



USAID
FROM THE AMERICAN PEOPLE

MICROENTERPRISE RESULTS REPORTING

ANNUAL REPORT TO CONGRESS, FISCAL YEAR 2009



JUNE 2010

The cover photo depicts a man creating clay pots in his cottage in rural Rajasthan, India. He sells his products directly to the market through a self help group.

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EXECUTIVE SUMMARY

The Microenterprise Results Reporting (MRR) Annual Report for Fiscal Year (FY) 2009 summarizes USAID's investments and priorities in microfinance and microenterprise development. The Annual Report documents USAID funding for microenterprise development in 71 countries through 152 diverse implementing partners, ranging from private voluntary organizations (PVOs) and non-governmental organizations (NGOs) to for-profit banks and enterprise development service providers.

The FY 2009 report reflects USAID's continued commitment to leveraging its investments in microenterprise development. USAID helps strengthen the performance of increasingly commercial microfinance institutions (MFIs), allowing them to attract private investors and grow more sustainably than if they relied solely on donor support. USAID also reduces some of the risk to private investors and lenders by offering partial credit guarantees and other enhancements. FY 2009 saw a 32 percent increase from the FY 2008 guarantee subsidy amount of \$7.3 million. Currently \$9.7 million in USAID funding for credit guarantees is supporting up to \$455.2 million in private sector credit to microfinance institutions and microenterprises.

This report fulfills the 12 reporting requirements included in the Microenterprise Results and Accountability Act of 2004 (Public Law 108-484). Key findings include:

1. In FY 2009, USAID provided \$267 million in funding for microenterprise development through 166 new and existing grants, cooperative agreements, and contracts in 71 countries, as well as several with a regional or worldwide focus.
2. USAID provided \$24.1 million in funding through central mechanisms in FY 2009.
3. Through the use of credit guarantees, \$9.7 million in USAID funding leveraged up to \$455.2 million in private sector lending to institutions serving microfinance clients since 2002.
4. USAID provided \$147.5 million in funding through contracts in FY 2009. However, nearly 19 percent of these funds, or \$27.9 million, were sub-allocated to local partners through grants under contract. An additional \$77.6 million in microenterprise funding was sub-granted or sub-contracted in FY 2009, for a total of \$105.9 million to sub-recipients, with local partners receiving over 61 percent of this funding.
5. In FY 2009, USAID Missions and operating units reported that \$29.7 million in USAID funds were matched by an additional \$8.6 million from sources outside the U.S. Government.
6. Sixteen USAID-assisted partners implementing 17 programs in 11 countries used USAID-certified poverty assessment tools to measure and report the share of their clients who are "very poor," defined as people living on less than \$1/day at purchasing power parity, or those among the poorest 50 percent of people living below their country's poverty line. Based on their reports, USAID estimates that 23.5 percent of microenterprise funds directly benefited "very poor" clients as defined in that legislation.
7. An estimated 973,000 very poor people directly benefited from microenterprise programs in FY 2009, including microfinance clients as well as owners and employees of microenterprises benefiting from USAID-supported enterprise development interventions. This estimate assumes that the percentage of "very poor" clients reported by partner institutions for the 17 programs cited above applies to the broader range of USAID-supported microenterprise development programs.
8. By the end of FY 2009, USAID had certified poverty assessment tools for use in 29 countries, representing 76 percent of USAID microenterprise funding, excluding several countries where security conditions or government policy preclude developing or applying poverty assessment tools.

9. Approximately \$13.6 million of USAID's microenterprise funding in FY 2009 assisted victims of trafficking in persons and women who are particularly vulnerable to other forms of exploitation and violence.
10. In FY 2009, 13 percent of borrowers, 9 percent of savers, and 49 percent of enterprise development clients were located in countries where a relationship between poverty and race or ethnicity has been demonstrated.
11. USAID exceeded many of its performance goals relating to microfinance, including proportion of women clients, proportion of rural clients, and financial sustainability. Most enterprise development goals were also exceeded. USAID did not meet its goals for the number of borrowers and savers. This can be largely attributed to fewer data or no data reported from five programs that had high borrower and saver figures in FY 2008. However, USAID believes that the great majority of the clients of the MFIs supported by these USAID programs continue to benefit from their services. USAID also did not meet goals related to percentage of funds benefiting the very poor in both microfinance and enterprise development.

ACRONYMS

CPI	Consumer Price Index
DCA	Development Credit Authority
FVP	Funds Benefiting the Very Poor
FY	Fiscal Year
MD	USAID Office of Microenterprise Development
MFI	Microfinance Institution
MRAA	Microenterprise Results and Accountability Act of 2004
MRR	Microenterprise Results Reporting
MSED	Micro and Small Enterprise Development
NGO	Non-governmental Organization
PAT	Poverty Assessment Tool
PPP	Purchasing Power Parity
PVO	Private Voluntary Organization
RDM/A	Regional Development Mission/Asia
USAID	United States Agency for International Development

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INTRODUCTION

This report fulfills the requirement of the Microenterprise Results and Accountability Act of 2004 (Public Law 108-484) that each year, “the Administrator of the Agency, acting through the Director of the office, shall submit to the appropriate congressional committees a report that contains a detailed description of the implementation of this title for the previous fiscal year.”

The United States Agency for International Development (USAID) is a leader among donors in the field of microenterprise development and microfinance. USAID provides competitive awards to hundreds of diverse partners, ranging from non-governmental organizations, business associations and consulting firms to commercial banks. USAID supports innovations in financial services, enterprise development, and the enabling environment to strengthen the contribution of microenterprises to poor households’ well-being and economic growth.^{1,2}

¹ **Financial services** include the provision of financial services adapted to the needs of low-income people, especially small loans, facilities for small savings deposits, and simple payments services needed by microentrepreneurs and other poor people. This report uses the term microfinance interchangeably with financial services. **Enterprise development** interventions help microenterprises start, survive, and grow by helping them acquire skills and knowledge, gain access to financing and other inputs, and develop commercial relationships with other firms (both micro-scale and larger firms) in order to tap into higher-value markets. **Enabling environment** activities promote appropriate laws, policies, regulations, and supervisory and administrative practices in order to expand access to financial services for low-income people or improve the business environment in which microenterprises operate.

² This report summarizes results achieved by partner institutions with USAID assistance, consistent with the Microenterprise Results and Accountability Act of 2004 and with USAID’s own policies on results reporting. Wherever possible, USAID partners have reported only those results attributable to USAID technical and financial assistance. However, many partners receive complementary assistance from other donors and, increasingly, from the private sector. Leveraging such additional resources is

FY 2009 recorded another increase in USAID’s microenterprise development funding, making this year the largest investment in microenterprise development to date by USAID and its implementing partners.

Financial services and enterprise development interventions expand economic opportunities for poor households and businesses, while helping them to respond to those opportunities, build household assets, and cope with emergencies. Improvements in the enabling environment for microfinance encourage investment and innovation by microfinance institutions of all types, while improvements in the business enabling environment help micro-entrepreneurs participate in markets, increase their earnings, and realize the benefits of international trade.

USAID identifies best practices, develops analytical tools, and provides technical assistance to its Missions and implementers to strengthen their programs. USAID also coordinates with other donors to promote good practices and aid effectiveness in microfinance and microenterprise development.

Microenterprise Results Reporting (MRR), USAID’s system for tracking microenterprise obligations and implementing partner results, has prepared Annual Reports on USAID’s funding patterns and partner level results since 1996.³ To produce this Annual Report the MRR gathered and summarized data obtained from USAID Missions and implementing partners.

essential to maximize the reach, effectiveness, and sustainability of USAID assistance, and also typically leads to results that would not be possible without USAID assistance. Nevertheless, identifying the portion of partners’ results attributable to USAID’s own assistance is often difficult or impossible.

³ To view Annual Reports from previous years, visit www.mrreporting.org.

I: OVERALL FUNDING

Number of grants, cooperative agreements, contracts, or other forms of assistance provided, including amount, name of recipient, program, and country

In FY 2009, USAID provided a total of \$267 million in microenterprise development assistance through 166 new and existing agreements, including grants, cooperative agreements, and contracts with 152 implementing partners in 71 countries. Reported microenterprise funding increased modestly from the level recorded in FY 2008. The FY 2009 total is the largest investment in microenterprise development since MRR began tracking data in 1996. Greater efforts continued this year to capture data on more

agricultural-related microenterprise development programs. In addition, central offices reported an increased level of funding for cross-cutting programs with microenterprise development components. These are discussed in more detail under Reporting Requirement 12 of the report.

Table 1 shows the sources of FY 2009 USAID funds for microenterprise by appropriation account. Annex A details each country receiving assistance, the amount of each award, and the name of each implementing partner. Annex B includes information on FY 2009 funding by USAID Bureau.

