

PROJECT STATUS REPORT (FINAL)

JANUARY 2016 - JUNE 2016

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Support to La Inmaculada Credit Union

Project Number: BL-S1001 - Project Num.: ATN/OC-13615-BL

Purpose: 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 Admin

BELIZE

Country Beneficiary

BELIZE

Executing Agency:

LA INMACULADA CREDIT UNION

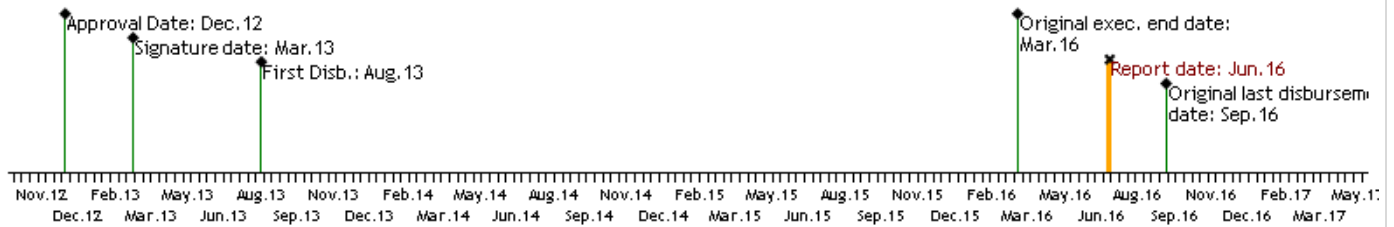
Design Team Leader:

EDGAR RIVERA

Supervision Team Leader:

WAYNE BEECHER

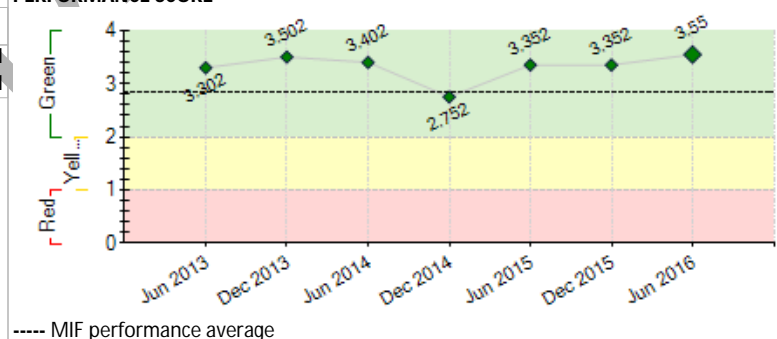
PROJECT CYCLE



FUNDS

	Approved	Cancelled	Disbursed
FOMIN	\$232,000.00	\$29,423.39	\$202,576.61
Counterpart	\$280,229.00	\$0.00	\$315,669.71

PERFORMANCE SCORE



SECTION 2: RESULTS AND ACHIEVEMENTS

Performance once project is completed

Result 1: An Established MSME Portfolio

We have designated a dedicated portfolio for Small Business Loans. Through the Belmopan Branch we have managed to finance 866 MSMEs for a total value of \$1.45 million. PAR>30 currently stands at some 7.5% due to the challenging economic times but this is currently being addressed through an aggressive and on-going credit monitoring campaign. Portfolio has grown from US\$13M in 2013 to US\$26M.

Result 2: Strengthened Institutional Capabilities of LICU

The findings of the Baseline Survey are being used to create products desired and required by membership. This study was used currently to design 2 new savings and loan products and services: Star Savers and Pronto Cash!

Lending manuals have been revised making them more relevant to the new financial ecosystem. Some 25 members of LICU staff trained in Credit Assessment and Analysis, Land and Property Appraisal and Valuation, Portfolio Monitoring and Credit Risk Assessment. Partnered with Small Business Development Center, Belize Red Cross, and YWCA to train 1,097 new participants.

Main Activities

Financial Outreach - made available the services and benefits of the credit union at the community level through the employment of two (2) Micro-Finance Service Providers. Branch office in Belmopan opened; close to 4,000 new members in Belmopan; total of 8,182 new accounts being opened. Trainings have been held for the staff as well as for our general membership and entrepreneurs. Lending for MSMEs increased by 866 loans; value of some \$1.45 million.

Risks

Support at all levels for MSMEs. MSMEs regarded as lesser banking priorities due to the quantum borrowed, risky nature. Risk mitigated through training of our staff and tailored credit terms and conditions.

Performance of the sugar industry and the economy as a whole. LICU responded through better analysis of the economic sectors, refocusing of productive loan conditions; greater hand holding and training for MSMEs; general financial literacy training.

Excess liquidity in the financial system. Decided to forfeit the third tranche of this loan and to inject more of own funds.

Sustainability

Budgetary provision to support community visits and mobilization of financial resources. Additional Micro-Finance Officers have been made available. MSME portfolio dedicated; training provided to credit department for improved credit delivery and technical assistance; SEDDAT Center commissioned in 2013.

Comments from the Supervision Team Leader

The project was well executed and achieved its objectives.

