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FROM THE AMERICAN PEOPLE

FINANCIAL SECTOR KNOWLEDGE SHARING

FINANCIAL SECTOR KNOWLEDGE SHARING PROJECT

Final Report



SEPTEMBER 2012

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ACRONYMS

DRC	Democratic Republic of the Congo
E3	Bureau for Economic Growth, Education, and the Environment (USAID)
EGAT	USAID Bureau of Economic Growth, Agriculture and Trade (now known as “E3”)
FS Share	Financial Sector Knowledge Sharing project
m-money	mobile money
MSOW	model scope of work
PIR	project intermediate result
POF	purchase order finance
RFCA	rapid financial crisis assessment
SME	small- and medium-sized enterprises
SOW	scope of work

EXECUTIVE SUMMARY

A dynamic financial sector that efficiently intermediates capital and provides access to diverse financial products and services for businesses and individuals creates economic opportunities and widespread benefits. Yet, many emerging and rebuilding economies have significant gaps in their financial infrastructure, inadequate legal and regulatory frameworks, and limited expertise that hinder efforts to create and maintain sound financial sectors.

The Financial Sector Knowledge Sharing (FS Share) project was designed by the USAID Bureau of Economic Growth, Agriculture and Trade (EGAT, now known as E3) as a vehicle to test innovative approaches to financial-sector development and facilitate the collection, analysis, and dissemination of best practices and lessons learned through implementation. Through these activities, FS Share's overarching objectives were to assist USAID to increase access to financial services and develop well-functioning markets worldwide.

Through its four-year period of performance, July 2008 to September 2012, FS Share conducted a broad range of activities, including short-term assessments, pilot activities, and training for USAID personnel. FS Share also produced 37 technical materials and resources. The activities were demand-driven, solicited through surveys of USAID personnel, and initiated in response to requests of interest from USAID missions and operating units.

This final report provides a summary of project activities, presents results and lessons learned, and enables access to the technical resources, tools, and templates produced by FS Share. The final report is organized by the project's three project intermediate results (PIRs):

Section I. PIR 1: Model scopes of work and best practices case studies developed. This section presents FS Share's activities to produce practical, demand-driven resources such as primers, model scopes of work (MSOWs), diagnostic tools, and case studies, delivered to USAID staff in learning events and disseminated to missions worldwide in person and through FS Share and USAID's websites.

Section II. PIR 2: Institutional capacity in financial-sector development within USAID improved. The section summarizes activities to strengthen USAID's institutional capacity in financial-sector development, including delivering training and knowledge-sharing events and performing short-term diagnostics and assessments.

Section III. PIR 3: Knowledge sharing infrastructure for financial sector development improved. This section discusses activities to strengthen USAID's knowledge management and sharing platform to promote continuous dialogue and learning.

Section IV. Results. This section highlights accomplishments in 14 countries, including results by indicator, success stories, and a summary of more than \$3 million in buy-ins leveraged from USAID missions and operating units, other government agencies, and donors.

Section V. Looking Forward. This section discusses lessons learned during project implementation and considerations for future USAID-funded financial-sector development initiatives.

INTRODUCTION

DEVELOPMENT CHALLENGE

A dynamic financial sector that efficiently intermediates capital, combined with wide access to appropriate financial products and services for businesses and individuals, can catalyze economic growth and create widespread benefits for the populations of rebuilding, developing, and other countries that are supported by the U.S. government. However, most rebuilding and developing countries have significant gaps in their financial infrastructure, inadequate legal and regulatory frameworks, and human capacity shortfalls that hinder their efforts to create a sound financial sector. Moreover, all USAID-supported countries are affected by globalization, as well as domestic and regional factors that influence macroeconomic performance. Within their specific contexts, all countries must strengthen and deepen their financial systems to achieve growth and alleviate poverty. Successful adoption and implementation of international standards helps position countries to reap the rewards of globalization through sound financial regulation and supervision, greater transparency, improved market discipline, and more efficient and robust institutions, markets, and infrastructure.

USAID has played a significant role in supporting financial-sector advancement around the world, including in the former Soviet Union, Central Europe, Latin America, and, more recently, the Middle East, the Caucasus, South Africa, and Mongolia. USAID programs have worked to strengthen bank supervision and regulation, deepen capital markets, foster sound monetary policy, improve the legal and regulatory environment to increase access to credit, promote sound commercial bank and non-bank financial institution practices, and create commercially viable microenterprise finance institutions.

PROJECT OBJECTIVE

FS Share was designed to develop effective and efficient financial-sector programs that increase access to financial services and develop well-functioning markets worldwide. FS Share was structured to be a vehicle through which EGAT could generate and disseminate financial-sector development knowledge and test and share approaches, best practices, and lessons learned to USAID missions worldwide.

USAID Missions and Bureaus Supported by FS Share

Afghanistan • Africa Bureau • Armenia • Azerbaijan • Democratic Republic of the Congo • Development Credit Authority • Economic Growth, Agriculture and Trade • Ghana • Haiti • Indonesia • Malawi • Tanzania

FS Share accomplished this by conducting short-term assessments and pilot activities, producing technical materials and resources, and facilitating training for USAID personnel. Its activities were demand-driven, solicited through surveys and communication with USAID missions and operating units. Across a four-year period of performance (July 2008 to September 2012), including a one-year no-cost extension period, FS Share produced 37 financial-sector technical deliverables, 14 MSOWs, and 16 financial-sector diagnostics. During this same period, FS Share conducted 18 assessments and pilot activities.

Through short-term, targeted technical assistance (e.g., assessments, feasibility studies, and pilot activities), FS Share provided USAID missions and operating units with case studies, lessons

learned, expert recommendations, and roadmaps for sequencing and prioritizing financial-sector reforms. At USAID's request, FS Share facilitated public-private dialogue through in-country events, including working groups, conferences, and summits, and developed action plans to promote the ideas discussed in those forums.

FS Share project activities were organized around the PIRs identified in its results framework. The PIRs were developed to provide a blueprint to accomplish FS Share's objectives: to achieve an increase in financial-sector development related technical assistance activities by USAID operating units, strengthen USAID institutional capacity in financial-sector development, and improve USAID's knowledge-sharing platform to effectively disseminate best practices and lessons learned. This report is organized by those PIRs.

All FS Share activities and deliverables were driven by request from USAID. In collaboration with FS Share's contracting officer's representative and activity managers, FS Share staff developed periodic surveys to identify topics of interest to USAID missions and operating units. An illustrative list of the findings of one survey is presented in Annex C. The contracting officer's representative and activity managers also consulted economic growth officers for input on FS Share's technical agenda. Input from evaluations of FS Share learning events also informed the work plan, which was updated quarterly with the results of this continuous input. All deliverables were reviewed by FS Share's program team and underwent a rigorous peer review, either by experts engaged by FS Share or a selective group of USAID economic growth experts, before they were finalized and approved for broad dissemination through FS Share learning events, USAID's website, and the Development Experience Clearinghouse.

SECTION I. PIR 1: MODEL SCOPES OF WORK AND BEST PRACTICES CASE STUDIES DEVELOPED

FS Share produced technical resources, such as primers, MSOWs, diagnostic tools, and case studies as vehicles to communicate information in a digestible format and provide blueprints for USAID staff to use to enhance existing financial-sector programs and new program designs to reflect best practices. This chapter summarizes the technical resources produced by FS Share.

Deliverables referenced are available through the links in this report and on the USAID Bureau for Economic Growth, Education and the Environment (E3) website.

FS SERIES

FS Share designed the Financial Sector Series as a package of resources to guide USAID program staff in designing or enhancing financial-sector development interventions. Each FS Series included a primer, diagnostic checklist, MSOW, and a reference list. The primer functions as a “101” on a topical area: identifying the core mechanics of a financial-sector development intervention, outlining key components of the approach and best practices in addressing implementation challenges. The diagnostic checklist is designed to steer U.S. government programmers in evaluating the preconditions and options available to addressing a given financial sector challenge. Each MSOW provides a blueprint for USAID officers to engage expertise on short- or long-term technical assistance assignments to address implementation in country. Exhibit 1 contains a list of FS Series completed by FS Share.

Exhibit 1. FS Share FS Series

Volume/Topic	Description	Author(s) ¹	Resources
1. Enabling Sub-sovereign Bond Issuances	Introduces sub-national finance as a sustainable approach to supporting local government infrastructure.	Chemonics International	<ul style="list-style-type: none"> • Primer • Diagnostic checklist
2. Health Sector Financing in Developing Countries	Summarizes health financing in emerging economies and health sector financing mechanisms, and a presents a checklist to evaluate the financial sustainability of health interventions.	Chemonics International	<ul style="list-style-type: none"> • Primer • Diagnostic checklist
3. Supporting the Establishment of Credit Bureaus	Reviews and provides blue prints and MSOWs to implement three models — public, private, and hybrid — to support the establishment of credit bureaus.	Baja Group Consultants	<ul style="list-style-type: none"> • Primer • 3 MSOWs • 3 Diagnostic checklists
4. Enabling Small and Medium Access to Finance	Introduces approaches, case studies and best practices to enable access to financing for small- and medium-sized enterprises (SMEs) in emerging markets.	Crimson Capital, ShoreBank International	<ul style="list-style-type: none"> • Primer • Diagnostic checklist • MSOWs

¹ While the table denotes lead authors, the FS Share program team provided technical input, peer review, and final editing of all deliverables.

