

PROJECT STATUS REPORT

JULY 2015 - DECEMBER 2015

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Linking MSEs to Anchor Companies in the Barbados Hotel Value Chain

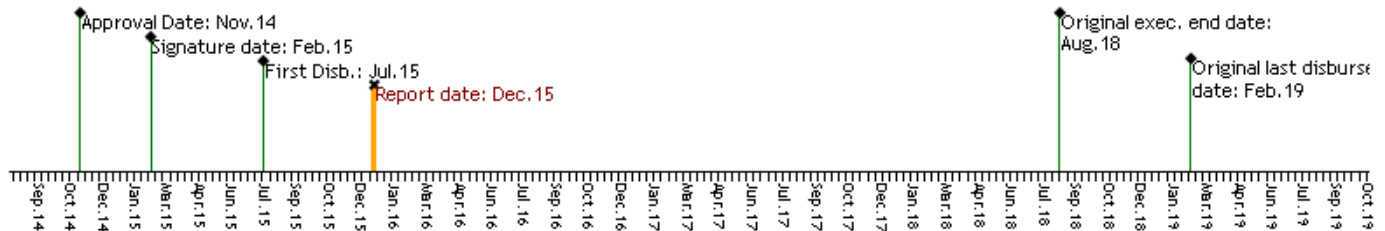
Project Number: BA-M1012 - Project Num.: ATN/ME-14739-BA

Purpose: To assist MSEs to establish consistent and reliable trade with anchor companies, by establishing a well-managed, sustainable inclusive business model - capable of reducing high transaction costs

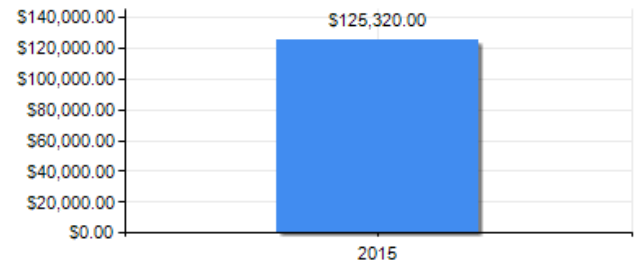
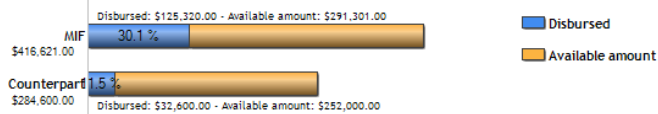
Country Admin	Country Beneficiary	Group	Subgroup
BARBADOS	BARBADOS	SME - Small and Medium Enterprise Development	BDEV - Business Development

Executing Agency:	BARBADOS HOTEL AND TOURISM ASSOCIATION	Design Team Leader:	VASHTIE DOOKIESINGH
		Supervision Team Leader:	VASHTIE DOOKIESINGH

