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AFIRMA Year 4 Work Plan

January – December 2008

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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.

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I. INTRODUCTION

The Access to Rural Finance for the Microenterprise (AFIRMA) Project, a USAID-funded project implemented by Development Alternatives, Inc. (DAI), forms a central part of USAID/Mexico's Results Framework, under the new regional Strategic Objective (SO2) for Central America and Mexico: **Economic Freedom: Open, Diversified Expanding Economies**. Under SO2, AFIRMA contributes to Intermediate Result 3: **Broader access to financial markets and services**. The project's mission can be summarized as:

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 local economic growth.

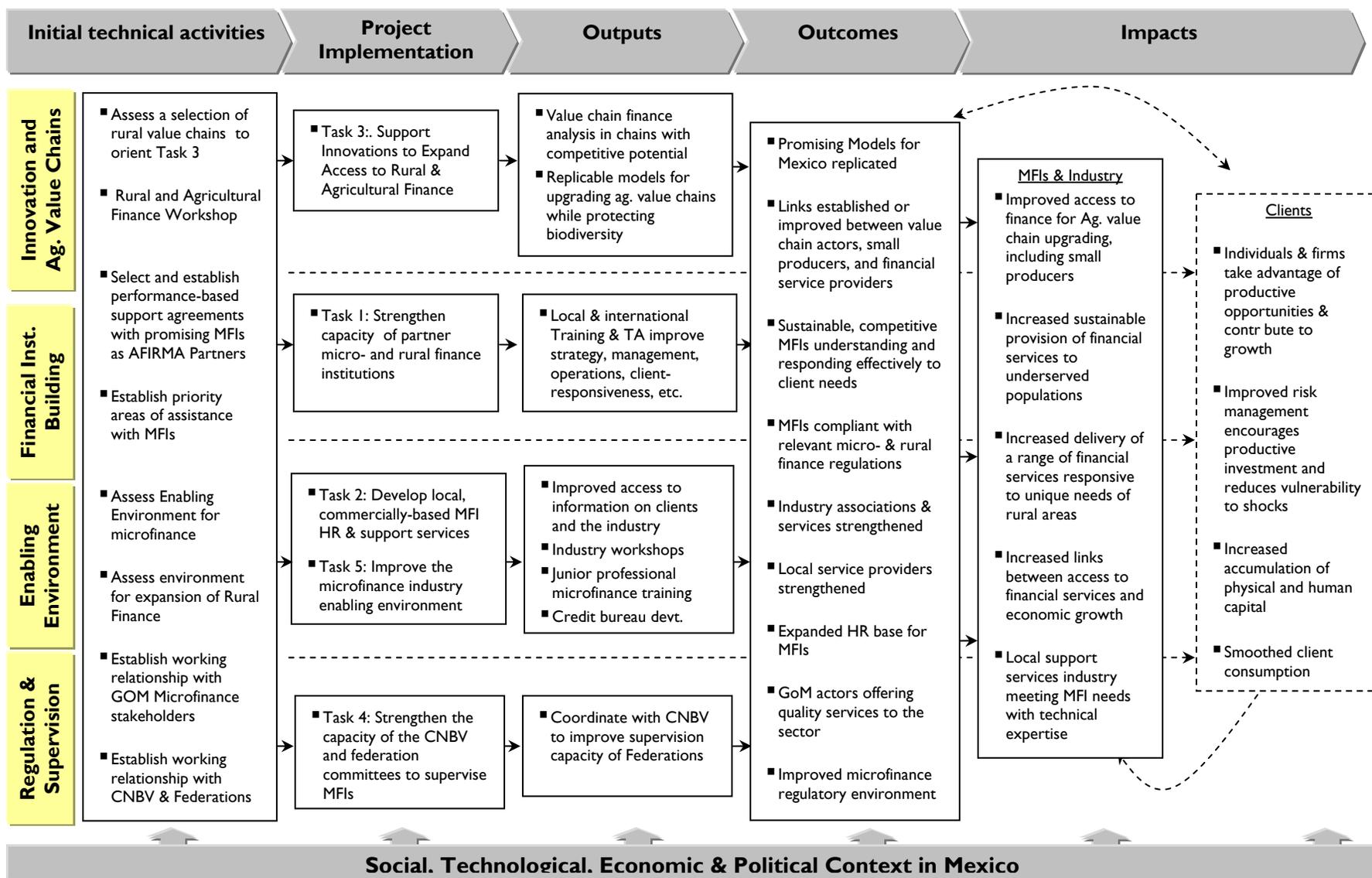
AFIRMA has five interrelated tasks:

1. Strengthen the institutional capacity of partner microfinance institutions (MFIs);
2. Develop local, commercially-based MFI support services;
3. Spur innovations to expand access to rural and agricultural financial services
4. Strengthen regulatory authorities and mechanisms to supervise microfinance;
5. Improve the enabling environment for the rural and microfinance industry.

Figure 1 shows a causal model demonstrating how these tasks fit together, and has been updated to reflect the Mission's adjusted strategic objectives and intermediate results, including increased focus on rural and agricultural development (Task 3), as well as the focus on financial sector competitiveness (Tasks 2, 4 & 5). The modifications to the model under Task 3, which was initially envisioned as a grant fund and since modified technically and contractually in coordination with USAID reflect the project's focus on generating new approaches in agricultural finance based upon understanding of a select group of value chains, and support of technologies and business models that are new to Mexico that can have a demonstration effect in the market. Another element of this task that has changed in response to USAID priorities is the added focus on upgrading strategies that protect or promote biodiversity. For other tasks, greater emphasis is placed on the competitiveness of microfinance institutions (e.g. institution building, lowering costs, serving new markets) and of the financial sector in general (e.g. improved competition among credit bureaus on service and price, regulations affecting financial services) which in turn has an impact on economic competitiveness.

This annual work plan is a result of ongoing consultation with AFIRMA's counterpart at USAID, Development Finance Advisor Geoffrey Chalmers, continuous coordination with AFIRMA partners in response to strategic plans of each partner, and of AFIRMA's annual planning meetings held December 12-13 in which Mr. Chalmers participated along with the AFIRMA team. It outlines planned activities for the next 12 months: January-December 2008, with a separate section dedicated to each of the five tasks listed above, as well as a section on overall project management.

Figure I – Causal Model from the AFIRMA Performance Monitoring Framework



2. TASK I - STRENGTHEN MFI CAPACITY

AFIRMA will continue to deliver tailored technical assistance programs to a diverse group of partner microfinance institutions (MFIs)¹ in 2008, though with varying degrees of support assigned to each institution, as determined through extensive discussions with USAID. The project recognizes that the Task I partners represent a small subset of the hundreds of “popular finance”² institutions in Mexico, but considers that most partners show potential for leadership in one or more aspects important to the development of microfinance in Mexico, such as significant scale, rural outreach, and/or potential for innovation and demonstration-effects. USAID and AFIRMA recognize the potential trade-offs between achieving the greatest number of new clients with access to service and working with difficult-to-serve poorer clients, rural clients, and agricultural clients.

