

PROJECT STATUS REPORT

JANUARY 2011 - JUNE 2011

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Improving remittance services and promoting investments in Haiti

Project Number: HA-M1020 - Operation Number: ATN/ME-11795-HA

Purpose: Faciliter les transferts de fonds de la diaspora haïtienne vers les zones rurales d'Haiti en utilisant la technologie des cartes de crédit/débit.

Country Administrator
HAITI

Beneficiary Country
HAITI

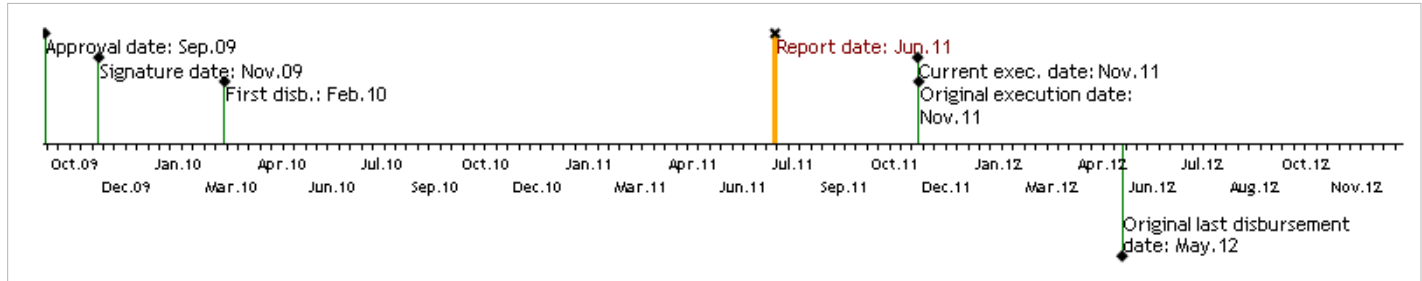
Group
SME - Small and Medium Enterprise
Development

