African Development Foundation

ANNUAL PERFORMANCE REPORT TO THE CONGRESS

FISCAL YEAR 2004

February 28, 2005

African Development Foundation
1400 Eye St., N.W. 10th Floor
Washington, DC 20005, USA

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February 28, 2005

Joshua B. Bolten
Director
Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Dear Mr. Bolten:

I am pleased to submit the African Development Foundation's (ADF) Annual Performance Report for Fiscal Year 2004. This report assesses our progress and impact on building a broad base for sustainable economic development in Africa and enabling the people of Africa to break the vicious cycle of poverty through micro- and small-enterprise development, expanded trade and investment, rural infrastructure development, and mitigation of the economic effects of HIV/AIDS.

In summary, ADF's major accomplishments during FY 2004 included

- Exceeding performance targets for virtually every program indicator;
- Launching forty new projects to attain the highest level of program support in the Foundation's twenty years of operations;
- Attracting more than $2.7 million in funding contributions from strategic partnerships with African governments and signing new co-funding agreements in three countries to increase the impact from the Foundation's appropriated funding;
- Earning an unqualified opinion from our independent auditors on all five financial statements for the third consecutive year.
- Carrying out a major restructuring and downsizing of ADF/Washington to cut operating costs and enhance efficiency and effectiveness.

ADF's programs are making a significant impact on African lives and African economies. In FY 2004:

- Over 95,100 micro- and small-enterprises benefited from ADF support and they employed more than 115,800 people, at least 69 percent of whom were women.
- Over 84,900 of these enterprises received loans valued at over $17.250 million and at least 73 percent of the loan funds went to women entrepreneurs.
- The directly assisted enterprises generated over $39.804 million in sales revenues. In addition, credit providers generated a gross income of approximately $3.681 million for the credit providers.

- The Foundation’s Trade and Investment (T&I) Program is demonstrating that small-scale producers can become players in regional and international markets. ADF projects have generated over $21.530 million in export revenues.

- Active projects have provided AIDS prevention training for over 320,500 people (two-thirds of whom are women).

- Our pilot program of small grants for mitigating the effects of the disease for affected families have provided HIV testing services for 8,167 people, AIDS counseling for 7,812, AIDS-related medical services for 6,390, and AIDS-related financial or social services for over 17,200 people.

In this year’s report, ADF summarizes the success of our Guinea program for low-cost, rural infrastructure development in severe pockets of poverty. In these projects, local communities are selecting the priorities for infrastructure development themselves in an open, participatory process and contribute labor and materials to support and maintain these efforts. Other project and partnership highlights for FY 2004 are also presented.

Also included for your reference is our FY 2003 Annual Performance Report. These two reports underscore the continued progress the African Development Foundation is making in improving its operations, developing innovative approaches to mobilizing resources and fostering broad-based sustainable development, and enhancing the lives of Africans across the continent.

Sincerely,

Nathaniel Fields
President

PURPOSE OF THIS REPORT

This report discusses the African Development Foundation's (ADF) performance during Fiscal Year 2004. It responds to the Government Performance and Results Act of 1993 (GPRA), as amended by the Reports Consolidation Act of 2000, which requires U.S. Government agencies, including independent agencies and Government corporations, to submit annual program performance reports to the President, Congress, and OMB.

ABOUT THE AFRICAN DEVELOPMENT FOUNDATION

Congress established the African Development Foundation (ADF) in 1980 as a U.S. Government corporation dedicated to promoting development at the grassroots level in Africa. ADF provides grants that generally no do not exceed $250,000 to private and other non-governmental entities in Africa. In exceptional cases, with approval of the Board of Trustees and notification to Congress, ADF can fund projects with larger budgets.

ADF's work is

- Financing sustainable poverty alleviating initiatives that are conceived, designed, and implemented by Africans and aimed at enlarging opportunities for community development;
- Stimulating and expanding the participation of Africa's poor in the development of their countries; and
- Building sustainable African institutions that foster development at the grassroots level.

Table 1 summarizes the Foundation's strategic goals and objectives.

As the only program within the U.S. foreign assistance program that extends assistance directly to the poor in Africa, ADF serves U.S. interests in unique and vital ways.

- By focusing on the grassroots level, ADF taps into fertile grounds for cultivating innovative and replicable solutions to poverty that maximize the use of African resources and are African-owned and African-led.
- By providing funds directly to the intended beneficiaries for initiatives they themselves have chosen, ADF's investments have high people-level impact, low risk of bureaucratic waste, and high potential for sustainability and replicability.
- Through its direct relationships with diverse African peoples from various religious, ethnic, national, and other backgrounds, ADF promotes goodwill by strengthening the bonds of friendship between Americans and Africans.

TABLE 1. ADF's Strategic Goals and Objectives

Goal I: Advance broad-based, sustainable development and empowerment of the poor in Africa

Objective 1: Promote micro- and small-enterprise development that will generate income and employment

Objective 2: Increase participation of African grassroots enterprises and producer groups in trade and investment relationships with the U.S. and within Africa

Objective 3: Promote innovative community-based interventions to remediate the economic and social impact of HIV/AIDS and reduce its spread

Goal II: Expand local capacity to promote and support grassroots, participatory development

Objective 1: Build self-supporting, sustainable, local community development agencies that provide technical assistance and support to grassroots groups

Objective 2: Promote community resource mobilization and reinvestment

Objective 3: Establish strategic partnerships with national and local governments, other donor agencies, and the local private sector, to support sustainable, grassroots development

Objective 4: Encourage African governments and other donors to increase utilization of participatory development "best practices"

HIGHLIGHTS OF FY 2O04 RESULTS

- In FY 2004, ADF had 227 ongoing development projects in 13 countries with a total budget of $34.634 million. At the end of the fiscal year, 188 of these projects had received disbursements beyond the initial pre-implementation training required by ADF. The total disbursements in these projects amounted to $21.195 million. During the year, ADF funded 43 new development projects and project amendments amounting to $8.928 million in 14 countries (ADF began operations in Swaziland in FY 2004).

- Over 95,100 micro- and small enterprises have been assisted by the active ADF projects. These enterprises have benefited more than 115,800 owners and workers and at least 60.0% of them were women.

- Over 84,900 small- and micro-enterprises received loans. More than $17.250 million in loans was disbursed and at least 73.2% of the loan money went to women.

- The assisted enterprises have generated over $39.804 million in sales. In addition the loan components of projects have generated a gross income of approximately $3.681 million for the credit providers.

- In FY 2004, ADF supported projects that exported a wide variety of products including beef products, solar-powered hearing aids, citronella tea, clothing, processed grains, tie-dyed cloth, fresh and processed fish, fresh fruits and vegetables, cattle and ostrich hides, dried paprika peppers, dried pineapple, fresh and processed rock lobster, salt, silk, sugar, and vanilla.

- ADF-supported enterprises generated export revenues of $21.530 million for ADF grantees and the client enterprises they assisted.

- Over 320,500 people have received AIDS prevention training (two-thirds of whom are women). Many are located in rural and peri-urban areas and would not have been reached by other programs, which are predominantly urban. Our pilot program of small grants for mitigating the effects of the disease for affected families have provided HIV testing services for 8,167 people, AIDS counseling for 7,812, AIDS-related medical services for 6,390, and AIDS-related financial or social services for over 17,200 people.

- ADF leveraged $2.704 million in contributions from five national governments and one state government in Africa in FY 2004 (Botswana, Cape Verde, Ghana, Mali, Jigawa State in Nigeria, and Swaziland). The Foundation also signed memoranda of understanding for new strategic partnerships with national or state governments in three countries that will leverage funding contributions for joint programs (Benin, Senegal, and Sao Tome).

- ADF helped build the capacity of local development assistance organizations through cooperative agreements for promotion of sustainable, grassroots development in 13 countries.

STRENGTHENING PROGRAM OPERATIONS IN FY 2004

The Foundation has undertaken a major restructuring of both its headquarters and field operations during the past two and a half years to strengthen program operations. These fundamental changes, which have resulted in some transitional costs, are being driven by ADF management's objectives of improving program effectiveness, protecting U.S. government resources, and containing long-term costs.

- A restructuring of ADF/Washington will help the Foundation improve the timeliness and effectiveness of portfolio management.

- ADF is ensuring better due diligence and compliance through its placement of in-country representatives.

- Through its Partner Organizations in country, applicants and grantees receive the necessary support to develop and implement a project.

The Partner Organization assists prospective grantees in developing proposals for funding and conducts rigorous financial analyses to ensure the viability and sustainability of proposed projects. After ADF awards a project grant, the Partner Organization provides training in financial management and participatory evaluation to the grantees. It visits them to monitor progress and assist in rectifying implementation problems, and advises them on preparation of quarterly financial and progress reports.

The Country Representative reports to ADF/Washington and is independent of the Partner Organization. While the Partner Organization supports grantees, the Country Representative carries out functions that support ADF. Their principal duties include analyzing the viability of proposals, conducting due diligence on prospective grantees, assessing the financial management capacity of new grantees, reviewing their use of funds throughout the life of the grant, monitoring project implementation and remediation, and assessing program impact.

With this new field structure, ADF undertook a reduction-in-force to reduce and realign the headquarters staffing in FY 2004. The Foundation decided to give greater attention to project analysis, financial management, portfolio management, technical support for trade and investment and HIV/AIDS programs, developing and implementing strategic partnerships, assessing program impact, disseminating lessons learned and best practices, and strengthening outreach. While the Foundation is optimistic that the new structure will improve efficiency and effectiveness over time, the Foundation has incurred significant costs in making the transition in FY 2003 and 2004.

ADF launched two new online publications during FY 2004, ADF e-News and The ADF Approach. ADF e-News provides detailed information on new ADF grants as well as updates on project performance. It is disseminated via links to the main page of ADF's website and through an e-mail subscription list that has more than 1,700 recipients. ADF e-News produced 31 articles on ADF projects in the four issues published in FY 2004. In September of 2004, the development journal Appropriate Technology asked ADF for permission to reprint articles. ADF also contracted with a private design firm at the end of the year to make the Foundation's website a more engaging and information-rich resource for potential grantees, other development assistance agencies, and the general public.

STRENGTHENING FINANCIAL MANAGEMENT AND INFORMATION SYSTEMS IN FY 2004

The African Development Foundation has greatly strengthened its own financial management and that of its grantees. It has also improved its management information systems for headquarters operations and grants administration. ADF takes its fiduciary responsibilities very seriously. Despite the nascent capacity of many of its grantees, the Foundation maintains high standards of financial accountability.

- In an initial screening process, ADF’s Country Representatives assess the applicant’s capacity to control and account for funds and identify areas where additional training or personnel are required.

- All development project grantees are required to submit quarterly financial reports and progress statements. Grantees with MSE, MFI, and T&I projects are also required to submit quarterly financial statements.

- After a grant is approved, the Partner Organization provides a five-day training course in ADF accounting procedures and reporting requirements. Each of the Partner Organizations has a full-time, experienced Financial Officer on staff that provides this initial training, as well as refresher training and advice, as needed by grantees.

- The Country Representative monitors the reporting by grantees and also makes regular site visits to check project accounting as well as to monitor overall implementation progress.

- Finally, ADF contracts with independent audit firms in each country where it operates to conduct audits of each grant over $50,000 at least once during its life.

ADF also maintains financial oversight of all Partner Organizations that have cooperative agreements with the Foundation. An internal audit of each Partner Organization is conducted every year. ADF undergoes annual, independent audits that address its financial statements, internal controls, and compliance with USG laws and regulations. For the past three years, the Foundation has received an unqualified opinion on all five financial statements, as well as its comparative FY 2001/2002 and FY 2002/2003 statements, from its independent auditors and the USAID Office of the Inspector General. Thus, the Foundation is in full compliance with all OMB requirements and new statutes, including the Accountability for the Tax Dollar Act. These are major accomplishments.

To further strengthen its financial management, ADF negotiated an interagency agreement with Department of Interior's National Business Center to provide full system support utilizing the USG-approved, Oracle Federal Financials. This will ensure the integrity of ADF's financial data and produce timely reports to assist management in key decisions on the Foundation's financial operations. With implementation virtually completed in FY 2004, the financial statement audit for that year will be conducted using information generated by Oracle Federal Financials. This is a major accomplishment and represents a significant improvement in ADF's financial management capabilities.

Finally, ADF has a comprehensive grants database to improve management oversight and internal controls for financial reporting by grantees and Partner Organizations. ADF is using the database to support its year-end financial statements.

ADF'S PROJECT PORTFOLIO IN FY 2004

At the end of FY 2004, ADF had 227 ongoing development projects in 13 countries with a total revised budget of $34.634 million.[1] A total of 188 projects had received significant disbursements beyond the initial pre-implementation training required by ADF. The total disbursements in these active projects amounted to $21.195 million.

Approximately 53% of the projects with significant disbursements provided direct support to enterprises or organizations, 32% supported intermediary organizations, and 15% supported community-based intermediary organizations. Of the 188 projects, 87 had a primary strategic objective of micro- and small enterprise development (MSE) other than microfinance, 42 were for microfinance, 30 for trade and investment, 18 for AIDS prevention and mitigation, and 11 for participatory development of rural infrastructure.

During the year, ADF funded 43 new development projects and project amendments amounting to $8.928 million in 14 countries (Swaziland was the new country added). Some of the new projects approved earlier in the fiscal year had significant disbursements before the end of the fiscal year, but most were funded in the last quarter of the year.

[1] ADF obligates project budgets in local currency. The *revised budget* is the sum of disbursements to date in U.S. dollars at the exchange rates prevailing at the time of each disbursement plus the undelivered amount in local currency converted at the end of FY 2004 exchange rate. It includes both ADF's appropriated funds and leveraged funding contributions from the Foundation's strategic partnerships.

Figure 1 shows the breakdown of the revised budgets of active projects with significant disbursements by ADF's strategic objectives. In decreasing order, the largest programs are for micro-and small enterprise development (MSE), microfinance institutions (MFI), and trade and investment (T&I). The smallest programs support participatory development methods for infrastructure (PDM), and AIDS prevention and mitigation.

Figure 2 shows the country shares of ADF's portfolio, based on the revised budgets of active projects in FY 2004 that have had significant disbursements by country. In decreasing order, Uganda, Ghana, Benin, Mali, and Nigeria had the largest ADF programs in FY 2004. Zimbabwe, Tanzania, Niger, Namibia, Botswana, Senegal, and Cape Verde had the smallest programs.

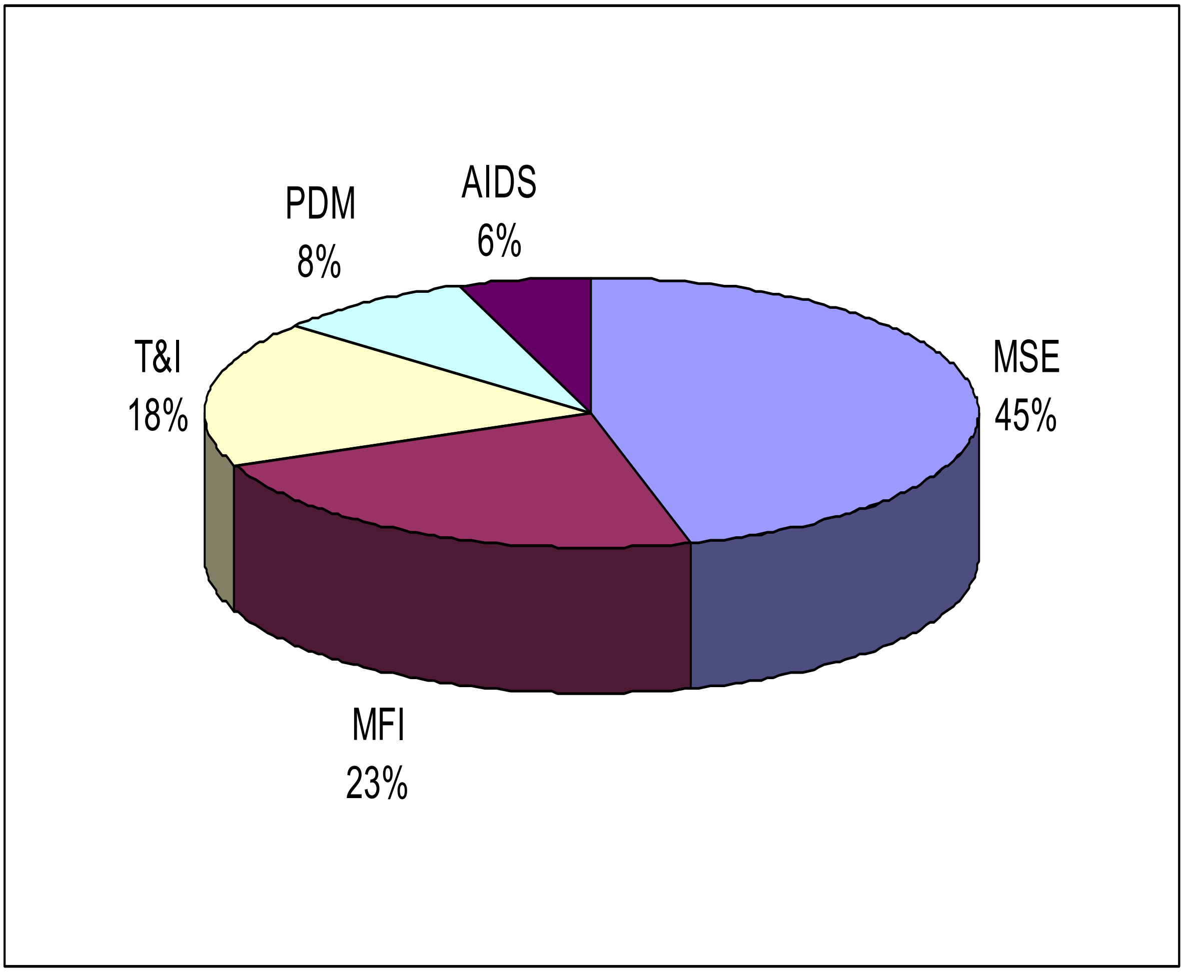
Table 2 compares the characteristics of ADF's active project portfolio from FY 2001 to FY 2004. The number of projects that have had significant disbursements decreased 14% in FY 2002, remained constant in FY 2003, and increased by 3% in FY 2004. The total revised budgets of projects with significant disbursements increased each year, increasing by 15.8% over the period and 11.6% over the previous year. During the past four years, ADF has tended to fund larger projects. The average revised budget increased each year and ended up 31% higher at the end of the period and 9% higher than the previous year.