The project strategy to work with institutions of different types, sizes and target markets, and the diverse institutional development needs of these institutions gives AFIRMA a window into many different aspects of the market, such as the various players serving different geographical and socio-demographic niches. Therefore, AFIRMA’s role in monitoring developments among partners and in the market more broadly (beyond MFI partners, and beyond microfinance) is essential to understanding how shifting market dynamics may affect partners, and how AFIRMA’s work with individual partners (Task I) and industry-level initiatives (Tasks 2-5) must continue to adapt as the market changes. The project played an important role in helping partners respond to rapid changes in 2007 in areas such as understanding strategies of diverse new entrants in the consumer lending and microfinance segments, regulatory changes, credit information systems, and increased sharing of clients in certain local markets. These are all dynamics that will continue into 2008 and must continue to be monitored.

For 2008 AFIRMA maintains all of the previous principles of support under Task I, including the concept of “declining subsidy”. During 2007, cost sharing varied from 25-50%, depending on the capacity of each given institution to invest in their technical assistance. This policy will continue into 2008 with increasing cost share.

Throughout the project, assistance to Task I partners has focused on areas that each partner prioritized in coordination with AFIRMA. Although AFIRMA delivered a wide variety of assistance, reflecting the diversity of partners mentioned above, common themes were: Strategic planning, product development and refinement, human resource management, internal controls and information systems. In 2007, the project continued to work with partners on many of those areas, but with some advancing into the “next generation” of institutional needs, for example: developing new business models and delivery channels for expansion into underserved areas, increased focus on developing human resources both at the institution and the industry levels, risk management, market intelligence, and using information technology to shift the way clients are identified and business is transacted.

This past year saw important advances in microfinance in Mexico’s from broader and better competition and delivery of an increasing range of financial services, broadening beyond village banking loans to incorporate individual loans, savings and insurance, and more Mexicans currently have access to financial services. However there are still real challenges in extending access to financial services to rural areas.

¹ AISol, AMUCSS, Finrecemos, Caja Libertad, CAME, Credavance, Finamigo, FINCA México, FinComún, Súmate, ProMujer México, ProNegocio

² The term “popular finance” is used interchangeably in Mexico with “microfinance”, broadly defined (e.g. beyond microcredit) and includes the hundreds of credit unions (*cajas*) operating in Mexico.

In 2008, AFIRMA will continue to work with partners according to priorities identified by each institution in coordination with AFIRMA, with particular emphasis given to initiatives that focus on the expanded access of financial services into rural areas. Other key strategies include improved financial and cost management (towards supporting decreasing trends in interest rates), strengthening of partners' Board of Directors, management, and middle-management, and general governance, as well as risk management, internal controls, and regulation and supervision.

Plans for each institution over the period January-December 2008 are outlined below. For budgetary reasons (in terms of the timing of funding obligations from USAID) some activities are continued from the 2007 Work Plan having been put on hold in recent months, while others may extend into 2009. Background information on the performance and relationship with each institution and activity is available in the AFIRMA 2007 Annual Report.

ALSOL

AFIRMA technical assistance with AISol in years 1-3 focused on building the foundations for growth, including developing a long-term strategy and operational business plans, assisting with product and operational adjustments, definition of the organizational structure, board training, development of manuals and internal controls, human resources strategy development, and definition of a new MIS system,

AISol has responded extremely well to the assistance, continues to be among the more efficient partners in serving rural clients and AFIRMA plans to continue providing integrated support and technical assistance through the initiatives outlined in the table below. It should further be noted that the IT project with MIFOS has implications for the microfinance industry more broadly since it is an open source information system established by Grameen Foundation (one of AISol's partners) and may be relevant to other small and medium sized MFIs in Mexico if the AISol implementation proves successful.

Table I – AISol
Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	AFIRMA Resources	Dates
Operations Resident	<ul style="list-style-type: none"> Strengthening of the operations area. 	N. Bourns	Hugo Dionisio 240 days NB 5 days, 2 viajes	March -Dec
Support of MIFOS implementation	<ul style="list-style-type: none"> Design and adaptation of Grameen Foundation's open source MIS 	N. Bourns	Carlos Paredes (80 days, 20 covered by AFIRMA), Possible coordination with PRONAFIM and/or local university.	March
Human Resources Development	<ul style="list-style-type: none"> Design of the Human Resources Area Institutional Training Program 	N. Bourns	C. Martínez 7 days	Feb.
Savings Product Design and Implementation	<ul style="list-style-type: none"> Development of a Savings Product Implementation plan for a savings product 	N. Bourns	AFIRMA Team (WE, NB)	Sept.
Strategic Plan and Governance	<ul style="list-style-type: none"> Strategic Plan 2008 – 2012 Operational Plan 2008 Coaching of the Board of Directors 	N. Bourns	AFIRMA Team (NB, FF, IF, CM, WE)	Nov.

AMUCSS

AFIRMA assistance in years 1-3 focused on designing accounting processes according to CNBV norms, helping to implement the same Management Information System in the *microbancos*, identifying liabilities in the human resources area, redesigning credit policies, portfolio recovery, strategic planning, and working together with the FORD foundation to help determine the best legal and commercial figure for AMUCSS and the *microbancos*.

AMUCSS has responded well to AFIRMA support, although progress has been slow in part due to the complex organizational structure. The current challenge continues to be to determine the future legal and commercial status, a key factor for the organization's future growth and management. AFIRMA will continue focus on this initiative in early 2008 with resident Christophe Paquette, as well as coordination with USAID and the FORD Foundation.

Table 2 – AMUCSS

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	AFIRMA Resources	Dates
National integration of the microbancos into a SOFIPO or Savings and Loan Cooperative, according to the LACP.	<ul style="list-style-type: none"> Strategic Plan for the national microbancos network, with a description of the operational organization and governance Business Plan Authorization filed with the CNBV. 	W. Escobedo	Christophe Paquette 50% AFIRMA, 50% AMUCSS 84 days remaining f 209.	Jan – April 2008
Coordination meetings with Willy Escobedo	<ul style="list-style-type: none"> Knowledge of progress 	W. Escobedo	8 days WE	2008
Coordination meetings with FF, GC, WE.	<ul style="list-style-type: none"> Evaluate advances 	W. Escobedo	4 days FF, GC, WE	2008

FINCRECEMOS (FORMERLY CADEMI)

AFIRMA technical support to CADEMI in Year 3 focused on supporting Fincrecemos's efforts to implement a new Management Information System, with additional advisory during visits by CTO Geoffrey Chalmers, and AFIRMA's Ivana Fertziger.

