

PROJECT STATUS REPORT

JANUARY 2015 - JUNE 2015

SECTION 1: PROJECT SUMMARY

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

Project Number: RG-M1198 - Project Num.: ATN/ME-12679-RG

Purpose: 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.

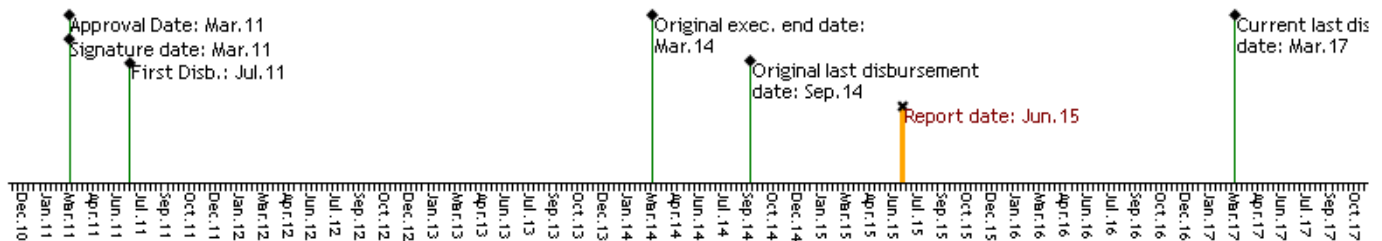
Country Admin
UNITED STATES

Country Beneficiary
UNITED STATES

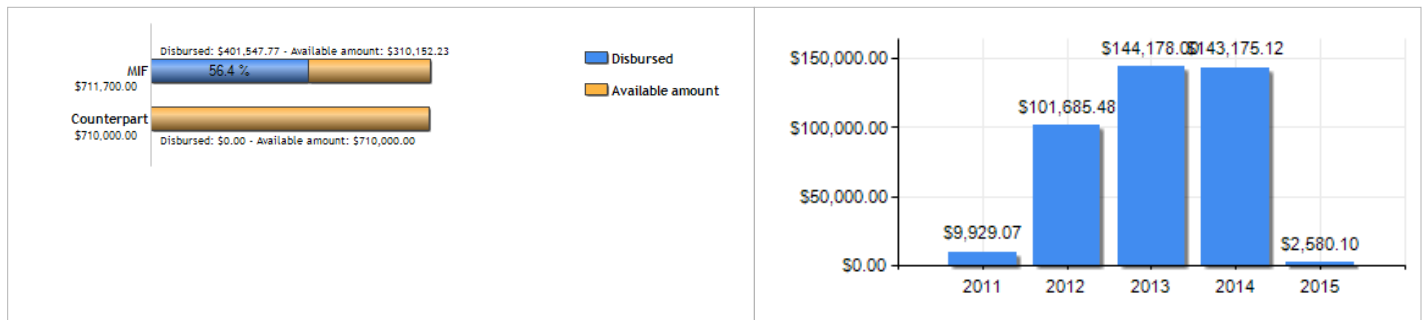
Executing Agency: INTER-AMERICAN DEVELOPMENT BANK