Volume/Topic	Description	Author(s) ¹	Resources
5. Value Chain Finance	Introduces approaches, case studies, and best practices to introduce financing mechanisms in value chain development.	Chemonics International	<ul style="list-style-type: none"> • Primer • Diagnostic checklist • MSOW
6. Developing Corporate Bond Markets in Developing Countries	Introduces approaches to and representative case studies of developing a sustainable corporate bonds market in emerging economies.	Pragma Corporation	<ul style="list-style-type: none"> • Primer • Diagnostic checklist • MSOW
7. Enhancing the Leasing Environment	Summarizes approaches and best practices to integrate lease financing into approaches to extend finance to SMEs.	QED Group	<ul style="list-style-type: none"> • Primer • Diagnostic checklist • MSOW
8. Rural and Agricultural Finance for Food Security	Introduces approaches to integrate rural and agricultural finance into USAID-supported food security strategies.	AZMJ	<ul style="list-style-type: none"> • Primer • Diagnostic checklist • MSOW
9. Enhancing Mobile Money Interventions	Introduces and discusses best practice approaches to leverage mobile phone banking and mobile money (m-money) transfer technologies to increase access to finance.	Chemonics International	<ul style="list-style-type: none"> • Primer • Diagnostic checklist • MSOW
10. Establishing Modern Secured Financing Systems in Developing Economies	Introduces secured finance as an approach to enable access to finance and provides a diagnostic checklist and MSOW to direct technical assistance interventions.	Chemonics International	<ul style="list-style-type: none"> • Primer • Diagnostic checklist • 2 MSOWs
11. Innovations in Financial Services Delivery — Branchless Banking	Introduces and discusses best practice approaches to branchless banking solutions to increase access to finance.	Chemonics International	<ul style="list-style-type: none"> • Primer • Colombia Case Study • Diagnostic checklist • 2 MSOWs
12. Developing Government Bond Markets	Introduces approaches to and representative case studies of developing government bond markets in emerging economies.	Chemonics International, Commonwealth Secretariat	<ul style="list-style-type: none"> • Primer, diagnostic checklist, and MSOW

TOOLS AND WHITE PAPERS

In addition to the comprehensive FS Series, FS Share produced concise diagnostic tools and white papers on niche financial-sector development topics. These assignments were driven by demand of USAID missions and operating units. The remainder of this section summarizes these resources.

[Tool to Conduct Capital Markets Assessments in Developing Countries](#)

FS Share developed the Capital Markets Assessment Tool to conduct capital markets diagnoses in developing countries. Based on a comprehensive questionnaire, the tool was designed to be used independently to obtain and assess all information considered necessary for development and regulation of markets for equity or corporate debt securities, and to identify targeted technical assistance. It was also designed to interface with, but not duplicate, the International Organization of Securities Commissions' methodology for Assessment of the Implementation of

its Objectives and Principles of Securities Regulation. This tool was used to conduct a capital markets assessment in Azerbaijan (see p. 12 and PIR 3 in Exhibit 3, p. 21).

Guidelines for a Rapid Financial Crisis Assessment (RFCA)

The RFCA tool was developed to conduct a rapid assessment of Armenia’s financial sector after a sharp devaluation of the currency in 2009. The guidelines were derived from capital adequacy, asset quality, management, earnings, and liquidity, better known as “CAMEL,” and stress test tools, and condensed to conduct a shorter assessment in the interest of urgency. Though the guidelines were developed in response to demand from USAID/Armenia, they were also designed to be applied globally. Their objectives are to assist in the identification of strengths and vulnerabilities of financial-sector participants, assess overall soundness and stability of the financial sector, highlight linkages between the macro-economy and the financial sector, and ascertain technical assistance needs and policy recommendations. The guidelines were applied for an RFCA in Armenia (see p. 10 and PIR 3 in Exhibit 3, p. 21) and by USAID/Mongolia through the Mongolia Economic Policy Reform and Competitiveness project.

Readily Available Government Securities Trading Systems for African Countries

Developed as a supplemental annex to the Developing Government Bond Markets primer, this matrix identifies and assesses readily available, “off-the-shelf” primary and secondary government securities trading systems/platforms. Produced at the request of USAID’s Africa Bureau, the matrix focuses on flexible and scalable trading systems and platforms that could be implemented in African countries. For the Africa Bureau, FS Share also explored systems that are less expensive to purchase and maintain, and manageable in an “open-source” manner.

Enhancing the Enabling Environment to Increase Access to Finance

This white paper examines elements of business enabling environment development programming that more consciously pursue financial-sector impacts to liberate finance and promote growth of businesses of all sizes. The paper reviews microeconomic policies that can increase the cost and risk of lending, and identifies ways to remediate these barriers to facilitate financial-sector development. It also includes case studies from USAID programs in Albania, Georgia, Egypt, and Colombia as they apply to the design and implementation of initiatives to improve the policy and regulatory environment for micro, small, and medium enterprise access to financial services.

Asset-Based Finance

This white paper reviews asset-based financing as an approach to meet the operation and expansion needs of SMEs. It summarizes different instruments of asset-based financing, describes when and how the instruments may be used in technical assistance interventions, and lists the programmatic prerequisites necessary to develop a project that provides or reinforces access to asset-based financing by banks and non-bank financial institutions.

Tools for U.S. Government Resources to Facilitate Private-Sector Engagement

At the request of E3, FS Share conducted research for and provided technical input to discussions exploring opportunities for USAID to refine, pilot, and roll out a framework for a

private-sector engagement approach. FS Share interviewed USAID private-sector development officers around the world to document their understanding and approaches to engagement and their perceptions on their professional development within USAID. FS Share also provided input for a diagnostic checklist for USAID to use to identify and facilitate private-sector investment opportunities.

Strengthening Agricultural Lending in the DRC: Toolkit

At the request of USAID/Democratic Republic of the Congo (DRC), FS Share conducted analysis of the constraints and opportunities to expand agricultural lending in the DRC. Also by request, FS Share produced an Agricultural Lending Toolkit to support the provision of expertise to strengthen the capacity of agricultural lending units within financial institutions. The toolkit includes a comprehensive inventory of ready-to-use templates and tools for financial institutions to use to identify, prepare, review, and rate agricultural credit transactions. FS Share consortium subcontractor ShoreBank International developed and refined the toolkit and accompanying training manual. The toolkit was piloted with two commercial banks in the DRC, refined, and implemented again with a microfinance institution in Ghana.

SECTION II. PIR 2: INSTITUTIONAL CAPACITY IN FINANCIAL SECTOR DEVELOPMENT WITHIN USAID IMPROVED

One of FS Share's primary objectives was to increase USAID's capacity to impart technical knowledge and competencies in financial-sector development skill sets. It was also designed to improve self-paced training modules and practical resources for USAID economic growth officers, specifically entry-level officers. A summary of FS Share's activities under PIR 2 follows.

FS Series learning events. FS Share facilitated learning events about the financial-sector topics addressed in each FS Series. Several of these events were designed to support strengthening skill sets and provide tools for USAID's Development Leadership Initiative staff; others targeted development practitioners more broadly. All FS Series presentations included an introduction of the financial-sector development approach, case studies, lessons learned, and review of a diagnostic tool to assist with programming. Each presentation also included a moderated panel of experts that shared implementation experience and addressed questions from the audience. FS Share consortium partners, external experts, and USAID technical experts participated on panels in the learning events to foster rigorous, diverse discussion. A list of these presentations and a summary of the results from participant evaluations is presented in Section III (p. 15).

Financial-sector development certification questions review. FS Share supported USAID EGAT's development of a financial-sector development training and certification program and Financial Sector Skills Matrix. FS Share had Robert Gibbons, president of the International Insurance Foundation, an FS Share consortium subcontractor, propose more than 400 questions for the program. The objective was to equip economic growth officers with knowledge about a variety of financial-sector development topics to help them identify priorities and design and manage effective programming.

USAID financial-sector development in-depth training. In June 2009, FS Share supported this training, which provided USAID economic growth officers and other U.S. government staff working on economic growth programs with a broad understanding of finance as a tool for economic development and growth. FS Share developed and delivered three presentations on value chain finance, financial-sector regulation, and insurance.

