

PROJECT STATUS REPORT

JANUARY 2016 - JUNE 2016

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Serving rural communities of Surinam through microfranchising

Project Number: SU-M1018 - Project Num.: ATN/ME-13636-SU

Purpose:

The purpose of the project is to test and validate a microfranchising methodology for engine maintenance in communities of the three interior districts of Suriname.

Country Admin

SURINAME

Country Beneficiary

SURINAME

Executing Agency:

Fonds Ontwikkeling Binnenland

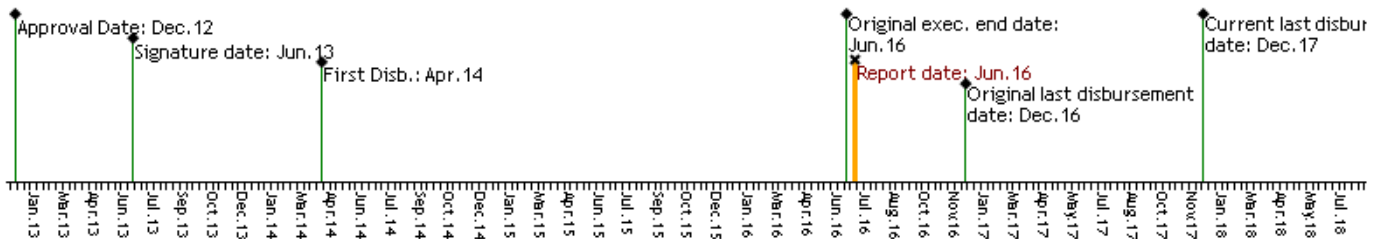
Design Team Leader:

CÉSAR BUENADICHA

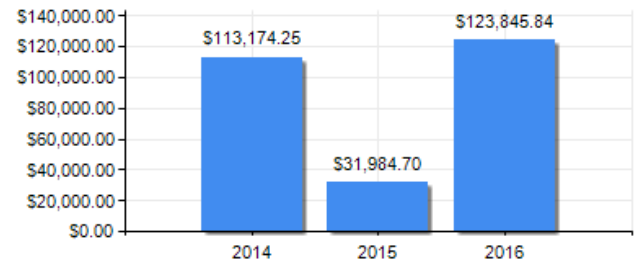
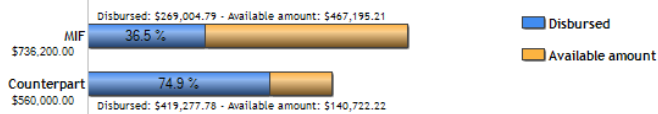
Supervision Team Leader:

