

MINUTES OF THE MEETING
OF THE EXECUTIVE COMMITTEE OF
ACCION INTERNATIONAL


A meeting of the Executive Committee of ACCION International, a corporation duly organized and existing under and by virtue of the membership corporation law of the State of New York, was held at 99 Park Avenue, New York City on July 18, 1989 at 12:00 in the afternoon. Those present were:

Terry Canavan
John Duncan
Daniel Martin
Charles Muller
Thomas McDermott
John Scott

being a quorum. Also present were Board Directors Michael Chu, Diane de Vries Ashley, Martin Connell, and Executive Director William Burrus. The agenda was dedicated to a discussion of the proposed Bolivian micro-enterprise bank. A recently received letter from the PRODEM President, Roberto Capriles, was reviewed. The letter states their decision to create a steering committee for the development stage and to pledge \$80,000 towards the cost of this stage.

Those present then outlined the issues related to the feasibility study which they feel need to be resolved and/or clarified during the development stage. Mr. Burrus was asked to prepare a summary of these comments, which after being reviewed by the Committee, would be sent to the steering committee in Bolivia. He was further instructed to send a complete set of these materials to all the Directors of ACCION.

With no further business to discuss the meeting was adjourned.



William W. Burrus
Designated Secretary



MINUTES OF THE MEETING
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ACCION INTERNATIONAL

A meeting of the Executive Committee of ACCION International, a corporation duly organized and existing under and by virtue of the membership corporation law of the State of New York, was held at 99 Park Avenue, New York City on March 9, 1989, at 12:00 in the afternoon. Those present were:

John Avery
Robert Helander
Daniel Martin
Charles W. Muller
Thomas McDermott
John Scott

being a quorum. Also present were Board Directors Albert Bildner, Mildred Sage and Executive Director William Burrus. The agenda was as follow:

I. UPDATE ON VENEZUELA

The President, Mr. Martin, asked Mr. Helander to report on the results of the visit which he and Mr. Duncan made to Caracas. Mr. Helander stated that in addition to the trip, they along with Bill Burrus had also met with Advisory Council Member Hans Neumann. Their perception of the situation is that at this time it would be difficult to promote the creation of a new organization in Caracas with all the key families and business groups participating. In addition, because the Mendoza Foundation has already begun a micro-enterprise effort and is anxious to work with ACCION, it is their recommendation that ACCION explore the opportunities for working directly with the Mendoza Foundation. Following a discussion about general conditions in the Country, Mr. Burrus was instructed to visit the Mendoza Foundation in Caracas and determine whether a relationship is feasible.

II. UPDATE ON BOLIVIA

The discussion of the latest version of the feasibility study of the proposed Bank was postponed until both Mr. Canavan and Mr. Duncan could be present. In general, however, Mr. Martin and others expressed their strong support for the endeavor with the understanding that it would be of most interest to social investors. Mr. Helander recommended that we also look for

innovative ways of getting the banks in Bolivia to help finance the undertaking, perhaps by allowing them to buy certificates of deposit from the new bank. If banks were encouraged at a policy level to channel resources to the informal sector, investing in the new bank would be one way for them to do so.

III. PROGRAM EXPANSION IN THE US

Mr. Burrus gave some background on the current project in Arizona and the reason why the staff needed Board guidance on actively pursuing other program opportunities in the US. The background paper prepared and sent to the Executive Committee served as the basis for much of the discussion (copy attached). It was generally agreed that any additional work in the US should focus on the Hispanic population. Several potential sites were discussed including the Boston area, Los Angeles and others. The Committee instructed the Executive Director to continue to explore opportunities and to report to the full Board in June.

IV. NEW BOARD CANDIDATES

In its function as a nominating committee, the Executive Committee considered several candidates for the Board including Judy Mello, J.H. Mello Company, Rita DiMartino, AT&T, Nancy Bush Ellis, Michael O'Shaughnessy, and Michael Cho, a principal at Kohlberg, Kravits Roberts. The following action was taken:

Judy Mello: Al Bildner will invite her to lunch with Charles Muller and Millie Sage to discuss her interest in serving on the Board.

Rita DiMartino: Bill Burrus will find out more about her position at AT&T and whether her other commitments were permit her to be an active member.

Nancy Bush Ellis: Tom McDermott will write her a note and speak with her about her availability.

Michael O'Shaughnessy: Bill Burrus will check for more details on his background and, barring any negative feedback, Dan Martin as President will invite him to be a candidate.

Michael Cho: John Scott and Bill Burrus will explore with him his interest in ACCION.

With no further business to discuss the meeting was adjourned.

William W. Burrus
Designated Secretary

ACCION International - Expansion in the United States

We propose that ACCION International continue its process of program expansion in the United States, and suggest that we specifically target the Hispanic community in a large urban center along the eastern seaboard as the next effort. This second U.S. program will serve as a model for future expansion efforts in this country, and will also serve as the hub from which to support all U.S. programs.

The timing is right for initiation of a major program in the United States. Congress not only passed a bill for micro-enterprise assistance overseas in late 1987, but also had a hearing before the Select Committee on Hunger last April regarding the transference of that bill to this country. The Committee had nothing but praise for the concept. Additionally, under the new administration, entrepreneurialism/free enterprise is still a key ingredient in American culture. With our national budget deficit, alternative programs to welfare are being promoted. In fact, in a recent article in the Wall Street Journal, Jack Kemp (Secretary of Housing and Urban Development) was quoted as saying, "...war on poverty will be waged with the greatest tool that has ever been designed to battle poverty: entrepreneurial capitalism."

Non-profit and, indeed, some profit-making organizations across the country are experimenting with micro-enterprise assistance programs, but there is no single large-scale micro-enterprise development program serving any population sector in this country. Every month, we receive calls from around the country regarding the possibility of starting up a program in the U.S. ACCION is considered a leader overseas, and with no current leader yet developed in this country, the time is ripe for ACCION to step in and take that role. Our literature consistently reports that ACCION works "in the Americas", and we want to carry out that premise more fully.

An additional justification for expansion in the United States lies in the public relations/fundraising arena. It is very difficult for ACCION to get coverage in this country for our overseas efforts; and we have limited fundraising capacity due to our geographic focus. For the long term, we see the U.S. expansion as a key to raising awareness and dollars for our efforts both in this country as well as in Latin America. The possibilities for creative marketing increase a hundredfold with this new branch of activities.

Also, despite the fact that numerous micro-enterprise assistance programs have sprung up across the United States, no one has yet put together a program targetting Hispanics in urban centers. Hispanics are currently the second largest minority in this country, and are projected to become the largest within twenty years. There is an opportunity therefore, which, given our history and mission, is wide open and logical for ACCION to fill.

Two years ago, ACCION initiated MICRO, a program of small-scale

enterprise assistance along the border regions of Arizona and California for the largely Hispanic population in these depressed areas. Although MICRO has been widely acclaimed, and indeed has been successful according to plans and projections, we feel that it is only a first step for ACCION and micro-enterprise programs in this country. Due to the nature of the region (rural, scattered small populations, and lack of major local private industry for support), the program has remained quite small, relative to our operations in Latin America.

We are committed to creating programs in the United States with as much reach and impact as our Latin American programs. With our expertise in urban centers, and the opportunities there for a large, clustered population, with significant possibility of private sector support, we want to transfer our technology from the south to the north. We intend to build a U.S. program which not only serves the needs of the local population, but also serves as a model for programs across the country and brings new methodology to bear on the current state of micro-enterprise assistance in the United States.

We propose to initiate such a program along the eastern seaboard. Our geographic choice is based on the simple factor of our location and access to the new program. We want to be able to provide ongoing, and certainly in the beginning phases, very intensive support from this office. Many communities in this area exhibit great need for a program of this type. And as a model program for urban centers, most any community exhibiting certain characteristics (to be ascertained in the feasibility study) would be suitable.

After the initiation of the first program (probably six months after start-up), we intend that the program director of the new program take on the additional role of Director of U.S. Operations. That new office would then provide ongoing support to MICRO in Arizona and California, and would be responsible for expansion to new cities, including strategic planning, needs assessment, networking, etc - similar to the actual department of Latin American Operations in this office. The program director will also be responsible for relationships with similar programs around the country.

The expansion in this country would be similar to that in Latin America. We would open affiliated programs in different cities across the United States. Each program would target the low-income Hispanic population, and would become part of the ACCION network. We intend to start new programs in each city of operation, rather than to work with existing organizations. This would give ACCION guaranteed long-term involvement and ensure the acceptance and promotion of our methodologies.

The next steps to be taken in order to initiate ACCION's expansion in the United States include:

1. The executive committee of the board of directors approve the concept.
2. ACCION raises money for the initial site-selection and complete feasibility studies.

3. ACCION hire a consultant (who might later take on the job of Director of the new program, with all that that entails) to carry out the feasibility studies.

4. The feasibility study itself, which will have two components:

a. Part one: site selection - a comparison of needs/opportunities in three possible target cities: Boston, Newark, and New York (Spanish Harlem); contact with potential donors; study design.

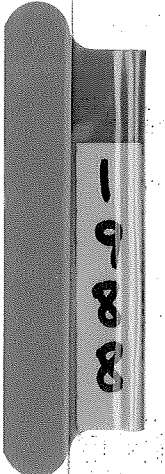
b. Part two: an in-depth study, similar to those carried out in Latin America, of the city chosen based on the conclusions of the first part of the study; program design.

5. Resources are raised for the start-up of the program.

6. Personnel is hired and the program is initiated.

We are excited about the possibilities that expansion in the United States holds for ACCION International. The new focus will enhance our expertise so that all of our programs benefit, and will in no way diminish ACCION's commitment to our Latin American programs. Given the proposed structure, including a new department to oversee U.S. operations, we actually foresee greater attention from this (Cambridge) office to the consolidation and expansion of ACCION's international efforts. And our enhanced visibility and fundraising capabilities should increase funds available for ACCION's Latin American operations.

ACCION has the unique opportunity to build on our experience and reputation, and to create the first large-scale micro-enterprise assistance program in this country. We look forward to creating a workable structure that fulfills the requirements of self-sustainability, state-of-the-art technology, and measurable impact in the community.



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A meeting of the Executive Committee of ACCION International, a corporation duly organized and existing under and by virtue of the membership corporation law of the State of New York, was held at 599 Lexington Avenue, New York City on October 20, 1988, at 12:00 in the afternoon. Those present were:

John C. Duncan
Robert Helander
Tom McDermott
Charles Muller

Also present were Board member Frederick Seeley and Executive Director William Burrus. The agenda was as follows:

I. FINANCE REPORT

The Treasurer, Mr. Tom McDermott, reviewed the financial statements through the third quarter of the year and projections for the final quarter. He indicated that the corporation was facing a possible deficit of \$63,651 compared to a surplus in 1987 of \$54,537. This loss is due mostly to the fact that the private fund-raising goals for the year have not been met, with a particular drop in corporate support over last year. Mr. Burrus indicated that the Resource Development Committee had met in September to review the status of the private fund-raising activities and had agreed to call all Board members to enlist their efforts during the last quarter. He emphasized the need for more active and aggressive efforts on the part of all Board members in the fund-raising area.

II. EXECUTIVE DIRECTOR REPORT

Mr. Burrus stated that there had been several staff changes in the Cambridge office and that a complete list of the names and functions of those working in the office was being sent to all Board members. He referred to two specific changes: first that Gabriela Romanow had assumed the position of Director of Development Education with Steven Reichard hired to take her place; second that Maria Otero, ACCION's Director in Honduras, would be returning to Washington in December. She will work on a part-time basis, representing the Corporation in Washington and spearheading efforts to document and disseminate ACCION's work through the development of manuals, evaluations and position papers on themes relevant to the micro-enterprise field.

Mr. Burrus also reported that a proposal for a five year Matching Grant had been submitted to AID for a total of \$2,088,201. Initial feedback has been positive and if approved the grant would begin in mid-1989. The amount requested is almost double the amount received per year from AID under the current Matching

Grant and signifies that the Corporation will have to intensify its private fundraising efforts to meet the one-for-one match.

Mr Burrus provided updates on three country programs, Chile, Bolivia and Venezuela. The inauguration of the program in Chile is scheduled for October 25 and will be attended by, among others, Mr. Michael O'Shaughnessy and his wife. They have made a personal contribution of \$25,000 to the program with a like amount pledged for 1989. Mr. O'Shaughnessy will attend the winter Board meeting to report on his impressions of his trip.

Mr. Burrus reported that he accompanied Board member Martin Connell to Bolivia in early September to explore with Fernando Romero and the PRODEM Board the feasibility of starting a private commercial bank to lend money and provide other services to the micro-enterprise sector. Based on the very serious and enthusiastic local response, the Calmeadow Foundation agreed to finance a feasibility study for the bank to be completed by the end of the year. Once enough information is available, a meeting will be arranged between several ACCION Board members, including Martin Connell, and Fernando Romero to discuss the next steps and ACCION's role in support of this initiative.

Possible program opportunities in Venezuela were also discussed. Mr. Duncan pointed out that the Chairman's Council of the Americas Society will hold its annual meeting in Venezuela in February, providing an excellent opportunity to explore alternatives. It was agreed that he and Mr. Helander would be in touch with Luisa Pulido de Mendoza and others to make the arrangements.

Finally, Mr. Burrus updated those present on the Guarantee Fund, now officially called the Bridge Fund. As of mid October, the fund had raised a total of close to \$500,000 from social investors which is available to guarantee the loans of local banks to ACCION's affiliate programs through the issuance of letters of credit.

III. CREATION OF A FINANCIAL INTERMEDIARY


Mr. Burrus reported that a conference of the Directors of the 32 affiliated programs had been recently held in Salinas, Ecuador to discuss the organizational and managerial challenges facing us as we continue to scale-up our lending operations. Among other things, ACCION was mandated to explore the feasibility of creating an offshore private, non-profit organization the purpose of which would be to solicit and channel resources from the bi- and multi-laterals such as AID, the IDB and the World Bank to the affiliate programs. As interest in the micro-enterprise field grows, there is pressure on these agencies to devote more resources to the sector; yet, one of the constraints is the lack of agile, organized mechanisms for doing so. Those present reacted favorable to this possibility and the staff was charged with further developing the idea. At the appropriate time, the

Board Directors will also assist in promoting the idea with officials from the various donor and lending agencies.

IV. NEW BOARD CANDIDATES

It was suggested that Mr. Michael O'Shaughnessy would be a good Board candidate and that he be invited to attend the December Board meeting as an observer. This would provide a good opportunity for the Directors to meet him. The urgency of electing several more qualified women to the Board was also discussed. Mr. Burrus reported that Mr. Al Bildner had been helpful with suggestions including Ms. Judy Mello and Ms. Iza Sessler. Mr. Burrus had met with both of them and both appeared interested. There was some question raised about Ms. Sessler's ability to help raise money in the States due to her very active fund-raising involvement with the Brazilian American Cultural Foundation. It was agreed that Ms. Mello would be invited to the December Board meeting as an observer.

With no further business to attend the meeting was adjourned.



William W. Burrus
Designated Secretary

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ACCION INTERNATIONAL

A meeting of the Executive Committee of ACCION International, a corporation duly organized and existing under and by virtue of the membership corporation law of the State of New York, was held at 599 Lexington Avenue, New York City on March 30, 1988, at 12:00 in the afternoon. Those present were:

Terence C. Canavan
Robert C. Helander
Thomas P. McDermott
Charles W. Muller
Crocker Nevin
Frederick D. Seeley

being a quorum. Also present were Board Directors Albert Bildner, Antonio Navarro and John Scott and Executive Director William Burrus. The agenda was as follows:

I. UPDATE ON CHILE AND BOLIVIA

Mr. Burrus reported that the new organization, PROPESA, had been established and legally constituted as ACCION's affiliate in Santiago. Mr. Robert Christen, ACCION's director in Costa Rica, recently transferred to Chile and has assumed his full-time responsibilities. Financially, progress has also been made. Through the work of Jack Duncan and Ambassador Barnes, AID has agreed in principle to allow ACCION to use its AID Guarantee Fund in Chile to encourage the participation of local banks in the program. In addition, the local Board has now raised approximately \$30,000 of the \$100,000 needed to cover local operational expenses. Mr. Burrus also reported that Morgan Guarantee Bank recently approved a two year grant of \$20,000 for the project. A proposal for \$50,000 has also been submitted to the Tinker Foundation and Mr. Burrus asked those present to speak to Martha Muse in support of the proposal should they see her in the coming weeks.

An update was also given on Bolivia. In spite of PRODEM's excellent performance during its first year, for various bureaucratic reasons, AID has not been forthcoming with additional funds and this has put the program in a difficult position. AID has assured the program that it will be included in a large loan package for small and micro-business which is currently being developed. ACCION estimates that this will not be available until late this year or early 1989. In the meantime conversations are underway with other funders including the World Bank and the IDB.

Mr. Burrus noted that ACCION's direct dollar costs, including the salary of its local director, have been covered out of unrestricted funds since mid-January. He remarked that in view

of this difficult situation, Board Director, Martin Connell recently offered to help finance some of the dollar costs through the Calmeadow Foundation. Accordingly, a grant of some \$22,000 was approved for the period March - September, 1988.

Mr. Helander asked that the minutes reflect the Board's great appreciation for Mr. Connell's most timely and generous support.

II. PLANNING FOR JUNE BOARD AND ADVISORY COUNCIL MEETING

The tentative schedule for the June meeting was reviewed. It was agreed that a reception would be held for the Advisory Council either on the evening of the 7th or 8th of June. Mr. Burrus will coordinate with the Americas Society to avoid any conflict. There was a strong feeling that the Board meeting itself, scheduled for the 8th from 12:00 - 4:00 should encourage a discussion among the Advisory members on several key issues facing those involved in micro-enterprise development. Mr. Burrus agreed to develop a tentative agenda and to alert the Members of plans as soon as possible.

III. BLOCKED CURRENCIES/DONATION OF BANK DEBT

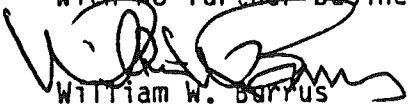
Following a general discussion on blocked funds, it was suggested that the staff send out a general letter to all corporate donors explaining our need for and willingness to accept local currencies for ACCION's programs.

In relation to the donation of debt, Mr. Burrus commented that the staff needed additional guidance and support from the Board in approaching the banks. Mr. Canavan stated that the Chemical Bank was currently in the process of determining the procedures and guidelines they will follow in donating debt. He gave Mr. Burrus a set of forms to fill out in preparation for a presentation to the Bank on ACCION. It was generally agreed that once one bank had worked out a system for handling this kind of donation, it would be easier to approach other banks. Mr. Canavan estimated that within a couple of weeks or so the Bank would be ready to proceed.

IV. BOARD CHANGES

There was little time to discuss any changes that might occur at the Executive Committee, Board or Advisory Council level in preparation for the elections at the June Board meeting. Mr. Burrus agreed to identify possible additional candidates to serve on the Advisory Council particularly from those countries where ACCION has recently started up new programs.

With no further business to attend the meeting was adjourned.


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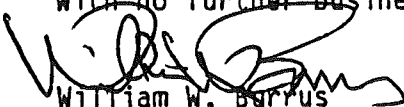
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Mr. Burrus noted that ACCION's direct dollar costs, including the salary of its local director, have been covered out of unrestricted funds since mid-January. He remarked that in view



March 14, 1988

Mr. John Avery
Company Group Chairman
Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, NJ 08933-5451

Dear John:

Attached is a tentative agenda for the Executive Committee meeting on Wednesday, March 30th from 12:00-2:00 at Bob Helander's. I look forward to seeing you there.

Regards,

William W. Burrus
Executive Director



Send also to
 Avery FYI
 Bilder
 Butler
 Kennan
 Scott

Packets
 - agenda - list attendees
 - Propuestas de Chile (a todos)
 - Bolivia carta embajada
 - Preliminary financial figures
 - cartas a Asher, Commi
 - cartas para amigos
 - cartas Casavan
 - Seely
 - block currency
 - lista miembros junta
 - Fotos

(1) Confirmation

Exec. Committee

✓ Lanavan
 ✓ Duncan
 ✓ Helander
 ✓ McDermott
 ✓ Muller (212) 752-6515
 ✓ Nevin (212) 396-8483
 ✓ Ochenden (212) 755-6880
 ✓ Seely

✓ Dan Martin

Butler
 Bilder (212) 888-4922
 Scott (201) 894-4000

make it



TENTATIVE AGENDA
Executive Committee Meeting
March 30, 1988

- I. Update on Chile and Bolivia
- II. Planning for June Advisory Council/Board Meeting
- III. Blocked Currencies/Donation of Debt
- IV. Board Changes

1987



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OF THE EXECUTIVE COMMITTEE OF
ACCIÓN INTERNATIONAL

A meeting of the Executive Committee of ACCIÓN International, a corporation duly organized and existing under and by virtue of the membership corporation law of the State of New York, was held at 599 Lexington Avenue, New York City on October 21st, 1987, at 12:00 in the afternoon. Those present were:

John C. Duncan
Robert Helander
Charles Muller

Also present were Board Directors Albert Bildner, Daniel Martin and John Scott and staff members William Burrus and Gabriela Romanow. The agenda was as follows:

I. Chile

Mr. Duncan reported on the results of the Board trip to Santiago, Chile during the first week of September. He stated that a steering committee of several local leading businessmen had been formed and that the process of incorporating a new organization had begun. Mr. Burrus added that the plan was to relocate ACCIÓN's Director in Costa Rica, Robert Christen, to Chile in early January and that he would be making a short-term visit there in mid-November. The principal task before the corporation is to secure the necessary resources for the program. Mr. Duncan commented that the steering committee has agreed to raise \$100,000 for local operating costs and that ACCIÓN will raise \$75,000 to cover its technical assistance costs including the salary of Bob Christen who will serve as Director.

II. Media Report


The head of the media committee, Charles Muller, reported that the committee had met once since the last Board meeting. He noted that some progress had been made in presenting ACCIÓN's story to the media: John Avery arranged a meeting with the key people at Businessworld of ABC News. He along with Bob Helander and Bill Burrus met with them and it appears that they are planning a show about Third World entrepreneurialism which will

include a segment on ACCION's work; an article in the September 30th edition of the Christian Science Monitor entitled "Banking on the Poor" mentioned ACCION's work; Dan Martin approached Peter Jennings at ABC News, Seymour Topping, an ex-reporter at the New York Times, and CBS's Community and Public Relations Department with information about ACCION; Bob Helander spoke with Patrice Duggan of Forbes Magazine; and Tony Navarro gave information to Malcolm Forbes Jr. who passed it on to the Deputy Managing Editor of Forbes and to David Asman at the Wall Street Journal. Finally, he reported that a 2.5 minute news video was produced and was shown as a news item on stations throughout the country reaching an estimated viewing audience of 2-3 million, and a new 30-second public service announcement was produced and sent to appropriate stations in major cities. A discussion ensued in which those present stressed the importance of these contacts and the need to continue to follow them up. Mr. Bildner agreed to also send a letter of support to Malcolm Forbes, Jr.

III. Strategic Fundraising Plan 1988-1990

Ms. Romanow outlined the private fundraising goals of the corporation over the next three years. She stated that ACCION is currently raising approximately \$275,000 per year from private sources including foundations, corporations and individuals. To accomplish the organization's goals over the next three years, this level needs to be doubled by the end of 1990. While it is expected that foundation income will increase modestly, the areas of real growth need to occur in corporate and individual giving. With corporations, a special relationship should be developed each year with at least one company and in-personal giving. Where ACCION is still getting its feet wet, a number of steps must be taken. The discussion that followed centered on personal giving and the various methods proposed for seeking individual gifts. The pros and cons of acquisition mailings were considered. Mr. Bildner stressed the importance of Board participation in giving and in soliciting new individuals gifts. Mr. Burrus concluded the discussion by stating that in the fundraising area, three specific tasks were being asked of each Director: 1) give a personal gift; 2) identify and solicit one new corporation and 3) sponsor one luncheon, cocktail or other event for at least five new individuals. The staff was instructed to further polish the plan in preparation for the full Board meeting in November.

With no further business to attend, the meeting was adjourned.


William W. Burrus
Designated Secretary

Meeting of the
Executive Committee
October 21, 1987

I. Chile

1. Report on recent Board trip
2. Next steps

II. Media Report

1. Progress to date of media committee
2. Future actions

III. Strategic Fundraising Plan 1988-1990

1. Purpose and objectives
2. Activities for 1988

Meeting of the
Executive Committee
October 21, 1987

List of Attendees

Albert Bildner
Terence C. Canavan
Robert C. Helander
Ambassador George W. Landau
Daniel Martin
Thomas P. McDermott
Charles W. Muller
John W. Scott
Frederick D. Seeley

William W. Burrus
Gabriela Romanow

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ACCION International

A meeting of the Executive Committee of ACCION International a corporation duly organized and existing under and by virtue of the membership corporation law of the State of New York, was held at 1385 Cambridge Street, Cambridge, Massachusetts on the tenth of October, 1986 at 12:30 in the afternoon. Those present were:

Robert C. Helander
Thomas P. McDermott
Charles W. Muller
Kathrine Ockenden
Frederick Seeley

being a quorum.

Also present at the meeting were Board members Walter Hunnewell and John W. Scott and staff members William W. Burrus, Executive Director, Gabriela Romanow, Director of Resource Development, Rebecca Reichmann, Director of Development Education, Cathy Quense, Director of Finance and Administration, and Stephen Gross, Director of Latin American Operations. Mr. Robert Helander, President of the Corporation, presided at the meeting and called it to order. The agenda was as follows:

I. TREASURER'S REPORT

Mr. McDermott reported that he had met with Price Waterhouse to review the 1985 audited financial statements of the corporation. They were completed very late this year, primarily due to the fact that both the Mexico and Dominican Republic programs had separate audits which had to be coordinated with the overall audit. He further stated that he had met with the staff to discuss the desirability of continuing to include the full financial statements of the ADEMI and ADMIC programs in ACCION International's financial statements. He recommended that the corporation begin working towards separating the reports of these two programs from ACCION's financial statements. This action would enable the Cambridge office to have more direct financial control, and would simplify the reporting and auditing process. Further, he suggested that in future annual reports the corporation should complement the financial statements of ACCION International itself with appropriate data and graphs indicating the activities and financial performance of the affiliated

programs throughout Latin America. Other suggestions and comments were made regarding the financial statements. The Executive Committee accepted the Treasurer's report and recommendations and instructed staff to proceed for 1987 on that basis.

II. RESOURCE DEVELOPMENT REPORT

Gabriela Romanow, Director of Resource Development presented the Executive Committee with several projects which the department had been working on over the last few months. First, the 1985 annual report was distributed. Second, a new ad to be placed in magazines in the U.S. was distributed and discussed. Third, she summarized plans for the upcoming 25th anniversary celebration dinner which has been rescheduled for February 3, 1987. She requested that the invitation list which had been distributed to all board members be returned as soon as possible and that all board members are asked to add additional names to that list. Because the dinner is considered a fundraiser, a \$200 a plate will be charged and various companies will be asked to buy a table for the event.

Finally, Ms. Romanow presented alternatives for a possible new logo. Following considerable discussion, the committee instructed her to continue pursuing several specific ideas.

III. DEVELOPMENT EDUCATION REPORT

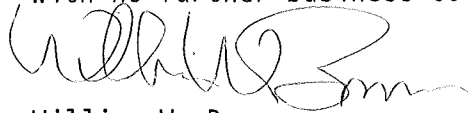
Ms. Rebecca Reichmann, Director of the Department of Development Education gave a report summarizing the recent past and planned activities of the Department. Through the Americas Dialogue events, ACCION have continued to bring speakers up from Latin America to present themes related to the informal sector to audiences in Boston, New York, Pittsburgh, Atlanta, San Antonio, and Minneapolis. Several written pieces have also been recently completed including a directory of micro-business programs in Latin America, and a case study of micro-enterprise development in Colombia.

IV. OPERATIONAL REPORT

Mr. Gross, Director of Latin America Operations briefed those present on developments of several new programs recently initiated in Bolivia, Paraguay, and Guatemala. In addition, he talked about the growing importance of the informal sector and the

fact that ACCION has been able to respond to the growing needs of the informal sector. Presently, some \$750,000 per month is being loaned through ACCION-affiliate programs to microentrepreneurs with the average loan being about \$700. Mr. Gross commented on the need to scale up these programs and stated that the major constraint to scaling up is the delivery mechanism and not the market itself. When the product is offered micro-businesses (i.e., credit and management assistance) in an appropriate, timely fashion, there is an overwhelming response in the market place. The constraints to expansion are only on the delivery side and ACCION must continue to strengthen the delivery capabilities of those organizations with which it is working in this field.

With no further business to attend, the meeting was adjourned.



William W. Burrus
Designated Secretary

MINUTES OF THE MEETING
OF THE EXECUTIVE COMMITTEE OF
ACCION INTERNATIONAL

A meeting of the Executive Committee of ACCION International, a corporation duly organized and existing under and by virtue of the membership corporation law of the State of New York, was held at 485 Madison Avenue, New York City, on the 24th of March, 1986, at 12:30 in the afternoon. Those present were:

John C. Duncan
Robert C. Helander
Charles W. Muller
Thomas P. McDermott

being a quorum.

Also present at the meeting were Mssrs. Henry R. Geyelin, Martin P. Connell, Board Directors, and William W. Burrus, Executive Director. Mr. Helander, President of the Corporation presided at the meeting and called it to order. The agenda was as follows:

I. Treasurer's Report

Mr. McDermott reported that he had met with the ACCION Executive Director and Director of Finance and Administration on March 20th, to review the projected cash flow for the 1986 calendar year, the overall corporation budget for the same period, the preliminary income and expense statement and balance sheet for 1985. He cautioned that the financial statements included for

the Executive Committee's Review were unaudited and would change because of additional figures still not included from the corporation's affiliate operations in the Dominican Republic. Mr. McDermott also stated that the Finance Committee was working with staff towards a financial reporting system in which the quarterly statements would reflect both the overall corporation's performance as well as the finances directly controlled by the Cambridge office. This two-tiered system of financial reporting has become increasingly important because a portion of ACCION's affiliates income is received locally and is not under the direct control of the Cambridge office. Several questions were asked of Mssrs. McDermott and Burrus, and Mr. Burrus stated that he hoped to have a draft of the audited financial statements for the Board meeting on the 14th of May.

II. Berent Friele Fund

Mr. Burrus reported that ACCION would be co-hosting with the Americas Society a luncheon in memory of Berent Friele on June 9th. A discussion ensued on the specific actions needed in preparation for the luncheon and various Executive Committee members were assigned tasks.

III. Board Nominations

Mr. Burrus reminded those present that the annual elections of the Board of Directors would take place at the May 14th meeting.