USAID/AFGHANISTAN

[*Assessment and Report on Legal and Regulatory Environment and Market Infrastructure to Develop Financial Markets in Afghanistan.*](#) From October to December 2009, USAID's Afghanistan mission engaged FS Share to collaborate with the World Bank on a study to assess preconditions for the development of financial markets in Afghanistan. The assessment identified areas for targeted technical assistance, illustrative activities, and proposed sequencing of activities fitting within the mission's strategic objectives to further develop and strengthen well-functioning financial markets in Afghanistan.

Material Loss and Review of Kabul Bank. In May 2011, FS Share completed a material loss and review of Kabul Bank. Key outcomes included a summary of the Afghan banking sector and

working environment, a review of related legal and regulatory issues, proposed suggestions to strengthen bank supervision, and a framework for coordination and information-sharing by U.S. government entities involved in the Afghan banking sector.

Pre-pilot Feasibility Assessment for Branchless Banking. In December 2011, FS Share collaborated with subcontractor Open Revolution, a small business, to assess opportunities and challenges to initiate new or scale up existing branchless banking models. The purpose was to facilitate the expansion of financial access to underserved and unbanked populations in Afghanistan, particularly in rural and agricultural areas. FS Share provided the mission with a proposed framework, action plan, and timeline to initiate short-term pilot activities to support the development of a system in which beneficiaries receive funds.

Data Analysis, Action Plan, and Summit to Promote M-Money in Afghanistan. After reviewing the pre-pilot feasibility assessment for branchless banking, USAID/Afghanistan requested additional technical assistance from FS Share to perform data analysis on the cost and implications of scaling m-money models. The mission also asked FS Share to propose target locations to pilot and scale m-money initiatives. With Open Revolution, FS Share developed an action plan and m-money model based on gathered data. FS Share also organized a one-day summit that convened more than 160 U.S. and Afghan government representatives and private-sector stakeholders to discuss existing initiatives and proposed activities in the action plan. USAID's Financial Access for the Investment in the Development of Afghanistan project, also managed by Chemonics, participated in the summit and assumed a lead role in executing activities to accelerate the development of m-money products, services, and pilot activities.

Afghanistan Revenue and Expenditure Scenario Analysis. In 2011, FS Share conducted a study to provide a preliminary outline of a comprehensive model for a scenario analysis of revenues and expenditures. USAID/Afghanistan requested this assistance to support bringing structure to the management of public finances in Afghanistan. The assessment was conducted using information collected during interviews in Kabul and Washington, D.C., with officials from the U.S. and Afghan governments, including the U.S. Department of Treasury, USAID, and Afghanistan's Ministry of Finance.

Afghanistan Fiscal Sustainability Model. In collaboration with USAID/Washington, USAID/Afghanistan, and the U.S. Department of Treasury, and with general support from Adam Smith International/UK Department for International Development, FS Share asked Steve Symansky, former chief mission advisor for Afghanistan at the International Monetary Fund, to develop a fiscal sustainability model to help U.S. and Afghan government officials analyze fiscal policy issues. First, the model was used to provide a baseline forecast, then it was structured to simulate a more realistic baseline while pointing to a number of key transitional issues to help guide U.S. policy decisions. A training manual was also developed to teach people how to operate the model using E-Views software.

Afghanistan Public Financial Management Analysis and Concept Paper. At the same time it was developing the fiscal sustainability model, USAID/Afghanistan tasked FS Share to review USAID's public financial management assistance to the Afghan government and recommend a series of next steps harmonized with other donors and in support of the United States' Transition

2014 planning. FS Share engaged Pragma Corporation and Paul Davis, its vice president and chief operating officer, to conduct an initial assessment in 2011. In July 2012, Mr. Davis returned to Afghanistan to provide recommendations to USAID on the best way to structure on-budget governance assistance that was compatible with the fiscal architecture of Afghanistan. Furthermore, any assistance had to meet the short-term transitional and long-term requirements of U.S. government funding. On behalf of FS Share, Mr. Davis presented recommendations from the Budget Execution Reform in Afghanistan Final Report to representatives of the Office of Afghanistan and Pakistan Budget and Finance at USAID in Washington, D.C.

USAID/ARMENIA

[Guidelines for a Rapid Financial Crisis Assessment](#) and [Rapid Financial Crisis Assessment in Armenia](#). In May 2009, USAID/Armenia asked FS Share to develop a tool to assess the impact of the financial crisis on Armenia's corporate and financial sectors. USAID/Armenia provided a \$32,600 buy-in to FS Share to fund a short assessment in country. The RFCA was quick, simple, action-driven assessment of the financial and corporate sectors' most immediate and urgent vulnerabilities. It was not meant to be a substitute of more systematic and comprehensive assessments, such as "stress tests" and the Financial Sector Assessment Program conducted by the World Bank and the International Monetary Fund that require specialized resources and significantly more time to execute. The RFCA provided an overview of the global financial crisis' impact on the Armenian economy, the financial soundness of the public sector, the preparedness of the financial sector's policy and regulatory institutions, and the capacity of the financial market infrastructure to withstand the crisis. Two other sections of the RFCA assessed the capacity and soundness of financial institutions, primarily commercial banks and the corporate sector, as well as access to finance constraints. The last section presented the economic policy implications to be addressed by the authorities. FS Share Program Manager Roberto Toso applied the guidelines tool in Armenia in April 2009 and presented the results to USAID/Armenia and USAID/Washington.

Development and implementation of selected financial-sector pilot activities in Armenia.

USAID/Armenia asked FS Share to follow up on a few of the recommendations in the RFCA. The mission designed the financial sector stability pilots to:

1. *Enable SME finance for increasing sales and employment within value chains.* FS Share selected and piloted a purchase order finance (POF) loan product as a tool to expand access to finance for SMEs. With technical assistance provided by Crimson Capital, an FS Share consortium subcontractor, two partner banks developed a POF loan product for short-term working capital. By June 30, 2010, Ameria Bank extended two POF loans totaling \$40,553 (\$21,375 and approximately 19,178 Armenian drams) to two clients, and Inecobank approved five POF loans to three clients (\$56,200 and approximately 1,200 drams). Three months after the pilot activity ended, Shailee Adinolfi, representing FS Share's program team, went to Armenia to assess its impact. During the three months before Ms. Adinolfi's trip, Inecobank issued five more POF loans totaling \$47,933, and Ameria Bank issued two more loans totaling to \$83,500. To date, Inecobank and Ameria Bank, respectively, have issued approximately \$104,000 and \$124,053 in POF loans to SMEs.

2. *Assess the feasibility of a hedging mechanism.* FS Share conducted a rapid assessment of the feasibility of integrating a hedging mechanism in SME-targeted finance products to mitigate foreign exchange risk as an additional means to expand lending to the SME sector.
3. *Facilitate translation and review of International Financial Reporting Standards for SMEs 2009.* FS Share supervised the translation and expert review of the Standards for SMEs 2009, for SMEs Basis for Conclusions, and for SMEs Implementation Guidance 2009.

USAID/AZERBAIJAN

[Capital Markets Assessment for USAID/Azerbaijan](#). Using the Tool to Conduct Capital Markets Assessments in Developing Countries, FS Share facilitated a capital markets assessment in Azerbaijan in January 2009. It was conducted by William Baldrige, USAID senior financial markets advisor and former FS Share contracting officer's representative. In April, FS Share standardized and disseminated the questionnaire as a tool to facilitate capital markets assessments in other countries.

USAID/DRC

Training Deliverables

1. [Expanding Agricultural Lending in the Democratic Republic of Congo: Training Program Action Plan](#)
2. [Presentation: Brief Introduction to Agricultural Finance \(French Version\)](#)
3. [Presentation: Risks to Which Banks are Exposed in Connection with Financing in the Agricultural Sector](#)
4. [Presentation: Agricultural Clientele and Credit Risk Analysis \(French Version\)](#)
5. [Presentation: The 5 Cs of a Good Loan \(French Version\)](#)
6. [Presentation: Credit Products for Agriculture \(French Version\)](#)
7. [Presentation: Use of the Value Chain in Financing Agriculture \(French Version\)](#)

Toolkit and annexes

Expanding Agricultural Lending in the Democratic Republic of Congo: Toolkit

- A. *Crop Revenue Cost Estimates Templates*
- B. *Lender Reporting Templates*
- C. *RAROC Example*
- D. *Cash Flow and Amortization Tool*

The mission engaged FS Share in a sequenced series of activities to support the expansion of agricultural lending. FS Share consortium subcontractor ShoreBank International participated in all phases of the activities. During the first phase (2011), ShoreBank technical experts designed and delivered a two-day workshop to representatives of banks to provide refresher training on lending to SMEs, especially ones in the agriculture sector. As a part of the assignment, the

experts met with senior management from select financial institutions to do a top-line review of policies, procedures, and staff capacity to conduct credit underwriting, portfolio management, and new product development to expand lending to the agricultural sector.

