

PROJECT STATUS REPORT

JANUARY 2016 - JUNE 2016

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

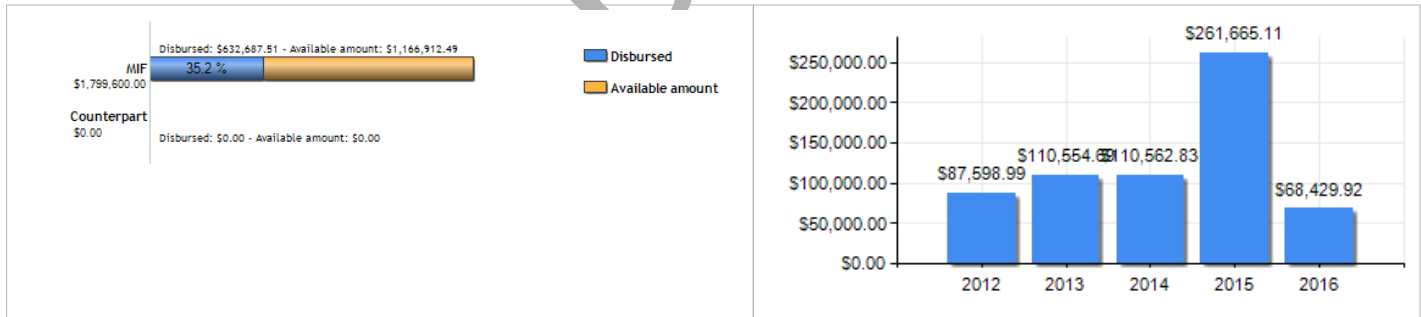
Supervision Team Leader:

GREGORY WATSON

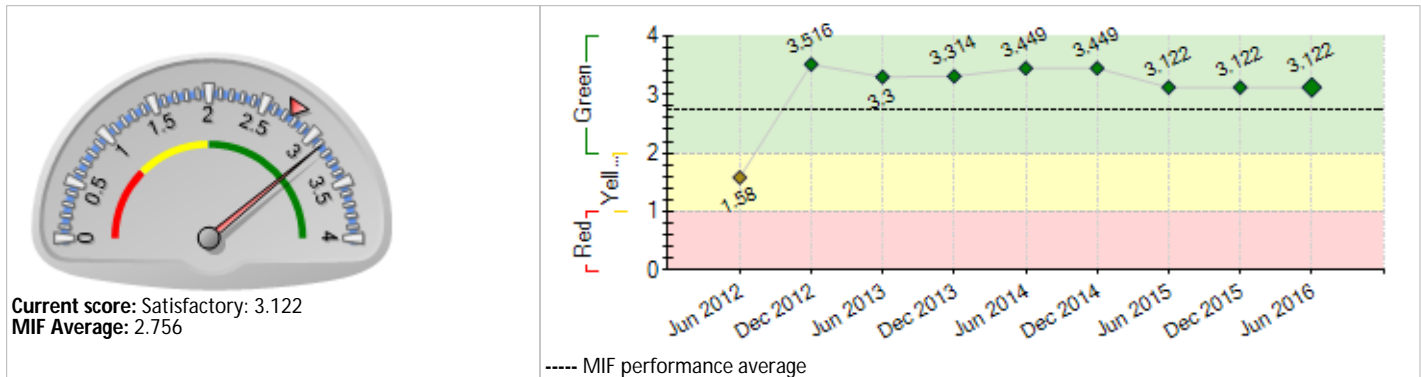
PROJECT CYCLE



FUNDS



PERFORMANCE SCORE



EXTERNAL RISKS

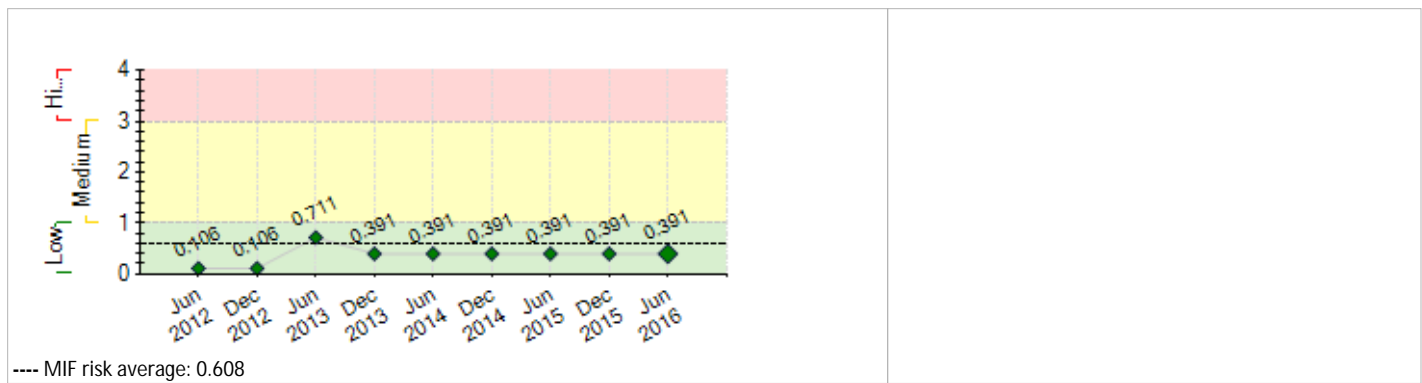
INSTITUTIONAL CAPACITY

Risk

Financial Management: 0

Procurement: 0

Technical Capacity: 0



SECTION 2: PERFORMANCE

Summary of project performance since inception

The program has achieved the objective of designing 12 projects across the region. Out of these 12, three are completed and nine are in the execution.