Design Team Leader: FERMÍN VIVANCO
Supervision Team Leader: CLAUDIA GUTIERREZ

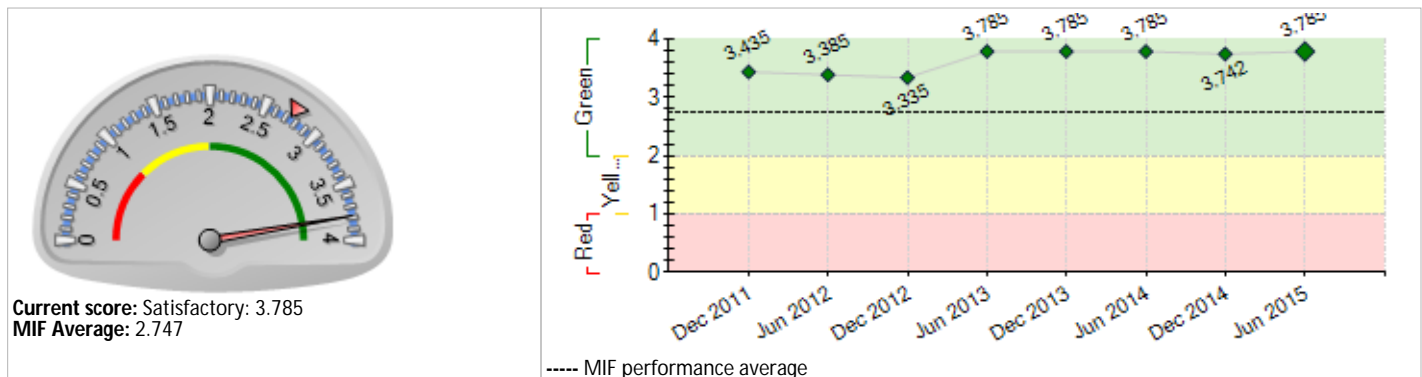
PROJECT CYCLE



FUNDS



PERFORMANCE SCORE



EXTERNAL RISKS

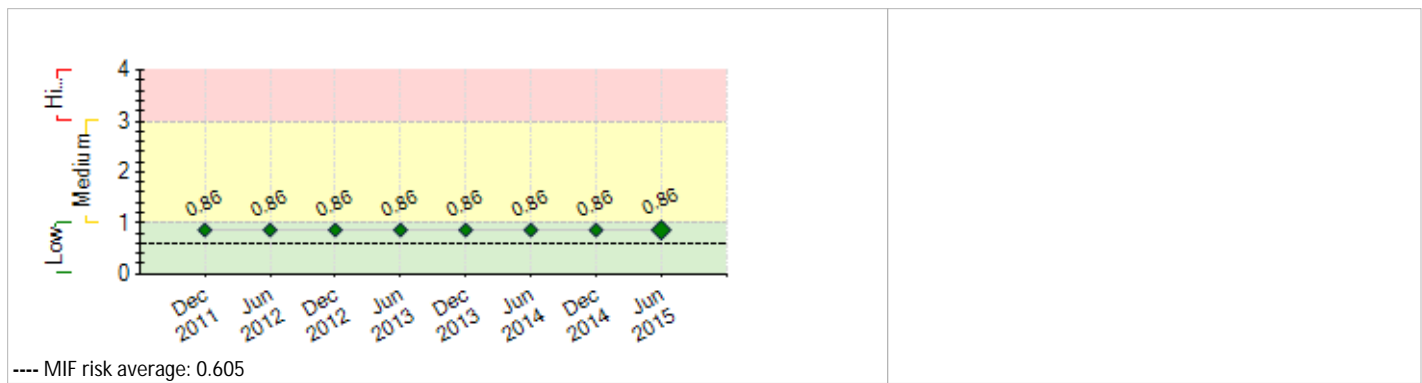
INSTITUTIONAL CAPACITY

Risk

Financial Management: Low

Procurement: Low

Technical Capacity: Low



SECTION 2: PERFORMANCE

Summary of project performance since inception

After 4 years since ProSavings program was approved, today, there are 9 projects approved in 7 countries, and 8 projects are currently under execution (the project in Colombia was cancelled).

Some lessons and findings have been identified specially from the firsts projects, which have finished the pilot tests of the whole savings strategy for low-income people. The main savings product developed so far is the planned savings product, which consists on a specific goal to be achieved during a defined period of time through small frequent deposits.

Alternative distribution channels have played a key role to define the business strategy on small savings, although most of the projects have implemented an agent's network, an additional strategy has been needed in order to be closer to the client. Some projects have started a "door to door" channel in which the financial institution personnel visit client's home or business to collect their deposits.

There are also different financial education methodologies being implemented targeted to different audiences among low-income people. In Perú, for example, Financiera Confianza has developed a basic methodology based on puppets, to present rural people (most of them women) different topics towards formal savings. In Dominican Republic, Adopem and ALNAP are implementing different methodologies, both of them developed together with the conditional transfer program.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Summary of project performance in the last six months

The projects in Ecuador, Mexico and Belize have completed prior conditions and will start execution during the second half of the year. Two new proposals were received from Banco Familiar in Paraguay and Banco Estado in Chile. The one with Banco Familiar has been approved by the Advisory Committee and the Program's team is working on the documents for the approval process. In the case with Banco Estado the proposal is under review and will be sent to the Advisory Committee in July.

The 5 projects under execution have been having important progress, especially on the micro-savings strategy, in order to make it sustainable. A close follow-up has been done to the projects regarding technical support for the expansion phase and to identify the achievements that can be disseminated through publications and/or virtual meetings. Project's findings have been included to the recently approved projects, helping executing agencies to define the strategy on micro-savings in less time and with better results.

Early this year the document "Effective Tools for Inclusive Savings", was published and uploaded on ProSavings website as well as the websites of the MIF and Microfinance Gateway. The website has had more visitors this year compared with the same period in 2014. To date, there are 4.384 visitors compared with 3.843 in 2014.

To date, ProSavings Program has 18.000 clients with tailored savings accounts and more than 14.500 CCT's recipients have received financial education.

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
Purpose: The purpose is to	R.1 Under-banked population: 136,000 CCT (or other government payment) recipients access liquid savings	0				136000	58959	

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.		accounts for transactions purposes and/or contractual savings for capital accumulation, through FI Program beneficiaries.	Mar 2011				Sep 2013	Dec 2015	
	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 accumulation, through FI Program beneficiaries.	0				45000	0	
	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	3	
			Mar 2011				Sep 2013	Apr 2015	

Component 1: Program Set-up and Project Selection Weight: 20% Classification: High Satisfactory	C1.11	A Program Advisory Committee is formed.					Jun 2011	Yes	Finished
	C1.12	Program communication campaign launched.					Sep 2011	Yes	Finished
	C1.13	Project proposals are selected.	0	7			14	17	Finished
			Mar 2011	Dec 2011			Mar 2012	Dec 2014	
	C1.14	At least two donors have contributed to the Program by financing projects.	0				2	3	Finished
			Mar 2011				Sep 2013	Dec 2012	

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	3	Delayed
			Mar 2011				Sep 2013	Jun 2015	
	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	6	Delayed
			Mar 2011				Sep 2013	Dec 2014	

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

Milestones	Planned	Due Date	Achieved	Date of achievement	Status
M1 Previous Conditions	1	Sep 2011	1	Mar 2011	Achieved

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

[X] Supplier/contractor performance

SECTION 4: RISKS

MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE

	Level	Mitigation action	Responsible
1. Beneficiaries maintain their commitment throughout the Program	Medium	,	Coordinador del proyecto
2. The business models developed are sustainable and profitable.	Medium	a	Coordinador del proyecto
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	Coordinador del proyecto
4. There is stability in the financial sector in LAC.	Medium	n/a	Coordinador del proyecto
5. Macroeconomic conditions remain stable. There is stability in the financial sector in LAC.	Low	N/A	Coordinador del proyecto

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: P - 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:

ProSavings projects are developed under the premise that there is a business strategy behind the savings products offered to the low-income segment. The first results that the Program has had, confirm the interest of the financial institutions that are implementing the projects to expand the micro-savings strategies to all their branches and continue developing appealing products and services to low-income people.

SECTION 6: PRACTICAL LESSONS

[No lessons learned found]