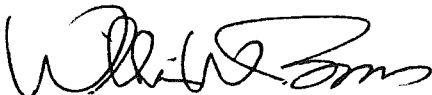
Mr. Helander announced that he had received a letter of resignation from Eugene Gonzales, who felt that because of his continued heavy travel schedule, would be unable to contribute actively to the corporation. Mr. Burrus stated that because of an ambitious program of expansion during the past two years the corporation needs an increasingly active Board. The Committee agreed that in view of the upcoming elections, all members should review their time availability and commitment. The names of several new candidates for the Board of Directors were discussed and Mssrs. Duncan, McDermott, Muller, Helander and Burrus agreed to follow up and explore their possible interest.

IV. Resource Development/Individual Giving

Mr. Burrus reported that the results of the direct mail campaign carried out by the Corporation with advice from Robert Hohler Associates at the end of last year were quite disappointing. It was expected that the first mailing would at least cover its costs which amounted to approximately \$29,000. Total income from the mailing, however, was approximately \$6,500. Mr. Burrus stated that the reasons given by Robert Hohler for such a disappointing showing were somewhat unclear and he referred those present to the Hohler's written report. He said that the staff assessment of the disappointing results of the campaign were related primarily to the fact that the mailing went out somewhat later than originally anticipated and that ACCION has almost no name recognition and was competing in an increasingly competitive

market. Mr. Burrus asked that the Committee and Board recognize and thank Martin Connell who provided a letter of credit to finance part of the campaign and then donated \$10,000 towards its costs. He stated that the corporation hopes to initiate a second stage in its effort to increase the level of individual giving and requested that the Board participate in the identification and solicitation of potential large donors defined as those giving \$100 or more. The Committee instructed him to move ahead in developing this idea for a full presentation at the Board meeting.

With no further business to attend, the meeting was adjourned.



William W. Burrus

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MINUTES OF THE MEETING
OF THE EXECUTIVE COMMITTEE OF
ACCION International

A meeting of the Executive Committee of ACCION International, a corporation duly organized and existing under and by virtue of the membership corporation law of the State of New York, was held at 485 Madison Avenue, New York City, on the 10th of October, 1985, at 12:30 in the afternoon. Those present were:

John C. Duncan
Robert C. Helander
Charles W. Muller
Thomas P. McDermott
Crocker Nevin
Kathrine Ockenden
Frederick D. Seeley

being a quorum.

Also present were Antonio Navarro, William W. Burrus and Fernando Quezada.

The agenda was as follows:

I. Finance Committee Report

The Treasurer, Mr. Tom McDermott reported that the Finance Committee had met once prior to the last Board meeting in June and that he had continued to work closely with the Executive Director and Director of Finance and Administration. He asked those present to review the financial statements through the first six months

of 1985, a copy of which is attached. Following discussion and clarifications, Mr. McDermott pointed out that a cash flow projection for the last four months of the year was included for the Executive Committee's review. He noted that the organization was catching up on some of its accounts payable and that several new sources of revenue had been secured during the past few months. He also brought to the attention of those present the need to be cognizant of the split between revenues received from private and government sources. It has been the policy of the corporation to maintain a diverse funding base and to not become overly reliant on any one source. Mr. Duncan pointed out that while this was true and continued to be the policy, AID's priorities are shifting so that more public monies should be spent through private sources. He stated that ACCION was poised to take advantage of this new policy in AID and should be willing to do so. Mr. McDermott then asked Mr. Burrus to comment on the internal control recommendations of Price Waterhouse in the 1984 audit. Mr. Burrus reviewed the actions taken to implement the recommendations including the following:

1. The closing of the special field level accounts and a changing over to a wire-transfer system to facilitate cash at the field offices.
2. A new procedures manual has been developed and distributed for both Cambridge personnel and field offices.

3. The corporation has contracted the computer services of ACA to process general ledger and monthly financial statements which represents a great improvement over the past accounting system.
4. The chart of accounts have been redesigned and accounts payable have been reviewed and prioritized.
5. A cash flow statement has continued to be prepared and periodically updated on a monthly basis.
6. Finally, relating to the voluntary payroll withholdings, the corporation is now on a timely basis and is almost caught up with past withholdings.

II. Loan Guarantee Fund

Mr. Helander stated that he had recently reviewed and signed the loan guarantee fund agreement with USAID. He apologized for not fully sharing all the particulars of the agreement with other members of the Executive Committee, adding that it had been necessary to sign the agreement before the end of the Government's Fiscal Year (September 30, 1985). USAID will loan one million dollars to the corporation on a limited liability basis for the purpose of guaranteeing loans made by local affiliate programs in Latin America to micro-entrepreneurs. In addition, a \$100,000 grant has been signed with USAID to help the corporation operationalize

the fund. He referred those present to the descriptive sheet in their folders and asked for a formal approval of the agreement. The Executive Committee approved the agreement as signed. (A copy of the summary sheet is attached).

Handwritten signature

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III. Operational Report

Mr. Burrus commented that the past four months since the May Board meeting have been quite busy. The corporation had bid on and lost a follow-up to the PISCES Contract related to providing technical assistance and training to intermediary organizations in the field of small and micro-business development. ACCION's proposal was ranked second to a consortium of Robert Nathan Associates, HIID, and Control Data Corporation.

He reported that a Matching Grant proposal had also been prepared and submitted to AID for the period April, 1986-March, 1989. Depending on the amount approved, approximately \$600,000- \$800,000 would be committed on a matching basis under this grant if approved. Its purpose would be to consolidate existing micro-enterprise programs, to increase the managerial and institutional capacity of local affiliates, to computerize the loan operations, and to do further impact evaluations.

Mr. Burrus also reported that through the assistance of Mr. Duncan the Latin American Bureau of AID had approved a grant of \$60,000 for the corporation to actively explore program opportunities in

Central America. This initiative which is already under way, will be handled through the Cambridge office. Mr. Gross, the Director of Latin American Operations, has already been to Costa Rica and a micro-business program through CINDE has now been approved in San Jose. Mr. Burrus will also be travelling to Honduras in mid-October to explore interest in that country.

ACCION has expanded its work to Paraguay, participating in the creation of a new non-profit entity called the Paraguayan Foundation of Cooperation and Development. A new staff person, Martin Burt, has been hired to undertake this program and AID funding in the amount of \$189,375 has been secured to finance initial start up costs.

Mr. Burrus reported that Mr. Carlos Castello has been hired to head up the corporation's ongoing work in Colombia. He will be taking the place of Mr. Valdi Araujo, who will transfer to Sao Paulo in January of 1986 to head up a new initiative there.

The Sao Paulo initiative under Mr. Paulo Ayres' leadership has continued to move ahead. Mr. Araujo visited Sao Paulo in July and will be returning there in early November for short-term technical assistance. A new entity called the Centro de Apoyo para Actividades Economicas Informales has been created and funding is now being sought from various sources.

IV. Resource Development Report

Mr. Helander referred to the recent death of Board Member Berent Friele, expressing his personal sorrow and grief at his passing and briefly recapitulating Berent's many years of activity in ACCION. He suggested that a proper and fitting memorial to Berent would be the creation of a fund the purpose of which would be to finance the start-up cost of the Sao Paulo micro-enterprise program. Berent spent a considerable amount of time promoting this effort during this past year. Following discussion of how best to proceed in creating the fund, the Executive Committee formally agreed to create it and assigned tasks to various members.

Mr. Fernando Quezada, Director of Resource Development, announced that he has accepted a job with the Massachusetts Economic Development Commission and will be leaving ACCION at the end of October. He thanked all those present for their assistance during his two years with ACCION and he reiterated that he would continue to maintain close contact with the organization. Mr. Helander thanked Mr. Quezada on behalf of the entire Board of Directors for his very fine job.

Mr. Quezada briefly reviewed progress related to private fundraising including the status of the individual giving campaign, various public media initiatives underway and other related requests.

Mr. Helander reminded those Directors present that it was important

for the corporation to be able to have 100% participation from the Board to enhance the individual giving campaign.

With no further business to attend, the President adjourned the meeting.

A handwritten signature in cursive script, appearing to read "William W. Burrus".

William W. Burrus
Designated Secretary

MINUTES
OF THE MEETING OF THE
EXECUTIVE COMMITTEE
ACCION INTERNATIONAL/AITEC

A meeting of the Executive Committee of ACCION International/AITEC, a corporation duly organized and existing under and by virtue of the membership corporation law of the State of New York was held at 680 Park Avenue in the Borough of Manhattan, New York, on the 13 of February, 1985, at 12:00 noon. Those present were:

Terence C. Canavan
John C. Duncan
Eugene Gonzalez
Robert C. Helander
Charles W. Muller
Crocker Nevin
Frederick D. Seeley

being a quorum.

Also in attendance were Board member at large Berent Friele and staff members William W. Burrus, Executive Director, and Fernando Quezada, Director, Resource Development and Planning. Attending the last half of the meeting was guest Richard Rosenberg, Investment Officer, Private Enterprise Bureau, USAID. The agenda was as follows:

I. Financial Statements and 1985 Budget

Mr. Helander asked if there were any questions or clarifications related to the financial statements for the third quarter, 1984. He indicated that the final audited financial statements were not yet ready but should be available by mid-April. Following a brief discussion of these statements, he also asked those present to briefly review the 1985 proposed budget. Mr. Burrus pointed out that income included in the budget was only that which is now secured income and he expected the total revenue for the corporation to approach \$1,500,000 by the end of the year. With no further discussion the 1985 budget was approved as presented.

II. Resolution to open Branch Office in Bogota, Colombia

A Resolution was presented for Executive Committee consideration and action related to the establishment of a branch office in Bogota, Colombia. Mr. Burrus pointed out that to date the corporation has operated in Colombia by way of signed agreements with local sponsoring institutions. However, ACCION's representative in Colombia has been experiencing problems in renewal of his visa because of a lack of documentation justifying his presence there. The Resolution (a copy

attached to these minutes) was discussed and approved with instructions that the staff carefully investigate whether application of the Resolution has any other legal or financial ramifications for the corporation.

III. Resolution to Create a Permanent Finance and Audit Review Committee

It was resolved (a copy of the Resolution is attached to these minutes) that a permanent Finance and Audit Review Committee be created, the functions of which are described in the Resolution. In addition to the Treasurer, Mr. Crocker Nevin, it was suggested and approved that Mssrs. Hunnewell and McDermott, because of their expertise and proximity to the corporate headquarters, also be named to serve on this committee.

IV. Third Decade for Development Campaign

Mr. Quezada updated the corporation on the current status of the Third Decade for Development Campaign indicating that the corporation hopes to reach its goal of 1.5 million dollars raised by June of 1985. At present the corporation is approximately \$177,000 short of its goal and a list was reviewed of possible donors that have been solicited or are in the process of being solicited.

V. Creation of a 2.5 million Guarantee Fund

Mr. Richard Rosenberg, Investment Officer of Private Enterprise Bureau of AID was invited to join the meeting and following introductions, Mr. Burrus indicated that the staff had held numerous conversations with Mr. Rosenberg and his associates concerning the possibility of creating a 2.5 million Loan Guarantee Fund with USAID monies to guarantee local private bank monies for to micro-enterprise clients being serviced by ACCION's programs. Mr. Rosenberg gave further background on his interest in working with ACCION on the Guarantee Fund and the lengthy discussion ensued clarified how the Fund might work and what would be the conditions under which ACCION would receive the monies. The Executive Committee instructed the staff to continue conversations with the Private Enterprise Bureau towards eventual creation of the Fund.

With no further business to attend, the meeting was adjourned.



William W. Burrus
Designated Secretary

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RESOLUTION

Resolution to Establish Formal Office in Colombia

Be it resolved by the Executive Committee of ACCION International/AITEC:

That ACCION International/AITEC establish and open a branch office in Bogotá, Colombia for the purpose of supporting programs of micro-enterprise development and

Be it further resolved:

That Mr. Valdi de Araújo Dantas be named Director of the branch office in Colombia and as such that he represent ACCION International/AITEC in Colombia.



Robert C. Helander
President
ACCION International/AITEC

February 13, 1985

ACCION INTERNATIONAL/AITEC
 BUDGETED REVENUE AND EXPENSES
 FOR PERIOD JANUARY - DECEMBER 1985

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Revenue:			
Public Contributions	269,624	525,653	795,277
Government Grants		455,423	455,423
Interest and Sales	<u>10,443</u>	<u>70,327</u>	<u>80,770</u>
Total Revenue	<u>280,067</u>	<u>1,051,403</u>	<u>1,331,470</u>
Expenses of Programs:			
Foreign micro-business		953,066	953,066
Rural Integral Development		68,919	68,919
United States micro-business		2,767	2,767
Public Education		<u>117,775</u>	<u>117,775</u>
Total Programs		<u>1,142,527</u>	<u>1,142,527</u>
Supporting Services:			
General Administration	119,923		119,923
Fundraising	<u>69,020</u>		<u>69,020</u>
Total Supporting	<u>188,943</u>		<u>188,943</u>
Total Expenditures	188,943	1,142,527	1,331,470
Total Surplus (deficit)	91,124	(91,124)	-0-

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AGENDA

Meeting of Executive Committee
ACCION International/AITEC
February 15, 1985

- I. Review Financial Statements, 1985 Budget.
- II. Resolution to Create Finance and Audit Review Committee.
- III. Resolution to Establish Formal Office in Colombia.
- IV. Third Decade for Development Campaign.
- V. Proposed Guarantee Fund: Presentation by Richard Rosenberg, Investment Officer, USAID.

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RESOLUTION

Finance and Audit Review Committee

Resolved:

That a finance and audit committee be established composed of the Treasurer and any other appointed members of the corporation

That the functions of the committee be:

1. Provide ongoing advice and counsel to Executive Director and Financial Administrator on all financial matters.
2. Review Budget and Quarterly financial statements of the corporation and report to Executive Committee and Board of Directors.
3. Review yearly audit with auditors and report to Board of Directors.

That in addition to the Treasurer, Mr. Hunnewell and Mr. McDermott be appointed to serve on this committee.

February 15, 1985

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RESOLUTION

Resolution to Establish Formal Office in Colombia

Be it resolved by the Executive committee of ACCION International/AITEC:

That ACCION International/AITEC establish and open a branch office in Bogota, Colombia for the purpose of supporting programs of micro-enterprise development

and

Be it further resolved:

That Mr. Valdi de Araujo Dantas be named Director of the branch office in Colombia and as such that he represent ACCION International/AITEC in Colombia.

Robert C. Helander
President
ACCION International/AITEC

February 15, 1985

ACCION INTERNATIONAL/AITEC
STATEMENT OF REVENUE, EXPENSES AND FUND BALANCE
FOR PERIOD JANUARY-SEPTEMBER 30, 1984

Revenue:	To September 1984			Sept. 1983
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Total</u>
Public Contributions	236,922	316,928	553,850	448,980
Government Grants		356,589	356,589	227,443
Government Contracts		127,408	127,408	187,380
Interest and sales	<u>10,542</u>	<u>64,891</u>	<u>75,433</u>	<u>63,250</u>
Total Revenue	<u>247,464</u>	<u>865,816</u>	<u>1,113,280</u>	<u>927,053</u>
Expenses of Programs:				
Foreign micro-business		838,373	838,373	650,999
Rural Integral Development		-0-	-0-	45,130
United States micro-business		9,838	9,838	87,660
Public Education		<u>84,804</u>	<u>84,804</u>	<u>10,474</u>
Total Programs		<u>933,015</u>	<u>933,015</u>	<u>794,263</u>
Supporting Services:				
General Administration	69,398		69,398	96,960
Fundraising	<u>32,455</u>		<u>32,455</u>	<u>23,933</u>
Total Supporting Services	<u>101,853</u>		<u>101,853</u>	<u>120,893</u>
Total Expenditures			<u>1,034,868</u>	<u>915,156</u>
Total Surplus (deficit)	145,611	(67,199)	78,412	11,897
Fund Balance at beginning of Period			173,536	127,247
Fund Balance at end of Period			251,948	139,144

ACCION INTERNATIONAL/AITEC

BALANCE SHEET
September 30, 1984

<u>ASSETS</u>	Sept. 1984	Sept. 1983
<u>CURRENT ASSETS</u>		
Cash	16,277	221,039
Cash Reserves	114,121	97,642
Other Investments	61,253	51,440
Accounts Receivable	230,969	51,572
Deposits and Advances	<u>17,098</u>	<u>12,329</u>
Total Current Assets	439,718	434,022
<u>FIXED ASSETS</u>		
Property and Equipment net of		
Accumulated Depreciation	<u>70,779</u>	<u>52,149</u>
TOTAL ASSETS	<u>510,497</u>	<u>486,171</u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	160,673	82,580
Deferred Income	<u>65,170</u>	<u>244,383</u>
Total Current Liabilities	225,843	326,963
<u>FUNDS AND LONG TERM DEBT</u>		
Mortgage Note Payable	19,670	20,064
Capital Leases	13,036	
Fund Balance	<u>251,948</u>	<u>139,144</u>
TOTAL LIABILITIES	<u>510,497</u>	<u>486,171</u>

ACCION INTERNATIONAL/AITEC
 BUDGETED REVENUE AND EXPENSES
 FOR PERIOD JANUARY - DECEMBER 1985

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
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MEMORANDUM FOR DAA/PRE, MR. EDGAR C. HARRELL January 14, 1985

FROM : PRE/I, MR. RICHARD ROSENBERG *RR*

SUBJECT : ACCION Micro-Lending -- Summary of Project Concept

ISSUE: Whether to proceed to IOP stage on a project involving:

- a US\$2.5 million loan (PRE/I) to Accion International to guarantee local currency borrowing by micro-lending programs in Ecuador, Honduras, and Dominican Republic, as well as elsewhere in Latin America;
- a grant (low six figures?) to document the financial and economic/developmental performance of a for-profit micro-lending program in Lima, and perhaps a non-profit program elsewhere.

BACKGROUND: Micro-lending (to businesses with; say, 0 - 5 employees) would seem to be a particularly attractive arena for PRE. Compared to the small- to medium-sized enterprises reached in most of our programming, micro-businesses are considerably more labor-intensive and appear to have higher forward/backward multipliers. Because the direct beneficiaries are genuinely poor, the "BHN" impact of micro-lending is apparent even to those for whom "trickle-down" is not an article of faith.

Though early efforts at micro-lending suffered from high default rates and administrative costs, recent efforts have been more successful. Several programs are now achieving 98-99% repayment rates through a combination of:

- 1) lending small amounts for short periods, with loan renewals and expansions depending on repayment performance;
- 2) lending to peer-group units whose members cross-guarantee each other's borrowings; and
- 3) aggressive response to defaults.

Interest rates charged to the micro-borrowers in these programs are usually below "market", and almost always below the actual cost of providing the credit. Since most programs are run by

PVOs, it is not surprising to find a widespread feeling that poor people are so handicapped in the competitive arena that they ought not to be charged market rates. This proposition cannot withstand much analysis, and more and more micro-lending practitioners are concluding that interest rates ought not be subsidized. In practice, this means that some programs are now charging rates comparable to those of local commercial banks. In fact, these "commercial" rates still contain a large subsidy, since the administrative cost of micro-lending is proportionately higher than that of conventional lending.

Accion International is one of the leading U.S.-based practitioners of micro-lending. (Others include Pan American Development Foundation, Technoserve, Partnership for Productivity, and perhaps Overseas Education Fund.) Accion's affiliates are providing micro-credit in Peru, Ecuador, Dominican Republic, Honduras, Guatemala, Colombia, and Mexico. Plans for additional programs are in progress. Accion seems to be more committed than most such groups to minimizing interest subsidies, though only one of its programs thus far has been able to posture itself on a fully self-sustaining basis. This program, in Lima, has actually reorganized itself as a for-profit business.

The results of this Lima experiment are obviously of intense interest to us. As long as micro-lending is dependent on the dedication of voluntary organizations and soft funding from donors, it will never make much of a dent in the overall demand. Order-of-magnitude expansion will come only if and when this market can be shown to be financially attractive to banks and other commercial investors. The obstacles to banks' entry into this market are formidable. Micro-lending requires credit management and administration which is radically different from bankers' standard practice. With the possible exception of a couple of Asian programs about which I will get more information, I am unaware of any commercial banks doing micro-lending for their own account on a pure for-profit basis. Such bank involvement as presently exists seems to depend with few exceptions, on (1) a perceived public-relations value, (2) a desire to capture customers as they "graduate" from the micro stage, and (3) in many cases, guarantee arrangements which insulate the bank from credit risk.

Focusing for the moment on PVO-based programs, we ought to recognize clearly that the primary constraint on effectiveness and expansion of these programs is not availability of loan capital, but rather the availability of skilled practitioners. Micro-enterprise promotion is a popular buzzword these days

among donor agencies, many of whom are willing to provide capital.

Nonetheless, there may be room for a useful PRE intervention here. One problem with conventional donor sources is that they are cumbersome. It often takes a year or two to access them. And once they decide to fund a local program, their infusions tend to come in lumps which are not finely tuned to month-by-month changes in the needs or the management capacity and creditworthiness of the programs being funded. Finally, the donor funds tends to be soft in one way or another, and may not inject as much of an element of discipline as we would think desirable.

The loan project proposed here would be a prototype of a much more agile source of capitalization, which could be accessed for an initial line of credit in perhaps a month or two, with further advances doled out in small, frequent increments, based on the needs and performance of the individual program. It would attempt to operate on a completely self-sustaining basis, with all costs being passed on to the local programs (and ultimately on to the micro-borrowers themselves).

The grant component would focus on documentation of the for-profit experiment in Lima, and perhaps on one non-profit program as well. We think that financial documentation (i. e., a Big Eight audit) would be useful in later efforts to entice banks and commercial investors into the micro-lending business. Evaluation of development impact of one or two micro-programs would have an obvious value to A.I.D. and other donors; in particular, there is an unmet need for a thorough and reliable economic analysis to verify (or refute) the proposition that micro-lending programs have a much higher benefit/cost ratio than typical donor projects.

THE LOAN PROJECT: PRE would lend US\$2.5 million to Accion International. The funds would be deposited in a "collateral account" with a multinational bank. Accion's interest on this account would be paid to A.I.D. The principal in the account would be used to back the multinational bank's issuance of standby letters of credit, guaranteeing borrowings by local micro-lending programs from local banks in local currency.

A small management committee, including outside financial expertise, would be responsible for making credit decisions and setting guarantee fees. Staffing would be provided by Accion, which would also carry a modest but significant share of the fund's credit risk.

The fund's costs of operation, including at least its loss reserve and any banking fees, would be passed on to the borrowing programs in the form of guarantee fees. It is hard to imagine that these fees could be any lower than the 5-10% per annum range, at least until the fund develops some years of credit experience. The guarantee fees (payable in dollars), together with the market cost of local currency borrowing which are being guaranteed, will add up to a substantial burden which will have to be passed along to micro-enterprise clients.

Initial recipients of the guarantees would be Accion-affiliated programs.

If we decide to pursue this project further, I would propose to posture it for mid-April obligation.

The Grant Project: [Cf. attached Memorandum to the File for my initial thoughts on this component.]

Issues:

1. The most glaring issue is credit risk on the A.I.D. funds. One hopes this could be brought within manageable limits through some combination of the following:

-- Our confidence in the credit and pricing decisions of the fund's management committee would be enhanced if we required Accion to share in the credit risk. One approach might be to have them indemnify the first \$100,000 of losses (after depletion of reserves built up through guarantee fees). Preliminary indications are that Accion does not find this approach very palatable -- not surprisingly -- but it seems pretty reasonable to me. Because of their PVO status, they might have to fund this indemnification with restricted funds raised particularly for this purpose.

-- We could reserve to ourselves the right to veto individual credits. Over the long haul, this would involve obvious problems not only in terms of our staff limitations, but also in terms of the responsiveness of the facility. I would suggest that we review the four initial programs (Quito, Guayaquil, Santo Domingo, and Tegucigalpa) prior to obligation, with the help of local Price Waterhouse offices, which are involved in a couple of the programs already. For subsequent draws on the facility, I do not think we

should keep a veto, though we should retain a right to close off further use of the facility at any point that we become nervous.

-- Co-financing is our customary means of cushioning our credit risk. Conceptually, co-financing could be required at any of three different levels here. At the guaranty fund level, we could look for other investment in the fund itself (beyond the Accion indemnification suggested above); this is probably impractical. At the local bank level, we could limit our guaranty to perhaps 75% of the local lending; whether this would cripple the usefulness of the guaranty remains to be explored. At the level of the micro-lending organization; we could (and probably should) put a ceiling on the organization's "debt/equity ratio" -- i.e. require levels of assets which would be subordinated to loans we guarantee.

2. Some justification is required for a decision to work, initially at least, only with Accion and its affiliates. To begin with, Accion is the only group of those I have contacted thus far that has betrayed any strong interest in a capital source as expensive as that proposed here. This is partly explained by the fact that they charge micro-borrowers higher interest rates than are typical in such programs. In addition, they have four programs which could use \$1 million of this facility almost immediately. The Quito program, for instance, has been able to attract clients faster than originally anticipated. It lent out its entire \$330,000 initial capital in 6 months (average loan size is \$200). Further lending is now restricted to reflows. This not only limits their ability to expand, but more seriously it may threaten the morale and repayment record of the program, since one of the significant incentives for its borrowers to pay on time is the prospect of further, larger loans. (Accion recognizes that this latter is a problem which more conservative planning might have avoided; at any rate, the current repayment rate in Quito is still in the high 90% range.)
3. I have not yet begun to budget the grant component. The financial audits should be relatively cheap. The economic analyses could be quite expensive, though I would argue that they ought to be a high priority for us (see me privately if you wish more purple prose on the subject). I wonder whether World Bank might be interested in conducting such an analysis.

4. The source of the grant funds (PRE/I or PRE/PPR kitty?) remains to be determined, as well as the corresponding issue of grant paperwork and management.

Recommendation: That you approve proceeding to the IOP stage with this project, subject to such comments and modifications as seem appropriate to you.

Attachments

1. Rosenberg Memo to File dtd 01/11/85
2. Accion International Micro-Enterprise Development Paper

cc: LAC/DR, Mr. Robert Otto
Mr. Daniel DeVito
S&T/IRD, Mr. Michael Farbman
Ms. Carol Adoum
GC/PRE, Mr. Steve Carlson
Mr. Norm Page
PRE/PPR, Mr. Charles Gormly
Mr. Larry Brown
Mr. Bruce Bouchard
Mr. Herb Wegner
Mr. John Gelb
Mr. Will Holcolm
Mr. Mal Novins
PRE/I, Mr. Compton Chase-Lansdale
Ms. Judith Knudson
Mr. Howard Aller

Current Contact and Possible Targets
Final Six Months
Third Decade for Development Campaign

<u>Corporations</u>	<u>Status</u>	<u>Action Needed</u>
<u>RCA</u> Thornton F. Bradshaw Chairman & CEO	Targeted for \$10,000	Approach from ACCION Board member
Richard Miller Chairman, RCA International		
Melvin Cornfield President RCA International		
<u>Alcoa</u> Charles W. Parry Chairman & CEO	Proposal for \$15,000 in preparation for Mexico	Support letter from ACCION Board member
C. Fred Fetterolf President		
George T. Haymaker, Jr. Vice President, International		
Harold S. Evans Vice President, International		
Earl L. Gadbery President Alcoa Foundation		

General Electric Company

John Welch, Jr.
Chairman & CEO

Targetted for
\$10,000

Support letter
from ACCION Board
member

John F. Burlingame
Vice Chairman & Executive Officer

David Halverson
Manager
Education Support Programs
(Sharp)

The Coca-Cola Company

Roberto C. Goizueta
Chairman & CEO
(Duncan)

Targetted for
\$15,000

Request renewal
from JCD

Donald R. Keough
President & COO

Margaret Cox
Executive Director
The Coca-Cola Foundation
(Holcombe)

Ford Motor Company

Philip Caldwell
Chairman & CEO

Visit pending
Targetted for
\$15,000

Request from
Charles Muller

Donald E. Petersen
President & COO

L. Lindsey Halstead
Vice President,
Asia, Pacific & Latin America

Robert Taub
Ford Motor Co. Fund
(Muller)

Scallop Corporation

Daniel J. Samuel
President

Proposal for
Peru in prep-
aration for
\$10,000

Support letter
from RCH & JDC

C. Napier Collyns
Vice President

RepublicBank Corporation

James Berry
Chairman & CEO

Request pending
for Mexico

Call from
Terry Canavan

Joseph R. Musolino
Vice Chairman

Gerald W. Fronterhouse
President & COO

Wendell Spence, III
Vice President
(Canavan)

CPC International

James W. McKee, Jr.
Chairman & CEO
(Friele)

Request pending
for \$5,000

Call from
Berent Friele

James R. Eiszner
President & COO

Oswaldo A. Martinez
President
CPC Latin American
Grocery Products Division

Oswaldo Pratt
Executive Vice President
Chairman, Corn Wet Milling Division

Philip Morris, Inc.

Hamish Maxwell
Chairman & CEO

New proposal
in preparation
for Southwest
programs

Approach from
ACCION Board
member

John A. Murphy
President & COO

Francisco Moreno
Director Corporate Affairs
Latin America/Iberia
(Helander)

Clifford Goldsmith
Vice Chairman
(Weller)

Monsanto

Richard J. Mahoney
President & CEO

Request pending
for \$5,000

Call from JCD

Louis Fernandez
Chairman

T. L. Gossage
Group Vice President
Managing Director, International

Sharen R. Bull
Secretary
Monsanto Fund

Atlantic Richfield Company

Robert O. Anderson
Chairman

Request pending
for \$10,000

Support letter
from Board member

W. F. Kieschnick
President & CEO

Eugene R. Wilson
Executive Director
Atlantic Richfield Foundation

Deere & Company

Robert A. Hanson
Chairman & President
(Muller)

Annual supporter

Approach from
ACCION Board
member

Hans W. Becherer
Senior Vice President
Overseas Division

Billy C. Harpole
Vice President
Latin America, Australia and
Far East

John F. Coy
Manager, Corporate Support Programs

Mobil

Rawleigh Warner, Jr.
Chairman & CEO
(Weller, Duncan)

Request for
\$20,000 pending

Support letter
from Board member

Allan E. Murray
President & COO

Richard G. Mund
Secretary and Executive Director
Mobil Foundation

Avon Products, Inc.

