

**Performance Report – 2nd Quarter
January 1, 2009 – March 31, 2009
GER (Growing Entrepreneurship Rapidly) Initiative, Mongolia**

Contractor: CHF International
Cooperative Agreement #: 438-A-00-02-00017-00
Reporting Period: January 1, 2009 – March 31, 2009

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.

At the request of CHF, the GER Initiative was extended by USAID from October 2008 to March 2009. During this period, the business development services of GER were offered through CHF's local partner, Development Solutions (DS). CHF provided support and capacity building to DS during the extension period.

B. Expected results at the conclusion of the GER Initiative program

- 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, 1,386 new clients registered for services this quarter, down 1% from last quarter. GER has registered 47,944 clients over the LOP, of which 21,910 (46%) are business clients, 20,713 (43 %) are employment clients, and 5,321 (11%) are "other"¹ clients.

Of the clients who registered this quarter:

¹ "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).

- 44% registered as current or future business owner² (up from 35% last quarter)
- 45% registered for employment services (down from 55% last quarter)
- 10% registered for “other” services (equal to last quarter)

Of the new clients, 54% are female, down from 59% last quarter.

	Clients	Male	Female	Avg. Ger Time	Avg. Age	Disabled
Business Owner	328	130	198	11	39	1
Employment Client	630	306	324	11	29	1
Future Business Client	285	142	143	10	37	0
Other	143	54	89	14	37	1
Total	1,386	632	754	12	36	3

The table below summarizes the types of businesses operated by GER’s newly registered clients.

Sector	Number³	%
Producers	73	32%
Services	28	12%
Traders	124	55%
Total	225	100%

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

- Agriculture 42% of Producers (overtaking Textiles in quarter 1)
- Consumer Retail 32% of Services (overtaking Transportation from quarter 1)
- Consumer Retail 39% of Traders (same as quarter 1)

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

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

2. Business Consulting

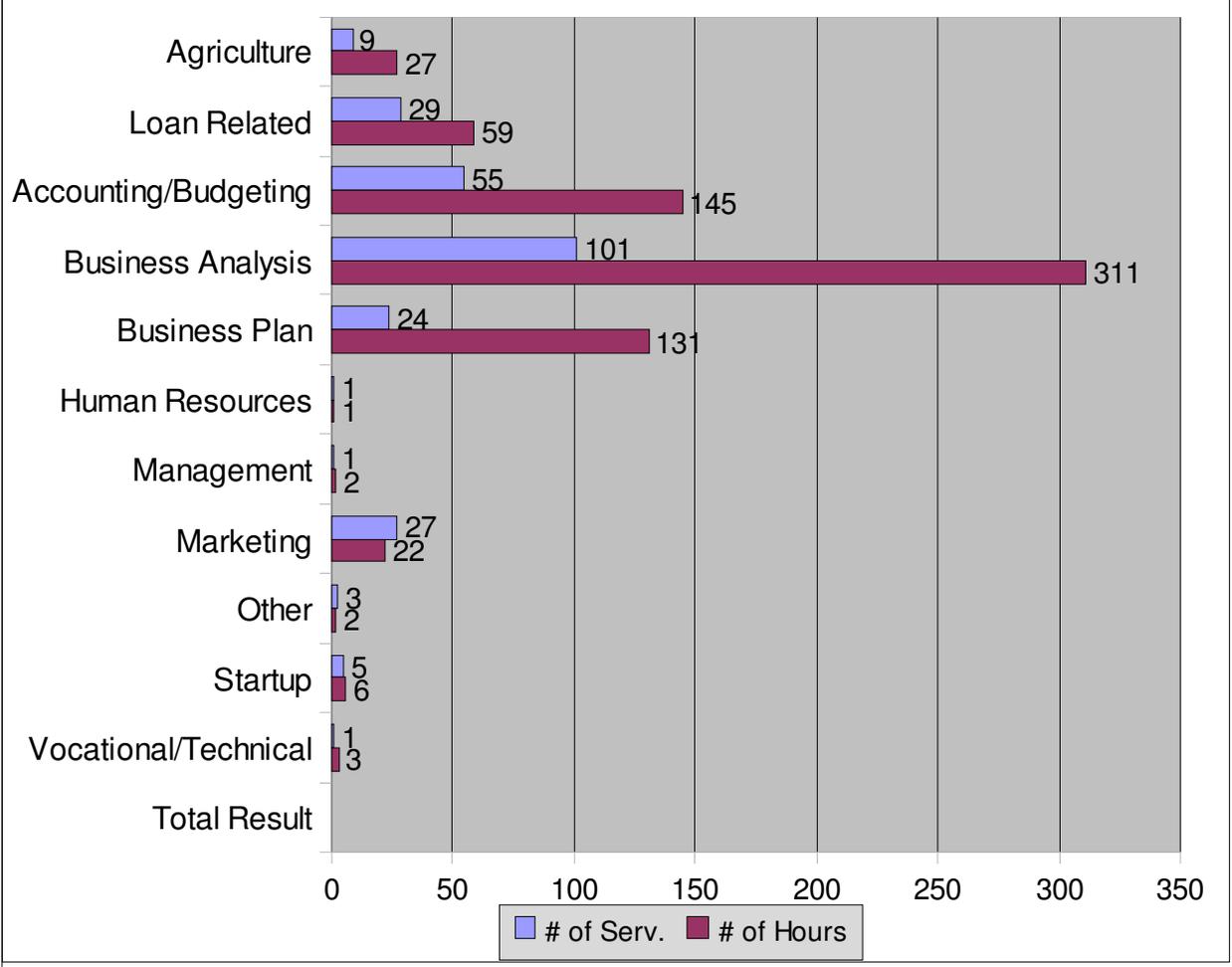
GER Initiative Business Advisors provide one-on-one consulting on topics that are directly related to clients' businesses. This quarter, 221 clients benefited from 256 consultancies. As the following graph indicates, ongoing clients increased from last quarter to 44% of those receiving consultations. Typically, ongoing clients comprise 60% of GER's consulting clients. This quarter, the number of ongoing clients was 99, down from 113 in the previous quarter. New clients also decreased to 125 compared to 177 in the previous quarter.

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 increased overall by 22% compared to the previous quarter. Consultancy on Agriculture and Business Analysis saw the largest increase this quarter. Business Analysis and Accounting/Budgeting were the most common types of consultancy this quarter.

