

# PROJECT STATUS REPORT

JANUARY 2013 - JUNE 2013

## SECTION 1: PROJECT SUMMARY

**PROJECT NAME:** Support to La Inmaculada Credit Union

Project Number: BL-S1001 - Operation Number: ATN/OC-13615-BL, SP/OC-12-11-BL

**Result:** The purpose is to increase the access to financial services to small micro-entrepreneurs in rural areas, who are interested in diversifying their economic activities from agriculture.

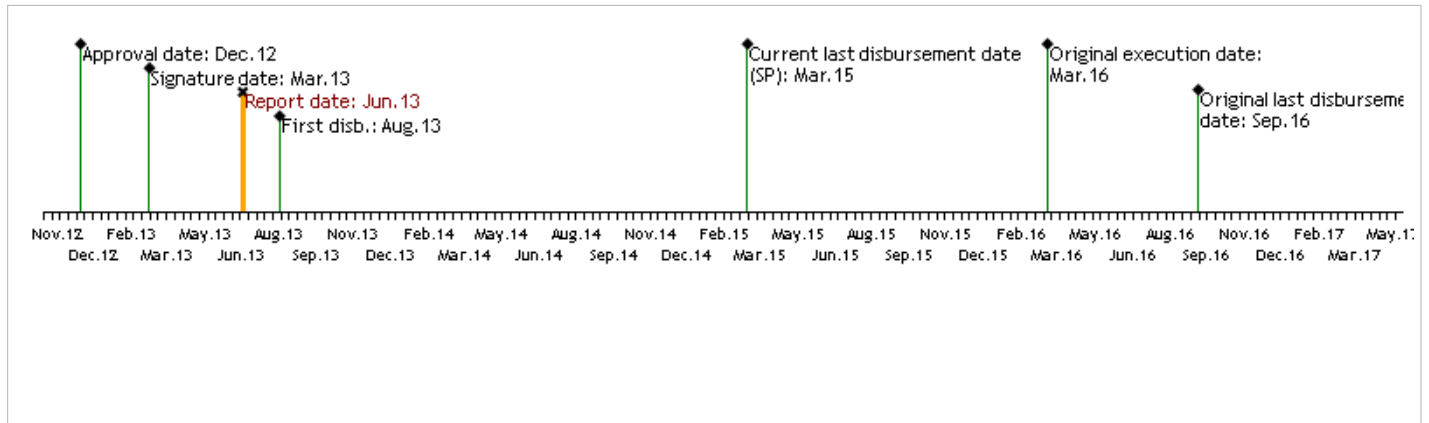
**Country Administrator**  
BELIZE

**Beneficiary Country**  
BELIZE

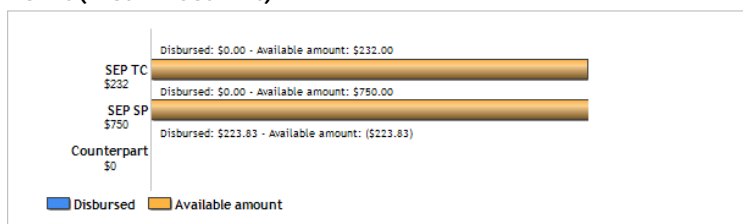
**Executing Agency:** LA INMACULADA CREDIT UNION

**Design Team Leader:** Rivera, Edgar  
**Supervision Team Leader:** Beecher, Wayne

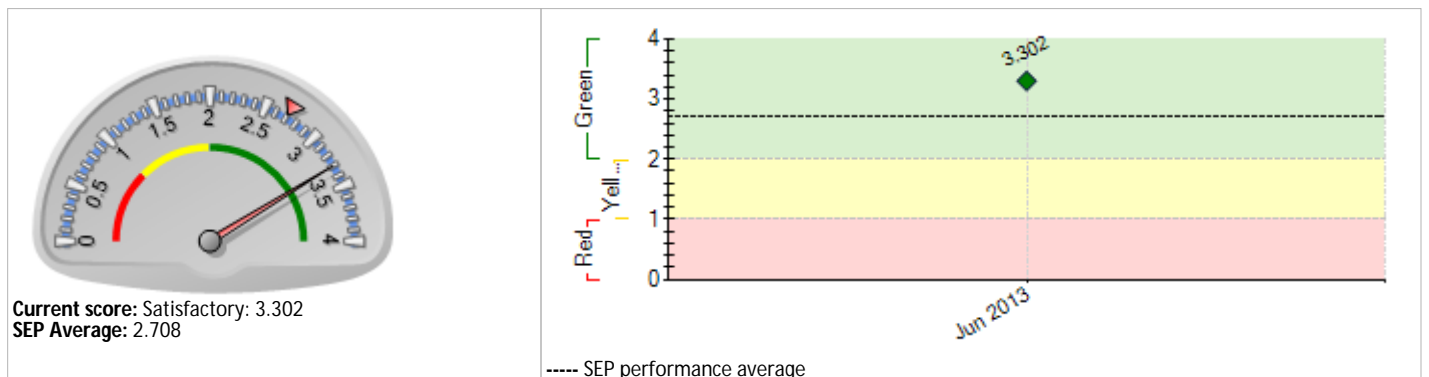
### TIMELINE



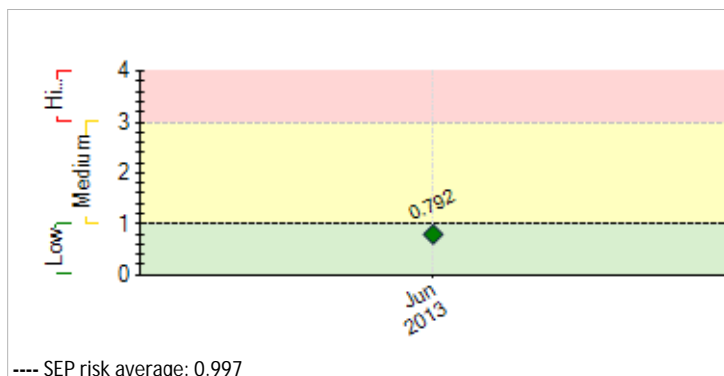
### FUNDS (IN USD THOUSANDS)