Hicks B. Waldron
Chairman, President & CEO

Targetted for
\$10,000

Support letter
from Board member

William R. Chaney
Executive Vice President
(Weller)

Stuart A. Ochiltree
Group Vice President
Latin America & Iberia

Philip J. Tulimieri, Jr
International Counsel-Director
Legal & Government Affairs

John M. Olin Foundation

Officers & Trustees

John Merrill Olin
Chairman, Board of Trustees
Honorary Chairman of Board: Olin Corporation

William Edward Simon
Trustee
President, John M. Olin Foundation
Chairman of Board: Tribune, NY

George Joseph Gillespie, III
Treasurer
Attorney, Partner: Cravath Swaine Moore

John Wesley Hanes
Trustee
Chairman of Board: Iverness Capital Corporation, VA

John Jay McCloy
Trustee
Attorney, Milbank Tweed Hadley McCloy

Walter F. O'Connell
Trustee

Eugene Flewellyn Williams, Jr.
Trustee
Chairman, CEO, Director: St. Louis Union Trust Company

Michael S. Joyce
Executive Director, Trustee: John M. Olin Foundation

THIRD DECADE FOR DEVELOPMENT CAMPAIGN
Special Gift Prospects - Final Six Months

	<u>Status</u>	<u>Board Action Needed</u>
I. Foundations		
Tinker Foundation	\$50,000 request pending for Mexico	
Ford Foundation	\$10,000 request pending for southwest U.S.	
Olin Foundation	\$25,000 request pending for southwest U.S.	Support letter from Board member
II. Individuals		
Dr. Pierre Haber		
Belton Kleberg Johnson		Board approach
George Kozmetsky Chairman, MCO Resources		Board approach
John Thompson Dorrance Chairman, Campbell Soup Company		Board approach
III. Corporations		
See attached list		

THIRD DECADE CAMPAIGN STATUS - FEBRUARY 13, 1985

<u>Source</u>	<u>1982 Actual</u>	<u>1983 Actual</u>	<u>1984 Actual</u>	<u>1984 Pledged</u>	<u>1985 Actual</u>	<u>1985 Pledged</u>	<u>Totals</u>
Corporate	\$111,325	\$146,550	\$184,375	---	\$3,000	\$20,500	\$ 465,750
Foundation	44,000	46,000	45,000	---	---	20,000	155,000
Individual	1,714	2,158	3,698	---	25	---	7,595
PACT	41,106	104,170	170,241	---	---	---	315,517
CFC	---	32,501	---	\$42,580	---	---	75,081
BusinessWeek	70,000	108,000	85,500	---	---	40,000	303,500

TOTALS \$268,145 \$439,379 \$488,814 \$42,580 \$3,025 \$80,500 \$1,322,443

Campaign Goal: \$1,500,000

Total to Date: 1,322,443

Balance: \$ 177,557

500

MINUTES OF THE MEETING
OF THE EXECUTIVE COMMITTEE OF
accion international/aitec

A meeting of the Executive Committee of **accion international/aitec**, a corporation duly organized and existing under and by virtue of the membership corporation law of the State of New York was held at 485 Madison Avenue, in the Borough of Manhattan, New York on the seventeenth of September, 1984 at 12 o'clock in the afternoon. Those present were:

Terence Canavan
John Duncan
Robert Helander
Crocker Nevin
Kathrine Ockenden
Frederick Seeley

being a quorum.

Also present were Director at large Berent Friele and staff members William W. Burrus and Jeffrey Ashe. Mr. Robert Helander, President of the Corporation called the meeting to order.

I. Review of the Proposal to begin a Savings and Loan Institute in Lima, Peru.

Mr. Helander opened the meeting by reporting that as instructed by the Board in June, the staff and several Directors had continued to study the feasibility of creating a new financial intermediary with the proposed Savings and Loans Company to ACP in Lima, Peru. He reported that **accion** staff member in Peru, William Tucker, had visited the Cambridge office in mid-August and had met with Board members Bob Helander, Crocker Nevin and Patricia Cloherty on August 22nd in New York. He asked Mr. Burrus to briefly review the history of this proposed undertaking for those present.

Mr. Burrus stated that during this tenure as Executive Director he has emphasized program designs which promote financial self-sufficiency and reach greater numbers of businesses. This focus has produced programs such as ADEMI in Santo Domingo which has reached more clients in its first year of operation than most programs of its kind reach during three to five years. While the corporation will continue to promote its activities through local non-profit organizations, an opportunity has arisen to experiment with the creation of a for-profit savings and loan company in Lima, Peru. This entity, called an "Administrator of Collective Funds" would effectively serve as an intermediary between local banks and micro-businesses. It would be set up for-profit, would receive lines of credit from several local banks on the basis of an international guarantee and would relend this money to micro-businesses. It would also have

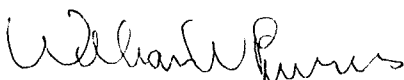
the legal right to capture savings, and over time these savings would replace the credit lines provided by the local banks. Initial capitalization of this entity is approximately \$100,000 of which no more than 20% can be from foreign sources. To implement this program an international guarantee will be sought. Mr. Burrus reported that several conversations have been held with the Private Enterprise Bureau of AID which has indicated, in principle, its willingness to participate. Mr. Burrus expressed his personal desire that **accion international** participate in the creation of this entity and outlined three possible options:

1. **accion international** restricts its participation to providing technical assistance, monitoring and evaluation work.
2. **accion international** helps capitalize and administer a guarantee fund to guarantee lines of credit from local banks to this financial intermediary.
3. **accion international** directly invests in the local financial intermediary.

Mr. Burrus commented that the Board needs to consider the pros and cons of each option or a combination thereof. Mr. Helander stated that he would be travelling to Peru in late October and will hope to work out the final details. He stressed that the Board of Directors of ACP are fully behind this proposal, and that ACP will be participating directly in it to avoid any possible competition of conflict between the ongoing program of ACP and this proposed new entity. Following a lengthy discussion related to the pros and cons of **accion's** participation in this entity, a consensus emerged around several key points:

- a) **accion** should participate in some way in the creation of this entity.
- b) **accion's** participation may be direct or it may set up a holding company to maintain a clear division between this activity and its regular activities.
- c) **accion** should assume no liability related to the guarantee fund mechanism.
- d) Mr. Burrus was specifically instructed to hold further conversations with AID and report back to the Board.

With no further business to attend, the meeting was adjourned.


William W. Burrus
Designated Secretary

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MINUTES OF THE MEETING
OF THE EXECUTIVE COMMITTEE OF
ACCION INTERNATIONAL

A meeting of the Executive Committee of ACCION International/AITEC, a corporation duly organized and existing under and by virtue of the membership corporation law of the State of New York was held at 485 Madison Avenue, in the Borough of Manhattan, New York, on the 17th of November, 1983, at 12:30 in the afternoon. Those present were:

John C. Duncan
Robert C. Helander
Ralph A. Weller

Also present were Directors at large Berent Friele and Antonio Navarro, as were William W. Burrus, Executive Director, Ms. Sarah Burns de Ortega, Associate Director and Mr. Fernando Quezada, Director of Resource Development and Planning.

Mr. Robert C. Helander, President of the Corporation, called the meeting to order.

I. Approval of the Minutes

The Minutes of the meeting of the Board of Directors held on the 22nd of September, 1983 were distributed and reviewed.

II. Treasurer's Report

The Financial Statements through the Third Quarter of the year (September 30, 1983) were reviewed and discussed. A copy of these statements is attached to the Minutes.

III. Review of the By-Laws

Mr. Helander, commenting that the By-Laws had not been systematically reviewed and updated in several years, informed the Executive Committee that he and Mr. Burrus will be working together in the coming months on this task for approval of the full Board early next year.

IV. Board Director Trip to Mexico and Central America

Mr. Burrus proposed that the Board consider holding its next full meeting at the site of a field program and to consider the possibility of combining that meeting with on-sites visits to other selected countries. He suggested that for various reasons the meeting be held in Monterrey, Mexico where ACCION has its ADMIC micro-enterprise program, and that the Board consider extending its trip to include brief visits to view similar development programs in Nicaragua and Costa Rica. Following a lengthy discussion it was determined that the Executive Committee would recommend to the full Board that its next meeting be held in Monterrey, Mexico. The dates for this meeting were tentatively set for February 12-14, 1984 and the staff was instructed to poll the Board at large concerning their possible participation. It was further decided that while at some point in the future a separate trip could be contemplated to Central America, at this point it was not convenient for various reasons to combine a field-level Board meeting with a more extended survey of development efforts in Central America.

V. The Maine Program


Mr. Burrus stated that he wished to update the Executive Committee on the most recent events related to the Maine program. He reported that while The Maine Idea had continued to offer very valuable services, and had an excellent reputation and image in Maine, the chronic underfinancing of the program had continued during 1983. In spite of many efforts on the part of the Maine staff to secure financing through direct revenues generated as well as through the active solicitation of foundation, corporate and individual contributions, the program had continued to suffer from a short-fall of funds. Mr. Burrus commented that in view of this, a decision was mutually taken with The Maine Idea personnel to restructure the operation as of November 15th. This restructuring would involve working directly with and through the Maine micro-business association, a private non-profit organization which was created with the Maine Idea's assistance. This association, with a current membership of sixty has the potential for growth and has agreed to collaborate with ACCION to increase its membership and its services. Mr. Burrus commented that it was his opinion and that of the local

personnel that many of the ideas and services offered by The Maine Idea can now be successfully channelled or sponsored by the association itself at a lower cost thereby insuring the institutionalization of this process.

VI. Fundraising Goals 1984-1985

Mr. Burrus formally introduced Mr. Fernando Quezada, the corporation's new Director of Resource Development and Planning. Mr. Quezada referred those present to a document related to the fundraising goals of 1984-1985 (attached to these Minutes) and commented that he would be directly in touch with each of the Board members in the near future with the idea of discussing these goals in detail.

With no further business to attend, the President adjourned the meeting.



William W. Burrus
Designated Secretary

MINUTES
OF THE MEETING
OF THE EXECUTIVE COMMITTEE
OF ACCION INTERNATIONAL/AITEC

A meeting of the Executive Committee of ACCION International/AITEC was held at 485 Madison Avenue in the Borough of Manhattan on the eighth of April of 1983 at 12 o'clock. Those present were:

Mr. Robert C. Helander
Mr. Thomas P. McDermott
Mr. Crocker Nevin
Ms. Kathrine Ockenden
Mr. Frederick D. Seeley
Mr. Ralph A. Weller

being a quorum.

Also present were Mr. William W. Burrus, Executive Director and Sarah Burns de Ortega, Associate Director. The agenda was as follows:

I. Operational Report

Mr. Burrus reported on the staff conference which was held in San Juan, Puerto Rico during late January and early February. He stated he was particularly pleased to mention that new Board member Patricia Cloherly attended part of the conference. Four specific themes underscored the conference and will continue to guide the organization's activities during this year:

1. The growing need to implement programs which are economically self-sufficient after a certain period of time.
2. The need to implement programs which are capable of scaling up to reach substantial numbers of businesses or small farmers.
3. The need to reach smaller businesses than those traditionally reached by ACCION which would include, for example, street vendors

and hawkers and other small microbusinesses which have credit needs perhaps of \$50 to \$500 or \$1,000. These would also include a specific focus on women entrepreneurs.

4. The need to more deliberately organize the microbusiness and small farm community to reach economies of scale and to promote such actions as associations, joint marketing schemes etc.

Mr. Burrus then reported on the status of the program in Costa Rica. He stated that the new organization assisted by ACCION, ADEPE (Asociación para el Desarrollo de Pequeños Empresarios), has now been formally registered in the country, has had several meetings of its Board of Directors and has recently hired a new executive director. Proposals have also been written and formally submitted to the Inter-American Foundation, the Inter-American Development Bank and to various local sources. Mr. Burrus re-emphasized the timeliness of this initiative in which the private sector of Costa Rica is being mobilized to specifically support and promote economic activities directly affecting small farmers and microbusinesses of that country.

Mr. Burrus summarized recent development in the Dominican Republic indicating that the current contract with the Dominican Development Foundation in which technical assistance is being provided to a microenterprise program is ending in August. The Foundation has requested additional short-term assistance from AITEC over the next year, specifically in the areas of monitoring and evaluation of their program. Mr. Burrus further commented that Senior Associate Director, Jeffrey Ashe, and recently returned from the Dominican Republic where he presented the results of a new evaluation to Foundation staff and directors. A second organization, ADEMI, (Asociación de Microempresarios) has been formed in the Dominican Republic with assistance from both the Dominican Development Foundation and AITEC. This organization which has the solid backing of both the public and private sectors in the country, would offer credit and technical assistance to street vendors and hawkers, and selected microbusinesses both in Santo Domingo and in secondary cities. AITEC will be providing technical assistance to ADEMI and because it is a recently formed organization, this technical assistance will be intensive during the next year.

Continuing his operational report, Mr. Burrus updated Board Members on recent events in Colombia. He mentioned that AITEC has recently signed a contract with UNICEF to provide assistance in a solidarity group credit program of credit to a community grass-roots organization in Cartagena. A proposal has now also been submitted to PACT in which AITEC's technical assistance cost will be covered in working with three private organizations in that country, one in Bogotá (CIDES) and two in Cali. In all cases these organizations hope to begin small solidarity group credit programs, extending small amounts of credit to local microbusinesses and street vendors with a mutual payback arrangement. Assuming PACT approval of this request, AITEC's advisor in Bogotá would be assisting these organizations.

Mr. Burrus further commented that Mr. Gross would be relocating from the Dominican Republic to Ecuador in mid-August to assist a private Ecuadorian organization, the Fundación Mariana de Jesús. This organization attended the AITEC-sponsored microbusiness seminar in Santo Domingo in September, 1982 and thereafter formally requested assistance to begin a microbusiness program in Quito.

To conclude his operational report Mr. Burrus informed those present that the microbusiness program tentatively to begin with Acao Comunitaria in Rio de Janeiro has been put on hold because of a lack of local fundraising efforts. Mr. Helander reported that he and Mr. Friele had recently met with the President of the local AITEC Board, Mr. Ehrling Lorentzen in New York, and discussed the status of that program there. AITEC itself has taken the position that it will be supportive and will do all in its power to assist the program but only if and when the local Board can raise enough money to justify the start of the implementation phase.

II. USAID Matching Grant

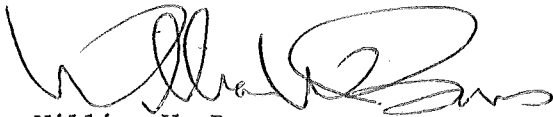
Mr. Burrus reported that during the past few months the Cambridge staff has been working on a new Matching Grant proposal for AID. A copy of the executive summary of the proposal was given to Executive Committee members and is attached to these minutes. As can be seen from the executive summary AITEC has requested a total of \$650,000 from AID over three years which will be matched by approximately the same amount from private sources in the

United States and Latin America. Of the amount requested from AID some \$100,000 would go towards the microbusiness guarantee fund and the rest would enable the corporation to expand its efforts in certain ongoing countries and new countries. Finally, Mr. Burrus commented that the proposal had in principle been approved by AID and he hoped that the formal contract signing would occur some time during the month of May.

III. Board Development

Mr. Helander reported to the Executive Committee that an ad hoc Board Development Committee had been formed since the full Board meeting in January and had met once on March 11th, and it had numerous contacts by telephone. A list of potential Board candidates was distributed and Mr. Helander commented on the current status of each member. It was noted that a second Board Development meeting would occur during the month of May in preparation for corporation Board Director elections in June.

With no further business to attend, the meeting was adjourned.



William W. Burrus
Designated Secretary

1582

accion international/ aitec

AGENDA

EXECUTIVE COMMITTEE MEETING

NOVEMBER 17, 1982

- I. Operational Report
- II. Fundraising Campaign
- III. January Board Meeting
- IV. Audiovisual

NOV 17, 1982

accion international/ aitec

LIST OF ATTENDEES
EXECUTIVE COMMITTEE MEETING
NOVEMBER 17, 1982

John C. Duncan
Berent Friele
Eugene Gonzalez
Robert C. Helander
Charles W. Muller
Crocker Nevin
Kathrine Ockenden
Frederick D. Seeley

MINUTES
OF THE MEETING
OF THE EXECUTIVE COMMITTEE
OF ACCION INTERNATIONAL

A meeting of the Executive Committee of ACCION International/AITEC was held at 250 Park Avenue in the Borough of Manhattan on the seventeenth day of November at 12:30 o'clock in the afternoon. Those present were:

1982

Mr. John C. Duncan
Mr. Robert C. Helander
Mr. Charles W. Muller
Mr. Crocker Nevin
Ms. Kathrine Ockenden
Mr. Frederick A. Seeley

being a quorum.

Also present were Board member at large Berent Friele, William W. Burrus, Executive Director and Sarah Burns de Ortega, Associate Director. The agenda was as follows:

I. Operational Report

Mr. Burrus reported that since the last Executive Committee meeting in September he had returned to Costa Rica to assist in the further design and establishment of a non-profit organization in that country. During the trip the new organization, ADEPE (Asociación para el Desarrollo de Pequeños Empresarios) was formally constituted with twenty-three founding members representing a broad cross-section of the private sector including the Chamber of Commerce, the North American Chamber of Commerce, the Chamber of Agriculture and the Chamber of Industry. As established in the by-laws the organization will be dedicated to income and employment creation among the poor and within the near future expects to undertake programs involving small farmers and micro-entrepreneurs. Mr. Burrus stated that a private sector fund-raising campaign will be initiated locally and that international financial assistance is now being solicited beginning with the Inter-American Development Bank and the Inter-American Foundation. Mr. Burrus reiterated his opinion that the timing is most appropriate in Costa Rica for the creation of such an entity, not only in view of the private sector's increased

awareness of the need for assistance to the low-income population but also because of international concern related to all of Central America.

Reporting on the ACCION-sponsored Conference on Micro-Businesses held in the Dominican Republic on September 26-30, Mr. Burrus noted that 33 participants were present representing 14 countries of Latin America. The specific purpose of the conference was to expose senior level members of local, private, non-profit organizations to ACCION's micro-business program as a strategy for assisting the urban poor. The conference fully achieved its objectives, creating a great deal of enthusiasm among participants, and those organizations attending from Ecuador, Panama and Honduras have directly requested assistance from ACCION to implement similar programs in their respective countries. Mr. Helander commented that in a subsequent conversation with one of the conference observers, Mr. Robert O'Brien, Executive Director of PACT (Private Agencies Collaborating Together) Mr. O'Brien spoke very highly of the conference and ACCION International/AITEC in general.

Mr. Burrus also reported that, following some initial contacts made by staff members in Nicaragua, a local organization, FECANIC (Federación de Cooperativas de Ahorro y Crédito) had requested AITEC short-term assistance to implement a micro-business program in the City of Masaya. AITEC's representative in Guatemala, Arnulfo Coto Martínez, will be providing assistance to FECANIC beginning in late November and lasting for a total of one man-month.

Attention was also drawn to several new publications which have recently been released, including an Annotated Bibliography of materials related to the informal economic sector in Latin America and the Third World, and Management Training Manuals from the Dominican Republic and Bogota, Colombia programs.

Finally, Ms. Burns referred those present to a rough draft of a letter from ACCION to Secretary of State George Schultz in view of his upcoming trip to Latin America. The purpose of the letter was to draw attention to

ACCION International and to its ongoing work in the three countries being visited, Colombia, Brazil and Costa Rica. It was agreed that such a letter was appropriate and Mr. Duncan as Chairman agreed to make certain modifications to the letter and send it under his signature.

II. Fundraising Campaign

Mr. Burrus announced that during late November and early December he would be making a fundraising trip to the West Coast and asked for assistance in making appointments with key corporations and foundations. A list of potential corporations was then reviewed with each person agreeing to assist with specific companies.

The status of the Special Campaign was then discussed by Ms. Burns referring to several companies that still have outstanding contributions for 1982. That list together with a list of contributors having received proposals for 1983 was distributed and discussed (Attached to Minutes).

Finally, Ms. Burns reported on the status of the Bank Consortium idea for the program in Rio de Janeiro, Brazil, stating that all key banks had now received a formal proposal. She requested feedback from the Executive Committee on how best to proceed in order not to lose momentum. Mr. Nevin suggested that it was equally important to directly involve local banks in Brazil in the affair and suggested that for the United States perhaps a luncheon hosted by the Banco do Brazil in New York would effectively encourage the participation of those US banks targeted. Messrs. Helander and Friele agreed to approach Mr. Linho of Banco do Brasil with the idea of hosting such a luncheon.

III. January Board Meeting

Mr. Burrus reminded members that as discussed in the September Executive Committee meeting the normal December Board meeting will be postponed until January, 1983 so as not to cause too heavy of a burden for those participating in the Council of the Americas and other activities during December. The primary purpose of the meeting, in addition to reviewing normal business is

to invite a limited number of guests including current and potential funders for the campaign, Third Decade for Development. The Executive Committee agreed to hold a meeting in January for this purpose and the date of January 20th was set.

With no further business to attend, the meeting was adjourned.

A handwritten signature in cursive script, appearing to read "William W. Burrus".

William W. Burrus
Designated Secretary

WEST COAST

CORPORATE PROSPECTS

San Francisco

Bank of America
555 California Street

Bill Bolin
Executive Vice President

David McPherson
Program Officer, Bankamerica Foundation

C.J. Bocchieri
Vice President and Executive Director
of Foundation

Bechtel Group
50 Beale Street

S.P. Giambra
Vice President, Mining, Metals

Steve Bechtel, Jr.
Chairman

Castle & Cooke
50 California Street

Carl Perdue
Governmental Relations

Robert Moore
Secretary, Standard Fruit Charities
Vice President - Castle & Cooke

Crocker National Bank
One Montgomery Street

Tom Wilcox
Chairman and Chief Executive Officer

David Brook
Sr. Executive, Vice President - International
Division, Policy Committee

Crown Zellerbach
One Bush Street

Ernest Mitchell
President of Crown Zellerbach International

Levi Strauss
1155 Battery Street

Peter Jones
Senior Vice President

Standard Oil California
225 Bush Street

3 Vice Presidents (foreign):
William Grier
Edwin Lowry
W.J. McQuinn

Wells Fargo Bank
464 California Street
or
420 Montgomery Street

Carlos Rodriguez-Pastor
Executive Vice President

Richard Cooley
Chairman and Chief Executive Officer

Palo Alto

Hewlett Packard
3000 Hanover Street

William R. Hewlitt
Chairman of Executive Committee,
Chairman of Hewlett Foundation

William Dolittle
Senior Vice President, International

Oakland

Raymond Kaiser Engineers

Jim McCloud
President

Los Angeles

ARCO
515 Flower Street

William Kieschnik
Chief Executive Officer

John Gendron
Senior Vice President, Public Affairs

Carnation
5045 Wilshire Boulevard

C.G. Todd
President of Foundation
Executive Vice President of Corporation

Occidental Petroleum
10889 Wilshire Boulevard

Zoltan Merszei
Vice Chairman

William McSweeney
President of Occidental Petroleum International

Neil Jacoby
President of Occidental Petroleum Charitable
Foundation

Irvine

Fluor Corporation

Orange

R.C. Baker Foundation
500 City Oarkway West

Frank Scott
Trustee
Vice President Baker International

ASOCIACION PARA EL DESARROLLO DEL PEQUEÑO EMPRESARIO

" ADEPE "

A G E N D A

ASAMBLEA CONSTITUTIVA - NOVIEMBRE 1° DE 1982.

1. Palabras de bienvenida. (5 min.)
2. Presentación de diferentes programas de AITEC/ACCION INTERNA-
CIONAL TECNICA.
 - 2.1 Internacional. (5 min.)
 - 2.1 Proyectos en Costa Rica. (5 min.)
 - 2.3 Papel de AITEC/COSTA RICA en ADEPE. (10 min.)
3. Preguntas y respuestas. (10 min.)
- 4.- Entrega de boletas de inscripción y comprobación de quorum. (10 min.)
- 5.- Elección del Directorio provisional.(10 min.)
- 6.- Discusión y aprobación de estatutos.(20 min.)
- 7.- Elección de Junta Directiva y toma de posesión. (20 min.)
- 8.- Elección de Fiscal. (10 min.)
- 9.- Presentación de una propuesta de financiamiento a la Funda -
ción Interamericana. (10 min.)
10. Palabras del Presidente y Clausura. (5 min.)
11. Brindis

Mse/.-

ASOCIACION PARA EL DESARROLLO DE PEQUEÑOS EMPRESARIOS

ADEPE

JUNTA DIRECTIVA

Ing. Ag. Juan Rafael Lizano Sáenz	Presidente
Ing. Ag. Carlos Manuel González Alvarado	Vice-Presidente
Lic. Ernesto Morales Grau	Secretario
Lic. Miguel Ruiz Herrera	Tesorero
Lic. Angela Ulibarri P.	Vocal 1
Lic. José Rafael Echeverría Z.	Vocal 2
Lic. Rodrigo Uribe Sáenz	Vocal 3

ASOCIACION PARA EL DESARROLLO DE PEQUEÑOS EMPRESARIOS
ADEPE

LISTA DE ASOCIADOS

Dr. Omar Acuña Vargas	Laboratorios Ancla S.A. Cámara de Industrias. J.D.
Ing. Elec. Carlos Araya Lizano	Industria Cerámica Costarricense S.A. Cámara de Industrias, Pres.
Lic. Emilio Bruce Jiménez	Farmacias EOS. S.A. Cámara de Comercio. J.D.
Ing. Indus. Eric Brenner	Kativo Chemical, S.A.
Sr. Guillermo Castro Echeverría	Panamericana de Viajes INCAE
Lic. Jorge Donato Días	Inversiones SAMA S.A.
Sra. Roxana Dueñas Leiva	INTACO, C.R. S.A.
Lic. José Rafael Echeverría Zeledón	Cámara Nacional de Agricultura. V.Pres.
Lic. José Rafael Echeverría Villafranca	Bufete Echeverría
Ing. Carlos Manuel González Alvarado	El Pelón de la Bajura, S.A. MATRA
Lic. José Luis González Ramos	Banco Popular y de Desarrollo Comunal
Lic. Armando Guardia Villalaz	Guardia y Cía. UNION NAL. DE CAMARAS-Pres.
Arq. José Miguel Iglesias Vargas	José Miguel Iglesias, S.A. Cámara Nacional de la Pequeña Industria
Ing. Indus. Richard J. Johnson	United Brands Co. American Chamber of Commerce of. C.R. Pres.
Ing. Agr. Juan Rafael Lizano Sáenz	Cámara Nacional de Agricultura - Pres. Central Agrícola de Cartago.
Ing. Agr. Rodrigo Ortíz Salazar	Central Agrícola de Cartago
Lic. Rigoberto Quirós Steller	Cámara de Alimentos Animales. Pres. Producciones de T.V.
Lic. Miguel Ruiz Herrera	Banex Trading
Lic. Eladio Schnitzler Medaglia	Sociedad General de Construcciones, S.A.
Lic. Mariano Sanz S.	Mariano Sanz y Cía.
Lic. Angela Ulibarri Pernuz	Producciones Olay, S.A.
Lic. Ernesto Morales Grau	CERES, S.A.
Lic. Rodrigo Uribe Sáenz	MAS POR MENOS DE C.R. HORTIFRUTI.

Requests Pending - 1982 Special Campaign

<u>Company</u>	<u>Amount</u>	<u>Action to be taken</u>
* American Express	\$50 K	Greene needs call
Celanese	\$30 K	Macomber needs visit
Container Corp.	\$15 K	G. Gómez needs call
G & W	\$25 K	Bludhorn needs call
Motorola	\$15 K	Noe Kenig- call
MidCon	\$15 K	O.C. Davis/ Bob Pike
* Morgan Stanley	\$30 K	Gene Gonzalez
NCR	\$15 K	G. Bassani
Scallop	\$15 K	N. Collyns
US Steel	\$30 K	Hosey
* United Technologies	\$20 K	Ralph Weller
* Johnson & Johnson	\$20 K	John Avery
<hr/>		
16 potentials	\$400,000	

* Signifies Board Member company with no pledge yet made to campaign

Special Campaign --- 1983 Targets for Corporate Gifts

American Can	\$10 K	David Parker
ARCO	\$100 K	Robert Anderson
ASARCO	\$20 K	Richard Osborne
ARMCO	\$30 K	Wm. Verity
Borden	\$15 K	J.J. O'Connor
Belco	\$15 K	
Bristol-Myers	\$10 K	
* Chase	\$ 75K	K. Corrigan
* Chemical	\$20 K	Platten/Canavan
* Citibank	\$15 K	Rhodes
Caterpillar	\$50 K	
Chesebrough-Pond's	\$20 K	
EXXON	\$100 K	
General Motors	\$15 K	Beck
Goodyear	\$15 K	Corcoran
Gillette	\$10 K	Hunnewell
Gulf	\$50 K	Moffett
IFF	\$10 K	H. Fields
ITT	\$10 K	R. Rigau
* Irving Trust	\$10 K	
* Marine Midland	\$10 K	
* Man Han	\$10 K	George Gross
* Mellon Bank	\$10 K	
* Northern Trust	\$15 K	

* (Signifies have been approached for Bank Consortium)

<u>COMPANY</u>	<u>AMOUNT</u>	<u>CONTACT/ ACTION NEEDED</u>
Owens Corning	\$30,000	
Owens Illinois	\$15,000	
Philip Morris	\$30,000	
Phelps-Dodge	\$10,000	Munroe, Gonzalez
Quaker Oats	\$10,000	
Royal Bank of Canada	\$30,000	Moores
Shell	\$30,000	
Sherwin Williams	\$10,000	
Standard Oil (Ind.)	\$10,000	
Searle	\$10,000	
TRW	\$10,000	
United Brands	\$10,000	
** Xerox	\$50,000	Sharp
** Arthur Young	\$20,000	McDermott

* Signifies Board member company with no contribution yet pledged to Special Campaign

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ASOCIACION PARA EL DESARROLLO DE
PEQUEÑOS EMPRESARIOS

"ADEPE"

PROYECTO DE ESTATUTOS

San José, Costa Rica
Octubre 1982.

ASOCIACION PARA EL DESARROLLO DE
PEQUEÑOS EMPRESARIOS.

PROYECTO DE ESTATUTOS

ARTICULO PRIMERO:

La Asociación, que será una organización sin fines de lucro, se denominará "ASOCIACION PARA EL DESARROLLO DE PEQUEÑOS EMPRESARIOS", y sin que tome nota el registro, podrá simplificarse con las siglas "ADEPE" y será de duración indefinida.

ARTICULO SEGUNDO:

El domicilio de la Asociación será la ciudad de San José, podrá crear filiales en otras regiones del país, cuya creación se deberá aprobar por dos terceras partes de los integrantes de la Asamblea General que así acuerden su creación. Estas filiales se regirán por los estatutos de la Asociación, aunque podrán contar con su propio reglamento, previamente aprobado por la Junta Directiva Central. Podrán integrarse con un mínimo de cinco miembros y fungirán como grupos de apoyo y de promoción de proyectos específicos impulsados por la Asociación.

ARTICULO TERCERO:

La Asociación, como organización costarricense sin fines de lucro, promovida por el sector empresarial, tendrá como fin principal la generación de empleo e ingresos para el sector de pequeños empresarios nacionales, rurales y urbanos.

Para tal fin, podrá solicitar, recaudar, generar y canalizar recursos financieros, humanos, materiales y técnicos, para mejorar la calidad de vida y la dignidad y oportunidades de superación de los pequeños empresarios.