The program has a geographically diversified portfolio with projects in nine different countries: Mexico, Nicaragua, El Salvador, Jamaica, Dominican Republic, Peru, Colombia, Bolivia and Paraguay. There are two projects in both Bolivia and Colombia. In the case of Bolivia, while the main objective of both projects is building resilience among small-holder farmers, two different financial instruments are being tested: an adaptation loan, and micro-insurance to insure against certain climate risks. The difference between the two projects in Colombia is in the type of institutions and the target market: while one bank is developing an energy efficiency loan for micro and small "tiendas" in the urban and peri-urban area of Bogotá, the second project is led by the largest cooperative in the country and will develop energy efficiency and clean energy solutions for SMEs in the whole country.

The 12 projects are thematically evenly distributed, with six in adaptation and six in mitigation (energy efficiency and clean energy). As far as instruments goes, one financial institution is piloting micro-insurance and the remaining eleven have or are piloting productive loans.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Summary of project performance in the last six months

Early 2016 was a period of transition for EcoMicro. A new manager started at the MIF in January 2016 and the first three months of the year were oriented to ward redefining the MIF's focus and strategy. Following this, efforts were made to align EcoMicro to the MIF's new focus areas. In the reporting period the MIF worked with ORP and other IDB departments to finalize and Administrative Agreement with the Government of Canada to govern the receipt of CDN \$10M for an extension of EcoMicro in the Caribbean. Subsequently, IDB Board approval was sought and given for the receipt of these funds through the drafting and processing of a Project Specific Grant.

In addition to the above, one new project was approved in June 2016, with *Fundación Coomeva* in Colombia.

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	R.1 At least 12 sustainable green financial products offered (1 per MFI).	0				12 Dec 2016	5 Dec 2016	
	R.2 2% of MFI portfolio represented by green lending.	0				99 Dec 2016	0	
	R.3 \$3 million in financing mobilized for development and consumption energy efficiency and clean energy products and services.	0				3000000 Dec 2016	1000000 Mar 2014	
	R.4 At least 12 partnerships defined between MFIs and local tech providers, suppliers, etc.	0				12 Dec 2016	5 Dec 2016	
	R.5 At least 12 risk management models incorporate climate change risk	0				12 Dec 2016	5 Dec 2016	
	R.6 At least 12 loan disbursement methodologies that	0				12	5	

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.

	contemplate climate risk (1 per MFI).					Dec 2016	Dec 2016	
R.7	At least 12 new supervision and loan management methodologies that include indicators for climate risk.	0				12	5	
						Dec 2016	Dec 2016	
R.8	At least 12 new environmental internal policies.	0				12	5	
						Dec 2016	Dec 2016	

Component 1: Promotion, program preparation and awareness raising

Weight: 2%

Classification: High Satisfactory

C1.11	Select Program Coordinator						Yes	Finished
						Nov 2011	Jan 2012	
C1.12	Consulting firms selected and MIF Selection Committee appointed						Yes	Finished
						Jan 2012	Apr 2013	
C1.13	Dissemination plan						No	Finished
						Feb 2012	Dec 2014	
C1.14	Launch call for MFI Proposals						Yes	Finished
						Feb 2012	Aug 2014	

Component 2: Implementation of Individual Projects

Weight: 82%

Classification: Satisfactory

C2.11	Selection of 12 MFIs	0	4	8	13	12	12	Finished
			May 2012	Nov 2012	Nov 2013	Oct 2015	Oct 2014	
C2.12	At least 12 completed in-depth consultations	0	4	8	12	12	12	Finished
			Nov 2013	May 2014	Dec 2016	Dec 2016	Oct 2015	
C2.13	Design of at least 12 sustainable green financial products.	0				12	4	On Course
						Dec 2016	Dec 2014	
C2.14	Financing mobilize in USD for consumption EE&CE products and adaptation products and services	0				3000000	1000000	On Course
						Dec 2016	Mar 2014	
C2.15	Portfolio vulnerability assessment and risk mitigation recommendations.						No	On Course
						Dec 2016	Dec 2014	
C2.16	New methodologies for loan disbursement and monitoring						No	On Course
						Dec 2016	Dec 2014	
C2.17	12 new environmental internal policies developed and implemented internally.	0	4	8	12	12	4	Delayed
			Nov 2013	May 2014	Dec 2016	Dec 2016	Dec 2014	
C2.18	MFI Internal energy savings in USD (Cost savings in energy efficiency may be calculated as a function of KWHs saved or reduced)	99				99	1	On Course
						Oct 2015	Oct 2015	

Component 3: Knowledge Capturing and dissemination of resources

Weight: 16%

Classification: Satisfactory

C3.11	1 how-to guide.	0				1		Delayed
						Oct 2015		
C3.12	12 Case Studies	0	4	8	12	12	2	Delayed
			Jun 2014	Jan 2015	Dec 2016	Dec 2016	Jun 2015	
C3.13	Dissemination at 6 platforms.	0				6	8	Finished
						Nov 2015	Oct 2015	
C3.14	Research studies and other knowledge products	0				6	4	On Course
						Dec 2016	Dec 2015	
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	

Milestones	Planned	Due Date	Achieved	Date of achievement	Status
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 dysfunctional	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 Guest
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 Guest
4. Lessons learned are not applicable to different institutions	Low	Mitigation action	Project Guest

5. Lessons learned are not applicable in other geographical regions

Low

Mitigation action

Project Guest

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 Facility is not intended to be sustainable, although individual projects funded under EcoMicro are. However, given the program's success to date, the Facility has been re-capitalized by the NDF and has attracted additional financing from Global Affairs Canada. This will allow the program to continue until 2020.

SECTION 6: PRACTICAL LESSONS

[No lessons learned found]

Draft