

# PROJECT STATUS REPORT (FINAL)

JULY 2017 - DECEMBER 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.

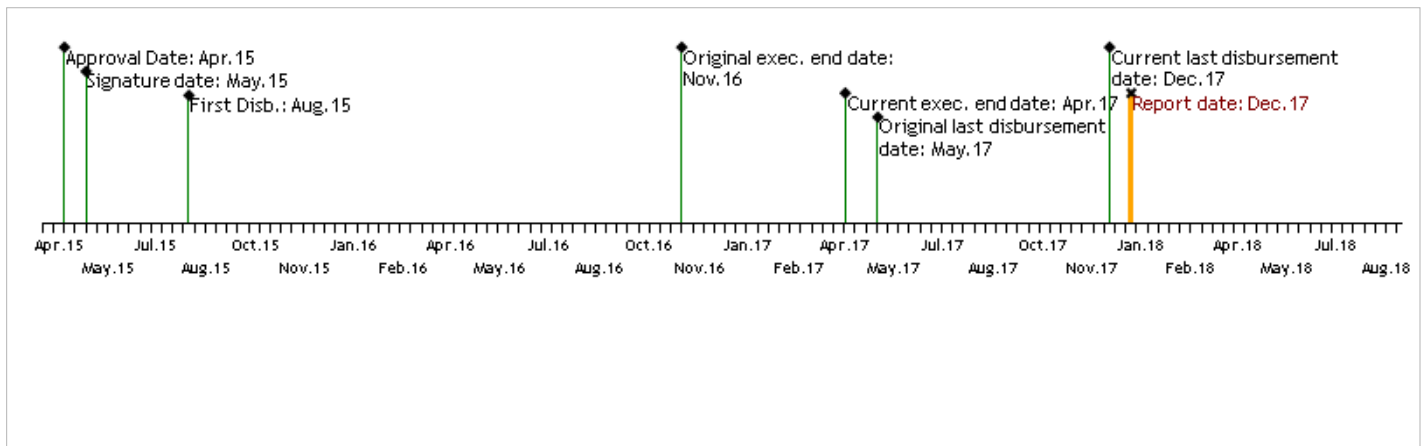
**Country Admin**  
UNITED STATES

**Country Beneficiary**  
HAITI

**Executing Agency:** Arc Finance Ltd

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

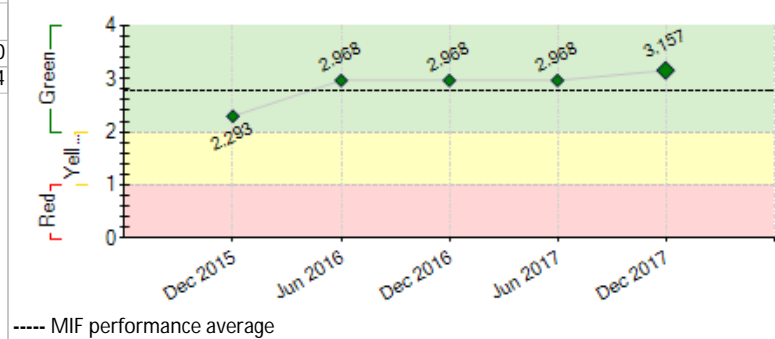
### PROJECT CYCLE



### FUNDS

	Approved	Cancelled	Disbursed
FOMIN	\$899,029.00	\$13,000.00	\$886,029.00
Counterpart	\$1,020,018.00	\$0.00	\$928,609.84

### PERFORMANCE SCORE



## SECTION 2: RESULTS AND ACHIEVEMENTS

### Performance once project is completed

Results to date:

**C1.** Implemented business model; provided 96,622 households with access to clean energy

**C2.** Implemented supplier consignment financing; 972 street agents enrolled; 1,154 agents & staff received training on improved business skills; Sogexpress IT systems adapted; *Klere Aiyti* (diaspora sales platform) launched; 13,733 tons CO2 reduced

