

**WORLD RELIEF CORPORATION
USAID MATCHING GRANT**

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October 1, 1994--September 30, 1995**

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Total Project Cost: \$ 4,907,000
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Total World Relief Match: \$ 1,700,000
Total Local Funds: \$ 1,507,000**

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EXECUTIVE SUMMARY

The purposes of the USAID/World Relief Corporation (WRC) matching grant (MG) project are to: 1) enable WRC to provide financing and technical assistance to counterparts who will 2) develop self-sustaining microenterprise programs which will 3) train and finance community banks (CB's) in order to 4) improve the health and well-being of members (primarily women) and their families. Programs in six countries are included in the MG - three primary, which receive technical assistance and funding, and three secondary, which receive the former only.

During Grant Year Two (GY2), the project expanded breadth of outreach at three levels, by 1) adding one program (Liberia); 2) increasing the number of community banks (CB's) from 240 to 342; and 3) increasing the number of clients served from 9,821 to 14,862.

While expanding breadth, WRC maintained one of the deepest levels of outreach of any Microenterprise Development (MED) program in the world. First, the three programs in Africa are all in countries ranked at or near the bottom of nearly every socio-economic indicator. Secondly, one country, Liberia, is still involved in a devastating war, and a second, Mozambique, has only recently emerged from war and a severe drought. Lastly, each program has successfully targeted severely poor people, more than 90 percent of whom are women.

Repayment rates varied from 90% to 100% among the programs, and significant progress towards sustainability was achieved. This was especially true in Burkina Faso where operational self-sufficiency improved from 5% to 50%.

In addition to what these programs have done during the past year, it is also important to recognize what they have become. WRC's most mature and best performing program, in Honduras, suffered somewhat in its institutional development, due to two incidents of staff problems. This negatively affected program performance as well. Despite this setback, significant progress was made toward converting World Relief Honduras (WRH) from its status as a WRC branch office to that of an independent, autonomous Honduran NGO.

In addition to significant performance improvements, World Relief Burkina Faso (WRBF) fully converted to an autonomous, indigenous organization and is now known as CREDO (Christian Relief and Development Organization).

World Relief Mozambique's excellent program performance continued to show that community banking is a valid methodology for disaster recovery. Finally, the MG's first secondary country program was started in Liberia and showed promising initial results.

Expenditures during GY2 are estimated at \$606,833, of which WRC has contributed \$381,099 and USAID has supplied \$225,734. This represents an underspending of about 21% from the original budget. The underspending is due largely to cost savings in personnel and travel.

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1. BACKGROUND TO GRANT AND PROJECT CONTEXT

1.1 Organizational Background

WRC is the international relief, development and refugee services arm of the National Association of Evangelicals, which represents 50,000 U.S. churches from more than 75 denominations.

WRC's general purpose is to work with the church in alleviating human suffering around the world. WRC's goals are to develop effective church-based counterparts overseas, improve the health of children, increase income for the poorest of the poor, assist refugees and victims of disaster and educate U.S. Christians about solutions to human poverty and suffering.

WRC has been implementing income generation projects for more than 20 years. For the past six years, WRC has focused on health education and income generation in its development programs. In an effort to effectively meet the basic needs of the most vulnerable sectors of society - poor women and children ages five and under - WRC integrates income generation and health education where possible.

The methodology chosen to implement the income generation programs is Community Banking. In the community banking model, groups of 20 to 40 persons are formed. Basic services are then delivered to individuals through the CB. Services include credit, savings mobilization, community organization and other interventions such as health education or literacy training.

1.2 Project Context

The MG provides two kinds of support for WRC's counterparts: 1) primary, which includes technical and financial assistance, to three country programs -- Honduras, Burkina Faso and Mozambique; and 2) secondary, which includes technical assistance only -- to three countries in the three regions of the primary countries. Funding outside of the MG is sought for financial assistance for the latter. At this point, WRC has started one secondary country program in Liberia and it will be included in this report. WRC has also worked during GY2 to start a secondary country program in Haiti, and expects to have it operating in the first half of GY3. WRC has not yet finalized plans for developing the third secondary country program. The MG also provides support for WRC's microenterprise development technical team based at headquarters in Wheaton, Illinois.

Honduras, one of the poorest countries in the Western Hemisphere, has an annual average per capita income of \$590. Honduras' infant mortality rate is 57/1000 and its average life expectancy is 66 years. The literacy rate for women is 71% (source: Hunger, 1993). According to a baseline survey of a World Relief Honduras (WRH) child survival program in the same area as the income generation program, 28% of all the children under 5 are

malnourished. The Honduran Ministry of Health requested that WRH provide income generation activities to marginal areas in and around the capital of Tegucigalpa as well as in other areas in the country.

Burkina Faso is one of the poorest countries in the world, with an annual average per capita income of \$330. The infant mortality rate is 127/1000. Average life expectancy is 49 years and the literacy rate for women is 9% (source: Hunger, 1993). While 87% of the population of Burkina Faso is involved in agricultural activities, these activities contribute only 14% of the country's annual GDP (source: World Bank 1991). Since 1973, desert encroachment has gradually impoverished the land. This has created climatic uncertainties which hamper crop production and create food insecurity. In order to survive, many people have moved to the urban areas and have entered the informal commercial sector.

Mozambique has recently been through 15 years of war and a recent drought has compounded the country's problems. The Population Crisis Committee, Washington, has ranked Mozambique as having the highest human suffering index in the world on the basis of such indicators as: access to clean water, infant immunization, per capita income, life expectancy and school enrollment. Per capita income is \$80, infant mortality is 130/1000 and average life expectancy is 49 years. The adult literacy rate for females is 21% and the population is largely rural (74%) (source: Hunger, 1993). Since the MG proposal was written and peace has returned to the country, tens of thousands of refugees have returned into the project area, increasing the need for support for income generation activities.

A devastating, destructive civil war has plagued Liberia since December 24, 1989. In 1990, ECOWAS (the Economic Community of West African States) sent its military observer group (ECOMOG) as a peacekeeping force to separate the warring factions. Since then, the country has been effectively divided into two parts -- 1) a relatively peaceful, stable core policed by ECOMOG in and around the capital city of Monrovia, and 2) the rest of the country, where eight warring factions jockey among and within themselves for varying degrees of control.

This turmoil has uprooted most of Liberia's population of 2.5 million, with 775,000 displaced externally and 1,000,000 internally, almost all of the latter in the ECOMOG safety zone. Approximately 150,000 people have died as a result of the conflict. WRC's program works exclusively in Monrovia, but will extend to other areas of the country as conditions allow.

1.3 Project Funding

Funds provided by the MG are used to improve WRC's capability to provide technical support to its counterparts and to strengthen the ability of selected WRC counterparts to develop income generation programs. Local sources of funding for income generation programs are difficult to access until a program is well established. Our experience has been that once a program is viable, local and/or other international sources of funding become available, thus allowing funding received through the MG to be leveraged.

2. PROJECT METHODOLOGY

2.1 Project Goals and Strategies

The goal of this project is to increase disposable income among the poorest populations in selected countries of Central America and Africa in order to improve the health and welfare of their families.

The purposes of the USAID/World Relief Corporation (WRC) matching grant (MG) project are to: 1) enable WRC to provide financing and technical assistance to counterparts who will 2) develop self-sustaining microenterprise programs which will 3) train and finance community banks (CB's) in order to 4) improve the health and well-being of members (primarily women) and their families. Programs in six countries are included in the MG - three primary, which receive technical assistance and funding, and three secondary, which receive the former only.

As briefly mentioned above, the methodology and strategy used in this program is that of providing technical and financial resources to develop counterparts' capacity to implement CB programs. The program will include, during its five years of operation, direct implementation in three primary countries and training and technical assistance to develop programs in three secondary countries.

Training is carried out by the WRC Microenterprise Development Coordinator, the Assistant Coordinator, and by one regional MED technical specialist located at WRC headquarters. This training focuses on enabling counterparts to form self-sustaining CBs, establish effective credit policies and procedures, develop program monitoring and evaluation systems and integrate health training and other interventions into the CB programs.

Financial assistance for the primary countries covers start-up operating costs, initial capitalization of the revolving loan fund (LF) and technical assistance. By the end of the project, each program's ongoing operational and financial (inflation and opportunity cost of capital) costs will be covered by interest income and other internal revenue.

2.2 Comparison of Proposed and Actual Accomplishments

2.2.1 Headquarters

WRC headquarters planned in the original proposal to achieve the following during the second year of the MG:

- Fill the position of West Africa MED Technical Specialist (deferred from GY1).
- Support program expansion in Honduras, Burkina Faso and Mozambique with on-going technical assistance, training and monitoring of programs.

- Establish a CB program in Liberia.
- Expand WRC HQ's capacity to develop and support self-sustaining programs with deep and broad outreach through on-the-job experience and professional development opportunities.

Actual headquarter accomplishments during the second year include:

- West Africa MED Technical Specialist position was modified slightly and filled.
- Program expansion and other assistance performed.
- Program established in Liberia.
- Expansion of capacity achieved in MED department through SEEP participation, USAID sponsored micro-finance course, etc.

In addition to realizing these originally-proposed accomplishments, WRC headquarters added the following during GY2:

- Some progress made in a new focus on expanding capacity of WRC HQ's non-MED departments to better perform their respective roles in the new MED world of growing emphasis on financial institution building.
- Conversion of WRC branch offices in Burkina Faso and Honduras into independent, indigenous counterparts was fully achieved in the former and significant progress was made in the latter.
- Initial study and exploration of change in CB methodology to include more training of clients in basic business skills.

