



USAID | EF ACTIVITY

EQUITABLE FINANCE ACTIVITY ANNUAL PERFORMANCE REPORT

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ACRONYMS & ABBREVIATIONS

AF	Activity Fund
AMELP	Activity Monitoring, Evaluation, and Learning Plan
AWP	Annual Workplan
BAC	<i>Banco Agrario de Colombia</i>
BdO	<i>Banca de las Oportunidades</i>
BDS	business development service
BMM	Banco Mundo Mujer
BPA	Blanket Purchase Agreement
CAF	Development Bank of Latin America
CB	CrossBoundary
CCN	Country Cooperation National
CCP	Country Compensation Plan
CDCS	Country Development Cooperation Strategy
CF	Colombia Fintech
CFA	Cooperativa Financiera de Antioquia
CLIN	contract line-item number
CLA	Colombia Collaboration, Learning and Adapting
CNCA	National Commission for Agricultural Credit
CF	Colombia Fintech
COP	Chief of Party
\$COP	Colombian peso
COR	Contracting Officer
DANE	National Administrative Department of Statistics
DCOP	Deputy Chief of Party
DFC	U.S. International Development Finance Corporation
DFS	digital financial services
DFSEA	Digital Financial Services Ecosystem Assessment
DIAN	National Tax and Customs Directorate
DL	Distribution List
DNA	Destination Nature Activity
DMP	Data Management Plan
EDGE	Enterprises for Development, Growth, and Empowerment
EF	Equitable Finance Activity
Eol	Expression of Interest
FAA	Fixed-Amount Award
FI	financial institution
Fintech	financial technology
FME	<i>Fondo Mujer Emprende</i>
FAG	Agricultural Guarantee Fund
FOM	Field Operations Manual
FSP	financial services provider
FY23	Fiscal Year 2023
FY24	Fiscal Year 2024
GE	Generating Equity
GESI	Gender Equality and Social Inclusion
HCD	human-centered design
HO	Home Office

IDB	International Development Bank
IP	Implementing Partner
IDIQ	Indefinite Delivery Indefinite Quantity
LFP	Land for Prosperity
LGBTIQA+	lesbian, gay, bisexual, transgender, intersex, queer/questioning, asexual
LOA	Life of Activity
LoI	letter of intent
LTTA	long-term technical assistance
MADR	Ministry of Agriculture and Rural Development
MEL	Monitoring, Evaluation, and Learning
MFI	Microfinance Institution
MSME	micro, small, and medium-sized enterprises
NGO	Non-governmental organization
O1	Objective 1
O2	Objective 2
O3	Objective 3
OAA	Office of Acquisition and Assistance
OECD	Organization for Economic Cooperation and Development
OIR	Regional Integration Opportunities
PDET	<i>Programas de Desarrollo con Enfoque Territorial</i>
PGO	Youth Resilience
PND	National Development Plan
PO	Purchase Order
PSE	Private Sector Engagement
PUJ	<i>Pontificia Universidad Javeriana</i>
Q	quarter
QPR	Quality Performance Review
RG	Responsible Governance
RFA	Request for Application
RFO	Rural Financial Observatory
RFP	Request for Proposals
RIS	Regional Integration Strategy
RMA	Rural Market Assessment
SAA	Sustainable Agriculture Activity
SARAS	Environmental and Social Risk Analysis System
Sbks	Subcontracts
SENA	National Learning Service
SFC	<i>Superintendencia Financiera de Colombia</i>
SIM	Senior Investment Manager
SNCA	National Agricultural Credit System
SO	Special Objective
STTA	short-term technical assistance
TA	technical assistance
TAMIS	Technical and Administrative Management Information System
ToR	Terms of Reference
USAID/Colombia	United States Agency for International Development in Colombia
USD	United States dollar
Y	Year

TABLE OF CONTENTS

SECTION 1: PROGRAM ACTIVITIES	11
BRIEF OUTLINE OF ACTIVITY PURPOSE AND ACTIVITY APPROACH	11
SECTION 2: TECHNICAL ACTIVITIES	12
SUMMARY OF COMPLETED INTERVENTIONS AND PROGRESS TOWARD RESULTS	12
OBJECTIVE 1: INCREASED FINANCIAL CAPACITY IN TARGET COMMUNITIES	28
OBJECTIVE 2: INCREASED PROVISION OF FINANCIAL SERVICES IN TARGET COMMUNITIES	30
OBJECTIVE 3: IMPROVED ECOSYSTEM FOR THE FINANCIAL INCLUSION OF UNDERSERVED POPULATIONS	34
SPECIAL OBJECTIVE (SO): INCREASED MOBILIZATION OF LONG-TERM FINANCIAL CAPITAL	44
SECTION 3: CROSS-CUTTING ACTIVITIES	46
ACTIVITY MONITORING, EVALUATION AND LEARNING PLAN	46
REGIONAL INTEGRATION STRATEGY AND COORDINATION WITH OTHER USAID ACTIVITIES	49
GENDER STRATEGY AND COMMUNICATIONS AND OUTREACH PLAN	53
SECTION 3: OPERATIONAL ACTIVITIES	61
ACTIVITY FUND	65
SECTION 4: FINANCIAL REPORT	67
SMALL BUSINESS INVOLVEMENT	69
SECTION 5: ANNEXES	70
ANNEX 1. MEL INDICATORS REPORTING IN Q1 FY24	70
ANNEX 2. FY23 PROGRESS OF MEL INDICATORS	71
ANNEX 3. SUCCESS STORY	74

EXECUTIVE SUMMARY

OVERALL STATUS OF ACTIVITY PROGRESS TOWARDS OBJECTIVES¹

In Fiscal Year 2023 (FY23), the Equitable Finance Activity (EF) embarked on a mission to enhance financial access in rural, underserved, and conflict-affected regions. This Annual Performance Report (APR) bears witness to the substantial progress made during its inaugural year of implementation (Y1).

Throughout FY23, EF made significant advances in establishing the foundation for transformative changes to improve access to formal financial services and stimulate economic growth in rural economic corridors. An early highlight of this year was the receipt of 30 Expressions of Interest (EOIs) from Financial Services Providers (FSPs) and sector associations. These EOIs set the stage for a journey that unfolded with remarkable progress. EF selected 14 entities for co-creation sessions to refine proposals, budgets, and work plans, and launched a Request for Applications (RFA) to which 12 responded.

For Y1, EF anticipated selecting at least four FSPs for the first cohort of EF partners contributing to activity targets to mobilize USD \$550 million in financial services, incorporate 200,000 new clients, with a particular focus on women and youth, and impact 100,000 Colombians with financial capacity building.

As illustrated in Table I, the outcomes exceeded expectations, with USAID's approval to formalize grant agreements through Fixed Amount Awards (FAAs) with Davivienda, Banco Mundo Mujer (BMM), Cooperativa Financiera de Antioquia - CFA, Crezcamos, Bancamía, and Mibanco, setting the foundation for transformative outcomes. Projects agreements with these entities encompass various dimensions, from enhancing financial education to expanding financial services coverage, fostering innovation, and catalyzing the development of digital financial services. Together, these initiatives anticipate offering financial education to over 61,924 individuals, mobilizing USD\$84 million, and benefiting 46,350 new clients, with a particular focus on gender and social inclusion. Six additional partnerships completed co-creation and submitted an application and are anticipated to be signed in the first quarter of Y2.

Another core focus for EF private sector engagement in Y1 was its collaboration with the digital finance community. EF partnered with Colombia Fintech (CF) to enhance and disseminate the results from the Digital Financial Services Ecosystem Assessment (DFSEA), leveraging CF's position as the representative of Colombia's fintech industry, and paving the way for future proposals involving Fintech and traditional banks to offer digital financial services in EF's targeted geography.

An integral aspect of EF's mission is to strengthen the financial inclusion of underserved populations. This was evidenced in FY23 through EF's engagements with Government of Colombia (GoC) entities. The year was marked by the formalization of Letters of Intent (LoI) with key organizations, including:

- Banca de las Oportunidades (BdO), to support the GoC's *Popular Economy* initiative and design the Rural Financial Observatory (RFO). This collaboration also addresses the financial inclusion of marginalized populations and initiatives to develop financing products for associations and group lending.
- Bancóldex, to structure sustainable financing programs for microenterprise credit institutions in rural municipalities. This collaboration includes support for the Comprehensive Strengthening

¹ EF Contract, Section 2, F.5.4. Quarterly Performance Reports: (b) Overall status of Activity progress towards objectives (narrative).

Program for MFIs and the enhancement of the CONECTA digital platform for financial education.

- Fondo Mujer Emprende (FME), to improve financial inclusion, particularly for rural women. Collaboration includes support for the development of the first Statistical Note on Rural Women and enhancing financial instruments for financial inclusion.
- FINAGRO, to deepen financial services in historically challenged areas. Collaboration focuses on regulatory reforms, Environmental and Social Risk Analysis, strengthening cooperatives, diversified funding sources, and the development of a special credit line for rural women.

EF also engaged with GoC entities such as the Superintendencia Financiera de Colombia (SFC), the Central Bank, and Banco Agrario de Colombia (BAC). EF's technical team collaborated with BAC to define future support in financial education, enhancing the microfinance sales force, *Popular Economy* advisor training, and digitizing village banking processes, improving customer experience.

FY23 made progress on the RFO through a collaborative effort with key partners, including BdO, iNNpulsa, Pontificia Universidad Javeriana (PUJ), and the SFC. Technical workshops and data collection model analysis provided valuable insights for the design that will allow for the RFO's future implementation.

EF also supported PUJ to conduct a Rural Market Assessment (RMA). This comprehensive assessment delved deep into access to financial services and the barriers faced by over 1,800 micro-entrepreneurs and business owners in 20 PDET municipalities in the five economic corridors. Notably, the RMA focused on profiling women, youth, and ethnic groups, building evidence to further financial inclusion efforts. The findings from this study helped inform EF's strategies, raise awareness in the financial sector, and enable tailored offerings to better meet the needs of the rural population.

Under the Special Objective for the mobilization of long-term financial capital, EF partnered with CrossBoundary (CB) to identify 33 innovative financial instruments in key sectors USAID prioritized. After thorough analysis, six promising initiatives were selected for further development, and the Equity Fund for Solar Projects (SolCor) and Sustainable Cattle Ranching (Alquería) were prioritized for CB to develop the investment theses, financial models and promotional materials.

EF and CB also supported the presentation of a proposal to the USAID Enterprises for Development, Growth, and Empowerment (EDGE) Fund for the Complementary Fund for Catastrophic Events. As a result, the EDGE Fund selected USAID/Colombia to receive USD \$625,000 in financing to advance parametric micro-insurance for small-scale farmers in response to climate disasters.

To advance its understanding of the Colombia's climate investment landscape, in FY23 EF also advanced a study mapping and characterizing climate finance instruments in PDET municipalities.

For data-driven decision-making, in FY23 EF crafted the Monitoring, Evaluation, and Learning (MEL) information system, conducted trainings, collaborated with FSPs, and initiated discussions on a joint baseline and performance evaluation in collaboration with USAID's MEL and Sustainable Agriculture (SAA) Activities.

Throughout FY23, EF actively pursued alignment with USAID's Regional Integration Strategy (RIS) by leveraging relationships with local producer organizations, conducting targeted focus groups to pinpoint financial service opportunities, facilitating a workshop on FINAGRO in Caquetá and exploring potential collaborations with the SAA and the Golden Land Activity in sustainable agriculture and artisanal mining

sectors. EF's commitment to collaborating with implementing partners (IPs) will continue, with a focus on enhancing financial access and capabilities within Colombia's economic intervention corridors.

In FY23, EF took a significant step by formulating and obtaining approval for its Gender Equality and Social Inclusion (GESI) Strategy. This strategic framework serves as a cornerstone for EF's future initiatives, underscoring the organization's steadfast dedication to promoting comprehensive financial access in Colombia's economic intervention corridors. By establishing structured methods and a commitment to data-driven decision-making, EF is well-positioned to drive progress in gender equality and social inclusion within its programs, aligned with USAID's overarching objectives.

In FY23, EF's Communications and Outreach included the approval of the Communications and Outreach Plan and a successful launch event. The team developed crucial visual assets for presentations and branding and initiated the redesign of the micro-site. Collaboration with USAID resulted in social media toolkits for important events based on insights gained from studies.

As FY23 marks the first year of implementation, special attention was given to setting up smooth operations. Startup and office space were successfully managed, with 91% of proposed staff onboarded. Procurement and financial compliance were streamlined, and necessary financial and legal documentation was established. System implementation and training were carried out effectively to ensure efficient tracking and management.

EF submitted on time all contract deliverables required for start-up, including the Rapid Mobilization Plan, Activity Fund Manual, Annual Work Plan (AWP) for Y1, AMELP, Data Management Plan and Emergency Contact Plan. All these deliverables received USAID approval and have been implemented. Annual Workplans and the AMELP will be revised and updated (AWP for Y2 already approved).

In summary, FY23 marked a year of significant accomplishments and progress in EF's mission to enhance financial capacity, improve financial services, and promote financial inclusion and economic development in Colombia's economic corridors. Collaboration, initiatives, and a dedicated market systems approach underscore EF's commitment to these objectives, setting the stage for further advancement and significant results in the years to come.

This APR comprises the Executive Summary and five sections: Program Activities, Technical Activities, Cross-cutting Activities, Financial Report, and Annexes.

Table I - Summary of FY23 Formalized and FY24 Anticipated Grants with Financial Sector Entities

FAA No.	Partner	Summary Project Description	Economic Corridors of Intervention	Status (signed, approved, in progress)	FORECAST KEY INDICATORS		
					Number of people impacted with financial education	Total number of clients benefitting from financial services (new clients)	Amount of financial services mobilized (USD\$)
FE-FAA-2023-01	Davivienda: Rural financial ecosystems impacting rurality	Technological developments for the integration of agricultural credit (agricultural and coffee credit card) under FINAGRO conditions, with parametric insurance and hiring advisors to provide financial education and banking services for individuals and businesses through Daviplata (opening savings accounts, traditional microloans, QR code disbursement).	Nariño - Cauca	Signed	10,000	15,000 (15,000)	
FE-FAA-2023-02	Banco Mundo Mujer: Generating Progress for the community through financial inclusion and process modernization.	<ul style="list-style-type: none"> Enhanced credit product with a gender-focused approach. Strengthen the Bio-sustainable Agricultural Credit, promoting the placement of green products. Support financial inclusion, opening and self-management of financial services through the bank's mobile application and website. 	Nariño-Cauca; Meta-Guaviare; Caquetá-Putumayo	Signed	31,000	50,550 (17,633)	
FE-FAA-2023-03	Crezcamos Compañía de Financiamiento: Progress for all	<ul style="list-style-type: none"> Development of a strategy for the implementation and adoption of the digital wallet. Opening new offices and establishment of new banking correspondents. 	Bajo Cauca, Noreste Antioqueño, South of Córdoba, Catatumbo, Meta – Guaviare	Signed	1,000	5,000 (2,000)	
FE-FAA-2023-04	Cooperativa Financiera de Antioquia – CFA: Equitable Growth	<ul style="list-style-type: none"> Opening a new branch in Santander de Quilichao, strengthening the current Briceño office, introducing new mobile advisors, and establishing banking correspondents. Enhance financial education through the "Collaborative Networks" business development model and technical assistance to restructure and strengthen the associative credit product. Enhance the capacities of women and young individuals engaged in subsistence and small-scale mining by providing funding for complementary activities, aiming to reduce mercury use and promote clean, financeable technologies. 	Nariño - Cauca, Bajo Cauca, Noreste Antioqueño and South of Córdoba	Signed	5,045	7,200 (2,880)	
FE-FAA-2023-05	Mibanco: Micomunidad Relational Ecosystem	<ul style="list-style-type: none"> Financial education and environmental awareness modules with a rural focus. Mobile correspondent in PDET municipalities. Enhance the Micomunidad relational ecosystem for community development and expansion, engaging stakeholders who adopt the collaborative operational approach. This will advance financial inclusivity, support sustainable methods for poverty alleviation, and establish enduring connections in marginalized areas. 	Nariño- Cauca, Bajo Cauca, Noreste Antioqueño and South of Córdoba, Catatumbo, Meta – Guaviare, Caquetá - Putumayo	Signed*	9,000	12,173 (6,737)	

FAA No.	Partner	Summary Project Description	Economic Corridors of Intervention	Status (signed, approved, in progress)	FORECAST KEY INDICATORS		
					Number of people impacted with financial education	Total number of clients benefitting from financial services (new clients)	Amount of financial services mobilized (USD\$)
FE-FAA-2024-06	Bancamía: Ruta Findeq	<ul style="list-style-type: none"> Financial education, mobile correspondents with a gender focus, deepening in the regions with existing presence, development with repeat clients, and virtual visits. Pilot Amazonian green productive transformation, approaching USAID partners within the framework of the RIS strategy such as Amazonía Mia and Sustainable Agriculture. 	Nariño- Cauca, Bajo Cauca, Noreste Antioqueño and S. of Córdoba, Catatumbo, Meta – Guaviare, Caquetá - Putumayo	Approved	5,879	7,001 (2,100)	
FE-FAA-2024-07	Contactar MujerEs Desarrollo	Business development model and financial education prioritizing current work areas for women, promoting financial inclusion through microcredit.	Nariño - Cauca. Caquetá - Putumayo	In progress			
FE-FAA-2024-08	Fundación Bancolombia: Rural Emergent System	<ul style="list-style-type: none"> Financial education, rural emerging systems program featuring accessible savings, mobile digital educational, and agricultural credit. 	Nariño-Cauca	In progress			
FE-FAA-2024-09	Fasecolda	<ul style="list-style-type: none"> Expand the reach and coverage of the financial education program to train the teachers of the Nueva Pangea program in selected schools. Support the territorial based financial education <i>Pasaje Seguro</i> and <i>Viva Seguro</i> programs and provide TA to review the content of the <i>Viva Seguro</i> program. 	5 corridors	In progress			
To be determined (TBD)**	Amanecer – Cootregua More Inclusive Orinoco	<ul style="list-style-type: none"> Provide financial education to youth through school initiatives and training of trainers with indigenous women with an approach aligned with the indigenous cosmogony, Establish new branches, expand the network of banking correspondents, and create additional service centers. Introduction of digital credit offerings through both entities. 	Meta-Guaviare-Guainía	In progress			
TBD	Banco W <i>Joining paths – Building Realities</i>	Digital wallet - Adoption and usage, and financial education with Fundación W. Deepening with the Gota-Ahorro micro-credit product.	Nariño- Cauca, Bajo Cauca, Noreste Antioqueño and S. of Córdoba, Meta – Guaviare	In progress			
TBD	Fundación de la Mujer – <i>We reach where others don't</i>	Financial education for rural population. Strengthen skills and knowledge in financial education for the financial inclusion team. Deepening financial services in the prioritized geography.	Nariño- Cauca, Bajo Cauca, Noreste Antioqueño and South of Córdoba, Catatumbo, Meta – Guaviare, Caquetá - Putumayo	In progress			

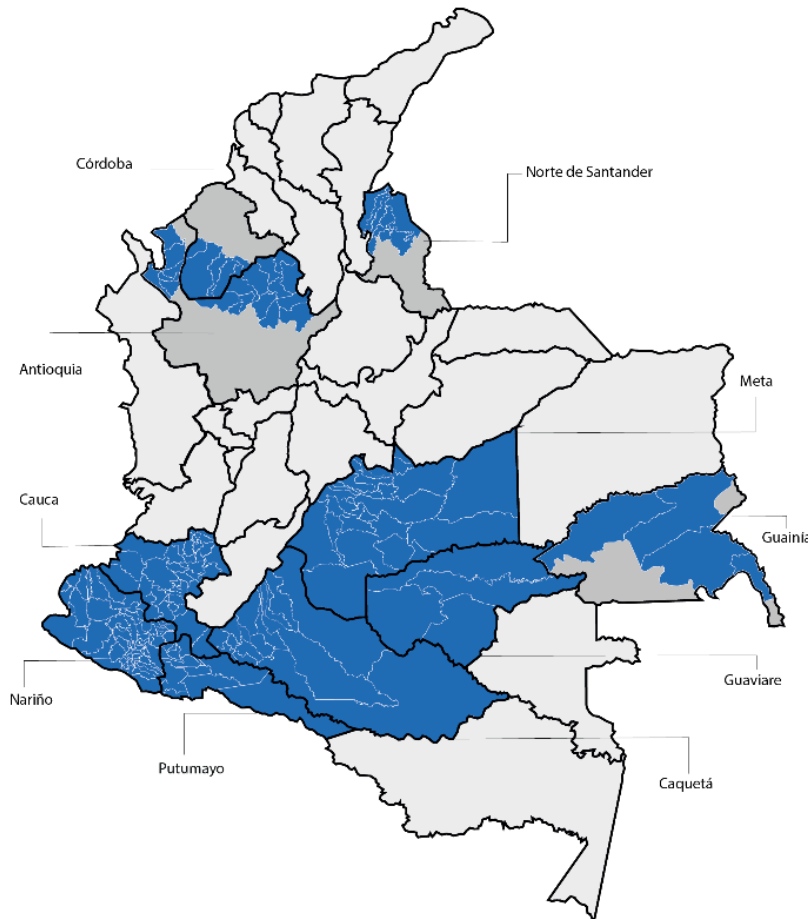
* Mibanco's grant agreement was approved by USAID on September 25, 2023, and signed on October 2, 2023 (Q1 FY23), as logged into USAID's Monitor system.

** These grants are under discussion and the FAA number has not yet been issued.

SECTION I: PROGRAM ACTIVITIES

BRIEF OUTLINE OF ACTIVITY PURPOSE AND ACTIVITY APPROACH²

The United States Agency for International Development in Colombia (USAID/Colombia) selected DAI to implement the five-year Equitable Finance Activity (EF) which began October 17, 2022, and runs through October 16, 2027. EF aims to improve the supply and demand of formal financial services in rural, underserved, and conflict-affected regions. It also aims to mobilize the long-term capital needed to leverage financial sector resources for USAID/Colombia’s programming as outlined in the Country Development Cooperation Strategy (CDCS). EF works through Colombia’s vibrant and modern financial system to reach underserved market segments and facilitate the mobilization and allocation of funds for productive investments. This activity balances breadth and depth of financial services, by setting ambitious targets and emphasizing testing, learning, and supporting innovations in financial access, particularly for Gender Equality and Social Inclusion (GESI).



EF has three primary objectives with a supporting Special Objective (SO):

Objective 1 (O1):

Increased financial capacity in target communities.

Objective 2 (O2):

Increased provision of financial services in target communities.

Objective 3 (O3):

Improved ecosystem for the financial inclusion of underserved populations.

SO:

Increased mobilization of long-term financial capital in USAID’s priority sectors.

² EF Contract, Section 2, F.5.4. Quarterly Performance Reports: (a) Brief outline of Activity purpose and Activity approach.

SECTION 2: TECHNICAL ACTIVITIES

SUMMARY OF COMPLETED INTERVENTIONS AND PROGRESS TOWARD RESULTS³

During fourth quarter (Q4) of fiscal year 2023 (FY23), EF advanced on the strategic tasks and deliverables to lay the groundwork for the duration of the project. The following table includes:

- a list of services/deliverables completed during the reporting period⁴;
- an explanation of quantifiable outputs of the tasks, if appropriate and applicable⁵; and,
- a list of major interventions planned for the next quarter⁶.

Please refer to EF Contract, Section 2, F.5.4. Quarterly Performance Reports:

³ (d) Summary of completed interventions and progress towards results under the contract during the timeframe of the report.

⁴ (f) List of services/deliverables completed in the reporting period.

⁵ (g) Explanation of quantifiable outputs of the tasks, if appropriate and applicable.

⁶ (l) List of major interventions planned for the next quarter.

