

PROJECT STATUS REPORT

JULY 2018 - DECEMBER 2018

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

ARGENTINA, BARBADOS, BAHAMAS,
BELIZE, BOLIVIA, BRAZIL, CHILE,
COLOMBIA, COSTA RICA, DOMINICAN
REPUBLIC, ECUADOR, EL SALVADOR,
GUATEMALA, GUYANA, HAITI,
HONDURAS, JAMAICA, MEXICO,
NICARAGUA, PERU, PANAMA,
PARAGUAY, SURINAME, TRINIDAD AND
TOBAGO, URUGUAY, VENEZUELA

Executing Agency:

INTER-AMERICAN DEVELOPMENT BANK

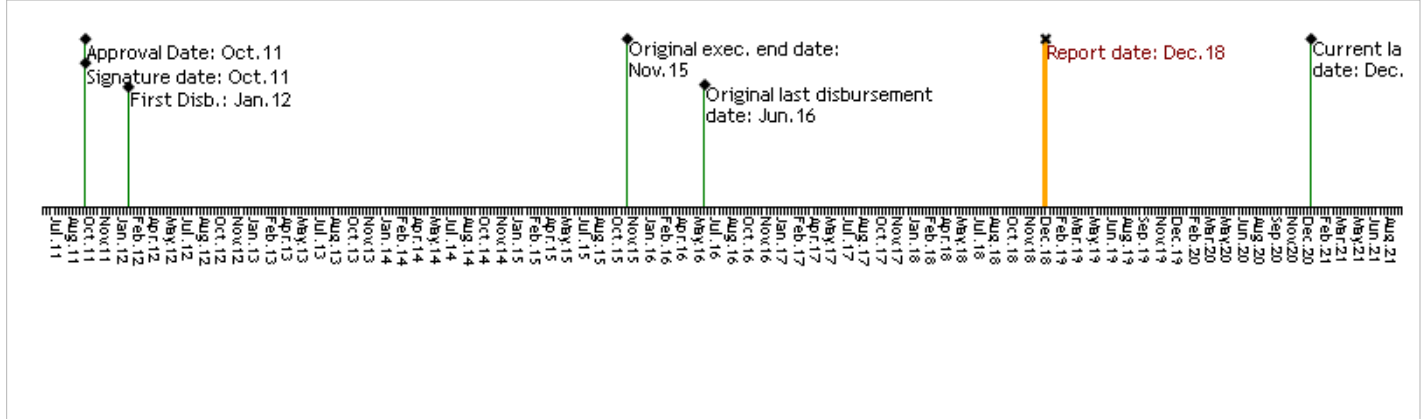
Design Team Leader:

GREGORY WATSON

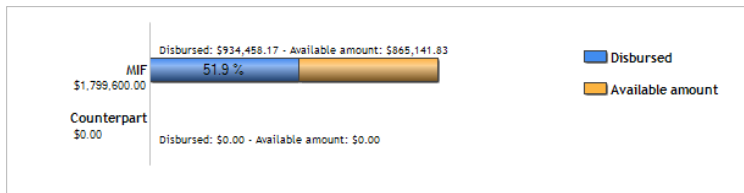
Supervision Team Leader:

GREGORY WATSON

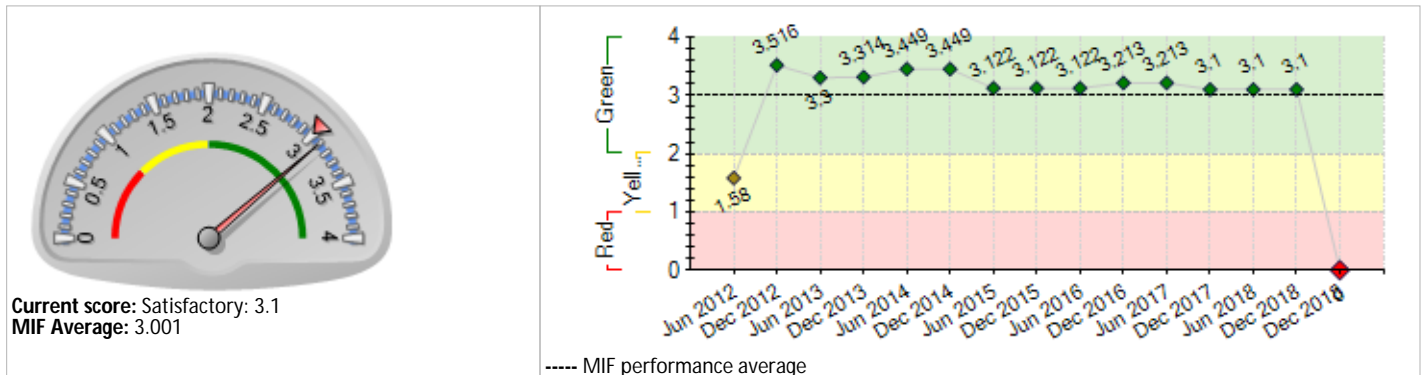
PROJECT CYCLE



FUNDS



PERFORMANCE SCORE



EXTERNAL RISKS

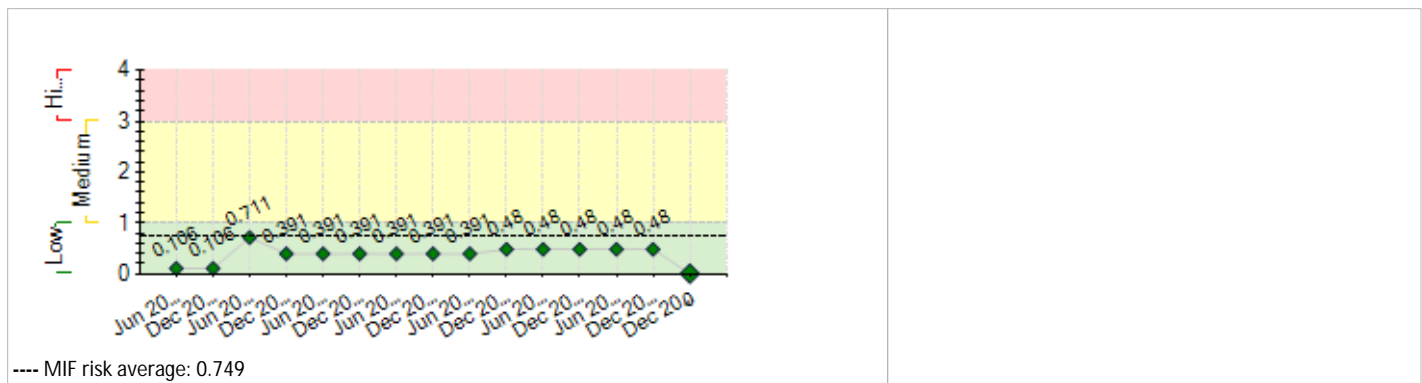
INSTITUTIONAL CAPACITY

Risk

Financial Management: Low

Procurement: Low

Technical Capacity: Low



SECTION 2: PERFORMANCE

Summary of project performance since inception

On August 23rd, 2018, a Memorandum extending the disbursement term of the EcoMicro Program to November 30th, 2022 was signed by the IDB Lab, Chief Executive Officer. New projects to be executed under EcoMicro II would have gone beyond the existing disbursement term of the Program, ending in December 2020. For this reason, a program extension became necessary.

As at December 2018, the EcoMicro Program has a geographically-diverse portfolio of 20 projects across 15 countries: Argentina, Belize, Bolivia, Colombia, Dominican Republic, Ecuador, El Salvador, Grenada, Guyana, Honduras, Jamaica, Mexico, Nicaragua, Paraguay and Peru. Of the initial 12 projects prepared under EcoMicro I, 8 are closed and 4 are executing. Six new projects were approved under EcoMicro II in 2018, with 1 now in execution. This brings the total number of approved projects under EcoMicro II to 8.

The portfolio is thematically distributed as follows – 9 projects in adaptation, 11 in mitigation/Energy Efficiency/Renewable Energy (EE/RE), 1 of which will pilot a combination of adaptation and mitigation. With regards to instruments, 1 financial institution is piloting micro-insurance, 1 a crowd-funding solution, and the remainder will pilot productive and housing loans.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Summary of project performance in the last six months

Latin America:

One new EcoMicro project was approved in Ecuador (EC-T1406) on October 26th, 2018.

EcoMicro was on track for an additional 2 project approvals in Nicaragua – both of which were successfully pitched to IDB Lab Management in 2018: Pro-Mujer NI-T1263 and Credifactor NI-T1267.

Both projects have been affected by the current situation in the country. Discussions have advanced with Pro Mujer to identify scope for collaboration across their broader network of 5 countries. The project with Credifactor has been postponed for design and remains in the 2019 pipeline, pending further developments.

Origination of additional projects in Bolivia, Paraguay, Guatemala, and Peru is advancing and is expected to result in further approvals in 2019.

Caribbean:

Four (4) new EcoMicro projects were approved in the Caribbean as follows: RG-T3255 (Grenada), GY-T1150 (Guyana), BL-T1112 (Belize), and JA-T1159 (Jamaica).

Design work was also carried out for the 5th project RG-T3378 (Dominica).

Discussions were held with the Caribbean Development Bank on opportunities for knowledge-sharing and possible co-origination of an EcoMicro project in Suriname.

Knowledge:

EcoMicro published 3 bi-monthly Newsletters for the period, which can be found on EcoMicro [website](#).

Fourteen (14) new knowledge products were generated from the EcoMicro in execution during the period. The Library now features 81 knowledge products generated by each of our ongoing projects and knowledge events.