2.2.2 Field

Table 1 provides a comparison between the planned and actual accomplishments for the primary countries.

GENDER: As noted below, the percentage of women CB members in each country ranges from 84% to 100%. Program directors in Burkina Faso and Mozambique are women. All promoters in Burkina Faso and most in Mozambique are women. Unfortunately, due to security concerns in Honduras (threat of banditry) and the need to carry relatively large amounts of cash to/from some isolated areas, WRH management has felt the need to field a promoter staff almost entirely composed of men.

Table 1 -- Program Summary

INDICATORS	Honduras		Burkina Faso		Mozambique	
	Planned	Actual	Planned	Actual	Planned	Actual
BREADTH OF OUTREACH						
New Groups Established	46	33	36	61	18	33
Total Active Groups	103	184	78	111	30	47
Non-active Groups ¹	37 ²	0	38 ³	18	0	1
Total Groups Served	140	184	116	129	30	48
Members Receiving Loans	3,090	9,419	2,340	3,609	900	1,834
DEPTH OF OUTREACH						
Percentage of Women	100%	100%	80%	86%	80%	84%
Average Loan Size	NP	\$121	NP	\$69	NP	\$26
GNP Per Capita	NP	\$590	NP	\$330	NP	\$80
Avg. Loan Per GNP/Capita	NP	21%	NP	21%	NP	32%
PROGRAM FINANCIAL PERFORMANCE						
Operational Self-Sufficiency	100%	95%	79%	50%	41%	17%
Repayment Rate	100%	95%	92%	90%	97%	100%
Member Savings (Balance)	\$247,000	\$327,450	\$128,000	\$56,344	\$25,000	\$14,545
INSTITUTIONAL DEVELOPMENT						
Number of Promoters	8	19	10	9	4	7
Addition to Loan Fund	\$3,000	\$46,541 ⁴	\$0	\$35,863 ⁴	\$24,000	\$18,066
Size of Loan Fund ⁵	\$304,000	\$476,906	\$318,000	\$151,285	\$36,000	\$23,916

NP = Not Planned in Original Matching Grant Proposal

¹ Includes temporarily inactive groups and permanently deactivated groups.

² 37 Community Banks were planned to be graduated.

³ 38 Community Banks were planned to be graduated.

⁴ Includes Matching Grant additions to loan fund only. Does not include additions to loan fund from other sources.

⁵ The number reported for "size of loan fund" is actually "outstanding loans". The latter will approximate but will be somewhat less than the former.

3. MONITORING AND EVALUATION

3.1 Baseline Data

Major challenges were posed during the grant year to both traditional NGO methodologies used to monitor and evaluate MED programs as well as to those originally proposed and planned by WRC. The USAID MED office and like-minded financial-institution-oriented MED professionals posed alternative measuring tools which relied heavily on economic principles such as revealed preference and proxy indicators for impact. The USAID Boulder conference, the Rhyne-Vogel-Christen paper on "Maximizing Outreach..." and the new USAID MED position paper have all contributed to this.

In addition, WRC MED staff have been less than satisfied with the level of quality of information obtained via the methodology originally proposed and initially used, namely the case-study method. As a result, WRC began serious reflection on impact evaluation. Among other things, the HQ MED assistant coordinator joined the SEEP Impact Evaluation working group, which is looking at this issue.

At this point, WRC is relying primarily on revealed preference and proxy indicators, complemented by anecdotal indicators gained from rapid appraisal methodologies. More changes are expected, however, as practice in this field evolves.

3.2 Targets

At this point, targeted outputs do not vary from the proposal. They will not be changed until the mid-term evaluation, approximately half-way through FY96. Many targets will need to be adjusted based on changes in assumptions. For example, as explained in detail in last year's annual report, the number of banks existing at the time of the start of the MG (10/93) was much greater than the number projected when the proposal was written a year earlier. Thus, things were different even before the project started. During the first two project years more has changed, including 1) the concept of graduation; 2) vastly higher numbers of beneficiaries (due partly to membership turnover); etc.

3.3 Critical Indicators of Effectiveness

As can be seen in the tables, three indicators have been added since last year's annual report as indicators of depth of outreach, viz.: average loan size, GNP per capita and the ratio of the former to the latter. In addition, two indicators related to the number of CB's have been added to account for some of the dynamics of CB changes (such as temporarily inactive status, deactivation via default or graduation, etc.). These indicators are "non-active groups" and "total groups served".

4. COUNTRY REVIEW AND ANALYSIS

4.1 Honduras

4.1.1 Background: MG Proposal and GY1

World Relief Honduras (WRH) began its CB program in June 1991. At the start of the MG program, WRH's portfolio included 92 CB's in the department of Olancho and in urban and peri-urban Tegucigalpa.

During GY1, 64 additional CB's were created, bringing the year-end total to 156 active groups including several served by a branch office created during the year in Danli, El Paraiso. Fourteen promoters facilitated the provision of loans to 7,410 members during the year, and the loan fund stood at the equivalent in local currency of \$301,000. Member savings had reached \$514,355, repayment rates were perfect at 100%, and the program was operating at a slight profit operationally.

4.1.2 Planned and Actual Accomplishments

WRH suffered a bit of a setback in GY2 due primarily to two episodes of staffing problems. In the first, occurring in December, 1994, three separate but similar cases of relatively mild corruption were uncovered. Three promoters were discovered diverting money from WRH and from the internal accounts of some of the banks for which they were responsible. One was caught before any money was lost, a second succeeded in stealing \$2,222 from WRH and \$3,333 from his CB's, and a third stole \$8,333 from WRH. A judgement has been brought against the former, but is still unresolved. The latter has agreed to reimburse WRH and has repaid \$2,711 to-date. Thus, at this point, WRH total direct financial losses are \$7,844, of which the majority is hoped to be recovered.

The three promoters were not working together in any way. Each acted separately using different modus operandi. The three were discovered within a short period by WRH management conducting internal audits. The importance of the audits arose following the all-WRC CB conference held in Honduras at which the then-recent FINCA case in El Salvador was discussed.

The second incident, uncovered in June, 1995, involved five promoters who were released for disloyalty and dishonesty. The five, while working for WRH, created their own NGO and spoke negatively of WRH to clients in an attempt to "poach" well-performing WRH CB's.

These were five of the very first promoters hired by WRH in 1991. Thus, WRH lost a total of eight seasoned promoters in the two incidents. This, added to the damage to relationships with clients, took a great deal of WRH management time, hurt program performance and set back WRH's institutional development.

With this as background, the following table summarizes planned and actual accomplishments of WRH during GY2:

Table 2 -- Honduras Program Summary

INDICATORS	YEAR PLANNED	YEAR 2 ACTUAL
BREADTH OF OUTREACH		
New Groups Established	46	33
Total Active Groups	103	184
Non-active Groups ¹	37 ²	0
Total Groups Served	140	184
Members Receiving Loans	3,090	9,419
DEPTH OF OUTREACH		
Percentage of Women	100%	100%
Average Loan Size	NP	\$121
GNP Per Capita	NP	\$590
Avg. Loan Per GNP/Capita	NP	21%
PROGRAM FINANCIAL PERFORMANCE		
Operational Self-Sufficiency	100%	95%
Repayment Rate	100%	95%
Member Savings (Balance)	\$247,000	\$327,450
INSTITUTIONAL DEVELOPMENT		
Number of Promoters	8	19
Addition to Loan Fund	\$3,000	\$46,541 ³
Size of Loan Fund ⁴	\$476,906	\$308,485

NP = Not Planned in Original Matching Grant Proposal

¹ Includes temporarily inactive groups and permanently deactivated groups.

² 37 Community Banks were planned to be graduated.

³ Includes Matching Grant additions to loan fund only. Does not include additions to loan fund from other sources.

⁴ The number reported for "size of loan fund" is actually "outstanding loans". The latter will approximate but will be somewhat less than the former.

In addition to the above outputs, it is noteworthy that WRH took a major step in addressing client needs and its own advancement as a microenterprise development institution by adding a new component to its MED program. In July, WRH opened a window for lending larger amounts to long-term CB members who have grown their businesses to the point of needing loans larger than the \$300 CB ceiling. These clients, in the original MG proposal, would have been graduated as part of a graduated CB. They would then have been "on their own" and would have sought to meet their needs for financial services from within the graduated CB itself (via the internal account) and/or from the formal sector.

With the change in view toward the concept of graduation, WRH sought a new vehicle for serving such clients. It decided on a modified solidarity group mechanism in which individuals are eligible for loans of up to three times their savings. During GY2, approximately 250 such clients were served, with loans averaging \$672 and totalling \$168,000.

4.1.3 Explanation of Variances

Despite the problems with the promoters described above, many of the targets were surpassed. The program's performance decline merely dropped in qualitative terms from "stellar" to "so-so".

Cumulative indicators, such as total active groups, are significantly higher because of the higher-than-projected number of banks at the start of the MG plus the better-than-projected performance in GY1. Thus, despite opening 13 fewer CB's in GY2 than projected, the number of total active banks at year end still greatly surpassed the original target of 116. Also accounting for part of this was the decision not to graduate banks, whereas the proposal planned for 37 to leave in this way.

