



MICROENTERPRISE RESULTS REPORTING

**Annual Microenterprise Results Report
to Congress for Fiscal Year 2013**

JUNE 2014

This report presents the progress of USAID's Microenterprise development efforts for Fiscal Year 2013.

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Cover Photo: By partnering with Angaza, a technology company that offers pay-as-you-go solutions for electric power, USAID is helping to meet the demand for energy in off-grid markets in Africa, enabling clients to access affordable electricity.

Rechargeable lights, such as the one shown here, are helping to change lives in rural communities by enabling the poor to access electricity on terms they can afford, opening up new opportunities for the growth of microenterprises. CREDIT: ANGAZA

Back Cover Photo: In Rwanda, 83 percent of the population lives without grid electricity. The pay-as-you go approach used by Azuri Technologies, which connects people to finance through mobile phones, allows users to purchase new, clean energy at affordable prices. CREDIT: AZURI TECHNOLOGIES



Throughout the developing world, millions of poor, marginalized people are taking their first steps into the global marketplace by owning and operating a microenterprise. Many of these businesses are operated by women and youth living in extreme poverty, relying upon a microenterprise as their sole source of income. They may not even consider themselves to be the owners of enterprises, but that is exactly what they are.

Unfortunately, not all of these microentrepreneurs have the skills and resources needed to succeed in an increasingly globalized economy. Many are subsistence farmers, migrant workers, and a growing class of urban poor who must compete with cheaper goods and services produced thousands of miles away, beyond their national borders. They often lack the training needed to be competitive, and they face larger challenges that are beyond their control, including a lack of roads and electricity, challenging trade and regulatory environments, and vulnerability to both man-made and natural disasters. While these challenges seem daunting, they are not insurmountable.

In his 2013 State of the Union address, President Obama pledged that the United States **“will join with our allies to eradicate such extreme poverty in the next two decades.”** Responding to this call, USAID recently updated its mission statement, stating “We partner to end extreme poverty and to promote resilient, democratic societies while advancing our security and prosperity.” If the world is to achieve this ambitious yet obtainable goal, the world’s poorest will need to be able to participate in and benefit from economic growth. At USAID, we have been working on this challenge by addressing the obstacles that limit economic inclusion for the poor. Through the Feed the Future initiative, we are working to facilitate inclusive markets that link poor producers to markets for their products. By working alongside the private sector through our Development Credit Authority loan guarantees, we are helping to extend credit to aspiring entrepreneurs who might not otherwise qualify for a loan. At the same time, we are working with the private sector to ensure greater client protection and develop new financial products that meet the needs of poor households. We are also working to harness the transformative power of mobile technologies to extend financial inclusion well beyond the reach of traditional banks.

Through this year’s Microenterprise Results Report, we take stock of microenterprise investments made throughout the Agency. At the same time, we would like to highlight a few of the key successes of USAID’s long-term involvement in the sector. From the Agency’s instrumental role in supporting the foundation of the microfinance industry, which is increasingly less reliant upon donor support, to developing inclusive value chains that increase household incomes while improving food security and resilience, we are pleased to showcase the microenterprise work that is being delivered throughout the world on behalf of the American people.

Sincerely,

Eric G. Postel

Assistant Administrator

Bureau for Economic Growth, Education, and Environment (E3)

U.S. Agency for International Development

LIST OF ACRONYMS

DCA	Development Credit Authority
E3	Bureau for Economic Growth, Education, and Environment
FY	Fiscal Year
MFI	Microfinance Institution
MPEP	Office of Microenterprise and Private Enterprise Promotion
MRAA	Microenterprise Results and Accountability Act of 2004
MRR	Microenterprise Results Reporting
PAT	Poverty Assessment Tool
USAID	U.S. Agency for International Development

ABOUT THE REPORT

The Fiscal Year (FY) 2013 U.S. Agency for International Development (USAID) Microenterprise Results Report responds to the annual reporting requirements of the Microenterprise Results and Accountability Act of 2004. The report was compiled by the Office of Microenterprise and Private Enterprise Promotion (MPEP) in the Bureau for Economic Growth, Education, and Environment (E3), utilizing a team of consultants (DevTech Systems).