Table 2 - Summary of Completed Interventions and Progress Towards Results

Objective/Task (d)	Service deliverable outputs for Q4 (d, f & g)	Q1 FY24 (l)
Objective I: Increased Financial Capacity in Target Communities		
IR 1.1: Increased Financial Capacity Among Target Individuals		
Task 1.1.1: Provide TA to the GoC to update/develop a national financial inclusion strategy		
Establish Lol with Banca de las Oportunidades (BdO), Fondo Mujer Emprende (FME), Bancóldex, FINAGRO	<p>All Lols have been signed:</p> <ol style="list-style-type: none"> 1. BdO: March 2. 2. Bancóldex: March 21. 3. FME: March 27. 4. FINAGRO: April 21. 	Implementation of technical assistance (see details below).
Launch TA with BdO, FME, Bancóldex, FINAGRO detailed in Lol	<p>Bancóldex: jointly prepared the Terms of Reference (ToR) for the execution of the Comprehensive Strengthening Program for Microfinance Institutions (MFIs). EF published the RFP for hiring a consulting firm.</p> <p>FINAGRO: jointly prepared the ToRs for the consulting services in Global Products & Strengthening of Cooperatives.</p> <p>Along with the technical secretary of the National Commission for Agricultural Credit (CNCA), prepared the ToR for Technical Assistance (TA) supporting:</p> <ol style="list-style-type: none"> 1. Environmental and Social Risk Analysis System (SARAS). 2. Incentive for Good Payment. 3. Group Financial Instruments. <p>The recruitment of consultants for TA 1 and 2 has been initiated. TA for 3 will support BdO's strategy for the <i>Popular Economy</i>.</p>	<p>Bancóldex: call for applications will close on October 2. The committee will initiate the selection process for hiring TA.</p> <p>FINAGRO: launch the call for applications. Afterward, the committee will carry out the selection and hiring process for the execution of the TA for Global Products & Strengthening of Cooperatives.</p> <p>Along with the CNCA, conduct the selection process and subsequent hiring of TA for the Environmental and Social Risk Analysis System (SARAS) and the Incentive for Good Payment.</p> <p>Will commence the recruitment for TA in Group Financial Instruments.</p>
Launch TA with Superintendencia Financiera de Colombia (SFC)	The Senior Investment Manager's (SIM) team, along with the leader of the Office of International and Institutional Relations of the SFC, began drafting the ToR for TA on the Study of the stock financial market and its relationship with financial deepening in Colombia.	The SIM team, along with the leader of the Office of International and Institutional Relations of the SFC, will complete the ToR and recruit TA.
Design and launch EF micro-website	Purchase order (PO) with the web developer was executed, with the beginning of technical implementation, tests, and adjustments to the architecture of the microsite.	Perform final assessments to upload the content from FY23 to the web repository and launch. Monthly update to micro-site.
Task 1.1.2: Support the GoC's and private-sector efforts to implement and expand financial education programs at various levels		
Consult with national, departmental, and municipal education policy makers, teachers, Asobancaria to identify barriers, intervention opportunities in financial education	EF received the application of Fasecolda's program for the implementation of the <i>Nueva Pangea</i> methodology (developed by Asobancaria, Fasecolda, and the Ministry of National Education). This program will be carried out in schools in 25 municipalities across EF's 5 corridors. Additionally, the <i>Pasaje Seguro</i> initiative will be implemented to enhance the understanding and management of insurance in targeted populations. These initiatives are part of the opportunities identified in collaboration with industry associations (Asobancaria and Fasecolda).	The implementation of <i>Nueva Pangea</i> is estimated to begin in November and is expected to last 18 months.
Compile a list of financial education programs in PDET regions, underserved populations	Financial Capabilities Manager conducted a desk study identifying the entities and available programs and initiatives for economic and financial education in the country.	Formalize FAAs with remaining entities in co-creation and implement financial education initiatives in workplans. Review the feasibility of incorporating the Local Savings and Credit Groups methodology as

Objective/Task (d)	Service deliverable outputs for Q4 (d, f & g)	Q1 FY24 (I)
		part of EF's objective of enhancing financial education skills in municipalities within the PDET municipalities.
Evaluate 1–2 top financial education programs for impact	<p>For this activity, a financial education initiative has been identified with Fundación Bancolombia.</p> <p>EF anticipates Banco Agrario de Colombia (BAC) could be one of the partnering entities delivering financial education. During the adjustment and implementation of financial education content, a measurement framework can be established.</p> <p>EF also participated in multiple meetings with USAID's MEL activity to establish a baseline and evaluation questions including for evaluating financial education and financial capacity.</p>	This activity will be developed beginning Q1 FY24 following the established work plan.
Task I.1.3: Provide TA to design, test, and roll out a financial literacy program for members of savings and credit cooperatives, associations of producers, and nongovernmental organizations (NGOs)		
Launch the first EoI convening Financial Services Providers (FSP) to choose financial literacy initiatives to be supported by EF	EF received USAID's approval to sign a FAA with Davivienda – Grupo Bolívar, Banco Mundo Mujer (BMM), Cooperativa Financiera de Antioquia (CFA), Crezcamos, Mibanco and Bancamía.	EF will support development, systematization, and outreach activities to marginalized groups (such as indigenous communities) or specific economic segments, like the mining sector, in collaboration with entities including: Fasecolda, Bancamía, Fundación Bancolombia, CFA and Amanecer – Cootregua.
Task I.1.4: Facilitate underserved populations' understanding about the benefits of actively participating in cashless and digital payments ecosystems and enhance their digital literacy		
Engage with Central Bank to determine type of support and use cases for immediate electronic payments and transfers in rural areas	EF has been informed by the Bank's prioritization of the interoperability payment system in Colombia. The Central Bank has not yet requested support from EF.	<p>Jointly assess the possibility of collecting data for the calculation of an indicator informing on financial burden in rural areas.⁷ This activity is subject to the request of the entity.</p> <p>In November, the Bank's Electronic Check Clearing System Administrator will join EF in Sao Paulo, Brazil, to learn about the instant payment system PIX.</p>
Conduct a Digital Financial Services Ecosystem Assessment	<p>EF received the Digital Financial Services Ecosystem Assessment (DFSEA) from the respective TA, which was accepted by USAID and translated into English.</p> <p>In collaboration with Colombia Fintech (CF), EF organized an ideation session with two main objectives: to foster networking among Fintech industry leaders, traditional banks, and government entities, and to collectively tackle the four challenges outlined in the study:</p> <ol style="list-style-type: none"> 1. Digital productive credit for rural populations. 2. Adoption and use of digital financial products in rural municipalities. 3. Strengthening ecosystems for digital financial products and services in rural areas. 4. Advancing the correspondent banking model. 	Following the ideation session, in Q1 FY24, EF will explore the feasibility of initiating a call for pilot project proposals involving Fintech and traditional banks to offer digital financial services within EF's intervention areas.

⁷ The financial burden indicator is a method for inferring individuals' income based on their spending and the amount of money they use to meet their credit obligations. It is applied to all borrowers within the country's financial system.

Objective/Task (d)	Service deliverable outputs for Q4 (d, f & g)	Q1 FY24 (l)
	<p>The ideation session included 40 entities and approximately 55 attendees organized into four ideation groups, using agile methodologies to develop proposals to address these challenges. CF delivered to EF a summary of the initiatives collectively proposed during the session, which will inform Activity implementation in FY24.</p>	
Task I.1.5: Provide TA for training of trainers in financial literacy		
<p>Launch the first Eol convening FSP's to choose financial literacy initiatives to be supported by EF</p>	<p>USAID approved FAAs with Davivienda, BMM, CFA, Crezcamos, Mibanco and Bancamía, including a focus in training of trainers.</p> <p>In collaboration with BAC, EF initiated ideation for an RFA aimed at strengthening the institution's capabilities and improving financial education delivery.</p> <p>Moreover, EF is set to implement a pilot project with Bancóldex to enhance MSME management and foster connections between entrepreneurs and financial institutions through the CONECTA platform.</p> <p>As part of USAID's Regional Integration Strategy (RIS), EF conducted workshops on financial education, impacting 177 extension workers from 31 municipalities in three EF corridors: Bajo Cauca, Sur de Córdoba, Noreste Antioqueño, Catatumbo, and Caquetá-Putumayo.</p>	<p>Work plans of the partner entities will be initiated.</p> <p>Finalize evaluation and proceed with grant formalization with entities in co-creation.</p>
IR 1.2: Increased Financial Capacity Among MSMEs		
Task I.2.1: Incentivize the creation and strengthening of a sustainable market-based cadre of BDS providers that bridges the management and requirement gaps between MSMEs and FIs for underserved population-owned businesses		
<p>Identify Micro, Small and Medium Enterprises (MSMEs) training cooperation opportunities with USAID projects, FSPs and Confecámaras.</p>	<p>EF signed a FAA with CFA to strengthen and enhance the business development model called "Redes Colaborativas" (Collaborative Networks), including a GESI approach.</p>	<p>Following the co-creation process, activities were established to enable EF to support the creation and strengthening of business development models for implementation in the selected corridors with entities such as: Contactar with its "MujerEs Desarrollo" initiative, and Bancamía's "Para Ellas".</p> <p>EF will evaluate implementation within the framework of the RIS and in coordination with other USAID projects.</p>
<p>Publish an Eol for pilot, adaption of expansion of training model reflecting lessons learned</p>	<p>Build tools and content with partners to ensure sustainability of financial education initiatives through the development of the Training of Trainers strategy. The goal is to leave the installed capacity in the regions, similar to the methodology applied by entities like Fundación Amanecer – Cootregua, Fasecolda, and Fundación Bancolombia.</p>	<p>Implementation of activities from partner FSPs with a focus on Training of Trainers.</p>

Objective/Task (d)	Service deliverable outputs for Q4 (d, f & g)	Q1 FY24 (I)
Task 1.2.2: Facilitate the creation and strengthening of community associations and cooperatives that provide TA and build the business management capacity for MSMEs and entrepreneurs		
<p>Identify opportunities with RIS (Regional Integration Strategy) and regional working groups, to provide TA in Y2</p>	<p>Conducted financial education sessions for extension workers in Montería, Florencia, Cauca, and Cúcuta with the Sustainable Agriculture Activity (SAA).</p> <p>Made contributions in USAID's OIR (Regional Integration Opportunities) across five corridors:</p> <p><u>Putumayo - Caquetá</u>: Identified and profiled producer organizations for financing and financial education. Conducted a workshop on FINAGRO operations.</p> <p><u>Bajo Cauca, Sur de Córdoba y Noreste Antioqueño</u>: Participated in OIR I planning, assessed financing and financial education needs of rural producer groups, reviewed financial inclusion regulations in the mining sector, and identified producer organizations through Land for Prosperity (LFP).</p> <p><u>Nariño-Cauca</u>: Collaborated in restructuring OIR II with a focus on value chains, identified coffee and pineapple producer organizations in Cauca, and fine flavor cocoa producer organizations in Tumaco.</p> <p><u>Catatumbo</u>: Participated in OIR IV to identify financial education and credit needs for organizations supported by LFP and Colombia Transforma programs. Collaborated on a pilot project with coffee producers in El Carmen.</p> <p><u>Meta-Guaviare</u>: Continued efforts to gather information from rural producers in collaboration with various agencies.</p>	<p>"Pause and Reflect" session with SAA for future collaboration and financial literacy methodology development.</p> <p>Ongoing activities through OIRs include:</p> <p><u>Putumayo - Caquetá</u>: SAA formed an alliance for açai marketing with Corpocampo, and EF will provide financial education support. Conduct workshops for project feasibility assessments with USAID activities in Caquetá, promoting financial inclusion.</p> <p><u>Bajo Cauca, Sur de Córdoba y Noreste Antioqueño</u>: Diagnose producer organizations identified through other USAID programs, establish financing strategies and mechanisms, and provide financial education. Collaborate with Golden Land Activity for miner financial education.</p> <p><u>Nariño-Cauca</u>: Identify producer organizations in Tumaco involved in USAID activities, profile them, and connect with financial partners for financial education. Assess coffee, pineapple, and cocoa organizations.</p> <p><u>Catatumbo</u>: Identify organizations in cocoa, coffee, avocado, and apiculture, collaborate in youth entrepreneurship and employability fairs, redefine alliances, and provide financial education for women and youth organizations.</p> <p><u>Meta-Guaviare</u>: Assess organizations supported by Amazon Alive, LFP, and Amazonia Connect to identify financing and financial education needs.</p>
Objective 2: Increased Provision of Financial Services in Target Communities		
Task 2.0: Long-term, bundled TA and grants to FIs		
<p>Convene partners through industry associations to gather feedback on TA needs to serve PDETs.</p>	<p>EF received the DFSEA. In partnership with CF, EF organized an ideation session to connect industry leaders, traditional banks, and government entities, addressing four challenges. This session involved 40 entities and 55 attendees in agile groups, resulting in initiatives to guide FY24 activities. For further detail, refer to <i>Task 1.1.4</i>.</p>	<p>Explore the feasibility of initiating a call for pilot project proposals involving Fintech and traditional banks to offer digital financial services within EF's intervention areas.</p>
<p>Solicit EOIs from FIs with geographic reach, track record, and commitment in PDETs</p>	<p>Co-creation sessions advanced with Davivienda, Fasescolda, Crezcamos, Mibanco, BMM, Fundación Amanecer-Cootregua, CFA, Bancamía, Banco W, Contactar, Fundación de la Mujer, Asobancaria, Fundación Bancolombia, and Banco de Bogotá. By August 31, 12 FSPs submitted a full application (Asobancaria and Banco de Bogotá did not submit an application due to internal decisions).</p> <p>Evaluation committees reviewed the applications received, and USAID approved FAAs with 6 FSPs: Davivienda, BMM, Crezcamos, CFA, Mibanco and Bancamía.</p>	<p>Formalize partnership with Bancamía.</p>
<p>Select 4–6 FIs to receive EF support and co-create project design for grants and TA</p>		<p>EF will continue the internal evaluation process of the applications received to seek approval from USAID and, subsequently, sign FAAs with Fundación Amanecer, Banco W, Contactar, Fasescolda, Fundación Bancolombia, and Fundación de la Mujer.</p>
<p>Issue an RFA/RFP to the prequalified FIs in response to the program description</p>		

Objective/Task (d)	Service deliverable outputs for Q4 (d, f & g)	Q1 FY24 (l)
Contract the initial tranche of TA required by the first cohort of FI partners	On September 4th, EF published the RFP for TA supporting Bancóldex' Comprehensive Credit Access and Strengthening Program for MFIs. The closing date for this call is October 2nd.	Reception of proposals and selection of TA for Bancóldex' Comprehensive Credit Access and Strengthening Program for MFIs.
Select and negotiate performance-based grant agreements		
Discuss with Banco Agrario (BAC) TA needs to expand in PDET regions and/or target populations and establish LOI if agreed	Definition of activities with BAC continued, prioritizing support in financial education, microfinance, digitization and process improvement for village banking, and customer experience.	Issue RFA inviting BAC to submit its application. A subsequent in-kind FAA will secure collaboration with various departments of the bank and set objectives, strategies, qualitative goals quantitative targets, and the budget required for the activity.
IR 2.1: Increased Provision of Financial Services in Target Communities		
Task 2.1.1: Implement Models to provide TA to FSPs to develop inclusive financial instruments for underserved populations access		
EOI launch	6 projects with FSPs approved by USAID: Davivienda, BMM, CFA, Crezcamos, Mibanco y Bancamía.	Continuing with the monitoring and support for the development of the work plans with FSPs is essential. To ensure successful implementation of workplans, EF will collaboratively draft the ToR for required TA.
Task 2.1.2: Support the design of value chain-financing methodologies, especially for non-traditional agricultural activities		
See Tasks 3.1.5 and SO 1	CB delivered the investment thesis, which was validated by Alquería.	CB and EF will define the model's financial structure.
Task 2.1.3: Provide TA to develop a blended financial system or fund to facilitate financing for high-risk ventures with the potential to generate social benefits		
See SO 1	Jointly prepared the ToR with Bancóldex for the execution of the Comprehensive Strengthening Program for MFIs. EF published the bidding for hiring of the consulting firm.	Call for applications will close on October 2. The committee will initiate the selection process for hiring TA.
Task 2.1.4: Enhance FIs' skills, strategies and communications toward market segments that include underserved populations		
See Task 2.0	Strategic activities have been established with partner FSPs, where EF will support in identifying best practices for inclusive communication based on the channels and regions where the various activities will be implemented.	Communications and GESI will support the definition of communication strategies for engaging communities in areas of implementation, including rural areas.
Task 2.1.5: Increase FIs' capacity to prevent and address client grievances		
Engage industry associations and convening bodies to discuss client grievance management; implementation Y2	Not applicable.	Not applicable.
IR 2.2: Expanded Presence of FSPs in Target Communities		
Task 2.2.1: Establish grants under contract (GUC) to create adequate incentives to expand financial and non-financial services into target geographies through financial intermediaries and other private sector implementers		
See Task 2.0	Evaluation committees reviewed the applications received from Davivienda, BMM, Crezcamos, CFA, Bancamía, and Mibanco. These applications were approved by USAID to proceed with the signature of FAAs.	Formalize FAA with Bancamía. Evaluation of the applications from Fundación Bancolombia, Banco W, Contactar, Amanecer - Cootregua, Fasecolda, and Fundación de la Mujer, and FAA signatures after USAID approval.

Objective/Task (d)	Service deliverable outputs for Q4 (d, f & g)	Q1 FY24 (l)
Task 2.2.2: Implement incentive grants to cost share the opening and provision of new, reliable, and innovative financial points of contact, like brick and mortar branches, mobile branches, cash agents and mobile cash agents		
See Task 2.0	EF received applications from FSPs concerning the openings of banking offices and correspondent banks: <ul style="list-style-type: none"> • <u>CFA</u>: 10 bank correspondents and one office. • <u>Crezcamos</u>: 50 bank correspondents. • <u>Mibanco</u>: 2 mobile offices, and 106 people in the "Soy Líder" program. • <u>Fundación Amanecer</u>: 3 offices and 12 bank correspondents. • <u>Cootregua</u>: 3 service points. 	Partner FSPs will initiate the market study for opening new offices, feasibility studies to determine the municipalities in which agreements with merchants will be implemented for the deployment of bank correspondents, and the selection of a provider for the mobile offices.
Task 2.2.3: Promote gender inclusive financial service distribution channels		
See Task 2.0, 3.1.2, 3.1.5, and GESI strategy	EF received approval to move forward with grant agreements providing TA to initiatives focused on promoting women-led financial inclusion, such as through Bancamía's involvement of women as mobile correspondents. The regional team identified potential local partners.	EF's GESI "traffic light" will provide the technical team with standardized criteria to assess FSPs initiatives. Under this approach, starting Q1 FY24 EF will create tailored monitoring plans for each partner, aligning with the Activity's Monitoring, Learning and Evaluation (MEL).
Task 2.2.4: Promote linkages between FSPs and producers' associations so that these associations can act as financial services access points through their field representatives		
See Task 2.0, and RIS for info gathering I Y1, to be implemented in Y2	<ul style="list-style-type: none"> • Identified and mapped cooperatives, women-led organizations, and NGOs in the target corridors with plans for continuous updates. • Identified potential mobile correspondents and assessed regional associations' financial needs and capacity for credit access, planning commercial and financial partnerships. • Identified producer organizations with financial needs for personalized rural outreach. • Conducted a workshop with SAA, benefiting 177 individuals in 31 municipalities, emphasizing financial education and market system development. • Explored potential commercial alliances with Cooperacafé and Corpocampo for pilot tests related to coffee and açai marketing. • Advanced the GESI strategy with focus groups in Caucasia, Bajo Cauca, identifying barriers and opportunities for marginalized groups such as the LGBTIQ+ community and ethnic women in mining. 	<p>Once agreements with financial and non-financial partners are established, EF will approach organizations and rural producers. This will allow for the continuous adjustment and updating of the mapping of cooperatives, producer associations, NGOs, women's organizations, and youth organizations, among others.</p> <p>Collaborate with SAA to determine commercial partnerships that can be strengthened with financing and financial education mechanisms through EF partners.</p> <p>Establish guidelines for collaboration and support to miners for accessing financial services or financial education with Golden Land Activity.</p>
Task 2.2.5: Promote the implementation of a shared-branching system for savings and loan institutions to reduce costs and expand outreach		
Convene representatives from Confecoop, Supersolidaria, and cooperatives to determine options for shared infrastructure to draft Eol	In Q4, the first approach was made with Visionamos, to explore various activities that can be carried out together. They were invited to participate in the co-creation event held with CF.	The relationship will continue to define the scope for collaboration.
Task 2.2.6: TA to improve the efficiency of financial intermediaries' operations so they may service the PDET municipalities		
See Task 2.0	Formalization of first FAAs with BMM, Crezcamos, CFA, and Davivienda.	Development of workplans and hire TA.
Task 2.2.7: Create linkages between FIs, producers' association, chambers of commerce and BDS providers		
See Task 2.2.4 to be implemented in Y2.	EF's Deputy Chief of Party (DCOP) participated in two ideation workshops organized by BdO to identify and map barriers to access to financial services, especially credit.	EF will continue to explore various associations that require access to financial services and the barriers they have identified. Support BdO and other entities in identifying these barriers and potential solutions.

Objective/Task (d)	Service deliverable outputs for Q4 (d, f & g)	Q1 FY24 (I)
	The regional team has identified different associations with credit needs. In Caquetá, EF initiated contact with the Association of Women Coffee Producers of Paujil (AMUCAPA) and Corpocampo, an association involved in the processing of Amazonian fruits. Additionally, in the Catatumbo region, EF is exploring financing opportunities for coffee producers in collaboration with Cooperacafé.	
IR 2.3: Increased Provision of Digital Services by Financial Providers		
Task 2.3.1: Incentivize new digital solutions and inclusive digital finance products, like savings, loans, insurances, and financial management tools, through challenge/pay-for-performance grants		
<i>Y2 will implement a specific call for EOIs identified in the findings of the DFS Ecosystem Assessment, who can contribute to improving the digital offering. (This Task will be developed in Y2 based on findings from Task 3.1.7)</i>		
Task 2.3.2: Work with fintechs and FSPs to incorporate human-centered design (HCD) practices in how products are designed and marketed, taking into consideration the behavior and rational economic decision making of underserved populations		
<i>Y2 will implement a specific call for EOIs identified in the findings of the DFS Ecosystem Assessment, who can contribute to improving the digital offering (This Task will be developed in Y2 based on findings from Task 3.1.7)</i>	Reception of the DFSEA and ideation session with CF. For further detail, refer to Task 1.1.4.	Explore partners' interest in adopting Human-Centered Design (HCD) protocols. Davivienda, Bancamía, Banco Mundo Mujer, Fundación Amanecer-Cootregua, and Crezcamos will start developing digital financial products and services. Formalize agreement with Banco W to support the development of their digital financial products and services.
Task 2.3.3: Work with financial institutions to support training for bank agents in digital services		
<i>Y2 will implement a specific call for EOIs identified in the findings of the DFS Ecosystem Assessment, who can contribute to improving the digital offering</i>	Among the FSPs who submitted a proposal, the following entities have the objective of expanding their correspondent network. Through the Activity Fund (AF) EF formalized agreements with Cooperativa Financiera de Antioquia, Crezcamos, Bancamía, and Fundación Bancolombia.	EF will explore the interest of the entities that have formalized agreements and whose objectives include strengthening their correspondent banking networks; and will assess if FSPs with FAAs are interested in receiving support for the training of their correspondent bankers in digital services. Starting Q1 FY24 EF will support Crezcamos, CFA, Amanecer-Cotregua in the strengthening their correspondent networks.
Task 2.3.4: Improve FSPs' readiness to manage and mitigate cybersecurity risks that could lead to harm for consumers, MSMEs, and the financial sector		
<i>Y2 will implement a specific call for EOIs identified in the findings of the DFS Ecosystem Assessment, who can contribute to improving the digital offering (This Task will be developed in Y2 based on findings from Task 3.1.7)</i>	Reception of the DFSEA and ideation session with CF. For further detail, refer to Task 1.1.4.	Explore the feasibility of initiating a call for pilot project proposals involving Fintech and traditional banks to offer digital financial services in a targeted municipality within EF's intervention areas. EF will assess partners' interest in adopting protocols for managing and mitigating cybersecurity risks that could harm consumers, micro, small, and medium-sized enterprises (MSMEs), and the financial sector.