Final evaluation

Comments from the Supervision Team Leader

Change in MIF strategy required the reallocation of funds

[Final evaluation](#)

SECTION 3: INDICATORS

Indicators		Baseline	Planned	Achieved	Percentage
Purpose: 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	866	0 %
	R.2 Number of clients opened a savings account	0	400	8182	0 %
	R.3 Amount of loaned of loans for non-traditional Economic Activities (at least US\$282,000 per year)	0	859000	1457236	0 %
Classification: Satisfactory					
Component 1: Line of Credit (Reimbursable) Weight: 50% Classification: Satisfactory	C1.1 Amount of Total credit portfolio	13900000	23500000	26340686	0 %
Component 2: Technical Cooperation - Institutional Strengthening and MSME Development and Strengthening Weight: 25% Classification: High Satisfactory	C2.11 Improved delivery of financial services			Yes	0 %
	C2.12 Commissioning of SSEDAT Centre	0	1	1	0 %
	C2.13 Market Survey Completed	0	1	1	0 %
	C2.14 Improvement and Validation of Loan Policy Manuals	0	1	1	0 %
	C2.15 Train and Deploy MicroFinance Service Providers	0	2	2	0 %
	C2.16 Business development and financial literacy training for MSMEs	0	400	1097	0 %
Component 3: Sustainability and financial analysis Weight: 25% Classification: Satisfactory	C3.11 Provisioning complies fully with Central Bank's ratio:	35	65	339061	0 %
	C3.12 PAR>30	35	7	7.5	0 %

Milestones	Planned	Due Date	Achieved	Date of achievement	Status
CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE					
[X] Executing agency institutional capacity					
[X] Purchase difficulties					
[X] Delays in fulfilling the contract terms					
[X] Environmental restrictions					

SECTION 4: RISKS

CRITICAL RISKS MANAGED DURING IMPLEMENTATION

1. The national economy remains stable or improves Level: Low Comments: We still keep this one in effect as the loan component will continue beyond the ATN.	Responsible: Project Guest	Status: In effect
2. Major natural disasters Level: Low Comments: Natural disasters are always part of the risk facing the poorer segments of the population as well as their enterprises. Since the loan component will remain after the ATN this risk will be kept.	Responsible: Project Guest	Status: In effect
3. The sugar industry is not stable and or does not improve. Level: Low Comments: This will be kept in place as we are seeing a downward trend in the profitability of the sugar industry and the persistent need for modernization along with the continued resistance from farmers.	Responsible: Project Guest	Status: In effect
4. LICU is not committed to MSME development and outreach programs Level: Low Comments: LICU's current situation of high liquidity and recent adjustments in strategic direction will determine the level of resources to be continued to be dedicated to outreach and financial inclusion.	Responsible: Project Guest	Status: In effect
PROJECT RISK LEVEL: Low TOTAL NUMBER OF RISKS: 5 IN EFFECT RISKS: 4 NOT IN EFFECT RISKS: 1 MITIGATED RISKS: 0		

SECTION 5: SUSTAINABILITY

Likelihood of project sustainability after project completion: P - Probable
LICU has continue its operations using the products designed during the project

CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY

[None reported in this period]

Actions related to sustainability which have been implemented:

LICU continues to offer the services of the credit union to the rural communities through its Micro-Finance Field Officers mainly in the Orange Walk District. The Belmopan branch continues growing and we are currently re-aligning our actions to ensure the maximum return to our efforts and at the same time provide maximum benefits to our members.

[Sustainability Plan](#)

SECTION 6: KNOWLEDGE

Lessons learned	Relative to Sustainability	Author
1. Continuity LICU is committed to continuing the outreach efforts that have been instituted through this project. Our Micro-Finance Field Officers will continue visiting the rural communities as through this project we have managed to see an increase in membership, savings mobilization, rural credit and a shift in majority membership from 60%urban- 40% rural to now 60% rural and 40% urban. We have also partnered with the Small Business Development Center to be able to better provide training and business support services to our entrepreneurial members.		Vargas, Albino G.
2. Training and Credit Delivery This project has been very instrumental in enabling LICU staff to receive training and capacity building for improved credit delivery and credit management. Since most staff are relatively new, these trainings have been absorbed rather well. Training in financial literacy has also gone a long way in enabling our members to be better informed and to make better personal financial decisions.	Implementation	Vargas, Albino G.
3. Relevance of the Project At the time of project design, financial inclusion and entrepreneurship were seen as a potential contributor to poverty alleviation and economic development through on-lending of Bank funds. LICU is currently experiencing a situation of excess liquidity and the cost of lending at the Bank's high interest rate may render the project irrelevant.	Implementation	Vargas, Albino G.

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.

1 and 2

Main products of the project

[Jul 2013] Market Expansion Feasibility Study (Northern District Belize): Final Report (Technical publications)

Author: Belicana Consulting and Development Limited (BCDL)

[Oct 2014] LICU Lending Training Manual (Other)

Author: A2F Consulting, LLC

[Oct 2014] LICU Lending Training Manual (Other)

Author: A2F Consulting, LLC

[Oct 2014] LICU Lending Training Manual (Other)

Author: A2F Consulting, LLC

Draft