

# PROJECT STATUS REPORT

JANUARY 2017 - JUNE 2017

## SECTION 1: PROJECT SUMMARY

**PROJECT NAME:** Scaling the Delivery of Clean Energy in Haiti through Agent Sales

Project Number: HA-M1052 - Project Num.: ATN/ME-14939-HA

**Purpose:** The project results will include improved business skills and access to supplier consignment financing on the street agents' side, as well as new or improved access to basic energy services on the end consumer side.

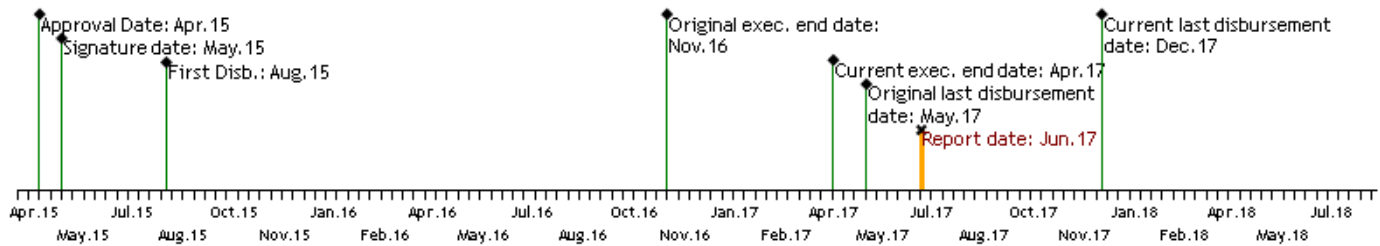
**Country Admin**  
UNITED STATES

**Country Beneficiary**  
HAITI

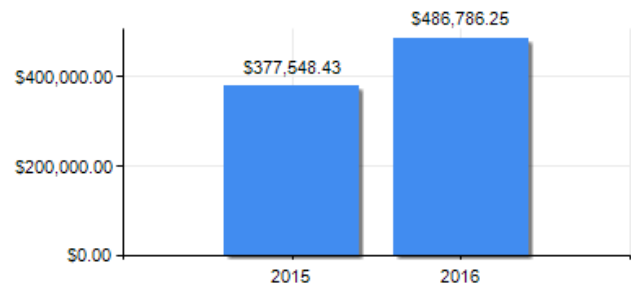
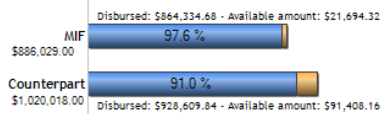
**Executing Agency:** Arc Finance Ltd