La Asociación se propone lograr estos propósitos y fines proveyendo los recursos y oportunidades necesarias mediante modelos de desarrollo que integren de capacitación, organización, asistencia técnica, financiamiento, comercialización y segui - miento de los proyectos, de manera que este tipo de acciones permita a los pequeños empresarios, involucrados en los dife - rentes tipos de programas, promovidos y apoyados por la Asocia - ción su realización y su ascenso como sujetos activos de su propio desarrollo.

ARTICULO CUARTO:

Para el cumplimiento de sus fines, la Asociación realiza - rá entre otras actividades, las siguientes:

- a) Modelo de Desarrollo Rural, que, en términos genera - les implica: la promoción de acciones colectivas por parte de grupos organizados de productores, que per - mitan lograr economías de escala, un adecuado valor agregado a su producción, mayor diversificación y el uso de tecnología adecuada, así como mayor poder de negociación en los mercados. También, como acciones complementarias propias de este modelo rural se inclu - ye una capacitación intensiva y ajustada a esos estra - tos, especialmente en los campos técnicos, gerencia - les y administrativos. También se incluye el crédito adecuado y oportuno y la coordinación interinstitucio - nal con agencias nacionales e internacionales que ope - ran y se destacan por su acción en el desarrollo rural.
- b) El modelo de desarrollo en áreas urbanas. Este mode - lo implica la ejecución de sistemas novedosos de orga - nización, capacitación y crédito para el sector infor - mal y el de micro-empresarios, enfatizando en la capa - citación gerencial y técnica, a fin de mejorar la ca - lidad de la producción, los sistemas de compra de

insumos, los controles internos y otros aspectos conexos todo con el objeto de poder sacar al beneficiario de su nivel de subsistencia e integrarlo, progresivamente, a la economía de producción y comercialización y a sistemas formales de actividad como empresario.

- c) Elaborar algunos modelos y proyectos demostrativos, urbanos y rurales, que permitan mecanismos didácticos que estimulen a estos estratos, grupos e individuos a variar sus sistemas tradicionales y obtener nuevas alternativas y cambios deseables, que los lleven a mejorar su situación actual.
- d) Promover la formación y contratación de asistencia técnica necesaria para una acción eficiente en los campos propios de su competencia.
- e) Celebrar convenios y acuerdos, a nivel nacional o internacional, a fin de obtener los recursos necesarios para cumplir sus propósitos.
- f) La Asociación podrá adquirir toda clase de bienes y servicios, dentro de las limitaciones del Artículo 25 de Código Civil y celebrar contratos de toda índole, así como realizar toda especie de operaciones lícitas encaminadas a la consecución de sus fines, dentro del marco de la Ley de Asociaciones y de sus propios estatutos.

ARTICULO QUINTO:

La Asociación contará con los siguientes recursos: a) Cuotas de ingreso y mantenimiento de sus asociados, las cuales deberán ser fijadas por la Asamblea General; b) todo tipo de donaciones procedentes de entidades o personas nacionales e internacionales; c) subvenciones; d) prestación de personal, de servicios o de equipo de parte de personas o entidades; e) otros bienes que pueda obtener en calidad de préstamo o dona - ción; f) préstamos que pueda obtener en condiciones ventajosas dadas las características de sus proyectos y sus

beneficiarios; g) otros recursos y bienes que pueda obtener al constituirse y en el transcurso de sus operaciones.

ARTICULO SEXTO:

La Asociación tendrá las siguientes categorías de asociados: a) fundadores; b) colaboradores activos y c) honorarios; ya sean personas físicas o jurídicas. En este último caso se harán representar por su apoderado con facultades suficientes. La Junta reglamentará la participación de personas jurídicas a través de su representante en las actuaciones de Asambleas Generales, Junta Directiva y demás actividades.

ARTICULO SETIMO:

Los asociados fundadores serán aquellos que asistan a la Asamblea Constitutiva y firmen el acta correspondiente, así como aquellos que, a criterio de la Junta Directiva merezcan tal calidad, dados sus esfuerzos y aportes para constituir la Asociación.

Los colaboradores activos serán aquellos que, habiendo presentado formal solicitud escrita y colaborando activamente en las actividades y en el financiamiento de la Asociación, sean declarados como tales por la Junta Directiva, previa solicitud de afiliación por parte del interesado.

Serán asociados honorarios aquellas personas o entidades que por su apoyo y colaboración con la Asociación, sean declarados como tales a solicitud de tres asociados, o de dos miembros de la misma directiva, y cuyo acuerdo cuente con el apoyo de por lo menos 4 miembros de la Junta Directiva.

ARTICULO OCTAVO:

Los asociados dejarán de pertenecer a la Asociación por las siguientes causas: a) renuncia voluntaria dirigida por

escrito a la Junta Directiva: b) por falta sin justificación escrita a más de tres asambleas generales consecutivas; c) por proceder en forma que obviamente lesione los intereses y fines de la Asociación, previa oportunidad de presentar defensa o apelación ante la Junta Directiva.

ARTICULO NOVENO:

Los Asociados descritos en los literales a y b del artículo sexto de estos estatutos tendrán los siguientes derechos:

- a) Elegir y ser electos en los cargos directivos, de fiscalía y en comisiones de la Asociación;
- b) Participar activamente en las actividades que organice la Asociación;
- c) Participar con voz y voto en las Asambleas Generales;
- d) Presentar mociones y sugerencias en las Asambleas Generales;
- e) Denunciar ante la Fiscalía cualquier irregularidad que notare en el desempeño de las funciones de la Directiva y de parte de otros miembros de la Asociación;
- f) Proponer planes a la Junta Directiva que mejoren la Acción de Asociación y que beneficien a los grupos o personas beneficiarias de la acción general de la Asociación;
- g) Los asociados honorarios tendrán los mismos derechos excepto los del literal a) y en las Asambleas tendrán solo derecho a voz, pero no a voto.

ARTICULO DECIMO:

Son deberes de los asociados:

- a) Cumplir con la Ley de Asociaciones, los estatutos y

los reglamentos de la Asociación, así como con los acuerdos que emanen de los órganos superiores.

- b) Pagar puntualmente las cuotas fijadas o aquellas a que se haya comprometido con la Asociación.
- c) Asistir a las reuniones a que fueren convocados.
- d) Colaborar en el buen funcionamiento de la Asociación y de los proyectos patrocinados o en ejecución, por parte de esta, así como velar por la conservación y uso racional de los recursos y bienes de la organización.
- e) Presentar planes y proyectos que incrementen las actividades propias de la Asociación y colaborar en la ejecución de estos, de acuerdo a su capacidad o especialidad técnica y a la índole de acción propia en los casos de organizaciones afiliadas.

ARTICULO UNDECIMO:

La Asociación contará con los siguientes órganos: a) Asamblea General; b) Junta Directiva; c) La Fiscalía; d) Aquellos comités que la Junta Directiva considere convenientes integrar. e) Comisiones. La Asociación contará además con un Director Ejecutivo nombrado de acuerdo al Artículo 17 que carecerá de voto en la Asamblea General o a la que se convoque.

ARTICULO DECIMO SEGUNDO:

De la Asamblea General: Es el órgano máximo de la Asociación, compuesta por la totalidad de sus asociados. Habrá dos tipos de Asamblea: ordinaria y extraordinaria. La Asamblea se reunirá en forma ordinaria por lo menos una vez al año en el mes de enero, para escuchar los informes de labores de parte del Presidente y el Tesorero de la Junta Directiva, así como el de la Fiscalía. Asimismo en esta Asamblea se elegirá, cuando corresponda, a los miembros de la Junta Directiva, fiscalía y comisiones.

Extraordinariamente se reunirá cada vez que la Junta Directiva la convoque o lo solicite un número no menor de cinco asociados, o bien cuando la Fiscalía considere necesaria dicha convocatoria.

Las Asambleas, ordinarias o extraordinarias, serán convocadas por carta circular por lo menos con 10 días de anticipación. Se considerará constituida en primera convocatoria cuando concurren por lo menos un 50% de los asociados.

De no presentarse el número indicado, se reunirá en segunda convocatoria 30 minutos después, siempre que esté presente un mínimo del 25% de los asociados.

Los asuntos se aprobarán por simple mayoría, excepto en aquellos casos en que, por Ley o Estatutos, se requiera el voto de dos terceras partes de los asociados, o de los presentes.

ARTICULO DECIMOTERCERO:

Son atribuciones de la Asamblea General Ordinaria:

- a) Elegir cada dos años la Junta Directiva y el Fiscal.
- b) Escuchar los informes anuales de labores que le rindan los otros órganos de la Asociación.
- c) Acordar la compra de bienes o servicios cuyo valor sea superior a ₡500.000.00 y operaciones que comprometan el patrimonio de la Asociación, superiores a ₡1.000.000.00. Las otras compras y operaciones solo requieren acuerdo de Junta Directiva, lo mismo que la aceptación de donaciones, en cuyo caso específico no hay limitación alguna de monto.
- d) Aprobar los reglamentos y las reformas que a los mismos proponga la Junta Directiva.
- e) Aprobar el presupuesto de año correspondiente.
- f) Todas las votaciones serán secretas.

ARTICULO DECIMOCUARTO:

Son atribuciones de la Asamblea Extraordinaria:

- a) Llenar las vacantes por ausencias definitivas o renuncias presentadas por miembros de la Junta Directiva o la Fiscalia.
- b) Reformar estatutos o reglamentos cuando tal acción se presente en el orden del día de dicha Asamblea, y para lo cual deberá contar con el voto favorable de por lo menos dos terceras partes de los asociados presentes.
- c) Acordar la afiliación de la Asociación a organismos internacionales similares.
- d) Acordar la disolución de la Asociación, en cuyo caso se requiere una votación de dos terceras partes o más de los afiliados con derecho a voto.
- e) Todas las votaciones serán secretas.
- f) Aprobar solicitudes de préstamo o de donación, así como donaciones aprobadas por parte de organismos nacionales e internacionales, sólo cuando estos establezcan este requisito y se incluya tal aprobación en el orden del día respectivo.

ARTICULO DECIMOQUINTO:

De la Junta Directiva:

La dirección de la Asociación reside en la Junta Directiva compuesta por 7 miembros, propietarios así: Un Presidente, un Vice-Presidente, un Tesorero; un Secretario y tres vocales. Estos miembros serán electos en Asamblea General Ordinaria en el mes de enero cada dos años.

Salvo los integrantes de la primera Junta Directiva, cuyos nombramientos serán hasta el 30 de enero de 1984. Tomarán posesión de sus cargos por lo menos 15 días después de ser electos, razón por la cual la Asamblea respectiva deberá efectuarse en una fecha oportuna anterior al vencimiento de la Junta Directiva saliente.

Las ausencias temporales de los directores serán suplidas por los restantes miembros, y si se prolongan por períodos considerables deberán elegirse los sustitutos en Asamblea General Extraordinaria, por el resto del período respectivo.

Los miembros de la Junta Directiva podrán ser reelectos hasta por un nuevo período.

ARTICULO DECIMOSEXTO:

La Junta Directiva se reunirá en forma ordinaria una vez cada dos meses y extraordinariamente cuanto lo considere conveniente, o lo solicite un mínimo de tres asociados para tratar en forma exclusiva para lo que motivó la convocatoria. Será convocada por el Secretario por nota-circular o por teléfono, por lo menos con dos días de anticipación.

Formarán quórum 3 miembros y sus acuerdos se aprobarán por simple mayoría. En caso de empate el presidente tendrá voto doble para decidir.

ARTICULO DECIMOSETIMO:

Las atribuciones de la Junta Directiva son las siguientes:

- a) Tomar los acuerdos necesarios para que la Asociación pueda cumplir sus fines y propósitos.
- b) Presentar anualmente un informe de labores a la Asamblea General.

- d) Aprobar donaciones, contratos y convenios hasta por los montos estipulados en estos estatutos, o en reglamento especial.
- e) Nombrar las comisiones que considere necesarias.
- f) Proponer la creación de filiales a la Asamblea General cuando se considere necesarias para la buena marcha de los proyectos, de conformidad con el Artículo Segundo de estos Estatutos.
- g) Promover campañas y la divulgación necesaria para incrementar recursos y dar a conocer los objetivos y las actividades de la Asociación.
- h) Otras acciones propias de este órgano en una Asociación de este tipo, que no contravengan los Estatutos, la Ley y las atribuciones de los otros órganos de la Asociación.
- i) Nombrar al Director Ejecutivo mediante concurso de antecedentes y definir claramente sus funciones, mediante el reglamento respectivo.
- j) Elaborar un reglamento del sistema administrativo y operacional de la Asociación.

ARTICULO DECIMO-OCTAVO.

Atribuciones de los miembros de la Junta Directiva:

- a) El Presidente será el representante judicial y extrajudicial de la Asociación, con carácter de apoderado generalísimo, sin limitaciones de sumas.
Convocará y presidirá las sesiones de Asamblea, así como las reuniones de la Junta Directiva, firmará las actas junto con el Secretario; autorizará, junto con

el Tesorero, los pagos y erogaciones que la Junta acuerde, activará las acciones y proyectos de la Asociación y tratará de fomentar relaciones adecuadas con otros organismos, nacionales o internacionales, que puedan colaborar en la actividad de la Asociación. Podrá delegar funciones especialmente de trámite y administración en el Director Ejecutivo, según se detalla en sus funciones.

- b) El Vice-presidente sustituirá al Presidente en las ausencias temporales, con iguales atribuciones y obligaciones.
- c) Corresponde al Secretario confeccionar las actas de las reuniones de Asamblea General y de Junta Directiva y firmarlas junto con el Presidente, una vez aprobadas por el órgano respectivo.
Deberá llevar en perfecto orden el libro de actas de Asambleas, el libro de actas de Junta Directiva y el libro de Registro de Asociados. Dará lectura a la correspondencia y la tramitará lo más pronto posible. Deberá llevar un archivo ordenado y completo.
- d) El Tesorero tiene como obligación cobrar las cuotas regulares asignadas a los asociados y los aportes especiales ofrecidos por estos; cuidar de los fondos de la Asociación, los que depositará en una cuenta especial de la Asociación, en uno de los Bancos del Sistema Bancario Nacional.
Los depósitos y retiros se harán con la firma del Presidente, o con la de la persona en que éste haya delegado tal acción y la del Tesorero.
En ausencia del Presidente deberá firmar el Vice-presidente, o la persona designada por aquel, según se establezca oportunamente por Acuerdo de la Directiva o por vía reglamentaria.

En los casos de fondos de créditos o donaciones específicas, si así se requiere, deberá llevar cuentas separadas que permitan informar y liquidar estos recursos a la organización que los aportó.

Deberá rendir informes contables periódicos en los casos en que así se requiera e informes anuales a la Asamblea y llevará al día y en perfecto orden, según los sistemas usualmente aceptados, los libros Diario y Mayor.

- e) Corresponde al vocal propietario y a los vocales suplentes colaborar en todas las tareas que les encomiende la Junta Directiva. Los suplentes deberán sustituir, en forma temporal, la ausencia de algún miembro de la Junta Directiva.
- f) Las atribuciones de las Comisiones, se determinarán en el reglamento que oportunamente emita la Junta Directiva.

ARTICULO DECIMO-NOVENO:

De la Fiscalía:

La Fiscalía estará integrada por un fiscal mayor de edad, nombrado por la Asamblea General, por un período de dos años y que tendrá las siguientes atribuciones:

- a) Velar por el cumplimiento de la Ley y los Estatutos, así como los acuerdos y reglamentos que emite la Asociación.
- b) Rendir informe anual a la Asamblea General.
- c) Escuchar quejas de los asociados y realizar la investigación pertinente, presentando un informe respectivo a la Junta Directiva.
- d) Velar porque la Asociación se proyecte positivamente hacia el logro de sus objetivos y fines.

- e) Visitar proyectos en ejecución a nivel de campo y presentar sus observaciones y sugerencias a la Junta Di-
rectiva, para mejorar los sistemas de operación y los
proyectos como tales.

ARTICULO VIGESIMO:

Las reformas totales o parciales de los Estatutos deberán aprobarse en Asamblea General Extraordinaria, por las dos ter-
ceras partes de los Asociados presentes y su inscripción se ha-
rá conforme al Artículo 19 de la Ley de Asociaciones.

ARTICULO VIGESIMO PRIMERO:

La Asociación podrá disolverse en los casos en que concu-
rran las causas indicadas en los Artículos 13, 27 y 34 de la
Ley de Asociaciones. Al extinguirse la Asociación sus bienes
se distribuirán entre los grupos involucrados en proyectos ge-
nerados por la Asociación, en primer término, y si tales bienes
pueden contribuir a que esos grupos logren sus objetivos.

Los bienes sobrantes se traspasarán a una organización sin
fines de lucro, cuyos programas tengan similitud a los de la
Asociación que se disuelve. En todos estos casos, la Junta Di-
rectiva presentará un informe de recomendaciones específicas y
la Asamblea General o la autoridad competente decidirán, toman-
do en cuenta tales recomendaciones y el uso más adecuado y ra-
cional de los bienes a distribuir.

AHC/sho.-

octubre 1982.-

REGLAMENTO

DEL DIRECTOR EJECUTIVO

Aspectos generales y algunas funciones típicas.

A. Aspectos generales:

1. El Director Ejecutivo será de nombramiento de la Junta Directiva de la Asociación, previo concurso de antecedentes, y dependerá de ésta.
2. No podrá ser Director Ejecutivo quien tenga parentesco, por consanguinidad o afinidad, hasta de segundo grado, con alguno de los miembros de la Junta Directiva o el Fiscal.
3. Su nombramiento será por tiempo indefinido y sólo podrá ser removido, por justa causa, con por lo menos 4 votos de la Junta Directiva.

B. Algunas funciones típicas:

- a) Ejercer las funciones propias a su condición de administrador general y jefe de las dependencias y unidades operacionales de la Asociación, vigilando la organización, funcionamiento y coordinación del personal y el cumplimiento de los acuerdos de la Junta Directiva, la Asamblea General, los Estatutos y los Reglamentos vigentes.
- b) Asistir a las sesiones de Junta Directiva y a la Asamblea General, con voz, pero sin voto.
- c) Suministrar a la Junta Directiva la información que se le solicita y aquella que sea necesaria para el buen funcionamiento de la organización.

- d) Proponer a la Junta Directiva normas generales de política, así como proyectos de reglamentos que se consideren necesarios.
- e) Elaborar y presentar a la Junta Directiva los proyectos de presupuesto.
- f) Proponer a la Directiva la creación de plazas y servicios necesarios para la buena marcha de la organización.
- g) Velar por el cumplimiento del presupuesto aprobado y proponer oportunamente las modificaciones que se consideren necesarias, así como vigilar el correcto desarrollo de los programas y proyectos de la organización.
- h) Supervisar y orientar las labores del personal, así como nombrar promover, remover, conceder licencias, imponer sanciones al personal de la Asociación y responsabilizarse de su gestión.
- i) Firmar cheques, conjuntamente con el Tesorero, y realizar operaciones y compras, dentro de los límites en que tales atribuciones le hayan sido delegadas por el Presidente, la Junta Directiva, o reglamentos especiales vigentes.
- j) Suministrar informes trimestrales a la Junta Directiva sobre la marcha de los Programas y Proyectos en ejecución y sobre la ejecución y estado del presupuesto aprobado para determinado período.
- k) Ejecutar otras labores, inherentes al cargo, o que le asigne la Junta Directiva.

MINUTES
OF A MEETING
OF THE EXECUTIVE COMMITTEE
OF
ACCION INTERNATIONAL/AITEC

SEP 23, 1982

A meeting of the Executive Committee of ACCION :
a corporation duly organized and existing under and by virtue of the
membership corporation law of the State of New York, was held at 485
Madison Avenue, in the Borough of Manhattan, New York, on the 23rd day
of September, 1982 at 12:30 o'clock in the afternoon. There were present:

Mr. John C. Duncan

Mr. Robert C. Helander

Mr. Charles W. Muller

Mr. Frederick D. Seeley

Also present were Board members at large Messrs. Berent Friele and Russell
E. Marks, Jr., William W. Burrus, Executive Director, and Sarah Burns de
Ortega, Associate Director.

Mr. Robert C. Helander, President of the Corporation called the meeting
to order. The agenda was as follows:

I. President's Report

Mr. Helander welcomed those present and stated that before turning to
the agenda he regretted to announce the resignation from the Board of
Roger D. Stone. He read Mr. Stone's letter of resignation and asked that
it be incorporated into the minutes.

II. Financial Report

The Executive Committee reviewed the financial statements of the
corporation for the first semester of 1982. Mr. Burrus pointed out that
while the statements showed a surplus for the first six months of
\$75,108 this was normal for the first semester when receipts typically

exceed expenses. A modest surplus is projected for the year. Several questions followed, particularly regarding the fund balance and the Working Reserve Fund. Mr. Duncan requested that in future financial statements, monies set aside for the Working Reserve Fund be specifically noted on the balance sheet. Mr. Burrus reported that at the present time there were \$114,790 in the Working Reserve Fund invested in Certificates of Deposit and a Money Market Fund. Mr. Burrus reminded the Board that one of the principal goals of the Third Decade for Development Campaign is the creation of a Working Reserve Fund which would have as one of its major features the guaranteeing of loans to micro-businesses in ACCION assisted programs. In order to facilitate this mechanism the Working Reserve Fund may need to be consolidated and perhaps managed by someone like the First National Bank of Boston which is the corporation's principal bank. Mr. Seeley suggested that as money is received, it be placed in the Money Market Fund, until enough accumulates to purchase additional Certificates of Deposit. These Certificates, if purchased through the First National Bank, could then be used as guarantees for any loans made to the micro-businesses in programs. Those present felt no need to formally hire professional assistance to manage the Fund. Finally, Ms. Burns handed out copies of the corporation's 1981 Annual Report.

III. Operational Report

A. Mr. Burrus reported that during August he had visited Costa Rica to help define the future direction of the corporation's work there. Present program commitments there end in March 1983. He stated that after consultation with Mr. Armando Arauz of the Advisory Council and various leading members of the

Government and private sector in Costa Rica, the decision had been made to explore the establishment of a private organization with private sector support to carry on the corporation's work. This represents an important departure from AITEC's traditional focus in Costa Rica which has been to provide technical assistance to various Government agencies. The local staff is now in the process of visiting potential Board members and the hope is that a local institution can be formally constituted before the end of this year. He asked for the Executive Committee's approval to proceed with this new plan. Approval was granted.

B. Mr. Burrus commented that he began to explore program possibilities during the summer months both in Arizona and in Texas. He commented that while Arizona appeared to be wide open in terms of program opportunities, he was more impressed with the dynamic nature of the city of San Antonio. He stated that he had visited a number of community organizations working in San Antonio as well as members of the private sector and such Government agencies as the SBA and the Mayor's office. His visit culminated in a presentation made in collaboration with don David Garza Lagüera and Benito Cabello, Executive Director of the Mexico affiliate, ADMIC to Mr. B. K. Johnson and Mayor Cisneros. While no commitments have been made at this point, either by San Antonio or ACCION itself, the staff will continue to explore opportunities in San Antonio and elsewhere in the Southwest.

C. Maine Mr. Burrus commented that three things of interest had occurred in Maine since the last Executive Committee meeting: First, Mr. Gerry Dodd, the Program Manager, was appointed a member of the Governor's Advisory Council on Small Business for the State. This represents further legitimacy of the program in Maine and its greater visibility at the State-wide level. Second, a formal commitment of \$30,000 from the Public Welfare Foundation has been received for the Maine program and will be paid in December. Third, the program conducted a Seminar for loan officers of the Depositors' Trust Bank in June. This workshop, which was paid for by the Bank, stressed the importance and special needs of the micro-business sector and ways in which the banking community could better meet those needs. Based on the very positive results of this seminar, similar ones will be conducted in the near future in other towns.

D. Brazil Mr. Burrus reported that Stephen Gross, AITEC's Associate Director in the Dominican Republic, had visited Brazil in mid-August to help define the program there which will concentrate on providing credit to micro-businesses in various favelas of Rio. The program has moved slower than suspected because of financial limitations, both in Brazil as well as here in the United States. Mr. Friele reiterated the need for this type of program in Brazil, and Mr. Helander briefly reported on the results of the Bank Consortium idea which has been proposed to involve, not only American but Brazilian Banks in financing the program. The Executive Committee

agreed to move ahead with the Consortium idea and it was suggested that Mr. Seeley spearhead this effort in the coming months, perhaps through the organization of a luncheon in New York.

E. Matching Grant Mr. Burrus briefly reported that a new Matching Grant Proposal was recently submitted to AID covering the period April 1983 to March 1986. Through this proposal, in which AID will match private dollars raised on a one-to-one basis, the organization expects to substantially expand its activities in micro-business and small farm development throughout the hemisphere.

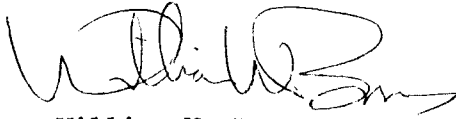
IV. Third Decade for Development

A. Ms. Burns de Ortega requested those present to refer to the Status Report in their package of information in which through September 22, 1982 a total of \$393,147.50 had been pledged to the campaign with \$166,482.50 having been received. She made special note of some new contributions which have been received for the corporation from the Schroder Bank, The Tinker Foundation, Heinz Company, Caterpillar, and Pfizer. She asked those present to turn their attention to specific follow-up which needs to be done on requests pending for 1982 as part of the special campaign.

B. As a formal kick-off to the campaign the Executive Committee agreed to organize the next Board meeting around an event featuring

present and potential funders to the campaign. A date in January_ will be set soon.

With no further business to discuss the meeting was adjourned.

A handwritten signature in black ink, appearing to read 'William W. Burrus', with a stylized flourish at the end.

William W. Burrus
Designated Secretary

accion international/ aitec

AGENDA

EXECUTIVE COMMITTEE MEETING

SEPTEMBER 23, 1982

- I. Financial Report

- II. Operational Report
 - A. Costa Rica
 - B. Southwest
 - C. Maine
 - D. Brazil
 - E. Matching Grant

- III. Third Decade for Development
 - A. Present Status
 - B. Formal Announcement
 - C. Fundraising: 1983

ACCION INTERNATIONAL/AITEC

BALANCE SHEET
June 30, 1982

ASSETS	JUNE 1982	JUNE 1981
<u>CURRENT ASSETS</u>		
Cash and Equivalents	17,566	46,972
Accounts Receivable	148,305	41,302
Investments	114,790	57,394
Prepaid Expenses	5,954	
Deposits and Advances	574	2,489
Total Current Assets	<u>287,189</u>	<u>148,157</u>
<u>FIXED ASSETS</u>		
Property & Equipment net of Accumulated Depreciation	62,103	6,267
Total Assets	<u>349,292</u>	<u>154,424</u>
LIABILITIES		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	48,974	56,140
Deferred Income	7,235	--
Total Current Liabilities	<u>56,209</u>	<u>56,140</u>
<u>FUNDS & LONG TERM DEBT</u>		
Mortgage Note Payable	20,736	--
Capital Reserves	72,693	--
Fund Balance	199,654	98,284
Total Liabilities	<u>349,292</u>	<u>154,424</u>

ACCION INTERNATIONAL/AITEC

STATEMENT OF REVENUE, EXPENSES AND FUND BALANCE
FOR TIME PERIOD JANUARY 1 - JUNE 30, 1982

Revenue:	To June 1982			To June 1981
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Total</u>
Public contributions	24,850	279,188	304,038	337,603
Government grants		212,025	212,025	198,377
Government contracts		126,044	126,044	47,500
Interest income	<u>6,153</u>		<u>6,153</u>	<u>662</u>
Total Revenue	<u>31,003</u>	<u>617,257</u>	<u>648,260</u>	<u>584,142</u>
Expenses of Programs:				
Foreign micro-business		421,572	421,572	279,949
Rural Integral Development		68,318	68,318	163,707
United States micro-business		<u>46,696</u>	<u>46,696</u>	<u>82,623</u>
Total Programs		<u>536,586</u>	<u>536,586</u>	<u>526,279</u>
Supporting Services:				
General Administration	19,722		19,722	34,366
Fundraising	16,844		16,844	8,121
Total Supporting	<u>36,566</u>		<u>36,566</u>	<u>42,487</u>
Total Expenditures			<u>573,152</u>	<u>568,766</u>
Total Surplus (deficit)	(5,563)	80,671	75,108	15,376
Fund Balance at beginning of Period			124,546	82,908
Fund Balance at end of Period			199,654	98,284

SPECIAL CAMPAIGN

Status Report September 22, 1982

Positive Responses Formally Received

	<u>Payment</u>	<u>Additional Pledge</u>	<u>Total</u>
I.B.M.	\$ 35,000	\$ 65,000	\$ 100,000
St. Joe Minerals Corp.	25,000	50,000	75,000
Rockefeller Brothers Fund	25,000	50,000	75,000
Schroder Bank	2,000	4,000	6,000
Tinker Foundation	19,000	21,000	40,000
Heinz	10,000	10,000	20,000
Caterpillar	5,000	--	5,000
Pfizer	5,000	5,000	10,000
PACT	28,551	16,665	45,216
PepsiCo	--	5,000	5,000
Miscellaneous *	11,931.50	--	11,931.50
<hr/>			
TOTAL	\$ 166,482.50	\$ 221,665	\$ 393,147.50

* Individual grants, increases in annual gifts from corporations.

ACCION INTERNATIONAL/AITEC
1982 Annual Campaign
Status Report - September 22, 1983

POSITIVE RESPONSES

Asarco	\$ 2,000
Arco	6,000
American Can	1,000
Borden	1,500
R.C. Baker	1,500
Corning Glass Works	5,000
Deloitte, Haskins & Sells	1,000
Eaton	1,000
Exxon	11,000
Goodyear	2,000
Grace	2,000
IFF	2,000
Kaiser Engineers	1,000
Monsanto	1,500
NCR	1,500
Philip Morris	2,500
Royal Bank of Canada	3,500
Sifco	800
U.S. Steel	3,000
United Technologies	1,000
Xerox	5,000

21 contributions, totalling \$55,800.

By September 22 last year \$72,850.

