

PROJECT STATUS REPORT

01/01/2020 - 06/30/2020

SECTION 1: PROJECT SUMMARY

Operation number: GY-T1131

Suboperation number: ATN/ES-15871-GY

Project Name: Promoting a Cluster Approach for Agricultural Diversification in Guyana

Purpose: The purpose of the project is to facilitate the integration of contract farms in

Country admin

GUYANA

Country beneficiary:

GUYANA

Group:

D

SubGroup:

Executing Agency: Institute of Private Enterprise Development

Team Leader: VASHTIED

Project cycle:

Report Date: 2020 - 07 - 01

Approval Date: 2016 - 11 - 10

Signature Date: 2017 - 10 - 23

First disbursement date: 2018 - 08 - 22

Original Execution End Date: 2020 - 10 - 23

Current Execution End Date: 2020 - 10 - 23

Original Last Disbursement Date: 2022 - 04 - 23

Last Current Disbursement date: 2022 - 04 - 23

SECTION 2: PERFORMANCE

Project's performance summary since the beginning

Supervision Team Leader comments

The project will be reformulated as a result of COVID 19 impact

Project's performance summary in the last 6 months

Supervision Team Leader comments

SECTION 3: INDICATORS AND MILESTONES

C1 : Reimbursable financing for contract farms **Weight** 25% **Qualification** ~not selected~

Indicators	Baseline	Planned	Achieved	Status
I1 Value of gross portfolio of the project (in USD)	0	1000000 (2021 - 11 - 23)	0 (2020 - 04 - 06)	In progress
I2 Value of gross portfolio of IPED	11300000	18000000 (2020 - 11 - 23)	0 (2020 - 04 - 06)	In progress
I3 Maximum of portfolio at risk 30 days (PAR30) of the project	0	5 (2021 - 11 - 23)	0 (2020 - 04 - 06)	In progress
I4 Number of active clients of the project	0	20 (2021 - 11 - 23)	0 (2020 - 04 - 06)	In progress

C2 : Development of financial products for contract SME farmers which are tailored to **Weight** 15% **Qualification** ~not selected~

Indicators	Baseline	Planned	Achieved	Status
I1 Number of financial products designed/adapted to benefit contract farmers linked to CADP	0	1 (2018 - 11 - 23)	0 (2020 - 04 - 06)	Delayed
I2 Number of IPED operational staff trained in new financial products and to improve loan administration	0	60 (2019 - 11 - 23)	0 (2020 - 04 - 06)	Delayed

C3 : Strengthening IPED's performance **Weight** 36% **Qualification** ~not selected~

Indicators	Baseline	Planned	Achieved	Status
I1 Number of microfinance ratings completed for IPED	0	3 (2020 - 11 - 23)	0 (2020 - 04 - 06)	In progress
I2 Exchange field visits performed to gain knowledge on best practices	0	2 (2019 - 11 - 23)	0 (2020 - 04 - 06)	Delayed
I3 AML/CFT policies & procedures implemented	0	1 (2019 - 04 - 23)	0 (2020 - 04 - 06)	Delayed

C4 : Exploring new technologies to better serve IPED's clients **Weight** 24% **Qualification** ~not selected~

Indicators		Baseline	Planned	Achieved	Status
II	Mobile business services study	0	1 (2020 - 03 - 23)	0 (2020 - 04 - 06)	Delayed
Milestones		Planned Value	Achieved Value	Due Date	Achieved Date
Conditions Prior		9	9	2018 - 09 - 30	2019 - 10 - 15
					Achieved

CRITICAL FACTS THAT HAVE AFFECTED PROJECT'S PERFORMANCE

Borrower/executing agency commitments

Executing agency institutional capacity

Others, Which?