The latter also explains the variance in the "addition to loan fund" item. As originally planned, loan capital formerly used for graduating banks would have been freed up to be used as initial loans for new banks. Thus, approximately only \$3,000 would have been needed. Instead, with banks staying in the program, an additional estimated \$46,541 in MG capital was added, \$30,000 of which had been deferred from GY1. The deferment was possible due to lower loan fund demands in GY1 as a result of membership turnover and other factors.

Finally, operating self-sufficiency dropped slightly from its level of 100% last year. This was due primarily to the combination of 1) the problems described above, and 2) the decision, given WRH's excellent performance in GY1, to allocate a larger percentage of WRH's general and administrative expenses to the program. If performance had been as good as the previous year's, the program income would easily have covered all operational costs, including the added expenses. However, with a drop in performance, added costs dropped the result to just below the 100 % mark.

WRC management feels that in a sense WRH is in a much stronger position than before. It has weathered a rough storm without a great deal of direct damage. Financial losses were a fraction of those incurred by sister programs who have suffered similar problems. Steps have been taken to prevent such problems in the future, such as the addition of a full-time internal auditor to the program staff. With the lessons learned and strengthened internal controls, the program is projected not only to regain operational self-sufficiency in GY3 but to cover a large percentage of its financial costs as well.

4.1.4 Effects on Target Groups

Using proxy indicators such as repayment rates and the revealed preference concept, one must conclude that while client impact was positive in GY2, it could have been better. That is, the effects of the program on target groups suffered along with the program itself.

Nevertheless, it can be postulated that with a 95% repayment rate and no defaults, client impact, while not as outstanding as before, was high. Also, much of the problem with arrearage can be attributed to the turmoil of banks having their promoters leave under such negative circumstances, not to problems with the clients' businesses themselves.

GENDER: 100% of the clients during the year were women.

4.2 Burkina Faso

4.2.1 Background: MG Proposal and GY1

Like WRH, CREDO, formerly known as World Relief Burkina Faso, began its CB program in 1991. Initial banks were started in the capital city, Ouagadougou, with expansion from there into the provinces of Sissili, Boulkiemde and Mouhoun. At the start of the MG, the program had 58 banks on paper, but 20 of these were inactive due to problems from 1991 and had to be written off during GY1. Thus, 38 banks were operating at the start, and 30 were added during the year, resulting in a year-end total of 68. Also significant during GY1 was an extension of breadth of outreach as CREDO reached an increasingly rural clientele. During the year, of the 27 banks started, all but one were in rural areas.

4.2.2 GY2: Planned and Actual Accomplishments

During GY2, CREDO extended its outreach to include three more rural provinces, namely Oubritenga, Bazega and Passore, bringing the total to seven. Nine promoters worked out of eight branch offices, covering 10 "quartiers" of Ouagadougou and 52 villages.

The following table summarizes planned and actual accomplishments of CREDO during GY2:

Table 3 – Burkina Faso Program Summary

INDICATORS	YEAR 2 PLANNED	YEAR 2 ACTUAL
BREADTH OF OUTREACH		
New Groups Established	36	61
Total Active Groups	78	111
Non-active Groups ¹	38 ²	18
Total Groups Served	116	129
Members Receiving Loans	2,340	3,609
DEPTH OF OUTREACH		
Percentage of Women	80%	86%
Average Loan Size	NP	\$69
GNP Per Capita	NP	\$330
Avg. Loan Per GNP/Capita	NP	21%
PROGRAM FINANCIAL PERFORMANCE		
Operational Self-Sufficiency	79%	50%
Repayment Rate	92%	90%
Member Savings (Balance)	\$128,000	\$56,344
INSTITUTIONAL DEVELOPMENT		
Number of Promoters	10	9
Addition to Loan Fund	\$0	\$35,863 ³
Size of Loan Fund ⁴	\$318,000	\$151,285

NP = Not Planned in Original Matching Grant Proposal

¹ Includes temporarily inactive groups and permanently deactivated groups.

² 38 Community Banks were planned to be graduated.

³ Includes Matching Grant additions to loan fund only. Does not include additions to loan fund from other sources.

⁴ The number reported for "size of loan fund" is actually "outstanding loans". The latter will approximate but will be somewhat less than the former.

4.2.3 Explanation of Variances

CREDO continued to show marked improvement in its performance, surpassing most targets and/or showing significant improvement in others. The most remarkable change came in operational self-sufficiency. Although still well below the target of 79%, a ten-fold rise from 5% in GY1 to 50% in GY2 is significant in itself and also demonstrates vast improvement in all other indicators that contribute to income and expenses.

With this in mind, GY2 could be proclaimed a year of significant breakthrough for CREDO. Program performance previously had been somewhat poor, and an operational self-sufficiency rate of only 5% did not bode well for the future. However, with vast improvements resulting from several policy changes, some cost-cutting measures and strong expansion to new areas, the future looks much brighter.

As was the case with WRH, the original proposal planned for the graduation of a number of CB's -- 38 in this case. Unlike Honduras, CREDO did decide to follow the original concept of graduation, but on a more limited basis, as 13 graduated.

Finally, a small part of the growth experienced was made possible due to outside funding. One source worthy of mention was the World Bank, which gave CREDO a small grant for operating costs and a larger loan for onlending to CB's.

4.2.4 Effects on Target Groups

Again using the concepts of revealed preference and proxy indicators, the strong program improvement is supported by anecdotal evidence showing excellent impact on client businesses and households. Also significant was that several of the banks that graduated requested that CREDO "hold" their collective savings for them, without any payment of interest. This shows the strong value that clients place on having access to a vehicle for savings, as well as their trust and confidence in CREDO.

GENDER: 86% of clients during the year were women. The program director and all of the promoters are women.

4.2.5 Problems Encountered/Actions Taken and Concerns/Plans for the Future

CREDO leadership has identified "subsidized competition" as the main problem plaguing the program in GY2. In the Kokologo branch, some CREDO CB's which previously had perfect repayment ceased repayments altogether as a result of another national NGO giving out "loans" without any apparent interest in collecting repayments. This was the primary cause of the 10% arrears rate (90% repayment rate) reported above.

This is also a concern for other areas of Burkina Faso, as NGO's and government agencies are jumping into MED without really understanding its principles. Even the local World Bank

office has shown a lack of understanding of, or commitment to, best practice since it initially stipulated that CREDO charge no interest to clients. However, after CREDO management explained the reasons for charging interest and aiming to achieve self-sufficiency, WB staff agreed, and said they would also seek to influence others in the country to move toward similar policies.

In addition, CREDO staff have met with the offending NGO in Kokologo to discuss ways to remedy the problem. CREDO is seeking, in early GY3, to organize a consultation of MED practitioners in Burkina Faso to discuss these problems.

In addition to subsidized competition, the other major problem affecting program performance has been loan stagnation, with average loan sizes seeing little or no growth between cycles. An in-depth analysis of this is being planned for late GY2 and early GY3. A consultant will be hired to facilitate the investigation.

4.3 Mozambique

4.3.1 Background -- MG Proposal and GY1

World Relief Mozambique's (WRM) CB program began in GY1, with initial loans being disbursed in April, '94. The original MG proposal design included the following components: 84 CB's to be created in five years; 2,520 clients; initial loan size maximum of \$50; and health education. Mozambique's program is the only one of the three primary MG programs which has health education.

In GY1, it was determined that some redesign was necessary to better fit the Mozambican context. The most important change was the reduction of initial maximum loan sizes from \$50 to a staggered system of \$25 as the base for the first cycle and \$35 as the base for the second. This has impacted considerably the total amount lent, interest income, etc., but was deemed prudent given the extremely low level of poverty of the CB clients (Mozambique's average annual GNP: \$80).

In the seven months of GY1 in which the program operated (after five months of start-up), 16 CB's were started (vs. a plan of 12), serving 696 clients. The repayment rate was perfect at 100%, and a staff of a half-time program coordinator, half-time health education coordinator and four promoters was hired and trained.

4.3.2 GY2: Planned and Actual Accomplishments

In GY2, WRM broadened its outreach considerably by starting 33 new CB's and reaching a cumulative total of 47 CB's and 1,834 clients.

Table 4 -- Mozambique Program Summary

INDICATORS	YEAR 2 PLANNED	YEAR 2 ACTUAL
BREADTH OF OUTREACH		
New Groups Established	18	33
Total Active Groups	30	47
Non-active Groups ¹	0	1
Total Groups Served	30	48
Members Receiving Loans	900	1,834
DEPTH OF OUTREACH		
Percentage of Women	80%	84%
Average Loan Size	NP	\$26
GNP Per Capita	NP	\$80
Avg. Loan Per GNP/Capita	NP	32%
PROGRAM FINANCIAL PERFORMANCE		
Operational Self-Sufficiency	41%	17%
Repayment Rate	97%	100%
Member Savings (Balance)	\$25,000	\$14,545
INSTITUTIONAL DEVELOPMENT		
Number of Promoters	4	7
Addition to Loan Fund	\$24,000	\$18,066
Size of Loan Fund ²	\$36,000	\$23,916

NP = Not Planned in Original Matching Grant Proposal

¹ Includes temporarily inactive groups and permanently deactivated groups.

² The number reported for "size of loan fund" is actually "outstanding loans". The latter will approximate but will be somewhat less than the former.

4.3.3 Explanation of Variances

The number of new CB's greatly exceeded the number planned. More CB's were established in GY2 alone than had been planned to be started during the first two years together. This

has been possible partly because of the decision at the beginning of the program to reduce the initial maximum loans to \$25 which allowed WRM to stretch out program capital amongst more CB's.