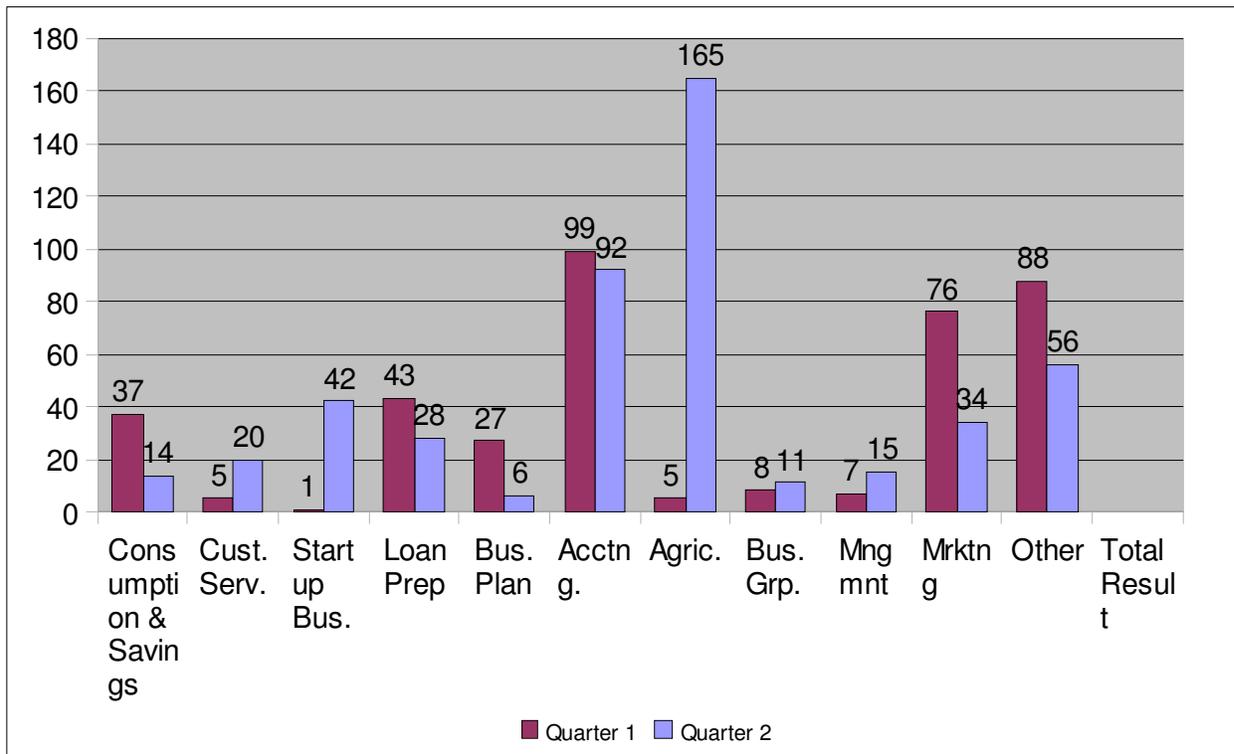
Figure 2: Consulting Services Provided



3. Business Training

GER provided 483 business trainings to 353 clients this quarter. Figure 3 compares the types of trainings for this quarter compared to the prior quarter. Start-Up Business and Agriculture trainings show the biggest increase compared to Q1 2009. Accounting and Marketing trainings were also prevalent this quarter.

Figure 3: Number of Trainings by Type



Training activities this quarter included:

- Pig Farming Training** in Bayangol, including a tour of successful pig farms. A total of 14 clients who were interested in starting a pig farm attended the training. The training was conducted by Dr. Bataa, Head of the Mongolian Pig Farmers' Association and covered topics such as operation efficiency of running a pig farm, breeding and reproduction cycle of pigs, pig feed, pig shelter and hygiene. On the second day, the participants visited “Grecha” pig farm, which has 100 sows. There they were introduced to proper pig shelter design, what materials can be used for building a pig shelter, how to regulate the heating systems, how to organize rooms for pregnant sows, piglets, young gilts, as well as delivery and breeding rooms. After the tour, the clients discussed the shelter and the trainer answered their questions and offered consultation on individual issues. Innovating, Monitoring, and Promoting Poverty Alleviation by Cooperatives in Transitional Societies (IMPPACTS) Value Chain Program staff gave a presentation and distributed pig feed manuals to the audience during the training as well.
- Financial Statement Preparation** package training for 15 clients in Sukhbaatar. The goal of the training was to improve GER clients' financial accounting knowledge and teach them how to prepare financial statements and tax reports for the coming annual financial statements due in February. The training package includes Basic Financial Statements (FS), Preparing and Analyzing FS, Salary Calculation and Tax Report Preparation trainings. Also as part of the package, the clients will receive

ongoing consulting on their entities' financial statements. Accordingly, they will be able to prepare their financial statements on their own, which will help them to decrease the operational cost and better understand their businesses' financial situation. The same training was conducted in Tolgoit for three clients.

