

# PROJECT STATUS REPORT

JANUARY 2014 - JUNE 2014

## 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

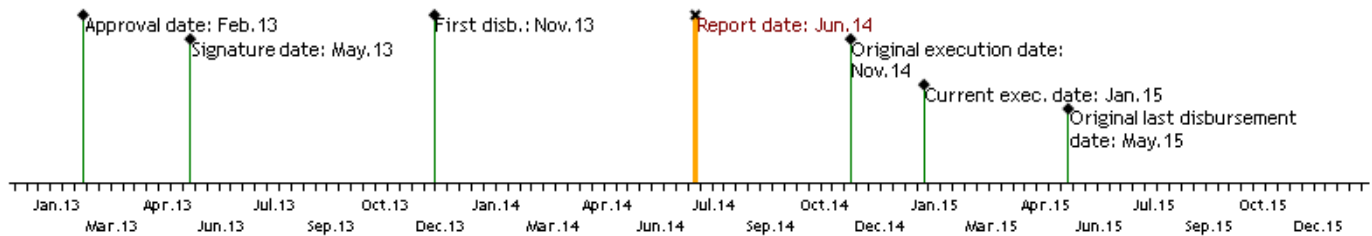
**Executing Agency:**

Transfer Solutions Providers Ltd. (TSP) Mango Card

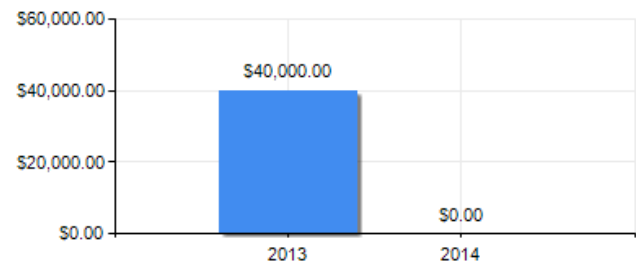
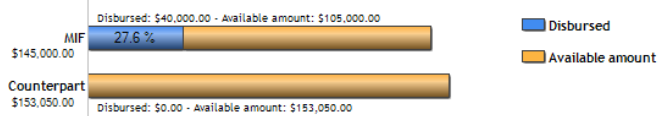
**Design Team Leader:**

**Supervision Team Leader:** Beecher, Wayne

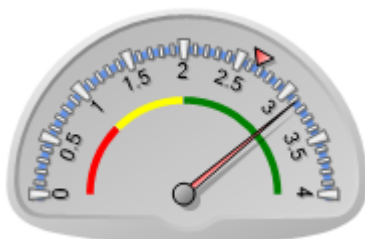
### TIMELINE



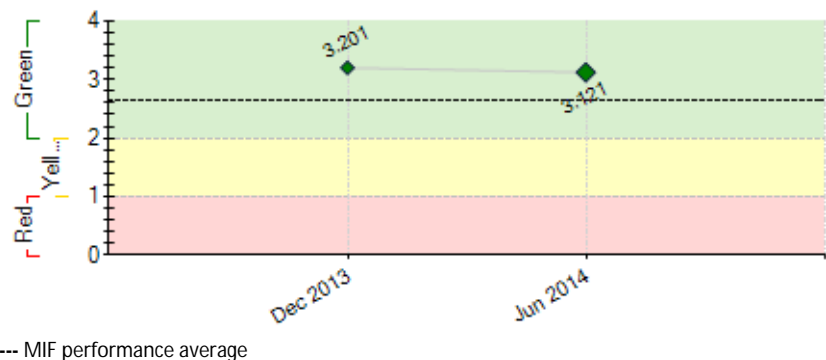
### FUNDS



### PERFORMANCE SCORE



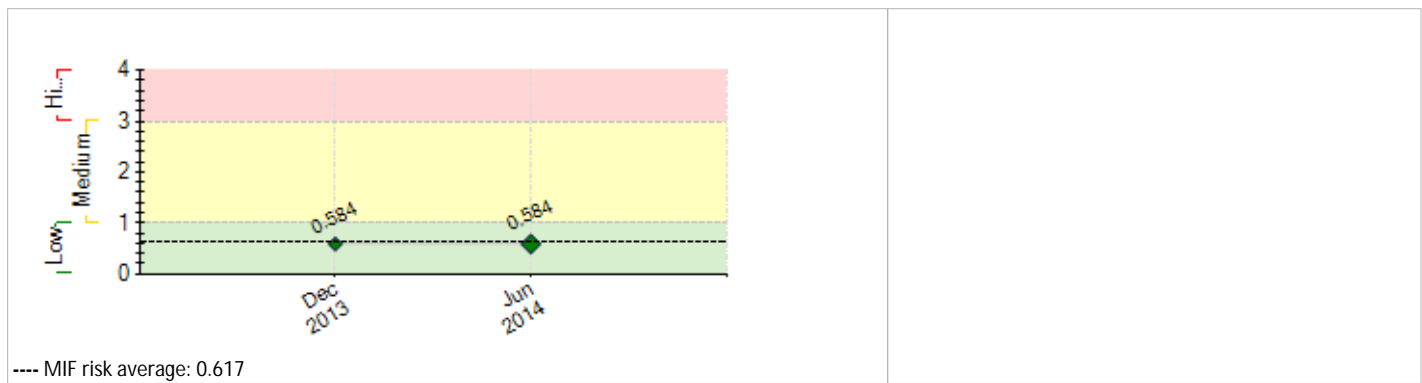
Current score: Satisfactory: 3.121  
MIF Average: 2.661