From November 2013 through January 2014, the survey team collected data from 52 USAID Missions and USAID/Washington operating units. Subsequently, the team collected feedback from 101 implementing partners who carried out USAID's technical assistance in FY2013. Of the approximately \$250 million that USAID invested in microenterprise development activities, the survey was able to capture data on approximately 90 percent of the funding, or \$226 million.

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USAID Africa Bureau. Fishing port in Tema, Ghana CREDIT: USAID/A. Kauffeld





A citrus vendor in Mozambique's Beira Corridor using simple mobile technology to access market information and improve market linkages. CREDIT: CNFA

OVERVIEW

USAID has a long and rich history supporting microenterprise development around the world. In the 1980s, the Agency focused on providing credit for microenterprise development. In the 1990s, the focus shifted toward building healthy financial institutions that could make microlending a sustainable activity, independent of donor support. In the early 2000s, as the industry became more established, with unprecedented outreach throughout the developing world, the focus again shifted, this time toward establishing demand-driven credit, savings, insurance, and payment services to help poor households manage risk.

Today, the Agency is working to leverage its efforts with private sector investors in order to maximize development impact and enable the poor to benefit from economic growth. Programming today has evolved into a more comprehensive approach that seeks to build inclusive markets that benefit the poor.

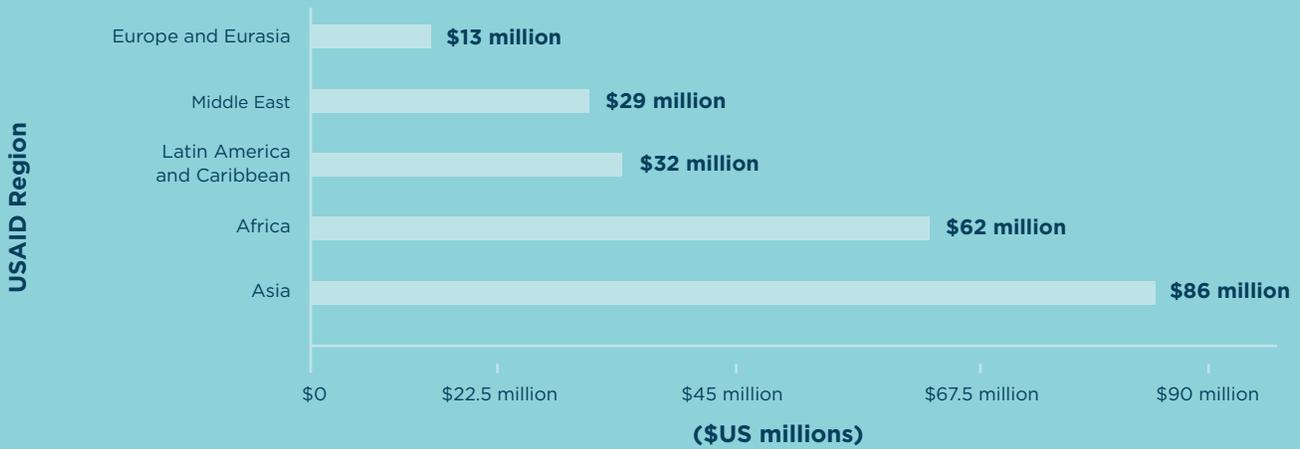
WHERE WE WORK

Microenterprise development has become deeply integrated throughout USAID's programming. In FY2013, 52 USAID Missions and USAID/Washington offices reported involvement in microenterprise development. Their funding was programmed through 125 new and existing agreements including grants, cooperative agreements, and contracts, with 86 primary implementing partners.¹ Of this funding, \$4.3 million was programmed through USAID/Washington's office of Microenterprise and Private Enterprise Promotion (MPEP).² The majority of microenterprise activity (\$222 million) took place through USAID Mission-level obligations. Chart 1 illustrates the regional distribution of USAID's microenterprise funding, with significant investments in Asia (\$86 million) and Africa (\$62 million).

¹ Microenterprise Results Reporting (MRR) Requirement 1. See Annex A for a list of all MRR Requirements. A list of all microenterprise recipients is provided in Annex I at www.mrrreporting.org.

