

PROJECT STATUS REPORT

JANUARY 2015 - JUNE 2015

SECTION 1: PROJECT SUMMARY

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

Project Number: BH-M1011 - Project Num.: ATN/ME-13709-BH

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

Country Admin

BAHAMAS

Country Beneficiary

BAHAMAS

Executing Agency:

Transfer Solutions Providers Ltd. (TSP) Mango Card

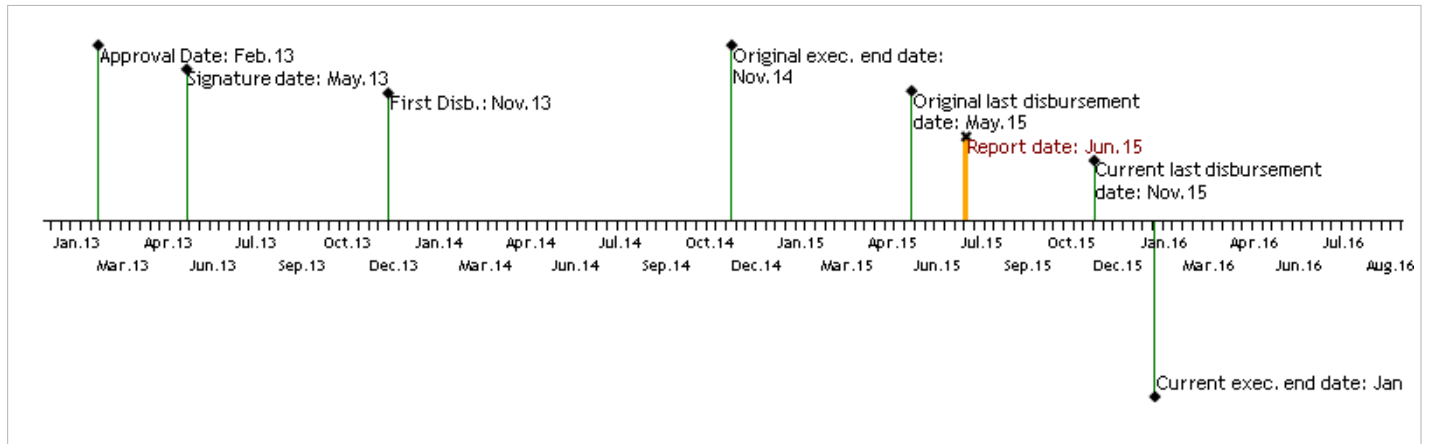
Design Team Leader:

NATASHA BAJUK

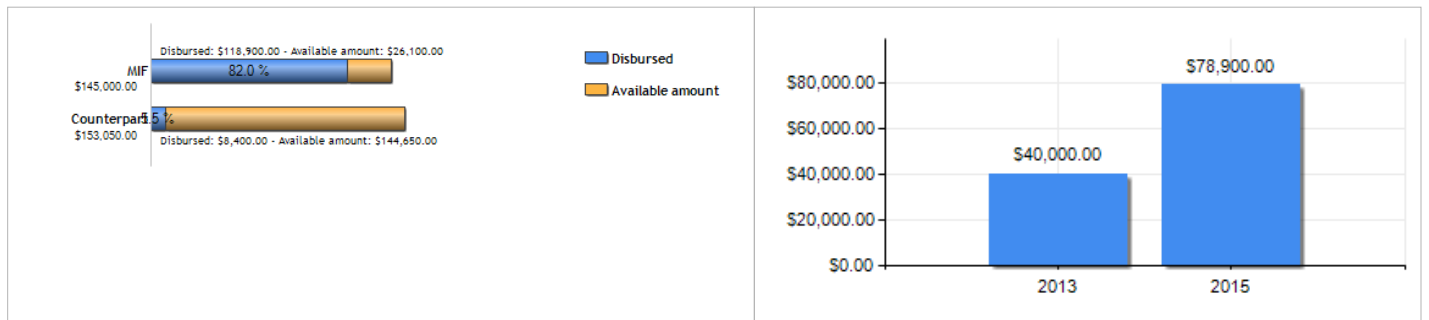
Supervision Team Leader:

WAYNE BEECHER

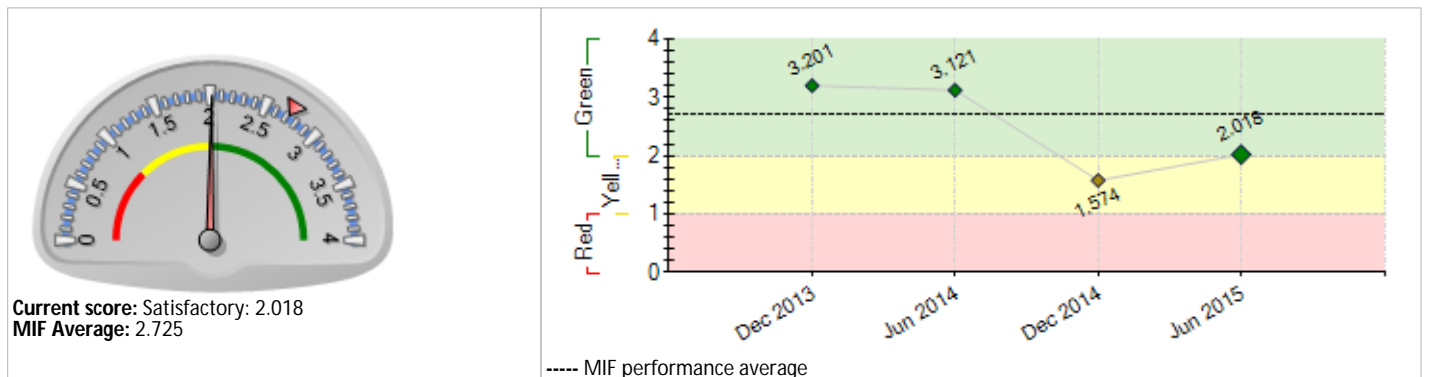
PROJECT CYCLE



FUNDS



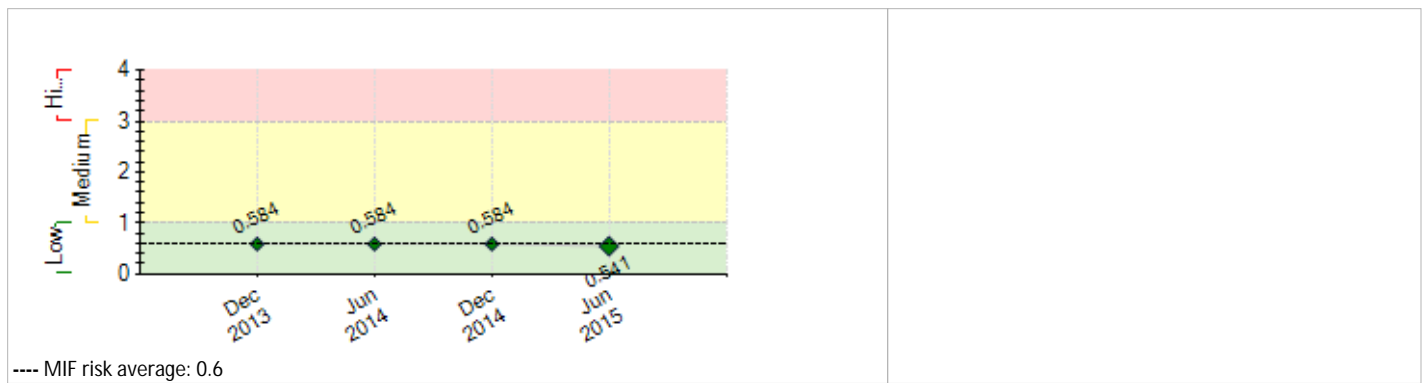
PERFORMANCE SCORE



EXTERNAL RISKS

INSTITUTIONAL CAPACITY

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



SECTION 2: PERFORMANCE

Summary of project performance since inception

The main achievements to date for the project are:

- Completion of Unbanked Survey - Milestone 3 / Indicator C1.I2
- Completion of Credit Risk Methodology - Milestone 4
- Engagement of International Consult with expertise in Micro Credit to conduct training with Mango staff and develop a credit product based on market assessment - Indicator C1.I1

An additional six months extension was requested to allow for proper project execution and to facilitate the work of the International Consultant.

The project is highly likely to achieve its objectives as the training and work in the field have shown that there is demand for the product. Also, based on the success of Mango's FlashCash product, this has resulted in discussions with other institutions showing an interest in the product being developed for MSME.

