

## COOPERATIVE DEVELOPMENT PROGRAM REPORT JULY 1<sup>ST</sup> – DECEMBER 31<sup>ST</sup>, 2001

### I. INTRODUCTION

This reporting period saw most of the CDP activity components reach their conclusion. The Brazil and Mozambique programs were only funded for the 1997-2001 period, although Mozambique had pipeline availability to carry out final CDP activity into year five and this reporting period. The Kyrgyzstan rural finance program wrapped up CDP work near the end of CY '01. The only component with resources to carry through to the May 31, 2002 end of program date is the Western Ukraine subgrant activity with Southern States Cooperative of Richmond, Virginia, which assists three nascent agricultural feed cooperatives to establish Western-style member-owned businesses free of state control and obligated to survive in a free-market atmosphere.

All of the program closeouts cited above are moving to another level under positive circumstances, as all three of them leveraged non-CDP sources of support to continue their work. USAID/Mozambique has provided multi-year funding under the "Reinforcing Business for Rural Development" (RENDER) project to expand ACDI/VOCA's geographic reach to assist in strengthening additional small-farmer producer associations in important agricultural regions, while providing sustainability by including continuing technical assistance to some client organizations assisted under the current CDP. Mozambique's proposed inclusion in the two-year extension of CDP is targeted on applying member education and lessons-learned activities and findings to the overall universe of client host organizations assisted by both CDP and RENDER. For Kyrgyzstan, USAID regional and Swiss funding are now supporting a two-year continuation of ACDI/VOCA work with an important rural financial institution. This program has therefore "graduated" from CDP. Finally, for Brazil ACDI/VOCA has secured pledges for cash matches totaling \$400,000 from local partner organizations for the proposed continuation under CDP of its Amazon-region program assisting in the sustainable development of agricultural cooperatives.

The South Africa CEBI component, a three-year local economic development project, completed year one of its activities during the reporting period. Small-loan disbursement operations accelerated during the last six months, and recent project efforts have focused on successfully reducing arrears rates and attracting additional sources of capital and collaborating organizations to expand the activity's scope and number of borrowers assisted.

**Three** volunteer assignments were completed during the July 1<sup>st</sup> - December 31<sup>st</sup> period. To date **104** volunteer assignments and **eleven** paid consultancies have been completed under the core program, excluding the CEBI project, which runs on a separate track. This reporting period brings us to month 55 of the 60-month life of the current core activity, or 92% of project duration. The 104 volunteer assignment completions represent over 97% of the LOP target of 107. Regarding expenditures, 97% - \$3,639,440 - of the core activity obligation of \$3,749,606 was the expenditure figure at the December 31, 2001 closing. As noted above, only the Ukraine subgrant has pipeline funds available under the core activity. CEBI's pipeline had \$450,838 in it at December 31.

## **II. OVERALL PROGRAM STRATEGY**

The program has remained on course vis a vis its overall strategy, as it appeared in the executive summary of the original grant document program statement in 1997, namely to "accelerate the growth and enhance the viability of cooperatives through three components: rural finance, capacity building, and partnerships. The program rationale is that small farmers will benefit from fuller participation in the rural economy by building the capacity of cooperative institutions to deliver financial services, distribute appropriate production technologies and market member products. Cooperatives' sustainability will be enhanced through local, national and international partnerships that provide continued access to technology, trade and investment."

## **III. PROGRAM OVERVIEW**

During the reporting period, the field components still active under the core CDP continued to generate positive results under the program strategy. In Mozambique, continued institutional strengthening of small producer associations yielded encouraging economic results for members. Cooperative-like organizational growth continues to take hold among these client organizations, as members have reaped the results of working together and internalized the concept of strength increasing with numbers of involved and participating membership. Furthermore, the CDP's generation and distribution of training materials in user-friendly and locally-appropriate training and education brochures and pamphlets prepared for all members and NGOs working with small producers have been a major success story in many regions of the country. This approach has made a major contribution toward successful member governance and business sustainability of the assisted groups.

In Kyrgyzstan, the Bai Tushum Financial Foundation continued to grow, and to be a successful example of the creation of the legal framework atmosphere to establish such a facility against high odds. Such a model was virtually impossible under local laws and regulations when the current CDP was launched; our progress reports track that history from the beginning and document how the project has made rural financial services available to small borrowers against high odds.

The Ukraine project was exposed to many of the constraints encountered in Kyrgyzstan, which was not surprising given the NIS atmosphere there. The three small cooperatives in the L'viv region grew from nothing, and their modest successes are serving as an example of choosing between languishing economically while waiting for the state to bring prosperity to all regions over time or launching a private agribusiness with as many neighbors as possible to provide a needed service and become a market player, however small. The three cooperatives have gone through the growing pains of distinguishing responsibilities between members, board members and management, with some casualties along the way. Lessons were learned on that front, and the producers have become convinced that they can only move forward with increased numbers of members, thereby overcoming an earlier tendency to work only with relatives and close friends.

## ***A. Mozambique***

CDP began its operations in Mozambique in June 1997, working towards USAID/Mozambique's Strategic Objective 1: Increase Rural Income in Target Areas. CDP has worked in the five center-north provinces of Sofala, Manica, Nampula, Tete and Zambezia, concentrating most of its efforts along and around the Beira Corridor. The volunteer component provides short-term technical assistance to increase the profitability of rural enterprises and improve market access for small holder producers.

Mozambique's economy has grown by 14% this year, making it one of the fastest growing economies in the world. The growth was primarily in the agricultural and mining sectors. Despite positive aspects of the country's situation, crime and corruption remain very serious problems. In response, Mozambique's Attorney General has vowed to create an anti-corruption committee to address the issues.

### **Program Accomplishments**

During the July–December period, CDP staff met with various rural associations, provincial and district farmers' unions, and local and international NGOs. A study was made of the institutions that have hosted volunteer consultants during the life of the project to assess the follow-up actions taken in response to volunteers' recommendations.

Three volunteer assignments were recruited and fielded during the reporting period, completing the target of seven assignments for the year.

CDP staff assisted the Macharote Women's Center in Dondo in their application for grant funding from the Africa Growth and Opportunity Act Fund. The center received US \$2,400 for the construction of a bigger and stronger solar dryer that will give the women an increased capacity to dry fruits in order to meet bulk purchase contracts. Staff continued to train the women, focusing on cost and profit analysis, business planning and management, and the collection and use of market information.

Throughout the period, ACDI/VOCA continued to serve as the technical service provider to the Sofala Provincial Apiculture Committee, organized by the Ministry of Forestry. ACDI/VOCA was responsible for facilitating the legal registration of the beekeepers' association, a longstanding CDP partner institution. ACDI/VOCA also participated in the inter-NGO meetings concerning pomology – an activity that is complementary to apiculture. The group sought to form a fruit growers' association, to expand upon the current marketing channels, and to target high value niche markets.