Subgroup
REMS - Remittances

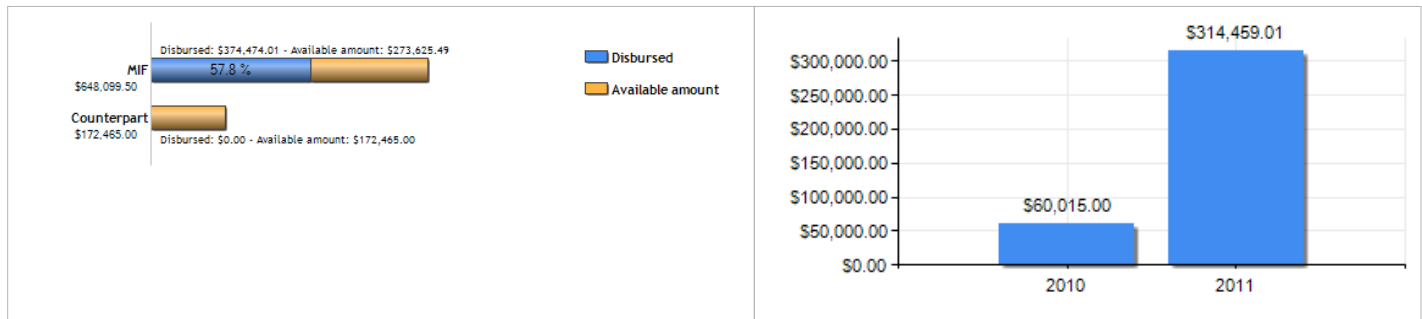
Executing Agency: Fundación FONKOZE

Design Team Leader: Fils-Aimé, Jempsy
Supervision Team Leader: Fils-Aimé, Jempsy

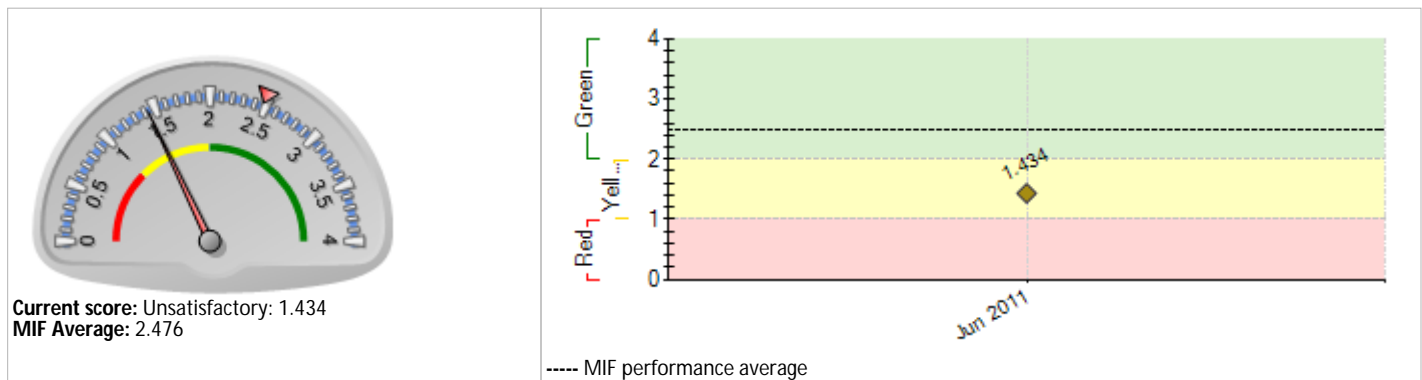
TIMELINE



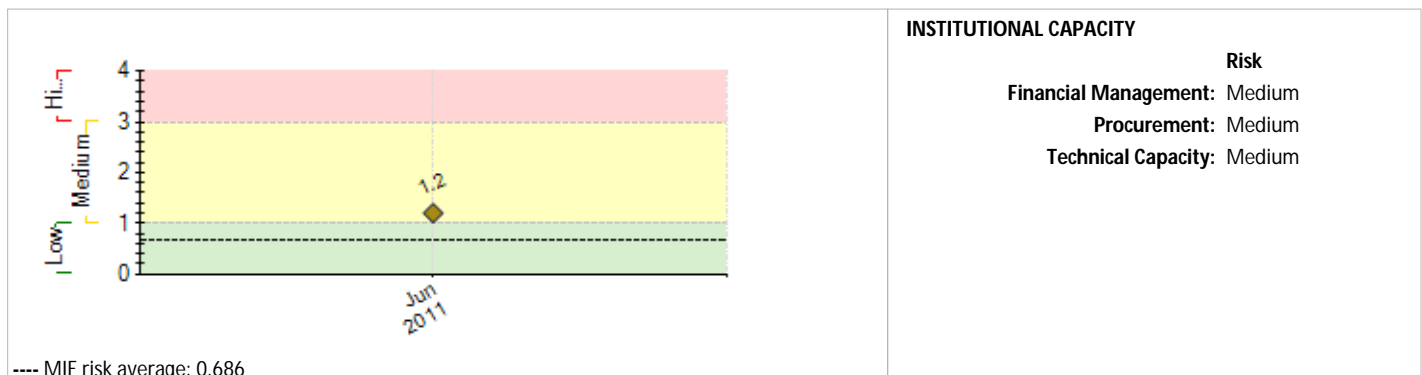
FUNDS



PERFORMANCE SCORE



EXTERNAL RISKS



INSTITUTIONAL CAPACITY

Risk
Financial Management: Medium
Procurement: Medium
Technical Capacity: Medium

SECTION 2: PERFORMANCE

Summary of project performance since inception

Media and marketing plans were completed. Appearances in radio show and diaspora TV were done mainly in Florida and NY. We have a low number of cardholders due to new regulation targeting employers. This milestone will have to be revisited. Number of diaspora investment account is increasing. A series of 4 focus groups and 6 employers' surveys were done in Miami to define a new strategy during the last semester. Another series of focus groups and employers' surveys will be done in NY in September 2011 to determine the best way to tackle this market and increase the number of cardholders. Training for recipients on Starting a Business will be done during the next semester. The TOR for a consultant was circulated to 5 firms; 2 have indicated interest but will need support to determine the regions of intervention and to design the brochures. We will submit a proposal for the work plan and request a cost proposal from the 2 firms in order to make the final selection. 3 business analysts from Zafen were hired to identify businesses that could benefit from loans and business support. Many presentations and conferences were made throughout the Diaspora in the USA. Zafen attracted \$288,819 in loans, 77 businesses and 26 organizations, 43 business development vouchers and created 124 verified jobs. Overall the project execution will need an extension to achieve the objectives of the project related to the card, the training of receivers and Fonkoze institutional strengthening.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Summary of project performance in the last six months