Findings from the first phase revealed an opportunity to strengthen bank policies, procedures, and staff capacity to implement the credit application and review process for the agricultural sector. To address this need, FS Share, with input from USAID/DRC and FS Share activity managers at USAID/Washington, developed an agriculture lending toolkit to serve as a one-stop shop for guidance, templates, tools, and case studies on agricultural lending. With funding from USAID/DRC and the Development Credit Authority Office, FS Share and ShoreBank International piloted the agricultural lending toolkit with two commercial banks in the DRC. As part of the pilot, ShoreBank experts performed an institutional diagnostic assessment for both banks, making recommendations on opportunities to apply the toolkit to make changes to the bank's organizational structure, provide training to staff across departments, and establish and revise internal policies and procedures to support expanding agricultural lending. A large part of the training focused on loan underwriting and strengthening marketing strategies. Each bank contributed \$20,000 to the provision of technical assistance, resulting in \$40,000 of private-sector funding to leverage USAID's investment. Upon completion of the assessment, FS Share, ShoreBank, USAID/DRC, and FS Share's activity manager met to discuss the strengths of the toolkit and its components, areas for refinement, and lessons learned in structuring the technical assistance with the financial institutions. At USAID's request, FS Share collaborated with ShoreBank to refine the toolkit and create a training manual to facilitate the provision of technical assistance.

USAID/GHANA

Expanding Access to Agricultural Credit in Ghana: Technical Assistance, Institutional Diagnostic of Sinapi Aba Trust, Training Curriculum. After the activity in the DRC, USAID's Development Credit Authority approached FS Share to provide technical assistance to Sinapi Aba Trust, a microfinance institution in Ghana that was interested in expanding its lending portfolio to cater to agricultural value chains in the northern part of the country. Using the agricultural lending toolkit and working with ShoreBank, FS Share began technical assistance to the institution in July 2012. Following a methodology similar to that applied in the DRC, ShoreBank experts conducted a five-day institutional assessment to assess the knowledge, skill, and training needs of agricultural lending at a branch in Tamale. The findings were used to guide Sinapi Aba Trust in developing a training curriculum based on its current skills and abilities. FS Share collaborated with USAID/Ghana and its Agricultural Development and Value Chain Enhancement project on the activity.

USAID/HAITI

Assessment of the Housing Mortgage Market in Haiti: [Housing Demand](#); [Analysis of the Enabling Environment for Housing Finance](#); [Assessment of Options for Stimulating Housing Finance](#). Through this scope of work (SOW), FS Share conducted a household survey, enabling environment assessment, and a stocktaking of feasible options for stimulating housing finance in Haiti. The objective was to advance the development of housing mortgage lending to respond to the immense need to stimulate the development of housing infrastructure, a situation that was

exacerbated by the 2010 earthquake. The main conclusions of the reports were expected to be presented in two workshops in early 2012, but planning was suspended indefinitely due to lack of support from the Haitian government.

USAID/INDONESIA

Accelerating Mobile Banking in Indonesia: [Opportunity Assessment](#), [Action Plan](#), [Gantt Chart](#), [South Sulawesi Business Plan](#), [South Sulawesi Demand Model](#), [Technical Analysis of Current Regulations](#). Melissa Scudo of FS Share with subcontractor Open Revolution conducted research and interviews in Indonesia in September and October 2011 to examine market conditions for m-money and assesses the capabilities of stakeholders (e.g., regulators, financial institutions, and mobile network operators). FS Share produced an opportunity assessment that presented options for leveraging large cash payment streams and identified where the adoption of m-money could have significant economic and development impact. The team developed a detailed action plan proposing several potential pilot activities and other solutions to accelerate the development, adoption, and use of m-money as a vehicle to transform financial inclusion and achieve broad-based economic growth.

The project also developed a business plan for m-money within the cocoa value chain in South Sulawesi. FS Share identified opportunities to collaborate with the Ministry of Social Affairs' Conditional Cash Transfer Program and the National Program for Community Empowerment's infrastructure initiatives, and target agricultural loan programs to employ m-money to facilitate payment transactions. FS Share's proposed business plan identified opportunities to concentrate m-money activities in a specific geographies, deploy agent networks, and recruit participating merchants to help achieve critical mass to drive scale in the adoption and use of m-money.

USAID/MALAWI

Malawi Mobile Money Workshop: [Synopsis](#), [Demand Assessment](#), [Mobile Money Draft Action Plan](#), [Gantt Chart](#), [Mobile Money Sector Model](#). FS Share and subcontractor Open Revolution performed a demand assessment for m-money in Malawi in partnership with local survey research firm Kadale Associates. The project organized a workshop to present the findings of the demand assessment and facilitate dialogue among stakeholders regarding electronic payments and m-money. Ninety participants representing multinational organizations, government ministries, donors, regulators, banks, and industry stakeholders participated in the Mobile Money Workshop on November 7, 2011, in Lilongwe. Multinational organizations encouraged implementation of business-friendly regulations that would improve interoperability and enable agent banking partnerships. Banks declared their support for increased financial access among rural populations and support of m-money as a complement to traditional banking services. The Reserve Bank of Malawi assured all industry stakeholders that the government strongly supported m-money as a positive public good that minimizes costs for the un-bankable (i.e., consumers) and diversifies and strengthens the existing financial structure of banks and telecommunications companies (i.e., providers). Donors expressed their dedication to offering financial support wherever possible.

USAID and the World Bank, under the leadership of Reserve Bank of Malawi, identified themselves as the lead coordinators of the Malawi m-money action plan, a series of diverse

development interventions and pilot activities, proposed by FS Share and discussed during the workshop as opportunities to accelerate the use and adoption of m-money. Workshop panelists and participants identified challenges to implementing m-money, as well as some potential responses. As a result, an m-money working group was formed to coordinate the implementation and adoption of m-money in Malawi.

Technical Assistance to the Malawi M-Money Working Group

USAID/Malawi engaged FS Share to conduct research for and facilitate meetings of the Malawi Mobile Money Working Group after the successful workshop. Open Revolution led the technical assistance and proposed an action plan of 11 pilot intervention concepts and activities to jump-start the working group. The action plan was the main working group document; it was updated continuously with stakeholder input, and was responsive to changing needs and interest in the operating environment. The working group roles and responsibilities included:

- Championing m-money initiatives, convening stakeholders, and agreeing on performance targets
- Overseeing implementation and management of action plan
- Serving as a repository and clearinghouse for m-money information/data relevant to other stakeholders (e.g., best practices, operational manuals and guidelines, enrollment, market intelligence, and training tools)
- Coordinating market research and data analysis with qualified local partners
- Identifying/leveraging existing contract vehicles or projects to support intervention activities or establish new vehicles and projects
- Monitoring and reporting on progress in the m-money sector

USAID/SRI LANKA (FOR THE MALDIVES)

[*Maldives: Developing Government Securities Markets — Executive Memorandum Phase One Final Report*](#)

[*Strengthening the Government Securities Market in the Maldives: Technical Assistance Program for the Maldives Ministry of Finance and Trade and Maldives Monetary Authority*](#)

At the request of USAID/Sri Lanka, FS Share facilitated a SOW to assess the feasibility of strengthening the government securities market in the Maldives. A government bonds expert and an economist completed a strengths, weaknesses, opportunities, and threats assessment that identified the core macroeconomic constraints and opportunities to development of the markets. The assessment also included an overview of other donor efforts aimed at the development of government securities.

In follow-up to this assessment, USAID/Sri Lanka asked FS Share to perform a targeted training and technical assistance program to strengthen the capacity of the Maldives Monetary Authority and the Ministry of Finance and Trade to advance the development of government securities. For FS Share, Melissa Scudo and government bonds expert Baudouin Richard conducted a debt management workshop in January 2011 with representatives from the Maldives Monetary Authority and Ministry of Finance. Participants included the Authority's debt management unit

and its legal division, and the Ministry of Finance and Trade's public debt management group and its director general.

SECTION III. PIR 3: KNOWLEDGE-SHARING INFRASTRUCTURE FOR FINANCIAL SECTOR DEVELOPMENT IMPROVED

FS Share created a robust inventory of financial-sector development resources and facilitated forums and opportunities for broader exchange among USAID officers and practitioners of financial-sector development. This section summarizes FS Share's activities to improve its knowledge management infrastructure and foster dialogue and continuous learning in USAID and among its implementing partners.

FS Share website. FS Share launched a website in February 2009 to share information about the project and its deliverables with the public. Reports and other deliverables were posted regularly on the website, as well as submitted to the Development Experience Clearinghouse. Consortium subcontractor The QED Group designed and built the website, leveraging the infrastructure of the microLINKS website it developed and maintains for USAID. In March 2011, all deliverables on the FS Share website as well as new deliverables were uploaded to a central portal on the USAID website.