Objective/Task (d)	Service deliverable outputs for Q4 (d, f & g)	Q1 FY24 (l)
Task 2.3.5: Provide TA to support expansion of the digital network in underserved areas by lowering costs, improving transparency, and expanding EF's scale		
See Task 3.1.7	Reception of the DFSEA and ideation session with CF. For further detail, refer to Task 1.1.4.	Explore the feasibility of initiating a call for pilot project proposals involving Fintech and traditional banks to offer digital financial services in a targeted municipality within EF's intervention areas.
Objective 3: Improved ecosystem for the financial inclusion of underserved populations		
IR 3.1: Improved Collection and Use of Financial Consumer Data		
Task 3.1.1: Co-create and launch a minimum of three Equitable Finance Challenges		
Define SoW with BdO and contract specialists/firm through Activity Fund to organize first challenge focused on gender	Discussions with BdO and iNNpalsa to develop the methodology informing the design of the Rural Financial Observatory (RFO).	EF will collaborate with BdO and iNNpalsa to develop the design of the RFO using the Mylab methodology.
Identify and confirm rural women as topic and host for first financial observatory and identify sector data needs through accelerated co-creation		
Task 3.1.2: Create financial observatories that include data on the underserved population segments		
Provide TA to assess demand for product offerings, develop, strategy, work plan, budget, and sustainability plan for observatory	BdO and EF determined that iNNpalsa (GoC's Agency for Entrepreneurship and Innovation) will act as a methodological facilitator for the design of the RFO. Launch of the observatory has been postponed to FY24.	<ul style="list-style-type: none"> • Pontificia Universidad Javeriana (PUJ) will join the working group for RFO implementation. • Collaborate with an Agrotech company. • EF, BdO, and iNNpalsa will conduct a survey to gain insights from FSPs, GoC entities, and academia into the potential uses of a financial inclusion observatory, further informing the RFO's design. • EF is also planning to prepare a visit to Serasa Experian in Brazil to gather valuable insights from their DataLab, their instant payments PIX ecosystem, open data, and the Fintech ecosystem. • Draft the ToRs for RFO implementation.
Launch first observatory	Launch of the observatory has been postponed to FY24.	<ul style="list-style-type: none"> • Collaboration with iNNpalsa and BdO. • Preparation of the work tools for data collection from stakeholders. • Publishing Power BI visualizations and data analysis, as well as municipal characterization sheets.
Develop a concept note on how EF can support LGBTQI+ communities with appropriate safeguards	The SIM team drafted the ToR for TA in the Financial Inclusion Analysis of Marginalized Groups. These ToRs were reviewed with the GESI Consultant, USAID's Generating Equity (GE) project, and FME to enhance their scope.	Call for proposals to procure TA for the Financial Inclusion Analysis of Marginalized Groups.
3.1.3: Build stakeholder awareness of key insights and spotlight ways in which financial service providers can incorporate information into the way they deliver financial services		
Select one FI partner to participate in a pilot of an on-demand data collection and analysis service	PUJ submitted results for review from the data analysis pilots conducted with CFA and Banco W.	Review the results of the pilot with CFA and Banco W for adjustments and the incorporation of new scopes.
3.1.4: Gather information on underserved population segments' economic behaviors and digital services needs through financial diaries		
Proposal end of Y1 to implement in Y2 with USAID approval	PUJ submitted results for review from the data analysis pilots conducted with CFA and Banco W.	Based on the latest product from the demand study conducted by PUJ, EF will assess the possibility of jointly conducting Financial Diaries with Banco W, CFA, and other partner FSPs.

Objective/Task (d)	Service deliverable outputs for Q4 (d, f & g)	Q1 FY24 (I)
3.1.5: Increase availability of public data, made available via industry initiatives, civil society, regulators, or donor partners, on underserved populations' financial behaviors, aspirations, and circumstances		
Conduct a Rural Market Assessment (RMA) across the 5 PDET regions	Results from the Rural Market Assessment (RMA) were presented at an event organized by Asomicrofinanzas, and on September 20th, the results of the RMA were officially presented to the financial sector at an event organized by PUJ.	On October 20th, the SIM and PUJ will present results from report at the CLA (Collaborating, Learning, and Adapting) event organized by USAID.
Identify priority PDET regions and households/enterprises for financial diaries and prepare the scope of work for USAID's approval	PUJ submitted results for review from the data analysis pilots conducted with CFA and Banco W.	Review the results of the pilot with CFA and Banco W to define methodology and scope of financial diaries.
Conduct landscape analysis of data assets on PDET populations' supply and demand for financial services, economic activities	PUJ submitted results for review from the data analysis pilots conducted with CFA and Banco W.	Reported data from at least three (3) USAID programs and public demographic databases related to EF's geography.
Research available on demand-side studies, annotate and publish on website(s)	Collaboration with PUJ for the presentation of the RMA. First within the EF team, and then to external sector key audiences. The official presentation included an invitation to key financial stakeholders both from the private and public sector, an expert panel with representatives of CFA, BdO, Asomicrofinanzas, FME, Banco W, and moderated by an important economic journalist.	EF and PUJ will present RMA findings in a CLA Friday session to other USAID IPs. The SIM team consolidated the first-year bibliography on the demand studies to be uploaded to EF's micro-site.
3.1.6: Coordinate with organizations like BdO and other GoC agencies to update their financial inclusion framework and data collection system, and measure impact of new policies		
Gather existing frameworks from BdO, SFC, SES, Finagro, industry associations	Along with the technical secretary of the CNCA, prepared the ToR for TA supporting: 1. SARAS. 2. Incentive for Good Payment. 3. Group Financial Instruments. The recruitment of consultants for TA 1 and 2 has been initiated. TA for 3 will support BdO's strategy for the <i>Popular Economy</i> .	Consultant selection process and subsequent contracting for the implementation of the assignments: SARAS and Incentive for Good Payment. Initiate the recruitment of a consultant for the execution of the assignment related to Group Financial Instruments.
3.1.7: Identify and engage those stakeholders that can contribute to developing an ecosystem for financial inclusion through DFS		
Conduct Digital Financial Services Ecosystem Assessment (DFSEA)	Reception of the DFSEA; accepted by USAID and translated into English. In partnership with CF conducted an ideation session with 40 entities and 55 attendees in agile groups, resulting in initiatives to guide FY24 activities.	Explore the feasibility of initiating a call for pilot project proposals involving Fintech and traditional banks to offer digital financial services within EF's intervention areas.
Identify three municipalities to pilot test the expansion connectivity and shared DFS distribution infrastructure	For further detail, refer to <i>Task 1.1.4</i> .	
3.1.8: Support research on the technical infrastructure and potential distribution networks needed to deploy DFS		
See <i>Task 3.1.7</i>		
IR 3.2: Enhanced Regulatory Framework for Financial Inclusion		
3.2.1: Provide technical support to financial regulators to monitor and assess the impact of fintech and other financial inclusion initiatives and help design/ adjust the regulatory framework for these initiatives		
See <i>Task 1.1.1</i>		

Objective/Task (d)	Service deliverable outputs for Q4 (d, f & g)	Q1 FY24 (I)
Identify the TA needs of BdO, BdC, SFC, URF on regulatory impact analysis of current and planned policies	The SIM team, along with the leader of the Office of International and Institutional Relations of the SFC, began drafting the ToR for TA on the Study of the stock financial market and its relationship with financial deepening in Colombia	Finalize ToR and recruit TA.
3.2.2: Work with financial regulators to enhance rules, systems, and processes for financial consumer protection		
Facilitate the introduction of SFC, URF to Cambridge University SupTech Lab, support partnership	No progress.	EF will continue discussions with SFC to determine required TA.
Host workshop on how to apply a market supervisory approach to FIs the SFC does not regulate		
3.2.3: Provide TA to the GOC to present regulatory reforms to increase marginalized populations' access to finance to the Colombian Congress when required		
Develop concept notes on the legal or policy changes needed to expand access to Colombian development banks second-tier financing and guarantees by NBFIs	<p><u>Bancóldex</u>: jointly prepared the ToR for the execution of the Comprehensive Strengthening Program for MFIs. EF published the bidding for hiring of the consulting firm.</p> <p><u>FINAGRO</u>: jointly prepared the ToRs for the consulting services in Global Products & Strengthening of Cooperatives Along with the technical secretary of the CNCA, prepared the ToR for TA supporting:</p> <ul style="list-style-type: none"> • Environmental and SARAS. • Incentive for Good Payment. • Group Financial Instruments. <p>The recruitment of consultants for TA 1 and 2 has been initiated. TA for 3 will support BdO's strategy for the Popular Economy.</p>	<p><u>Bancóldex</u>: call for applications will close on October 2. The committee will initiate the selection process for hiring TA.</p> <p><u>FINAGRO</u>: launch the call for applications. Afterward, the committee will carry out the selection and hiring process for the execution of the TA for Global Products & Strengthening of Cooperatives.</p> <p>Along with the CNCA, will conduct the selection process and subsequent hiring of TA for the SARAS and the Incentive for Good Payment.</p> <p>Will commence the recruitment for TA in Group Financial Instruments.</p>
Develop partnerships to support adoption of more inclusive "open banking" policies	Confirmed BdO and Central Bank's attendance to Brazil to learn about open banking.	EF is preparing a visit to Serasa Experian in Brazil to gather valuable insights from their DataLab, their instant payments PIX ecosystem, open data, and the Fintech ecosystem.
Special Objective (SO): Increased Mobilization of Long-Term Financial Capital in USAID's Priority Sectors		
SO 1: Develop alternative finance instruments that support mobilization of long-term financial capital toward USAID's priority sectors		
Work plan detailing CB's proposed approach to the SO 1 scope of work and a timeline with milestones for its execution	Concluded in February.	
In-depth market evaluation and preliminary finance instrument outline	On May 30, CrossBoundary (CB) delivered the CB EF - Market Assessment, which included a general presentation of the sectors to be intervened (33 projects identified). Six financial instruments were prioritized according to previously validated criteria, and two of them were selected to advance to the next stage for detailed structuring: Equity fund for solar projects (SolCor) and Sustainable cattle ranching (Alquería).	
Development of finance instruments' investment thesis and illustrative pipeline	CB delivered the investment theses for: <ol style="list-style-type: none"> 1. SolCor: Equity fund for solar projects (July 23). 2. Alquería: Sustainable cattle ranching (September 23). 	

Objective/Task (d)	Service deliverable outputs for Q4 (d, f & g)	Q1 FY24 (l)
Drafting finance instrument structure identifying the legal, governance, and administrative structure that will enable the instruments' deployment	CB delivered the Finance Instrument Structure for the SolCor model in August, in accordance with the contract deadlines.	CB will deliver the Finance Instrument Structure for the Alquería model in the month of October, in accordance with the contract timelines.
Building financial models sizing the total fundraising needs, attractiveness to investors, and long-term sustainability	CB delivered the Finance Model for the SolCor instrument in September, in accordance with the contract deadlines.	CB will also provide the Finance Model for the Alquería instrument in the month of December, as per the contract deadlines.
Studying the potential blended financing vehicle for FIs serving target populations	EF supported the presentation of a proposal to the USAID Enterprises for Development, Growth, and Empowerment (EDGE) Fund for the Complementary Fund for Catastrophic Events. The EDGE Fund selected USAID/Colombia to receive USD \$625,000 in financing to advance parametric micro-insurance for small-scale farmers in response to climate disasters.	EF supported USAID's endeavor by monitoring progress with MicroRisk and Fondo Acción in preparing their application for the parametric insurance enhancement tool, which will continue into Q1 FY24.
Identify opportunities in collaboration with DFC's Mission Transaction Unit to explore how EF partner FIs can access DFC guarantees and other potential deals	No progress.	In Q1 and Y2, meetings will be held with the DFC regarding the Solcor instrument, in accordance with USAID's instructions.
Identify opportunities for climate finance instruments and investments	<p>In Q4, the consultant delivered the three products specified in the contract:</p> <ol style="list-style-type: none"> 1. Climate Finance Map 2. Climate Finance Project Aggregator 3. Case Studies - Climate Project Portfolio <p>The first two were shared with USAID for publication; the third is undergoing edits.</p>	In October, EF will share with USAID Product 3: Climate Project Portfolio Case Studies.
SO 2: Provide TA to strengthen National Agricultural Credit Commission (CNCA) policies and operational procedures to meet market conditions		
Establish LOI with Finagro identifying TA needs to expand in PDET regions	LoI signed with FINAGRO.	Launch the call for proposals. Afterward, the committee will carry out the selection and hiring process for the execution of the TA for Global Products & Strengthening of Cooperatives.
Develop a summary report for USAID detailing desirable legal and regulatory for CNCA	Jointly prepared the ToRs for the consulting services in Global Products & Strengthening of Cooperatives. Along with the technical secretary of the CNCA, prepared the ToR for TA supporting:	Along with the CNCA, will conduct the selection process and subsequent hiring of TA for the SARAS and the Incentive for Good Payment.
Provide TA specified in LoI	<ul style="list-style-type: none"> • Environmental and SARAS. • Incentive for Good Payment. • Group Financial Instruments. <p>The recruitment of consultants for TA 1 and 2 has been initiated. TA for 3 will support BdO's strategy for the Popular Economy.</p>	Will commence the recruitment for TA in Group Financial Instruments. EF will commence the procurement for the execution of the assignment related to Group Financial Instruments.
SO 3: Work with Colombian development banks to mobilize GoC funding through risk-sharing mechanisms		
Establish a LoI with Bancóldex identifying TA to expand in PDET regions	LoI signed with Bancóldex.	Call for applications will close on October 2. The committee will initiate the selection process for hiring TA and negotiating contract to begin work.
Provide TA specified in LoI	Jointly prepared the ToR for the execution of the Comprehensive Strengthening Program for MFIs. EF published the bidding for hiring of the consulting firm.	

Objective/Task (d)	Service deliverable outputs for Q4 (d, f & g)	Q1 FY24 (l)
Management		
Foundational and Start-Up Tasks		
Rapid Mobilization Plan	Submitted on October 19, 2022 – Approved by Contracting Officer (COR) on October 26, 2022.	
Activity Fund Manual (AFMa)	Submitted on December 2, 2022 – Approved by COR on February 23, 2023.	
Annual Work Plan (AWP)	First draft submitted on December 15, 2022 – Approved by COR on February 8, 2023.	
Activity Monitoring, Evaluation, and Learning Plan (AMELP)	First draft submitted December 15, 2022 – Approved by COR on March 24, 2023.	The annually revised and updated AMELP, approved by USAID, as needed to make necessary adjustments to MEL indicators and approaches. The AMELP covers the period from October 2022 to October 2027 and is a flexible living document subject to modifications.
Communications and Outreach Plan	First draft submitted on December 15, 2022 – Approved by COR February 13, 2023.	
Data Management Plan (DMP)	Submitted on January 16, 2023 – Approved by COR on February 6, 2023.	
Emergency Contact Plan	Emergency Contact Plan was submitted on January 17, 2023 - COR technical concurrence was received February 15, 2023. EF hired the Security Manager who will be managing all the Activity's security requirements	
Strategy, Planning, Reporting		
Work-planning consultations	Not applicable.	Not applicable.
Revise draft GESI Strategy	In Q4, EF concentrated on integrating GESI initiatives into partner grants, ensuring marginalized groups are included in all ongoing formalized or RFA projects. EF contributed a financial inclusion chapter to the Rural Women Statistical Note, published by the Ministry of Agriculture and Rural Development and DANE. In terms of external engagement, EF collaborated to identify key messages for International Day of Rural Women based on interviews and RMA findings. EF's regional team identified territorial actors for GESI initiatives in applications from FIs including Davivienda, Crezcamos, Bancamía, Mibanco, CFA, and BMM, aligning with USAID's RIS Strategy and other programs. To enhance knowledge management and context understanding, focus groups in Caucasia (Bajo Cauca) gathered insights and recommendations for the financial inclusion of LGBTIAQ+ individuals and women miners with ethnic backgrounds.	EF's GESI "traffic light" will provide the technical team with standardized criteria to assess FSPs initiatives. Under this approach, starting Q1 FY24 EF will create tailored monitoring plans for each partner, aligning with the Activity's Monitoring, Learning and Evaluation (MEL).
Prepare Y2 AWP	During the last Q Y1, EF worked on the AWP for Y2. This process included two planning sessions in July, the team consolidated the	N/A.

Objective/Task (d)	Service deliverable outputs for Q4 (d, f & g)	Q1 FY24 (I)
	information to send the draft Annual Workplan for Y2. Final COR approval received on Sep 22.	
Prepare quarterly performance report, including Environment Management Approach	Q1: presented January 30, 2023, and approved February 27, 2023. Q2: presented April 28, 2023, and approved May 22, 2023. Q3: presented July 30, 2023, and approved August 16, 2023.	N/A.
Prepare Annual Performance Report		This report prepared and presented to COR Oct. 30, 2023
Establishment of IDIQ taskforce	Not applicable.	
Communications and Coordination		
Conduct initial stakeholder meetings	The corresponding meetings will continue and will be documented to ensure the proper implementation of the Activity.	
Establish bi-weekly meeting with COR		
Establish regular meetings with USAID, subcontractors, and partners		
Consolidate an e-mail list for the newsletter	Newsletters were sent in July and September to the updated Distribution List (DL). 5 newsletters sent during FY23.	The next newsletter will be the first of Y2, to be sent in November. DL will be regularly updated.
Prepare and send bimonthly newsletter		
Present communications fact sheets	Update fact sheet if required.	
EF Launch Event with USAID and SFC	Completed in February 28 (Q2).	
Events/Activities	<ul style="list-style-type: none"> The purchase order was completed with the web developer and, the beginning of technical implementation, tests, and adjustments to the architecture of the microsite were made during the last Q Y1. EF participated in the 13th Asomicrofinanzas Congress, held on August 3-4, where the team presented the first findings of the RMA performed by PUJ. <u>DFSEA dissemination</u>: The technical team conducted the ideation session with Colombia Fintech on August 22. From this event, results to complement the video, press release, and infographics to produce content to be disseminated were received. <u>RMA dissemination</u>: coordinated with PUJ the presentation of the RMA. The official presentation (Sept. 20) included an invitation to key financial stakeholders both from the private and public sector, an expert panel with representatives of CFA, BdO, Asomicrofinanzas, Fondo Mujer Emprende, Banco W, EF's SIM delivered a lecture at the XIX Risk Congress for the Cooperative Sector organized by Asoriesgo in Barranquilla (Sept. 21), titled <i>Perspectives on Monetary Policy and Economic Growth in Latin America</i>. EF also participated in the LATAM Fintech Market held in Aug 28-29 where DCOP participated in a panel on <i>Technology for Social Well-being: Fintech for Financial Inclusion</i>. 	<ul style="list-style-type: none"> Perform final assessments to upload the content of FY23 to web repository and launch. Keep it monthly updated. Develop visuals for office branding, implementation maps, data visualization with MEL, and posters to support branding & marking of the regional coordinators. <p><u>Comms joint work with Obj 1:</u></p> <ul style="list-style-type: none"> <u>DFSEA dissemination</u>: press release, video and infographics for social media, EF newsletter, and other key meetings and channels. <u>Financial Education Training</u>: comms will support the technical team in the pause and reflect exercise of the joint work with SAA with a video summary of the training and participants' testimonies. <u>Bancóldex</u>: work with the technical team on a virtual financial education plan for a pilot in 10 municipalities. <p><u>Comms joint work with Obj 2:</u> Comms team will participate in the kick-off meetings with new partners to coordinate workplans and comms strategy/campaigns for each of the milestones of the agreements.</p> <p><u>Comms joint work with Obj 3:</u> Comms sent the information requested by Panagora regarding content and image for the e-vite to the CLA presentation, as well as the complete studies and the executive summaries thereof for knowledge management purposes. Technical team will send the presentation with Menti questions on Oct 12 and test for the presentation will be made on Oct 18-19.</p>

Objective/Task (d)	Service deliverable outputs for Q4 (d, f & g)	Q1 FY24 (l)
		<p><u>Comms joint work with GESI</u>: the team is working on visual products to launch within the international day of rural women.</p> <p><u>Comms joint work with RIS</u>: the team is drafting a video to support USAID's RIS strategy because of the session with FINAGRO in Florencia.</p>
Monitoring, Evaluation, and Learning (MEL)		
Develop AMEL Plan	Update the AMELP to adjust goals according to the implementation dynamics, clarify definitions, and more.	AMELP's technical review and validation meetings. Submission for USAID approval.
Pause-and-reflect sessions	Review sessions on key topics such as adaptive management, performance review, monitoring data, lessons learned, challenges, for the formulation of the Annual Workplan for FY24.	Q&A session with SAA on financial education workshop.
Start-up quality control reviews	MEL conducted a QPR to validate projections and assess progress against EF objectives.	AMELP's technical review and validation meetings. Submission for USAID approval.
Quality performance reviews (QPRs)	Conducted a QPR to validate goal projections and assess progress against EF objectives.	
MEL indicators reporting	MEL collected, analyzed, and validated data and information for the annual report, context indicators, and performance indicators that demonstrate progress at the end of FY23. The progress of performance indicators was recorded and approved in the USAID Monitor system in compliance with established procedures.	Process will continue during Activity implementation.
Grants and Procurement		
Finalize subcontractor agreements	<ol style="list-style-type: none"> 1. Signature of 5 FAAs and disbursement of first grants. 2. Training in Grants Manager +. 3. Monitoring of PUJ + CB subcontracts (Sbks) and CF purchase order. 4. Issuing of pre-awards surveys. 	<p>Complete the process to obtain the signature of the all the FAAs related to RFA-2023-01. This includes budget reviews, neg memos, grant approval requests, and preparing FAAs for signature. Preaward surveys of Banco W and Fundación de la Mujer. Complete the whole process for the signature of in-kind grant with BAC.</p> <p>Monitor FAAs, BAC's in-kind grant and Sbks issued.</p>
Field Operations Manual (FOM) adapted for EF	FOM was updated successfully.	These updates to FOM will continue to happen when needed to provide flexibility to the project operations.
Establish Activity Fund	AF Manual approved in Q2, and Eol launched. RFA issued in Q3. First disbursements.	
Human Resources		
Prepare and submit country compensation plan (CCP)	CCP for FY23 was submitted on October 11, 2022, and approved on December 19, 2022.	EF is expecting to receive guidance from USAID mission on applicable grade maximums for FY24.
Prepare and submit STTA pay scale	Submitted on January 13, 2023, and approved on February 13, 2023.	EF will use the approved STTA scale for Y2.
Recruit, submit key personnel for USAID approval, hire, onboard	All key personnel were hired by December 15, 2022.	
Recruit, vet, hire, onboard Bogota-based staff	All staff is on board except for two positions in the proposal (Gender and Vulnerable Populations Financial Inclusion Specialist and Investment Specialist). Tasks under these areas have been addressed through STTAs.	EF is deciding if the implementation required in Y2 demands the need of these two positions specifically or if EF proposes a change in the scope of both LTTA positions in order to respond to implementation needs. This should be decided in Q1 and Q2 of FY24.
Recruit, hire, onboard Regional Coordinators	All 5 Regional Coordinators were hired by May 29, 2023.	

Objective/Task (d)	Service deliverable outputs for Q4 (d, f & g)	Q1 FY24 (l)
Finance and Administration		
Open bank account	EF has processed a total of eight payrolls with no issues.	Q1 of FY24 will include the labor law required payments of <i>Cesantias</i> , Interest of <i>Cesantias</i> , and Bonus.
Establish payroll		EF will continue providing the required Financial Reporting for USAID (Accrual and Expenditure Reports).
Secure office space	Office remodeling happened during Q4 of FY23. Bogotá office will continue operating from Terpel building normally.	Exchange Rate Gain or Loss reporting included in Quarterly Reports and Annual Performance report.

OBJECTIVE I: INCREASED FINANCIAL CAPACITY IN TARGET COMMUNITIES

EF's OI will improve the financial capacity of individuals and micro, small, and medium-sized enterprises (MSMEs) in the priority economic corridors. In FY23, EF focused on convening stakeholders; identified technical assistance (TA) needs; established Letters of Intent (LoI) with entities and ministries from the government of Colombia (GoC) advancing or in the process of developing financial education efforts; and identified the best partners and proposals presented by Financial Services Providers (FSPs) to improve and expand financial education and capacity for the population in the Activity's targeted corridors.