Table 1. Sources of USAID Funds for Microenterprise by Account (\$ million), FY 1999 – 2009

Account ⁴	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
DA	\$74.1	\$88.3	\$85.3	\$80.7	\$87.8	\$91.2	\$87.9	\$82.8	\$70.9	\$82.2	\$74.0
ESF	\$33.0	\$25.2	\$27.9	\$48.1	\$28.4	\$17.7	\$37.3	\$78.0	\$44.5	\$132.3	\$164.7
INC and ACI					\$2.1	\$21.4	\$14.8	\$7.0	\$32.1		
FSA	\$12.8	\$30.3	\$19.6	\$33.4	\$41.0	\$35.1	\$21.0	\$18.6	\$11.5	\$18.2	\$7.2
SAI/SEED	\$13.0	\$9.2	\$7.6	\$6.7	\$14.5	\$13.9	\$14.2	\$8.5	\$10.9	\$17.9	\$10.4
P.L.-480 ⁵	\$17.3	\$8.8	\$13.7	\$18.6	\$4.8	\$10.0	\$6.7	\$9.0	\$9.5	\$4.6	\$3.1
IRRF						\$7.2	\$28.9	\$11.3	\$8.1		
CSH/HIV		\$0.8	\$0.5	\$0.5	\$1.0	\$0.6	\$0.4		\$4.9	\$2.6	\$3.6
GHAI									\$0.7	\$1.6	\$1.9
IDFA							\$0.2	\$1.4			
CACEDRF	\$3.2	\$8.0									
PEPFAR											\$0.6
AEECA											\$1.4
Total	\$153.4	\$170.6	\$154.6	\$188.0	\$179.6	\$197.1	\$211.4	\$216.0	\$193.1	\$259.4	\$267.0

⁴ DA – Development Assistance
 ESF – Economic Support Funds
 INC – International Narcotics Control
 ACI – Andean Counternarcotics Initiative
 FSA – Freedom Support Act
 SAI/SEED – Special Assistance Initiatives includes Support for Eastern European Democracy
 P.L.-480 – Local currency from monetization of Public Law 480 (Title II) food aid
 IRRF – Iraq Relief and Reconstruction Fund
 CSH/HIV – Child Survival and Health/Human Immunodeficiency Virus

GHAI – Global Health AIDS Initiative
 IDFA – International Disaster and Famine Assistance
 CACEDRF – Central American and Caribbean Emergency Disaster Recovery Fund
 PEPFAR – The U.S. President’s Emergency Plan for AIDS Relief
 AEECA – Assistance to Europe, Eurasia and Central Asia

⁵ P.L.-480 and local currency funds in the amount of \$3.1 million are USDA funds managed by USAID. Program results were collected on these programs and are included in the USAID partner data in this report.

2: CENTRAL FUNDING

Amount of assistance provided through central mechanisms

USAID provided \$24.1 million in funding through central mechanisms from USAID/Washington in FY 2009, as shown in Table 2. This total includes funding from the Office of HIV/AIDS that for the first time has been attributed to microenterprise development. The table excludes support for microenterprise development through local currency generated through sale of Public Law 480 food aid, previously reported by the central Office of Food for Peace, but currently reported by individual country Missions.

Table 2. Central Mechanism Funding by Office (U.S.\$ millions)

Microenterprise Development	\$17.4
Democracy and Governance	\$3.0
Private Voluntary Cooperation	\$2.1
Population and Reproductive Health	\$0.6
HIV/AIDS	\$0.6
Natural Resources Management	\$0.4
Total	\$24.1

3: DEVELOPMENT CREDIT AUTHORITY

Name of each country that receives DCA assistance and the amount of that assistance

Since 1999, USAID's Office of Development Credit has enabled USAID Missions to expand the capital base for microfinance by providing partial guarantees rather than grants. Such guarantees encourage mainstream financial institutions, such as commercial banks, to lend to MFIs and thus enable the MFIs to expand their portfolios. Many Missions have used this vehicle successfully to support market leaders and increase funding to the sector.

Table 3 summarizes active guarantees supporting microfinance in FY 2009. Guarantees include the Development Credit Authority (DCA) and the Micro and Small Enterprise Development (MSED) program, both managed by the Office of Development Credit. The column labeled "Guarantee Subsidy" shows the budgetary costs of providing guarantees. Subsidy costs vary according to country, lender, borrower, and transaction risk. The amounts shown under "Lending Guaranteed" indicate funds available for lending to microfinance institutions as a result of partial guarantees provided by USAID. Since FY 2002, \$9.7 million in USAID funding for credit guarantees leveraged up to \$455.2 million in private sector credit to MFIs and microenterprises.

Table 3. Active USAID Credit Guarantees Related to Microfinance since FY 2002

Country	Guarantee Subsidy	Lending Guaranteed	Fiscal Year
Morocco	\$9,800	\$400,000	2002
Peru	\$74,000	\$2,000,000	2002
Honduras	\$162,400	\$3,500,000	2003
Morocco	\$48,100	\$5,000,000	2003
Worldwide	\$75	\$10,000	2003
Ecuador	\$453,620	\$7,400,000	2004
Jamaica	\$243,950	\$8,500,000	2004
Honduras	\$115,200	\$2,000,000	2005
Indonesia	\$1,208,680	\$16,400,000	2005
Peru	\$299,800	\$8,000,000	2005
Uganda	\$156,060	\$2,700,000	2005
Guatemala	\$400,000	\$20,100,000	2006
Worldwide	\$66,300	\$80,600,000	2006
Bulgaria	\$57,000	\$1,500,000	2007
Ecuador	\$1,040,501	\$11,250,000	2007
Georgia	\$77,100	\$1,500,000	2007
Haiti	\$151,750	\$2,500,000	2007
Colombia	\$92,800	\$8,000,000	2008
Democratic Rep. of Congo	\$378,000	\$5,000,000	2008
Dominican Republic	\$385,000	\$10,000,000	2008
Guyana	\$99,180	\$5,800,000	2008
Haiti	\$138,600	\$2,000,000	2008
Jamaica	\$275,770	\$8,360,000	2008
Kenya	\$0	\$10,000	2008
Paraguay	\$298,430	\$5,100,000	2008
Worldwide	\$1,399,636	\$36,260,000	2008
Egypt	\$288,000	\$20,000,000	2009
Ethiopia	\$998,900	\$7,810,000	2009
Georgia	\$32,200	\$1,000,000	2009
Macedonia	\$83,500	\$5,000,000	2009
Malawi	\$269,000	\$5,000,000	2009
Worldwide	\$399,307	\$162,500,000	2009
Total	\$9,702,659	\$455,200,000	

4: USAID FUNDING RECIPIENTS

Level of funding provided through contracts; level of funding that is estimated to be subgranted or subcontracted from grants, contracts, and cooperative agreements; and analysis of the comparative cost-effectiveness and sustainability of projects carried out under these mechanisms

In an effort to provide support to microenterprise development initiatives worldwide, USAID uses a variety of assistance mechanisms and implementing partners. The Microenterprise Results and Accountability Act of 2004 (MRAA) requires USAID to report on the funding provided through these various mechanisms, both directly to USAID partners and through sub-allocations to sub-recipients. The legislation also calls for an analysis of the comparative cost-effectiveness and sustainability of projects carried out under these mechanisms.

Table 4 summarizes USAID microenterprise funding provided through contracts by partner type in FY 2009. Of the total FY 2009 obligation amount of \$267 million, \$147.5 million (55 percent) was directly obligated to implementing partners through contracts. However, as shown in Table 5, \$27.9 million was further sub-allocated as grant funding. Ninety percent of these sub-grant funds under contract were sub-allocated to local partners.

In FY 2009, non-profit partners were the direct recipients of 35 percent (\$93.4 million) of total microenterprise funding, while consulting firms were the direct recipients of 49 percent (\$130.6 million). Funds obligated to non-profit partners include those obligated to U.S.-based PVOs (\$20.4 million or 7.6 percent of FY 2009 microenterprise funding), local NGOs (\$71.9 million or 27 percent), and cooperatives (\$1.1 million or 0.4 percent).

Table 4. Recipients of USAID Microenterprise Funding, FY 2009 (U.S.\$ millions)

Partner Type	Total Funding	Percent of Total Funding	Funding Through Contracts
Non-Profits ⁶	\$93.4	35%	\$1.6
Consulting Firms	\$130.6	49%	\$129.6
Other For-Profits ⁷	\$16.6	6%	\$16.1
Other Entities ⁸	\$26.4	10%	\$0.2
Total	\$267.0	100%	\$147.5

SUB-OBLIGATIONS

Table 5 shows the estimated level of funding that was sub-obligated to direct service providers in FY 2009 in the form of grants, contracts, and cooperative agreements. Funding for sub-recipients is an important indication of USAID's ability to involve local partners in the Agency's microenterprise development efforts. In FY 2009, approximately \$105.9 million was sub-obligated to 445 institutions. Approximately 61 percent of these sub-obligated funds were directed to local partners in host countries, including cooperatives, credit unions, local NGOs, business associations, research/educational institutions, and non-bank financial institutions.

⁶ Non-Profits include PVOs, NGOs, cooperatives and credit unions. However no credit union partners were reported in FY 2009.

⁷ Other For-Profits include banks, non-bank financial institutions, finance companies, and other for-profit institutions.

⁸ Other Entities includes business associations, government agencies, research and educational organizations, obligations to USAID for microenterprise project management, pending agreements, and institutions marked "other."