Conversely, the initial loan size adjustment has resulted in lower-than-planned figures for the loan fund and hence, for interest income. This has resulted in an operational self-sufficiency rate lower than anticipated.

4.3.4 Effects on Target Groups

Perfect repayment rates and continued high demand for program services show high program impact by revealed preference. Anecdotal evidence gathered recently in Mozambique by a World Relief HQ staff member supports this conclusion. Among her findings in interviewing clients were:

- Client demand: One woman living in an area not served by a community bank walked seven hours each week to be part of the bank closest to her. Another spent nearly as much time walking and crossing a river to be part of a bank.
- Improved nutrition: Most clients queried cited quantitative and qualitative improvements in family diet. Many reported being able to eat regularly food that was previously out of their reach, such as rice and potatoes.
- Many clients reported being able to send their children to school and/or buying books and materials for them for the first time.

Gender: 84% of clients during the year were women. The Income Generation director and five of the seven promoters are also women.

4.3.5 Problems Encountered/Actions Taken and Concerns

Attendance. This has been a concern, since poor attendance can lead to poor group solidarity and repayment, and also reduces the impact of the health education component.

In response, and as part of general promoter training, all promoters will receive more formal "training of trainers" (TOT). This will be facilitated by the inclusion of these CB promoters in a TOT to be done as part of a new WRM/USAID child survival program.

4.4 Liberia

4.4.1 Background - MG Proposal and GY1

Liberia is a secondary country in the MG and thus was not a specific part of the MG proposal. Rather, it was identified by WRC early in GY1 to be one of the three secondary country

programs to be developed. Secondary countries receive only technical assistance from the MG -- no financial assistance. World Relief has chosen to work with a partner, the Association of Evangelicals of Liberia (AEL). Initial work on the CB program was started in July, 1994, and by the end of GY1 a program coordinator had been identified and hired.

Table 5 -- Liberia Program Summary

Note: Since this program is in its first year and was not a primary country in the MG proposal, there is no "planned" column.

INDICATORS	PROGRAM YEAR
BREADTH OF OUTREACH	
New Groups Established	22
Total Active Groups	22
Members Receiving Loans	701
DEPTH OF OUTREACH	
Percentage of Women	100%
Average Loan Size	\$50
PROGRAM FINANCIAL PERFORMANCE	
Operational Self-Sufficiency	10%
Repayment Rate	100%
Member Savings (Balance)	1,276
INSTITUTIONAL DEVELOPMENT	
Number of Promoters	3
Size of Loan Fund ¹	\$23,000

NP = Not Planned in Original Matching Grant Proposal

¹ The number reported for "size of loan fund" is actually "outstanding loans". The latter will approximate but will be somewhat less than the former.

4.4.2 GY2: Actual Accomplishments

After attending the SEEP Village Banking conference in Guatemala at the beginning of GY2, the program coordinator used this and other training to finalize program design and initial systems development. Loans were first disbursed in January, 1995 and a health component was added in July.

In the first year WRC set up operations jointly with the AEL and operated the CB program as a WRC branch. However, initial steps were taken to create a relief and development arm of the AEL, known as Access Liberia (AL), and to transfer operations from WRC to AL.

4.4.3 Effects on Target Groups

As observed with other programs, perfect repayment rates and continued high demand for program services indicate high program impact on target groups. In addition, in the case of Liberia, a WRC objective has been to impact target groups in a way that is somewhat unique to Liberia. That is, WRC's CB program is also part of a larger reconciliation program by WRC Liberia which is seeking to contribute to decreasing the conflict amongst tribal groups and to healing wounds.

Individual community banks composed of members only from one tribe might have a better chance of achieving group solidarity and thus might "perform" better in strict financial terms. Nevertheless, WRC has purposefully chosen to integrate the banks as much as possible in order to promote reconciliation. It is thought that as members from different tribes work together, some of the misunderstandings and barriers that have contributed to division might be addressed. While measuring this may be difficult or impossible, WRC staff have been pleased with results so far.

Finally, Access Liberia has reported the following observations and anecdotes:

- Groups have expressed a great deal of enthusiasm for the group formation and organizational training that they have received. Training modules include such topics as: developing group problem solving and communication skills; personal needs assessment; goal setting; etc.
- One 75 year old client uses the profits from her business to send her grandchildren to school.
- Many have requested that this training be conducted for other community organizations of which they are a part, such as local churches. One client said "Even if I do not get a loan, after this training I will still be all right. At least I can use the information in this training for the rest of my life".

4.4.4 Problems Encountered/Actions Taken and Concerns/Plans for the Future

The only significant problems at this point have been logistical in nature, such as transportation bottlenecks for program staff, the low value of the Liberian units of currency (the largest bank note is worth only 9 U.S. cents), resulting security concerns since promoters are forced at times to carry large volumes of money, dealing with erratic exchange rates, etc. Actions taken and/or being considered include: partial use of U.S. dollars for disbursements (which reduces the volume of bank notes needed); future possible procurement of some motorbikes to give promoters more reliable and accessible transportation; and more use, where possible, of commercial bank facilities for disbursements and repayments.

EXPANSION: Initially program expansion will be limited to greater Monrovia, due to the on-going conflict. When conditions allow, the program will be extended throughout Liberia. Given 1) the great needs in Liberia, especially for reconstruction following the end of the war, 2) the country's relatively small size, 3) the confidence that WRC HQ has developed in the capabilities of program leadership and 4) the fact that WRC has the only CB program in the country, it is felt that Liberia has the potential to be WRC's first national-scale CB program.

OTHER FORMS OF MED ASSISTANCE: WRC is currently studying the idea of and seeking funding for a grant-based MED sub-program that would target a very select population -- young male ex-combatants. This program would be completely separate from the CB program and would have drastically different goals, objectives and methodologies. This would be WRC's first non-community banking MED intervention since WRC leadership chose in 1990 to focus exclusively on community banking following a previous disparate "program" of ad-hoc MED interventions. Results of the experimental program will be closely observed to determine appropriateness for other disaster contexts in which WRC works.

4.4.5 Impact on Other Institutions

As the sole NGO doing community banking in Liberia and as one of the few doing MED of any kind, Access Liberia is being closely watched by other NGO's, donors and governmental bodies. Program staff have participated in consultancy meetings and have made presentations on principles and methodologies of community banking and on program results to-date. As the program grows and becomes more known, this institutional impact will probably grow substantially. Increased regional impact is probable as well, since already the program has been visited by NGO staff from neighboring Sierra Leone and has been discussed with NGO practitioners in Guinea. WRC sees potential for program staff to be able to render technical assistance and training to WRC partner organizations and colleagues in these neighboring countries.

5. MANAGEMENT: REVIEW AND ANALYSIS OF HEADQUARTERS/SUPPORT FUNCTIONS

5.1 Project Planning and Management Activities

Project planning and management for the three primary countries focused on developing the relatively new program in Mozambique and on addressing problems of the established programs in Honduras and Burkina Faso. In addition, as mentioned elsewhere, the latter two also engaged in autonomization activities. Significant attention was also given by HQ to developing a secondary program in Liberia.

Planning and management assistance was also given during field trips, which are described in more detail below.

5.2 Staff Resources

WRC's MED coordinator has been in place for six years, and the assistant coordinator for two years. These are both MG positions. In addition, the grant provides for two field-based technical specialists. The Mozambique program coordinator was designated in GY1 to serve concurrently as Southern Africa MED Technical Specialist. However, no need for services from this position have arisen in the past year, since no secondary country activity was initiated in Southern Africa.

Placement of the second MED technical specialist position, for West Africa, was delayed until this year, and it was adjusted slightly. The position was reduced from full-time to half-time, and was joined with a non-MG WRC half-time position (that of Africa Regional Director) to make one full-time dual, complementary position. WRC's previous country director in Rwanda, Mr. David van Vuuren, will assume this dual position as of September, 1995. In addition to the changes mentioned, the position will be based in HQ rather than in West Africa and will be broadened slightly to include all of Africa. Thus, Mr. van Vuuren, as half-time Africa Technical MED specialist, will help cover MED programs not only in Burkina Faso and Liberia, but in Southern Africa as well.

5.3 Training and Technical Assistance

5.3.1 Training and TA: Staff

The primary training events for field staff during the past year occurred in November, 1994. The WRC HQ MED coordinator and assistant coordinator, along with program coordinators from the MG countries of Honduras, Burkina Faso, Mozambique and Liberia attended the First Village Banking Conference in Guatemala, organized by SEEP. In addition, these and other field staff from Honduras participated in an in-house all-WRC conference in Honduras immediately following the Guatemala event.

In these two conferences, WRC staff were able to compare notes from their programs with others, learn from others' experiences, discuss common problems and strategies, and, in general, hone their skills while increasing their MED knowledge and understanding. The WRC follow-on conference was uniquely helpful in that it served as the first time in which WRC staff from MED programs around the world have been able to get together.

