

PROJECT STATUS REPORT (FINAL)

JANUARY 2013 - JUNE 2013

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Improving remittance services and promoting investments in Haiti

Project Number: HA-M1020 - Operation Number: ATN/ME-11795-HA

Result: Faciliter les transferts de fonds de la diaspora haïtienne vers les zones rurales d'Haiti en utilisant la technologie des cartes de crédit/débit.

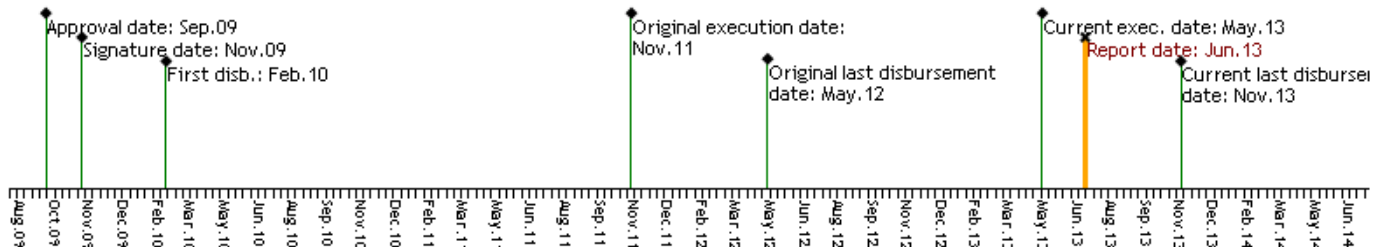
Country Administrator	Beneficiary Country	Group	Subgroup
HAITI	HAITI	SME - Small and Medium Enterprise Development	REMS - Remittances

Executing Agency: Fundación FONKOZE

Design Team Leader: Fils-Aimé, Jempsy

Supervision Team Leader: Fils-Aimé, Jempsy

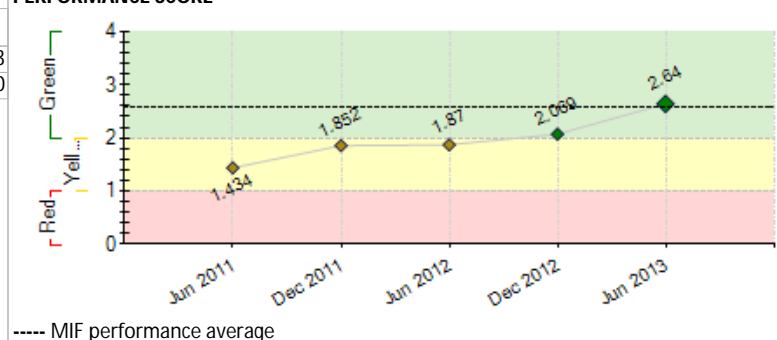
TIMELINE



FUNDS

	Approved	Cancelled	Disbursed
FOMIN	\$400,100.00	\$2,000.50	\$606,425.33
Counterpart	\$0.00	\$0.00	\$0.00

PERFORMANCE SCORE



SECTION 2: RESULTS AND ACHIEVEMENTS

Performance once project is completed

Overall the project execution as been completed: training of receivers was done by Croissance Group and Fonkoze institutional strengthening evaluation was done by IPC consulting firm. For the evaluation, audit and dissemination phase are also completed with success: Zafen is following its quest to sustainability and received fund from various foundations to operate for another 2 year recently got confirmation of funding to support operation in the North and but not to cover admin cost in the long run. New fees will be introduced soon and an alliance with Kiva is in negotiation. Optimization and sustainability of Zafen operation in Haiti is the most important challenge we are facing at this time. Website redesign and video are done should improve conversion rate. Zafen production of profile is lower by 48 profiles due cost reduction but we remain confident that we will meet expectation on the fall. Zafen had created over 470 jobs up to now. Training for program "remittance for Business" was successful; over 232 people were trained in Haiti. The video with success stories is now available online.

Comments from the Supervision Team Leader

The goal of the project was to enhance remittance services and encourage productive investment in rural areas in Haiti. The purpose was to facilitate the ability of Haitian diaspora to send funds to the rural areas of Haiti by using card-based technology. To achieve these objectives the following four components will be implemented: (i) institutional strengthening of Fonkoze; (ii) educational media campaign; (iii) deployment of community and employer outreach teams; and, (iv) linking remittances to SME development and dissemination of lessons learned. Overall, the project achieved partially its objectives. Although, it was difficult for Fonkoze to promote the card-based technology, the project successfully (i) provided to the Haitian diaspora a technology-based mechanism, through the Zafen

platform (www.zafen.org) to support productive investments in rural areas of Haiti and therefore to create jobs, (ii) helped remittance recipients to create or strengthen their microenterprises, (iii) created a pool of clients for Fonkoze's microfinance business line.