The Chimoio Trade Fair, co-organized by ACDI/VOCA, which took place on the final day of the last reporting period (June 30, 2001), led to a number of business relationships being formed. Many business transactions took place at the fair, including the sale of at least five solar ovens produced at a Zimbabwean orphanage. José da Graça, Provincial Director of Agriculture and Rural Development for Manica, opened the forum and expressed his astonishment that so many people had come together to show their products. He stated that he would like to hold similar

events in all nine districts as a way of promoting agricultural marketing, and the extension of agricultural inputs and machinery.

### **Field Administration**

In September, Program Director, Nicky Benn, left to take up a new position in Zimbabwe. CDP was closely supervised for the last three months by ACDI/VOCA's HQ in Washington, and was further assisted by a locally-based consultant. No new equipment was purchased during the reporting period.

The current Cooperative Development Program in Mozambique closed at the end of the December. The new USAID/Mozambique-funded *Reinforcing Business for Rural Development (RENDER)* project in Chimoio, Manica. RENDER will help ACDI/VOCA continue to work with many of the CDP partner institutions – in particular with the Manica Provincial Farmers' Union, the district farmers unions, the Chimoio Agricultural Institute, and Kwaedza Simukai Manica. CDP staff members Joaquim Guita and Tília Ferrão moved to Chimoio at the end of the reporting period to take up positions with RENDER.

During this reporting period three volunteers were recruited to fulfill the scopes of work developed in collaboration with host organizations Food for the Hungry International, Kwaedza Simukai Manica, and the Manica Provincial Farmers' Union. All three assignments were completed before the onset of the rainy season in October/November. The details of the assignments are in the table below. Since the program was scheduled to close in December 2001. Every effort was made to ensure that CDP partner organizations were linked with other supporting institutions – governmental departments, donors, NGOs, unions and trade associations. As stated above, many of the host organizations will continue to collaborate with ACDI/VOCA under the RENDER program.

ACDI/VOCA has never considered volunteer assignments as “hit and run” technical service delivery. CDP has developed ongoing relationships with a relatively small number of Mozambican institutions during the life of the project, ensuring that local capacity was built and reinforced in order to create lasting impact.

Assignment 081018, for example, was the latest in a series of volunteer assignments with the beekeepers in the Gorongosa District of Mozambique over the past four years. Despite the high cost of transportation to major towns, communities are heavily dependent upon the sale of agricultural produce, predominantly maize, resulting in low annual levels of income (approximately \$28 per capita). Beekeeping is a common traditional activity in Gorongosa, and is an important food supplement. However, until recently both the quantity and quality of honey produced was low, and the activity was not seen as significant in terms of income generation. CDP volunteers and staff have helped the communities to transition from traditional tree bark hives to Kenyan top bar hives. This change enabled the beekeepers to manage the hives, resulting in a better quality product and an increase in production from two liters to 10-15 liters per hive.

Workshops were held in topics such as raising new colonies and queens, efficient harvesting and sanitation, and the manufacture of protective clothing. To well-established keepers, attention was

given to bee health and biology. CDP staff and volunteers also provided training in association development, allowing the group to restructure towards more transparent management, leading to a higher level of trust and a subsequent willingness to market collectively. ACIDI/VOCA facilitated the development of relationships between the beekeepers and reputable intermediary buyers. Previously sold in old wine and coke bottles at the local market, today attractive pots of Gorongosa honey can be seen on the shelves of supermarkets and stores, rivaling the market share of imported brands. Yields increased by 425%. As the honey quality improved, the price rose; collective marketing allowed beekeepers to reduce transportation costs; and average profits per liter of honey sold have increased by 250%. ACIDI/VOCA's training of local government extension agents and NGO staff – in addition to the beekeepers themselves – should ensure that such improvements continue over time.

Similarly, through CDP ACIDI/VOCA has developed a relationship of trust and mutual respect with the Manica Provincial Farmers' Union (host organization for 081016 during this reporting period). This resulted in the joint submission of a proposal to USAID/Mozambique for a three-year agribusiness association development project – RENDER – for Manica Province. The project received funding and began operations in October 2001. As discussed above, RENDER builds upon the foundation laid by CDP, strengthening the technical, business, and organizational skills of farmer associations and unions in Manica.

The final host institution for this reporting period, Kwaedza Simukai Manica (KSM), a local NGO, has likewise been given skills that will continue to impact rural communities for many years to come. With CDP assistance, KSM established a revolving credit fund that achieved 96% repayment in its first year. Staff eagerly learned from CDP's various food dehydration volunteers, and now teach communities a range of drying techniques. They have participated in many of the association development and marketing workshops given by CDP volunteers to other host organizations, and will remain a strong and trusted local partner to ACIDI/VOCA throughout the implementation of RENDER, and beyond.

## ***B. Ukraine and the Southern States Component***

ACIDI/VOCA administers the Cooperative Development Program (CDP) in Ukraine focused on developing three agricultural feed cooperatives in Western Ukraine in Rivne, Sambir, and Zhydachiv. Southern States Cooperative (SSC) serves as a subcontractor to ACIDI/VOCA on the Ukraine activity. The objectives of this program are to establish farmer cooperatives that will help private farmers (1) obtain high quality input supplies; (2) add value to their agricultural production through processing; and (3) market what they produce. The program is also supporting Ukrainian private farmers that serve as the members of the cooperatives and perform the agricultural production function.

The CDP program has targeted activities over the last 12 – 18 months focused exclusively on the production of high quality feed, the demonstration of the benefits of using high quality feed, and effective marketing techniques resulting in increased demand for the cooperatives' product. The three cooperative are producing feed, working on the consistency of the product, management training, and in effective marketing and financial management. ACIDI/VOCA and

Southern States jointly will increase on-site supervision and hands-on technical assistance to the cooperatives. CDP has taken a dual approach to this by engaging Dr. Roy Chapin as both a consultant (May – June 2001) and fielding him as a volunteer in the fall of 2001 to work extensively with cooperative management on feed formulation, pricing, animal feeding, improved cooperative management, and board/member relations, and marketing. In addition, two Ukrainian specialists have been retained as consultants by SSC to provide daily support to CDP on feed formulation, input procurement, and marketing.

The cooperatives completed their first full year of feed production with modest results. Rivne cooperative produced 480 tons, Zhydachiv produced 120 tons, and Sambir produced 190 tons. Based on our calculations, the cooperatives need to produce approximately 70 tons per month in order for the feed supply operation to be viable.

Most of the member farmers are involved in both crop and livestock production, therefore most have their own grain. Usually the farmers bring their grain to the cooperative feed mill and the cooperative produces feed for them, grinding the grain and adding any necessary ingredients that the farmer does not possess. Almost all of the members of the Rivne and Sambir cooperatives buy or make feed at the cooperative for their livestock operations. The CDP staff have spent considerable time and effort on creating feed formulations that will be effective for the membership and sourcing the necessary ingredients required to enhance the quality of the feed. CDP has also played a key role in negotiating on behalf of the cooperatives with the ingredient suppliers to ensure a good price and timely delivery of the required inputs. If a farmer does not possess grain then the cooperative will use its own grain in the mix.