Requests Pending - 1982 Special Campaign

<u>Company</u>	<u>Amount</u>	<u>Action to be taken</u>
ALCOA	\$30 K	Gadberry needs call
* American Express	\$50 K	Greene needs call
Celanese	\$30 K	Macomber needs visit
Container Corp.	\$15 K	G. Gómez needs call
Deere Foundation	\$30 K	Hewitt needs call
Grace	\$30 K	call needed
G & W	\$25 K	Bludhorn needs call
Motorola	\$15 K	Noe Kenig- call
MidCon	\$15 K	O.C. Davis/ Bob Pike
* Morgan Stanley	\$30 K	Gene Gonzalez
NCR	\$15 K	G. Bassani
Scallop	\$15 K	N. Collyns
US Steel	\$30 K	Hosey
* United Technologies	\$20 K	Ralph Weller
* Johnson & Johnson	\$20 K	John Avery
* PepsiCo	\$30 K	Kendall
<hr/>		
16 potentials	\$400,000	

* Signifies Board Member company with no pledge yet made to campaign

Special Campaign --- 1983 Targets for Corporate Gifts

American Can	\$10 K	David Parker
ARCO	\$100 K	Robert Anderson
ASARCO	\$20 K	Richard Osborne
ARMCO	\$30 K	Wm. Verity
Borden	\$15 K	J.J. O'Connor
Belco	\$15 K	
Bristol-Myers	\$10 K	
* Chase	\$50 K	K. Corrigan
* Chemical	\$20 K	Platten/Canavan
* Citibank	\$15 K	Rhodes
Caterpillar	\$50 K	
Chesebrough-Pond's	\$20 K	
EXXON	\$100 K	
General Motors	\$15 K	Beck
Goodyear	\$15 K	Corcoran
Gillette	\$10 K	Hunnewell
Gulf	\$50 K	Moffett
IFF	\$10 K	H. Fields
ITT	\$10 K	R. Rigau
* Irving Trust	\$10 K	
* Marine Midland	\$10 K	
* Man Han	\$10 K	George Gross
* Mellon Bank	\$10 K	
* Northern Trust	\$15 K	

* (Signifies have been approached for Bank Consortium)

<u>COMPANY</u>	<u>AMOUNT</u>	<u>CONTACT / ACTION NEEDED</u>
Owens Corning	\$30,000	
Owens Illinois	\$15,000	
Philip Morris	\$30,000	
Phelps-Dodge	\$10,000	Munroe, Gonzalez
Quaker Oats	\$10,000	
Royal Bank of Canada	\$30,000	Moore
Shell	\$30,000	
Sherwin Williams	\$10,000	
Standard Oil (Ind.)	\$10,000	
Searle	\$10,000	
TRW	\$10,000	
United Brands	\$10,000	
** Xerox	\$50,000	Sharp
** Arthur Young	\$20,000	McDermott

* Signifies Board member company with no contribution yet pledged to Special Campaign

MINUTES
OF THE MEETING
OF THE EXECUTIVE COMMITTEE
OF ACCION INTERNATIONAL/AITEC

JUN 2, 1982

A meeting of the Executive Committee of ACCION International/AITEC, a corporation duly organized and existing under and by virtue of the membership corporation law of the State of New York, was held at 680 Park Avenue, in the Borough of Manhattan, New York, on the second day of June, 1982 at 3 o'clock in the afternoon. There were present:

Mr. Robert C. Helander

Mr. Charles W. Muller

Mr. Roger D. Stone

Also present were Mr. William W. Burrus, Executive Director, Ms. Sarah Burns de Ortega, Associate Director and Ms. Hilda S. Hollis, Financial Administrator. Ms. Janet Shore, Audit Manager, Price Waterhouse was also present.

Mr. Robert C. Helander, President of the corporation called the meeting to order as an Audit Review Committee Meeting.

I. Review of the 1981 Financial Statements

Following a review of the statements themselves, Mr. Helander asked Ms. Shore to comment on the statements as well as the internal controls utilized by the corporation. Ms. Shore reported that Price had conducted spot-checks in the two cost centers of greatest expenditures, Costa Rica and Maine as well as an audit of the corporation home office records. She stated that the corporation had followed generally accepted accounting principles during the year and that she was satisfied with the internal controls utilized by the

corporation particularly in terms of cost allocations of employee time. She commented that the statement had changed somewhat from an earlier internal draft submitted by the staff at the previous Executive Committee meeting. This was due to a re-examination of the way in which the corporation had been reporting exchange rate differences in Costa Rica resulting from an unusually rapid decline of the Costa Rican currency in relation to the US dollar during 1981. She stated that while the corporation had followed a system which was consistent with Costa Rican law, it had been inconsistent in that expenses and income were reported at different exchange rates.

Mr. Burrus further commented that he was concerned that the percentage of private monies received during the year had dropped to 38% in 1981 compared to 45% in 1980. All those present agreed that this growing dependency on US government funding was unhealthy and promised to redouble efforts through the campaign of Third Decade for Development to reverse this trend. Mr. Burrus reported that total general, administrative and fundraising expenses were less in 1981 than in 1980 and represented 15% of total expenditures.

Following additional questions and a suggestion by Mr. Muller that on the income and expense statement the item referring to Public Contributions be further clarified, Mr. Helander adjourned the meeting.



William W. Burrus
Designated Secretary

MINUTES
OF A MEETING
OF THE EXECUTIVE COMMITTEE
OF
ACCION INTERNATIONAL

MAR 11, 1982

3/11 1982

A meeting of the Executive Committee of ACCION International was held at 250 Park Avenue in the Borough of Manhattan on the eleventh day of March at 12:30 o'clock in the afternoon. Those present were:

Mr. John C. Duncan
Mr. Robert C. Helander
Mr. Charles W. Muller
Ms. Kathrine Ockenden
Mr. Frederick A. Seeley
Mr. Roger D. Stone

being a quorum.

Also present were Directors-at-large Mr. Berent Friele and Mr. Crocker Nevin, Ms. Sarah Burns de Ortega, Associate Director and Mr. William W. Burrus, Executive Director. Ms. Ann Dessylas, Assistant Vice President, St. Joe Minerals Corporation, attended as an invited guest. The agenda was as follows:

I. Financial Report

Mr. Helander referred those present to the unaudited financial statement for 1981. He noted that the corporation had ended the year with a surplus of \$41,638, recouping the deficit of a similar amount incurred during 1980. Mr. Burrus added that Price Waterhouse was currently auditing the corporation's accounts and he preferred to withhold specific comments on the financial statements until that audit had been completed.

He noted that a special audit review meeting of the Executive Committee would be convened in June prior to the full Board meeting.

II. Operational Report

A. Peru

Mr. Burrus stated that because the Board meeting in December concentrated exclusively on the Costa Rican program, he wanted to briefly discuss the current status of other programs beginning with Peru. The program of micro-business development being undertaken in collaboration with Acción Comunitaria del Perú (ACP) is proceeding on schedule. An initial survey of 400 micro-businesses is approaching completion with a summary of the results to be published by May. ACP is in the process of hiring staff for the program and ACCION's advisor has been in Lima for several months. On the financial side Mr. Burrus reported that the Inter-American Development Bank had approved a soft loan of \$500,000 to ACP to be used for credit monies for micro-businesses participating in the program. He further added that the Bank had approved a \$50,000 donation directly to ACP to help cover some of its operational costs. Private Agencies Collaborating Together (PACT) also approved a grant of \$94,000 split between ACP and ACCION to help cover operational as well as technical assistance costs. He concluded that additional funding is still needed for Peru but enough has been secured to formally initiate loan and management assistance activities.

B. Brazil

The goal of ACCION International during the past year for Brazil has been to redefine the future directions of AITEC/Brazil and to help strengthen the ties between AITEC/Brazil and the Acao Comunitária program

in Rio de Janeiro. Mr. Burrus commented that various Board members and in particular, Mr. Berent Friele, had been instrumental in helping to accomplish these goals. A series of specific steps have been taken: A new Executive Director for AITEC/Brazil, Dulce María Cramer de Otero, has been hired; the Boards of AITEC/Brazil and Acao Comunitária have formally agreed to merge in a step-by-step process; as the first step in this process, a micro-business program in the favelas of Rio would be jointly undertaken; AITEC/Brazil will move to the Acao offices; and finally, a joint Board Committee has been established to head up the micro-business program with Mr. Erling S. Lorentzen serving as president. Acao Comunitária and AITEC/Brazil are committed to raising approximately \$50,000 from the local private sector for the program. ACCION International has agreed to assist in raising a similar amount from international sources as well as to provide technical support, training and other assistance.

C. Jamaica

Associate Director, Sarah Burns de Ortega, related that as part of its special campaign, The Third Decade for Development, the corporation has been actively exploring new program possibilities in Jamaica. She and other members of the staff including Mr. Stephen Gross from the Dominican Republic have made several trips to the island, touching base with local groups potentially interested in undertaking micro-businesses and small-scale agricultural projects. While several interesting opportunities have arisen, the staff has proceeded with caution. Ms. Burns noted that local institutions are limited in their abilities to absorb dramatically increased resources and to sort out the many requests for collaboration being received from international sources. Several members of the Executive Committee

commented that a go-slow strategy seemed appropriate and expressed the opinion that the corporation should only become involved in Jamaica if a solid program is assured.

D. Staff Conference

Ms. Burns reported that the staff had held a one-week conference in Montego Bay, Jamaica during the last week of January. This conference was financed by A.I.D. funds and had as its specific objective the definition of goals for the organization during the next three years, coinciding with the special campaign, The Third Decade for Development. She noted that the conference was particularly valuable since several new members had been added to the staff since the last conference, held two years ago.

E. Maine

Mr. Burrus stated that he regreted to announce the death of Bob Rollf, a staff member in Maine. Mr. Rollf had been associated with the program for over a year and was known to several members of the Board. Mr. Burrus reported that in December the Private Industry Council declined to continue support of the program because of government budget cuts. Prompted in part by this news, the Cambridge and Maine staff completed an evaluation of the program at the end of the year. Out of the evaluation three major factors emerged: First, there was a clear need to project a more localized image. Some confusion had arisen because of local unfamiliarity with the name ACCION International and the terminology "micro-business development," neither of which was understood by local inhabitants. Small business people in Maine refer to themselves as "self employed" rather than as "micro-businesses." Therefore, a new image was created and launched

in January and February. Mr. Burrus distributed copies of the new stationery as well as promotional documents and announced that the new name of the program is The Maine Idea, Successful Self-Employment. He played a public service announcement being broadcast throughout the State on the services offered by The Maine Idea and distributed copies of some excellent press coverage on the new image. He said the response to this new image had been excellent. The second major fact emerging from the evaluation is the clear, measurable evidence of success in the program. For example, over \$150,000 in loans have been given to businesses participating in the program; over 500 businesspeople have attended management training workshops; 60 new jobs have been created either directly or indirectly as a result of the program's efforts; Four self-help management workbooks have been prepared and published with rave reviews in all circles; Finally, the program is strongly supported by the micro-business community, by the local private sector and by the government including the governor.

The third salient fact emerging from the evaluation is that in spite of a successful new image and the solid success achieved, the program continues to have funding difficulties. This has been true from the beginning and the program ended 1981 with no secure funding for 1982.

At that time a number of specific steps were taken:

- the staff was reduced by two people
- the previous year budget of \$160,000 was cut to \$90,000 for 1982.
- Unrestricted funding was authorized for two months -- January and February at \$7,500 per month, with the understanding that if no new major funding came through, the program would shut down.
- The program manager, Gerry Dodd, took a voluntary salary cut beginning March 1.

- The Maine staff embarked on an aggressive private funding campaign both from local sources as well as from national foundations with potential interest in Maine.

Since that point several positive decisions have been made which will allow the program to continue:

- The Penobscot Consortium approved \$15,000 to the program for expansion to Bangor.
- The Public Welfare Foundation has given an oral commitment of \$30,000 for funding during 1982.
- a plan has been devised to generate direct income from the program through charging for the workshops as well as the sale of booklets.
- The major bank in Maine, Depositor's Trust, has expressed a desire to increase its involvement in the program and the staff is currently waiting for a final decision as to what that involvement would include.

Mr. Burrus concluded his report on Maine by expressing the belief that while funding has been difficult, the program is on the verge of a breakthrough, and on this basis should continue.

III. Third Decade for Development

Mr. Burrus commented that during the December Board meeting the special campaign was reviewed and it was announced that both St. Joe Minerals Corporation and the Rockefeller Brothers Fund had each made commitments of \$75,000. The first year installments from both of these entities were received. Mr. Duncan arranged a meeting with Mr. Ralph Pfeiffer of IBM and Mr. Maurice O'Laughlin of EXXON in January to request financial assistance. Proposals were subsequently submitted and are now being considered by both two companies with final decisions forthcoming soon. Mr. Burrus further reported that all proposals had been submitted to close friends and Board member companies, those defined as

Level One within the campaign. He stated that a positive response was needed from each of these companies as quickly as possible in order to move from the leadership group out to other potential donors. Ms. Burns de Ortega added that to promote the campaign, several documents had been prepared since the Board meeting. She made reference to the second ad which recently appeared in BusinessWeek, focusing on Colombia. She then distributed a new quarterly bulletin and the new prospectus covering the scope, objectives, and needs of the special campaign, Third Decade for Development. She passed out a list of companies representing Level Two of the campaign and stated that in the following weeks, staff would be coordinating with each Board member individually to best determine how to approach them.

IV. Board of Directors: New Candidates

Mr. Helander reminded those present that Board elections would take place at the Directors meeting in June, he made reference to a list of potential Board candidates included in the packets of information and requested the Executive Committee to consider these and other candidates most appropriate for participation in the corporation.

With no further business to attend, the meeting was adjourned.



William W. Burrus
Designated Secretary

AGENDA

accion international/ aitec

Executive Committee Meeting
March 11, 1982

- I. Financial Report

- II. Operational Report:
 - A. Perú
 - B. Brazil
 - C. Jamaica
 - D. Staff Conference
 - E. Maine
 - F. Costa Rica

- III. Campaign: Third Decade for Development

- IV. Board of Directors: New Candidates

ACCION INTERNATIONAL

UNAUDITED FINANCIAL STATEMENTS

* * * * *

December 31, 1981

ACCION INTERNATIONAL

BALANCE SHEET

<u>Assets</u>	<u>December 31,</u>	
	<u>1981</u>	<u>1980</u>
Cash, including savings account of \$631 and \$4,141 at December 31, 1981 and 1980 respectively	\$ 60,605	\$ 15,783
Certificate of deposit	43,224	48,185
Contributions and grants receivable	79,578	85,739
Maine property at cost less depreciation of \$849	22,951	-
Deposits and employee advances	3,415	3,879
Furniture, fixtures and equipment, at cost, less accumulated depreciation of \$11,017 and \$4,993 at December 31, 1981 and 1980 respectively	38,477	6,267
Common stock at cost	1,157	-
	<hr/>	<hr/>
	\$249,407	\$159,853
	<hr/> <hr/>	<hr/> <hr/>
 <u>Liabilities and Fund Balance</u>		
Accounts payable and accrued expenses	\$ 76,560	\$ 57,895
Deferred revenue	27,566	19,050
Mortgage on Maine property	20,735	-
Fund balance	124,546	82,908
	<hr/>	<hr/>
	\$249,407	\$159,853
	<hr/> <hr/>	<hr/> <hr/>

ACCION INTERNATIONAL

STATEMENT OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN FUND BALANCE

Year ended December 31, 1981
with comparative totals for December 31, 1980

	1981		Total All	
	<u>Unrestricted</u>	<u>Restricted</u>	<u>1981</u>	<u>1980</u>
Support and revenue:				
Public support:				
Contributions	\$145,874	\$367,434	\$513,308	\$457,616
Government support:				
Grants		349,809	349,809	333,891
Contracts		312,431	312,431	241,613
Interest Income	7,897		7,897	7,610
Total support & revenue	<u>153,771</u>	<u>1,029,674</u>	<u>1,183,445</u>	<u>1,040,730</u>
Expenses:				
Program services:				
Micro-business		567,620	567,620	491,746
Rural integral development		212,687	212,687	256,394
United States micro-business		204,174	204,174	158,921
Total program services		<u>984,481</u>	<u>984,481</u>	<u>907,061</u>
Supporting Services:				
General Administrative	132,705	3,555	136,260	151,641
Fund Raising	21,066		21,066	23,123
Total supporting services	<u>153,771</u>	<u>3,555</u>	<u>157,326</u>	<u>174,764</u>
Total expenses:	<u>153,771</u>	<u>988,036</u>	<u>1,141,807</u>	<u>1,081,825</u>
Excess (deficit) of support and revenue over expenses	<u>\$ 0</u>	<u>\$ 41,638</u>	<u>\$ 41,638</u>	<u>\$ (41,095)</u>
Fund balance at beginning of year			82,908	124,003
Fund balance at end of year			<u>\$ 124,546</u>	<u>82,908</u>

Vice President-elect of Costa Rica visits United States Praises ACCION's work in his country

Mr. Armando Arauz, recently elected Second Vice President of Costa Rica, met in December with several U.S. government and private sector officials in a visit sponsored by ACCION International. Mr. Arauz is a member of ACCION's International Advisory Council, and ACCION arranged his visit to promote discussion of Costa Rica's economic situation.

As a special guest at ACCION's December 3 Board of Directors meeting, Mr. Arauz presented his government's economic development strategy. He stressed the urgent need to create jobs in both urban and rural areas, and highlighted ACCION's 10 years of work in Costa Rica. An ACCION-sponsored rural development program has had tremendous success generating income at the small farm level, he said, and has been adopted by the government as a model for several other rural programs. ACCION has also recently been developing a much-needed urban micro-business program in San José with the Banco Popular.

Mr. Arauz closed his remarks by expressing his desire that ACCION play a major role in his government's efforts to generate income and employment opportunities among the country's poor.



Armando Arauz speaks to ACCION's Board of Directors. From left to right: Mr. Arauz; Robert C. Helander, President; William W. Burrus, Executive Director; Jaime Carvajal, Advisory Council member.

ACCION in Costa Rica

Since 1976, ACCION has operated a rural development program in Hojancha, one of the poorest rural areas in the country. Farmers have been assisted in obtaining loans, diversifying crops and improving marketing. In addition, a successful, self-financing reforestation program is both providing jobs and helping to avert ecological disaster.



A group of small farmers harvesting hay. The hay production is sponsored by the farmers' association, and is used for members' livestock.

A farmer-controlled association was created and now provides previously unavailable marketing, consulting and distribution services. With over 100 members, the association has become a dynamic force in the region, stimulating unprecedented economic growth and expansion at all levels of the community.

The success of the Hojancha program has led to its expansion into five other regions of the country. Over 2,200 small farmers have participated; more than 650 rural jobs have been created; and the average income of many of the participants has more than doubled.

ACCION heads micro-enterprise study

ACCION recently completed the initial phase of a world-wide project exploring means of assisting the world's smallest businesses. The project, Program for Investment in the Small Capital Enterprise Sector (PISCES), is funded by the Agency for International Development.

The major finding of PISCES Phase I is that members of the urban "informal sector" -- hawkers, vendors, tortilla makers, etc. -- can be reached efficiently with the right type of direct assistance. These people operate very tiny businesses, smaller even than the micro-enterprises ACCION has previously assisted. Often with an \$80-300 loan they can purchase improved equipment, stock up on merchandise or raw materials, or pay off debts to usurious money-lenders. By cutting costs and expanding sales their incomes rise dramatically.

During Phase II six model projects are being developed around the world, in collaboration with local institutions. The projects are undergoing rigorous evaluation, and the findings are intended to have far-reaching implications showing how major donor organizations, including A.I.D. and the World Bank, can fund projects which will help some of the world's neediest.

One of the six demonstration projects is in the Dominican Republic. There the Dominican Development Foundation is making very productive use of ACCION's technical assistance, and has organized more than 1600 hawkers and vendors into credit-guarantee groups in only 8 months. By the time they pay off their \$300 loans, these "micro-entrepreneurs" will raise their incomes an estimated 40%. And when the first 2700 beneficiaries, who will be financed by the end of 1982, have paid their loans, \$1-2 million of new income will be generated by the residents of some of Santo Domingo's poorest communities.

A micro-businessman signs papers for his first loan. He and thousands of other small entrepreneurs in Santo Domingo are qualifying for credit in an ACCION-assisted program.

Advisory Council created

In a unanimous vote, the Board of Directors created an International Advisory Council at its June 25 meeting. The council will work with the Board in all aspects of ACCION's activities.

The council will be composed of high-level business and government leaders and development experts. Members will be drawn from throughout the Americas, with emphasis on those countries where ACCION is most active.

International Advisory Council 1982

Armando Arauz
Second Vice President - elect
Costa Rica

Edmundo Penna Barbosa da Silva
Ambassador
Brazil

John Beck
Vice President, General Motors Overseas
United States

Roberto Oliveira Campos
Ambassador to the Court of St. James
Brazil

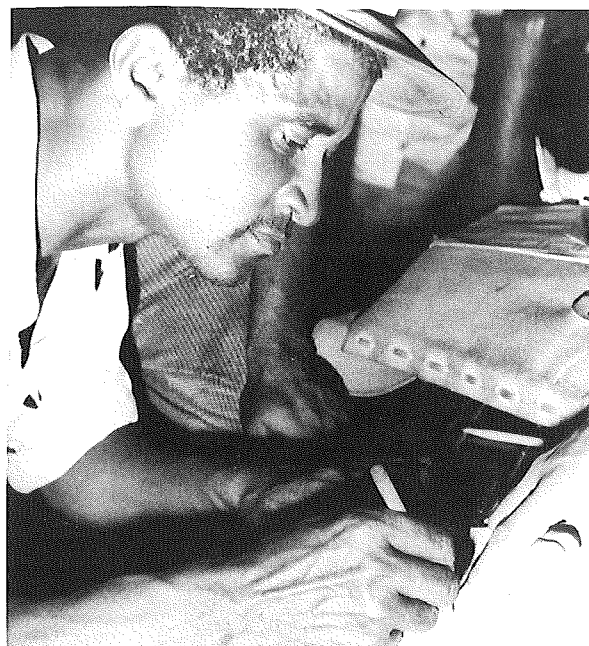
Jaime Carvajal
President, Carvajal y Compañía
Colombia

David Garza Lagüera
President, VISA Bio-Industries Division
Mexico

Valerie T. McComie
Assistant Secretary General
Organization of American States

William E. Moffett
Vice President, Gulf Oil Corporation
United States

Tomás A. Pastoriza
President, Compañía Financiera Dominicana
Dominican Republic



ACCION charts major expansion in Colombia

After three years of micro-business assistance in Cali, Colombia, ACCION International has expanded its efforts to other major cities, with thousands of micro-businesses receiving assistance. Awareness of the importance of micro-enterprises is growing dramatically, and many other cities have expressed interest in programs.

The benefits from assisting micro-enterprises in Colombia are enormous. The country's very small businesses employ 39.8% of the total workforce, so activities which strengthen them have profound multiplier effects throughout the economy: Family incomes rise, demand for consumer goods increase, and many new jobs are created. As the Colombian newspaper El Espectador declared, "These small industries represent one of the most important, solid and dynamic engines of our economy."

ACCION was invited to Colombia in 1977, based on the success of its pioneering Brazilian micro-business programs. ACCION worked with the Carvajal Foundation in Cali to establish a program offering management assistance and small loans to micro-businesses. The initial years were very successful: overall sales doubled, family incomes rose sharply, and more than a hundred new jobs were created. The loss ratio on loans was under $\frac{1}{2}\%$.

Recently, ACCION's major objectives in Colombia have been to help expand the Cali model to other parts of the country, and to improve its efficiency so that more businesses can be reached at the same cost. Micro-business programs were started last year in Bogotá, Bucaramanga and Medellín; and operating costs have been greatly reduced. The programs are well on their way to self-sufficiency, with new methodologies rapidly speeding up the process of getting loans to small business people.

Altogether, over 6,000 tiny businesses have been contacted and assisted. Several hundred have received loans, creating more than 600 jobs. Each \$1100 of credit extended produced a new job.

Recognition of ACCION's success has come from the Overseas Private Investment Corporation (OPIC), which made a \$60,000 grant to support ACCION's efforts in Colombia. The Inter-American Development

Bank has made several grants to sponsoring local institutions for micro-business programs.

The success of ACCION's micro-business work has been accompanied by a growing awareness in the country of that sector's importance to the national economy. Whereas only a few years ago the country's smallest businesses were virtually totally ignored, the private sector is now dramatically mobilizing its resources to strengthen them. This development points to the merits of ACCION's philosophy: That it can best serve the needs of the hemisphere's poor by acting as a catalyst and by maintaining full respect for the local people's drive and ability.



STAFF MEETS IN JAMAICA

Staff members from all over the hemisphere met in Jamaica January 22-30 for ACCION's 1982 staff conference. Program coordinators reported on ACCION's projects and developed strategies for improving and expanding assistance to the region's smallest enterprises. In this photograph, Executive Director William Burrus and Associate Director Jeffrey Ashe discuss an ACCION project with Costa Rica Administrative Director Fresia Muñoz Castro

Jamaica is a country of special importance to ACCION, and opportunities for working with micro-businesses are being actively explored there.

ACCION is proud to count the following contributors among its recent supporters:

Atlantic Richfield Foundation	Kaiser Engineers, Inc.
Caterpillar Tractor Company	Motorola Foundation
Chesebrough-Pond's Inc.	NCR Corporation
Container Corporation	Owens-Illinois
Corning Glass Works Foundation	Royal Bank of Canada
John Deere Foundation	Shell Companies Foundation
Deloitte, Haskins & Sells	SIFCO Foundation
Goodyear Tire and Rubber Company	United Technologies
Ibec, Inc.	Arthur Young & Company

ACCION: we're working where you're working

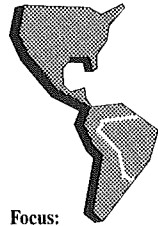
For over twenty years ACCION has been working in the key development areas of income and employment generation throughout the Americas.

With low-cost, innovative and effective programs, ACCION is working by:

- providing credit and management assistance to thousands of micro-businesses: shoemakers, bakers, artisans and hawkers, in Brazil, Colombia, the Dominican Republic, Mexico and the United States
- providing marketing services, organizational and management assistance to small farmers in the Dominican Republic, Guatemala and Costa Rica

Working in close partnership with concerned businessmen, banks and local institutions, with programs promoting local initiative, resourcefulness and entrepreneurship.

accion
is working!



Focus: BRAZIL

ACCION's experience in the promotion of micro-businesses has produced impressive results:

- Over \$3 million dollars in loans extended, each averaging \$1,028
- A cumulative loss ratio on loans of under 2%
- One job created for every \$965 of credit extended
- Over 3,000 new jobs created
- 4,251 micro-entrepreneurs assisted through management training

ACCION is working through the generous support of the following corporations:

ALCOA Foundation • Miss Calhoun Foundation, Inc. • American Can Company Foundation • American Express Foundation • Arthur Andersen & Co. • Arthur Young & Co. • AXVRO Foundation • ARC O Foundation • R.C. Baker Foundation • Borden Incorporated, International • Bunnings Corp. • Caterpillar Tractor Co. • C. Clancey, Inc. • International Company • The Chase Manhattan Bank, N.A. • CUNIBRO Corp. • Container Corporation of America • Continental of International Corp. • John Deere Foundation • DeBolt-Haskins and Kelly • Labor Corporation • FAMSA Corporation • General Mills Foundation • General Motors Corp. • Goodrich Tire and Rubber Company • Grace Foundation, Incorporated • H.J. Heinz II Charitable and Family Trust • J.M. Huber Corp. • IBM World Trade Activities • International Harvester & Fitzgibbon Foundation, Inc. • Johnson and Johnson, International • Kaiser Engineers, Inc. • Kellogg Co. • The O.I. Lummus Co. • Monsanto and National Cash Register Corporation • The Lyster Corp. • Owens-Illinois International • Packard Foundation • Philip Morris International • Pepsico Waterbury and Company • The Royal Bank of Canada • J. D. Roper, Washburn-Baking Corporation • D.D. Seale and Company • Shale Company • Foundation of St. Vincent Company • Foundation of St. Vincent • International Milk • Minute Corporation • Texas Commerce Bank • United States Steel Foundation • Westair • Xerox Corporation

accion International/aitec is a private, non-profit organization supported by corporations, individuals, foundations and public agencies. All contributions are tax deductible. For more information or to make a contribution, please write to: accion International/aitec, 904 Mt. Vernon Street, Cambridge, Mass. 02138 (617) 492-2400

18 BUSINESS WEEK July 27, 1981

A series of ACCION International ads are appearing in domestic and international editions of Business Week magazine. The above ad focused on ACCION's work in Brazil, and future ads will highlight Colombia, Perú, Costa Rica and other countries where ACCION has established programs. The series is an effort to acknowledge ACCION's private sector support and attract new contributors for future programs.

Other program highlights

Perú

ACCION International has signed an agreement with *Acción Comunitaria del Perú* to begin a micro-business program in Lima. The 4-year project will assist a projected 7,000 small entrepreneurs by providing credit, training and technical assistance. The beneficiaries are residents of Lima's sprawling squatter settlements, known as "pueblos jóvenes." About 30% of Lima's 7 million people live in these areas, where operating a tiny business or working in one is virtually the only livelihood available. More than half of Lima's population is unemployed or underemployed.

The municipality of Lima is participating in the project, and funds are being provided by the Inter-American Development Bank, PACT, and Peruvian and U.S. private sources.

Mexico

Local private sector support for an ACCION-created micro-business program in Monterrey rose dramatically in 1981, and now covers 90% of the program's expenses. Special thanks are due to two U.S. corporations, Xerox Corp. and Caterpillar Tractor Co., for providing crucial support over the initial years.

A \$300,000 soft loan from the Inter-American Development Bank, recently awarded to the program, is markedly increasing the rate of loans to micro-entrepreneurs.

Maine

ACCION's micro-enterprise program in Somerset county achieved major goals in 1981, contributing significantly to the area's economic growth. Plans are underway for the program's expansion to Bangor this year.

A series of management workshops and a set of workbooks provided basic training to over 350 micro-enterprises. Several hundred businesses received one-to-one assistance, yielding major improvements in operations. A glass company, for example, increased its sales five-fold, hired 2 new employees, and is now building additional work areas. Another entrepreneur was assisted in acquiring a loan to expand his plumbing/oil furnace business, and hired a new worker. Overall, 60 jobs were created, and \$135,000 in credit was facilitated with no defaults.

The Public Welfare Foundation has been the major contributor to ACCION's first U.S. program. ACCION thanks the foundation for its \$20,000 grant in 1981. ACCION is also proud to report that the Penobscot Consortium recently provided \$15,000 for micro-business workshops in member counties.

Merrill Trust grants \$30,000

The Charles E. Merrill Trust awarded \$30,000 to ACCION International in late 1981. The funds will be used for employment-generating projects in Costa Rica and the Dominican Republic, and to explore program possibilities in Honduras.

With this grant the Merrill Trust continues its support of ACCION's activities. The Trust has been instrumental in the success of previous micro-enterprise projects, including those in Brazil and Mexico.

accion international/ aitec

PROSPECTIVE BOARD MEMBERS

John E. Avery, Jr. (John)
Company Group Chairman
Johnson & Johnson International

Daniel J. Donahoe III (Dan)
Desert Ranch Incorporated
Phoenix, Arizona

Thomas G. Labrecque (Tom)
President and Chief Operating Officer
Chase Manhattan Bank, N.A.

Russell E. Marks, Jr. (Rick)
President
Americas Society

Thomas McDermott (Tom)
Managing Partner
Arthur Young & Co.

J. Richard Munro (Dick)
President & CEO
Time, Inc.

Edward Parker Evans (Ned)
Chairman
H. K. Porter Company, Inc.

