

PROJECT STATUS REPORT

JULY 2013 - DECEMBER 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.

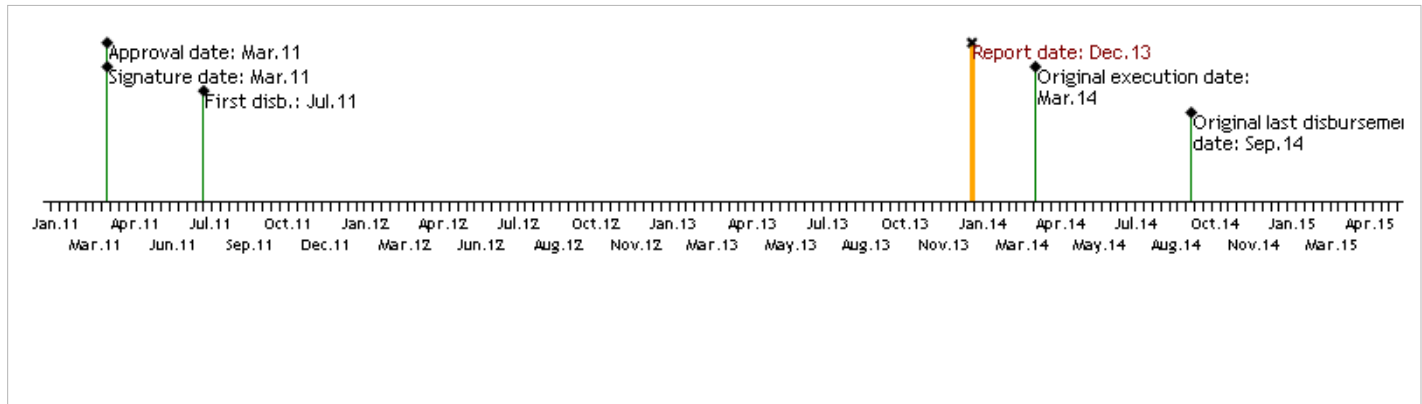
Country Administrator
UNITED STATES

Beneficiary Country
UNITED STATES

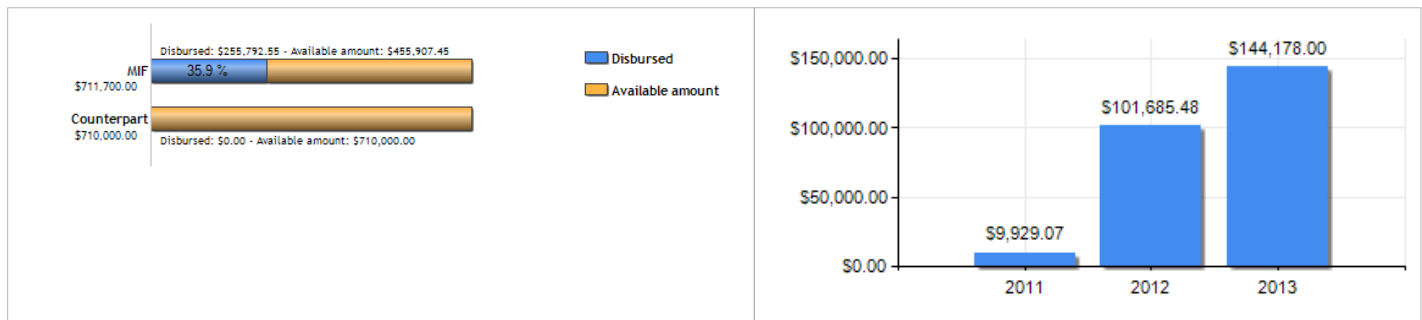
Executing Agency:

Design Team Leader: Vivanco, Fermín
Supervision Team Leader: Vivanco, Fermín

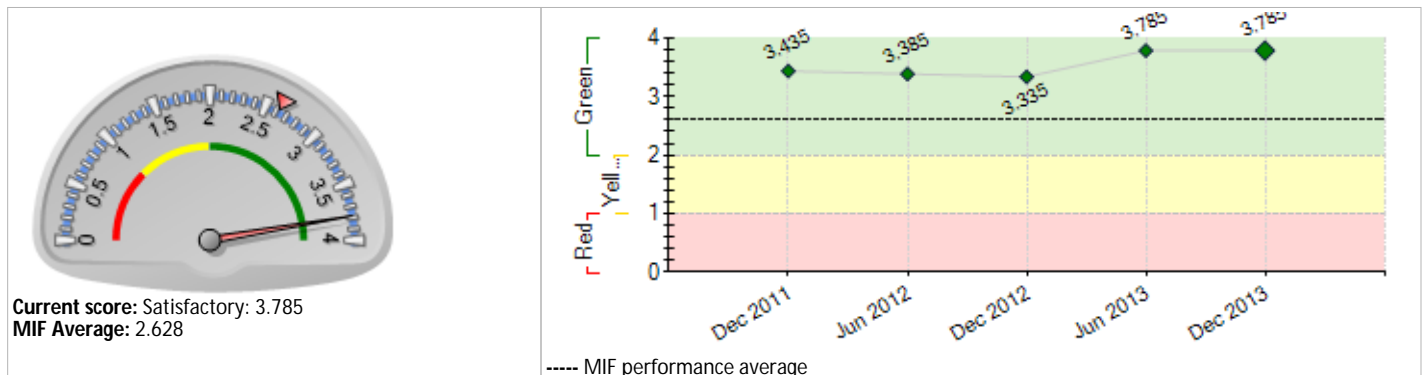
TIMELINE



FUNDS



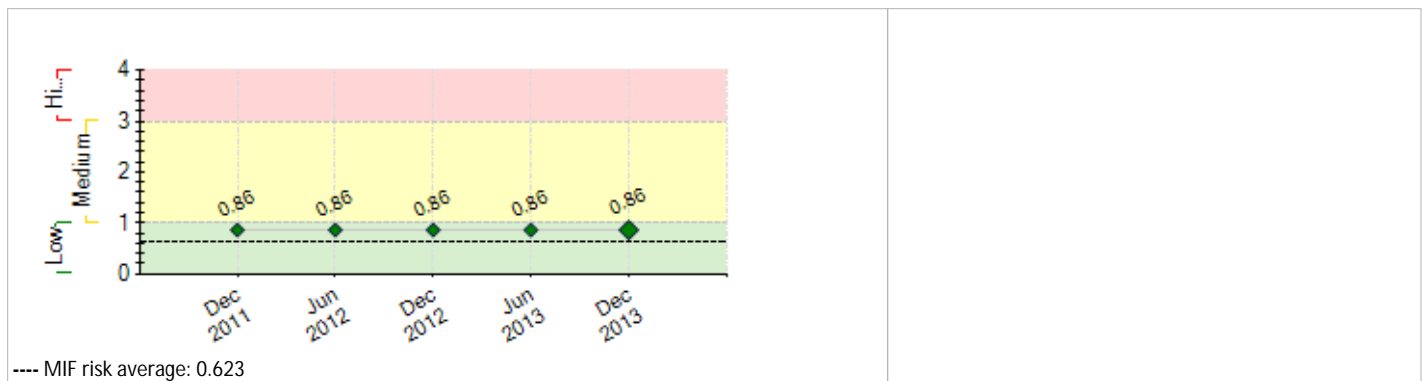
PERFORMANCE SCORE



EXTERNAL RISKS

INSTITUTIONAL CAPACITY

Risk
Financial Management: 0
Procurement: 0
Technical Capacity: 0



SECTION 2: PERFORMANCE

Summary of project performance since inception

ProSavings Program is currently implementing six projects focused on developing savings products for populations living under poverty and has applied considerable efforts towards generating knowledge on the topic of microsavings – a topic that many microfinance institutions still consider recent and full of unanswered questions.

Each of the six ProSavings projects have conducted market research studies that attest to both the savings need and capacity of low-income people and thus; have gathered input for the design and, in most cases, adaptation of financial entities' savings product portfolios. The program has also pursued a strategy of information sharing across its projects, including visits to and presentations about other initiatives involving alternative distribution channels and financial education methodologies.

