices.

VEGA Finances

- Leader with Associates Cooperative Agreement (LWA) –
On the basis of projected LWA expenditures through June 30, 2008, VEGA will have \$430,000 remaining to finance its operations from July 2008 to February 14, 2009, the end-date of the LWA. This projected balance, plus reasonably expected additional income from new business to be acquired, will provide a more than adequate operations budget through the end of the present LWA implementation period.

- Associate Cooperative Agreements –
Since the start-up of operations in February 2004, VEGA has been granted \$61,107,309 by USAID Mission and Offices to provide technical assistance, training, and related project management services to their economic growth programs. Of the funds granted, approximately \$51,577,000 has been obligated to date, and approximately \$33 million has been expended. VEGA’s Associate Cooperative Agreement Financial health is good.
- Shortly after the October 10 Board meeting, USAID approved VEGA’s proposal its \$625,000 cost share requirement be satisfied by counting the cost share achieved by VEGA through its Associate Cooperative Agreements, in those instances in which the Cost Share in question was not being counted against another cost share requirement.
- Un-recovered Indirect Costs
VEGA ended the year without having recovered \$165,000 in 2005 indirect costs. USAID Headquarters did not approve a request by VEGA to have that deficit filled through a budget line-item adjustment in the LWA budget. Subsequently, VEGA requested that the principal client Mission in question obligate sufficient additional funds to allow VEGA to recover. If that request is not approved, VEGA will have to find alternative/unrestricted sources of funding to address this deficit on its books.

C. Executive Committee Meetings

Executive Committee meetings in this quarter were held on October 31, November 15, November 29, and December 13.

Typically, the agenda of these meetings included such items as:

- Weekly Activity Sheet by the VEGA staff
- Periodic Program Performance Reports
- Periodic Financial/Audit Reports and Issues
- USAID/Client Relations
- Responsibilities/Communications to the VEGA Board
- Planning and Implementation of Outreach Activities/Tracking of the Outreach to the Top Twenty USAID Country Programs
- Governance issues or policies currently impacting on-going outreach and project implementation activities
- Prospective or Pending USAID Requests for Program Description
- Special Events

Notes for these meetings can be made available by the VEGA staff to Member Organizations and USAID clients upon request.

Part II. Outreach

Meetings and Representations

At the beginning of October, Executive Director, Earl Yates traveled to Bulgaria to oversee the closeout of the Bulgaria Business and Trade Development Program. He met with the local staff and discussed the goals and achievements of the program. This coincided with the ceremony for the closing of the USAID Bulgaria Mission, which he also attended.

On October 11, Project Management and Support Officer, Lee Warren and Administrative Assistant, Danielle Payne represented VEGA at a Brookings Institution Volunteering for Impact event. This meeting focused on the influence of corporate volunteer programs and private institutions proposing volunteer programs to their employees as a form of employee development.

On October 24, Earl and Lee attended an ACVFA (Advisory Committee on Voluntary Foreign Aid) Public Meeting. The theme of this meeting was Humanitarian Assistance and Investing in People.

On November 2, Earl and Lee attended a meeting, organized by the Africa Resource Group on AFRICOM. At this meeting they obtained information about the most recent progress of the AFRICOM initiative and its implications.

On December 14, the VEGA staff met with staff members of the VEGA/AMED program. Member Organization staff involved in the project were also in attendance. VEGA/AMED staff presented updates on operational program changes and current events in the field.

Newsletter Headlines

- *“MUYA Ethiopia: 1st Handicraft firm in Ethiopia to be given International Fair Trade Certification”*
 - A local, female-owned Ethiopian handicraft firm has just been awarded fair trade certification by the International Fair Trade Association.
 - **MUYA** is a local Ethiopian Handicraft firm owned by Ms. Sara Abera who has been a client of USAID through the AGOA+ program as well as the ECA Trade Hub trade linkage program since 2005.
- *Women Restaurant Owners and Managers Receive Training in Restaurant Business Management*
 - With the signing of the peace agreement in January 2005, Southern Sudan secured a peace deal that provided for governance by secular law. Many female Sudanese entrepreneurs were quick to take advantage of the huge demand of restaurant services brought about by the influx of returnees, foreign humanitarian and development workers, and visitors from neighboring countries who ventured into Sudan to explore opportunities.
- *Bulgaria Trade and Development Program Celebrates Achievement of Project Goals*
 - In his remarks, USAID Mission Director Michael Fritz stated, “Over its duration the project has worked with more than fifty-five Business Support Organizations, many of which are represented in this room. These organizations have received assistance to develop new services to help their clients become more competitive.” Noting another specific VEGA/BTD achievement, Mr. Fritz stated, “One of the key legacies that the BTD Project will leave behind is an independent Quality Mark for

certifying small accommodations that offer an authentic tourism product. Fifty-five small hotels have received their certificates and fourteen more will be awarded tonight.”

