

# PROJECT STATUS REPORT

JANUARY 2013 - JUNE 2013

## SECTION 1: PROJECT SUMMARY

**PROJECT NAME:** Prosavings - Promotion of Contractual and Transactional Savings in LAC

Project Number: RG-M1198 - Operation Number: ATN/ME-12679-RG

**Result:** The purpose is to establish the business case for the development and implementation of liquid and contractual savings products targeted to recipients of CCTs or other social protection payments in the LAC region.

**Country Administrator**  
UNITED STATES

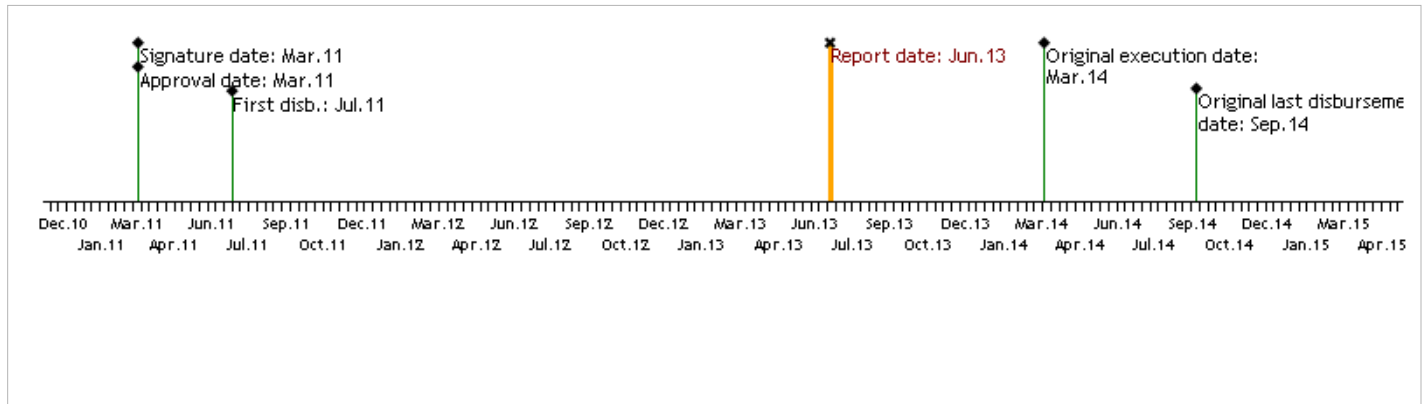
**Beneficiary Country**  
UNITED STATES

**Executing Agency:** INTER-AMERICAN DEVELOPMENT BANK

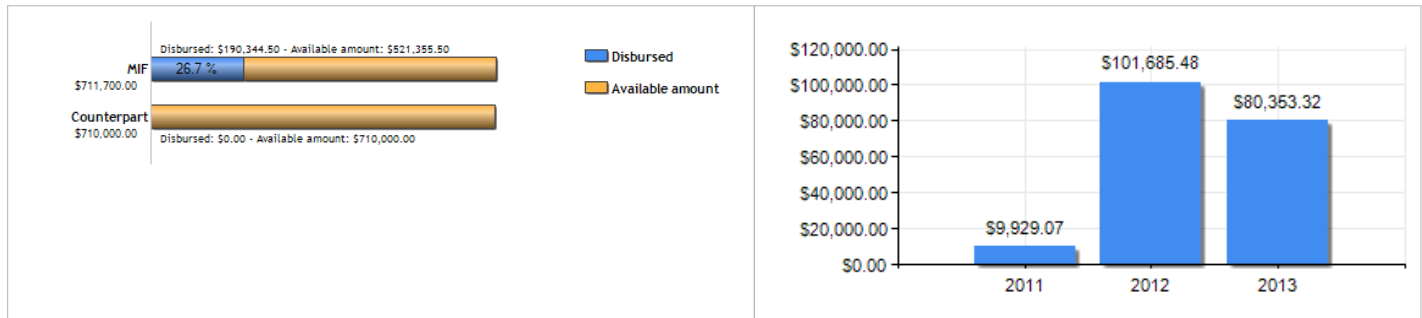
**Design Team Leader:** Vivanco, Fermín

**Supervision Team Leader:** Vivanco, Fermín

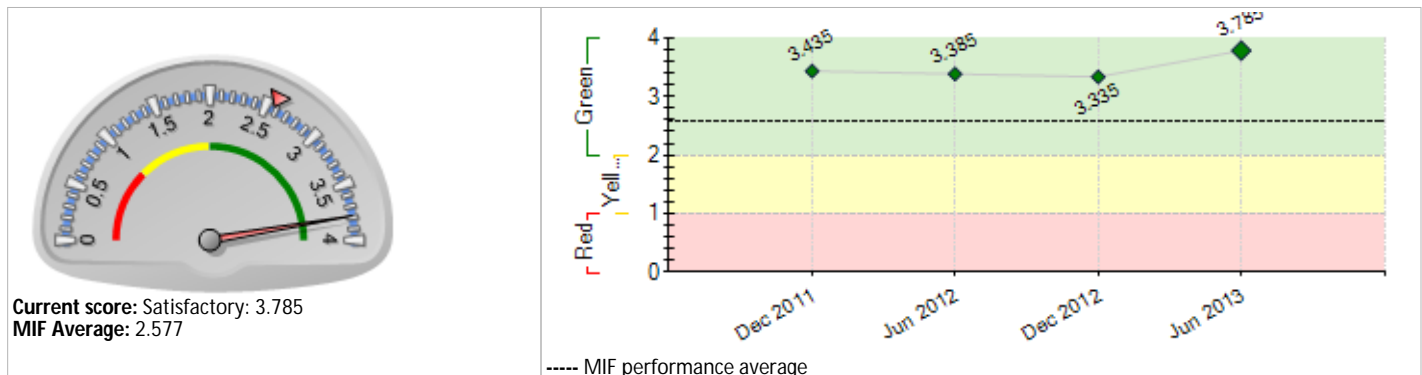
### TIMELINE



### FUNDS



### PERFORMANCE SCORE



### EXTERNAL RISKS

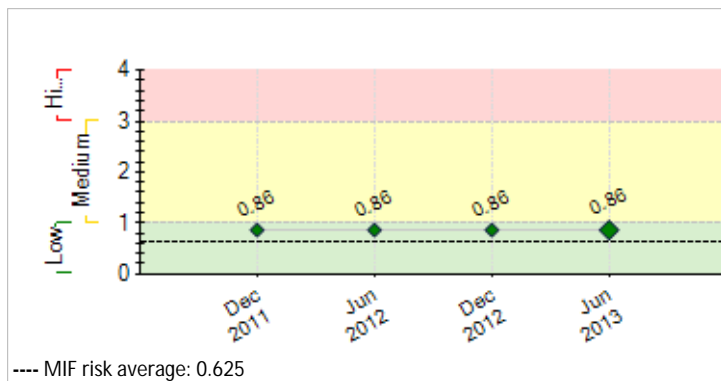
#### INSTITUTIONAL CAPACITY

**Risk**

Financial Management: 0

Procurement: 0

Technical Capacity: 0



## SECTION 2: PERFORMANCE

### Summary of project performance since inception

After two years of Program implementation, six projects have been approved and the agreement to start execution have been signed. Three projects have started activities and we expect the three remaining to start activities late 2013. By the end of the year, a total of nine projects are expected to be approved in five countries: Colombia, Peru, El Salvador, Dominican Republic, and Mexico.

On the other hand, *program's knowledge component* has achieved important milestones regarding the website and publications. From January 2013 to June 14, 2013, there have been 3,209 visits to the web site (61% new visitors and 39% returning visitors) from 84 countries (mainly from USA, Colombia, Peru, Guatemala, and Mexico). 