- Bookkeeping and Tax Report training for five newly established business owners in Bulgan. This was a joint training between GER and the local Tax and Labor & Social Welfare Service Departments. GER Business Advisors conducted the Bookkeeping training, and Tax Inspectors conducted the Tax Report training.
- Seamstress Training for 15 clients in Tolgoit. They learned how to take correct measurements of people; how to make basic patterns for skirts, pants, and blouses using the measurements; how to change the basic patterns into larger and smaller sizes; fabric types used for clothes and their characteristics, structure, and more. Ms. Uranchimeg, the teacher from the Science & Technology University conducted the training and demonstrated the pattern making technological process to the trainees. Moreover, the trainees expressed their interest in taking another vocational training for making traditional Mongolian deals for the coming Tsagaan Sar and Women's Day holidays.
- New Loan Client Package in Tolgoit and Zuumod, the Organized Business Package in Choibalsan, the Service Business Package in Erdenet, and the Human Resource Management Package in Baganuur. All packaged services include a number of related trainings and consultancies and other GER services based around certain client types. The packaged services are also offered at a discounted rate compared to the individual service components. A total of 27 participants received the packaged services. Both new and ongoing clients attended the trainings and learned the importance of planning their business activities beforehand, controlling their cash flow wisely, keeping records accurately, evaluating and motivating employees, positive public relations, and the importance of offering good customer service. In addition, clients shared their business experience and discussed cooperation opportunities with each other.
- Grocery Store Marketing training for five clients in Selenge, who want to start a grocery store business and Bookkeeping training for six clients, who received a bank loan and a USDA funded loan.
- Vocational Training for 26 cooks and chefs conducted by a professional from the Gun Shim Vocational Training Center. Clients learned a variety of dishes from the training, including white and red sauces, garnishes, steaks, salads, and rice balls. They also learned several types of dishes from local lake fish and learned a variety of dough for cakes and pies.
- Preparation of Soil and Seed and Seedlings for Planting and Preparation of Soil for Greenhouse Use and Uncommon Vegetable Growing for clients in Bayangol. The trainings were led by Dr. Baljinyam, a teacher from the Agriculture Extension Center of Ulaanbaatar. Forty-one clients participated in the training, 70% of whom were new GER clients who wanted to start their own vegetable farming business. The trainings took place in the GER training room and at the Extension Center's garden. During the six-hour training, the clients learned about the different types of soil, methods of enriching soil using commonly available materials, selecting the right seeds, and preparing seeds in organic solutions. The trainer introduced the necessary equipment and tools used, including hands-on interactive training in soil preparation and organic seed preparation. GER also conducted a Preparation of Seed and Seedlings for Planting training for 22 clients in Darkhan, Erdenet and Bulgan and a Growing Strawberries training for 13 clients in Selenge.
- Pig Farming Training for 36 World Vision (WV) clients in Selenge. WV chose the clients from low-income households in order to assist them in running pig farming businesses to generate family income. Mr. Enkhbayar, Darkhan's newly established agriculture trainers' team member, delivered the training. Clients gained general theoretical knowledge on pig farming.
- Chicken Farming in Bayangol led by Mr. Damdindorj, Executive Director of Bukhug Company, one of the largest poultry and egg producers in Mongolia. The participants learned about chickens, including the caring, breeding, feeding, and nursing of chicks from the seven hour training. The

training material also included chicken shelters, conditions, heating, ventilation and hygiene. The participants learned about intensive poultry farms as well.

- Start-Up Business training for 32 World Vision clients in Erdenet. Most of the participants are currently unemployed and have limited education but are interested in operating a micro business to generate family income. The trainees learned how to start up a business, including analyzing risks associated with different business ideas and how to promote their business activities.

4. Financial Services⁴

Loan Facilitation (LF)

GER facilitates loans to clients through five commercial banks. The number of loans facilitated by the program this quarter was 98, up from 95 last quarter. The total value of loans facilitated this quarter was \$74,896, down from \$110,733 last quarter.

In Baganuur, GER organized a campaign with XacBank to support start-ups with loan facilitation service and to train micro businesses on micro loans. The campaign information was given by GER and XacBank on local TV channel BBS and in the khoroo meetings. As a result of the campaign, 14 micro loans worth up to \$818 have been approved, and seven clients involved in retail trading and production have started their businesses.

XacBank, in collaboration with the Chamber of Commerce and Industry and Petrovis LLC, is organizing a TV reality show “Life is Always Good.” The project will provide loans and technical resources to clients who are interested in running a business. The aim of the project is to let the public know there is an opportunity for everyone to improve his or her livelihood by running small or micro businesses. For the first stage, 38 people (six of whom are GER clients) from UB were chosen, and their loan proposals were approved. The selected candidates attended “Start-Up Business” and “Market Research” trainings conducted by GER Business Advisors.

GER notified the partner banks that CHF will be handing over the loan facilitation service to Development Solutions effective April 1. CAF loans will stay with CHF pending approval from USDA to transfer the portfolio to DS.

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

- Loan size: \$764, down from \$1,240 last quarter
- Loan term: 11.8 months, down from 13.6 months last quarter
- Interest rate: 2.6% per month, up from 2.3% last quarter

Of the 5,937 loans valued at approximately \$6,374,302 facilitated over the life of the project, the outstanding portfolio at the end of the quarter consisted of \$471,633 and 540 active borrowers. Within this outstanding portfolio, 16 loans were in arrears with a remaining principal balance of \$15,324.

⁴ Average exchange rate used for this quarter: 1,458.55 ¥ to 1 US Dollar.

Table 3: Loan Facilitation Arrears

	Q1		Q2	
	# Loans	Amount	# Loans	Amount
Overdue (up to 30 days past due)	0	\$0	7	\$5,236
Abnormal (31 – 60 days past due)	1	\$65	1	\$58
Doubtful (61 – 90 days past due)	0	\$0	2	\$4,613
Bad (> 90 days past due)	5	\$3,996	6	\$5,417
Total	6	\$4,061	16	\$15,324

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 in 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.

To date, 1,071 CAF loans have been approved, valued at approximately \$1,316,736. Thirty-one loans were disbursed this quarter, compared to 16 last quarter. The value of this quarter's loans increased to \$17,277 from \$10,963 last quarter.

- Loan size: \$557, down from \$685 last quarter
- Loan term: 10.5 months, up from 10.4 months last quarter
- Interest rate: 2.2% per month, up from 2.1% last quarter

At the end of the quarter, CAF had outstanding loans worth \$196,587 from 201 borrowers. Of the current CAF loans, 50 loans were in arrears with a remaining principal balance of \$49,326, up from \$35,281 in the previous quarter. To date, three CAF loans have been written off. The current arrears break down as follows:

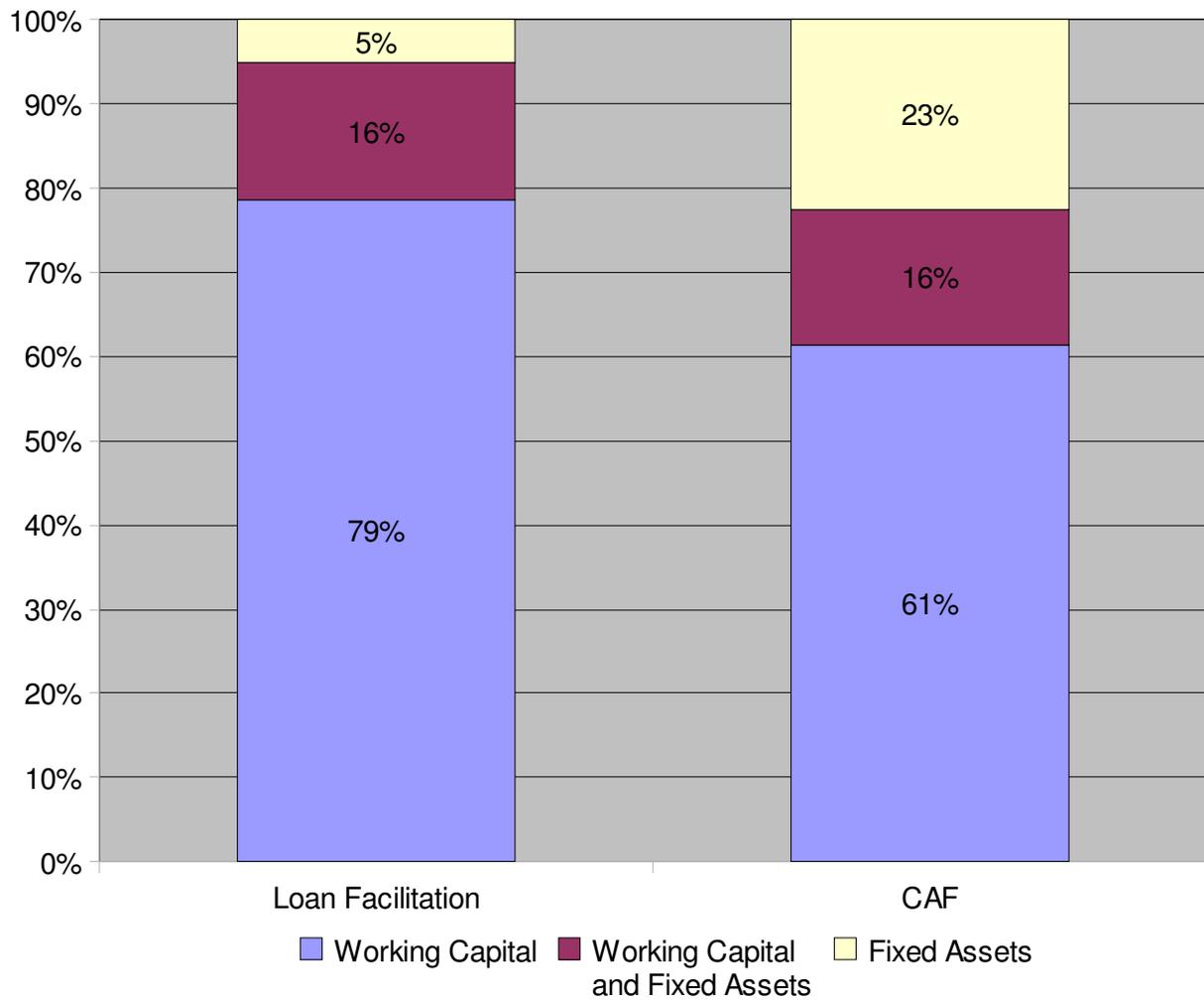
Table 4: CAF Arrears

	Q1		Q2	
	# Loans	Amount	# Loans	Amount
Overdue (up to 30 days past due)	7	\$7,277	12	\$15,929
Abnormal (31 – 60 days past due)	0	\$0	4	\$3,948
Doubtful (61 – 90 days past due)	4	\$7,524	4	\$5,578
Bad (> 90 days past due)	22	\$20,479	30	\$23,870
Total	33	\$35,281	50	\$49,326

Loan Purpose

Banks maintained their low exposure to longer termed fixed asset and combination (fixed asset and working capital) loans. Only 21% 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 61% of all CAF loans this quarter.

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



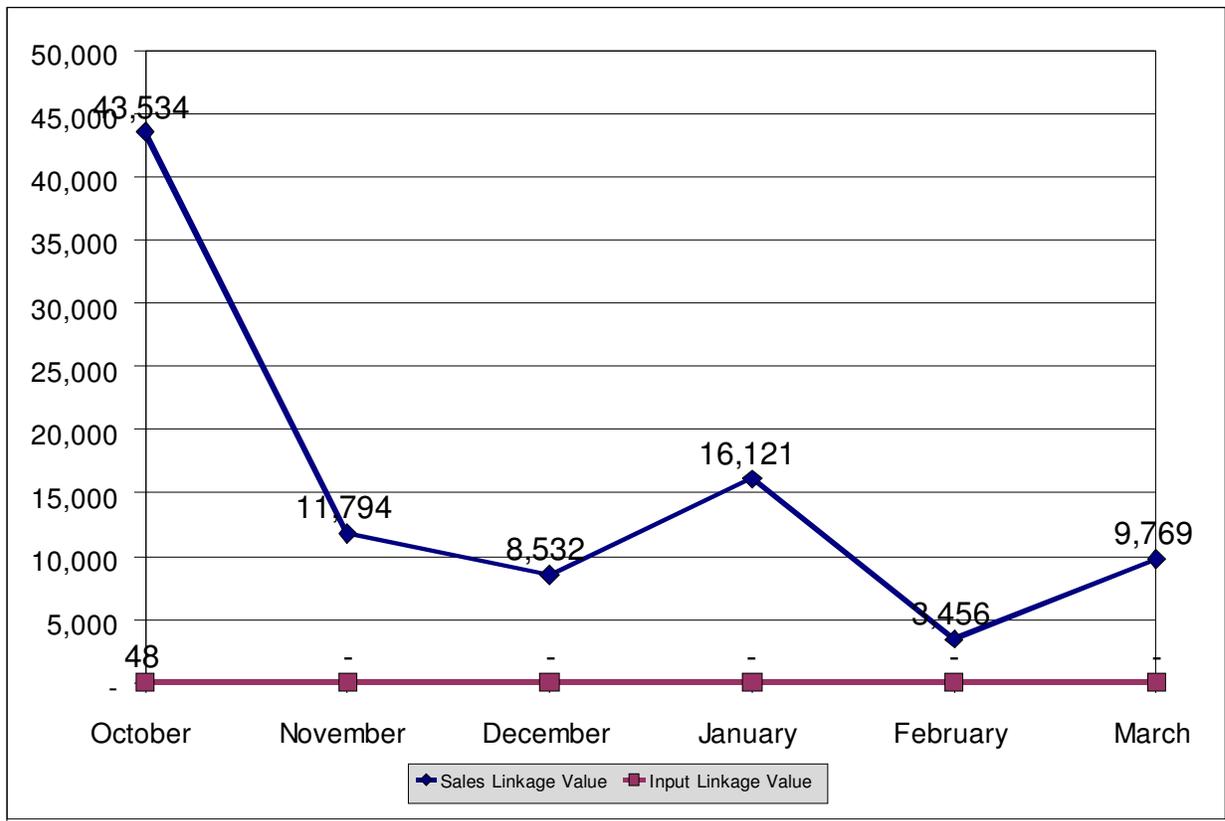
5. Linkages

Linkages provide tangible benefits to clients, such as lowered costs (input linkage) or increased sales (sales linkage). The linkage service also allows 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 \$69,007, up from \$66,944 last quarter. CHF notified its linkage partners that DS will be taking over the linkage activities effective April 1.

