

PROJECT STATUS REPORT

JULY 2017 - DECEMBER 2017

SECTION 1: PROJECT SUMMARY

PROJECT NAME: REGIONAL PROGRAM ON GREEN MICROFINANCE THE "ECOMICRO" PROGRAM

Project Number: RG-M1205 - Project Num.: ATN/ME-12961-RG

Purpose: The purpose of the Program is to train MFIs (Financial institutions include organizations providing financial services for the poor, regulated and unregulated, including commercial banks willing to downscale as well as savings banks, cooperatives, NGOs, or credit unions) to provide new green finance instruments in order to capitalize on new opportunities in clean energy financing, adjusting their risk management models to climate change risk, and incorporating climate impact into their internal policies and operations.

Country Admin

BARBADOS

Country Beneficiary

BARBADOS

Executing Agency:

INTER-AMERICAN DEVELOPMENT BANK

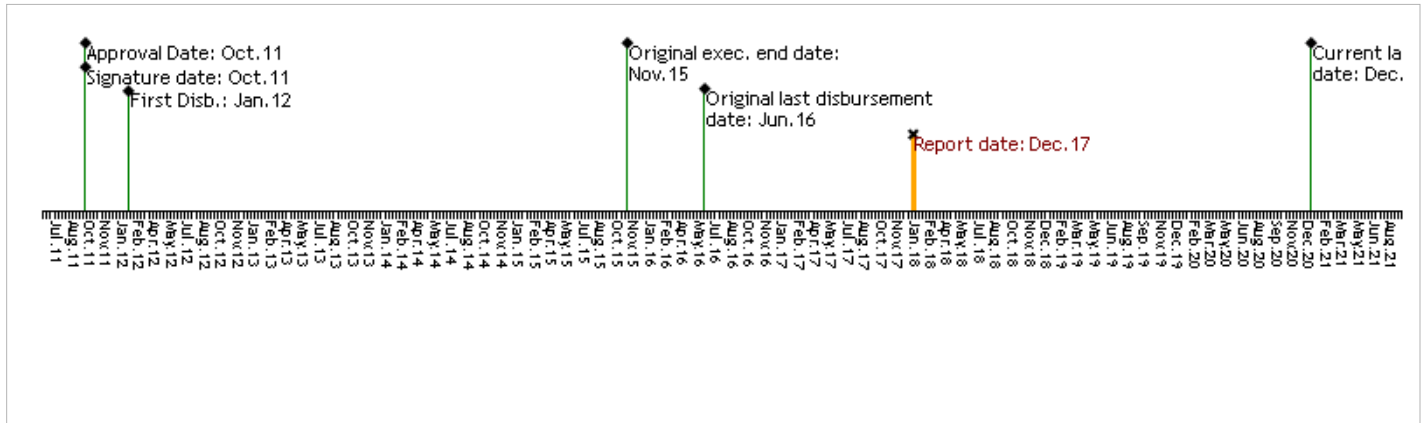
Design Team Leader:

GREGORY WATSON

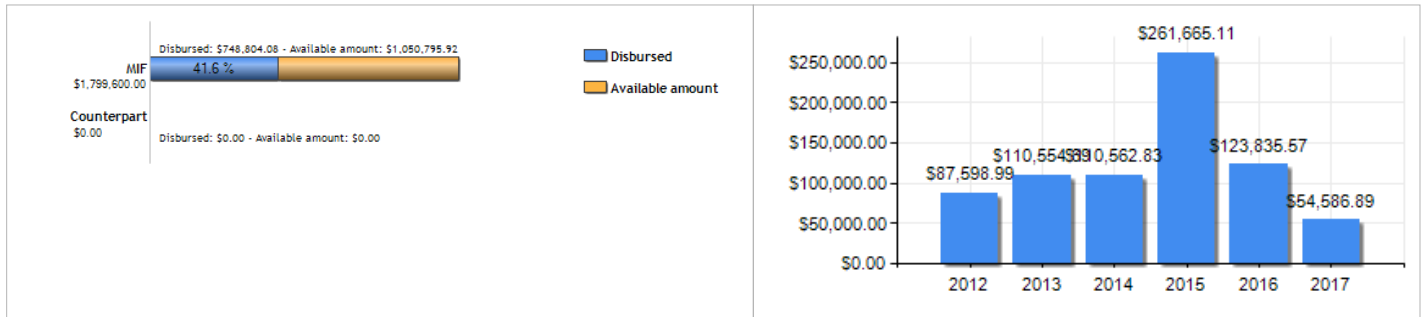
Supervision Team Leader:

GREGORY WATSON

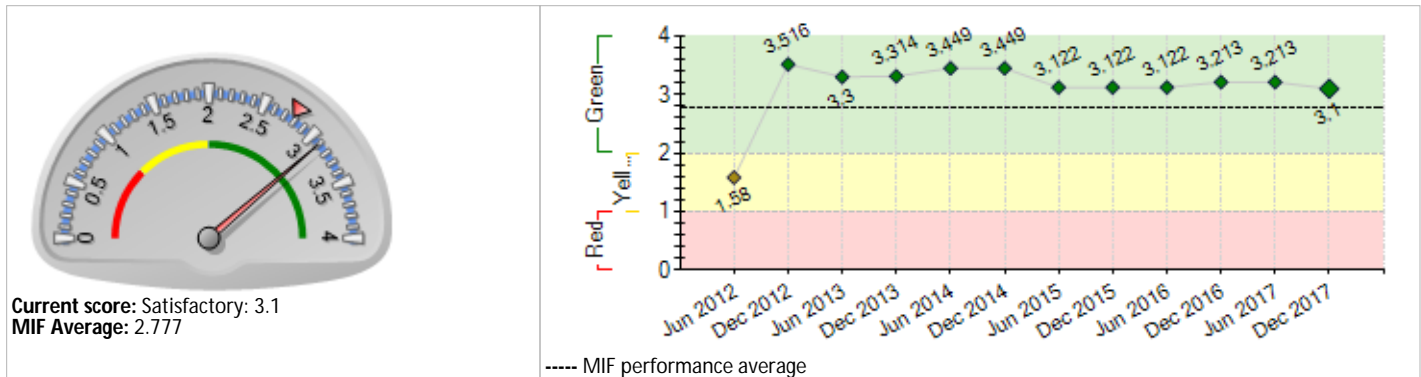
PROJECT CYCLE



FUNDS



PERFORMANCE SCORE



EXTERNAL RISKS

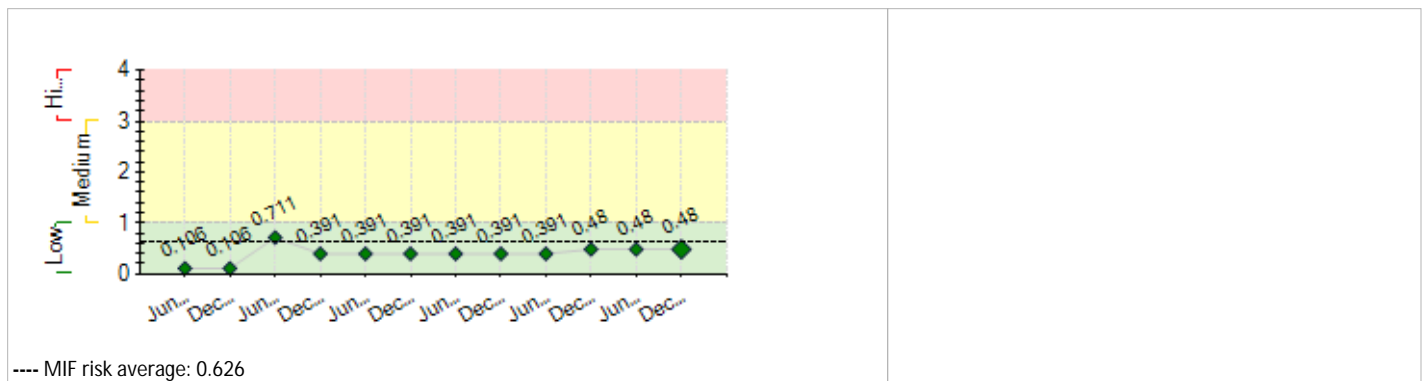
INSTITUTIONAL CAPACITY

Risk

Financial Management: Medium

Procurement: Medium

Technical Capacity: Low



SECTION 2: PERFORMANCE

Summary of project performance since inception

EcoMicro has a geographically diversified portfolio of 15 projects across 12 countries: Argentina, Belize, Bolivia, Colombia, Dominican Republic, El Salvador, Honduras, Jamaica, Mexico, Nicaragua, Paraguay and Peru. Of the initial 12 projects prepared under EcoMicro I, 6 are closed and 6 are executing. Three new projects were approved under EcoMicro II in 2017, with one now in execution. The portfolio is thematically distributed as follows with 7 projects in adaptation and 8 in mitigation. One financial institution is piloting micro-insurance, one a crowd-funding solution, and the remaining thirteen have or will pilot products.

To date, EcoMicro has created 20 financial products, of which so far 15 have been piloted in the market to 1,589 beneficiaries during pilots and 5,121 post pilot. Over US\$4.2mn in green finance has been leveraged from MFIs. Participating MFIs have an extensive network of over 160 urban and rural branches through which 13,261 clients (MSMEs, small farmers, low-income households) have benefitted directly from green loans or indirectly through awareness raising activities to date. Approximately 3,135 MFI employees have received environmental awareness trainings and/or have been trained in climate change risks and in commercializing green finance products. 3 new projects were approved under EcoMicro II in 2017 : (i) Argentina (AR-T1176), now in execution; (ii) Belize (BL-T1094); (iii) Honduras (HO-T1287).

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Disagree with Overall PSR score: There is an error in the calculation of the PSR score. This is flagged for MIF IT - score should not have gone down, as indicators have actually improved. PSR is not calculating weights and achievements correctly in formula as per formula breakdown sent to me by MIF IT, which shows calculations over 100%.