The Executing Agency is committed to the project and have engaged additional staff dedicated to the marketing of the product. The keys to success for the project moving forward will be:

- The successful field work and product development about to commence
- The delivery of the Consumer Education Program once the field work is completed
- The marketing of the new credit product to potential clients

Comments from the Supervision Team Leader

Agree with the Executing Agency comments
The project was extended due to delays in the procurement of a critical consultancy

Summary of project performance in the last six months

The main achievements for this semester was the completion of the Unbanked Survey and the engagement of an International Consultant to further enhance the Credit Risk Methodology. Additionally, the consultancy for the Consumer Education was finalized for execution after the completion of work by the International Consultant.

During this semester an additional six months extension was requested and approved to ensure that the project can be fully executed. This included the extension of three of the project milestones.

A second disbursement of funds was requested and approved to fund the activities of the project.

The International Consultant commenced work in the Bahamas and on assessing the current environment it was agreed that the development of an credit assessment tool would be of more value than further enhancement of the Credit Risk Methodology. As a result, a week of training was executed covering the following topics:

- MSME Lending Methodology
- Credit Analysis
- Financial Statements Analysis
- Business / Family Cash Flow Analysis

As a result of the training and in field work the following items were provided:

- Micro-finance Product Concept Document
- MSME Lending Training Manual
- Credit Application Form (two part)
- Credit Assessment Tool to assist with loan qualification

This training was conducted with two Mango staff members. Additional training will take place next semester for additional staff and management as well as extended in field work.

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: To increase access and use of credit products among poor and low income people in The Bahamas.	R.1	9500 existing MANGO clients will have access to the microcredit product developed through the Project	0	1000		9500	0
			May 2013	May 2015		May 2016	
	R.2	1000 individuals use the microcredit product (active microloan at the end of the reporting period)	0	400		1000	0
			May 2013	May 2015		May 2016	
Component 1: Microcredit product developed and piloted. Weight: 40% Classification:	C1.11	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 2015	
	C1.12	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	750
						Sep 2015	Apr 2015
Component 2: Consumer education program conducted Weight: 40% Classification:	C1.13	MANGO's portfolio performance management systems and related platforms will be operational, having been adjusted according to pilot experience.					Yes
						Nov 2015	Jan 2015
	C2.11	At least 500 persons will have received booklets and personalized consumer education, and will have applied for a micro-credit product.	0			500	
						Dec 2015	
Component 3: Disseminate knowledge from project Weight: 20% Classification:	C2.12	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 2015	Dec 2015	Apr 2016	
	C3.11	Case study completed	0			1	
						May 2015	
	C3.12	Video testimonial of beneficiaries	0			1	
						May 2015	
	C3.13	Rollout out of product post-pilot designed	0			1	
						May 2015	

Milestones	Planned	Due Date	Achieved	Date of achievement	Status	
M2	Conditions prior to first disbursement	1	Nov 2013	1	Oct 2013	Achieved
M3	[*] Market survey of unbank completed	1	Jul 2014	1	Apr 2015	Achieved late
M4	[*] Credit Risk Methodology Developed	1	Jul 2014	1	Jan 2015	Achieved late
M6	[*] At least 300 individuals use the microcredit product as a result of the pilot test	300	Oct 2015			
M5	[*] User acceptance of credit product and IT Integration completed	1	Oct 2015			
M7	[*] At least 1000 individuals use the microcredit product as a result of the pilot test	1000	Oct 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
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. 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
3. 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
4. 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
5. Stakeholders in The Bahamas will not be interested in pilot.	Low	Careful attention to user acceptance surveys and study of unbanked population to best elicit the needs and preferences of potential beneficiaries among the unbanked.	Project Coordinator
PROJECT RISK LEVEL: Low TOTAL NUMBER OF RISKS: 7 IN EFFECT RISKS: 5 NOT IN EFFECT RISKS: 0 MITIGATED RISKS: 2			

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 have been taken in the reporting period:

The engagement of a dedicated loan officer to participate in the training and field engagement will greatly assist in the project's sustainability. The field engagement for the product design will not only result in the development of a market appropriate product but also identify suitable potential clients as a part of the process.

Additionally, discussions have already commenced with industry organizations and associations that have members with immediate need for the product being developed.

SECTION 6: PRACTICAL LESSONS

1. The project was designed to develop a Credit Risk Methodology that was to be implemented into Mango's System for loan credit scoring. It was determined that it was more valuable to have a Credit Assessment Tool that the loan officer can use to better qualify the clients ability to meet its financial commitments based on a number of traditional and non traditional methods.	Relative to Design	Author Rolle, Winston
---	------------------------------	---------------------------------