

Welcome session participants and introduce panelists and other guests.

Guests include:

Monica Brand, Accion International, All local grants

John Schiller and Winnie Tay, Plan International, Plan Senegal

Bob Fries, ACDI/VOCA, Kazakhstan Loan Fund

Sherry Sposeep, Chemonics International

Joseph Kotun, Weidemann and Associates

1. The Implementation Grant Program (IGP) is a competitive grant program run by USAID's Microenterprise Development Division (MD).



IGP Program History

Disbursed initial grants in 1995

- Strategic objective: Improve access to economic opportunities for the poor through enhancement and expansion of sustainable MFIs

79 total Financial Services grants issued-to-date

- Asia (8 countries, 13%); E&E (6 countries, 10%); Africa (15 countries, 33%); LAC (9 countries, 36%); Multiple Regions (8%)

Total funding over \$111.4 million

- Median grant size: \$1,000,000



2

Discussion Points

The Microenterprise Development (MD) Division has been funding microenterprise development programs through the Implementation Grant Program (IGP) since 1995. IGP Financial Services grants have been available to U.S. and non-U.S. organizations, including international PVOs and local cooperatives, financial institutions, international organizations, developing country organizations and for-profit firms in developing countries.

Although the focus of IGP FS grants has evolved as the microfinance industry has evolved, the strategic objective of program has been to improve access to economic opportunities for the poor through enhancement and expansion of sustainable Microfinance Institutions (MFIs). The specific goals of the IGP FS have been to increase the number of financial institutions offering microfinance services, improve their sustainability and efficiency and increase their outreach.

Please note that the few grants in the Middle and Near East are included in the Asia Region.



Current IGP Grantees

- 29 current grants
- Grants valued at \$32,892,913
- Active grantees working in 20 countries



Clara Hernández, Client of ACCION affiliate Compartamos, Xoxtla (Puebla State), Mexico



3

Discussion Points

Currently there are 29 active grants valued at \$ **32,892,913**, in 20 countries around the world.

MD has developed a database managed by Weidemann and Associates, which contains close to 10 years of semi-annual financial and program reports from MFI grantees. However, given that there was a lack of standardized indicators and reporting among MFIs ten years ago and the IGP automated database and reporting system were not developed until 1999, the data of the last 5 years is what has been most consistent.

Under the AMAP FS IQC, MD has contracted Chemonics International to assess performance trends, identify best practices and lessons learned and examine the effectiveness of the program in three areas—breadth of outreach, depth of outreach, and sustainability and efficiency. For this assessment, Chemonics has been examining the data reported in the Weidemann database and contacted the PVO community to collect additional relevant information. In addition, USAID will be conducting case studies through field visits to some of the grantees. The results of this assessment and the case studies will be disseminated widely and available on USAID's website-microlinks.org over the next year.



Active IGP Grantees by Country

<p>Africa</p> <ul style="list-style-type: none"> Benin Congo, DR Ethiopia Ghana Mali Mozambique Nigeria South Africa Zimbabwe 	<p>Asia</p> <ul style="list-style-type: none"> Afghanistan India Mongolia Nepal <p>E&E</p> <ul style="list-style-type: none"> Bosnia 	<p>LAC</p> <ul style="list-style-type: none"> Brazil Colombia El Salvador Guatemala Mexico Peru
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4

Here is a list of the active IGP Grantees by country. As you can see, the IGP is currently operating in 20 countries in the Africa, Asia, Europe and Eurasia and LAC Regions.

There are three active regional grants; 2 in the Africa region and 1 in the LAC region.



IGP Primary Grant Objectives



5

Discussion Points

This is a breakdown of the specific IGP grant objectives for all grantees that have participated in IGP to date. You can see that a large percentage (32%) focus on expanding breadth of outreach, followed by institutional capacity building (28%), MFI start-up (19%), transformation (12%); depth (4%), technology (1%), new product development (4%).

