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USAID CATALYZE

Year 3 Annual Report
FY 2022

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USAID CATALYZE

Year 3 Annual Report FY 2022

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ON THE COVER:

USAID CATALYZE connected the women-owned small business TIMAK in Albania with a business advisory service provider to increase the company's access to financing. TIMAK refurbishes vehicles, specifically ambulances, waste trucks, border-patrol vehicles, and other specialized vehicles. Some of the vehicles are being exported to Ukraine. Photo: TIMAK.

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LIST OF ACRONYMS

AGEI	Aspen Network of Development Entrepreneurs Gender Equality Initiative
AMELP	Activity Management, Evaluation, and Learning Plan
ASP	Asia Social Protection
BAC	Banco de America Central
BAS	Business advisory service
BASP	Business advisory service provider
BPA	Blanket purchase agreement
BPO	Blanket purchase order
CLA	Collaborating, Learning, and Adapting
CoP	Community of practice
CPFF	Cost plus fixed fee
DFC	Development Finance Corporation
DRC	Democratic Republic of Congo
ECCE	Early childhood care and education
ECD	Early childhood development
EoG	Engines of Growth
F4R	Finance for Resilience
FDI	Foreign direct investment
FF	Financial facilitator
FI	Finance institution
FON	Funding opportunity notice
FTE	Full-time equivalent
FX	Foreign Exchange
GUC	Grant under contract
HNB	Hatton National Bank
ICT	Information, communication, technology
IDIQ	Indefinite delivery indefinite quantity
IFI	International finance institution
ITT	Indicator tracking table
JKN	Indonesian national health insurance program
KPI	Key performance indicator
LOC	Letters of Credit

LOP	Life of project
MBIOs	Missions, Bureaus, and Independent Offices
MEL	Monitoring, evaluation, and learning
MFI	Microfinance institution
MoU	Memorandum of understanding
MS4G	Market Systems for Growth
MSME	Micro-, small-, and medium-sized enterprise
NBE	National Bank of Ethiopia
P4R	Pay-for-Results
PEAS	Promoting Equality in African Schools
PIRS	Performance indicator reference sheets
PO	Purchase order
PPP	Public-private partnership
PSD	Private Sector Development
PSE	Private sector engagement
PWS	Performance work statement
RCLA	Resilience Collaboration, Learning and Adaptation
RFP	Request for proposal
RISE	Resilience in the Sahel Enhanced
SCC	Sahel Collaboration and Communication
SME	Small- and medium-sized enterprise
STTA	Short-term technical assistance
TA	Technical assistance
TASP	Transaction advisory service provider
TO	Task order
TVET	Technical and vocational education and training
USAID	United States Agency for International Development
USD	United States dollar
USG	United States Government
WASH	Water, sanitation, and hygiene
WEE	Women's Economic Empowerment
W-MSME	Women-owned micro-, small-, and medium-sized enterprise
W-SME	Women-owned small- and medium-sized enterprise
YAB	Youth Advisory Board

USAID CATALYZE YEAR 3 EXECUTIVE SUMMARY

This was a learning year for the United States Agency for International Development (USAID) CATALYZE project, with all activities engaged in co-creation, Pause and Reflect sessions, and learning events supported by our Technical, Monitoring and Evaluation, and Communications teams as part of its Collaborating, Learning, and Adapting (CLA) model of implementation. Over the past 12 months, CATALYZE Activities reflected on which blended finance archetypes and models have been most effective in mobilizing private capital for development. The model that has demonstrated the most impactful results to date has been Transaction Intermediation, applied across CATALYZE Peru, EduFinance, Western Balkans Engines of Growth (EoG), Sahel Finance for Resilience (F4R), Ethiopia Market Systems for Growth (MS4G), and Sri Lanka Private Sector Development (PSD) activities.

Activity teams are investing USAID resources into digital innovations across the globe, from e-job and digital training platforms to support youth and SME workforce development, to crowdfunding/matchmaking solutions, digital finance products, payment platforms, digital risk mitigation through visualization technology, and digital data solutions for expanded smallholder finance. Next year, CATALYZE Activity teams will analyze which of these are worth further investment given the results they generate in employment creation/strengthening, and capital mobilization for traditionally underserved populations.

CATALYZE is meeting the challenge of engaging the Private Sector in development, with teams constantly innovating new ways to involve non-traditional, private actors into designing, implementing, and evaluating the effectiveness of the blended finance, education, and other development solutions undertaken across the 29 countries where CATALYZE operates. Activity teams are engaging a growing cadre of private sector actors in identifying potential recipients of financing and closing these financing deals, as we now have established a network of 139 intermediaries and 44 financial institutions (FIs) currently issuing financing to target sectors, geographies, and populations.

The combined work of CATALYZE teams is culminating in a sharp increase in Private Capital Mobilized (PCM) by CATALYZE Activities this past quarter (\$43 million) for a cumulative total of \$109 million in capital mobilized over the project life benefitting 3,717 firms and schools across the (now) 10 activities. The results curve is expected to remain steep as we continue to reap the benefits of the blended finance platforms put in place in previous years, as these hit their implementation “stride.” Of this cumulative capital mobilized total, 43% was mobilized into agriculture firms, 24% into manufacturing, and 18% in commerce. CATALYZE support has reached 11,926 firms and schools, of which 45% are owned or jointly-owned by women, 84% are micro size, 5.5% are small and medium size, and .3% are large firms.¹ Of all the private capital mobilized by CATALYZE in FY 2022, 27% was mobilized through direct engagement with financial intermediaries (e.g., incentive-based subcontracts and grants, Memorandums of Understanding (MoUs), and other subawards), while 73% was facilitated via support from the cumulative 139 intermediaries we have engaged through similar mechanisms.

¹ Of the 11,926 businesses, 4.1% of these are schools that are not disaggregated by size.

We are seeing close to an even split of benefits to men and women when it comes to the total number of businesses (11,926) supported by CATALYZE, with 50% owned by men and 45% owned by women or jointly owned. However, when it comes to PCM, the story changes some, with male-owned firms receiving 73% of all financing, and women and jointly-owned firms receiving 26% of the total value of financing. Some of this difference in value of capital mobilized can be explained by the generally smaller-sized businesses managed by women applying for and receiving finance; however, understanding this dynamic better and how we can increase overall value of financing mobilized into women-led businesses is a learning question that CATALYZE will delve into more deeply in FY 2023 through monitoring the effectiveness of our Women's Economic Empowerment (WEE) Challenge grants, as well as putting in place Gender Action Plans for each Activity.

All the year's results were generated within an increasingly volatile macro-economic and political environment, with some economies still struggling to emerge stronger from the global pandemic, some facing challenging internal conflicts or deteriorating security environments, and others struggling from the impacts of the war in Ukraine. CATALYZE Activity teams confront challenging macro-economic and political situations daily, but what we are learning is just how powerful the blended finance models and incentives can be, even in the most complex environments and economically-battered sectors, to achieve educational, social, and economic development impact. This next year, the F4R and MS4G CATALYZE activities have a unique opportunity to utilize supplemental funding from the White House to further mitigate the impacts of the war in Ukraine on the most vulnerable populations struggling with food security.

This year, CATALYZE's Monitoring, Evaluation, and Learning (MEL) Team successfully completed four Activity Management, Evaluation, and Learning Plans (AMELPs), held multiple learning events, and operationalized Smartsheets as a one-stop shop document and data repository for CATALYZE users. Managing the filing systems and information management for 22 buy-ins across Palladium and USAID for many hundreds of users proved a challenge, which Smartsheets, a digital system approved for use by both USAID and Palladium, can greatly facilitate. Now each Activity Manager from USAID, Palladium Team Lead, the CO, and COR have access to an easy-to-navigate repository of key documents, data storage, and data visualization to find the critical documents they need and track results of the program in real-time.

Our CATALYZE Communications team is maximizing upon the range of blended finance successes, cranking out communications materials that are widely distributed to breed more success, given how financial intermediaries tend to "follow the market" when they see successful market entry strategies bear fruit. Next year, case studies and learning documents emerging from learning events will continue to assist in building the case for blended finance expansion into established sectors (e.g., agriculture, climate finance, SMEs) but with an increased emphasis on education, early childcare and education, workforce development, and gender lens investing.

CATALYZE continues to grow its portfolio of programming activities into new countries and sectors to achieve positive impact by addressing new development challenges. In Asia, CATALYZE is developing a new blended finance archetype to build social protection and health solutions that achieve scale and are sustained by well-resourced governments. This past year, we began new activities in Iraq and India,

increasing our footprint from eight to 10 buckets of programming across 29 countries, staffed by 117 employees.²

We also continued to deepen our impact through procuring services and making sub-awards across the globe. As of September 2022, CATALYZE had issued a cumulative total of \$12.05 million in grants to 93 awardees (of which 94.6% are local actors), and \$24.48 million in subcontracts above the micro-purchase threshold to 180 partners, of which 63.88% are local actors, to provide for monitoring and evaluation, education finance learning, and transaction advisory support. Of the 617 subcontract solicitations, CATALYZE had issued a total of 532 awards.

² CATALYZE is also impacting financing in more countries as a result of its grants to global financial institutions that are not counted in this 29-country figure. As a result of a CATALYZE grant, we've facilitated financing to an estimated 9,000 W-SMEs via FI partners in Nicaragua, Uganda, Indonesia, Kyrgyzstan, Mongolia, and Peru, pending CATALYZE verification.

SECTION I

ABOUT CATALYZE

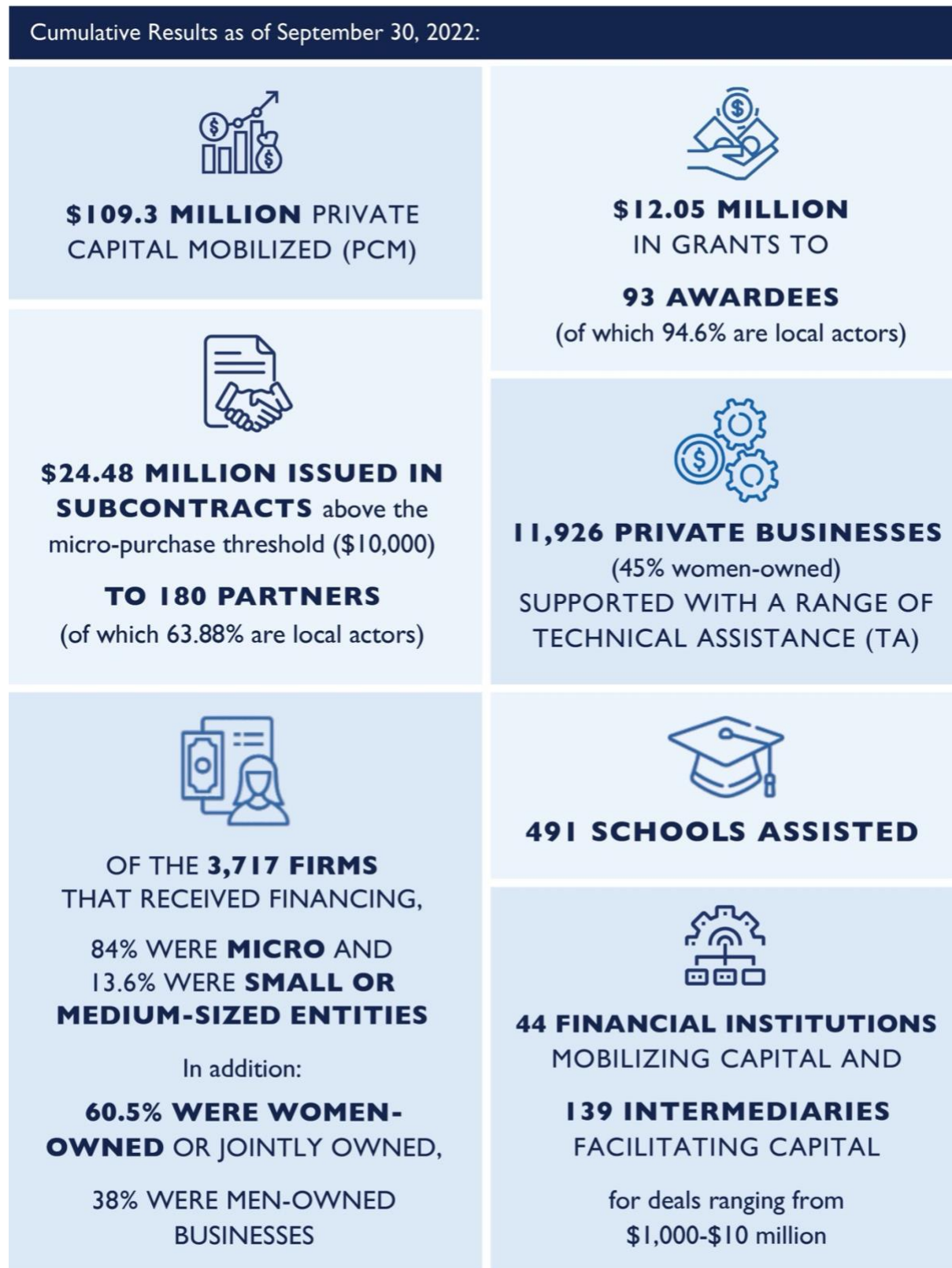
CATALYZE is an eight-year (2019-2027) \$250 million contract designed to leverage USAID’s resources to mobilize \$2 billion in private capital towards underserved sectors, geographies, and populations globally.

Launched in October 2019, CATALYZE is a buy-in mechanism that allows USAID to efficiently design and roll-out innovative blended finance solutions for a variety of sectors and countries in collaboration with governments, civil society, and private sector actors.

CATALYZE, implemented by Palladium, co-creates with Missions, Bureaus, and Independent Offices (MBOs) to design multi-year, results-based activities that are managed by Palladium and implemented by a broad network of principally locally-led implementing partners. CATALYZE works with businesses, investors, and other key market actors to solve the world's most pressing challenges.

Over the past three years, 25 USAID Missions and bureaus have committed \$155.5 million to support programming in 29 countries across Africa, Asia, Europe, Latin America, and the Caribbean (Albania, Bangladesh, Bosnia & Herzegovina, Burkina Faso, Democratic Republic of Congo (DRC), Dominican Republic, El Salvador, Ethiopia, Guatemala, Haiti, Honduras, India, Indonesia, Iraq, Kenya, Kosovo, Montenegro, Niger, North Macedonia, Paraguay, Peru, Philippines, Rwanda, Serbia, Somalia, South Africa, Sri Lanka, Tanzania, and Zambia) to achieve CATALYZE’s mandate.

Figure 1: CATALYZE Year 3 Cumulative Key Results



SECTION 2

ACHIEVEMENTS AND LEARNINGS

Year 3 Achievements

This year, CATALYZE continued to implement blended finance and innovative development solutions to mobilize private capital and achieve development outcomes. Capital mobilization results are ramping up as expected following an intensive period of design and procurement, reaching \$109 million cumulative capital mobilized. During FY 2022, CATALYZE activities collectively mobilized \$98.5 million in private capital for 3,697 firms. The following sections highlight key achievements of each buy-in. More detailed information on Private Capital Mobilized can be found in Section 9 on pages 47 to 60.

Asia Social Protection (ASP)



Activity Summary: Improve access to financial and social protection for vulnerable women in Asia.



Projected life of project (LOP) budget of \$4 million
Seeking at least 4:1 private sector matching of USAID's funding



September 2020 – TBD



Bangladesh, Indonesia, Philippines

- Held a co-creation workshop with USAID/Philippines in Manila in April 2022, which resulted in the activity description and detailed corresponding cost estimate. 38 participants across 15 organizations joined the workshop to design, validate, and refine the CATALYZE Philippines project design. The USAID/Asia Bureau team approved the activity description in early October 2022, opening the way for finalizing the performance work statement (PWS).
- In Indonesia, USAID's and the government's renewed interest in the concepts presented to the Mission in 2021 led to the rapid re-starting of design efforts in May 2022 and the exploration of potential partnerships with the public and private sector. Based on these conversations, and following a multifactorial analysis, the team identified four potential program locations, where market research focus group discussions were held in September 2022. The team identified potential sources of private capital and prepared the activity description and detailed cost estimate.
- In Bangladesh, at the Mission's request, ASP designed an intervention to keep low-income adolescent girls in school until the end of secondary education. The design was based on empirical research, current and past program successes in the country, and from focus group discussions and key informant interviews to identify causes of school drop-out for girls. Due to insufficient support from the Ministry of Education, the Bangladesh Mission discontinued pursuing collaboration with CATALYZE. Still, ASP is finalizing a report on the findings to advance learning for public and private entities interested in increasing girls' retention in secondary schools in Bangladesh.