Since April 2006, GER has facilitated linkages valued at \$881,869.⁵

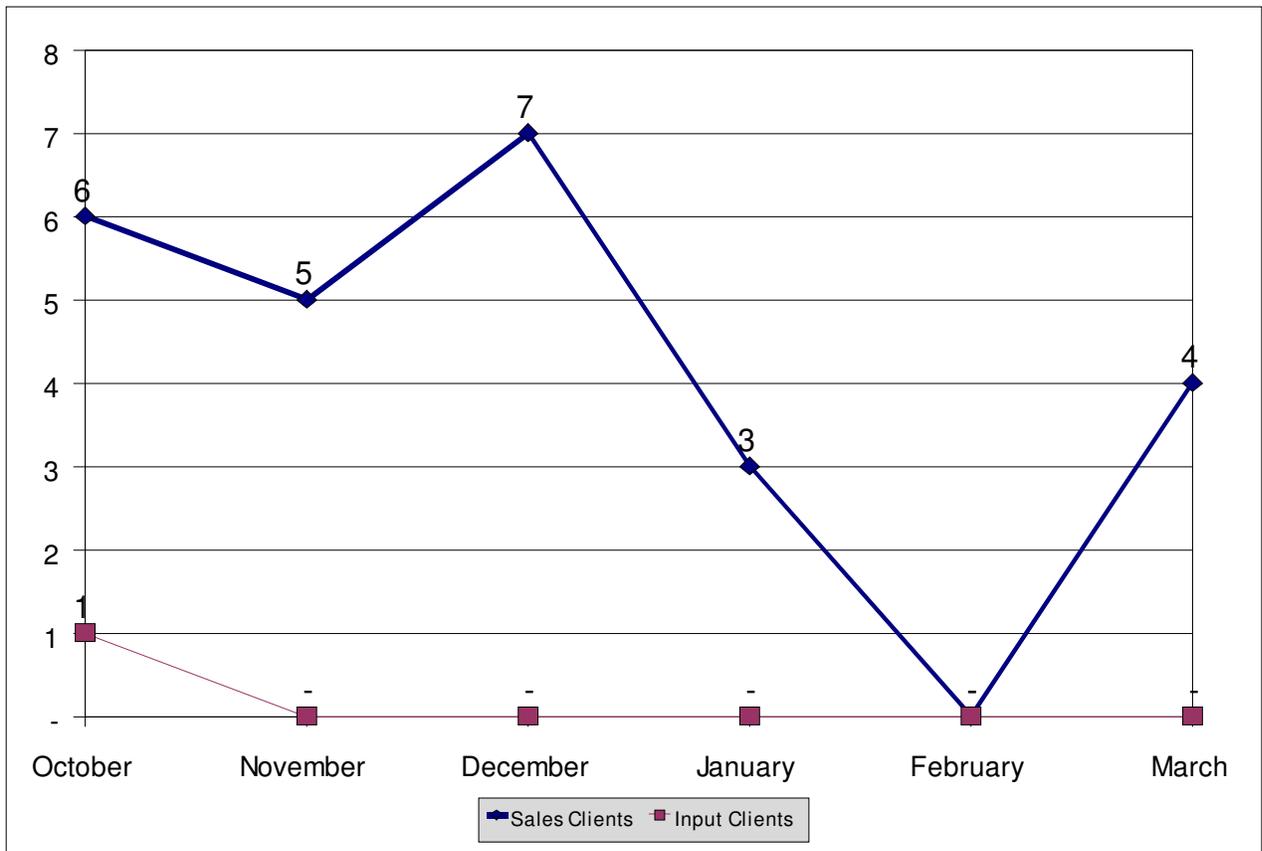
Figure 5: Sales and Input Linkage Value by Month⁶



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

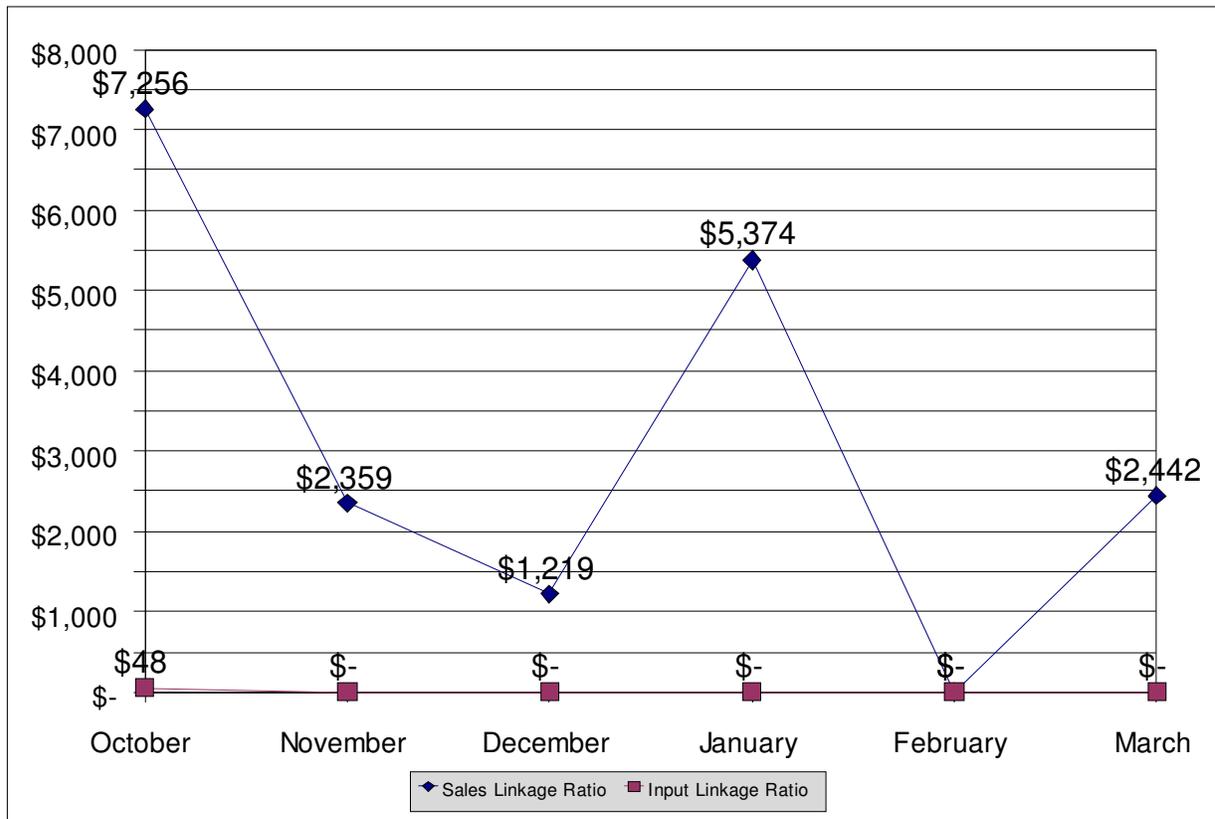
⁶ Excludes trade fairs.