The cumulative amount disbursed in the projects increased by 13.9% in FY 2002, 3.8% in FY 2003, and 1.5% in FY 2004. The proportion of the total revised budget disbursed increased in FY 2002 and FY 2003, but fell in FY 2004, which may indicate that the portfolio contained newer projects, less capital-intensive projects, or more projects with a higher proportion of ADF funding of recurrent costs. Projects that have received a lower proportion of their total budgets to date would normally be expected to show less impact, but this did not turn out to be the case in comparing the results for the different years.

The average percent of the project period that has elapsed was about the same in FY 2003 and FY 2004, but was lower than in FY 2002 and higher than in FY 2001. All other things equal, younger projects would not normally be expected to have achieved as much of their ultimate impact as older projects. However, the age effect may be outweighed by changes in the mix of project objectives or types of grantees and the more rigorous financial analyses ADF has been requiring for enterprise development projects in more recent years.

ADF's portfolio has changed over the period. The proportion of the total revised project budgets for MSE and MFI projects fell. This decrease occurred despite the reclassification of natural resources management (NRM) projects under MSE since most of the NRM projects ADF has funded involved enterprise development. The decrease in the proportion for MSE projects was largest in FY 2003 while the decrease in MFI projects was largest in FY 2004. These changes occurred as the proportions for T&I, AIDS, and PDM projects increased.

FIGURE 1. Budgets of Active Projects With Significant Disbursements By Primary Strategic Objective, FY 2004



Legend:

MSE: Micro-and Small Enterprise Development
MFI: Microfinance Institutions[1]
T&I: Trade and Investment
PD: Participatory Development Methods for Rural Infrastructure
AIDS: AIDS Prevention and Mitigation

[1]This only includes specialized microcredit projects. In FY 2004, there were 46 MFI projects have had significant disbursements, but another 19 projects provided some credit to members or small-scale producers in a particular subsector.

FIGURE 2. Country Shares of Revised Budgets for Active Projects With Significant Disbursements, FY 2004

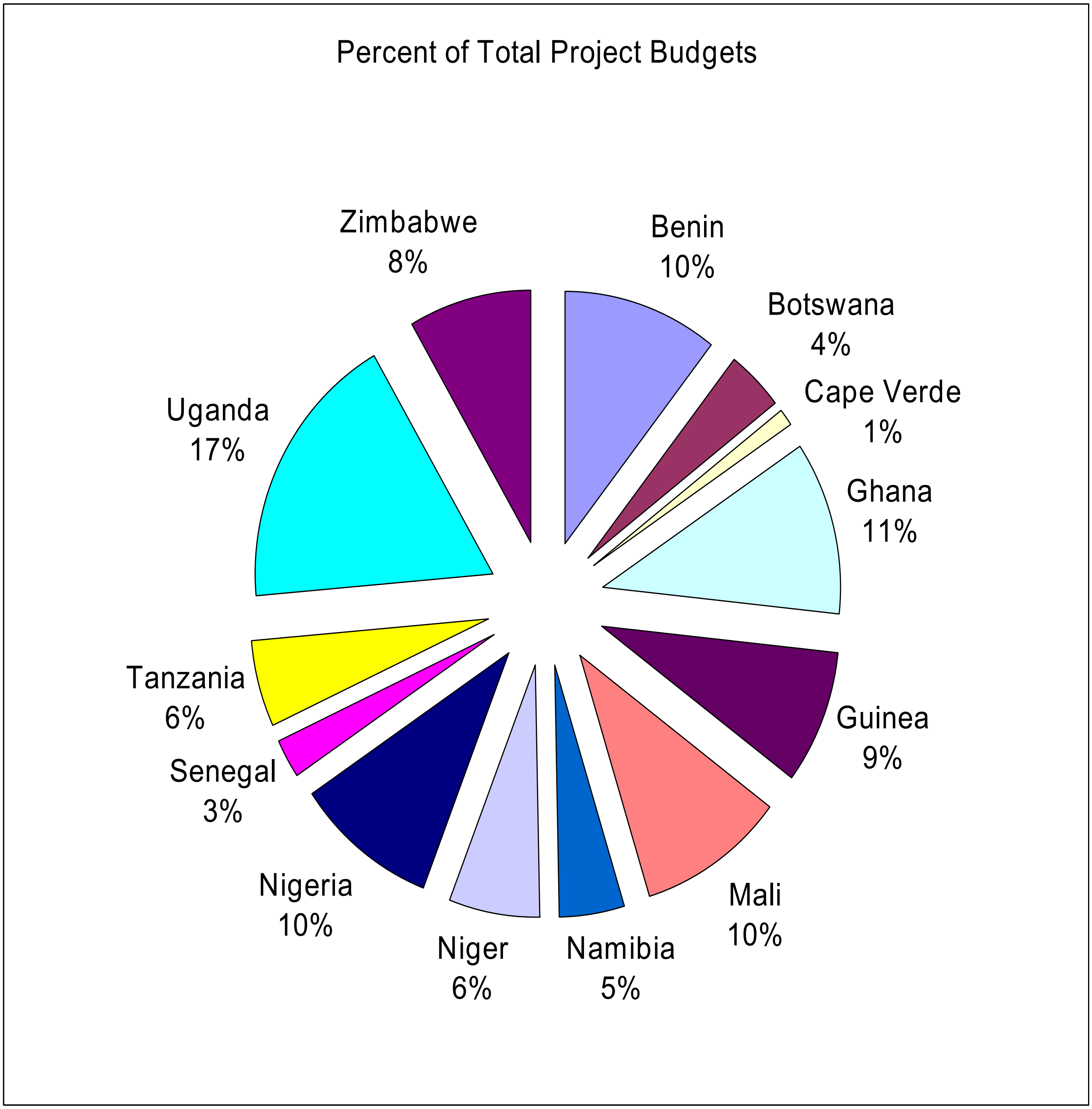


TABLE 2. Characteristics of Active Projects With Significant Disbursements, FY 2001 to FY 2004[1]

	FY 2001	FY 2002	FY 2003	FY 2004
Number of Projects	213	183	183	188
Total Revised Budgets of Projects	$25.798 million	$24.834 million	$26.750 million	$29.865 million
Average Budget of Projects	$121,100	$135,700	$146,200	$158,900
Disbursed Amount in Active Projects	$17.655 million	$20.103 million	$20.874 million	$21.195 million
Average Disbursed Amount	$82,900	$109,900	$111,400	$112,700
Average Percent of Revised Budgets Disbursed in Active Projects	68.4%	75.2%	78.0%	71.0%
Average Percent of Time Elapsed in Active Projects	59.3%	75.2%	68.7%	69.2%

[1]Does not include grants that have not had disbursements for purposes other than ADF-required, pre-implementation training.

TABLE 2. (Continued)

	FY 2001	FY 2002	FY 2003	FY 2004
Proportion of Project Budgets for MSE	Included in total below	53.5%	47.0%	45.8%
Proportion of Project Budgets for Microfinance	Included in total below	29.6%	30.0%	22.9%
Total Proportion of Project Budgets for MSE and Microfinance	82%	83.1%	77.0%	68.7%
Proportion of Project Budgets for NRM	6%	Included in MSE	Included in MSE	Included in MSE
Proportion of Project Budgets for T&I	9%	10.2%	13.1%	17.6%
Proportion of Project Budgets for AIDS	1%	1.1%	1.6%	5.6%
Proportion of Project Budgets for PDM	2%	5.6%%	8.3%	8.2%

ADF's GOALS, OBJECTIVES, AND PERFORMANCE RESULTS

Goal 1: Advance Broad-Based, Sustainable Development and Empowerment of the Poor in Africa

Objective 1. Promote micro and small enterprise development that will generate income and employment

Increasing the productivity and profitability of micro- and small-enterprises (MSEs) is critical for broad-based economic growth and poverty alleviation. These enterprises are important sources of income, employment, and empowerment for the poor, particularly for women and other disadvantaged groups. In times of economic distress, MSEs become even more vital as a safety net for producers and an affordable supply of consumer goods for low-income people.

ADF helps transform the tremendous untapped entrepreneurial potential of Africans into fuel for economic and social development. ADF helps small African businesses overcome the common constraints MSEs face in expanding production, improving quality, and increasing value-added by:

- Providing direct capital infusions to individual enterprises and strengthening micro-finance institutions;
- Providing access to improved technologies;
- Strengthening the skills of management and workers; and
- Improving access to information on better production methods and marketing.

ADF helps applicants develop their proposals into business plans with full financial analyses, market assessments, marketing strategies, training plans, and implementation plans. ADF only funds MSEs that have good prospects for becoming profitable and sustainable by the end of the grant period. ADF can provide MSE grantees with support directly or through microfinance institutions, cooperatives, producer associations, and other intermediary organizations. Once a project is funded, ADF provides assistance in implementation, upgrading of management information systems, monitoring, and reporting through its network of non-governmental Partner Organizations in Africa. More specialized, African technical service providers are brought in where necessary. Table 3 shows the performance results for the MSE and MFI projects.

Objective 2. Increase participation of African grassroots enterprises and producer groups in trade and investment relationships with the United States and within Africa

The increasingly integrated global economy presents unprecedented opportunities for broad-based increases in incomes through greater participation in the international economy. To achieve broad-based income and employment gains at the grassroots level through trade, small-scale producers need to be actively involved in further processing and higher-level marketing of products. They often need assistance to increase their volume or quality of production and gain access to value-added processing and more profitable marketing arrangements.

The African Growth and Opportunity Act of 2000 (AGOA) specifically noted the important role of ADF in developing and implementing strategies for promoting participation of small-scale enterprises and informal sector groups such as farmer cooperatives and artisans in trade and investment activities. ADF provides capital and technical and managerial assistance to enable small- and medium-scale producers take advantage of new opportunities for trade and investment (T&I). ADF's activities in support of AGOA include

- Promoting the adoption of high-value, non-traditional crops by small-scale farmers;
- Establishing or increasing local processing or manufacturing to add value to primary products;
- Enabling small- and medium-sized processors and manufacturers to begin or expand export production;
- Helping producers scale up the quantity and improve the quality of production to meet specifications of export buyers;
- Creating new export marketing linkages for regional or world trade; and
- Increasing their effectiveness in advocating changes in government policies that impede trade and investment, where necessary.

To make export production that benefits low-income producers more feasible, ADF often works with producer associations or cooperatives that bulk up the production of small-scale producers and carry out processing and/or marketing activities on their behalf. Producer associations and cooperatives can channel other support to small-scale producers effectively; for example lower cost production inputs through bulk purchases, extension services, market and price information, and greater bargaining power in price negotiations. Table 4 shows the performance results for the T&I projects. Table 5 lists the products that were exported by these projects.

TABLE 3 – Micro- and Small-Enterprise and Microfinance Performance Against Key Indicators (Cumulative figures for Active Projects With Significant Disbursements)[1]

Performance Indicator	FY 2004 Performance (Planned)	FY 2004 Performance (Actual)	Percent of Target Achieved
Enterprises assisted	70,500	95,176	135.0%
Owners and workers in assisted enterprises[2]	79,200	115,827	146.2%
Women as a percent of owners and workers[3]	Minimum of 50%	69.0%	At least 138.0%
Value of loans disbursed to MSEs	$9.194 million	$17.505 million	190.4%
Percent of loans disbursed to women[3]	Minimum of 50%	At least 73.6%	At least 147.1%
Gross revenue of assisted enterprises and organizations	$43.697 million	$43.485 million	99.5%

[1]Cumulative refers to the period from the starting date of the ADF project through the end of FY 2004.

[2]To ensure that estimates are conservative, unless there was actual data on number of owners and workers per enterprise from surveys or grantee records, only one owner/worker was assumed per enterprise. The actual number of owners and workers is likely to be substantially higher than this.

[3]To ensure conservative, lower-bound estimates of women beneficiaries e, it was assumed that all of the owners and workers were men when gender-disaggregated data were not available. The actual proportion of women among ADF's beneficiaries is higher than reported.

TABLE 4 – Trade and Investment Performance Against Key Indicators (Cumulative figures for Active Projects With Significant Disbursements)[1]

Performance Indicator	FY 2004 Performance (Planned)	FY 2004 Performance (Actual)	Percent of Target Achieved
Export revenues	$6.210 million	$21.530 million	347.0%

[1]Cumulative refers to the period from the starting date of the ADF project through the end of FY 2004.

TABLE 5. Products Exported by Active Projects in FY04

Beef, frozen, vacuum-packed	Fonio millet, processed with peanut butter
Behind-the-ear hearing aids	Fruit, fresh
Butter	Hides, cattle
Ceramics, decorative	Hides, ostrich
Citronella tea bags	Millet flour
Clothing, cut, measured, and trimmed	Millet, precooked
Couscous with milk	Ostrich meat
Couscous with spinach	Paprika, whole dried peppers
Djouka, dried	Pineapple, dried
Dyed bazin (tie-dyed cotton fabric)	Rock lobster, frozen tails
Dyed bazin with embroidery	Rock lobster, live
Fish, cleaned sole	Rock lobster, whole frozen
Fish, mullet roe	Salt
Fish, Nile perch, chilled fillet	Silk, reeled
Fish, Nile perch, frozen	Solar chargers for hearing aids
Fish, tilapia, chilled fillet	Sugar
Fish, tilapia, frozen fillet	Vanilla, cured
Fonio millet (*Digitaria* spp.), precooked	Vegetables, fresh (snow peas and others)

Objective 3. Promote innovative community-based interventions to remediate the economic and social impact of HIV/AIDS and reduce its spread

Sub-Saharan Africa is, by far, the region most critically affected by HIV/AIDS. At the end of 2003, between 25.0 and 28.2 million people in the region were living with HIV/AIDS (between 61 and 74 percent of the world's total). Approximately 3.2 million people in Sub-Saharan Africa were newly infected during the year. During the year, the disease killed 2.3 million people in the region. Over 11 million children below the age of 15 have lost at least one parent to AIDS and this number is expected to increase to 20 million by 2010.

Since AIDS prevention is more cost effective than treatment and mitigation, educational efforts to reduce the spread of the disease are important in all countries. Most efforts by donors, governments, and NGOs have focused on prevention activities in large urban areas. By contrast, most of ADF's support for AIDS prevention is concentrated on rural areas and small towns that have been underserved.

ADF began including a small HIV/AIDS education and prevention component in many of its MSE and micro-credit projects around the beginning of the decade. Then in FY 2002, the Foundation initiated a pilot program of small grants to support innovative, community-based activities for AIDS prevention and mitigation of the social and economic impact of the disease. Table 6 shows the performance results for the AIDS prevention and mitigation projects.

TABLE 6 – HIV/AIDS Program Performance Against Key Indicators (Cumulative figures for Active Projects With Significant Disbursements)[1]

Performance Indicator	FY 2004 Performance (Planned)	FY 2004 Performance (Actual)	Percent of Target Achieved
People receiving HIV/AIDS prevention training	224,100	320,509	143.0%
Women as a percent of those receiving HIV/AIDS training	Minimum of 50%	66.7%[2]	133.4%[2]
People receiving HIV testing services	-	8,167	N/A
Women as a percent of those receiving HIV/AIDS training	-	90.8%	N/A
People receiving AIDS counseling services	-	15,545	N/A
Women as a percent of those receiving AIDS counseling services	-	50.3%	N/A
People receiving AIDS-related medical services	-	6,390	N/A
Women as a percent of those receiving AIDS-related medical services	-	18.1%	N/A
People receiving AIDS-related financial or social services	-	17,236	N/A
Women as a percent of those receiving AIDS-related financial or social services	-	8.1%	N/A

[1]Cumulative refers to the period from the starting date of the ADF project through the end of FY 2004.

GOAL 2: EXPAND LOCAL CAPACITY TO PROMOTE AND SUPPORT GRASSROOTS, PARTICIPATORY DEVELOPMENT

Objective 1. Build self-supporting, sustainable, local community development agencies that provide technical assistance and support to grassroots groups

In FY 2004, ADF continued the efforts it began in the previous year to develop the capacity of its "Partner Organizations," nongovernmental organizations (NGOs) dedicated to participatory approaches to community economic and social development in each of the countries where the Foundation operates. The cooperative agreements with Partner Organizations are performance-based and renewable annually for up to five years. The Foundation is systematically building the capacity of these organizations so that they can become sustainable and have diversified funding sources.

The Partner Organizations help applicants that have passed the initial screening done by ADF's Country Representative to develop their project ideas into business plans with rigorous financial analyses. After ADF awards a project grant, the Partner Organizations train the grantees in financial management and participatory monitoring, and visit them regularly to monitor progress and help rectify any implementation problems. The partner organizations also provide assistance in procurement and preparation of quarterly financial and performance reports.

ADF transfers U.S. development expertise to its African Partner Organizations through training and technical and managerial assistance to build their institutional capacity. It also monitors the quality of their services and helps them plan and develop systems for attracting future funding from other sources.

In FY 2004, ADF helped to build the capacity of Partner Organizations in 13 countries (Benin, Botswana, Ghana, Guinea, Mali, Namibia, Niger, Nigeria, Senegal, Tanzania, Uganda, Zambia, and Zimbabwe). ADF did not have a partner organization in Cape Verde (ADF had terminated its relationship with a previous partner organization) or in the new program country of Swaziland.

Objective 2. Promote community resource mobilization and reinvestment

In FY 2004, ADF continued its community reinvestment policy to mobilize local capital for grassroots development projects and foster a culture of social responsibility. Although ADF provides grants rather than loans, it encourages profitable business grantees to ultimately donate the inflation-adjusted value of their grants to a development trust ADF helped to establish in their country. The Community Reinvestment Grant (CRG) policy broadens and multiplies the impact of ADF's investment, builds business goodwill, and fosters the development of business social responsibility.