All of the active members of the cooperatives are benefiting from the feed production. Many of the members have only recently started to develop their livestock operations and this only became possible with the presence of the feed mill and the technical support that CDP has provided in feed production. However, the largest constraint still remains financial. While the members understand the importance of using high quality feed, their ability to pay for the feed when they need it is severely limited given their financial situation. This has impacted both the financial performance of the cooperative as well as the financial performance of the membership. Therefore, CDP will continue to investigate linkages with rural credit activities and explore whether some of the better members can begin to access production credit. This would enable them to purchase the higher quality feed, produce a higher quality product that would hopefully attract a higher price on the market.

Rivne currently has 32 members, Zhydachiv has 11 members, and Sambir has 16 members.

### **Program Activities**

?? Dr. Roy Chapin served as a volunteer from October – December 2002 in L'viv and worked directly with all three CDP cooperatives. During this time, he was assisted by two Ukrainian consultants that identified sources of feed ingredients, assisted in formulating high quality feed, completed on-site surveys of cooperative members and clients, and designed an innovative approach to marketing cooperative feed.

- ?? Dr. Chapin assisted farmers in resolving a problem of infestation of worms in pigs by developing an excel spreadsheet that depicts the proper and effective dosages of Ivomec that should be provided based on the size and strength of the pigs.
- ?? Attended each of the cooperatives' board meetings providing guidance on feed formulation, business operations, and management decision-making.
- ?? CDP staff investigated the possibility of the cooperatives producing base mixes that could be mixed by the farmers on the farm instead of at the cooperative. At this time it is believed that only Rivne is in the position to start this activity. It will be further explored in March 2002.
- ?? CDP took a more active role in assisting the cooperatives to market their feed. Members were visited and interviewed to better ascertain their needs and desires and their willingness to pay for the higher quality feed. It was determined that CDP could be a more active participant in the marketing of the feed and for cost-cutting reasons all marketing materials will also provide the phone number of ACIDI/VOCA's office in L'viv. As potential clients call to inquire about the feed, CDP staff will refer them to the cooperative most conveniently located. CDP staff also drafted a marketing letter that was disseminated in conjunction with the cooperatives to prospective clients in the region.

## **Program Management**

Dr. Fred Smith, ACIDI/VOCA Vice President – Europe and Asia Division, and Mr. Jeffrey Singer, Director – Europe and Asia Division, are providing project supervision to the Cooperative Development Program from ACIDI/VOCA-HQ. Mr. Singer and Mr. Smith have more than 15 years of experience working with agricultural programs in Ukraine and Russia.

Mr. Tom Garnett continues to serve as Southern States Program Manager, on a consulting basis, for the Cooperative Development Program in Ukraine. Mr. Garnett has been involved with the program since its inception, has a good working relationship with each of the participating cooperatives, and continues to provide guidance and support to both the short-term consultants and the cooperative management.

### ***C. Kyrgyzstan Component***

Until September 30, 2001, CDP was funding a long-term senior credit advisor to the Bai Tushum Financial Foundation in Kyrgyzstan. The advisor provide ongoing guidance to BTFF in MFI management, including portfolio management and operations management. This report serves as the final report for the purposes of that funding and reports on accomplishments up to September 30, 2001. ACIDI/VOCA is proud of its accomplishments in Kyrgyzstan in the areas of financial services and is pleased to report that USAID/CAR has expanded the program to fund the long-term advisor to the Foundation and short-term technical assistance in management and operations for a three-year period (10/01/01-09/30/03). Broad objectives for that funding are presented within the text below.

## **Background on the Bai Tushum Financial Foundation**

Farmers and other micro, small and medium enterprises have until recently enjoyed a very limited access to credit and other financial services in Kyrgyzstan, particularly in the southern region including the Kyrgyz portion of the Ferghana Valley. Responding to the urgent needs of this underserved strategic sector, ACDI/VOCA began rural banking programs in 1997 using financial resources generated under the USDA “Food for Progress Monetization Program” for lending capital and operating subsidies. Three independent programs successfully operated in Osh, Jalalabad and Chui oblasts until 2001.

Upon the close out of the USDA-funded ACDI/VOCA activity in 2000, and subsequent close-out of the Swiss Agency for Development and Cooperation (SDC)-funded CARITAS lending program in Jalalabad, significant assets—cash and loan portfolios—were available to create a non-bank financial specialized credit institution in Kyrgyzstan.

In September 2000, ACDI/VOCA and Swiss CARITAS founded the Bai Tushum Financial Foundation (BTFF), a not-for-profit organization dedicated to social and economic development of rural and urban areas of Kyrgyzstan. BTFF consolidated the successful, independent credit programs in the Chui, Osh and Jalalabad oblasts, lending its funds to individuals and institutions at market interest rates, providing technical and advisory services, and providing loans to organizations that advance its goals and objectives. BTFF targets its short- and medium-term working capital loans for crop production, livestock breeding, agro-processing units, trade, tourism and hospitality, and other eligible SMEs with loans ranging from \$US400 to 15,000. All loans are secured by marketable collateral to cover both principal and interest.

All income generated through the lending operations is used for achievement of its objectives and expanding the lending activities. It is the intent of the founders and strategic partners to develop a sustainable financial services institution while contributing to development of the Kyrgyz community by providing an access to credit to the underserved population and invest funds in a profitable, liquid and diverse loan portfolio.

As of 31 December 2001, total assets of the BTFF stand at \$US1.348 million (ROE 48 Kyrgyz Som = \$US1). BTFF has donated equity of \$US1.235m., out of which \$US1.040m. were donated by ACDI/VOCA and \$US 0.195m. by Swiss Caritas in the form of cash, collectible loan portfolio and fixed assets. The founders have also transferred the rights to collect the outstanding loan portfolio from the previous years and the recuperated funds are automatically registered as BTFF equity.

Bai Tushum has adopted conservative, market oriented, and competitive portfolio management and pricing policies. All principal loan repayments and the Founders’ cash contributions will be utilized for a revolving loan fund. The Foundation meets its operational costs through interest income, and no operational subsidies are provided by the founders or the other donors.