EDUFINANCE



Activity summary: Improve and sustain learning outcomes for children and youth, particularly those who are the most marginalized and vulnerable



Projected LOP budget of \$52.7 million, of which \$47.3 million is obligated
PCM target of \$90.7 million



October 2019 – September 2024



DRC, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, India, Iraq, Kenya, Paraguay, Rwanda, Somalia, South Africa, Tanzania, and Zambia

- 491 non-state schools assisted to improve educational quality and expand access to financing, including 127,778 learners (64,131 male; 63,647 female).
- In South Africa, partnered with local lenders and education service providers to increase access and quality of eight early childhood development (ECD) centers serving low- and lower-middle income families.
- In DRC, developed 14 EduFinance loan products (eight school improvement loan and six school fee loan products) for eight FI partners and delivered staff trainings for five FI partners, and launched EduQuality program in Lubumbashi while continuing to deliver professional development workshops to school leaders and teachers from enrolled schools.
- Conducted two market assessments on non-state education finance in Kenya and Somalia, delivering key findings to key stakeholders from the Kenyan Ministry of Education. The Somalia assessment is expected to be finalized and released early next year.
- Began start-up co-creation focusing on early childhood care and education (ECCE) activities in India, Honduras, and Paraguay. In Iraq, focused on pre-primary and secondary education workforce development and access to finance.
- Rescoped and resumed activities in Tanzania to shift the focus of the activity from primary schools to pre-primary and technical vocational education and training (TVET)/secondary schools to better align with government priorities.
- Finalized an MoU with the Rwandan Ministry of Education.
- Rescoped and resumed activities in Zambia to account for unforeseen funding resource constraints.

Engines of Growth – Western Balkans



Activity summary: Increase small- and medium-sized enterprise (SME) access to and use of finance to drive enterprise growth



Projected LOP budget of \$9.3 million with potential for additional Mission activities. PCM target of \$110 million



October 2020 – September 2024



Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia

- Mobilized \$33 million in private capital through a total of 88 firms via 17 partner business advisory service providers (BASPs), which were paid \$52,275 in incentive fees through the Pay-for-Results (P4R) mechanism.
- Most of the financing (56%) went to the manufacturing/automobile sector while the commerce sector accounted for 21%. Nearly 63% of the capital mobilized came from medium-sized firms and about 82% firms reporting PCM were male-owned. Of the 88 firms that EoG assisted, 34% were female-owned and 83% were small-sized firms. The majority of the financing is long-term.
- SMEs assisted by EoG reported an increase of 18.74% in annual sales and an increase of 3.6% in full-time equivalent employment (FTE) employment.
- Completed eight sub-awards with local partners across the region to create new and innovative financing products and services tailored to address the needs of growth-ready SMEs, specifically women-owned small- and medium-sized enterprise (W-SMEs).
- Launched new alternative finance instruments by making sub-awards to five entities to provide SMEs in the Western Balkans diverse choices to access capital.

Finance for Resilience (F4R) - Sahel



Activity summary: Increase financing to support capital investment in the agricultural sector and in youth-led enterprises



Projected LOP budget of \$10.7 million, of which \$6 million are obligated
PCM target of up to \$34 million



August 2020 – September 2024



Burkina Faso and Niger

- Mobilized \$4,120,830 in private capital (Burkina Faso- \$3,427,844; Niger - \$692,986) through nine FIs, 21 financial facilitators (FFs), and 14 BASPs. This benefitted 513 women (261 in Burkina Faso and 252 in Niger) and 64 men (48 in Burkina Faso and 16 in Niger). The gender of 28 borrowers was unknown. In Burkina Faso, the PCM was a 93.4% achievement rate against its target of \$3.65 million. These results were obtained efficiently, with a capital mobilization ratio of 12.6%, i.e., \$12.6 dollars mobilized for every one dollar spent in financial incentives.
- In Burkina Faso, 34% of the loan portfolio was carried out jointly between the FFs and the FIs, which demonstrates the inclusion of the CATALYZE model and highlights the potential opportunity to professionalize capital market actors in favor of the agricultural sector in Burkina Faso.
- Assisted 605 SMEs to receive financing. Out of these, 513 are female-owned business (261 from Burkina Faso and 252 from Niger) and a total of 97 are youth-owned businesses which include 55 from Burkina Faso and 42 from Niger.
- Network FIs report that they are expanding into new territories, implementing new approaches to lend to women, and specializing in lending into F4R's value chains because of F4R TA and financial incentives.
- Held two learn and review reflection sessions.

Market Systems for Growth (MS4G) - Ethiopia



Activity summary: To benefit the Ethiopian people, build community resilience, and strengthen rural-urban linkages, in the areas of food security and water, sanitation and hygiene (WASH)



Projected LOP budget of \$34.2 million, of which \$15.8 million is obligated
PCM target of \$275 million



October 2020 – September 2024



Ethiopia

- Mobilized \$11.2 million in private capital for growth-oriented SMEs (Debt \$10.4 million and Equity \$0.7 million). Of the supported SMEs, the majority were in the agricultural sector, contributing to food security.
- Partnered with seven BASPs to provide workforce development training to a total of 9,569 individuals out of which 5,033 were female. As a result of the program, a total of 6,778 (3,764 female) individuals found better employment.
- Developed an investment pipeline of more than \$125 million.
- Partnered with local businesses and associations to enhance seven e-job placement platforms, developing the capacity of market-led workforce skill building institutions.
- Trained more than 600 SMEs, introducing and onboarding them to digital payment platforms and digital profiles.
- Assisted 18,776 participants (8,058 female and 9,969 youth participants) via programs designed to increase access to productive economic resources and job placement schemes.
- Analyzed and consulted on 13 Business Enabling Environment policies.

PERU



Activity summary: Catalyze investment and access to finance in the Peruvian Amazonia



Projected LOP budget of \$15 million, of which \$5 million is obligated
PCM target of \$106 million



May 2020 – December 2023



Amazonia region of Peru

- Mobilized \$45 million in private capital through our network of partner FIs and BASPs.
- Expanded partnerships with FIs in the Peruvian Amazon, resulting in the percentage of FI portfolio lending in the region to increase by 10% and benefitting 5,031 clients, 57% of which are women-owned or -led.
- 10 FI partners (seven local, three international) entered into grant agreements with the Activity, committing to mobilizing \$23.3 million in private capital in the Peruvian Amazon.
- Brokered an agreement with sub-regional government of San Martin to channel private investment to Amazon region.
- Provided technical support to partner FIs aimed at strengthening risk management policies and procedures, including implementation of an Environment and Social Risk Management system, which is a requirement from Development Finance Corporation (DFC) for approval of loan guarantees.
- Management practices and technologies improved for seven financial intermediaries out of a total of nine that the activity is working with.
- Launched robust communications strategy, resulting in 10 videos and the NextBillion feature article: [Cashing In on Sustainability: A Blended Finance Program Aims to Fight Climate Change by Catalyzing SME Investment in the Peruvian Amazon.](#)

PSD



Activity Summary: Accelerating inclusive economic growth, especially for women, by increasing competitiveness and funding to MSMEs



Projected LOP budget of \$12 million, of which \$7.8 million is obligated
PCM target of \$39 million



May 2020 – September 2024



Sri Lanka

- Mobilized \$3.65 million in private capital for 49 firms, 33 are women-owned.
- Linked MSMEs to CATALYZE-supported BASPs to provide technical assistance to 212 firms, 108 were women-owned.
- Developed innovative grant program to direct \$1.9 million in supplemental COVID-19 relief funds towards struggling Sri Lankan SMEs. Of the 55 MSMEs supported with grants, 14 are women-led.
- Through grant support, PSD-supported MSMEs increased sales revenue by 6% and created 279 FTE jobs.
- Facilitated a partnership between Keells, one of the largest retail chains in Sri Lanka, and Hatton National Bank (HNB), one of the largest banks, to provide financing for up to 75 MSMEs to grow sales into its supply chain.
- 214 private sector enterprises participated in programs offered by PSD to increase access to productive economic resources. Out of this, 118 were women owned/led.



Activity summary: Mobilizing capital to create economic opportunities for women



Projected LOP budget of \$10 million, all of which is obligated
PCM target of \$30 million



October 2019 – September 2024



Global

- WEE grantees raised an estimated \$51 million (\$43 million by Lendahand and \$8 million by Sarona) since the signing of their grant agreements, that they have since placed in FIs for on-lending to W-SMEs in Latin America and Africa, Central Asia, Southeast Asia, as well as women-led funds and financial institutions. In the case of Lendahand, an estimated \$11 million in capital raised has already been placed in 8,929 W-SMEs, of which CATALYZE is reporting \$2.5 million as PCM in this report, as this is the amount we can 100% verify (due to current validation requirements) that has gone to a woman-owned, -controlled, and -managed microfinance institutions and borrowers.
- Assisted Banco de America Central (BAC) El Salvador, a DFC investee, to develop a new point-of-sale (POS) based loan product (see Promising Tools section for more details) to help W-SMEs overcome barriers to financing due to lack of asset ownership, resulting in nearly \$900,000 of new financing for W-SMEs.
- Provided TA for a total of 460 days to support women-owned businesses. This included TA from a consultant and a subcontractor to BAC as well as support to Banco Lafise for development of variable payment option (PO) modules.

Year 3 Learnings

CATALYZE is, at its core, a system transformation program targeting thousands of actors across the globe to use U.S. government resources to innovate in blended finance solutions. Implementing such a change at scale and simultaneously across numerous activities within the CATALYZE portfolio requires continuous learning among implementers and within USAID so that successful solutions can be rolled out at greater scale. Specifically, USAID and its field Missions, through CATALYZE, are meant to learn how to design and oversee blended finance solutions.

CATALYZE's Learning Approach assists Activity teams to put into place implementation processes that provide regular opportunities for knowledge-sharing and dialogue among CATALYZE staff, relevant USAID MBIOS, implementing partners, and engaged market actors. CATALYZE is structured to begin learning as soon as new activities are designed, to capture lessons that can inform existing and future program design and implementation, and answer the two principal learning questions of CATALYZE over the life of the project:

1. What are the barriers to uptake of blended finance in the private sector?
2. What configuration of tools, strategies, solutions, or implementation approaches has been the most effective in advancing USAID CATALYZE objectives in each context?

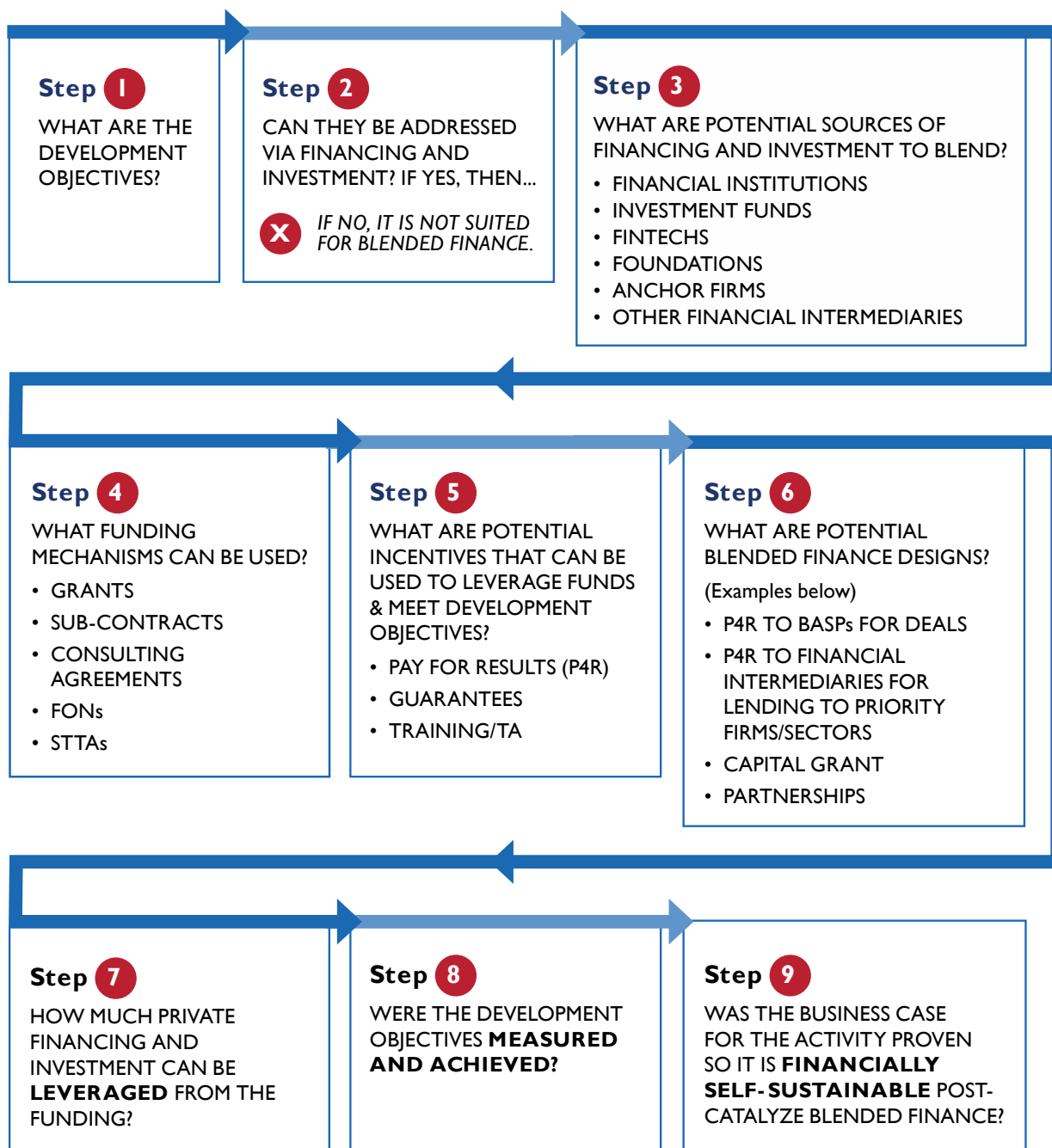
Over Year 3, CATALYZE's work on learning focused on rolling out learning agendas outlined in each Activity's PWS and AMELP through a series of Pause and Reflect sessions, Activity reflections, discussion with relevant partners and stakeholders to: 1) Capture strategic learnings around the central learning questions; 2) Adapt and fine-tune program design and blended finance approaches aligned with operational context in which they operate to achieve their respective development objectives, and; 3) Share learning across CATALYZE staff, USAID, implementing partners, and other stakeholders through a series of in-house learning sessions and externally-facing learning events.

Using the CATALYZE-wide learning questions as a guide, and through the learning activities conducted last year, significant learnings from FY 2022 are described below.

I. Designing and launching blended finance models requires deep analysis of market conditions and time in socializing market actors to new approaches.

Each CATALYZE Activity developed a tailored, blended finance and operational approach based on country and market contexts, development objectives, and capital mobilization targets. To operationalize blended finance models, almost all CATALYZE Activity teams first conducted market assessments of 1) the financial sector's interest in expanding finance; 2) market opportunities for investment, and 3) the supply of and demand for transaction assistance via BASPs. In every case, the local market, investment barriers, and development objectives were considered when determining potential sources of financing and investment using a "fit-for-purpose design" for blended finance. CATALYZE assessments assisted in answering the questions posed in Steps 3–6 of the blended finance process designed for CATALYZE and described in Figure 2 below.

Figure 2: Blended Finance Process Designed for CATALYZE



One learning we took away from the assessment phase is that the quality and time required to conduct these assessments was varied. One complication was that due to the nature of design and implementation of CATALYZE (both occurring in real time), the blended finance process above was designed concurrent to the design of the initial assessments conducted on CATALYZE. Another issue impacting quality and length in completing these assessments was that, in some cases, USAID Missions wanted more data and complex assessments; in other instances, they wanted shorter and faster ones.

Some assessments were completed, and immediately afterwards CATALYZE teams were able to develop PWS' that defined leverage amounts, potential partners, and blended finance methodologies with great accuracy. The completion of others led to more questions for CATALYZE teams to delve into further prior to finalizing PWSs. Overall, assessments are a useful input to structuring sub-awards, but ultimately are just the first step in that process and inevitably take longer when innovations are introduced from standard procurement and grantmaking practice. In many cases, the assessments captured assumptions and market conditions that were valid at one point in time but were rapidly overtaken by events (e.g., civil conflict, security deterioration, government interventions) that significantly affected PWS design in ways that could not have been anticipated previously.

While completing assessments alone is highly useful for analyzing market conditions, developing assumptions about financing results, identifying potential partners, and getting a general sense for interest in P4R models, they are insufficient to effectively introduce and operationalize blended finance models in different contexts. Following these assessments, all CATALYZE teams used the findings to develop PWSs to refine the Activity design. After this process was completed, each Activity team needed to pursue multiple touchpoints and interactions with local stakeholders to introduce the innovations of each Activity design, and in some cases, convince local actors of the utility of P4R methodologies, and ultimately onboard them to the CATALYZE activities. A large majority of financial institutions and intermediaries (BASPs, financial facilitators, transaction advisors, etc.) and USAID Missions did not have any experience with P4R or incentives-based contracts of grants before working with CATALYZE and were initially skeptical of the concept. Some USAID Missions and a few Activity stakeholders are still in the process of fully embracing the utility of P4R and blended finance methodologies.