FS Share surveys. All FS Share activities were conducted in response to demand from USAID missions and operating units. To solicit demand, FS Share, in collaboration with USAID activity managers, surveyed USAID staff through interactive, Web-based survey tools. Results were compiled and activities prioritized on a quarterly basis to ensure that FS Share activities responded directly to financial-sector priorities identified by EGAT and missions. For example, in 2010, FS Share issued a call for expressions of interest to USAID missions for high-impact, short-term technical assistance and piloting financial-sector development initiatives. Responses from missions in Afghanistan, Armenia, and Sri Lanka led to FS Share assessments, pilot activities, and other short-term technical assistance. An illustrative list of results from one survey conducted by FS Share is presented in Annex C.

FS Share e-cards. For every deliverable and event, FS Share sent e-cards (i.e., electronic notices) to audiences determined by activity managers. The e-cards publicized events and solicited input from missions that informed how the events were structured. They also announced new online resources and promoted the use of FS Share resources within USAID.

Review and input on microfinance institution ratio indicators. At EGAT's request, FS Share collected and summarized expert input for "Measuring Performance of Microfinance Institutions: A Framework for Reporting, Analysis and Monitoring," published by the Small Enterprise Education and Promotion Network. FS Share's goal was to gain consensus on an updated series of ratios for a revised edition of the publication and to update the framework reporting tool.

[*Regulating mobile phone banking presentation.*](#) In June 2009, at the request of USAID's Africa Bureau, FS Share prepared a presentation for the Kenyan School of Monetary Studies about enabling environment and consumer protection issues for m-money transfers and mobile banking.

[*Regional knowledge-sharing event in Africa: synopsis.*](#) Also for USAID's Africa Bureau, FS Share facilitated a regional knowledge-sharing event in Dar es Salaam, Tanzania, on December

5-6. The workshop, attended by 25 USAID mission economic growth and agriculture officers, focused on agricultural finance fundamentals, tools, resources, and financial-sector best practices. Panels incorporated perspectives of local implementing partners. The event included a program design exercise to assist officers in developing appropriate scopes of work that address financial access gaps.

M-money knowledge-sharing events in Afghanistan and Malawi. At the request of missions in both countries, FS Share facilitated in-country m-money knowledge-sharing events. Held in April 2011, the Mobile Money Summit in Kabul, Afghanistan, convened a diverse group of stakeholders, including officials from the U.S. and Afghan governments, and key representatives from Afghanistan's banking industry, local mobile carriers, and other development industry professionals. Working on interactive panels, the participants discussed existing pilot activities, planned investments, and opportunities to accelerate the adoption of m-money as a vehicle to deliver payments more transparently and efficiently. More than 160 people participated, including Afghanistan's minister of finance and the governor of Da Afghanistan Bank. Subcontractor Open Revolution led the research and assessment that laid the foundation for discussion at the event.

Later in 2011, FS Share, in collaboration with USAID/Malawi and the World Bank, facilitated a one-day m-money workshop in Lilongwe. The Reserve Bank of Malawi, mobile operators, and financial institutions shared existing products and services, and challenges and opportunities for expansion. Results of a survey that explored the demand for m-money services among a cross-section of Malawi's population were shared and discussed. Once again, Open Revolution led the research and assessment that laid the foundation for discussion at the event.

SECTION IV. RESULTS

The results of FS Share’s activities were measured through 12 indicators (see Exhibits 2 and 3, pp. 19-24). The demand to increase the value of the FS Share project from \$1.78 million in Year 1 to \$5.9 million in Year 4, is a reflection of the results and impact of the project’s resources, training, and technical assistance.

Training activities. In 2009-10, FS Share’s target audience for training activities was USAID Development Leadership Initiative staff. In 2011, the project delivered a regional agriculture value chain finance training in Tanzania. Through these targeted training events, 294 USAID staff participated in 18 training activities. FS Share also provided guidance and support to USAID on 10 events related to the financial sector; these were open to the public, and included *Value Chain Finance*, *Establishing Modern Secured Financing Systems in Developing Economies*, and *Enabling Branchless Banking and Mobile Money Innovations to Advance Financial Inclusion*.

Events and training organized by FS Share received consistently positive feedback from participants through event evaluations and follow-up correspondence. FS Share-supported knowledge-sharing activities received an average rating of 4.4 out of 5 for user-friendliness, relevance of topics covered, and quality of content. FS Share-supported events averaged 4.3 out of 5. The training on developing government bonds in the Maldives was rated 4.7 out of 5, with participants praising the material as clear, efficiently presented, and directly applicable to their work.

USAID mission officers from across Africa believed the December 2011 regional knowledge-sharing event on access to finance for agriculture successfully addressed this critical and timely topic. The event occurred as agricultural finance programming was on the rise, though it remained, as one participant noted, “an area of relative technical weakness among most USAID field staff.” Participants left the event with a stronger command of available resources and feeling more confident about engaging in value chain finance programming and appraisal. One officer said his “project design capability [was] highly enhanced.”

Tools and resources to strengthen financial-sector programming. To help develop effective and efficient financial-sector programs that increased access to financial services and developed well-functioning markets worldwide, FS Share provided missions with resources and tools to guide programming. USAID developed 33 primers and assessments related to the financial sector, and facilitated short-term technical assignments in financial services, with contributions and content from FS Share. Although it is difficult to identify all the missions and bureaus that referenced FS Share resources for programming, USAID informed FS Share that missions used 14 model scopes of works for program design — exceeding the target of seven.

Technical assistance. The project performed many demand-driven activities, including conducting financial-sector assessments, case analyses, and feasibility studies to develop and find innovative uses for m-money. FS Share implemented five pilot activities, including facilitating stakeholder dialogue for m-money adoption in Afghanistan and Malawi, and

providing technical assistance to financial institutions in Armenia, the DRC, and Ghana to expand access to finance for SMEs and agricultural enterprises.

Where possible, FS Share followed up on completed scopes of work to assess the uptake of newly introduced technologies and resources, and the success of knowledge-sharing related to the financial sector. The FS Share pilot activity in Armenia resulted in new SME loan products provided by two commercial banks and more than \$227,000 in loans disbursed to 14 Armenian SMEs.

FS Share worked closely with USAID and other donor projects to ensure the continued success of pilot projects. For example, USAID's Financial Access for the Investment in the Development of Afghanistan project carried forward FS Share's m-money data analysis, model, and action plan to accelerate the use and adoption of the technology. In addition, USAID Armenia's Enterprise Development Market Competitiveness project is building on lessons learned from FS Share's pilot to expand trade financing products to SMEs to expand financial intermediation within select value chains. Furthermore, USAID's Agribusiness Market and Support Activity in Indonesia has engaged FS Share subcontractor Open Revolution to explore introducing m-money as a vehicle to increase the efficiency and transparency of payment mechanisms in the cocoa value chain.

FS Share leveraged more than \$3 million in buy-ins from USAID missions and operating units, and other government agencies and donors, including the U.S. Department of State, the U.S. Department of Treasury, World Bank, the Commonwealth Secretariat, and the International Finance Corporation.

Exhibit 2. FS Share Performance Summary

Indicator	Cumulative Results	
	Target	Actual
Project Objective: Achieve an increase in financial sector development-related technical assistance activities by USAID operating units, strengthen USAID institutional capacity in financial sector development, and improve the USAID financial sector knowledge sharing infrastructure.		
Indicator 1: Number of requests for proposals and other USAID solicitations that have incorporated financial sector related activities.	N/A	N/A
Indicator 2: Level of satisfaction with and scope of utilization of technical support received from FS Share project deliverables by USAID operating units.	N/A	N/A
PIR 1: Model Scopes of Work and Best Practices Case Studies Developed		
Indicator 3: Number of model scopes of work delivered with FS Share technical support and used by USAID missions.	4-7	14
PIR 2: Institutional Capacity in Financial Sector Development within USAID Improved		
Indicator 4: Number of USAID staff that participated in financial sector related training activities with a contribution of content from FS Share.	N/A	294
KRA 2.1: Learning Opportunities in Financial Sector Development within USAID Increased and Improved		
Indicator 5: Number of training activities (courses, workshops, online training events, seminars, etc.) in financial sector topics developed by FS Share or with a contribution of content from FS Share.	N/A	20
PIR 3: Knowledge Sharing Infrastructure for Financial Sector Development Improved		
Indicator 6: Number of financial sector related primers and assessments and short-term technical assignments in financial services developed by or with a contribution of content from FS Share.	N/A	37
Indicator 7: Level of satisfaction of USAID operating units with respect to user-friendliness, relevance of topics covered, and quality of content of knowledge sharing activities developed with a contribution of content from the FS Share project.	4 out of 5 (avg. score)	4.4 out of 5 (avg. score)
KRA 3.1: Functionality of Web-Based Knowledge Sharing Platform in Financial Sector Development Improved		
Indicator 8: Level of satisfaction of USAID operating units with respect to user-friendliness, relevance of topics covered and quality of content of web-based knowledge sharing platform developed by the FS Share project.	4 out of 5 (avg. score)	N/A
KRA 3.2: Communications about USAID Participation in Financial Services Enhanced		
Indicator 9: Number of “open to the public” financial sector related events arranged by USAID with the support and guidance of the FS Share project.	N/A	11
Indicator 10: Number of non-USAID sponsored public financial sector related events that included the presentation or dissemination of content developed by the FS Share project.	N/A	0
Indicator 11: Level of satisfaction of participants with financial sector related events arranged with the support and guidance of the FS Share project.	4 out of 5 (avg. score)	4.3 out of 5 (avg. score)
KRA 3.3: Pilot Activities in Financial Sector Development Initiated		
Indicator 12: Number of financial sector pilot activities initiated with the support and guidance of the FS Share project.	N/A	8