**C3.** Developed awareness raising campaigns; 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 3 blogs, 1 infographic & 1 case study; sent media kit to 53 media outlets; promoted project at 36 fora; conducted 2 annual satisfaction surveys; conducted final workshop; developed sustainability plan; drafted final report

Project encountered difficulties: 1. Political instability, economic uncertainty & devaluation of currency affected street marketing sales; 2. Agent repayment issues affected sales and agent enrollment; 3. Sales on the klereayiti platform remained low despite efforts to increase sales channels for diaspora.

Risk level medium. Key risks are: 1. Currency fluctuation, 2. Political instability, 3. Economic uncertainty, 3. Competition.

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

Project over-achieved on indicators - was successful in establishing a new agent-based model for sales of renewable energy products in Haiti, and was instrumental in developing a new market in the country (beyond Sogexpress) for these products. Sogexpress is continuing to provide this product after project closure, and Sogebank is now providing credit to the street agents, thus creating new credit facilities for new micro-entrepreneurs in the country.

#### Final evaluation

fgs

#### Comments from the Supervision Team Leader

Partially agree with the Evaluators comments

[Final evaluation](#)

<http://mif.iadb.org/file.aspx?DOCNUM=EZSHARE-1375226046-14>

### SECTION 3: INDICATORS

Indicators		Baseline	Planned	Achieved	Percentage
<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	46	0 %
	I.2 Number of households with reduced annual energy costs	24000	75000	96622	0 %
	I.3 Tons of CO2 in GHG emissions reduced or saved	0	1	13773	0 %
	I.4 Average street agents' (micro businesses') annual sales growth	0	5	36	0 %
	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	100	111	0 %
<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	1000	972	0 %
	R.2 Number of households with access to clean energy solutions	24000	75000	96622	0 %
	R.3 Number of people trained in improved business skills (disaggregated by sex and location)	0	1000	1154	0 %
<b>Component 1:</b> Development of Detailed Business Model <b>Weight:</b> 16% <b>Classification:</b> High Satisfactory	C1.11 Business model designed and included in business plan	0	1	1	0 %
	C1.12 Commission / incentive structures and policies designed and included in business plan	0	1	1	0 %
<b>Component 2:</b> Implementation <b>Weight:</b> 45% <b>Classification:</b> Unsatisfactory	C2.11 Number of street agents identified to participate in training (disaggregated by sex and location)	0	1100	1254	0 %
	C2.12 Number of street agents enrolled in the consignment program (disaggregated by sex and location)	0	1000	972	0 %
	C2.13 Number of remittance sales transactions	0	2300	119	0 %
<b>Component 3:</b> Energy Literacy Campaign <b>Weight:</b> 29% <b>Classification:</b> High Satisfactory	C3.11 Number of remittance recipients reached through direct and indirect awareness building campaigns (disaggregated by sex and location)	0	500000	6685502	0 %
	C3.12 Number of remittance senders reached through direct and indirect awareness building campaigns (disaggregated by sex and location)	0	300000	6526889	0 %
<b>Component 4:</b> Monitoring Systems and Evaluation <b>Weight:</b> 4% <b>Classification:</b> High Satisfactory	C4.11 Percentage of warranty requests responded to	0	100	100	0 %
	C4.12 Follow up surveying conducted	0	1	1	0 %
	C4.13 Number of Sogexpress staff trained (disaggregated by sex and location)	0	100	153	0 %
<b>Component 5:</b> Knowledge Management and Strategic Communication	C5.11 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	0 %

<b>Weight:</b> 6%	<b>C5.12</b> Closing workshop conducted - number of participants	0	20	59	0 %
<b>Classification:</b> High Satisfactory	<b>C5.13</b> Media outlets that receive media kit	0	25	53	0 %
	<b>C5.14</b> Number of fora where project is disseminated	0	8	36	0 %