Objective 3. Establish strategic partnerships with national and local governments, other donor agencies, and the private sector to support sustainable grassroots development

Strategic partnerships with African governments, other donors, and the private sector leverage additional funds for ADF programs, demonstrate that the added value of ADF's work is recognized externally, and expand the influence of ADF's strategies and program approaches.

- ***Strategic partnerships with African governments and other donors.*** In these strategic partnerships, government or donors match ADF's contribution to an ADF project, usually on a 1 to 1 basis.

- ***Partnerships with the private sector in the U.S. and Africa.*** ADF consults with the private sector in Africa and the United States and to identify investment opportunities. ADF then helps develop market linkages between African producers and importers, particularly in the United States and other countries.

In FY 2004, ADF had active strategic partnerships that leveraged contributions in six African countries -- Botswana, Cape Verde, Ghana, Mali, Nigeria (Jigawa State), and Swaziland that leveraged funding contributions of $2,704,024. During the year, ADF obtained new strategic partnership agreements in three other countries that will leverage funding contributions in future years (Benin, Senegal, and Sao Tome).

Objective 4. Encourage African governments and other donors to increase utilization of participatory development "best practices"

African governments are usually very interested in adopting new ways of fostering broad-based, cost-effective, and sustainable economic development at the local community level. However, there is often a gap between the desire and commitment of government agencies to implement new approaches and the organizational capabilities and resources needed to carry them out.

ADF's participatory development methods (PDM) actively involve all major stakeholders at each stage of a project from conceptualization through development, implementation, and monitoring. In addition, participants develop and implement systems that ensure transparency and accountability in the use of resources and attainment of program objectives. As a result, PDM empowers stakeholders while fostering more effective programs.

- ***Application of PDM in ADF-funded projects.*** ADF helps African governments and local development organizations develop, coordinate, and implement participatory development strategies. The strategic partnerships that ADF develops with African governments and other donors have increased funding for the use of participatory development methods in grassroots development activities. While participatory development methods are a common element throughout ADF's programs, they are the primary strategic objective in a subset of projects that have emphasized participation in setting priorities for local infrastructure construction and implementing them.

In Guinea and Niger, ADF helped the World Bank and government successfully demonstrate that PDM can play a vital role in developing local capacity to set priorities for investments in rural community infrastructure and fostering local ownership in construction and maintenance of the infrastructure. These projects have developed or maintained secondary roads, bridges, classrooms, and health facilities for rural people.

In Nigeria, ADF and the Government of Jigawa State used PDM to help communities reach consensus on who should benefit from housing units built after a major flood and test different designs and low-cost construction methods for the houses.

- ***Development communications.*** ADF also encourages use of participatory development methods and appropriate development strategies for underserved and disadvantaged populations through its learning and information dissemination activities. These include ADF publications and a website. ADF/W and Partner Organization staff also participated in various conferences.

SUMMARY OF PROGRAM PERFORMANCE AND TRENDS

ADF sets most of its performance targets each year based on the actual achievements in the most recent prior year available and the ratio of the projected cumulative disbursements for active projects in the reporting year to those of the prior year. This is a reasonable approach to setting aggregated portfolio targets, but it assumes that the composition of projects by strategic objective remains unchanged from one year to the next. However, the actual proportions of ADF funds disbursed for projects with strategic objectives vary a lot from year to year. Because of these differences in the composition of the portfolio across years, ADF may exceed impact targets for some strategic objectives while falling below targets for other strategic objectives. The internal performance targets that ADF set for leveraging funding contributions through strategic partnerships were not based on prior year performance and were set at a very ambitious level.

Table 7 summarizes the FY 2004 program results against ADF's internal targets**.** In general, the FY 2004 targets were higher than the FY 2003 targets. ADF exceeded nearly all of its targets for program impact by far. The achievements for enterprises assisted, owners and workers in the assisted enterprises, women owners and workers, value of loans disbursed, export revenues, people receiving AIDS prevention training, and women receiving AIDS prevention training were 133% to 187% of the targets. The active projects generated very slightly less gross revenue than planned (1.3 percent). One reason why is that exchange rate fluctuations are out of ADF's control and make it difficult to set targets in US dollars.

Table 8 compares ADF's performance results over the past 4 years. The performance results in any given year depend on the number of active projects, the average amount of funding that has been disbursed in the projects, the mix of ADF strategic objectives that the projects address, the performance of the individual projects, and the level of resources ADF has devoted to collecting performance data for the year. ADF's new program obligations in FY 2004 were $14.720 million.

Most of ADF's new program obligations in a year do not lead to grant disbursements until the following year. Disbursements may continue for four or five years, but a large share of the total disbursements for a project are typically released by the end of the third year of the project. Initial project impacts tend to follow disbursements with a lag time of six to twelve months. The impact tends to grow faster in subsequent years, reaching a maximum in the fifth year of the project. Consequently, the performance results reported in FY 2004 are mainly an outgrowth of ADF disbursements from FY 1999 to FY 2003, which correspond to ADF program obligations from FY 1998 to FY 2002.

TABLE 7. Summary of FY 2004 Performance Against Targets (Cumulative figures for Active Projects With Significant Disbursements)[1]

Performance Indicator	FY 2004 Performance (Planned)	FY 2004 Performance (Actual)	Percent of Target Achieved
Enterprises assisted	70,500	95,176	134.9%
Owners and workers in assisted enterprises	79,200	115,827	146.2%
Women as a percent of owners and workers[2]	Minimum of 50%	At least 69.0%	At least 138.0%
Value of loans disbursed to MSEs	$9.194 million	$17.250 million	187.6%
Percent of loans disbursed to women	Minimum of 50%	At least 45.2%	At least 73.2%
Gross revenue of assisted enterprises and organizations	$43.697 million	$43.485 million	99.5%
Export revenues	$6.210 million	$21.530 million	347.0%
People receiving HIV/AIDS prevention training	224,100	320,509	143.0%
Women as a percent of those receiving HIV/AIDS training	Minimum of 50%	66.7%[2]	133.4%[2]
Countries with ADF support for building the capacity for nongovernmental partner organizations	15	13	86.7%
Number of strategic partnerships for leveraging funding contributions	-	6	-
Funding contributions leveraged	$5.000 million	$2.704 million	54.1%

[1]Cumulative refers to the period from the starting date of the ADF project through the end of FY 2004.

[2]The actual proportion of assistance to women is substantially higher because when gender-disaggregated data were not available, it was assumed that all beneficiaries were men to ensure conservative, lower-bound estimates of women beneficiaries.

TABLE 8. Performance Result Trends, FY 2001 to FY 2004 (cumulative numbers for active projects)

Performance Indicator	FY 2001	FY 2002	FY 2003	FY 2004
Enterprises Assisted	47,049	86,180	80,946	95,176
Owners and Workers in Assisted Enterprises[1]	36,457	96,854	112,802	115,827
Women as a Percent of Owners and Workers in Assisted Enterprises[2]	56.8%	58.1%	48.2%	75.6%
Enterprises With Loans[3]	54,099	65,319	67,893	84,925
Value of Loans Disbursed	Indicator not in use	$11.243 million	$15.127 million	$17.250 million
Proportion of Loans for Women[4]	50.8%	60.6%	61.8%	73.2%
People Receiving Business Management Or Technical Training[5]	66,126	Indicator discontinued	Indicator discontinued	Indicator discontinued
Women as a Percent of People Receiving Business Management Or Technical Training[5]	26.3%	Indicator discontinued	Indicator discontinued	Indicator discontinued
Gross Revenues of Enterprises and credit providers[6]	$17.457 million	$53.440 million	$28.830 million	$43.485 million
Net Income Of Grantees (including credit providers)[6]	$10.528 million	$14.611 million	$6.369 million	$8.807 million

[1]Unless actual data were available from grantee records or surveys to support higher numbers, the most conservative assumption was adopted -- that there was one owner/worker per enterprise assisted. The actual number for many projects is likely to be substantially higher than the reported number.

[2]In the absence of information on the gender of the owners and workers, the proportion of women beneficiaries was assumed to be zero. The actual proportion of women beneficiaries is likely to be substantially higher.

[3]In FY 2001, the indicator tracked the number of loans, rather than the number of enterprises receiving loans. Since microfinance projects typically provide multiple loans to an enterprise, the current indicator produces lower numbers than the previous indicator and is a more meaningful measure of program outreach.

[4]This indicator was modified from the proportion of the number of loans that went to women to women's proportion of the total value of loans, which is a better measure of gender equity.

[5]This indicator was discontinued since it is not a measure of program results.

[6]In FY 2002, the gross and net income of the client enterprises assisted by microfinance grantees were estimated in two countries by extrapolation from sample surveys and this made a huge difference in the numbers. In FY 2003, ADF did not report the income of microcredit clients in any countries because it did not have new survey data on the grantees' client enterprises in these projects. In FY 2004, these indicators were defined more narrowly to only include the grantees and not their client enterprises.

TABLE 8. (Continued)

Performance Indicator	FY 2001	FY 2002	FY 2003	FY 2004
Trade and Investment				
Export Products Promoted[1]	4	19	Indicator discontinued	Indicator discontinued
New Production and Export Trade Arrangements Established[2]	18	Indicator discontinued	Indicator discontinued	Indicator discontinued
Gross Revenues From Export Sales	Indicator not in use	$7.594 million	$12.027 million	$21.530 million
AIDS Prevention and Mitigation				
People Receiving AIDS Prevention Training	35,483	274,041	282,089	320,509
Women as a Percent of People Receiving AIDS Prevention Training[3]	57.0%[3]	66.8%	64.9%	66.7%
Local Capacity To Promote Grassroots, Participatory Development				
Partner Development Agencies Assisted	14	13	13	13
Host Governments or Major Donors Providing Funding for Strategic Partnerships With ADF	2	4	1	6
Funds Leveraged Through Strategic Partnerships	$0.364 million	$1.104 million	$0.455 million	$2.704 million

[1]This indicator was discontinued as a quantitative performance measure since a larger number is not necessarily better than a more focused program and there were inconsistencies in whether grantees lumped similar products together or split them into more specific categories.

[2]This was discontinued as a quantitative performance measure since a larger number is not necessarily better and there were definitional issues about what constitutes a new production or export trade arrangement.

[3]To produce a conservative estimate of gender equity, it was assumed that all of the beneficiaries were men if no gender-disaggregated data were available. The actual proportion of women among these beneficiaries is likely to be substantially higher than reported.

All FY 2004 monetary values in this report are presented in U.S. dollars using the exchange rates prevailing at the end of the fiscal year (table 9). The cumulative monetary impacts reported by ADF each year are strongly affected by foreign exchange fluctuations. ADF tracks impacts in local currency and converts them into US dollars using the exchange rates prevailing at the end of the reporting year.

When African currencies lose value against the US dollar, the impacts in local currency **in that year and all prior project years** are readjusted to reflect a higher value in US dollar terms. Conversely, when African currencies gain against the US dollar, the cumulative monetary impact in US dollars decreases. Over the past two years, the US dollar has lost ground against African countries with currencies that are more closely associated with the Euro, pound sterling, or price of gold. However, African currencies in some high-inflation countries have lost value against the U.S. dollar.

ADF's performance results were substantially better in FY 2004 than in the previous year on all of the major indicators. The number of enterprises assisted rose by more than 17 percent. The number of owners and workers in assisted enterprises increased by nearly 3 percent. The number of enterprises that have received loans from ADF projects increased more than 25 percent. The value of loans disbursed rose by over 14 percent. Export sales increased by over 79 percent. The number of people who have received AIDS prevention training from ADF projects increased by approximately 14 percent. ADF's small AIDS program has made a difference in assisting rural clients that have not been reached by the large, predominantly urban programs.

In FY 2004, the API focused only on the gross and net income of grantees. No information was collected on the gross and net income of client enterprises since these indicators had produced little usable information in most prior years. Nevertheless, the total gross revenues of the ADF grantees (enterprises and credit providers) still rose by nearly 51% over the previous year despite the exclusion of client enterprise sales. Total net income of grantees only rose slightly between FY 2003 and FY 2004, but the data were often incomplete in both years.

The FY 2003 data did not include any impacts from Zimbabwe because the economic and political instability made it difficult to collect accurate data and the business environment was very unfavorable. Although the FY 2004 API did include Zimbabwe, the huge devaluation of the Zimbabwe dollar made the cumulative gross revenue and net income data for this year shrink drastically in US dollar terms from FY 2002.

ADF assisted one less partner organization in FY 2004 since it terminated a cooperative agreement with an NGO in one country (Cape Verde). Instead, ADF hired consultants to develop projects in Cape Verde. ADF increased the number of strategic partnerships with governments that leveraged funding contributions from one to six. The funding contributions that ADF leveraged by nearly five-fold over the previous year.

The performance result trends between FY 2001 and FY 2004 also show large improvements, but there is a data anomaly in the FY 2002 results for two indicators. In FY 2001, the gross and net income indicators only pertained to the grantees; it did not include the client enterprises assisted by the grantees. In FY 2002, a small number of ADF-supported microfinance institutions in Botswana and Ghana collected survey data on the gross revenues and net income of their client enterprises. These few grantees extrapolated the survey averages to estimate the gross revenues and net income of all of their clients. Because of the large number of clients in those projects, this resulted in a huge increase in the total gross revenues and net income reported for ADF's portfolio.

TABLE 9. Exchange Rates in ADF-Assisted Countries, FY 2002 to FY 2004

Countries	Exchange Rate Per USD, FY 2002	Exchange Rate Per USD, FY 2003	Exchange Rate Per USD, FY 2004	Percent Change in Value of US Dollar Between FY 2002 and FY 2004	Percent Change in Value of US Dollar Between FY 2003 and FY 2004
Benin, Mali, Niger, and Senegal	656.00	569.50	531.958	-19.9%	-6.6%
Botswana	9.00	4.63	4.73	-47.4%	+2.2%
Cape Verde	106.71	94.5724	89.41	-16.2%	-5.5%
Ghana	7,800.00	8,362.5	8,800.80	+12.8%	+5.2%
Guinea	1,936.34	1,949.00	2,557.90	+32.1%	+31.2%
Namibia	9.00	7.23	6.33	-29.7%	-12.5%
Nigeria	130.00	128.50	130.91	+0.1%	+0.7%
Tanzania	947.18	1,026.50	1,032.40	+9.0%	+0.6%
Uganda	1,764.94	1,950.00	1,749.14	-0.9%	-10.3%
Zimbabwe	525.00[1]	5,200[1]	5,284.90	+890.5%	+1.6%

[1]The official exchange rate in Zimbabwe in FY 2002 may have overvalued the local currency. There were large differences between the official rates and the open market value of the currency.

Since the gross revenues of loan clients can vary a lot from year to year, ADF did not allow the FY 2003 gross revenue and net income estimates for the Botswana and Ghana credit projects to be extrapolated from the previous year's survey. Because loan client incomes were not counted in FY 2003 and FY 2004, the performance results appear to show a large decrease in the total gross revenue and net income of the portfolio compared to FY 2002, but that did not actually occur.

In FY 2004, ADF returned to the original definition of only reporting the gross and net income of the grantees and not their client enterprises due to the cost and complexity of getting accurate information on the client enterprises. Nevertheless, in FY 2004 the net income from sales and credit provision increased 38.3% over the previous year. Furthermore, ADF's actual impact on incomes is substantially higher than the reported numbers in FY 2003 and FY 2004 because of the lack of information on the client enterprises assisted by the grantees.

Table 10 compares the FY04 performance of the active projects that have had significant disbursements to their baselines in the year before the projects received ADF support. The baseline data reflect the fact that ADF mainly supports existing enterprises and intermediary organizations, rather than start-ups of new enterprises or intermediary organizations without an established client base. ADF's impact on the gross revenues and export revenues of the MSE and T&I businesses that were directly assisted was substantial.

TABLE 10. Comparison of FY 2004 Performance Against the Baseline Year (Single Year Only, Not Cumulative)[1]

Performance Indicator	FY 2004 Only (Not Cumulative)	Baseline Year	Increase Over the Baseline, FY 2004 Only (Not Cumulative)
Enterprises assisted	35,555	32,939	2,616
Owners and workers in assisted enterprises	36,180	26,657	9,889
Enterprises receiving loans	23,945	25,492	-1,547
Value of loans disbursed to MSEs	$6,556,833	$1,301,124	$5,255,709
Gross revenues of non-credit grantees[2]	$14,610,642	$6,024,779	$8,585,863
Export revenues of non-credit grantees	$9,640,641	$181,671	$9,458,970
Gross revenues of credit providers	$1,550,621	No Data	-
People receiving HIV/AIDS prevention training	98,339	330	98,009
People receiving HIV testing services	8,167	77	8,090
People receiving AIDS counseling services	15,545	0	15,545
People receiving AIDS-related medical services	6,390	77	6,313
People receiving AIDS-related financial or social services	17,236	0	17,236

[1]Some projects were unable to provide baseline or FY 2004 data for one or more indicators and these were counted as zeroes. This had the largest effect on the baselines for value of loans and export revenues, which are therefore underestimated. As a result, the increase over the baseline is likely to be lower than shown here.

[2]Does not include gross revenues of credit providers. Baseline data on adjusted net income before income taxes and depreciation were not available.

Although the number of enterprises receiving loans from credit projects decreased by 6.1%, the total value of loans disbursed went up by 403.9%, resulting in a 54% increase in average loan size. These microcredit projects are now able to reach microenterprises with greater growth potential and economic impact than the smallest, survival level microenterprises that they previously reached. Since the impact on gross revenues that ADF is reporting in FY 2004 does not include the income gains of the client enterprises assisted by microcredit projects, ADF's actual total impact on microenterprise sales and net income is actually much larger than the numbers shown. The surveys conducted for a few microfinance projects in FY 2002 provided the evidence to support this conclusion.

In FY 2004, the Foundation's portfolio included 117 business development projects that have had disbursements for purposes other than ADF-required, pre-implementation training. Table 11 shows that 89% of the business development projects have generated sales that can be attributed to the ADF support. Most of the remaining 11% of the enterprises also had sales in FY 2004, but their sales could not be attributed to the ADF project because they were either still in the process of constructing a factory, ordering and receiving equipment, or waiting for raw materials to become available.