Figure 6: Number of New Clients Involved in Linkages per Month⁷



⁷ Excludes trade fairs.

Figure 7: Value of Linkages per Client per Month⁸



Examples of linkages completed this quarter include:

- Bayangol BDC established a new relationship with C1 TV. The new partner was interested in supporting GER clients and gave its first order for service staff uniforms valued at \$70. The work order was done on time, and C1 TV will request a bigger order next month.
- Since 2005, GER and Peace Corps have linked vegetable growers to the Seed Programs Inc, a non-profit organization in the USA providing low-cost, high quality seeds to people in developing countries. This quarter, over 400 GER clients ordered 7,000 seed packets of 18 different types of vegetables not commonly available in Mongolia. GER staff and Peace Corps volunteer Mrs. Cady Sinnwell prepared information about the types of vegetables available, their germination and maturity terms, nutrition facts, planting guide and other useful information for existing and first time vegetable growers.
- In Sukhbaatar district, GER linked a carpentry client to the Asian Children's Foundation to make \$425 worth of wooden furniture for its ger library. In Bayangol district, GER linked a soft drink producer Altantsetseg to a wholesaler in Erdenet to supply with buckthorn juice valued at \$340. In Choibalsan, GER linked seamstress clients to Naadam, a French NGO, to produce national clothing and felt souvenirs valued at \$232.

⁸

Excludes trade fairs.

Trade Fairs

- On January 17th, Mercy Corps Mongolia organized Felt Producers' Trade Fair at the National Information Technology Park's hall. The aim of the trade fair was to introduce Mongolian felt producers and their products to the public and to increase sales before Tsagaan Sar holiday. A total of 23 GER clients from Ulaanbaatar took part in it, which gave them an opportunity to learn and share experiences with other felt makers. Before the trade fair, 17 clients were given a “Participating in a Trade Fair” training by Business Advisor Jargalsaikhan. During the trade fair, GER clients made sales worth than \$716 and received orders for \$625.
- In February, GER organized Tsagaan Sar (Mongolian Lunar New Year) trade fairs in Ulaanbaatar (February 11-15th), Darkhan (February 14-15th) and Erdenet (February 13-15th). The multi-day events gave the handicraft and producer clients an opportunity to introduce their products to the public during this important holiday shopping period. A total of 177 clients participated in the trade fairs and generated a sales income of \$36,798 and received orders for an additional \$3,154. The top sellers were food producers, whose products included traditional biscuits, dairy, and frozen dumplings and other producers, who produce traditional costume, leather gloves, wallets and wooden bowls.

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 98 active transactional, informal, and formal groups over the course of the quarter. Highlights of business group activities this quarter include:

- GER organized a two day Business Group Package and Bookkeeping training for a business group of Asian Children's Foundation. This organization supports low-income single mothers living in pre-urban areas of Sukhbaatar, Bayanzurkh and Chingeltei districts to start businesses. The goal of the training is to build skills in business group management and basic bookkeeping. As a result, they learned how to run a business as a group and to record financial activities on GER accounting booklets.
- Business Group Development training was provided to four carpentry business clients in Ulgii who were operating individually and interested in working together. After the training, the clients had their meeting and three of them decided to form a group. They chose the group leader and gave the group name “Buteelch Bag” (Creative Team).
- GER organized a meeting for agribusiness clients in Sukhbaatar to discuss working as a group. A total of 18 clients, mostly farmers and vegetable growers, attended the meeting and shared opinions and experiences on organizing a group. As a result of the meeting, the clients supported the idea of cooperation and are working on establishing a business group.
- A seamstress business group “Urlan” was formed in Bayangol. Three women who became unemployed from a sewing company joined to work together as a group. They attended a GER business group training and had a consultancy on working as a group. The group members found a workplace to rent and have already started their tailor and repair shop. “Chandmani Erdene” sewing business group in Selenge received a consultancy on developing a Business Plan to expand its business by planting trees and vegetables. The group was established in April 2007 and primarily

consists of disabled adults. The group submitted its proposal to the Aimag's Governor's Office and has been approved to receive a \$6,570 soft loan from the Aimag Development Fund.

7. Employment Services

GER's employment services include soft skills training, vocational training, and job matching. Employment soft skills training decreased to 137 people from 280 last quarter. Longer-term vocational trainings decreased to 85 people from 150 last quarter.