FINANCIAL EDUCATION

Mapping

In Q2 FY23 EF conducted a mapping identifying the entities and available programs and initiatives for economic and financial education in the country. This desk study utilized inputs from the Central Bank's own mapping efforts; sources from institutions and associations, including Fasesolda, Asobancaria, and Banca de las Oportunidades (BdO), among other entities implementing these activities. Some of the main conclusions from this mapping included:

- In Colombia, there are 99+ programs and 877 initiatives for economic and financial education. These efforts primarily target adults.
- Annually, 26% allocate USD\$250 to USD\$3,750; 19% lack resources; 13% have over USD\$100,250 budgets.
- Marginalized groups receiving financial education include rural populations, disabled individuals, impoverished families, victims of conflict, migrants, minorities, women, and single mothers.
- Common features: hybrid (virtual and in-person) format, similar content, resource shortages (especially in rural areas), high dropout rates in online courses.
- Unique aspects: attention/practice type, training duration, coverage, trainer certification (oversight required from Superintendencia Financiera de Colombia).

This mapping served as the foundation for EF to build alliances and progress towards the goal of providing technical assistance to promote and enhance the content, methodologies, and tools of partners in financial education.

During FY23 EF continued research to inform and refine its financial education strategy. In Q4 the GESI Consultant conducted two focus groups with the support of USAID's Generating Equity (GE) and Golden Land Activities. These focus groups aimed to identify barriers to access and opportunities for financial education and financial services for marginalized groups, including the lesbian, gay, bisexual, transgender, intersex, queer/questioning, asexual (LGBTIQ+) population and women involved in mining with ethnic backgrounds in Bajo Cauca Antioqueño. The main findings included a strong aversion to credit, a keen interest in financial education, access to digital products, and savings practices. These findings are consistent with those of the Rural Market Assessment (RMA) the Pontificia Universidad Javeriana (PUJ) conducted earlier in the year.

To enrich the ideation and co-creation sessions with entities like Bancóldex and Fasescolda, the regional team mapped local chambers of commerce, National Learning Service (SENA), schools, and educational institutions in the municipalities, as well as associations interested in financial education in each of the regions. This is to ensure connectivity and the necessary tools for the implementation of digital programs.

Private Sector Engagement⁸

In March 2023, EF initiated a call for Expressions of Interest (EoI) to identify initiatives enhancing the supply of financial products and services, as well as financial education and business development services in the five prioritized economic corridors. This initiative was a part of EF's strategy to build alliances and achieve the goal of educating 100,000 individuals in these specific areas. For additional information, please refer to the O2 and the Activity Fund (AF).

EF received EoIs from 30 entities in response to the request: 26 of these included activities aimed at strengthening financial education offerings. By the end of FY23, EF obtained approval from USAID to formalize working partnerships through Fixed-Amount Agreements (FAA) with six entities to develop projects that collectively aim to reach 62% of the goal for individuals impacted by financial education within an 18-month period: Davivienda – Grupo Bolívar: Rural Financial Ecosystem; Banco Mundo Mujer: generating progress in the community through financial inclusion and process modernization; Cooperativa Financiera de Antioquia (CFA): *Growing with Equity*; Crezcamos: *Progress for all*; Bancamía: *Ruta Findeq* with a focus on digital financial education and a GESI focus with indigenous populations; and, Mibanco: *MiComunidad* relational ecosystem.

As part of this call for EoIs and subsequent Request for Application (RFA), EF received final proposals from Fundación Bancolombia, Fundación Amanecer – Cootregua, Contactar, Fasescolda and Fundación de la Mujer, and in the next quarter will continue the process of evaluation and formalization of grants. It is expected that these partnerships will help achieve EF's goal of impacting 100,000 people with financial education. Further detail on FSPs in this process, please refer to Table 1.

Through the signed and pending agreements, EF will contribute to the development of various initiatives. In some cases, they include the review and enhancement of the financial education programs the entities currently offer and, in others, the provision of the human resources and training of trainers necessary to deliver training in EF's economic corridors. Notable among these initiatives is the design of a financial education program tailored to the cosmogony of indigenous communities, championed by the Cootregua cooperative in municipalities within the Meta, Guaviare and Guainía corridors. Additionally, Fasescolda is set to launch an initiative impacting school populations in at least 25 municipalities across EF's corridors. Some of these partnerships also include initiatives for the development and strengthening of a business development model, as is the case with both CFA and Contactar.

Public Sector Engagement

In FY23, EF worked alongside Banco Agrario de Colombia (BAC) to ideate and plan a specific in-kind grant for that entity, which is set to be developed in Q1 fiscal year 2024 (FY24). This project will strengthen the institution's capabilities as well as improve tools and channels for delivering financial education to the population. (For more details, please refer to O2).

⁸ (t) List and short summary of meetings and engagement with public sector entities.

Under the Lol signed with Bancóldex, EF has defined plans to carry out a pilot project to support the implementation of the *CONECTA* platform. This program aims to transfer knowledge to enhance the management, performance, and competitiveness of MSMEs. It also serves as a space for creating valuable connections between entrepreneurs and financial institutions to explore new growth opportunities.

EF anticipates this pilot project will reach 300 entrepreneurs across 10 municipalities from targeted economic corridors: Cauca, Cáceres, Popayán, Santander de Quilichao, Ocaña, Teorama, Granada, Acacias, Mocoa, and Villa Garzón. To achieve this, the technical and regional teams have reviewed and selected 5 content modules that will be delivered through the platform.

Financial Literacy Workshops with the Sustainable Agriculture Activity

In Q4 FY23, within the framework of USAID's Regional Integration Strategy (RIS), EF participated in the training workshop for agricultural extension workers and regional leaders of the Sustainable Agriculture Activity (SAA). EF experts designed and conducted four workshops on the ABCs of financial education, impacting 177 individuals from 31 municipalities in three EF corridors: Bajo Cauca, Sur de Córdoba, Noreste Antioqueño, Catatumbo, and Caquetá-Putumayo.

Behavioral Science

The ideation session Colombia Fintech (CF) organized for EF in August 2023 brought together 55 leaders from 40 companies in the Fintech industry, traditional banks, and GoC entities. For this event, EF secured the participation of the Vice-President of Social Impact from Mastercard's Center for Inclusive Growth, and a behavioral researcher from Common Cents Lab, who shared the results of a study focused on behavioral science for financial well-being. In Q1 FY24 EF and Mastercard will continue to work together to identify potential intervention opportunities to provide digital financial services that align with the needs and behaviors of rural residents.

BUSINESS DEVELOPMENT MODELS

EF's OI intends to adopt or expand a sustainable business development model in rural areas. In FY23, discussions were held with experienced entities including Fundación IC, Emprender, and Microempresas de Colombia. These discussions highlighted a focus on governance, finance, accounting, commercial management, and financial education. Insight gleaned from these conversations informs activities for FY24, supporting and refining partner initiatives in upcoming alliances, including CFA's Collaborative Network Model; Contactar's *MujerES Desarrollo*; and Bancamía's Correspondents for Women).

OBJECTIVE 2: INCREASED PROVISION OF FINANCIAL SERVICES IN TARGET COMMUNITIES

O2 seeks to increase the supply of fit-for-purpose financial services in target communities by facilitating TA, contributing to the USD \$550 million target for finance mobilized to the target geography and population, 80% of which is productive loans, and incorporating 200,000 new clients, at least 50% of whom are women and 20% are youth. In FY23, with the concepts received for grants, EF anticipates FSPs operating across multiple economic corridors, aiming to expand or customize the distribution of suitable products and services on a large scale. Progress was also made in collaboration with the digital finance community and FIs on digital solutions. The Digital Financial Services Ecosystem Assessment (DFSEA) advanced and is near completion, while the completion of the RMA (refer to O3) has provided valuable insights into the regional supply and demand dynamics.

INCREASED PROVISION OF FINANCIAL SERVICES

Private Sector Engagement⁹

EF recognizes that the private sector plays a pivotal role in ensuring sustainability and scalability within FSPs, and in FY23, the Activity's Private Sector Engagement (PSE) strategy¹⁰ was a central component of its inclusive market systems approach. At the end of February FY23, along with the Superintendencia Financiera de Colombia (SFC), EF officially launched the Activity (for further detail, please refer to Communications and Outreach Plan). During this event, as well as outreach through financial sector industry associations, EF announced its plan to publish a call for Eols to develop projects aimed at improving the provision of financial services in the EF economic.

On March 13, EF officially launched the request for Eols, primarily targeting banks, microfinance institutions, and cooperatives. As a result, EF received 30 proposals, out of which 14 were invited to proceed in co-creation sessions and subsequently submit their applications in response to the RFA issued in June 2023 with a closing date of August 31. In Q3 FY23, EF team engaged these entities in more than 140 working meetings to provide guidance and shape the initiatives, ultimately translating them into work plans, budgets, milestones, and goals. Two entities decided not to continue in the process due to organizational priorities, and 12 entities submitted their full applications (please refer to Table 1).

As Table 1 illustrates, in FY23 EF USAID provided approval to proceed with six projects, of which five signed the Fixed-Amount Agreement (FAA): Banco Mundo Mujer (BMM), Crezcamos, Davivienda, CFA and Mibanco¹¹. During October of Q1 FY24, EF will formalize a FAA with Bancamía, and will continue discussion over the next quarter with Fundación Bancolombia, Contactar, Fasecolda, Fundación Amanecer-Cootregua, Banco W, and Fundación de la Mujer to request approval and sign FAAs with these entities. These projects with FSPs include activities providing:

- Financial education: development of new models or adjustments to current ones, including the innovative financial education model tailored to the indigenous worldview. For further detail refer to OI.
- Expansion of geographic coverage: opening new offices, banking correspondents, mobile offices, or hiring new commercial advisors.
- Innovation and customer service: projects related to digitization, process improvement, and customer service will be supported, along with the development of new digital wallets and credit products.

In line with the Activity's PSE Strategy, a key priority for Q1 FY24 includes the execution of grants with selected FSPs and implementing their action plans throughout the year to strengthen the demand, supply, and overall environment for financial services in the targeted geographies.

⁹ EF Contract, Section 2, F.5.4. Quarterly Performance Reports: (s) Progress reporting on the Private Sector Engagement strategy.

¹⁰ Refer to Annual Workplan for year 1 and 2 of implementation.

¹¹ Signed October 2, 2023.

Public Sector Engagement

During Q3 FY23, EF's technical team held weekly coordination and planning meetings with BAC. The lines of work agreed upon with BAC encompass financial education, including the review and adjustment of content with a GESI focus for different population segments, such as youth and rural women, as discussed in OI. Along with offering support to MSMEs, EF will support the methodological reinforcement for the microfinance sales force, training for *Popular Economy* advisors, and a review and digitalization of processes for village banking, serving clients at the base of the pyramid. This partnership will also focus on improving the customer experience service at branch offices and response times for clients. During Q1 FY24, EF will formalize this partnership with an in-kind FAA and will continue discussions on BAC's nano-credit offering.

Long-term, bundled Technical Assistance and Grants for Financial Services Providers

In the Annual Workplan (AWP) for year 1 (Y1), EF anticipated selecting at least four financial institutions (FIs) for the first cohort of EF partners to receive long-term, bundled TA and, if needed, grants. With the signature of these agreements and additional applications under evaluation, EF surpassed its plans for FY23. All of these initiatives, formalized and under discussion, anticipate that EF will be able to provide financial services in the five targeted PDET corridors, covering 98% of the prioritized municipalities. Through these twelve agreement, EF anticipates to offer financial education to over 100,000 individuals, mobilize over USD\$150 million in financial services, benefit over 62,000 new clients with financial services, open 5 new offices, establish 72 new banking correspondents, set up 3 new service points, among other milestones.

The response to the initial call for Eols demonstrates strong interest from FIs looking to launch and expand projects promoting their presence and financial services within EF's economic corridors. This is particularly significant given the challenges faced by these institutions in FY23, driven by the current economic slowdown, inflationary pressures, and heightened insecurity. As a result, their operating margins and profitability have declined due to increased funding costs and a deterioration in loan portfolio quality.

In Q1 FY24, EF will oversee project implementation, providing support for obtaining necessary TA. The regional team will help entities enter new territories, collaborate with regional chambers of commerce, and foster partnerships with regional associations for offering financial services.

INCREASED PROVISION OF DIGITAL FINANCIAL SERVICES

In FY23, EF conducted a Digital Financial Services Ecosystem Assessment (DFSEA) to understand the current offering of digital financial services in Colombia, as well as to identify intervention opportunities and gaps to overcome to improve their provision in rural areas. The DFSEA mapped the offering of digital financial products and services available, along with the entities providing these services, through an analysis of secondary sources of information, and conducted interviews with a representative sample of ecosystem stakeholders to identify service delivery barriers and EF intervention opportunities.

Within the framework of the DFSEA, EF engaged with major payment platforms such as Redeban, Transfiya, Mastercard, and digital credit platforms for agriculture, like Agrapp.

Colombia Fintech

As part of these efforts to inform the Activity on the supply of digital financial products and services in rural areas, as well as identifying opportunities or barriers for designing, developing, and implementing such offerings and interventions in prioritized economic corridors, EF established a relationship with Colombia Fintech (CF) to leverage its position as the representative of the country's Fintech industry.

In Q3 FY23, during the association's assembly, USAID's Contracting Officer (COR) and EF's Chief of Party (COP) presented the Activity's objectives and scope to more than 250 association members, emphasizing the importance of digital financial products, services, and ecosystem actors for implementation. On June 15, EF formalized an agreement with CF to enhance innovative strategies in the industry, improve digital financial services in prioritized economic corridors, and establish alliances with CF members for potential collaborations.

In Q3 FY23, CF gathered 15 representatives from the payments, digital credit, crowdfunding, insurtech, regtech, open banking, and digital wallets verticals to validate the preliminary results of the DFSEA. This ideation session helped develop proposals based on the challenges and opportunities presented by the DFSEA. As a result of these discussions, 12 key issues were identified and grouped into 4 major challenges. These 4 major challenges were addressed on August 22, where CF organized an ideation session with two main objectives: create spaces for connection between leaders in the Fintech industry, traditional financial institutions, and certain GoC entities. The second objective was to collectively address the four challenges drawn from a previous session, with the aim of generating proposals that EF can develop starting in FY24. This exercise had the participation of 55 leaders from 40 entities who worked through the ideation sessions utilizing agile methodologies, combining different lines of thought, knowledge, and experience to generate ideas and proposals to consider for EF's future interventions, as seen in Table 3.

Table 3 – Digital Financial Services Ecosystem's Challenges and Solutions for Rural Financial Inclusion in Colombia

Challenge	Solution
Adoption of digital products in rural municipalities	Address the barriers to financial digital inclusion in rural areas of Colombia so that, through expanding connectivity, financial education, and the development of accessible financial products, rural communities can improve their access to digital financial services.
Promote the development of digital ecosystems in rural municipalities	Create a digital linkage platform that connects various stakeholders, including fintechs, cooperatives, or farmer associations, value chain anchor companies, consumers, and agricultural goods producers.
Expanding corresponding services	Create an interoperable self-service kiosk or ATM system that provides access to services not currently addressed by the existing model.
Expand the range of digital credit services and reach a greater number of people in rural areas in a scalable and effective manner	Create a digital platform for small and medium-sized producers that integrates various actors within the financial ecosystem and enables the development of a well-coordinated system.

As part of this partnership's outreach strategy, EF's Deputy Chief of Party (DCOP) participated in the LATAM Fintech Market event in a panel on *Technology for Social Welfare - Fintech for Financial Inclusion* to showcase some of the results from the DFSEA. For more detail, please refer to the Communications and Outreach Plan.

For Q1 FY24, in collaboration with CF, EF plans to undertake other outreach activities for the dissemination of the study's results and ideation sessions through various channels, including social media, CF's official website, press releases, and USAID.

Long-term, bundled TA and Grants for Digital Financial Services

For FY24, EF has planned to launch a call for entities from the Fintech industry, traditional FIs, and other stakeholders to develop pilot projects in the intervention municipalities, aiming to find the most effective way to deliver scalable and sustainable digital financial services to rural areas in the country. EF will explore with SAA the potential of launching a joint call for the promotion of digital financing services for the agricultural sector.

It is important to mention that already, of the 5 grants signed in Q4 FY23, and those expected to be formalized in Q1 FY24, several projects strengthening the digital financial services offering have been incorporated under EF's umbrella. These include:

- Contactar: adoption and use of digital wallets.
- Davivienda: technological developments for integrating agricultural credit (agricultural and coffee credit cards) under FINAGRO conditions, with parametric insurance and hiring managers for financial education and banking inclusion for individuals and businesses through Daviplata (savings accounts, nano-traditional loans, QR code disbursement).
- BMM: improvements for managing sustainable agricultural credit requests through the digitization of the credit process and self-service of financial services via the app and website.
- Banco W: adoption and use of digital wallets.
- Amanecer – Cootregua: focus on digital credit.

In Y1, EF held various introductory meetings with other significant stakeholders in the ecosystem. The aim is to foster closer collaboration and opportunities for joint work in the subsequent years of the program. This includes engagements with the cooperative sector, Visionamos payment networks, and entities that, despite not being selected in the initial co-creation phase, responded to the call for Eols request with interesting proposals. Notable examples are Cebar-Agrodatai, Pagos GDE-Powii, Veci SAS, and Movii, among others, with whom we will establish contact and determine the lines of action for collaborative work.

Additionally, the regional team conducted a mapping of producer organizations, women and youth associations, as well as cooperatives and non-governmental organizations (NGOs). These entities can function as mobile correspondents, promoters, or access points for financial services through their representatives.

In Q1 FY24, EF will continue exploring new partnerships within the fintech sector.

OBJECTIVE 3: IMPROVED ECOSYSTEM FOR THE FINANCIAL INCLUSION OF UNDERSERVED POPULATIONS

O3 aims to facilitate systemic change leading to an increase of sustainable financial services in rural areas of Colombia, particularly in PDET municipalities. This requires enhanced use of data and information for designing and implementing products, services, and channels, as well as public policies and regulations with clear guidelines on data usage. To achieve this, it is crucial to have information on the rural population, especially the marginalized groups, regarding financial inclusion.

For EF, this objective is closely linked to all others, ensuring that data governance and availability align with market demand. EF is leveraging the availability of high-quality information on the financial sector and the government's commitment to the *Popular Economy* to drive GoC stakeholders and associations to collaborate and strengthen this objective.

Table 4 - Collaboration with GoC entities in FY23 and anticipated partnerships for FY24

Entity	FY24 goals	Implementation status (FY23)	Mechanism / Anticipated start- date
GoC entities with active Lols in FY23			
FINAGRO Lol: April 21, 2023	Support financial institutions interested in rediscount by helping them meet the requirements to access FINAGRO's rediscount facility	Global Products: Structuring portfolio guarantee and global funding models in the operational, financial, legal, risk, investment control, and process flow components, as well as the development of the technical regulations for each model.	Short Term Technical Assistance (STTA) RFP anticipated for October 2023.
	Provide recommendations to strengthen the current model of the Agricultural Guarantee Fund (FAG) and promote access to financing for historically marginalized rural population segments	The development of the two global products encompasses everything from structuring the models in the components mentioned in the objective to their validation through the development of a representative pilot, either individually or by integrating both models. <ul style="list-style-type: none"> • Terms of Reference (ToR) prepared collaboratively between FINAGRO and EF. • FINAGRO issued the acceptance letter for the consultancy. • The Request for Proposals (RFP) was prepared and is under EF review. 	
	Support FINAGRO's Economic Research Management in strengthening the team's capabilities in areas related to data analysis, statistical techniques, geostatistics, and the development of climate risk models	Postponed with FINAGRO for 2024.	STTA January/February 2024
		Environmental and Social Risk Analysis System (SARAS): supporting the implementation of FINAGRO's SARAS to ensure its implementation in all operations related to the National Agricultural Credit System (SNCA). <ul style="list-style-type: none"> • ToRs developed in collaboration with the CNCA Technical Secretariat, and recruitment underway. 	STTA November 2023
	Support the Technical Secretariat of the National Commission for Agricultural Credit (CNCA) in reviewing its regulations regarding environmental and social risk management in development credit, and implementing topics approved by the National Development Plan (PND) related to agricultural financing and risks.	Incentive for Timely Payment: structure the Incentive for Good Payment created in Article 88 of the National Development Plan (PND) within the National Agricultural Credit System (SNCA). <ul style="list-style-type: none"> • ToRs developed in collaboration with the CNCA Technical Secretariat. Recruitment underway. 	STTA November 2023
	Associative Financial Instruments: adjust the current regulations for associative financing within the National Agricultural Credit System (SNCA) based on recommendations from financial institutions, associative and integrative schemes, and public institutions or international cooperation agencies that have been working with these groups. <ul style="list-style-type: none"> • ToRs were jointly developed with the CNCA Technical Secretariat and shared with BdO, who is recruiting a consultancy on similar topics, to ensure synergy between the two efforts. 	STTA December 2023	

Entity	FY24 goals	Implementation status (FY23)	Mechanism / Anticipated start- date
	Support the development of a strategy to diversify FINAGRO's sources of financing and the products and services offered	<p>Strengthening Cooperatives: comprehensive support for at least 5 financial institutions selected by FINAGRO, through an Agricultural Credit Methodology intervention and strengthen financial, governance, administrative, and operational capabilities.</p> <ul style="list-style-type: none"> ToRs developed in collaboration between FINAGRO and EF. FINAGRO issued the consultancy acceptance letter. RFP has been drafted and is under EF review. 	STTA RFP anticipated for October 2023.
<p>BdO Lol: March 2, 2023</p>	Design and implement associative credit schemes.	<ul style="list-style-type: none"> Provided support to BdO in co-creation sessions on <i>Popular Economy</i> and associative credit. Exchanged findings from studies led by each organization to collaborate initially on topics related to associative credit and incentive for timely payment. Supported BdO's evaluation committee for consultancy in self-exclusion and informal and non-financial financing in the <i>Popular Economy</i>. Impact Assessment Specialist and Project Leader from BdO will join visit in São Paulo to explore experiences in instant payments, open data, and Fintech ecosystems. Joint review of ToRs for associativity and incentive for good payment to achieve complementary studies. 	N/A
<p>Bancóldex Lol: March 21, 2023</p>	Structure financing programs supporting sustainability concerns.	<p>Comprehensive Strengthening Program for Microfinance Institutions (MFIs): enhance the financial, governance, administrative, and operational capabilities of up to 10 MFIs, including savings and credit cooperatives, financial NGOs, private MFIs, and/or Fintechs. Selection of these institutions will be based on an agreement between Bancóldex and EF, and they will have previously received credit limits from Bancóldex as part of the program.</p> <ul style="list-style-type: none"> Bidding process underway and open until the beginning of Q1 FY24. 	STTA December 2023
	Design and implement programs to enhance microcredit accessibility for microenterprises in PDET municipalities and USAID intervention corridors.	<p>CONECTA: Launch a pilot program for 300 individuals in 10 corridor municipalities to enhance the digital platform aimed at providing financial education to micro-entrepreneurs, improving their management, performance, and competitiveness through knowledge transfer.</p> <ul style="list-style-type: none"> The technical and regional team reviewed and selected 5 content modules for the platform. Regional support to chambers of commerce, SENA, municipal schools, and associations interested in training, and confirmation of the necessary connectivity and tools to implement the fully digital program. EF and Bancóldex have conducted sessions with the communications departments to define the media plan. 	STTA December 2023

Entity	FY24 goals	Implementation status (FY23)	Mechanism / Anticipated start- date
Fondo Mujer Emprende (FME) Lol: March 27, 2023	Implement inclusive financial initiatives with an intersectional focus, considering the interaction of different characteristics such as gender, age, ethnicity, social class, disability, sexual orientation, among others.	<ul style="list-style-type: none"> Exchange of information and definition of the financial education strategy. FME provided feedback on the ToRs for the studies that EF will conduct on the financial inclusion of marginalized populations. EF will review FME's comments to progress to the bidding process anticipated for November 2023. 	N/A
Collaboration with GoC entities without Lols in FY23			
Banco Agrario de Colombia (BAC)	Adapt pedagogical topics and graphic design of financial education content. Resources for the development of modules and TA for customer experience and technical content in the <i>School of Experience</i> strategy. <i>Popular Economy</i> and Micro Agro: TA to enhance training content, train trainers, and specialized commercial personnel in microfinance and <i>Popular Economy</i> .	<ul style="list-style-type: none"> Financial education: TA for the review and adjustment of financial education modules for youth, women, rural women, among others. Microfinance: TA for methodological training of the commercial advisors in <i>Popular Economy</i>, methodological training in microfinance for the commercial staff. Village banking: review and adjust processes for this product, aiming to enhance its operational efficiency to promote product expansion. Customer experience: TA for the commercial staff of the bank's offices to improve response times and clarity regarding credit requirements and reducing customer visits to the bank. Microloans: TA for the development and implementation of the Microloans product to serve the base of the pyramid population, with an average loan size of COP\$500,000 (~USD\$140). <p>To carry out these activities, Q1 FY24 (October), EF will launch a RFA. Once the application is USAID-approved, EF and BAC will sign an in-kind FAA.</p>	In-kind FAA December 2023
Superintendencia Financiera de Colombia (SFC)		<p>Support and participation in SFC's strategy session: EF presented the Activity's objectives and included topics on financial inclusion during SFC's strategic planning workshop.</p> <p>Financial inclusion of marginalized populations: EF and SFC are reviewing the ToRs for a data collection methodology for marginalized populations, and EF has agreed to share the method for SFC to include in their surveys.</p> <p>Study of the financial stock market and its relationship with financial deepening in Colombia: gain insights on the current state of the Colombian stock market and define a strategy for its development, geared towards financial deepening, and coordinating the participation of all market participants. This study will act as an implementation tool for the SFC. ToRs under construction.</p>	STTA January 2024
GoC partnerships anticipated for Q1 FY24			
National Guarantee Fund (FNG)		Lol: in Q1 FY24 EF anticipates formalizing a partnership with FNG to provide support in financial inclusion in rural areas (product design), green finance (SARAS), financial education, and economic studies and regulatory impact.	

