



Fondo Multilateral de Inversiones
Miembro del Grupo BID

REPORTE DE ESTADO DEL PROYECTO JULIO 2014 - DICIEMBRE 2014

SECCIÓN 1: SÍNTESIS DEL PROYECTO

NOMBRE DEL PROYECTO: Sistema Biobolsa

Número de proyecto: RG-M1260 - Nro. Operación: ATN/ME-14422-RG

Resultado: Strengthen the fabrication and sales capacity of BMC to expand small holder farmers' access to the Biobolsa System in Mexico, Honduras and Nicaragua

País Administrador
MÉXICO

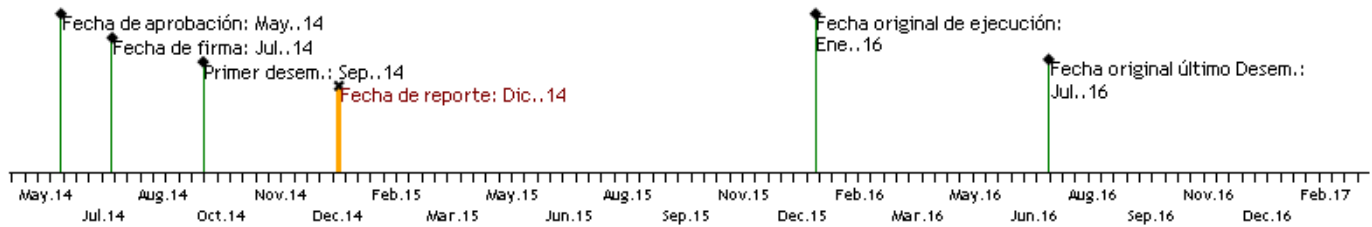
País Beneficiario
HONDURAS, MÉXICO, NICARAGUA

Agencia ejecutora: Buen Manejo del Campo, S.A. de C.V.

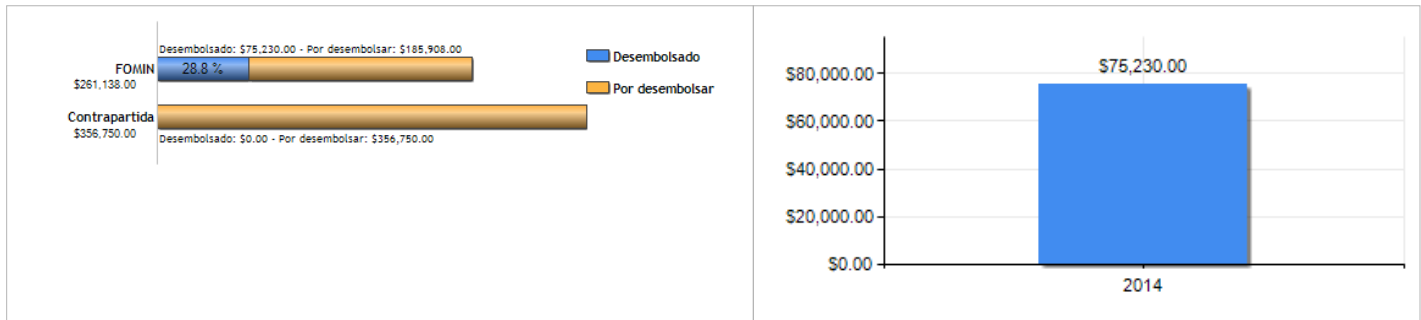
Líder equipo de diseño: Bloomgarden, David