AFIRMA will work with the Board of Directors to provide them with key strategy inputs for Fincrecemos going forward, including governance, client growth, portfolio quality, and new product development.

Table 3 – FINCRECEMOS

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources	Dates
Strengthen the Board of Directors	<ul style="list-style-type: none"> Guidance to the President of the Board recommending strategies to expand the board and incorporate a positive mix of board members that will help drive Fincrecemos towards its mission. Board training 	I. Fertziger	IF (4 days, 1 trip to SLP) WE (2 days, 1 viaje) NB 2 days, 1 viaje FC 4 days, preparación de informe	Feb-April

Help define a strategy for incorporating an Individual Loan Product	<ul style="list-style-type: none"> Guidance to the President of the Board to indicate different scenarios for implementing individual loans, including advantages, disadvantages, and considerations for each scenario 	I. Fertziger	IF (3 days, 1 trip to SLP)	April/May
Help define a strategy for incorporating nonfinancial services	<ul style="list-style-type: none"> Guidance to the President of the Board to discuss different scenarios for implementing non-financial services, including advantages, disadvantages, and considerations for each scenario, as well as lessons learned by other institutions 	I. Fertziger	IF (3 days, 1 trip to SLP)	June/July

CAJA LIBERTAD

AFIRMA support to Caja Libertad has focused on developing the microcredit loan product, in addition to several other tasks, though progress has been slow in this regard. Caja Libertad's management and board of directors have come to understand that microcredit loans are viable, profitable, and unique, which may allow for progress. In Year 4 microcredit implementation continues to be the primary technical assistance goal.

For 2008, AFIRMA will support the following initiatives with Caja Libertad:

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

Task	Outputs	Responsibility	AFIRMA Resources	Dates
Microcredit pilot	<ul style="list-style-type: none"> Pilot product 	W. Escobedo,	10 days WE 12 days TCN	2008
Search for Individual Loan Implementation Resident	<ul style="list-style-type: none"> Help Caja Libertad identify a full time individual loan resident, a position that will be paid by Caja Popular 	W. Escobedo,	8 days WE	2008
Coordination meetings with AFIRMA	<ul style="list-style-type: none"> Stay informed of advances 	W. Escobedo,		2008

CAME

AFIRMA made important strides in recent months towards gaining CAME's confidence and establishing a more formal and consistent advisory role. In Year 4, the primary goal is to help CAME complete strengthen and promote its individual loan product, as indicated in the table below.

Table 5 – CAME
Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	AFIRMA Resources	Dates
Establish an Individual Loan Improvement Plan .	<ul style="list-style-type: none"> Improvement Plan Policies, Manuals, forms, and other documents 	W. Escobedo	30 days WE y 40 days R. Cerritos. Other AFIRMA team members: 5 days	2008

Individual Loan Training	<ul style="list-style-type: none"> • Training and support of the Human Resources Department 	W. Escobedo,	5 days WE y 5 days C. Martinez, possibly with an external consultant	2008
Individual Loan Product Implementation	<ul style="list-style-type: none"> • Pilot and roll-out 	W. Escobedo,	40 days WE. Resident R Cerritos. (paid by CAME).	2008

COMPARTAMOS

Compartamos remains a leader in microfinance in Mexico and in the region. In 2007, Compartamos continued to grow aggressively and with project support through Acción to diversify product offering, with substantial growth in the individual loan, solidarity group loan and insurance products.

While AFIRMA will remain fully open to coordination with Compartamos on industry issues, USAID and AFIRMA have determined that Compartamos is perfectly capable of identifying and hiring technical assistance directly from local and international markets. This shift (begun in mid 2007 while finishing the agreed upon projects) frees up AFIRMA funds towards intensifying support of rural financial access, an area that still requires substantial development in Mexico.

CREDIAVANCE (FORMERLY DESPENO)

Crediaavance, has responded well to AFIRMA technical assistance and had substantial accompaniment by AFIRMA staff. Given the positive response to AFIRMA technical assistance, and a strong commitment to rural communities in Mexico's north, including agricultural initiatives, AFIRMA plans to continue offering Crediaavance integrated support based on needs, and increasingly incorporated into the Task 3 (Rural and Agricultural Finance) activities described below.

Table 6 – Crediaavance

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	AFIRMA Resources	Dates
Implementaton of the Loan Officer guide and portfolio quality control	<ul style="list-style-type: none"> • Loan Officer Improvement Plan • Professional Development Plan for Loan Officers 	W. Escobedo	WE 20 days	Feb. and June 2008
Internal Control Support	<ul style="list-style-type: none"> • Improvement in Internal Control Processes. 	W. Escobedo	External Consultant, 12 days.	March 2008
Support of Agricultural Finance Strategy and Operations	<ul style="list-style-type: none"> • Expansion of diversified portfolio in small scale agricultural activity 	N. Bourns W. Escobedo	WE 5 days, 1 trip NB 15 days, 2 trips	2008
Governance	<ul style="list-style-type: none"> • Meeting with the Advisory Board and presentation of institutional progress 	W. Escobedo	NB 2 days FC (individual report elaboration)	Jan and Feb 2008
Support of MIS Implementation	<ul style="list-style-type: none"> • TA for new MIS Implementation 	W. Escobedo	WE 2 days External Consultant 10 days	2008

FINAMIGO (FORMERLY FIMEDER)

AFIRMA assistance in year 3 focused on supporting FINAMIGO efforts to consolidate and grow the savings product and strengthen HR management. AFIRMA will work with Finamigo to increase their service area, continue to focus on rural communities, and expand and improve the organization's range of financial services products. AFIRMA assistance will focus on reducing portfolio at risk in upcoming months. Based on results, AFIRMA will consider other additional initiatives for 2008, especially those related to rural expansion.

Table 7 – FINAMIGO

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	AFIRMA Resources	Dates
Strengthen the HR department	<ul style="list-style-type: none"> Recommendations for strengthening and consolidating Finamigo's HR department 	I. Fertziger	Eliana Otondo (25 days, two trips – from existing SOW) Ivana Fertziger (4 days)	March, May/June
Portfolio Quality	<ul style="list-style-type: none"> Diagnostic of portfolio at risk Recommendations for portfolio improvement and growth 	I. Fertziger	IF 7 days WE 5 days	Feb/ March

FINCA MÉXICO

FINCA Mexico has responded well to AFIRMA assistance, which has continued to include a wide variety of projects in 2007, such as strategic planning, management training, management information systems, individual loan development, and standardization of village banking processes. In order to meet the high demand for AFIRMA assistance, FINCA further increased its counterpart contribution in Year 3. FINCA has received substantial support from USAID, through AFIRMA, the EMDAP program, and an IGP focused on innovation to increase efficiency and expand distribution channels. AFIRMA will coordinate the activities below for Year 4, with the possibility of several activities extending into 2009.