## Milestones

## Planned

## Due Date

## Achieved

## Date of achievement

## Status

## CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

[X] National political changes

## SECTION 4: RISKS

## CRITICAL RISKS MANAGED DURING IMPLEMENTATION

**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.

**Level:** Low

**Responsible:** Project Coordinator

**Status:** In effect

**Comments:** Even though the risk is still strong, it has been partly mitigated. Pricing of products have been adjusted to include potential devaluation and other external risks that could affect pricing. Sogexpress is a strong local partner and can therefore absorb some of the external risks associated with Haiti's political and economical situation.

**PROJECT RISK LEVEL:** Low **TOTAL NUMBER OF RISKS:** 5 **IN EFFECT RISKS:** 1 **NOT IN EFFECT RISKS:** 2 **MITIGATED RISKS:** 2

## SECTION 5: SUSTAINABILITY

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

Sogexpress is continuing to offer street-agent and consignment product after closure of project. Product is included in Sogexpress' strategic plan and regular on-going budget. Documented in letter from Sogexpress in project's technical files, and in sustainability plan. The marketing around the project was very successful, resulting in high demand for the products (which other vendors indicated helped develop the market for all providers, not just Sogexpress, thus contributing to the development of the national market). The risk associated with the sustainability lies with the reliance on a limited number of importers of technology.

## CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY

[None reported in this period]

## Actions related to sustainability which have been implemented:

Actions taken were:

1. Selection of lithium ion batteries products to ensure longer product life span,
2. Strengthening of agent program policies to ensure repayment and collection,
3. Integration of KlereAyiti platform into Sogexpress diaspora focused website to be launched in 2018, development of battery recycling plan.

[Sustainability Plan](#)

<http://mif.iadb.org/file.aspx?DOCNUM=EZSHARE-1375226046-15>

## SECTION 6: KNOWLEDGE

## Lessons learned

1. Neutral branding supports energy literacy goals: Sogexpress's corporate commitment was to provide an ecological and viable solution to Haiti's "energy poverty" challenge by: educating Haitians in the country and abroad about the benefits of clean, affordable and reliable energy, providing them with opportunities to use it, and helping them earn extra income from selling it. For this reason Sogexpress committed to maintaining a neutral platform that was focused more on education about solar than on promoting one brand.

2. Interactive, client-friendly energy literacy materials such as brochures, 2D videos, and testimonials are effective for educating clients about solar energy. According to a UNICEF study, only 48 percent of the population in Haiti is literate. This means that half the population will not be able to understand message communicated in the awareness campaign material (flyers, posters, banners, etc.) if there are no illustrations or images. The Sogexpress team understood this early on in the project and hired a professional local illustrator to design a cartoon to explain the uses and benefits of solar lights. This material was widely distributed and used by Sogexpress during street marketing events.

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

4. Sustainability is ensured if the partner organization formally incorporates the project into its budget as an ongoing concern.

5. Managing repayment risk by separating consignment collections and sales into two departments. To avoid future incidents of fraud, the Sogexpress team decided to ensure that the staff that collects money from agents is not the same staff that manages the agents' daily activity or even enrolls them in the first place. This is general practice for microfinance institutions, however, it is new for Sogexpress since it is not used to offering types of credit such as consignment.

6. Incentive structures need to be adequate to ensure sales: The incentives offered to street agents in Haiti needed to be high enough that they were willing to promote products enthusiastically. The pricing strategy was designed to ensure that agents received the product at a lower price, so they could make a margin when selling to the end customer at the retail price. When the devaluation

**Relative to**  
Design

**Author**

Akkari, Yara

Implementation

Akkari, Yara

Risk

Akkari, Yara

Sustainability

Akkari, Yara

Risk

Akkari, Yara

Design

Akkari, Yara

occurred Sogexpress made sure the agent margin was unchanged (despite the effect on its own bottom line).