² MRR Requirement 2.

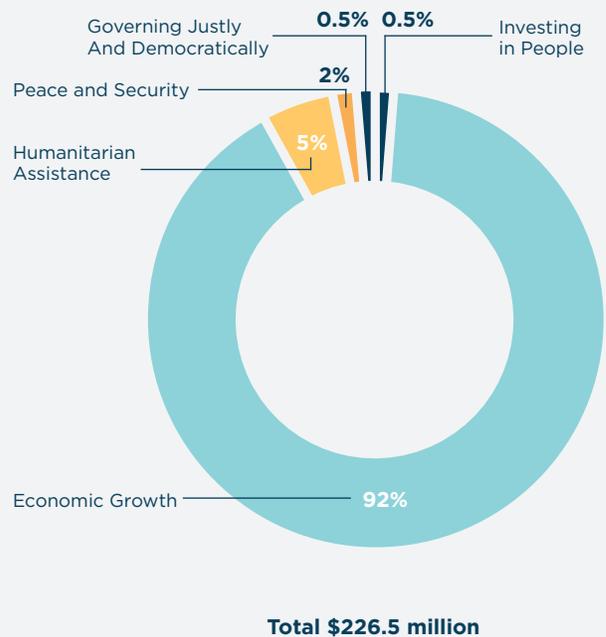
Chart 1 - FY2013 Overseas Funding by Region



SOURCES OF FUNDING

USAID uses funding from a number of programmatic areas to simultaneously fulfill objectives in those sectors and meet the Agency's microenterprise goals. Chart 2 shows the different Program Objectives that contributed to microenterprise development in FY2013. While USAID has some involvement with microenterprise development across all of its major Program Objectives, Economic Growth is the predominant source of microenterprise development, encompassing 92 percent of microenterprise funding.

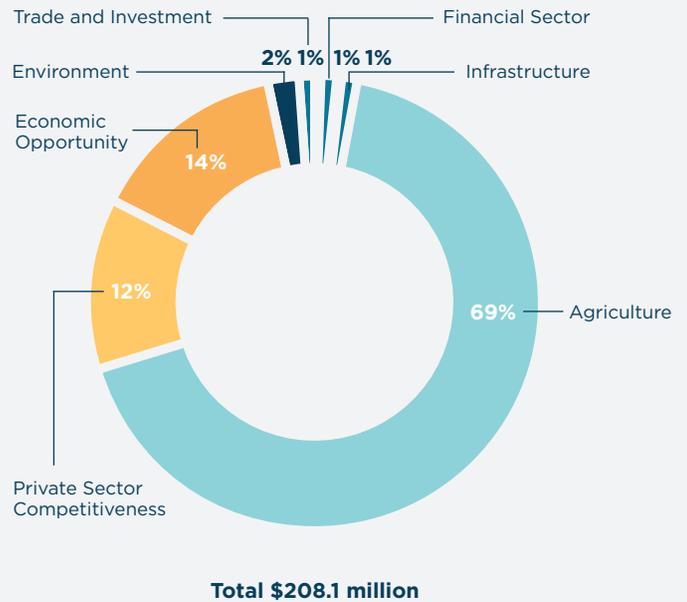
Chart 2 - Obligations by Program Objective, FY2013



PROGRAM AREAS

Within the Economic Growth Program Objective, several Program Areas contribute to the Agency's microenterprise development efforts. For example, agriculture, comprising 69 percent of microenterprise programming under Economic Growth, demonstrates the influence of the Feed the Future initiative, the U.S. Government's global hunger and food security initiative, which in recent years has become the focus of much of USAID's Economic Growth programming. Economic Opportunity and Private Sector Competitiveness were other Program Areas with notable microenterprise attributions. See Chart 3 for a breakdown of economic growth obligations by Program Area.