Final evaluation

The evaluator responded to the Terms of reference.

Comments from the Supervision Team Leader

Partially agree with the Evaluators comments

Although, it was difficult for Fonkoze to promote the card-based technology, the project successfully (i) provided to the Haitian diaspora a technology-based mechanism, through the Zafen platform (www.zafen.org) to support productive investments in rural areas of Haiti and therefore to create jobs, (ii) helped remittance recipients to create or strengthen their microenterprises, (iii) created a pool of clients for Fonkoze's microfinance business line. Fonkoze needs to implement the final evaluation recommendations, the closure workshop measures and the Zafen's sustainability plan in order to sustain the project.

[Final evaluation](#)

<http://mif.iadb.org/file.aspx?DOCNUM=38166829>

SECTION 3: INDICATORS

	Indicators	Baseline	Planned	Achieved	Percentage
Result: Faciliter les transferts de fonds de la diaspora haïtienne vers les zones rurales d'Haiti en utilisant la technologie des cartes de crédit/débit. Classification: Satisfactory	P.11 Nombre de titulaire de la carte	0	600	600	100 %
	P.12 Des nouveaux comptes d'investissement Fonkoze auront été ouverts.	0	2000	2000	100 %
	P.13 Le montant total des dépôts des transferts aura augmenté.	0	30	115	383 %
Component 1: Renforcement institutionnel Weight: 10% Classification: Satisfactory	C1.11 Un appel à proposition est lancé	0	1	1	100 %
	C1.12 Rapport de la firme de consultation sur la situation de Fonkoze	0	1	1	100 %
	C1.13 Lettre concernant la décision prise par Fonkoze sur sa transformation	0	1	1	100 %
Component 2: Campagne d'éducation dans les médias Weight: 15% Classification: Satisfactory	C2.11 Campagne d'éducation dans les médias exécutée à New York et Miami	0	2	2	100 %
Component 3: Promotion auprès de la communauté et de l'employeur Weight: 15% Classification: Satisfactory	C3.11 Nombre de titulaires de cartes	0	600	600	100 %
Component 4: Liens entre les transferts de fonds et le développement des microentreprises et diffusion des enseignements des expériences Weight: 20% Classification: Satisfactory	C4.11 Baseline	0	1	1	100 %
	C4.12 Vidéo de sensibilisation et d'information	0	1	1	100 %
	C4.13 Nombre de bénéficiaire de transferts ayant créé ou renforce une micro-entreprise	0	200	232	116 %
	C4.14 Vidéo sur le modèle Transferts pour entreprises	0	1	1	100 %
Component 5: Promotion de l'aide de la Diaspora aux MPME en Haiti à travers des dons et des prêts sans intérêt Weight: 40% Classification: High Satisfactory	C5.11 A la fin de la première année de l'amendement du projet, au moins 50 projets sont financés par ZAFEN	0	50	87	174 %
	C5.12 A la fin de la première année de l'amendement du projet, au moins US\$150,000 ont été accordés à titre de crédit sans intérêt	0	150000	431919	288 %
	C5.13 A la fin du projet au moins 192 projets sont financés par ZAFEN	0	192	313	163 %
	C5.14 A la fin du projet au moins US\$ 1000,000 ont été accordés à titre de crédit sans intérêt	0	1000000	1084849	108 %
	C5.15 A la fin du projet au moins 384 nouveaux emplois ont été créés par ZAFEN	0	384	440	122 %

