

PROJECT STATUS REPORT

JANUARY 2010 - JUNE 2010

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Provision of Remittance & Other Financial Services for the Rural Poor in Jamaica

Project Number: JA-M1019 - Operation Number: ATN/ME-11784-JA

Purpose:

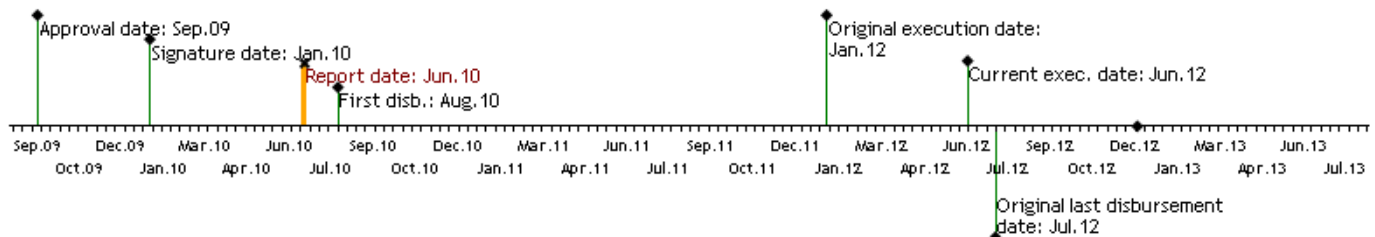
The purpose of the project is to provide increased affordable access to remittance and other financial services for individuals and small businesses within targeted rural communities.

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

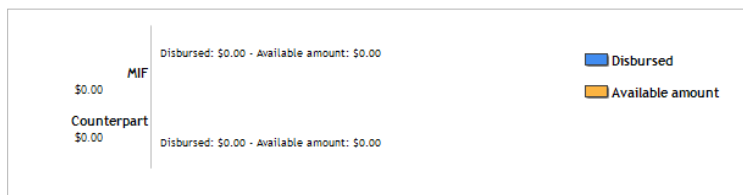
Executing Agency: JAMAICA NATIONAL BUILDING SOCIETY FOUNDATION

Design Team Leader: Cockburn, Carina
Supervision Team Leader: Beecher, Wayne

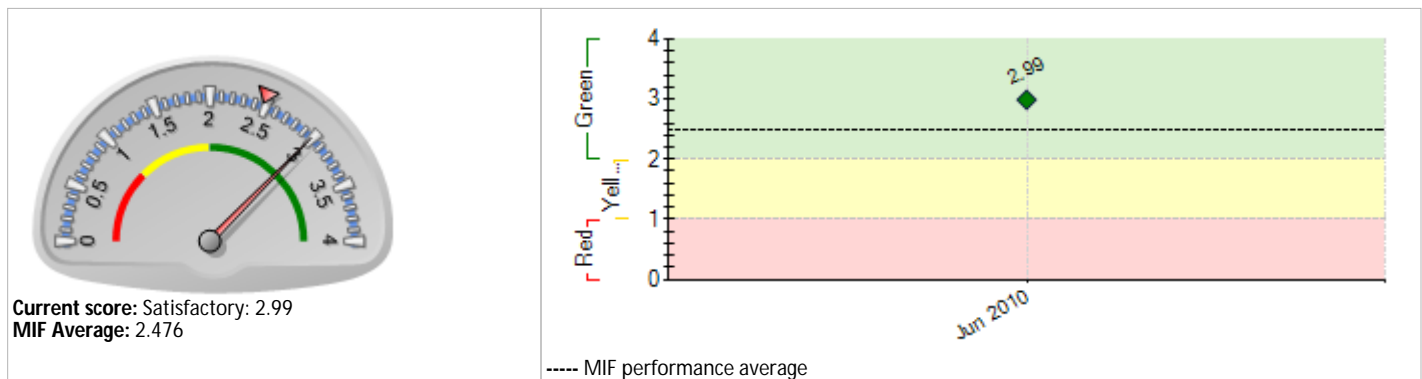
TIMELINE



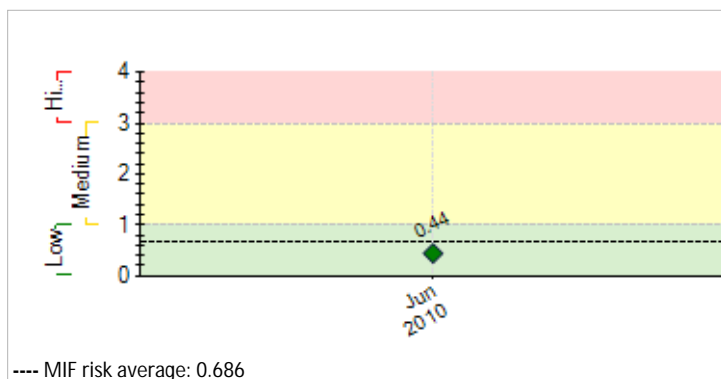
FUNDS



PERFORMANCE SCORE



EXTERNAL RISKS



INSTITUTIONAL CAPACITY

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

SECTION 2: PERFORMANCE

Summary of project performance in the last six months

Semester 1 saw the following achievements - 1: the signing of the agreement between JN Foundation and the IADB, 2: the procurement of the project coordinator and commencement in post. 3: the achievement of milestone one related to the procurement of the project coordinator, 4: the General Procurement Notice sent to the Bank, 5: the formation of the Project Steering Committee 5: the commencement of the criteria for the community selection