However, most buy-ins, intermediaries, and financial institutions that applied for participation in CATALYZE quickly realized the opportunity that the P4R incentives would represent for their target markets and institutions and set out to go above and beyond their usual performance to get paid. While it took more time than expected in designing and launching the P4R incentive-based methodologies that underpin our blended finance approach on CATALYZE, the results have been promising. In Year 3, CATALYZE has paid more than \$1.6 million in incentives to stakeholders, and has facilitated \$98.5 million in private financing using these blended finance approaches.

If we had to do this again, we would rely on the Blended Finance Design to structure early assessments that clearly defined desired outcomes at the outset. We would also limit the scope of the assessments to achieve these outcomes and set a maximum timeline for the period of completion of these, while building in a PWS target setting process that is iterative and that continues throughout the life of the mechanism.

2. P4R incentives are effective both independently and collectively to improve customer targeting, develop new products, and speed up implementation of blended finance models.

The P4R model offered by Peru, F4R, and EoG engaged and incentivized intermediaries (BASPs, Financial Facilitators) and FIs to accelerate development of new strategies, including outreach through matchmaking events, socializing market actors on existing financial products, and developing new products and services for CATALYZE target markets. Furthermore, TA from intermediaries allowed seekers of finance and services to understand success factors and financing criteria and be sufficiently prepared for smooth application processes and next steps in their business evolution.

For example, MS4G launched the P4R BASP program designed to deliver market-based services for 440 firms (in multiple cohorts) over a 12-month period. The contracted BASPs have been advising Ethiopian businesses on how to streamline their various operational processes to develop and enhance their business competitiveness strategies.

Another example is in Peru, where the team's network of BASPs grew from one to 18 and mobilized \$20.2 million in financing through 45 deals over the past year. In addition, Peru's FI partners opened four branches to expand their regional footprint, sustainably expanding access to finance for Amazonia populations.

F4R, EoG, and Peru all provide technical assistance to FFs, BASPs, and FIs to understand the eligibility criteria for CATALYZE-supported firms to ensure proper targeting of blended finance strategies. For example, F4R identified FFs and placed these on P4R subcontracts to allow these and FIs to serve geographies where they would normally not do business. F4R also provided advisory services to partner FFs in support of reaching final borrowers, including enterprise creation and management, supply chain management in the select value chains, loan application completion, and loan monitoring. Due to their involvement in the F4R program, some FFs are now well-known in the target geographical areas, and some are using their newly-gained knowledge to expand their outreach and services to new banks that are not currently F4R partners. Furthermore, F4R's FI network is reporting expansion into new territories, implementing new approaches to lend to women, and specializing in lending into F4R's value chains because of F4R TA and financial incentives.

In the DRC, CATALYZE EduFinance developed education loan products for eight FI partners and delivered staff trainings to five FI partners. EduFinance also launched the EduQuality program through its subcontractor in Lubumbashi while continuing to deliver professional development workshops to school leaders and teachers from enrolled schools.

3. Continuous tailoring of incentive structures to unique contexts helps to improve profitability, sustainability, and to ensure greater success.

The CATALYZE blended finance models used across buy-ins are inherently flexible. While they require continuous monitoring, they allow for modification of incentives in real time by varying the types and amounts of incentives to address existing and new issues that arise during implementation. This adaptability enables the program to achieve its stated objectives more easily. For example, CATALYZE

intentionally does not dictate how incentives should be utilized by partners (BASPs/FFs or FIs); rather CATALYZE insists that the incentive leads to achieving the results sought, allowing local partners to determine the most strategic use of incentives to further their objectives, thereby shifting the risk in achieving their commitments under their sub-awards to them. We have found that this approach encourages values-aligned FI partners to use payments to support investment in further serving our target borrowers, promoting the sustainability of service provision.

BASPs engaged by the EoG activity confirm that the success fee rates, and the fees offered by CATALYZE, are consistent with market rates and/or similar to those SMEs willing to pay for such services. Thus, we believe our incentives are not distorting the local market. For F4R, the FI incentive payment helped fund some of the costs associated with expanding outreach to new geographies. This allowed the FIs to mobilize more savings as they entered new areas, recruited new members that started saving, and bought FI shares; in turn improving profitability for the FI and contributing to the sustainability of the P4R model. In the EduFinance activity, P4R incentives were originally designed to be distributed to intermediary subcontracted partners, who in turn, provide technical assistance and training to FIs to promote debt financing for non-state schools and attending families. Learning from the success of distributing incentives to FIs across the broader CATALYZE portfolio, EduFinance activities in the DRC, Tanzania, Zambia, Dominican Republic, Guatemala, and Haiti have since decided to introduce financial incentives to financial institutions as well to enable easier collection and reporting on individual school improvement loan data, which can help improve program delivery and monitoring.

The MS4G Activity team learned that incentivizing banks in Ethiopia to participate in a blended finance intervention targeting SMEs would need to be more powerful than just a percentage payout for expanded financing performance. Incentives needed to be more attractive to stakeholders because FIs in Ethiopia are unable to satisfy the high demand for loans, and therefore, have little incentive to work with businesses that are smaller and/or perceived riskier. Additionally, the Foreign Exchange (FX) problem continues to deepen due to the economic impact triggered in part by the ongoing internal conflict. During initial conversations with Ethiopian FIs, few had an interest to participate in the FI incentives program given the perceived high transaction costs to serve smaller loans and low incentive payment structure. However, when the design of the incentive payment was modified to offer payments to FIs in United States dollar (USD), financial institutions were more inclined to participate in CATALYZE. Other USD forms of financing are also in high demand and require the MS4G program to carefully design and develop demand-driven interventions. For example, most manufacturing companies in Ethiopia in the agriculture sector need capital in USD to make necessary purchases of machinery, if they are to grow their business. Considering long wait times to secure Letters of Credit (LOC), suggestions were made to consider capital goods financing in USD to unlock barriers to private sector growth and have meaningful impact. The program will continue to adapt and further explore opportunities for capital goods financing mechanisms with local FIs.

4. Additional incentives and support are required to target women and youth most effectively with blended finance solutions

Gender is a cross-cutting theme across all CATALYZE activities, whereas F4R, PSD, MS4G, and WEE have designed their programs to specifically target women and youth (15-29 years old). Activity teams

have learned over the past year that reaching W-SMEs and youth is most effective when tailoring incentives specifically towards this objective with both intermediaries and financial institutions. For example, EoG and F4R concluded that the P4R methodology would be appropriate for effectively targeting SMEs but risked being less successful when applied to women- and youth-owned businesses, as these, due to issues inherent to their relative size, experience levels, and collateral access versus male-owned businesses, would likely need more support to access financial services and technical assistance. Therefore, F4R adopted its P4R model by offering additional incentives to BASPs and FIs for financing women and youth (18-29 years old), including youth activities that are outside of the program's value chains. These additional incentives were successful in stimulating targeting of youth and women, even for FIs and FFs that were not specialized in these client profiles. All this has helped FIs grow and meet their financial inclusion goals.

EoG teams learned that to achieve greater impact for W-SMEs, the Activity needed to modify the fee structure for BASPs and collaborate with women's associations to generate a pipeline by matching W-SMEs with BASPs across the region. Similarly, MS4G structured their interventions with BASPs, transaction advisory service providers (TASPs), and financial sector partners to specifically build their capacity in delivering services that promote the growth of women-owned enterprises in Ethiopia. For example, the Activity is revising its blended finance approach to offer additional incentive payments to banks for deals that are closed with W-SMEs.

5. The sequencing of developing a private capital mobilization definition and verification requirements is important and should be seen as an iterative process.

Over the past year, USAID tasked CATALYZE with finalizing the definition of Private Capital Mobilized, which the program had been developing since inception. The PCM definition was carefully developed based on global industry reporting standards, best practices in USAID program implementation, data we had on how stakeholders in the field were reacting to incentives introduced, and how financing was being disbursed to target clients. A performance indicator reference sheet (PIRS) encapsulating this definition was developed and shared with field teams and USAID. As CATALYZE activities continued to develop, the management team realized that certain aspects of the verification process in the final PIRS were unrealistic given CATALYZE and a few implementing partners' management structures, the size of most customers receiving financing, and the scale of which financing was being directed to many small actors. We now must adapt the verification requirements (previously requiring verification of written acceptance of financing from every beneficiary of finance) to use sampling models.

Because this definition was finalized a year after many of the early CATALYZE activities had already developed intermediary and FI subawards and grants with data collection systems that were not fully aligned with this definition, we experienced some monitoring and evaluation complexities. Resolving the differences with partners is taking time. We know that our partners on EduFinance and WEE are making far more progress towards capital mobilization than we can currently verify given our existing definition and requirements. Therefore, next year, CATALYZE will work with USAID and other Private Sector Engagement (PSE) Hub implementing partners to employ more flexibility in the PCM definition and verification requirements to adjust these to be better matched with implementation reality.

6. The structure of the CATALYZE program comes with pros and cons that could serve as a barrier to uptake of blended finance among USAID and program stakeholders.

As a DC-based mechanism, CATALYZE has one COR, 20+ USAID Mission buy-ins, and 10 USAID Activity Managers. Most Missions buying-in to CATALYZE have adjusted to the differences between managing a USAID DC-mechanism and a bilateral USAID project when it comes to reporting, communications, technical direction of implementers, budgeting, staff approvals, and other issues, while others prefer to fold CATALYZE into their regular reporting/meeting cycles and IP management processes. This latter approach can sometimes introduce more management complexity for the implementer but more convenience for USAID. Managing a global program certainly brings operational efficiencies for both USAID and implementers (e.g., Development/review of one invoice instead of 20, one annual report instead of 20, one fee review process vs. many for each PWS); however, this consolidation also means that some detail may be lost for those Missions who prefer to have a more nuanced and in-depth understanding of activity management, from staffing to budget management to monitoring and evaluation.

The level of understanding of blended finance and P4R methodologies remains low in most of the countries where we begin new activities, and USAID is no exception to this. CATALYZE's structure as a P4R contract shifts the implementation risk squarely onto the implementer, as it requires Palladium to clearly define, and have USAID agree, to the exact results to be achieved by each buy-in early in the process, as a basis upon which Palladium may collect fee on this hybrid fee contract. The structure of CATALYZE in this P4R fashion requires Missions to determine the "what" CATALYZE is meant to achieve, with Palladium determining the "how". This, of course, runs contrary to how most Missions traditionally define substantial involvement on their activities and how many oversee their implementing partners on contracts. It is understandable that there is a transition period in understanding how this mechanism fits into their overall portfolio, or differences in opinion on how a Mission can (or should) manage one contract differently than others in their portfolio.

What we can determine after three years of implementation, is that when both the implementing entities (FFs/BASPs, FIs, private firms) and USAID Mission staff embrace blended finance and P4R methodologies at the activity and broader contract management level, we see faster uptake and finalization of foundational documents, leading to rapid implementation of buy-in activities and objectives, and achievement of results. In the few Missions where understanding of P4R methodologies and contract management remain misaligned, some results are below expectations.

SECTION 3

PROMISING MODELS, TOOLS, AND METHODOLOGIES

In Year 3, CATALYZE connected actors to new markets on both the supply and demand sides, using blended finance approaches to de-risk investments and move deals forward, and building powerful partnerships across 29 countries. Each CATALYZE Activity considered its country context into design, drawing on the most promising blended finance models to accelerate financial inclusion for underserved populations and sectors in frontier markets. CATALYZE used an array and mix of models and tools to attract investment, from crowding-in investment, leveraging funds of funds to digital innovations, transaction intermediaries, incentive programs, and public-private partnerships (PPPs). Our support has included a wide range of methodologies, from transaction advisory services, leveraging guarantees (from DFC and others), supporting identification of bankable transactions, linking local equity players to investment opportunities, and customizing facilitation services and incentives that enhance competitiveness, resilience, inclusivity, and performance. CATALYZE currently uses six blended finance archetypes to mobilize private capital:

1. Private sector transaction intermediation
2. Incentivizing FIs to lend and invest
3. Transaction intermediation and incentivizing investment (combination of archetypes 1 and 2)
4. Increasing investment via funds and platforms
5. Digitization of platforms and supply chains
6. Educational finance transaction intermediation

1. Private sector transaction intermediation

To date, this blended finance archetype is the most commonly used across all Activities. An example of how this works is in Albania, where CATALYZE EoG's BASP program (powered by Pay-for-Results subcontracting) connected a woman-owned SME with Procredit Bank. Within three weeks the W-SME, which refurbishes used commercial vehicles, was able to secure a working capital loan that did not require collateral. The BASP helped the owner through the entire process, completing business plans and financial projections and supported her with the preparation of loan documentation and negotiation of the loan terms. With the BASP's services, the W-SME obtained much-needed working capital to stay open and continue employing staff. The W-SME's success in refurbishing quality vehicles at a reasonable price helped the company win a United Nations tender to supply 11 ambulances to Ukraine, soon after Russia started the war.



2. Incentivizing FIs to lend and invest

Another of CATALYZE's most effective incentive strategies are highly adaptive, incentive-based, sub-awards to financial intermediaries, also powered by the P4R methodology. Supporting financial intermediaries with incentives helps reduce the FI's risk and transaction costs, while supporting an expanded portfolio of financing to firms of all sizes to access capital. CATALYZE intentionally adapts the model to the local market and conditions, paying incentives upon FI achievement of certain milestones, including transaction amounts, and/or numbers of transactions. CATALYZE also uses the mechanism to incentivize FIs and BASPs to reach sectors considered high-risk, including agriculture, and populations such as youth and W-SMEs, which aren't traditionally targeted or fully served by most FIs. Given that W-SMEs present a largely untapped market that has potential to prove profitable for investors and banks intentionally targeting the segment, in markets such as Niger and Burkina Faso, CATALYZE teams tailored the P4R approach to provide higher incentives to FIs that lent to W-SMEs.

3. Transaction intermediation and incentivizing investment

This blended finance archetype stimulates and structures the demand for financing, and simultaneously stimulates the supply of financing targeting specific populations, geographies, and sectors. A few activities, such as F4R, Peru, and MS4G, are utilizing this blended finance platform and achieving impressive results. In each country, the design of this archetype is tailored for the local context. For example, in Ethiopia, CATALYZE MS4G has implemented intermediation using P4R approaches in subcontracts for four types of partners 1) BASPs who support SMEs, 2) market-based job training and placement service providers who facilitate employment for job seekers and build the capacity of job training and placement companies through co-investment, 3) TASPs who facilitate transactions and

secure financing opportunities for SMEs and 4) financial institutions who partner with MS4G to provide SMEs with loans.

CATALYZE PSD has similarly adopted the transaction intermediation and incentivizing investment blended finance archetype. While performance-based grants under contract are a new concept in Sri Lanka, financial institutions and BASPs have generally embraced this innovative approach. CATALYZE PSD had a good response to published procurements this fiscal year. PSD uses grants to FIs based on P4R incentives and complementary technical assistance, coupled with business advisory services (BASs) to support MSMEs to strengthen capacity, resilience, and growth. Higher levels of incentives were offered to both actors for working with women-led and/or -owned enterprises, and in underserved locations. In response, financial institutions are developing new financial products and marketing strategies to reach women-led MSMEs with financing at reduced interest rates. This adaptation has been critical to ensuring liquidity for some cash-strapped MSMEs at a time when interest rates have more than doubled as a result of the economic crisis. CATALYZE has found the flexibility inherent with paying for results subawards to be vital when operating in volatile environments.

4. Increasing investment via funds and platforms

CATALYZE WEE partner Lendahand is using a crowdfunding approach to close the gender financing gap for W-SMEs. This innovative model decentralizes investment in women, from large institutional investors to retail investors. Anyone interested in investing in women-owned businesses can do so through the crowdfunding platform. This model blends social impact with financial return, allowing investors to invest in causes they are passionate about while also achieving a financial return on their investment.

In the Western Balkans, many SME owners are unaware of the benefits of private equity as it has not been a traditional source of financing. To promote equity finance in the region, EoG, in partnership with WM Equity Partners from Serbia, is promoting awareness among financial institutions, company advisors, relevant state institutions, and the media. EoG is also making grants to regional investment funds focused on the information technology, agribusiness, and manufacturing sectors, and is developing a viable pipeline of investment-ready SMEs through technical assistance, training, and administrative support. The Activity is also making grants to venture capital funds that are supporting early-stage investments in artificial intelligence, machine learning, and biotech solutions developed by Western Balkan SMEs.

5. Digitized traceability, supply chains and platforms

Blockchain traceability is an innovative business model that has been tested by selected MSMEs in Sri Lanka's food processing and apparel sectors, through making COVID-19 relief grants. Facilitating Blockchain integration enables MSMEs to increase the transparency of their production methods, enhancing sustainability and business value in local and global markets, which, in turn, can help to increase access to finance. Based on the learnings of this initiative, PSD aims to explore other avenues to increase the adoption of blockchain in competitive sectors.