Líder equipo de supervisión: Bucardo, Alberto

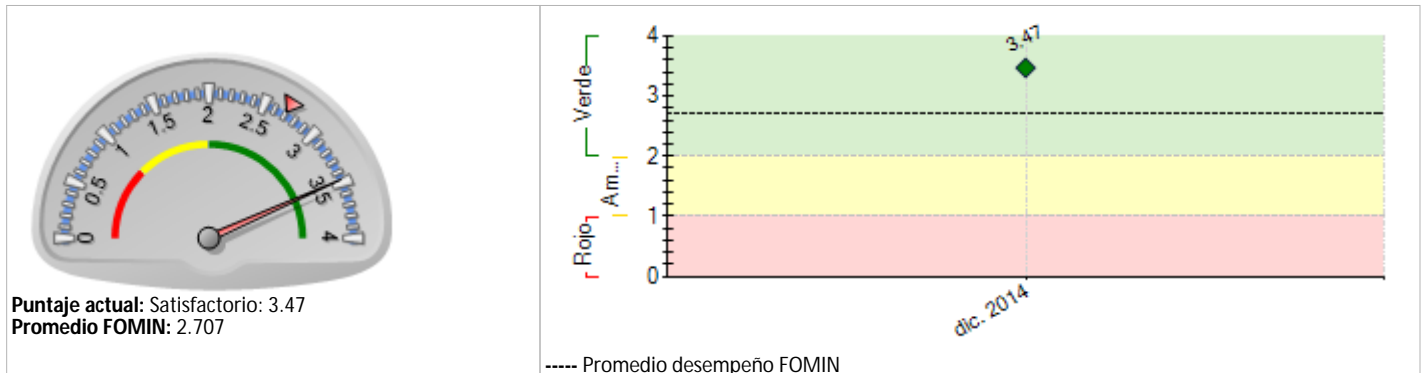
CRONOLOGÍA DE EVENTOS



RECURSOS



PUNTAJE DE DESEMPEÑO



RIESGOS EXTERNOS

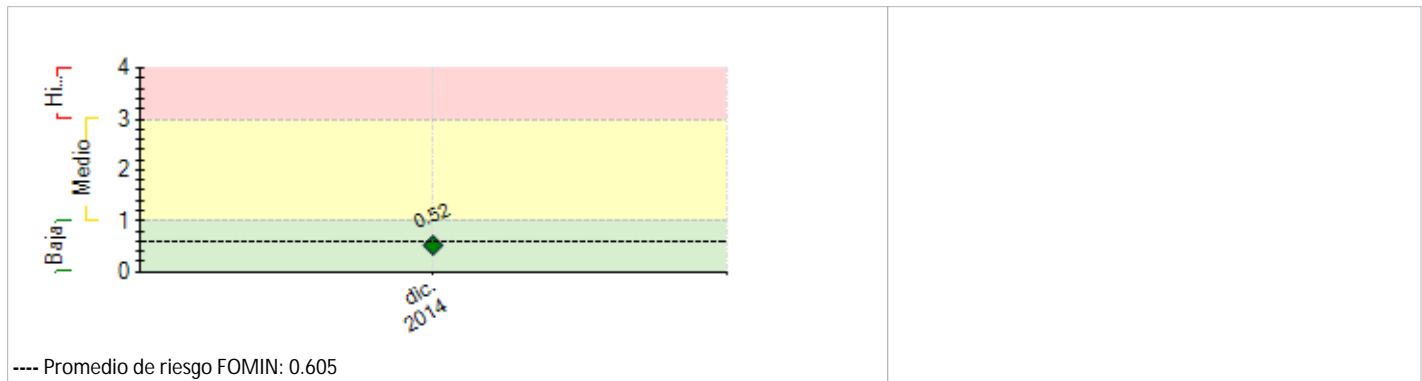
CAPACIDAD INSTITUCIONAL

Riesgo

Administración Financiera: Alto

Adquisiciones: Alto

Capacidad Técnica: Baja



SECCIÓN 2: DESEMPEÑO

Resumen del desempeño del proyecto en los últimos seis meses

1. Main achievements

Component 1

- Completion of the 1st milestone

We hired a consultant to develop a franchising package and retailers approach

Another consulting firm installed systems in hog farms in Jalisco, validating the demand for biodigesters in this new niche market

- Creation of 6 videos and photographic material for our communication and marketing strategy
- Recruitment of a financial analyst