It should also be noted that the sub-recipient funding reported by USAID’s partners does not originate entirely from FY 2009 USAID obligations, as funds are disbursed and expended by partners on a timeline that often differs from USAID’s fiscal year obligations. Therefore some of these funds may come from previous year obligations.

COST-EFFECTIVENESS AND SUSTAINABILITY

To track the comparative cost-effectiveness and sustainability of programs, MRR collects data on the financial and operational sustainability of partner institutions in implementing microfinance programs.⁹ In FY 2009, 88 percent of USAID-funded MFIs were operationally self-sustaining, whereas 75 percent attained the more demanding goal of full financial sustainability. As USAID considers an institution’s sustainability to be related to its cost-effectiveness, the Agency uses a number of methods to assist microfinance institutions to become self-sustaining. These methods include: 1) requiring that implementing partners develop concrete plans to achieve financial sustainability so that their revenues cover all their costs; 2) providing funds and technical assistance to build strong institutions that can continue serving their clients after USAID support ends; 3) identifying best practices and business models to achieve sustainability; and 4) providing credit guarantees to help microfinance institutions access private capital for financing future growth.

The MRAA also called for an analysis of the comparative cost-effectiveness and sustainability of projects carried out under different funding mechanisms. Measures of cost-effectiveness and

⁹ **Operational sustainability** measures the degree to which an institution generates sufficient revenue from operations to cover all of its operating costs, including loan losses and the costs of capital. **Financial sustainability** measures the degree to which the institution’s revenues from operations also cover the costs of its funds calculated at market rates, adjusted for the effects of inflation and subsidies. MRR guidance on the calculation of these measures was revised this year to align with the calculation used by the Mix Market, a leading source of financial and social performance data on MFIs.

sustainability for any given project are derived from the specific objectives to be achieved by the project, the context in which it operates, and the duration of support. Given the broad application of microenterprise programs to meet development objectives, it is not possible to calculate and compare these measures using only the results data tracked by MRR. Nevertheless, USAID continues to examine the cost-effectiveness and sustainability of microenterprise projects in evaluations of individual projects.

Table 5. Reported Sub-Obligations

Institution Type	Total Sub-Obligations	Grants Under Contracts
Bank	\$2,464,760	-
Business Association	\$2,047,821	\$355,583
Chamber of Commerce	\$278,562	\$104,732
Consulting Firm	\$2,385,624	\$442,257
Cooperative	\$376,075	\$87,899
Credit Union	\$8,883,817	-
Finance Company	\$434,059	-
For Profit	\$14,478,729	\$1,634,376
Gov. Agency	\$1,204,557	-
NGO	\$49,302,040	\$24,655,384
Non Bank Financial Institution	\$1,262,799	-
Other	\$3,650,130	-
PVO	\$15,994,229	\$600,000
Research/Educational	\$2,914,153	-
Rural Bank	\$240,000	-
Total	\$105,917,355	\$27,880,231

5: MATCHING ASSISTANCE

Amount of matching funds provided by recipients of microenterprise development assistance

USAID frequently requires that its funds for a particular purpose be matched by funds from other sources, including the partner institution itself. In FY 2009, \$29.7 million of USAID microenterprise funds were matched by an additional \$8.6 million from other sources. Matching funds from these sources may include private donations, multilateral funding, commercial and concessional borrowing, savings, and program income.

6: FUNDS BENEFITING THE VERY POOR

Percentage of assistance that was allocated to the very poor

In adherence to the Microenterprise for Self Reliance Act of 2000 (the 2000 Act) and the MRAA, USAID uses two methods for estimating the percentage of funds benefitting very poor clients: (1) the poverty loan proxy, and (2) the USAID-developed Poverty Assessment Tools (PATs). The first method uses “poverty lending” as a proxy measure of outreach to the very poor, based on the assumption that only very poor people would seek to take out very small loans. In that case, an institution’s outreach to the very poor could be inferred from the share of its clients with loans smaller than a certain threshold value. The 2000 Act set a “poverty loan threshold” for each region where USAID operates. The share of each microfinance institution’s services that benefit the very poor is estimated from the share of its loan portfolio consisting of loans smaller than the threshold value. Similarly, the share of each enterprise development program’s services that benefit the very poor is estimated from its reported share of clients who currently hold poverty loans.

The 2000 Act set the following poverty loan thresholds, stated in 1995 U.S. dollars:

- \$300 in Asia, the Near East, and Africa
- \$400 in Latin America and the Caribbean
- \$1,000 in Europe and Eurasia.

To maintain the real value of these thresholds, they are adjusted each year for inflation since 1995.¹⁰ The poverty loan thresholds for FY 2009 were \$426, \$567, and \$1,418 respectively.

Based on information reported by its partner organizations, USAID calculated that poverty loans represented 21 percent of the portfolio of USAID-supported microfinance institutions in FY 2009. Meanwhile, 55 percent of USAID’s FY 2009 funding for enterprise development benefited clients who held poverty loans. Combining these two estimates yields an overall estimate of 44 percent of USAID microenterprise funds that directly benefited very poor clients in FY 2009.

The poverty loan proxy has the virtue of placing little or no burden on the reporting partner institutions. However, the method rests on questionable assumptions that limit the value of the resulting estimates. Accordingly, USAID plans to stop reporting these estimates in future Annual Reports. USAID will continue to collect the underlying data.

Partly in recognition of the analytical weakness of the poverty loan proxy, amendments to the 2000 Act mandated a second, much more ambitious approach to estimating the share of USAID-supported microenterprise benefits that reach the very poor. First, the amended law created a complex definition of the “very poor” – *either* people living in the bottom [poorest] half of those living below their national poverty line, *or* those living on less than the equivalent of \$1 per day, calculated using purchasing power parity (PPP) exchange rates. The law made clear that, for any given country, the applicable standard of being very poor would be the more inclusive one. Second, those amendments directed USAID to develop and

¹⁰ Inflation adjustments made using the U.S. Department of Labor Consumer Price Index (CPI) Inflation Calculator. http://www.bls.gov/data/inflation_calculator.htm

certify at least two “low-cost methods” to allow partner institutions to measure the share of their clients who are very poor as defined in the law, and, “with reasonable exceptions,” to require non-profit recipients of USAID grants or cooperative agreements for microenterprise development to use those methods to measure and report the share of their very poor clients. These changes are reiterated in the MRAA.

The process of developing, certifying, and applying poverty assessment tools is discussed in Section 8 of this report. By the end of FY 2009, USAID had certified Poverty Assessment Tools for 29 countries. Because applying those tools involves substantial costs, USAID exempted institutions that spent less than \$100,000 in USAID microenterprise funds in FY 2009, considering these to be “reasonable exceptions” as cited in the law. In all, 16 partner institutions implementing 17 programs in 11 countries reported poverty assessments in FY 2009. Of these 17 programs, three offered only financial services, 13 offered only enterprise development interventions, and one offered both. Together, these 17 programs received 37 percent of total USAID microenterprise funding in FY 2009, or 39 percent excluding support for policy reform.

Among the four microfinance institutions that applied and reported on the Poverty Assessment Tools, the average share of Funds Benefiting the Very Poor (FVP) is estimated at 22.8 percent, down from 28.5 percent in FY 2008. This average is based on the share of very poor clients reported by each MFI, weighted by the value of USAID microfinance funding that each MFI received in FY 2009. For the 14 enterprise development programs that applied and reported on the Poverty Assessment Tools, average FVP is estimated at 23.8 percent, lower than the 26.0 percent reported in FY 2008. This average is weighted by each program’s FY 2009 funding for enterprise development. A weighted average of these two estimates yields an overall estimate of 23.5 percent of USAID funds benefiting the very poor, down from

the 26.9 percent in FY 2008.¹¹ Programs pursuing policy reforms cannot report client-level data, and so are excluded from the calculations.

Year-to-year changes in the overall percent of “very poor” clients served by USAID-supported microenterprise partners are largely driven by the changing mix of partners that report results from the Poverty Assessment Tools, together with the changing level of funding to each partner.¹² Nevertheless, three years of results from using the Poverty Assessment Tools make clear that the percentage of very poor clients estimated using these tools falls considerably below the 50 percent target contained in current law.

Previous Annual Reports include a detailed analysis of this shortfall. Three major issues continue to be relevant.

First, a main source of the shortfall arises from the very narrow definition of being “very poor” contained in the legislation. At less than 10 percent of the current U.S. poverty line, the \$1/day line should not be viewed as the upper bound of extreme poverty, but rather as the borderline between extreme poverty and destitution.¹³ Although the great majority of microentrepreneurs live above this line, their families suffer high rates of infant and child mortality and malnutrition and low life expectancy. Treating such people – the actual and potential clients of effective microenterprise programs – as “not poor enough” to merit attention from USAID microenterprise efforts seems arguably highly questionable.

Second, the impression that many MFIs serve very high percentages of clients living on less than \$1/day

¹¹ In computing this average, the weights are set equal to the percentage of total funds used for microfinance and enterprise development.