As a result of this opportunity to meet with and discuss issues with many program coordinators at once, fewer field trips by Wheaton staff were needed. Field trips that were made (and training topics during these trips) included:

MED Coordinator:

Burkina Faso and Mozambique: 7/95

- Financial Management Information Systems (Both Countries)
- Roles and Responsibilities of NGO Director Boards (Burkina Faso)
- Program Review (Both Countries)

Haiti: 2/95

- Intro to Community Banking
- Program Design and Proposal Development

Honduras (as part of the 11/94 conference)

- Program Review

MED Assistant Coordinator:

Burkina Faso and Liberia: 2-3/95

- Financial Viability Analysis (Both Countries)
- Intro to WRC Financial Management Information Systems (Liberia)
- Performance Management (Liberia)
- Program Review (Both Countries)

Liberia: 10/94

- Intro to Community Banking
- Program Design and Basic Systems Development

WRC HQ Accountants:

Mozambique: 3/95

- Internal Audit
- Accounting Training

Honduras: 5/95

- Internal Audit
- Accounting Training

In addition to these field trips, WRC's Director of Information Services accompanied the MED Assistant Coordinator during his trip to Liberia and Burkina Faso. With the expanding scale of WRC MED programs and the resulting increased use of computerization, it was thought that technical assistance in this area would be helpful to the programs. Although HQ MED staff regularly render MIS assistance as part of their trips, issues facing these programs at the time merited the involvement of someone with more advanced computing skills.

Thus, the Director assisted CREDO and Access Liberia with their then-present problems and training needs. In addition, by becoming more familiar with field conditions, he has subsequently been able to support more effectively from HQ these programs as well as others.

Besides the training events for field and HQ staff that were mentioned above, HQ's Assistant MED Coordinator also benefitted greatly from a training event sponsored by USAID, in Boulder, Colorado. This event, in March 1995, focused on Micro-Finance issues.

Finally, HQ staff participated in several SEEP events in the U.S. Some of these were formal training events, and others were not training events, per se, but served somewhat of a training function as issues in the field were discussed and analyzed. The Assistant Coordinator participated and contributed to SEEP working groups in the areas of Training and Impact Evaluation. In the former, he contributed to the development of a facilitator's guide for a SEEP publication used by WRC and others in training HQ and field staff. This resource is titled "An Institutional Guide for Economic Development Organizations".

The MED Coordinator played a key role in the poverty lending working group (which organized and was a driving force behind the Guatemala conference) and in SEEP as a whole as a member of the board of directors. He also participated in a conference sponsored by Freedom From Hunger where issues of integrating education with credit were analyzed.

5.3.2 Training: Beneficiaries

WRC feel that it is not appropriate to quantify training "events" for a community banking program, since the methodology calls for continuous training and follow-up from promoters. Two types of training are given initially: 1) "General Community Banking," for all members. This includes basic bookkeeping, group organizational skills, basic business skills, etc.; and 2) Community Banking for Administrative Committee Members. The latter involves a more in-depth treatment of the "general" course and also includes leadership development. Then, throughout the life of the bank, training is given regularly at all repayment meetings both to regular members and to bank leadership. Therefore, all 14,862 members benefitted from training during the year.

In addition, the 1,834 members in Mozambique and 701 in Liberia benefitted from health education, which was integrated into the CB programs in these countries.

5.3.3 Training: Gender

HQ's MED staff are male, as are program management staff and most field promoters in Honduras, as well as the program coordinator in Liberia. The program coordinator and most promoters in Mozambique are female, as are all promoters in Liberia, all program staff in Burkina Faso and part of the promoter staff in Honduras.

5.4 **Project Fund Raising and Marketing**

As was the case in the previous year, WRC's resource development department has focused many of its mailings and publications on the income generation projects during this year. Resource development staff visited the program in Mozambique and developed several human interest stories on the participants and staff. Many of these have been incorporated into the mailings for WRC's various audiences.

5.5 **Role of Board of Directors**

WRC's board of directors is made up of a combination of church leaders and professionals. The board meets three times a year. One-third of the board members are part of the International Program sub-committee which analyzes in further detail program issues that come to the board. The MED Coordinator met and interacted with the sub-committee during its regularly scheduled meeting. The board reviews and approves the annual budget. Two board members visited the program in Burkina Faso and Liberia during the year.

6. **FINANCIAL REVIEW**

6.1 **Proposed Budget Compared with Actual Expenditures**

A Project Financial Overview for GY1 and GY2 and an Organizational Financial Overview may be found in Attachments 9.1 and 9.2. Actual expenditures for the first project year were \$325,783 for the USAID share and \$455,806 for the WRC share. Of the latter, \$154,958 came from interest income from the loan portfolio. This was 22% under budget for the year.

It is estimated that the expenditures for the second project year will be about \$225,734 for the USAID share and \$381,099 for the WRC share. Of the latter, \$203,000 comes from interest income. This compares to the budgeted amounts of \$276,203 and \$494,303. Total estimated expenditures are thus \$606,833, about 21% underspent from the original budget of \$770,506. Total project spending to-date is about \$1,388,422 compared to the budget of \$1,768,821.

Attachment 9.1 breaks down the program costs into seven expenditure categories. For FY95, salaries and benefits are underspent due to various factors: 1) the West Africa Regional Technical Specialist was hired late in the year and only at a one-half time level; 2) the Mozambique health coordinator was adjusted to become a one-quarter time position; 3) the

Southern Africa Regional Technical Specialist position has not been filled; and 3) salaries are lower than estimated in some of the countries.

Travel and transportation is underspent due to the lack of regional specialists as indicated above as well as the fact that we were able to have all the project directors attend the Guatemala SEEP workshop and the follow-on WRC workshop in Honduras. The Other Direct Costs line item includes in-country operating costs as well as additions to the loan fund. The approximately \$60,000 overspending of new loan funds was expected as it had been deferred from FY94 to FY95.

Local Income is the monies received from interest and fee charges on the loans. This is about 7% under budget for the year. The country by country variation is explained in the country reports. Finally, Indirect Costs are under budget due to overall underspending during the second year.

6.2 Letter of Credit Procedures

The funds obligated and the letter of credit draw-downs are shown in the following chart:

		<u>Amendment</u>	<u>Voucher</u>	<u>Balance</u>
Year 1				
11/17/93	Voucher #125		5,000	(5,000)
11/22/93	Amendment #30 I/G	400,000		
395,000				
12/17/93	Voucher #126		5,000	390,000
1/26/94	Voucher #127		20,000	370,000
2/28/94	Voucher #128		20,000	350,000
4/29/94	Voucher #129		70,000	280,000
6/06/94	Voucher \$130		80,000	200,000
6/07/94	Amendment #35 I/G	325,000		525,000
7/20/94	Voucher #131		35,000	490,000
9/09/94	Voucher #133		30,000	460,000
Year 2				
10/20/94	Voucher #134		40,000	420,000
11/02/94	Voucher #135		25,000	395,000
2/14/95	Voucher #136		25,000	370,000
3/22/95	Voucher #137		60,000	310,000
4/24/95	Amendment #42 I/G	325,000		635,000
5/12/95	Voucher #138		25,000	610,000
7/27/95	Voucher #139		25,000	585,000
TOTALS		1,050,000	465,000	
BALANCE				585,000

Draw-downs are normally done on a monthly basis. The requests usually cover expenditures already made but occasionally include a portion of estimated expenditures for the coming month.

6.3 Fund-raising Plans

WRC has a donor constituency made up of church denominations, individual churches, individual donors and foundations. General mailings are targeted to each of the first three groups. These mailings frequently include income generation specific information. Regional representatives have personal contact with major donors from all the above groups. WRC has recently increased the number of regional representatives to provide more frequent communications with the major donors. The income generation program seems to have basic appeal to the donor groups and funding for the program has presented no major problems.

6.4 Cost-Sharing

WRC's portion of the cash injections to-date is slightly under the projected 50% (this does not include the WRC contributions via interest income). This is mainly due to the underspending of the travel and personnel lines of the budget. We expect to be at or near the 50% level in the third year.

7. LESSONS LEARNED, ISSUES AND LONG-TERM PROJECT IMPLICATIONS

7.1 Community Banking can be Successfully Implemented Even In "Difficult" Countries

Perhaps the most important lesson that WRC's programs have shown is that Community Banking need not be limited to "easy" countries with relatively stable economies and socio-political conditions. Honduras fits in this category, but all other WRC MED countries, including others not part of the MG, are at or near the top of the degree of difficulty scale. Nevertheless, these programs have shown not only depth of outreach but are starting to show good breadth as well, and very significant impact. Equally important, these programs have shown fair progress toward attaining operational and financial self-sufficiency.

7.2 Patience is a Virtue

A corollary to the preceding comment about sustainability is the lesson not to "give up" on a program experiencing some problems, especially in the beginning. CREDO's experience in Burkina Faso attests strongly to that. Serious problems in the first year affected not only that year's performance, but subsequent years as well. Nevertheless, after serious consideration of the causes of the difficulty, followed by prudent changes in policy and practice, program performance has improved beyond expectations in the last year.

7.3 Community Banking Can Be Successfully Implemented With Refugee/Displaced Populations

Closely related to 7.1 but meriting comment on its own is the observation that community banking can perform up to standards even with refugee and/or displaced populations. This has been seen most vividly in Liberia and Mozambique, where the great majority of clients are displaced. Community banking has even been shown to bear up to the stress of a "worst case scenario", in which large numbers of community bank members decide to return to their homes of origin. A fear has hung over programs working with such mobile populations that this kind of mass exodus could result in significant defaulting if clients leaving did not honor their obligations.