N=69

Breadth=22

Institutional Capacity Building=19

Start up=13

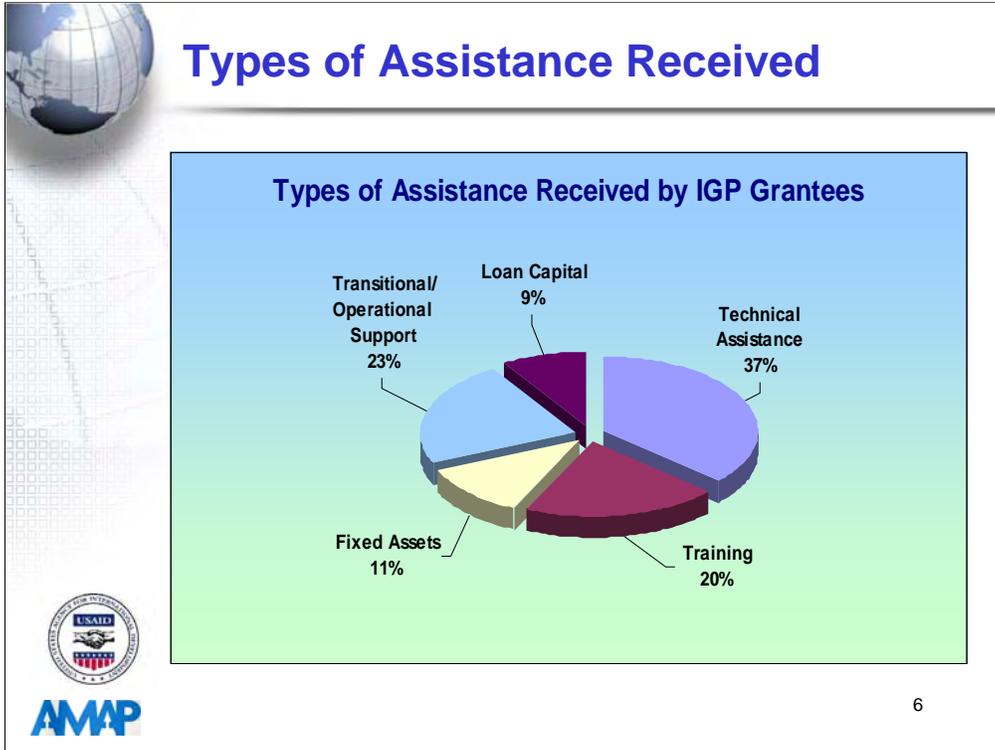
Transformation=8

Depth=3

New Product Development=3

Technology=1

A few grants were also extended to either apex organizations to capitalize investment funds or support institutions to strengthen microfinance support services and these aren't included in this chart.



Discussion Points

The types of assistance received by grantees varied by institution. Technical assistance, which encompassed 46% (62) of the assistance received was a broad category and included a variety of support, such as marketing to expand into new geographic regions or underserved markets, development and pilot testing of new financial services, and development and strengthening of management information systems. (See IGP Grantee program summaries, which we distributed for more details)

Transitional and operational support (19%; 26) often involved assisting in the transformation of microfinance programs into locally owned and managed MFIs (for example, Save the Children's Microenterprise Fund, which is now part of Kamurj in Armenia and Mercy Corps' OMK, which became part of Partners in Bosnia), as well as the transformation of NGOs into formal, for-profit MFIs (including CARE's work with the Self Help Development Foundation in Zimbabwe and Freedom from Hunger's work with CRECER in Bolivia).

17 percent (23) of the IGP funds supported the design and delivery of trainings on microfinance best practices, such as improving governance, delinquency management, and loan pricing.

Fixed assets (10%) and loan capital (7%) together represent 17% of the overall assistance received.

A few grants were also extended to either apex organizations to capitalize investment funds or support institutions to strengthen microfinance support services and these aren't included in this chart.



Breadth of Outreach Indicators

INDICATOR	PRE IGP	POST IGP	% CHANGE
Outstanding Loan Portfolio N=55	\$618,280,132	\$972,582,557	57.3% ↑
Number of Loans Outstanding N=56	589,872	1,335,846	126.4% ↑
Percent Active Rural Clients (borrowers and savers) N=21	27.4%	64.1%	133.92% ↑
Number of Women (borrowers & savers) N=53	901,837	1,704,800	89.0% ↑
Number of Savers N=21	714,804	1,164,783	62.9% ↑




7

Discussion Points

This table provides outreach indicators showing grantees' progress since receiving the grant. It compares data from when the first reporting cycle after the grant was approved to data from either the final report for completed grants or the most recent data. There have been some data limitations during the analysis, such as not having complete data for all grantees and so, the analysis presented here is a work in progress and provides you with only a preliminary snapshot of the IGP program.