In Peru, the CATALYZE team is playing the role of digital platform impact investor, investing USAID resources into digital data management systems underway in private sector companies partnering with financial institutions. The digital platforms under development are designed to collect and use data to

support increased transparency in Amazon supply chain management, as well as to reduce the cost and time of lending to the many thousands of supply chain smallholder farmers.

CATALYZE EoG is similarly making grants into Fintech Platforms that will facilitate supply chain financing and allow SMEs to easily access information and apply for different types of loans that fit their specific business requirements.

6. Educational finance transaction intermediation

CATALYZE EduFinance provides partner financial institutions with an innovative suite of financial products and models tailored to non-state education actors, including first-loss capital, public-private partnerships, and the sustainable schools model. EduFinance, through its set of sub-awardees, is providing tailored technical assistance to FIs to help them accurately determine the creditworthiness of low-cost, non-state education providers and design products suitable for each unique context.



CATALYZE enables financial institutions to lend to ECD centers through a first-loss capital model, mitigating the investors' risk. Photo: Dustin Benedict/USAID CATALYZE

In South Africa, EduFinance uses a first-loss capital model, enabling financial institutions to lend to ECD centers with assurance that if there is a default on a loan, there is a pool of funding (primarily funded by FIs and private foundations) to help the FIs cover the loss up to a certain percentage.

PPPs are also proving to be successful models in education. In Zambia, CATALYZE sub-awardees implement the Promoting Equality in African Schools (PEAS) model to establish and manage public secondary schools in rural communities, while the Ministry of Education subsidizes teacher salaries at these schools. Each secondary school is linked to a public primary school that receives technical assistance in best management practices.

In Paraguay, CATALYZE is implementing a sustainable schools model, which helps a vocational school to establish an income-generating, student-run business attached to the school. Students strengthen their entrepreneurial skills and experience, and the business provides a revenue stream to the school. CATALYZE mobilized \$2.4 million through Oiko Credit and Kiva to replicate this model in six partner schools in El Salvador and Paraguay. The sustainable schools model transforms low-cost, private technical and vocational education and training schools into self-sustaining educational enterprises.

Powerful Partnerships

Another impactful model utilized by CATALYZE activities are private sector partnerships. CATALYZE Peru formed partnerships with subnational governments and Chambers of Commerce, leading to an expansion of the pipeline of potential deals for CATALYZE Peru's financial partners. For example, under its MoU with the regional government of San Martin, CATALYZE Peru identified three value chain financing opportunities that materialized into ongoing deals. CATALYZE Peru is signing MoUs with the regional Chambers of Commerce of Loreto, Ucayali, and Madre de Dios, which has already led to identifying 54 companies with financing and technical assistance requirements.



CATALYZE brokered an agreement with Peru's Regional Government of San Martin to mobilize private capital towards the Amazon region, supporting investments that generate economic and social value. Photo: CATALYZE Peru

In Sri Lanka, CATALYZE brokered a deal with the private sector commercial bank, HATTON National Bank, and KEELLS, one of the country's leading supermarket retail chains, to channel financing to MSMEs in the retailer's supply chain. This agreement helps improve the competitiveness of MSMEs working in Sri Lanka's food processing sector, with a special focus on MSMEs led by women. As part of this partnership, working through a BASP, CATALYZE will improve MSMEs' competitiveness through a variety of services, including digital marketing, standards and certification, access to new markets, and access to financing. This will help MSMEs to access immediate credit, streamline balance sheets, and improve cashflow. This intervention, which offers a special interest rate together with other incentives and financial facilities, can now also be replicated with other large digital and physical retailers.

“Strong partnerships of this nature would catalyze an enriched future for many MSMEs through business linkages and process improvements, thereby, transforming lives, businesses, and economies of individuals and, ultimately, the country.”

—U.S. Ambassador to Sri Lanka, Julie Chung, at the signing ceremony between KEELLS and USAID CATALYZE

MS4G designed an anchor firm support model to create economic linkages between 35,000 smallholder farmers and reputable large-scale agro-processors in avocado and malt-barley sub-sectors to increase agricultural output and increase the capacity of agro-processors. MS4G partnered with various technology and management consulting companies to provide technical assistance to other partner or beneficiary companies and institutions. This assistance is intended to build capacity and increase the level of understanding of the market systems dynamics in the preferred sectors and result in increased investment.

SECTION 4

PRIVATE SECTOR ENGAGEMENT

CATALYZE activities continue to engage principally private sector actors via a variety of blended finance platforms to mobilize private capital for development impact. Private sector actors - from rural schools serving poor communities, to consultants and firms intermediating finance, to trade associations, financial technology providers, and micro to large enterprises - are involved in all of the below:

Learning: CATALYZE's private sector partners are heavily involved in co-creating new activities, in conducting assessments and studies to determine baselines and to understand local context, in learning and evaluating performance, and in identifying, facilitating technical assistance, and financing men- and women-led enterprises and rural schools. CATALYZE activities are heavily involving its private sector partners in holding learning events, which will culminate in a global, learning conference encompassing all of CATALYZE's activities in early 2023.

Capital Mobilization through Blended Finance: CATALYZE activities have involved our private sector actors together with civil society, associations, and government and quasi-government entities to stand-up six blended finance models in 29 countries. This year alone, 139 intermediaries and 34 financial institutions underpinning these blended finance platforms facilitated \$98 million in finance to more than 3,697 firms, principally in agriculture (44%), manufacturing (21%), trade/commerce (20%) sectors. In a number of countries, FIs have used CATALYZE resources to expand their footprint, opening new branch offices and expanding their agent networks to serve new populations, and in others, CATALYZE is providing critical training and technical assistance to financial institutions to put in place new Environmental and Rating Systems or targeted products and services (like education finance) to expand the scale and development of their financing. Building trust with private sector actors, particularly FIs and the firms we intend to serve via private capital, is a critical success factor to this work. Private

sector actors want assurances we will keep their information confidential and have appreciated an adaptive approach in development assistance strategies to facilitate their involvement.

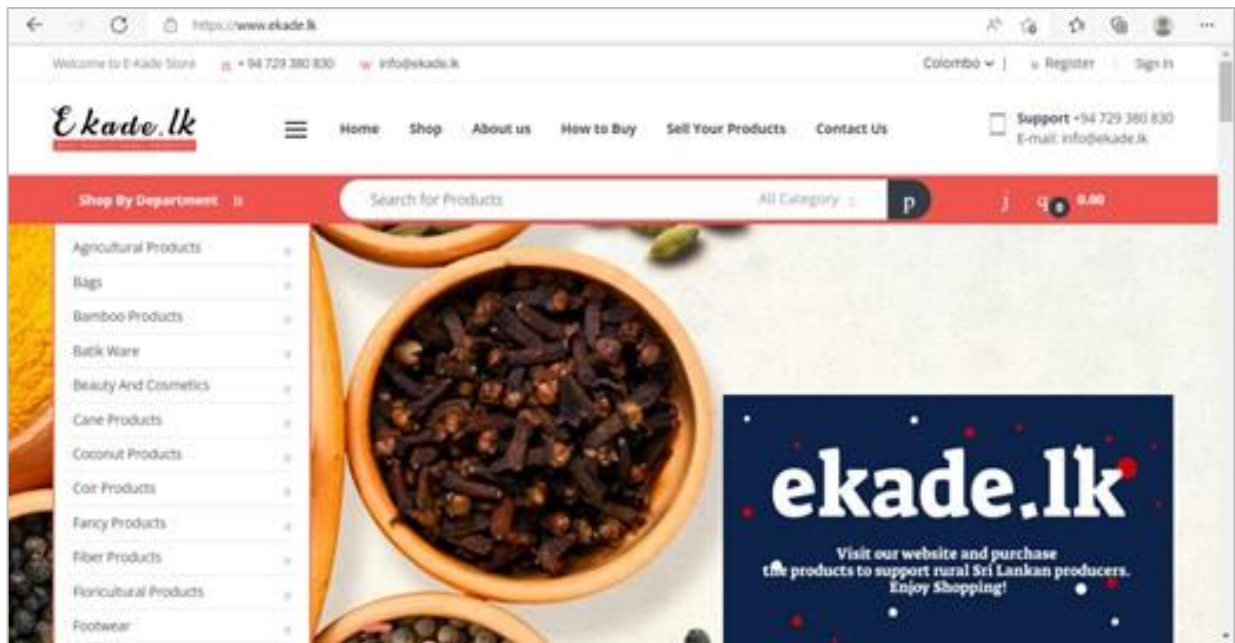
Pipeline Development: CATALYZE supports a mix of direct and indirect pipeline development implementation strategies. To identify potentially financeable deals for FI consideration, our teams structure MoUs with other USAID implementers, identify companies and schools ready for new investment via Palladium staff and consultants, or we hire out this service as a deliverable under subawards. Pipeline development continues to be a critical pre-cursor, by and for private sector entities, to facilitating private capital.

TA to FIs for new Product Development in El Salvador

CATALYZE WEE provided in-depth technical assistance to BAC Propemi, a DFC investee in El Salvador, to develop a new point-of-sale (POS)-based loan product designed to specifically increase access to finance for W-SMEs. The POS-based lending product allows BAC to use historical cash flows to determine grant financing to women. Clients who are eligible for the new financial product receive an email with information about the product and with the click of a button, they are directed to the required forms, speeding up the loan application process. This digital component makes it possible for women to do most of the loan application from home, without having to leave their business or household duties, which are often barriers to women's access to finance. The product was piloted in FY 2022 and will be assessed, modified as needed, and scaled in FY 2023.

Building BASP markets: Once the deal pipeline is identified, CATALYZE mobilizes most finance through private intermediaries, namely BASPs or TASPs. In some countries, CATALYZE teams focus on building capacity of emerging financial facilitators and more experienced transaction advisors, requiring different training and focused on mobilizing capital for a different set of markets (one for micro, another for SMEs). The identification and training of these actors is time consuming but is paying off in terms of building a market of facilitators that is capable and providing effective services leading to quality loan portfolio for FIs.

Education Quality and Vocational Development: In Latin America and the Caribbean as well as in Africa, CATALYZE EduFinance is providing TA to FIs to develop new loan products for private school owners and attending families. CATALYZE partners are also raising funds from private investors to pilot new models of vocational learning into financially resilient, self-sustaining, private schools that target low-income youth. CATALYZE partners are also launching quality education training programs for employees of low-income, rural, non-state schools to improve school quality, always with the consent and coordination with in-country governments. In some countries, especially for those in conflict or with complex environments necessitating private sector education solutions, CATALYZE EduFinance programs represent the majority of USAID Mission's private sector engagement work.



CATALYZE BASP partners are working with MSMEs in Sri Lanka to revamp e-commerce websites, such as Ekade.lk (www.ekade.lk), which supports and promotes Sri Lankan handicraft products sourced from local artisans. Ekade.lk connects various stakeholders along the value chain, including producers, suppliers, processors, transporters, and final consumers across rural communities in Sri Lanka. The platform currently serves 118 producers, 59 percent of whom are women.

Digital Innovations: In multiple countries, and targeting financial institutions, CATALYZE is investing in pilots and scaling a range of digital innovations, including digital crowdfunding/matchmaking solutions, launching digital finance products (e.g., point-of-sale cash-based lending applications or factoring platforms), visualization technology, and due diligence and risk mitigation solutions for financial institutions. Towards workforce solutions, CATALYZE has provided critical grant support to digital e-job platforms and information, communications, and technology (ICT) incubators and has facilitated digital job training via technology companies to SMEs in collaboration with Chambers of Commerce and Sectoral Associations to significantly expand access to finance, reduce transaction costs and to expand employment for youth. Targeting SMEs for more efficient operations, CATALYZE has supported the roll-out of digital finance and payment platform solutions and applications, such as ERP solutions for MSME users or marketing platforms in the food processing and apparel sectors. CATALYZE also operates as an impact investor in the digital innovation space, to invest in promising business models for data collection and sharing that can link large firms with financial institutions and expand smallholder financing more efficiently and affordably.

Sub-Award Management: The largest recipient of CATALYZE's funding and technical assistance support are private sector actors, who manage a collective \$36.53 million of 273 subawards (including grants and subcontracts) on behalf of the program, achieving most of the program's development results.

Workforce Development: CATALYZE supports, through a variety of sub-awards, multiple, private-sector-led, job platforms to provide expanded placement and training support for youth, as well as technical training for youth-led SMEs. New workforce development Activities under design are seeking ways to build on “graduation” from conditional cash transfer or government service programs by seeking partnerships with large employers that are consistently seeking a large pipeline of new workers.

COVID Relief: CATALYZE has received supplemental funds to combat the impacts of the COVID-19 global pandemic in two countries (Sri Lanka and Ethiopia). In both countries, CATALYZE Activities have used these resources to make innovative grants to support a resilient private sector, and principally SMEs, with the relief they needed to keep their doors open and position themselves to take advantage of new market opportunities in the pandemic aftermath.

Foreign Direct Investment (FDI): CATALYZE supports the countries to increase their share of FDI through a mix of direct and indirect support, providing investment advisory to U.S. and global businesses seeking new market opportunities, and indirectly through supporting investment commissions to secure land for new investors, chambers of commerce and other trade/sector associations to maximize new investment opportunities.

Policy Development: In select countries CATALYZE activities are supporting innovative policy change to support market system transformation, for the financial, WASH, and food security sectors, to promote resiliency. Activity teams are providing grants to solidify business and trade/sector organizations, providing financial institutions and associations technical assistance to facilitate access to finance for underserved sectors, are participating in business roundtables and multi-sectoral forums with private sector actors and signing agreements with regional governments, are hiring consultants to design policy briefs to inform transformative policy, and supporting entities to advocate for and draft legislation that will transform the relevant policy environment.

Introduction of a new blended finance archetype: CATALYZE Activities designing new ECCE and Social Protection activities are finding robust private sector and philanthropic support and interest in scaling private sector engagement towards existing, impactful, and scalable public sector investments in child care, sexual and reproductive health, expanded healthcare service provision (e.g. via telemedicine, expanded enrollment, facilitation of premium payments), and workforce development, mostly in Asia (e.g., India, Indonesia, Philippines). CATALYZE teams are in the process of co-creating and forming partnerships with a new set of private sector and public actors (e.g., large employers, global foundations, large government social programs) to create a new blended finance archetype to build social protection and health solutions that achieve scale and are sustained by well-resourced governments.

A new Blended Finance Archetype in Indonesia

In Indonesia, CATALYZE ASP designed a program that will leverage private sector actors to support the national health insurance agency to explore innovative platforms and products to incentivize individuals, particularly women working in informal sectors, to register and pay premiums for national health insurance (JKN). The design includes expansion and promotion of telemedicine, home delivery of pharmaceutical products, and promotional campaigns to expand registration and premium collectability.

Association Development: In some contexts, CATALYZE supports Business Associations to improve value for member clients, while harnessing the power of member networks to expand member services. CATALYZE provides training and TA to Chambers of Garment Exporters, ICT associations, and tourism associations and alliances.

SECTION 5

GENDER

CATALYZE is unlocking economic opportunities for women principally by channeling significant amounts of capital to women-owned and women-led SMEs. To date, and across all CATALYZE activities, we have enabled 2,186 women-owned and women-led micro, small-, and medium- sized enterprises (W-MSME) to access \$18.1 million by introducing tailored incentives and innovative technology, in addition to deploying new strategies to engage the segment.³

Given that W-MSMEs often request less financing and require more time to make financing decisions, several CATALYZE activities, including EoG, F4R, and PSD, are providing additional incentive payments to BASPs reaching women. These additional incentives are designed to enhance the business case for serving the segment.

CATALYZE WEE has taken a slightly different approach to incentivizing investment in W-MSMEs. Via a \$4 million grant to Sarona Asset Management, WEE is de-risking investment in a fund-of-funds that targets women-led funds and W-MSMEs. Sarona is still in the fundraising stage of this fund-of-funds, generating \$8 million in soft commitments in Year 3 from individual, high net-worth investors. Once initial fundraising target (estimated in FY 2023) are met, funds will begin to deploy into women-led funds and W-MSMEs.

To offset real and perceived costs associated with serving W-MSMEs, CATALYZE is also lowering transaction costs associated with serving W-MSMEs through investing in innovative technologies. Gendered barriers often constrain the growth of W-MSMEs, resulting in smaller financing needs. As a result, transaction costs relative to loan/investment size can be prohibitively high for many financiers. To

³ Includes MSMEs that are jointly owned by men and women.

address this challenge, WEE is exploring how to automate due diligence and reduce the cost of onboarding W-MSMEs to the CATALYZE-supported crowdfunding platform. In turn, this allows it to offer smaller loan sizes, opening the platform to more W-MSMEs with smaller financing needs. To date, \$2.5 million has been raised for W-MSMEs since the platform was upgraded.