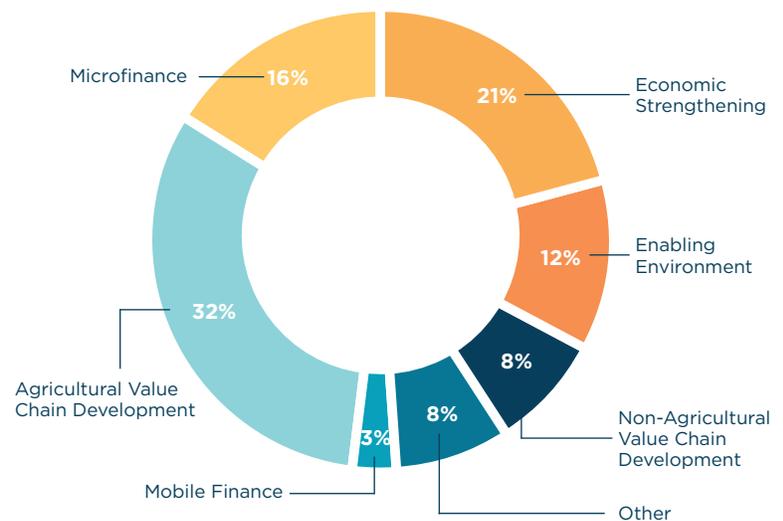
Chart 3 - Obligations by Program Area, FY2013



DEVELOPMENT APPROACHES

USAID uses several different approaches to promote microenterprise development, including a broad range of activities aimed at increasing access to microfinance, markets, and resources for the poor in the developing world. Chart 4 displays the broad categories in which USAID engages in microenterprise development. In FY2013, agricultural value chain development was the most prevalent approach, accounting for nearly one-third of USAID's microenterprise activities. Microfinance now comprises 16 percent of the Agency's engagement in the sector, as initiatives such as Feed the Future have helped to steer much of the microenterprise focus toward agricultural value chain development.

Chart 4 - Approaches to Microenterprise Development, FY2013





Build Local
Capacity

PROJECT SPOTLIGHT: BUILDING INCLUSIVE MARKETS IN TIMOR-LESTE

USAID advances market-driven approaches that link microenterprises with markets for their products and services, leading to stable sources of income for rural households. In Timor-Leste, market research has demonstrated that demand for fresh produce far outstrips supply, with retailers depending upon costly and unreliable imports from elsewhere in the region. USAID is helping to change this by connecting farmer groups with private sector buyers who are willing to pay a premium for high-end produce. Inclusive agriculture-sector growth is a key aspect of the Feed the Future initiative, and helps to support greater gender integration and improved nutrition in targeted communities.

CONNECTING BUYERS...

USAID works with local supermarket chains to facilitate agreements with farmers to improve the quality and reliability of local products. Each day, retailers send refrigerated trucks to agricultural communities to buy the products that farmers picked that morning. In the afternoon, these products can be found on the shelves of local supermarkets in Dili, the nation's capital. In addition to alleviating the need for farmers to transport and store their products, retailers provide farmers with valuable inputs, including seed and fertilizer, that would otherwise be difficult to obtain in rural areas.



CREDIT (ALL PHOTOS ON PAGE): USAID/Timor-Leste



...WITH PRODUCERS

Farmers appreciate this model, which allows them to focus on improving quality and increasing their levels of production. Working closely with USAID project staff, they have learned to utilize advanced farming techniques, such as drip irrigation and plastic tunnels to produce the high-quality products that local retailers require. Some farmers have received microloans to expand their use of these technologies. Many of these producers were once subsistence farmers, but now they have reliable streams of income and are diversifying their diets thanks to an ample supply of fresh vegetables.



“We partner to end extreme poverty and promote resilient, democratic societies while advancing our security and prosperity.”

-USAID Mission Statement

ENDING EXTREME POVERTY

In his 2013 State of the Union address, President Obama pledged that the “United States will join with our allies to eradicate such extreme poverty in the next two decades.” USAID’s microenterprise programming plays a crucial role in helping to achieve this ambitious, yet obtainable goal.

