

# PROJECT STATUS REPORT

JULY 2015 - DECEMBER 2015

## SECTION 1: PROJECT SUMMARY

**PROJECT NAME:** Improving Access to Financial Services of Rural Microentrepreneurs in Jamaica

Project Number: JA-S1002 - Project Num.: ATN/OC-13616-JA

**Purpose:** To expand access to financial services for small scale microenterprises and producers in rural Jamaica through the creation of new loan products and delivery mechanisms.

**Country Admin**

JAMAICA

**Country Beneficiary**

JAMAICA

**Executing Agency:**

ACCESS FINANCIAL SERVICES

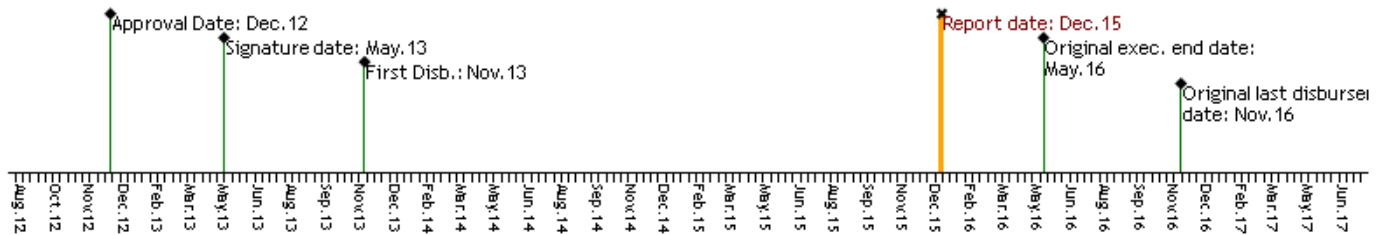
**Design Team Leader:**

ALEJANDRO ESCOBAR A.

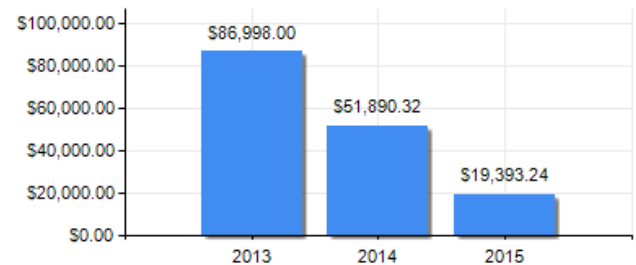
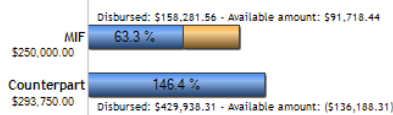
**Supervision Team Leader:**

WAYNE BEECHER

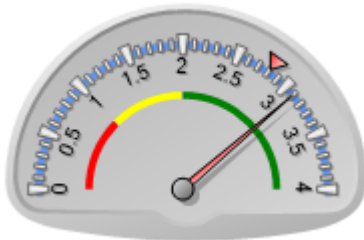
### PROJECT CYCLE



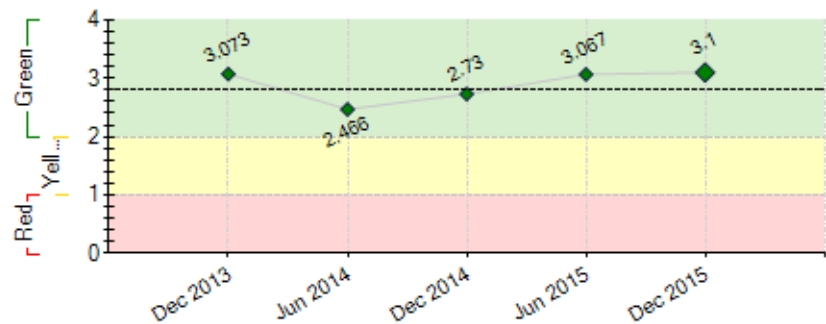
### FUNDS (IN USD THOUSANDS)