GOC ENTITIES WITH ACTIVE LOIS¹²

As seen in Table 4, in Q2 FY23 EF signed Lols to formalize collaboration and closely coordinate efforts with BdO, Bancóldex, FME, and FINAGRO to leverage their respective resources to achieve impacts that could not be achieved individually.

Banca de las Oportunidades

In FY23. On March 2, EF formalized collaboration with BdO to set the basis for collaboration and TA needs for implementing GoC's initiative on the *Popular Economy*, as well as discuss the design and implementation of the Rural Financial Observatory (RFO) and financial diaries.

Associative credit and Self-exclusion

EF supported BdO in the Innovation and Credit Inclusion Forum for the *Popular Economy*, where the GoC launched its strategy to facilitate access to formal financing for micro-businesses and individuals who have not previously participated in the formal financial system and to reduce the dependency on informal sources of financing. For this event, EF coordinated with MicroVest Co-founder, Board Chair & Investment Committee Chair Gil Crawford to present his experience and best practices for microfinance in multi-activity agriculture. He explained how to mitigate structural problems to reduce financial operating costs, stressed the importance of a strong commitment to long-term rural finance strategies, and support for financing cooperatives and the digitization of small producers' financial products and services.

In Q4, EF's DCOP and Senior Investment Manager (SIM) participated in a co-creation workshop organized by BdO with financial institutions to build proposals for the development of financing products for associations, group credits, and revolving funds to strengthen the *Popular Economy*, a priority for the current Colombian administration. During the session, EF explained how USAID will support FINAGRO and the CNCA in key regulatory reforms, particularly the regulation of agricultural associative credit.

The SIM also participated in a committee for the hiring of a consultant to study self-exclusion and informal, non-financial financing in the *Popular Economy*. In Q1 FY24, EF will continue sharing the findings of studies led by each entity to unite efforts and collaborate on topics related to associative credit and encouraging timely payments.

Rural Financial Observatory

EF will collaborate with BdO in enhancing information on rural women and reducing gender biases within the financial sector by collaborating with EF and partner entities in the implementation of the RFO, coordinating the financial diaries project for the *Popular Economy* within prioritized economic corridors, as well as conducting studies to comprehend informal financing dynamics and financial self-exclusion. Collaboration will include the design and implementation of an associative credit scheme, and joint planning for training, outreach, and events to present results for the rural financial inclusion program.

In Q4 FY23, BdO and EF determined that iNNpulsa (GoC's Agency for Entrepreneurship and Innovation) will act as a methodological facilitator for the design of the RFO.

¹² EF Contract, Section 2, F.5.4. Quarterly Performance Reports: (t) List and short summary of meetings and engagement with public sector entities.

Further strengthening of the Popular Economy

During Y1 of implementation, BdO and EF collaborated in various events with the Activity such as EF's launch event, where BdO's Director presented the government's framework on financial inclusion and the role of public-private partnerships that change the lives of marginalized and disenfranchised people. In collaboration with PUJ, in Q4 FY23 EF presented the RMA to stakeholders and key decision-makers from the financial sector, as later exposed under O3. This event featured BdO's Director in a panel discussion with representatives from the GoC, banks, cooperatives, and microfinance institutions to discuss the RFO as one of the strategies to overcome barriers to rural finance access.

Bancóldex

The Lol EF signed with Bancóldex in FY23 aims to support the entity in structuring sustainable financing programs for microenterprise credit institutions in rural municipalities and USAID intervention corridors. It involves collaboration on training, outreach, and results events for rural financial inclusion programs and providing technical support to the Comprehensive Strengthening Program for MFIs and the CONECTA digital platform for financial education.

Comprehensive Strengthening Program for MFIs

In FY23 EF agreed to support Bancóldex in enhancing the financial, governance, administrative, and operational capabilities of up to 10 MFIs, including savings and credit cooperatives, financial NGOs, private MFIs, and/or Fintechs. Selection of these institutions will be based on an agreement between Bancóldex and EF, and they will have previously received credit limits from Bancóldex as part of the program. The bidding process for TA is open until the beginning of Q1 FY24, with EF anticipating proposals from consultancy firms to provide technical support to microfinance institutions.

CONECTA Digital Platform

Bancóldex is preparing a pilot program in 10 municipalities to enhance the CONECTA digital platform, a financial education program that aims to boost management, performance, and competitiveness skills for 300 micro-entrepreneurs. In Q4 FY23, EF's technical and regional teams selected 5 content modules for the platform and supported chambers of commerce, SENA, local schools, and interested associations in training, ensuring they have the necessary digital infrastructure, and the Communications team collaborated with partner organizations to design a media plan. EF will continue supporting these initiatives in Q1 FY24.

Fondo Mujer Emprende

EF signed an Lol with FME on March 27, 2023, and under the supervision of the SIM both entities convened that collaboration would occur through specific requests to improve financial inclusion, particularly for rural women, and reduce gender biases within the financial sector.

In leverage of FME's gender expertise, in Q3 FY23 EF engaged with the Ministry of Agriculture and Rural Development (MADR), FME, and BdO to define the scope and roles for developing the first Statistical Note on Rural Women, as explained below.

Under this Lol, FME agreed to support the design, implementation, and operationalization of the RFO, focusing on gathering information about rural women's access to financial services, economic activities, income generation, and economic autonomy. In Q1 FY23 EF will continue working with FME in the development of appropriate financial instruments for financial inclusion. For further detail, please refer to Rural Financial Observatory.

FINAGRO

In April 2023, EF signed an Lol with FINAGRO, outlining cooperation to enhance rural financial services in areas historically affected by socioeconomic challenges. The partnership aims to deepen financial services in rural areas, particularly in PDET municipalities. Under the Lol, EF agreed to gather relevant data on financial service demand; support financial entities in refinancing to meet FINAGRO's requirements; provide recommendations for improving the FAG model to boost financing for marginalized rural populations; enhance the Economic Research Department's skills in data analysis, statistics, geostatistics, and climate risk modeling; support the CNCA in revising regulations on environmental and social risk management; and, contribute to diversifying FINAGRO's funding sources and its product offerings.

In FY23, EF and FINAGRO laid the groundwork for collaboration on the following:

Enhanced Regulatory Framework

In Q2 FY23, the SIM supported the review of CNCA Resolution No. 2, 2023 which introduced the Annual Rural Microfinance Plan for 2023 and established the Special Rural Microcredit Line for Financial Inclusion of *Popular Economy* and the Special Agricultural Guarantee Fund for *Popular Economy*.

In Q3 FY23, EF's SIM provided technical justifications and recommendations for Bill 330, aiming to rename CNCA to the National Commission for Agricultural Financing, redefine its functions, and expand the scope of the FAG. It addressed administrative costs, established a special credit line for rural women, and defined obligations for FINAGRO and the National Tax and Customs Directorate (DIAN). The SIM will continue to offer, as requested, recommendations and technical justifications for proposed article changes involving CNCA modifications and related tasks.

Global Products

EF will support financial institutions in accessing FINAGRO's rediscount facility and enhancing the FAG model to promote financing for marginalized rural populations. TA will cover operational, financial, legal, risk, investment control, and process flow components, with pilot initiatives for validation. An RFP is expected in Q1 FY24.

Economic Research Management

In FY23, EF committed to enhancing FINAGRO's Economic Research Management team's capabilities in data analysis, statistics, geostatistics, and climate risk modeling. These activities have been postponed to FY24.

Environmental and Social Risk Analysis System (SARAS) & Incentive for Good Payment

EF will assist CNCA in revising regulations for environmental and social risk management and implement the Incentive for Good Payment as per Article 88 of the PND. The implementation of both TAs is foreseen in Q1 FY24.

Group Financial Instruments

In Q4 FY23, EF developed ToRs for a TA on Group Financial Instruments, aiming to refine regulations for group financing within SNCA based on recommendations from financial institutions, associative and integrative schemes, as well as relevant public or international entities. These ToRs were jointly created with the CNCA's Technical Secretariat and shared with BdO to ensure alignment in their ongoing recruitment for a consultancy on similar topics.

Strengthening Cooperatives

This support is aimed at diversifying FINAGRO's financing sources and enhancing its product and service offering and will be provided through an Agricultural Credit Methodology intervention, with a focus on strengthening financial, governance, administrative, and operational capabilities. During this quarter, EF received an acceptance letter for the consultancy and expects to issue the RFP in Q1 FY24.

In Q4 FY23, EF initiated the preparation of an RFP to provide extensive support to at least five financial institutions selected by FINAGRO. This support will focus on diversifying FINAGRO's financing, enhancing its product and service offering, and strengthening financial, governance, administrative, and operational capabilities. RFP issuance is expected in Q1 FY24.

OTHER PUBLIC SECTOR ENGAGEMENT¹³

During this first year of implementation EF also maintained communication with BAC, the SFC, Central Bank, and other relevant entities to strengthen collaborative efforts in expanding financial inclusion for the population in PDET municipalities and USAID corridors.

Banco Agrario de Colombia

As discussed in O1 and O2, as of Q4 FY23 EF is in the process of formalizing in-kind support with BAC, to adapt pedagogical topics and graphic design of financial education content, provide resources for the development of modules and TA for customer experience and technical content in the *School of Experience* strategy, and TA to enhance training content, train trainers, and specialized commercial personnel in microfinance and *Popular Economy*. EF anticipates the signature of an in-kind FAA with the entity in Q1 FY24.

Superintendencia Financiera de Colombia

In Q2 FY24, EF and SFC organized the Activity's launch event, where the Financial Superintendent presented Colombia's financial inclusion strategy. During the same quarter, SFC informed EF of their plan to modify financial inclusion formats to include vulnerable groups, requesting EF's assistance in hiring a consultant for this. With a newly appointed Financial Superintendent, in Q3 FY24, EF met with SFC to discuss partnership aspects, and identify priorities, such as sustainable financial inclusion and enhancing capital markets. In Q4, EF supported SFC's strategy session, presenting the Activity's objectives during the strategic planning workshop. In Q1 FY24, EF will support with TA to gather insights on the following:

¹³ EF Contract, Section 2, F.5.4. Quarterly Performance Reports: (t) List and short summary of meetings and engagement with public sector entities.

Financial inclusion of marginalized populations

EF and SFC are reviewing the inclusion of a data collection methodology in the ToRs for this TA, and EF has agreed to share the methodology for SFC to include in their surveys. Bidding process is anticipated to begin in Q1 FY24.

Financial stock market and its relationship with financial deepening in Colombia

In Q4 FY23 EF began drafting ToRs to procure TA to gain insights on the current state of the Colombian stock market and define a strategy for its development, geared towards financial deepening, and coordinating the participation of all market participants. This study will act as an implementation tool for the SFC, and with approved ToRs EF anticipates the bidding process to begin in Q1 FY24.

Central Bank of Colombia

During Q3, EF met with Central Bank representatives who expressed that the Bank has prioritized interoperability of the payment system in Colombia. This will allow an opportunity for defining a joint work plan beginning in FY23 where EF will define the TA needed for data collection on financial load in rural areas, particularly in PDET municipalities. This information will be relevant for strengthening the RFO.

RURAL FINANCIAL OBSERVATORY

EF continues its commitment to establishing the RFO, serving as a pivotal center for data collection, analysis, and information regarding financial services in rural areas, with a particular emphasis on marginalized populations, women, and youth.

In the third quarter of FY23, EF engaged with essential partners such as BdO, PUJ, and the SFC. These collaborative sessions focused on scheduling technical workshops and refining models for gathering financial data related to underserved populations. The initiative also involved conducting interviews with Fintech experts to gain valuable insights into the implementation of a financial observatory specifically tailored to rural and underserved regions. Similarly, discussions with credit bureaus were held to explore potential partnerships for data exchange. EF also took the opportunity to visit the Fiscal Observatory PUJ to draw from their wealth of experience and lessons learned. Additionally, EF met with DataKind, a valued partner of MasterCard specializing in data science and AI, to explore possibilities for future collaboration.

This fresh approach has broadened the scope of observatories, transforming them from mere data repositories into well-structured information organizations encompassing analysis, visualization, data management, documentation, and a clearly defined purpose.

In line with the adjustments made to the AWP for FY24, a collaborative effort between BdO and EF has commenced, with iNNpulsas playing a pivotal role as a methodological facilitator in designing the RFO. In Q1 FY24, EF, BdO, and iNNpulsas will conduct a survey to gain insights from FSPs, GoC entities, and academia into the potential uses of a financial inclusion observatory, further informing the RFO's design. EF is also planning to prepare a visit to Serasa Experian in Brazil to gather valuable insights from their DataLab, with entities such as CF and BdO joining.

Marginalized Communities Concept Note

In Q3 FY23, expert interviews were conducted, and feedback was sought from FME and USAID's GE to inform the ToRs to produce a concept note on marginalized and traditionally underserved populations. In Q1 Y2, EF will recruit the consultancy.

Statistical Note on Rural Women

The Statistical Report for the Rural Women's Office of the MADR was submitted on August 22, 2023, and will be published in Q1 FY24 within the framework of Rural Women's Day.

RURAL MARKET ASSESSMENT

In June 2023 EF presented to USAID the RMA prepared by PUJ. The assessment gathered inputs from over 1,800 micro-entrepreneurs and small business owners in 20 PDET municipalities, considering their economic activities and business development stage. It focused on identifying the main economic activities in the corridors, clients' perceptions of financial services, and their access to and use of formal and informal financial services, and the barriers they face. Additionally, the RMA emphasized profiling women, youth, and ethnic groups, as well as identifying the key access barriers marginalized micro-entrepreneurs in PDET municipalities face.

This information will contribute to the ongoing co-creation sessions with FSPs and enable them to tailor their offerings to better meet the needs of the rural population. The RMA's dissemination strategy sought to raise awareness within the financial sector about clients' perceptions of access and use of financial services, particularly loans for micro-entrepreneurs in PDET territories.

In line with these efforts, in FY23, PUJ presented the RMA at the 13th Asomicrofinanzas' Congress and in an extended forum at the university for stakeholders and key decision-makers from the financial sector. Findings from the study revealed microentrepreneur's fear of taking a loan due to their belief of an inability to repay and the lack of a suitable offering to meet their needs are the main reasons why microentrepreneurs in rural areas of Colombia do not access formal financial services and products. The event also featured a panel discussion with representatives from the BdO, FME, CFA, Banco W, banks, cooperatives, and microfinance institutions to discuss the RFO as one of the strategies to overcome barriers to rural finance access.

This information will contribute to the ongoing co-creation sessions with FSPs and enable them to tailor their offerings to better meet the needs of the rural population.

Study insights will be presented again in Q1 FY24 during USAID's Collaborating, Learning & Adapting sessions. For further information on this dissemination strategy, please refer to the Communications and Outreach section of this report.

As part of this assessment, CFA and Banco partnered with EF to use microdata from the study to assess whether their portfolios align with the demand requirements of the municipalities where they operate. In Q1 FY24 EF will receive from PUJ the adjusted reports from these data exercises.

SPECIAL OBJECTIVE (SO): INCREASED MOBILIZATION OF LONG-TERM FINANCIAL CAPITAL

In FY23 EF identified investor-compelling alternative finance instruments in support of the mobilization of long-term financial capital toward equitable and sustainable economic growth, including efforts to address climate challenges and strengthen microfinance institutions, fostering positive and transformative change in targeted rural areas. EF conducted a comprehensive market study, prioritized projects based on a model, and made substantial progress in developing long-term financial instruments. In addition, the Activity expanded its focus to include climate finance products and secured funding for the Complementary Fund for Catastrophic Events.

INNOVATIVE FINANCIAL INSTRUMENTS

EF formalized a partnership with CrossBoundary (CB) to conduct an extensive market study to identify sectors with the greatest potential for development in alignment with USAID priorities. In FY23, CB conducted an In-Depth Market Assessment that identified opportunities in six prioritized sectors and presented a preliminary finance instrument outline: nature and biodiversity, sustainable agriculture, solar energy, digital financial solutions, internet connectivity and rural tourism.

CB identified 33 innovative financial instruments from these sectors, considering their potential to promote equitable and environmentally sustainable economic growth, expand licit economies and livelihood opportunities, strengthen resilience and low-emissions development, and benefit USAID targeted communities. To assess these opportunities, CB also developed market sizing and capital map analyses to outline the structure of preliminary instruments.

Based on the insights from the In-Depth Market Assessment and considering a project prioritization model considering criteria such as their feasibility, capital mobilization, impact, and sustainability potential, in Q3 FY23 CB, EF, and USAID assessed and narrowed down the list of identified initiatives from 33 to six preliminary initiatives in key sectors, initiatives that have the potential to be implemented within the next 12-15 months. CB validated the scoring results and prioritized two instruments for further development: SolCor and Alquería.

SolCor - Equity Fund for Solar Projects

EF and CB are supporting SolCor, a solar energy company to structure a USD \$30 million fund to finance solar energy systems for MSMEs in Colombia, at least 30% of which are destined for rural areas. This project entails the innovative financing structure (utilizing power purchase agreements) and will contribute to the USAID and GoC targets for climate mitigation and energy transition. In Q4 FY23, CB developed and presented EF and SolCor with the investment thesis, financial instrument structure (encompassing legal definitions, governance, administrative structure of prioritized projects), financial model, as well as fundraising and marketing materials. In Q1 FY24 will present the model to key partners.

Alquería - Sustainable cattle-ranching

EF is advising Alquería in the development of an innovative financial structure to mitigate risks and finance transformation for approximately 2,000 small Colombian dairy farmers to convert to a silvopasture livestock model. In Q4 FY23, EF with partner CrossBoundary visited the Alquería dairy processing plants and the *Vaca Madrina* sustainable cattle ranching program for small producers in El Cesár, Colombia, and jointly developed the investment thesis with the company. In Q1 FY24, CB will

finalize the financial structure and preparing fundraising and marketing materials to complete the structuring of this financial instrument.

Collaboration with DFC, EDGE Fund and other USAID Activities

In Q3, CB coordinated a meeting through USAID with representatives from the U.S. International Development Finance Corporation (DFC) to present the financing instruments identified by EF and explore alternative financing options through DFC guarantees and other potential deals. This was done in consideration of CB's market analysis, which identified investment opportunities that could proceed with a comprehensive long and medium-term financing process.

In Q4 FY23, EF supported the presentation of a proposal to the USAID Enterprises for Development, Growth, and Empowerment (EDGE) Fund for the Complementary Fund for Catastrophic Events. The EDGE Fund selected USAID/Colombia to receive USD \$625,000 in financing to advance parametric micro-insurance for small-scale farmers in response to climate disasters. This mechanism aims to provide complementary funding to parametric insurance policies, benefiting vulnerable populations. EF supported USAID's endeavor by monitoring progress with MicroRisk and Fondo Acción in preparing their application for the parametric insurance enhancement tool, which will continue into Q1 FY24.

Additionally, EF, in collaboration with CB, conducted meetings with SAA, CNCA, BdO, and the United Nations Multi-Donor Fund for Peace to present the identified instruments and promote blended financing, and in Q4 FY23 will continue engagement with key stakeholders to define joint agendas.

CLIMATE FINANCE CONSULTANCY

In line with EF's AWP Y1 to include climate-finance-related products in its portfolio, the Activity conducted a mapping and characterization of climate finance instruments, with a focus on PDET municipalities, and produced a Climate Finance Map in Colombia that enables the identification of key actors in climate finance, understanding the availability of financial services, and other instruments for climate risk mitigation. Additionally, the consultant submitted a concept on a Climate Finance Project Aggregator and began the development of case studies on climate project portfolios, which EF anticipates for Q1 FY24.

INITIAL ENVIRONMENTAL EXAMINATION¹⁴

Not applicable.

PROBLEMS, DELAYS OR ADVERSE CONDITIONS¹⁵

Not applicable.

Please refer to EF Contract, Section 2, F.5.4. Quarterly Performance Reports:

¹⁴ (r) Status of implementing the conditions of the IEE.

¹⁵ (k) Identification of problems, delays or adverse conditions that impair the ability to meet the objectives of the award, including a statement of the action taken or contemplated, and any assistance needed to resolve the situation.

SECTION 3: CROSS-CUTTING ACTIVITIES

ACTIVITY MONITORING, EVALUATION AND LEARNING PLAN

The EF Activity Monitoring, Evaluation and Learning Plan (AMELP) provides the foundation for dynamic, impact-oriented, and evidence-based adaptive management and iterative programming in Colombia. EF will routinely monitor all interventions to assess the Activity's progress toward expected objectives and intermediate results.

During Y1 the Monitoring, Evaluation and Learning (MEL) team was consolidated with the onboarding of a MEL Manager and a Database Specialist, supported by a Senior MEL Consultant. They worked together to design and implement the MEL system. This involved designing tools, formats, and procedures to ensure effective and efficient monitoring and tracking of all EF indicators. The technical EF team and Activity partners participated in this process, providing feedback, and validating the tools to be implemented.

The MEL team focused on designing and developing the architecture and data map of the MEL information system as the foundation for an efficient data collection, processing, analysis, reporting, and visualization process for EF execution data. This system aimed to measure and evaluate performance according to the results framework, objectives, and indicators, generate alerts, facilitate evidence-based decision-making, enable learning from data, and ensure the collection and storage of information in compliance with USAID guidelines. To develop the MEL system, an expert consultant was hired, responsible for structuring, designing, testing, and implementing the software according to MEL needs and DAI's infrastructure. As of the end of FY23, the system is still in development, with testing and implementation expected in Q1 FY24.

MEL actively participated in training and induction sessions organized by the USAID Monitor team to become proficient in the sub-activity registration and reporting process within the system. Following the instructions and procedures provided by the USAID Monitor team, MEL registered EF information and indicators from the USAID-approved Annual Monitoring, Evaluation, and Learning Plan (AMELP). In Q4 FY23, MEL collected, analyzed, and validated data and information for the annual report, context indicators, and performance indicators that demonstrate progress at the end of FY23. The progress of performance indicators was recorded and approved in the USAID Monitor system in compliance with established procedures, and this process will keep ongoing during implementation of EF.

MEL collaborated in co-creation exercises with FSPs who were invited to present full applications in response to the RFA. In coordination with the technical team, MEL designed the baseline profile for entities who signed grant agreements advancing O1 & O2. This tool will allow the Activity to collect quantitative and qualitative information on the provision of financial services in municipalities covered by EF partner entities. This instrument was validated with the entities, and its completion was included as a deliverable in the grant agreements, ensuring the timely delivery, quality, and validity of the information. In Q1 FY24, MEL will conduct training sessions to familiarize partners' reporting teams with the MEL plans, reporting procedures, tools, forms, and other related aspects.