Table 8 – FINCA Mexico

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	AFIRMA Resources	Dates
Cost Administration System	<ul style="list-style-type: none"> Identification of an appropriate cost management system Implementation plan for the type of cost management system selected Accompaniment in the cost system implementation 	I. Fertziger	Milagros Chiappe (20 days, 3 trips) Jr Consultant (30 days) IF (5 days, 2 trips)	March, May, July
Risk Management System	<ul style="list-style-type: none"> Development of a Risk Management Department that contemplates credit, operations, and market risk Follow up to verify functionality of the new area 	I. Fertziger	Sr. Consultant 24 days, 2 trips (8 day diagnostic + 12 day implementation) IF 6 days, 4 trips	May, July/August

Cost – benefit analysis of implementing service windows as a regulated institution	<ul style="list-style-type: none"> Support efforts currently funded by USAID through the IGP, work with Ricela Muñoz periodically to make the required assessment. 	I. Fertziger	GC, NB, IF, WE (2-4 days each)	Throughout 2008
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FINCOMÚN

In year 3, work with FinComún supported some “next generation” technical assistance, including distance learning initiatives and innovations in distribution channels. AFIRMA continues to maintain an important advisory role to the general director and senior management, allowing for regular meetings and advice regarding the institution’s strategy, governance and operational issues. With a focus on innovative initiatives that will drive down costs and facilitate expansion of FinComún’s distribution network, AFIRMA will coordinate the following activities with FinComún:

Table 9 – FinComún

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	AFIRMA Resources	Dates
Risk Management	<ul style="list-style-type: none"> Implementation of a risk management department in accordance with the bank model. 	W. Escobedo	WE 4 days External consultant - 15 days LOE 50% FC y 50% AFIRMA,	February (covered by FC) and May 2008
Technological innovations (chips, cell phones, etc.)	<ul style="list-style-type: none"> Accompany FC staff to meet with suppliers in Peru, help coordinate with suppliers, etc. New products designed to reduce costs and reach more clients 	W. Escobedo	WE (7 days). Trip costs for WE only will be covered by AFIRMA	Mar/April 2008.
Regulation as a <i>Banco de Nicho</i>	<ul style="list-style-type: none"> Lay the foundation for the new legal figure 	W. Escobedo	WE - 5 days External consultant - 5 days	2008
Coordination meetings with FC leadership	<ul style="list-style-type: none"> Discuss strategies and trends in the industry 	F. Fernandez W. Escobedo	6 days WE, 6 days FF	2008

FINANCIERA SUMATE (FORMERLY FONDO 5 DE MAYO)

Súmate has performed very well over the course of the project, despite a downturn in 2007 related to expenses stemming from the merger with SOFOL Financiera Mercurio and transformation to a regulated entity. AFIRMA accompanied the institution in the process, which has now resulted in a combined entity solely dedicated to microfinance lending.

Support defined for Súmate consists mainly of projects extending from 2007 in the areas of operations, human resources and information systems. Further support in 2008 will need to be defined with Súmate and USAID, keeping in mind the project’s interest in supporting cost reductions and innovations to improve efficiency and allow for expansion in rural and agricultural markets.

Table 10 – Súmate

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	AFIRMA Resources	Dates
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Human Resources Development	<ul style="list-style-type: none"> Development of HR strategy and Processes 	N. Bourns	Henry Gutierrez (20 days) NB 2 days	March
Operational Branch support	<ul style="list-style-type: none"> Branch operation adjustment Continued training of branch managers and operational staff. 	N. Bourns	Hector Cisneros (16 days)	February
Definition of a new Management Information System	<ul style="list-style-type: none"> Selection of a new MIS 	N. Bourns	Gabor 7 days	February
Individual Loan development	<ul style="list-style-type: none"> Implementation of Individual Lending Plans 	N. Bourns	WE 5 days, 1 trip	March
Governance and Planning	<ul style="list-style-type: none"> Governance strategy meetings Strategic Planning support 	N. Bourns	NB 4 days	Feb., Nov

PROMUJER MÉXICO

ProMujer Mexico (PMM) demonstrated good growth in late 2007, during which the institution also began to focus on developing various support areas in order to sustain projected growth going forward. Apart from acting as an important strategic partner for ProMujer, both for high level management and the Board of Directors, AFIRMA supported various initiatives during the year, including selection of a Management Information System and hands-on coaching in the area of operations. AFIRMA will continue to act as a strategic partner to ProMujer, offering technical assistance outlined in the table below and possibly others to be determined with PMM and USAID.

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

Task	Outputs	Responsibility	AFIRMA Resources	Dates
Advisory to the Board of Directors	<ul style="list-style-type: none"> Ongoing support and consultation 	N. Bourns	NB 8 days	2008
Operational Coach	<ul style="list-style-type: none"> Strengthen field operations 	N. Bourns	Claudia Ordoñez 18 days NB 2 days (cost shared with PM International)	March – June
Continue to develop a Management Information Systems Area	<ul style="list-style-type: none"> Development of roles and scope for the new MIS department 	N. Bourns	Gabor 6 days	Feb/March
Training for the implementation of Manuals	<ul style="list-style-type: none"> Manuals adjusted and implemented 	N. Bourns	Sharon D'Onofrio (12 days), <i>cost shared with PMM International</i> NB 1 day	April
Competency Training	<ul style="list-style-type: none"> Finalization of training strategy 	N. Bourns	Maria Olazabal 12 days	March

PRONEGOCIO

Work with ProNegocio in 2007 was low-intensity, given that the institution did not implement various of the recommendations AFIRMA had made. Following management changes, PN became very interested in intensive support, which AFIRMA did not have budget to offer. While the project continued to coordinate closely with the new PN management, the institution sought further support with its own budgets. AFIRMA and USAID made it clear that the project would continue to be available to

coordinate with PN regardless of the firm hired for intensive assistance. PN first hired McKinsey and Company to analyze the business and then requesting proposals from firms specialized in microfinance, including DAI. As a result of this process ProNegocio hired DAI directly and the project has continued coordination with its permanent staff.

ProNegocio has responded positively to AFIRMA and DAI support, and AFIRMA plans to continue coordinating technical assistance, including the following activities scheduled for 2008:

Task	Outputs	Responsibility	AFIRMA Resources	Dates
Implementation of improvements to the individual loan product	<ul style="list-style-type: none"> An Individual Loan product piloted with low arrears 	W. Escobedo	WE 15 days,	2008
Implementation of various institutional adjustments	<ul style="list-style-type: none"> Implementation of various operational and administrative adjustments, according to best practices 	W. Escobedo	WE 22 days CM, FF - 4 days each	2008
Support of various service departments	<ul style="list-style-type: none"> Support of Human Resources, risk management, internal controls, and operations areas, including the hiring of key personnel 	W. Escobedo	WE 7 days CM, FF - 4 days each	2008

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

The growth of microfinance in Mexico calls for robust local support services that respond effectively to the demand for services among MFIs, and AFIRMA is working directly and leveraging other programs to improve the supply of services and human resources. Project experience has shown that this component will require a variety of approaches:

- Work with and develop local firms and consultants interested in microfinance;
- Carry out microfinance-specific skill-building and link local providers with MFIs;
- Foster and leverage local programs to build the HR base required for the microfinance sector;
- Coordinate with the MFI association and other initiatives to improve support services.