Cost is just one barrier to expanding finance to W-MSMEs. To address this, CATALYZE is also exploring how market actors more effectively engage this segment. Early indications from CATALYZE learning suggest that some W-MSMEs, particularly those in environments with limited interaction between the sexes, may be more comfortable engaging with female BASPs. CATALYZE Peru and EoG have intentionally partnered with female BASPs to drive outreach to W-MSMEs. As there are few female BASPs in Burkina Faso and Niger, F4R created a new cadre of emerging BASPs with a simplified incentive structure to crowd-in more women and, ostensibly, mobilize more capital for the segment.⁴ Likewise, ASP is exploring how female agents may drive uptake of health insurance, which could be considered a type of risk financing, although it is still in the design phase. WEE, on the other hand, is driving investment into women-led funds through the grant to Saron Asset Management given a growing body of evidence that women-led funds are more likely to invest in W-MSMEs. During Year 4, CATALYZE will collect data to test the hypothesis that female decisionmakers—whether BASPs, funds, agents—engage with W-MSMEs more frequently and, if true, identify new approaches to engage female market actors and enable women to enter these spaces.

CATALYZE is also leveraging blended finance to spur the growth of businesses disproportionately employing women or serving women's (often unmet) needs. EduFinance, for example, launched activities focused on mobilizing capital for early childhood care and education in Year 3. By financing the growth of private childcare, CATALYZE aims to create new jobs in a sector disproportionately employing women, while also enabling women to access the childcare support required to pursue both entrepreneurial and employment opportunities. Similarly, MS4G is supporting a fast-moving consumer goods company serving rural areas to train and employ an estimated 2,000 rural women, creating additional economic opportunities for women.

To date, W-MSMEs comprise 59% of enterprises financed via CATALYZE activities and received 16.5% of the value of financing mobilized, demonstrating significant growth opportunity for CATALYZE to reach more W-MSMEs. During Year 4, CATALYZE activities will focus on developing and implementing Gender Action Plans that further our activities' reach amongst women, scale the value of financing accessed by women, and unlock further entrepreneurial and employment opportunities for the segment.

⁴ Please note BASPs are referred to as financial facilitators as part of the F4R program.

SECTION 6

RESILIENCE, SHOCK RESPONSE, AND ADAPTIVE PROGRAMMING

Food and fuel shortages, skyrocketing inflation, political instability, supply chain disruptions, impacts from Russia's war in Ukraine, and the continuing economic challenges resulting from COVID-19 have required CATALYZE to adapt quickly to ensure private capital is mobilized to underserved sectors and geographical areas that are less secure. In many countries we work, purchasing power has decreased for SMEs at the same time as local banks have become even more conservative in lending and companies more selective about which clients they want to work with. These challenges combined with foreign investors' growing caution in committing resources to unstable regions such as the Sahel, Sri Lanka, and Ethiopia, as well as to regions perceived as less stable, such as the Western Balkans, necessitated flexibility and innovation in CATALYZE's approach.

Operating in fragile ecosystems requires bold thinking. In Niger and Burkina Faso, CATALYZE works in highly insecure regions. To adapt to the country context, the project uses a "design-as-you-go" approach, tailoring its P4R mechanism to ensure maximum resilience given the security issues. This approach has enabled several partner FIs to grant larger amounts of loans to women's groups based on innovation using higher percentage of incentives and guarantees.

Burkina Faso's security crisis has continued to worsen. In May 2022, a branch of one of CATALYZE's partner FIs was burned down by armed groups in the Activity target region (East region). To effectively adapt and respond to this volatile operating environment, F4R is strengthening the capacity of its FFs to work with indigenous collaborators physically present in communities where security issues limit movement. This allows FFs to continue to provide technical assistance to project clients. Furthermore, FIs in both Burkina Faso and Niger have been innovative by setting up mobile counters and involving indigenous resource persons mobilized within the communities to help monitor their loan and collection activities. This collaboration makes it possible to offer employment opportunities (part-time and

temporary) to youth in the villages and communes of intervention. More so, this has strengthened their capacity to provide advisory support services to small producers and MSMEs. The project team has also innovated through database and transaction coding systems that allow for very good monitoring.

Likewise, in Niger, to adapt to the lack of service points across the country, one of the CATALYZE MFIs is partnering with an agent transfer company that is established throughout Niger. This adaptive approach has allowed the MFI to collect and disburse money to its clients through this agent transfer partner company, without having to expand its physical footprint. Similarly, to cope with the poor internet connection in Maradi and Zinder, F4R encouraged its FFs partners to use the broadband connection of another partner with broadband connection in these regions.

In Ethiopia, major shocks related to the geopolitical environment as well as policy changes have disrupted access to infrastructure, telecommunication, and transportation in secondary cities, discouraging lending by banks. MS4G responded quickly, working closely with partners to change target regions, extend implementation periods and engage MS4G's regional coordinators in follow-up and support activities with its partners.

The banking sector's ability to lend more within MS4G's preferred sectors was impacted due to the reduced liquidity position of banks due to the increase in reserve requirements by the National Bank of Ethiopia (NBE). The restrictive directive on foreign currency by the NBE also resulted in less interest from FIs to lend to export oriented agri-businesses. Given these challenges, MS4G has adapted its approach and designed innovative capital mobilization mechanisms through a modified P4R approach to address functional issues within the local financial markets (lack of capital and expertise in the market systems approach), the knowledge and capacity gaps (poor understanding of market systems and what market-based solutions are), and the financial uncertainties.



CATALYZE provided vulnerable SMEs critical support to navigate the challenging impacts of COVID-19, skyrocketing inflation, and supply chain disruptions. In Sri Lanka, CATALYZE supported a small handloom business to transition to an export-driven model. Photo: Selyn

In Sri Lanka, given the rapidly deteriorating political and economic situation in this country, CATALYZE targeted SME grantees that struggled with the sliding exchange rate, which negatively impacted their purchasing power of imported goods. In response, CATALYZE offered affected grantees alternative solutions, such as extensions for milestones, adjustments to goals, and direct technical assistance on deliverables, and integrated grantees into the main objectives of the program to receive further support for enhancing competitiveness and access to finance. Also in Sri Lanka, CATALYZE developed a comprehensive risk management matrix to monitor the volatile situation and establish control measures and mitigating actions, including protocols for street protocols and unrest, connectivity issues, business

continuity, staff mobility, wellness and retention, and daily operations and field trips. CATALYZE also continued to monitor and to assess the impacts of the prevailing economic crisis, LKR depreciation, and Central Bank Sri Lanka policies on stakeholders in the financial sector.

In the Western Balkans, whose economies and small businesses are increasingly negatively impacted by the effects of the invasion of Ukraine, CATALYZE worked with its partners to buy down transactional risk in expanding financing to its target populations. To further incentivize BASPs and SMEs to work with one another at greater scale and to mobilize financing to W-SME, CATALYZE is revisiting the P4R fee structure. CATALYZE is also working with its FI partners under its alternative financing window to help improve their risk management systems so they may secure commitments from international finance institutions (IFIs) to strengthen the equity and venture capital funds CATALYZE is helping grow through grants in the region.

In Peru, CATALYZE's network of BASPs has identified and helped more than 40 SMEs to obtain the necessary financing to maintain or reinstate production to recover from COVID-19. Peru's Amazon-based SMEs suffered from the prolonged period of lockdown affecting the entire population, so SMEs saw immediate value in having access to BASP support to properly assess, structure, and close financing deals in the wake of the COVID-19 pandemic.

In both Tanzania and Zambia, unforeseen circumstances led to the necessary rescoping of each EduFinance Activity to realign with host government and Mission priorities. In each country, CATALYZE EduFinance worked in close collaboration with USAID, USAID partner Missions, and Activity subcontractors to design new Activity parameters that were aligned with host government and USAID priorities and achievable by CATALYZE EduFinance. This iterative process demonstrated that CATALYZE is committed to its principles of co-creation and collaboration and served to increase trust between all actors to maintain buy-in and facilitate sustainability of the Activity by having champions among all key stakeholders.

SECTION 7

MONITORING, EVALUATION AND LEARNING (MEL)

Activity Monitoring, Evaluation and Learning Plan (AMELP) updates

In Year 3, the CATALYZE MEL team supported the review and updates to the AMELP for WEE, EoG, Peru, and F4R. In Year 4, this process will be expanded to include AMELPs for ASP, EduFinance Latin American countries, including Dominican Republic, El Salvador, Guatemala, Haiti, Paraguay, and EduFinance India and Iraq. Following the completion of these AMELPs, the CATALYZE portfolio MEL Plan will be revised to incorporate Activities' MEL strategies and incorporate beneficiary feedback in accordance with ADS revisions. Each MEL Plan covers the Activity's theory of change, the link between each Activity and CATALYZE theories of change, a results framework, key performance indicators (KPIs), learning agenda, plan for the evaluations, data collection and management, and performance indicator reference sheets (PIRS) for each KPI.

CATALYZE Integrated Information Management System (Smartsheet)

In Year 3, CATALYZE engaged a qualified Smartsheet expert to develop, design, and deploy a customized information system solution which improves coordination between the project leadership and client representatives. This digital system was designed to provide: 1) a centralized repository for key project documents with customized dashboards, reports; and 2) a customized dashboard to aggregate and present information on Award Fee/PWS key performance indicators for CATALYZE and its activities. The system was built in Smartsheet and configured to display customized dashboards for

each of the buy-ins. The KPI level reporting was tested during the FY 2022 annual reporting in parallel to the User Acceptance Testing (UAT) for the document repository build.

Also in Smartsheet, CATALYZE has engaged a qualified subcontractor to develop a comprehensive Monitoring & Evaluation Integrated Management System (IMS) that will provide a centralized location with real-time access to upload, transmit, host, analyze, and display performance data on customizable dashboards on all project KPIs. The initial testing and feedback was gathered during the data call for the FY 2022 Annual Report. Any system changes or reconfiguration needed will be rolled out in the first and second quarter of FY 2023.

Annual Learning Conference

CATALYZE Activity teams are hosting buy-in specific learning events from August 2022 to February 2023. These events provided opportunities for networking among CATALYZE partners, USAID staff, and other private sector actors, and share knowledge and data to determine progress, answer learning questions, uncover “best practices,” and surface practical suggestions on how to better mobilize more private capital for development. (See Annex 6.) The in-country learning events are aligned with activities’ learning agendas from their PWS and AMELPs and emphasize findings from common learning questions across CATALYZE activities, allowing for aggregated learning. The learnings from in-country learning events will be shared and synthesized in a full-day internal learning session in the second quarter of Year 4.

Buy-in specific learning events were designed and are being held specifically as preparation for the CATALYZE-wide Learning Conference. CATALYZE is planning a larger, external-facing Learning Conference to share promising practices, challenges faced, and lessons learned in designing, setting up, and implementing blended finance activities across CATALYZE with the relevant stakeholder and broader development community. This wider Learning Conference will be led by the CATALYZE HQ team with support of subcontractors to organize, facilitate, and document its proceedings. This Learning Conference is expected to be held in either quarter 2 or 3 of FY 2023.

SECTION 8

COMMUNICATIONS

In Year 3, CATALYZE expanded the size of its communications team to increase awareness among key audiences of project achievements, and share lessons learned with stakeholders, ultimately to contribute to the overall goal of mobilizing private capital for development. A new Director of Communications joined in March 2022, and a Cross-cutting Communications Manager (WEE and EduFinance) and a general Communications Manager joined in March and April 2022, respectively, who collectively set upon expanding the team's support to CATALYZE buy-ins. CATALYZE Activities hired dedicated communications support for EoG and PSD activities last year to add to its existing communications officer base in Peru and MS4G, and is currently hiring a new communications officer for F4R.

Communications strategic plans for the overall project and seven of the eight buy-ins (ASP excluded) were developed and shared with Missions and COR last year. Fact Sheets, website landing pages, and pitch decks were also created and submitted for existing buy-ins. A project Fact Sheet, COVID Fact Sheet, 10 EduFinance country-level Fact Sheets, one ECCE Fact Sheet, and five additional Fact Sheets for MS4G's objectives were developed. Six EduFinance market assessments were similarly updated and are pending final approval.

Across CORE and all buy-ins, 38 articles were published (19 on Medium, 7 on MarketLinks, 7 on SAFIN Network, 1 on NextBillion, 1 on PSE Exposure, and 3 on Palladium's Catalyst) this year. A full list of published articles can be found in Annex 5.

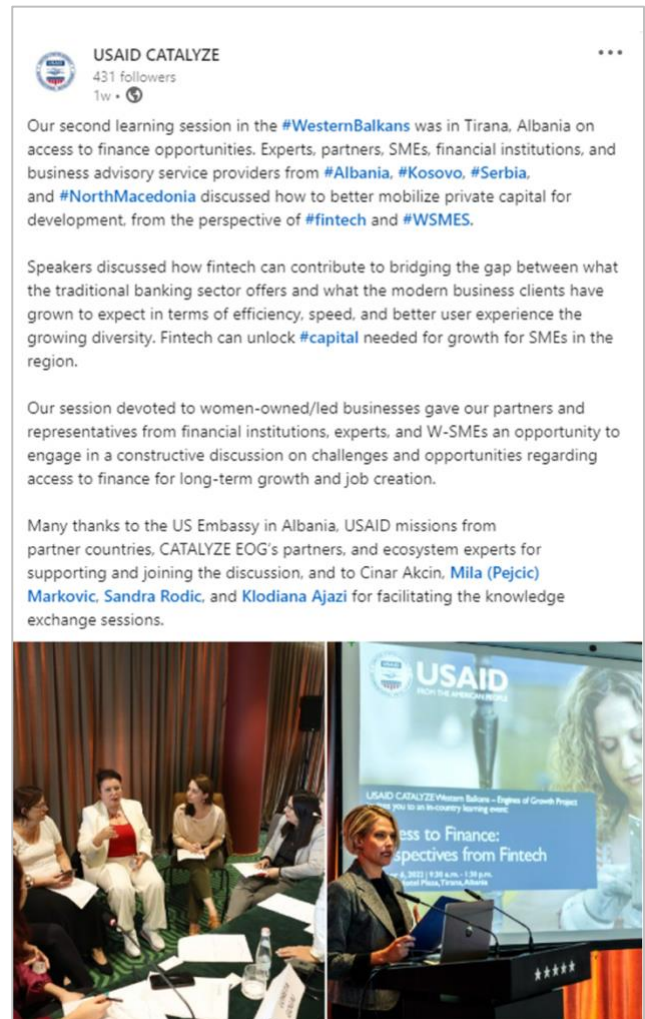
In April, CATALYZE started promoting its work on social media through [LinkedIn](#) and [Twitter](#). The CATALYZE LinkedIn page now has 404 followers, page views have increased by 74%, and unique visitors have increased by 57%. CATALYZE tweeted 72 times, garnering 15,031 profile visits, and 8,587 total

impressions. The Communications team also established a [Flickr](#) account to widely share quality photos from the project.

CATALYZE Communications also supported multiple events across Activities through press releases, talking points, banners, presentations, and/or communication materials. The most notable events include ExpoAmazónica 2022, the largest fair of the Peruvian Amazon, and the Serbian Chamber of Commerce's "Women in Serbian Food Industry" event in Belgrade. Other events include MoU signings in Peru with the sub-national government of San Martin and with the DFC in Sri Lanka as well as an MoU with KEELLS, a leading grocery/retail chain in the country, to promote competitiveness among MSMEs; and ASP's co-creation event in Manila. The Communications team also supported the launch of the Education Finance Network and submissions for participation in several conferences, including the 2022 CIES annual conference, SME Finance Forum, Investing in Africa, and SOCAP.

Twenty-one videos were developed across the project, including four for PSD, six for MS4G, and 11 for Peru. Approved videos have been shared on social media and at learning events. Eight infographics were developed (CATALYZE Map, EduFinance LAC, and four for Peru). (See Annex 5 for links to published content.)

The Communications team supported the logistics, promotion, planning, and execution of Learning Events for F4R, Peru, MS4G, PSD, EoG (held in early October 2022) as well as for WEE's partner event with ANDE and USAID INVEST. (See Annex 6.)



SECTION 9

PRIVATE CAPITAL MOBILIZED (PCM)

FY 2023 PCM Results

During Year 3, CATALYZE activities mobilized \$98.5 million in private capital for firms of all sizes. 99% of private capital mobilized was secured in the form of debt financing, and 1% was distributed in equity financing.⁵ To achieve this financing, CATALYZE paid \$1.6 million in incentive payments to 139 intermediaries (BASPs, IPs, FF, consultants), and 44 financial institutions.

Since inception, CATALYZE has mobilized a cumulative total of \$109.3 million in private financing for 3,717 entities (firms and schools). Of the \$109.3 million, 43% was mobilized in agriculture, 24% in manufacturing, and 18% in commerce sectors. Male-owned firms received 73% of the financing, and women and jointly-owned firms received 26% of the private capital mobilized. Of the 3,717 firms that received financing, 85% were micro, and 14% were small or medium-sized entities. In addition, 38% were men-owned, 60 % were women-owned or jointly-owned businesses.