**Design Team Leader:** GREGORY WATSON  
**Supervision Team Leader:** GREGORY WATSON

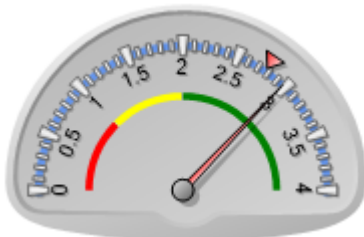
### PROJECT CYCLE



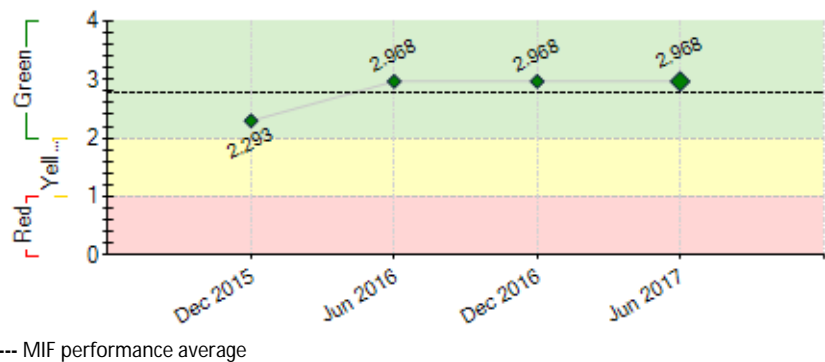
### FUNDS



### PERFORMANCE SCORE



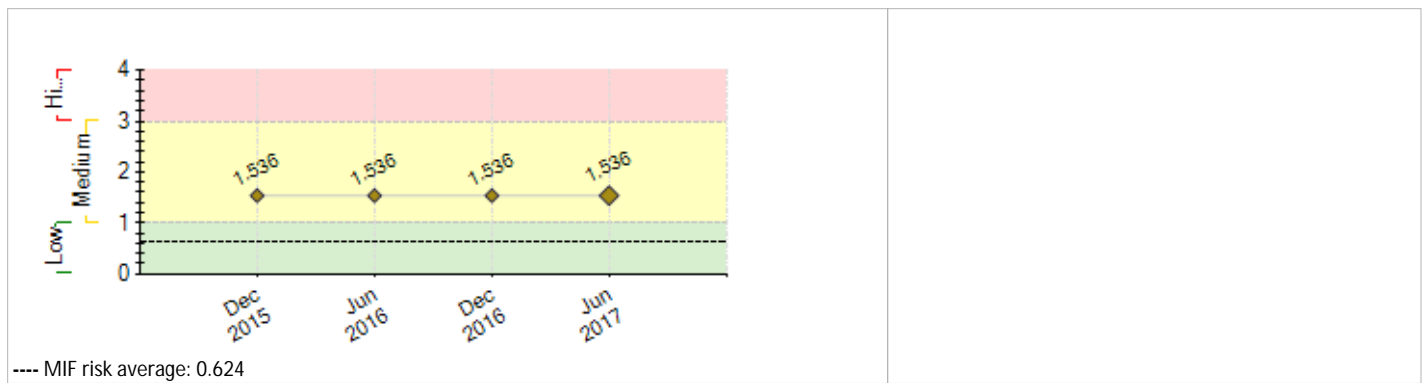
**Current score:** Satisfactory: 2.968  
**MIF Average:** 2.774



### EXTERNAL RISKS

#### INSTITUTIONAL CAPACITY

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



## SECTION 2: PERFORMANCE

### Summary of project performance since inception

Results to date:

**C1.** Implemented business model; provided 91,000 ouseholds with access to clean energy

**C2.** 883 street agents have access to supplier consignment financing; 1,052 agents & staff received training on improved business skills; Sogexpress IT systems adapted; *Klere Aiyti* (diaspora sales platform) launched

**C3.** Reached 6,685,502 remittance recipients and 6,526,889 remittance senders via awareness campaign in Haiti and diaspora

**C4.** Defined baseline: selected indicators; deployed monitoring tools; configured software/hardware; trained 153 staff on M&E

**C5.** Produced 4 blogs and 1 infographic; sent media kit to 49 media outlets; promoted project at 29 fora; conducted 2 annual satisfaction surveys; conducted final workshop with 59 participants; developed sustainability plan

Project encountered difficulties: 1.Currency devaluation affected product prices and margins; 2.Agent repayment issues affected sales and agent enrollment; 3.Solar IT system required updates

Risk level medium. Key risks are: 1. Currency fluctuation & political instability; 2. Complaints about product battery (Sogexpress switched to lithium batteries for EKOTEK products to mitigate)

High likelihood of achieving objectives: Sogexpress committed substantial human resources & cash to ensure new line of business is growing & sustainable

Executing Agency will focus on: reinforcement of agents' consignment policy and reporting systems, improvements to recovery & fraud management processes

#### Comments from the Supervision Team Leader

Agree with the Executing Agency comments

### Summary of project performance in the last six months

The main achievements of the semester were:

**C1.** Conducted Market research with street agents in Haiti

**C3.** Implemented campaign in Haiti & diaspora

**C4.** Provided ongoing staff training and data collection

**C5.** Produced draft case study and final report: updated infographic: disseminated media kit to 48 additional media outlets; promoted project at 9 more fora; conducted final workshop; developed sustainability plan

Main obstacles faced this semester: Continuing deterioration of economic situation & currency fluctuation creating a challenging business environment in Haiti. Program faced some issues with agent repayment as well as some fraud that affected sales.