AFIRMA Microfinance Training Specialist Claudette Martinez remains responsible for overall coordination of this task and will coordinate the activities on four adjusted³ lines of action described below: (1) increased use of local consultants and firms (2) increased accompanying the work of local consultants and firms (3) roll-out of a piloted mentoring program for junior professionals, and (4) coordination with the microfinance association, ProDesarrollo. AFIRMA plans to continue with the strategy of integrating activities under this task closely with the needs of the local market, as understood through work on Task 1.

³ Based on market study, during the AFIRMA two-day retreat to initiate planning second phase of the project, task 2 initiatives were discussed and lines of action outlined in the Year 2 work plan were adjusted to better focus resources.

CONTRACTING LOCAL CONSULTANTS AND FIRMS

During Year 3, AFIRMA continued using and promoting the contract of local providers by extending the use of local providers on initiatives of all four of AFIRMA's tasks, especially related to training programs, applying a subsidy decreasing policy in Task 1 initiatives for all technical assistance provided to partnering MFIs, and monitoring performance of local firms and independent consultants contracted under AFIRMA tasks, as a reference for future assignments. In 2008, AFIRMA will:

- Continue monitoring and evaluating MFI needs, and local consultant and firm performance,
- Continue sharing information on qualified service providers, at least the contracted under AFIRMA tasks among institutions.

MICROFINANCE-SPECIFIC SKILL-BUILDING AND LINKAGES

Mexico has substantial general human resources and consulting capacity, but although HR capacity in microfinance is growing quickly, this growth is not keeping pace with the market itself, and there is significant variation in quality of services from one region to another. As a result, one important goal under Task 2 is to train and orient consulting and training firms, in specific priority areas related to microfinance.

During year 3, to achieve this goal, AFIRMA worked with local providers, partnering them with international specialist (where applicable) and fostered ties between high quality providers and MFIs. Additionally, AFIRMA continued strengthening MFI capacity to directly hire support services by sharing information, coordinating efforts, and promoting good practices on defining needs and hiring consulting services. One tangible result of this effort is that MFI partner Promujer has established the elaboration of a clear scope of work for the services hired as a mandatory first step for hiring consultants.

Into 2008, AFIRMA will continue working to improve microfinance-related knowledge and experience of local MFI service providers (firms and individual consultants) wherever feasible, partnering qualified local consultants or firms with international specialists and/or through close consultation with project initiatives under Tasks 1 and 3-5. AFIRMA will also strengthening the monitoring and evaluation system for this task.

Table 13 – Microfinance-Specific Skills-Building Program and Linkages
Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	AFIRMA Resources	Dates
FORMAL EVALUATION & MONITORING	<ul style="list-style-type: none"> • Performance Report to identify concrete results • Database (ranked) 	C. Martinez	A. Cedillo 10 days / C. Martinez 5 days	Feb – April

MICROFINANCE TRAINING WITH THE IPN

Recent and planned microfinance courses in Mexico (through ProDesarrollo, INCAE, Colcami and others) address part of the need for more and better prepared human resources in microfinance, focusing on existing MFI staff. However, the demand for well-prepared entry-level professionals is strong and growing rapidly. Given the expansion plans of AFIRMA's partners and recent growth in the

sector, there is a clear need to prepare young professionals who can enter MFIs at junior to middle management levels, with some of the basics of microfinance.

In response to this market need, during Year 2 AFIRMA piloted a training program for young professionals and professors in partnership with the National Polytechnic Institute (*Instituto Politécnico Nacional - IPN*), one of the largest public universities in Mexico. AFIRMA delivered a pilot training program that included classroom work and practical field application, with highly positive results and great interest among students, professors & directors of the IPN, as demonstrated at a participants' presentation in December 2006.

During 2007, the IPN Microfinance program became institutionalized within the University, expanding to 3 schools with centralized coordination and designated full time staff.

Other Mexican Universities have recently approached AFIRMA to inquire about receiving support in developing Microfinance curricula. AFIRMA will continue to explore these possibilities and coordinate closely with USAID. Should opportunities to work with Universities other than the IPN take shape, AFIRMA will incorporate them into this component of Task 2, and redistribute AFIRMA staff time accordingly.

Going forward in 2008, AFIRMA will maintain more of an advisory role with the IPN Microfinance Program, ensuring the transfer of technical knowledge to internal IPN instructors and allowing for an increase in internal leadership and operational responsibility, thereby decreasing AFIRMA's direct investment over time. During year 4, Claudette Martinez will be responsible for coordinating and implementing the activities listed below, considering the possibility of redistributing resources as other local Universities look to develop their own Microfinance Program:

Table 14 – Microfinance Development Program for Professionals

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources	Dates
Transference of Course (Training for trainers on the job)	<ul style="list-style-type: none"> • 2 Courses Held • 5 Professors trained • 120 students • 80 alumni working in the sector • 5 thesis in microfinance • Logistics Manual / Database 	C. Martinez	<i>NB (2 days)</i> <i>IF (6 days)</i> <i>WE (6 days)</i> <i>CM (20 days)</i> <i>Consultores Jrs. 10 days</i> <i>Luis Heriberto García</i> <i>20 días</i>	Jan - Dec 08
Microfinance Center <ul style="list-style-type: none"> • Asses Strategy and share information • Strengthen linkages 	<ul style="list-style-type: none"> • Proposal • CGAP Training coordination (Feb 18-22) 	C. Martinez	<i>CM (5 days)</i> <i>CM (5 days)</i>	Jan – Jun 08
Mentoring Program	<ul style="list-style-type: none"> • Evaluation • Systematization • Manual 	C. Martinez	<i>A. Cedillo (5 days)</i> <i>C. Martinez (10 days)</i> <i>Jr. Consultants (10 days)</i> <i>Jr. Consultant (scholarship) 180 days</i>	Jan- May 08 Mar-Dec 08

Expanded Microfinance Program	<ul style="list-style-type: none"> • MF Introduction Training Systematized • Curricula Development (at least 5 programs) • Training and Continue Specialization Program for Academics (at least 25 academics specialized) • Research program (pillars). At least 5 studies • Career Development Mechanism (CAP) • Linkages with at least 5 institutions or organizations 	C. Martinez	CM 70 days IF 20 days WE 15 days NB 15 days FF 20 days LI (external consultant) 30 days 6 Scholarships for international / national programs 6000 USD (25% AFIRMA) PO for Research 20,000 USD Linkages (Visits, Events, Meetings), 10,000 USD	Feb-Dec 08
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In addition to the activities with the IPN mentioned above, AFIRMA will continue to work with junior professionals to participate in practical assignments coupled with senior consultants on technical consultancies. To support these mentoring projects, AFIRMA will help continue defray the intern's transportation and meals expenses.