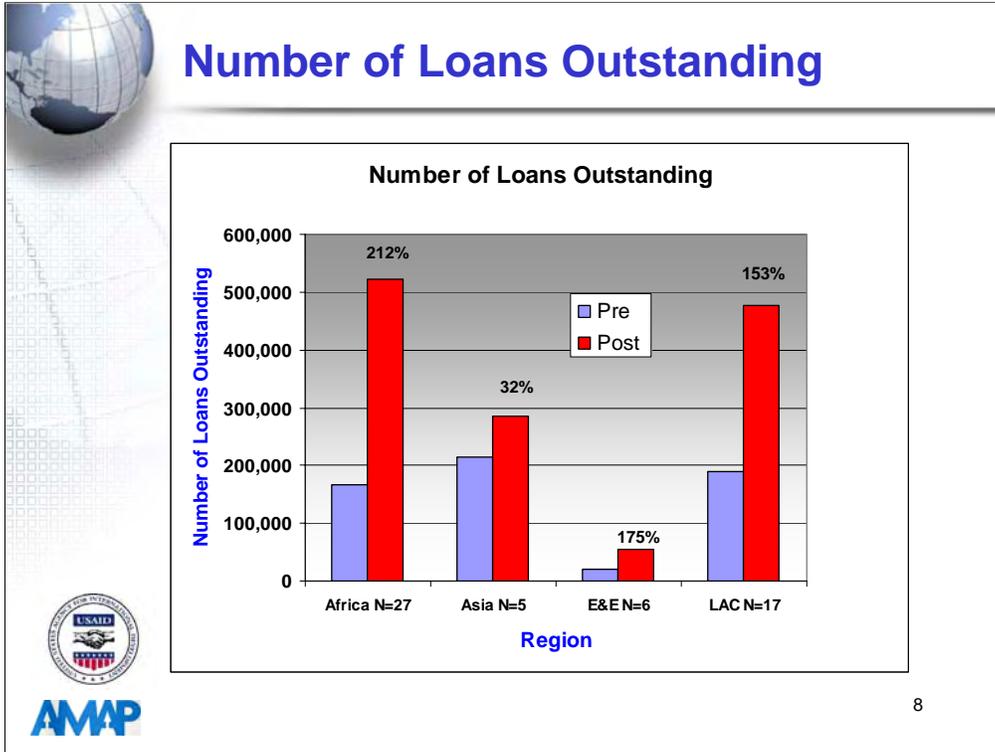
Outstanding Loan Portfolio:

For the 55 grantees included here (some grantees' data was removed due to lack of complete or inconsistent data), there has been an increase of 57.3% in outstanding loan portfolio, from \$618.2 million to \$972.5 million.

Growth in outstanding loan portfolio was particularly strong in Africa (172%) and E&E (213%).

Region	% Increase
Africa (26)	172.65%
Asia (5)	49.98%
E&E (5)	213.40%
LAC (19)	41.40%

Number of Loans Outstanding: The data shows an increase of 126.4% in the number of loans outstanding.

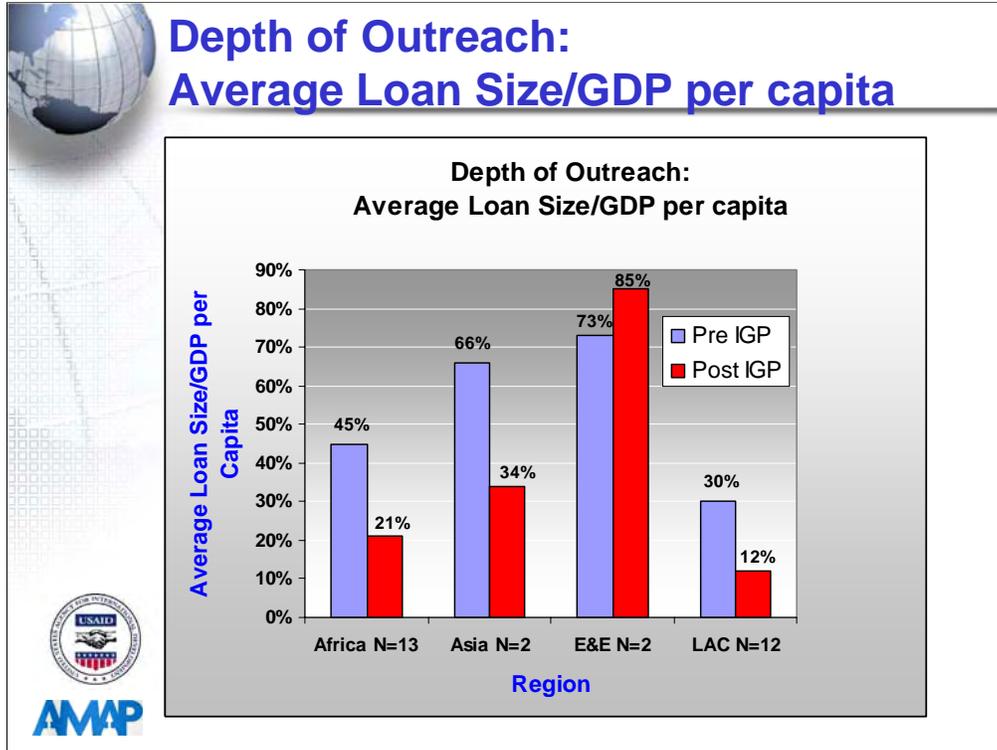


Breadth Discussion Points (Data source count: 56)