In the next 6 months, the Executing Agency will focus on: 1. Reinforcing the consignment model with improvements to recovery & fraud management processes; 2. Enrolling more agents 3. Tracking and analysis of agent data on an ongoing basis; 4. Integrating *Klere Ayiti* platform into Sogexpress diaspora platform; 5. Publication of project final report

#### 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
<b>Goal:</b> The project impact for direct and indirect beneficiaries will include increased street agents' sales growth, as well as reduction in both, energy costs and GHG emissions.	I.1 Average of households' percent reduction in annual energy costs	0	5		5	46	
		May 2016			Nov 2017	Dec 2016	
	I.2 Number of households with reduced annual energy costs	24000	36000	53000	75000	91000	
		May 2016	Nov 2016	May 2017	Nov 2017	Jun 2017	
	I.3 Tons of CO2 in GHG emissions reduced or saved	0			1	13773	
					Nov 2017	Jun 2017	
	I.4 Average street agents' (micro businesses') annual sales growth	0	3		5	36	
			May 2017		Nov 2017	Jun 2017	
	I.5 Number of street agents (micro businesses) with an average annual sales growth rate of 10% or more (disaggregated by sex and location)	0	30		100	111	
			May 2017		Nov 2017	Jun 2017	
<b>Purpose:</b> The project results will include improved business skills and access to supplier consignment financing on the street agents' side, as well as new or improved access to basic energy services on the end consumer side.	R.1 Number of people who access supplier consignment financing (disaggregated by sex and location)	0	300		1000	883	
			May 2017		Nov 2017	Jun 2017	
	R.2 Number of households with access to clean energy solutions	24000	36000	53000	75000	91000	
		May 2016	Nov 2016	May 2017	Nov 2017	Jun 2017	
	R.3 Number of people trained in improved business skills (disaggregated by sex and location)	0	300		1000	1066	
			May 2017		Nov 2017	Jun 2017	
<b>Component 1:</b> Development of Detailed Business Model <b>Weight:</b> 16% <b>Classification:</b> High Satisfactory	C1.I1 Business model designed and included in business plan	0	1	1	1	1	Finished
			Sep 2016	Nov 2016	Mar 2017	Oct 2015	
	C1.I2 Commission / incentive structures and policies designed and included in business plan	0			1	1	Finished
					Mar 2017	Oct 2015	
<b>Component 2:</b> Implementation <b>Weight:</b> 45% <b>Classification:</b> Unsatisfactory	C2.I1 Number of street agents identified to participate in training (disaggregated by sex and location)	0	330		1100	1165	Finished
			Sep 2016		Mar 2017	Jun 2017	
	C2.I2 Number of street agents enrolled in the consignment program (disaggregated by sex and location)	0	300		1000	883	Delayed
			Sep 2016		Mar 2017	Jun 2017	
	C2.I3 Number of remittance sales transactions	0	1000		2300	109	Delayed
			Sep 2016		Mar 2017	Jun 2017	
<b>Component 3:</b> Energy Literacy Campaign <b>Weight:</b> 29% <b>Classification:</b> High Satisfactory	C3.I1 Number of remittance recipients reached through direct and indirect awareness building campaigns (disaggregated by sex and location)	0	150000		500000	6685502	Finished
			Sep 2016		Mar 2017	Jun 2017	
	C3.I2 Number of remittance senders reached through direct and indirect awareness building campaigns (disaggregated by sex and location)	0	100000		300000	6526889	Finished
			Sep 2016		Mar 2017	Jun 2017	
<b>Component 4:</b> Monitoring Systems and Evaluation <b>Weight:</b> 4% <b>Classification:</b> High Satisfactory	C4.I1 Percentage of warranty requests responded to	0	50		100	100	Finished
			Sep 2016		Mar 2017	Dec 2016	
	C4.I2 Follow up surveying conducted	0	1		1	1	Finished
			Sep 2016		Mar 2017	Oct 2015	
	C4.I3 Number of Sogexpress staff trained (disaggregated by sex and location)	0	60		100	153	Finished
			Sep 2016		Mar 2017	Dec 2016	
<b>Component 5:</b> Knowledge Management and Strategic Communication <b>Weight:</b> 6% <b>Classification:</b> High Satisfactory	C5.I1 Case study, blogs and infographic produced..Scope of case study, blogs and infographic to be based on completed analysis of target audiences, knowledge objectives and required channels. Infographic to illustrate business and distribution model, including consignment modality.	0			3	5	Finished
					Mar 2017	Dec 2016	
	C5.I2 Closing workshop conducted - number of participants	0			20	59	Finished
					Mar 2017	Feb 2017	
	C5.I3 Media outlets that receive media kit	0			25	49	Finished
					Mar 2017	Jun 2017	
	C5.I4 Number of fora where project is disseminated	0	2	2	8	29	Finished
			Nov 2015	Sep 2016	Mar 2017	Jun 2017	