¹² For example, in the wake of the devastating earthquake in Haiti, USAID waived PAT reporting by all partners in Haiti in FY 2009, both to avoid distracting them from more urgent tasks and in recognition that the earthquake broke the statistical link between household characteristics and poverty that the PATs rely on.

¹³ Lant Pritchett, “Who is *Not* Poor? Dreaming of a World Truly Free of Poverty.” *World Bank Research Observer* 2006.

appears to be based on published reports of outreach to the “poorest.” However, these reports rely on MFIs’ own standards of extreme poverty and on their own methods for estimating how many of their clients fell into this category. Few if any apply tested analytical methods like the Poverty Assessment Tools. As a result, these reports should be viewed with considerable skepticism.

Third and finally, many of the reports of high percentages of “very poor” clients result from the use of targeting methods that rely on self-reporting by potential clients seeking to determine eligibility for enrollment in microfinance programs. Such methods create strong incentives for potential clients to misrepresent their true situation, and similarly strong incentives for loan officers to accept this misinformation in order to meet their quotas of eligible new clients. Recognizing the inherently risky nature of such targeting methods, USAID strongly discourages its partners from using them.

7: NUMBER OF VERY POOR REACHED

Estimated number of very poor reached with assistance provided

The Microenterprise for Self-Reliance Act (the 2000 Act) directs USAID to use its poverty assessment tools to estimate the number of very poor clients who benefit from USAID microenterprise programs.

Partners that applied the certified poverty assessment tools together received approximately 39 percent of USAID microenterprise funding in FY 2009, excluding funding for policy reform. Using those partners’ reported results to estimate the total number of very poor clients reached by all USAID-funded microenterprise partners requires assuming that the share of very poor clients of all partner institutions resembles that of the partners that applied the poverty assessment tools.

For USAID-supported microfinance institutions, multiplying the 22.8 percent share of “very poor” microfinance clients, calculated from the poverty assessment tool data, by the total number of borrowers from all supported MFIs – 1.85 million –

implies that approximately 422,000 very poor clients directly benefited from USAID funding for microfinance in FY 2009.¹⁴ Enterprise development programs directly benefited an estimated 551,000 very poor people, including both owners and employees. Combining these two estimates yields an overall estimate of approximately 973,000 very poor people who directly benefited from USAID microenterprise programs in FY 2009.

These estimates are subject to the same caveat stressed in the previous section: the reported number of very poor clients is a product of the way that being “very poor” is defined in the legislation. USAID believes that definition is much too narrow, resulting in a dramatic understatement of the number of very poor people who benefit from USAID-supported microenterprise programs.

8: POVERTY ASSESSMENT TOOLS

Process of developing and applying poverty assessment procedures

The legislative background to USAID’s Poverty Assessment Tools (PATs) is reviewed under Section 6.

In FY 2009, USAID continued to develop Poverty Assessment Tools for additional countries, improve existing PATs to provide greater accuracy and more useful information to the organizations that use them, and support the proper use of all PATs by such organizations. In addition, USAID identified important new uses for its Poverty Assessment Tools to measure poverty beyond the sphere of microenterprise development.

In FY 2009, USAID developed and certified new Poverty Assessment Tools for use in Bolivia, Nepal, and the West Bank, bringing the total number of

¹⁴ This estimate is based on the highly conservative assumption that all savers with USAID-supported MFIs also borrow from those MFIs. Adding the numbers of borrowers and savers leads to a higher estimate of 819,000 very poor clients of USAID-supported MFIs. USAID’s data gathering system cannot identify the degree of overlap between borrowers and savers among the clients of its MFI partners.

certified PATs to 29. The countries covered by those 29 PATs absorbed 59 percent of FY 2009 USAID microenterprise funding for programs in specific countries – 76 percent excluding four countries where security conditions or government policy make it impossible to collect household survey data: Afghanistan, Iraq, Sudan, and Egypt. These 29 tools provide the basis for the estimates of Funds Benefiting the Very Poor contained in Sections 6 and 7.

As the growing number of certified PATs has provided ever-increasing coverage of USAID microenterprise funding, the remaining pool of uncovered countries with significant USAID investments in microenterprise development has declined – especially those countries with existing, publicly available household survey data, which provide the starting point for developing PATs. Where such data are not already available, developing a PAT requires that USAID first gather the data itself – a major undertaking in terms of time and cost, reserved for countries with substantial USAID investments in microenterprise development. Two such PATs – for Liberia and Senegal – were approaching completion as this Annual Report was being written, along with new PATs for several additional countries using existing household data.

While continuing to develop PATs for additional countries, USAID has begun shifting effort toward improving its existing PATs – improvements that will be applied to each new PAT developed. Major improvements include:

- Recalibrating PATs based on new household survey data.
- Recalibrating PATs based on the previous version of the international poverty line against the new version released in 2008: \$1.25 per person per day at 2005 Purchasing Power Parity (PPP). This is the current version of the “\$1/day” poverty line cited in the legislation; it relies on a much more accurate set of PPPs than previous versions, and thus ensures greater comparability of poverty measurements across countries.

- Most importantly, calibrating PATs against multiple poverty lines, to provide organizations with a more detailed and comprehensive picture of the living standards of their clients. The first step in this direction was to calibrate against two poverty lines, e.g. \$1.25 per day and \$2.50 per day. More recent PATs have taken this further, calibrating against five poverty lines – two above and two below the poverty line mandated in the legislation. All new and revised PATs will follow this approach. By improving an organization’s information on its client base, USAID hopes to increase the return on their efforts and thereby encourage greater voluntary use of the PATs.

Multiple PATs were improved in these ways in FY 2009, with more in the pipeline.

In addition to producing new and improved PATs, USAID made major improvements in its training for PAT users in FY 2009. While continuing its live training sessions and help desk service, USAID introduced a comprehensive, multi-day online e-learning course, so that organizations that wish to use the PATs can learn to do so anywhere in the world. This e-learning course is backed by live trainers to ensure full understanding.

9: VICTIMS OF TRAFFICKING AND EXPLOITATION

Information on efforts to ensure that recipients of microenterprise development assistance identify and assist victims of trafficking in persons and other forms of exploitation and violence

The MRAA requires USAID to report information from its Missions on their efforts to ensure that recipients of USAID microenterprise and microfinance development assistance work closely with NGOs and foreign governments to identify and assist victims of potential or severe forms of trafficking in persons and women who are victims of or susceptible to other forms of exploitation and violence. Table 6 shows, by USAID Regional Bureau,

Table 6. USAID Microenterprise Funding to Assist Victims of Trafficking and Exploitation, FY 2009

Bureau	Financial Services & Related Enabling Environment	Enterprise Development & Related Enabling Environment	Total
Asia		\$70,000	\$70,000
Europe & Eurasia		\$6,655,900	\$6,655,900
Sub-Saharan Africa	\$4,100,000	\$2,500,000	\$6,600,000
Centrally Funded		\$250,000	\$250,000
Total	\$4,100,000	\$9,475,900	\$13,575,900

microenterprise funding obligated to microenterprise institutions targeting these groups.

In FY 2009, the total value of such funding increased from the level reported in FY 2008. This year the Sub-Saharan Africa region accounts for a large part of this increase, with Ethiopia’s \$3 million investment in the Productive Safety Net Program Plus responsible for over half of the increase. Angola, Mozambique and Tanzania also funded programs this year benefiting victims of trafficking and exploitation.

Other Missions and operating units that reported funding for partners serving these groups in FY 2009 include the Regional Development Mission in the Asia region, Armenia, Belarus, Bosnia, Serbia, Ukraine, and the Office of Natural Resources Management.

10: POVERTY AND RACE/ETHNICITY

Estimated percentage of beneficiaries who are in countries where a strong relationship between poverty and race or ethnicity has been demonstrated

The MRAA requires that USAID report “[a]n estimate of the percentage of beneficiaries of assistance under this title in countries where a strong relationship between poverty and race or ethnicity has been demonstrated.” MRR requested information in FY 2009 from USAID Missions in relation to this requirement. Table 7 reports on the number of microenterprise clients in countries where Missions cite a relationship between poverty and race or ethnicity.

The number of borrowers and savers in countries where this relationship was reported dropped significantly in FY 2009 from FY 2008. This can be largely attributed to much smaller figures reported from programs in Mexico and Colombia. Conversely, in FY 2009 the overall numbers of enterprise development clients in countries reported to have a relationship between poverty and race or ethnicity increased by nearly 500,000. Most of this can be attributed to a credit union program in Ecuador.

