

PROJECT STATUS REPORT

JANUARY 2017 - JUNE 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

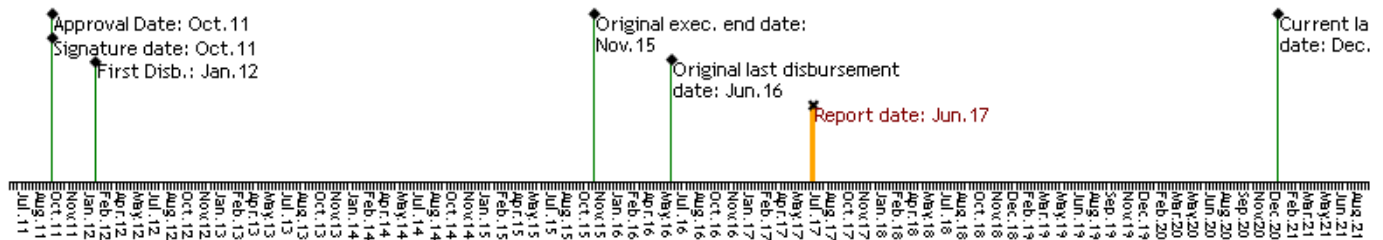
Design Team Leader:

GREGORY WATSON

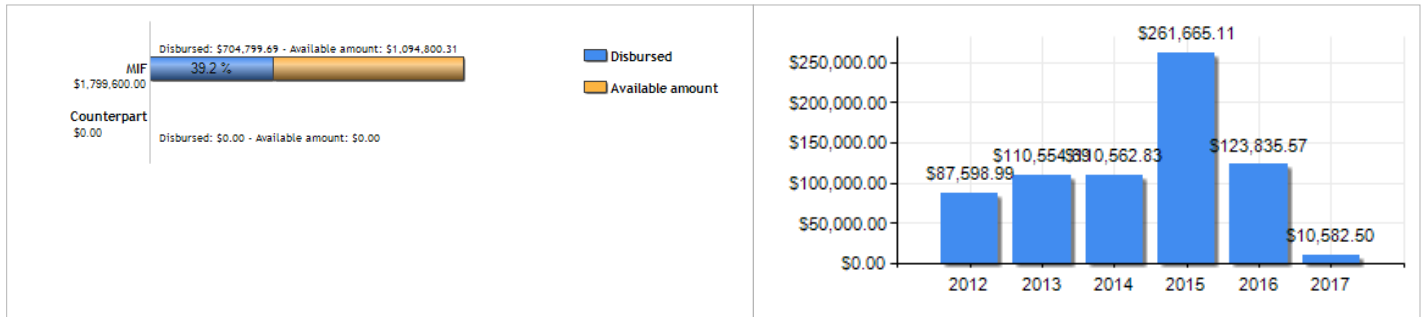
Supervision Team Leader:

GREGORY WATSON

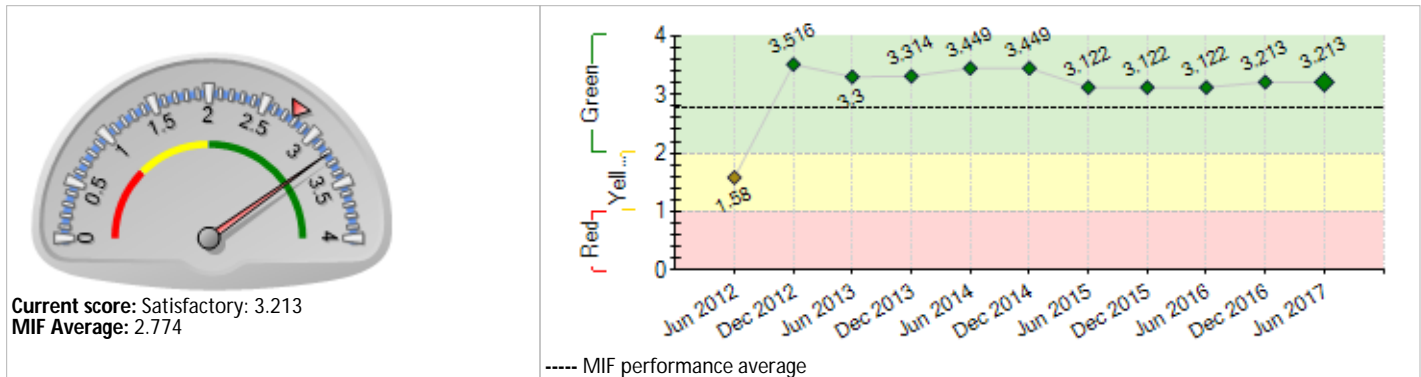
PROJECT CYCLE



FUNDS



PERFORMANCE SCORE



EXTERNAL RISKS

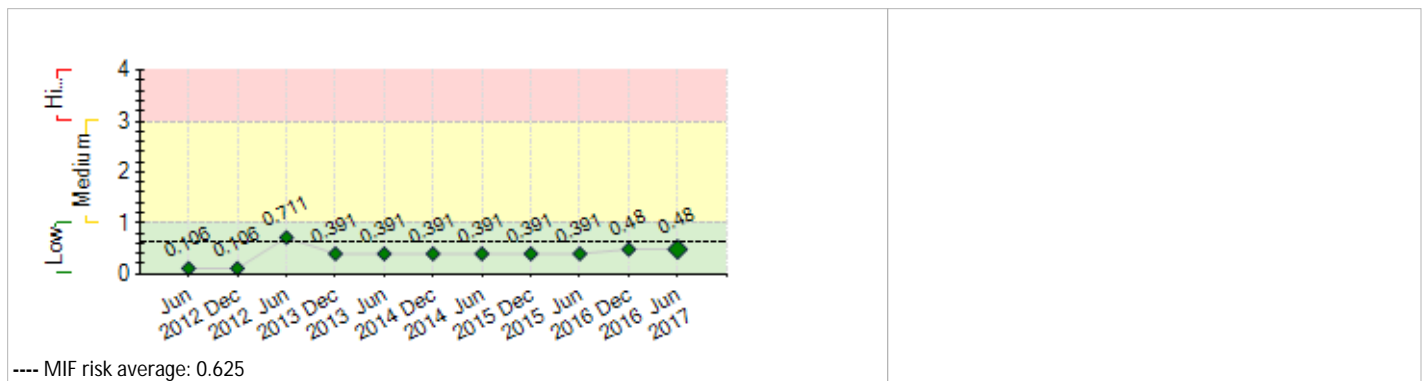
INSTITUTIONAL CAPACITY

Risk

Financial Management: Medium

Procurement: Medium

Technical Capacity: Low



SECTION 2: PERFORMANCE

Summary of project performance since inception

Currently, EcoMicro has created 21 financial products, of which so far 13 have been piloted in the market to 900 beneficiaries. To date, over US\$2.8mn in green finance has been directly leveraged from MFIs' balance sheets to pilot these financial products. This amount will continue to increase as execution progresses with ongoing projects, and new projects enter the portfolio. Meanwhile we are in the process of collecting preliminary data on finance mobilized by MFIs to scale green loans, once the pilots have closed. We know from early assessments that some FIs have been incredibly successful – and we expect the amount to be substantial. We will be finalizing the collection of data on this through a final evaluation of closed projects planned for 2018.

Participating MFIs have an extensive network of over 160 urban and rural branches through which 5,000 clients (MSMEs, small farmers, low-income households) have benefitted directly from green loans or indirectly through awareness raising activities to date. Approximately 3,000 MFI employees have received environmental awareness trainings and/or have been trained in climate change risks and in commercializing green finance products.

Two new projects were approved under EcoMicro II in 2017 (to date), these include: (i) Argentina (AR-T1176) and (ii) Belize (BL-T1094).

Comments from the Supervision Team Leader

Agree with the Executing Agency comments
Agree. Communicated to partners (NDF/GAC)

Summary of project performance in the last six months

Significant progress has been made to advance the Caribbean EcoMicro program this semester:

- Caribbean Market Study (Econoler/Canada) was finalized 27 May 2017, facilitated strategic orientation for the preparation and launch of the Call for Proposals;

- 18 Consulting Firms/Consortia pre-selected to participate in the Caribbean Eco-Micro Program, following a Request for Expressions of Interest published on UNDB on 18 May

- The re-designed EcoMicro Website and new EcoMicro YouTube Channel including 3 Animated Videos contextualized for the English Caribbean to promote the Call for Proposals, were launched in May 2017;

- Caribbean Call for Proposals: launched on 15 June

EcoMicro Support: A new regional program coordinator is now in place, contracts launched earlier this year to support the launch of the Caribbean program, undertake results tracking, revamp and restructure the program's website and implement communications and outreach have all progressed significantly. As new projects enter execution, support arrangements will be modified to suit differing needs. It is also expected that greater emphasis will be given to disseminate the results of those projects that close.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments
Agree. Comm.unicated to NDF/GAC