### PERFORMANCE SCORE



Current score: Satisfactory: 3.1  
SEP Average: 2.808



----- SEP performance average

### EXTERNAL RISKS

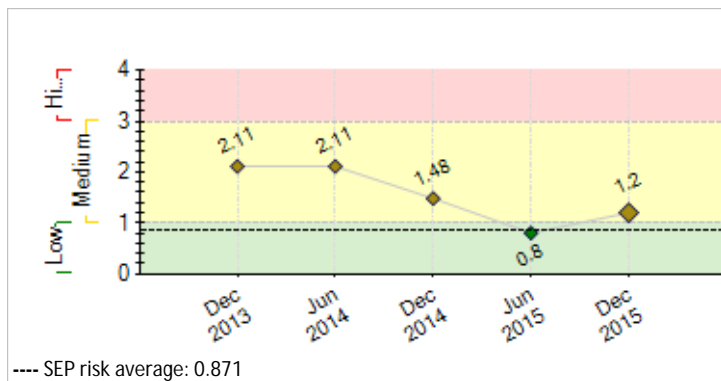
### INSTITUTIONAL CAPACITY

**Risk**

**Financial Management:** Low

**Procurement:** Low

**Technical Capacity:** Low



## SECTION 2: PERFORMANCE

### Summary of project performance since inception

- All activities under components 1-3 were completed
- MicroRate's International Committee issued a **BETA (b)** rating of the organisation. This means that the global performance of the institution has a **Stable** outlook. Additionally, the financial profile was also rated with a sub-grade of **ALPHA MINUS (a-)**. A copy of the report was submitted to the IDB.
- During the period under review, approximately US\$390,943.88 in agri loans were disbursed to 863 persons.
- Access made its first interest rate payment under the Loan Component on 8th September 2015.

### Comments from the Supervision Team Leader

Agree with the Executing Agency comments

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

#### Component 5: Knowledge, dissemination and audits

- 5.1 – c of Baseline Data – A report on the data collected will be submitted to the IDB on March 31, 2016.
- 5.2 – Video Case Study – Shooting Phase Complete. First draft of the video due in January 2016. There were some delays with the shooting phase, one of which had to do with the revision of the script following the IDB workshop. As a result the completion time was extended to February 29, 2016
- Access participated in IDB Knowledge Management Workshop in October 2015.

### 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>Purpose:</b> To expand access to financial services for small scale microenterprises and producers in rural Jamaica through the creation of new loan products and delivery mechanisms.	R.1 Access will have 750 new clients in rural areas, of which 60% will be women	0				750	139	
	R.2 4 new rural communities served, including the establishment of at least 2 new branches in rural areas	0				4	2	
	R.3 An expansion in the agribusiness portfolio from US\$164,000 to US\$750,000	164000				750000	0	
	R.4 An expansion in the overall rural lending portfolio from US\$1,100,000 to US\$1,900,000	1100000				1900000	0	
<b>Component 5:</b> Financing Component: Loan Financing for Rural Expansion <b>Weight:</b> 50% <b>Classification:</b> Satisfactory	C5.I1 Gross Rural business portfolio	1100000	1155000	1350000	1600000	1900000	1439925.48	On Course
	C5.I2 Gross Agribusiness Portfolio	164000	188000	300000	480000	750000	213528.36	Delayed
	C5.I3 PAR30 (agri business portfolio)	10.1	9	8	7	7	5.68	Delayed
	C5.I4 Number of agribusiness borrowers	668	700	950	1200	1400	920	On Course
	C5.I5 Number of clients served by mobile unit each year	0	1	50	150	250	54	On Course
		Jun 2013	Jun 2014	Jun 2015	Jun 2016	Jun 2017	Dec 2014	
<b>Component 6:</b> Non-Reimbursable Technical Cooperation <b>Weight:</b> 50% <b>Classification:</b> Satisfactory	C6.I1 1 market study completed to inform the development of new agribusiness loan products	0				1	1	Finished
	C6.I2 1 knowledge exchange completed with a leading rural MFI	0				1	1	Finished
	C6.I3 50 Access staff trained in the basics of rural microfinance	0				50	40	On Course
	C6.I4 25 credit officers trained on the requirements of new loan products	0				25	11	On Course
	C6.I5 1 new risk methodology for rural finance developed and incorporated into Access' credit appraisal system	0				1	1	Finished
	C6.I6 2 new loan products designed for rural and agricultural microenterprises	0				2	2	Finished
	C6.I7 2 new products piloted in rural areas	0				2	2	Finished
	C6.I8 1 new LMS developed and appropriate for rural lending	0				1	1	Finished
		Jun 2013				Apr 2015	May 2015	
		Jun 2013				Jun 2014	Jun 2014	