51.92% of visits have been to the site's English portal and 48.08% have been to the Spanish portal. Additionally, the executing agencies, consultants, and partners have been participating with posts about financial inclusion and savings. The publications that the Program have developed, including Program's conceptual framework and Financial Education: A Path Towards Inclusion, are also available in the web site.

Program's team will be focused on projects' performance in order to compile the best practices and business strategies to be shared with the different stakeholders of microfinance industry. By the end of 2013, the studies about Planned Savings in LAC and Mapping the Savings Groups in LAC are expected to be completed.

#### Comments from the Supervision Team Leader

Agree with the Executing Agency comments

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

During the last six months, three projects have hired the coordinator and initiated activities such as: market research, savings product design, and base line collection. For the second half of the year, we expect to approve two additional projects and identify two or three new projects in Mexico, Bolivia, and Ecuador.

ProSavings program has also been disseminated in different events such as the ForolacFR in Oaxaca, Mexico, and the event about financial inclusion held by IPA and Citi Foundation in Lima, Peru. There are two studies being conducted under ProSavings: Planned Savings Products in LAC and Mapping the Savings Groups in LAC. In the same vein of knowledge and communication strategy, the web site has been completed with all the features that the team had planned, including the Blog Site and Countries Profiles, where the Program has projects. The publications that the Program have developed, including Program's conceptual framework and Financial Education: A Path Towards Inclusion, are also available in the web site.