PRODESARROLLO

During 2007, AFIRMA supported several initiatives with Prodesarrollo, including the development of their Benchmarking Area and support in the elaboration of Mexico's first microfinance sector benchmarking report. Claudette Martinez will be responsible for overall coordination of AFIRMA's technical assistance with ProDesarrollo, which will include minimal investment for 2008:

Table 15 – ProDesarrollo

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources	Dates
Coordination on Benchmarking and Transparency Initiatives	<ul style="list-style-type: none"> • 2nd National Benchmarking Report 	N. Bourns	Martinez 3 days	June
Collaboration or Share Experiences	<ul style="list-style-type: none"> • 1 or 2 Meetings 	Martinez	Martinez 3 days	Jan-Dec 08

4. TASK 3 - SUPPORT INNOVATIONS TO EXPAND ACCESS TO RURAL AND AGRICULTURAL FINANCE

The goal for Task 3 is to expand access to rural and agricultural finance by encouraging innovative business models and technologies for providing financial services. Under this task, AFIRMA will be giving priority to initiatives that address threats to Mexico's biologically significant areas.

APPROACH TO BIODIVERSITY ACTIVITY SELECTION

AFIRMA will apply a threats-based approach to conservation on a watershed scale. This perspective calls for a broad view of relevant activities, recognizing that an activity in one area of a watershed that is not itself biologically significant may have critical impacts in other, biologically significant areas of that watershed or neighboring ecosystems, as in the case of mangroves at the base of a watershed. AFIRMA's activities will take into consideration that:

- direct threats must be mitigated in order to achieve effective biodiversity conservation;
- addressing all threats is impossible, so threats and actions will be prioritized principally within the framework of AFIRMA's areas of expertise in finance and value chains;
- effective interventions require an understanding of the context and root causes of direct threats; and
- threats analysis is an iterative process that serves not only as the foundation for selection priorities and setting targets, but also requiring monitoring over time to inform program adjustments.

Prior to initiating activities in a biologically significant area (BSA), AFIRMA will base its approach on a site specific threats analysis. Site-specific analysis will either consist of relevant, recent analyses conducted by reputable NGOs or consultants, or those that AFIRMA procures directly through short-term technical assistance, local subcontractors, or NGO partners. Once the threat analysis is complete (or previously indicated in the 118/119) AFIRMA will prioritize those identified in identify specific AFIRMA supported activities. Factors that will be considered are:

- Urgency of addressing the threat,
- Probability of success in mitigating, reducing, or eliminating the threat,
- Area affected by the threat,
- Feasibility of addressing the threat (culturally, politically, economically, etc.),
- Timeframe required to adequately develop appropriate activity,
- Cohesion with AFIRMA's scope of work, and
- Level of agreement among stakeholders about the threat.

The final criteria cited above, "agreement among local stakeholders", is a particularly important factor. Through participatory processes, AFIRMA will consult with key stakeholders in the target biologically significant sites. These consultations will help ensure that AFIRMA addresses issues of importance for the local population, which will increase the likelihood of community ownership and longer term sustainability of activities and results.

2008 Initiatives

In and around BSAs where access to finance is identified as a indirect/root cause of a direct threat, each activity proposed under this component should influence production and use patterns at the

farm/ejido/community level by providing long term access to capital that creates stability in financing rather than reliance on the extraction of natural resources in unsustainable manner without regard to fragile ecosystems. Identified activities, detailed in the table below, include:

- **Mango Value Chain-** An identified threat in the targeted marine BSAs is pollution and pesticide use, largely from agricultural run-off. Specifically, agricultural production techniques of mangos grown in the upper watershed area surrounding/in El Triunfo – *La Encrucijada* – Pala Blanco have been identified as a threat in the *Sistema Lagunar Chiapaneco* by the CONABIO / CONANP GAP analysis. AFIRMA will conduct an in-depth analysis of the Ataulfo Mango value chain in Chiapas, identifying upgrading opportunities, and is planning to contract a local firm to carry out a detailed map of threats to biodiversity within the mango production area, along with an assessment of current land management practices. This will help AFIRMA refine its intervention strategy linked to the identified threats. One can anticipate that inappropriate agricultural and ranching techniques, falling yields put pressure on expansion of farmed areas increasing the rate of soil erosion. As a result, soil erosion and the channeling of rivers impede the natural flow of rivers and obstruct estuaries, lagoons and mangrove forests downstream. In collaboration with local environmental NGO ProNatura Sur, AFIRMA will identify activities to mitigate identified threats.
- **Community finance to support alternatives to unsustainable fishing in the Alto Golfo** - In collaboration with Conservation International Mexico (NW Region), expand services and available expertise to strengthen the *Organizaciones Comunitarias Financieras*, established in several communities along the Sea of Cortez (Gulf of California) on the mainland. The program was initially designed to conserve the *vaquita marina*, endemic to the upper gulf of Mexico and currently at risk of extinction, by reducing the direct threat of unsustainable harvesting practices by providing resources necessary to engage in alternative sources of livelihood. CI has worked with Construyamos, an MFI which has sought previous assistance from AFIRMA under Component 2
- **Finance to support sustainable agriculture in Marismas Nacionales, Nayarit** – The Marismas Nacionales wetland system in Nayarit for which CI has led an initiative to declare as a National Protected Area, is threatened by agricultural runoff and habitat destruction from the practice of cutting mangroves for use as materials on farms, such as the growing of tomatoes. AFIRMA will work with CI and potentially with Task 1 partner CrediAvance to determine whether there is scope for financial services and value chain initiatives to support more sustainable productive activities in the watersheds that drain into *Marismas Nacionales*. If so, AFIRMA will support local actors to develop approaches to delivering services (including but not limited to financial services) local producers,
- **Community Forestry-** Forestry is a major economic activity for communities in and around the Sierra Norte and Sierra Sur in Oaxaca and the Selva Zolque in Oaxaca, Chiapas, and Veracruz. Initial work has been started with communities in these BSAs through previous USAID-funded activities. There may exist opportunities for AFIRMA to build upon analysis and activity previously undertaken, in coordination with the USAID/Mexico Competitiveness project, depending on that project's priorities and work plan.

A broader scope of initiatives for 2008 are detailed in the table below, however considering the emphasis AFIRMA will be assigning to Task 3 during 2008, a degree of flexibility will be important in order to respond to new and innovative initiatives that arise during the year. Nate Bourns is responsible for this task, and will be dedicating a substantial portion of his time during 2008 towards

ensuring the successful development of the initiatives, including dedicating roughly 50% of his time to biodiversity related activities in the second half of 2008. Ivana Fertziger will support these activities, dedicating in the second half of the year 80-100% of her time to designing, implementing and reporting on biodiversity-related activities.