Exhibit 3. Detailed Activities

Indicator	Cumulative Results July 25, 2008–September 24, 2012
Project Objective: Achieve an increase in financial sector development related technical assistance activities by USAID operating units, strengthen USAID institutional capacity in financial sector development, and improve the USAID financial sector knowledge sharing infrastructure.	
Indicator 1: Number of requests for proposals and other USAID solicitations that have incorporated financial sector related activities.	N/A
Indicator 2: Level of satisfaction with and scope of utilization of technical support received from FS Share project deliverables by USAID operating units.	N/A
PIR 1: Model Scopes of Work and Best Practices Case Studies Developed	
Indicator 3: Number of model scopes of work delivered with FS Share technical support and used by USAID missions.	<ol style="list-style-type: none"> 1. Creation of a credit registry for the Central Bank of Fredonia (FS Series 3) 2. Upgrade of the Central Bank of Fredonia credit registry for potential privatization (FS Series 3) 3. Creation of a private credit bureau (FS Series 3) 4. Analysis of the SME finance market, including supply and demand side analysis, conclusions and recommendations (FS Series 4) 5. Comprehensive analysis and recommendations for interventions to support increased, more efficient, and more affordable access to value chain finance (FS Series 5) 6. Developing a viable and sustainable corporate bond market (FS Series 6) 7. Enhancing the leasing enabling environment (FS Series 7) 8. Rural and agricultural finance within a comprehensive food security strategy (FS Series 8) 9. Increase access to credit for SMEs by developing leasing into a robust and viable sector accessible to SMEs (FS Series 9) 10. Secured financing: diagnostic phase (FS Series 10) 11. Implementation of secured financing reform (FS Series 10) 12. Financial sector evaluation and branchless banking feasibility study (FS Series 11) 13. Implementing a pilot branchless banking system (FS Series 11) 14. Developing government bond markets (FS Series 12)
PIR 2: Institutional Capacity in Financial Sector Development within USAID Improved	
Indicator 4: Number of USAID staff that participated in financial sector related training activities with a contribution of content from FS Share.	<ol style="list-style-type: none"> 1. Financial Sector Development in-depth training (32) 2. Enabling Sub-sovereign Bond Issuances seminar (13) 3. Health Sector Financing in Developing Countries seminar (20) 4. Supporting the Establishment of Credit Bureaus seminar (10) 5. SME Finance Training seminar (16) 6. Value Chain Finance Training seminar (11) 7. Regulating Mobile Phone Banking presentation (20) 8. Developing Corporate Bond Markets Training seminar (10) 9. Asset Based Finance seminar (10) 10. FS Share and BizCLIR website tutorial (18) 11. Enhancing the Leasing Enabling Environment (23)

Indicator	Cumulative Results July 25, 2008–September 24, 2012
	<ul style="list-style-type: none"> 12. Rural and Agricultural Finance for Food Security workshops (13) 13. Establishing Modern Secured Financing Systems in Developing Economies (15) 14. Enabling M-Money Interventions and Innovations in Financial Services Delivery — Branchless Banking (11) 15. Maldives Developing Government Bond Markets Technical Assistance Program(15) 16. Africa Regional Workshop: Access to Finance for Agriculture (25)
KRA 2.1: Learning Opportunities in Financial Sector Development within USAID Increased and Improved	
<p>Indicator 5: Number of training activities (courses, workshops, online training events, seminars, etc.) in financial sector topics developed by FS Share or with a contribution of content from FS Share.</p>	<ul style="list-style-type: none"> 1. Financial sector development certification questions review 2. Financial Sector Development in-depth training (June 2009) 3. Enabling Sub-sovereign Bond Issuances seminar 4. Health Sector Financing in Developing Countries seminar 5. Supporting the Establishment of Credit Bureaus seminar 6. SME Finance Training seminar 7. Value Chain Finance Training seminar 8. Regulating Mobile Phone Banking presentation 9. Developing Corporate Bond Markets training seminar 10. Asset-based finance discussion 11. FS Share and BizCLIR website tutorial 12. Enhancing the Leasing Enabling Environment seminar 13. Rural and Agricultural Finance workshops 14. Establishing Modern Secured Financing Systems in Developing Economies 15. Enabling M-Money Interventions and Innovations in Financial Services Delivery — Branchless Banking 16. DRC SME Finance training seminar 17. Maldives Developing Government Bond Markets Technical Assistance Program 18. Africa Regional Workshop: Access to Finance for Agriculture 19. Expanding Agricultural Lending: technical assistance to two financial institutions in DRC to pilot toolkit 20. Expanding Agricultural Lending: technical assistance to a financial institution in Ghana to pilot toolkit
PIR 3: Knowledge Sharing Infrastructure for Financial Sector Development Improved	
<p>Indicator 6: Number of financial sector related primers and assessments and short-term technical assignments in financial services developed by or with a contribution of content from FS Share.</p>	<ul style="list-style-type: none"> 1. Capital Markets Assessment for Azerbaijan and Tool to Conduct Capital Markets Assessments in Developing Countries 2. Enabling Sub-sovereign Bond Issuances Primer and Diagnostic Checklist 3. Health Sector Financing in Developing Countries Primer and Diagnostic Checklist 4. Supporting the Establishment of Credit Bureaus FS Series 5. Rapid Financial Crisis Assessment — Armenia 6. Rapid Financial Crisis Assessment — Mongolia 7. Regulating Mobile Phone Banking presentation 8. SME Finance Primer, Case Studies, Diagnostic Checklist, MSOW 9. Value Chain Finance Primer, Case Studies, Diagnostic Checklist, MSOW

Indicator	Cumulative Results July 25, 2008–September 24, 2012
	<ol style="list-style-type: none"> 10. Developing Corporate Bonds Primer, Case Studies, Diagnostic Checklist, MSOW 11. Asset-based Finance White Paper 12. Capital Markets Assessment for USAID Azerbaijan 13. Technical Assistance with the Development of Financial Markets in Afghanistan 14. Review and Input on the Small Enterprise Education and Promotion Network’s “Measuring Performance of Microfinance Institutions: A Framework for Reporting, Analysis and Monitoring.” Updating Microfinance Institutions Ratio Indicators 15. Phases 1 and 2: Development and Implementation of Selected Financial Sector Pilot Activities in Armenia 16. Enhancing the Leasing Enabling Environment Primer, Case Studies, Diagnostic Checklist, MSOWs 17. Rural and Agricultural Finance for Food Security Primer, Case Studies, Diagnostic Checklist, MSOWs 18. Developing Government Securities Markets in the Maldives Assessment 19. Establishing Modern Secured Financing Systems in Developing Economies Primer, Diagnostic Checklist and MSOW 20. Enhancing Mobile Money Interventions Primer, Diagnostic Checklist, and MSOW 21. Innovations in Financial Services Delivery — Branchless Banking Primer and Diagnostic Checklist 22. Business Enabling Environment Primer 23. Developing Government Bond Markets Primer and Diagnostic Checklist 24. Developing Government Bond Markets in the Maldives — Assessment 25. West Bank/Gaza Financial Sector Deepening Assessment 26. Afghanistan Material Loss and Review of Kabul Bank 27. Pre-pilot Feasibility Assessment for Branchless Banking in Afghanistan and M-Money Data Analysis 28. Afghanistan Revenue and Expenditure Analysis and Fiscal Sustainability Model 29. Assessment of Housing Mortgage Market in Haiti 30. Afghanistan Public Financial Management Analysis and Concept Paper 31. Indonesia Accelerating Mobile Banking Assessment 32. Malawi M-Money Demand Assessment 33. Strengthening Agricultural Lending in the Democratic Republic of the Congo: Toolkit 34. Strengthening Agricultural Lending in the Democratic Republic of the Congo: Toolkit Pilot in DRC 35. Strengthening Agricultural Lending: Toolkit Pilot in Ghana 36. Technical Assistance to the Malawi M-Money Consultative Group 37. Tools for U.S. Government Resources to Facilitate Private-Sector Engagement
<p>Indicator 7: Level of satisfaction of USAID operating units with respect to user-friendliness, relevance of topics covered, and quality of content of knowledge sharing activities developed with a contribution of content from the FS Share project. (Average of evaluation question 2-4)</p>	<ol style="list-style-type: none"> 1. Enabling Sub-sovereign Bond Issuances seminar (4.2) 2. Health Sector Financing in Developing Countries seminar (4.0) 3. Supporting the Establishment of Credit Bureaus seminar (4.6) 4. SME Finance Training seminar (4.5)