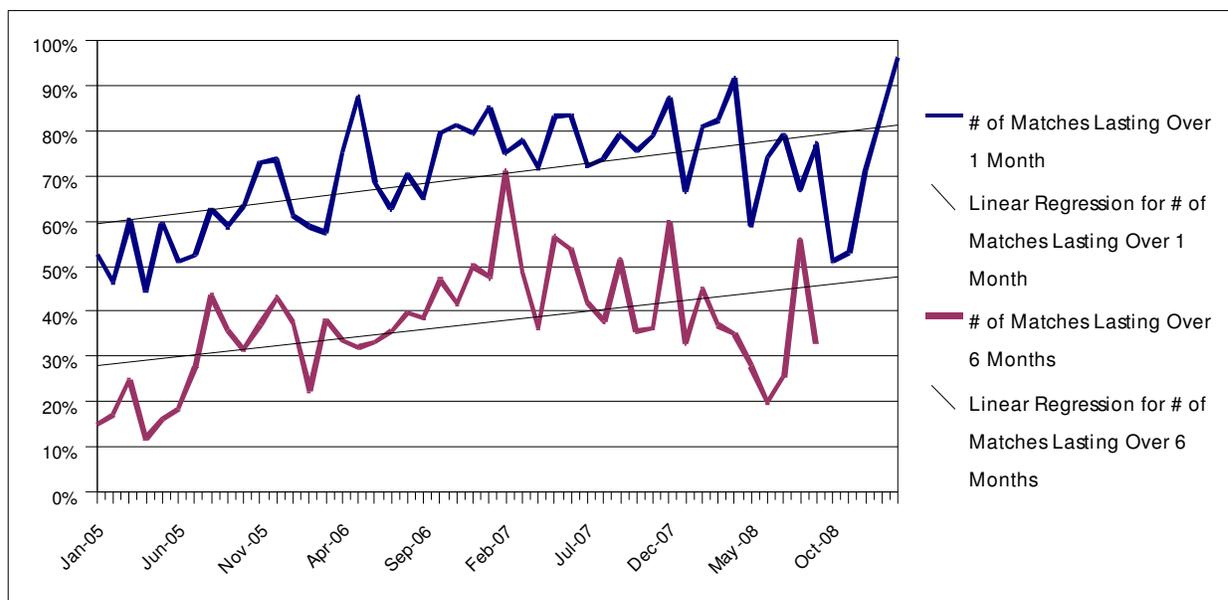
Employment matching services under GER Initiative will close at the end of the program in March. Employee training and job creation through business development will, however, continue under the USDA program.

GER matched 272 people to jobs, down from 295 last quarter. Of those 272 people, 63 were matched to temporary jobs, 11 to seasonal jobs, and 198 to long-term jobs.

Monitored retention rates are illustrated in the figure below. In this report, the December, January, and February matches were monitored. The job retention rates (beyond one month) increased sharply during this quarter due in part to the tighter job market. Employees are working hard to keep their newly placed jobs. One month retention rates in the monitored months were: December-71%, January-84% and February-96%. Overall, during the three months, 121 people were placed in seasonal and long term jobs and 88 people (81%) stayed in the job at least one month, up from 63% last quarter.

The below series is the data for unemployed clients who remained in their jobs for six months. For this report, we are monitoring July, August and September 2008. During these three months, 211 clients were matched to long term jobs and as of March 2009, 78 people (37%) were still in the job. This percentage is up from 20% in the previous quarter, again due to a tightening labor market.

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



Activities within employment services that took place this quarter include:

- At the request of Sukhbaatar District's Labor and Social Welfare Service Department, Sukhbaatar BDC provided the "New Start" training for registered unemployed GER clients. The training, which lasted 15 hours, covered labor law, writing resumes and cover letters, preparing for a job interview and soft skills. Thirty-two clients attended the training.
- GER signed a new collaboration agreement with Khan-Uul District's Labor and Social Welfare Service Department (LSWSD). At the request of the LSWSD, the GER Tolgoit office provided the "New Start" training for 73 registered unemployed clients. The training lasted 17 hours and covered topics such as labor law, writing resumes and cover letters, preparing for a job interview and other soft skills. The same training was delivered by GER in Sukhbaatar district to 32 registered unemployment clients at the request of the Sukhbaatar District's LSWSD.
- GER is working with Jiguur Grand (JG), one of the leading construction companies in Mongolia, to prepare workers for the 2009 building season. The Jiguur Grand agreed to provide its available job openings to GER. In February, GER placed 30 applicants with JG, and so far four of them have been hired as plumbers and electricians. A new JG service center will open next month.
- In Darkhan, GER organized a training on resume and cover letter writing and preparing for a job interview at the local vocational college. A total of 15 participants, including school students, staff and administration attended the three-hour training conducted in collaboration with Peace Corp Volunteer Cady Sinnwell. This service was requested by the vocational college with the hope it could begin a Career Services office for its students.

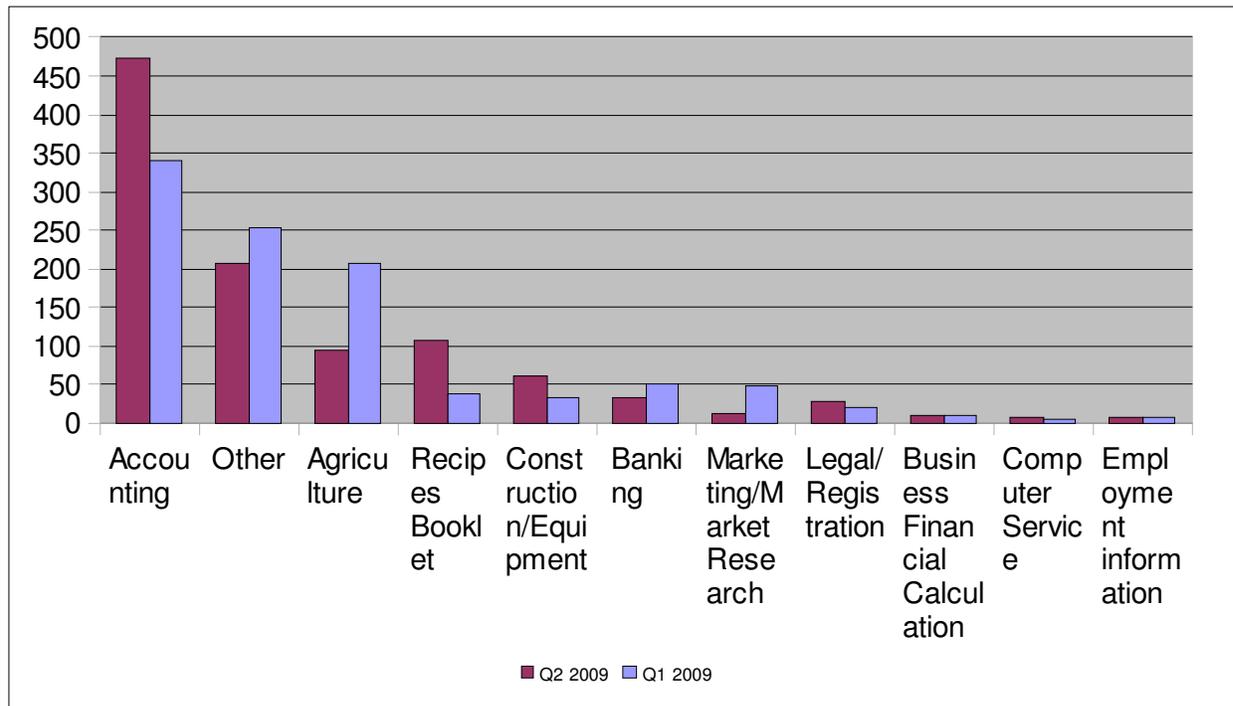
Labor Days

- A Labor Day was held in Bayangol. Over 20 unemployed clients took part in the event, and nine of them 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. Over 60 clients came to the branch office and received employment information. So far, local employers - mostly in the construction sector - have employed six clients.