VASHTIE DOOKIESINGH

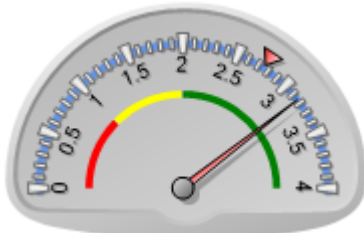
PROJECT CYCLE



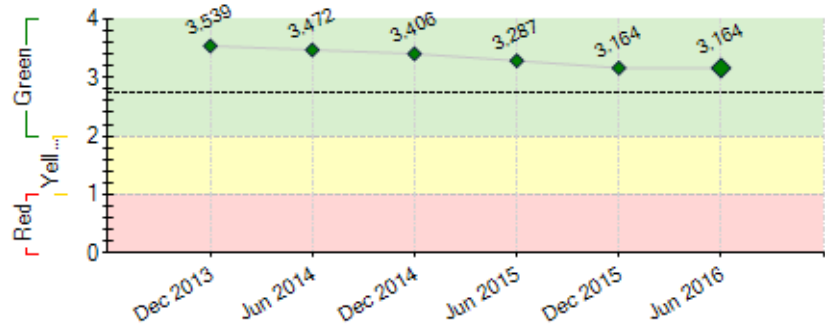
FUNDS



PERFORMANCE SCORE



Current score: Satisfactory: 3.164
MIF Average: 2.756



----- MIF performance average

EXTERNAL RISKS

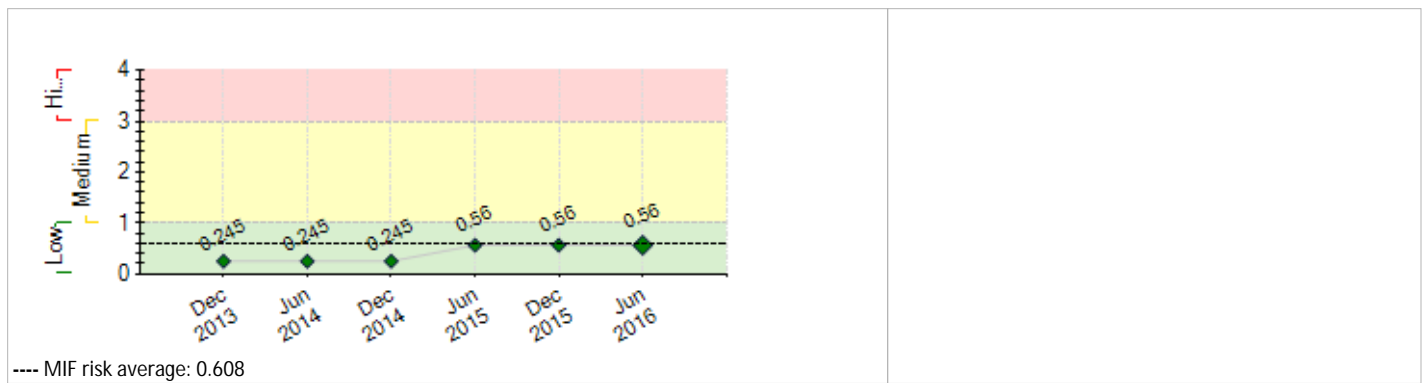
INSTITUTIONAL CAPACITY

Risk

Financial Management: Medium

Procurement: Low

Technical Capacity: Medium



SECTION 2: PERFORMANCE

Summary of project performance since inception

Main results achieved: 1. Project Operations Manual is composed; 2. All project staff positions are filled; 3. At least 19 potential communities have been evaluated for the implementation of an ASW; 4. Five ASW pilots have been initiated; 6. Datsun Suriname NV has continued to train potential candidates for ASW's and Satellites in basic Yamaha outboard motor (lower unit) course and has started followup training in 4 stroke outboard motor and the upgrading of satellites to ASW. To date 120 mechanics from rural communities are trained. 7. 32 satellites operating to expand the service of the ASW to smaller communities. 8. The Micro franchise model has been pilot. 9. Draft marketing and communication strategy. 10. 3 ASW are created. 11. the draft guidance materials for franchisees are created.

Main challenge: The rural mechanics lack access to financing due to the absence of collateral. While the rural mechanics have small amounts of credit, it is insufficient for the startup cost of a service shop. These costs are not seen as micro financing considering the size of the loan amount. The main challenge of this project is to develop and implement a sustainable financing methodology that can be replicated and scalable.

To mitigate this challenge, an interim solution is the Mobile ASW which is currently in the start up phase. The SHTTDF (Stg.BTO) has become a Micro Finance Institution and will give loan to the ASW and satellites to cover the start up cost of a service shop.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Summary of project performance in the last six months

There are now 32 satellites operational to expand the services of the ASW to smaller communities and the technical project coordinator has trained 40 mechanics from April- July 2016 and he has upgrade 3 2s to ASW and 2 1s to 2s.

The strategic and operational documents from SHTTDF and the copy of business plan are not finalized because of institutional problems.

The main obstacle is faced is the lack of financial capacity of the mechanics to invest in special tools for service and repair of the outboard motors. Special tools and other needs are identified and will be offered to the ASW's on lease purchase basis.

Next steps: Continue the process to develop a strategic frame work to promote the sustainability and expansion of its activities. Continue the process to finalize the Business plan for roll out of ASW model adapted to conditions in Suriname. Create at least 20 ASW and 90 additional satellites in operation. continue the proces to Evaluate(mid-term evaluation) the project. Continue the process to create a microfinance system for SHTTDF(Stg.BTO) and a Business and administrative training for the ASW and satellites.

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: 1 The purpose of the project	R.1 150 mechanics (sex-disaggregated) fully operating Authorized Service Workshop microfranchisees.	0				150 Jun 2016	0	