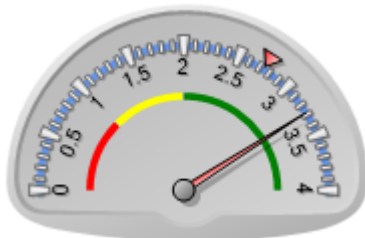
PROJECT CYCLE



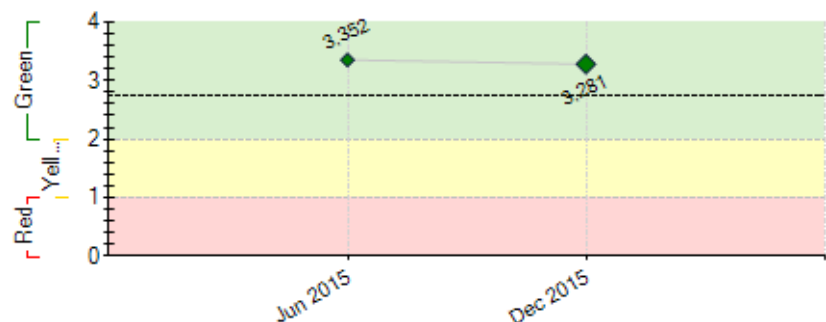
FUNDS



PERFORMANCE SCORE



Current score: Satisfactory: 3.281
MIF Average: 2.744

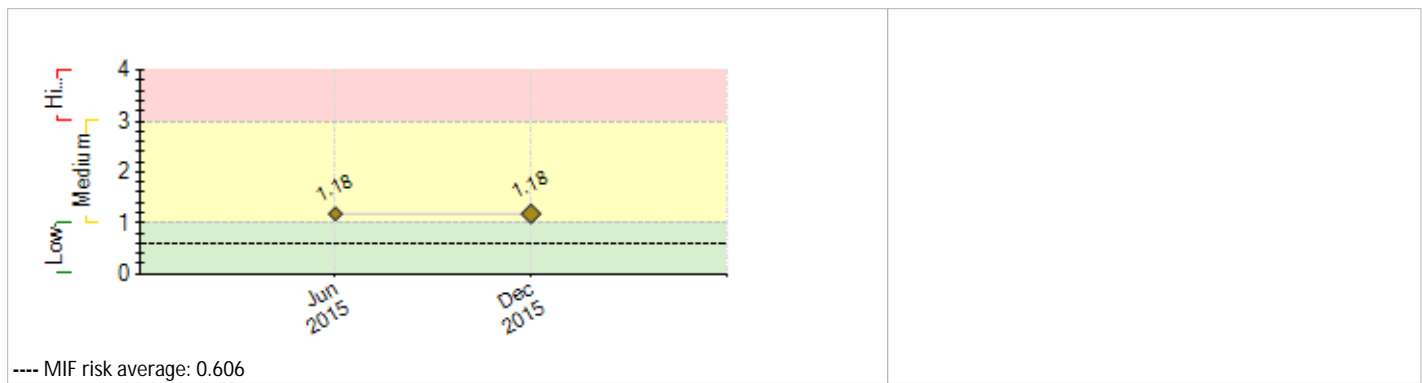


----- MIF performance average

EXTERNAL RISKS

INSTITUTIONAL CAPACITY

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



SECTION 2: PERFORMANCE

Summary of project performance since inception

Project activity commenced in July 2015. refer to PSR for the period July - December 2015

Comments from the Supervision Team Leader

Agree with the Executing Agency comments
Project execution was delayed due to challenges in sourcing a co-ordinator

Summary of project performance in the last six months

Project performance over the last 6 months

Component 1: The Project Execution Unit contracted - Project Manager, International Supply Chain Specialist and the Financial and Administrative Assistant. Milestone 1 was delivered - Baseline Study and Monitoring and Evaluation Report. The baseline study uncovered the high level of complexity within the supply chain.

No indicators were due in the relevant period.

Challenges: (i) Inability to get accurate baseline measure for local produce usage from the Anchor firms no differentiation between local and imported produce. (ii) Difficulties identifying the precise number of growers supplying hotels, it's often indirect via middlemen.

Actions to be taken: (i) Historical data gathered and trends analysed to provide source percentages. (ii) Focus will be placed on interaction with growers directly and an analysis of the grower base.

Key areas of focus in the next phase:

Component 1: M2: Quality Assurance Specifications; Analysis of business case for central facility; Commence ICT platform – starting with the recruitment of a website design and development firm; Begin MSE training and support Workshops;

Component 2: Project Launch; PR and Marketing for the project including social media; Best practice exchanges – regional travel; Meetings with growers and compilation of data.

Indicators: Conduct and report on 2 Sector Networking and Market Matching Forums and 2 Value Chain dialogue sessions.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments
The project progress is on track after some delays in mobilization relating to contracting of a suitable co-ordinator and clearance of administrative conditions prior to first disbursement

SECTION 3: INDICATORS AND MILESTONES

Indicators

Baseline Intermediate 1 Intermediate 2 Intermediate 3 Planned Achieved Status

Purpose: To assist MSEs to establish consistent and reliable trade with anchor companies, by establishing a well-managed, sustainable inclusive business model - capable of reducing high transaction costs

R.1	Number of firms or farms with links to strategic business partners (230200).	0	75			150	0
		Feb 2015	Jan 2017			Aug 2018	
R.2	Anchor companies (hotels and restaurants) participating in the project as buyers.	6	15	25		30	0
		Feb 2015	Jan 2017	Aug 2017		Aug 2018	

Component 1: Linking Actors in the Value Chain

Weight: 60%

Classification: Satisfactory

C1.11	Number of firms or farms that have adopted new technologies or practices (230100).	0	75			150	
		Feb 2015	Jan 2018			Aug 2018	
C1.12	Number of firms or farms receiving training or otherwise strengthened to provide new and/or augmented goods or services (130100).	0	50	75	150	200	
		Feb 2015	Jan 2018	Jan 2018	Jan 2019	Aug 2019	
C1.13	1 ICT Platform/Market Place - linking suppliers and anchor companies - developed and launched.	0				1	
		Feb 2015				Apr 2016	

