

PROJECT STATUS REPORT

JULY 2012 - DECEMBER 2012

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

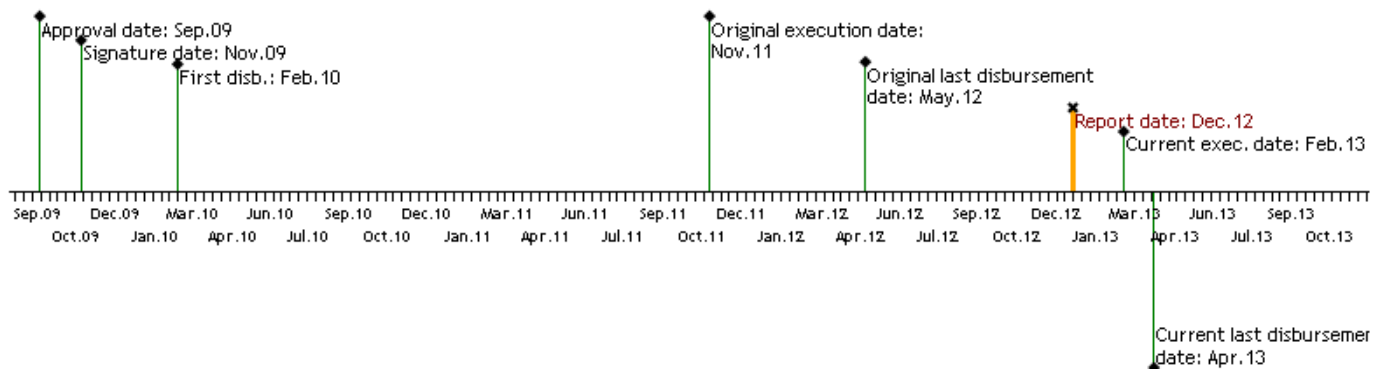
Group
SME - Small and Medium Enterprise
Development