For the institutional strengthening of Fonkoze the original plan has changed. We are most likely going to use the funds to hire a consultant to develop a business plan for spinning off our SME portfolio into a commercial SME bank. More information will be forthcoming shortly for approval. For this semester we have a series of 4 focus groups and 6 employers' surveys completed in Miami to define a new strategy. Another series of focus groups and employer's survey will be done in NY in the 09/11 to determine the best way to tackle this market and increase the number of cardholders. We called many employers without success. Employers approached were not interested in the product. The market research will assist us to determine how we can sell the idea of the card to employers. We also searched for consultants to do the remittance recipient training of Starting a Business. Consultants are struggling to identify the regions and will also need support for the brochure design. 2 consultant firms are interested to work with us; we will follow up in 09/11. Training of the call center scheduled for the fall to improve remittance support services and Zafen support. Marketing consultant was hired to help define a marketing plan for Zafen. The plan is to increase the number of online contributors using social media strategy. In the next 6 months we will be deploying that marketing strategy through the diaspora. A Google Grant was obtained that will help to increase our web presence.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

SECTION 3: INDICATORS AND MILESTONES

Indicators		Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
Purpose: Faciliter les transferts de fonds de la diaspora haïtienne vers les zones rurales d'Haïti en utilisant la technologie des cartes de crédit/débit.	P.11 Les personnes qui seront titulaires d'une carte.	0				5000 Nov 2010	300 Apr 2011	
	P.12 Des nouveaux comptes d'investissement Fonkoze auront été ouverts.	0				2000 Nov 2010	1 Sep 2011	
	P.13 Le montant total des dépôts des transferts aura augmenté.	0				30 Nov 2010	0	
Component 1: Renforcement institutionnel Weight: 11% Classification: Unsatisfactory	C1.11 La création du Comité consultatif.	0				1 Nov 2010		Delayed
	C1.12 L'élaboration d'un ASM et d'un plan d'action en vue de sa mise en œuvre	0				1 Nov 2010		Delayed
Component 2: Campagne d'éducation dans les médias Weight: 38% Classification: Satisfactory	C2.11 Le lancement de la campagne d'éducation dans les médias.	0				1 Nov 2010	1 Jun 2010	Finished
	C2.12 Une évaluation du marché et la préparation d'une stratégie de marketing.	0				1 Nov 2010	1 Jun 2010	Finished
	C2.13 La préparation et le lancement de campagnes locales d'éducation touchant les clients par le biais de manifestations, de publicités et d'ateliers.	0				1 Nov 2010	1 Jun 2010	On Course
	C2.14 L'établissement d'un centre de soutien du produit, en langue créole.	0				1 Nov 2010	1 Nov 2010	On Course
Component 3: Promotion auprès de la communauté et de l'employeur Weight: 25% Classification: Satisfactory	C3.11 L'identification des HTA et d'autres circuits de distribution possibles, tels que de nouvelles HTA, les collectivités haïtiennes, etc.	0				1 Nov 2010		Finished
	C3.12 L'élaboration de matériel standard de formation, de présentation et d'éducation et la formation ultérieure des dirigeants de HTA et des autres circuits de distribution.	0				1 Nov 2010	1 Nov 2010	Delayed
	C3.13 L'évaluation et le versement de rémunérations aux HTA (par les contributions de contrepartie locale).	0				1 Nov 2010		Delayed
Component 4: Liens entre les transferts de fonds et le développement des microentreprises et diffusion des	C4.11 L'analyse de la base de données originales afin de mettre en place un système de suivi en collectant, entre autres, des données sur la manière dont les bénéficiaires des transferts	0				1	1	Finished

enseignements des expériences	les utilisent.					Nov 2010	Feb 2010	
Weight: 26%	C4.12 Une analyse des besoins et des opportunités de formation aux affaires et d'éducation financière pour les bénéficiaires des transferts.	0				1		Delayed
Classification: Unsatisfactory	C4.13 La préparation de matériels pédagogiques sur le développement des microentreprises.	0				Nov 2010		
	C4.14 Formation et assistance technique sur le développement des microentreprises à l'intention des bénéficiaires des transferts.	0				1	0	Delayed
	C4.15 La préparation d'un rapport sur les résultats du projets qui sera publié.	0				Nov 2010		Delayed
	C4.16 L'organisation d'un atelier de clôture sur la durabilité des activités du projet, destiné à faire connaître ses résultats.	0				1		Delayed
	C4.17 Le financement pour participer dans des réunions/séminaires/ateliers etc., organisées par le MIF sur les enseignements des expériences.	0				Nov 2010		Delayed