### EXTERNAL RISKS

#### INSTITUTIONAL CAPACITY

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



## SECTION 2: PERFORMANCE

### Summary of project performance since inception

Due to challenges in engaging a consultant with the expertise for the first milestone and sufficient planning for a direct liaison responsible for coordinating with the Coordinator, the project initially moved slowly. Momentum was gained after the administrative support was made fully responsible for the project on behalf of the Executing Agency and in coordination with the Project Coordinator.

The contract for the Coordinator was executed in August of 2013 and project eligibility achieved in October. Work commenced on the two critical consultancies for the project, the Credit Risk Methodology and Study of the Unbanked.

TOR's were submitted to the IDB in November and discussed at the Technical Committee Meeting. As both consultancies were specific in nature, it was agreed that it was best to select a suitable local candidates from an identified pool. This was agreed with the IDB at a December meeting while also suggesting that an extension be requested for these two consultancies due to the delays.

The Consultant for the Credit Risk Methodology was engaged in May of 2014. A 2011 (FDIC) survey was discovered and this was used as a base to develop the local survey. The draft survey was done by the Coordinator with input from the EA and the Risk Consultant.

Work to date on the Methodology produced a draft Policy and Procedure document in July. A firm has provided a proposal to the EA for consideration for the Survey of the Unbanked which is expected to be executed in August.

#### Comments from the Supervision Team Leader

Agree with the Executing Agency comments

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

During this period, the work on the Credit Risk Methodology and the Survey of the Unbanked (Milestones 1 and 2) were the key focus. The FDIC Survey, methodology and results were reviewed to provide input for the local survey.

Meetings were held with the EA and Risk Consultant to finalize survey. Additionally, meetings were held with a group that had the skill-sets and access to the target community for the execution of the survey to discuss objectives, methodology and timelines. Approval was received from the EA for the survey execution at their locations as well as their agents. A meeting also took place with the Director of the Department of Statistics regarding the survey to discuss the questions and methodology for feedback. All feedback from the draft survey was positive and encouraged.

An extension was requested from the IDB of six months for the two Milestones so as to allow sufficient execution time. A draft Policy and Procedure Document was produced by the Risk Consultant for review and feedback.

A proposal and draft contract was received from a firm for the execution of the survey and now awaiting EA sign-off.

#### 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
<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
			May 2013	May 2014			May 2015	
	<b>R.2</b>	1000 individuals use the microcredit product (active microloan at the end of the reporting period)	0	400			1000	0
			May 2013	May 2014			May 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	
							Oct 2014	
	<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	
							Sep 2014	
<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	
							Dec 2014	
	<b>C2.12</b>	A total of 2500 individuals will receive personalized consumer education (at month 6, 200; at month 12, 1200)	0	200	1200		2500	
			May 2013	Jul 2014	Dec 2014		Apr 2015	
<b>Component 3:</b> Disseminate knowledge from project <b>Weight:</b> 20% <b>Classification:</b> Satisfactory	<b>C3.11</b>	Case study completed	0				1	
							May 2015	
	<b>C3.12</b>	Video testimonial of beneficiaries	0				1	
							May 2015	
	<b>C3.13</b>	Rollout out of product post-pilot designed	0				1	
							May 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 unbanked completed	1	Jul 2014			
<b>M4</b> [*] Credit Risk Methodology Developed	1	Jul 2014	0	May 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] Purchase difficulties

**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
<b>PROJECT RISK LEVEL:</b> Low <b>TOTAL NUMBER OF RISKS:</b> 7 <b>IN EFFECT RISKS:</b> 6 <b>NOT IN EFFECT RISKS:</b> 0 <b>MITIGATED RISKS:</b> 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:

Based on initial feedback from the planning meetings for the survey there seems to be a definite need for micro lending products for the target market. Once the survey is completed and products suggested/derived from the results, there should be good demand for the products resulting in sustainability.

## SECTION 6: PRACTICAL LESSONS

1. Cohesiveness of the executing team and timely decision making are critical to maintaining project timelines.	<b>Relative to</b> Implementation	<b>Author</b> Rolle, Winston
---	--------------------------------------	---------------------------------