⁵ For purposes of this report, equity finance has been denominated in USD.

Table 1: Private Capital Mobilized (PCM)

Activity	This Quarter		YTD (FY 2022)			Cumulative		
	# of firms/ schools assisted	Capital Mobilized (USD)	# of firms/ schools assisted	Capital Mobilized (USD)	% of YTD target achieved	# of firms/ schools assisted	Capital Mobilized (USD)	% of Cumulative target achieved
EoG	24	\$2,401,460	88	\$33,013,652	-	93	\$36,165,841	32.8%
MS4G	581	\$2,484,179	685	\$11,226,216	-	777	\$15,486,216	4.76%
Peru	7,707	\$31,622,338	9,745	\$43,946,267	108%	9,747	\$46,700,721	44%
PSD	67	\$3,128,164	212	\$3,653,901	52%	212	\$3,653,901	9.40%
F4R	219	\$1,286,285	605	\$4,120,829	41%	605	\$4,120,830	12.10%
WEE	1	\$2,500,000	1	\$2,500,000	-	1	\$2,500,000	8.33%
EduFinance - Zambia	-	-	202	-	-	202	\$625,000	-
EduFinance - South Africa	-	-	8	\$26,703	3%	8	\$26,703	0.40%
EduFinance - DRC	-	-	281	-	-	281	-	-
Total	8,599	\$43,422,426	11,827	\$98,487,568		11,926	\$109,279,211	

PCM by Type of Engagement

During this reporting year, 30% of private capital was mobilized through direct engagement with financial institutions which includes incentive-based contracts, grants, MoUs, and other subawards. Of the financing, 70% was facilitated via support from intermediaries. Some CATALYZE activities – namely F4R, MS4G, and Peru – use both types of incentives (stimulating both supply and demand for financing), as demonstrated in Figure 3. This graphic demonstrates that of the \$98 million mobilized this year, \$69.3 million can be attributed to P4R sub-awards with intermediaries (FFs, BASPs, other intermediaries), \$29 million to financial institutions, and \$3.6 million was facilitated through other means, without any CATALYZE funds reaching intermediaries or FIs (e.g., through direct technical assistance to a firm seeking finance, or to an FI seeking deal flow).

Figure 3: PCM Results from Different Incentives

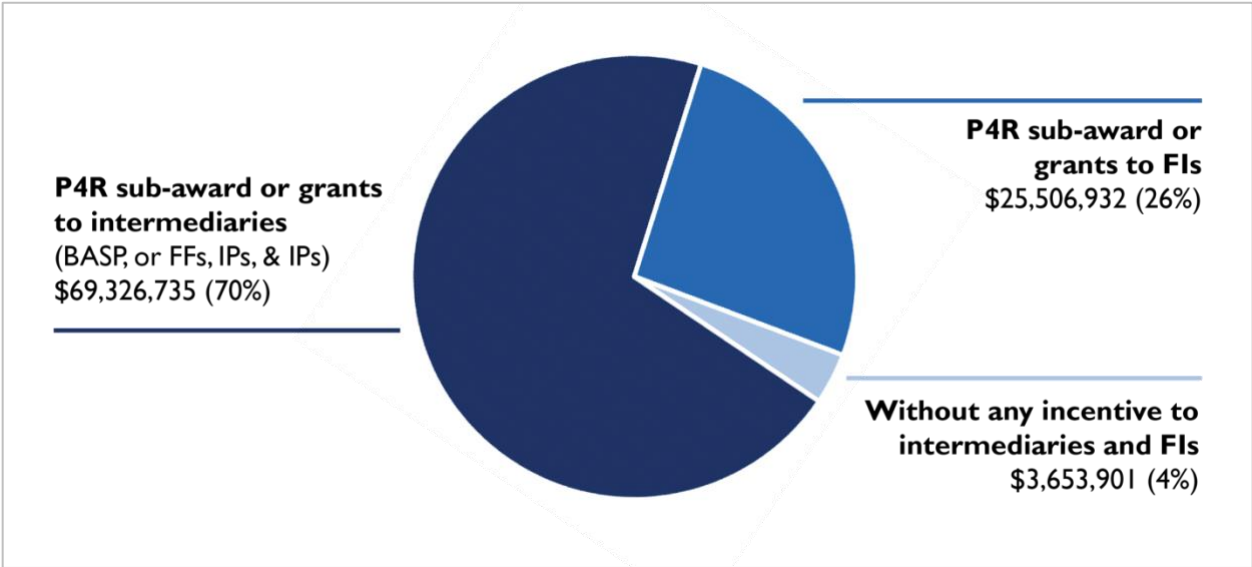


Table 2: Private Capital Mobilized by Country, by Type of Incentive

FY 2022			
Buy-In	Capital Mobilized via FI Direct Engagement	Capital Mobilized from Support from Intermediaries	Total
 EoG	-	\$33,013,652	\$33,013,652
 MS4G	\$10,490,290	\$735,926	\$11,226,216
 Peru	\$11,194,851	\$32,751,416	\$43,946,267
 PSD	\$3,653,901	-	\$3,653,901
 F4R	\$1,321,791	\$2,799,038	\$4,120,829
 EduFinance – South Africa	-	\$26,703	\$26,703
 WEE	\$2,500,000		\$2,500,000
Total	\$29,160,833	\$69,326,735	\$98,487,568
Percentage	30%	70%	

Number of Firms Receiving Financing Disaggregated by Firm Size

Out of **3,697** firms that received financing this year, **85%** were micro, **13%** were small and medium, and **2%** were large-sized firms.

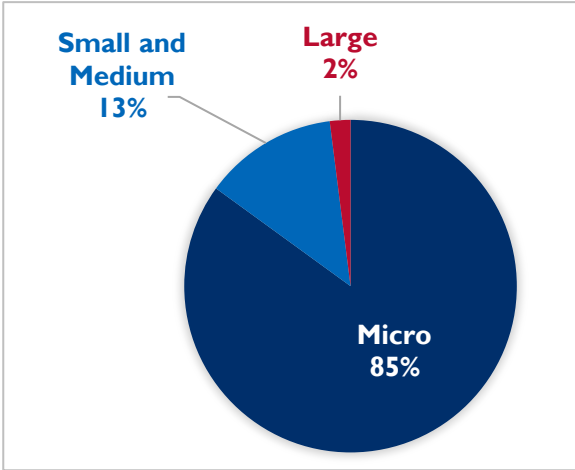


Table 3: Number of Firms Receiving Financing Disaggregated by Firm Size

Firm Size	FY 2022 Q4	FY 2022 YTD		Cumulative	
	#	#	%	#	%
Micro	1027	3136	85%	3141	84.5%
Small	145	450	12%	460	12.4%
Medium	10	44	1%	47	1.3%
Large	8	59	2%	60	1.6%
Not applicable / Schools		8	0%	9	0.2%
Total	1,190	3,697	100%	3,717	100.0%

Value of Financing Disaggregated by Firm size

Out of **\$98.5 million** in the financing, **59%** went to small- and medium-sized firms, **32%** to large, and **8.7%** to micro-sized firms.

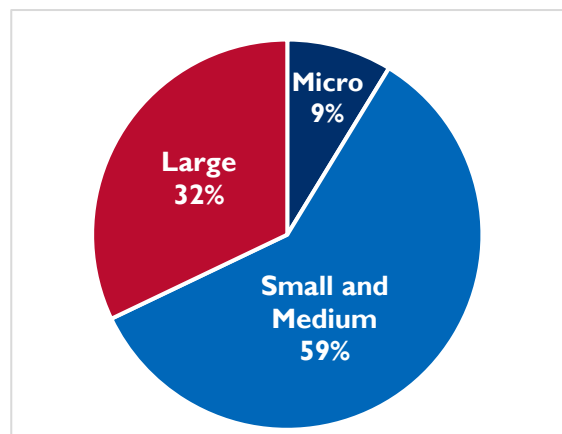


Table 4: Value of Financing Disaggregated by Firm Size

Firms Size	FY 2022 Q4		FY 2022 (YTD)		Cumulative	
	USD	USD	%	USD	%	
Micro	\$4,926,523	\$8,585,895	8.72%	\$8,585,895	7.86%	
Small	\$5,358,492	\$21,701,314	22.03%	\$27,018,521	24.72%	
Medium	\$7,647,086	\$36,565,891	37.13%	\$37,415,327	34.24%	
Large	\$25,490,325	\$31,607,765	32.09%	\$36,232,765	33.16%	
Not applicable / Schools		\$26,703	0.03%	\$26,703	0.02%	
Total	\$43,422,426	\$98,487,568	100%	\$109,279,211	100%	

The ranking is different when one consolidates findings for all of CATALYZE versus as in the table above, rather than breaking them down per activity. In Table 5, we demonstrate the makeup of each buy-in's financing allocation to firms, and average loan sizes per each.

Table 5: Financing by Enterprise Size by Buy-In






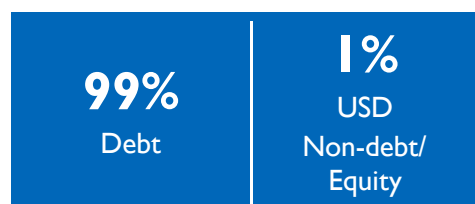
	Micro-sized enterprise		Small-sized enterprise		Medium-sized firms		Large-sized enterprises	
	PCM	# of Firms	PCM	# of Firms	PCM	# of Firms	PCM	# of Firms
 EoG	-		\$12,229,232	73	\$20,784,420	15	-	-
 MS4G	-	-	\$2,804,514	2	\$8,421,702	7	-	-
 Peru	\$6,343,977	2841	\$5,143,658	65	-	-	\$31,607,765	19
 PSD	\$431,101	43	\$1,033,933	11	\$2,188,867	5	-	-
 F4R	\$1,810,816	248	\$489,979	302	\$1,820,035	15	-	-
 WEE	-	-	-	-	\$2,500,000	1	-	-
Total	\$8,585,894	3,132	\$21,701,315	453	\$35,715,024	43	\$31,607,765	19
Average Financing by Size	\$2,741		\$47,906		\$830,852		\$1,663,567	

Table 6: PCM Disaggregated by Financing Type



PCM Disaggregated by Sector

In FY 2022, **44% of financing was directed into the agriculture sector**, followed by manufacturing (21%) and commerce (20%).

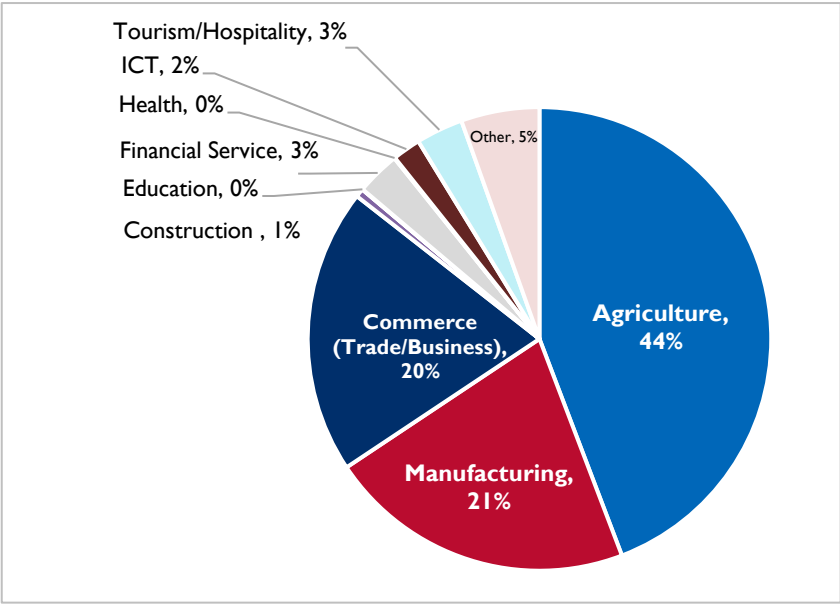










Table 7: PCM Disaggregated by Sector

Sector	FY 2022 Q4	FY 2022 YTD		Cumulative	
	USD	USD	%	USD	%
Agriculture	\$26,818,867	\$43,539,354	44.21%	\$47,389,596	43.37%
Manufacturing	\$2,228,388	\$21,111,859	21.44%	\$25,868,803	23.67%
Commerce (Trade/Business)	\$8,346,853	\$19,613,395	19.91%	\$19,782,599	18.10%
Construction	\$264,866	\$583,495	0.59%	\$1,039,508	0.95%
Education	\$-	\$26,703	0.03%	\$651,703	0.60%
Financial Service	\$2,500,000	\$3,008,314	3.05%	\$3,008,314	2.75%
Health	\$22,372	\$50,704	0.05%	\$50,704	0.05%
ICT	\$9,129	\$1,936,817	1.97%	\$1,936,817	1.77%
Tourism/Hospitality	\$920,330	\$3,230,571	3.28%	\$3,230,571	2.96%
Other	\$2,311,621	\$5,386,356	5.47%	\$6,320,596	5.78%
Total	\$43,422,426	\$98,487,568	100%	\$109,279,211	100%

PCM Disaggregated by Activity

Peru led CATALYZE this year in private capital mobilization by facilitating \$44 million, followed by EoG's \$33 million (33.5% of all PCM), MS4G's \$11.2 million (11.4%), F4R's \$4.1 million (4.2%), PSD's \$3.7 million (3.7%) and WEE, which, based on the very strict definition of PCM we are utilizing, placed \$2.5 million (2.5%) in private financing to one, woman-owned, controlled and managed microfinance institution this year.

Table 8: PCM Disaggregated by Activity

Activity	FY 2022 Q4	FY 2022 (YTD)	Cumulative
 EoG	\$2,401,460	\$33,013,652	\$36,165,840
 MS4G	\$2,484,179	\$11,226,216	\$15,486,216
 Peru	\$31,622,338	\$43,946,267	\$46,700,721
 PSD	\$3,128,164	\$3,653,901	\$3,653,901
 F4R	\$1,286,285	\$4,120,830	\$4,120,830
 EduFinance – South Africa	-	\$26,703	\$26,703
 EduFinance – Zambia	-	-	\$625,000
 WEE	\$2,500,000	\$2,500,000	\$2,500,000
Total	\$43,422,426	\$98,487,568	\$109,279,211

In addition – but technically not part of our current PCM definition – WEE financial institution partners Lendahand and Sarona have raised an estimated \$51 million (\$43 million by Lendahand, and \$8 million by Sarona) since the signing of their grant agreements that they intend to later on-lend to W-SMEs, women-led funds and financial institutions. In the case of Lendahand, \$11 million of the \$43 million in capital raised has already been placed in 8,929 W-SMEs, of which CATALYZE has only been able to report \$2.5 million as PCM. This is the amount we can verify (due to current validation requirements) that has gone to a woman-owned, -controlled and -managed microfinance institution. The CATALYZE Monitoring and Evaluation team began working with USAID and a PCM working group of other USAID implementers to investigate ways to more easily validate and verify PCM mobilized through the project to address the gap between what partners are reporting as financing success and what data can be responsibly validated by CATALYZE.

FY22 Financing Received Disaggregated by Owner’s Sex and Financing Value

Male-owned firms received **72%** of this year’s financing, and women-owned or jointly-owned firms received **27%** of **\$98.5 million**.

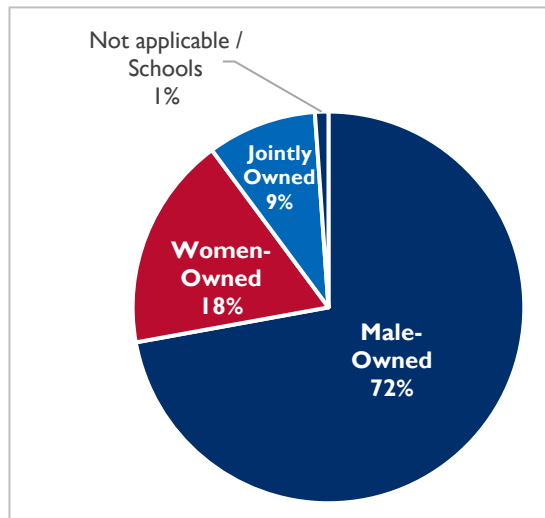


Table 9: Financing Received Disaggregated by Owner’s Sex & Financing Value

Firms’ Owner's Sex	FY 2022 Q4		FY 2022 (YTD)		Cumulative	
	USD	USD	%	USD	%	
Male-Owned	\$33,874,273	\$71,045,388	72.14%	\$79,877,952	73.10%	
Women-Owned	\$9,329,680	\$17,441,393	17.71%	\$18,146,018	16.61%	
Jointly Owned	-	\$8,903,986	9.04%	\$10,158,440	9.30%	
Not applicable / Schools	\$218,473	\$1,096,802	1.11%	\$1,096,802	1.00%	
Total	\$43,422,426	\$98,487,568	100%	\$109,279,211	100%	

Financed Firms Disaggregated by Owner's Sex

38% of these firms were owned by men, whereas women-owned or jointly owned firms constituted 61% of 3,697 firms that received financing.