Table 16 – Support of Rural and Agricultural Finance Innovations

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	AFIRMA Resources	Dates
Mango - Tapachula, Chiapas (biodiversity)	<ul style="list-style-type: none"> Working event Coordination with AMAP Finalized report in English and Spanish Biodiversity impact assessment with local firm Strategies to address biodiversity threats and promote increased value to mango producers 	N. Bourns	NB, IF, FF, Senior External consultant	March – Dec.
Collaboration with Conservation International in <i>Alto Golfo</i> and <i>Marismas Nacionales</i> (biodiversity)	<ul style="list-style-type: none"> Technical Assistance to Lazos del Mar, local NGO promoting microfinance as strategy for alternative income streams to fishing in order to protect the endangered species, <i>vaquita marina</i> Further promotion of OFCs as identified as a key strategy for CI to address threats to biodiversity. 	N. Bourns	NB, IF, FF, CM, WE	Oct - Dec
Promote access to finance for organic producers (biodiversity)	<ul style="list-style-type: none"> Collaboration with local organic commercialization firm, Aires del Campo, to resolve financing bottlenecks and promote organic production, particularly in regions of high risk to biodiversity. 	N. Bourns	NB, IF,	May – Dec
Pineapple variety conversion business case with Crediaavance	<ul style="list-style-type: none"> Business case Potential additional investors identified 	N. Bourns	NB 10 days WE 2 days	Jan/Feb
New methodology for financing small hibiscus flower producers	<ul style="list-style-type: none"> Development of the methodology 	N. Bourns	NB, WE	May
Agricultural Microfinance Diagnostic with Sumate	<ul style="list-style-type: none"> Agricultural Microfinance Model 	N. Bourns	NB, 10 days Hector Cisneros, 40 days	March – Sept.

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

Under this task, AFIRMA will continue to 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 USAID and with AFIRMA subcontractor International Consulting Consortium (ICC), a firm specialized in financial regulation and supervision in Latin America.

The CNBV showed a renewed intensity during 2007, with the newly appointed Vice President of Financial Institutions, Yerom Castro, prioritizing the process of regulation and supervision of popular finance institutions. AFIRMA supported efforts to review the Popular Savings and Credit Law (*LACP* for

its initials in Spanish) with the CNBV, facilitating valuable reflection regarding the importance and risks involved with this issue.

AFIRMA and the CNBV have defined the following initiatives for 2008:

Table 17 – Regulation and Supervision of Microfinance

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources	Dates
Review of Money Laundering policy	<ul style="list-style-type: none"> Policy Revision 	F. Fernandez	ICC Subcontract Ramon Rosales 6 days Miguel Barba 12 days FF 3 days WE 2 days NB 1 days	Apr - Jun
Credit Information Systems	<ul style="list-style-type: none"> Proposal of adjustments to existing norms 	F. Fernandez	Subcontract ICC Miguel Barba 16 days Miguel Llenas 16 days FF 5 days WE 2 days NB 2 days	May – Jun
Training of Bank Supervisors	<ul style="list-style-type: none"> Training Program 20 federation supervisors and CNBV staff trained 	F. Fernandez	Subcontract ICC Subcontract OSU Coinvestment w/ CNBV FF 15 days WE 3 days NB 3 days CM 8 days	Aug-Dec
Risk Analysis	<ul style="list-style-type: none"> Forum on good practices in MFIs, Banks, credit unions 	F. Fernandez	ICC, OSU and CNBV CM 3 days FF 5 days NB, WE, IF, FC 2 days	April

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, Sedesol, 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 years 1 and 2, AFIRMA supported **ProDesarrollo** training initiatives, helped **PRONAFIM** plan a national conference held in October 2005, conducted a comprehensive diagnostic of **Financiera Rural**, and coordinated 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 3 activities under Task 5 included internal capacity building of Pronafim staff and leadership, support of ProDesarrollo, and improved development of Mexico's credit information services.

Into Year 4, this task will prioritize collaboration on horizontal initiatives with potentially substantial impact for the sector, such as institutional capacity building, transparency, and good practices. **Fernando Fernandez** will have primary responsibility for coordinating with GoM agencies, in close coordination with **Geoffrey Chalmers**. The following initiatives are scheduled for 2008:

Table 18 – Support GoM Microfinance Initiatives

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources	Dates
Sector Wide events	<ul style="list-style-type: none"> • 2 events per year, including issues such as market status, role of higher education in RRHH, and AFIRMA awards for excellence • Support of Pronafim's National Microfinance Event (Encuentro Nacional de Microfinanzas) 	F. Fernandez C. Martinez	FF 20 days CM: 10 days Team: 2-3 days per event Additional resources leveraged with partners	April - Oct
PRONAFIM	<ul style="list-style-type: none"> • Support of Pronafim strategy, information systems, and market research 	F. Fernandez	FF 40 days NB, FC, 10 days J. Magill 8 days	Jan - June
Financial sector Mapping	<ul style="list-style-type: none"> • Coordination with across GoM agencies to improve market information on the sector (with working group from Sedesol, Pronafim, Bansefi, FinRural, Hacienda) 	N. Bourns	N. Bourns 5 days F. Carbajal 10 days	Ongoing
Donors Coordination	<ul style="list-style-type: none"> • Sensitize donors to the importance of coordination. • Facilitate organization of donor coordination. 	F. Fernandez	FF 20 days GC	Jan - Oct
Rural MFI Strengthening	<ul style="list-style-type: none"> • Work with PRONAFIM and 5 or 7 Rural MFIs to develop sustainable and diversified services on rural areas. 	F. Fernandez	FF 15 days	March - Dec
Policy support for financial competitiveness	<ul style="list-style-type: none"> • TBD in coordination with USAID 	F. Fernandez	NB GC	March - Dec

PERFORMANCE MONITORING AND REPORTING AND OTHER RELATED PROJECT INITIATIVES

Although this is an administrative requirement as part of the AFIRMA project, the information generated is increasingly used for technical purposes and for reporting on the market evolution, and is therefore included here under Task 5. **Nathanael Bourns** will be responsible for supervising the performance monitoring process in coordination with **Francisco Carbajal**, and AFIRMA reporting to USAID, for which he will continue to work closely with **Ivana Fertziger**. **Mr. Carbajal** will be responsible for applying the USAID-mandated poverty impact tool, as well as overseeing the development of the AFIRMA website. **Ms. Fertziger** will be responsible for documenting the AFIRMA project, including case studies, USAID Notes from the Field, and general documentation of the AFIRMA Project's experiences and lessons learned.