Subgroup
REMS - Remittances

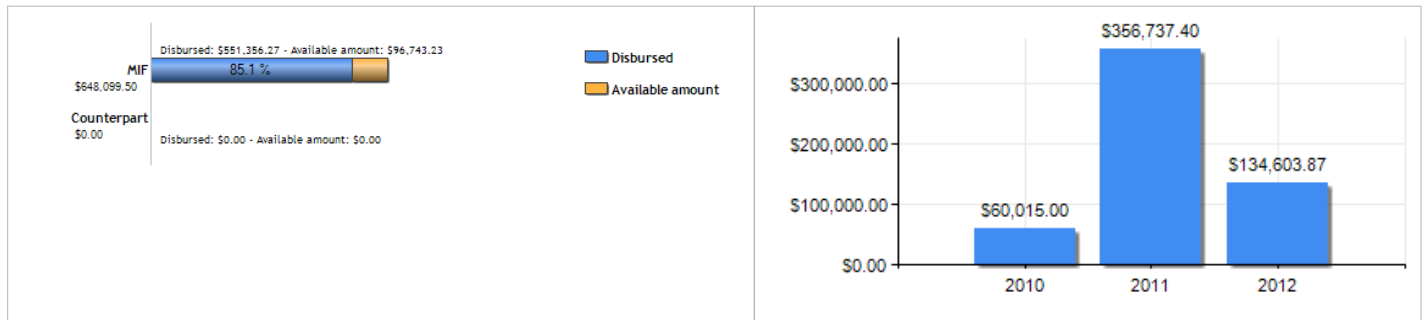
Executing Agency: Fundación FONKOZE

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

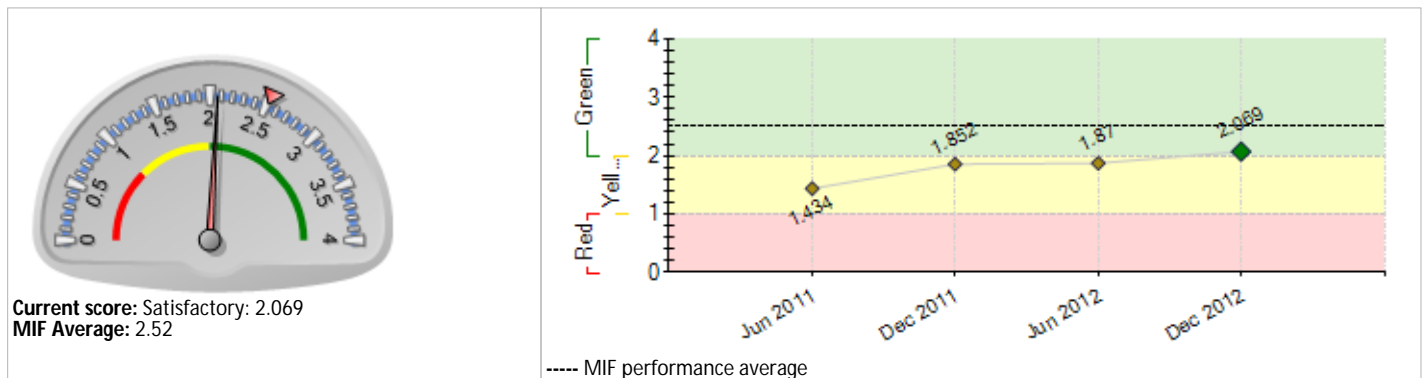
TIMELINE



FUNDS



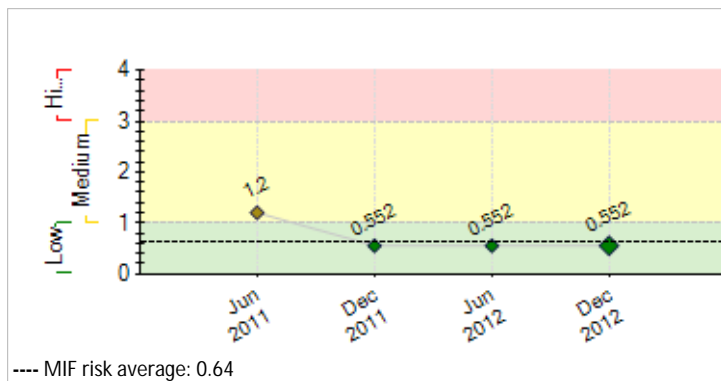
PERFORMANCE SCORE



EXTERNAL RISKS

INSTITUTIONAL CAPACITY

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



SECTION 2: PERFORMANCE

Summary of project performance since inception

Overall the project execution as been completed: training of receivers and Fonkoze institutional strengthening are in the last phase. We are now in the evaluation and dissemination phase. Appearances in radio show and diaspora TV were done mainly in Florida, NY and Boston. We have a low number of cardholder due to new regulation targeting employers. This milestone has been revised to 600. A series of 8 focus groups and 6 employers surveys were done in Miami and NY to define a new strategy during the last two semesters. Training for recipients was completed and 232 people were trained, the program design is working well and raised interest in the Diaspora and the Media. Zafen is following its quest to sustainability and received fund from various foundations to operate for another 2 year but not enough funding to support operation in the North and cover admin cost. New fees will be introduced soon and an alliance with Kiva is in negotiation. Optimization and sustainability of Zafen operation in Haiti is the most important challenge we are facing at this time. Website redesign and video are done should improve conversion rate. Zafen production of profile is lower by 100 profiles due cost reduction but we remain confident that we will meet expectation on the last semester.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The project is in its closure phase. Missing activities are: A documentary video, the final evaluation and the final audit. While some expected results will not be achieved like the number of cardholder's foreseen in the project documents, and the institutional strengthening outcomes is still unclear, the project will achieve significant results in term of capacity building of remittance recipients by training them on business development and by financing start up micro-entrepreneurs through the ZAFEN platform.

Summary of project performance in the last six months

For the Institutional strengthening of Fonkoze was done by IPC consulting firm to work on the business plan to spin off the SME portfolio into a commercial SME bank. For the training of recipient Croissance Group (Kesner Pharel) did 10 groups and trained 232 people. We also added a module presenting businesses that can be replicated, practical cases or opportunity of sales representation (Enerji Pwop, Ti-Pilon Rebo, Tchocho mobile etc). Program is called "Transfert pour faire des Affaires" "Remittance for Business". A team of 3 staffers are following up with the trainees to insure support for the one who would like to start a business. Conversation to business is not easy not everybody is an entrepreneur. For the last semester we are making additional follow up with Enerji Pwop revendors and hope to meet our target. A video has been done by Reginald Chevalier to be showcases in the branches. Finally we have identified the video equipment we would like to purchase for the 10 branches and 10 video and DVD players were imported. With the increase of crime in rural area Fonkoze is now holding some equipment until they are sure it is safe for the branch. The IT director and operation director are making the analysis and will make recommendation how to proceed. Zafen is short of one BA and had to let go 2 BAs for about 2 months due to lack of funding.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The project is in its closure phase. Missing activities are: a documentary video, the final evaluation and the final audit.