Table 7. Estimated Number of Clients in Countries Where a Relationship Has Been Demonstrated Between Poverty and Race or Ethnicity

Region	Country	Borrowers	Savers	Enterprise Development Clients
Asia	Bangladesh	-	-	511
Europe & Eurasia	Serbia	-	-	81
Latin America and the Caribbean Basin	Bolivia	-	-	32,124
	Colombia	-	-	106,976
	Ecuador	-	-	448,497
	Guatemala	3,990	3,990	749
	Mexico	118,419	0	-
	Panama	-	-	14
	Peru	114,362	152,254	2,089
Sub-Saharan Africa	Mali	-	-	4,075
	Nigeria	-	-	568
Total		236,771	156,244	595,684

11: PERFORMANCE MONITORING SYSTEM

Information on the monitoring system

Several provisions of the MRAA address performance monitoring:

1. “The monitoring system shall include performance goals for the assistance and express such goals in an objective and quantifiable form, to the extent feasible.”
2. “The monitoring system shall include performance indicators to be used in measuring or assessing the achievement of the performance goals described in paragraph (1) and the objective of the assistance authorized under section 252 [of the Foreign Assistance Act of 1961, as amended].”
3. “The monitoring system provides a basis for recommendations for adjustments to the assistance to enhance the sustainability and the impact of the assistance, particularly the impact of such assistance on the very poor, particularly poor women.”
4. “The monitoring system adopts the widespread use of proven and effective poverty assessment tools to successfully identify the very poor and ensure that they receive adequate access to microenterprise loans, savings, and assistance.”

Table 8 shows the performance goals and indicators that USAID set for FY 2009, along with reported results.

On a worldwide basis, USAID and its implementing partners exceeded the Agency’s goals in many areas.

USAID-supported microfinance programs exceeded the Agency’s goals for targeting rural clients and women. The share of MFIs achieving full financial sustainability exceeded USAID’s goal. USAID’s Microfinance program did not reach the goal for number of borrowers and savers. This can be largely attributed to the fact that 2 million borrowers and 1.3 million savers that were reported in FY 2008 were not reported in FY 2009. Five specific projects account for the majority of this decrease. In three of these cases (Malawi, Mexico, and Central Asia), the projects ended in FY 2009, and fewer data or no data were reported to MRR this year. In the fourth case (Colombia), the project reported to MRR but did not provide sub-recipient data, which includes the borrower and saver information. Finally, in the fifth case (Philippines), the project did not receive microenterprise-related funding recently enough to be included in the FY 2009 data collection cycle.

USAID exceeded all of its performance goals for enterprise development, with the exception of percentage of funds benefiting the very poor, discussed in detail under Section 6. The number of microenterprises assisted and number of employees were areas of especially strong performance.

Table 8. Performance Results and Goals, FY 2009

	FY 2009 Results	FY 2009 Goal
Microfinance		
Borrowers	1.85 million	4 million
Savers	1.79 million	4 million
Women Clients	62%	60%
Rural Clients	60%	40%
<i>Funds Benefiting the Very Poor</i>		50%
Per Poverty Assessment Tools	23%	
Per Poverty Loan Proxy	21%	
Financially Sustainable MFIs	75%	50%
Enterprise Development		
Microenterprises Assisted	1.22 million	250,000
Owners and Employees of Microenterprises Assisted	2.31 million	750,000
Women Clients	49%	30%
Rural Clients	92%	75%
<i>Funds Benefiting the Very Poor</i>		50%
Per Poverty Assessment Tools	24%	
Per Poverty Loan Proxy	55%	

12: ADDITIONAL INFORMATION

Additional information related to the provision of microenterprise development assistance

In FY 2009 USAID funded its Office of Microenterprise Development (MD), leveraged investments to meet the evolving and diverse needs for microenterprise development around the world, and supported key central programs designed to promote innovation and strengthen the ability of USAID's Missions and partners to meet the Agency's development objectives.

LEVERAGING INVESTMENTS IN MICROENTERPRISE DEVELOPMENT

USAID's investments in microenterprise development have stimulated a diversity of effective approaches, capable partners, strong local service providers, and responsive funding mechanisms to meet evolving needs for microenterprise development around the world. In FY 2009, USAID continued to leverage these investments to address new development challenges, reach out to poorer and more vulnerable populations, and build the capacity of partner institutions to sustain and grow beyond USAID support.

In FY 2009, USAID continued its use of credit guarantees to bolster additional sources of support for microenterprise development, partnering with ten additional private financial institutions in five countries. In addition, USAID created a partnership with the Grameen Foundation to reach microenterprises worldwide. Under these new partnerships, USAID funding of \$2.1 million will leverage up to \$201.3 million in private sector credit to MFIs and microenterprises.

USAID also leverages its investments through its state-of-the-art microenterprise knowledge management program and web site, www.microLINKS.org, which connects practitioners

with each other and sources the latest learning in microenterprise development. This investment facilitates collaboration and peer assistance to identify promising innovations, refine and disseminate lessons learned and best practices, and adapt them for application in the field. Through a state-of-the-art, award-winning program of facilitated learning networks, virtual conferences and communities of practice, audio interviews with leading experts, and in-person seminars enhanced by virtual access, USAID brings its technical leadership to bear on microenterprise activities well beyond those that it directly supports.

KEY CENTRAL PROGRAMS

In addition to its capacity as a field support team to all overseas Missions implementing microenterprise development programs, MD also often funds new initiatives to pilot test cutting-edge technologies and new microfinance products. Through a three-year grant supporting innovative ways to expand access to financial services to very poor people in rural areas in Mexico, USAID's partner FINCA has been testing the use of pre-paid cards as a way to disburse loans to clients. So far, the program has achieved its goals of saving clients the time and expense of dealing with travel to bank branches and working with paper checks, as well as adding security and flexibility to the way they access funds.

A final central function involves management of the MRR system itself. Last year, USAID began the process of rebuilding the MRR system in order to improve the efficiency and accuracy of microenterprise development data collection. The database has been completely revised, and all data collection for this reporting year was completed using the new online survey system. It has improved the overall data collection, validation, and reporting process and is providing faster and more expansive access to MRR results.

INDEX OF REPORTING REQUIREMENTS

Reporting Requirement	Location
<p>1 Funding: The number of grants, cooperative agreements, contracts, contributions, or other form of assistance provided under section 252 [the section of the law authorizing USAID to provide microenterprise assistance], with a listing of:</p> <p>(A) the amount of each grant, cooperative agreement, contract, contribution or other form of assistance;</p> <p>(B) the name of each recipient and each developing country with respect to which projects or activities under the grant, cooperative agreement, contract, contribution, or other form of assistance were carried out; and</p> <p>(C) a listing of the number of countries receiving assistance authorized by section 252.</p>	Page 2; Page 17-26 (Annex A)
<p>2 Central Mechanisms: The amount of assistance provided under section 252 through central mechanisms.</p>	Page 3; Table 2
<p>3 Development Credit Authority: The name of each country that receives assistance under section 256 [the section of the law pertaining to the Development Credit Authority and credit instruments] and the amount of such assistance.</p>	Page 3-4; Table 3
<p>4 USAID Funding Recipients: The level of funding provided through contracts;</p> <p>the level of funding provided through grants, contracts, and cooperative agreements that is estimated to be subgranted or subcontracted, as the case may be, to direct service providers; and</p> <p>an analysis of the comparative cost-effectiveness and sustainability of projects carried out under these mechanisms.</p>	Page 5; Table 4 Page 5-6; Table 5 Page 6
<p>5 Matching Assistance: It is the sense of Congress that USAID should include in the report required by section 258 of the Foreign Assistance Act of 1961 [as added by section 6 of this Act] a description of all matching assistance [as described in paragraph (1)] provided for the prior year by recipients of microenterprise development assistance under such title.</p>	Page 7
<p>6 Funds for Very Poor Clients: The percentage of assistance furnished under section 252 that was allocated to the very poor based on the data collected using the certified methods required by section 254 [the section of the law outlining the requirement for USAID to develop client poverty assessment methods and require their use by awardees by October 2006].</p>	Page 7
<p>7 Estimated Number of the Very Poor reached with assistance provided under section 252.</p>	Page 9
<p>8 Poverty Assessment Methods: The process of developing and applying poverty assessment procedures required under section 254.</p>	Page 9
<p>9 Funds to Assist Victims of Trafficking and Exploitation: Information on the efforts of the Agency to ensure that recipients of United States microenterprise and microfinance development assistance work closely with non-governmental organizations and foreign governments to identify and assist victims or potential victims of severe forms of trafficking in persons and women who are victims of or susceptible to other forms of exploitation and violence.</p>	Page 10-11; Table 6
<p>10 Poverty and Race/Ethnicity: An estimate of the percentage of beneficiaries of assistance under this title in countries where a strong relationship between poverty and race or ethnicity has been demonstrated.</p>	Page 11-12; Table 7
<p>11 Performance Monitoring System: The results of the monitoring system required under section 253 [see A-D below].</p>	Page 12

Reporting Requirement		Location
	(A) The monitoring system shall include performance goals for the assistance and expresses such goals in an objective and quantifiable form, to the extent feasible.	Page 13; Table 8
	(B) The monitoring system shall include performance indicators to be used in measuring or assessing the achievement of the performance goals described in paragraph (I) and the objective of the assistance authorized under section 252.	
	(C) The monitoring system provides a basis for recommendations for adjustments to the assistance to enhance the sustainability and the impact of the assistance, particularly the impact of such assistance on the very poor, particularly poor women.	
	(D) The monitoring system adopts the widespread use of proven and effective poverty assessment tools to successfully identify the very poor and ensure that they receive adequate access to microenterprise loans, savings, and assistance.	
12	Additional Information: Any additional information relating to the provision of assistance authorized by this title, including the use of poverty assessment methods required by section 254, or additional information on assistance provided by the United States to support microenterprise development under this title or any other provision of law.	Page 14