Component 2: market analysis, reviews and meetings with potential providers

Component 3: improved efficiency in the welding process in the fabric

2. Areas with delays: field testing delays due to a lack of availability to make decisions which require in-depth analysis

Causes

- BMC had a record year in 2014: \$19.4mm sales and \$3.5mm net profit
- 72% of revenues and installations took place in 4Q14, requiring the full attention and support of the staff

Actions taken

- We increased our capacity in the field and strengthened internal processes to cope with high demand
- Activity spikes in 2015 are clear and we can anticipate them

3. Critical actions for the next semester

Component 1

- Reinforce market studies for geographic and market expansion
- Improve our website with an online sales functionality
- Expand our technical capacity to service new markets
- Implementation of replication model in one new region

Component 2

- Find the supplier for the online data management platform
- Start tests in the field

Component 3: redesign process efficiency and quality control

Comentarios del líder de Equipo de Supervisión

De acuerdo con los comentarios de la Agencia Ejecutora

El proyecto estuvo enfocado el semestre pasado a cumplir las condiciones de arranque establecidas por el FOMIN, habiéndose contratado a la consultora que apoyará en el control y administración del proyecto.

SECCIÓN 3: INDICADORES E HITOS

Indicadores		Línea de base	Intermedio 1	Intermedio 2	Intermedio 3	Planeado	Logrado	Estado
Resultado: Strengthen the fabrication and sales capacity of BMC to expand small holder farmers' access to the Biobolsa System in Mexico, Honduras and Nicaragua	R.1 Potential number of Biobolsa digesters fabricated per year	1000	2000			5000	0	
		Jul. 2014	Jul. 2015			Ene. 2016		
	R.2 Number of firms or farms that have adopted new technologies or practices – CRF 230100	0	1000			2500	0	
		Jul. 2014	Abr. 2015			Ene. 2016		
Componente 1: Consolidation of Regional Growth Strategy Peso: 80% Clasificación: Satisfactorio	C1.11 Complete distribution/marketing package for independent sales team	0				1		
		Jul. 2014				Ene. 2016		
	C1.12 Number of trained sales representatives reaching targeted regions (sex disaggregated, 19 women baseline, 35 target)	36				70		
		Jul. 2014				Ene. 2016		
	C1.13 Number of people trained in improved business skills (e.g. accounting, business practices, products/technologies) – CRF 110100	200	300			800		
		Jul. 2014	Jul. 2015			Ene. 2016		
	C1.14 Number of farms receiving training or otherwise strengthened - CRF 130100 (per year)	650	1000			2500		
		Jul. 2014	Jul. 2015			Ene. 2016		
	C1.15 Number of stakeholders at awareness events in new regions	0	50			200		
		Jul. 2014	Jul. 2015			Ene. 2016		
	C1.16 Number of attendees present at awareness events/forums in new regions	0	500			1500		
		Jul. 2014	Jul. 2015			Ene. 2016		
Componente 2: Strengthening of the	C2.11 Online Platforms Developed	0				1		

company's data management and M&E capacity			Jul. 2014				Jul. 2015		
	C2.I2	Percentage of targeted new regions covered by M&E data collection	0	40			90		
Peso: 8%			Jul. 2014	Jul. 2015			Ene. 2016		
Clasificación: Satisfactorio									

Componente 3: Redesign of the Sistema Biobolsa production process	C3.I1	Number of Fabrication Plans Developed	0				1		
			Jul. 2014				Jul. 2015		
Peso: 12%									
Clasificación: Satisfactorio									

Hitos	Planeado	Fecha de cumplimiento	Logrado	Fecha alcanzada	Estado
H1 Contract signed with marketing consultant	1	Dic. 2014	1	Ago. 2014	Logrado
H1 Conditions Prior	1	Ene. 2015	6	Ago. 2014	Logrado
H2 demonstration systems installed	50	Jun. 2015			
H3 Completed New Fabrication Plan	1	Dic. 2015			