In Q4, as part of the formulation of the AWP for Y2, EF conducted review sessions, Pause and Reflect sessions on key topics such as adaptive management, performance review, monitoring data, lessons learned, challenges, etc. These sessions facilitated informed decision-making regarding the national context and its impact on the demand and supply of financial services, programming, critical points, how to overcome them, and key elements in implementation. MEL also conducted a Quality Performance Review (QPR) to validate goal projections and assess progress against EF objectives (see Table 2 in

Annex 2). Based on this review, MEL is working on the proposal to update the AMELP to adjust goals according to the implementation dynamics, clarify definitions, and more. In Q1 FY24, technical review and validation meetings will be held with the Activity’s COP and technical team, followed by submission for USAID approval.

Baseline Performance Evaluation

The MEL Manager participated in the design of a baseline reference and data collection to evaluate the performance of EF and USAID’s SAA. It is the first time that USAID Colombia's MEL Activity is conducting a joint baseline, which allows USAID to collect primary data before an interim and/or final evaluation. During the last quarter, the MEL Manager acted as EF's liaison with the team USAID/Colombia hired to conduct the baseline assessment, participating in coordination meetings, feedback exercises, and observations on evaluation questions. In FY24 with the support of EF's COP and SIM, MEL will continue to support the definition of the baseline, engage in discussions with SAA to establish a foundation for ongoing collaboration across the two activities, as well as the work plan and the development of mutually agreed-upon activities.

STATUS OF OVERALL ACTIVITY PROGRESS PER THE APPROVED INDICATORS AS DEFINED IN THE AMEL PLAN¹⁶

EF monitors activity under 24 performance indicators (for further detail, please refer to Table I in Annex 2). As seen in Table 5, in Q4 FY23, EF recorded progress in two performance indicators: EF-OI-01 and EF-CC-01.

Table 5 - Reporting Performance Indicators Q4 FY23

Code- Indicator Name Abbr.	Current Year (FY23)				Activity Total Progress			Observations
	Q4	FY Actual	FY Target	FY Prog. %	Total Prog	LOA Target	Total Prog %	
Objective I: Increased financial capacity in target communities.								
IR I.1 Increased financial capacity among targeted individuals.								
EF-OI-01: Number of people that have participated in financial education/literacy activities	177	177	0		177	100,000	0.18%	In Q4, EF conducted financial education training sessions for extension workers and regional leaders as part of the collaboration with USAID's SAA. These sessions took place in the municipalities of Montería, Florencia, Cauca, and Cúcuta.
Crosscutting								
EF-CC-01: Number of USG engagements jointly undertaken with private sector enterprises to support U.S. foreign assistance objectives	5	5	2	250%	5	12	42%	In Q4, EF entered into grant agreements with 5 private sector FIs. <ul style="list-style-type: none"> • CFA. • Crezcamos. • Mibanco¹⁷. • Banco Mundo Mujer. • Davivienda These grants will improve the supply and demand of formal financial services in rural, conflict-affected, and underserved regions.

¹⁶ EF Contract, Section 2, F.5.4. Quarterly Performance Reports: (c) Status of overall Activity progress per the approved indicators as defined in the AMEL Plan, and if relevant the targets set out for the reporting quarter.

¹⁷ Mibanco's grant agreement was approved by USAID on September 25, 2023, and signed on October 2, 2023 (Q1 FY23), as logged into USAID's Monitor system. In Q1 FY24, EF will report remaining FAAs.

Context Indicators

EF will need to understand the national context, and in certain cases, the regional context, to determine the problems to address, design interventions, and the need to tailor approaches. The context indicators are directly linked to the landscape assumptions/risks identified for EF¹⁸. Although these are risks that are outside the control of the Activity, they could impact EF's results. Mechanisms will be in place to track the context to help understand EF's achievements/shortfalls and adjust if necessary/possible. In Table 6 are the five context indicators for FY23:

Table 6 - Context Indicators for FY23

Code-Indicator Name	Reporting Frequency	Reference Value	Reference Timeframe	Current Year (FY24)	Observations
				Q4	
EF-CX-01 Interest rate	Quarterly	11%	Q4 FY2022	13,25% ¹⁹	As interest rates are rising, both businesses and consumers will be less able to access certain financial services. The board from the Central Bank noted that, despite a vibrant labor market and lower unemployment rates compared to the past 5 years, the Colombian economy is still slowing down. As a result, it's not advisable to begin reducing interest rates, given the significant risks to their long-term sustainability.
EF-CX-02 Change in Gross Domestic Product (GDP)	Annually	9.4%	Nov – 2022	1,7% ²⁰	In the first half of 2023, Gross Domestic Product (GDP) shows a growth of 1.7% compared to the same period of the previous year. The economic activities contributing the most to this growth are Arts, Entertainment, and Recreation, along with other service activities, followed by Financial and Insurance activities. In general, the Central Bank expected a higher growth rate, so the official data puts pressure on it and its policy of keeping interest rates high to drive down inflation.
EF-CX-03 Number of hectares of coca cultivation	Annually	204.000	2021	230.000 hectares	The trend shows an increase in coca cultivation, with a 68% rise in 2022, from 204,000 to 230,000 hectares. Notably, Putumayo saw a 77% increase. Sixty-five percent of these crops are in Nariño, Norte de Santander, and Putumayo. Tibú in Norte de Santander leads with around 22,000 hectares, followed by Tumaco and Puerto Asís. This cultivation threatens the country's culture and biodiversity. Nearly half of the coca areas are in special management zones, 21.5% in national parks, 18% in indigenous reserves, 4% in black community lands, and 2% in forest reserves. ²¹

¹⁸ As identified in the AMELP for FY23, the following are the landscape of key assumptions for EF: GOC's support for the implementation of the Peace Agreement and the already defined PDET strategy is sustained; the macroeconomic environment, fiscal and monetary policy, remain stable; the mandates and policies of the GOC entities with which EF plans to engage (Finagro, Banco Agrario, Bancoldex, etc.) remain largely the same, i.e. the level of market distortions is not significantly increased; the GoC does not embark on populist economic policies on a large scale; shocks impacting borrowers remain within normal parameters, are specific to certain regions (e.g., mining strikes only in the Bajo Cauca region) and/or not of significant national scale; internet connectivity in rural dispersed PDET municipalities is real; increased incentive to focus on harder-to-reach, underserved populations align with financial institutions' strategies and market system principles (and not on populist market distortions); security remains at levels that EF and its partners are able to maintain staff, operate and travel in PDET regions.

¹⁹ Banco de la República de Colombia, September 30, 2023.

²⁰ The most recent data from the first half of 2023, published by DANE on August 15, 2023.

²¹ The *Monitoring of Territories with Coca Crop Presence 2022* report was prepared by the United Nations Office on Drugs and Crime (UNODC) as part of the Integrated System for Monitoring Illicit Crops (SIMCI).

Code-Indicator Name	Reporting Frequency	Reference Value	Reference Timeframe	Current Year (FY24)	Observations
				Q4	
EF-CX-04 Average precipitation in depth (mm per year) ²²	Annually	2.679	2021	3,240 mm ²³	Average precipitation is the long-term average in depth (over space and time) of annual precipitation in the country. Precipitation is defined as any kind of water that falls from clouds as a liquid or a solid.
EF-CX-05 Microcredit Portfolio Quality (Arrears)	Quarterly	9.50%	Sep-22	11,83% ²⁴	Microcredit loan portfolio quality serves to identify if the sector overall is improving or getting worse in terms of portfolio quality as that may affect growth. If arrears are rising overall lending may be constrained and therefore may affect partners' lending and EF's ability to hit targets.

REASONS WHY ESTABLISHED TARGETS WERE NOT MET, IF APPLICABLE²⁵

Not applicable. EF's implementation does not present any delays or failures regarding the indicator targets set in the AMELP for FY23.

LIST OF INDICATORS WITH TARGETS FOR THE NEXT QUARTER (AS RELEVANT)²⁶

The Activity will monitor its performance and report to USAID/Colombia on a set of 24 performance indicators and 5 context indicators. In Q1 FY24, the MEL team will continue the definition of evidence-based adaptive management and iterative programming in Colombia and will report on:

- 3 performance indicators: EF-SO-02, EC-CC-01 (PSE-1), and EF-CC-03 (PMP 156).
- 2 context indicators: EF-CX-01 and EF-CX-05.

For further detail, please refer to Annex 1.

REGIONAL INTEGRATION STRATEGY AND COORDINATION WITH OTHER USAID ACTIVITIES²⁷

USAID's RIS aims to identify collaboration opportunities among the various activities implemented in Colombia to complement specific actions for individuals and organizations in economic intervention corridors. In collaboration with other USAID activities, in FY23 EF made continuous progress in identifying local producer organizations and the opportunities to provide financial services to the sectors of cocoa, coffee, avocado, honey, livestock, timber forest products, pineapples, mining, and agrotourism.

²² The indicator will be used to monitor rainfall conditions to inform agricultural productivity expectations. Since agriculture is a major form of income in EF target geography, agricultural production could impact ability to access financial services or could impact the ability of farmers to meet their obligations with financial entities.

²³ World Bank. [World Development Indicators](#). Latest data published in 2020.

²⁴ Superintendencia Financiera de Colombia. Latest data published in July 2023.

Please refer to EF Contract, Section 2, F.5.4. Quarterly Performance Reports:

²⁵ (h) Reasons why established targets were not met, if applicable; the reports will highlight any issues or problems affecting the schedule or impact of services provided by the Contractor.

²⁶ (m) List of indicators with targets for the next quarter (as relevant).

²⁷ (u) Potential placeholder for RIS elements.

As seen in Table 7, EF coordinated initiatives with other activities via working sessions and Regional Integration Opportunities (OIR) organized by the USAID/Colombia team.

Table 7. Regional EF Strategy and USAID RIS Coordination Summary

Partner	Activities coordinated in Q4	Activities for follow-up in Q1 FY24
EF's Prioritized IPs USAID		
Sustainable Agriculture Activity	<p>Workshops with SAA in financial education for extension agents (Montería, Florencia, Caucasia, and Cúcuta).</p> <p>Regional mapping: SAA and USAID programs to identify possible alliances and design collaboration programs.</p> <p>Collaboration with SAA and Cooperacafé to structure the pilot and proof of concept with 100 coffee producers in El Carmen to identify financing needs and financial education for the purchase and marketing of coffee for an export project.</p>	<p>Define SAA partnerships that will be strengthened to support financing mechanisms and financial education with EF partner FSPs.</p> <p>SAA established an alliance with Corpocampo for the marketing of açai. Progress will be made in defining support from the financial education perspective.</p> <p>Redefine the scope of the alliance with Cooperacafé and associated rural producers.</p> <p>Coordinate with SAA to define financial education support for 7 women's and youth organizations.</p>
Golden Land Activity	<p>Review of the legal regulations for financial inclusion in the mining sector and examination of previous project outcomes related to financial mechanisms implemented to determine collaboration with Golden Land Activity.</p>	<p>Establish guidelines for collaboration with Golden Land Activity to provide access to miners in financial services/financial education.</p>
RIS Local Coordination		
Putumayo-Caquetá	<p>In collaboration with SAA and other USAID activities, the identification and profiling of producer organizations to finance their needs and provide financial education.</p>	<p>SAA established an alliance through the commercial component with Corpocampo for the marketing of açai, and EF will define financial education support.</p>
	<p>Workshop on the operation of FINAGRO with other USAID IPs operating in Caquetá, who need to finance the needs of rural producers through FINAGRO's offerings. Representatives from BAC participated to address questions and provide guidance to the attendees.</p>	<p>Conduct a workshop for the exchange of methodologies for assessing the feasibility of financing projects with USAID activities in Caquetá, aimed at facilitating financial inclusion and thereby strengthening both traditional and non-traditional economies.</p>
Bajo Cauca, Sur de Córdoba y Noreste Antioqueño	<p>Participation in the planning of the OIR I for 2024 and the ongoing exploration of collaboration opportunities.</p>	<p>Conduct a diagnosis of producer organizations identified through other USAID programs to establish a strategy and mechanisms for providing access to financing for their rural producers and financial education.</p>
	<p>Identify rural producer groups working with SAA to assess their financing and financial education needs.</p>	<p>Define SAA partnerships that will be strengthened to support financing mechanisms and financial education in collaboration with EF partners.</p>
	<p>Review of the legal regulations for financial inclusion in the mining sector and examination of the outcomes of previous projects involving implemented financial mechanisms to determine potential collaboration with Golden Land Activity.</p>	<p>Establish guidelines to provide financial education and services to miners in collaboration with Golden Land Activity to take informed financial decisions.</p>
	<p>Through Land for Prosperity (LFP), the first producer organizations have been identified for diagnosing their sustainability and their needs for access to financial services and financial education.</p>	<p>Conduct a diagnosis of producer organizations identified through LFP to profile them and present them to partners with whom EF has established agreements, based on their needs for accessing financial services.</p>
Nariño-Cauca	<p>Participation in the restructuring of OIR II, including a sustainability focus on the value chains supported by USAID activities in Tumaco.</p>	<p>Identify producer organizations involved in USAID activities in Tumaco to profile them and present them to financial partners in the field of</p>

Partner	Activities coordinated in Q4	Activities for follow-up in Q1 FY24
		financial education based on their needs for accessing financial services.
	In coordination with LFP in the northern region of Cauca, EF identified coffee and pineapple producer organizations.	Conduct a diagnosis of coffee and pineapple organizations supported by LFP in the northern Cauca region.
	Identified fine flavor cocoa producer organizations in Tumaco through Cacao Effect.	Conduct a diagnosis of cocoa producer organizations supported by Cacao Effect in Tumaco: AFROMUVARAS, AGROFRONTERAS, and ASOPAZCIFICO.
Catatumbo	Participation in OIR IV to identify the need for financial education and access to credit by organizations supported by LFP and Colombia Transforma programs.	Identify organizations involved in cocoa, coffee, avocado, and apiculture supported by LFP and Colombia Transforma programs. Collaborate with USAID programs such as Youth Resilience (PGO), Colombia Transforma, Responsible Governance (RG), and Cacao Effect in a youth entrepreneurship and employability fair to promote financial inclusion in Tibú and Sardinata.
	Collaboration with SAA and Cooperacafé to structure a pilot with 100 coffee producers in El Carmen, aimed at identifying financing needs and financial education requirements for the purchase and marketing of coffee for an export project.	Redefine the scope of the alliance with Cooperacafé and associated rural producers. Coordinate with SAA to define financial education support for 7 women and youth organizations.
Meta-Guaviare	Maintain efforts to collaborate with the Colombian Territory Renewal Agency, LFP, Amazonia Connect, and Amazon Alive to gather information from rural producers.	Conduct assessments of organizations supported by Amazon Alive, LFP, and Amazonia Connect to identify their financing and/or financial education needs.

As part of these contributions, EF coordinated the delivery of a workshop on FINAGRO in Florencia (Caquetá), and in FY24 will replicate this workshop in other OIR opportunities where the Activity is involved, including a presentation for other IPs in Bogotá.

To further EF’s GESI strategy, during Q4 FY23 the Regional Coordinators identified potential partners in local actors. As a result, EF conducted a focus group in Caucasia, Bajo Cauca, to identify barriers to accessing financial services and explore collaboration opportunities with LGBTIQ+ organizations (for further details, please refer to GESI). These organizations were convened with the support of USAID’s GE and Golden Land Activity. Beginning in Q1 FY24, EF will introduce these groups to the programs implemented by partner FSPs in the territory.

As a foundational support for OI and O2, in FY23 the regional team conducted a comprehensive mapping of diverse organizations, such as cooperatives, local associations, chambers of commerce, educational institutions, NGOs, and groups led by women and youth across five corridors. This mapping exercise aimed to pinpoint their financial education requirements and the potential to partner for the replication of financial education programs. These efforts also served EF with information on local associations capable of functioning as mobile correspondents or promoters, as well as regional associations with financing needs, assessing their access to credit and other financial services. EF will continue to update these mappings in FY24.

Sustainable Agriculture Activity

Along with the progress on the joint baseline assessment conducted by USAID's MEL (please refer to MEL), during Q3 FY23, EF hosted a workshop with the SAA team and USAID CORs from both projects to identify areas for financial education and mobilizing finance and investment in agricultural value chains in priority territories. EF and SAA shared the framework of results, scope, activities, geographic coverage, and progress of each activity to find areas of alignment.

Financial Literacy Workshops

In Q4 FY23 both activities collaborated to provide a joint training for extension officers and other representatives from agricultural associations and industry professionals in climate-smart agricultural practices and financial education, as referenced above in OI. In this joint agenda, EF's Financial Capabilities Manager led financial literacy lessons in Montería (Córdoba), Florencia (Caquetá), Caucasía (Bajo Cauca) and Cúcuta (Norte de Santander), for participants to explore essential financial education concepts, enabling them to effectively analyze, organize, and manage their finances, considering various variables for financial decision-making in the agricultural sector. The workshops conducted in Montería and Florencia also featured a presentation from FINAGRO on the entity's available basic credit options, with a special focus on green economy financing, as well as highlight the financial institutions that provide them and outlined the application process.

This initiative impacted 177 individuals from 31 municipalities across three EF corridors: Bajo Cauca, Sur de Córdoba, Noreste Antioqueño, Catatumbo, and Caquetá – Putumayo. Starting in Q1 FY24, EF will continue strengthening rural extension agents and regional leaders by providing financial literacy workshops in SAA's *Escuelas de Campo* initiative. Both activities will jointly develop the methodology.

Financial Requirements of Producer Associations

In coordination with SAA, EF mapped out rural producer organizations with financing needs or prior experience in accessing financial services. This mapping has allowed EF to identify organizations eligible for potential commercial partnerships based on their level of development, improving their access to credit and other financial services.

In FY23 EF identified Cooperacafé in Catatumbo to potentially develop a commercial alliance facilitating the purchase and marketing of coffee in an export venture. This would mean the participation of 1,200 coffee producers requiring EF's support for financing access and financial education. Initially, a pilot project with 100 coffee producers in the municipality of El Carmen was planned. Starting in Q1 FY24, SAA will identify a potential buyer for the commercial partnership, while EF will analyze the financial requirements of the Cooperacafé producers to facilitate their evaluation by the respective financial partners in the territories.

In Caquetá, both activities will explore collaboration with Corpocampo for the marketing of açai²⁸. EF will identify and assess their producers' financing needs.

Golden Land Activity

In FY23 EF's COR, COP and SIM identified potential areas for collaboration and addressed potential financial mechanisms for collaboration with the Golden Land Activity and will mainly focus on supporting artisanal mining in Bajo Cauca and Sur de Bolívar to deepen the characterization of the potential financial market in this area. Other regions may be considered in the future per USAID guidance and approval.

²⁸ Type of berry that grows on a palm tree native to the Amazon rainforest in South America.

Collaboration with other USAID activities

With programs such as LFP, Colombia Transforma, PGO, GE, Cacao Effect, Amazon Alive, Amazon Connect, Destination Nature Activity (DNA), and RG, EF identified producer organizations in coffee, cocoa, among others, with financial education needs and access to financial services. Basic information about these organizations has been collected to date about these organizations' producers, crops, and production capacity, enabling us to provide a real offering and connect with the identified needs of each potential client in rural areas.

Collaboration with DAI INVEST

EF collaborated with DAI INVEST's *Increasing Women's Access to Commercial Capital in Colombia*, a program funded by the USAID Gender Equality and Women's Empowerment Hub (USAID GenDev). The Activity informed the ToRs for an impact evaluation comparing two financial education programs INVEST has supported that focus on women. In FY24 EF will disseminate the insights from this study.

GENDER STRATEGY AND COMMUNICATIONS AND OUTREACH PLAN²⁹

GENDER AND SOCIAL INCLUSION STRATEGY

EF designed and received approval of GESI Strategy in Q3 FY23. This strategy seeks to enhance women's and other marginalized groups' access to and effective use of financial services and products within EF-targeted municipalities. The implementation plan for this strategy encompasses three methodological processes, each with its corresponding activities, procedures, and tools/instruments: internal mainstreaming, contextual understanding (with gender and inclusive development analysis), and external management (grants and communications). During FY23, EF's GESI Consultant also developed recommendations for the financial inclusion of marginalized groups of special interest, such as indigenous communities and peace signatories.

Considering the importance of digital financial products and "open data" for closing gaps in access to financial services, the GESI Consultant also provided recommendations and alternatives for marginalized groups within the framework of Open Finance. In Q1 FY24, the GESI Consultant will provide recommendations for the financial inclusion of individuals with diverse sexual orientations and gender identities, as well as for Afro-Colombian communities.

As part of the internal mainstreaming process of the GESI approach, in Q4 special attention was given to planning processes, making sure that relevant affirmative actions were included in each of EF's objectives. The Activity's AWP for Y2 includes GESI results and activities for three of its objectives, as well as their connection to cross-cutting areas such as RIS, Communications, and MEL.

Once the GESI strategy was designed and approved, and as part of the fulfillment of O1 and O2, in Q4 FY23 the Financial Capabilities and Financial Services teams, with the GESI Specialist's support, focused their technical assistance efforts on incorporating GESI-focused initiatives into the grant applications submitted by FSPs. As a result, projections for marginalized groups are now integrated into all signed grants and partnerships, including:

²⁹ EF Contract, Section 2, F.5.4. Quarterly Performance Reports: (e) Status of progress in implementation of the Gender Strategy and the Communications and Outreach Plan.

- Women: grant agreements established with BMM and Mibanco will develop and improve credit products exclusively for women. FAAs include initiatives with specific content for women or gender-focused approaches (CFA, Davivienda, BMM), as well as activities addressing specific sectors such as women in coffee, small store owners (BMM), agricultural markets (Davivienda) or artisanal mining (CFA).

Establishing an agreement for the support of Bancamía's "Para ellas" initiative is key in advancing the promotion of channels for inclusive financial services in terms of gender, as outlined under O2. This initiative aims to encourage women to take on the role of mobile correspondents. It offers an additional advantage by promoting women's participation in the sector and strengthening female leadership in economic and financial matters within their organizations or communities.

- Youth: EF has established grant agreements with Crezcamos, CFA, and Mibanco. The initiatives that will be implemented by these entities will further improve financial inclusion for a younger demographic. In Q1 FY24, EF will formalize collaboration with Fasesolda through a grant for the provision of financial education tailored specifically to young people.
- Indigenous communities: Bancamía has proposed a pilot project for green productive transformation in the Amazon, specifically targeting indigenous communities in the Putumayo – Caquetá corridor. During Q1 FY24, EF and Amanecer – Cootregua will reach a FAA geared towards designing, implementing, and systematizing a process of financial education developed within indigenous reserves in the Meta – Guaviare corridor.

To facilitate the monitoring of the GESI initiatives included in the RFAs, in Q4 FY23 the GESI consultant presented recommendations in a "traffic light" format. This was done to help the technical teams supporting O1 and O2 identify the scope of the GESI proposals from each financial entity based on standardized criteria. This will allow for the development of a tailored GESI monitoring plan for each FAA signed in FY24, considering EF's MEL indicators and objectives.

In Q4, the GESI Consultant worked with the SIM team in support of O3. EF submitted a document for the financial inclusion chapter of the Rural Women Statistical Note published annually by the MADR and DANE (National Administrative Department of Statistics).

In Q4 FY23, activities were carried out as part of the GESI strategy implementation methodology and roadmap, including the following:

- Communications and positioning: EF's Financial Capabilities Management team, Communications, and the GESI Consultant prepared the key messages for the dissemination of communications materials within the framework of the International Day of Rural Women (October 15). These messages were based on interviews conducted to women micro-entrepreneurs and the main findings from the RMA.
- Identification of local initiatives: based on the grants in the process of formalization and the identification of local opportunities in the 5 economic corridors targeted by EF, the mapping of GESI actors was harmonized with the Regional Coordinators. In the completion of FY23, the Activity has identified territorial actors for GESI initiatives within the grants established with Davivienda, Crezcamos, Bancamía, Mibanco, CFA, and BMM. During this process, special attention was paid to USAID's RIS, as well as the relationship with other activities such as SAA, GE, RG, and PGO.