Also: please note: ex-post data was not received from the Caja Arequipa project, even though it was requested several times. The team will continue to seek this data and will report on it in a subsequent report, if received. It was not possible to upload supporting documentation. Documents to support indicators were saved in EZshare.

Summary of project performance in the last six months

Latin America: One new adaption finance to build resilience of MSMEs in Honduras was approved on December 4th with an agricultural supply company (HO-T1287).

Caribbean: Following a comprehensive, intensive outreach and communications strategy (15 June - 30 September) the Caribbean Call for Proposals was able to attract 34 registrations, 17 applications and 13 eligible projects across 10 countries. The 13 successful applications were received from the following range of partners: 4 Credit Unions/Credit Union Leagues; 3 Development Banks, 3 Micro-Finance Institutions, 2 Government Agencies and 1 Commercial Bank.

By end December 2017, MIF Management and Global Affairs Canada had approved all 13 projects for design and all applicants had received official notification of the results of the Call. Given the high quantity and quality of FIs that responded to the Call for Proposals, the IDB/MIF team are proposing to proceed with the design of the 13 eligible projects on a phased approach

Knowledge:

A new Projects database incorporating information on all projects in the EcoMicro portfolio was added to the EcoMicro website.

From July 2017, EcoMicro publishes Monthly Newsletters which are disseminated to approximately 2,000 persons, these are also carried online on the EcoMicro News page.

Dialogue began with the CARICOM Development Fund to explore avenues for collaboration to further extend the reach/impact of the Caribbean program.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The program's execution and reporting on results has significantly improved in this report, with the introduction of the new results dashboard (saved in EZshare).