Approximately 32% of the business projects had made export sales. Most of the export sales revenues were from T&I projects. Nearly 15% of the MSE projects and 80% of the T&I projects have exported. Over 51% of the enterprises were profitable in FY 2004. Over 73% of the T&I projects were profitable in FY 2004, compared to less than 44% of the MSE projects. About two-thirds of the total gross revenues in the MSE and T&I projects were from exports, providing strong evidence to support a strategy of export-led growth that enables businesses to increase their sales volume and obtain substantially higher unit prices. Because ADF projects are designed to be sustainable, their impact is expected to be maintained or grow in subsequent years.

TABLE 11. Sales and Profitability in Micro- and Small-Enterprise and Trade and Investment Projects in FY 2004 (That Can Be Attributed to ADF Support)

Active Projects That Have Had Significant Disbursements	**MSE Projects (N=87)**	**T&I Projects (N=30)**	**MSE and T&I Projects Combined (N=117)**
Percent with cumulative gross revenues (sales) in FY04[1]	90.7%	86.7%	88.9%
Percent with cumulative export sales in FY04[1]	14.9%	80.0%	31.6%
Percent with positive adjusted net income in FY04[1]	43.7%	73.3%	51.3%
Percent with positive, adjusted cumulative net income in FY04[1,2]	21.8%	30.0%	23.9%

[1]Cumulative refers to the period from the starting date of the ADF project through the end of FY 2004.

[2]Adjusted net income was defined as net income before income taxes, depreciation, and Community Reinvestment Grant (CRG) contributions. This indicator is similar to earnings before interest, taxes, and depreciation (EBITDA).

SPOTLIGHT ON THE GUINEA RURAL INFRASTRUCTURE PROGRAM

In FY 2004, ADF support concluded its support for the Bady project in Guinea, which began in FY 1998. Bady was the first in ADF's program of participatory development projects for rural infrastructure. In the mid-1990s 70 percent of Guinea's population lived in rural areas, but most of the country's economic growth was concentrated around Conakry and the rural population lacked adequate infrastructure and access to public sector services. Previous government efforts in rural road rehabilitation had disappointing results because the local people had no role in project planning. When central government funding for road improvements stopped, local efforts to maintain the roads ceased and West Africa's rainiest climate quickly reclaimed much of what had been done.

As a result of this experience, the Government recognized the need for a new approach that addressed the perceived needs of rural communities. It asked the World Bank to design a pilot Village Support Program (PACV in French) that would experiment with new ways of engaging local communities to identify their development priorities and increase their commitment. Another goal was to create a network of decentralized, self-governing village-level institutions that could be integrated into broader district and national development planning and implementation.

The Government of Guinea established an administrative framework of 303 Rural Development Communities (CRDs in French) for the PACV. The World Bank and the International Fund for Agricultural Development (IFAD) provided the bulk of the funding for the pilot program. ADF was one of four organizations invited to implement the pilot program and the only one that was also a donor.[1]

The Bady project emphasized broad-based participation in all aspects of the project, not just identification of local priorities. ADF provided training to help the communities make decisions on design options, solicit bids, and select contractors, and monitor the work of contractors and their use of concrete and other purchased materials. To keep costs down and instill a sense of ownership, community members contributed labor time and materials for the construction.

A key aspect of the ADF approach is that participatory development does not stop after the construction has been completed. For example, after a school was built in Bady, local families pooled their own savings to hire a temporary teacher so that their children could begin learning before the government assigned a teacher to the new school. Today, six years after the start of the Bady project, local health committees and parent school committees organize the repairs and ensure that facilities are kept in good working order. They play an active role in selecting the medicines stocked at the clinic and the number of students to be enrolled in each grade. They also work with teachers and health agents to support adult literacy classes and midwife training.

ADF's participatory development approach in Bady was influential in helping to create the model for the full 12-year roll-out of the PACV program across Guinea. It also had direct influence on World Bank-funded rural infrastructure programs in Niger and Senegal. Building on the experience in Bady, ADF funded PACV activities in two more CRDs (Banguigny and Baguinet), which are still ongoing.

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[1] The other organizations were the Association Française des Volontaires du Progrès, (AFVP – a French association of volunteers), the Canadian Centre for International Studies and Cooperation (CECI – a Canadian association of volunteers now part of Uniterra), and Plan International (an American NGO).

ADF built on the demand-driven approach of the PACV in designing the "Pockets of Poverty" (POP) program in Guinea to speed up development in the 12 poorest areas of the country. This program reflected the fact that effective infrastructure investment decisions have to go beyond the artificial political/administrative boundaries of CRDs. The Pockets of Poverty were identified in a UN study and encompass the natural economic and social groupings that exist among villages in the areas.

In FY 2001, USAID provided $500,000 to ADF for two POP projects (Lansa and Fria Mabiriya) and ADF agreed to commit at least $750,000 to the program. ADF funded POP projects in Lansa Badiar and supported construction of the Fria Road. In FY 2004, ADF funded a new POP project in Kouratonga. ADF also supported the preparation of new POP projects in Mafou East and Mafou West in FY 2004 that are expected to be funded over the next year.

What are some of the impacts of these projects? Before the ADF project, farmers in Lansa and Badiar could not tap the full income potential for their crops. Although the more prosperous town of Kédougou in Senegal was just 80 kilometers away and offered entrée to markets from there to Dakar, a river blocked the way from Lansa and Badiar and there was no bridge. It was prohibitively costly for farmers in Lansa and Badiar to use the existing alternative of a rough mountain bypass that meandered 250 kilometers to the south and east before crossing the border. ADF supported the construction of a bridge to Kédougou. This enabled farmer groups such as a potato growers' cooperative with 700 members to sell 60 percent of their produce to buyers in Senegal at higher prices.

The Fria Mabirya project rehabilitated 78.5 km of rural roads using labor-intensive methods and constructed 2 small bridges and 17 culverts in reinforced concrete. The main problems encountered were increases in the cost of diesel fuel and materials and equipment breakdowns. To help ensure that the infrastructure improvements will last, ADF organized and trained 6 village road maintenance committees, each with a workforce of 60 to 80 local residents.

As a result of the road rehabilitation, the villages in the project area now have regular transport services 3-5 times a week. Two new market locations have opened up and a third is being set up. By making new markets accessible, farmers were able to obtain higher prices for their crops, as shown in table 12. While part of the price increase was due to Guinea's high inflation (214% between 2000 and 2004), most of these gains were substantially higher than inflation.

TABLE 12. Price Increases in Major Crops After Road Rehabilitation in Fria-Mabirya

Products	Unit Price Before Project (GNF/kg)	Unit Price after Project (GNF/kg)	Average Percent Increase
Rice	400-500	1,400-1,500	222%
Peanut	300-350	1,400 -1,600	362%
Corn and sorghum	200	600	200%
Sesame	200-300	1,200	380%
Dried okra	250	1,200	380%

In addition, many farmers are now able to sell higher-value fruits (bananas, oranges, mangoes, and avocados) in commercial centers that they could not reach before.

When the ADF project started, Fria Mabirya was not being served by any government or NGO development project. It is now being served by the PACV program, Programme de Gestion des Resources Naturelles (PGRN), Dabola and Dinguiraye development program (PDD), the national agency for water supply (SNAPE), UNICEF, and several local NGOs.

Potable water supplies have increased because the road allowed SNAPE to bring in heavy equipment for deep well construction. As a result, the number of boreholes serving the area increased from two to nine. The road has made it possible for villagers to bring in more durable construction materials from outside the area to build new mosques, grain storage facilities, and housing

Access to health services has also improved in Fria Mabirya. The director of the health center at Passaya is now able to make a weekly visit to villages that did not have regular services before the road was rehabilitated. A large vaccination program is now planned in the villages and trained AIDS prevention counselors have been able to come to the area.

ADF's rural infrastructure program is not confined to roads, schools, and health clinics. For example, in Banguingy, ADF is helping to establish a local veterinary clinic that will give more than 300 livestock producers effective access to lower-cost veterinary care and supplies. Previously, farmers had to bring a veterinarian from Fria town to treat their animals on an individual basis. That was costly because each herder had to pay the full cost of the veterinarian's travel time and expenses. The new clinic will allow farmers in Baguinet to purchase and stock veterinary medicines in bulk. Animal vaccination fees will support the facility's administrative costs and the salary of a full-time, on-site veterinary assistant.

In Baguinet, ADF is funding the construction of a regional market. The new market will allow vendors to rent all-season stalls at nominal fees, store their produce overnight in secure weather-proof facilities, and improve the sanitary conditions in which foodstuffs are sold. The ADF project in Kouratongo is expected to provide more than 7,500 local residents with access to local education and health services and potable water for the first time.

Through this series of participatory development projects, ADF established some best practices for the process of low-cost rural infrastructure construction:

1. Community Survey. The ADF Guinea team met with local leaders to explain the goals of the program, survey the other development activities were underway in the area, and introduce trained discussion facilitators who speak the local language.

2. Community Mobilization. The ADF team organized meetings in participating villages to introduce the program and invite residents to form discussion groups based on age and gender so that everyone would have an opportunity to participate freely. Each village created separate groups for men, women, and youth; some villages also created additional groupings for the elderly or for different occupational groups.

3. Needs Analysis. The community development agents conducted focus groups with each of the designated community groups. Because most adults in rural Guinea are not literate, the community development agents introduced communication tools that do not require reading ability such as visual aids, charts and mapping exercises. Each group voted on its development priorities and elected a delegation to present their priorities at a general village meeting.

4. Community Action Plan Development. Representatives of each of the village groups presented their priorities, debated their relative merits, and voted on the various priorities. These meetings often produced coalitions that challenged established power relations. For example, women's groups and youth groups frequently voted together so that village leaders had to amend their own priorities until a consensus was reached.

After approving its infrastructure development priorities, each village sent a delegation – typically consisting of two men and two women – to a sub-district assembly of several village delegations. The sub-district assembly discussed which development priorities were most pressing across the whole area elected representatives from the village delegations for a general assembly of the entire CRD. Delegates to the CRD assembly subsequently put together a detailed four-year community action plan for the district and presented it to the PACV for funding authorization.

5. Training and Capacity Building. The next step is to provide training for local community leadership teams in financial management and help them design workable plans and negotiate clear rules for community oversight of the leadership team and mobilization of the 15% local contribution in labor, materials, and cash.

6. Project Implementation, Monitoring, and Remediation. Village representatives utilized newly acquired financial skills and their training in contract negotiation to resolve disputes with contractors and prevent misallocation. Regular community meetings helped to ensure accountability and transparency throughout the building process and timely completion of construction without significant conflicts or delays in payment.

7. Evaluation and Follow-Up. The ADF team in Guinea worked with villages to evaluate ongoing needs and create committees for maintenance and operation of the infrastructure. , health committees, and school parents' associations that govern the upkeep and administration of new community resources. ADF's commitment to capacity building through participatory development has thus produced a measurable impact in rural communities across Guinea.

8. Income Generation. Support for micro- and small-enterprise development, including agricultural production, is important for building on the gains from rural infrastructure development.

OTHER PROJECT HIGHLIGHTS IN FY 2004

Benin

● ADF commissioned an evaluation of relay credit project of the Association pour la Promotion et l'Appui au Developpement de Micro Entreprises (PADME) in Benin, which received a five-year grant of $181,500 from ADF in FY 1999.[1] This project provided capital and managerial assistance for a new wholesale microfinance interviewed officials from 85 NGOs that received wholesale loans from PADME and 91 microentrepreneurs who received loans from these NGOs. PADME is an NGO that was formed in 1997 as an outgrowth of a government project that began in 1993.

[1] Erudall Conseils. 2004. Evaluation d'Impact Economique et Social du Project Credit Relais (PADME). Cotonou, Benin.

Before the ADF project, PADME's main focus was provision of micro-loans direct to entrepreneurs within a 30-km radius of the major cities of Cotonou and Porto Novo. Prior to the ADF project, PADME had experimented with providing wholesale loans to other MFIs on a pilot scale, but ADF supported the launching of this product on a larger scale.

Most of the participating NGOs had experience providing credit or saving services for solidarity groups, women's groups, farms, cooperatives, or grain storage facilities prior to the project; only 30% stated that they had lacked experience in credit or savings. Some additional NGOs began participating in each year of the project. The NGOs reported receiving amounts ranging from less than $1,800 to more than $18,800. The NGOs reloaned the money for periods ranging from 1 to 24 months, mostly at interest rates between 2% and 5% per month. PADME also provided financial and managerial training to the MFIs. About 63.5% of the MFIs, PADME financed provided training to their client microentrepreneurs.

With ADF funds, reflows from repayments of loans made with ADF funds, and supplementary funding it attracted from other donors, PADME disbursed $739,400 in loans to MFIs in 10 of the 12 administrative departments of Benin during the project period. In the early years of the project, PADME started more slowly than expected because of difficulties in finding creditworthy organizations. A large share of the total impact came in the last two years of the project since 34% of the total value of loans was disbursed in FY 2003 and 48% in FY 2004. PADME earned $34,000 in interest and penalties from the relay credit activity. The default rate in the credit relay program was only 1.6 percent.

PADME stated that it was costly to monitor the participating NGOs because of their distance and inaccessibility. It did not monitor the end clients of the NGOs. PADME reported some problems with NGOs that did not respect its policy of charging a sustainable interest rate that covers inflation, administrative costs, and risk. The evaluation team also recommended that PADME remove NGO clients that have not performed well from its list of eligible loan recipients.

Over the project period, the client NGOs had increased the total value of their loan portfolios from $188,000 to $274,500 (note that some MFIs did not begin participating until the last year of the project). Some of the participating NGOs observed that the inaccessibility of their service areas made their credit operations costly. They also reported problems managing client repayments and attributed some of this to the bad faith of some clients. The NGOs felt that PADME had helped them improved their services and results, but felt that the demand for credit in their areas was not fully met. Some NGOs wanted PADME to reduce the interest rates it charges. The evaluation team cited lack of baseline data on the client borrowers as a constraint in assessing the impact of the project on microentrepreneurs and suggested that PADME take the initiative to resolve the problem.

● UNDP selected the COPRATO dried pineapple enterprise, a current ADF grantee, as one of the best small agri-business in Benin. As an award, COPRATO received free training in corporate management from the Centre de Promotion des Petites et Moyennes Entreprises.

● The International Labor Organization selected current ADF grantee, Mon Petit Benin to participate in a trade show highlighting best experiences in job creation in Benin. This enterprise produces chips from potatoes, plantains, yams, and breadfruit.

● The Government of Benin selected a current ADF grantee, AFRETACA, to represent the food industry at the National Artisans Forum. AFRETACA is a cashew processing enterprise.

Botswana

● In late FY 2002, ADF provided a grant of $238,000 to Godisa Technologies Trust, a for-profit enterprise owned by a community trust that serves people with disabilities. Godisa is the only producer of hearing aids in Africa and it was the first company to manufacture a body-worn hearing aid with a solar recharger. The solar recharger eliminates the high cost of buying replacement batteries for low-income people in developing countries and reduces the environmental problems associated with disposal of non-rechargeable batteries that contain toxic heavy metals. ADF support enabled Godisa to design and manufacture an improved solar recharger and a smaller, behind-the-ear hearing aid that is more convenient to use and costs less. The company employs people with hearing disabilities in assembly of its products.

The new Godisa hearing aid is being used in a seven-nation trial study in collaboration with Siemens. Distribution agency arrangements have been established in 22 countries. By the end of September 2004, Godisa had achieved $156,200 in sales of the new hearing aid and recharger. In the year before the ADF project, Godisa had only $2,400 in sales.

In FY 2004, Godisa won a first-place award for international product design from the Design Institute of South Africa. It received a $190,300 grant from the First National Bank of Botswana to build a new, larger workshop in Otse. The Micro-Projects Fund of the European Union and Government of Botswana gave Godisa a $42,300 Godisa also received a donation of $112,000 from the Soros Foundation's Open Society Initiative of Southern Africa for a technical training and empowerment program for the deaf.

● The Women's Finance House of Botswana, a current ADF grantee, was invited to serve on a review panel to critique the Government's draft national poverty alleviation strategy.

Ghana

● The Sinapi Aba Trust, an NGO in Ghana, received two grants from ADF at the end of FY 1998 for microcredit projects. The first was aimed at helping the families of ex-convicts earn income through microenterprise activities. The second supported SAT's Women's Trust Banking project. ADF provided $190,000 for the first project and $227,242 for the second. ADF involvement in both projects concluded in FY 2004. When ADF began working with Sinapi Aba, the trust had seven branch offices. ADF helped them establish two new branches. In 2004, it had sixteen branches.

Sinapi Aba has also transformed itself into a bank and greatly expanded its operations. In 2001, it established a limited liability company to mobilize domestic savings more effectively and access private capital markets. An American NGO, Opportunity International, and a Dutch NGO, Oikocredit provided expansion capital and became shareholders in the new bank. The bank has over $2.6 million of initial capital.

Now known as the Opportunity International Sinapi Aba Savings and Loan Company Ltd. (OI-SASL), the bank has a dual mission of providing credit and savings services to micro- and small-entrepreneurs while earning a return for its shareholders. With this new structure, the bank can offer savings deposits, susu (revolving savings societies), fixed term deposits, demand deposits, and current deposits. The bank has achieved loan repayment rates ranging from 98 to 100 percent.

● The Blekusu Fish Processing Group, a current ADF grantee, was informed that it would receive an award for Best Volta Region Fish Processing Group at the National Farmers' Day awards in November of 2004.

● First Allied Savings and Loan Ltd. (FASL) is a privately owned rural bank in Ghana that is a current ADF grantee. It has received a large equity investment from the AFRICAP Microfinance Fund. AFRICAP is a $15 million investment fund dedicated to the microfinance industry in Africa, with operations based in Dakar, Senegal. FASL is now the largest savings and loan company in Ghana.

● The Youngsters Peer Education Project (YPEP), a current ADF grantee, has received a contract from the Ghana Ministry of Health/Ghana AIDS Commission to implement AIDS peer education and counseling activities in the Eastern Region of the country.

Guinea

● The Koumanci Weaving Group of Kollosi used some of their profits to establish a school and hire a teacher for the community.