ANNEX A: FY 2009 FUNDING BY MISSION, PARTNER, AND TECHNICAL AREA

**Annex A was generated from the MRR database with data current as of June 2010.
MRR is a live system that can be updated by Missions at any time.**

Annex A: FY 2009 FUNDING BY MISSION, PARTNER, AND TECHNICAL AREA

MISSION OR OFFICE	IMPLEMENTING PARTNER	TECHNICAL AREA	OBLIGATION AMOUNT
ASIA BUREAU			
Afghanistan	Academy for Educational Development	Financial Services/ Microfinance	\$5,708,296
	Development Alternatives, Inc.	Enterprise Development	\$12,967,938
	UN HABITAT	Financial Services/ Microfinance	\$5,665,901
Total Afghanistan			\$24,342,135
Bangladesh	Agreement Pending	Not Specified	\$2,871,099
	International Resources Group	Enterprise Development	\$128,901
Total Bangladesh			\$3,000,000
Cambodia	Development Alternatives, Inc.	Enterprise Development	\$4,512,546
	Development Alternatives, Inc.	Policy for Enterprise Development	\$700,000
Total Cambodia			\$5,212,546
East Timor	Development Alternatives, Inc.	Enterprise Development	\$850,000
	Development Alternatives, Inc.	Policy for Enterprise Development	\$150,000
Total East Timor			\$1,000,000
Indonesia	Development Alternatives, Inc./SENADA	Policy for Financial Services/Microfinance	\$832,500
	Development Alternatives, Inc./AMARTA	Enterprise Development	\$1,140,000
Total Indonesia			\$1,972,500
Kazakhstan	Pragma Corporation/BEI	Policy for Enterprise Development	\$257,000
	Pragma Corporation/Kazakhstan Small Business Development Project	Enterprise Development	\$731,403
Total Kazakhstan			\$988,403
Kyrgyzstan	CAMFA II Central Asian Microfinance Alliance	Financial Services/ Microfinance	\$576,203
	Pragma Corporation	Policy for Enterprise Development	\$91,656
	Winrock International	Enterprise Development	\$116,483
Total Kyrgyzstan			\$784,342
Mongolia	Chemonics International, Inc.	Policy for Enterprise Development	\$400,000
Total Mongolia			\$400,000
Pakistan	KB Khushhalibank	Financial Services/Microfinance	\$450,000
	MEDA Mennonite Economic Development Associates	Enterprise Development	\$6,000,000
Total Pakistan			\$6,450,000
Philippines	Chemonics International, Inc.	Financial Services/ Microfinance	\$1,647,203
	Microenterprise Support	Financial Services/ Microfinance	\$79,842
Total Philippines			\$1,727,045
RDM/A	The Mountain Institute	Enterprise Development	\$50,000

MISSION OR OFFICE	IMPLEMENTING PARTNER	TECHNICAL AREA	OBLIGATION AMOUNT
	Tibet Poverty Alleviation Fund	Enterprise Development	\$70,000
	Total RDM/A		\$120,000
Sri Lanka	AECOM International Development	Enterprise Development	\$250,000
	Total Sri Lanka		\$250,000
Tajikistan	Pragma Corporation	Policy for Enterprise Development	\$83,545
	Winrock International	Enterprise Development	\$657,000
	Total Tajikistan		\$740,545
Uzbekistan	Development Alternatives, Inc.	Enterprise Development	\$1,502,950
	Total Uzbekistan		\$1,502,950
	Total Asia Bureau		\$48,490,466

EUROPE & EURASIA BUREAU			
Albania	Chemonics International, Inc.	Enterprise Development	\$900,000
	Development Alternatives, Inc. - AAC project	Enterprise Development	\$600,000
	Total Albania		\$1,500,000
Armenia	Agreement Pending	Financial Services/ Microfinance	\$750,000
	Nathan Associates/Armenia	Enterprise Development	\$750,000
	Total Armenia		\$1,500,000
Azerbaijan	Chemonics International, Inc.	Enterprise Development	\$200,000
	Chemonics International, Inc.	Policy for Enterprise Development	\$50,000
	Total Azerbaijan		\$250,000
Belarus	Center for International Private Enterprise (CIPE)	Policy for Enterprise Development	\$252,000
	Eurasia Foundation	Policy for Enterprise Development	\$50,000
	International Organization for Migration	Enterprise Development	\$20,900
	Total Belarus		\$322,900
Bosnia	Chemonics International, Inc.	Enterprise Development	\$900,000
	Emerging Markets Group, Ltd.	Enterprise Development	\$2,000,000
	Total Bosnia		\$2,900,000
Europe and Eurasia Bureau	SEGURA	Enterprise Development	\$55,000
	Total Europe and Eurasia Bureau		\$55,000
Georgia	Centre for Training and Consultancy	Enterprise Development	\$500,000
	CNFA	Enterprise Development	\$14,428
	Winrock International	Enterprise Development	\$200,000
	Women's Fund in Georgia	Enterprise Development	\$282,000
	Total Georgia		\$996,428
Kosovo	International Research and Exchange Board	Enterprise Development	\$150,000
	Mercy Corps International	Enterprise Development	\$600,000

MISSION OR OFFICE	IMPLEMENTING PARTNER	TECHNICAL AREA	OBLIGATION AMOUNT
	Total Kosovo		\$750,000
Macedonia	ARD Inc.	Enterprise Development	\$570,000
	CARANA Corporation	Enterprise Development	\$80,000
	World Learning for International Development	Enterprise Development	\$100,000
	Total Macedonia		\$750,000
Moldova	Chemonics International, Inc.	Enterprise Development	\$170,000
	Development Alternatives, Inc./Nathan Group	Policy for Enterprise Development	\$600,000
	Total Moldova		\$770,000
Russia	ACDI/VOCA	Enterprise Development	\$1,150,000
	International Rescue Committee	Enterprise Development	\$250,000
	Total Russia		\$1,400,000
Serbia	Booz Allen Hamilton, Inc.	Enterprise Development	\$525,000
	Development Alternatives, Inc.	Enterprise Development	\$2,400,000
	Total Serbia		\$2,925,000
Ukraine	Abt Associates, Inc.	Policy for Financial Services/Microfinance	\$141,642
	Chemonics International, Inc.	Enterprise Development	\$483,821
	Commercial Law Center	Policy for Financial Services/Microfinance	\$69,000
	Eurasia Foundation	Enterprise Development	\$65,000
	Financial Markets International Inc.	Financial Services/Microfinance	\$639,348
	International Organization for Migration	Enterprise Development	\$60,000
	Pragma Corporation	Financial Services/Microfinance	\$210,520
	Total Ukraine		\$1,669,331
	Total Europe and Eurasia Bureau		\$15,788,659
LATIN AMERICA & CARIBBEAN BUREAU			
Bolivia	Abt Associates, Inc.	Enterprise Development	\$1,000,000
	ACDI/VOCA	Enterprise Development	\$200,000
	Chemonics International, Inc.	Enterprise Development	\$1,500,000
	International Resources Group	Enterprise Development	\$300,000
	Total Bolivia		\$3,000,000
Brazil	TransFair USA	Enterprise Development	\$260,000
	Total Brazil		\$260,000
Colombia	Associates in Rural Development, Inc./ADAM	Enterprise Development	\$39,518,892
	Associates in Rural Development/MIDAS Program	Enterprise Development	\$19,600,134
	Associates in Rural Development/MIDAS Program	Financial Services/Microfinance	\$1,300,000
	Associates in Rural Development/MIDAS Program	Policy for Financial Services/Microfinance	\$200,000

MISSION OR OFFICE	IMPLEMENTING PARTNER	TECHNICAL AREA	OBLIGATION AMOUNT
	Cooperative Housing Foundation	Enterprise Development	\$300,000
	IOM International Organization for Migrations	Enterprise Development	\$7,398,075
	Pan American Development Foundation	Enterprise Development	\$1,800,000
	Total Colombia		\$70,117,101
CRP	Agreement Pending	Enterprise Development	\$1,248,100
	Agreement Pending	Policy for Enterprise Development	\$100,000
	Agreement Pending	Policy for Financial Services/Microfinance	\$100,000
	Total CRP		\$1,448,100
Ecuador	ACDI/VOCA - Academy for Educational Development Joint Venture	Enterprise Development	\$1,368,000
	CARANA Corporation	Enterprise Development	\$284,000
	Total Ecuador		\$1,652,000
El Salvador	Agreement Pending	Policy for Financial Services/Microfinance	\$966,000
	Microenterprise Support	Policy for Financial Services/Microfinance	\$116,000
	Total El Salvador		\$1,082,000
Guatemala	ASOCIACION SHARE DE GUATEMALA	Enterprise Development	\$477,388
	Catholic Relief Services	Enterprise Development	\$96,525
	Save the Children Federation Inc.	Enterprise Development	\$63,956
	Save the Children Federation Inc.	Financial Services/Microfinance	\$46,931
	Total Guatemala		\$684,800
Guyana	CARANA Corporation	Enterprise Development	\$200,000
	CARANA Corporation	Policy for Enterprise Development	\$140,000
	Total Guyana		\$340,000
Haiti	Academy for Education Development	Financial Services/Microfinance	\$7,500,000
	Total Haiti		\$7,500,000
Jamaica	CDC Development Solutions	Enterprise Development	\$400,000
	Microenterprise Support	Enterprise Development	\$200,000
	USDA Forest Service International Programs	Enterprise Development	\$200,000
	Total Jamaica		\$800,000
Mexico	Abt Associates, Inc.	Policy for Financial Services/Microfinance	\$135,000
	Total Mexico		\$135,000
Nicaragua	Agreement Pending	Enterprise Development	\$654,891
	CARANA Corporation	Enterprise Development	\$276,109
	Catholic Relief Services	Enterprise Development	\$500,000
	Total Nicaragua		\$1,431,000
Panama	International Resources Group	Enterprise Development	\$372,427

