

PROJECT STATUS REPORT

JULY 2013 - DECEMBER 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.

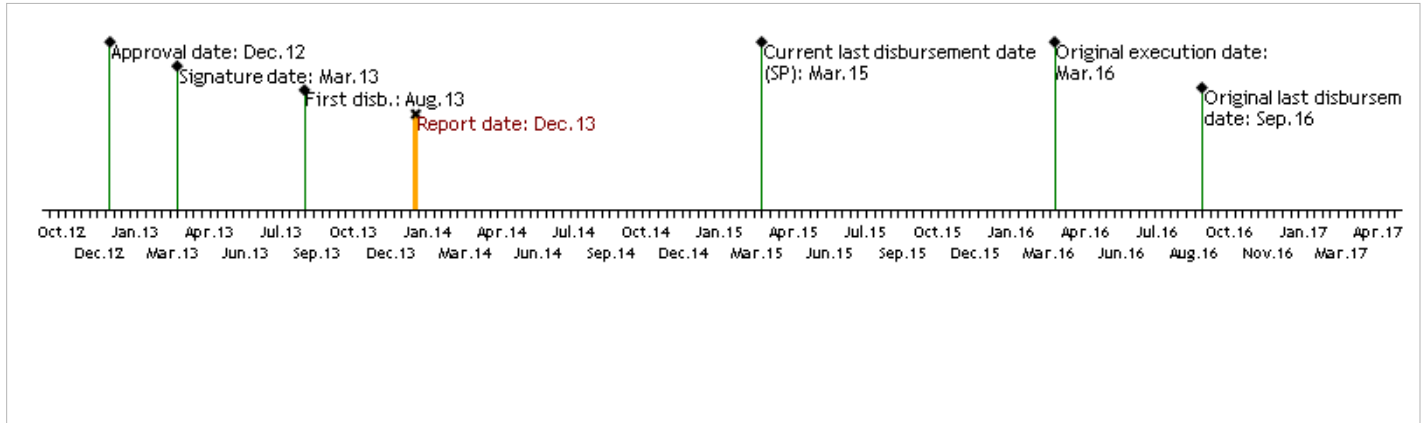
Country Administrator
BELIZE

Beneficiary Country
BELIZE

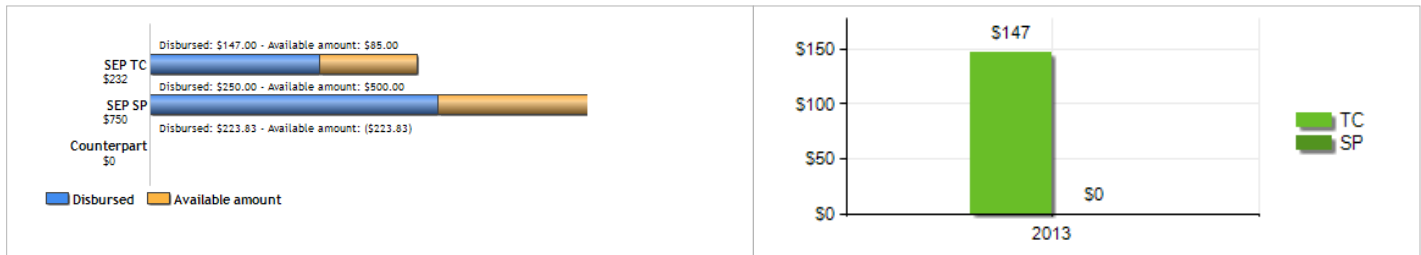
Executing Agency: LA INMACULADA CREDIT UNION

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

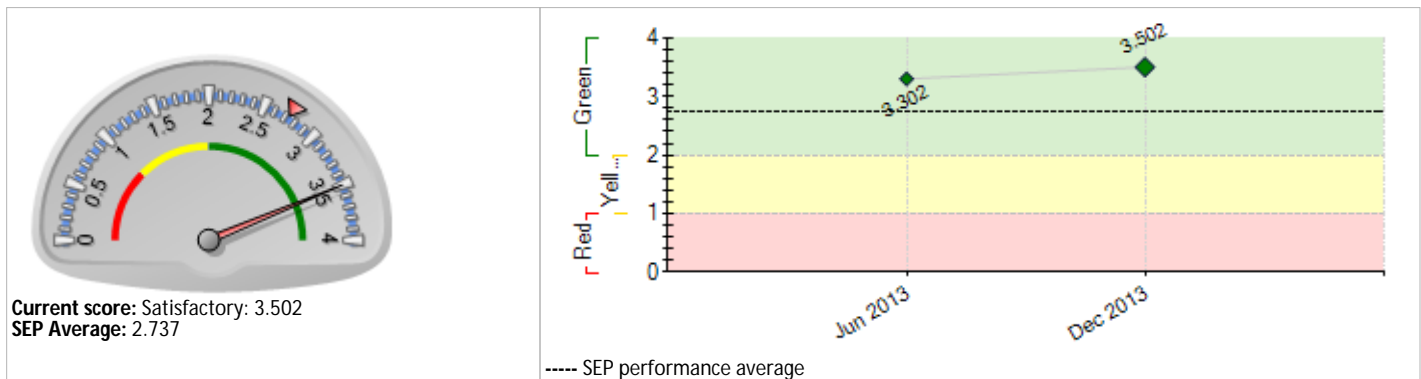
TIMELINE



FUNDS (IN USD THOUSANDS)