Indicator	Cumulative Results July 25, 2008–September 24, 2012
	<ol style="list-style-type: none"> 5. Value Chain Finance Training seminar (4.5) 6. Corporate Bond Markets training Seminar (4.6) 7. Asset-Based Finance discussion (4.1) 8. FS Share and BizCLIR website tutorial (4.4) 9. Enhancing the Leasing Enabling Environment seminar (4.5) 10. Rural and Agricultural Finance for Food Security workshops (4.2) 11. Establishing Modern Secured Financing Systems in Developing Economies (4.3) 12. Enabling M-Money Interventions and Innovations in Financial Services Delivery — Branchless Banking (4.8) 13. Maldives Developing Government Bond Markets Technical Assistance Program (4.7) 14. Africa Regional Workshop: Access to Finance for Agriculture (4.3)
KRA 3.1: Functionality of Web-Based Knowledge Sharing Platform in Financial Sector Development Improved	
Indicator 8: Level of satisfaction of USAID operating units with respect to user-friendliness, relevance of topics covered and quality of content of web-based knowledge sharing platform developed by the FS Share project.	N/A
KRA 3.2: Communications About USAID Participation in Financial Services Enhanced	
Indicator 9: Number of “open to the public” financial sector related events arranged by USAID with the support and guidance of the FS Share project.	<ol style="list-style-type: none"> 1. Enabling Sub-sovereign Bond Issuances seminar 2. Health Sector Financing in Developing Countries seminar 3. Supporting the Establishment of Credit Bureaus seminar 4. SME Finance Training seminar 5. Value Chain Finance Training seminar 6. Corporate Bond Markets Training seminar 7. Asset-Based Finance discussion 8. Enhancing the Leasing Enabling Environment seminar 9. Establishing Modern Secured Financing Systems in Developing Economies 10. Enabling M-Money Interventions 11. Innovations in Financial Services Delivery — Branchless Banking
Indicator 10: Number of non-USAID sponsored public financial sector related events that include the presentation or dissemination of content developed by the FS Share project.	N/A
Indicator 11: Level of satisfaction of participants with financial sector related events arranged with the support and guidance of the FS Share project. (Total average of evaluation questions)	<ol style="list-style-type: none"> 1. Enabling Sub-sovereign Bond Issuances seminar (4.2) 2. Health Sector Financing in Developing Countries seminar (4.1) 3. Supporting the Establishment of Credit Bureaus seminar (4.4) 4. SME Finance Training seminar (4.3) 5. Value Chain Finance Training seminar (4.3) 6. Corporate Bond Markets Training seminar (4.5) 7. Asset-Based Finance discussion (3.8) 8. FS Share and BizCLIR website tutorial (4.4) 9. Enhancing the Leasing Enabling Environment seminar (4.3) 10. Rural and Agricultural Finance for Food Security

Indicator	Cumulative Results July 25, 2008–September 24, 2012
	workshops (4.4) 11. Establishing Modern Secured Financing Systems in Developing Economies (4.4) 12. Enabling M-Money Interventions and Innovations in Financial Services Delivery — Branchless Banking (4.5) 13. Maldives Developing Government Bond Markets Technical Assistance Program (4.7) 14. Africa Regional Workshop: Access to Finance for Agriculture (4.0)
KRA 3.3: Pilot Activities in Financial Sector Development Initiated	
Indicator 12: Number of financial sector pilot activities initiated with the support and guidance of the FS Share project.	1. Armenia Financial Sector Stability Pilot 2. Maldives Government Securities Market Development Training and Capacity Building 3. Afghanistan M-Money Summit and Action Plan 4. Haiti Housing Finance Working Group and Road Map 5. Indonesia Accelerating Mobile Money Action Plan 6. Malawi M-Money Action Plan 7. Strengthening Agricultural Lending in the DRC: Toolkit Pilot in the DRC 8. Strengthening Agricultural Lending: Toolkit Pilot in Ghana

SECTION V. LOOKING FORWARD

FS Share played a role in generating knowledge, testing ideas, disseminating best practices and lessons learned, and producing tools to assist USAID in developing and delivering effective financial-sector development assistance. Based on four years of implementation experience, we offer some ideas on lessons learned and how USAID may continue to generate, test, share, and implement innovative approaches to strengthen inclusive financial markets and catalyze economic growth.

Sharing best practices leverages resources. During its first year, FS Share developed resources for USAID program officers to reference for program design and implementation. In its last three years, the project focused on implementing short-term technical assistance, diagnostics, training, and pilot activities, each driven by requests from missions and using project-developed tools. FS Share's central location in the E3 office was useful in facilitating communication with missions to identify priorities, deploy rapid technical assistance as requested, then share that work with other missions when appropriate.

For example, for USAID/Afghanistan, FS Share developed a financial forecast model that demonstrated profitability scenarios for m-money. The model was shared with USAID missions in Indonesia and Malawi, which were also examining opportunities to scale and strengthen the development of m-money. FS Share worked with both missions to tailor the financial forecast model and suggest action plans to accelerate the adoption of m-money. Another example is an agriculture lending toolkit, which FS Share developed at the request of USAID/DRC. Piloted in the DRC, the toolkit was designed to help strengthen two commercial banks' agricultural lending units and expand their agricultural lending portfolio. It was refined for the purpose of providing technical assistance to a microfinance institution in Ghana that wanted to expand its agricultural lending. FS Share was an effective vehicle through which missions could engage short-term, on-demand technical expertise to develop tools and deliver technical assistance that could be leveraged and tailored in other markets, resulting in a cost-efficient distribution of best practices. There is also value in sharing the agricultural lending toolkit with other international financial institutions and donors, including World Bank and the International Finance Corporation, to guide their agriculture finance capacity building initiatives.

Fostering interagency and donor coordination leverages expertise. On multiple efforts, FS Share functioned as a vehicle for interagency coordination and collaboration with other donors. In 2009, the project coordinated a dialogue between the U.S. Treasury, USAID, and USAID implementing partners of m-money projects to discuss the risks and mitigation measures for m-money globally. In 2010, FS Share facilitated USAID funding and collaboration for the Building Remittance Investment for Development, Growth, and Entrepreneurship project in El Salvador, a U.S. State Department initiative, to explore using remittance backed loans to increase funds for critical infrastructure projects. FS Share also facilitated dialogue between the International Finance Corporation, World Bank, USAID/Haiti, and USAID/Washington on a broad assessment of demand for housing finance in Haiti that was used to inform these organizations' future development assistance efforts. With these examples and others highlighted in this report, FS Share demonstrated that centrally managed projects are well-positioned to facilitate dialogue between U.S. government agencies and donors.

Piloting technological innovations informs future opportunities. Technology will continue to be at the forefront of USAID programming in financial services and management. Issues such as high costs, sustainability, and the ability to reach rural and poor populations will drive technology discussions and decision-making. FS Share was a vehicle through which USAID could perform on-demand, short-term, rapid assessments of technological innovations, such as m-money. The results of these reports and lessons learned from pilot activities can be used to inform and guide future USAID programming in m-money, broadband access, and one-stop shop portals for investment, trade and customs, and knowledge-sharing platforms.

Engaging the private sector. USAID is increasingly engaging the private sector to maximize the impact of financial and non-financial resources where development and private sector priorities overlap. Through FS Share, USAID engaged financial institutions in targeted technical assistance to pilot new trade finance products tailored to the unique needs of SMEs in Armenia and to strengthen policies, procedures, and credit officer training to expand agricultural lending in the DRC and Ghana. In all of these activities, the financial institutions committed staff and financial resources to the effort. In the DRC, FS Share received \$40,000 in funding from two banks to help provide the technical assistance. Activities such as using the agricultural lending toolkit to provide technical assistance to expand agricultural lending offer opportunities for USAID to engage the interest and resources of the private sector to achieve common objectives.