MEASURING POVERTY

Utilizing poverty measurement tools, USAID’s programs are able to estimate the percentage of funds benefiting the very poor (the poorest 50 percent of populations living below the poverty line established by a given country, or those living on less than \$1.25 per day). By using a poverty measurement tool, an implementing partner can gain an accurate estimate of the share of its beneficiaries who are very poor. Since 2007, USAID has developed Poverty Assessment Tools (PATs) for 37 countries. Other poverty measures, such as the Grameen Foundation’s Progress out of Poverty Index, may also be used for assessing poverty in a given geographical area. No new PATs were developed in FY2013, but USAID continued to support the application of existing PATs by maintaining a help desk, which provided advice and consultation for PAT users.³



USAID’s Tanzania Agriculture Productivity Program not only transfers good agricultural practices to smallholder farmers, but also shares vital market information on price trends to help farmers know when to sell for competitive prices. © FINTRAC INC

Nine implementing partners used poverty assessment measures in FY2013; 66 percent of their funding was programmed for activities focused on reaching the very poor. By multiplying the share of funds benefiting the very poor⁴ by the total number of beneficiaries in FY2013 (788,402), USAID estimates approximately 520,345 very poor people benefited from microenterprise development assistance in FY2013.⁵

³ MRR Requirement 8

⁴ MRR Requirement 6

⁵ MRR Requirement 7



Create
Sustainable
Institutions

PROJECT SPOTLIGHT: SERVING SMALLHOLDER FARMERS IN ETHIOPIA

USAID supports the establishment of farm service centers that can serve as one-stop shops for smallholder farmers in Ethiopia. These centers allow microentrepreneurs to access high-quality inputs and services. Farmers also receive training that enables them to sustainably increase their productivity and household income. Sales clerks are trained with the knowledge and skills to respond to their customers' needs and questions, and trained agronomists and veterinarians offer expert technical advice.

Some of these one-stop shops allow smallholder farmers to consult with agronomists and veterinarians who offer expert technical advice and training to help improve on-farm productivity and access to end-markets.

USAID support is helping to solidify relationships between smallholder farmers and service providers so that obtaining quality inputs and technical advice becomes a normal part of the production cycle.



Above: Sales clerks Hiwot Tefera and Beyenech Gossaye stand ready to welcome customers at the newly opened Bishoftu Farm Service Center in Ethiopia. This is one of six centers established through USAID/Ethiopia's Commercial Farm Service Program.

CREDIT (ALL PHOTOS ON PAGE): CNFA ETHIOPIA COMMERCIAL FARM SERVICE PROGRAM (CFSP)



Dawit Wondimu, the trained and staffed agronomist at the Bishoftu Farm Service Center, shakes hands with Minda Ayalew, a smallholder farmer who came to the center to get advice on what herbicide to use and how best to use it.



Minda Ayalew, a smallholder farmer and customer of the Bishoftu Farm Service Center, shows off his tomato production that resulted from improved access to essential agricultural inputs and expert consultation services. "It was a great season," Minda says. "The production is much more than I expected." Helping smallholder farmers increase their yields achieves one of the major objectives of the U.S. Government's Feed the Future initiative — combating food insecurity and hunger in developing nations.

REACHING THE MOST VULNERABLE

VICTIMS OF HUMAN TRAFFICKING

Microenterprise assistance reaches some of the most vulnerable in the societies in which we work. Through its microenterprise development assistance, USAID assists victims or potential victims of severe forms of trafficking in persons, and women who are victims of or are susceptible to other forms of exploitation and violence. In FY2013, an estimated \$41.3 million was reported as targeted toward these victims and potential victims of human trafficking.⁶

POVERTY AND RACE/ETHNICITY

In many parts of the world, skin color can be a major predictor of a person's socioeconomic status and his or her potential for employment in the formal sector. Microenterprise development helps

to level that playing field by empowering those disadvantaged groups that often find themselves at the bottom of the development pyramid. Through the operation of microenterprises, minority groups can find opportunity that may not be easily obtained through their country's more formal systems. In FY2013, an estimated 56 percent⁷ of beneficiaries of USAID microenterprise development activities lived in countries where there was a strong relationship between race or ethnicity and poverty.⁸

⁶ MRR Requirement 9

⁷ Visit www.mrrreporting.org for a full list of annexes and information on how significant relationships between poverty and race/ethnicity were determined.