Some of the main constraints included the delay in procuring a Project coordinator who was in post 2 months later than planned. This delay led to a delay in the submission of the project documents.

There was requirement for revision of timeframes and input for network development after discussions with Steering Committee on June 8, 2010. Upcoming milestones are the selection of the pilot communities.

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: The purpose of the project is to provide increased affordable access to remittance and other financial services for individuals and small businesses within targeted rural communities.	P.11 Customers from targeted communities have accessed the JN merchant network.	0				500 Jul 2012	0	
	P.12 % satisfaction of customers using the services of the network.	0				70 Jul 2012	0	
	P.13 % decline in estimated costs of accessing remittances	0				10 Jul 2012	0	
		Jan 2010						
Component 1: Development of Merchant Network and Operating System to increase access to remittances and other financial services Weight: 64% Classification: Unsatisfactory	C1.11 Pilot communities will be identified.	0				10 Jul 2010		Finished
	C1.12 Merchants sign formal contracts with JN.	0				10 Jan 2011		
	C1.13 The POS terminal network system will be developed, implemented and operational at the offices of JN and the merchants.	0				1 Jul 2011		
	C1.14 An Operations manual for the use of the POS system will be developed and approved by the Steering Committee.	0				1 Jul 2011		
	C1.15 Registered merchants will be trained on the use of the network to provide financial services.	0				10 Jul 2011		
Component 2: Sensitization and Training of Beneficiaries to use Merchant network Weight: 16% Classification: Unsatisfactory	C2.11 Individuals will be sensitized to the benefits of using the merchant network and will receive financial literacy training at 10 community events.	0				300 Jan 2012		
	C2.12 Advertisements placed in local publications.	0				10 Jan 2012		
Component 3: Development of New Remittance-based Lending Approach Weight: 20% Classification: Unsatisfactory	C3.11 New remittance-based loan product approved by regulator.	0				1 Jan 2012		
	C3.12 New remittance-based loan product launched.	0				1 Jul 2012		

Milestones	Planned	Due Date	Achieved	Date achieved	Status
M0 Previous Conditions	6	Jul 2010			
M1 First Steering Committee Held	2	Jan 2011	2	Jun 2010	Achieved
M2 -Selection of Pilot communities -Selection of 10 merchants	3	Jan 2011			
M3 Point of Sale network operational	4	Jul 2011			
M4 Sensitization campaign completed	5	Jan 2012			
M5 -Launch of new loan product -Approved sustainability plan	6	Apr 2012			

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

[X] Delays in fulfilling the contract terms

SECTION 4: RISKS

MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE

	Level	Mitigation action	Responsible
1. Community based businesses are unwilling to join merchant network	Medium	Merchants in the network will benefit from a new income stream, increased traffic in their stores and more efficient use of the cash generated by their businesses. Potential merchants will be approached directly by JN to communicate this value proposition.	Project Coordinator

2. Regulatory conditions are unfavourable.	Low	The project is being undertaken in accordance within existing banking regulations. The new loan product to be developed under Component 2 will require regulatory approval. The product will be designed in kept with existing regulations and initial consultations with the regulators have already taken place.	Project Coordinator
3. Community members are not responsive to new information and are unwilling to participate in community events.	Low	JNBSF has worked at the community level for a number of years. They enjoy a good reputation in most communities and expect to be able to attract community members to project events. The events will also be designed and promoted to be attractive to community members.	Project Coordinator
4. Available technology does not allow the provision of financial services in rural communities	Low	Prior to the project, the EA determined that the appropriate technology was available.	Project Coordinator
5. There is limited demand for financial services in rural communities	Low	The project will reduce transaction costs for the final beneficiaries. It is therefore expected that their interest in the project and demand for the services will be high.	Project Coordinator
PROJECT RISK LEVEL: Low TOTAL NUMBER OF RISKS: 8 IN EFFECT RISKS: 8 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

[None reported in this period]

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

This semester focused mainly on the procurement of the PC, the submission of documents to the bank and the finalising of documents to support JN Group involvement. The delays in project components was caused by rigorous planning which will ensure effective project implementation and ongoing project delivery by the main partners at JNBS.

SECTION 6: PRACTICAL LESSONS

[No Lessons learned records to Display]