Information on number of outstanding loans broken down by region:

	Pre		Post	% Change
# loans	589,872	1,335,846	126.46%	
Africa	(27)	166,854	521,294	212.43%
Asia (5)	214,663	284,079	32.34%	
E&E (6)	19,856	54,589	174.92%	
LAC (17)	188,499	475,984	152.51%	

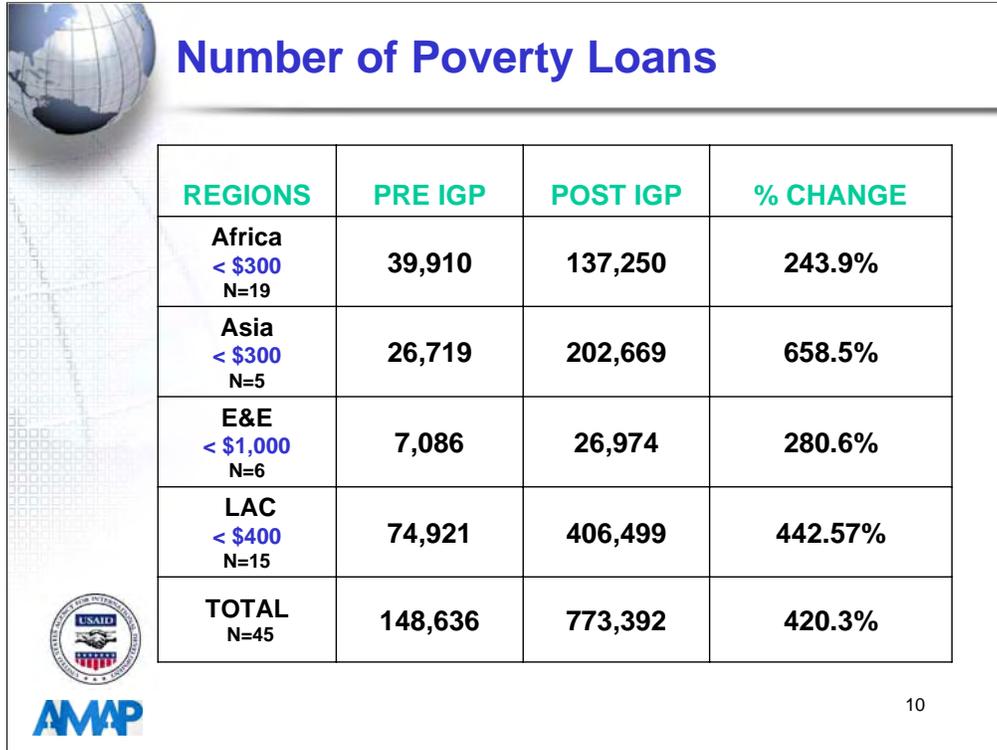
Greatest percentage increase in number of loans and percentage occurred in Africa and E&E regions, however there was growth in all four regions.



Discussion Points (Data source count: 29)

By dividing average loan sizes by GDP per capita, we can make a fair comparison of depth of outreach across countries and regions. (Keeping in mind that there were only 29 grantees for which we had the data to make these comparisons, so it lacks statistical significance). As you can see, ASIA and AFRICA were the most successful at reaching down to the poor. Only in Eastern Europe did we see an increase in average loan size/GDP per capita among the grantees. While we might conclude that E&E is doing a worse job in reaching the poor, but we find this is not true by looking at number of poverty loans, which we'll explore next.

1.	Pre IGP	Post IGP	% Change
Africa	45%	21%	Decrease 53.33%
Asia	66%	34%	Decrease 48.48%
E&E	73%	85%	Increase 16.44%
LAC	30%	12%	Decrease 60%