However, some difficulties have been occurring specially in projects that are starting. There have been some delays in the development of the agreements between the executing agency and the IDB and also with the first disbursement, affecting the timing for the activities planned for 2013. In this respect, there has been a permanent communication between Program's team, country office specialist, and the executing agencies in order to solve the problems and advance with the activities.

#### 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>Result:</b> The purpose is to establish the business case for the development and implementation of liquid and contractual savings products targeted to recipients of CCTs or other social protection payments in the LAC region.	<b>R.1</b> Under-banked population: 136,000 CCT (or other government payment) recipients access liquid savings accounts for transactions purposes and/or contractual savings for capital accumulation, through FI Program beneficiaries.	0				136000	0	
		Mar 2011				Sep 2013		
	<b>R.2</b> Unbanked population: An additional 45,000 low-income people access, for the first time, liquid savings accounts for transactions purposes and/or contractual savings for capital accumulation, through FI Program beneficiaries.	0				45000	0	
		Mar 2011				Sep 2013		
	<b>R.3</b> Fourteen Financial Institutions (FIs) offer liquid savings accounts for transactions purposes and/or contractual savings for capital accumulation, targeted to recipients of CCTs (or other government payments).	0				14	0	
		Mar 2011				Sep 2013		
<b>Component 1:</b> Program Set-up and Project Selection  <b>Weight:</b> 20%	<b>C1.1</b> A Program Advisory Committee is formed.					Jun 2011	Yes	
	<b>C1.12</b> Program communication campaign launched.					Sep 2011	Yes	
	<b>C1.13</b> Project proposals are selected.	0	7			14	13	Delayed

<b>Classification:</b> High Satisfactory		Mar 2011	Dec 2011		Mar 2012	Jun 2013	
<b>C1.14</b>	At least two donors have contributed to the Program by financing projects.	0			2	2	Finished
		Mar 2011			Sep 2013	Dec 2011	
<b>Component 2:</b> Funding of individual projects. <b>Weight:</b> 60% <b>Classification:</b> High Satisfactory	<b>C2.11</b> At least five new business models will be successfully developed offering liquid savings accounts for transactions purposes, targeted to recipients of CCTs (or other government payments.)	0			5	8	Finished
		Mar 2011			Sep 2013	Dec 2012	
	<b>C2.12</b> At least seven new business models will be successfully developed offering contractual savings for capital accumulation targeted to recipients of CCTs (or other government payments.)	0			7	5	
		Mar 2011			Sep 2013	Jun 2013	
<b>Component 3:</b> Learning, Communicating and Catalyzing. <b>Weight:</b> 20% <b>Classification:</b> High Satisfactory	<b>C3.11</b> A communication strategy for the Program has been established.				Sep 2011	Yes	
					Sep 2011	Oct 2011	
	<b>C3.12</b> At least five projects are going through a social impact evaluation.	0			5	2	
		Mar 2011			Sep 2013	Jun 2013	
	<b>C3.13</b> ? The Program's online site is one of the main information resource in this field and has served as the main exchange platform among the various players in the sector in the region.				Sep 2013		

Milestones	Planned	Due Date	Achieved	Date achieved	Status
<b>M1</b> Previous Conditions	1	Sep 2011	1	Sep 2011	Achieved

**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. Beneficiaries maintain their commitment throughout the Program	Medium	,	Project Coordinator
2. The business models developed are sustainable and profitable.	Medium	a	Project Coordinator
3. Financial service providers and social protection agencies recognize the potential of linking savings and government transfers or payments and maintain their interest and commitment throughout the Program.	Medium	n	Project Coordinator
4. There is stability in the financial sector in LAC.	Medium	n/a	Project Coordinator
5. Macroeconomic conditions remain stable. There is stability in the financial sector in LAC.	Low	N/A	Project Coordinator

**PROJECT RISK LEVEL:** Medium **TOTAL NUMBER OF RISKS:** 8 **IN EFFECT RISKS:** 8 **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 will be or have been implemented:**

Program's team has supported MIF's specialists in each country that has projects under execution, regarding the consultants to be hired, savings products that have been designed, and knowledge activities, taking advantage of the experiences in other countries that contribute to project's strength and sustainability. Also each project coordinates with the Government agency in charge of the conditional cash transfer Program, which also contributes to sustainability.

**SECTION 6: PRACTICAL LESSONS**

	Relative to	Author
1. Thanks to the boom of promoting savings among low income people, more financial institutions have understood the opportunity that exists with this niche to expand their clients' base, improve their systems and technology, and contribute to financial inclusion	Diseño	Reyes Hurtado, Andrea
2. • An important barrier for financial institutions to reach low income people is the lack of information they have about this segment's needs and preferences as well as their financial behavior.	Diseño	Reyes Hurtado, Andrea