



USAID
FROM THE AMERICAN PEOPLE

FIELD-Support LWA

Reducing Poverty through Broad-Based Economic Growth

What is an LWA?

An LWA is similar to an Indefinite Quantity Contract (IQC) but uses cooperative agreements instead of contracts to fund and carry out activities. Contrary to an IQC, an LWA has been pre-competed so USAID missions may launch activities more quickly by simply sending a SOW to the lead organization. There is no need to compete the resulting RFA within the LWA.

Do I have less control than under an IQC?

Although an LWA is a cooperative agreement, Missions approve technical designs, negotiate costs and are directly involved in overseeing project implementation.

Where can I get more information?

To learn more about the FIELD-Support LWA, contact Paul Bundick at pbundick@aed.org or visit www.microlinks.org/field.

The FIELD-Support (Financial Integration, Economic Leveraging, Broad-Based Dissemination and Support) LWA is a single award, 5-year, "Leader with Associates" (LWA) cooperative agreement created to both advance the state-of-the-practice in microenterprise development and microfinance as well as assist USAID missions and other operating units to design and implement innovative, integrated, market-based approaches to sustainable economic growth with poverty reduction.

Led by the Academy for Educational Development, the FIELD-Support LWA has extensive capabilities in all areas of microfinance and microenterprise development as well as experience managing large-scale and complex projects to meet the strategic objectives of USAID Missions.

FIELD-Support & Enterprise Development

The FIELD-Support LWA brings together a group of the foremost organizations working in enterprise development around the world.

ACDI/VOCA

ACDI/VOCA is a private, nonprofit international development and consulting corporation with over 40 years of experience providing highly specialized, hands-on technical assistance to donors, governments, private enterprises and communities. ACDI/VOCA members represent the U.S. farm credit banks—a \$94 billion nationwide network of lending institutions—and more than forty U.S. agribusinesses. ACDI/VOCA currently implements 42 projects in 26 countries in the area of enterprise development. This work enables the organization to develop and refine innovative methodologies and tools that sustainably increase the incomes, productivity and competitiveness of small businesses and the industries in which they participate.

ACDI/VOCA has pioneered the use of value chain analysis as a tool for private sector decision makers in developing countries to identify opportunities to increase the productivity and competitiveness of the industries in which they operate. Through a systemic analysis process that identifies growth opportunities and technical assistance

FIELD-Support Partners in Enterprise Development

- ACDI/VOCA
- Action for Enterprise
- Development & Training Services
- Georgetown University /California State Polytechnic University, Pomona
- International Development Enterprise
- Mennonite Economic Development Associates
- TechnoServe

that alleviates the most critical constraints along selected value chains, ACIDI/VOCA helps to increase the incomes of individual firms, develops mutually beneficial relationships between firms, and promotes more efficient business practices and higher profits for targeted industries. Beyond the firm and industry levels, ACIDI/VOCA promotes enterprise development by targeting the legal, regulatory and policy environments that limit firms' legal standing, efficiency and ability to read market signals.

ACIDI/VOCA uses the value chain approach to prioritize financial services needed by enterprises in a given value chain and identify potential delivery mechanisms. This approach builds on what is already happening in the field, increasing the likelihood that interventions and innovations will help close gaps in rural finance by recognizing market realities and incorporating them into the delivery of expanded financial services. ACIDI/VOCA is a leader in the provision of technical assistance for the development of rural credit mechanisms that grow out of value chain relationships, such as trader credit, contract farming and warehouse receipts. The organization also provides technical assistance to formal financial institutions in the use of value chain analysis; allowing them to expand the definition of creditworthy borrowers by building on the performance of actors within promising chains.

FIELD-Support Experience in Enterprise Development

- Value Chain Analysis
- Export-oriented growth strategies
- Co-op & association development
- Value chain finance
- Rural finance
- Linking firms to markets
- Gender-focused interventions
- Youth-focused interventions
- Livelihoods support & technical assistance
- Post-conflict microenterprise development

Action for Enterprise (AFE)

AFE is a leader in the field of private sector and micro/small/medium-scale enterprise (MSME) development. Since 1991, AFE has provided specialized technical support to USAID Missions and development practitioners throughout Africa and Asia, implemented innovative value chain development programs, developed state-of-the art training, and authored numerous publications.

As both an implementer of field programs and an advisor to other organizations AFE:

- provides comprehensive analyses of value chains and the interrelationships of enterprises that function therein;
- designs effective and sustainable interventions based on the latest principles of competitiveness and private sector development;
- facilitates market linkages between buyers and sellers;
- facilitates the development of sustainable trade and business associations;
- builds the capacity of local enterprise development organizations;
- designs and manages private sector development programs; and
- develops and documents its innovative methodology and shares it with others to promote improved private sector development practices worldwide

AFE has developed tools and methodologies for program design and implementation that combine the strengths of value chain analysis with business and market development principles. AFE's systemic approach to promoting market solutions to value chain and business constraints includes value chain or sub-sector, value chain analysis, the identification of market solutions, the assessment of market solutions and the identification and implementation of select interventions.

Development and Training Services, Inc. (dTS)

dTS uses value chain analysis to explore opportunities to improve market outcomes, raise productivity and wages, and to foster pro-poor growth in the sector being analyzed. The value chain analysis is conducted from a distributional perspective and all data gathered and analyzed are intended to be disaggregated by sex.

Value chain analyses recognize that various configurations of actors may influence capabilities, possess different levels of bargaining power, and subsequently affect outcomes along the value chain. The dTS value chain analysis focuses on the institutional arrangements that link producers, processors, marketers, and distributors and recognizes that power differentials among actors may influence outcomes along the chain.