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 haitienne vers les zones rurales d'Haiti en utilisant la technologie des cartes de crédit/débit.	P.11 Nombre de titulaire de la carte	0				600 Nov 2010	600 Jan 2012	
	P.12 Des nouveaux comptes d'investissement Fonkoze auront été ouverts.	0				2000 Nov 2010	2000 Dec 2012	
	P.13 Le montant total des dépôts des transferts aura augmenté.	0				30 Nov 2010	115 Jun 2012	
Component 1: Renforcement institutionnel Weight: 10% Classification: Unsatisfactory	C1.11 Un appel à proposition est lancé	0				1 May 2012	1 May 2012	Finished
	C1.12 Rapport de la firme de consultation sur la situation de Fonkoze	0				1 Sep 2012	1 Dec 2012	Finished
	C1.13 Lettre concernant la décision prise par Fonkoze sur sa transformation	0				1 Nov 2012	1 Dec 2012	Delayed
Component 2: Campagne d'éducation dans les médias	C2.11 Campagne d'éducation dans les médias exécutée à New York et Miami	0				2 Feb 2011	2 Feb 2011	Finished

Weight: 15%
Classification: Satisfactory

Component 3: Promotion auprès de la communauté et de l'employeur

Weight: 15%

Classification: Satisfactory

C3.I1	Nombre de titulaires de cartes	0				600	600	Finished
						Nov 2012	Dec 2011	

Component 4: Liens entre les transferts de fonds et le développement des microentreprises et diffusion des enseignements des expériences

Weight: 20%

Classification: Satisfactory

C4.I1	Baseline	0				1	1	Finished
						Feb 2011	Jan 2011	
C4.I2	Video de sensibilisation et d'information	0				1	0.5	On Course
						Sep 2012	Jun 2012	
C4.I3	Nombre de bénéficiaire de transferts ayant créé ou renforcé une micro-entreprise	0				200	232	Finished
						Nov 2012	Dec 2012	
C4.I4	Video sur le modèle Transferts pour entreprises	0				1	0	Delayed
						Jun 2012	Jun 2012	

Component 5: Promotion de l'aide de la Diaspora aux MPME en Haïti à travers des dons et des prêts sans intérêt

Weight: 40%

Classification: High Satisfactory

C5.I1	A la fin de la première année de l'amendement du projet, au moins 50 projets sont financés par ZAFEN	0				50	87	Finished
						Jun 2011	Dec 2011	
C5.I2	A la fin de la première année de l'amendement du projet, au moins US\$150,000 ont été accordés à titre de crédit sans intérêt	0				150000	431919	Finished
						Nov 2012	Dec 2011	
C5.I3	A la fin du projet au moins 192 projets sont financés par ZAFEN	0				192	87	On Course
						Nov 2012	Dec 2011	
C5.I4	A la fin du projet au moins US\$ 1000,000 ont été accordés à titre de crédit sans intérêt	0				1000000	431919	On Course
						Nov 2012	Dec 2011	
C5.I5	A la fin du projet au moins 384 nouveaux emplois ont été créés par ZAFEN	0				384	258	On Course
						Nov 2012	Apr 2012	