MISSION OR OFFICE	IMPLEMENTING PARTNER	TECHNICAL AREA	OBLIGATION AMOUNT
	Total Panama		\$372,427
Paraguay	CARANA Corporation	Financial Services/ Microfinance	\$1,000,000
	Fundacion Paraguaya	Enterprise Development	\$250,000
	Total Paraguay		\$1,250,000
Peru	Chemonics International, Inc.	Enterprise Development	\$4,000,000
	United Nations Office on Drugs and Crime	Enterprise Development	\$1,000,000
	Total Peru		\$5,000,000
	Total Latin America and Caribbean Bureau		\$95,072,428

MIDDLE EAST BUREAU

Egypt	Chemonics International, Inc.	Financial Services/ Microfinance	\$839,086
	Total Egypt		\$839,086
Iraq	The Louis Berger Group	Financial Services/ Microfinance	\$22,050,000
	Total Iraq		\$22,050,000
Jordan	Agreement Pending	Financial Services/ Microfinance	\$3,000,000
	Total Jordan		\$3,000,000
Lebanon	Volunteers for Economic Growth Alliance	Financial Services/ Microfinance	\$1,609,755
	Total Lebanon		\$1,609,755
West Bank/Gaza	Academy for Educational Development	Financial Services/ Microfinance	\$9,950,000
	CARANA Corporation	Enterprise Development	\$2,000,000
	Total West Bank/Gaza		\$11,950,000
	Total Middle East Bureau		\$39,448,841

SUB-SAHARAN AFRICA BUREAU

Angola	Cooperative League of the United States	Enterprise Development	\$420,000
	Kixi Credito	Financial Services/ Microfinance	\$300,000
	Twayovoka para o Desenvolvimento	Financial Services/ Microfinance	\$300,000
	Total Angola		\$1,020,000
DR Congo	International Institute of Tropical Agriculture	Enterprise Development	\$1,383,979
	Paul Carlson Partnership	Financial Services/ Microfinance	\$658,444
	Total DR Congo		\$2,042,423
Ethiopia	CARE	Financial Services/ Microfinance	\$3,500,000
	Total Ethiopia		\$3,500,000

MISSION OR OFFICE	IMPLEMENTING PARTNER	TECHNICAL AREA	OBLIGATION AMOUNT
Ghana	Opportunities Industrialization Centers International	Enterprise Development	\$342,396
	TechnoServe	Enterprise Development	\$2,207,000
	Total Ghana		\$2,549,396
Kenya	Agreement Pending	Enterprise Development	\$1,800,000
	Agreement Pending	Financial Services/ Microfinance	\$2,650,000
	Development Alternatives, Inc.	Financial Services/ Microfinance	\$700,000
	Total Kenya		\$5,150,000
Liberia	Agreement Pending	Enterprise Development	\$2,820,000
	Total Liberia		\$2,820,000
Malawi	Concern Universal Microfinance Organization (CUMO)	Enterprise Development	\$499,542
	Friends of Aids Support Trust (FAST)	Enterprise Development	\$229,260
	Land O'Lakes, Inc.	Enterprise Development	\$349,387
	Mulanje Mountain Conservation Trust (MMCT)	Enterprise Development	\$3,000,000
	Total Land Care (TLC)	Enterprise Development	\$7,400,000
	Total Malawi		\$11,478,189
Mali	Abt Associates, Inc.	Enterprise Development	\$500,000
Mali	Trickle Up	Enterprise Development	\$300,000
	Total Mali		\$800,000
Mozambique	Abt Associates, Inc.	Enterprise Development	\$250,000
	Abt Associates, Inc.	Policy for Enterprise Development	\$250,000
	World Vision	Enterprise Development	\$1,000,000
	Total Mozambique		\$1,500,000
Namibia	Project HOPE	Financial Services/ Microfinance	\$1,232,735
	Total Namibia		\$1,232,735
Nigeria	Catholic Relief Services	Financial Services/ Microfinance	\$210,000
	Centre for Development and Population Activities	Financial Services/ Microfinance	\$208,909
	Chemonics International, Inc.	Policy for Enterprise Development	\$166,448
	Development Alternatives, Inc./Nathan Group	Enterprise Development	\$238,552
	Microenterprise Support	Enterprise Development	\$89,750
	National Association of Regulatory Utility Commissioners	Enterprise Development	\$180,250
	Partners for Development (PfD)	Enterprise Development	\$350,000
	Partners for Development (PfD)	Financial Services/ Microfinance	\$350,000
	Winrock International	Financial Services/ Microfinance	\$210,000
	Total Nigeria		\$2,003,909
Rwanda	CARANA Corporation	Enterprise Development	\$1,000,000

MISSION OR OFFICE	IMPLEMENTING PARTNER	TECHNICAL AREA	OBLIGATION AMOUNT
	Land O'Lakes	Enterprise Development	\$500,000
	Total Rwanda		\$1,500,000
Senegal	International Resources Group	Enterprise Development	\$1,600,000
	Total Senegal		\$1,600,000
Sierra Leone	ACDI/VOCA	Financial Services/ Microfinance	\$100,000
	Total Sierra Leone		\$100,000
South Africa	Corporate Council on Africa	Enterprise Development	\$500,000
	Total South Africa		\$500,000
Sudan	Associates in Rural Development	Policy for Financial Services/Microfinance	\$1,250,000
	Mercy Corps - Bridge	Enterprise Development	\$500,000
	Winrock International - Bridge	Enterprise Development	\$500,000
	Total Sudan		\$2,250,000
Tanzania	Fintrac, Inc.	Enterprise Development	\$900,000
	Floresta	Enterprise Development	\$100,000
	Total Tanzania		\$1,000,000
Uganda	ACDI/VOCA	Enterprise Development	\$30,000
	Associates in Rural Development	Financial Services/ Microfinance	\$1,500,000
	Total Uganda		\$1,530,000
USAID/East Africa	Catholic Relief Services	Enterprise Development	\$102,334
	Total USAID/East Africa		\$102,334
Zambia	Agreement Pending	Enterprise Development	\$443,000
	Cooperative League of the United States	Enterprise Development	\$847,000
	Cooperative League of the United States	Financial Services/ Microfinance	\$120,000
	Total Zambia		\$1,410,000
	Total Sub-Saharan Africa Bureau		\$44,088,986

CENTRAL FUNDING

Office of Democracy and Governance	Academy for Educational Development	Enterprise Development	\$3,000,000
	Total - Office of Democracy and Governance		\$3,000,000
Office of Private Voluntary Cooperation	ACDI/VOCA	Enterprise Development	\$350,300
	Cooperative Housing Foundation	Enterprise Development	\$303,180
	National Cooperative Business Association/Communications Cooperative International	Enterprise Development	\$58,713
	National Cooperative Business Association	Enterprise Development	\$87,500

MISSION OR OFFICE	IMPLEMENTING PARTNER	TECHNICAL AREA	OBLIGATION AMOUNT
	The Americas Association of Cooperative/Mutual Insurance Societies	Enterprise Development	\$664,864
	The Americas Association of Cooperative/Mutual Insurance Societies	Policy for Financial Services/Microfinance	\$45,000
	World Council of Credit Unions, Inc.	Enterprise Development	\$369,520
	World Council of Credit Unions, Inc.	Financial Services/Microfinance	\$155,806
	World Council of Credit Unions, Inc.	Policy for Financial Services/Microfinance	\$23,049
	Total - Office of Private Voluntary Cooperation		\$2,057,932
Office of Microenterprise Development	Academy for Educational Development	Enterprise Development	\$328,158
	Academy for Educational Development	Financial Services/Microfinance	\$684,837
	ACDI/VOCA	Enterprise Development	\$1,167,000
	ACDI/VOCA	Policy for Enterprise Development	\$110,000
	Aga Khan Foundation	Financial Services/Microfinance	\$580,961
	Center for Institutional Reform and the Informal Sector	Financial Services/Microfinance	\$150,000
	Center for Institutional Reform and the Informal Sector	Policy for Enterprise Development	\$20,000
	Center for Institutional Reform and the Informal Sector	Policy for Financial Services/Microfinance	\$34,965
	Consultative Group to Assist the Poor	Policy for Financial Services/Microfinance	\$100,000
	Habitat For Humanity International	Financial Services/Microfinance	\$899,922
	Institute for Liberty and Democracy	Policy for Enterprise Development	\$5,000,000
	Microenterprise Support	Enterprise Development	\$1,076,814
	Microenterprise Support	Financial Services/Microfinance	\$653,780
	Microenterprise Support	Policy for Enterprise Development	\$134,602
	Microenterprise Support	Policy for Financial Services/Microfinance	\$57,686
	Opportunity International	Financial Services/Microfinance	\$697,036
	The QED Group, LLC	Enterprise Development	\$250,000
	The QED Group, LLC	Financial Services/Microfinance	\$2,075,000
	The QED Group, LLC	Policy for Enterprise Development	\$583,000
	The QED Group, LLC	Policy for Financial Services/Microfinance	\$2,812,398