- 1) Martha Muse
- 2) B. K. Johnson
- 3) Terrence Conover

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PROSPECTIVE BOARD MEMBERS

John E. Avery, Jr. (John)
Company Group Chairman
Johnson & Johnson International
New Brunswick, New Jersey

Terence C. Canavan
Senior Vice President
Chemical Bank

Daniel J. Donahoe III (Dan)
Desert Ranch Incorporated
Phoenix, Arizona

Belton Kleberg Johnson (B.K.)
San Antonio, Texas

Thomas G. Labrecque (Tom)
President and Chief Operating Officer
Chase Manhattan Bank, N.A.

*Bergford
Dyden*

Russell E. Marks, Jr. (Rick)
President
Americas Society

Thomas McDermott (Tom)
Managing Partner
Arthur Young & Company
Boston, Massachusetts

J. Richard Munro (Dick)
President and CEO
Time, Inc.

Martha T. Muse
Chairman and President
The Tinker Foundation,

Edward Parker Evans (Ned)
Chairman
H. K. Porter Company, Inc.
Pittsburgh, Pennsylvania

Kevin Conroy

LEVEL I ---- Board Members Companies and Friends of ACCION

<u>GIFT NEEDED</u>	<u>PROSPECTS</u>	<u>CONTACTS</u>	<u>BOARD SOLICITOR</u>
\$100,000	IBM	Ralph Pfeiffer	Jack Duncan
\$100,000	EXXON	Peter Trinkle/ M. O'Loughlin	Jack Duncan/ Charles Muller/ Peter Trinkle
\$75,000	PepsiCo	Don Kendall	Crocker Nevin
\$75,000	St. Joe Minerals	Jack Duncan	(Jack Duncan)
\$50,000	American Express	Jim Greene	(Jim Greene)
\$50,000	Xerox	Dan Sharp	(Dan Sharp)
\$30,000	Morgan Stanley	Gene González	(Gene González)
\$20,000	Otis Elevator	Ralph Weller	(Ralph Weller)
\$20,000	Schroder Bank	Fred Seeley	(Fred Seeley)

LEVEL II Friends of ACCION and long-time contributors

<u>Gift Needed</u>	<u>PROSPECTS</u>	<u>CONTACTS</u>	<u>BOARD SOLICITORS</u>
\$100,000	ARCO	Anderson	Berent Friele
\$75,000	Chase Manhattan	John Haley Jim Bergford John Meekan	Charles Muller Jack Duncan Kitty Ockenden
\$50,000	Caterpillar	Lee Morgan	Ralph Weller
\$50,000	John Deere	William Hewitt	Charles Muller
\$30,000	ALCOA	Earl Gadberry	Bob Helander
"	ASARCO	Charles Barber	Peter Trinkle
"	Grace	Richard Morris/ Peter Grace/ Tony Navarro	Kitty Ockenden/ Berent Friele/Bob Helander
"	H.J. Heinz		Charles Muller
"	Owens-Illinois	***	Fred Seeley
"	Philip Morris	Clifford Goldsmith/ Bob Bockman	Ralph Weller/ Bob Helander
"	US Steel	Dave Roderick	Ralph Weller
"	Arthur Young	Tom McDermott/	Bob Helander

LEVEL II ---Continued, Friends and long-time supporters of ACCION

<u>GIFT NEEDED</u>	<u>PROSPECTS</u>	<u>CONTACT AT CORPORATION</u>	<u>BOARD SOLICITOR</u>
\$15,000	Allis-Chalmers	David Scott	Crocker Nevin
"	American Can	Judd Alexander	Crocker Nevin
"	Arthur Andersen	***	***
"	Borden	J.J. O'Connor/ Gene Sullivan	Ralph Weller/ JCD
"	Celanese	Dr. Richard Steele/ John Macomber	Kitty Ockenden
"	Goodyear	***	***
\$10,000	Huber	Mike Huber	Crocker Nevin
\$7,000	R.C. Baker	* * *	Peter Trinkle
"	Container Corp.	Gustavo Gómez	Roderick O'Connor
"	General Mills	***	Fred Seeley
"	Kaiser Engineers	* * *	Bob Helander
"	Kellogg (Co.)	***	***
"	Price Waterhouse	***	Peter Trinkle

\$20,000 Johnson & Johnson John Avery, Jr. Bob Helander

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MINUTES
OF A MEETING
OF THE EXECUTIVE COMMITTEE
OF ACCION/INTERNATIONAL

NOV 10, 1981

A meeting of the Executive Committee of ACCION International was held at 250 Park Avenue in the Borough of Manhattan on the 10th of November at 12:00 o'clock in the afternoon. Those present were:

Mr. John C. Duncan
Mr. Robert C. Helander
Ms. Kathrine Ockenden
Mr. Frederick A. Seeley
Mr. Roger D. Stone
Mr. Peter B. Trinkle

being a quorum.

Also present were Directors-at-large, Mr. Berent Friele and Mr. Terry Holcombe, Ms. Sarah Burns de Ortega, Associate Director, and Mr. William Burrus, Executive Director. The agenda was as follows:

I. Minutes

The minutes of the Executive Committee meeting of September 30 were approved.

II. Maine Program

The President, Mr. Helander, reported that he, Crocker Nevin and William Burrus had travelled to Maine on the 5th of November to attend a luncheon

sponsored by ACCION and to view first hand the progress of the program there. The luncheon was organized to formally announce the creation of a local steering committee of leading business and community leaders a list of whom is attached to these minutes. At that luncheon, steering committee members joined micro-business task force members and ACCION staff to discuss the program's current state and priorities for 1982. Mr. Helander commented that the program has various noteworthy accomplishments under its belt, including the publication of four management workbooks for the micro-entrepreneur, the provision of training to over 350 micro-businesses, the extension of \$135,000 in credit and the creation of 56 new jobs. The new steering committee will provide additional legitimacy and expertise to the program and will also help in local and private fundraising. Citing the specific cases of several businesses visited after the luncheon, Mr. Helander pointed to the need to create a local loan fund mechanism which in part could be capitalized by the entrepreneurs themselves in lieu of paying directly for ACCION services.

In closing, Mr. Helander also informed those present that the following day he attended an ACCION luncheon in Boston organized by the Cambridge staff for potential corporate contributors. Eight companies were represented.

III. Capital Campaign

Mr. Burrus reported that as a follow-up to the September 30 Executive Committee meeting, work on the Capital Campaign had proceeded in three areas: First, a descriptive document for internal Board and staff use was prepared, copies of which were given to each member present. Mr. Burrus reviewed its contents, pointing out those areas where changes and additional development

of ideas had occurred. Second, he stated that, as requested, staff had met on an individual basis with all U.S.- based Board members with the exception of Dan Sharp whose work schedule had not permitted such a meeting. The response from all members was enthusiastic and all indicated a willingness to help solicit funds as well as to contribute. Finally, Mr. Burrus reported that a leadership group of contributors had been identified, researched and in many cases approached for a gift to the Campaign. He asked for the help of Board members to insure that gifts from this core group were forthcoming. The goal through the end of this year is to formally solicit gifts from all those identified in this group towards a public launching of the campaign in early 1982.

IV. December Board Meeting

Mr. Helander reminded those present of the December 3 full Board meeting at the Spanish Institute at 684 Park Avenue. He made special note of the hour -- four to six in the afternoon to be followed by a brief reception. In addition to the Capital Campaign, the meeting will focus on ACCION's work in Costa Rica. Special guest will be Mr. Armando Arauz, International Advisory Council Member and Vice Presidential candidate for Costa Rica's leading political party, the National Liberation Party in the February 1982 elections.

With no further business to attend, the meeting was adjourned.



William W. Burrus
Designated Secretary

STEERING COMMITTEE MEMBERS

Richard Ansell, Canadian Chain Co., Skowhegan

Barbara Cottrell, Director, State Development Office, Augusta

George Fricke, Owner, Bartlettyarns, Inc., Harmony

Robert Garland, Owner, Hilton's Dairy, Anson

Carlton McGary, President, Depositor's Trust, Augusta

Richard Parkhurst, Partner, Oakes & Parkhurst Glass Co., Winslow

Robert St. Michel, President, Private Industry Council, Augusta

Paul Viens, President, Maine Cascade Iron Works, Clinton

Unable to attend - Nathaniel Bowditch, Maine Development Foundation,
Augusta, Lawrence Ward, Ward Brothers, Inc., Lewiston

AGENDA

EXECUTIVE COMMITTEE MEETING

NOVEMBER 10, 1981

- I. Maine Program
- II. Capital Campaign
- III. December Board Meeting

MINUTES
OF A MEETING
OF THE EXECUTIVE COMMITTEE
OF ACCION INTERNATIONAL

SEP 30, 1981

A meeting of the Executive Committee of ACCION International was held at 250 Park Avenue in the Borough of Manhattan on the 30th of September, 1981 at 12:00 o'clock in the afternoon. There were present:

Mr. John C. Duncan
Mr. Robert C. Helander
Mr. Charles W. Muller
Mr. Frederick D. Seeley
Mr. Peter B. Trinkle

being a quorum.

Also present were Directors at large, Mr. Berent Friele, Mr. Terry Holcombe, and Mr. Crocker Nevin, Mr. David Garza Lagüera, International Advisory Council member, Mr. Benito Cabello Zul, Program Director in Mexico, Ms. Sarah Burns de Ortega, Associate Director and Mr. William W. Burrus, Executive Director. The agenda was as follows:

I. President's Report

The President, Mr. Helander, stated that all those individuals elected at the June board meeting to the International Advisory Council had formally accepted. He added that Mr. William Moffett, Vice President of Public Affairs of the Gulf Corporation, had also been invited on the International Advisory Council. Mr.

Moffett, who resides in Pittsburgh, received Mr. Helander and Mr. Burrus in July and expressed his willingness to assist the organization in that city. Mr. Helander asked for and received the concurrence of those present to formally include Mr. Moffett as an Advisory Council member. Second, Mr. Helander stated that in addition to seeing Mr. Moffett, a luncheon for Pittsburgh companies was organized and hosted by Mr. William Agnew, Senior Vice President of H.J. Heinz Corporation. The luncheon was successful and he recommended that this type of promotional activity be carried out in other cities as well. Finally, Mr. Helander reported that Board member Mr. Paulo Ayres Filho had recently been in New York and had met over lunch with Mr. Berent Friele, himself, Mr. Charles Muller and Ms. Sarah Burns.

II. Capital Campaign 1982-1984

Mr. Burrus reported that the staff had continued to work on the Capital Fund-raising Campaign for the corporation which had been presented and discussed at the last Executive Committee meeting in May and at the Board meeting in June. During a thirty minute presentation accompanied by various graphs and charts, Mr. Burrus outlined in detail the objectives of the organization as conceived by the campaign during the next three years. These include:

- 1) An ambitious expansion of the micro-business and small farm promotion activities to key countries in Latin America, including Mexico, Costa Rica, Peru, Ecuador, Jamaica and Honduras.
- 2) The consolidation of the Maine program and the implementation of a second new program of micro-enterprise development in the United

States, probably in the Southwest. 3) The creation of a public education or advocacy department which would have as its primary objective the dissemination of information, research, and knowledge gained by ACCION through its programs of assistance to the low-income population. Specifically, the advocacy department would produce audio-visuals, written materials, manuals, magazine articles, etc. as well as sponsor seminars for public and private policy makers in the United States and in Latin America. 4) The creation of a working reserve fund which would have various purposes: a) ensure the economic stability of the organization; b) guarantee the innovative, experimental nature of the organization by investing the interest earned in additional research, seed monies for new efforts, evaluations of programs, and exploring new ideas in the development field; c) monies from the fund's principle would be used as a guarantee or revolving loan fund to leverage out sufficient credit to micro-businesses by commercial banks in those programs where ACCION is currently working or expects to be working.

To carry out this three year program, Mr. Burrus stated that the corporation needs to raise \$1,500,000 of private monies in the United States from foundations, corporations and individuals. He further commented that both the Rockefeller Brothers Fund and the Tinker Foundation have already been approached concerning their possible leadership participation in the campaign and the initial response in both cases has been favorable. Following the formal presentation, a discussion ensued on specific points related to the campaign; clarifications were made as well as suggestions. Executive Committee and Board members present

strongly endorsed the plan and requested the staff to continue their work by discussing with all Board members individually, the specific commitments they were prepared to make to the campaign.

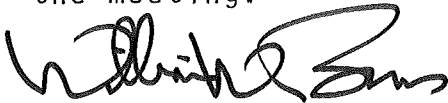
III. Operational Report, Peru

Mr. Burrus stated that since the last Board meeting in June attended by Mr. Keith Kohler, a director of ACCION Comunitaria del Peru (ACP), a number of very positive developments had occurred relating to Peru. Mr. Burrus personally visited Lima during the first week of September and an agreement was signed with ACP to provide technical assistance to that organization in a program of micro-business development. AITEC's technical assistance is to have a duration of a minimum of two years and probably three years. Mr. Arnulfo Coto, AITEC's representative in Guatemala, joined Mr. Burrus during the last days of his visit and would continue on as AITEC's permanent representative to the program. Finally, he reported that a soft loan of \$500,000 similar to those now approved for AITEC's programs in Mexico and Colombia had been officially presented to the Inter-American Development Bank both in Peru and in Washington, and the initial response had been favorable. Actual approval of the IDB loan, which would serve as credit monies to micro-enterprises, is expected by year's end. Mr. Burrus reiterated his enthusiasm for this program, stating that the magnitude of the problem in the pueblos jovenes is extremely serious and that this type of effort which focuses on income and employment generation is exactly what is needed.

IV. Finances

Mr. Helander asked those present to refer to the final Price Waterhouse financial statements of the corporation for 1980. He apologized again for the tardiness in getting this statement to the Board members, explaining that Mexico had been audited this year for the first time and that Price Waterhouse had been extremely slow in Mexico preparing the report. Finally, he referred to the financial statements for the first six months of 1981 which show an excess of revenue over expenses of \$15,376.

With no further business to discuss, the President adjourned the meeting.



William W. Burrus
Designated Secretary

AGENDA

ACCION INTERNATIONAL EXECUTIVE COMMITTEE MEETING

SEPTEMBER 30, 1981

- I. President's Report
- II. Capital Campaign 1982-1984
- III. Operational Report: Peru
- IV. Finances

PRESIDENT'S REPORT

I. International Advisory Council Members confirmed

II. William Moffett invited/accepted

III. Paulo Ayres luncheon

ACCION INTERNATIONAL

FINANCIAL STATEMENTS

* * * * *

JUNE 30, 1981

ACCION INTERNATIONAL

BALANCE SHEET

<u>Assets</u>	<u>June 30</u> <u>1981</u>
Cash, including cash in Cost Centers and the Reserve Fund	\$ 66,366
Certificate of Deposit	38,000
Contribution & Grants Receivable	41,302
Deposits & Employee Advances	2,489
Furniture & Fixtures at cost, less accumulated depreciation of \$4,993	<u>6,267</u>
	<u>\$154,424</u> =====
 <u>Liabilities</u>	
Accounts Payable and Accrued Expenses	\$ 56,140
Fund Balance	<u>98,284</u>
	<u>\$154,424</u> =====

ACCION INTERNATIONAL

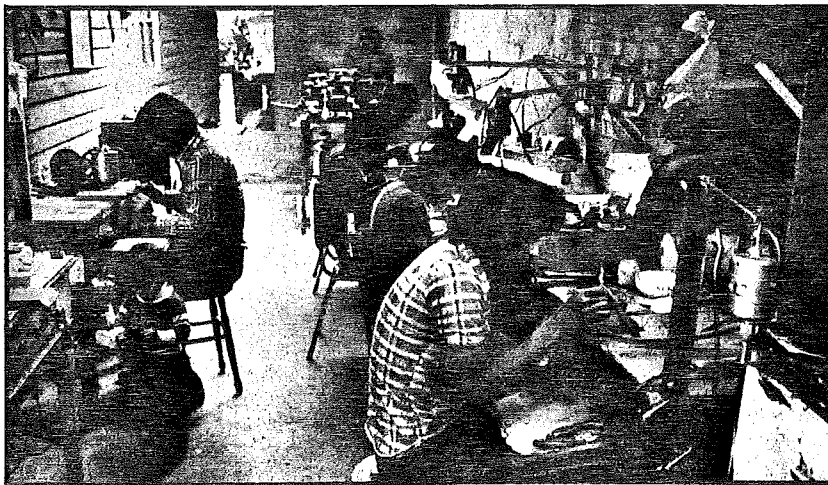
STATEMENT OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN FUND BALANCE

Period Ended June 30, 1981

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total All Funds</u>
Support and revenue:			
Public Support:			
Contributions	\$ 58,950	\$278,653	\$337,603
Government support:			
Contracts		47,500	47,500
Grants		198,377	198,377
Interest Income	662		662
Total support & revenue	<u>59,612</u>	<u>524,530</u>	<u>584,142</u>
Expenses:			
Program services:			
Micro-business	-	279,949	279,949
Rural integral development	-	163,707	163,707
United States micro-business	-	82,623	82,623
Total program services	-	526,279	526,279
Supporting services:			
General and administrative	34,366	-	34,366
Fund Raising	8,121	-	8,121
Total supporting services	<u>42,487</u>	<u>-</u>	<u>42,487</u>
Total expenses	<u>42,487</u>	<u>526,279</u>	<u>568,766</u>
Excess of support and revenue over expenses	<u>\$ 17,125</u>	<u>(1,749)</u>	<u>15,376</u>
Fund balance at beginning of year	<u>-</u>	<u>82,908</u>	<u>82,908</u>
Fund balance at end of period	<u>\$ 17,125</u>	<u>\$ 81,159</u>	<u>\$98,284</u>

COSTA RICA: Is the Showcase Cracking?

Long a model for steady development within a democratic system, the country may be faltering now.



For years considered the showcase of democracy in an otherwise turbulent Central America, Costa Rica may be rocked out of its tranquility in the not-too-distant future. The same disruptive forces pressuring its neighbors—economic uncertainty, inflation, high oil prices, unemployment, a growing young and poor urban population, all are beginning to bear down on the progressive nation.

Many believe Costa Rica must pursue a different course, one that will hasten production even at the price of diminished services.

"We are in the dangerous system where we socialize losses and privatize profits," observes one of the country's foremost economic experts.

"One of the biggest dangers," explains another economist, "is that Costa Rica may be going the way of Argentina, for example, which is showing no growth."

Others make comparisons with Uruguay in the 60s.

Undoubtedly, for the present, Costa Rica is better off than perhaps any other Central American country. Costa Rica's people enjoy not only a

higher standard of living, but a longer life than most other Latin American people—an average of 69.7 years as compared with 52 for Peru and 50 for Haiti. Moreover, there are few large estates—small farms have been the tradition in Costa Rica. There is relatively little malnutrition and almost 80% of the people can obtain safe water and health care.

A good record. But achieving it has been costly. Good unused land is all but gone and much of the land in use for cattle raising, an important export activity, is being ruined by

overgrazing. At the same time, the government's export barriers limit trade potential with markets outside the Central American Common Market and there is little hope for substituting the raw materials and machinery the country has to import for industry.

Faced with a heavy debt burden and fiscal deficits, Costa Rica will be hard pressed to continue public services at the current level. Yet there are many people who need those services.

Certainly, despite its economic and social achievements, Costa Rica does have its poor—nearly a quarter of all its people live below the poverty line. About three-quarters live in rural areas, and almost half of the urban poor are concentrated in the capital, San Jose.

Limon, the country's main port city, perhaps has the greater potential for exploding. These people—many of Jamaican heritage—are relatively isolated from the mainstream. The city is almost entirely poor. Already stretched to the limit to provide services to its population, Limon is now further pressed by hundreds of destitute country folk migrating to, and settling in the city.

The situation in the countryside is troubled, too. Some 42,000 families own no land and another 18,000 don't have enough land to provide them with an adequate income. The result is a combination of underemployment, low productivity and environmental damage.

There are areas of the country which have not been touched by the nation's overall progress. For example, the Atlantic basic region on the Caribbean coast and the northern zone bordering Nicaragua still have poor farm-to-market roads, high illiteracy and unemployment. There, people often do not have safe water, electricity or sanitation facilities.

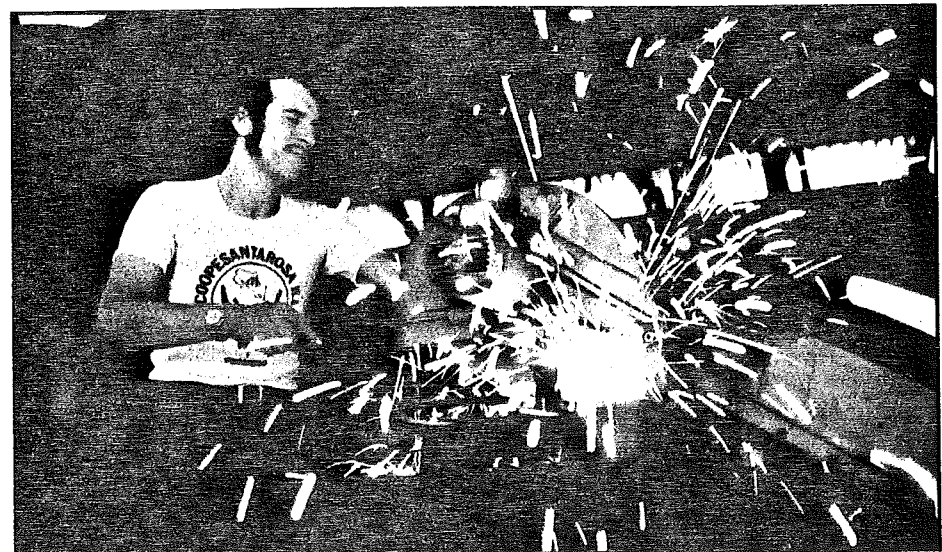
And now, following an unprecedented success in lowering its birth rate (from 7.3% in 1960 to 3.7% in 1976) and in the overall population growth rate (from 3.9% in 1960 to

2.8% in 1978), birth and growth rates are again rising.

Many Western nations have an interest in seeing Costa Rica remain strong, an example to other countries of the viability of democratic government in the Third World and an ally against communism. Costa Rica is receiving assistance not only from the United States, about \$7 million in economic development assistance in Fiscal Year (FY) 1981, but also from Venezuela, Japan and Germany, among others. The Inter-American Development Bank (IDB), the World Bank (IBRD) and the Cen-

tral American Bank for Economic Integration (CABEI) all have made loans for a variety of development projects. They include roads, electric power plants and transmission lines, port development and higher education, agriculture, forestry and health.

CATIE, the Tropical Agricultural Research and Training Center in Turrialba, is financially supported by nearly every country in Central America, as well as the United States and other international donors. Research accomplished at this center can be and is put to use immediately



Small industry may be the key to jobs in San Jose.

and easily to help poor, small farmers throughout the region grow more, and earn more from their fields.

Many of CATIE's findings are remarkably simple. For example, by planting corn with other vegetables, beans for one, in a system called intercropping, the farmer can accomplish several things at once. The corn stalk will provide some of the support the beans need to grow well. The stalk later can be bent over, and with its ripened corn still attached, it serves both as a storehouse for the corn and support for the other plants. The corn is safer on the stalks than

stored on the ground as it usually is. There it can spoil quickly and is often eaten by rats.

Another "breakthrough:" In a dairy farming module CATIE has developed a system for rotating dairy cows by dividing the pastureland off into small segments. The cows are moved from one small pasture to another. This way the land is not overgrazed, and the cows are always eating. Farmers also are taught how to improve their pasture grasses. The module also includes an ingenious but simple apparatus for milking. It is portable and operates on a

vacuum principle without electricity. It is far less expensive than electrical milking machines and more efficient than hand milking. CATIE is training local farmers to set up their own farms this way. So far the local people using the system are doing well.

The outlook is less hopeful in the Nicoya Peninsula in the canton (or county) of Hojanacha, one of the poorest regions of Costa Rica. There Victor Villagra struggles to make his farm produce enough to feed his family and give them just a little extra to sell. Bent and weathered before his time, the 45-year-old farmer is now facing a new problem: His back is giving out. Villagra might have joined the flow of people into the city years ago, but he has held out. Now as his resilience is finally wearing thin, he is getting help under an AID-supported project, and has reason for hope of better harvests to come.

Villagra, coached by an agricultural "promoter," is taking a new look at what he is asking his fields to produce. Under the tutelage of the promoter, better known as one of the "Tigres" (tigers) for his fierce determination to improve farms throughout this region, Villagra has changed his ways. Instead of planting maize (corn), arroz (rice) and beans as he has for years, he is now growing tomatoes and bell peppers, high value crops in this region.

"Tigres"—there are about five of them—go from farm to farm, hitchhiking, on horseback, by bus if they're lucky. All recent graduates from agricultural school, they earn salaries paid largely out of an AID "commodity systems" loan.

Under the program, farmers like Villagra receive help in obtaining credit for buying the supplies, equipment and seed they need. Villagra has been granted a loan of 2,000 colones (\$200) from a major bank.

Regularly now he takes his crops to the Canton Agricultural Center which grades the produce and sells it, some at its own small local market, the rest to wholesalers. The cen-

This backyard garden provides vegetables for the family to eat and market as well.



These new houses have a clean water supply now, thanks to an AID project.

ter also is funded through the AID commodity systems project. Accion International Tecnica (AITEC), an American private voluntary organization, with an AID grant, is helping the center in Hojanca and in other poor parts of the country to improve production and marketing among farmers and small businessmen

Bees are becoming a viable business in many Central and South American countries. As part of its business promotion, AITEC is operating a model beekeeping operation in Hojanca which can be replicated in other areas, particularly the western part of the country. Normally there is a good market for honey and pollen both in Costa Rica and the United States.

Small businesses, particularly in the cities, offer the greatest hope not only for self-sufficiency of the individuals running them but for employment possibilities for others. In the overburdened urban centers like San Jose, there are not enough jobs to go around.

The family and neighbors of Rodrigo Castro are therefore more than grateful to be working in his shop. In his garage, Castro is producing safety triangles, the sort that someone would place behind his disabled car to warn oncomers. With help from an AID-supported program, Castro has received credit from a bank that otherwise would have passed him over. The result is a steadily growing business that provides all-important jobs for about four or five persons.

Through a \$6 million loan made over several years to the government, AID is helping the National Nutrition Program set up a nutrition information system; carry out research; train field personnel; and educate mothers in the principles of nutrition. Moreover the Agency is helping install wells and handpumps to increase the availability of safe water to those living in outlying areas. So far, the program has lowered the number of children suffering from malnutrition; has helped many indi-



Victor Villagra examines his harvests with one of the "Tigres."

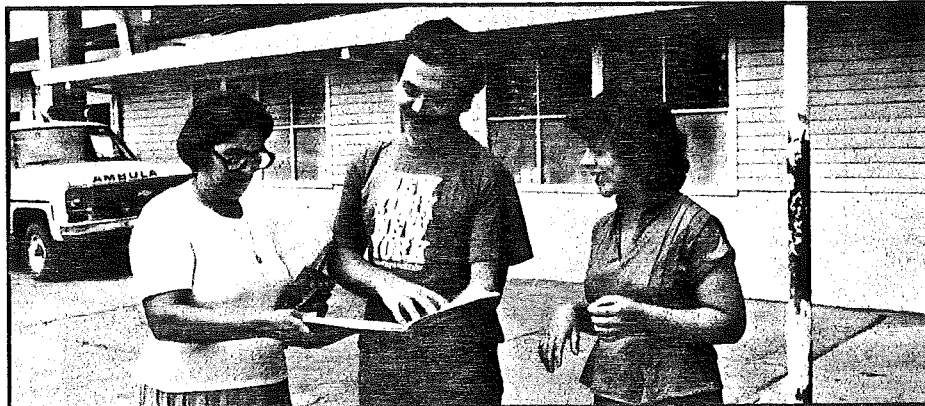
Individuals start home gardens not only to provide a little added income but also to better the quality of food the family is eating; and has installed about 1,500 handpumps. To improve the health care for people who otherwise might have none, the program has set up two training centers in San Ramon and San Carlos. Out of these centers "responsables de salud" health advisors go into their neighborhoods to help teach nutrition to mothers, provide basic first aid where needed and refer serious cases to the health centers.

Costa Rica is a quiet nation. Few of its people die from starvation, deprivation or bloodshed as in other Central and South American countries today. That Costa Rica has been able to provide a high standard of education and other services for its people is due in large part to its refusal to direct funds into a large military. It has only a national guard.

A former president, Jose Figuera "Don Pepe," once said: "Our children are our army; their books are their weapons—that's all we need."

Costa Rica would like to keep it that way. But if it is to succeed, it will have to find ways to solve the serious economic problems that threaten its calm.

The international donors stand ready to help: The International Monetary Fund (IMF) is prepared to offer extended financing facilities to help Costa Rica make the structural adjustments necessary to shift from import-substitution industrialization to an agro-industrial export strategy. Costa Rica also needs to reduce public sector activity and simultaneously encourage greater private sector activity. Meeting the challenges will not be easy, even with IMF support, and development help from the World Bank, the Inter-American Development Bank and AID. But people who know the "Ticos" have confidence in their ability to get through this crisis: to maintain the admirable social programs in operation while finding new sources of economic growth and to do so democratically. □



Health advisors Corina Jimenes Cespides, Oscar and Marlene Aguilar Nunez compare notes.

COSTA RICA FACT SHEET



Costa Rica is located in a narrow section in southern Central America between Nicaragua and Panama. Smaller in area than West Virginia, it is the second smallest country in the region (El Salvador is smaller). The country is comprised mainly of rugged, high mountains and hills drained by numerous streams and rivers. Once dense forests covered about two-thirds of the area; overcutting and cattle-raising, have caused serious deforestation. There is a relatively wide coastal plain in the east and a narrower plain on the Pacific coast.

Unlike their Central American neighbors, Costa Ricans are overwhelmingly of European descent, predominantly Spanish. The indigenous Indian population numbers about 10,000 and is concentrated in the largely inaccessible southern region. Blacks, descendants of Jamaican workers who migrated to Costa Rica in the late 19th century,

constitute the only significant minority group. They number about 30,000 and are centered around Limon on the Caribbean. Most Costa Ricans continue to live in the countryside (57%). San Jose is the only city of over 100,000.

Costa Rica is a democratic republic. The government is divided into three branches: executive, legislative and judicial. Elections for the president and deputies of the legislative assembly are held every four years. The president and two vice-presidents run on the same ticket.

Several elements have contributed to Costa Rica's steady democratic development: educational opportunities, enlightened government leaders, comparatively high economic levels and flexible class lines. Costa Rica has Central America's highest figure for the per capita gross national product (\$1.5 million). Although industry is becoming increasingly important, agriculture is still predominant, employment about 35% of the labor force.