FACTORES CRÍTICOS QUE HAN AFECTADO EL DESEMPEÑO*[No se reportaron factores para este período]***SECCIÓN 4: RIESGOS****RIESGOS MÁS RELEVANTES QUE PUEDEN AFECTAR EL DESEMPEÑO FUTURO**

	Nivel	Acción de mitigación	Responsable
1. Other risks: External risks include a very dynamic political and social climate in Mexico, Honduras and Nicaragua that can have direct impacts on the company's ability to effectively promote and sell Sistema Biobolsa.	Baja	In order to mitigate this risk, the expansion into multiple markets will help insulate the company from acute social or political issues that may impact sales in one region or country.	Project Coordinator
2. Sector risk: Any factor that undermines the ability of the target market to pay, or makes the product less appealing—such as subsidies for competing chemical fertilizers or fossil fuels—poses an external risk for BMC. However, subsidies to the farmers are not expected to increase.	Baja	To mitigate this risk, marketing is directed to farmers that seek higher levels of self-sufficiency, want to serve organic market demand, and for whom the combination of energy and fertilizer production continue to provide an important return on investment regardless of competing subsidies.	Project Coordinator
3. Financial risk: The Company's current solvency is combination of credit from crowd funding sources, external investors, and its own revenue. As Sistema Biobolsa continues to make investments in growth and scaling, a significant reduction in these three funding sources combined with slow market conditions could provide a cash-flow problem in the long-run.	Baja	To mitigate this risk, BMC secured short term financial instruments that can insulate against short term cash flow issues, reduced fixed overhead costs and identified market niches that allow for a consistent sales profile across the course of the year. In addition, BMC ended 2014 with a positive net income and created an important cash reserve, which will allow it to keep the company cash positive throughout 2015.	Project Coordinator
4. Financial risk: The Company's current solvency is combination of credit from crowd funding sources, external investors, and its own revenue. As Sistema Biobolsa continues to make investments in growth and scaling, a significant reduction in these three funding sources combined with slow market conditions could provide a cash-flow problem in the long-run.	Baja	To mitigate this risk, BMC secured short term financial instruments that can insulate against short term cash flow issues, reduced fixed overhead costs and identified market niches that allow for a consistent sales profile across the course of the year. In addition, BMC ended 2014 with a positive net income and created an important cash reserve, which will allow it to keep the company cash positive throughout 2015.	Project Coordinator
NIVEL DE RIESGO DEL PROYECTO: Baja NÚMERO TOTAL DE RIESGOS: 4 RIESGOS VIGENTES: 4 RIESGOS NO VIGENTES: 0 RIESGOS MITIGADOS: 0			

SECCIÓN 5: SOSTENIBILIDAD**Probabilidad de que exista sostenibilidad después de terminado el proyecto:** P - Probable**FACTORES CRÍTICOS QUE PUEDEN AFECTAR LA SOSTENIBILIDAD DEL PROYECTO***[No se reportaron factores para este período]***Acciones realizadas o a ser implementadas relativas a la sostenibilidad:**

Sistema Biobolsa creates economic value for its clients by creating direct economic impacts through the delivery of clean renewable energy and organic fertilizer. These displace direct costs related to energy and agriculture, while increasing agricultural yields and farm productivity. Biogas displaces wood, LP Gas, gasoline, and electricity at a rate of US\$0.40-1.20 per cubic meter of biogas, depending on the baseline conditions. The organic fertilizer provides US\$250-350 per hectare in value as compared to synthetic fertilizer application. Sistema Biobolsa limits water contamination by reducing the organic content of waste by 80% and the pathogen load by over 95%. Additional social impacts come through time savings (reduced woodfuel collection), reduced health risks (through improved air and water quality), and improved quality of life from the reduced odors and flies related to the untreated animal manure. Further, many families are able to convert surplus energy and fertilizer into opportunities for new business activities.

The company's economic sustainability was confirmed by high demand, strong institutional support from state and institutional actors, and solid finances.

SECCIÓN 6: LECCIONES PRÁCTICAS

[No se han agregado lecciones aprendidas todavía.]