Milestones	Planned	Due Date	Achieved	Date achieved	Status
M0 [*] Previous Conditions	8	May 2010	8	Jun 2010	Achieved late
M1 [*] La stratégie de marketing disponible et validée par le conseil d'administration de Fonkoze	1	Nov 2010	1	Jun 2010	Achieved
M2 [*] Nombre cumulé de projets intégrés sur le site Web de ZAFEN	25	Nov 2010	234	Apr 2012	Achieved late
M3 [*] Montant cumulé approuvé en USD par ZAFEN (don, et prêts)	75000	Nov 2010	608849	Apr 2012	Achieved late
M4 [*] Nombre cumulé d'emplois durables créés par les entreprises soutenus par le projet	50	Nov 2010	351	Apr 2012	Achieved late
M6 [*] Rapport de l'étude de base	1	May 2011	1	Jan 2011	Achieved
M7 [*] Nombre cumulé de projets intégrés sur le site Web de ZAFEN	50	May 2011	234	Apr 2012	Achieved late
M8 [*] Montant cumulé financé en USD par ZAFEN (don, et prêts)	100000	May 2011	608849	Apr 2012	Achieved late
M9 Nombre cumulé d'emplois durables créés par les entreprises soutenus par le projet (temps plein)	100	May 2011	258	Apr 2012	Achieved late
M10 [*] Une augmentation du volume total des fonds transmis par le biais de dépôts aux comptes d'investissement de Fonkoze	10	Nov 2011	115	Jun 2012	Achieved late
M11 [*] Nombre total de compte d'investissement ouvert	400	Nov 2011	268900	Nov 2011	Achieved
M12 [*] Nombre total de titulaires de cartes acquises	500	Nov 2011	600	Jan 2012	Achieved late
M13 [*] Nombre cumulé de projets intégrés sur le site Web de ZAFEN	150	Nov 2011	234	Apr 2012	Achieved late
M14 Montant cumulé financé en USD par ZAFEN (don, et prêts)	200000	Nov 2011	608849	Apr 2012	Achieved late
M15 Nombre cumulé d'emplois durables créés par les entreprises soutenus par le projet (temps plein)	200	Nov 2011	258	Apr 2012	Achieved late
M17 Nombre cumulé de projets intégrés sur le site Web de ZAFEN	300	May 2012	250	May 2012	Not Achieved
M18 Montant cumulé financé en USD par ZAFEN (don, et prêts)	400000	May 2012	1035350	Jun 2012	Achieved late
M19 Nombre total de titulaires de cartes acquises	600	May 2012	600	May 2012	Achieved late
M20 Nombre total de compte d'investissement ouvert	1000	May 2012	324	May 2012	Not Achieved
M21 Une augmentation du volume total des fonds transmis par le biais de dépôts aux comptes d'investissement de Fonkoze.	15	May 2012	115	May 2012	Achieved
M22 Nombre cumulé d'emplois durables créés par les entreprises soutenus par le projet (temps plein)	250	May 2012	258	Jun 2012	Achieved late
M24 Nombre cumulé de projets intégrés sur le site Web de ZAFEN	500	Nov 2012	403	Nov 2012	Not Achieved
M25 Montant cumulé financé en USD par ZAFEN (don, et prêts)	600000	Nov 2012	712339	Nov 2012	Achieved
M26 Nombre total de compte d'investissement ouvert	2000	Nov 2012	2000	Nov 2012	Achieved
M27 Une augmentation du volume total des fonds transmis par le biais de dépôts aux comptes d'investissement de Fonkoze.	20	Nov 2012	32	Nov 2012	Achieved
M29 [*] Nombre cumulé de nouvelles micro entreprises créées par les bénéficiaires des transferts.	200	Feb 2013	115	Dec 2012	
M30 [*] Nombre cumulé de nouvelles micro entreprises créées par les bénéficiaires des transferts	100	Jun 2013	0	Dec 2012	

[*] Indicate that the milestone has been reformulated

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

[None reported in this period]

SECTION 4: RISKS

MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE

	Level	Mitigation action	Responsible
1. Difficultés majeures avec le site web qui font que Zafen perd la confiance des utilisateurs.	Medium	Nous travaillons avec la firme de TI "Solutions" pour adresser les problèmes et nous essayons de communiquer de façon régulière avec les usagers touchés.	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 marchés à ce moment.	Low	L'éducation et les programmes promotionnels sont désignés pour mitiger ce risque.	Project Coordinator
3. Quelques bénéficiaires ne fournissent	Low	Les risques seraient minimisés par une augmentation de la	Project Coordinator

d'information sur leurs transfert du fonds mais voudraient recevoir de la formation sur comment utiliser ses fonds pour investir dans les micro-entreprises.

connaissance afin d'utiliser les fonds pour investir dans les micro-entreprises pendant l'implémentation du projet.

PROJECT RISK LEVEL: Low **TOTAL NUMBER OF RISKS:** 4 **IN EFFECT RISKS:** 3 **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 a sustainability plan or its inadequate implementation	There is no sustainability plan
[X] Sufficient funds to continue the activities	There is no sufficient funds to continue with some important activities like ZAFEN

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

We have received funding from Kellogg and GBS foundations that will help support the core team of Zafen, the south and Central Plateau. We also are redefining the role and responsibility of the Strategic Advisory board and a meeting is expected to be held in April. Negotiation with Kiva is dragging due to the fact that we need to be able to charge a user fee and that Fonkoze don't want to have the Zafen loans in their books. We are confident that the Kiva agreement will go through and bring new lenders that we are not able to reach. During the period we also did a business plan for Zafen, in a nutshell we need to have \$4M in loans to be able to cover with the revenue of interest the operational cost.

For the program Remittance for business we need to invest in more follow and one-on-one mentoring to see significant results and conversion. Working with HHTAs and church groups could be a avenue to explore going forward.

SECTION 6: PRACTICAL LESSONS

[No lessons learned added yet.]