Despite economic difficulties relating to balance-of-payments, Costa Rica continues to offer a favorable investment climate. Opportunities exist in agribusiness, tourism, light industry, and once the country's hydroelectric resources are better developed, in energy-intensive industries such as aluminum smelters.

Total U.S. economic assistance to Costa Rica in 1980 amounted to \$16 million.

MINUTES
OF A MEETING
OF THE EXECUTIVE COMMITTEE
OF ACCION INTERNATIONAL

JUN 25, 1981

A meeting of the Executive Committee of the Board of Directors of ACCION International, a corporation duly organized and existing under and by virtue of the membership corporation law of the state of New York was called for June 25th, 1981 at 12:00 o'clock in the afternoon at 680 Park Ave. in the borough of Manhattan, New York. There were present:

Mr. Robert C. Helander

Mr. Charles Muller

Ms. Kathrine Ockenden

Mr. Frederick Seeley

Mr. Roger Stone

Mr. Peter B. Trinkle

being a quorum. Also present were staff members William W. Burrus, Sarah Burns de Ortega, Jeffrey Ashe, William R. Tucker, and Arnulfo Coto.

The President brought the meeting to order and convened the Executive Committee as an audit review committee. He then asked those present to refer to the financial statements for the year ending December 31, 1980 prepared by Price Waterhouse & Co. He pointed out that while the audit was still in draft form due to the lateness of performing audits of the Costa Rican and Mexican programs, no changes were expected in the final draft. Those Directors present then proceeded to review the statement of functional expenses, the statement of support revenue, expenses and changes in fund balance and the balance sheet. Mr. Helander stated that as had been previously reported to the Executive Committee, the corporation did experience a deficit of \$41,095 during 1980. He further added that the reasons for the

deficit were also well known to Executive Committee members and suggested that such a deficit reinforced the need for all Board members to help raise additional funds for the corporation. Following further discussion of specific points of information on the financial statements it was requested that as soon as the final audit report was issued from Price Waterhouse it be forwarded to all Board members.

There being no further business before the audit committee, the meeting was adjourned.



William W. Burrus
Designated Secretary

MINUTES
OF A MEETING
OF THE BOARD OF DIRECTORS
OF ACCION INTERNATIONAL

A meeting of the Board of Directors of ACCION International, a corporation duly organized and existing under and by virtue of the membership corporation law of the state of New York, was held at 680 Park Avenue in the borough of Manhattan, New York on the 25th day of June 1981 at 12:30 o'clock in the afternoon. There were present:

Mr. Berent Friele
Mr. Henry R. Geyelin
Mr. Robert C. Helander
Mr. Terry M. Holcombe
Mr. Charles W. Muller
Mr. Crocker Nevin
Ms. Kathrine Ockenden
Mr. Roderick O'Connor
Mr. Frederick D. Seeley
Mr. Daniel A. Sharp
Mr. Roger D. Stone
Mr. Peter B. Trinkle

being a quorum. Also present were Mr. William W. Burrus, Executive Director, Ms. Sarah Burns de Ortega and Mr. Jeffrey Ashe, Associate Directors, Mr. William R. Tucker, Program Manager in Colombia and Mr. Arnulfo Coto, Program Manager in Guatemala. Mr. Keith Koehler, a Director of ACCION Comunitaria del Peru was also present by invitation.

Mr. Robert Helander, President of the Corporation, called the meeting to order.

I. Approval of the Minutes

The minutes of the meeting of the Board of Directors held on December 16, 1980, were unanimously approved.

II. International Advisory Council

Mr. Helander reported that the Executive Committee had taken under consideration the creation of an International Advisory Council to be composed of select individuals from the United States and throughout the Americas to serve as a resource body to the Board and staff of the Corporation. Mr. Muller further explained the purposes of the proposed Council and stated that many individuals who for a variety of reasons could not accept the more active position of Director could be of valuable service to the Corporation in an advisory capacity. Following considerable discussion on various specific points related to its functioning, the Council was officially created by unanimous vote. A statement of the Council's purpose and functions is attached to these minutes. The following individuals were then unanimously elected to serve as members of the International Advisory Council:

Mr. Armando Arauz

Amb. Edmundo Penna Barbosa da Silva

Mr. John Beck

Mr. John R. Camp

Mr. Roberto de Oliveira Campos

Mr. Jaime Carvajal

Mr. David Garza Laguera

Mr. Valerie T. McComie

Mr. Tomas A. Pastoriza

III. Election of the Board of Directors, Corporate Officers and Executive Committee

The following were elected unanimously to a one-year term on the Board of Directors of ACCION International:

John G. Duncan	Charles W. Muller
Paulo Ayres Filho	Hans Neumann
Berent Friele	Crocker Nevin
Henry R. Geyelin	Kathrine Ockenden
Eugene Gonzalez	Roderick O'Connor
James R. Greene	Frederick D. Seeley
Robert C. Helander	Daniel Sharp
Terry Holcombe	Roger D. Stone
Walter Hunnewell	Peter B. Trinkle
Catherine Coolidge Lastavica	Ralph A. Weller

The following were elected unanimously as officers of the Corporation:

Donald M. Kendall:	Honorary Chairman
Jacob K. Javits:	Honorary Director
John C. Duncan:	Chairman
Berent Friele:	Vice Chairman
Hans Neumann:	Vice Chairman
Robert C. Helander:	President
James R. Greene:	Vice President
Kathrine Ockenden:	Treasurer
Roger D. Stone:	Secretary

The following were elected unanimously as members of the Executive Committee:

John C. Duncan
Robert C. Helander
Catherine Coolidge Lastavica
Charles W. Muller
Kathrine Ockenden
Frederick D. Seeley
Roger D. Stone
Peter B. Trinkle

IV. President's Report

Mr. Helander introduced Mr. Keith Koehler as a Director of Accion Comunitaria del Peru and also welcomed Bill Tucker and Arnulfo Coto, ACCION/AITEC's representatives in Colombia and Guatemala respectively. He then stated that the full Board had not met since December 16, 1980, and wanted to take the opportunity to thank everyone for their assistance in making the David Rockefeller dinner the success that it was. Mr. Friele added that a sincere note of appreciation on behalf of the Board should be extended to Roger Stone, President of the Center for Inter-American Relations for offering the use of the Center's fine facilities.

Mr. Helander then reported on actions taken by the Executive Committee during its meetings of March 11th and May 6th. First, he remarked that considerable time had been spent reviewing drafts of an ACCION advertisement in BusinessWeek magazine which was offered on a pro bono basis by the international publishing editor, Mr. Denis Beran, who attended the Rockefeller

dinner. The first of several advertisements should appear in BusinessWeek in the very near future.

Further, Mr. Helander pointed out that various strategies for increasing private sector support had been considered and that the Executive Committee had instructed the staff to actively explore the possibility of mounting a capital fund-raising campaign. Such a campaign, perhaps to be launched for a three-year period beginning in 1982, would seek to create a Working Reserve Fund and permit a substantial expansion of activities in Latin America as well as in the United States itself.

Finally, the Executive Committee devoted much of its last meeting to consideration of the creation of an Advisory Council. Mr. Helander commended Committee members for their lucid and helpful comments in their deliberations on this matter. Mr. Stone moved that the actions of the Executive Committee as reported by the President be approved by the Board of Directors. The motion was seconded and unanimously approved.

V. Financial Report

The treasurer, Ms. Kathrine Ockenden, asked those present to refer to the financial statements in their package of information prepared by Price Waterhouse for the year ending December 31, 1980. She reported that income for 1980 totalled \$1,040,730 compared to \$940,954 in 1979. 1980 was the first year in the Corporation's history in which over a million dollars in income was received. Of that amount 45% was received from private sources, 55% from government grants and contracts, and less than 1% from interest income. Expenses for the same period amounted to \$1,081,825 leaving a deficit for the year of \$41,095. She added that, as illustrated on the page

of functional expenses, the area of micro-business continues to predominate, accounting for approximately 45% of total expenses incurred. For 1980, fund-raising and general and administrative expenses amounted to 16% of total expenditures compared to 17% for 1979. Finally, Ms. Ockenden reported that the balance sheet showed total assets of \$159,853 including cash of \$15,783 and a certificate of deposit of \$48,185. Liabilities totalled \$76,945 leaving a fund balance of \$82,908 for the year.

Following several comments and points of clarification, Mr. Helander noted that the Executive Committee had met prior to the Board meeting as an audit review committee and had reviewed the financial statements in detail. He asked that the final Price Waterhouse statements be forwarded to all Directors as soon as they are prepared.

VI. Private Sector Campaign

Ms. Sarah Burns de Ortega then reported on the status of the 1981 private sector fund-raising campaign. She asked those Directors present to refer to the relevant information in their packet of materials. As of June 25, 1981, eighty corporations had been approached for support. Of these 26 have responded positively with contributions. These contributions together with those from private foundations, total \$81,350, representing an increase over last year in private sector support of \$2200 as of June 30, 1980. She then asked the Board to review the information at their leisure and to get back to staff on specific corporations to be approached of those still pending.

VII. Operational Report--Colombia and Peru

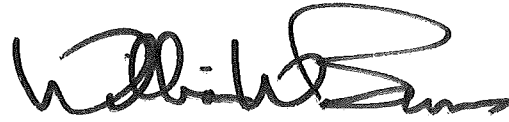
Mr. Burrus commented that he had invited Messrs. Tucker and Coto to

the Board meeting because of recent developments in Colombia and Peru. He reported that ACCION had recently completed its obligations in the program of municipal enterprise development in Guatemala. The Program will now be carried on by the Institute of Municipal Enterprise which is now fully trained. He complemented Mr. Coto on the excellent job performed as Director of that program. Mr. Coto will be transferring to Peru in September after familiarizing himself with ACCION's micro-business programs in Colombia and the Dominican Republic.

Mr. Tucker then reported on recent developments in Colombia. He stated that, based on the initial positive pilot program successfully launched with the Carvajal Foundation in Cali, AITEC is now assisting in the start-up of similar efforts in Bogota, and Medellin. In Bogota, AITEC is working with the Fundacion Compartir, a foundation of private business interests, established in 1979. In Medellin, AITEC is assisting the foundation Fabricato, a large textile concern, which operates a philanthropic foundation. Mr. Tucker further observed that as in Cali the Inter-American Development Bank will be approving loans of \$500,000 from its Special Projects Fund for each program. Contact has also been made with a group in Bucaramanga called Fundesan which is interested in receiving AITEC assistance for a micro-business program. Mr. O'Connor stated that he had recently seen Jaime Carvajal in Colombia and wished to publicly congratulate Bill Tucker for the excellent job performed in the Carvajal micro-business program. He stated that this type of program has tremendous potential not only for Colombia but elsewhere in Latin America and would continue to collaborate closely with ACCION staff in developing such opportunities.

Mr. Helander then provided further background on the recent request received from Accion Comunitaria del Peru to provide assistance in the establishment of a micro-business program. Mr. Koehler on behalf of the Board of ACP stated that a formal decision had been taken to initiate a micro-business effort and to request technical assistance from ACCION International. Mr. Burrus reported that he would be travelling to Lima in early September as a follow-up to Mr. Tucker's trip in July and as preparation for Mr. Coto's arrival.

There being no further business to discuss, the meeting of the Board of Directors was adjourned.

A handwritten signature in black ink, appearing to read 'William W. Burrus', with a large, stylized flourish at the end.

William W. Burrus
Designated Secretary

MINUTES
OF A MEETING
OF THE EXECUTIVE COMMITTEE
OF ACCION INTERNATIONAL

MAY 6, 1981

A meeting of the Executive Committee of ACCION International was held at 250 Park Avenue in the borough of Manhattan on the 6th day of May, 1981 at 12:30 o'clock in the afternoon. There were present:

Mr. John C. Duncan
Mr. Robert C. Helander
Mr. Charles W. Muller
Mr. Peter B. Trinkle

Also present were Directors at large, Mr. Berent Friele, Mr. Henry R. Geyelin, Mr. Crocker Nevin, and Ms. Sarah Burns de Ortega, Associate Director and Mr. William W. Burrus, Executive Director. The agenda was as follows:

I. International Advisory Council

The President, Mr. Helander, began by asking for additional thoughts on the idea of creating an International Advisory Council first proposed at the March 11th Executive Committee Meeting. The ensuing discussion centered on the advantages and disadvantages of officially creating the council and particularly its possible role in relation to the Board of Directors. Because there were differing opinions as to the necessity or desirability of creating such a council, the Committee instructed the staff to prepare additional information on the idea. The staff agreed and suggested that various Board members also be consulted individually in hopes that a definitive resolution can be reached at the next full Board Meeting in June.

II. Advertisement in BusinessWeek

Mr. Helander reminded those present that one of the concrete results of

the Rockefeller Dinner in December was a generous offer from BusinessWeek Magazine to donate space for three or four ads this year to ACCION. Ms. Burns then displayed a copy of the first ad which has now been sent to BusinessWeek. Comments were solicited and various suggestions were made for further refinement and improvement of future ads. It was recommended that the staff prepare a written statement on the objectives of the ad campaign itself. Further it was suggested that the ad include a more direct appeal for contributions from corporations. Ms. Burns concluded the discussion by stating that one of the major benefits would be reprints of the ad which will be distributed to all current and potential contributors once it appears on the magazine.

III. Capital Fund-raising Drive

Mr. Burrus reported that the staff had continued to work on ideas related to the Capital Fund-raising Campaign for the corporation over the next two or three years. A brochure and annual report will be published by the end of the summer and other promotional materials are planned. A case statement also will be developed to outline the program ACCION proposes to undertake in the near future and its financial needs to successfully do so. In addition to geographic and programatic expansion, an important ingredient of the Capital Fund-raising Campaign would be the creation of a working reserve fund to provide more financial stability for the corporation. He asked permission from the Executive Committee to continue work on the Capital Fund-raising Campaign and to present a preliminary outline of the Campaign at the full Board Meeting in June. That permission was granted and those present indicated their strong interest in the Campaign and a willingness to work towards its success.

IV. Corporate Campaign

Ms. Burns referred to information provided regarding the current status of

the Corporate Campaign. She reported that \$35,350.00 has been received from the corporate sector through the end of April compared to \$49,650.00 in 1980. She noted that the difference was due primarily to the fact that several large contributions from such companies as Alcoa, Continental Can and The Royal Bank of Canada had not yet been received though these companies normally contribute in the first quarter of the year. Every indication is, however, that they will be contributing in 1981. A list of possible corporate donors, both old and new, was then reviewed and specific suggestions were given on how best to approach them for a contribution.

V. Report on Brazil

Mr. Burrus briefly reported on his recent trip to Brazil and asked those present to refer to a letter which he had written to Mr. Berent Friele summarizing the important points of the trip. He stated that he had met with a number of the Board Directors of AITEC/Brazil and had also attended a Board Meeting. His role was to help AITEC/Brazil decide its future course of action and in that he felt he was successful. AITEC/Brazil's Board of Directors decided on three specific actions to be taken in the near future: a new President must be found, a new Executive Director must be hired and a program must be defined for future operations. Mr. Burrus also met with Directors Paulo Ayres Filho and Ambassador Barbosa da Silva, both of whom expressed interest in ACCION and its continued work in Brazil. He also met with representatives of ACAO Comunitaria/Rio de Janeiro and spent a day with field personnel viewing actual projects. He stated that the ACAO people had expressed interest in collaborating with ACCION and that he would continue to explore a possible collaborative role with them.

Finally, Mr. Helander reminded those Directors present of the full Board Meeting scheduled for June 25th at 680 Park Avenue in New York, at 12:30

o'clock in the afternoon. With no further business to discuss the
President adjourned the meeting.

A handwritten signature in black ink, appearing to read "William W. Burrus". The signature is fluid and cursive, with a large initial "W" and a long, sweeping tail.

William W. Burrus
Executive Director
Designated Secretary

AGENDA

ACCION INTERNATIONAL/AITEC
EXECUTIVE COMMITTEE MEETING

March 11, 1981

1. President's Report
2. Operational Report
3. Board of Directors
4. Private Funding Campaign
 - Follow up to Rockefeller Dinner
 - 1981-84 outlook

ACCION INTERNATIONAL/AITEC
EXECUTIVE COMMITTEE MEETING
March 11, 1981

President's Report

1. Main focus for today's meeting will be an analysis of the Board and our private sector funding campaign. We want to keep all other business at a minimum.
2. Robert Helander's trip to the Dominican Republic.
3. Lunch with Eduardo Orrego, Mayor of Lima with William Burrus, Fred Seeley and Ann Sloane also attending.
4. OPI C ?
 - stress for credit, some op. costs
 - Also approached Exxon, Chase, Chemical

Helander
Ockenben
Lastavica
Seeley
Trinkle
Muller
Holcombe

Burrus
Burrus



10-C MT. AUBURN STREET, CAMBRIDGE, MASSACHUSETTS 02138
PHONE: (617) 492-4930 CABLE: ACCIONUSA, CAMBRIDGEMASS.

Honorary Chairman:

Mr. Donald M. Kendall

Honorary Director:

The Honorable
Jacob K. Javits

Directors:

Dr. Paulo Ayres Filho

Dr. Catherine Coolidge Lastavica

Amb. Edmundo Penna Barbosa da Silva

Mr. Charles W. Muller

Mr. John Beck

Dr. Hans Neumann

Dr. Roberto de Oliveira Campos

Mr. Crocker Nevin

Mr. John C. Duncan

Ms. Kathrine Ockenden

Mr. Berent Friele

Dr. Roderick O'Connor

Mr. Henry R. Geyelin

Dr. Leslie Peacock

Mr. Eugene Gonzalez

Mr. Frederick D. Seeley

Mr. James R. Greene

Mr. Daniel A. Sharp

Mr. Robert C. Helander

Mr. Roger D. Stone

Mr. Terry M. Holcombe

Mr. Peter B. Trinkle

Mr. Walter Hunnewell

Mr. Ralph A. Weller

Potential Board Members

McComie, Valerie

Assistant Secretary General and Permanent Representative, Organization of American States. Former Ambassador from Barbados to the United Nations, Brazil, and Venezuela. Born in Trinidad, April 1, 1920. Educated in Trinidad, Barbados, and England. Studied at London University, University of Bordeaux and UCLA (Political Science). Address: OAS, 17th St. & Constitution Ave., N.W., Washington D.C. 20006.

O'Neill, Thomas P. Jr.

Congressman, Speaker of the House (since 1977). Born Dec. 9, 1912. Graduate, Boston College. Member of Congress, 11th Mass. District; Majority Whip, 1971-73; Majority Leader, 1973-77. Democrat. Address: Room H-204, U.S. Capitol, Washington, D.C. 20515.

Garza-Lagüera, David

President, MALTA, S.A.; President, Proseco/Admic. Address: Monterrey, Nueva Leon, Mexico.

Canavan, Terence

Senior Vice President, International Division, Chemical Bank. Born 193(4?). Graduate, Williams College (A.B. 195(8?)). Served in U.S. Air Force at Laredo, Texas. Joined Chemical Bank, working in offices in Venezuela, Mexico and Spain. Active in fund-raising for ACCION in Venezuela. Started own Finance Company in Venezuela, then returned to Chemical Bank in New York City. Address: Chemical Bank, 20 Pine Street, New York, N.Y. 10005.

Ralph Euffer

Rockefeller Dinner Attendees

Alphabetical Order

1. AGAR, Michael
6 Bittersweet Trail
Rowayton, CT 06853
2. ALDRICH, Richard S.
Bay Rock Advisors
Bache, Halsey, Stuart & Shields
100 Gold St.
New York, New York 10038
3. ASHE, Jeffrey
Associate Director
ACCION International
10 C Mt. Auburn Street
Cambridge, MA 02138
4. BARLOW, William E.
President and Publisher
Media Industry Newsletter
75 East 55th St.
New York, New York 10022
5. BARRAND, Harry J.
Senior Agent
Banco de Venezuela
450 Park Avenue
New York, New York 10022
6. BASSETT, Glenn C., Jr.
President
Marine Midland Bank
140 Broadway
New York, New York 10030
7. BELL, Peter D.
President
Inter-American Foundation
1515 Wilson Boulevard
Rosslyn, VA 22209
8. BERAN, Denis C.
Publisher
Business Week International
McGraw Hill Building
1221 Avenue of the Americas
New York, New York 10020
9. BLATCHFORD, Joseph H. Esq.
Berry, Epstein, Sandstrom & Blatchford
1700 Pennsylvania Avenue, N.W.
Washington, D.C. 20006
10. BONNARD, Vicente J.
President
Brazilian/American Chamber of Commerce
22 W. 48th Street
New York, New York 10036
11. BREITBARTH, Robert S.
Executive Vice President
G.K. Technologies, Incorporated
500 W. Putnam Avenue
Greenwich, CT 06830
12. BURNS DE ORTEGA, Sarah
Associate Director
ACCION International
10 C Mt. Auburn Street
Cambridge, MA 02138
13. BURRUS, William
Executive Director
ACCION International
10 C Mt. Auburn Street
Cambridge, MA 02138
14. CABELLO, José Benito
Asesoría Dinámica a Microempresas, A.C.
Vicente Ferrara N°133, Depto. 7
Colonia Obispado
Monterrey, NL, MEXICO
15. CANAVAN, Terrence
Senior Vice President
The Chemical Bank
20 Pine Street
New York, New York 10087
16. CASTILLO, Luis
W.R. Grace & Company
1114 Avenue of the Americas
New York, New York 10022
17. COLE, Kenneth
Inter-American Development Bank
808 17th Street, N.W.
Washington, D.C. 20577
18. COLLADO, Emilio G.
Chairman
The Center for Inter-American Relations
680 Park Avenue
New York, New York 10021

19. CORRIGAN, Kevin
Vice President, West. Hemis.
The Chase Manhattan Bank
One Chase Manhattan Plaza
New York, New York 10081
20. CORREA DA COSTA, Sergio
Permanent Mission of Brazil to the U.S.
747 3rd Avenue
New York, New York 10017
21. DE CUBAS, José
Lehman Brothers, Kuhn Loeb Incorporated
55 Water Street 43rd Floor
New York, New York 10041
22. DUNCAN, John C.
Chairman, President and CEO
St. Joe Minerals Corporation
250 Park Avenue
New York, New York 10017
23. DUNCAN, Barbara
The Center for Inter-American Relations
680 Park Avenue
New York, New York 10017
24. EASTMAN, Victor
Ministro y Consejero
Embajada del Ecuadoro
OAS, Suite 86095
One World Trade Center
New York, New York 10005
25. FINUCANE, James
AT International
1709 N. Street, N.W.
Washington, D.C. 20036
26. FLANIGAN, Sheila
Executive Director
Simón Bolívar Foundation
45 Rockefeller Plaza
New York, New York 10020
27. FRENCH, Mr. and Mrs. John H.
28. Research and Science Investors
Suite 1260
230 Park Avenue
New York, New York 10017
29. FRIELE, Berent
Room 5600
30 Rockefeller Plaza
New York, New York 10020
30. GERRITY, Lawrence T.
Dirctor, International Diversification Projects
Celanese Fibers International Corporation
1211 Avenue of the Americas
New York, New York 10036
31. GEYELIN, Henry R.
President
Council of the Americas
684 Park Avenue
New York, New York 10021
32. GIBSON, Andrew E.
President and Chief Exec. Officer
Delta Steamship Lines, Incorporated
Box 50250
New Orleans, LA 70150
33. PRADO DE GUIMARAES, Renato
Acting Consul General
551 Fifth Avenue
Suite 210
New York, New York 10017
34. HAMMOCK, John C.
ACCION International
10 C Mt. Auburn Street
Cambridge, MA 02138
35. HARRINGTON, Jerome F.
President
IRI
One Rockefeller Plaza
New York, New York 10020
36. HELANDER, Robert C.
Surrey & Morse
485 Madison Avenue
New York, New York 10036
37. HEWITT, William A.
Chrm & Ceo
Deere & Company
John Deere Road
Moline, Ill. 61265
38. HOLCOMBE, Terry M.
Vice President
Development & Alumni Relations
Low Memorial Librayry
Columbia University
New York, New York 10017
39. JEBSEN, Jens H.
Bankers Trust
280 Park Avenue
14th Floor E
New York, New York 10017

40. KNIGHT, Harry W.
Hillsboro Association
75 Rockefeller Plaza
New York, New York 10019
41. KOWARICK, Alberto F.
Brazilian American Chamber
of Commerce
22 West 48th Street
New York, New York 10036
42. GARZA LAGUERA, David
Malta, S.A.
Apartado Postal 686
Monterrey, Nuevo León
MEXICO
43. LASTAVICA, Catherine C.
Box 1443
Manchester, MA 01944
44. LASTAVICA, John
The First National Bank of Boston
100 Federal Street
Boston, MA 02110
45. MACHOLD, William F.
237 Atlee Road
Wayne, PA 19057
46. MARUSI, Augustine R.
Chairman Executive Committee
Borden Incorporated
277 Park Avenue
New York, New York 10017
47. MAY, William F.
New York University
Dean of Faculty of Business Administration
& Dean of the Graduate School of Business
Administration
100 Trinity Place
New York, New York 10006
48. MCGREGOR, James L.
Deloitte, Haskins & Sells
1114 Avenue of the Americas
New York, New York 10036
49. MCINTYRE, James B.
Vice President, Dillon, Read & Co., Inc.
46 William Street
New York, New York 10005
50. MCKINNIS, George C.
Senior Council International
ITT
320 Park Avenue
New York, New York 10022
51. MESSER, Thomas
Director
The Solomon R. Guggenheim Museum
1071 5th Avenue
New York, New York 10028
52. MIQUEL, Rafael
Dow Chemical
1800 M Street, N.W.
Suite 700 S
Washington, D.C. 20036
53. MOODY, William S.
Program Officer
Rockefeller Brothers Fund
1290 Avenue of the Americas
New York, New York 10104
54. MOORE, John D.J.
Director
W.R. Grace & Company
1114 Avenue of the Americas
New York, New York 10104
55. MULLER, Charles W.
Murden & Company
39 East 51st Street
New York, New York 10022
56. MUSE, Martha T.
Chairman and President
The Tinker Foundation
645 Madison Avenue
New York, New York 10022
57. NEVIN, Crocker
Executive Director
Drexel Burnham Lambert, Incorporated
60 Broad Street
New York, New York 10005
58. NICHOLSON, Donald R., II
Dillon, Read & Company
46 Williams Street
New York, New York 10005
59. OCKENDEN, Katherine
Director of Development
New York Philharmonic
Avery Fischer Hall
Broadway and 65th Street
New York, New York 10023
60. OLMSTEAD, Cecil J., Esq.
Steptoe & Johnston
1250 Connecticut Avenue
Washington, D.C. 20036

61. OSBORNE, Thomas C.
Executive Vice President
ASARCO, Inc.
120 Broadway
New York, New York 10005
62. PFEIFFER, Ralph A., Jr.
Chairman,
IBM World Trade/ American
Far East Corporation
Route 9
North Tarreytown, NY 10005
63. QUEVEDO, Alberto A.
Latin American News Editor
Associated Press
50 Rockefeller Plaza
New York, New York 10019
64. RAUCH, Rudolph S., III
Edward R. Murrow Press Fellow
Council on Foreign Relations
58 East 68th Street
New York, New York 10021
65. RIGAU, René
Director of Public Relations,
Latin America & the Caribbean
ITT
320 Park Avenue
New York, New York 10022
66. ROCKEFELLER, David
Chairman
The Chase Manhattan Bank
One Chase Manhattan Plaza
New York, New York 10081
67. ROCKEFELLER, Rodman C.
Chairman
IBEC
1230 Avenue of the Americas
New York, New York 10020
68. ROETT, Riordan
Director, Center for Brazilian Studies
1740 Mass. Avenue, N.W.
Washington, D.C. 20036
69. ROSOFF, Morris
Honorary Vice President
Brazilian-American Chamber of Commerce
1200 5th Avenue
New York, New York 10029
70. SAMUELS, Nathaniel
Lehman Brothers, Kuhn Loeb
660 Madison Avenue
New York, New York 10021
71. SCHEMAN, Ronald
Assistant Secretary General
Organization of American States
17th St. & Constitution Ave.N.W.
Washington, D.C. 20006
72. SCHIJMAN, Pola
Executive Secretary
Pan American Society
680 Park Avenue
New York, New York 10021
73. SCHWARTZ, Harvey L.
Chairman,
Shelter Rock Investors
30 Rockefeller Plaza
New York, New York 10020
74. SCOTT, David C.
President
Allis Chalmers Manufacturing Co.
1205 S. 70th Street
Milwaukee, Wisconsin 53202
75. SEELEY, Frederick D.
Senior Vice President
J. Henry Schroder Banking Corp.
One State Street
New York, New York 10015
76. SHARP, Daniel A.
Director, International Relations
XEROX Corporation
Stamford, Conn. 06904
77. SPIEGEL, Arthur H.
President
American Practice Management
485 Madison Avenue
New York, New York 10036
78. SPRAGUE-SMITH, Carleton
122 East 65th Street
New York, New York 10021

79. STONE, Roger D.
President
The Center for Inter-American
Relations
680 Park Avenue
New York, New York 10021
80. STRAUS, Elizabeth A.
Secretary
The Center for Inter-American
Relations
680 Park Avenue
New York, New York 10021
81. SWINTON, Stanley M.
Associated Press
50 Rockefeller Plaza
New York, New York 10019
82. SWINTON, Mrs. Stanley M.
same as above
83. Timberlake, J.B.
CPC International
International Plaza
Englewood Cliffs, N.J. 07632
84. TRINKLE, Peter B.
Senior Advisor
Exxon Corporation
1251 Avenue of the Americas
New York, New York 10020
85. VARGAS, Bernal
Consul of Costa Rica
211 East 43rd Street
New York, New York 10022
86. WALSH, Philip C.
Vice Chairman
St. Joe Minerals Corporation
250 Park Avenue
New York, New York 10017
87. WELLER, Ralph A.
Chairman and Chief Executive Officer
Otis Elevator Corporation
United Technologies
Suite 4403, 153 East 53rd Street
New York, New York 10022
88. ZIFFREN, Lester
220 East 81st Street
New York, New York 10028

MINUTES
OF A MEETING
OF THE BOARD OF DIRECTORS
OF ACCION INTERNATIONAL

A meeting of the Board of Directors of ACCION International, a corporation duly organized and existing under and by virtue of the Membership Corporation law of the State of New York, was held at 680 Park Avenue in the borough of Manhattan, New York on the 16th day of December 1980, at 12:30 o'clock in the afternoon. There were present:

Catharine Coolidge Lastavica

Berent Friele

Henry Geyelin

Eugene Gonzalez

Robert C. Helander

Terry Holcombe

Charles Muller

Crocker Nevin

Katherine Ockenden

Daniel Sharp

Frederick Seeley

Roger Stone

Peter Trinkle

being a quorum. Also present were staff members Jeffrey Ashe, Associate Director; William Burrus, Executive Director; Sarah Burns, Associate Director; and Jose Benito Cabello Zul, Program Manager in Mexico. Present by invitation were Mr. James Finucane, Appropriate Technology International;

Mr. Stephen Gooch, Business International; Ms. Nancy Truitt, FMME; Ms. Mary Beth Salerno, American Express Foundation; and Mr. David Garza Laguera. Mr. Robert Helander, President of the Corporation, called the meeting to order.