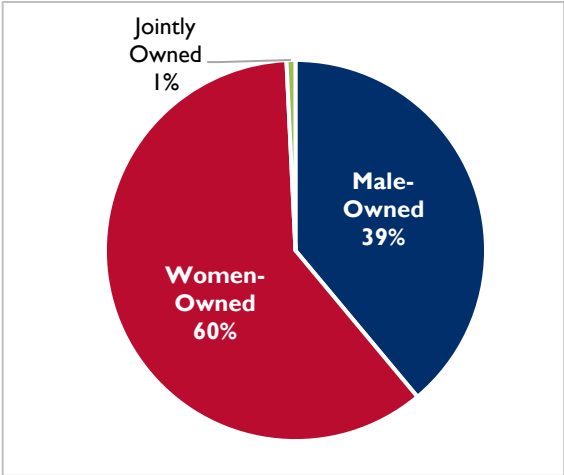
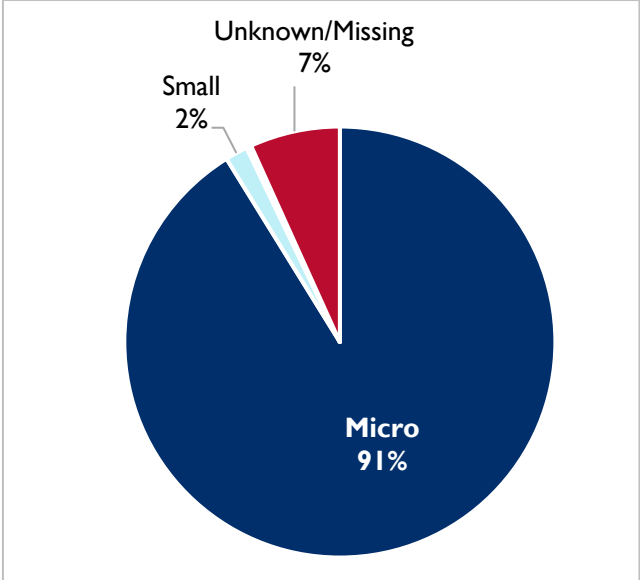


Table 10: Financed Firms Disaggregated by Owner's Sex

Firms' Owner's Sex	FY 2022 Q4		FY 2022 YTD		Cumulative	
	#	%	#	%	#	%
Male-Owned	463	38%	1414	38%	1429	38.4%
Women-Owned	717	59%	2185	59%	2186	58.8%
Jointly Owned	9	2%	58	2%	61	1.6%
Not applicable / Schools	-	0%	8	0%	9	0.2%
Unknown/Missing	1	1%	32	1%	32	0.9%
Total	1,190	100%	3,697	100%	3,717	100.0%

Number of Firms and Schools Assisted

CATALYZE provided technical & financial assistance to a total of **11,827 firms** (MSMEs), schools, and one association in FY 2022. **85% were micro- and 5.5% were small- and medium-sized firms.** The size of 581 firms from MS4G was unknown, and 491 schools do not report on size.



Cumulative PCM Results Covering FY 2021 + FY 2022

- CATALYZE has assisted 11,926 businesses (firms and schools) through financing and technical assistance since its inception. This includes 11,434 firms (MSMEs), 491 schools, and one association.
- Out of 11,926 businesses, 84% were micro, 5.5% small and medium, and 0.3% large-sized firms. 4.1% of these were schools (that we are not disaggregating by size), the size of 673 firms is unknown and 1 is an association.
- 50% of these firms were men-owned and 45% were women or jointly-owned. In addition, 4.1% of these were schools (that we are not disaggregating by owners' sex), and 1.1% with unknown status.
- Cumulatively, CATALYZE activities have engaged 139 intermediaries to date to facilitate financing. This includes BASPs, implementing partners, anchor firms, financing facilitators (individuals), or consultants engaged through different contracting mechanisms such as P4R/incentive-based contracts, grants, MoUs, and consultancy contracts to directly or indirectly facilitate financing. This number doesn't include FIs engaged via P4R contracts or MoUs because we consider FIs as finance providers, not transaction advisors or intermediaries.

Table 11: Number of Firms Assisted by Firm Size

Firm Size	FY 2022 Q4	FY 2022 YTD		Cumulative	
	#	#	%	#	%
Micro	7841	10060	85%	10065	84.4%
Small	145	549	5%	549	4.6%
Medium	10	107	1%	108	0.9%
Large	22	38	0%	39	0.3%
Not applicable / Schools	-	491	4%	491	4.1%
Unknown/Missing	581	581	5%	673	5.6%
Other	-	1	0%	1	0.0%
Total	8,599	11,827	100%	11,926	100.0%

Number of Firms Assisted by Firm Owner's Sex

Forty-five percent (**45%**) of firms supported cumulatively are owned or jointly owned by women, whereas men own **50%** of the 11,827 firms and schools supported by CATALYZE. Information on the gender of ownership was not available for 38 firms and 491 schools.

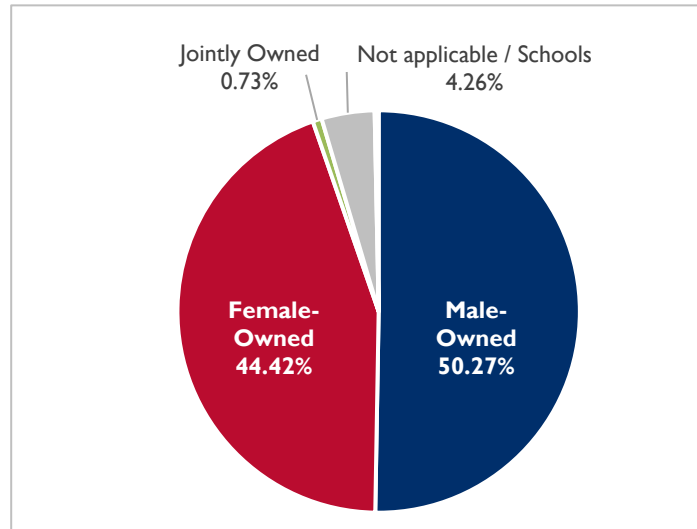


Table 12: Number of Firms Assisted by Firm Owner's Sex

Firms' Owner's Sex	FY 2022 Q4		FY 2022 YTD		Cumulative	
	#	#	#	%	#	%
Male-Owned	4902	5952	5952	50.27%	5956	49.9%
Female-Owned	3643	5259	5259	44.42%	5259	44.1%
Jointly Owned	43	87	87	0.73%	90	0.8%
Not applicable / Schools	0	491	491	4.26%	491	4.1%
Unknown/Missing	11	38	38	0.32%	130	1.1%
Total	8,599	11,827	11,827	100%	11,926	100%

SECTION 10

ANNEXES

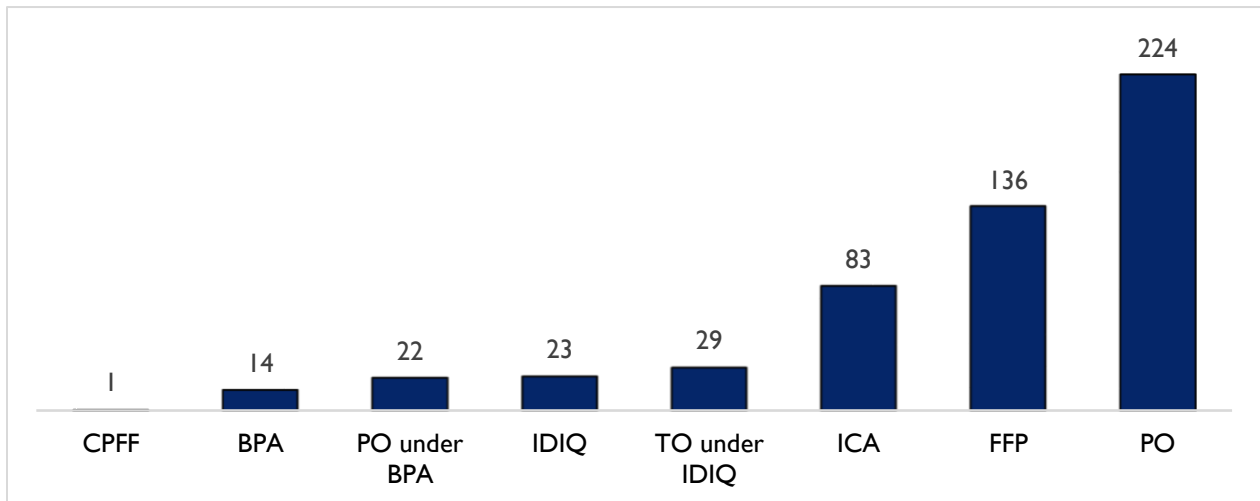
ANNEX I: PROCUREMENT LIST – SUBCONTRACTS AND GRANTS

Procurement

CATALYZE uses a range of procurement tools to support capital mobilization and blended finance objectives across all activities. These include the following:

- Indefinite Delivery Indefinite Quantity (IDIQ) Contracts
- Cost Plus Fixed Fee Contracts (CPFF)
- Blanket Purchase Agreements (BPA)
- Firm Fixed Price Contracts (FFP)
- Consulting Agreements (CA)
- Task Orders (TO)
- Purchase Orders (PO)
- Fixed-Price Task Orders

Figure I: Number of Procurement Tools Used (Cumulative, 532)

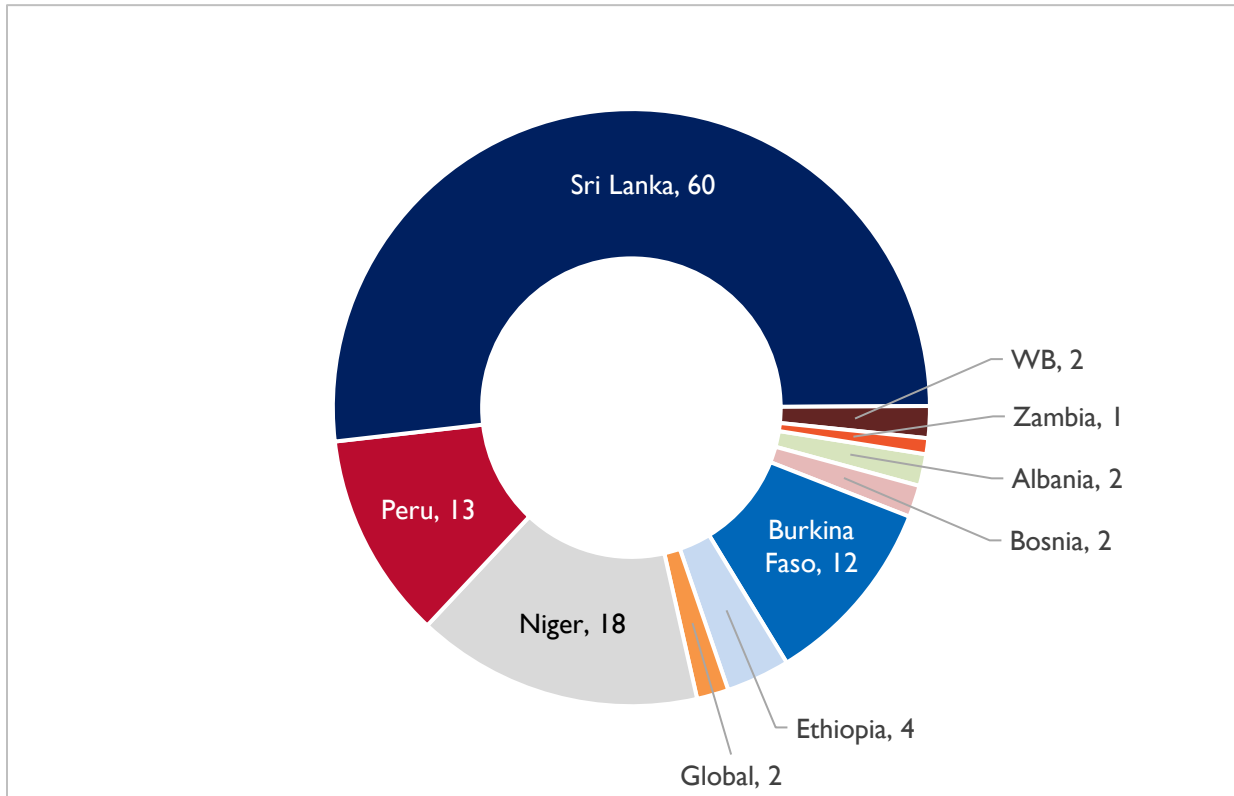


BPA	Blanket Purchase Agreement	IDIQ	Indefinite Deliverable Indefinite Quantity
CA	Cooperative Agreement	PO	Purchase Order
CPFF	Cost Plus Fixed Fee	TM	Time and Material
FFP	Firm Fixed Price	TO	Task Order
ICA	Individual Consultant Agreement		

Grants Under Contract (GUCs) at a Glance

As of September 30, 2022, CATALYZE had issued a cumulative total of \$12.05 million in grants to 93 awardees (of which 94.6% are local actors) to provide services across all CATALYZE activities.

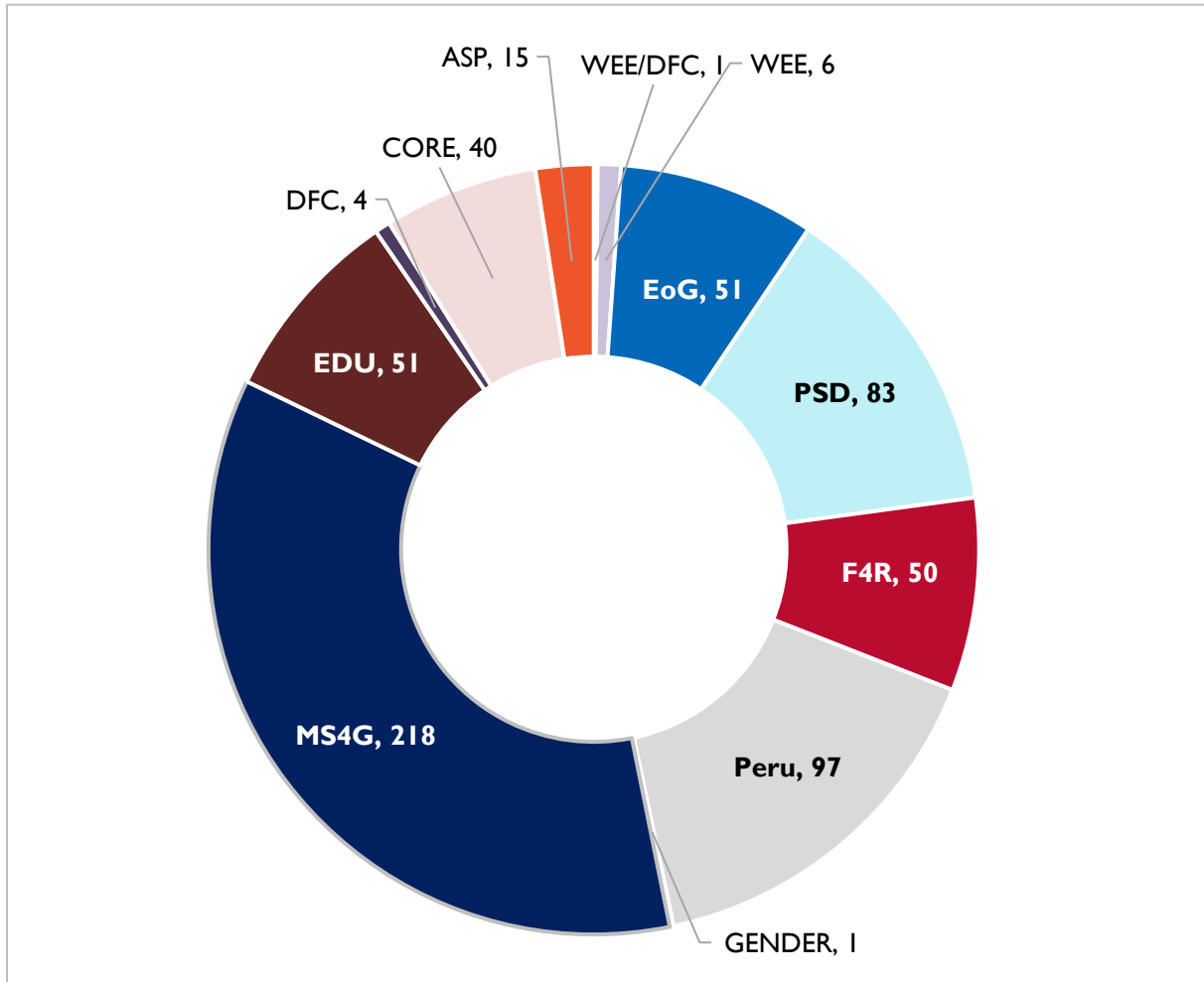
Figure 2: Cumulative Number of Grant Solicitations Issued by Activity (116)



Procurement at a Glance

As of September 30, 2022, CATALYZE issued \$24.48 million in subcontracts above the micro-purchase threshold (\$10,000) to 180 partners (of which 63.88% are local actors) to provide services across all CATALYZE activities for monitoring and evaluation, education finance learning support, and transaction advisory support. Of the 617 subcontract solicitations, CATALYZE has issued a total of 532 awards, including those below the \$10,000 threshold.