Milestones	Planned	Due Date	Achieved	Date achieved	Status
M0 [*] Previous Conditions	8	May 2010	8	Jun 2010	Achieved late
M1 [*] La stratégie de marketing disponible et validée par le conseil d'administration de Fonkoze	1	Nov 2010	1	Jun 2010	Achieved
M2 [*] Nombre cumulé de projets intégrés sur le site Web de ZAFEN	25	Nov 2010	67	Jun 2011	Achieved late
M3 [*] Montant cumulé approuvé en USD par ZAFEN (don, et prêts)	75000	Nov 2010	608849	Apr 2012	Achieved late
M4 [*] Nombre cumulé d'emplois durables créés par les entreprises soutenus par le projet	50	Nov 2010	300	Dec 2011	Achieved late
M6 [*] Rapport de l'étude de base	1	May 2011	1	Jan 2011	Achieved
M7 [*] Nombre cumulé de projets intégrés sur le site Web de ZAFEN	50	May 2011	191	Nov 2011	Achieved late
M8 [*] Montant cumulé financé en USD par ZAFEN (don, et prêts)	100000	May 2011	100000	May 2011	Achieved
M9 Nombre cumulé d'emplois durables créés par les entreprises soutenus par le projet (temps plein)	100	May 2011	258	Apr 2012	Achieved late
M10 [*] Une augmentation du volume total des fonds transmis par le biais de dépôts aux comptes d'investissement de Fonkoze	10	Nov 2011	115	Jun 2012	Achieved late
M11 [*] Nombre total de compte d'investissement ouvert	400	Nov 2011	268900	Nov 2011	Achieved
M12 [*] Nombre total de titulaires de cartes acquises	500	Nov 2011	600	Jan 2012	Achieved late
M13 [*] Nombre cumulé de projets intégrés sur le site Web de ZAFEN	150	Nov 2011	234	Apr 2012	Achieved late
M14 Montant cumulé financé en USD par ZAFEN (don, et prêts)	200000	Nov 2011	608849	Apr 2012	Achieved late
M15 Nombre cumulé d'emplois durables créés par les entreprises soutenus par le projet (temps plein)	200	Nov 2011	258	Apr 2012	Achieved late

M17	Nombre cumulé de projets intégrés sur le site Web de ZAFEN	300	May 2012	415	Apr 2013	Achieved late
M18	Montant cumulé financé en USD par ZAFEN (don, et prêts)	400000	May 2012	608849	Apr 2012	Achieved
M19	Nombre total de titulaires de cartes acquises	600	May 2012	600	May 2011	Achieved
M20	Nombre total de compte d'investissement ouvert	1000	May 2012	1000	Dec 2012	Achieved late
M21	Une augmentation du volume total des fonds transmis par le biais de dépôts aux comptes d'investissement de Fonkoze.	15	May 2012	115	May 2012	Achieved
M22	Nombre cumulatif d'emplois durables créés par les entreprises soutenues par le projet (temps plein)	250	May 2012	258	Jun 2012	Achieved late
M25	Montant cumulé financé en USD par ZAFEN (don, et prêts)	600000	Nov 2012	712339	Nov 2012	Achieved
M26	Nombre total de compte d'investissement ouvert	2000	Nov 2012	2000	Nov 2012	Achieved
M27	Une augmentation du volume total des fonds transmis par le biais de dépôts aux comptes d'investissement de Fonkoze.	20	Nov 2012	32	Nov 2012	Achieved
M24	[*] Nombre cumulé de projets intégrés sur le site Web de ZAFEN	0	Nov 2012	452	Jun 2013	Achieved late
M29	[*] Nombre cumulatif de nouvelles micro entreprises créées par les bénéficiaires des transferts.	200	Feb 2013	200	May 2013	Achieved late
M30	[*] Nombre cumulatif de nouvelles micro entreprises créées par les bénéficiaires des transferts	100	Jun 2013	0	Jun 2013	Not Achieved

[*] Indicate that the milestone has been reformulated

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

[X] Borrower/executing agency commitments

SECTION 4: RISKS**CRITICAL RISKS MANAGED DURING IMPLEMENTATION****PROJECT RISK LEVEL:** Low **TOTAL NUMBER OF RISKS:** 4 **IN EFFECT RISKS:** 0 **NOT IN EFFECT RISKS:** 1 **MITIGATED RISKS:** 3**SECTION 5: SUSTAINABILITY****Likelihood of project sustainability after project completion:** P - Probable

Fonkoze has a sustainability plan and has started the implementation of the plan.

CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY**Issue**[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**Comments**

At the end of the project, the cost recovery was not adequate to continue the project activities.

Actions related to sustainability which have been implemented:

The latest business plan of Zafen demonstrated that sustainability could be achieved only if the loan portfolio could reach \$4M. Until we could reach that level we will need grants to support the operations. For remittance for business program it could become a course sponsored by MTO or NGOs interested in Financial education. The participants should pay a nominal fee for the training.