I. Approval of the Minutes

The Board of Directors unanimously approved the minutes of the last meeting of the Board of Directors held on June 4, 1980.

II. President's Report

Following introductions of those present, Mr. Helander reported that there had been an Executive Committee meeting since the last full meeting of the Board of Directors. He stated that at that meeting operational progress of the Corporation was reviewed and that the transition of the executive directorship from John Hammock to William Burrus had proceeded very smoothly. Mr. Helander further commented that the financial state of the Corporation had also been reviewed with a \$20,000.00 to \$25,000.00 deficit reported as probable for 1980. He emphasized that this deficit, the first in the last seven years of operation, was due entirely to unusually heavy expenses related to various personnel changes.

Mr. Helander indicated that Elba Pisano had been let go and asked that the members of the board give a special welcome to her replacement Sarah Burns de Ortega. He further reported that members of the Executive Committee and other board members at large have met informally on several occasions and have worked diligently to prepare for the dinner in honor of David Rockefeller. He then asked for a motion to approve the actions taken by the Executive Committee. Such a motion was put forth, seconded, and unanimously approved.

III. Financial Report and 1981 Budget

The treasurer, Ms. Kitty Ockenden, reported that through the third quarter of operations, total income amounted to \$ 777,198.00 with expenditures at \$ 803,913.00 leaving a deficit of \$ 26,715.00 for the period. She also asked those present to note that the accounts payable and receivable reported on the financial statements were within the normal range for that period. Finally she noted that the accumulated fund balance was \$ 97,288.00. Following several questions of clarification, Mr. Burrus presented a summary of the 1981 budget for the Corporation which projects \$ 1,068,548.00 of income against \$ 1,064,247.00 of expenses leaving an excess of income over expenses of \$ 4,301.00. After discussion of the projected budget there was a motion for approval; this motion was seconded and unanimously approved by the Board of Directors.

IV. Operational Report

Mr. Burrus stated that he would focus his comments on Colombia, the Dominican Republic and Maine, but briefly mentioned that work in Costa Rica, Guatemala and Brazil was proceeding on schedule. He did note that an AITEC staff member in Costa Rica, Alvaro Hernández, had recently suffered a heart attack and expressed confidence that within a relatively short period Mr. Hernandez would be able to return to his previous duties.

Mr. Burrus reported that a microbusiness seminar had been organized in September in Colombia with the purpose of focusing attention on the Corporation's microbusiness program being carried out with the Carvajal Foundation. He reported that 20 senior level officials from seven different countries attended and feedback from the seminar itself was extremely positive to the point that several groups both within Colombia and in

other Countries are anxious to begin similar efforts.

Mr. Burrus further explained that AITEC has taken the decision to expand the model to other Colombian cities, and specifically mentioned possibilities in Medellin with the Fabricato Foundation which has recently approved \$ 100,000.00 for such an effort, in Manizales, Bucaramanga, and Bogota itself. He mentioned that the Inter American Development Bank, which has helped finance the Cali program, is anxious to provide assistance to these programs and is willing to cover some of AITEC's costs.

Regarding events related to the Dominican Republic, Mr. Burrus reported that the Dominican Development Foundation had contracted AITEC for \$ 32,000.00 to undertake a feasibility study of a program for microenterprises in that country. The study, which began in March, was completed at the end of October with total of 5,457 enterprises detected in Santa Domingo and 3,459 in six secondary cities. Of these, 322 businesses were surveyed and the results of this study clearly demonstrate the need for such a program. On this basis the Dominican Development Foundation has formally decided to undertake such an effort and is now actively seeking funding from both public and private sources. It is expected that the program will get fully underway by March.

Mr. Burrus commented that in Maine funding was finally secured in the amount of \$220,000.00 from the Private Industry Council (PIC) which functions as a private sector watchdog to assist in determining the use of public sector funds. Gerry Dodd, AITEC's representative in Maine, now has a staff of six people and the primary focus of the program is training workshops for rural microentrepreneurs. To date a total of 12 workshops servicing 77 businesses have been carried out. Mr. Burrus then asked Mr.

Ashe to comment on the recent all day seminar held in Waterville, Maine. Mr. Ashe reported that at that seminar 55 businesses and four banks were represented as well as the press, and that the event had been an overwhelming success. Members of the board were asked to refer to press articles included in their packets of information.

Finally, Mr. Burrus reported that the PISCES contract Phase II is now well under way and that a book published by AITEC and written by Jeff Ashe has recently come out which summarizes the major findings of Phase I. Copies of the book were shared with those present.

V. Special Report: Status of the Monterrey, Mexico Program

Don David Garza Laglera, President of the ADMIC Program in Monterrey Mexico, made a few introductory comments regarding the program followed by a 13 minute audio-visual presentation of the antecedents of the program, its current status, and plans for 1981. Following the visual presentation Mr. Garza Laglera and Mr. Cabello answered specific questions regarding the financial status of the program as well as current results.

VI. Dinner in Honor of David Rockefeller

Mr. Helander reminded board members of the dinner in honor of David Rockefeller to be held that night at the Center for Inter American Relations. He pointed out that a list of attendees was included in the packet of information and asked all board members to remember that one of the reasons for sponsoring the dinner was to create a solid basis for future private sector fund raising for the Corporation.

There being no further business to discuss, the meeting of the Board of Directors was adjourned.

A handwritten signature in black ink, appearing to read "William W. Burrus". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping tail.

William W. Burrus
Designated Secretary

AGENDA

ACCION International Executive Committee Meeting
May 6, 1981

- A. International Advisory Council
- B. Businessweek Ad
- C. Capital Fundraising Campaign
- D. Corporate Campaign
- E. Report on Brazil

de Melo

*Oton Hotel chain, primary interests in NE.
in Rio*

April 21, 1981

Mr. Berent Friele
Room 5600
30 Rockefeller Plaza
New York, NY 10020

Dear Berent:

In addition to our telephone conversation following up on my visit to Brazil, I would like to write down for you some of my impressions of the current situation in Brazil and the concrete results which came out of the trip.

First, regarding AITEC/Brazil, my sole objective was to help the local Board come to a definitive decision regarding the organization's future. We all agree that AITEC/Brazil should either close down completely or should take the necessary steps to become again an active dynamic organization. We of course cannot dictate to the local Board what they should do but can help push along the decision-making process. Prior to the Board meeting I met at length with several Board members including Ary Burger, Erling Lorentzen, Juan Llerena, Roberto Portella, Vitorio Cabral, and William Sweet. Without exception, all of these individuals expressed the desire to revitalize AITEC and while a number of solutions and ideas were presented for doing so, it quickly became clear that three important steps needed to be taken if AITEC, in fact, is to flourish:

- 1) A new president needs to be elected. Burger had previously announced his desire after three years to leave the presidency. Prior to the Board meeting, Burger and Portella had approached Mr. Lorentzen about assuming the presidency and at the meeting itself his name was unanimously agreed upon. Mr. Lorentzen did not accept at that point but requested time to think the matter over. Portella was elected Vice President and as of April 1st has assumed responsibility for the organization.
- 2) A new Executive Director must be hired and trained as quickly as possible. As of March 31st, Dóro Paes Leme has left AITEC. At the Board meeting a committee consisting of Roberto Portella, Jose Schreiber, Pedro Paes Leme and Mauricio Camurca was formed and charged with the responsibility of finding a new Executive Director. I agreed to also help in the review of

Mr. Berent Friele
April 21, 1981
Page Two

curriculum of those candidates selected and to assist in the orientation and training of the persons selected.

- 3) A program of activities for the future must be defined. The exact emphasis of AITEC in the future will, of course, depend in part on the desires and experience of the new Executive Director. However, at the meeting and in private all the members of the Board agreed that there was still plenty of fertile ground to be covered in the area of micro-business development. Several other possible roles which AITEC could play were briefly discussed at the Board meeting. Llerena has suggested that as its first activity, AITEC prepare a summary of its experience and knowledge gained in working with the micro-business sector. He promised that if such a summary were prepared that he, as president of the Commercial Industry Association, would publish the summary and would distribute it to all of the individual associations. It was also suggested that AITEC could provide direct technical assistance to the associations and other private agencies in Brazil in how to stimulate the micro-business sector.

If in the near future these three items fall into place, then I believe AITEC/Brazil has an excellent chance of continuing to be a dynamic, innovative risk-taking organization representing the best of the private sector in Brazil. If for whatever reason one of these steps is not accomplished then I think the organization is in serious trouble. Of particular importance, of course, is the acceptance of Mr. Lorentzen as president. All the members of the Board have apparently promised to call Mr. Lorentzen directly and encourage him to accept the presidency. As I suggested to you on the telephone, I have written a letter for Bob Helander's signature (a copy of which is attached) also encouraging Mr. Lorentzen to assume a leadership role and stating that he would receive ACCION's support in doing so.

The second major purpose of my visit was to establish more direct communication with the ACAO Comunitario program in Rio. As I mentioned to you on the phone, I first met with Ambassador Barbosa da Silva, Vasco Secco, and Jose Baltar in the Ambassador's office. This was a very pleasant meeting and the Ambassador was most generous with his time. The following day Vasco Secco invited me to his house for dinner where I spent a very pleasant evening with him and his wife. I also spent the better part of a day with Baltar and other representatives from ACAO visiting the Favelas and viewing

Mr. Berent Friele
April 21, 1981
Page Three

first hand the various projects of ACAO. I was most impressed with the stability and soundness of their program. I think it is remarkable that many of the same people that were instrumental in the founding of ACAO are still actively involved in the organization both at the Board and staff level. This has provided a sense of continuity and stability within the organization which has had a very positive affect in the Favelas themselves. On the other hand, I was also left with the impression that the program needs some new ideas and a new perspective on the problems which the Favelas are confronting. I found Vasco Secco and Baltar to be very open to new inputs and anxious to explore a wider collaboration with ACCION International. They were, of course, quite concerned about the future of AITEC/Brazil and I believe continue to see AITEC/Brazil as potentially competitive with them, particularly in the areas of fundraising. At the same time I BELIEVE A compatible relationship between the two organizations can be worked out, particularly if Mr. Lorentzen assumes the presidency of AITEC. Finally, regarding the Board meeting itself, Mr. Long requested that his name not be considered again and Jose Schreiber was elected to the Board in his place.

I also met at length with Paulo Ayres who expressed the same concerns that very little communication had taken place in the recent past between the two ACAO programs and ACCION International. He will also be in the States in September and I PROMISED that a luncheon if not an official Executive Committee meeting will be arranged around his schedule.

Finally, Berent, I want to sincerely thank you for your invaluable assistance in paving the way for my trip. You are held in such high esteem by all of those with whom I had contact that I found all doors completely open for me. I hope we can get together soon in New York to discuss in person my trip and subsequent developments related to Brazil!

Very best regards,

William W. Burrus
Executive Director

WWE/sa

Enclosure.

Standard contributors who have not made annual contribution for 1980:

PepsiCo (Jacqui Millan is Assistant to Don Kendall for contributions;
Peter Warren is VP for Latin America)

American Can (Bill Woodside, formerly Bill May, Judd Alexander)

Continental Can: (former contact was with C.E. Cunningham, now retired,
replaced by Dennis Winger in Contributions; S. Bruce
Smart is President)

Standard contributors whose annual gift not made for 1981:

Chase Manhattan Bank (Lynn Pollack, VP; request for \$20,000; ACCION
now needs greater weight with Contributions Comm.)

*next
Hampton* Jim Biedford John Meda
Arthur Young: This request usually arrives in 1st quarter, original con-
tact was with Wm. J. McNamara; others are Thomas D. Flynn
and Thomas McDermott

Royal Bank of Canada: Original contact was with R. J. Moores, retired,
who was Secretary; others are Rowland Frazee,
Chairman and CEO

Recently contacted companies who have no giving history with ACCION,
but who have been solicited for 1981 contributions:

AMOCO Foundation: John Swearingen, CEO; Richard Morris, President;
Bob Argenbright, VP of the Foundation

AVON Foundation: David W. Mitchell, Chairman and CEO

Bankers Trust: Original contact was with Peter Grossman, Sr. VP;
Jens Jebsen attended dinner and request was made

First National Bank of Chicago: Bill McDonough was original contact;
visit made recently and request sent from James Green

Check Dean Gordon!
Irving Trust Foundation: Gordon T. Wallis, Chairman, Carlos Menendez, VP
~~for Latin America~~ was visited

International Harvester: Archie McArdell is contact of James Green;
Ed Quinn, Director of Foundation was visited

Motorola, Inc. Joe Blatchford knows Bob Galvin, CEO and Chairman, but
request was made directly to Noe Kenig, Latin America VP

Companies needing greater contacts from Board Members for 1981:

Sears, Roebuck & Co.: Russell Huff, Director of Public Relations;
Edward Telling, Chairman

Quaker Oats: Robert D. Stuart, Chairman and CEO; John Debaleck, Director
of the Foundation

Esmark Foundation: Robert Palenchar, VP and Director of Foundation
(no history with ACCION giving)

Searle: Consumer Group Product, Skokie; Sam Huff, PR Director is recent
contact, but request denied in 1981; O.B. Parrish, President

Westvaco: Mr. David L. Luke, III; President, Lincoln Burns, VP
(no contribution in 1980 without explanation)

Total Corporate Contributions for 1980:1981

Alcoa	5,000	---
D.H. & S	1,000	1,000
Borden	500	750
Continental Can	2,000	--
IFF	2,000	2,000
Goodyear	2,000	2,500
Kaiser	1,000	1,000
Owens Illinois	5,000	5,000
Shell	2,500	2,500
J. Henry Shroder	1,250	--
SIFCO	600	800
NCR	1,500	1,500
Huber	800	---
Arthur Young	3,000	---
St. Joe Minerals	4,000	5,000
ARCO	5,000	6,000
Searle	2,500	---
Otis Elevator	1,000	---
General Motors	1,500	---
Royal Bank of Canada	3,500	---
Johnson & Johnson	500	---
Eaton Corp.	1,000	2,000
Philip Morris	2,500	---
American Express	2,500	---
Heinz Family Trust	2,500	---
Xerox	25,000	---
US Steel	2,500	---
Grace	1,500	2,000
Caterpillar	9,000	---
Chase Manhattan	3,000	---
General Mills	1,500	1,000
Kellogg	1,000	---
..C. Baker	1,000	----

<u>Company</u>	<u>1980</u>	<u>1981</u>
Exxon	\$10,000	
Asarco	\$1,500	
Texas Commerce Bank	\$ 500	
Arthur Andersen	\$1,000	
Lummus	\$1,000	
Shell	\$2,500	
Owens- Illinois	\$5,000	
Allis Chalmers	\$00	
<hr/>		
TOTAL	\$116,950	\$33,050

Handwritten:
 116,950
 1800
 34,350

Companies contributing as of April 30, 1980

Alcoa	\$5,000
Deloitte, Haskins & Sells	\$1,000
Borden, Inc.	500
Continental Can	\$2,000
IFF	\$2,000
Goodyear	\$2,000
Kaiser Engineers	\$1,000
Owens Illinois	\$5,000
Shell <i>John McClean-Scallop</i>	\$2,500
	<i>Don Samuels</i>
J. Henry Shroder	\$1,250
SIFCO	\$ 600
NCR	\$1,500
Huber	\$ 800
Arthur Young	\$3,000
St. Joe Minerals	\$4,000
ARCO	\$5,000
Searle	\$2,500
Otis Elevator	\$1,000
General Motors	\$1,500
Royal Bank of Canada	\$3,500
<i>John Avery Jr</i> Johnson & Johnson <i>Helander</i>	\$ 500
<i>Vice</i> Eaton <i>knows him</i>	\$1,000
<i>Chairman</i> Philip Morris <i>he is a good guy</i>	\$2,500
	<hr/>
	\$49,650

*Asst
Napier Collins*

*John Avery Jr
Vice
Chairman*

*Helander
knows him
he is a good
guy*

Mercedes Berry (Berent Grossmann)

2) Helander to Bob Bockman

left a "zero" off the contribution

ACCION: we're working where you're working

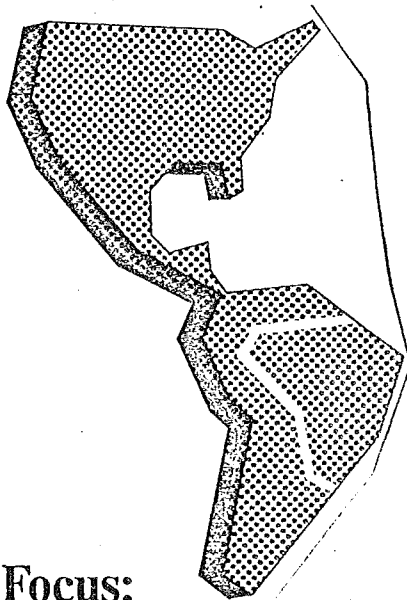
For over twenty years ACCION has been working in the key development areas of income and employment generation throughout the Americas.

With low-cost, innovative and effective programs, ACCION is working by:

- providing credit and management assistance to thousands of micro-businesses: shoemakers, bakers, artisans and hawkers, in Brazil, Colombia, the Dominican Republic, Mexico and the United States
- providing marketing services, organizational and management assistance to small farmers in the Dominican Republic, Guatemala and Costa Rica

Working in close partnership with concerned businessmen, banks and local institutions, with programs promoting local initiative, resourcefulness and entrepreneurship,

accion
is working! |



Focus: BRAZIL

ACCION's experience in the promotion of micro-businesses has produced impressive results:

- Over \$3 million dollars in loans extended, each averaging \$1,028
- A cumulative loss ratio on loans of under 2%
- One job created for every \$965 of credit extended
- Over 3,000 new jobs created
- 4,251 micro-entrepreneurs assisted through management training

ACCION is working through the generous support of the following corporations:

ALCOA Foundation • Allis-Chalmers Foundation, Inc. • American Can Company Foundation • American Express Foundation • Arthur Andersen & Co. • Arthur Young & Co. • ASARCO Foundation • ARCO Foundation • R.C. Baker Foundation • Borden Incorporated, International • Burroughs Corp. • Caterpillar Tractor Co. • Celanese Fibers International Company • The Chase Manhattan Bank, N.A. • CIANBRO Corp. • Container Corporation of America • Continental Can International Corp. • John Deere Foundation • Deloitte, Haskins and Sells • Eaton Corporation • EXXON Corporation • General Mills Foundation • General Motors Corp. • Goodyear Tire and Rubber Company • Grace Foundation, Incorporated • H.J. Heinz II Charitable and Family Trust • J.M. Huber Corp. • IBM World Trade Americas • International Flavors & Fragrances Foundation, Inc. • Johnson and Johnson, International • Kaiser Engineers, Inc. • Kellogg Co. • The C.E. Lummus Co. • Monsanto Fund • National Cash Register Corporation • Otis Elevator Corp. • Owens-Illinois International • PepsiCo Foundation • Philip Morris International • Price Waterhouse and Company • The Royal Bank of Canada • J. Henry Schroder Banking Corporation • G.D. Searle and Company • Shell Companies Foundation • The Singer Company Foundation • SIFCO Industries International • St. Joe Minerals Corporation • Texas Commerce Bank • United States Steel Foundation • Westvaco • Xerox Corporation

accion International/aitec is a private, non-profit organization supported by corporations, individuals, foundations and public agencies. All contributions are tax deductible. For more information or to make a contribution, please write to: accion International/aitec, 10 C Mt. Auburn Street, Cambridge, Mass. 02138 (617) 492-4930.

INTERNATIONAL ADVISORY COUNCIL
ACCION INTERNATIONAL

PURPOSE

Serve as an advisory body to the Board of Directors of Acci3n International in all aspects of the corporation's development work in the Americas.

FUNCTION

1. Assist in the ongoing review of the long and short-term goals, general policies, and program priorities of the corporation.
2. Advise and participate in the exploration and expansion of new programs and related activities.
3. Promote the general interests of the corporation with members of the private sector, government and international organizations, and foundations.
4. Assist in fundraising and public relations efforts in the U.S. and in those countries of operation.

STRUCTURE

1. The Council would be created as a standing committee by the Board of Directors as provided in Article XV, "Other Committees" of the By-laws.
2. It would be composed of no more than fifteen members elected by the Board for one year terms. Members could stand for reelection.
3. Members would be encouraged to attend Executive Committee and Board meetings and would receive copies of all minutes and other relevant information on the corporation.

4. The names of the members would appear on Acción International stationery.
5. On occasion joint meetings of the Advisory Council and Board of Directors may be organized.

MEMBERS

The following names have been proposed for the Council:

1. Paulo Ayres Filho
2. Edmundo Penna Barbosa da Silva
3. John Beck
4. Roberto de Oliveira Campos
5. Jaime Carvajal
6. David Garza Laguera
7. Hans Neumann
8. Jacob Javitts
9. Donald Kendall
10. Valerie McComie

Other candidates suggested:

Armando Arauz (Costa Rica)

Bolivar Baez (Dominican Republic)

or

Jimmy Pastoriza (Dominican Republic)

- 1) Sharpen up focus on what they should do.
- 2) State purpose of ad. What is the bottom line. What are we trying to accomplish.
 - should state what we want to do.
 - should make a more direct pitch for funds
- 3- Harry Gelejin will help us with those.

April 22, 1981

Dear Board Member:

A meeting of the Board of Directors of Acción International will be held on Thursday, June 25, 1981 at the Center for Interamerican Relations, 680 Park Ave, New York City, at 12:30 o'clock in the afternoon, for the purpose of transacting any and all business that may properly come before said meeting.

Please notify Mr. William W. Burrus, the Executive Director, whether or not you will be present by completing the lower portion of this notice and forwarding it to 10-C Mt. Auburn Street, Cambridge, Mass. 02138

Dana W. Hiscock
Assistant Secretary

I will be present

I will not be present

signature

A luncheon will be served.

MINUTES
OF A MEETING
OF THE BOARD OF DIRECTORS
OF ACCION INTERNATIONAL

MAR 11, 1981

A meeting of the Executive Committee of ACCION International was held at 680 Park Avenue in the borough of Manhattan on the 11th day of March, 1981 at 12:30 o'clock in the afternoon. There were present:

Dr. Catherine Coolidge Lastavica
Mr. Robert C. Helander
Mr. Charles Muller
Ms. Katherine Ockenden
Mr. Peter B. Trinkle

being a quorum. Also present were Mr. Terry M. Holcombe, Director, Ms. Sarah Burns De Ortega, Associate Director, and Mr. William W. Burrus, Executive Director. The agenda was as follows:

I. President's Report

Mr. Helander began by stating that the main focus of the meeting was to be the private sector funding campaign and requested that discussion on all other business be kept at a minimum. He then reported briefly on his recent trip to the Dominican Republic, where he met with Steven Gross, AITEC's advisor and various directors of the Dominican Development Foundation. The new program of micro-enterprise development, soon to be initiated in Santa Domingo, includes some interesting innovations and refinements of the original UNO credit model in Brazil.

Mr. Helander also related that on the second of March, he, Mr. Frederick Seeley, and Mr. Burrus lunched in New York with Eduardo Orrego, the Mayor of Lima, Peru to discuss possible avenues of collaboration.

Finally, he reported that at the staff's request he had telephoned Mr. Jean Crouzet of OPIC (Overseas Private Investment Corporation) regarding ACCION's proposal for expansion in Colombia which is currently under consideration. Mr. Crouzet reported that the proposal had been favorably reviewed and that approval would be forthcoming soon.

II. Operational Report

Mr. Burrus stated that since he had covered Mexico, Colombia and the Dominican Republic at the December 16th Board meeting he would restrict his comments to Costa Rica, Guatemala, and Brazil. He reported that he had traveled to Costa Rica and Guatemala in early January and that while the area is politically very unsettled, ACCION's programs are only peripherally being affected. In Costa Rica the original pilot project of integrated rural development in Hojancha is continuing with the local farmer association rapidly reaching administrative and financial self-sufficiency. On this basis ACCION expects to complete its work there by June 1981. The larger integrated rural development program of the Carazo Administration, which ACCION is advising, is suffering from a lack of economic support on the part of various government institutions and this in turn has affected its operational efficiency at the field level. During Mr. Burrus' visit he was reassured by several government Ministers that the program would receive more support, particularly from the Ministry of Agriculture and that in spite of difficult local economic conditions it is still a priority of the present government. Mr. Burrus also reported that grants of \$18,000 from PACT and \$7,500 from the Public Welfare Foundation had been approved for the Corporation's work in Costa Rica.

The Guatemalan program of rural municipal enterprise development is nearing the end of its second stage and an extension of nine months is cur-

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rently under consideration. Mr. Burrus stated that because of local conditions the program has not progressed as quickly or efficiently as ACCION had hoped. A possible extension of the program would be based on ACCION's judgement of political conditions in some of the areas affected by unrest as well as by the host institution's commitment to carry on the program beyond the extension period.

Mr. Burrus commented that he is planning a trip to Brazil during the first week of April and had been in constant contact with Mr. Berent Friele in preparation for that trip. A discussion followed on what the proper relationship should be between the Acao Comunitaria program, the UNO programs, AITEC/Brazil and ACCION International. Mr. Burrus commented that the specific purpose of his trip was to help redefine the relationships with a number of key board directors and that he would be reporting on the results of his trip at the next Board meeting.

Mr. Burrus further commented that after having met with most of the members of the Board individually and after having been Executive Director for several months he was convinced the Corporation had reached a cross-roads in terms of its own development. He pointed out that parallels can be drawn between the political, social and economic climate of Latin America now and twenty years ago when the Corporation was founded. While there has been relatively little interest in the United States about Latin America during the past five or six years this situation has dramatically changed within the last year. The press, the public, and donor institutions are beginning to take a serious look at the area once again. At the same time, both domestically and internationally, experts are searching for ways in which the poor and disadvantaged can be assisted through more pragmatic, self-help type efforts which rely less on welfare mentality and more on local self-initiative. ACCION's focus has

has increasingly become the generation of income and employment opportunities both through its micro-business programs as well as its small farm development efforts. Both types of programs encourage local self-initiative and the recognition they have received is clear evidence of their timeliness. Mr. Burrus stated that he felt the timing was right for a measured, planned but ambitious expansion of the Corporation's activities in three general areas:

- A. Expansion geographically which would in Latin America, focus on certain key countries such as Jamaica, and other Caribbean countries, the Dominican Republic, Colombia, Ecuador, Peru and Honduras. In the U.S. other possible programs will be examined once the Maine program is consolidated.
- B. An expansion in programmatic terms which would specifically mean further refinements of the micro-business model and the small farm development model. These refinements would include reaching even smaller entrepreneurs, making our efforts more efficient and less costly, and perhaps focusing more on women entrepreneurs as well.
- C. An expansion of the advocacy role which the Corporation in the past has not played very effectively but which should become increasingly important. It is important to affect both public and private policy makers in terms of their understanding of the informal sectors of the economy. ACCION must be more vocal in demonstrating effective ways in which the low-income community can be assisted.

Finally, Mr. Burrus reiterated his position that such an expansion should be financed by private sector funds and suggested that the Board begin considering a capital fundraising drive. Mr. Holcombe echoed this conviction and stated that if the Corporation put together an organized, well-

thought-out fund-raising campaign it would be possible over the next three years to raise substantial amounts of private sector monies for such an expansion. Some discussion followed these remarks and staff members were requested to prepare more materials on what would be involved in this type of campaign.

III. Board of Directors

Mr. Helander reminded those present that the annual election of Board members would take place at the next full Board meeting in early June and recommended that the Executive Committee consider several potential new Board members. He reminded those present that David Garza Laguera had agreed to serve as a Director and would be formally elected in June. It was also suggested that Mr. Ralph Pfeiffer, Chairman of the IBM World Trade Americas/Far East Corporation, be approached and Mr. Muller agreed to speak to Mr. Pfeiffer in the near future. In considering the names of Speaker of the House, Thomas P. O'Neill and Assistant Secretary General, Mr. Valery McComie, it was suggested that such candidates, because of their positions, probably could not accept a direct membership on the Board. The idea of forming an international advisory council was then raised which would have two objectives: 1) to enable ACCION to broaden its base of support without increasing its Board membership as such, 2) to enable the Corporation to approach individuals who, because of possible conflict of interest situations, could not serve on the Board but would serve in an advisory capacity. Mr. Helander recommended that no action be taken on the candidacies of Mr. McComie and Speaker O'Neill and asked that the staff prepare some additional information on the possibilities of creating an advisory council.

IV. Private Funding Campaign

Ms. Burns briefly reported on staff follow-up to the Rockefeller dinner. She stated that a number of people had been visited and that the dinner had obviously caused a positive impact among those in attendance. She reported that a bulletin had been sent to all those invited to the dinner, photos of the dinner had been sent to certain key individuals including David Rockefeller himself, and that the staff was currently in the process of preparing a new brochure as well as a twentieth anniversary annual report. It was also announced that one of the first concrete positive results from the dinner was an offer from Mr. Denis Beran, publishing editor of Business Week International, to run a full page ad for ACCION, three or four times a year. Ms. Burns stated that the Corporation had contracted with a local ad company to help prepare the ad and she displayed several rough examples of the concepts being worked on. Following discussion and suggestions from those present concerning themes to be stressed as well as types of designs, Mr. Helander requested that the staff give top priority to the ad so that it would appear as quickly as possible.

Because of the abundance of work which needs to be done before the full Board meeting in June, Mr. Helander suggested that a follow-up Executive Committee meeting be scheduled for some time in late April or early May. Mr. Burrus agreed to set a date and advise all Board members. With no further business to discuss the President adjourned the meeting.



William W. Burrus
Executive Director
ACCION International
Designated Secretary

AGENDA

ACCION INTERNATIONAL/AITEC
EXECUTIVE COMMITTEE MEETING

March 11, 1981

1. President's Report
2. Operational Report
3. Board of Directors
4. Private Funding Campaign
 - Follow up to Rockefeller Dinner
 - 1981-84 outlook

ACCION INTERNATIONAL/AITEC
EXECUTIVE COMMITTEE MEETING
March 11, 1981

President's Report

1. Main focus for today's meeting will be an analysis of the Board and our private sector funding campaign. We want to keep all other business at a minimum.
2. Robert Helander's trip to the Dominican Republic.
3. Lunch with Eduardo Orrego, Mayor of Lima with William Burrus, Fred Seeley and Ann Sloane also attending.



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Honorary Director:

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AGENDA

ACCION INTERNATIONAL/AITEC
EXECUTIVE COMMITTEE MEETING

March 11, 1981

1. President's Report
2. Operational Report
3. Board of Directors
4. Private Funding Campaign
 - Follow up to Rockefeller Dinner
 - 1981-84 outlook



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