⁸ MRR Requirement 10

With training in agricultural production and distribution, farmers are making real changes in their incomes and reducing their exposure to poverty.
CREDIT: WILLIAM CREIGHTON/DAI



Performance Results, FY2013

	FY2013 GOALS	FY2013 RESULTS
Number of microenterprise clients who are borrowers (Out of 14 projects)	1,250,000	788,402
% Women	60%	69%
% Rural	40%	49%
Number of microenterprise clients who are savers (Out of 6 projects)	1,750,000	243,709
% Women	60%	89%
% Rural	40%	97%
Total number of microenterprise borrowers and savers*	1,750,000	788,402
Number of microenterprises supported directly by partners (Out of 96 projects)	400,000	407,570
% Women	40%	48%
% Rural	75%	82%
Total number of microenterprise employees	500,000	1,106,876
% USAID microfinance partners that achieved sustainability (Out of 14 partners)	50%	86%
% of funds benefiting the very poor (Representing \$150.5 million FY2013 funding)**	50%	66%

* To avoid double counting, the number of borrowers and savers is based on the larger of the two from each project that reported having microfinance clients who are both borrowers and savers. Actual numbers are likely higher.

**Goals are based on programmatic information from the Missions included in the FY2013 reporting cycle.⁹

USAID has been fairly successful at targeting women and rural clients through microlending and savings programs. This reporting year, the total number of borrowers and savers reached fell short of the annual goals. A likely explanation is the increased focus on agricultural development. Many microenterprise programs no longer focus exclusively on microfinance; instead, they place considerably greater attention on developing inclusive value chains. USAID also has increased emphasis on private capital mobilization and private sector engagement, rather than donor capital, to support microfinance institutions (MFIs) and to finance microenterprise activities which are not captured in this report.

⁹ MRR Requirement 11



BIRTH OF AN INDUSTRY

USAID'S ROLE IN THE CREATION OF SUSTAINABLE MICROFINANCE

Today, microfinance is considered one of the great “game changers” in the developing world. Millions of poor households now have access to finance, and most urban centers have MFIs and commercial banks that offer microloans. The industry increasingly attracts private capital, with less reliance on donor support. Prior to the 1980s, this was not the case: Microentrepreneurs were often locked out of the financial system due to their small size and lack of collateral, and the financing that was available came from usurious lenders or heavily subsidized donor-funded projects. USAID played a pivotal role in shaping the industry’s transition toward a market-driven model that reaches much of the developing world.

LET A THOUSAND FLOWERS BLOOM

International interest in microfinance began in the 1970s and 1980s. USAID was one of the first major donors to recognize the importance of small and microenterprises as a source of income and employment for the poor, and the role that financial services could play in developing those enterprises. The Agency’s investments in experimentation and learning helped to prove that poor people are “bankable,” and led to dialogue and debate about best strategies, lending methodologies,

and delivery channels to reach the poor. In the 1990s, USAID supported the transition of MFIs, such as BancoSol in Bolivia and K-REP in Kenya, as they became more established commercial banks.

These efforts resulted in an industry shift from donor grants to private capital. In the late 1990s and early 2000s, as the microfinance sector matured and competition increased, MFIs began to distinguish themselves through broader product offerings that included housing loans, savings products, insurance, and remittance services. USAID supported these organizations in developing these new products while helping to shape policy and regulatory frameworks that enabled the birth and growth of sustainable financial institutions serving low-income communities.

LOOKING TO THE FUTURE

USAID now focuses on how microfinance can be integrated with other services and needs, such as health, agriculture, energy, and education, to better serve poor households. Technology-driven delivery channels and private sector partnerships offer great promise for further increasing the scale of the industry’s reach. Client protection and improved financial literacy have now become important considerations in the fight to end extreme poverty.

The Kenya Rural Enterprise Program

Early microfinance successes proved that microfinance providers could become profitable banks. In one example, the Kenya Rural Enterprise Program (K-REP) started in 1984 as a USAID/Kenya project. With support from USAID, the program became a nongovernmental organization in 1987 and transformed into the first regulated microfinance bank in Africa in 1999. By providing a model and resource organization for other MFIs in Kenya and other countries in Africa, and convincing central banks to change their policies and regulatory frameworks, the bank helped pave the way to make financial services available to millions of low-income

households, microentrepreneurs, and rural smallholders throughout Africa.