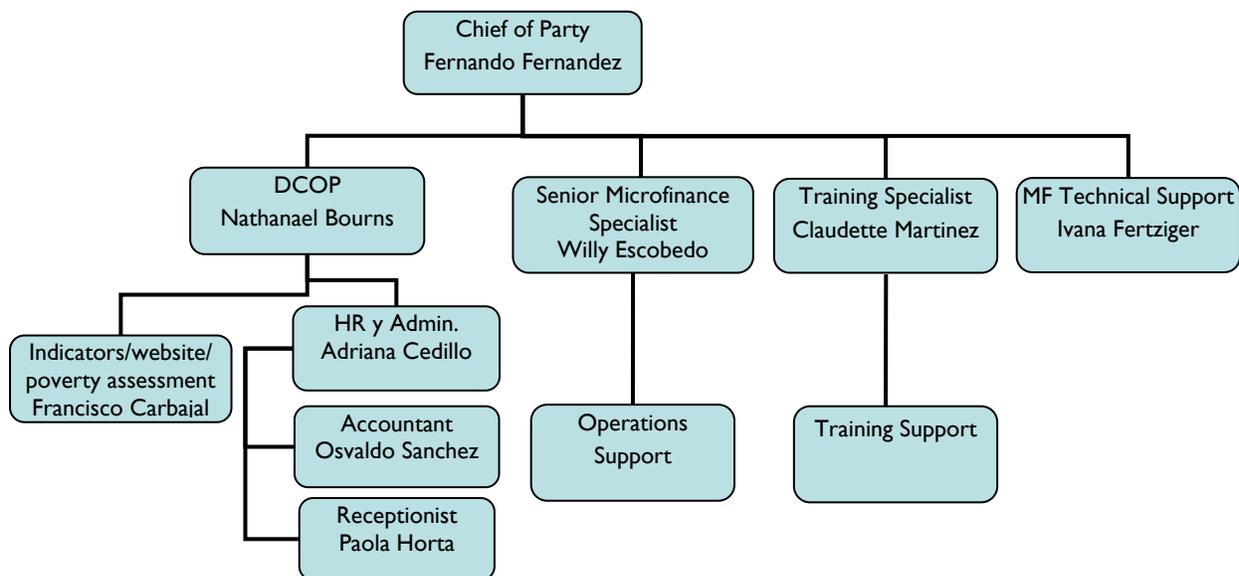
Table 19 – Performance monitoring and reporting and other related project initiatives.

Activities, Outputs, Responsibility and Resources

Task	Outputs	Responsibility	Resources	Dates
Poverty Impact Tool	<ul style="list-style-type: none"> Required report to USAID Additional inputs for AFIRMA use (additional questions) 	F. Carbajal	Serta USD 13,000 FC 40 days NB, CM 5 days 5 – 6 trips	Dec – Jan
Quarterly and Annual Reports	<ul style="list-style-type: none"> 3 quarterly reports Annual Report 	N. Bourns	Ivana Fertziger (12 days) Nate Bourns (6 days)	Jan, April, July, Oct
Technical Performance Monitoring	<ul style="list-style-type: none"> Inputs for quarterly reports Performance monitoring tool Individual institution reports and presentations (5-6 per year) 	F. Carbajal, N. Bourns	FC 60 days (15 per quarter) NB CM 5 days	All year
Year 5 Work Plan	<ul style="list-style-type: none"> A Work Plan detailing activities and resources for Year 5 	N. Bourns	AFIRMA Team 1 day Ivana Fertziger (3 days) Nate Bourns (2 days)	Jan 2009
Documentation of the AFIRMA Project	<ul style="list-style-type: none"> Outline of the AFIRMA Book 5 Case Studies/Success Stories 2 Notes from the Field USAID Weekly Report stories following noteworthy events and achievements 	I. Fertziger	Ivana Fertziger (50 days), in coordination with AFIRMA team and possibly a summer intern	All year
AFIRMA Website	<ul style="list-style-type: none"> Live website with key inputs: January 15 launching (approved by C. Canelas and G. Chalmers) Website management/upkeep 	F. Carbajal	Local programmer 7 days C. Canelas 11 days	Feb/March

7. PROJECT MANAGEMENT

Chief of Party **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.



PROJECT ADMINISTRATION

As discussed with the USAID CTO, changing needs and increased activity level, especially resulting from renewed emphasis in rural and agricultural finance initiatives, the IPN training roll-out, increased direct support of partners by the local AFIRMA team, and a growing interest in sharing AFIRMA's experiences as it enters the fourth year of a 5-year contract, have made it necessary to shift roles and add support staff. The proposed changes described below are reflected in the organizational chart above, as well as initiatives outlined throughout the Work Plan.

- Operations & Training Support / Mentoring Junior Professionals.** AFIRMA will continue an ongoing operations support position for a **local junior professional** (linked to Task 2, possibly an alumni from the IPN courses) to shadow Senior Microfinance Specialist **Willy Escobedo** and support him in his work with MFI partners, while also gaining microfinance-related skills. Another junior professional will continue to support Training Specialist **Claudette Martínez**, as initiated during Year 3.
- Documentation of the AFIRMA Project.** **Ivana Fertziger**, will be responsible for documenting the AFIRMA project, including a range of documents such as success stories, case studies, USAID Notes From the Field, and weekly news overviews. Ms. Fertziger will continue to work closely with USAID CTO Geoffrey Chalmers to identify documentation that will best represent experiences and successes of the AFIRMA Project, and general inputs of greatest benefit to USAID and the sector at large.
- Poverty Assessment, Indicators and Website.** In light of the indefinite suspension of the i-FAR grants initiative, for which **Francisco Carbajal** was assigned the role of Grant's Administrator, Mr. Carbajal's responsibilities have shifted to coordinating the **poverty assessment** that will be conducted during 2008 with all AFIRMA partners that meet USAID requirements for this initiative, as well as continued responsibility for AFIRMA's **indicator**

tracking and reporting, as well as coordination of the AFIRMA **website development** launch and maintenance.

- **Human resources and Task 2 support.** **Adriana Cedillo** will continue to handle relationships with local service providers, local employee contracts, and compliance with applicable local laws and regulations, while also beginning to shift to support Task 2, especially focusing on local human resources needs and capacities, development of local junior professionals and consultants, and coordination, monitoring and evaluation of local service providers. She will assume this role under the guidance of **Claudette Martinez**, who maintains responsibility for overall Task 2 implementation and monitoring.
- **Contracts.** Within the AFIRMA office, **Nate Bourns** will continue to be responsible for coordinating with the USAID/EI Salvador contracts office on project contractual and budgetary issues. He also coordinates with DAI Contracts Specialist **Baigal Barambazar**, 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.
- **Home office project support.** AFIRMA will continue to coordinate on a daily basis with Home Office Associate **Florencia Renedo-Mead**. "Home Office" Technical Manager **Robin Young** (from her home in Costa Rica) will continue to support AFIRMA.

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