[Sustainability Plan](#)<http://mif.iadb.org/file.aspx?DOCNUM=38166755>**SECTION 6: KNOWLEDGE****Lessons learned**

1. we need to partner with NGOs and BDS providers to reduce the credit risk and help the businesses graduate to commercial loans. - crowd sourcing platforms like Zafen need to attract a lot of visitors to be able to fund projects. To get this type of traffic we need to invest in marketing or to partner with other platforms like Kiva who already have a high volume of visitors. (We are in the process of making an alliance with Kiva). - social impact metrics need to be discussed and agreed upon with the partners. Once these social metrics alongside the financial metrics have been agreed on, We need to introduce the BAs and partners to a scorecard that will track them (this would be a shared responsibility) through the life of the project(s). - We cannot process a large loan portfolio in Haiti because of the size of the market which means the interest rate will never cover our total operational costs. We are working on a sustainability model that will involve a balance of interest rates, fees

2. - also we need to charge interest (or service fees) for the loan even if it is a soft loan (no collateral) to the enterprises. - most of the businesses that we serve are not micro but still small and fall in the category of small growing businesses (SGBs), community projects and some SMEs. - Most of them need business support (BDS) to succeed, we cannot just give access to finance. - Business Analysts will need to have key messaging (i.e. talking points) to share with business owners to improve their businesses.

3. - Zafen's loan were a one size fit all 12 months with 2 month grace period no interest. We realized that we need to adapt the loans to fit the different needs i.e. equipment, agriculture and trade (working Capital).

Relative to
Sustainability**Author**
Katleen , Felix

Sustainability

Katleen , Felix

Design

Katleen , Felix

Indicate which are the main products of the project, where they can be found, and how they could be "shared" with other entities or similar projects.

The main product of the project is a video documentary named Remittance for business. It can be found on the Fonkoze's website, through the following link: <http://fonkoze.org/publications/videos/videos/7-educational/369-remittance-for-businesses.html>

Main products of the project

[No related products to display]

SECTION 7: DOCUMENTS

06/AUG/2009	Donors Memorandum	[http://www5.iadb.org/mif/file.aspx?DOCNUM=2091733]
06/AUG/2009	Donors Memorandum	[http://www5.iadb.org/mif/file.aspx?DOCNUM=2091734]
06/AUG/2009	Donors Memorandum	[http://www5.iadb.org/mif/file.aspx?DOCNUM=2091735]
06/AUG/2009	Donors Memorandum	[http://www5.iadb.org/mif/file.aspx?DOCNUM=2091737]
06/AUG/2009	Donors Memorandum	[http://www5.iadb.org/mif/file.aspx?DOCNUM=2091760]
06/AUG/2009	Donors Memorandum	[http://www5.iadb.org/mif/file.aspx?DOCNUM=2091761]
06/AUG/2009	Donors Memorandum	[http://www5.iadb.org/mif/file.aspx?DOCNUM=2091762]
06/AUG/2009	Donors Memorandum	[http://www5.iadb.org/mif/file.aspx?DOCNUM=2091764]
06/AUG/2009	Donors Memorandum	[http://www5.iadb.org/mif/file.aspx?DOCNUM=2091765]
06/AUG/2009	Donors Memorandum	[http://www5.iadb.org/mif/file.aspx?DOCNUM=2091782]
06/AUG/2009	Donors Memorandum	[http://www5.iadb.org/mif/file.aspx?DOCNUM=2091783]
06/AUG/2009	Donors Memorandum	[http://www5.iadb.org/mif/file.aspx?DOCNUM=2091784]
11/MAY/2010	Donors Memorandum	[http://www5.iadb.org/mif/file.aspx?DOCNUM=35166332]
10/FEB/2012	Intermediate Evaluation Report	[http://www5.iadb.org/mif/file.aspx?DOCNUM=36677680]
29/MAR/2012	Intermediate Evaluation Report	[http://www5.iadb.org/mif/file.aspx?DOCNUM=36763602]
14/OCT/2013	Intermediate Evaluation Report	[http://www5.iadb.org/mif/file.aspx?DOCNUM=38166845]
12/JUN/2013	Final Evaluation Report	[http://www5.iadb.org/mif/file.aspx?DOCNUM=37829141]
03/JUL/2013	Final Evaluation Report	[http://www5.iadb.org/mif/file.aspx?DOCNUM=37877566]
14/OCT/2013	Final Evaluation Report	[http://www5.iadb.org/mif/file.aspx?DOCNUM=38166829]
14/OCT/2013	Sustainability Plan	[http://www5.iadb.org/mif/file.aspx?DOCNUM=38166755]
14/OCT/2013	Sustainability Plan	[http://www5.iadb.org/mif/file.aspx?DOCNUM=38166761]

[Project profile](#)

<http://www5.iadb.org/mif/apps/public/psr/projectprofile.aspx?proj=HA-M1020&lg=EN>