**Key data for the BTFF since its establishment is reproduced below<sup>1</sup>:**

	ITEM	Dec-00	Jun-01	Dec-01
1.	Number of outstanding loans	633	760	700
2.	Total outstanding loan balance (US\$)	810429	974,577	1,179,352
3.	Average loan balance (2/1)	1,287	1,427	1,682.68
6.	Loan loss rate	0.0%	-3.8%	0.0%
7.	Delinquency rate (portfolio at risk basis > 30 days late)	15%	17%	7.5%
8.	Administrative efficiency	2.3%	12.6%	22.1%
9.	Portfolio yield	3.2%	36%	34.6%
10.	Operational self-sufficiency	230%	119.1%	135%
11.	Return on assets	1.8%	2.9%	8%
12.	Adjusted return on assets	1.7%	-2.7%	-0.7%
13.	Year-end free market exchange rate	48.30	47.72	48.00
14.	Per capita gross domestic product	\$264	\$264	\$264

Indicator	Interest Rate (nominal and effective)	Loans disbursed	Value of Loans disbursed (\$US)
Dec 31, 2000	Nominal -42.5% Effective- 42.5%	439 to new borrowers 234	\$722,104
December 31, 2001	Nominal- 42.69% Effective- 41.0%	690 to new borrowers: 457	\$1,248,206

<sup>1</sup> BTFF recently expanded its loan portfolio aggressively while the number of clients increased moderately. The increase is the result of increasing the loan size. Although BTFF bought a building for its offices, the increase of the fixed assets is largely compensated by the growth in loan portfolio, such as the productive assets ratio is even improving (from 80 to 86%). The quantitative growth is very encouraging, although maintaining the portfolio quality is a challenge.

Indicator	Average Loan Size at disbursal	Value of Loans disbursed (\$US)	Loans per credit officer
Dec 31, 2000	1,645	722,104	79
Dec. 31, 2001	1,809	1,248,206	70

## Accomplishments under CDP

### Legal structure

At the time ACDI/VOCA and CARITAS were chartering the BTFF, there was no precedent for microfinance or rural finance institutions (MFI) in the private or non-government sector. The central bank does not regulate the licensing of MFIs, unless, as the civil code stipulates, the fund is lending its own funds only. Therefore, the founders registered the Bai Tushum Financial Foundation as a locally registered non-commercial<sup>2</sup> public fund.<sup>3</sup>

Under this code, BTFF is not able to treat loan losses as a tax deductible expense, a central deterrent to the growth of the industry, as foreign donors prefer not to transform their projects into permanent credit institutions. Also, under this code, BTFF cannot use the borrowed funds for on-lending; therefore, it could not access local and international financing.

## Legal and Regulatory Policy Reform

ACDI/VOCA has worked with USAID to provide guidance to the National Bank of Kyrgyzstan (NBKR) on the drafting of the Law on Microfinance Organizations. This law is expected to be enacted soon. When adopted, this law will regulate the activity of micro-finance institutions in the country. Under this law all micro-finance institutions will be licensed or *certified* by the NBKR, which will allow MFIs to exist and to take deposits.

Under this new law, the BTFF anticipates changing its legal structure to that of a micro-credit agency, or a specialized non-commercial credit institution that lends to physical and legal entities from their own funds and funds of donor organizations, borrowed funds from local and international financial institutions in compliance with organization goals outlined in the Charter. Also under the new law, MFIs are able to treat loan losses as an allowable expense, and will be able to lend using borrowed funds. BTFF has already submitted a proposal to the EBRD to provide a capital investment into its loan portfolio.

### Institutional Management

*Supervisory Committee.* Upon chartering BTFF, the Founders selected the members of BTFF's first Supervisory Committee or board of directors. The Committee is headed by Janice Stallard,

<sup>2</sup> Under Kyrgyz civil law, a non-commercial organization cannot be targeted at making profit and cannot distribute earned profit among its participants. However, the law does not provide any tax benefits/exemptions to the non-commercial organizations.

<sup>3</sup> Public fund is considered to be a non-member, non-commercial organization founded by physical or legal entities on the basis of voluntary property donations and pursues social, charitable, cultural, educational or other socially beneficial goals.

ACDI/VOCA's senior advisor to the Kazakhstan Community Loan Fund (KCLF), a leading MFI in Kazakhstan. The other members include: Ms. Natalya Galliamova, a senior lawyer in Kyrgyzstan; Mr. Markus Muller, the head of Kyrgyzstan office of Swiss Agency for Development and Cooperation (SDC); Ms. Aziza Yalshova, a preeminent social worker from the southern region of Kyrgyzstan, and Mr. Muhammad Junaid, the long-term technical advisor of the Foundation. The Committee currently is comprised of five people; however, two seats have been kept vacant to provide representation to the prospective future investors in the policy-making body.

The Committee meets at least once a quarter to provide the strategic direction and the policy guidelines to the Foundation. The general assembly of the Founders has the authority to veto any decision made by the Supervisory Committee of the Foundation. This body also gives the final approval to the newly elected members of the Supervisory Committee. These members are co-opted by the members of Supervisory Committee.

*Internal Management.* The Executive Board, or management team of the Foundation, is comprised of managers at the head office and branches. The Board is led by Ms. Gulnara Shamshieva, general manager of the Foundation. The chief accountant, credit manager, the Foundation's in-house lawyer, and a senior branch manager are part of the Executive Board. The Board meets at least once a month and as needed.

*Management Information System.* Bai Tushum has developed an in-house management information system that manages most information needs. The system has two separate programs for Financial Accounting and Loan Tracking. This MIS produces up-to-the minute reports down to the branch level, and consolidates the daily activity of the Foundation at the end of the day. The reports provide an immediate assessment of the performance of staff members and operating units and allow an immediate assessment of the status of every loan. The MIS has been tested and certified and currently the BTFF is developing a manual.

The Foundation is currently working to develop its Web-site, which will help promote activities through the internet, and reach a larger number of customers, donors and other stakeholders.

*Internal Control System, Audits, and Supervision.* All financial transactions in BTFF pass through a series of routine checks: all financial documents must bear two signatures, and loan funds of the Foundation are jointly operated by the ACDI/VOCA long-term technical advisor and the General Manager of the Foundation. The Foundation has also hired an internal auditor who has received on-the-job training from the long-term advisor. The internal auditor directly reports to the Supervisory Board of the Foundation. An Internal Control Manual and Internal Audit manual have been developed and introduced throughout the organization.

The Foundation has adopted a zero tolerance policy for corrupt practices. To ensure this, integrity of the loan officers and staff members are highly valued at the time of their hiring and evaluations, and the Foundation has adopted a credit committee system in the branches to avoid corrupt practices in loan disbursement. All loans are approved by the branch credit committees; though the loan officer is present at these meetings, he or she is not a part of the decision making.

*Human Resources and Training.* Staff development is a high priority for the Foundation, and to prove this, it has developed various incentive systems, including promotion within the organization. Other parts of the incentive system include:

- ?? The establishment of leadership on-the-job-training so that if any key leaders leave there is an internal candidate groomed to take on new responsibilities.
- ?? A personnel policies manual.
- ?? Cash based incentive systems recommended by CGAP (the Consultative Group to Assist the Poorest) for loan officers and other staff members.
- ?? A staff appraisal system.
- ?? Access to outside training and consultancy.
- ?? Performance-based salary bonuses. This system has been designed to improve the portfolio performance, uses different indicators to measure the loan officer's performance, and each business unit's performance.