PERFORMANCE SCORE



EXTERNAL RISKS

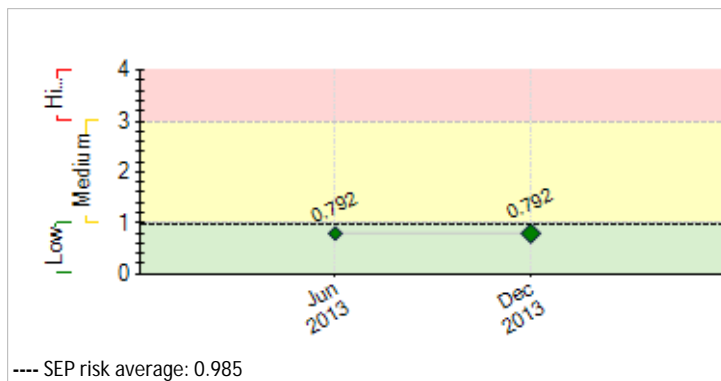
INSTITUTIONAL CAPACITY

Risk

Financial Management: Low

Procurement: Low

Technical Capacity: Low



SECTION 2: PERFORMANCE

Summary of project performance since inception

As at December 31, 2013 the SEP program has contributed to an addition of 1,850 new members/owners of LICU through the new branch office and active recruitment by the Micro-finance Service Providers. 217 new loans have been approved and disbursed under the SEP for non-traditional purposes. The market expansion survey was completed in July 2013 and the SSEDAT Center inaugurated in that same month. Training sessions with MSEs is well underway at the SSEDAT Center and at the community level. A total of \$285,677.60 has been approved under the SEP and the total credit portfolio of LICU has grown to \$19,564,911.30.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Summary of project performance in the last six months

This semester LICU increased its loan delivery by 142 loans over the last semester through active participation of the Micro-finance Field Service Providers. In this semester membership grew by 936 members/owners, mainly due to the opening of the Belmopan branch which is financed directly with SEP seed funding. Loans approved this semester increased over last semester by \$187,168.01. In this semester the market expansion survey was completed as was the construction of the SSEDAT Center. In this semester total credit portfolio grew by \$2,175,709.89 over last semester.

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
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.	R.1 Number of clients receiving microloan to finance non-agricultural activities. (At least 133 rural clients per year)	0				400 Mar 2020	217 Dec 2013	
	R.2 Number of clients opened a savings account	0				400 Mar 2020	1850 Dec 2013	
	R.3 Amount of loaned of loans for non-traditional Economic Activities (at least US\$282,000 per year)	0				859000 Mar 2020	285677.6 Dec 2013	
Component 1: Line of Credit (Reimbursable) Weight: 50% Classification: Satisfactory	C1.I1 Amount of Total credit portfolio	13900000 Mar 2013	18500000 Mar 2014	21300000 Mar 2015		23500000 Mar 2016	19564911.3 Dec 2013	
	C2.I1 Improved delivery of financial services					Mar 2014	Yes Jun 2013	Finished
Component 2: Technical Cooperation - Institutional Strengthening and MSME Development and Strengthening Weight: 25% Classification: High Satisfactory	C2.I2 Commissioning of SSEDAT Centre	0 Apr 2013				1 Sep 2014	1 Jul 2013	Finished
	C2.I3 Market Survey Completed	0 Mar 2013				1 Nov 2014	1 Jul 2013	Finished
	C2.I4 Improvement and Validation of Loan Policy Manuals	0 Mar 2013				1 Feb 2015	0 Dec 2013	
	C2.I5 Train and Deploy MicroFinance Service Providers	0 Mar 2013	1 Nov 2014			2 Jun 2015	2 Jul 2013	Finished
	C2.I6 Business development and financial literacy training for MSMEs	0 Mar 2013	120 Jul 2014	240 Sep 2015		400 Jan 2016	154 Dec 2013	
	C3.I1 Provisioning complies fully with Central Bank's ratio:	35 Apr 2013	60 Aug 2014			65 Aug 2015	517619 May 2013	Finished
Component 3: Sustainability and financial analysis Weight: 25% Classification: Satisfactory	C3.I2 PAR>30	35 Mar 2013	10 Aug 2014			7 Aug 2015	3.6 Dec 2013	

Milestones		Planned	Due Date	Achieved	Date achieved	Status
M1	Conditions Prior	6	Sep 2013	6	Jul 2013	Achieved
M5	Achieve Conditions for 1st loan disbursement	1	Sep 2013	1	Jul 2013	Achieved
M2	Market study completed	1	Sep 2013	1	Jul 2013	Achieved

M4	LICU staff fully trained on Loan Product	1	Mar 2014			
M6	Achieve Conditions for 2nd loan disbursement	1	Mar 2014	1	Dec 2013	Achieved
M3	[*] Loan Policy Manuals Improved and Validated	1	Mar 2014			
M7	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 improves	Medium	1. Re-visit the interest rates; 2. Widen the sectors eligible for lending; 3. Re-visit Terms and Conditions with MIF/SEP; 4. Streamline Administrative Expenditure	Project Guest
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

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: HP - Highly Probable

CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY

[None reported in this period]

Actions related to sustainability which will be or have been implemented:

LICU has been disbursing funds from IDB and is also providing counterpart funding. Trainings are in progress; Microfinance Service Providers have been hired, trained and deployed. The financial outreach program is on course.

SECTION 6: PRACTICAL LESSONS

	Relative to	Author
1. Need for more technical assistance to Executing Agency at project design to streamline communication between EA and MIF.	Design	Vargas, Albino G.
2. Need to have more training for Executing Agency Project Coordinating Unit on the use of PSR Reporting and Procurement Procedures.	Implementation	Vargas, Albino G.