SECTION 3: INDICATORS AND MILESTONES

Indicators	Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
Purpose: The purpose of the Program is to train MFIs (Financial institutions include organizations providing financial services for the poor, regulated and unregulated, including commercial banks willing to downscale as well as savings banks, cooperatives, NGOs, or credit unions) to provide new green finance instruments in order to capitalize on new opportunities in clean energy financing, adjusting their risk management models to climate change risk, and incorporating climate impact into their internal policies and operations.	R.1 Sustainable green financial products offered (1 per MFI).	0	5		27	9	
			Dec 2017		Dec 2020	Dec 2017	
	R.2 Risk management models incorporate climate change risk	0			22	13	
					Dec 2020	Dec 2017	
	R.3 New environmental internal policies.	0			22	14	
					Dec 2020	Dec 2017	
	R.4 US\$ mobilized by MFIs/FIs for scaling EcoMicro pilots (own-resources and external funds) after the end of the project	0	10000000		30000000	10843306	
			Dec 2017		Dec 2020	Dec 2017	
Component 1: Promotion, program preparation and awareness raising Weight: 2% Classification: High Satisfactory	C1.1 Select Program Coordinator				Nov 2011	Yes	Finished
						Jan 2012	
	C1.2 Consulting firms for LAC (MIF/NDF) Program selected and MIF Selection Committee appointed				Jan 2012	Yes	Finished
						Apr 2013	
	C1.3 Dissemination plan				Feb 2012	Yes	Finished
						Dec 2016	
	C1.4 Launch call for MFI Proposals				Feb 2012	Yes	Finished
						Aug 2014	
Component 2: Implementation of Individual Projects Weight: 82% Classification: Satisfactory	C1.5 Consulting firms for Caribbean Program (MIF/GAC) selected	0	1		1	1	Finished
			Jul 2017		Jul 2017	Jul 2017	
	C1.6 Caribbean Market Study	0	1		1	1	Finished
			May 2017		May 2017	May 2017	
	C1.7 Caribbean Call for Proposals completed	0	1		1	1	Finished
			Sep 2017		Sep 2017	Sep 2017	
	C2.11 Selection of 12 MFIs	0	4	8	13	12	Finished
			May 2012	Nov 2012	Nov 2013	Oct 2015	Dec 2016
Component 3: Knowledge Capturing and dissemination of resources Weight: 16% Classification: High Satisfactory	C2.12 Design of sustainable green financial products.	0	12	25		27	On Course
			Dec 2016	Dec 2019		Dec 2020	Dec 2017
	C2.13 USD value of loan portfolio of green finance products created by Program during pilot stage - aggregated from all projects	0	3000000			6750000	4218519
			Dec 2016			Dec 2020	Dec 2017
	C2.14 Number of MFIs/FIs designed Climate Risk Management tools (At least 10 in the Caribbean)	0	7	10		27	On Course
			Dec 2016	Dec 2017		Dec 2020	Dec 2017
	C2.15 Number of MFIs/FIs institutional greening/environmental policies designed (at least 10 in the Caribbean)	0	4	8	9	22	On Course
			Nov 2013	May 2014	Dec 2016	Dec 2020	Dec 2017
Component 3: Knowledge Capturing and dissemination of resources Weight: 16% Classification: High Satisfactory	C2.16 Selection Latin America and Caribbean MFIs (MIF and NDF Funds, First Phase of Program)	0				12	Finished
						Oct 2015	Nov 2013
	C2.17 Approval of individual Projects by MIF	0	14			27	On Course
			Dec 2017			Dec 2020	Oct 2017
	C2.18 Selection of 10 Caribbean FIs (MIF/GAC)	0	10			10	Finished
			Dec 2020			Dec 2020	Dec 2017
	C3.11 1 how-to guide.	0				1	
						Sep 2019	
Component 3: Knowledge Capturing and dissemination of resources Weight: 16% Classification: High Satisfactory	C3.12 Final Reports prepared by EA/consulting partner for each project detailing experience of the pilot	0	2	7	12	27	On Course
			Jun 2016	Dec 2017	Dec 2018	Dec 2020	Dec 2017
	C3.13 Knowledge Exchange at events/fora with relevant audiences/ecosystem partners	0	6	9	11	12	On Course
			Nov 2016	Dec 2017	Dec 2018	Dec 2020	Dec 2016
	C3.14 Research studies and other knowledge products	0				12	On Course
						Dec 2019	Dec 2016
	C3.15 Three annual knowledge sharing meetings.	0	1	2	3	3	Finished
			Oct 2012	Oct 2013	Oct 2014	Jan 1900	Dec 2015
Component 3: Knowledge Capturing and dissemination of resources Weight: 16% Classification: High Satisfactory	C3.16 Two International knowledge sharing events	0	1			2	Finished
			Oct 2013			Jan 1900	Dec 2014
	C3.17 Number of EcoMicro MFIs/FIs scaling pilots with additional resources from investors or own resources after end of pilot	0	5			20	On Course
			Dec 2017			Dec 2020	Dec 2017
	C3.18 2016-2020 EcoMicro Phase II - Knowledge Exchange Meetings of EAs	0				3	
						Dec 2020	