### **Short-term Technical Assistance.**

BTFF has benefited from outside short-term technical assistance from ACIDI/VOCA's Farmer-to-Farmer Program, as well as technical assistance provided from HQ-based staff.

- ?? John Leonard, FtF volunteer, who provided organizational and management guidance
- ?? Carla Henry, FtF volunteer, who provided marketing guidance
- ?? Galen D. VanVleet, FtF volunteer who provided guidance on Bad Loan Collection
- ?? Elena Nelson, US-based ACIDI/VOCA staff who provides ongoing support in operations management, reporting and strong governance.
- ?? Naya Kenman, US-based ACIDI/VOCA staff who provides ongoing support in operations management, reporting and strong governance.

The Foundation has also forged close links with the Microfinance Center for providing quality training to the Foundation's staff members. In July 2001, two staff members of the Foundation attended a training course in delinquency management at MFC. The Eurasia Foundation paid partial costs for this course. The Foundation has applied to become a member of the Microfinance Center, which will reduce the costs of future training.

The Foundation has also put in place a strong training program for its newly recruited loan officers. This comprises both formal as well as on-the-job training modules. All new loan officers are hired as trainee officers, and they shadow the senior loan officers for on-the-job-training. Once every six months, a one-week training program is conducted by the Foundation's management and the advisor. This program is conducted using a training manual for the loan officers.

### **Impact - Creation of Employment:**

BTFF through its lending programs have been able to create a large number of jobs in the areas that it serves. It is estimated that for every US\$250 invested in lending capital ACIDI/VOCA and

BTFF have provided employment to one person. Findings of this impact survey are tabulated below:

	Jobs created	Number of loans	Jobs per loan
Chui Branch	432	88	5
Jalalabad Branch	1959	187	10
Osh Branch	2148	392	5
<b>Total Foundation</b>	<b>4,539</b>	<b>667</b>	<b>7</b>
	Foundation	Number of loans	Jobs per loan
Crop production	2311	217	11
Livestock	1341	234	6
SME	887	216	4
Total	4,539	667	7

## Future Vision

The Bai Tushum represents a consistent and viable model for lending to rural clients. ACDI/VOCA has published many success stories that demonstrate the positive impact of the BTFF and its credit program on the lives of its customers and Kyrgyzstan. With continued funding from USAID/CAR for ACDI/VOCA technical assistance during the next three years, Bai Tushum will achieve the following broad objectives:

- ?? Promote credit to the SME sector in the rural and urban economy that helps to improve efficiency in the agricultural sector and encourages the hospitality and tourism industry. This will all help to reduce rural poverty by creating employment.
- ?? Intensify the Foundation’s activities in the southern region of Kyrgyzstan, including the Ferghana Valley.
- ?? Develop new loan products that i) reduce transaction costs and facilitate broader participation in rural financial markets; ii) permit the profitable use of larger loans and longer terms; and iii) expand the ability to secure transactions by using real and personal property, receivables and other assets as collateral.
- ?? Streamline management by implementing policies and procedures, including the development of “best practices” management manuals.
- ?? Expand the portfolio at a preferable rate of \$1 million per year over the next three years while maintaining the overall portfolio quality.
- ?? Mobilize financial resources to both expand the capital base as well as support technical assistance efforts.
- ?? Continue to support licensing and regulations of the National Bank of Kyrgyz Republic (NBKR) on Specialized Credit Institutions (SCI), and to contribute to further policy and legal reform.
- ?? Maintain attention on tax and other implications of changing the BTFF’s legal structure, e.g., to become a joint stock company, or similar legal structure, in order to secure EBRD funding and other private investment.

#### **D. South Africa CEBI Component**

The CEBI Program is a three-year local economic development project, which is jointly implemented by ACDI/VOCA, CHF (Cooperative Housing Foundation) and NCBA/CLUSA (National Cooperative Business Association/ Cooperative League of the USA). Through the unique application of cooperative development principles, including a combination of community empowerment through democratically structured group-based organizations, cooperative business development, and locally-owned and -controlled financial services, the three partner organizations are enhancing local economic development, increasing access to financial markets for historically disadvantaged township residents and their businesses, and creating employment.

The main goal of the program is to develop the business and financial capacity of entrepreneurs and small business owners in the peri-urban black townships in Nelson Mandela Metropole (Port Elizabeth, Uitenhage and Despatch), and promote links between these historically disadvantaged businesses and mainstream businesses in the Eastern Cape region. Program objectives include the following:

- ?? Enhance local economic development and create employment in the disadvantaged communities
- ?? Establish local business support centers in the disadvantaged communities
- ?? Provide essential business training and financial services and develop strong community business leadership

The vision of the program, as established by the CEBI management in coordination with local entrepreneurs, reads as follows: “CEBI is a center of excellence dedicated to providing a customer responsive menu of consistently high quality financial services, business training and linkages... Together with the community, we shall promote economic growth and development so as to increase the standards of living and access to employment and business opportunities.”

The creation, development and promotion of small businesses in the peri-urban townships is done through the establishment of a CEBI center in Motherwell Township. The CEBI center comprises the following three units:

1. Administration and Planning Unit (APU), led by CHF
2. Business Creation and Training Unit (BCTU), led by NCBA/CLUSA
3. Financial Services Unit (FSU), led by ACDI/VOCA

The role of the FSU includes:

- ?? Developing and promoting financial services for businesses and entrepreneurs
- ?? Increasing access to financial markets for peri-urban entrepreneurs
- ?? Creating an economic development fund
- ?? Establishing a Financial Services Cooperative linked to the Finasol Network
- ?? Integrating ancillary financial services such as filing systems and funds transfer

## **Program Activities**

During the past six months, the program has expanded its area of operations to include all black townships falling within the Nelson Mandela Metropolitan Municipality, and has more clearly defined its target market to encompass black, colored and Indian people as well as disabled white women.

The steady increase in inquiries made to the Financial Services Unit demonstrates that it is gaining the recognition it needs to be effective among key players in the local business community. During the last reporting period, the FSU loan fund became operational, and the first loans were issued. A conscious effort has been made during this reporting period to increase the FSU loan book by R250,000 (\$25,000) a month.

In an effort to reduce overall risk, the staff of the FSU is looking at ways of diversifying the portfolio. This will be achieved by moving away from the mainstream retail businesses and spazas (small home shops) and instead begin to promote business loans among service and manufacturing enterprises. A policy has also been developed to finance tender contracts. In this regard we envisage the provision of bridging finance/working capital that is necessary for the successful completion of contracts when contract revenues are not available.

In terms of staffing, John Alufayi resigned his full-time job as FSU Manager with CEBI. He has been retained on a consultancy basis as Operations Coordinator. Mr. Lulama Mfihlo replaced Mr. Alufayi as FSU Manager on October 29, 2001. Mr. Mfihlo studied at Wits University and holds a diploma from the South African Institute of Bankers, and has considerable experience in financial and business advisory services. Ms. Pamela Mahuwa, loans officer, and Ms. Wendy Thandani, Administrative Assistant, complete the team.