Namibia

● At the end of FY 2002, ADF provided a $250,000 grant to rehabilitate a salt mining operation in Namibia. ADF support allowed Cape Cross Salt to relocate its operations to reduce transport costs, decreasing total production costs by 10 percent. ADF also provided working capital to scale up production. Cape Cross Salt's baseline sales were $165,000. With ADF support, the company increased its sales to $426,100 in FY 2003 and $1,036,500 in FY 2004. It has exported salt to Nigeria, South Africa, Angola, Zambia, Malawi, and the Democratic Republic of the Congo.

● Rudro Clothing PTY Ltd is a current grantee that received ADF support for an employee buy-out of the company from its white Namibian owner. Rudro was one of the winners of the Joint Consultative Conference's Innovative Entrepreneurial Award. The USAID-funded SME Compete project provided a small grant to fund a trip to the Zimbabwe International Trade Fair and provide some technical training for plant supervisors and production personnel.

● The Okutumbatumba Hawkers Association, a current grantee, raised funds from the private sector for the purchase of 3 additional refurbished shipping containers for microenterprise "smart shops". This compliments the 15 financed by the ADF grant.

Niger

● ADF support for the Koulbaga Vegetable Production and Processing Project concluded in FY 2004. This project increased the average, annual net income of members by $528, 72% more than the project target. The 40 irrigation wells that were constructed have become an important source of drinking water for the entire village. Koulbaga is maintaining the revolving loan fund created by the project to finance member purchases of seed, fertilizer, small equipment, and other agricultural inputs. Using its own funds, the grantee initiated a small inventory credit activity for grain storage that purchased 3.2 tons of millet in 2004 for subsequent resale at higher prices. Koulbaga is also supplying seeds and bedding plants to other growers in the area.

● The Association for the Development of Aquaculture completed its ADF-funded project in FY 2004. The Association collaborated with a graduate student who wrote a dissertation on the productivity of seasonal fishponds in the area. A second student was working on an ecological study of the fishponds to identify solutions to the filling of ponds with sand deposits. The Association has used funds from fish sales to improve food security by establishing 12 small cereal banks.

Nigeria

● Women Development Initiative (WDI) is a current ADF grantee. In FY 2004, WDI signed an agreement with the government's National Poverty Eradication Program (NAPEP) for a 3-year project. NAPEP is part of the Federal Ministry of Women Affairs and Youth Development. It will provide WDI with $38,200 for Kano State and $61,100 for Katsina State for farming and agriculture-related microenterprise activities. The NAPEP funds will be used to offer the same loan products provided under the ADF project, but in different geographic areas. WDI stated that it would not have been able to take on the NAPEP project without the training and technical assistance provided by ADF. DI will repay 60% of the loan at an interest rate of 10% and 40% at 5 percent.

WDI also received an award from the Kano Chamber of Commerce. It was the subject of 2 Master's theses by Bayero University students. The first focused specifically on WDI clients in rural Kano State.[1] The second Master's Thesis was based on a survey of the clients of 6 MFIs in 4 local government areas of Kano State.[2]

● The Country Women Association of Nigeria (COWAN), a current ADF grantee, received a grant of $45,800 from the Netherlands Interchurch Organization For Development Cooperation (ICCO) for construction of an office to replace its rented premises. COWAN also received $76,400 from the Water Aid Project for borehole and latrine construction.

● Women in Nigeria/Bauchi (WIN/B) received funding from an American NGO, Partners for Development, for AIDS education activities that were broadcast by the Nigerian Television Authority in Bauchi.

● Rahama, a current ADF grantee, received an award of excellence from the University of Maiduguri's collegiate Jaycees.

Senegal

● The Ziguinchor Departmental Federation of Women Promotion Groups, an ADF grantee from FY 1997 to FY 2001 received a grand prize award for innovation from the President of Senegal.

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[1] Ramallan, Hadiza. 2003. Microfinance: An Avenue for Women Entrepreneurial Development. : A Look at the Activities of Some NGOs in Kano. Master's Thesis, Kano: Bayero University.

[2] Ohida, Adams. 2003. The Relative Influence of Microcredit Schemes for Poverty Reduction Among Rural Women in Some Selected Local Government Areas of Kano State. Master's Thesis, Kano: Bayero University.

Tanzania

● Service Health and Development for People Living Positively with HIV/AIDS (SHDEPHA) is a current ADF grantee that received an Award for Excellence in Community Development Services from the President of Tanzania.

● The Youth Self-Employment Foundation (YOSEFO), a current ADF grantee received a grant for $48,400 from the Stromme Foundation of Norway to help expand its client base.

● The Nronga Women Dairy Cooperative, an ADF grantee from FY 1998 to FY 2004, received assistance from the Land O' Lakes Cooperative for purchase and installation of a new milk cooler.

● The Mtibwa Outgrowers Association (MOA), a current ADF grantee, received a loan of $639,300 from CRDB, a private commercial bank that was established to succeed the former Cooperative and Rural Development Bank. MOA also received $50,400 from the Tanzania Treasury for the purchase of two tractors to help members prepare their land for sugarcane planting. Some of the members of MOA have formed the Mtibwa Out-Growers Transport Association to provide transportation services to the larger farmers' association.

Uganda

● ADF provided a $250,000 grant to the Uganda Marine Products Ltd (UMPL) at the end of FY 2001. UMPL was the smallest of the eight formal sector fish processing companies in Uganda. It was one of only two companies in the industry in which indigenous Ugandans own a majority share. Prior to the project, it processed Nile Perch in a small facility and had achieved annual sales of $743,200. ADF support enabled UMPL to expand its production capacity and meet the stringent sanitation and quality specifications of the European Union. UMPL became the first company in East Africa to receive the International Standards Organization (ISO) 9001 quality certification.

The ADF support enabled UMPL to reach more lucrative export markets. It is exporting fresh, chilled fish fillets to the EU and frozen fillets to the Middle East. In FY 2002, the company increased its gross sales to $4.196 million. As a result, it was able to increase the monthly wage of its plant workers by 72 percent and pay bonuses based on worker productivity. It was able to pay fishermen an average price that was 49 percent higher UMPL sales jumped to $5.494 million in FY 2003 and were $5.262 million in FY 2003.

The Uganda National Environmental Management Authority has certified that the company fully complies with the national environmental regulations. In addition to processing raw fish purchased from fishermen, UMPL is now buying some fish processed in other small factories for resale on the export markets. In FY 2004, UMPL obtained a loan from the East Africa Development Bank to buy equipment from South Africa to expand its ice production beyond the previous capacity of 40 tons per day.

● The Kiboga Vanilla Association, a current ADF grantee, mobilized member farmer contributions to build its own curing facility for processing green vanilla beans. Previously, Kiboga concentrated on increasing green vanilla production and relied on the processing services of the Mukono Vanilla Association, an ADF grantee from FY 1998 to FY 2003. Kiboga expects to process its own vanilla during the next season.

● The Oribcing Savings and Credit Society, a current ADF grantee, received funding from the program Support to Feasible Financial Institutions and Capacity-building Efforts (SUFFICE) to improve its management capacity. The SUFFICE program is supported by the European Union and Government of Uganda. It began in December 1999 and continues through July 2007 and takes a financial system development approach emphasizing institutional sustainability and of microcredit providers.

● The Jinja Leather project, a current ADF grantee, received technical support from the United Nations Industrial Development Organization (UNIDO).

● Sesaco Foods, a current ADF grantee that produces soy-based hot beverage and porridges and snack foods, received additional financial support from the Private Sector Foundation and Gatsby Trust.

● The West Nile Women's Association (WENWA), an ADF grantee from FY 1999 to FY 2004, received funds from the Netherlands Development Organization (SNV) to build its management capacity and restructure its loan system.

Zimbabwe

● ADF/W staff member Kim Ward visited Zimbabwe and found that all of ADF's MSE and Trade and Investment projects funded there since the beginning of the program still continued to exist, providing income and employment for participants. This was true of both the most successful projects and those that performed did not meet their production and sales objectives over the life of the grants. The current and former ADF grantees have shown tremendous resilience and adaptability in remaining viable, and in many cases profitable, despite the very negative political and macro economic environment of the country.

● ADF-funded paprika production projects in Charamba, Nyajezi, Sabvure, Tombo, Nyadowa, and Chinhenga have been replicated by others at Tamunesa, Nyautare, Mhokore, Nyamhanda, Nyatsanza, and Manyikandebvu.

● The Snow White Laundry operated by the Sanitary Services Cooperative, an ADF grantee from FY 1998 to FY 2002 provided a loan to allow another former ADF grantee, the Tibudirire Chalk project to expand sales of stationery to schools.

● Umkonto Wenguquko, a former ADF grantee, received funding for the purchase of a truck from Gemeente Opsterland of the Netherlands.

PARTNERSHIP HIGHLIGHTS IN FY 2004

Benin

● The Association pour l'Intermediation et le Developpement (AID-ONG) is ADF's partner organization in Benin. The AID-ONG training officer attended a workshop on managing pollution from the printing industry to provide continuing technical assistance for Prim'etic, which had an ADF grant from FY 1998 to FY 2003. The training officer also attended a workshop on prevention of mother to child transmission of AIDS.

Botswana

● Action for Economic Empowerment Trust (AEET) is ADF's partner organization in Botswana, The AEET Director, Malenkantwa Mmapatsi, presented a paper on the implementation of the Regional Indicative Program at the Seminar on the Role of Non-State Actors in the Negotiation of the Economic Partner Agreements between the European Union and ACP (African, Caribbean, and Pacific) Countries.

Ghana

● The Integrated Productivity and Development Centre (INPRODEC) is ADF's partner organization in Ghana. INPRODEC prepared a five-year strategic plan. Four members of INPRODEC's staff attended a workshop on Ethics in Consulting.

Namibia

● The Namibia Development Foundation (NAMDEF) is ADF's Partner Organization in Namibia. E.S. Masule gave a presentation at the Cattle Farmers Conference on NAMDEF's work in assisting small-scale agribusinesses. NAMDEF staff also participation in a Socio-Economic Empowerment Workshop, the Presidential Business Conference, and the Karas Investors' Conference

Nigeria

● Diamond Development Initiatives (DDI) staff participated in the stakeholders meeting with the National Poverty Eradication Program, a Nigerian Export Processing Council seminar on the development of processed foods for export, a stakeholders' forum on a proposed information and communication technology policy for Kano State, and a symposium sponsored by the Opportunities Industrialization Centers International on jobs and business development services. DDI also reviewed the draft Central Bank policy on microfinance regulation and supervision.

● DDI's Director, Adamu Garba, was awarded a one-semester fellowship at the Centre for International Development Training at the University of Wolverhampton in the United Kingdom. The fellowship was sponsored by the Chevening Scholarship Program administered by the British Council.

Senegal

● ADF's partner organization in Senegal is the Fondation d'Appui aux Initiatives de Base en Afrique (FAIB). FAIB's Executive Director, Jean Pierre Senghor wrote a working paper on the shared initiative approach for revisiting the concept of participation.

Tanzania

● The Centre for Sustainable Development Initiatives (CSDI) is ADF's partner organization in Tanzania. The CSDI Director, William Massawe, attended the Weights and Measures Forum sponsored by the USAID-funded Private Enterprises Support Activities (PESA) project implemented by Development Alternatives Inc. (DAI).

● Immanuel Muro of CSDI attended the annual stakeholders workshop on the Small Enterprises Loan Facility (SELF) Project – a wholesale microfinance project implemented by the Office of the Vice President with funding from the African Development Bank. SELF provides loans to Savings and Credit Co-operatives (SACCOS) for on-lending to their members.

Uganda

● The Uganda Development Trust (UDET) is ADF's partner organization in Uganda. UDET staff gave conference presentations on the following topics:

- Training Guidelines for the National Guidance and Empowerment Network (NGEN+) of people living with AIDS
- Gender Planning: The Role of Women Rotarians
- Assessment of Training in Performance Management
- Management of Development, Roles, and Challenges of Development Institutions
- The Concept of Development as More than Mere Growth
- Causes of Poverty in Uganda and Strategies for Reducing Poverty Levels

UDET staff also attended the following external workshops:

- International Labor Organization Strategies for Local Economic Development (Turin, Italy)
- The Market-Led Banana Commercialization Strategy

Zimbabwe

● The Zimbabwe Development Foundation Trust (ZDFT) is ADF's partner organization in Zimbabwe. Due to the country's continuing economic and political difficulties, ADF has only funded small AIDS prevention and mitigation projects in Zimbabwe for the past several years, but the portfolio still contains active trade and investment and MSE projects.

● The ZDFT Program Director attended a training on corporate governance. The Finance Officer attended a training on payroll management. The Evaluation Officer attended trainings on customer care and financial management.

Annex A. Challenges in Projecting and Reporting Performance Results

ADF's annual Assessment of Program Impact (API) uses a standardized set of performance indicators. The Foundation collects performance and results data each year on projects that were active during the prior fiscal year and have received at least one significant disbursement of funds for activities beyond ADF-required, pre-implementation training.[1] Projects that have not yet received any significant disbursements are exempt from this exercise. The FY 2004 performance indicators were very similar to those used in FY 2003, except for a few simplifications and the addition of new indicators for the Foundation's AIDS mitigation projects.

The collection of performance data on projects is often costly and difficult due to the location and characteristics of the beneficiaries targeted by the Foundation. Because of ADF's mandate to reach underserved people, most grantees are located in rural or peri-urban areas. Many are in remote locations poorly served by transportation and communications infrastructure. In some countries, the beneficiaries are dispersed over a large geographic area. In some projects, one or more of the grantee's quarterly financial statements had not been submitted.

For reasons of cost and logistics, ADF does not collect performance data on projects after the grant period has ended. However, anecdotal information or occasional site visits to projects after the period of active ADF involvement have indicated that most successful projects continue to generate economic and social benefits long after ADF support has ended. As a result, the actual long-term impact of the Foundation's programs is greater than the short-term and medium-term impacts that are reported in the API.

A total of 54 of the 188 projects with significant disbursements that were active for at least 1 day in FY 2004 were completed during the year. Thirty projects closed in the last quarter of FY 2004, while 24 closed earlier in the year. ADF does not require grantees to continue submitting progress reports or financial statements after the grant period ends. As a result, API data may not have been readily available for the full fiscal year for some or all of the 24 projects that closed prior to the fourth quarter.

The API data come from a variety of sources – grantee quarterly progress reports and financial statements, project records, interviews with the grantee, and site visit reports. Some or all of the data for the FY 2004 API were submitted by ADF/W staff members who traveled to the field to visit projects. Additional data that could not be gathered by ADF/W staff were submitted by the ADF Country Representative or ADF's partner organization. One person in the Knowledge and Learning Dissemination Division of ADF/W reviewed all of the data for completeness and consistency with the instructions and definitions and provided feedback on the gaps and corrections needed.

When there were questions about the accuracy or completeness of grantee reports and financial statements, ADF/W staff either used conservative, lower-bound estimates or reported "no data", which was then counted as zero impact in the analysis. As a result, ADF is confident that the reported results for the FY 2004 portfolio do not overstate the actual total impact of the Foundation. In fact, they are likely to substantially understate the actual impact.

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[1] *Active projects* are grants that were in effect for at least one day during the reporting year. *Projects with significant disbursements* have received funding from the Foundation for activities other than just ADF-required training in financial management and reporting.

ADF is a grant-making organization that primarily responds to unsolicited proposals from African enterprises for African-led initiatives.[1] The Foundation funds the best of the submitted proposals without adhering to budget fixed allocations by country, type of project, location of the project, and the mix of ADF strategic objectives addressed. As a result, the composition of the projects varies across years. ADF bases its projected targets for the reporting year on performance in the prior year and the cumulative disbursements of active projects in the current and prior years.

Projects that focus on different strategic objectives have different impact profiles. For example, T&I projects and to a lesser extent, MSE projects, have the potential to achieve relatively large impacts on total gross revenues. T&I projects are largely responsible for the bulk of gross export revenues. Microfinance projects can produce much larger numbers of enterprises assisted and owners and workers benefiting than MSE projects. However, T&I projects with large backward linkages to farmers and other raw material suppliers who receive project assistance can also generate large numbers of enterprises assisted and owners and workers benefiting.

Although microfinance projects can generate a lot of impact on the gross revenues of the client enterprises, most MFIs do not routinely collect data on the income gains of their loan clients. These factors present some unique challenges to projecting and reporting performance results and help explain why the projected performance targets and actual results are not perfectly congruent.

ADF made some changes in the API between FY 2001 and FY 2004 to focus on the most meaningful indicators and simplify data collection. ADF dropped the number of people receiving business management or technical training as an indicator since training is an activity, rather than an impact. Effective training should have an impact on the income and employment indicators.

Since ADF reclassified the natural resource management projects with enterprise components into the micro- and small- enterprise development category, the Foundation stopped collecting information on the separate NRM indicators used in previous years. ADF also dropped the number of people receiving business management or technical training as an indicator because it represents a project input or activity, rather than a performance result. Other indicators that have been dropped because they do not measure impact include the number of new microcredit facilities established, number of new loan products supported, and the number of intermediary organizations providing business services and training.

In FY 2001, ADF tracked the number of loans provided by the projects. In FY 2002, this indicator was changed to number of enterprises receiving loans because many microcredit projects give multiple loans to the same enterprise. The newer indicator, the number of enterprises receiving loans is a better measure of the beneficiaries and results in a smaller number than the previous indicator.

The gender-disaggregated results for owners and workers in assisted enterprises are based on actual data on the number of women benefiting. Many projects were not able to report separate subtotals for men and women. For those projects, ADF assumed that 100 percent of the beneficiaries were men to avoid overstating the proportion of the benefits that were received by women. The reported numbers for women's participation are conservative lower-bound estimates of the gender-disaggregated impact of ADF programs. As a result, women's participation rates are actually substantially higher than the numbers ADF is reporting.

[1] The small, pilot projects for AIDS prevention and mitigation that were funded in FY 2003 and 2003 were exceptions. These projects were identified through a solicited request for assistance.

In FY01, ADF tracked the number of loans that went to women as a percent of the total number of loans. In FY 2002, ADF replaced this indicator with women's share of the value of loans disbursed. The new indicator is a better measure of gender equity in credit provision than the number of loans received by women because it is sensitive to whether a microfinance institution tends to give women smaller loan sizes on average than men.

