

# PROJECT STATUS REPORT

JULY 2013 - DECEMBER 2013

## SECTION 1: PROJECT SUMMARY

**PROJECT NAME:** Microfinance and Insurance Payment Platform for Small Island markets.

Project Number: BH-M1011 - Operation Number: ATN/ME-13709-BH

**Result:** To increase access and use of credit products among poor and low income people in The Bahamas.

**Country Administrator**  
BAHAMAS

**Beneficiary Country**  
BAHAMAS

**Executing Agency:**

Transfer Solutions Providers Ltd. (TSP) Mango Card

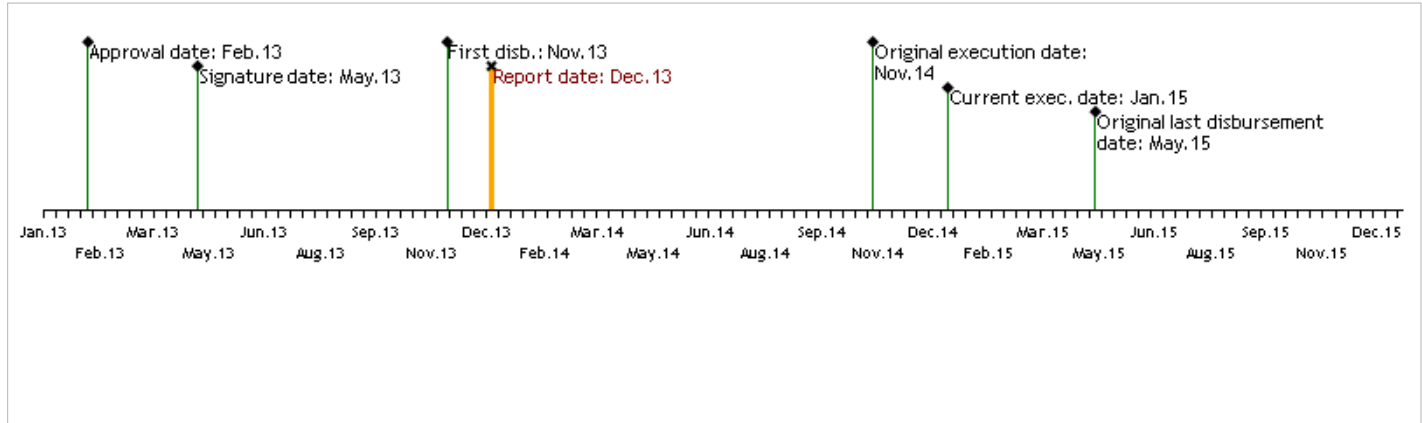
**Design Team Leader:**

Bajuk, Natasha

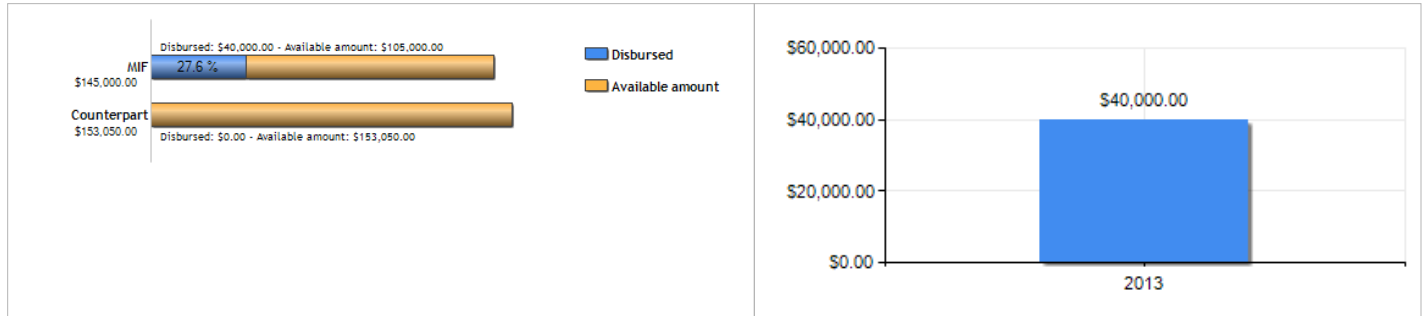
**Supervision Team Leader:**

Beecher, Wayne

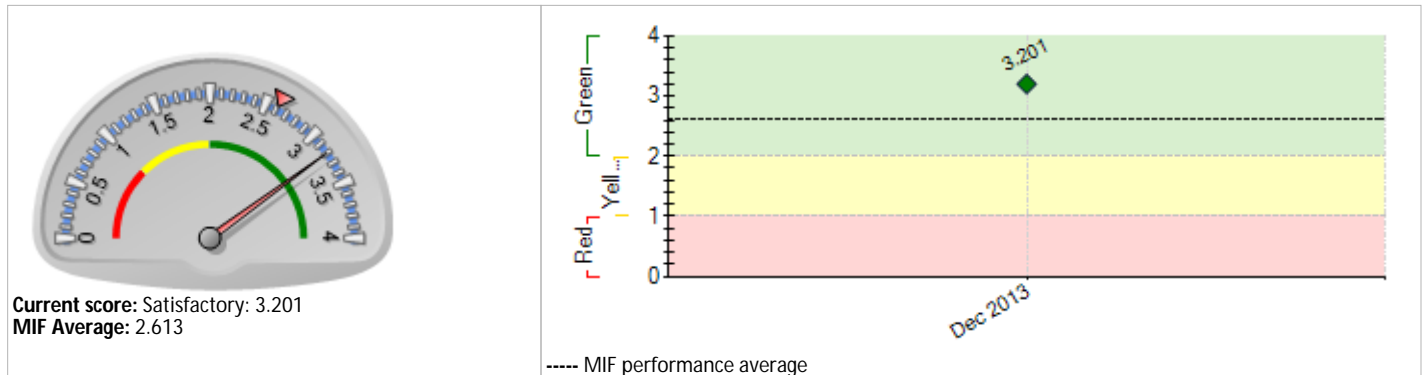
## TIMELINE



## FUNDS



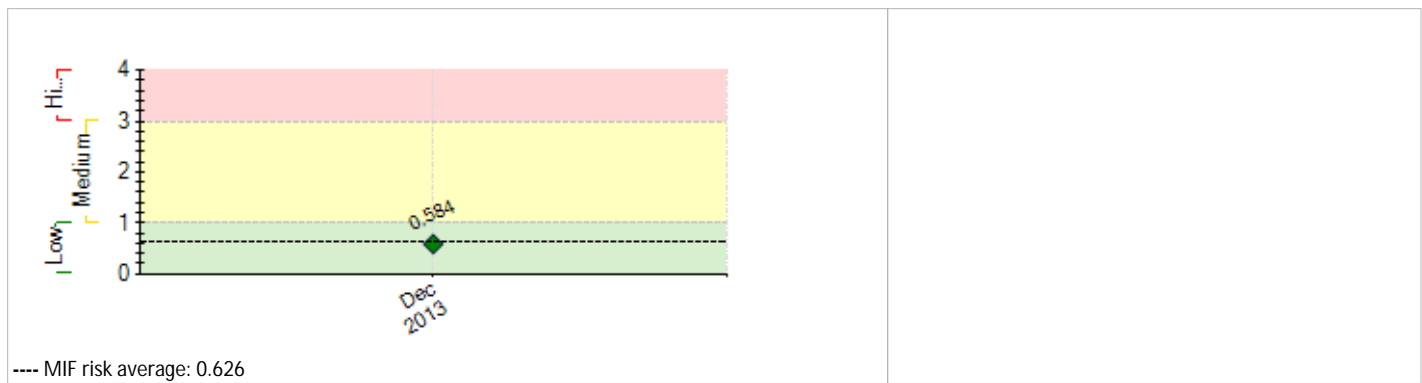
## PERFORMANCE SCORE



## EXTERNAL RISKS

## INSTITUTIONAL CAPACITY

**Risk**  
**Financial Management:** Medium  
**Procurement:** High  
**Technical Capacity:** Medium



## SECTION 2: PERFORMANCE

### Summary of project performance in the last six months

The project was signed in May of 2013 but never became fully engaged until September of 2013 when the Project Coordinator was contracted. The initial focus was on the achievement of Project Eligibility which was achieved in October of 2013. The first disbursement was received in November of 2013.

The Technical Committee was selected and the first meeting convened in November of 2013. Initial TOR's were developed for the Study of the Unbanked and the Credit Risk Methodology consultancies. In conducting research on the two consultancies, the results of a United States National Survey conducted in 2011 was discovered and will be referenced for the development and execution of the local survey.

As a result of the delayed start date of the project, a six month extension was requested for the achievement of Milestones 1 and 2. These two Milestones were extend to July 31st, 2014 as they provide the foundation for the entire project and are significant enough that ample time should be allowed for the selection and execution of the same.

The process to engage the consultants for the Credit Risk and Survey of the Unbanked has commenced. While the number of local candidates is not as numerous as hoped resulting in a delayed procurement process, the engagement will be completed by the end of February. The reduced budget allocation also necessitates that the consultants be sourced locally.

The key areas of focus for the next semester will be the achievement of Milestones 1 and 2.

### Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The project got off to a slow start, particularly due to delays in procurement process for the Project Manager. The limited pool of local consultants is an emerging risk that could impact both the project schedule and budget. Adequate the mitigation strategies should be now be defined.