7. Monitoring and analyzing agents' activity prior to implementing consignment model to ensure system is ready: It is important to not rush to enroll agents before systems and procedures are in place. Testing the agent program on a limited number of agents before expanding to a wide number of agents is key to avoiding issues of agent non-repayment or management fraud. There should be a set time after the pilot starts when the management agrees to analyze the results and discuss the challenges before they decide to roll out the program.

Implementation Akkari, Yara

8. Direct marketing is the most effective marketing in the diaspora. Sales data shows that one-on-one sales efforts are the most efficient for diaspora clients.

Implementation Akkari, Yara

9. Reinforce warranty process & training: Ensure that there is a clear process for warranty procedures and implementation of after sales services. It is important not only to mention the warranty to clients but inform them on how it works and reinforce staff training on procedures and product troubleshooting. Sogexpress trained its staff on the new procedures and developed brochures on warranty and product use, which will be given to clients at the store.

Sustainability Akkari, Yara

10. Provide continuous training at all levels of the organization on products features, after sale service as well as IT system and procedures. Ongoing training is essential for the success of the project.

Implementation Akkari, Yara

11. Careful pricing of products is crucial to ensure both sales and profitability. Include sufficient margin to cover for any external risks including devaluation.

Design Akkari, Yara

12. Ensure that energy product vendor can supply sufficient quantity of selected energy products (sales were much higher than anticipated).

Design Akkari, Yara

13. Allow enough extra time for development and adaptation of a new MIS system.

Design Akkari, Yara

14. Focus on analyzing agent data, rewarding high-performing agents, and drawing lessons learned to share with other agents. The data captured by the IT system is a rich source of information, which should be used to orient strategy and reinforce the model when needed.

Sustainability Akkari, Yara

#### Indicate which are the main products of the project, where they can be found, and how they could be "shared" with other entities or similar projects.

The business plans, final report, and media kit are the main products of the project. All (except the final report, which is in the milestones) are available below. While these contain confidential material related to the core business of Sogexpress, lessons and models can be extracted for sharing with similar entities. In the knowledge products there is also a public version of the final report that strikes the confidential information that can be shared with other entities.

#### Main products of the project

[Oct 2015] Design Commission Systems (Other)

**Author:** Arc Finance

[Oct 2015] Detailed Business Plan (Other)

**Author:** Arc Finance

[Oct 2015] Detailed Business Plan (Other)

**Author:** Arc Finance

[Oct 2015] Detailed Business Plan (Other)

**Author:** Arc Finance

[Oct 2015] Detailed Business Plan (Other)

**Author:** Arc Finance

[Oct 2015] Sogexpress Phone Survey Report (Other)

**Author:** Arc Finance

[Dec 2015] Project dissemination as of December 2015 (Other)

**Author:** Arc Finance

[Jan 2016] Media Kit Dissemination (Other)

**Author:** Arc Finance

[Jun 2016] Arc Finance Blogs (Other)

**Author:** Arc Finance

[Feb 2017] . (Other)

**Author:** Yara Akkari

[Dec 2017] Arc Finance Blogs (Other)

**Author:** Arc Finance

#### SECTION 7: DOCUMENTS

27/APR/2016	<a href="#">Donors Memorandum</a>	[http://www.fomin.org/file.aspx?DOCNUM=EZSHARE-963748299-99]
06/MAR/2015	<a href="#">Donors Memorandum</a>	[http://www.fomin.org/file.aspx?DOCNUM=39456227]
20/APR/2015	<a href="#">Donors Memorandum</a>	[http://www.fomin.org/file.aspx?DOCNUM=39586743]
20/APR/2015	<a href="#">Donors Memorandum</a>	[http://www.fomin.org/file.aspx?DOCNUM=39587045]
<a href="#">Project profile</a>		http://apps.fomin.org/public/psr/projectprofile.aspx?proj=HA-M1052&lg=EN