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: 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	12			
				Dec 2017		Dec 2020	Dec 2018			
	R.2	Risk management models incorporate climate change risk	0			22	15			
					Dec 2020	Dec 2018				
	R.3	New environmental internal policies.	0			22	15			
					Dec 2020	Dec 2018				
	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	12300000			
			Dec 2017		Dec 2020	Dec 2018				
Component 1: Promotion, program preparation and awareness raising		C1.11	Select Program Coordinator				Nov 2011	Jan 2012	Yes	Finished
Weight: 2% Classification: High Satisfactory	C1.12	Consulting firms for LAC (MIF/NDF) Program selected and MIF Selection Committee appointed					Jan 2012	Apr 2013	Yes	Finished
	C1.13	Dissemination plan					Feb 2012	Dec 2016	Yes	Finished
									Yes	Finished
	C1.14	Launch call for MFI Proposals					Feb 2012	Aug 2014	Yes	Finished
	C1.15	Consulting firms for Caribbean Program (MIF/GAC) selected	0	1			1	1		Finished
			Jul 2017			Jul 2017	Jul 2017			
	C1.16	Caribbean Market Study	0	1			1	1		Finished
			May 2017			May 2017	May 2017			
C1.17	Caribbean Call for Proposals completed	0	1			1	1		Finished	
		Sep 2017				Sep 2017	Sep 2017			
Component 2: Implementation of Individual Projects		C2.11	Selection of 12 MFIs	0	4	8	13	12	12	Finished
Weight: 82% Classification: Satisfactory	C2.12	Design of sustainable green financial products.	0	12	25		27	20		On Course
				Dec 2016	Dec 2019		Dec 2020	Dec 2018		
	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		On Course
				Dec 2016			Dec 2020	Dec 2018		
	C2.14	Number of MFIs/FIs designed Climate Risk Management tools (At least 10 in the Caribbean)	0	7	10		27	14		On Course
				Dec 2016	Dec 2017		Dec 2020	Dec 2018		
	C2.15	Number of MFIs/FIs institutional greening/environmental policies designed (at least 10 in the Caribbean)	0	4	8	9	22	15		On Course
				Nov 2013	May 2014	Dec 2016	Dec 2020	Dec 2018		
C2.16	Selection Latin America and Caribbean MFIs (MIF and NDF Funds, First Phase of Program)	0				12	12		Finished	
						Oct 2015	Nov 2013			
C2.17	Approval of individual Projects by MIF	0	14			27	19		On Course	
			Dec 2017			Dec 2020	Dec 2018			
C2.18	Selection of 10 Caribbean FIs (MIF/GAC)	0	10			10	13		Finished	
			Dec 2020			Dec 2020	Dec 2017			
Component 3: Knowledge Capturing and dissemination of resources		C3.11	1 how-to guide.	0				1		
Weight: 16% Classification: High Satisfactory						Sep 2019				
	C3.12	Final Reports prepared by EA/consulting partner for each project detailing experience of the pilot	0	2	7	12	27	8		Delayed
				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	10		Delayed
				Nov 2016	Dec 2017	Dec 2018	Dec 2020	Jun 2018		
	C3.14	Research studies and other knowledge products	0				12	6		On Course
							Dec 2019	Dec 2016		
	C3.15	Three annual knowledge sharing meetings.	0	1	2	3	3	5		Finished
			Oct 2012	Oct 2013	Oct 2014	Jan 1900	Dec 2015			
C3.16	Two International knowledge sharing events	0	1			2	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	7		On Course	
			Dec 2017			Dec 2020	Dec 2018			
C3.18	2016-2020 EcoMicro Phase II - Knowledge Exchange Meetings of EAs	0				3	1		On Course	
						Dec 2020	Jun 2018			

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: 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 review of data on funds leveraged for scale on selected projects from Phase I (those which have reported data to IDB Lab) remains ongoing through Final Reports and direct communications with FIs/firms. The following 7 projects reportedly leveraged US\$12.3 million for scale one year post-pilot. New projects reporting scale for the period include Caja Arequipa Peru US\$1.5 million (private) and Fundacion Sur Futuro Dominica Republic US\$85,000. As previously reported in the PSR July-December 2017 and January-June 2018, Diaconia scaled up 7US\$m (PPCR, MIF and Private funds), Te Creemos scaled up US\$3 million (private), Fundacion Paraguaya US\$113,248 (own resources + US\$10,000 from KIVA private), Apoyo Integral El Salvador US\$151,700 (own resources), and FDL Nicaragua US\$453,188 (own resources). Additional scale funds are expected as this is only the result of 7 projects from the current portfolio of 15 projects in execution.

SECTION 6: PRACTICAL LESSONS

	Relative to Design	Author
1. Building in knowledge capture and dissemination metrics/deliverables as a key component of the project helps to systematize the quality of knowledge (i.e. lessons learnt and best practices) generated during project implementation.		Houliston, Ruth <i>[MIF]</i>