ANNEX A. LIST OF FS SHARE DELIVERABLES

Scope of Work	Deliverable(s) Name
PIR 1: Model scopes of work and best practices case studies developed	
FS Series primers, diagnostic checklists, and MSOWs	
1. Enabling Sub-sovereign Bond Issuances	Primer, diagnostic checklist
2. Health Sector Financing in Developing Countries	Primer, diagnostic checklists
3. Supporting the Establishment of Credit Bureaus	Primer, diagnostic checklists, 3 MSOWs
4. Enabling SME Access to Finance	Primer, diagnostic checklist, MSOW
5. Value Chain Finance	Primer, diagnostic checklist, MSOW
6. Developing Corporate Bond Markets in Developing Countries	Primer, diagnostic checklist, MSOW
7. Enhancing the Leasing Environment	Primer, diagnostic checklist, MSOW
8. Rural and Agricultural Finance for Food Security	Primer, diagnostic checklist, MSOW
9. Enhancing Mobile Money Interventions	Primer, diagnostic checklist, MSOW
10. Establishing Modern Secured Financing Systems in Developing Economies	Primer, diagnostic checklist, 2 MSOWs
11. Innovations in Financial Services Delivery — Branchless Banking	Primer, diagnostic checklist, 2 MSOWs, Columbia Case Study
12: Developing Government Bond Markets	Primer, diagnostic checklist, MSOW
Other Deliverables	
Tool to Conduct Capital Markets Assessments in Developing Countries	Tool to Conduct Capital Markets Assessments in Developing Countries
Guidelines for a Rapid Financial Crisis Assessment	Guidelines for a Rapid Financial Crisis Assessment
Government Securities Trading Systems: Identification of Readily Made Available Trading Systems	Government Securities Trading Systems: Identification of Readily Made Available Trading Systems
Enhancing the Enabling Environment to Increase Access to Finance	Enhancing the Enabling Environment to Increase Access to Finance
White Paper: Asset-Based Finance	White Paper: Asset-Based Finance
Private Sector Engagement Toolkit	N/A
Expanding Agricultural Lending in the DRC: Toolkit	See PIR 2
PIR 2: Institutional capacity in financial sector development within USAID improved	
USAID	
Learning and training events: FS Series, white papers, DLI & EGAT training courses 2010	N/A
Financial Sector Development Certification Questions Review	N/A
USAID Financial-Sector Development In-depth Training	N/A
Afghanistan	
Assessment and Report on Legal and Regulatory Environment and Market Infrastructure to Develop Financial Markets in Afghanistan	Report on Legal and Regulatory Environment and Market Infrastructure to Develop Financial Markets in Afghanistan
Afghanistan Material Loss and Review of Kabul Bank	<i>Confidential — not included</i>
Pre-pilot Feasibility Assessment for Branchless Banking in Afghanistan	Branchless Banking Pilot: Afghanistan Agricultural Sector Feasibility Analysis
Afghanistan M-Money Summit, Data Analysis and Action Plan	Afghanistan Mobile Banking Sector Expansion Action Plan
Afghanistan Revenue and Expenditure Analysis	Afghanistan Revenue and Expenditure Analysis

Scope of Work	Deliverable(s) Name
Afghanistan Fiscal Sustainability Model	Afghanistan Fiscal Sustainability Model: Summary Report
Afghanistan Public Financial Management Road Map and follow-up budget execution review	<ol style="list-style-type: none"> USAID/Afghanistan Fiscal Sustainability Road Map Analysis/Concept Paper Budget Execution Reform in Afghanistan: Final Report
Azerbaijan	
Capital Markets Assessment for USAID/Azerbaijan	Azerbaijan Capital Markets Action Plan
Armenia	
Rapid Financial Crisis Assessment (RFCA) for USAID/Armenia	Rapid Financial Crisis Assessment for USAID/Armenia final report
Development and Implementation of Selected Financial Sector Pilot Activities in Armenia	Quick Assessment of Feasibility to Integrate a Hedging Mechanism in SME-Targeted Finance Products: Executive Memorandum
DRC	
DRC Agricultural Lending Phase I	Strengthening Agricultural Lending in the DRC: Training Program Action Plan PowerPoint presentations (English and French): <ol style="list-style-type: none"> Brief Introduction to Agricultural Finance (French Version) Risks to which Banks are Exposed in Connection with Financing in the Agricultural Sector Agricultural Clientele and Credit Risk Analysis (French Version) The 5 Cs of a Good Loan (French Version) Credit Products for Agriculture (French Version) Use of the Value Chain in Financing Agriculture (French Version)
DRC Agricultural Lending Phase II	<ol style="list-style-type: none"> Strengthening Agricultural Lending in the DRC: Toolkit Annexes: Crop Revenue Cost Estimates Templates, Lender Reporting Templates, RAROC Example, Cash Flow and Amortization Tool <p><i>The toolkit and annexes will be available in the Development Experience Clearinghouse.</i></p>
DRC Agricultural Lending Phase III	N/A
El Salvador	
El Salvador Remittance-Backed Securities	N/A
Ghana	
Ghana Agricultural Lending Units	N/A
Haiti	
Assessment of the Housing Mortgage Market in Haiti	<ol style="list-style-type: none"> Housing Demand in Port-au-Prince, Haiti Analysis of the Enabling Environment for Housing Finance in Haiti Assessment of Options for Stimulating Housing Finance in Haiti
Indonesia	
Accelerating Mobile Money in Indonesia	<ol style="list-style-type: none"> Accelerating M-Money in Indonesia: Opportunity Assessment Action Plan and Gantt Chart South Sulawesi Business Plan South Sulawesi Demand Model Technical Analysis of Current Regulations
Malawi	

Scope of Work	Deliverable(s) Name
Malawi M-Money Model, Draft Action Plan, Summit, and Technical Assistance Support to Consultative Group	<ol style="list-style-type: none"> 1. Demand for M-Money Services: Survey Results and Report 2. Malawi M-Money Sector Model 3. Malawi M-Money Draft Action Plan and Gantt Chart 4. Malawi M-Money Summit Synopsis
Maldives	
Development of Government Securities Markets	Strengthening the Government Securities Market in the Maldives
PIR 3: Knowledge sharing infrastructure for financial sector development improved	
FS Share website	http://egateg.gov/fsshare
FS Knowledge-Sharing Events on Primers and Panel Discussions	N/A
FS Share Surveys	N/A
FS Share e-cards	N/A
Call for Expressions of Interest for FS Share Activities to USAID Missions and Operating Units	N/A
Production of Screencasts for Economic Growth Sector Council Meetings	N/A
Review and Input on the Small Enterprise Education and Promotion Network's "Measuring Performance of Microfinance Institutions: A Framework for Reporting, Analysis and Monitoring." Updating Microfinance Institution Ratio Indicators	N/A
Regulating Mobile Phone Banking Presentation Materials	Best Practices in Regulating Mobile Phone Banking
Regional Knowledge-Sharing Event in Africa	FS Share Africa Regional Workshop Synopsis
Facilitation of Multi-donor Communication on Haiti Housing Finance	N/A
Mobile banking summit/conferences in Afghanistan and Malawi	N/A

ANNEX B. FS SHARE PARTNERS

FS Share Consortium Subcontractors	Other Subcontractors for Technical Activities
Crimson Capital	ACDI/VOCA
Enterprising Solutions Global Consulting	ARGS
International Consulting Consortium	AZMJ
International Insurance Foundation	Bureau de Recherche en Informatique et en Developpement Economique et Social
Michael Borish & Company, Inc.	Kadale Consultants Ltd.
QED Group	NORC at the University of Chicago
ShoreBank International	Open Revolution
	The Pragma Corporation

ANNEX C. RESULTS FROM FS SHARE SURVEY OF USAID MISSIONS AND OPERATING UNITS, DECEMBER 2009

The survey resulted in 63 responses, including 11 from USAID/Washington, 52 from USAID missions including 14 from nine African missions. Results for Africa missions were tracked separately and highlighted at the request of the Africa Bureau.

Specific Interests Submitted by Respondents

- Commercializing rural and community banks: 28 responses (note: No. 1 topic overall)
 - African missions: East Africa, Mali, Malawi, Senegal, Zambia, Mozambique
- Trade finance: 22 responses
 - African missions: Mali, Mozambique, Senegal, West Africa, Zambia
- Improving legal/regulatory environment for mobile banking and information and communications technology solutions: 24 responses
 - African missions: East Africa, Liberia, Zambia
- Strengthening credit unions: 18 responses
 - African missions: Mali, Senegal
- Enhancing the leasing environment: 8 responses
 - African missions: Mali, Zambia
- Enhancing the supervisory capacity of Central Bank: 23 responses
 - African missions: Liberia
- Strengthening insurance regulatory capacity: 15 responses
 - African missions: 0
- Enhancing deposit Guarantee Schemes: 8 responses
 - African missions: 0

Other Responses Categorized with Source

Agriculture

- Agriculture lending: Zambia
- Development of financial products that respond to agricultural needs: East Africa
- Establishment of an agriculture venture capital fund: Mozambique
- Credit guarantees for mid-sized agricultural producers and processors: Liberia
- Access to finance in rural areas and for agricultural enterprises: Mozambique

Microfinance

- Assistance to microfinance institutions to transition to profit-making institutions: Mali
- Assistance to microfinance institutions to serve larger businesses: the missing middle: Mali

General access to finance

- Facilitating access to credit for rural poor, especially women: Rwanda

Development Credit Authority/guarantees

- Development Credit Authority: Rwanda, Senegal

SMEs

- SME lending: Malawi

Environment/Energy

- Renewable energy: Liberia

Other

- Enabling trade policy environment: East Africa
- Hedging (currency and commodities): Zambia
- Credit and portfolio management skills in commercial banks: Zambia
- Commodity exchange development and warehouse receipts lending: Zambia

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