In 2012, K-REP bank’s microlending portfolio included 23,719 borrowers, 145,288 depositors, and a gross loan portfolio of more than \$87 million. Kimanathi Mutua, K-REP Group Chairman and its former managing director, said microfinance would not be what it is today in Africa without USAID’s funding and support to permit experimentation, capacity building, learning, and partnership. (Interview, May 15, 2014; www.microlinks.org)

HARNESSING THE POWER OF PARTNERSHIP

Ending extreme poverty will not be easy and will require the efforts of USAID working alongside other donors, implementing partners, host-country governments, and the private sector. Together, we have a real opportunity to improve the lives of the poor.

DEVELOPMENT CREDIT AUTHORITY (DCA)

Over the past two decades, private capital inflows to the developing world have dwarfed contributions from the donor community. The challenge for donors has become less about stimulating private sector activity and more about helping the poor to benefit from private sector-led growth in their countries. One way that USAID is mobilizing private capital is through loan guarantees. USAID's Office of Development Credit enables an increased capital base for microfinance lending by providing partial loan guarantees to financial institutions. These guarantees encourage lenders, such as commercial banks, to extend credit to MFIs by mitigating a portion of the real or perceived risk of such lending. In turn, the loans allow the MFIs to expand their portfolios. Guarantees have also played a more direct role, encouraging commercial banks or MFIs to lend to microenterprises in the agricultural sector.

USAID's active microfinance credit guarantees have the potential to leverage up to \$563 million in private sector credit to MFIs and microenterprises globally.¹⁰ In FY2013 alone, **eight new guarantees** were put in place that could leverage up to **\$41.7 million** in private sector credit to MFIs and microenterprises.¹¹

IMPLEMENTING PARTNERS

USAID carries out its microenterprise assistance through a wide array of implementing partners and funding mechanisms. Of the \$226 million in

microenterprise development funding recorded in the FY2013 survey, 28 percent (\$63.4 million) was obligated through contracts. The remaining 72 percent (\$163 million) was obligated through noncontract mechanisms (i.e., cooperative agreements and grants).

Nonprofit partners were the direct recipients of 45 percent of total obligated funding. For-profit consulting firms were the direct recipients of 36 percent of total obligated microenterprise funding; other for-profit institutions such as banks and non-bank financial institutions received 19 percent. Combined, for-profit entities received 55 percent of FY2013 obligated funding for microenterprise development.¹²

SUB-RECIPIENTS

USAID's implementing partners frequently use USAID funding to make sub-awards in the form of grants or contracts. These types of awards enhance USAID's ability to involve smaller partners and local organizations that may bring specific skills and expertise in a particular area but may not be appropriate for implementing a large-scale activity. These organizations frequently have strong ties to local communities and a deep understanding of the cultural context in which they serve. Of the \$164 million sub-obligated to 525 institutions, \$105 million was provided in the form of grants under contract. This important mechanism allows for-profit contractors to extend grants to other entities, often local, in-country partners.

MATCHING ASSISTANCE

USAID also partners with other entities to leverage resources for microenterprise development. In FY2013, \$71 million of USAID's microenterprise funds were supplemented by an additional \$26 million from other sources, such as private donors, multilateral funding, commercial and concessional borrowing, savings, and program income.

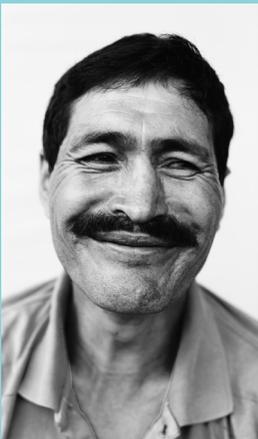
¹⁰ A list of all DCA guarantees related to microenterprise development is provided in Annex T, located online at www.mrreporting.org.

¹¹ MRR Requirement 3

¹² MRR Requirement 4



CREDIT FOR CHOCOLATE



The San Martín region of Peru is dotted with small family farms amid a beautiful Amazonian backdrop. It is also poor, with more than a third of the population living below the poverty line. Though illicit crops, including coca, are grown in the region, viable alternatives, such as cocoa for chocolate, are showing great promise.