In FY 2001, ADF began tracking the gross revenues and net income of grantees, but not the gross revenues or net income of the client enterprises assisted by the grantees. If the available data on gross revenues only covered part of this fiscal year, ADF annualized the partial year data where it made sense to do so. For enterprises that have a lot of seasonal variation in gross revenues, the annualization took seasonality into account by looking at the previous year's total and the trends between corresponding quarters in the reporting year and the prior year.

In FY 2000 and FY 2001, ADF used the amount of income distributed to owners and workers as profits, dividends, salaries, and wages as a proxy measure for the net income of grantees. Unlike net income, distributed income can never be negative. However, when net income is positive, it may exceed the income distributed to owners and workers since net income includes the earnings retained by the business. However, most micro-enterprises do not retain much of their net income for reinvestment because their owners have low incomes and limited capital.

In FY 2002, ADF began reporting actual net income of grantees. At the country and portfolio-wide levels, any losses from projects that reported negative net income were subtracted from the positive net incomes of other projects. The reported net income is an underestimate of the actual amount due to incompleteness of the data. Unless data were available from grantee financial statements or other project reports, ADF did not count any net income for a project. ADF does not annualize net income if data are only available for part of the year because net income can fluctuate much more than gross revenues and can be negative.

In FY 2002, ADF also allowed grantees to report the gross revenues and net income of their client enterprises if they had data from project records on all clients or a survey of a sample of clients that could be extrapolated. However, most grantees could not provide any data on the income of their client enterprises. This was especially true for microfinance institutions, which do not usually collect this type of information.

In FY 2002, survey data were available on the gross revenues of microfinance clients in a handful of projects in Botswana and Ghana, and that resulted in a huge increase in the total gross revenues reported. In FY 2003, ADF did not receive any data on the gross or net revenues of microfinance clients and did not attempt to extrapolate these numbers from the prior year's survey.

Since the gross revenues of loan clients can vary a lot from year to year, ADF did not allow the FY 2003 gross revenue and net income estimates for the Botswana and Ghana credit projects to be extrapolated from the previous year's survey. In FY 2004, ADF recognized that client borrower surveys were often costly and time-consuming and diverted MFI resources away from their main business of supplying credit. ADF returned to the original definition of only reporting the gross and net income of the MFI grantees due to the cost and complexity of getting accurate information on the client enterprises.

In FY 2002 and FY 2003, some MSE grantees, mainly cooperatives and producer associations, were able to provide information on the gross revenues of their member client enterprises from their records of raw material or final product purchases. However, including information on the gross revenues of the client enterprises along with the cooperative's own gross revenues after processing or marketing the products would result in double counting of the same income.

To avoid this problem, ADF adjusted the gross income data to eliminate any double counting. For example, ADF did not count the gross revenues fishermen earned from sales of fish to a grantee that reported income from processing or reselling the fish. After the adjustments to eliminate double counting were made, only a very small amount of client enterprise sales in MSE projects could be reported, mainly from intermediary organizations that provided technical or business management assistance to their members.

In FY 2004, ADF dropped the gross and net income of client enterprises from the API indicators for MSE and T&I projects. Most grantees have not been able to provide this information except in cases where it would be double counting to include it. Since the reportable gross income from client enterprises of MSE and T&I grantees after eliminating double counting was only $151,800 in FY 2003 (for the year only, not cumulative), this change does not impair the ability to compare the gross income data from FY 2004 with FY 2002 or FY 2003 results. Cooperatives and producer association grantees have generally not been able to provide information on the net income of their client enterprises.

Annex B. Portfolio Characteristics and Performance Results By Country

This annex provides detailed information on the characteristics of the portfolio and performance results by country in FY 2004. Table B-1 shows the type of grantee in the active projects in each country that have had significant disbursements for purposes other than ADF-required, pre-implementation training. In most countries, a majority of the projects are now implemented by private businesses or community-based organizations.

In recent years, ADF has provided more funding directly to private enterprises, rather than through intermediary organizations. Most of the community-based organizations in the portfolio are group enterprises, except in Guinea and Nigeria where many of the CBO projects support participatory development of rural infrastructure.

Table B-1. Type of Grantee in Active Projects With Significant Disbursements, By Country, FY 2004

Country	Community-Based Organization Or Private Business	Intermediary Organization	Community-Based Intermediary Organization
Benin	16	5	0
Botswana	4	2	0
Cape Verde	1	2	0
Ghana	4	10	3
Guinea	14	2	4
Mali	8	0	8
Namibia	5	2	0
Niger	6	3	4
Nigeria	4	15	0
Senegal	4	1	0
Tanzania	2	7	3
Uganda	11	7	7
Zimbabwe	20	4	0
Total	**99**	**60**	**29**

Most of the active projects implemented by intermediary organizations support microfinance (as in Ghana and Nigeria) or AIDS prevention and mitigation (Benin, Ghana, Nigeria, Tanzania, and Zimbabwe). When ADF began operations in Nigeria, it identified microfinance as an area where ADF could have impact quickly. Nigeria had missed the large wave of donor funding for microfinance, which occurred while most donors were withholding aid from the country during the tenure of a non-democratic government.

Many of the grantees in projects implemented by community-based intermediary organizations are cooperatives or producer associations that provide services to member enterprises and may also operate their own commercial activities. Usually, these commercial activities are processing or marketing of the production from members.

Table B-2 shows the number of active projects in each country by primary strategic objective. In decreasing order, the countries with the largest number of active projects with significant disbursements were Uganda, Zimbabwe, Benin, Guinea, Nigeria, Ghana, Mali, Niger, and Tanzania. The countries with the smallest number of active projects were Namibia, Botswana, Senegal, and Cape Verde.

TABLE B-2. Number of Active Projects With Significant Disbursements, By Country and Primary Strategic Objective, FY 2004[1]

Country	Active Grants With Significant Disbursements	Micro and Small Enterprise Development (Excluding Microfinance)	Micro-Finance	Trade and Investment
Benin	21	16	1	0
Botswana	6	5	1	0
Cape Verde	3	1	2	0
Ghana	17	3	10	1
Guinea	20	13	0	0
Mali	16	16	0	0
Namibia	7	3	0	4
Niger	13	9	3	0
Nigeria	19	0	13	0
Senegal	5	4	1	0
Tanzania	12	5	3	0
Uganda	25	9	7	9
Zimbabwe	24	3	1	16
Total	**188**	**87**	**42**	**30**

Country	Participatory Development Methods	AIDS Prevention and Mitigation
Benin	0	4
Botswana	0	0
Cape Verde	0	0
Ghana	0	3
Guinea	6	1
Mali	0	0
Namibia	0	0
Niger	1	0
Nigeria	4	2
Senegal	0	0
Tanzania	0	4
Uganda	0	0
Zimbabwe	0	4
Total	**11**	**18**

[1]Does not include projects that have not yet had disbursements for purposes other than ADF-required training.

Twelve of the 13 countries had active micro- and small-enterprise development projects that had received significant disbursements (the exception was Nigeria). Ten had active microfinance projects (all except Guinea, Mali, and Namibia). Only 4 countries had active trade and investment projects since ADF has focused this program on countries with the best prospects for exports (Ghana, Namibia, Uganda, and Zimbabwe). Three countries had participatory development projects for infrastructure development (Guinea, Niger, and Nigeria). Two countries had large AIDS prevention projects (Ghana and Guinea) and 5 had small projects for AIDS prevention or mitigation (Benin, Ghana, Nigeria, Tanzania, and Zimbabwe).

Fifty-five percent or more of the projects in Benin, Botswana, Guinea, Mali, Niger, and Senegal supported micro-and small-enterprise development activities other than microfinance. In Nigeria, Cape Verde, and Ghana, 55% or more of the projects were supported microfinance. Trade and Investment projects constituted over 55% of the total number of projects in Zimbabwe and Namibia.

In comparing the impact of the various country programs, the average amount disbursed per project to date and the average age of the projects should be taken into account. Projects that have received more funding from ADF should have achieved more of their ultimate impact, especially if the average percent of the total project budget disbursed is also high. However, a project may have a high average proportion of its budgets disbursed without generating much income yet if the project is still young. A project with high initial costs for factory construction or ordering imported equipment may spend a large share of its total budget early on before any impact can be generated. It may still be in the process of scaling up production and sales.

A relatively old country portfolio may indicate that ADF funded a lot of projects 4 to 5 years ago or more or few projects within the past 2 years. Conversely, the country portfolio may be relatively young if ADF did not fund many projects 4 to 5 years ago or funded a lot of projects within the past 2 years.

Country portfolios that have an older average project age should be expected to have larger impact, all other things equal. However, the T&I projects and AIDS projects are relatively new program areas for ADF. The older projects should have achieved a larger share of their ultimate impacts. However, the total expected impact of some of ADF's newer projects is greater than the older projects.

ADF's more recent MSE projects often have larger economic impact than earlier ones because of changes in the types of grantees and economic activities funded. Many of the earlier MSE grantees were small economic interest groups. Currently, ADF is funding many MSEs that are closely held formal sector businesses owned by a family, partnership, or registered company. Although the T&I projects are a relatively recent addition to ADF's portfolio, these projects were selected because of their larger potential economic impact.

Table B-3 shows the total revised budgets of the active projects and the amounts disbursed to date by country. At the end of FY 2004, the total revised budget of active projects with significant disbursements was $29.865 million and $21.195 million of this amount had been disbursed.

Seven countries had revised budgets exceeding $2 million for active projects with significant disbursements. Four countries had revised project budgets between $1 million and $2 million. Two countries had revised project budgets of less than $1 million. In decreasing order, the countries with the largest revised project budgets were Uganda, Ghana, Benin, Nigeria, and Mali. Nearly 18.0% of the total revised budget for the portfolio was allocated to Uganda, 11.3% for Ghana, and 10.6% for Benin.

TABLE B-3. Revised Budgets and Disbursed Amounts of Active Projects With Significant Disbursements, By Country, FY 2004

Country	Total Revised Budgets Of Active Projects With Significant Disbursements (USD)	Amount Disbursed To Date In Active Projects (USD)	Percent of Budget Disbursed	Average Percent of Project Period Elapsed
Benin	$3,159,206	$1,687,536	53.4%	67%
Botswana	$1,144,114	$733,980	64.2%	71%
Cape Verde	$321,065	$285,394	88.9%	94%
Ghana	$3,380,779	$2,575,429	76.2%	60%
Guinea	$2,545,287	$2,073,500	81.5%	70%
Mali	$2,941,893	$1,314,080	44.7%	59%
Namibia	$1,392,764	$862,456	61.9%	65%
Niger	$1,758,423	$1,246,951	70.9%	58%
Nigeria	$2,906,924	$2,112,628	72.7%	73%
Senegal	$786,643	$335,829	42.7%	84%
Tanzania	$1,685,558	$1,124,034	66.7%	68%
Uganda	$5,362,132	$4,654,462	86.8%	66%
Zimbabwe	$2,480,434	$2,188,335	88.2%	83%
Total	**$29,865,222**	**$21,194,614**	71.0%	71%

The countries with the smallest revised project budgets were Cape Verde, Senegal, and Botswana. Cape Verde and Botswana are countries with a relatively small population. The Senegal program used to be large, but few new projects were being developed there while ADF had to transition to a new partner organization there. ADF had also terminated its relationship with a partner organization in Cape Verde and relied on consulting services for project development work in FY 2004.

Country programs that have distributed an average of 75% or more of their active project budgets include Cape Verde, Zimbabwe, Uganda, and Guinea. Country programs that have received less than 50% of their active project budgets include Senegal and Mali. In Senegal, ADFs partner organization had blocked disbursement of many of the oldest projects in the portfolio that were experiencing implementation problems. The proportion of project budgets disbursed was relatively low in Mali because there were a large number of relatively young projects.

Countries with a relatively old portfolio of active projects in FY 2004 were Cape Verde, Senegal, Zimbabwe, Tanzania, and Botswana. Countries with a relatively new portfolio of active projects included Niger, Mali, and Ghana. ADF has few recent projects in Cape Verde because it terminated a relationship with the former partner organization in this country. To reduce costs, ADF did not replace the Cape Verdian partner organization. Instead, it has experimented with the use of consultants for project development in Cape Verde.

ADF has replaced a partner organization in Senegal for performance issues and new project development in the country was slow during the period of low performance and subsequent transition to the new partner organization. The portfolio in Zimbabwe is old, except for some small AIDS prevention and mitigation projects. ADF has not funded any new business development projects in Zimbabwe over the past several years due to the country's economic and political turmoil that makes it difficult for businesses to operate profitably. .

Table B-4 shows the composition of the project budgets for each country by the strategic objective. In FY 2004, MSE projects constituted over 55 percent of the revised portfolio budgets in Mali, Senegal, Benin, Botswana, Tanzania, and Niger. MSE projects comprised less than 33 percent of the revised project budgets in Zimbabwe, Ghana, Cape Verde, and Namibia.

Microfinance projects represented over 55 percent of the revised project budgets in Cape Verde, Ghana, and Nigeria. All but five of the Nigeria projects were for microfinance activities and nearly all were located in the Northern and Middlebelt regions of the country. Guinea, Mali, and Namibia had no active microfinance projects with significant disbursements. Countries with at least one microfinance project, but less than 33 percent of the revised budgets in this sector were Zimbabwe, Benin, Senegal, Botswana, Tanzania, and Uganda.

T&I projects constituted over 55 percent of the revised project budgets in two countries, Namibia and Zimbabwe. The only other countries with disbursed T&I projects were Uganda and Ghana. There were no active, ADF T&I projects with significant disbursements in other countries in FY 2004.

Projects with a primary objective of participatory development methods for rural infrastructure construction represented substantial portions of the revised portfolio budgets in Guinea and Nigeria. The Guinea program was described earlier in this report. The four PDM projects in Nigeria supported low-cost construction of private housing following flood destruction. There were also two PDM projects in Niger. In addition, ADF's Partner Organizations follow ADF's participatory development process in helping applicants design viable projects that fall under the Foundation's other strategic objectives.

Table B-5 presents the country averages for revised project budget, percent of budgets disbursed, and percent of the project elapsed. The average revised budget for the active projects with significant disbursements in FY 2004 was $158,858. This average includes the large grants (subject to a usual maximum of $250,000), small grants for AIDS prevention and mitigation (up to $75,000), and planning grants ($50,000 or less).

Countries with a large average project size generally have a large proportion of T&I or MSE projects or a small proportion of AIDS prevention and mitigation projects. While ADF used to fund more small planning grants, there are relatively few in the portfolio at present. The country variation in the average revised budget also stems from differences in the scale of project activities, the local cost structure, and currency fluctuations after project funding since ADF grants are denominated in local currency.

The average revised budget of a project was largest in Uganda, Ghana, Namibia, Botswana, and Mali. Uganda and Namibia have a relatively large proportion of T&I projects. Ghana has one T&I project that is almost twice the usual ADF maximum grant size. It also has many microfinance projects that are implemented by well-established, formal rural banks with a large absorptive capacity for additional capital. In general, costs are relatively high in Botswana, which results in a large average project size.

TABLE B-4. Revised Budgets of Active Projects With Significant Disbursements, By Country and Primary Strategic Objective, FY 2004

Country	Micro- and Small-Enterprise Development, Excluding Micro-Finance (Percent)	Micro-Finance (Percent)	Trade and Investment (Percent)	Participatory Development Methods for Infrastructure (Percent)	AIDS Prevention and Mitigation (Percent)
Benin	82.7%	5.7%	-	-	11.6%
Botswana	79.0%	21.0%	-	-	-
Cape Verde	21.0%	79.0%	-	-	-
Ghana	16.8%	58.1%	14.7%	-	10.4%
Guinea	46.9%	-	-	47.6%	5.5%
Mali	100.0%		-	-	-
Namibia	30.9%		69.1%	-	-
Niger	58.4%	37.4%	-	4.2%	-
Nigeria		55.4%	-	39.8%	4.8%
Senegal	83.4%	16.6%	-	-	-
Tanzania	60.5%	23.2%	-	-	16.3%
Uganda	36.5%	24.6%	38.9%	-	-
Zimbabwe	12.5%	3.2%	68.4%	-	15.9%
Total	**45.8%**	**22.9%**	**17.6%**	**8.2%**	**5.6%**

TABLE B-5. Average Revised Project Budget, Percent of Budgets Disbursed, and Percent of Grant Period Elapsed, By Country, FY 2004[1]

Country	Average Project Size (Revised Budget in USD)	Average Percent of Project Budgets Disbursed	Average Percent of Grant Period Elapsed
Benin	$150,438	55.9%	67%
Botswana	$190,686	64.0%	71%
Cape Verde	$107,022	88.2%	94%
Ghana	$198,869	85.4%	60%
Guinea	$127,264	78.9%	70%
Mali	$183,868	50.9%	59%
Namibia	$198,966	90.0%	65%
Niger	$135,263	71.2%	58%
Nigeria	$152,996	70.7%	73%
Senegal	$157,329	58.0%	84%
Tanzania	$140,463	59.9%	68%
Uganda	$213,570	86.6%	66%
Zimbabwe	$103,351	82.0%	83%
ADF Total	**$158,858**	**71.0%**	**68.9%**

[1]Does not include projects that have not had any disbursements yet. The revised budget reflects the initial grant size, budget amendments, terminations, and changes in exchange rates.

In FY 2004, there were no small AIDS projects that have had disbursements in Uganda, Namibia, or Botswana. Because the local currency in Mali has appreciated, the US dollar equivalent of the undelivered local currency amount has increased. Although Mali did not have any T&I projects, it had many MSE projects with revised budgets exceeding $200,000.

The average revised budget was lowest in Zimbabwe, Cape Verde, Guinea, and Niger. The average project size in Zimbabwe is now low in US dollars due to the huge decline in the value of the local currency in FY 2003 and a change in program focus. As a result of the political and economic crisis in Zimbabwe, ADF stopped funding new trade and investment projects there and focused on small grants for AIDS prevention.

