



CHEMONICS INTERNATIONAL INC.

SUPPORT FOR ECONOMIC GROWTH AND INSTITUTIONAL REFORM
FINANCIAL SERVICES

Contract No. PCE-I-00-99-000077-00

Quarterly Performance Report #5
January 1, 2000 - March 31, 2000

Submitted to:
Penny Farley G/EGAD/EM CTO
U.S. Agency for International Development
Washington, D.C.

Submitted by:
Chemonics International Inc.

in collaboration with

Bankworld, Inc., Caledonian Associates, Inc., Crimson Capital Corporation, Inc.,
Georgia State University, Hill & Knowlton, Inc., Ingress Associates, Inc.,
International Development Professionals, J.E. Austin Associates Inc.,
Parker, Whitfield & Co., Shorebank Advisory Services, Taylor-DeJongh Inc.,
The Intrados Consulting Group, Inc., The Ohio State University, The Urban Institute,
World Council of Credit Unions

April 28, 2000

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I. Active Delivery Orders - N/A

II. Completed Delivery Orders

A. *Honduras Economic Principles Course* - Contract No. PCE-I-00-99-00007-00 - Task Order 800

- *Start Date* - June 25, 1999
- *Completion Date* - September 30, 1999
- *Amount of Task Order*- \$176,284
- *Task Order Objective* - To assist the USAID Mission in Honduras to replicate prior courses designed to educate the public about the fundamentals of a market economy. One component of the task order was directed at young professionals and focused on economic theory and its application to the analysis and solutions of economic problems of Honduras. The other component was directed at university teachers of economics and was focused on upgrading their economics skills in light of the globalization of markets.
- *Key Tasks to Meet Objective* - 1) The organization of a seminar for a selected group of thirty young professionals recently graduated from local universities in public management, economics, or agricultural economics and young professionals that are presently working in different public service and private sector financial institutions; 2) The organization and presentation of a seminar for a group of fifteen current teachers of economics at the university level; 3) Recruit and screen the applicants for the first component; 4) Develop a course plan that includes topics on macro and micro economic theory and practice; 5) Handle all administrative arrangements for organizing and presenting the seminars.
- *COTR* - Dennis Sharma, Danilo Alvarado
- *Consortium Team Members* - Chemonics
- *Applicable Internet Links* - N/A

- *Specific Tools Used* - 1) *Young Professionals*. Classes in: Economic Principles; Calculus and Linear Algebra; Computer Applications; Macroeconomics; Microeconomics. Economic Applications: International Commerce; Project Analysis; Agricultural Economics; Public Finance; and Statistics. 2) *University Professors*: Seminars and conferences on: Regional Economic Integration; Political Economy; International Commerce; The Economic Role of Microenterprises; Competitiveness.
- *Project Summary*. The courses for young professionals were carried out from June 25 to August 13, 1999. Thirty students were selected out of 100 that took an entrance exam. Diplomas were distributed to 27 students; however, student performance was limited due to the lack of prior education in these topics and the intensity and pace of the courses given. Recommendations were made to institute these diploma courses on a regular basis through the "Universidad Nacional Autónoma de Honduras." However, in order for the course to be successful the academic director would require independence to develop the curriculum and entrance requirements.

60 professors from throughout Honduras participated in seven conferences in current topics. Participants were enthusiastic about the program and evaluations were positive. However, results were limited due to the heterogeneity of the group and limitations on time. Recommendations were made to concentrate future efforts on the courses for young professionals and incorporate the seminar program into the regular academic curriculum of the University. In this manner, both professors and students could participate and benefit from the seminars.

| Task Order # | Authorized Expenditure | Actual Expenditure | Balance | Estimated Completion Date | Actual Completion Date | Balance in Days |
|--------------|------------------------|--------------------|----------|---------------------------|------------------------|-----------------|
| 800 | \$176,284 | \$162,621 | \$13,662 | 09/30/99 | 09/30/99 | N/A |

III. Pending Work, Mission Inquires

Active Inquiries

- Bulgaria*. On January 4, Chemonics submitted a Tier III proposal to help the International Banking Institute (IBI) to provide sustainable quality bank training services, thus reinforcing USAID/Bulgaria's objectives in the area of banking reform. This proposal was submitted in conjunction with our subcontractor, IGFT.
- Bulgaria*. On February 2, Chemonics submitted a Tier III proposal to work with the Bulgarian Securities Commission to improve capital markets regulations in that country. This proposal was submitted in conjunction with our subcontractors The Intrados Group, IGFT, and Crimson Capital.
- Madagascar*. On March 24, Chemonics submitted a Tier III proposal to support the Caisse d'Epargne de Madagascar (CEM) in completing its transformation to an

independent institution. This proposal was submitted in conjunction with our subcontractor, Taylor-DeJongh Inc.

Inactive Inquiries

- D. *Thailand.* Chemonics submitted three Tier III proposals to provide training and other consulting work to Bangkok Bank (BB), Bank Thai Bank (BTB), Government Housing Bank (GHB), and Government Savings Bank (GSB). On March 30 we were informed that the projects were awarded to other consortia.

IV. Outstanding Issues and Questions

- A. *Consortium management.* Since Chris Barltrop resigned late last year, Deborah Caul has been Acting Project Manager. This month, a letter will be sent to the Contracting Officer requesting that Ms. Caul be appointed as the permanent Project Manager.
- B. *Consortium meeting.* On February 8, 2000, representatives of six subcontractors of the Chemonics Financial Services Consortium spent the day at Chemonics headquarters collaborating on FS IQC activities and goals for the upcoming year. Discussions focused on ways to improve communication, to reinforce and to coordinate marketing efforts. In addition, attendees discussed methods and experiences of marketing the Financial Services Consortium to USAID, the need to refine and revise Past Performance Records, and upcoming FS IQC events. Attendees also agreed upon holding quarterly meetings.
- C. *Web site.* During this period we continued work on our Web site and expect to have it up and running by second quarter 2000. The Web site will feature monthly and quarterly reports illustrating the work that is being done by the Chemonics Consortium. Also the site will contain pages highlighting past project performance, individual firms in the consortium, and contact information. Once the site is posted, we will continue to update information as well as create linkages between the US financial community with cooperating country counterparts as a portal of financial services on the Internet.