## SECTION 3: INDICATORS AND MILESTONES

Indicators		Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
<b>Result:</b> To increase access and use of credit products among poor and low income people in The Bahamas.	<b>R.1</b> 9500 existing MANGO clients will have access to the microcredit product developed through the Project	0	1000			9500	0	
	<b>R.2</b> 1000 individuals use the microcredit product (active microloan at the end of the reporting period)	May 2013	May 2014			Nov 2015		
<b>Component 1:</b> Microcredit product developed and piloted. <b>Weight:</b> 40% <b>Classification:</b> Unsatisfactory	<b>C1.11</b> At least 5 MANGO personnel will have received training (2 in microcredit administration and at least 3 others will have received basic training on the benefits of microfinance.)	0				5		Delayed
	<b>C1.12</b> 850 persons will have provided input data for inclusion in risk rating system, either through study of unbanked (quantitative) or focus groups (qualitative.)	0				850		Delayed
	<b>C1.13</b> MANGO's portfolio performance management systems and related platforms will be operational, having been adjusted according to pilot experience.					Nov 2015		
<b>Component 2:</b> Consumer education program conducted <b>Weight:</b> 40% <b>Classification:</b> Satisfactory	<b>C2.11</b> At least 500 persons will have received booklets and personalized consumer education, and will have applied for a micro-credit product.	0				500		
	<b>C2.12</b> A total of 2500 individuals will receive personalized consumer education (at month 6, 200; at month 12, 1200)	May 2013	Nov 2013	May 2014		2500		Delayed
<b>Component 3:</b> Disseminate knowledge from project	<b>C3.11</b> Case study completed	0				1		
	<b>C3.12</b> Video testimonial of beneficiaries	0				Nov 2015		

<b>Weight:</b> 20%							Nov 2015		
<b>Classification:</b> Satisfactory	<b>C3.13</b>	Rollout out of product post-pilot designed	0				1		
							Nov 2015		

Milestones	Planned	Due Date	Achieved	Date achieved	Status
<b>M2</b> Conditions prior to first disbursement	1	Nov 2013	1	Oct 2013	Achieved
<b>M3</b> [*] Market survey of unbank completed	1	Jul 2014			
<b>M4</b> [*] Credit Risk Methodology Developed	1	Jul 2014			
<b>M5</b> User acceptance of credit product and IT Integration completed	1	Sep 2014			
<b>M6</b> At least 300 individuals use the microcredit product as a result of the pilot test	300	Nov 2014			
<b>M7</b> At least 1000 individuals use the microcredit product as a result of the pilot test	1000	Mar 2015			

[\*] Indicate that the milestone has been reformulated

**CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE**

- [X] Executing agency institutional capacity  
[X] Purchase difficulties  
[X] Delays in fulfilling the contract terms

**SECTION 4: RISKS****MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE**

	Level	Mitigation action	Responsible
1. Existing unbanked persons will not wish to replace cash with another method of payment.	Medium	Particular caution in study of the unbanked and in user acceptance survey questionnaire to elicit needs and preferences of the unbanked population, and how the product can replace the perceived benefits of cash. Incorporate these findings in the consumer education and market awareness campaigns, particularly at agent locations.	Project Coordinator
2. Technical support will be not available to assist with the development of the risk rating model.	Medium	Ensure fluid communication with MIF team both in The Bahamas, Jamaica and HQ in order to ensure that adequate technical support is on hand for the credit risk rating model.	Evaluator
3. Consumers will not understand the importance of building a good credit history.	Low	Ensure that the consumer education program and market awareness efforts address this issue adequately.	Project Coordinator
4. The regulatory environment will undergo changes that are not conducive to the provision of financial services for the unbanked in The Bahamas .	Low	Ensure that the country authorities are a priority audience for all of the knowledge activities planned in the project.	Project Coordinator
5. Regulatory authorities will object to information on spending patterns being evaluated in the absence of a local Credit Bureau.	Low	Ensure that country regulatory authorities are a priority audience for all knowledge efforts in the project.	Evaluator

**PROJECT RISK LEVEL:** Low **TOTAL NUMBER OF RISKS:** 7 **IN EFFECT RISKS:** 6 **NOT IN EFFECT RISKS:** 0 **MITIGATED RISKS:** 1

**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:**

While no specific actions were taken related to sustainability during the period, the company recently launched a micro credit product targeted at Government Employees with salary deductions. The product has been well received and demand has exceeded expectations. This bodes well for the project as the products developed from the project will be in line with the current offering.

**SECTION 6: PRACTICAL LESSONS**

	Relative to	Author
1. A market scan of available consultants should be included in the design process especially for projects with smaller budgets.	Design	Beecher, Wayne <i>[MIF]</i>