COVID 19 impact

SECTION 4: RISKS

	Impact Area	Severity	Prob.	Date	Responsible	Mitigation action
CAP/CADP and IPED do not agree with the terms and conditions of the financial pr	Strengthening IPED's performance	(3) Medium	Very Low 20%	2020 - 02 - 14	Project Coordinator	The two agencies will be required to sign a Memorandum of Understanding and to approve the Credit Regulations for the project activities and to submit both documents as conditions prior for the disbursements of the components of the project. Moreover, in the past IPED had conducted a due diligence for CADP and knows the company's activities.
Contract farmers may not be able to repay loans to IPED	Reimbursable financing for contract farms	(4) High	Low 40%	2020 - 02 - 14	Project Coordinator	Contract farmers approved for financing will be carefully screened by both CADP and IPED to determine their capacity to produce and repay the loan. The credit program will be designed to reduce risk through a three-way arrangement where when farmer delivers the harvest, part of the proceeds are automatically deducted by CADP as payment of the loan. There will be careful monitoring of technical assistance by CADP to help farmers meet their production targets.
Crop disease or climate event may affect yields or damage infrastructure of cont	Final Outcome	(5) Very High	Very Low 20%	2020 - 02 - 14	Project Coordinator	the drip irrigation technology required for production minimizes the impact of climate events and controls diseases by delivering nutrients and fertilizers to the root of the plant. CAP's own farms have already proved the efficacy of the technology and will provide technical expertise onsite, thus shortening the contract farm's learning curve.
Decline in market price of produce supplied by contract farmers may affect expec	Final Outcome	(4) High	Low 40%	2020 - 02 - 14	Project Coordinator	CADP's produce mix was selected to include crops with an unsatisfied global demand. To further mitigate this risk, CADP has secured long term contracts with its existing buyers. CADP will proactively look to diversify its customer base as well as product mix based on market opportunities.
Experts/consultants do not have the sufficient knowledge for new technologies	Exploring new technologies to better serve IPED's clients	(3) Medium	Very Low 20%	2020 - 02 - 14	Project Coordinator	MIF can assist IPED in sourcing technical experts from the region
Farmers cleared by CADP are unable to access the capital required for investment	Intermediary Outcome	(3) Medium	Very Low 20%	2020 - 02 - 14	Project Coordinator	Contract farmers approved for financing will be carefully screened by both CADP and IPED to determine their capacity to produce and repay the loan. The credit program will be designed to reduce risk through a three-way arrangement where when farmer delivers the harvest, part of the proceeds are automatically deducted by CADP as payment of the loan. There will be careful monitoring of technical assistance by CADP to help farmers meet their production targets.
Farmers do not adhere to operational protocols and good agricultural practices r	Intermediary Outcome	(3) Medium	Low 40%	2020 - 02 - 14	Project Coordinator	CADP has done preliminary outreach to identify farmers interested in the contract farmer program and has prepared a long list of potential beneficiaries. The project will work to identify additional farmers and to screen applicants so that entrepreneurial farmers who understand the model and are committed to farming as a business are selected.
Not enough demand from farmers to participate in the project	Reimbursable financing for contract farms	(3) Medium	Very Low 20%	2020 - 02 - 14	Project Coordinator	CADP has done preliminary outreach to identify farmers interested in the contract farmer program and has prepared a long list of potential beneficiaries. The project will work to identify additional farmers and to screen applicants so that entrepreneurial farmers who understand the model and are committed to farming as a business are selected.
Not enough qualified candidates for contract farming opportunities	Reimbursable financing for contract farms	(4) High	Very Low 20%	2020 - 02 - 14	Project Coordinator	CADP has done preliminary outreach to identify farmers interested in the contract farmer program and has prepared a long list of potential beneficiaries. The project will work to identify additional farmers and to screen applicants so that entrepreneurial farmers who understand the model and are committed to farming as a business are selected.

TOTAL RISKS QUANTITY: 9 IN EFFECT RISKS: 9 NOT IN EFFECT RISKS: 0 MITIGATED RISKS: 0

SECTION 5: SUSTAINABILITY

Indicate likelihood of project sustainability after project completion:

LP

Justification

In its current form the program will not be sustained - a reformulation is underway based on consultations with the Executing Agency

ASPECTS THAT PUT THE PROJECT SUSTAINABILITY AT RISK

Factor	Comments
3. A market is not generated for the project's services and/or activities (low payment capacity or low demand for those services)	COVID 19 impact requires a reformulation of the project

Actions related to sustainability which have been implemented in the project:

SECTION 6: PRACTICAL LESSONS

[There were no lessons learned reported during this period]