Furthermore, ProSavings's executing agency Banco Adopem is already serving its first clients and in 2014 the Program expects to increase the number of beneficiaries with access to savings products in Peru, El Salvador and Colombia.

In terms of knowledge products, apart from the commitment savings study published in 2013 through the website www.pro-savings.org; the program will publish market research studies from its projects, case studies, and a study on savings groups in Latin America and the Caribbean, among other products.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

I agree with the comments, we realize that the preparation stage for each project's adapted products and services is long and complex, so it's very satisfactory that Adopem is already offering the new products to recipients of Solidaridad.

Summary of project performance in the last six months

In the second half of 2013, the Program established among its priorities to conduct follow-ups and monitor its six approved projects. Out of these, five began executing project activities such as hiring a coordinator, and developing a baseline to identify the current situation of its beneficiaries and be able to measure the effects of the project at the end of its execution. Significant progress was achieved in conducting market research studies, designing and piloting savings products, developing financial education modules and methodologies, and identifying alternative distribution channels.

Follow-up conducted on different projects as well the participation of staff from executing agencies in internal workshops and training, enabled the different institutions that are part of ProSavings to engage in a knowledge exchange such that successful strategies could be borrowed and applied and failed strategies could be identified and avoided - thereby maximizing resources and efforts.

The online modules for the blog and country profile pages within the ProSavings website were completed, increasing the number of visits every month. Also, the Program published its study on Inclusive Commitment Savings in Latin America and the Caribbean, which was presented by its author during this year's Foromic. With regards to the impact evaluations that will be conducted under the program framework, the Program has selected the two teams that will present evaluation proposals for two projects (Adopem and Financiera Confianza).

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

One of the key elements of the program is that the program coordinator is directly involved in the follow up of projects, with a direct role of supporting all the projects, in close coordination with MIF's country office specialists.

SECTION 3: INDICATORS AND MILESTONES

Indicators		Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
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	R.1 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 Mar 2011				136000 Sep 2013	21 Dec 2013	
	R.2 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	0				45000	0	

payments in the LAC region.		accumulation, through FI Program beneficiaries.	Mar 2011				Sep 2013		
	R.3	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	1	
			Mar 2011				Sep 2013	Dec 2013	

Component 1: Program Set-up and Project Selection Weight: 20% Classification: High Satisfactory	C1.11	A Program Advisory Committee is formed.					Yes		
							Jun 2011	Jun 2011	
	C1.12	Program communication campaign launched.					Yes		
							Sep 2011	Sep 2012	
	C1.13	Project proposals are selected.	0	7			14	13	Delayed
			Mar 2011	Dec 2011			Mar 2012	Jun 2013	
	C1.14	At least two donors have contributed to the Program by financing projects.	0				2	2	Finished
			Mar 2011				Sep 2013	Dec 2011	

Component 2: Funding of individual projects. Weight: 60% Classification: High Satisfactory	C2.11	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	
	C2.12	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	

Component 3: Learning, Communicating and Catalyzing. Weight: 20% Classification: High Satisfactory	C3.11	A communication strategy for the Program has been established.					Yes		
							Sep 2011	Oct 2011	
	C3.12	At least five projects are going through a social impact evaluation.	0				5	2	
			Mar 2011				Sep 2013	Jun 2013	
	C3.13	? 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	Yes	
							Sep 2013	Dec 2013	

Milestones	Planned	Due Date	Achieved	Date achieved	Status
M1 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

Issue	Comments
[X] Lack of cost recovery mechanisms or external financing sources (government, donors and/or private sector) to continue the activities of the project once MIF resources are expended	Savings products for low income and poor women have the challenge of being profitable, there is a risk that not all of the projects will become sustainable in the long term.

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

Program Coordinator has been in close follow up with executing agencies in coordination with the country MIF specialists, in order to enhance local capability and ensure project sustainability.

SECTION 6: PRACTICAL LESSONS

[No lessons learned added yet.]