Nevertheless, a large exodus did occur in Mozambique earlier this year, yet all clients fully repaid their loans before leaving. Some remaining banks had to be restructured, such as by combining two together that had many members depart. Yet, none so much as missed a payment. In addition to the program remaining in good shape, the impact on the displaced was very high. They were well served by the program during their displacement by being able to earn higher incomes and provide for themselves rather than being dependent on free handouts.

In addition, they were able to leave genuinely empowered rather than dependent, and to take with them valuable new business skills, new health education knowledge, practice and behaviors and, for the first time in the lives of most, a fair amount of cash savings. In some cases, WRM will also be able to continue to assist them and others as the CB program moves with them to their more rural villages. This will extend WRM's outreach to an even deeper level.

7.4 Need to Adjust Program Due to Wide Range of Behavior by Program Clients

WRC's first five years of experience implementing the CB model have shown that actual behavior by clients can vary widely from the theoretical model. It can also vary from country to country. For example, the original CB model assumed that 30 members would join a CB, be part of it for 8-9 cycles, and then all graduate together. In most countries, the reality has been much different. For example, in Honduras, many clients stay in the CB for only a few cycles, accumulate the savings and business size that they would like to reach, and then "self-graduate". As a result, few of the original members are still in the bank by the time a bank reaches the 8th or 9th cycle. Thus, there is no need to graduate the bank -- it is already serving a new set of clients as it has been "renewed" from within.

On the other hand, many banks in Burkina Faso have followed more closely the original model, and some have thus been graduated. These and other examples show the need to monitor the results and dynamics of each program and to adjust policies and strategies accordingly.

7.5 The Importance of Monitoring "Underlying" Program Variables to Verify Assumptions

A corollary to the observation that the reality of community banking has sometimes proved to be quite different from the theory of the model is that program management must carefully monitor "underlying" program indicators which affect the "surface" indicators which are more closely monitored. For example, during a recent trip to Burkina Faso, WRC's MED coordinator examined the effect of loan stagnation on income projections. A simple MIS calculation found that, contrary to the assumptions of CREDO management (which were based on theory of the CB model), average loan sizes were not increasing 10%-15% per cycle. Rather, loan sizes were flat up to the fifth and sixth cycles, and showed only marginal growth thereafter.

7.6 Including Men in the Program Can Work

As mentioned in 7.4, the ways in which clients use the program has varied widely from country to country. This is true also in the area of gender participation. WRC continues to focus on women, given its concern for achieving deep outreach and given WRC's programming philosophy.

Nevertheless, one conclusion that can be drawn from WRC's experience in Mozambique is that including men in the program may not necessarily have overly negative consequences. Male participation had been a great concern since WRC's only other previous experience of allowing males to participate in the banks had been negative. In Burkina Faso, men made up about 25% of the clients during the CB program's first year, 1991. The program suffered from severe problems in the first few years, and many of those problems were attributed to the "mistake" of including men.

7.7 Need for Strengthening Internal Controls

WRC and other NGO's have had their attention drawn in the past year to the need to strengthen internal controls. WRC's problems with eight promoters in Honduras and the far worse problems afflicting other NGO's in other countries have served as a wake up call to MED practitioners. WRC HQ has attached more importance to both advising programs on the importance of and methods for improving their internal controls as well as to actually participate in this. An example of both of these is that WRC MED staff now conduct mini-audits as part of every field trip. This is both an internal control in itself as well as a means for training field staff while stressing the importance of such practices.

7.8 The Growing Importance of MIS

WRC's MED unit has highly valued the development and use of management information systems and has been a leader among NGO MED practitioners in this area. The development of WRC's proprietary Community Loan Analysis and Monitoring System (CLAMS) is the

best example of this. Nevertheless, we have been struck even more during the past year with the growing importance of MIS in MED operations, especially given the trend toward larger scale MED financial institutions.

During the field trip by WRC's Director of Information Services to West Africa, it was noted that some NGO's have added full-time field-based MIS professionals to their staff whose primary responsibility is to provide on-site support to field programs. While WRC's scale does not allow for this yet, some variation of it needs to be considered for the future as programs grow in size and sophistication.

7.9 Loan Stagnation

The phenomenon of low or slow growth in client demand for loans is another example of reality not matching theory. Clients often borrow less than the maximum for which they are eligible, and in some cases, such as in Burkina Faso, do not increase loan sizes at all from cycle to cycle.

This is a serious concern for some WRC programs as well as for other NGO's. This causes several problems, two of which we'll discuss here:

DIRECT IMPACT: Many clients who feel that they cannot or should not increase their level of borrowing may be limiting the growth of their businesses and thus their income.

INDIRECT IMPACT (INSTITUTIONAL SUSTAINABILITY): Since program viability necessitates larger average loan sizes, a program's potential for operational and financial self-sufficiency may be compromised as interest income remains flat. In WRC's programs, this has been seen most dramatically in Burkina Faso. This, of course, may limit the program's impact indirectly since its long-term viability may be jeopardized.

8. RECOMMENDATIONS AND PLANS FOR THE FUTURE

In addition to recommendations and comments made above which seemed to fit best immediately following the discussion of the lessons learned, WRC has identified the following recommendations and future plans:

8.1 Internal

8.1.1 Basic Business Skills Training

As mentioned elsewhere, some programs will be experimenting in GY3 with increasing the emphasis on basic business skills training. This is partly a response of the problem of loan stagnation. It is thought that many clients may be better able to grow their businesses (and thus seek larger loans) with somewhat more advanced training.

8.2 External

8.2.1 Don't Shortchange Impact

A danger in focusing only on "bottom line" financial indicators is that the potential impact of MED programs may be needlessly limited. For example, as mentioned above, in Liberia WRC and its partner, Access Liberia are seeking to contribute to reconciliation amongst divided tribes. Part of the strategy for this is to integrate community bank membership as much as possible. In the community banking model, group trust and solidarity are essential for optimal bank performance. Since members from tribes that are in conflict may be less reluctant to cooperate and show solidarity for each other, this could theoretically adversely affect "impact", if impact is measured only in narrow financial terms.

Put concretely, although no such problems have arisen yet, one or more banks could default if their members are unwilling to band together during a time of difficulty for one or more members. Yet, WRC is willing to accept the risk of the "embarrassment" of having a less-than-spotless default rate, because of its larger goal of seeking to help reduce or end hostilities that have destroyed the country.

There is more to impact than can be shown by proxy indicators such as repayment rates. The danger is that by focusing only on the latter, we may lose great opportunities to achieve impact in many other ways as well.

9. ATTACHMENT

- 9.1 Project Financial Overview, FY94 and FY95**
- 9.2 PVO Organizational Overview**
- 9.3 FY94 and FY95 Annual Program Costs**
- 9.4 Country Data Sheets**
- 9.5 Original Logical Framework**

WORLD RELIEF CORPORATION
 FINANCIAL PROFILE OF THE PROJECT
 USAID INCOME GENERATION MATCHING GRANT
 GRANT NO. FAO-0158-A-00-3076-00

ATTACHMENT 9.1(a)

PROJECTED ACTUAL COMPARED TO BUDGET
 FOR THE FIRST YEAR ENDED SEPTEMBER 30, 1994

PART I. TOTAL PROGRAM COSTS	USAID		WRC	
	BUDGET	ACTUAL	BUDGET	ACTUAL
SALARIES	159,000	109,735	169,000	105,754
BENEFITS	36,204	12,645	38,375	13,973
TRAVEL & TRANSPORTATION	18,882	8,535	49,751	31,103
SUBCONTRACTS	0	12,269	6,000	16,864
OTHER DIRECT COSTS	34,502	58,479	323,380	288,112
LESS LOCAL INCOME	0	0	(174,281)	(154,958)
INDIRECT COST FACTOR	163,221	124,120	0	0
GRAND TOTALS	<u>411,809</u>	<u>325,783</u>	<u>412,225</u>	<u>300,848</u>
PERCENTAGE UNDER BUDGET		21%		22%
 PART II. SOURCE OF FUNDS				
USAID - VOUCHERED TO DATE	<u>265,000</u>			
USAID - TO BE VOUCHERED	<u>60,783</u>			
TOTAL USAID	<u>325,783</u>			
WORLD RELIEF - PRIVATE CASH	<u>300,848</u>			
INTEREST INCOME	<u>154,958</u>			
TOTAL WORLD RELIEF	<u>455,806</u>			
TOTAL FUNDS	<u><u>781,589</u></u>			

WORLD RELIEF CORPORATION
 FINANCIAL PROFILE OF THE PROJECT
 USAID INCOME GENERATION MATCHING GRANT
 GRANT NO. FAO-0158-A-00-3076-00

ATTACHMENT 9.1(b)

PROJECTED ACTUAL COMPARED TO BUDGET
 FOR THE SECOND YEAR ENDED SEPTEMBER 30, 1995

PART I. TOTAL PROGRAM COSTS	USAID		WRC	
	BUDGET	ACTUAL	BUDGET	ACTUAL
SALARIES	127,832	121,601	231,006	159,883
BENEFITS	29,017	13,922	52,437	15,072
TRAVEL & TRANSPORTATION	10,000	9,742	67,985	27,057
SUBCONTRACTS	0	0	6,300	780
OTHER DIRECT COSTS	0	479	136,575	190,821
LESS LOCAL INCOME	0	0	(218,424)	(203,000)
INDIRECT COST FACTOR	109,354	83,081	0	0
GRAND TOTALS	<u>276,203</u>	<u>228,825</u>	<u>275,879</u>	<u>190,614</u>
PERCENTAGE UNDER BUDGET		17%		20%