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.

Figure 9: Top Ten Types of Information Provided



Information related activities this quarter included:

- GER organized a meeting in Bayangol under the title “Cozy, Warm and Healthy Environment and Smoke-Free Fuel” to give the clients information about smoke-free, fully-burned and cost-effective new fuel, modern stoves and heating systems. Ger Stove NGO, Burhnii Gal LLC and GER client Battogtokh, who produces gers’ inner cover and floor that warms up the ger, participated in the meeting and introduced their organizations’ activities and products. During the meeting, Ger Stove (GS) explained how to improve in-use wall stoves and demonstrated it at the model house. GS introduced to the ger area residents an opportunity to start a new business as they attend the GS Wall Stove Building vocational training. Also, Burhnii Gal LLC introduced a new cost-efficient Egg-shaped fuel - what it looks like, how long it burns, and how many ashes are left after the fuel burns. Burhnii Gal LLC gave detailed information and a price list. Three clients were registered to be a dealer.
- GER held a seamstress client meeting in Tolgoit. Nine clients, mostly new, came over and were introduced to GER’s business development services. The participants were especially interested in the business linkage service due to the limited sales channel, which is their common challenge. GER Business Advisors carried out a survey on whether the clients met a particular standard of linkage order by visiting their work places.
- At the request of Bugat soum’s Vice Governor, GER held a meeting for 30 soum residents. Bugat soum is near the Ulgii aimag center, and its residents are interested in getting business services. This quarter, GER delivered Business Planning training and Writing Business Proposals to the interested clients. These services will be continued under the upcoming USDA program.

9. Partnerships

NTR

10. Local Staffing

As of March 31, 2009, CHF employs 23 local staff and 2 expatriates.

11. Business Development and Employment Services Centers and Branch Offices

GER, through its local partner, operates out of 12 branch offices including four branches in Ulaanbaatar, and one each in Darkhan, Erdenet, Choibalsan, Ulgii, Baganuur, Bulgan, Selenge, and Tov.

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

Mr. Donald McCreary completed a three-month volunteer assignment in Mongolia this quarter. He worked with Development Solutions to enhance its organizational, managerial, and business capacity through training, mentoring, and hands on consulting. During the course of the assignment, he worked directly with the Executive Director, the Chairman of the Board, other members of the DS Board and various staff within DS.

Mr. McCreary covered a number of fundamental NGO management topics such as helping the Executive Director develop an effective relationship with the Board Chair and the Board Members of DS. With the Board, Mr. McCreary helped with the review and preparation of various Board level committees including the Finance Committee and Business Plan Committee.

13. Reports completed

NTR

14. Current Subcontracting Activities

Development Solutions successfully concluded all activities on the GER Initiative at the close of this quarter. DS has surpassed all targets for start up and expanded businesses as well as targets for employment generation.

15. Performance

This is the second and final quarter for the October 2008 - March 2009 extension of the GER Initiative Cooperative Agreement. The table on the following page summarizes targets and results achieved during this extension period. All targets for this extension period have been achieved.

Table 5: Results by Q2 FY 2009 Compared to Targets

Indicators & Results	Q2 Result	FY09 Year to Date		Extension LOP (10.08 – 3.09)		% LoP 100%
		Result	Target	Result	Target	% Target Completed
Business Service Fees Collected	\$16,634	\$122,256		\$122,256		
Clients Registered for Business Services	613	1,122		1,122		
% Repeat Clients Various Services	57%	57%		57%		
New Businesses Created	81	198	80	198	80	248%
Expanded/Improved Businesses	291	652	299	652	299	218%
Avg % Increase In Sales	114%	115%		115%		
Avg % Increase In Assets	-%	-%		-%		
Avg % Increase In Working Capital	179%	130%		130%		
Jobs Generated	297	761	312	761	312	244%
LT Jobs Generated	307	655		655		
Employment Service Fees Collected	\$604	\$5,931		\$5,931		
Clients Registered for Emplymnt Srvces	630	1,412		1,412		
Clients Matched to Jobs	272	400	248	400	248	161%
% Matches Lasting Over 6 Months	37%	33%		33%		
Estimated Value of Linkages	\$69,007	\$135,951		\$135,951		
Business-to-Business Linkages	330	558		558		
Value of Loans Facilitated	\$74,896	\$185,629		\$185,629		
Loans Facilitated	98	194		194		
Value Of CAF Loans	\$17,277	\$28,240		\$28,240		
CAF Loans	31	47		47		
Clients Receiving Info	1,009	2,054		2,054		
Business Groups Formed / Supported	93	99		99		
Clients Vocationally Trained	85	237		237		
Employers Trained in HR	5	5		5		
Labor Days Held	0	2		2		
% of Long-Term Matches	73%	73%		73%		
# of Long Term Matches	198	306		306		
% Matches Lasting Over 1 Month	81%	68%		68%		
# of Matches Lasting Over 1 Month	165	253		253		

% Matches Lasting Over 6 Months	37%	33%		33%		
# of Matches Lasting Over 6 Months	78	107		107		

16. Fees for Service

GER collected service fees from clients worth \$16,634 this quarter, compared to \$26,065 last quarter, a 36% decrease led by decreases in Linkages and Employment Services.

Table 6: Fees Collected per Service

Activities	Q1 2009	% of Total	Q1 2008	% of Total	% Change
Training & Consulting	\$5,143	20%	\$4,860	29%	-6%
Linkages & Information	\$15,161	58%	\$8,626	52%	-43%
Loan Facilitation (client)	\$1,201	5%	\$1,025	6%	-15%
Loan Facilitation (bank)	\$2,843	11%	\$1,519	9%	-47%
Employment Services	\$1,717	7%	\$604	4%	-65%
Business Association	\$0	0%	\$0	0%	--
Total	\$26,065	100%	\$16,634	100%	-36%

17. Statement of Work

Work concluded on GER Initiative on March 31, 2009.