Although Cape Verde is a high-cost country, the 3 active projects there were date back to FY 1999 and FY 2000 when the average size of an ADF project budget was smaller than it is now. Guinea and Niger are very low-income countries where the MSE projects are small because they involve small group enterprises and small amounts of funding can have a relatively large impact. However, the local currency in Niger (the same as in Mali has appreciated in value against the US dollar, making the projects larger than at the time they were first obligated.

The average percent of project budgets disbursed is a useful benchmark in comparing project impact against project targets and comparing portfolio impact across countries. This benchmark does not include the new projects that have not yet had any significant disbursements. A low disbursement percentage can indicate that the projects are relatively new, provide working capital over an extended period of time, have had delays in requesting or processing disbursements, or were subject to a suspension of disbursements as a result of performance or reporting problems.

The average disbursed proportion in the active projects with significant disbursements was approximately 69% in FY 2004, which is notably less than the 78% in FY 2003 since more new projects have come on line. More than 80% of the revised budget of the projects had been disbursed in Cape Verde, Uganda, and Zimbabwe -- countries with many projects approaching the end of their terms. Cape Verde and Zimbabwe have had few new projects recently. Uganda has had a lot of new projects, but many of them are initial capital intensive, which can result in a high disbursement percentage early in the project.

Sixty percent or less of the revised project budgets have been disbursed in Mali, Benin, Senegal, and Tanzania. In Mali, many projects were relatively new. In Senegal, most of the projects were relatively old, but have had disbursement suspensions by the former Partner Organization. Benin has had a fair number of new projects as well as some projects that have had disbursement suspensions.

Tables B-6 to B-11 contain the country program totals and averages for contributions toward ADF's various strategic objectives in FY 2004. High numbers of assisted enterprises tend to be associated with large total country program budgets. Comparisons of impact across countries should not be made without taking into account differences in the amount of funding disbursed and differences in the mix of strategic objectives.

In general, microfinance projects assist the largest number of enterprises and owner and worker beneficiaries. MSE and T&I projects that provide agricultural inputs, marketing assistance, or processing services for small-scale farmers can also assist large numbers of enterprises and their owners and workers. T&I projects typically generate the largest sales and net income, followed by MSE projects. The participatory infrastructure development projects set the stage for future economic growth and social well-being, but do not generate income directly. Some of the AIDS projects include microfinance or income-generating components.

The country programs with the largest number of enterprises assisted by active projects in FY 2004 were Uganda, Ghana, Nigeria, and Tanzania. The number of enterprises assisted was relatively low in Namibia, Mali, and Guinea where many projects have emphasized substantial, direct support for a single enterprise and there were no microcredit projects in the portfolio. Also, a large segment of the Guinea program supported participatory development of rural infrastructure, which can have a large indirect impact on farmers and microenterpreneurs, but relatively little direct involvement of enterprises and paid workers.

The number of owners and workers benefiting from the programs tends to be proportional to the number of enterprises assisted. However, this is due in part to ADF's conservative assumption for the API that, in the absence of data from project records or a sample survey, only one owner/worker is counted per enterprise assisted. Similarly, the number of women owners and workers is also proportional to the number of enterprises assisted, with large proportions of women beneficiaries in the microfinance projects that ADF supports.

The total gross revenues from sales that the active projects have generated from project inception through the end of FY 2004 were largest in Uganda, Tanzania, Benin, Namibia, Zimbabwe, and Mali. ADF has found that it is possible to find a few projects that can far exceed expectations. Venture capitalists in the United States have often found a similar phenomenon – 1 project in 10 or 20 may provide huge profits that dwarf the normal returns of the average investment and cover the losses of the less successful investments.

One extraordinary project contributed over 85% of the gross revenues generated by the Uganda program. However, there were also two other projects in Uganda that have already generated gross revenues of more than 2.9 times the grant amount. An extraordinary project generated 92% of the Tanzania program's gross revenues. One project contributed over 50% of the Namibia portfolio's gross revenues, but three other projects have done very well on this score. One project contributed 62% of the Benin portfolio's gross revenues.

TABLE B-6. Enterprises and Owners and Workers Assisted, By Country, FY 2004 (cumulative numbers for the active projects)

Country	Enter-prises Assisted	Owners and Workers In Assisted Enterprises[1]	Women Owners and Workers in Assisted Enterprises[2]	Women as a Percent of Owners and Workers in Assisted Enterprises[2]
Benin	9,472	9,928	7,796	78.5%
Botswana	5,027	5,310	5,287	99.6%
Cape Verde	5,925	5,938	4,995	84.3%
Ghana	16,378	23,164	12,093	52.2%
Guinea	1,527	1,763	1,544	87.6%
Mali	1,017	1,178	519	44.1%
Namibia	267	419	108	25.8%
Niger	2,925	3,181	2,950	92.7%
Nigeria	15,933	15,503	14,384	92.8%
Senegal	3,364	3,447	3,367	97.7%
Tanzania	13,737	18,253	12,020	65.9%
Uganda	17,129	24,837	13,589	54.7%
Zimbabwe	2,475	2,915	1,286	44.1%
Total ADF	**95,176**	**115,827**	**79,938**	**69.0%**
ADF Average, All Projects	**506**	**616**	**466**	**69.0%**
ADF Average for MFI, MSE, and T&I Projects	**598**	**728**	**551**	**69.0%**

[1]This chart pertains to MFI, MSE, and T&I projects. Unless actual data were available from grantee records or surveys to support higher numbers, the most conservative assumption was adopted -- that there was one owner/worker per enterprise assisted. The actual number for many projects is likely to be substantially higher than the reported number.

[2]The actual percentage is likely to be higher than this since when no gender-disaggregated data were available, it was assumed that all of the beneficiaries were men. This results in very conservative, lower-bound estimates of the proportion of women beneficiaries.

TABLE B-7. Gross and Net Income From Sales, By Country, FY 2004

Country	Total Gross Revenues From Sales, FY04 Only (USD)[1]	Total Gross Revenues From Sales, FY04 Cumulative (USD)[1]	Total Export Revenues, FY04 Only (USD)[1]	Total Export Revenues, Cumulative (USD)[1]	Total Net Income From Grantee Sales, FY04 Only (USD)[1,2]	Total Net Income From Grantee Sales, Cumulative (USD)[1,2]
Benin	$969,750	$3,391,011	$23,423	$32,467	$93,438	$33,789
Botswana	$114,162	$268,197	$50,617	$111,752	($60,385)	($111,147)
Cape Verde	$11,815	$78,771	$0	$0	$2,063	$57,959
Ghana	$77,547	$77,547	$0	$0	$59,380	$58,259
Guinea	$118,773	$865,575	$8,074	$13,548	($80,558)	($37,055)
Mali	$543,249	$1,225,645	$0	$0	($24,752)	$10,583
Namibia	$1,955,363	$2,887,179	$1,611,520	$2,543,337	($12,846)	$138,030
Niger	$119,722	$138,340	$0	$0	($37,799)	($42,271)
Nigeria	$7,896	$9,854	$0	$0	$0	$0
Senegal	$238,384	$951,067	$0	$1,527	$5,283	($13,559)
Tanzania	$3,358,974	$10,925,360	$1,865,799	$4,006,248	$2,109,382	$7,988,432
Uganda	$6,291,135	$17,695,832	$5,297,769	$13,557,187	$83,891	$617,971
Zimbabwe	$1,156,769	$1,290,037	$1,136,346	$1,264,114	$824,733	$134,581
Total ADF, All Projects	**$14,963,549**	**$39,804,415**	**$9,993,548**	**$21,530,181**	**$2,961,830**	**$8,835,570**
ADF Average for MSE, and T&I Projects	**$127,894**	**$340,209**	**$82,399**	**$181,002**	**$25,315**	**$75,518**

[1]This chart pertains to all projects that involve sale of goods and services other than credit. If no data were available on the sales revenue, export sales, or net income from a project, the impact was counted as zero to ensure that the reported numbers are conservative, lower-bound estimates of the actual numbers. Sales are a better indicator of the economic benefits from ADF projects than net income because costs to the business for labor or agricultural raw materials represent income for the workers and for farmers supplying raw materials.

[2] Net income from sales is before depreciation, income taxes, and Community Reinvestment Grant contributions. This definition was adopted to show the triple bottom line benefits of the projects.

Where data were available for FY04, but not one or more prior years of the project, the FY04 value was not assumed to be a lower-bound estimate of the cumulative net income since prior year net income could have been negative. More information was available on net income in FY04 than cumulative net income. For both of these reasons, reported net income in FY04 may be greater than reported cumulative net income. If a project reported a negative net income, positive net incomes figures for other projects in the country portfolio were offset by that amount.

TABLE B-8. Performance Indicators for Credit Providers, By Country, FY 2004

Country	Enterprises Receiving Loans, FY 2004 Cumulative[1]	Value of Loans Disbursed, FY 2004 Cumulative (USD) [1]	Value of Loans Disbursed to Women, FY 2004 Cumulative (USD)[1]	Percent of Loan Value for Women[1]	Gross Income of Credit Providers, FY 2004 Only[1,2]	Net Income of Credit Providers, FY 2004 Only (USD)[1,3]
Benin	8,800	$739,748	$612,553	82.8%	$47,846	$0
Botswana	4,948	$933,143	$932,124	99.9%	$201,694	($25,649)
Cape Verde	5,924	$3,398,004	$2,582,460	76.0%	$509,805	$46,779
Ghana	17,667	$2,731,254	$1,924,000	70.4%	$579,505	$74,265
Guinea	705	$4,544	$4,235	93.2%	$1,335	$281
Mali	915	$250,855	$30,720	12.2%	$8,326	$344
Namibia	14	$77,364	$44,208	57.1%	$0	($2,828)
Niger	2,875	$1,005,312	$754,306	75.0%	$304,083	$121,188
Nigeria	23,219	$1,315,053	$1,229,275	93.5%	$273,191	$40,155
Senegal	3,360	$915,236	$915,236	100.0%	$825,784	$14,190
Tanzania	11,243	$2,214,778	$1,362,364	61.5%	$355,085	$22,678
Uganda	12,570	$3,664,668	$2,240,477	61.1%	$574,174	($40,687)
Zimbabwe	0	$0	$0	-	$0	$0
Total ADF	**84,925**	**$17,249,959**	**$12,631,957**	**73.2%**	**$3,680,828**	**$250,706**
ADF Average, All Projects	**452**	**$91,755**	**$67,191**	**73.2%**	**$19,579**	**$1,334**

[1]This chart pertains to all projects with significant disbursements that have provided credit –the 46 specialized microfinance institution projects as well as the 19 other MSE or T&I projects that provided some credit to their own members or producers within a particular subsector. If no data were available, zeroes were reported to ensure conservative, lower-bound estimates.

[2]Gross income from credit provision is defined as interest, fees, and penalties; it does not include principal repayments.

[3]Net income from credit provision is before depreciation. Most credit providers supported by ADF are not-for-profit organizations exempt from income tax. A few ADF-supported credit providers in Ghana are for-profit rural banks subject to income tax and their incomes are reported before tax. Since ADF policy does not require Community Reinvestment Grant contributions for most microcredit projects, no adjustment to reflect the triple bottom line benefits is necessary for these projects.

If a project reported a negative net income, positive net incomes figures for other projects in the country portfolio were offset by that amount. For projects that involved product sales as well as credit provision, the adjustment for income taxes was made under net income from sales. Where data were available for FY04, but not one or more prior years of the project, the FY04 value was not assumed to be a lower-bound estimate of the cumulative net income since prior year net income could have been negative. In these cases, the cumulative net income was treated as “no data” and counted as zero. Cumulative net income of credit providers is not shown due to incompleteness of the data.

TABLE B-9. Performance Indicators for AIDS Prevention, By Country, FY 2004 (cumulative figures for the active projects)[1]

Country	People Receiving AIDS Prevention Training	Women Receiving AIDS Prevention Training	Women as a Percent of People Receiving AIDS Prevention Training
Benin	774	121	15.6%
Botswana	24	20	83.3%
Cape Verde	5,105	5,003	98.0%
Ghana	285,400	187,964	65.9%
Guinea	1,411	714	50.6%
Mali	380	300	78.9%
Namibia	56	0	0.0%
Niger	296	296	100.0%
Nigeria	2,463	2,193	89.0%
Senegal	12,211	11,600	95.0%
Tanzania	1,419	578	40.7%
Uganda	10,919	5,131	47.0%
Zimbabwe	51	51	100.0%
Total ADF	**320,509**	**213,971**	**66.7%**
ADF Average, All Projects	**1,705**	**1,138**	**66.7%**

[1]These charts pertain to all projects that have received significant disbursements. AIDS prevention training is a secondary strategic objective of many ADF projects that have other primary objectives. To produce conservative, lower-bound estimates of women beneficiaries, all beneficiaries were assumed to be men if gender-disaggregated data were not available.

TABLE B-10. Performance Indicators for AIDS Mitigation, By Country, FY 2004 (cumulative figures for the active projects)[1]

Country	**People Receiving HIV Testing Services**	**Women Receiving HIV Testing Services**	**Women as a Percent of People Receiving HIV Testing Services**	**People Receiving AIDS Counseling Services**	**Women Receiving AIDS Counseling Services**	**Women as a Percent of People Receiving AIDS Counseling Services**
Benin	411	185	45.0%	1,116	1,084	97.1%
Botswana	12	8	66.7%	1	0	0.0%
Cape Verde	0	0	-	0	0	-
Ghana	0	0	-	7,260	40	0.6%
Guinea	0	0	-	0	0	-
Mali	0	0	-	0	0	-
Namibia	0	0	-	0	0	-
Niger	0	0	-	0	0	-
Nigeria	0	0	-	0	0	
Senegal	0	0	-	0	0	-
Tanzania	676	538	79.6%	100	0	0.0%
Uganda	0	0		0	0	-
Zimbabwe	7,068	6,688	94.6%	7,068	6,688	94.6%
Total ADF	**8,167**	**7,419**	**90.8%**	**15,545**	**7,812**	**50.3%**
ADF Average, AIDS Projects	**-**	**-**	**-**	**972**	**488**	**-**

[1]These charts pertain to all projects that have received significant disbursements. There were 16 projects with AIDS prevention or mitigation as a primary strategic objective. To produce conservative, lower-bound estimates of women beneficiaries, all beneficiaries were assumed to be men if gender-disaggregated data were not available.

TABLE B-10. (Continued) [1]

Country	People Receiving AIDS-Related Medical Services	Women Receiving AIDS-Related Medical Services	Women as a Percent of People Receiving AIDS-Related Medical Services	People Receiving AIDS-Related Financial or Social Services	Women Receiving AIDS AIDS-Related Financial or Social Services	Women as a Percent of People Receiving AIDS-Related Financial or Social Services
Benin	6,326	1,123	17.8%	42	0	0.0%
Botswana	0	0		0	0	-
Cape Verde	0	0		0	0	-
Ghana	63	35	55.6%	16,794	0	0.0%
Guinea	0	0		0	0	-
Mali	0	0		0	0	-
Namibia	0	0		0	0	-
Niger	0	0		0	0	-
Nigeria	0	0		0	0	-
Senegal	0	0		0	0	-
Tanzania	1	0	0.0%	90	0	0.0%
Uganda	0	0		95	0	0.0%
Zimbabwe	0	0		1,745	1,395	80.0%
Total ADF	**6,390**	**1,158**	**18.1%**	**17,236**	**1,395**	**8.1%**
ADF Average, AIDS Projects	**399**	**72**	**-**	**1,077**	**87**	**-**

[1]These charts pertain to all projects that have received significant disbursements. There were 16 projects with AIDS prevention or mitigation as a primary strategic objective. To produce conservative, lower-bound estimates of women beneficiaries, all beneficiaries were assumed to be men if gender-disaggregated data were not available. Financial or social services are defined here as loans or grants in cash or in-kind.

TABLE B-11. Performance Indicators for Participatory Development of Rural Infrastructure, By Country, FY 2004

	Guinea	Niger	Nigeria	ADF Total
Households benefiting in FY04	1,813	ND	398	2,211
Cumulative households benefiting in FY04	8,558	ND	398	8,956
Schools built	15	0	0	15
Bridges built	1	0	0	1
Roads built	2	0	0	2
Houses built	0		0	0
Medical clinics built	10	1	0	11
Community centers built	2	0	0	2
Latrines built	5	0	0	5
Warehouses built	1	1	0	2
Wells built	46	1	0	47
Walled enclosure built	0	1	0	1
Trash depositories built	0	6	0	6

In Zimbabwe, the gross revenues were more widely distributed among the best 10 of the 16 replication projects for paprika production for export. Similarly, the gross revenues in the Mali portfolio were not so much dominated by a few standouts among the diverse group of MSE projects.

Gross revenues from sales were relatively low in Nigeria, Cape Verde, and Ghana because these portfolios were dominated by microfinance projects. The gross revenues reported by ADF for microfinance projects do not include the sales of the client enterprises who receive the loans. Few MFIs collect this type of information because it is costly and difficult to get reliable data and is not of much use in designing and implementing their strategies for providing credit.

Uganda, Tanzania, Namibia, and Zimbabwe were the standouts in cumulative export revenues and the number of projects contributing the most to this indicator followed a pattern similar to that of gross revenues. One hugely successful project contributed the bulk of total export revenues in Uganda and Tanzania. The total cumulative export sales were predominantly from 3 projects in Namibia and the 10 best paprika projects in Zimbabwe.

For the same reason that gross revenues from sales were low in Nigeria, Cape Verde, and Ghana, export revenues were also low. However, there were also no export revenues from the active projects in Mali and Niger, and virtually none in Senegal. In FY 2004, ADF did not have any active T&I projects in these countries with the objective of increasing exports.

At the country portfolio level, negative net income from projects that have not yet achieved profitability is subtracted from the positive profits of other projects. The total net income indicator at the country level was highest in Tanzania and Zimbabwe. For portfolio net income, the Uganda program did not maintain the number one position it earned in total sales and export sales.

In U.S. dollar terms, ADF's programs with the largest volume of lending in active projects were Uganda, Cape Verde, Senegal, and Tanzania. The Nigeria, Uganda, Ghana, and Tanzania programs had the largest number of enterprises that received loans. Many of the MFIs that ADF assists preferentially target women clients. The countries with the highest proportion of the value of microcredit loans disbursed going to women or at least the most complete reporting gender-disaggregated data were Tanzania, Cape Verde, Nigeria, and Tanzania.