Included within the dTS value chain approach is a gender analysis of the chain—highlighting the different positions of men and women across the chain and addressing issues of power with the production and exchange relationships. The distributional analysis explores the value added along the chain and examines the returns to labor and capital and to the different actors that participate in the chain. Where possible dTS also examines the poverty rates and livelihood strategies of different actors in the chain.

dTS has conducted pro-poor, gender-sensitive value chain analyses in the shrimp sector in Bangladesh and the artichoke sector in Peru. An additional value chain analysis is being considered for Albania.

Georgetown University Center for Intercultural Education and Development (CIED)

CIED administers a training program in conjunction with the California State Polytechnic University on “Identifying and Responding to the Potential of Export Development for Microfinance Institutions in Rural Finance”. The primary objective of the program is to assist managers of microfinance institutions (MFIs) in developing or expanding their knowledge of the market potential of their rural clients. By fostering a greater understanding of opportunities to finance rural value chains, CIED enables MFIs to build their capacity in the design of adequate financial instruments for agricultural producers. Specific areas of training include export development, value chain and market niches. In implementing these trainings, CIED builds on the specialization and extensive experience of The State Polytechnic University in Pomona in the productive and commercial activities of agricultural and rural sectors as well as finance and international trade.

International Development Enterprises (IDE)

IDE improves rural livelihoods through improving small farm production; integrating small-farm households and micro-enterprises into agricultural market environments; advancing the competitiveness of these market systems and ensuring that the economic interests of the rural poor are served through these market systems.

In Cambodia, Ethiopia, Myanmar, Nepal, Vietnam, Zambia, Zimbabwe, IDE uses value chain analysis as the starting point to develop innovative value chain interventions and enterprise development initiatives that link poor farm households and small-scale enterprises into productive agricultural-based market systems. IDE has more than twenty years of field-based program expertise in the design and implementation of supply- and demand-driven input markets for the manufacture, assembly, sale, installation, and maintenance of affordable micro-irrigation technologies. In addition, through IDE’s facilitation, poor farmers more effectively utilize their limited assets to improve agricultural production, sustainably manage the agricultural resource base and link to output markets for increased profits. IDE seeks to expand the breadth and depth of this rural wealth creation to underserved populations, including women, the very poor, and HIV/AIDS affected populations.

Mennonite Economic Development Associates (MEDA)

MEDA has facilitated sustainable market-driven initiatives since 1953 when the organization launched the modern dairy industry in Paraguay. With a focus on poor and marginalized communities, MEDA has conducted analysis, designed, and implemented successful private sector development programs around the globe. Today, MEDA is recognized as a leader in the establishment of best practices in value chain development including financial services and enterprise development. MEDA is currently implementing value chain programs – many with financial components – in Asia, Africa, and Latin America. For example, MEDA:

- designed and currently implements the award-winning 'Behind the Veil' program in Pakistan
- developed the value chain and export markets for black beans in Bolivia
- recently launched a high-profile women's value chain horticulture program in Afghanistan
- leads the development of commercial distribution of insecticide treated bed nets in Tanzania
- integrates smallholder farmers into regional markets in Northern Tajikistan

MEDA's expertise is recognized and sought after by governments, multilaterals, international and local NGOs, businesses, and training institutes around the world. The organization has recently undertaken value chain consultancies for FAO, UNDP, ADB and CIDA, to name a few. MEDA trains at Boulder, MDI and Springfield and develops training curricula for these institutions and other organizations such as FAO, SEEP, Microsave, Eastern University, and the New University. Amongst partner NGOs MEDA is currently providing comprehensive technical assistance in value chains and finance to micro technology leaders IDE and Kickstart. Known as a leading-edge innovator, MEDA continually strives to reach greater numbers of disadvantaged producers and integrate them into viable markets.

TechnoServe

TechnoServe aims to improve rural-based industry competitiveness in the developing world. With over 40 years of experience, the organization focuses on agribusiness, tourism, alternative energy and other sectors in which rural-rooted industries can spur rapid and broad poverty-reducing economic growth. TechnoServe structures its approach through three pillars: identify the opportunity, build the business and expand the impact.

To identify opportunities, TechnoServe undertakes value chain analyses and competitiveness assessments to find value chains with the highest potential to develop a sustainable, competitive advantage that will have the largest impact on job creation and long-term economic growth. Working at the industry level, in consultation with local stakeholders, TechnoServe then develops industry strategic plans. The organization catalyzes overall industry change and competitiveness, by identifying the opportunities to unlock additional value through interventions at the regulatory, policy, industry, individual business and producer levels. Specific interventions provided by TechnoServe include:

- Developing businesses through needs and feasibility assessments, business planning, market linkages, and management consulting;
- Developing industries through market and industry research, industry strategic planning, supply chain organization and industry association formation; and,
- Improving the enabling environment through entrepreneurship development, policy analysis, and advocacy support and training.

TechnoServe has applied these approaches to sectors ranging from coffee to cashews to horticulture. In Mozambique, TechnoServe designed a national government-backed cashew processing loan guarantee program, linked cashew processing SMEs to supplier working capital finance, and worked via partners to provide smallholder credit. In addition, for over 5 years TechnoServe has implemented a set of entrepreneurship development programs to help nascent entrepreneurs translate good business ideas into profitable and competitive businesses and then link them to business development services and capital. To better serve youth, TechnoServe undertakes business camps, internships, school-based training and mini business plan competitions (BPCs) that have impacted thousands in Africa and Latin America. Three such BPCs in El Salvador have created over \$29 million in new revenues. In 2006, TechnoServe assisted 215 clients who generated \$97 million in sales and purchased \$52 million in products from over 173,000 rural producers.