MISSION OR OFFICE	IMPLEMENTING PARTNER	TECHNICAL AREA	OBLIGATION AMOUNT
Total - Office of Microenterprise Development			\$17,416,159
Office of Natural Resources Management	Associates in Rural Development	Policy for Enterprise Development	\$250,000
	Wildlife Conservation Society	Enterprise Development	\$150,000
Total - Office of Natural Resources Management			\$400,000
Office of HIV/AIDS	Camfed	Financial Services/ Microfinance	\$15,000
	CARE	Financial Services/ Microfinance	\$47,920
	Christian Reformed World Relief	Financial Services/ Microfinance	\$1,425
	Family Health International	Financial Services/ Microfinance	\$11,800
	Francois Xavier Bagnoud	Financial Services/ Microfinance	\$151,200
	GOAL	Financial Services/ Microfinance	\$19,606
	Kindernothilfe	Financial Services/ Microfinance	\$36,950
	Opportunity International	Financial Services/ Microfinance	\$322,846
Total - Office of HIV/AIDS			\$606,747
Office of Population and Reproductive Health	Abt Associates, Inc. (Formerly IBM)	Financial Services/ Microfinance	\$625,041
Total - Office of Population and Reproductive Health			\$625,041
Total - Central Funding			\$24,105,879
TOTAL FY09 FUNDING			\$266,995,259

ANNEX B: FY 2009 FUNDING BY USAID BUREAU

Annex B was generated from the MRR database with data current as of June 2010. MRR is a live system that can be updated by Missions at any time.

Annex B: FY 2009 MICROENTERPRISE FUNDING BY USAID BUREAU

MISSION OR OFFICE	ENTERPRISE DEVELOPMENT	FINANCIAL SERVICES/ MICROFINANCE	NOT SPECIFIED	POLICY FOR ENTERPRISE DEVELOPMENT	POLICY FOR FINANCIAL SERVICES/ MF	TOTAL OBLIGATION AMOUNT
ASIA BUREAU						
Afghanistan	\$12,967,938	\$11,374,197				\$24,342,135
Bangladesh	\$128,901		\$2,871,099			\$3,000,000
Cambodia	\$4,512,546			\$700,000		\$5,212,546
East Timor	\$850,000			\$150,000		\$1,000,000
Indonesia	\$1,140,000				\$832,500	\$1,972,500
Kazakhstan	\$731,403			\$257,000		\$988,403
Kyrgyzstan	\$116,483	\$576,203		\$91,656		\$784,342
Mongolia				\$400,000		\$400,000
Pakistan	\$6,000,000	\$450,000				\$6,450,000
Philippines		\$1,727,045				\$1,727,045
RDM/A	\$120,000					\$120,000
Sri Lanka	\$250,000					\$250,000
Tajikistan	\$657,000			\$83,545		\$740,545
Uzbekistan	\$1,502,950					\$1,502,950
Total Asia	\$28,977,221	\$14,127,445	\$2,871,099	\$1,682,201	\$832,500	\$48,490,466
EUROPE & EURASIA BUREAU						
Albania	\$1,500,000					\$1,500,000
Armenia	\$750,000	\$750,000				\$1,500,000
Azerbaijan	\$200,000			\$50,000		\$250,000
Belarus	\$20,900			\$302,000		\$322,900
Bosnia	\$2,900,000					\$2,900,000
Europe and Eurasia Bureau	\$55,000					\$55,000
Georgia	\$996,428					\$996,428
Kosovo	\$750,000					\$750,000
Macedonia	\$750,000					\$750,000
Moldova	\$170,000			\$600,000		\$770,000
Russia	\$1,400,000					\$1,400,000
Serbia	\$2,925,000					\$2,925,000
Ukraine	\$608,821	\$849,868			\$210,642	\$1,669,331
Total Europe & Eurasia	\$13,026,149	\$1,599,868	\$0	\$952,000	\$210,642	\$15,788,659
LATIN AMERICA & CARIBBEAN BUREAU						
Bolivia	\$3,000,000					\$3,000,000
Brazil	\$260,000					\$260,000
Colombia	\$68,617,101	\$1,300,000			\$200,000	\$70,117,101

MISSION OR OFFICE	ENTERPRISE DEVELOPMENT	FINANCIAL SERVICES/ MICROFINANCE	NOT SPECIFIED	POLICY FOR ENTERPRISE DEVELOPMENT	POLICY FOR FINANCIAL SERVICES/ MF	TOTAL OBLIGATION AMOUNT
CRP	\$1,248,100			\$100,000	\$100,000	\$1,448,100
Ecuador	\$1,652,000					\$1,652,000
El Salvador					\$1,082,000	\$1,082,000
Guatemala	\$637,869	\$46,931				\$684,800
Guyana	\$200,000			\$140,000		\$340,000
Haiti		\$7,500,000				\$7,500,000
Jamaica	\$800,000					\$800,000
Mexico					\$135,000	\$135,000
Nicaragua	\$1,431,000					\$1,431,000
Panama	\$372,427					\$372,427
Paraguay	\$250,000	\$1,000,000				\$1,250,000
Peru	\$5,000,000					\$5,000,000
Total Latin America & Caribbean	\$83,468,497	\$9,846,931	\$0	\$240,000	\$1,517,000	\$95,072,428

MIDDLE EAST BUREAU

Egypt		\$839,086				\$839,086
Iraq		\$22,050,000				\$22,050,000
Jordan		\$3,000,000				\$3,000,000
Lebanon		\$1,609,755				\$1,609,755
West Bank /Gaza	\$2,000,000	\$9,950,000				\$11,950,000
Total Middle East	\$2,000,000	\$37,448,841	\$0	\$0	\$0	\$39,448,841

SUB-SAHARAN AFRICA BUREAU

Angola	\$420,000	\$600,000				\$1,020,000
DR Congo	\$1,383,979	\$658,444				\$2,042,423
Ethiopia		\$3,500,000				\$3,500,000
Ghana	\$2,549,396					\$2,549,396
Kenya	\$1,800,000	\$3,350,000				\$5,150,000
Liberia	\$2,820,000					\$2,820,000
Malawi	\$11,478,189					\$11,478,189
Mali	\$800,000					\$800,000
Mozambique	\$1,250,000			\$250,000		\$1,500,000
Namibia		\$1,232,735				\$1,232,735
Nigeria	\$858,552	\$978,909		\$166,448		\$2,003,909
Rwanda	\$1,500,000					\$1,500,000
Senegal	\$1,600,000					\$1,600,000

MISSION OR OFFICE	ENTERPRISE DEVELOPMENT	FINANCIAL SERVICES/MICROFINANCE	NOT SPECIFIED	POLICY FOR ENTERPRISE DEVELOPMENT	POLICY FOR FINANCIAL SERVICES/MF	TOTAL OBLIGATION AMOUNT
Sierra Leone		\$100,000				\$100,000
South Africa	\$500,000					\$500,000
Sudan	\$1,000,000				\$1,250,000	\$2,250,000
Tanzania	\$1,000,000					\$1,000,000
Uganda	\$30,000	\$1,500,000				\$1,530,000
USAID/East Africa	\$102,334					\$102,334
Zambia	\$1,290,000	\$120,000				\$1,410,000
Total Sub-Saharan Africa	\$30,382,450	\$12,040,088	\$0	\$416,448	\$1,250,000	\$44,088,986

CENTRAL FUNDING

Democracy and Governance	\$3,000,000					\$3,000,000
Private Voluntary Cooperation	\$1,834,077	\$155,806			\$68,049	\$2,057,932
Microenterprise Development	\$2,821,972	\$5,741,536		\$5,847,602	\$3,005,049	\$17,416,159
Natural Resources Management	\$150,000			\$250,000		\$400,000
Office of HIV/AIDS		\$606,747				\$606,747
Population and Reproductive Health		\$625,041				\$625,041
Total Central Funding	\$7,806,049	\$7,129,130	\$0	\$6,097,602	\$3,073,098	\$24,105,879
TOTAL FUNDING	\$165,660,366	\$82,192,303	\$2,871,099	\$9,388,251	\$6,883,240	\$266,995,259

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