- Context understanding: two focus groups were conducted in Cauca (Bajo Cauca) to gather inputs and recommendations on financial inclusion for LGBTIQ+ individuals and women miners with ethnic backgrounds. Important findings were revealed regarding the specific challenges faced by these two traditionally underserved groups, which constitute barriers to access from both the demand and supply sides of financial services, including a reluctance to use credit. As part of the focus groups, opportunities related to financial education, digital products, savings practices, and entrepreneurship were also identified. It is important to note that these focus groups were organized with the support of other USAID programs such as GE and the Golden Land Activity.

COMMUNICATIONS AND OUTREACH PLAN

During FY23, the Communications team was consolidated by a Communications and Knowledge Management Manager, a Technical Writer, a Communications Associate, and a Communications Assistant. With the team members onboarded, EF met several initial milestones including participation in the Asomicrofinanzas membership meeting (Feb. 1) to present the strategy and objectives of the Activity; USAID’s approval of the Communications and Outreach Plan (Feb. 13); USAID’s approval of Activity Fact Sheets; held the Activity Launch Event (Feb 28), led by the SFC and BdO, which included key high-level stakeholders from the GoC, USAID Mission, and financial sector; and consolidated the database for the submission of the bimonthly newsletter, keeping an updated distribution list, for a total of five newsletters sent during FY23.



EF COP [redacted] presented the project and moderated a panel discussion with representatives from the private sector financial associations.

The team also developed the key visual of the project to be used in the design of presentations and Activity merchandising such as notebooks and posters, as well as on the design of the map with the economic corridors of the intervention; and two branding and marking guidelines: i) how to collect audiovisual inputs from the field and ii) Word, and PowerPoint templates for the EF team and grantees training. During FY24 the team will work on additional visuals for office branding, implementation maps, data visualization for knowledge management with MEL, and posters to support the Activity’s reporting process and branding & marking.

Within the Lol with BdO, in FY23 the Communications team worked with the website provider to redesign the architecture of EF’s micro-site and with the Operations team on procurement of this service. The purchase order (PO) was completed with the web developer and the beginning of technical implementation, tests, and adjustments to the architecture of the microsite were made in Q4. Final assessments to upload the YI content to the micro-site and launch is expected during Q1Y2 with monthly updates following. The technical SIM team consolidated the first-year bibliography on the demand studies to be uploaded to the EF microsite next quarter.

Throughout FY23, EF Communications collaborated with USAID’s Communications Team by submitting social media toolkits to commemorate important dates such as the International Day of MSMEs, International Day of Indigenous Peoples, and International Youth Day. These contents were developed using the findings identified in the RMA.

Table 8 - EF featured in Digital and Traditional Media in FY23

Date	Publication URLs
Launch event traditional media publications	
02/28/23	Presentan iniciativa que fomentará la inclusión y educación financiera en cinco corredores económicos rurales (Data iFX)
	USAID lidera iniciativa para apoyar inclusión y educación financiera en entornos rurales (Forbes)
	Finanzas para la equidad apoyará inclusión financiera en cinco corredores económicos (La República)
	Se lanza estrategia que beneficiará a 200 mil personas a los municipios PDET (Coonfecop)
03/01/23	Finanzas para la equidad apoyará la inclusión y educación financieras en cinco corredores económicos rurales del país (Redexpertos)
	Finanzas para la equidad, el proyecto que busca potenciar la inclusión económica (Semana)
	USAID lidera proyecto de inclusión financiera en cinco regiones (Portafolio)
	Iniciativa de USAID beneficiará la inclusión financiera en municipios PDET (En nuestro campo portal web)
03/03/23	La digitalización, la inclusión financiera y la innovación al alcance de las mujeres de las zonas más vulnerables del país (Areacucuta)
03/04/23	La estrategia para llegar con servicios financieros a los municipios PDET (Valora Analitik)
Launch event social media publications Twitter	
02/28/23	@USAID_Colombia
	@larepublica_co
	@AndresPinzn19
	@notirespuestas
	@JoMalagon
	@RevistaSemana
@RevistaDinero	
General Assembly of Colombia Fintech	
04/21/23	@USAID_Colombia
04/20/23	@colombiafintech
Presentation of EF in Planning and Management Region of Bajo Cauca	
06/08/23	@rpg_bajocauca
EF + Colombia Fintech FE y Colombia Fintech (digital study)	
06/22/23	Twitter: @colombiafintech
International Day of MSMEs	
06/27/23	Twitter: @USAID_Colombia
	Facebook: USAID Colombia
Asomicrofinanzas 13th Congress	
08/04/23	Twitter: @USAID_Colombia
International Youth Day	
08/12/23	Facebook: USAID Colombia
Digital Financial Services Ecosystem - Ideation Session	
08/22/2023	Twitter: @colombiafintech
International Indigenous Month	
08/23/23	Facebook: USAID Colombia
Sector Presentation of the RMA	
09/14/23	Twitter: @USAID_Colombia
09/18/23	Twitter: @USAID_Colombia
09/20/23	Facebook: USAID Colombia
09/22/23	Twitter: @USAID_Colombia

In FY24 EF Communications will support in the implementation of FAAs, participating in the kick-off and initial training meetings with grantees to coordinate workplans and strategies/campaigns for the proper dissemination of projects' milestones. For this EF will use digital media and official channels from USAID and EF partners and counterparts to inform implementation developments. Bimonthly newsletters, local, and national events, as well as the EF's microsite will be used as direct communication channels for content management and dissemination regarding EF's milestones and key dates. Once the inception and training meetings with grantees have concluded, details on how and what key milestones EF will communicate will be shared in upcoming reports.

Comms joint work with Objective 1:

In Q4 FY23, EF's Communications joined the Financial Capabilities Manager during the Financial Education Training sessions in Montería (Córdoba), Florencia (Caquetá) and Caucasia (Bajo Cauca) within the strategy of coordinating actions with other USAID IPs such as SAA. During Q1 Y2 Comms will support the pause and reflect exercise of the joint work with SAA with a video summary of the training and participants' testimonies.



Extension officers and representatives from agricultural associations during financial education sessions in Caucasia and Florencia.

Comms joint work with GESI: Based on the inputs collected during the Financial Education sessions in Montería, Florencia and Caucasia, Communications collected inputs to create an audiovisual product to launch within the Rural Women's Day (Oct. 15) with information from the RMA study and the interviews collected from women participating in the study. This product will serve to raise awareness with EF's grantees during the kick-off sessions and with different audiences during new financial education training sessions on the solutions EF will bring with its implementation.



USAID's IPs in Florencia, Caquetá learning about FINAGRO's financing options.

Comms joint work with RIS: Within the framework of the Financing Roundtable of USAID's RIS in Caquetá, EF held a conference aimed at USAID IPs present in this department and that require information about FINAGRO, a second-tier development finance institution, and its financing lines to extend them to their participants. In support of USAID's RIS strategy, during Q1 FY24, Communications will prepare a video summary on the benefits of the RIS sessions, to be disseminated in official USAID social media accounts, and EF's newsletter.

Comms joint work with Objective 2:

During FY23 Communications accompanied the technical team during the presentation to the General Assembly of Colombia Fintech (Apr. 20) to promote EF to more than 200 members of this industry association, inviting them to participate in the DFSEA and to help identify potential allies to support the execution of its objectives. The team also designed a strategy to disseminate the DFSEA study, including a collaboration with Colombia Fintech focused on how the fintech sector can provide innovative solutions and work with traditional banking to achieve financial inclusion in rural areas.



EF Team during the General Assembly of Colombia Fintech.



Representatives from financial institutions building proposals to tackle access barriers to formal financial services and digital ecosystems in the prioritized geographies.

This strategy included, socializing the DFSEA with Colombia Fintech and collecting insights on its findings during a first ideation session (Jun. 22). A second ideation exercise was held during Q4 (Aug. 22) where the Fintech and traditional banking stakeholders worked over four challenges and identified joint initiatives to overcome them. In Q1 FY24 Communications will support the dissemination of the findings of this last session where expected products include social media posts for USAID, a press release draft for USAID validation, a video summary of the ideation process, and infographics on the challenges and how to overcome them.

EF also participated in the LATAM Fintech Market (Aug. 28-29) where the DCOP participated in a panel on *Technology for Social Well-being: Fintech for Financial Inclusion* alongside the GoC's BdO and the major digital payment operators (Nequi, Daviplata, and Powii). During the event, EF's DCOP shared findings from the DFSEA and RMA and expectations for building alliances with Fintech's and other FSPs to promote financial inclusion in PDET municipalities.



EF's DCOP during the Colombia Fintech event in Barranquilla.

Comms joint work with Objective 3:



SIM presents the opportunities the financial sector has in rural areas working with EF.

EF's SIM participated in the microfinance industry association Asomicrofinanzas' seminar for journalists and media (Mar. 15) on the main challenges facing the country's microcredit sector. The SIM shared how the Activity will support FSPs at the territorial level and explained that the growth of microfinance in rural municipalities will bring benefits including reduced costs for loans and improved connectivity. During this event, Asomicrofinanzas emphasized the progress achieved in improving access to financial services in rural areas and highlighted how the COVID-19 pandemic increased demand for digital financial services, mainly in electronic payments and transfers of government subsidies. The event reiterated the challenges of offering microfinance in municipalities prioritized under the GoC's *Popular Economy*.

Co-founder, Board Chair & Investment Committee Chair Gil Crawford presented at the *Innovation and Credit Inclusion Forum for the Popular Economy*, organized by EF's counterpart BdO (Mar. 29). During the event, the GoC launched its *Popular Economy* strategy to facilitate access to formal financing for micro-businesses and individuals who have not previously participated in the formal financial system and to reduce the dependency on informal sources of financing.



shared his and MicroVest's experience and best practices for microfinance in multi-activity agriculture. He explained how to mitigate structural problems to reduce financial operating costs, stressed the importance of a strong commitment to long-term rural finance strategies, and support for financing cooperatives and the digitization of small producers' financial products and services.

Communications worked with the technical team to develop a dissemination strategy for PUJ's RMA. This strategy included sharing the study with other USAID activities such as SAA and the team conducting USAID's MEL baseline, as well as USAID RIS, the Colombia Collaboration, Learning and Adapting (CLA), and other key public events. Dissemination of the study was first made within the EF team, and then to external sector key audiences. The [first publications of RMA findings were made on social media](#) by USAID within the framework of key days such as the MSMEs Day (Jun. 27).



Associate Professor of Economics at Javeriana University, presented the findings of the RMA during the 13th Congress of Asomicrofinanzas.



EF participated in the 13th Asomicrofinanzas Congress (Aug. 3-4), and in the internal strategic planning session of the SFC (Aug. 13-14), where it presented the RMA and provided top-level recommendations on how to maintain the system stability and encourage greater financial consumer protection to promote financial inclusion.

During Q4 FY23, the Activity coordinated with PUJ the official presentation of the RMA. Coordination included the design of the final document of the study, executive summaries, and consolidating the content of a standard presentation that EF can use across various in-person and digital channels, such as bilateral meetings and national/regional events. The official presentation included an invitation to key financial stakeholders both from the private and public sector, an expert panel with representatives of CFA, BdO, Asomicrofinanzas, FME, Banco W, and moderated by a local renowned economic journalist. The event was attended by over 68 people, and printed executive summaries of the study were handed in after the presentation. Complete studies can be [found here](#), as well as its [executive summaries](#). Once EF's micro-site is completed, links to the studies will be uploaded and shared in the next bi-monthly newsletter sent by the Activity to all its target audiences in November 2023.

For Q1 Y2, EF will work with the team in charge of CLA meetings, to present the RMA during one of its CLA Friday sessions to other USAID IPs. EF Communications will prepare the content and image for the e-vite, as well as the complete studies and the executive summaries thereof for knowledge management purposes. Within these CLA sessions (Mar. 24), the SIM team also presented the analysis carried out on Colombia's National Development Plan (PND).

In Q4 FY24, EF's Senior Investment Manager delivered a lecture at the XIX Risk Congress for the Cooperative Sector organized by Asoriesgo in Barranquilla (Sept. 21), titled *Perspectives on Monetary Policy and Economic Growth in Latin America*. During his presentation, he analyzed macroeconomic variables and their relationship with economic growth, providing a comprehensive view of the economic landscape to guide future action plans.

Comms joint work with Objective 4:

EF was in Riohacha (La Guajira) for the VI International Congress of Renewable Energies organized by SENA and USAID (Apr. 13-14). The event focused on renewable energy to promote inclusive regional development, and brought together experts, entrepreneurs, academics, researchers, and public and private entities to share their experiences and research related to energy transition and the promotion of inclusive regional development. EF's COP facilitated a panel on the role of the financial sector, multilateral development banks and international cooperation in distributed community sustainable energy projects with panelists from the Organisation for Economic Co-operation and Development (OECD), International Development Bank (IDB), Development Bank of Latin America (CAF) and Dalberg. The discussion included the USAID INVEST Colombia Energy for Peace model.

Similarly, EF's technical team participated in a workshop organized by USAID's Market System Development experts (Apr. 24), alongside colleagues from DNA. During this session, the implementation approach to leverage market systems to drive the scale and sustainability of locally led development solutions was discussed in the context of both DAI-implemented projects. This session allowed the EF and DNA teams to grasp knowledge of the basic concepts of the model while helping identify key elements to incorporate into the Activity's work planning and monitoring by enhancing the efficacy of its market development model.

Table 9 - Events & activities during FY23

Date	Event/Activity
February	
1	EF Webinar in Asomicrofinanzas Board Meeting
28	EF's Launch Event
March	
15	Asomicrofinanzas seminar for journalists and media
16-17	Asobancaria's 13 th Congress on Access to Financial Services and Payment Methods - CAMP 2023
24	PND Analysis at USAID's CLA
29	Innovation and Credit Inclusion Forum for the Popular Economy, organized by BdO
April	
13-14	VI International Renewable Energy Congress
20	General Assembly of Colombia Fintech
24	USAID's Market System Development workshop participation
June	
27	International Day of MSMEs
August	
3-4	13 th Asomicrofinanzas Congress
13-14	SFC's Planning Session
22	Ideation session with Colombia Fintech and Traditional Banking stakeholders
September	
7	Financial Education Training session in Montería
14	Financial Education Training session in Florencia and RIS Conference: "Conociendo a FINAGRO" with USAID IPs
20	Official presentation of the RMA
21	Financial Education Training session in Cauca
21	XIX Risk Congress for the Cooperative Sector organized by Asoriesgo
28	Financial Education Training session in Cúcuta
28-29	LATAM Fintech Market

As this Annual Performance Report reflects, it includes the first Success Story, see Annex 3³⁰.

³⁰ EF Contract, Section 2, F.5.4. Quarterly Performance Reports: (q) Success stories (if available) in the proper USAID format and a brief analysis on the general economic context.

SECTION 3: OPERATIONAL ACTIVITIES

PROJECT STAFFING PROCESS FY23

EF staffing progressed over start-up and 91% of proposed staff were onboard. The Gender and Vulnerable Populations Financial Inclusion Specialist and Investment Specialist have not yet been onboarded, and initial tasks have been undertaken under Short-Term Technical Assistance (STTA). EF plans to establish if these two positions are needed as a Long-Term Technical Assistance (LTTA), if their scopes need to be modified to respond to EF needs and/or if these specific tasks can continue to be supported by STTAs through implementation in FY24.

Table 10 - Technical & Operations Project Staff onboarded during FY23

Full name	Position
	Chief of Party
	Activity Fund Manager
	HR Specialist
	Procurement Specialist
	Deputy Chief of Party
	Senior Investment Manager
	Finance and Operations Manager
	Accountant
	Technical Writer
	Knowledge Management and Communications Manager
	Financial Capabilities Manager
	IT Specialist
	Financial Services and Partnerships Manager
	Financial Observatory Specialist
	Grants and Subcontracts Associate
	Grants and Subcontracts Specialist
	Communications Associate
	MEL Manager
	Digital Financial Specialist
	Regional Corridor Lead
	Administrative Associate
	Accounting Associated
	Regional Coordinator - Catatumbo
	Regional Coordinator - Bajo Cauca, Noreste Antioqueño and Sur de Córdoba
	Regional Coordinator – Cauca-Nariño
	Regional Coordinator – Caquetá-Putumayo
	Regional Coordinator – Meta-Guaviare
	Communications Assistant
	MEL Database Specialist
	Security Manager
	Policy and Research Associate

VACANCIES AS OF THE CLOSE OF FY23Q4

Table 11 – Vacancies as of the Close of Q4 FY2023

Position	Status (as of September 30, 2023)
Gender and Vulnerable Populations Financial Inclusion Specialist	Given the startup needs of the project, initial tasks are being developed through an STTA. EF is evaluating the needs and timing to onboard the position as an LTTA in FY24.
Investment Specialist	Given the startup needs of the project, initial tasks are being developed through an STTA. EF is evaluating the needs and timing to onboard the position as an LTTA in FY24.

Active Short-Term Technical Assistance Consultants

EF had the following short-term consultants providing support to project objectives during FY23.

Table 12 - EF Technical & Operational Short-Term Technical Assistance³¹ consultants in FY23

Position	SOW	Start Date	End Date
Investment Consultant	Build the initial strategy to support the program's long-term financial capital investment and mobilization on digital innovation, rural development, alternative development, and environmental conservation sectors.	2/06/2023	12/15/2023
Workplace Health and Safety Consultant	Design, coordinate implementation, evaluation, execution and monitoring of the occupational health and safety management system for EF. Support all DAI USAID projects in Colombia.	02/15/2023	01/20/2024
GESI Consultant	Support the technical team in establishing the strategy to accomplish GESI goals. New deliverables have been added to this contract, extending the end date from 07/31/2023 to 10/31/2023.	03/01/2023	10/31/2023
Senior MEL Consultant	Development of the AMELP and related tools and for the 5-year program implementation	03/01/2023	09/30/2023
Climate Finance Expert	Mapping and characterization of climate finance instruments, with emphasis on USAID's PDET municipalities and strategic corridors, and identify and describe the obstacles for the supply and demand of climate finance through select case studies.	05/24/2023	09/30/2023
Digital Financial Services Ecosystem Assessment Consultant	Initial mapping of the digital financial ecosystem. First technical deliverables ready by the beginning of Q3 FY23.	02/27/2023	07/07/2023
Technical Advisor (DAI HO)	Support the design and implementation of project activities aimed at increasing access to formal financial services for rural and conflict-affected Colombians and ensure the quality of project deliverables.	06/01/2023	09/30/2023
Grant Program Implementation Specialist (HO DAI – Up to 20 days)	Complete grant systems start-up tasks (notably the organization, vetting, and finalization of grant program templates and processes that were not completed during the formal start-up period), consulting with the Activity Fund Manager to ensure availability of tools needed to smoothly implement subcontracting and grant-making in accordance with the workplan. Provide training and coaching to the Activity Fund (AF) team through the solicitation, development, and issuance of EF's first round of grants and subcontracts.	06/16/2023	09/30/2023
AMEL Specialist (HO DAI – Up to 18 days)	Draft EF's AMELP, using their knowledge, skills, and expertise to craft a plan that is feasible, realistic, and responsive to the contract and client requests.	11/1/2022	03/30/2023
Start-up Manager (HO DAI – Up to 19 days)	Home Office (HO) based position leading the implementation of start-up activities to establish effective project operations.	12/01/2022	05/31/2023
Technical Advisor (DAI)	Provide ongoing technical advice and support to the COP during start up and serve as a contributing writing for the AWP for YI	10/17/2022	12/15/2022

³¹ EF Contract, Section 2, F.5.4. Quarterly Performance Reports: (i) Description of any short-term consultants' progress and observations, identifying any significant issues, and a description of follow-on interventions.

Position	SOW	Start Date	End Date
HO – Up to 26 days)	including collecting information, draft technical scopes of work for staff and subcontractors.		
Communications Specialist (DAI HO – Up to 6 days)	Support the development of the Communications and Outreach Plan to advance program objectives through effective communications describing and explaining USAID's efforts to assist Colombian partners in improving the supply and demand of formal financial services in rural, underserved and conflict regions, and mobilize long-term capital for USAID/Colombia's programming as outlined in USAID's CDCS.	11/08/2022	02/28/2023
TAMIS Specialist (DAI HO – 10 days)	TAMIS holds technical and administrative data related to the implementation of the EF Project activities. The system includes an Implementation Management component and a Project Administration component. In addition to specifying and tracking timing and resource allocation, the information stored in TAMIS serves other project management functions. It provides for scheduling of activities and for coordination of information pertinent to each technical activity.	10/17/2022	10/16/2023
Technical Advisor (DAI HO – Up to 10 days)	Conduct research and analysis on the financial needs of underserved populations, collaborating with local partners to develop and implement strategies for increasing access to finance, and monitoring and evaluating the impact of project interventions.	06/1/2023	09/30/2023
Start-Up Recruitment Specialist (DAI HO – Up to 51 Days)	Lead the early onboarding efforts for LTTA and STTA staff, with responsibility for all aspects of expatriate and local recruitment as needed, including vetting candidates, organizing interviews, drafting offer letters, negotiating compensation packages, and ensuring completion of HR paperwork.	11/01/2022	01/31/2023
Field Accounting Specialist (DAI HO – Up to 19 days)	Lead all early financial and accounting functions in strict adherence to USAID and DAI policies and procedures, along with accounting software customization for training and handoff to long-term staff.	10/17/2022	10/16/2023
Acting DCOP/ AWP contributing writer (DAI HO – Up to 15 days)	Support the COP in initial tasks including collecting information and helping draft sections of the AWP for Y1. This writer used its knowledge, skills, and expertise to craft a plan feasible, realistic, and responsive to the contract and client requests.	10/17/2022	12/15/2022
Principal Editor (DAI HO – Up to 3 days)	Copy edit EF's draft AWP for Y1.	11/01/2022	12/30/2022
Publications Specialist (DAI HO – 1 day)	Provide remote support to the EF Startup team on an as needed basis to format the draft AWP for Y1 and other contract deliverables.	11/01/2022	12/01/2022
Start-up IT Specialist/Systems Administrator (DAI HO – Up to 17 days)	Support the set-up and initiation of IT systems and equipment of project start-up and provides as hoc IT systems and equipment support throughout the life of the project to address the project's IT needs and resolve specific IT-related problems.	10/17/2022	09/30/2023
Start-up Specialist (DAI HO – Up to 11 days)	Support administrative, procurement, financial, and recruitment start-up tasks in coordination with the Start-up Manager, Finance and Operations Manager, and HO Project Director.	01/29/2023	02/28/2023
Activity Fund Specialist (DAI HO – 3 days)	The STTA will work closely with the EF Project Manager and the Activity Fund Manager to identify and document the grants process, e.g., issuing APS/RFA, reviewing/evaluating applications, determining grant type, preparing USAID approval request/neg memo, preparing, and issuing grant agreement.	11/01/2022	12/15/2022
MEL Technology Advisor (DAI HO Up-to 7 days)	Conduct a thorough analysis of EF's needs and goals to determine the best programming language, software and technological developments needed. Establish standards and guidelines that are achievable and practical within time and budget constraints, enable EF to achieve its AMELP requirements and are in line with DAI's technological standards, guidelines, and procedures.	08/15/2023	09/30/2023

PROJECT OFFICE

Project office rental space lease was signed to start on February 3, 2023, after researching more than 15 possible locations. Office location is central in the Bogotá financial district at Terpel's building (Carrera 7 # 75 – 51, 8th Floor). As this is a shared space with DNA, the final lease was negotiated with a discounted rate given the prices in the area. Office space remodeling for the required project needs took place on Q4 of FY23, allowing EF to follow required Colombian labor law health and safety requirements, including ensuring staff understands how to minimize their risk of exposure to COVID-19, and evaluate the effectiveness of project risk controls. By Q4 FY23 EF has the required office space for Activity execution.

PROCUREMENT

FY23 entailed procuring all the initial necessary items for EF project execution, including key IT equipment (laptops, screens, office furniture, internet service provider, security cameras, and office supplies among others). The procurement team also developed several Blanket Purchase Agreements (BPA) with vendors providing Travel Agent, Design & Printing, and Translation services. At the end of FY23 the procurement team focused on the execution of the office space remodeling which resulted in modifications benefiting meeting spaces and individual office areas for Activity management.