Unless data were available from sample surveys or project records to support estimates, ADF did not count any client enterprise income in the impact numbers for projects implemented by intermediary organizations or community-based organizations that provided intermediary services for client enterprises. In the absence of information, the client gross and net incomes were assumed to be zero for reporting purposes, but this does not mean that they actually were zero.

The gross revenues of grantees and their assisted client enterprises from non-credit activities were highest in Uganda, Tanzania, and Benin. Gross revenues were relatively high in countries with a large number of projects or projects that focused on exports. Note that one very successful project (Uganda Marine Products Ltd.) was responsible for 71.5 percent of the total gross revenues in Uganda's portfolio. The Mtibwa Sugar Project accounted for 92.3 percent of the gross revenues generated by the Tanzania program.

Export revenues were highest in Uganda, which accounted for 74.9 percent of the ADF total. Although Uganda had 4 projects with export sales, about 81 percent of total export sales revenues in the country portfolio came from just one project -- Uganda Marine Products Ltd. Tanzania provided another 17.7 percent of the total export revenues from active ADF projects. However, these percentages would be lower if data had been available on the seventeen T&I projects in Zimbabwe.

The net income numbers should be viewed as conservative, lower bound numbers. Reported net income numbers were highest in Tanzania and Uganda, largely due to the T&I projects. Many intermediary organizations with multiple donors (especially MFIs) did not provide full cost data on their operations, making it impossible to calculate their net income accurately. In these cases, net income was reported as “no data” and counted as zero. ADF did not ask MFIs to collect data on the net income of their assisted client enterprises in FY 2004.

Tables B-12 to B-14 compare the country averages for the key indicators for MSE, T&I, and MFI projects to the ADF averages. These averages are calculated based on the number of projects with these strategic objectives, rather than all projects, which makes them more useful in benchmarking the performance of each type of project.

Table B-15 shows the funding contributions that ADF leveraged from strategic partnerships by country and project. This reflects ADF and partner organization success in negotiating strategic partnerships and screening and developing fundable projects.

TABLE B-12. Country Averages for Enterprises Assisted and Owners and Workers in Micro- and Small-Enterprise, Microfinance, and Trade and Investment Projects, FY 2004

Country	Enter-prises Assisted, FY 2004 Cumulative	Owners and Workers, FY 2004 Cumulative	Women Owners and Workers, FY 2004 Cumulative	Women as a Percent of Owners and Workers FY 2004 Cumulative
Benin (N=17)	557	584	459	78.5%
Botswana (N=6)	838	885	881	99.6%
Cape Verde (N=3)	1,975	1,979	1,665	84.3%
Ghana (N=14)	1,170	1,655	864	52.2%
Guinea (N=13)	1,527	1,763	1,544	87.6%
Mali (N=16)	1,017	1,718	519	44.1%
Namibia (N=7)	267	419	108	25.8%
Niger (N=12)	244	265	246	92.7%
Nigeria (N=13)	1,226	1,193	1,106	92.8%
Senegal (N=5)	673	689	673	97.7%
Tanzania (N=8)	1,717	2,282	1,503	65.9%
Uganda (N=25)	685	993	549	54.7%
Zimbabwe (N=19)	2,475	2,915	1,286	44.1%
ADF Average for MSE, T&I, and MFI Projects (N=159)	**598**	**728**	**551**	**69.0%**

TABLE B-13. Country Averages for Gross Revenues and Export Revenues for Micro- and Small-Enterprise and Trade and Investment Projects, FY 2004

Country	Total Gross Revenues From Sales, FY 2004 Only (USD)	Total Gross Revenues From Sales, FY 2004 Cumulative (USD)	Total Export Revenues, FY 2004 Only (USD)	Total Export Revenues, FY 2004 Cumulative (USD)
Benin (N=16)	$60,909	$211,938	$1,464	$2,029
Botswana (N=5)	$22,832	$53,639	$10,123	$22,350
Cape Verde (N=1)	$4,562	$78,771	$0	$0
Ghana (N=4)	$19,387	$19,387	$0	$0
Guinea (N=13)	$9,136	$66,583	$621	$1,042
Mali (N=16)	$33,954	$76,603	$0	$0
Namibia (N=7)	$279,338	$412,454	$230,217	$363,334
Niger (N=9)	$11,972	$13,834	$0	$0
Nigeria (N=0)	-	-	-	-
Senegal (N=4)	$59,596	$237,767	$0	$0
Tanzania (N=5)	$671,795	$2,185,072	$373,160	$801,250
Uganda (N=18)	$349,507	$983,102	$294,320	$753,177
Zimbabwe (N=19)	$60,883	$67,897	$59,808	$66,532
ADF Average, For MSE and T&I Projects (N= 117)	$127,894	$340,209	$85,415	$184,019

TABLE B-14. Country Averages for Finance Indicators for Projects That Have Provided Credit, FY 2004

Country	Enterprises Receiving Loans, FY 2004 Cumulative	Value of Loans Disbursed, FY 2004 Cumulative (USD)	Value of Loans Disbursed to Women, FY 2004 Cumulative (USD)	Percent of Loan Value for Women	Gross Income of Credit Providers, FY 2004 Only	Net Income of Credit Providers, FY 2004 Only (USD)
Benin (N=2)	4,400	$369,874	$306,276	82.8%	$23,923	$0
Botswana (N=2)	2,474	$466,571	$466,062	99.9%	$100,847	($12,824)
Cape Verde (N=2)	2,962	$1,699,002	$1,291,230	76.0%	$254,902	($23,389)
Ghana (N=10)	1,767	$273,125	$192,400	33.8%	$57,950	$7,426
Guinea (N=1)	705	$4,544	$4,235	93.2%	$1,335	$281
Mali (N=6)	152	$41,809	$5,120	12.25%	1,388	$57
Namibia (N=1)	14	$77,364	$44,208	57.1%	$0	($2,828)
Niger (N=3)	958	$335,104	$251,435	75.0%	$101,361	$40,396
Nigeria (N=13)	1,786	$101,158	$94,560	93.5%	$21,015	$3,088
Senegal (N=1)	3,360	$915,236	$915,236	100.0%	$825,784	$14,190
Tanzania (N=9)	1,249	$246,086	$151,374	61.5%	$39,454	$25,20
Uganda (N=14)	898	$261,762	$160,034	61.1%	$41,012	($2,906)
Zimbabwe (N=0)	-	-	-	-	-	-
ADF Average for Projects That Provide Credit (N=65)	**1,306**	**$265,384**	**$194.338**	**73.2%**	**$56,628**	**$52,594**

TABLE B-15. Leveraged Funding Contributions From Strategic Partnerships In FY 2004

Grant/Country	Project	Leveraged Contributions in FY 2004 (USD)
1121-Bot	Women's Finance House Botswana	$1,737.50
1492-Bot	Action for Economic Empowerment Trust	$45,078.50
1540-Bot	Action for Economic Empowerment Trust	$129,170.50
1572-Bot	Action for Economic Empowerment Trust	$64,248.00
1573-Bot	Ostrich Farming	$123,740.50
1574-Bot	Serowe Printers	$91,750.50
Botswana Subtotal		**$455,725.50**
1584-Cde	Ecotur	$113,425.00
Cape Verde Subtotal		$113,425.00
1557-Gha	Elsa Foods	$122,868.50
1558-Gha	General Mills Maize Processing	$117,316.00
1559-Gha	Coastal Groves Orange Juice	$119,875.50
1560-Gha	Bosbel Vegetable Oil	$122,558.50
1561-Gha	SAL Commercial Tilapia	$125,000.00
1577-Gha	Barbex Essential Oils	$125,000.00
1580-Gha	Woodhouse Educational Furniture	$125,000.00
Ghana Subtotal		
1535-Mal	Ami Guindo Textiles	$94,659.00
1536-Mal	ACPAM Cold Storage	$110,250.50
1550-Mal	Mali Volailles	$112,753.00
1551-Mal	ALCD Briquettes	$117,124.00
1552-Mal	Niono Sanitation	$125,000.00
1583-Mal	Bandiagara Dogon Women's Credit	$91,440.00
1585-Mal	Miellerie Moderne Honey	$89,207.50
1586-Mal	Wet Blue Hides	$125,000.00
1587-Mal	Laundromat by Fistulous Women	$125,000.00
Mali Subtotal		**$990.434.00**
1430-Nia	Marawa Housing	$30,159.00
1431-Nia	Auyo Housing	$55,541.00
1432-Nia	Gululu Housing	$39,442.50
1433-Nia	Nasarawa Housing	$36,678.50
Nigeria Subtotal		**$161,821.00**
1579-Swa	SFDF Commercial Vegetable Farming	$125,000.00
Swaziland Subtotal		$125,000.00
Total		**$2,704,024.00**

Annex C. High-Performing Projects in FY 2004

There were 117 MSE and T&I projects in FY 2004 that have had significant disbursements for purposes other than ADF-required, pre-implementation training. The 13 high-performing MSE and T&I projects in table C-1 had gross revenues of $100,000 or more in FY 2004 and had increased gross revenues over the baseline level. This table also shows their gross revenues in the baseline year (where available), FY 2003, and the FY 2004 cumulative. These projects generated 77.9% of the FY 2004 gross revenues for the ADF portfolio as a whole.

Table C-2 shows the 18 MSE and T&I projects that made exported more than $50,000 of products in FY 2004 and increased exports over their baseline level. This table also lists their export sales in the baseline, FY 2003, and the FY 2004 cumulative. These projects generated 95.7% of the total portfolio's export revenues for FY 2004.

The Uganda Marines project showed that small African enterprises can scale up production and meet stringent quality specifications to open up lucrative European Union markets. The Tanzania Mtibwa Sugar project also focused on scaling up highly profitable exports. The Benin Corvo project benefited from favorable price trends for onions in neighboring African countries.

Table C-3 lists the 17 projects that earned an adjusted net income of at least $35,000 in FY 2004. This indicator is net income before income taxes, depreciation, and Community Reinvestment Grant contributions. It is similar to the concept of EBITDA, earnings before interest, taxes, depreciation, and amortization except that interest on outside financing has been included as a cost and the broader economic benefits from CRG contributions are counted as part of the triple bottom line of the project. Baseline data on the adjusted net income of these projects is not available.

Table C-4 contains the 12 microfinance projects that have disbursed at least $100,000 in loans in FY 2004 and disbursed more loans this year than in the previous year and the baseline year. During the project years, some of the MFIs only reported the loans made using capital from the ADF grant and the reflows received from repayment of those loans. These MFIs correctly reported a baseline of zero since the ADF loans were tracked as incremental amounts (sometimes representing a new branch office or credit product). Some other MFIs reported the loans made from all donor funds and their reflows. If the MFIs used loan capital from other donors as well as ADF, the data can be made comparable to the MFIs that only reported incremental lending supported by ADF by subtracting their baseline value of loans disbursed from the project loans. However, some of the multi-donor funded MFIs have not provided the baseline information needed to make this calculation.

Table C-1. High-Performing Micro- and Small-Enterprise and Trade and Investment Projects By the Gross Revenues Criterion, FY 2004

Project	Gross Revenues Baseline	Gross Revenues FY 2003 Only	Gross Revenues FY 2004 Only	Gross Revenues FY 2004 Cumulative	Difference Between FY 2004 Gross Revenues and Baseline (Not Cumulative)
Benin Corvo Onions	$300,776	$695,544	$458,486	$2,115,372	$157,710
Mali Ami Guindo Textiles	-	$0	$107,279	$107,279	-
Namibia Cape Cross Salt	$165,000	$426,132	$1,036,546	$1,462,678	$871,546
Namibia Mangetti Meat	$0	$0	$426,733	$426,733	$426,733
Senegal CDS Silk Screening	$27,592	$119,554	$133,331	$343,377	$105,739
Senegal Diocko Carpentry	-	$74,282	$101,704	$563,660	-
Tanzania Mtibwa Sugar	$1,187,912	$2,165,753	$3,117,950	$10,076,633	$1,930,038
Uganda Sure Printing	$2,859	$150,434	$277,337	$724,921	$274,478
Uganda Marines	$743,222	$5,494,315	$5,614,921	$15,180,543	$4,871,699
Zimbabwe Zana Paprika[1]	-	$883	$104,259	$105,369	-
Zimbabwe Charamba Paprika	-	$14,614	$102,083	$116,697	-
Zimbabwe Chinhenga Paprika	-	$0	$125,913	$125,913	-
Zimbabwe Sabvure Paprika	-	$18,791	$126,868	$145,659	-
Subtotal		**$9,160,302**	**$11,733,410**	**$31,141,927**	**$8,643,036**

[1]The impact of the Zimbabwe projects in US dollars is understated because the local currency income farmers received in all project years has been converted at the FY 2004 ending exchange rate. This conservative approach is valid since the value of any money saved has been decimated by Zimbabwe's hyperinflation. However, their spending power in earlier years was higher than shown.

Table C-2. High-Performing Micro- and Small-Enterprise and Trade and Investment Projects by the Export Sales Criterion, FY 2004

Project	Export Sales Baseline	Export Sales FY 2003 Only	Export Sales FY 2004 Only	Export Sales FY 2004 Cumulative	Difference Between FY 2004 Export Sales (Not Cumulative) and Baseline
Botswana Godisa	$38,818	$58,005	$50,617	$111,752	$11,799
Namibia Cape Cross Salt	$0	$426,132	$1,036,547	$1,462,678	$1,036,547
Namibia Mangetti Meat	$0	$0	$426,734	$426,734	$426,734
Namibia Rudro Clothing	No Data	$0	$65,523	$65,523	-
Tanzania ADAT Textiles	$10,229	$25,582	$156,792	$182,374	$146,563
Tanzania Mtibwa Sugar	$501,200[1]	$2,165,753	$1,700,804	$3,815,632	$1,199,604
Uganda Mabira Tea	No Data	$0	$60,901	$60,901	-
Uganda Marine Products	No Data	$5,022,072	$5,149,573	$13,276,113	-
Zimbabwe Nyamorapa Paprika	$0	$16,736	$65,187	$83,833[2]	$65,187
Zimbabwe Zana Paprika	$0	$883	$104,259	$105,369[2]	$104,259
Zimbabwe Nyakomba Paprika	$0	$23,935	$96,306	$123,235[2]	$96,306
Zimbabwe Nyadowa Paprika	$0	$8,669	$93,934	$106,867[2]	$93,934
Zimbabwe Nyajezi Paprika	$0	$4,480	$64,173	$69,916[2]	$64,173
Zimbabwe Macheke Paprika	$0	$1,993	$94,642	$99,489[2]	$94,642
Zimbabwe Charamba Paprika	$0	$14,614	$102,083	$116,697	$102,083
Zimbabwe Chinhenga Paprika	$0	$0	$125,913	$125,913	$125,913
Zimbabwe Gaerezi Paprika	$0	$10,709	$58,028	$68,737	$58,028
Zimbabwe Sabvure Paprika	$0	$18,791	$126,868	$145,659	$126,868
Subtotal	**-**	**$7,798,354**	**$9,578,884**	**$25,745,815**	**$3,752,640.00**

[1]Estimated from the proportion of export sales to total sales in FY 2003.

[2]The impact of the Zimbabwe projects in US dollars is understated because the local currency income farmers received in all project years has been converted at the FY 2004 ending exchange rate. This conservative approach is valid since the value of any money saved has been decimated by Zimbabwe's hyperinflation. However, their spending power in earlier years was higher than shown..

Table C-3. High Performing Micro- and Small-Enterprise and Trade and Investment Projects By the Net Income Criterion, FY 2004

Project	Net Income, FY 2004 Only
Ghana Elsa Foods	$63,290
Namibia Mangetti Meat	$41,041
Tanzania Mtibwa Sugar	$2,106,304
Uganda Sure Printing	$55,097
Uganda Marine Products	$121,988
Zimbabwe Nyamorapa Paprika	$51,137
Zimbabwe Zana Paprika	$85,337
Zimbabwe Mhondoro Paprika	$39,364
Zimbabwe Nyakomba Paprika	$73,581
Zimbabwe Nyadowa Paprika	$70,774
Zimbabwe Nyajezi Paprika	$50,701
Zimbabwe Macheke Paprika	$63,410
Zimbabwe Tombo Paprika	$37,310
Zimbabwe Charamba Paprika	$62,463
Zimbabwe Chinhenga Paprika	$85,799
Zimbabwe Gaerezi Paprika	$38,878
Zimbabwe Sabvure Paprika	$93,566
Subtotal	$3,140,040

Table C-4. High-Performing MFI Projects by the Loan Value Criterion

Project	Baseline Value of Loans Disbursed	Value of Loans Disbursed, FY 2003 Only (Not Cumulative)	Value of Loans Disbursed, FY 2004 Only (Not Cumulative)	Value of Loans Disbursed, FY 2004 Cumulative	Difference Between FY04 Value of Loans Disbursed (Not Cumulative) and the Baseline
Benin PADME[1]	$0	$253,121	$357,547	$739,438	$357,547
Botswana Women's Finance House	$0	$144,820	$267,220	$773,819	$267,220
Cape Verde Morabi	$122,730	$803,642	$904,045	$2,635,163	$781,316
Ghana CAD	$0	$85,038	$127,579	$212,617	$127,579
Ghana Mumuadu	$0	$114,648	$239,143	$353,791	$239,143
Mali Jeeka Feere	$0	$0	$122,228	$122,228	$122,228
Niger Mutuelle d'Epargne	$0	$45,502	$275,642	$321,144	$275,642
Niger CPEC	$0	$100,756	$249,081	$349,837	$249,081
Nigeria Fantsuam	$33,916	$42,941	$167,256	$244,114	$210,198
Tanzania YOSEFO	$31,798	$510,369	$712,369	$1,729,014	$680,571
Uganda Yendezana	$0	$216,678	$243,977	$798,135	$243,977
Uganda Oribcing	$0	$124,643	$258,941	$383,583	$258,941

[1]The baseline of $0 pertains to the "relay credit" program of loans to smaller MFIs, not PADME's other loan programs.