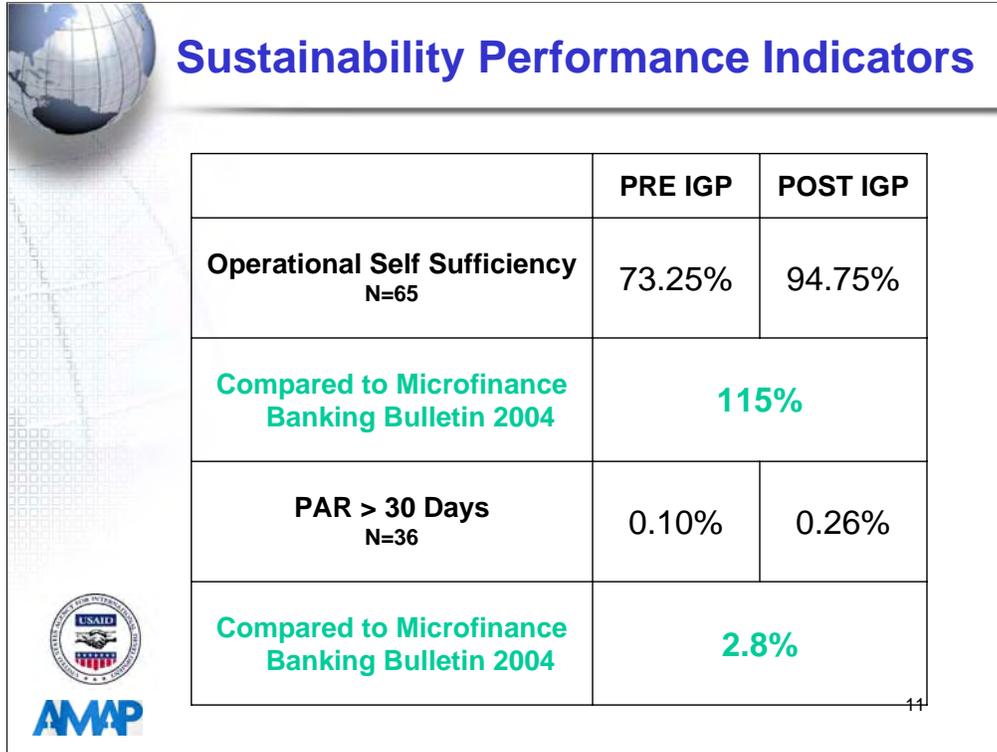


Discussion Points (Data source count: 45)

The number of poverty loans has quadrupled since the IGP first started. Please note that we used different maximum loan sizes to define poverty loans in each region: Africa and Asia (\$300); LAC (\$400); E&E (\$1000). These results are impressive, especially in light of the fact that the maximum loan sizes to define poverty loans were not adjusted for inflation over time.

Interestingly, IGP grantees in the ASIA and LAC region with the highest GDP/capita, have been the best at making poverty loans in sheer numbers and percentage increases over time.

You may have noticed that a contradiction appears between some of these indicators. For example, poverty loans increased by 280.6% in the E&E region, yet, at the same time average loan size over GDP per capita increased. This implies that there were some larger loans that raised the average loan size, hiding the fact that E&E was in fact effective in getting out a large number of small loans. This data shows that it's important to look at these depth indicators together rather than in isolation.



Discussion Points: (Data source count for OSS: 65; PAR>30:36)

We have focused primarily on two indicators to assess sustainability of the IGP grantees, Operational Self-Sufficiency (OSS) and Portfolio at Risk (PAR) > 30 days.

Analysis of these financial performance indicators shows positive results. OSS has increased from 73.25 to 94.75%, indicating that grantees did manage to achieve operational self sufficiency over the time period. And PAR >30 days increased but only by a small percentage from a very low of 0.1% to just 0.26% over the period. Together these indicators show that the IGP supported institutions that were primarily sustainable and that their levels of sustainability improved over time.

Comparison with MicroBanking Bulletin (MBB) data suggests that the institutions USAID supported were only slightly less operationally self-sufficient and had better portfolio quality than the average MFI reporting to MBB. This too is a positive finding, in that MFIs that report to the MBB tend to have stronger financial data than the average MFI, as they are self-selecting.

Some of the other sustainability indicators, such as annual loan loss rates, didn't have a large enough data set to give an accurate picture of performance in sustainability achieved. Financial self-sufficiency (FSS) ratios weren't included in this presentation because this was data input by the grantees and the margin of error may be higher. In fact, the FSS statistics were very similar to the OSS ratios, implying that few adjustments had been made or the impacts were minimal.



IGP Grantee Presentations

- Monica Brand, ACCION International
- John Schiller and Winnie Tay, Plan International, Plan Senegal
- Bob Fries, ACDI/VOCA, Kazakhstan Loan Fund



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12

Present panelists:

Now we have three presentations of how the IGP grants have been implemented by Monica Brand of ACCION International,

John Schiller and Winnie Tay of Plan International and Bob Fries of ACDI/VOCA.

After their presentations, we will open the discussion up for questions and answers.



Questions?

Thank you!



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