Procurement will continue supporting the project needs as EF will commit more resources to the regional corridors, providing travel efficiencies for regional coordinators and for technical teams traveling to territory. EF has taken advantage of other USAID-DAI projects such as DNA, Peace for Transparency (PFT) and RG, which has resulted in time and cost effectiveness, as in some cases procurement processes have been shared by reaching out to existing providers and obtaining lower rates.

FINANCE/LEGAL

FY23 EF startup staff, with the help of existing DAI/USAID projects, marked the beginning of all the steps required for establishing all the financial and legal documentations and mechanisms for EF to be able to function as an independent project. A bank account with Bancolombia was opened in November, which EF started using when the financial team was onboard (January 2023). EF also established the required mechanisms to have the accounting consolidation firm and the Auditing Firm (Revisoría Fiscal) as required by Colombian law. In addition to this, the project worked with the local legal counsel to ensure all the labor contracts and requirements surrounding immigration for foreign nationals were covered. Regarding finances, the team established payment approval processes and procedures, along with a schedule of authorities, engaging with our accounting, consolidating, and auditing firms to establish communication flows and compliance with local tax withholding requirements and payments.

Throughout FY23 EF managed and processed all the required payments including payroll, payment of local providers as well as payment of deliverables under technical subcontracts. EF has processed and submitted all the USAID requested reports for accruals, quarterly projected expenditures, and exchange rate notice reports to the USAID COR accordingly and within the requested timeframes.

MANAGEMENT AND COMPLIANCE SYSTEMS

EF's team in Colombia focused on learning and understanding EF-tailored DAI's systems. DAI's Technical and Administrative Management Information System (TAMIS) as well as our Field Operations Manual (FOM) are fully approved, implemented and in use by both operational and technical teams, TAMIS allows for proper tracking and reporting of data, and the Field Operations Manual (FOM) provides

guidance to all the team regarding processes and procedures for project implementation. Trainings from HO took place with field team in terms of Grants and Procurement. EF will continue to tailor these systems in response of the project need, this includes improving the Grants Manager Plus software and the tailor-made control dashboard that will allow the teams to track all the deliverables, funding and timelines on the implemented procurement and AF mechanisms.

ACTIVITY FUND

In FY23 the AF staged solicitations, coordinated co-creation, pre-awards and ensured that all new agreements have clear payment milestones linked to results.

Expressions of Interest (Eoi)

On March 13, EF issued the FE-EOI-2023-01 call for Eois for legal entities such as banks, microfinance institutions, cooperatives, associations of financial service providers, NGOs, or Fintech companies operating in Colombia and having a current presence in at least one of the five economic corridors prioritized by the Activity³², to submit proposals to improve the supply and demand of formal financial services in these economic corridors.

The invitation to present the Eoi was sent to a total of 106 entities; 30 of them submitted an aggregate of 250 technical and contractual questions. Responses to these queries were sent on the last day of Q2— March 31, and on April 17 EF received 30 Eois that were reviewed on the criteria specified under Table 13.

Table 13 – Selection criteria for EOIs

Description	Value
Technical capacity for the development of the initiative, experience in providing financial products or services aimed at traditionally marginalized populations, and institutional commitment to serving clients in the prioritized economic corridors	30%
Potential impact and contribution to achieving FE's goals	30%
Justification, structuring, and design of the initiative	20%
Probability of success regarding sustainability and scalability	20%

Co-creation sessions

After reviewing the concepts, in accordance with established guidelines and criteria, 14 entities were invited to proceed with co-creation sessions to work together to refine results, work plans, targets, and the resources required to achieve them and then to present full grant applications for support.

Table 14 – Entities in co-creation sessions

FSPs invited to co-creation sessions		
• Davivienda	• Fundación Amanecer-Cootregua	• Fundación Bancolombia
• Fasecolda	• CFA	• Banco de Bogotá
• Crezcamos	• Bancamía	• Fundación de la Mujer
• Mibanco	• Banco W	• Asobancaria
• BMM	• Contactar	

³² According to request for Eoi No. FE-EOI-2023-01, the proponents were open to suggest additional municipalities located within the geography of the prioritized economic corridors with a justification (for example, for being economic and financial centers for other municipalities in the corridor). The following municipalities were approved by USAID and added to EF's targeted municipalities: Apartado, Carepa, Chigorodo, Necocli, Turbo, Barranco Minas, Inírida, San Felipe, Puerto Colombia, and Ocaña.

Considering the entities coverage, experience, and scope, the technical committee established two groups of entities to manage the workload and in Q3 FY23 began co-creation sessions with the first group.

In tandem the AF began processing pre-award risk assessments, and on June 7 issued the RFA No. FE-RFA-2023-01 to the 14 entities that qualified for co-creation. Final application submission date for official proposals is August 31, 2023.

Grant agreements

In response to the request for RFAs, in Q4 FY23, EF received 12 RFAs (Asobancaria and Banco de Bogotá did not submit applications). After USAID's approval of six of these agreements (as shown in Table 1), the AF processed the administrative aspects of five FAAs: Banco Davivienda, BMM, Crezcamos, CFA and Mibanco. Disbursements were made to BMM and Crezcamos in accordance with the completion of the initial milestones. With these agreements in place, the AF began uploading grant information into the Grant Management Plus system.

In the last quarter, per EF's ideation with BAC (see OI & O2), the AF prepared the RFA intended for an in-kind FAA.

In Q1 FY24 EF anticipates the signature of FAAs with Bancamía, and the AF will continue supporting applications from Fundación Bancolombia, Contactar, Fundación Amanecer - Cootregua, Banco W, Fundación de la Mujer, and Fasecolda, and will issue the RFA to BAC for the signature of an in-kind FAA.

Subcontracts (Sbks)

In FY23 the AF DAI fully executed subcontracts with PUJ and a U.S. small business CB, based on the consent to subcontract requests issued as part of the EF award to DAI. Additionally, in Q3 FY23, the team processed a PO with CF.

Table 15 - Active Subcontracts in FY23

S/C	Number	Type	Objective	Execution
PUJ	1005125-22S-PUR-BOG-22-0002-00	Firm Fixed Price Subcontract	Rural Market Assessment	12/16/2022 – 09/29/2023
CB	1005125-S22-TO1-39093-00	Firm Fixed Price Task Order	In-Depth Market Evaluation	12/15/2022 – 02/28/2024
CF	PUR-BOG-23-0049	PO	Strengthen the deployment of digital financial products by connecting with association members.	06/15/2023 - 08/15/2023

PROJECTED USAID APPROVALS, WAIVERS OR DEVIATION REQUESTS³³

EF does not anticipate any required approvals, or waivers of deviation requests for Q1 FY24.

STATUS OF REQUIRED AUDITS³⁴

Not applicable.

Please refer to EF Contract, Section 2, F.5.4. Quarterly Performance Reports:

³³ (o) Projected USAID approvals, waivers or deviation requests anticipated during the next quarter.

³⁴ (p) The status of required audit processes including for sub-awardees, if applicable.

SECTION 4: FINANCIAL REPORT³⁵

Through the implementation of YI of EF, DAI has submitted all the requested accrual reports to USAID. On September 25th, 2023, EF received incremental funding which increased the total obligation to [REDACTED] of which 33.99% has been expended since inception, leaving an obligated balance of [REDACTED]. It is important to note that the incremental funding was generated given EF’s AF commitments generated through FAAs with EF partners. Regular operational costs like labor for expatriate LTTA and STTA and Country Cooperating National (CCN) LTTA, including associated fringe benefits, increased over time as the EF team staff was onboarded, as did costs from our subcontractor CB and AF deliverables coming from PUJ and CF. There were no unusual cost overruns this quarter or major variances encountered.

As requested by USAID’s Office of Acquisition and Assistance (OAA) Notice 2023-04 and 2023-11 regarding possible exchange rate “savings” EF has prepared the following calculations.

- Exchange rate “savings” in USD. Please include savings from the start of your award through September 30, 2023, and for the specific FY quarter.

DAI’s cost proposal for the EF award utilized an exchange rate of [REDACTED]. Based on the expenditures executed through EF’s Colombia-based bank accounts, DAI has calculated the total amount of expenditures in Colombian Pesos (\$COP) from the start date of the Activity through September 30, 2023. DAI’s field finance systems apply the exchange rate provided by Bancolombia each time USD funds are sent from DAI Bethesda to the local accounts (approximately every week). Indirect costs and payments from DAI Bethesda are not included in this analysis since these costs are paid and invoiced to USAID in USD.

Table 16 – Equitable Finance Activity Exchange Rate “Savings” as of September 30, 2023

Total Expenditures in \$COP through 09/30/23	Total Expenditures as invoiced in USD	Total Expenditures if converted at \$3,500 COP / \$1 USD	Estimated Exchange Rate “Savings” through 09/30/23
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

³⁵ EF Contract, Section 2, F.5.4. Quarterly Performance Reports: (j) Status of budget expenditures, analysis of any cost overruns or high unit costs, available funding for the remainder of the activity and any variances from planned expenditures.

Table 17 – Exchange Rate Savings Reports as of September 30, 2023

Quarterly Exchange Rate Savings Report As of September 30, 2023		
Implementing Partner:	DAI Global LLC	
Activity Name:	Equitable Finance Activity	
Award Number	72051422D00003	
Start Date	10/17/2022	
End Date	10/16/2027	
Previous Report		
	Q4 – FY2023	Total Cumulative Amount

- Budget lines where additional funds (FX savings) were used. Please detail.

On October 17, 2022, the contract was signed between USAID and DAI Global LLC for the EF. As of September 30, 2023, the Activity had been implemented for 11 months, and the cost savings that were realized were primarily in the areas of Labor, Consultant Labor, Travel, and Procurement. As the program continues, it will be important to monitor cost savings and ensure that they are directed toward achieving the Activity’s goals and objectives.

- Deviations of more than 10% in the number of personnel, using as a baseline the number of positions included in the budget at the time of award, independent of whether these needed USAID’s approval.

There has been no deviation of more than 10% in the number of personnel, EF has not reached the number of personnel approved at the award stage.

Table 18 – Equitable Finance Activity onboarded personnel by the end of Q4 FY23

Number of positions approved at award	Current number of positions	Average number of positions during the length of the Activity
35	31	18.75

Table 19 – FY23 Year I - Financial Report

CLIN 001	Contract Budget (USD\$)	Cumulative Invoiced Amount at end Q3 FY23 (USD\$)	Q4 FY23 Invoiced Amount (USD\$)*	Contract Budget Amount Remaining (USD\$)	Estimated Activity Expenditures Q1 FY24* (USD\$)
CLIN 001					
Direct Costs					
Activity Fund					
Indirect Costs					
Total Costs					
Fixed Fee					
Total Estimated Cost Plus Fixed Fee					
CLIN 002					
Total Ceiling					
Totals CLIN 001 & 002					

*The Q4 reported invoice amount includes the retroactive amount credited by DAI to USAID given DAI’s new NICRA.

SMALL BUSINESS INVOLVEMENT³⁶

EF continues to exceed its U.S. small business utilization target due to the rapid mobilization of an Indefinite Delivery Indefinite Quantity (IDIQ) task order with partner CB. CB submitted nine deliverables during FY23, which accounted for a total of US [REDACTED] CB’s work with EF under its first task order will continue through FY24, anticipating the final deliverable will be submitted in February of 2024, which will maintain a healthy use of U.S. small businesses. Colombian partner, PUJ, made the most significant contribution to the local business total. The project will continue to engage with other small businesses when appropriate while prioritizing engagement with local partners, which is a technical priority and a legal requirement for DAI's registration status in Colombia.

³⁶ EF Contract, Section 2, F.5.4. Quarterly Performance Reports: (n) If applicable, the use of Small and Disadvantaged Business relative to the target identified.

SECTION 5: ANNEXES

ANNEX I. MEL INDICATORS REPORTING IN Q1 FY24

Table 1 - Summary of EF's Performance Indicators Reporting in Q1 FY24

#	Code	Indicator name	Class	Type	Disaggregates	Source of Data	Reporting frequency
Special Objective: Increased mobilization of long-term financial capital for USAID's priority sectors.							
21	EF-SO-02	Number of innovative/alternative finance instruments proposals that can be implemented to support the mobilization of long-term financial capital towards USAID's priority sectors (CDCS)	Output	Custom	Sector; Location	Activity monitoring reports	Annually
Crosscutting							
22	EF-CC-01 (PSE-1)	Number of USG engagements jointly undertaken with private sector enterprises to support U.S. foreign assistance objectives [PSE-1]	Output	Standard	Type of engagement; Purpose of engagement; US Foreign Assistance objectives addressed; PPP; Location	Activity monitoring reports	Annually
24	EF-CC-03 (PMP 156)	Value of Leveraged Funds [mission indicator – 156]	Output	Standard	Resources Origin and type; Location	Activity monitoring reports	Quarterly

Table 2 - Summary of EF's Context Indicators Reporting in Q1 FY24

Code	Indicator name	Units of Measurement	Source of Data	Reporting Frequency	Reference Value	Reference Timeframe
EF-CX-01	Interest rate	Percentage	Central Bank	Quarterly	11%	Q4 CY2022
EF-CX-05	Microcredit Portfolio Quality (Arrears)	Percentage	Superintendencia Financiera de Colombia,	Quarterly	9.5%	September 2022

ANNEX 2. FY23 PROGRESS OF MEL INDICATORS

Table I – MEL Performance Indicators and Progress for FY23

Code - Indicator Name	FY23				Activity Total Progress		
	Q4	FY Actual	FY Target	FY Prog. %	Total Program	LOA TARGET	Total Prog %
EF-O1-01 Number of people who have participated in financial education/literacy activities	177	177	0		177	100,000	0.18
EF-O1-02 Sustainable and scalable business development service/model operationalized	No	No	No	No	No	Yes	Not applicable
EF-O1-03 (EG.5.2.1) Number of firms receiving USG-funded technical assistance for improving business performance	0	0	0	0	0	50	Not applicable
EF-O1-04 (EG.5-3) Number of microenterprises supported by USG assistance	0	0	0	0	0	30	Not applicable
EF-O1-05 (EG.5-16) Approximate number of very poor beneficiaries from USG assistance targeted to reach the very poor	0	0	0	0	0	500	Not applicable
EF-O2-01 Number of financial services providers with increased capacity to provide financial services in target geography	0	0	0	0	0	10	Not applicable
EF-O2-02 Total number of financial services provided through USG-assisted financial intermediaries, including non-financial actors or institutions [mission indicator – 182] (contract: number of financial products)	0	0	0	0	0	10	Not applicable
EF-O2-03 Value of USG-supported financial services [mission indicator – 119]	0	0	0	0	0	550,000,000	Not applicable
Productive Credit	0	0	0	0	0	440,000,000	Not applicable
EF-O2-04: Value of agriculture-related financing accessed as a result of USG assistance [EG.3.2-27]	0	0	0	0	0	150,000,000	Not applicable
EF-O2-05: Number of individuals participating in USG Food security programs [EG.3-2]	0	0	0	0	0	500	Not applicable
EF-O2-06 Total number of clients benefiting from financial services provided through USG-assisted financial intermediaries, including non-financial institutions or actors [EG.4.2-1]	0	0	0	0	0	200,000	Not applicable
EF-O2-07: Percentage of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment) [GNDR-2]	0	0	0	0	0	50%	Not applicable
EF-O2-08 Percentage of participants who are youth (15-29) in USG-assisted programs designed to increase access to productive economic resources [IM-level] [YOUTH-3]	0	0	0	0	0	20%	Not applicable
EF-O2-9 Number of digital finance products that have been developed, deployed and/or strengthened	0	0	0	0	0	10	Not applicable
EF-O2-10 Percent increase in utilization rate of digital financial products	0	0	0	0	0	30%	Not applicable
EF-O2-11: Number of clients using digital financial services	0	0	0	0	0	20,000	Not applicable
EF-O3-01 Framework/guideline in coordination with the GoC, Banca de las Oportunidades, and financial intermediaries covering the quantity, usage, and quality of data for measuring financial inclusion developed	No	No	No	No	No	Yes	Not applicable
EF-O3-02 Comprehensive and sustainable data management system that facilitates the analysis of information for financial and economic inclusion of at least two underserved population segments implemented	No	No	No	No	No	Yes	Not applicable
EF-O3-03 Number of regulatory recommendations that promote underserved populations' financial inclusion drafted and adopted by the GOC	0	0	0	0	0	2	Not applicable
EF-SO-01 Value of funds mobilized in FINAGRO's 2nd tier facility after agreement is reached with FINAGRO and GoC	0	0	0	0	0	150,000,000	Not applicable
EF-SO-02 Number of innovative/alternative finance instruments proposals that can be implemented to support the mobilization of long-term financial capital towards USAID's priority sectors (CDCS)	0	0	0	0	0	3	Not applicable
EF-CC-01 Number of USG engagements jointly undertaken with private sector enterprises to support U.S. foreign assistance objectives [PSE-1]	5	5	2	250%	5	12	42
EF-CC-02: Value of Mobilized Funds [mission indicator – 40]	0	0	0	0	0	550,000,000	Not applicable
EF-CC-03: Value of Leveraged Funds [mission indicator – 156]	0	0	0	0	0	5,000,000	Not applicable

In FY2023, progress is reported for two indicators: EF-O1-01 and EF-CC-01. The only indicator with an assigned goal for FY23 is the indicator EF-CC-01.

Table 2 – Projected Achievement of Indicator Goals Under Grants³⁷

Indicator code and name	Projected indicator targets under grants													Activity target indicators	
	Daviyenda	Banco Mundo Mujer	Crezcamos	CFA	Mibanco	Bancamía	Contactar	Fundación Bancolombia	Fasecolda	Amanecer-Cootregua	Banco W	Fundación de la Mujer	Total	LOA Targets 2023 - 2027	% projected completion LOA
EF-O1-01 # people that have participated in financial education/literacy activities	10,000	31,000	1,000	5,045	9,000	5,879	14,200	20,000	TBD	TBD	TBD	TBD	96,124	100,000	96
EF-O1-04 # microenterprises supported	1,000	0	0	30	0	5,610	450	0	TBD	TBD	TBD	TBD	7,090	30	23,633
EF-O2-02 Total number of financial services	1	1	0	1	0	11	0	1	TBD	TBD	TBD	TBD	15	10	150
EF-O2-03 Value of USG-supported financial services	[REDACTED]								TBD	TBD	TBD	TBD	[REDACTED]		26
Productive loans	[REDACTED]								TBD	TBD	TBD	TBD	[REDACTED]		31
EF-O2-04 Value of agriculture-related financing	[REDACTED]								TBD	TBD	TBD	TBD	[REDACTED]		31
EF-O2-06 Total number of clients benefiting from financial services	15,000	50,550	5,000	7,200	12,173	7,001	48,813	2,000	TBD	TBD	TBD	TBD	147,737	N/A	74
EF-O2-06 New underserved	15,000	17,633	2,000	2,880	6,737	2,100	6,102	1000	TBD	TBD	TBD	TBD	53,452	200,000	27
EF-O2-07 Percentage of female participants in USG-assisted programs designed to increase access to productive	50%	50%	50%	50%	50%	50%	48%	50%	TBD	TBD	TBD	TBD	50%	50%	100

³⁷ At the time of this report, EF continues in co-creation sessions with Fasecolda, Amanecer – Cootregua, Banco W and Fundación de la Mujer are underway.

Projected indicator targets under grants														Activity target indicators	
Indicator code and name	Davivienda	Banco Mundo Mujer	Crezcamos	CFA	Mibanco	Bancamía	Contactar	Fundación Bancolombia	Fasecolda	Amanecer-Cootregua	Banco W	Fundación de la Mujer	Total	LOA Targets 2023 - 2027	% projected completion LOA
economic resources															
EF-O2-08 Percentage of participants who are youth (15-29) in USG-assisted programs designed to increase access to productive economic resources	0%	20%	20%	20%	15%	10%	20%	20%	TBD	TBD	TBD	TBD	16%	20%	80
EF-O2-09 Number of digital finance products	3	3	1	0	0	4	0	1	TBD	TBD	TBD	TBD	12	10	120
EF-O2-10 Percent increase in utilization rate of digital financial products	30%	TBD	20%	N/A	5%	30%	N/A	20%	TBD	TBD	TBD	TBD	21%	30%	70%
EF-O2-11 Number of clients using digital financial services	15,000	9,000	1,000	0	0	1,470	0	2,000	TBD	TBD	TBD	TBD	28,470	20,000	142
EF-CC-02: Value of Mobilized Funds	[REDACTED]								TBD	TBD	TBD	TBD	[REDACTED]		26
EF-CC-03 Value of Leveraged Funds	[REDACTED]								TBD	TBD	TBD	TBD	[REDACTED]		188

ANNEX 3. SUCCESS STORY

Agricultural Leaders Learn about Financial Education to Share It with Producers' Associations



is a rubber technical expert who participated in the Financial Education Training in Cauca.



during one of the exercises in the workshop.



Sustainable Agriculture and Equitable Finance Teams with training participants, Viviana at the bottom right.

Colombia is known for its vibrant and hard-working people. Thus, in the Bajo Cauca area in Antioquia and in Caquetá, the Equitable Finance Activity identified and met two women leaders in the agricultural sector during one of the actions with which it seeks to improve and strengthen the financial skills of producers, associations, rural communities and MSMEs; allowing them to better understand and access the different financial concepts and services available to them.

comes from “La Maturana” village in the municipality of Zaragoza (Bajo Cauca in Antioquia) and has worked as a technical assistant in rubber crops, a job that has allowed her to contribute significantly to the development of her community. is an active member of the Association of Rubber Producers of Zaragoza, known as Asoprocasa. An organization focused on promoting and strengthening rubber production in the region, as well as improving sustainable production practices for local farmers.

On the other hand, there is , native to the municipality of Paugil (Caquetá), who is a representative of two associations. is a very warm, multi-faceted woman and a true beacon of leadership in and for her community, demonstrated in the representation that she has of two associations with a strong commitment to the coffee sector. First, is the Association of Women Coffee Growers of Paugil (Amucapa), dedicated to the production of “La Sonora” coffee, and second is Fondepaz, in which more than 840 coffee growers are united to work collectively in the production of the “Vientos de Paz” coffee. These two organizations are an example of how union and collaboration can generate opportunities and empowerment in rural areas.

They are just two of the more than 160 people who participated in the financial education workshops that the Equitable Finance Activity directly implemented during September 2023, in training spaces that were carried out within the framework of collaboration with USAID’s activity, Sustainable Agriculture. The two-day sessions also addressed gender issues, use of inclusive language, market systems and climate change in Montería (Córdoba), Cauca (Antioquia), Florencia (Caquetá) and Cúcuta (Norte de Santander).

For the workshop represented an important step toward reducing knowledge gaps in her community. This is because most farmers face difficulties in accessing credit due to a lack of information and financial knowledge. However, “thanks to the new knowledge acquired, I can convey to my colleagues that Equitable Finance will not only work to better explain the technical



██████████ During the Financial Education workshop in Florencia (Caquetá)



██████████ offered her coffee, La Sonora, supplied during the Florencia workshop.



██████████ and one of her associates distribute the products produced by one of the associations she represents.

financial terminology but will also serve as a mediator so that farmers can get closer and learn more about the services and products that the financial entities with which the Activity will be working have available to them, fostering a beneficial link for both parties.”

For her part, ██████████ considers that “the exercises carried out during the workshop were very important because, for the successful marketing of coffee, it is essential to have solid financial skills.” Understanding how to budget, identify available services and channels, and effectively manage finances is essential in the agricultural world. As a leader of two associations, she is responsible for sharing her knowledge with the associates she works with to generate greater trust in the system and financial entities so that rural women in Caquetá can take full advantage of the benefits that the entities offer.

Both women share a clear short-term vision for this type of training. They hope that the workshop can be replicated, with a little more depth and time to internalize the knowledge with the associations with which they work. They identified a methodology that turns out to be simple, and close, that allows raising awareness among the rural audience, making terminology that is difficult to understand easy for producers and farmers.

The experiences of ██████████ are evidence that reinforces the expected implementation work of the Equitable Finance Activity, emphasizing “the importance of looking at the financial system as an ally and as a way to leverage so that their businesses and productions grow”, as ██████████ states.

Having more people participating in financial education workshops and training will be essential to expand people’s financial knowledge in the different economic corridors of the Activity and empower them to guide their communities towards a more prosperous and sustainable agricultural market system in Colombia.