- *VEGA Welcomes New Member Organization*
 - VEGA welcomed **Encore! Service Corps International (ESCI)** as a new member organization and accepted Susan Ely, the Executive Director as a new Board member. Encore! is a nonprofit organization, created in 2003, that specializes in developing, managing and measuring social impact projects around the world. It deploys former Peace Corps volunteers on short term assignments in their areas of expertise.
- *VEGA Ethiopia AGOA+ Co-hosts an AGOA Buyer Workshop*
 - On October 9 2007, the VEGA AGOA+ project in Ethiopia co-hosted a textile and apparel manufacturing summit entitled “**AGOA: How Can You Capitalize on the Opportunity? It’s not too late!**”
- *Building Skills for South Africa Foundation (BSSA) showcases its training program*
 - BSSA implements a unique experiential methodology for business development services training, which incorporates a ‘case study’ approach combines with field service. Participants in the eight month program follow three ‘clients’ throughout the training, advising on production/technology, financial viability, management/organization and marketing.
- *VEGA Launches Afghanistan Community Development Program*
 - In mid-November, VEGA entered into an agreement with USAID/Afghanistan to develop and implement a community development agriculture project in the Paktia, Paktika, Khost (P2K) and Southeast Ghazni provinces of Afghanistan.
 - **The Community Development Agriculture Program in Paktia, Paktika, Khost and Southeast Ghazni (CDA-P2K)** will support increased productivity in key subsectors, market-led production of higher-value products and improved technologies that lead to greater production of commodities at lower costs per unit.

Part III. LWA Deliverables

Monitoring and Evaluation

M&E reporting was delivered by VEGA member organizations in the previous quarter but, due to a number of issues, analysis of the data was delayed until this quarter. Data for M&E continues to be problematic with various inconsistencies and incomplete information.

Nonetheless, to date from the beginning of the LWA, VEGA reports more than 169 volunteer assignments with more than 6,000 days contributed by volunteers. The gross value of volunteer contributions (time, material, etc.) stands at nearly USD 2.7 million as of the end of the reporting period (until end-June 2007) with a net value of more than USD 1.4 million. Additionally, VEGA records 73 training activities with more than 2,000 people trained. More than a third of these trainees are women.

Best Practice Models

Member organizations continue to submit their Case Studies in Best Practices for this quarter. These Case Studies are collected to provide USAID missions with members' Best Practices in utilizing volunteers to assist USAID in achieving its goals in economic growth and development. In order to maximize the value to USAID, member organizations and VEGA, the Case Studies in Best Practices underscore both a regional and technical specialty chosen by the submitting organization, yet each Case Study is linked by the common thread of highlighting the successful use of volunteer technical assistance to implement the core of the program. In addition to the previously submitted Case Studies in Best Practices, this quarter's Case Studies in Best Practices can be downloaded from the Case Studies page at <http://www.vegaalliance.org/best.asp> >> Case Studies.

Part IV. Associate Agreements

Bulgaria BTD

Program activities have finished with following a three-month, no-cost extension to provide for final activities of the Authentic Bulgaria project that will provide a flagship operation for locally-owned and managed tourism accommodations. Authentic Bulgaria is a member-financed association that grades local accommodations providers, provides consulting services to members for improved operations and offerings, and gives smaller hotels a marketing venue for members including a brochure printed in 4 languages.

Sudan AMED

VEGA began expanded operations following the extension provided by USAID in the previous quarter. Amid the chaos of USAID operations spread among Southern Sudan, Nairobi, and Khartoum, the program continued program activities and ramped up to meet the requirements of ongoing and new activities including the hiring of new staff. Negotiations are ongoing about the possibility of an additional expansion.

Ethiopia AGOA

Program activities continued in the effort to expand trade opportunities for Ethiopian businesses with a special focus on utilizing the Ethiopian Diaspora to provide a bridge between producers and suppliers in Ethiopia with markets in the United States. Discussions have begun on expanding service provisions to the newly formed American Chamber of Commerce in Addis Ababa.

South Africa SAAGA

At the end of the quarter, VEGA was waiting for approval of a three-month, no-cost extension of the grants activities. Meanwhile, audits of past grants were finalized and approved grantees were prepared to receive what will be the final grants under this program with a projected close-out in May 2008.

Long-Term Business Advisors (LTBA)

USAID Armenia finalized a no-cost extension to provide one more volunteer who will work to expand the services of the American Chamber of Commerce in Yerevan. Work began for a new group of volunteers in Indonesia. While VEGA has been waiting since August for approval of a USAID-requested new round of LTBA's, for which the Jordan Mission provided a pre-award authorization for spending, the Mission returned to VEGA with a request to replace the existing extension request of one year with a new request and budget for a five-year extension for the continued provision of LTBA's. The USAID Mission in Kazakhstan presented a Request for Program Descriptions in November for an LTBA to work with the American Chamber of Commerce in Almaty, under the PPEP (Public-Private Economic Partnership) Initiative, seeking to strengthen membership ties between US and Kazakh members as well as ensuring free-market policies beneficial to members were pursued by the Kazakh government.

West Africa – Improved Access to Credit for SMEs

The program continued the success enjoyed in the previous quarters although one of the implementers to the project was removed due to funding restrictions in the project and the need for a specialist volunteer with different skills than originally planned.

Afghanistan - Community Development Agriculture Program in Paktia, Paktika, Khost and Southeast Ghazni (CDA-P2K)

USAID Afghanistan and VEGA finalized the Associate Cooperative Agreement for this new program in November. Due to the holidays and the delay in approval, the prime implementer, ACDI/VOCA, was still in the start-up phase as of the end of the quarter while finalizing plans with its implementing partners and USAID, and ensuring all security details were confirmed and operational.