

PROJECT STATUS REPORT

JANUARY 2017 - JUNE 2017

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

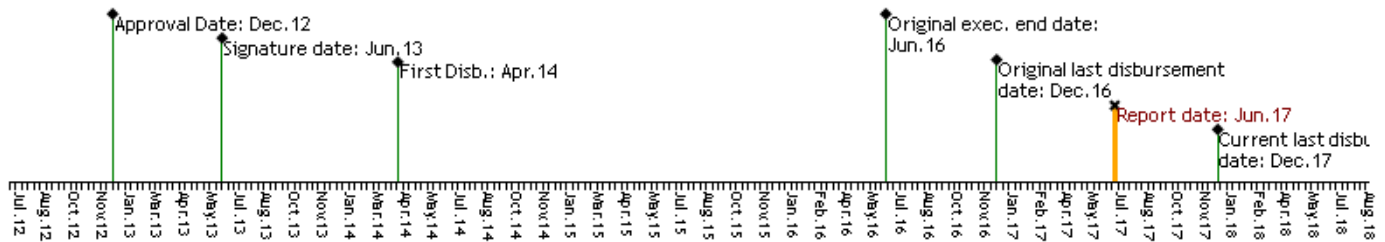
Design Team Leader:

CÉSAR BUENADICHA

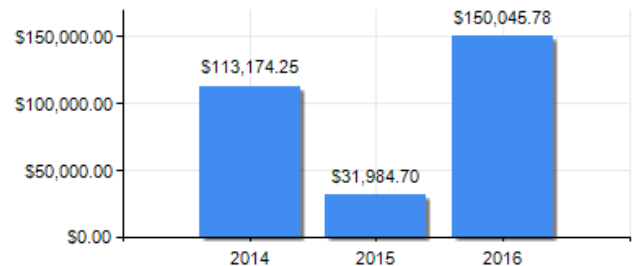
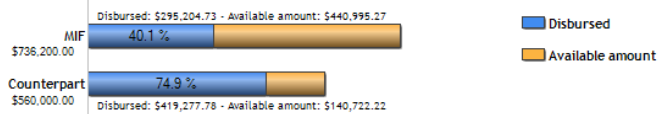
Supervision Team Leader:

VASHTIE DOOKIESINGH

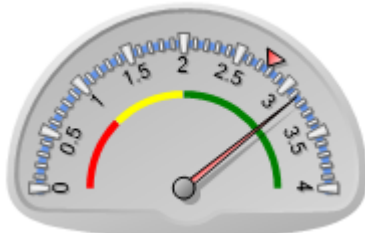
PROJECT CYCLE



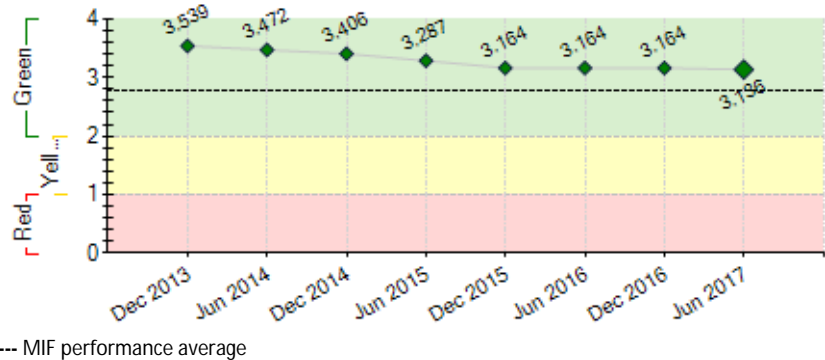
FUNDS



PERFORMANCE SCORE



Current score: Satisfactory: 3.136
MIF Average: 2.772



EXTERNAL RISKS

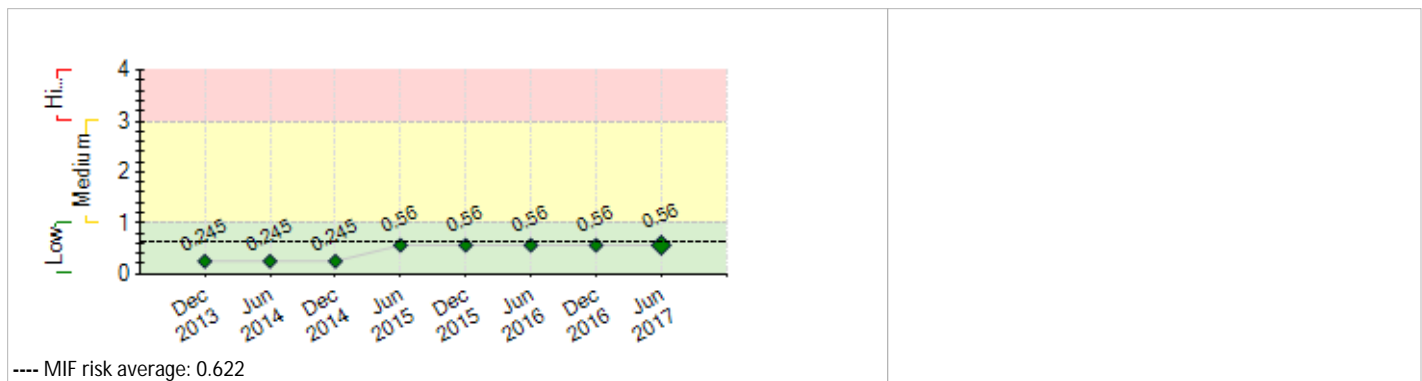
INSTITUTIONAL CAPACITY

Risk

Financial Management: Medium

Procurement: Low

Technical Capacity: Medium



SECTION 2: PERFORMANCE

Summary of project performance since inception

1. A purposeful step taken is the contracted consultant to perform a Market Analysis with Business Plan for the establishment of Authorized Service Workshops (ASW's). This consultancy will help to identify the profile and skills required to run an ASW or affiliated Satellite. Furthermore, apart from the total number of ASW's and Satellites to be projected, a Business Plan will be written to help the Micro franchisor (Datsun Suriname and their Foundation) with forecasts of parts needed and subsequent micro financing. This information will also be used to finalize the Strategic Plan for the Foundation of Datsun Suriname.
2. Delays were in the nature of a delayed correspondence between parties involved in this project. The results that have to be achieved by the end of this year are clearly communicated to all parties involved who are responsible for the project execution.
3. The highest risk is the economic downturn that affects the ASW's and Satellites to perform services to the clients. This coupled with insufficient funding to set up a technical shop with special tools, the Mechanics therefore can't fully equip themselves to run this business in a sustainable manner. This will be mitigated by the development of the Business Plan and hiring of the Micro finance consultant.
4. The likelihood is moderately optimistic because the project execution has encountered delays.
5. Timely execute the contracted consultants and future consultancies and better the project monitoring.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Summary of project performance in the last six months

1. Continuous deliberation with the Mechanics to expand the Micro franchise model to reach the purpose indicators. Actions already taken are the field visits with the Mobile ASW Van to better the service towards the Mechanics and perform on-the-job trainings with the use of the special tools.
2. Delays in the execution of the contracted consultancies together with a lack of Market information to expand the project. The contracted consultant to perform the Market analysis will help this matter together with the contracting of the Micro finance consultant.
3. Actions regarding the effective execution of the Market analysis and Business Plan to better identify the needs and possibilities to improve the service provided by the micro franchisees. The execution of a Business & administrative training will also be critical for the Mechanics to have a basic bookkeeping system.

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 is to test and validate a microfranchising methodology for engine maintenance in communities of the three interior districts of	R.1 150 mechanics (sex-disaggregated) fully operating Authorized Service Workshop microfranchisees.	0				150 Nov 2017	0	
	R.2 Approximately 15,000 people from 30 communities of the interior have access to quality engine maintenance.	0				15000 Nov 2017	0	
	R.3 Microfranchisor direct sales and service maintenance of engines in the interior of the country has increased by 50%.	0				50 Nov 2017	0	
	R.4 80% of population in communities with access to ASWs express satisfaction with services.	0				80 Nov 2017	0	

Suriname.