### PERFORMANCE SCORE



### EXTERNAL RISKS



### INSTITUTIONAL CAPACITY

**Risk**  
**Financial Management:** Low  
**Procurement:** Low  
**Technical Capacity:** Low

## SECTION 2: PERFORMANCE

## Summary of project performance in the last six months

1. The Market Expansion Study was contracted in December 2012 and work on the ground commenced that same month. A Project Coordinator (PC) was hired and vacancy notices were advertised for the post of Micro-Finance Service Providers. The SSEDAT Center is well on its way and completion will be sooner than expected.
2. There will a short delay in the delivery of results of the Market Expansion Survey due to the Consultant having to leave the country on an emergency.
3. LICU will continue working on conditions prior to first disbursement and the SSEDAT Center is expected to be completed in August of 2013.

## Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The execution of the TC is off to a good start

The reduction in the credit portfolio when compared to the baseline is an emerging concern. However, sufficient time is available to achieve the intermediary target

## SECTION 3: INDICATORS AND MILESTONES

Indicators		Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
<b>Result:</b> The purpose is to increase the access to financial services to small micro-entrepreneurs in rural areas, who are interested in diversifying their economic activities from agriculture.	<b>R.1</b> Number of clients receiving microloan to finance non-agricultural activities. (At least 133 rural clients per year)	0				400 Mar 2020	144 Dec 2013	
	<b>R.2</b> Number of clients opened a savings account	0				400 Mar 2020	1524 Dec 2013	
	<b>R.3</b> Amount of loaned of loans for non-traditional Economic Activities (at least US\$282,000 per year)	0				859000 Mar 2020	221700.79 Dec 2013	
<b>Component 1:</b> Line of Credit (Reimbursable)								
<b>Weight:</b> 50%								
<b>Classification:</b> Unsatisfactory								
<b>Component 2:</b> Technical Cooperation - Institutional Strengthening and MSME Development and Strengthening	<b>C2.11</b> Improved delivery of financial services					Mar 2014	Yes Jun 2013	Finished
	<b>C2.12</b> Commissioning of SSEDAT Centre	0 Apr 2013				1 Sep 2014	0 Jun 2013	
	<b>C2.13</b> Market Survey Completed	0 Mar 2013				1 Nov 2014	0 Jun 2013	
	<b>C2.14</b> Improvement and Validation of Loan Policy Manuals	0 Mar 2013				1 Feb 2015	0 Jun 2013	
	<b>C2.15</b> Train and Deploy MicroFinance Service Providers	0 Mar 2013	1 Nov 2014			2 Jun 2015	0 Jun 2013	
	<b>C2.16</b> Business development and financial literacy training for MSMEs	0 Mar 2013	120 Jul 2014	240 Sep 2015		400 Jan 2016	23 Jun 2013	
	<b>C3.11</b> Provisioning complies fully with Central Bank's ratio:	35 Apr 2013	60 Aug 2014			65 Aug 2015		
<b>Component 3:</b> Sustainability and financial analysis	<b>C3.12</b> PAR>30	35 Mar 2013	10 Aug 2014			7 Aug 2015	2.35 Jun 2013	

Milestones		Planned	Due Date	Achieved	Date achieved	Status
<b>M1</b>	Conditions Prior	6	Sep 2013			
<b>M5</b>	Achieve Conditions for 1st loan disbursement	1	Sep 2013			
<b>M2</b>	Market study completed	1	Sep 2013			
<b>M4</b>	LICU staff fully trained on Loan Product	1	Mar 2014			
<b>M6</b>	Achieve Conditions for 2nd loan disbursement	1	Mar 2014			
<b>M3</b>	[*] Loan Policy Manuals Improved and Validated	1	Mar 2014			
<b>M7</b>	Achieve Conditions for 3rd loan disbursement	1	Jun 2014			

[\*] 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. The national economy remains stable or	Medium	1. Re-visit the interest rates;	Project Guest

improves			2. Widen the sectors eligible for lending; 3. Re-visit Terms and Conditions with MIF/SEP; 4. Streamline Administrative Expenditure	
2. Major natural disasters	Medium		1. Re-visit Terms and Conditions of loans; 2. Advocate for micro-finance;	Project Guest
3. Government is not committed to MSMEs.	Low		1. Re-visit interest rates; 2. Advocate through Chamber of Commerce; 3. Re-align Terms and Conditions with MIF	Project Guest
4. The sugar industry is not stable and or does not improve.	Low		1. Re-visit interest rates; 2. Re-align Terms and Conditions of loans;	Project Guest
5. LICU is not committed to MSME development and outreach programs	Low		1. Re-visit strategic plan;	Project Guest
<b>PROJECT RISK LEVEL: Low    TOTAL NUMBER OF RISKS: 5    IN EFFECT RISKS: 5    NOT IN EFFECT RISKS: 0    MITIGATED RISKS: 0</b>				

## 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 will be or have been implemented:

i) The SSEDAT Center was fully furnished and commissioned; ii) A Project Coordinating Unit was staffed and fully equipped; iii) Ads were placed for recruitment of Micro-finance Service Providers; iv) Human Resources have been streamlined to support the project

## SECTION 6: PRACTICAL LESSONS

*[No lessons learned added yet.]*