A formal Memorandum of Understanding was finally signed between ACDI/VOCA, CHF and NCBA/CLUSA on October 24, 2001, detailing the programmatic responsibilities of each entity.

## **Program Accomplishments**

- ?? Of the 53 applications processed since initiation in April 2001, 40 (75%) relate to the period under review. In monetary terms, R1,600,000-worth of applications have been submitted, of which R1,300,000 relates to the period under scrutiny.
- ?? Of the total of 32 loans approved since inception, 20 relate to the past six months. This means that of the R731,123 in total loans approved, R497,123 (68%) relate to the second half of 2001.
- ?? The arrears situation also improved from a high of 13% to 7.25% by year-end.
- ?? Winners of our first 'youth in business' competition run a thriving video shop in the CEBI center. Installments of their R50,000 business loan are up to date.
- ?? A loan for R10,000 was recently approved in favor of Ms. Yoyo who is physically disabled and is the regional convenor for her association (a true go-getter!).

	<b>Accumulative Total</b>	<b>Past Six Months</b>	<b>% of Total</b>
Total applicants	53	40	75%
Rand value	R1,600,000	R1,300,000	81%
Approved loans	32	20	63%
Rand value	R731,123	R497,123	68%
Arrears	13%	7.2%	

### **Program Direction**

ACDI/VOCA is working to reduce arrears within the FSU loan portfolio, and in line with the overall CEBI objective, is developing strategies aimed at attracting other institutions (financial and parastatal) that are interested in using our facilities and expertise to on-lend to the low income entrepreneurial sector. Some of the main factors in CEBI's favor are the center's proximity to the target market, which has enabled intimate business relationship to form, and the imminent legislation compelling financial institutions to participate in the mass market. In some cases institutions have conceded to the rigors relating to this market and have made approaches to CEBI in recognition of the tangible successes achieved within such a short space of time.

### **Business Development**

As the FSU has to generate enough revenue in order to be financially sustainable, a portfolio of sufficient size must exist to generate sufficient revenue to cover all operational costs at the FSU level initially, and of CEBI in general. This necessitates a constant flow of business into the system. Therefore, in addition to the applicants who visit the FSU for loans, staff members have made a decision to personally approach individuals with good business acumen and offer them finance.

It is against this backdrop that FSU staff is negotiating between local organized builders, the Nelson Mandela Metropole Council, and the National Urban Reconstruction and Housing Agency (NURCHA) to form a tri-partite front in the provision of low-cost housing. In this arrangement the Metropole Council will provide funds and serviced plots for development, CEBI will finance the wages between disbursements, while Nurcha will guarantee 80% of CEBI's advances.

A strategic liaison is also being formed with USEC, an entrepreneurial service center based in Uitenhage. As a pilot exercise, financial assistance will be offered to USEC's ten best performing entrepreneurs. Should this prove successful, the number of loans offered will be increased. In addition, COMSEC, a Port Elizabeth based advisory center, has begun referring their clients to CEBI for financial assistance: a clear indication that the process of networking is beginning to bear the desired results.

**Table I**  
**COMPLETED PROJECTS FOR JANUARY 1, 2001 TO JUNE 30, 2001**

<b>Project Number</b>	<b>Country</b>	<b>Project Name</b>	<b>End Date</b>	<b>Volunteer</b>	<b>Project Type</b>
81010	MOZ	Training in the Principles of Agricultural Extension	2/10/2001	Jay Carr	6
81012	MOZ	Training in the Principles of Agricultural Extension	2/10/2001	Gary Hickman	6
81013	MOZ	Training Ext-Agents in Com. Meth'dlgy to Non-Literate	4/27/2001	Lenore Paulsen	2A
81014	MOZ	Training in Participation & Mgmt. of Community Resourc	5/30/2001	Tonia Torrence	8A

## TABLES II - IV

TABLE II

## Number of Volunteers

COUNTRY	Volunteers
Antigua	
Belize	
Bolivia	
Brazil	
Cambodia	
Costa Rica	
Dominica	
Dominican R.	
Ecuador	
Ethiopia	
Guatemala	
Haiti	
Honduras	
Indonesia	
Kazakstan	
Kyrgyzstan	
Malawi	
Mexico	
Mongolia	
Mozambique	4
Nepal	
Nevis	
Panama	
Peru	
Philippines	
Russia	
St. Lucia	
St. Vincent	
Salvador	
Swaziland	
Uganda	
Ukraine	
Zimbabwe	
<b>TOTAL</b>	<b>4</b>

TABLE III

## Number of Assignments

COUNTRY	Assignments
Antigua	
Belize	
Bolivia	
Brazil	
Cambodia	
Costa Rica	
Dominica	
Dominican R.	
Ecuador	
Ethiopia	
Guatemala	
Haiti	
Honduras	
Indonesia	
Kazakstan	
Kyrgyzstan	
Malawi	
Mexico	
Mongolia	
Mozambique	4
Nepal	
Nevis	
Panama	
Peru	
Philippines	
Russia	
St. Lucia	
St. Vincent	
Salvador	
Swaziland	
Uganda	
Ukraine	
Zimbabwe	
<b>TOTAL</b>	<b>4</b>

TABLE IV

## Volunteer Gender Ratio

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1/01/01 - 6/30/01				
2	female	to	2	males
Ratio:	one	to	one	

**TABLE V:****ACDI/VOCA  
Volunteers by state or country**

<b>State</b>	<b># of Volunteers</b>	<b>State or Country</b>	<b># of Volunteers</b>
Alabama		Nebraska	
Alaska		Nevada	
Arkansas		New Mexico	
Arizona	1	North Carolina	
California	1	Oregon	2
Colorado		Ohio	
Florida		South Dakota	
Georgia		Pennsylvania	
Indiana		Tennessee	
Iowa		Texas	
Idaho		Utah	
Kentucky		Vermont	
Louisiana		Virginia	
Maryland		Washington	
Massachusetts		Wisconsin	
Michigan		West Virginia	
Minnesota		Brazil	
Mississippi		U.S. Virgin Is.	
Missouri		U.S. expatriate	
Montana		<b>TOTALS</b>	<b>4</b>

\* Any discrepancy between the total number of volunteers by state and the total number of volunteers completing projects is explained by the fact a single volunteer is counted once against the state tally, but the same volunteer may be counted more than once.