Component 5: Market analysis and ASW microfranchise model building Weight: 9% Classification: Satisfactory	C5.I1	120 candidates (sex-disaggregated) have been selected for the expansion phase.	0				120	116	Delayed
	C5.I2	19 Communities have been evaluated for suitability as ASW locations	0				Apr 2016 19	Apr 2016 19	Finished
							Dec 2014	Oct 2014	
Component 6: Piloting ASW initiatives and refining the model. Weight: 33% Classification: Satisfactory	C6.I1	5 ASW have been piloted	0				5 Jan 2015	5 Jan 2015	Finished
	C6.I2	Refined ASW model is elaborated that adapts, facilitates and simplifies the creation of ASW.	0				1 Nov 2015	1 Nov 2015	Delayed
	C6.I3	A financing methodology for Datsun Suriname to facilitate working capital for the ASW model has been implemented.	0				1 Nov 2017	0 Dec 2015	Delayed
	C6.I4	At least 10 satellites operate expanding the services of the ASW to smaller communities.	0				10 Oct 2015	10 Oct 2015	Finished
	C6.I5	30 workshops have access to credit through the implementation of a credit facility.	0				30 Nov 2017	3 May 2016	On Course
Component 7: Expansion of the refined ASW microfranchise model. Weight: 50% Classification: Satisfactory	C7.I1	At least an additional 10 ASW are created (15 in total with the pilot)	5				15 Jul 2017	8 Mar 2016	On Course
	C7.I2	20 additional ASW satellites are in operation	10				30 Oct 2017	32 Jul 2016	Finished
	C7.I3	50 additional mechanics (sex-disaggregated) are trained.	0				50 Jun 2016	120 Jun 2016	Finished
	C7.I4	80 additional mechanics (sex-disaggregated) are trained.	50				130 Nov 2017	120 Jun 2016	On Course
	C7.I5	15 additional ASW are created (total of 30)	15				30 Nov 2017	8 Jun 2016	On Course
	C7.I6	30 additional satellites are in operation .	20 Jun 2015				30 Nov 2017		
	C7.I7	50% of the ASW continue in full operations serving the communities.	0				50 Nov 2017		
	C7.I8	At least 15 female mechanics are working at the Authorized Service Workshops.	0				15 Nov 2017		
Component 8: Knowledge creation, dissemination and expansion plan for other countries. Weight: 8% Classification: Unsatisfactory	C8.I1	A communication strategy and work plan is defined.	0				1 Nov 2015	1 Dec 2015	Delayed
	C8.I2	Final evaluation capturing lessons learned and scaling potential shared with key stakeholders	0				1 Nov 2017		

Milestones	Planned	Due Date	Achieved	Date of achievement	Status
M0 Conditions Prior	1	Dec 2013	2	Sep 2013	Achieved
M1 [*] At least 19 potential communities have been evaluated for the implementation of an ASW	19	Dec 2014	19	Dec 2014	Achieved
M2 [*] 5 ASW pilots have been initiated	5	Jan 2015	5	Jan 2015	Achieved
M3 [*] At least an additional 5 ASW are created (10 in total) and 10 satellites are in operation	15	Jun 2016	35	Jun 2016	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	Mar 2016	Achieved
M5 [*] SHTTDF has developed a strategic framework to promote the sustainability and expansion of its activities.	1	Jul 2016	1	Nov 2015	Achieved
M6 [*] ASWs established and operational	30	Dec 2017			

[*] Indicate that the milestone has been reformulated

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

- [X] Executing agency institutional capacity
[X] Delays in fulfilling the contract terms

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	Project Guest

		and managers.	
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

Issue	Comments
[X] Lack of organizational, managerial and financial management capacity to continue and sustain the program once the execution phase is finalized.	ORGANIZATIONAL CAPACITY TO SUSTAIN THE PROJECT IS UNTESTED

Actions related to sustainability which have been taken in the reporting period:

The implementation of continuous field visits to the Mechanics with the ASW Mobile Van to help them with on-site repairs, trainings and maintenance.

SECTION 6: PRACTICAL LESSONS

[No lessons learned found]