Milestones	Planned	Due Date	Achieved	Date of achievement	Status
M0 Creation and roll out of agent/vendor training	1	Sep 2015	1	Sep 2015	Achieved
M1 Conditions Prior	1	Nov 2015	1	Nov 2015	Achieved

M2	Create Media kit	1	Feb 2016	1	Feb 2016	Achieved
M3	[*] Draft final report	1	Jan 2017	1	Jan 2017	Achieved
M4	[*] Final version of Final report	1	Sep 2017			
M4	[*] Final version of Final report	1	Sep 2017	1	Jun 2017	Achieved

[\*] 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. External risks: Haiti is the least developed country in the region, and as such is particularly vulnerable to potential external shocks that could affect the normal development of the project execution.	Medium	Mitigation includes close monitoring of these aspects and suitable risk management strategies.	Project Coordinator
2. Sector risks: Potential emergence of similar, competing clean and efficient energy products, and mis-perception regarding the value for money of higher-priced products.	Medium	Mitigation measures include observation of the relevant market, as well as targeted marketing activities.	Project Coordinator
3. Sustainability risks: Due to i) varying and/or suboptimal street agents' sales performance, ii) insufficient quality of the clean and efficient energy products, iii) insufficient after-sales service, iv) insufficient availability and/or suitability of financial products for higher priced products, v) insufficient quality and/or relevance of the project's business and/or distribution model, replication/scale up aspects and/or knowledge products, vi) suboptimal functionality of any of the financ	Medium	Mitigated by training, research and quality control.	Project Coordinator
4. Potential financial risks stemming from unforeseen impacts to the operational and/or financial capacity of the counterpart.	Medium	Mitigation through due diligence and risk management.	Project Coordinator
5. Reputational and/or environmental risks potentially arising from suboptimal functionality of clean energy products to be sold, resulting in health/safety issues.	Medium	Mitigated by quality control and risk management.	Project Coordinator

**PROJECT RISK LEVEL:** Medium **TOTAL NUMBER OF RISKS:** 5 **IN EFFECT RISKS:** 5 **NOT IN EFFECT RISKS:** 0 **MITIGATED RISKS:** 0

### SECTION 5: SUSTAINABILITY

**Likelihood of project sustainability after project completion:** HP - Highly Probable

#### CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY

*[None reported in this period]*

#### Actions related to sustainability which have been taken in the reporting period:

Actions taken were: 1. Market research conducted with agents to better understand needs and challenges and address them; 2. Suspend expansion of agent network to enable Sogexpress to analyze and reinforce the current system; 3. Limit choice of products to ones with lithium batteries to decrease future battery problems; 4. Refine IT report that tracks credit history and delinquency rates of street agents 5. Create passbook for agents to better track and manage consignment; 6. Separate debt collection & operations department to avoid fraud.

### SECTION 6: PRACTICAL LESSONS

	Relative to Implementation	Author
1. Set up system to allow agents to repay consignment in HTG amounts rather than in product to enable regular repayment		Akkari, Yara
2. Monitor and analyze agents activity prior to implementing consignment model to ensure system is ready – do not rush to enroll agents before systems and procedures are in place	Risk	Akkari, Yara
3. Institute a “pay day” for agents once a month to ensure systematic repayment by agents, to enable follow up, and to establish a timeframe for implementing penalties for non-payment if needed	Risk	Akkari, Yara
4. Manage repayment risk by separating consignment collections and sales into two different departments within the organization	Sustainability	Akkari, Yara