is to test and validate a microfranchising methodology for engine maintenance in communities of the three interior districts of Suriname.	R.2	Approximately 15,000 people from 30 communities of the interior have access to quality engine maintenance.	0				15000	0	
	R.3	25% increase in profit of new ASW microfranchises compared with similar workshops in the interior.	0				Jun 2016	25	0
	R.4	Microfranchisor direct sales and service maintenance of engines in the interior of the country has increased by 50%.	0				Jun 2016	50	0
	R.5	80% of population in communities with access to ASWs express satisfaction with services.	0				Jun 2016	80	0
Component 5: Market analysis and ASW microfranchise model building Weight: 9% Classification: Satisfactory	C5.11	120 candidates (sex-disaggregated) have been selected for the expansion phase.	0				120	116	Delayed
	C5.12	19 Communities have been evaluated for suitability as ASW locations	0				Apr 2016	Apr 2016	Finished
Component 6: Piloting ASW initiatives and refining the model. Weight: 33% Classification: Satisfactory	C6.11	5 ASW have been piloted	0				5	5	Finished
	C6.12	Refined ASW model is elaborated that adapts, facilitates and simplifies the creation of ASW.	0				Jan 2015	Jan 2015	Delayed
	C6.13	A financing methodology for Datsun Suriname to facilitate working capital for the ASW model has been implemented.	0				Nov 2015	Nov 2015	Delayed
	C6.14	At least 10 satellites operate expanding the services of the ASW to smaller communities.	0				Nov 2015	Dec 2015	Finished
	C6.15	50 workshops have access to credit through the implementation of a credit facility.	0				Oct 2015	Oct 2015	On Course
							Jun 2016	May 2016	
Component 7: Expansion of the refined ASW microfranchise model. Weight: 50% Classification: Satisfactory	C7.11	At least an additional 10 ASW are created (15 in total with the pilot)	5				15	8	On Course
	C7.12	20 additional satellites are in operation	10				Mar 2016	Mar 2016	Finished
	C7.13	50 additional mechanics (sex-disaggregated) are trained.	0				30	26	Finished
	C7.14	80 additional mechanics (sex-disaggregated) are trained.	50				Jun 2016	Jun 2016	On Course
	C7.15	15 additional ASW are created (total of 30)	15				50	120	Delayed
	C7.16	30 additional satellites are in operation .	20				Jun 2016	Jun 2016	Delayed
	C7.17	50 ASW and satellite operators assist the convention of ASW in Suriname.	0				Jun 2016	Jun 2016	Delayed
	C7.18	90% of the ASW continue in full operations serving the communities.	0				130	120	Delayed
	C7.19	At least 30 female mechanics are working at the Authorized Service Workshops.	0				Jun 2016	Jun 2016	Delayed
Component 8: Knowledge creation, dissemination and expansion plan for other countries. Weight: 8% Classification: Satisfactory	C8.11	A communication strategy and work plan is defined.	0				1	1	Delayed
	C8.12	A study on the potential of ASWs in other country is elaborated in collaboration with Yamaha.	0				Nov 2015	Dec 2015	
	C8.13	2 case studies have been developed regarding the project and disseminated in relevant media.	0				Jul 2016		Delayed
	C8.14	At least 5 Yamaha distributors express their interest in implementing the ASW refine model.	0				Jun 2016	5	Delayed

Milestones	Planned	Due Date	Achieved	Date of achievement	Status
M0	Conditions Prior	7	Mar 2014	7	Achieved
M1	[*] At least 19 potential communities have been evaluated for the implementation of an ASW	19	Dec 2014	19	Achieved
M5	[*] 5 ASW pilots have been initiated	5	Jan 2015	5	Achieved
M6	[*] At least an additional 5 ASW are created (10 in total) and 10 satellites are in operation	15	Jun 2016	35	Achieved
M4	[*] Business plan for roll out of ASW model adapted to conditions in Suriname completed together with guidance materials for franchisees	1	Jul 2016	1	Achieved
M3	[*] SHTTDF has developed a strategic framework to promote the sustainability and expansion of its activities.	1	Jul 2016	1	Achieved
M7	[*] 2 case studies have been developed regarding the project and disseminated in relevant media.	1	Sep 2017		
M8	[*] A total of 30 ASW are created and 90 satellites are in operation	120	Oct 2017		

[*] 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. There are economic and legal conditions do not favor the consolidation and expansion of the model.	Medium	Analysis of legal and economic conditions will confirm adequacy of existing conditions. Regarding the legal conditions consultations will be held with government and local authorities to discuss the possibilities. Economic conditions (such as start up capital) will be defined in a financing methodology that will be developed and implemented within the project.	Project Guest

2. Deterioration of physical security conditions in the rural communities during the operation and expansion of the project.	Low	Strategic partnerships will be forged with institutions with credibility in the interior that will facilitate access to key leaders of the communities to facilitate the project operations. In addition, training materials will be cultural sensitive (use of pictographs and similar), and the trainers will receive specific information about the cultural reality of the rural communities.	Project Guest
3. Challenging cultural norms by promoting women in traditionally male-dominated enterprises could lead to increased incidences of domestic violence	Low	A training will be provided in gender-responsive programming, and the project will take a systematic approach to researching gender roles and responsibilities in the villages and designing a culturally sensitive model that promotes women's participation as mechanics and managers.	Project Guest
4. Inability to effectively pilot ASW initiative due to challenges of working and coordinating with 30 communities with very different cultures and characteristics (Indigenous populations and Maroons).	Low	SHTTDF will forge partnerships with institutions with credibility in the interior that will facilitate access to key leaders of the communities to facilitate the project operations. In addition, training materials will be cultural sensitive (pictograms and similar), and the trainers will receive specific formation about the cultural reality of the interior.	Project Guest
5. Insufficient interest of public and private sectors and civil society in the potential of microfranchising as a tool for working with low income populations.	Low	Development of a strategic communication plan regarding pilot successes, best practices and lessons learned. Workshops will be conducted at the local, national and international level in order to disseminate results and generate interest in public and private sectors and civil society. An informational and promotional video will be created of an ASW model in practice. Case studies will be developed and disseminated to relevant actors and the public.	Project Guest
PROJECT RISK LEVEL: Low 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: 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:

SHTTDF (Stg.BTO) has become a Micro Finance Instituut (MFI) and can give loans to the ASW owners and satellites to start or upgrade there shop.

Beside the SFOB has hired the consultant to develop a strategic plan for SHTTDF (Stg.BTO)

SECTION 6: PRACTICAL LESSONS

[No lessons learned found]