**TABLE VI****CDP Project Categories**

<b>PROJECT CATEGORY</b>		
1	Farmers	
2A	Farm Association & Organizational Development	1
2B	Farm Association & Business Operations	
2C	Farm Association & Environmental Improvement	
3A	Agribusiness Enterprises & Organizational Development	
3B	Agribusiness & Business Operations	
3C	Agribusiness Enterprises & Environmental Improvement	
4	Agri-Credit & Financial Institutions	
5	Government	
6	Educational Institutions	2
7	Youth Groups	
8A	Environment & Sustainable Resource Management	1
8B	Environmental Education	
8C	Environmental Policy and Law	
8D	Environment & Human Resource Development/Capacity-Building	
9	Misc.	
<b>TOTAL</b>		<b>4</b>

**Table VII**  
**TOTAL COMPLETED PROJECTS**

	<b>Project Number</b>	<b>Country</b>	<b>Project Name</b>	<b>End Date</b>	<b>Volunteer Name</b>		<b>Project Type</b>
1	CD300005	BRA	BRA Sus. Ag. Plan/Envir. Enterprises	7/2/1997	Lester	Bradford	8A
2	CD300006	BRA	BRA COMAJA Brazil Nut Commercialization	7/15/1997	Robert	Nottelmann	3B
3	CD300007	BRA	BRA Irapuru Brazil Nut Marketing	7/15/1997	Robert	Nottelmann	3B
4	CD300014	BRA	BRA COPAMEL Rice Processing	9/12/1997	James	Wimberly	2B
5	CD300017	BRA	BRA COOPERNORTE Dairy Product Dev.	9/29/1997	Robert	Christie	2B
6	CD300016	BRA	BRA COPABA Tropical Fruit Processing	10/24/1997	Fred	Voit	2B
7	CD300013	BRA	BRA COAGRIL Co-op Management Training	11/2/1997	David	Schrieber	2A
8	CD300024	BRA	BRA OCEPA Cooperative Mgt Training	11/2/1997	John	Reilly	2A
9	CD300019	BRA	BRA COOPERLVA Tropical Fruit Production	11/3/1997	Christopher	Ramcharan	2B
10	CD300012	BRA	BRA COOPERAVES Fruit Packaging & Pres	11/11/1997	Fred	Voit	2B
11	CD300021	BRA	BRA CAMAL Cooperative Management	11/14/1997	John	Reilly	2A
12	CD300026	BRA	BRA OCR Cooperative Mgt Training	11/22/1997	John	Reilly	2B
13	CD300027	BRA	BRA COAPEX Reforestation Training	11/23/1997	Lester	Bradford	8A
14	CD300015	BRA	BRA COPABA Software Application & Train	11/29/1997	Bruce	Dolph	2B
15	CD300025	BRA	BRA OCEPA Grain Storage/Post Harvest	11/29/1997	Rick	Fruth	2B
16	CD300018	BRA	BRA COOPERNORTE Fish Feed for Aquacultur	11/30/1997	Robert	Albrecht	2B
17	CD300010	BRA	BRA Product Development for EcoLeather	12/6/1997	Ellen R.	Sheeley	2A
18	CD300011	BRA	BRA Marketing EcoLeather	12/6/1997	Ellen R.	Sheeley	2A
19	CD300008	BRA	BRA CAMES Palm Heart Packaging & Marketi	12/7/1997	Herman	Obregon	2B
20	CD300003	BRA	BRA OCB Dev. Conf.- NTFF	12/13/1997	Jerry	Namken	8A
21	CD300029	BRA	BRA Marketing Amazon Fruits	12/15/1997	Thomas	Dixon	2B
22	CD300031	BRA	BRA Farmers Market Feasibility Study	11/11/1998	Vance	Corum	5
23	CD300043	BRA	BRA BNB/COCENTRAL Co-op Management Eval	11/24/1998	L. G. "Vern"	Nelson	2B
24	CD300044	BRA	BRA BNB/DELTA Cooperative Mgt Eval	11/24/1998	Gerald E.	Kelley	2B
25	CD300045	BRA	BRA BNB/CACHOEIRA Co-op Mgt Eval	11/24/1998	Larry	Grell	2B
26	CD300046	BRA	BRA BNB/Pindorama Co-op Mgt Evaluation	11/24/1998	Charles	Steen	2B
27	CD300047	BRA	BRA COGRISA Co-op Mgt & Business Plan	11/24/1998	Edward	Purtz	2B
28	CD300041	BRA	BRA SIC Handicraft Co-op Feasibility	3/9/1999	James	Thibeault	5
29	CD300042	BRA	BRA SAG Co-op Fish Processing Study	3/20/1999	Kenneth	Neils	5
30	CD300039	BRA	BRA SIC Fruit/Veg Processing Co-op	4/16/1999	Fred	Voit	5
31	CD300053	BRA	BRA COMPRUC Co-op Mgt Evaluation	4/28/1999	Brett	Nelson	2A
32	CD300057	BRA	BRA COOPERVI Co-op Mgt Evaluation	4/28/1999	Brett	Nelson	2B
33	CD300040	BRA	BRA SAG Fruit Export Strategy Plan	5/2/1999	James	Sousane	5
34	CD300049	BRA	BRA ASCOPE Cooperative Mgt Evaluation	5/17/1999	James	Oliver	2B
35	CD300036	BRA	BRA COOPERLVA Tropical Fruit Prod. II	5/22/1999	Christopher	Ramcharan	2B
36	CD300060	BRA	BRA OCEA Cooperative Organic Agriculture	6/6/1999	Philip	Wheeler	2A
37	CD300055	BRA	BRA COPABA Quality Control & Fruit Proc	6/28/1999	Hany	Khalil	3C
38	CD300062	BRA	BRA APRVSJB Tropical Fruit Marketing	7/9/1999	Hany	Khalil	2B
39	CD300032	BRA	BRA COOPERNORTE Dairy Product Diversific	7/15/1999	Bruno	Keller	2B
40	CD300064	BRA	BRA COOPERAQUI Aquaculture Feasibility	7/15/1999	Michael	Frinsko	2B
41	CD300054	BRA	BRA BATAVO Co-op Management Training	7/24/1999	Larry	Grell	2A
42	CD300065	BRA	BRA COSEGE Foam Cushion Feasibility	8/17/1999	Charles	Lindberg	9
43	CD300052	BRA	BRA COMAJA Co-op Aquaculture Feasibility	8/28/1999	David	Swann	2B
44	CD300058	BRA	BRA OCEA Co-op Aquaculture Feasibility	8/28/1999	David	Swann	2B
45	CD300066	BRA	BRA SAG Fish Market Study	10/31/1999	Roger	Palm	5
46	82001	BRA	COAPEX Brazil Nut Marketing	2/17/2000	Peter	McDonald	2B
47	82004	BRA	Project Design- Co-op Food Process	3/25/2000	Hugh	Moore	5
48	82006	BRA	Fruit Processing & Quality Control	6/27/2000	Maclay	Burt	2B
49	82013	BRA	Cooperative Business Plan	9/16/2000	Richard J	McConnen	2B
50	82008	BRA	Business Plan Training	9/23/2000	Vanicek	LeRoy	2B
51	82027	BRA	Marketing Plan for Meat Production	10/4/2000	Carolyn	Kaiser	2B
52	82005	BRA	Tropical Fruit Production	10/15/2000	Errol	Rhoden	2A