PART II. SOURCE OF FUNDS

USAID - VOUCHERED TO DATE	139,217
USAID - TO BE VOUCHERED	89,608
TOTAL USAID	<u>228,825</u>
WORLD RELIEF - PRIVATE CASH	190,614
INTEREST INCOME	203,000
TOTAL WORLD RELIEF	<u>393,614</u>
TOTAL FUNDS	<u><u>622,439</u></u>

ATTACHMENT 9.2

WORLD RELIEF CORPORATION
FINANCIAL PROFILE
(IN THOUSANDS)

For the years ending September 30

<u>Program Expenditures:</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
Program Management	1,859	2,115	2,623	1,956	1,894
US Resettlement Services	5,351	6,006	6,913	7,473	9,099
Overseas Program Services	8,130	7,107	8,875	7,457	5,126
Education-Donor Public	431	420	332	257	258
Fund Promotion Costs	1,744	1,843	2,177	2,236	2,294
General & Admin Costs	1,011	1,106	1,151	1,316	1,344
Total Worldwide Program	<u>18,526</u>	<u>18,597</u>	<u>22,071</u>	<u>20,695</u>	<u>20,015</u>
Source of Funds:					
AID Income Generation	409	564	0	326	265
Other AID	3,512	2,500	2,807	2,978	2,457
Private Cash	7,219	7,476	9,404	9,274	9,557
Private In-Kind	0	0	936	0	0
Host & Other Gov't	513	208	347	1,021	512
Other US Government	7,310	8,348	8,979	8,471	7,950
Total	<u>18,963</u>	<u>19,096</u>	<u>22,473</u>	<u>22,070</u>	<u>20,741</u>
Other AID					
El Salvador Recon	3,113	1,998	838	0	0
Child Survival	367	345	570	869	723
Indonesia Block Grant	32	28	0	0	0
Cambodia Gateway	0	129	70	320	389
Nicaragua Ag	0	0	307	458	347
Mozambique Water & Ag	0	0	667	1,024	998
Moz OFDA Food Distribut	0	0	355	0	0
Rwanda Refugees - OFDA	0	0	0	274	0
Rwanda Unaccompanied Minors - OFDA	0	0	0	33	0
Total	<u>3,512</u>	<u>2,500</u>	<u>2,807</u>	<u>2,978</u>	<u>2,457</u>

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT - WORLD RELIEF CORPORATION MATCHING GRANT

PERIOD: FIRST YEAR GRANT OCTOBER 1, 1993 - SEPTEMBER 30, 1994

FINAL

PART I: TOTAL PROGRAM COSTS

COUNTRIES: FUNDING AGENCIES: PERSONNEL	UNITED STATES		HONDURAS		BURKINA FASO		MOZAMBIQUE		TOTALS		TOTAL YEAR
	USAID	WRC	USAID	WRC	USAID	WRC	USAID	WRC	USAID	WRC	
SALARIES	38,942	28,247	31,239	42,785	14,928	21,724	24,628	12,998	109,735	105,754	215,489
FRINGE BENEFITS	6,748	4,958	928	2,550	3,876	4,949	1,293	1,518	12,645	13,973	26,618
TRAVEL											
INTERNATIONAL	7,715	13,510	0	0	310	10,252	0	0	8,025	24,427	32,452
IN-COUNTRY	103	511	0	2,977	407	1,317	0	1,871	510	6,676	7,186
SUBCONTRACTS											
CONSULTANTS	0	0	0	3,237	0	0	0	0	0	3,237	3,237
EVALUATIONS	12,269	13,627	0	0	0	0	0	0	12,269	13,627	25,896
OTHER DIRECT COSTS											
OPERATIONS	698	4,160	0	30,078	737	9,633	0	28,932	1,433	72,803	74,236
LOAN FUNDS	0	0	25,667	138,262	27,982	39,487	0	11,997	53,649	187,746	241,395
PROCUREMENT	0	10,578	0	9,202	3,397	6,741	0	1,042	3,397	27,563	30,960
TOTAL DIRECT COSTS	68,473	75,591	57,834	227,091	51,435	94,103	25,921	59,021	201,663	455,806	657,469
LESS LOCAL INCOME	0	0	0	140,628	0	12,671	0	1,659	0	154,958	154,958
NET DIRECT COSTS	68,473	75,591	57,834	86,463	51,435	81,432	25,921	57,362	201,663	300,848	502,511
INDIRECT COST FACTOR	124,120								124,120		124,120
TOTAL MATCHING GRANT	190,593	75,591	57,834	86,463	51,435	81,432	25,921	57,362	325,783	300,848	626,631
TOTAL COUNTRY	<u>268,184</u>		<u>144,297</u>		<u>132,867</u>		<u>83,283</u>				626,631
PART II. SOURCE OF FUNDS											
USAID MATCHING GRANT	325,783										
WORLD RELIEF MATCH	<u>455,806</u>										
TOTAL	781,589										

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT - WORLD RELIEF CORPORATION MATCHING GRANT

PERIOD: SECOND YEAR GRANT OCTOBER 1, 1994 - SEPTEMBER 30, 1995

REVISED: AUGUST 1995

PART I: TOTAL PROGRAM COSTS

COUNTRIES: FUNDING AGENCIES:	UNITED STATES		HONDURAS		BURKINA FASO		MOZAMBIQUE		TOTALES		TOTAL YEAR
	USAID	WRC	USAID	WRC	USAID	WRC	USAID	WRC	USAID	WRC	
PERSONNEL											
SALARIES	41,389	32,363	26,820	95,918	12,292	19,111	41,100	12,491	121,601	159,883	281,484
FRINGE BENEFITS	7,459	5,840	1,171	3,202	2,703	3,897	2,590	2,133	13,922	15,072	28,995
TRAVEL											
INTERNATIONAL	6,960	10,651	0	2,126	0	3,484	0	3,146	6,960	19,408	26,368
IN-COUNTRY	2,782	3,228	0	1,061	0	1,910	0	1,451	2,782	7,650	10,432
SUBCONTRACTS											
CONSULTANTS	0	0	0	780	0	0	0	0	0	780	780
EVALUATIONS	0	0	0	0	0	0	0	0	0	0	0
OTHER DIRECT COSTS											
OPERATIONS	102	5,060	19	28,411	227	10,681	0	8,283	348	52,436	52,784
LOAN FUNDS	0	0	0	46,541	0	35,868	0	18,066	0	100,475	100,475
PROCUREMENT	131	5,606	0	21,454	0	5,235	0	5,616	131	37,911	38,042
TOTAL DIRECT COSTS	<u>58,823</u>	<u>62,748</u>	<u>28,010</u>	<u>199,493</u>	<u>15,222</u>	<u>60,186</u>	<u>43,689</u>	<u>51,187</u>	<u>145,745</u>	<u>393,614</u>	<u>539,359</u>
LESS LOCAL INCOME	0	0	0	160,000	0	30,000	0	13,000	0	203,000	203,000
NET DIRECT COSTS	58,823	62,748	28,010	39,493	15,222	50,186	43,689	38,187	145,745	190,614	336,359
INDIRECT COST FACTOR	30,028		16,673		16,156		20,223		83,081		83,081
TOTAL MATCHING GRANT	<u>88,851</u>	<u>62,748</u>	<u>44,684</u>	<u>39,493</u>	<u>31,378</u>	<u>50,186</u>	<u>63,913</u>	<u>38,187</u>	<u>228,825</u>	<u>190,614</u>	<u>419,439</u>
TOTAL COUNTRY	<u>151,600</u>	<u>84,176</u>			<u>81,563</u>		<u>102,100</u>				419,439
PART II. SOURCE OF FUNDS											
USAID MATCHING GRANT	228,825										
WORLD RELIEF MATCH	<u>190,614</u>										
TOTAL	419,439										

**PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECTS**

OMB No. 0412-0530
Expiration Date: 09/31/89

FOR OFFICIAL USE ONLY

PVO Type	Project Number	
Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization	World Relief Corporation	Grant/Contract Number	FAO-0158-A-00-3076-00
Start Date (MM/DD/YY)	10/01/93	End Date (MM/DD/YY)	09/30/98
		AID Project Officer's Name	Regina Coleman

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
LOP			

Activity Description The matching grant focuses primarily on microenterprise development with minor emphasis on health and literacy. Direct beneficiaries are the rural and urban poor who participate in the credit programs in the countries where the program operates, currently in Honduras, Burkina Faso, Mozambique and Liberia. The majority of the participants are women. The grant has also enabled World Relief to strengthen their headquarters staff that provides training, technical assistance and administrative support to the respective counterpart organizations.

Status An additional one-half time technical specialist has been hired at headquarters to assist in the technical support, especially in the Africa programs. All project directors from the counterpart organizations attended a two-week seminar on microenterprise development in Central America. In addition, extensive training and technical assistance has been provided in three primary and two secondary countries. One of the secondary countries has begun the implementation of a community bank program. The mid-term evaluation is scheduled for this coming year.