C6.19	1 new credit appraisal system for rural lending	0				1	1	Finished
		Jun 2013				Apr 2015	Aug 2014	
C6.110	1 cloud based operations system rolled out in rural areas	0				1	1	On Course
		Jun 2013				Apr 2016	May 2015	
C6.111	Mobile lending capability extended to 4 communities	0				1	4	Finished
		Jun 2013				Apr 2017	Nov 2013	
C6.112	Knowledge Dissemination	0				1		
		Jun 2013				Apr 2017		

Milestones		Planned	Due Date	Achieved	Date of achievement	Status
M1	Conditions Prior	7	Nov 2013	7	Nov 2013	Achieved
M2	[*] 1 new cloud based operations system deployed	1	May 2014	1	Jun 2014	Achieved late
M3	[*] 2 new products designed for rural and agricultural microenterprises & Credit manual updated with rural lending methodology	2	Nov 2014	2	Dec 2014	Achieved late
M4	2 new loan products pilot tested and modified	2	Feb 2015	2	Feb 2015	Achieved late
M5	[*] Two new loan products are part of the loan portfolio	2	Nov 2015	2	Sep 2015	Achieved
M6	[*] 1 video case study produced & Dissemination Seminar held	1	Apr 2016			

[\*] Indicate that the milestone has been reformulated

**CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE***[None reported in this period]***SECTION 4: RISKS****MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE**

	Level	Mitigation action	Responsible
1. Market risk	High	The project has included this lower growth scenario in the financial projection. However, the project is expected to benefit from the strong performance from the agriculture, forestry and fishing sector, which expanded by 9.5% year-on-year due to supportive weather conditions	Project Coordinator
2. Exchange rate risk	Low	The SEP is designed to provide local currency financing for borrowers in countries with relatively less developed capital markets. In designing the financial terms of the loan, a suitable local interest rate has been negotiated based on an expected fixed return in US dollars. To further mitigate this risk, the loan will be disbursed in three tranches	Project Coordinator

**PROJECT RISK LEVEL:** Medium **TOTAL NUMBER OF RISKS:** 4 **IN EFFECT RISKS:** 2 **NOT IN EFFECT RISKS:** 0 **MITIGATED RISKS:** 2**SECTION 5: SUSTAINABILITY****Likelihood of project sustainability after project completion:** HP - Highly 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:**

No significant actions towards sustainability was taken during the last reporting period.

**SECTION 6: PRACTICAL LESSONS**

1. In a meeting held with the IDB it was highlighted that loan Funds and TC funds should not co-exist in the same account as this is regarded as co-mingling of funds. As such, steps were taken to have TC funds placed in a separate account.	Relative to Implementation	Author Francis, Kerryan
This lesson learned will help the organisation in managing future project-related funding. 2. In the Knowledge Management workshop, effort was made by the IDB to highlight to project executors that changes need to be made to the knowledge management tools being prepared to make them less communications/PR focused. This information will help the company in streamlining lesson learning from activities undertaken and to better document this information so as to ensure sustainability and help in replication of the successes.	Implementation	Francis, Kerryan