Milestones	Planned	Due Date	Achieved	Date achieved	Status
M0 [*] Previous Conditions	8	May 2010	8	Jun 2010	Achieved late
M1 Rapport de ligne de base est complet	1	May 2010	1	Feb 2011	Achieved late
M2 Systeme du mecanisme de supervision alterne (ASM)	1	May 2010			Not Achieved
M3 Strategie de media disponible	1	May 2010	1	Jun 2010	Achieved late
M4 Le numéro total des nouveaux comptes d'investissement ouvert	400	Nov 2010	67	Jun 2011	Not Achieved
M5 Augmentation des comptes d'investissement en %	10	Nov 2010	1	Nov 2010	Not Achieved
M6 [*] Le numéro des titulaires obtenu	1500	Feb 2011			Not Achieved
M7 Le numéro des titulaires obtenu	4000	May 2011	300	May 2011	Not Achieved
M8 Le numéro total des nouveaux comptes d'investissement ouvert	1000	May 2011			Not Achieved
M9 Augmentation des comptes d'investissement en %	15	May 2011	1	May 2011	Not Achieved
M10 Le numéro des nouvelles microentreprises créées par les bénéficiaires des microentreprises	100	May 2011	0	Jun 2011	Not Achieved
M11 Le numéro des titulaires obtenu	5000	Nov 2011			
M12 Le numéro total des nouveaux comptes d'investissement ouvert	2000	Nov 2011			
M13 Augmentation des comptes d'investissement en %	20	Nov 2011			
M14 Le numéro des nouvelles microentreprises créées par les bénéficiaires des microentreprises	200	Nov 2011			

[*] Indicate that the milestone has been reformulated

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

[X] Borrower/executing agency commitments

SECTION 4: RISKS**MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE**

	Level	Mitigation action	Responsible
1. Quelques bénéficiaires ne fournissent d'information sur leurs transfert du fonds mais voudraient recevoir de la formation sur comment utiliser ses fonds pour investir dans les micro-entreprises.	Medium	Les risques seraient minimisés par une augmentation de la connaissance afin d'utiliser les fonds pour investir dans les micro-entreprises pendant l'implémentation du projet.	Project Coordinator
2. Les clients n'adoptent les nouveaux services par le projet. Le produit est un nouveau service qui n'est pas utilisé par ces marches a ce moment.	Medium	L'éducation et les programmes promotionnels sont désigne pour mitige ce risque.	Project Coordinator

PROJECT RISK LEVEL: Medium **TOTAL NUMBER OF RISKS:** 3 **IN EFFECT RISKS:** 2 **NOT IN EFFECT RISKS:** 1 **MITIGATED RISKS:** 0**SECTION 5: SUSTAINABILITY****Likelihood of project sustainability after project completion:** LP - Low Probability**CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY**

Issue	Comments
[X] Lack of commitment from the executing agency to continue or expand the project's services and/or activities	Report sent very late. Component 3 activities have been delayed.
[X] A market is not generated for the project's services and/or activities (low payment capacity or low demand for those services)	The market is not favorable to the Card.

Actions related to sustainability which will be or have been implemented:

For the prepaid Card:

We have start a serie of Focus groups (5) and Employers surveys (5) to better understand the market limitations under the new regulations of the bank. The new target are employers of Haitians in the USA and not the Haitian customers. We need to assess a new marketing strategy targeting only the employers.

For Zafen:

We will have an operational meeting with Zafen founding members. We are looking in to corporate sponsorship and setting up an investment funds to support SMEs. We are also working with our Marketing Consultant to increase traffic on the website. Digital strategy is going well we are have more then 2000 users on Facebook. New website design is on its way for next semester, this should help to increase our conversion rate and contributions. A new business plan for Zafen will be done also during the next semester to define how we will reach sustainability.

Overall the project is doing well but we will need an extension to complete all the components. Sustainability workshop is planned for the fall after we receive the results of the second part of the Focus group.

SECTION 6: PRACTICAL LESSONS

[No Lessons learned records to Display]