Figure 3: Cumulative Number of Subcontract Solicitations by Buy-In (617)



ANNEX 2: COLLABORATING, LEARNING, AND ADAPTING

CATALYZE’s CLA approach offers systematic sharing of interventions, successes, challenges, adaptations, and lessons learned within and across buy ins. All activities aim to implement a robust CLA approach that promotes internal and external synergies and applies adaptive management to pivot the program based on new information being collected. Learning remains a critical focus of the buy-ins as they participate in regular knowledge sharing opportunities with USAID, stakeholders, and other engaged market actors. The table below offers some examples of the specific actions the buy-ins took to support CLA efforts this year.

Table 1: Collaborating, Learning, and Adapting

Collaborating	
Focus	Specific Actions
<p>Inter and intra-team collaboration among CATALYZE Activities</p>	<ul style="list-style-type: none"> • MS4G held weekly internal technical team meetings and operational team meetings to discuss ongoing implementation, challenges encountered, and proposed solutions. The team took part in internal learning sessions and went on a collaborative annual work planning retreat. • ASP reached out to other buy-ins to learn about their PCM approaches and successes. The team engaged with EduFinance team members to design the Bangladesh activity. It also learned about workforce development from economic growth colleagues and from the WEE team to contribute to the Gender Action Plan. • EoG focused efforts on strategizing progress under Window I to expand BASPs and SMEs supported through the program. • PSD collaborated internally to develop M&E tools, pipelines, workflows, and reports to enhance the efficiency of capturing data. • EduFinance held an internal team retreat to strategize the workplan for year 4 and to synthesize learnings from year 3. • CATALYZE Peru enhanced internal collaboration to identify how project components can work together more strategically to improve project implementation. For example, the Strategic Alliances and Financial Innovation components developed a plan for a series of networking opportunities between BASPs and FIs, the first of which will place at the Peru learning event in October 2022.

<p>Stakeholder Engagement</p>	<ul style="list-style-type: none"> • ASP sustained interactions with stakeholders in the Philippines and Indonesia. Coordination with governments served to identify potential project locations, engage embedded technical support, and receive feedback about all aspects of the activities. ASP team members also held numerous meetings with an array of private sector actors to ensure their involvement in new activities in both countries as stakeholders and potential private capital sources. • EoG met with other international projects and financial institutions, such as USAID EDGE project and Swiss Development projects, to identify areas of collaboration. EoG participated in meetings, workshops, and events to promote the Access to Finance solutions for W-SMEs and the financial and technical BASPs; and to learn more about their needs, opportunities, and obstacles. • EoG surveyed SMEs and collected information about the impact of EoG activities on their total revenues and access to financing. The activity also conducted a learning study with BASPs to analyze how they identify and support SME clients, and solicit feedback on how the overall activity can be modified to deepen impact and scale.
<p>Engagement with USAID</p>	<ul style="list-style-type: none"> • MS4G participated in the Feed the Future Ethiopia Implementing Partner Quarterly Learning Event with USAID and other implementing partners to foster collaboration, coordination, joint learning, and joint implementation amongst implementing partners. The team is actively involved in stakeholder engagement to collaboratively design and plan for how the activity will utilize Ukraine supplemental funding to expand access to financing for fertilizer among vulnerable populations, and build capacity of the country’s fertilizer sector. • ASP is currently supported by USAID’s GenDev and PRH offices, in addition to the Asia Bureau, and team members collaborate actively with these offices to ensure new activities designed are aligning closely with respective priorities and activities. Collaboration with existing Mission programs, specifically around job creation and access to health, is expected to continue in the next year as the ASP activities complete design and approach the implementation stage. • EoG organized a Western Balkans tour, presenting the results and new workplan with USAID, BASPs networks, beneficiaries, partners on alternative investment activities, and meeting with Local Associations and Chamber of Commerce. These seven-day field visits covered Serbia, North Macedonia, and Albania. • EduFinance held strategy sessions with USAID/Washington as part of this activity’s CLA efforts.

	<ul style="list-style-type: none"> • F4R engaged in several collaborative meetings with other USAID RISE II Partners such as Yalwa, Youth Connect, TerreEauVie, Yidgiri, and ViMPlus. Some staff members from F4R Niger and Burkina Faso participated in USAID Sahel Collaboration and Communication Activity trainings on CLA, Resilience Collaboration, Learning and Adaptation (RCLA) Fellowship, and USAID virtual training on Useful Photography.
<p>Co-Creation</p>	<ul style="list-style-type: none"> • Last quarter, ASP organized a co-creation workshop in Manila to refine the design of its new activity, relying on USAID, public and private sector participants and collaborators. In Indonesia, the program is also engaged in co-creation with USAID and the host country government; this effort will culminate in a two-day, co-creation event in Jakarta in November 2022, where representatives from the public sector, private innovators, and NGOs will contribute critical input into the design and implementation of the proposed activity in this country. • EduFinance participated in co-creation of ECCE Activities as well as a Zambia/Tanzania rescoping exercise, involving USAID, private sector, civil society actors and also governments. • PSD held a Learning and Planning event to achieve greater alignment between Palladium PSD team and USAID to validate the PSD strategy, refine the Theory of Change, and map out an implementation plan to achieve expanded results. • F4R also developed a joint activity plan and collaboration protocol with USAID Yidgiri and Youth Connect (YC) Activities. • EoG held six co-creation events with partners to develop digital market solutions for W-SMEs, and four additional events to design alternative financing products and services.

LEARNING	
Focus	Specific Actions
Learning Agenda	<ul style="list-style-type: none"> MS4G recruited a CLA consultant to help team advance learning agenda. An in-country level learning event was conducted during which capital mobilization learnings and challenges were identified for future improvement. Similarly, an enterprise growth learning event was organized for SMEs and other partners, where MS4G presented its progress and participated in insightful discussions on ways to improve access to finance for SMEs. MS4G team conducted internal pause and reflect session with the enterprise growth, workforce development and business enabling environment components teams to explore learning questions relevant to their workstreams. CATALYZE WEE's ongoing CLA process with its grantee Saroná is helping to determine how best to overcome the macroeconomic challenges that have impeded its progress in fundraising for its women-centric fund-of-funds. Please reference the achievements and learnings section for additional details.
Peer Learning	<ul style="list-style-type: none"> MS4G participated in HQ facilitated CLA training. PSD conducted a total of three CLA trainings for its staff. These included trainings to familiarize staff with the approved AMELP, provide guidance on the CATALYZE approved definitions for PCM, and a reflection session in which the team reviewed on results through Q3, discussed upcoming activities planned for Q4, and ensured alignment between upcoming activities' expected outcomes and PSD annual performance indicators CATALYZE HQ held 05 learn and review sessions to facilitate learning across CATALYZE activities. These include a session on defining private capital mobilized (Dec 2021 & March 2022); conducting a session for CATALYZE Activity Management Unit (AMU) on secrets of success through working with BASPs(March 2022); PCM session with EduFinance (April 2022) and rolled out Document Repository in Smartsheet (October 2022).
Disseminate Learning	<ul style="list-style-type: none"> EoG wrote and disseminated learnings through a series of stories and blogs about the impact of EoG activities in the region, with a special focus on W-SMEs.

ADAPTING	
Focus	Specific Actions
Quarterly result reflections	<ul style="list-style-type: none"> • MS4G’s team conducted quarterly result reflections to review progress against targets for annual work plan development. • EoG activity is revising the AMELP to incorporate changes to the program design because of PWS revision. The revised result framework and KPI will be finalized in collaboration with USAID.
Record Pivots	<ul style="list-style-type: none"> • CATALYZE activities maintained a pivot logs to document the major changes to the program throughout the year.
Pause & reflect	<ul style="list-style-type: none"> • EduFinance organized a Pause and Reflect in South Africa on challenges to fundraising. • EoG conducted a Pause and Reflect session to discuss and reflect on project design, start-up, and implementation from Year I. This report captured the proceedings from the discussion and highlights key findings, lessons learned, and recommendations as they relate to each of the key questions investigated during the session.

ANNEX 3: COMMUNICATIONS PRODUCTS

Externally published articles

- Albania: With Access to Capital a Woman-Owned Small Business Drives Change One Vehicle at a Time | USAID PSE Exposure
- Cashing In on Sustainability: A Blended Finance Program Aims to Fight Climate Change by Catalyzing SME Investment in the Peruvian Amazon | NextBillion
- Supporting the Sri Lankan Economy One Handloomed Garment at a Time | Palladium Catalyst
- US Government Rolls out New Childcare Commitments Alongside Launch of World Bank Fund | Palladium Catalyst
- Palladium Partner Caja Huancayo wins Global SME Financier of the Year | Palladium Catalyst
- Building partnerships to mobilize financing in the Peruvian Amazonia | SAFIN Network
- Building resilience with the private sector in the midst of COVID-19 | SAFIN Network
- CATLAYZE Engines of Growth Introduces New Financial Products in Albania to Support SME Success | SAFIN Network
- Incentives for financial institutions reduce risks, increasing lending to small businesses | SAFIN Network
- Peanuts to profits: increasing women's access to finance in Burkina Faso | SAFIN Network
- Strength in numbers and knowhow | SAFIN Network
- Strengthening competitiveness of MSMEs in Sri Lanka | SAFIN Network
- Alternative Financing for Pharmacy Leads to Improved Access to Sanitation and Hygiene Products | MarketLinks
- Bolstering Economic Dynamism in the Western Balkans | MarketLinks
- CATLAYZE Engines of Growth Introduces New Financial Products in Albania to Support SME Success | MarketLinks
- Minimizing Risk While Growing Small Businesses in Peruvian Amazonia | MarketLinks
- Sparking Interest in Private Equity to Promote Growth of SMEs | MarketLinks
- The Sri Lanka Apparel Sector Survives and Thrives with USAID support | MarketLinks
- Training Business Advisory Service Providers to Improve Financing Prospects for SMEs | MarketLinks

Blogs solely published on Medium

- [Building Business Acumen in Ethiopia Opens Doors for Women-Owned Small Business and Bolsters Food Security](#)
- [Enhancing the Richness of Ethiopian Coffee Beyond Flavor](#)
- [Go Digital or Go Home. USAID CATALYZE PSD Provides Vital Business Advisory Support to Increase MSME's Competitiveness in Sri Lanka](#)
- [Investment in Early Childhood Care and Education Centers Crucial to Quality Learning in South Africa](#)
- [Keeping schools on track in Zambia during the COVID-19 pandemic](#)
- Serbian: [Подстицање интересовања за приватни власнички капитал у циљу промовисања раста малих и средњих предузећа](#)
- [Support to Sri Lanka's Tourism Sector Strengthens Small Business Resiliency](#)
- [USAID CATALYZE and Local Supermarket Chain in Sri Lanka Strengthen Competitiveness of MSMEs](#)
- [USAID CATALYZE Prepares a Pipeline of SMEs in the Western Balkans to Receive Equity Investments, Bolstering the Region's Economic Dynamism](#)

Notable social media posts

- [Agreement signing ceremony between Regional Government of San Martin and CATALYZE Peru](#) | USAID Peru Twitter
- [Aspen ANDE WEE and INVEST learning event spotlight](#) | Deetken Impact Twitter
- [Aspen ANDE WEE and INVEST learning event spotlight](#) | Head of Aspen ANDE Richenda Van Leeuwen Twitter
- [CATALYZE Peru learning event highlight](#) | USAID Peru Twitter
- [CATALYZE Peru partner won SME Financier of the Year award](#) | Caja Huancayo Twitter
- [CATALYZE Peru partner won SME Financier of the Year award](#) | SME Finance Forum Twitter
- [CATALYZE PSD grant to address COVID-19 hardships](#) | MarketLinks Twitter

- [Co-creation workshop in Manila, Philippines under ASP](#) | USAID Health Systems Advisor Sweta Saxena repost on LinkedIn
- [Minimizing Risk While Growing Small Businesses in Peruvian Amazonia](#) | USAID Peru Facebook
- [Peanuts to profits: increasing women's access to finance in Burkina Faso](#) | Burkina Faso Embassy Facebook
- [PSD Keells partner MoU signing ceremony](#) | Sri Lanka Ambassador Julie Chung
- [Stimulating private capital investment in the Western Balkans](#) | MarketLinks Twitter

Videos

- Peru | [Program overview](#)
- Peru | [Where program is developing](#)
- Peru | [Highlight video of Financial Intermediary Patt Fresh's Pay-for-Results program](#)
- Peru | [Learning event highlight video](#)
- Peru | [Beneficiary work with business advisory services company Cacao el Rey](#)
- Peru | [Testimony of a financial intermediary and the expectations of working with Caja Huancayo](#)
- Peru | [Testimony of a manager from an anchor firm, Villa Andina](#)
- Peru | [Testimony of a manager from a cooperative, CENFROCAFE](#)
- Peru | [About the digital ecosystem](#)
- Peru | [About the pay-for-results program](#)
- Peru | [About formed partnerships with other umbrella actors such as subnational governments \(private\)](#)
- PSD | [Empowering the Eco-Tourism Industry in Sri Lanka](#)
- PSD | [Achieving Business Resiliency in Sri Lanka](#)

Infographics

- CATALYZE [Map](#)
- EduFinance Latin America and Caribbean (LAC) Region [Infographic](#)

- Peru Digital Ecosystem [Infographic](#) (English)
- Peru Digital Ecosystem [Infographic](#) (Spanish)
- Peru Future of the Amazon [Infographic](#) (English)
- Peru Future of the Amazon [Infographic](#) (Spanish)

ANNEX 4: LEARNING EVENTS

In Year 3, CATALYZE held a series of buy-in specific learning events with partners and key stakeholders (e.g. F4R, MS4G, PSD, Peru, and WEE) to examine the barriers and enablers to mobilizing finance for development. More comprehensive than the buy-ins regular Pause and Reflects, the learning events brought together CATALYZE partners, USAID staff, and other private sector actors to network and share knowledge and data to determine progress, answer learning questions, uncover best practices, and surface practical suggestions on how to more effectively mobilize private capital for development.

The first of the learning events was held in August 2022 in Ethiopia. MS4G stakeholders discussed what is working (and not working) in unlocking private capital to drive inclusive growth and considered the challenges and opportunities for raising capital in a constantly shifting business environment. In September 2022, CATALYZE WEE hosted a joint-learning event with USAID sister projects from the PSE Hub, the Aspen Network of Development Entrepreneurs Gender Equality Initiative (AGEI) and INVEST, gathering staff, partners, and stakeholders to discuss common trends, challenges, and solutions to closing the gender financing gap within and across these projects. This cross-project collaboration helps to ensure gender investment learning is not siloed within PSE Hub projects, but rather used to ensure joint progress toward reducing the gender financing gap.

F4R held both an online and in-person learning event with more than 100 diverse stakeholders across Burkina Faso, Niger, Senegal, and Washington D.C., participating. CATALYZE Peru's in-person event had 88 participants from different stakeholders, including financial institutions, financial facilitators, companies, and other private sector actors, discussing new opportunities to mobilize more financing for licit businesses in Peru's Amazon. The PSD Learning and Planning event in September helped to better



EoG's Learning Event in Tirana, Albania, offered W-SMEs and BASPs to discuss ways to increase access capital, markets, and opportunities. Photo: Brian Oh/Palladium



Peru's Learning Event brought together 88 stakeholders. Photo: CATALYZE PERU

align the Palladium PSD team and USAID on the PSD strategy, built on PSD's Theory of Change, and mapped out activities to achieve results in PSD's Year 3.

EoG planned Learning Events for stakeholders in Belgrade (October 4, 2022) and Tirana (October 6, 2022). The events will capture learning from partners working to promote private equity, venture capital, fintech, and support to W-SMEs businesses. EduFinance and ASP will hold learning events in Year 4. Findings from the Learning Events will be shared through case studies, learning briefs, blogs, and webinars throughout Year 5 on various external communications channels.

ANNEX 5: WHERE WE WORKED IN YEAR 3

Map 1: Countries Where CATALYZE Worked in Year 3



Countries Where CATALYZE Worked in Year 3:

Albania, Bangladesh, Bosnia & Herzegovina, Burkina Faso, DRC, Dominican Republic, El Salvador, Ethiopia, Guatemala, Haiti, Honduras, India, Indonesia, Iraq, Kenya, Kosovo, Montenegro, Niger, North Macedonia, Paraguay, Peru, Philippines, Rwanda, Serbia, Somalia, South Africa, Sri Lanka, Tanzania, and Zambia.