Component 2: Business Exchange & Networking

Weight: 30%

Classification: Satisfactory

C2.11	Number of MSEs/other local suppliers and anchor firms (actual and potential) participating in business exchange and networking events and activities.	0	50	150	250	300	
		Feb 2015	Feb 2016	Jan 2017	Jan 2018	Aug 2018	
C2.12	Number of bilateral value-chain dialogue/events promoting business exchange and future needs of the sector.	0	2	4	6	8	
		Feb 2015	Jul 2016	Jan 2017	Jan 2018	Aug 2018	

Component 3: Development of a Financial Product

Weight: 7%

Classification: Satisfactory

C3.11	A financial solution that offers a factoring service and/or other facilities to reduce payment cycle for local MSEs supplying anchor firms is implemented.	0				1	
		Feb 2015				Jan 2017	

Component 4: Knowledge Management and Strategic Communication

Weight: 3%

Classification: Satisfactory

C4.11	Number of institutions that access the case study including national tourism associations affiliated with the CHTA; as well as organizations/firms that are members of the BHTA.	0				50	
						Aug 2018	
C4.12	Number of people that access the infographics which illustrate specific solutions to barriers to value-chain integration of MSEs in the Barbados tourism sector.	0				100	
						Aug 2018	

Milestones	Planned	Due Date	Achieved	Date of achievement	Status
M1 Conditions Prior	9	Aug 2015	9	Jul 2015	Achieved
M1 Initial Value Chain Analysis/Baseline Data completed protocol/process for monitoring and evaluation of results.	1	Nov 2015	1	Nov 2015	Achieved
M2 [*] Standards and Grading System required to implement quality assurance scheme are developed and accepted by participating anchor firms.	1	Apr 2016			
M3 ICT Platform Launched	1	Aug 2016			
M4 Development of Financial Solution for MSEs	1	Nov 2016			
M5 Commitment of Counterpart Financing for the MSE Consolidator	1	Feb 2017			
M6 MOUs signed with a cumulative total of 30 Anchor Firms	30	Aug 2017			
M7 Strategic and Business Plan for Sustainability developed and accepted by Advisory Committee	1	Feb 2018			
M8 Completion of detailed Case Study	1	Aug 2018			

[*] Indicate that the milestone has been reformulated

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

- [X] Executing agency institutional capacity
- [X] Delays in fulfilling the contract terms
- [X] Others, which?: Some difficulties were experienced in obtaining quality information for the baseline study

SECTION 4: RISKS

MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE

	Level	Mitigation action	Responsible
1. Reductions in transaction costs are not sufficiently realized to justify increased purchases from MSEs by anchor firms.	Medium	The project will undertake analysis to identify local goods and services that are in high demand and are likely to be supplied on a commercially sustainable and competitive manner by local MSEs.	Project Guest
2. Deterioration of macroeconomic environment and downward pressure on tourism sector	Medium	N/A	Project Guest
3. MSE suppliers and Anchor Companies may be unwilling to adapt current practices to meet defined quality standards	Medium	By emphasizing engagement and capacity building of MSE suppliers, and value chain dialogue of key stakeholders the project will allow for greater awareness and understanding of the rationale behind the industry's requisite quality standards MSEs are more likely to accept and implement new on-farm practices where there is an immediate potential for new market opportunities.	Project Guest
4. MSEs may be unwilling to pay fees or interest charges required to implement financial solution.	Medium	The project will develop the financial solution in close consultation with key partners (including MFIs/FIs and other donors), with a view to obtaining their commitment and buy-in therefore augmenting the opportunity for sustainability.	Project Guest
5. Some MSE suppliers may be unwilling to co-operate to achieve economies of scale.	Medium	The project is designed and phased in a manner that will allow buy-in from MSEs over the project phases by demonstrating the value of participation by showcasing the experience of early adopters	Project Guest

PROJECT RISK LEVEL: Medium **TOTAL NUMBER OF RISKS:** 8 **IN EFFECT RISKS:** 8 **NOT IN EFFECT RISKS:** 0 **MITIGATED RISKS:** 0

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:

Not yet applicable.

SECTION 6: PRACTICAL LESSONS

<p>1. During the baseline analysis the complexity of the supply chain was uncovered. Currently there exists a lot of duplication of roles by members in the chain, particularly relating to what has been termed 'middlemen'. This is being assessed, however it does have the potential to impact on project activities, particularly relating to getting the required 'buy in' from suppliers. Meetings will be scheduled with various stakeholders in the supply chain to better understand their role. Also, through working directly with growers and potentially through the use of the proposed central facility and other mechanisms built into the scope of this project, it is anticipated that this can facilitate a more simplified process relating to the products under review.</p>	<p>Relative to Implementation</p>	<p>Author Fleming, Andrea</p>
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