Milestones

Planned

Due Date

Achieved

Date of

Status

		achievement			
M1	Conditions Prior	1	Apr 2012	1	Oct 2011
		Achieved			

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. Web page is disfunctional	Medium	Work with MIF IT to solve the problems. If the web does not work we can always use word questionnaires and an evaluation matrix in excel to make the process manually.	Project Coordinator
2. Conflict of interest between the consulting firms and the MFIs they advise	Low	Mitigation action: competitive selection process to select consulting firms so that there is no conflict of interest. During implementation, if conflict of interest arises, according to the TORs of the Program Coordinator can re-open the screening process of consulting firms at any given time to replace a consulting firm that proves unable to deliver the quality of services required for the successful execution of a project. The inability of the consulting firm will be determined by the MFI, in coordination with the Consultant. The MFI will be required to provide written proof of the consulting firm's deficiencies and make a request for the consulting firm to be replaced.	Project Coordinator
3. Knowledge is only shared between the MFIs and consulting firms, and not collected holistically for the project	Low	Mitigation action: a fourth component has been added to the Projects to ensure knowledge capturing and dissemination. It will be required that the EA submits a full report and compilation of all documents during project implementation which includes a case study and major deliverables of the project. Additionally, a webinar will be organized (1Q 2015) with all participant MFIs so information is shared among MFIs and EcoMicro team at headquarters	Project Coordinator
4. Lessons learned are not applicable to different institutions	Low	Mitigation action	Project Coordinator
5. Lessons learned are not applicable in other geographical regions	Low	Mitigation action	Project Coordinator

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

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:**

The review of data on funds leveraged for scale on selected projects from Phase I (those which have reported data to the MIF) started at the end of semester 1 2017 concluded with the review of PSRs (Jul-Dec 2017), Final Reports and through direct communications with FIs/firms.

The following 5 projects reported leveraged US\$16,718,136. This is the equivalent of double the MIF/GAC and NDF contribution to the EcoMicro Program (Phase I and II).

Diaconia scale up 7US\$mn (PPCR, MIF and Private funds) Te Creemos scale up US\$9mn (private) Fundacion Paraguaya US\$113,248 (own resources + US\$10,000 from KIVA private) Apoyo Integral El Salvador US\$151,700 (own resources) FDL Nicaragua US\$453,188 (own resources).

Additional scale funds are expected as this is only the result of 5 projects from the current portfolio of 15 projects in execution.

SECTION 6: PRACTICAL LESSONS

	Relative to	Author
1. The Project team have developed a comprehensive and interactive M&E system to ensure that knowledge generated at project level is consistently captured at the programmatic level. This system is essential to ensure reporting to donors and MIF Management.	Implementation	Houliston, Ruth [MIF]
2. Consistent and comprehensive reporting at the project level by FIs/firms (and supervised by COFs) is fundamental to ensure that reporting at the programmatic level remains accurate.	Implementation	Houliston, Ruth [MIF]