Flavio García Velázquez is one of 12,000 residents of San Martín's San Jose de Sisa district, a 12-hour drive north from Peru's capital, Lima. He lives with his wife and they have two daughters and two sons. Flavio used to grow corn and raise livestock, but he struggled to make a decent living. His family would make only \$230 per harvest for every two-and-a-half acres of corn.

To improve his situation, Flavio needed to find a way to borrow money. He approached Caja Maynas' regional banking branch in 2011 and qualified for a \$2,145 loan for his farm. The bank took what was considered a major risk on the Velázquez family because the loans it offered to local farmers were guaranteed by USAID's DCA.

Flavio used his financing for a new plot of land, a storage facility for his crop, an addition to his home, and fertilizer. His annual income has quadrupled as a result of these investments. Flavio has since repaid his loan in full.

Since being introduced in 1999, DCA guarantees have unlocked \$839 million for lending to microenterprises, enabling 125,536 microentrepreneurs to obtain financing, with a default rate of only 2 percent.

ADDITIONAL INFORMATION

This report responds to the annual reporting requirements of the Microenterprise Results and Accountability Act of 2004. It was compiled using data obtained from a two-stage survey process. In Phase I, the survey team reached out to more than 90 USAID Missions and USAID/Washington offices to obtain Mission-level information. The survey captures approximately 90 percent of all Mission-level obligations. In Phase II, the survey team reached out to USAID implementing partners who were identified during Phase I as recipients of microenterprise funding. Approximately 80 percent of all microenterprise funding was captured at the partner level.

To limit the report's length and reduce costs, supporting data, including additional annexes, are available online at www.mrreporting.org. The website enables users to view in-depth information, explore data, access previous reports, compare information across years, and review a complete list of implementing partners who received microenterprise funding.

To connect with microenterprise development practitioners, share knowledge, keep up with the latest news, and learn about important industry events, please visit USAID's inclusive economic growth portal, Microlinks, at www.microlinks.org.¹³

¹³ MRR Requirement 12



Mobile phone banking in the Philippines.
CREDIT: MICROENTERPRISE ACCESS TO BANKING SERVICES
(MABS) PROJECT, CHEMONICS INTERNATIONAL

ANNEX A: MRAA REPORTING REQUIREMENTS

1	<p>Funding: The number of grants, cooperative agreements, contracts, contributions, or other forms 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.</p> <p>C) A listing of the number of countries receiving assistance authorized by section 252.</p>
2	<p>Central Mechanisms: The amount of assistance provided under section 252 through central mechanisms.</p>
3	<p>DCA: The name of each country that receives assistance under section 256 (the section of the law pertaining to the DCA and credit instruments) and the amount of such assistance.</p>
4	<p>USAID Funding Recipients: The level of funding provided through contracts; 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 an analysis of the comparative cost-effectiveness and sustainability of projects carried out under these mechanisms.</p>
5	<p>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>
6	<p>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>
7	<p>Estimated Number of the Very Poor: This number is reached with assistance provided under section 252.</p>
8	<p>Poverty Assessment Methods: The process of developing and applying poverty assessment procedures required under section 254.</p>
9	<p>Funds to Assist Victims of Trafficking and Exploitation: Information on the efforts of the Agency to ensure that recipients of U.S. microenterprise and microfinance development assistance work closely with nongovernmental 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>
10	<p>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>
11	<p>Performance Monitoring System: The results of the monitoring system required under section 253 (see A-D below).</p> <p>A) The monitoring system shall include performance goals for the assistance, and express such goals in an objective and quantifiable form, to the extent feasible.</p> <p>B) The monitoring system shall include performance indicators to be used in measuring or assessing achievement of the performance goals described in paragraph 1, and the objective of the assistance authorized under section 252.</p> <p>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.</p> <p>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.</p>
12	<p>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.</p>



USAID
FROM THE AMERICAN PEOPLE

U.S. Agency for International Development
1300 Pennsylvania Avenue, NW
Washington DC 20523
Tel: (202) 712-0000
Fax: (202) 216-3524
www.usaid.gov