**Table VII**  
**TOTAL COMPLETED PROJECTS**

53	82022	BRA	Marketing Plan Design	10/15/2000	Carolyn	Kaiser	2B
54	82009	BRA	Cooperative Rice Production Training	10/20/2000	Larry	Grell	2A
55	82024	BRA	Cattle Nutrition Training	10/21/2000	David	Bailey	2A
56	82021	BRA	Cooperative Marketing Plan	10/22/2000	Robert	Albrecht	2B
57	82023	BRA	Cooperative Business Plan	10/22/2000	Robert	Albrecht	2B
58	82007	BRA	Cooperative Organic Agriculture Training	10/30/2000	Brown	D. Andrew	2A
59	82015	BRA	Cooperative Business Plan	10/30/2000	Peter	McNeill	2B
60	82016	BRA	Cooperative Business Plan	10/30/2000	Peter	McNeill	2B
61	82026	BRA	Cooperative Business Plan	11/1/2000	Peter	McNeill	2B
62	82010	BRA	Dairy Product Development & Marketing Plan	11/2/2000	Bruno	Keller	2B
63	82029	BRA	Strategic Planning to Diversify Loan Portfolio	11/11/2000	Jeffery	Kuntz	4B
64	82017	BRA	Quality Control & Fruit Processing	11/18/2000	Dean W.	Wheeler	2B
65	82020	BRA	Manioc Processing & New Product Development	11/18/2000	Marney	Cereda	2B
66	82034	BRA	Coop Dev/Business Plan for Handicrafts	11/19/2000	James	Thibeault	5
67	82030	BRA	Cooperative Needs Assessment/Strategic Plan	11/22/2000	William	Taylor	2B
68	CD300028	KYR	KYR Agricultural Credit/Banking	3/7/1998	Robert	Coots	4
69	CD300037	KYR	KYR Cooperative Devt. Project/Ag Credit	10/16/1998	Robert	Coots	4
70	CD100001	MOZ	MOZ Marketing Survey	12/8/1997	Garth	Thorburn	2A
71	CD100002	MOZ	MOZ Study of Marketing Chain	4/6/1998	Marion T.	Silverthorne	2B
72	CD100003	MOZ	MOZ Development of Farmers' Assoc of Ma	7/7/1998	Harlan A.	Bentzinger	2A
73	CD100006	MOZ	MOZ Dvlpment of Mecubiri Oil Press Assn	7/22/1998	Charles V.	Moore	2A
74	CD100005	MOZ	MOZ Training in Commercialization	8/14/1998	Nadine D.	Bauthamy	2B
75	CD100004	MOZ	MOZ Development of Gorongosa Beekeepers	9/5/1998	Timothy K.	Haarmann	2B
76	CD100007	MOZ	MOZ Training in Ass'n Development (FHI)	9/13/1998	Richard C.	Maxon	2A
77	CD100008	MOZ	MOZ Dried Fruit Production & Mktng	10/30/1998	Margaret	Palen	2B
78	CD100009	MOZ	MOZ Horticultural Processing Mktng	4/11/1999	Terrill	Christensen	2B
79	CD100010	MOZ	Moz-Formation & Dvmt of Comm Land Use	5/14/1999	Jordan	Holtam	2C
80	CD100011	MOZ	Moz-GTZ PROMUR, Women's Credit & Savings	6/5/1999	Tina	Jones	4B
81	CD100012	MOZ	UPCS: Ag Association Training	7/31/1999	Charles	Groth	2A
82	CD100013	MOZ	Apiculture Development-FHI	8/21/1999	Martin L.	Hardison	2B
83	CD100015	MOZ	Solar Dryer Construction, Fruit Dry/Mark	11/17/1999	Terrill	Christensen	3B
84	CD100014	MOZ	Gender and Development Training	11/27/1999	Suzanne	Fisher	6
85	81002	MOZ	Ag Association Dvt Training	1/28/2000	John R.	Moulton	2A
86	81001	MOZ	Institutional Capacity Building with IAC	2/3/2000	Clair	Hein	6
87	81003	MOZ	Study of Management Potential	2/3/2000	Verlee	Hein	6
88	81004	MOZ	Land Use Planning & Resource Mgt	5/13/2000	Jordan	Holtam	8A
89	81009	MOZ	Training in Bee Mgt. and Honey Marketing	9/20/2000	Martin L.	Hardison	2A
90	81005	MOZ	Construction of Fixed Position Solar Drier	9/27/2000	Earl	Lynch	2B
91	81006	MOZ	Construction of Fixed Position Solar Drier (2)	9/27/2000	Deanna	DeLong	2B
92	81007	MOZ	Training in the Marketing of Dried Fruits - Don	11/20/2000	Terril	Christensen	2B
93	81008	MOZ	Training in Marketing of Dried Fruits - IAC	12/16/2000	Willis	Brown	2B
94	81010	MOZ	Training in the Principles of Agricultural Extension	2/10/2001	Jay	Carr	6
95	81012	MOZ	Training in the Principles of Agricultural Extension	2/10/2001	Gary	Hickman	6
96	81013	MOZ	Training Ext-Agents in Com. Meth'dlgy to Non-Literate	4/27/2001	Lenore	Paulsen	2A
97	81014	MOZ	Training in Participation & Mgmt. of Community Resourc	5/30/2001	Tonia	Torrence	8A
98	CD300048	PER	Risk Analysis & Portfolio Management	3/12/1999	Charles T.	Meeks	4B
99	CD300069	PER	PER CAJA Rural Risk Anal. & Portfol Mngt	12/4/1999	Charles T.	Meeks	4B
100	83001	PER	Risk Analysis and Portfolio Management - Part II	1/15/2000	Charles T.	Meeks	4
101	CD200001	UKR	UKR Zachidni (Western) Co-op Feed Mill	10/1/1999	Joe G.	Neal	2B

Table VIII

<b>CDP PIPELINE FROM STARTUP TO 7/1/01</b>					
<b>Items</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Obligated to 6/12/01</b>	<b>Expended to 6/30/01</b>	<b>Pipeline at 07/01/01</b>
Overseas Co-op Development	\$2,446,564	\$2,771,429	\$2,788,779	\$2,626,225	\$162,554
HQ Strengthening	\$405,321	\$181,117	\$181,117	\$181,117	\$0
Proposal Development	\$174,752	\$145,037	\$145,037	\$145,037	\$0
Subgrant/SS Ukraine	\$722,969	\$652,023	\$652,023	\$435,492	\$216,531
South Africa CEBI	\$958,250	\$958,250	\$729,400	\$95,340	\$634,060
<b>TOTALS</b>	<b>\$4,707,856</b>	<b>\$4,707,856</b>	<b>\$4,496,356</b>	<b>\$3,483,211</b>	<b>\$1,013,145</b>