COUNTRY INFORMATION (SECONDARY)

Country	United States of America	Location in Country (Region, District, Village)	Wheaton, Illinois, U.S.A.
PVO Representative's Name	Bastian Vanderzalm	Local Counterpart/Host Country Agency	

COUNTRY FUNDING INFORMATION (\$000)

YEAR	10/93-9/94	10/94-9/95	10/95-9/96	10/96-9/97	10/97-9/98
AID \$	190.6	140.8	257.3	291.4	392.5
PVO \$	75.6	187.0	385.7	418.9	407.6
INKIND	0	0			
LOCAL	0	0			
TOTAL	266.2	327.8	643.0	710.3	800.1

**PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECTS**

OMB No. 0412-0530
Expiration Date: 09/31/89

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PVO Type	Project Number	
Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization	World Relief Corporation	Grant/Contract Number	FAO-0158-A-00-3076-00
Start Date (MM/DD/YY)	10/01/93	End Date (MM/DD/YY)	09/30/98
		AID Project Officer's Name	Regina Coleman

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
LOP			

Activity Description The Honduran program is focusing its efforts on women. the income generation program is using the community bank poverty lending model to assist poor women in providing supplementary income for their families. The program places a strong focus on group organization and provides the basic financial services of credit and savings. The program is operated by World Relief Honduras (WRH), a local PVO. The grant is assisting in strengthening the administrative and technical capabilities of WRH to allow for rapid program expansion and self-sufficiency.

Status The income generation program in Honduras has been operating since June of 1991. A total of 9,419 women received loans and were provided a savings mechanism during FY95. Twenty eight new community banks were established to bring the total to 184. The loan fund has reached \$308,485 and member savings is at \$327,450. Repayment rates are 95% and the program has reached 95% operational self-sufficiency. Additional funding has been secured by WRH, allowing the program to open a micro-credit window for solidarity groups and individual loans. A mid-term evaluation will be carried out this coming year. August, 1995

COUNTRY INFORMATION (SECONDARY)

Country	Honduras	Location in Country (Region, District, Village)	Departments of Olancho and Paraiso and the City of Tequigalpa and environs.
PVO Representative's Name	Roberto Ruiz	Local Counterpart/Host Country Agency	World Relief Honduras

COUNTRY FUNDING INFORMATION (\$000)

YEAR	10/93-9/94	10/94-9/95	10/95-9/96	10/96-9/97	10/97-9/98
AID \$	57.8	28.0	29.0	26.0	26.5
PVO \$	86.5	39.5	79.5	53.4	55.9
INKIND	0				
LOCAL	140.6	160.0	180.0	240.0	280.0
TOTAL	284.9	234.5	288.5	315.1	359.0

AID 1550-11 (6/80)

**PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECTS**

OMB No. 0412-0530
Expiration Date: 09/31/99

FOR OFFICIAL USE ONLY

PVO Type	Project Number	
Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization	World Relief Corporation	Grant/Contract Number	FAO-0158-A-00-3076-00
Start Date (MM/DD/YY)	10/01/93	End Date (MM/DD/YY)	09/30/93
		AID Project Officer's Name	Regina Coleman

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
LOP			

Activity Description The Burkina Faso program works with both men and women (about 86% women). The income generation program is using the community bank poverty lending model to assist the poor in providing income for their families. The program places a strong focus on group organization and provides the basic financial services of credit and savings. The program is operated by CREDO, a local PVO. The grant is assisting in strengthening the administrative and technical capabilities of CREDO to allow for rapid program expansion and self-sufficiency.

Status The income generation program in Burkina Faso has been operating for about four years. A total of 3,609 individuals received loans and were provided a savings mechanism during FY95. Sixty one new community banks were established to bring the total number of active groups to 111. The loan fund has reached \$151,285 and member savings is at \$56,344. Repayment rates are 90% and the program has reached a 50% operational self-sufficiency level. A mid-term evaluation will be carried out this coming year.
August, 1995

COUNTRY INFORMATION (SECONDARY)

Country	Burkina Faso	Location in Country (Region, District, Village)	Four provinces in Burkina Faso
PVO Representative's Name	Moise Napon	Local Counterpart/Host Country Agency	CREDO

COUNTRY FUNDING INFORMATION (\$000)

YEAR	10/93-9/94	10/94-9/95	10/95-9/96	10/96-9/97	10/97-9/98
AID \$	51.4	15.2	45.1	55.7	38.1
PVO \$	81.4	50.2	57.8	88.4	62.4
INKIND	0				
LOCAL	12.7	30.0	60.0	90.0	120.0
TOTAL	145.5	95.4	162.9	234.1	220.5

**PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECTS**

OMB No. 0412-0530
Expiration Date: 09/31/89

FOR OFFICIAL USE ONLY

PVO Type	Project Number	
Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization	World Relief Corporation	Grant/Contract Number	FAO-0158-A-00-3076-00
Start Date (MM/DD/YY)	10/01/93	End Date (MM/DD/YY)	09/30/98
		AID Project Officer's Name	Regina Coleman

AID OBLIGATIONS BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
LOP			

Activity Description The Mozambique program works with both men and women (about 86% women). The income generation program is using the community bank poverty lending model to assist the poor in providing income for their families. Many of the participants are people who have been internally displaced due to the long civil strife that has existed in Mozambique. The program places a strong focus on group organization and provides the basic financial services of credit and savings. The program is operated by World Relief in Mozambique. The grant is assisting in strengthening the administrative and technical capabilities of World Relief in Mozambique.

Status The income generation program in Mozambique began with the initiation of the current matching grant. A total of 1,310 individuals received loans and were provided a savings mechanism during FY95. Thirty-three new community banks were established to bring the total to 47. The loan fund has reached \$23,916 and member savings is at \$14,545. Repayment rates are 100% and the program has reached a 15% operational self-sufficiency level. A mid-term evaluation will be carried out this coming year.

August, 1995

COUNTRY INFORMATION (SECONDARY)

Country	Mozambique	Location in Country (Region, District, Village)	Chokwe District, Gaza Province
PVO Representative's Name	Trudi Schwartz	Local Counterpart/Host Country Agency	World Relief Mozambique

COUNTRY FUNDING INFORMATION (\$000)

YEAR	10/93-9/94	10/94-9/95	10/95-9/96	10/96-9/97	10/97-9/98
AID \$	25.9	43.7	21.4	29.0	20.0
PVO \$	57.4	38.2	120.1	130.0	111.5
INKIND	0				
LOCAL	1.7	13.0	28.0	48.5	58.7
TOTAL	85.0	94.9	169.5	189.1	115.4

AID 1550-11 (6/86)

**WORLD RELIEF CORPORATION
MATCHING GRANT PROPOSAL
LOGICAL FRAMEWORK**

	INDICATOR	MEANS OF VERIFICATION	ASSUMPTIONS
<p>GOAL</p> <p>To increase disposable income among the poorest populations in selected countries of Central America and Africa in order to improve the health and welfare of the family.</p>	<p>Family Wealth Indexes and/or growth charts of children under five years of age.</p>	<p>Baseline and final sample population surveys.</p>	<p>Relative political and economic stability in target countries.</p>
<p>PURPOSE:</p> <ol style="list-style-type: none"> 1. To develop self-sustaining microenterprise (MED) credit programs in four countries with matching grant (MG) funds and three other countries with non-MG funds. 2. To provide training and financing to community banks (CBs) serving primarily poor women in order to help them achieve self-sufficiency. 3. To expand the capacity of World Relief to evaluate, monitor and extend its successful microenterprise methodology to other countries. 4. To enable World Relief counterparts in seven countries to improve the health and well-being of children. 	<ol style="list-style-type: none"> 1. Four country programs operating with MG funding (Honduras, Nicaragua, Burkina Faso and Mozambique). 2. Three country programs initiated by and receiving technical assistance from the MG program with program funding from non-matching grant sources. 3. An established in-house impact evaluation capacity for MED programs. 4. Level of participation in primary health care programs. 	<p>Annual Reports Mid-Term and Final Evaluation Program Records</p>	<p>Key technical staff are in place with minimal delays.</p>

	INDICATOR	MEANS OF VERIFICATION	ASSUMPTIONS
OUTPUTS			
1. CB programs will be initiated in 2 MG countries.	1. No. of MG country programs operating.	Project records and financial reports	Economic climate for the participants is conducive for business activities. No major disasters affecting project areas.
2. Four MG programs will establish 548 CBs.	2. No. of CBs operating.		
3. 20,100 individuals will receive loans through CBs.	3. No. and amount of loans provided.		
4. Members will save an equivalent of 15% of each loan they receive.	4. Amount of savings.		
5. CBs will be able to function on their own after participating for four years in the program.	5. CBs' ability to function independently.		
6. 2,000 women will be trained in key health practices.	6. No. of women trained in key health interventions.		
7. 2,300 people will be trained in functional literacy.	7. No. of women trained in literacy.		
8. The four MG programs will reach operational self-sufficiency with respect to the credit program within the LOP.	8. Level of operational self-sufficiency for the credit programs.		
9. WR counterparts will have the capacity to effectively monitor the programs.	9. Regular reports received for the key outputs from each counterpart.		
10. The three non-MG programs will have begun implementation of MED programs.	10. No. of non-MG countries with MED programs.		
INPUTS			
1. 4 loan program coordinators	Budget expenditures by category	Financial reports and project records	Host government approval for program implementation granted. Annual funding commitment by USAID met for LOP.
2. 40 promoters and 15 support staff			
3. 3 regional MED specialists			
4. WRC MED specialist and evaluation specialist			
5. Funds for revolving loans			
6. Training of counterpart staff by WRC staff and consultants			
7. Vehicle, motorcycles, and office equipment			
8. Training of WRC staff through seminars and workshops			
9. Operating funds			