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	At least 12 sustainable green financial products offered (1 per MFI).	0	5			27	5	
				Dec 2017			Dec 2020	Dec 2016	
	R.2	At least 12 risk management models incorporate climate change risk	0				22	5	
						Dec 2020	Dec 2016		
	R.3	At least 12 new environmental internal policies.	0				22	5	
						Dec 2020	Dec 2016		
R.4	US\$ mobilized by MFIs/FIs for scaling EcoMicro pilots (own-resources and external funds)	0	10000000			30000000	16718136		
			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	Yes
	C1.2	Consulting firms for LAC (MIF/NDF) Program selected and MIF Selection Committee appointed					Jan 2012	Apr 2013	Finished
	C1.3	Dissemination plan						Yes	Finished
							Feb 2012	Dec 2016	
	C1.4	Launch call for MFI Proposals						Yes	Finished
							Feb 2012	Aug 2014	
	C1.5	Consulting firms for Caribbean Program (MIF/GAC) selected	0	1			1		Finished
			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		Finished	
			Sep 2017			Sep 2017			
Component 2: Implementation of Individual Projects Weight: 82% Classification: Satisfactory	C2.1	Selection of 12 MFIs	0	4	8	13	12	12	Finished
				May 2012	Nov 2012	Nov 2013	Oct 2015	Dec 2016	
	C2.2	Design of sustainable green financial products.	0	12	25		27	13	On Course
				Dec 2016	Dec 2019		Dec 2020	Jan 2017	
	C2.3	USD value of loan portfolio of green finance products created by Program during pilot stage - aggregated from all projects	0	3000000			6750000	3000000	On Course
				Dec 2016			Dec 2020	Dec 2016	
	C2.4	Number of MFIs/FIs designed Climate Risk Management tools (At least 10 in the Caribbean)	0	7	10		27	5	Delayed
				Dec 2016	Dec 2017		Dec 2020	Dec 2016	
C2.5	Number of MFIs/FIs institutional greening/environmental policies designed (at least 10 in the Caribbean)	0	4	8	9	22	5	Delayed	
			Nov 2013	May 2014	Dec 2016	Dec 2020	Dec 2016		
C2.6	Approval of individual Projects by MIF	0	14			27		On Course	
			Dec 2017			Dec 2020			
C2.7	Selection of 10 Caribbean FIs (MIF/GAC)	0	10			10		Finished	
			Dec 2020			Dec 2020			
Component 3: Knowledge Capturing and dissemination of resources Weight: 16% Classification: Satisfactory	C3.1	1 how-to guide.	0				1		
							Sep 2019		
	C3.2	Final Reports prepared by EA/consulting partner for each project detailing experience of the pilot	0	2	7	12	27	2	Delayed
				Jun 2016	Dec 2017	Dec 2018	Dec 2020	Jun 2015	
	C3.3	Knowledge Exchange at events/fora with relevant audiences/ecosystem partners	0	6	9	11	12	9	On Course
				Nov 2016	Dec 2017	Dec 2018	Dec 2020	Dec 2016	
	C3.4	Research studies and other knowledge products	0				12	6	On Course
							Dec 2019	Dec 2016	
	C3.5	Three annual knowledge sharing meetings.	0	1	2	3	3	5	Finished
				Oct 2012	Oct 2013	Oct 2014	Jan 1900	Dec 2015	
C3.6	Two International knowledge sharing events	0	1			2	2	Finished	
			Oct 2013			Jan 1900	Dec 2014		
C3.7	Number of EcoMicro MFIs/FIs linked scaling pilots with additional resources from investors or own resources	0	5			20		On Course	
			Dec 2017			Dec 2020			
C3.8	2016-2020 EcoMicro Phase II - Knowledge Exchange Meetings of EAs	0				3			
						Dec 2020			

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

[X] Bank Policy changes

SECTION 4: RISKS

MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE

Level	Mitigation action	Responsible
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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 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:

All projects that have closed to date have shown signs that the FIs are continuing to offer products in the market using their own resources - and they are successful in attracting external resources. The team is compiling this data for presentation in a future report. It is emerging that the EcoMicro model is being sustained and scaled post-intervention.

SECTION 6: PRACTICAL LESSONS

1. EcoMicro Program Implementation Support. It is important for the executing unit of the program to be appropriately dimensioned and composed. External consultants and firms need to be matched well to tasks and some tasks can only be achieved by resources that have access to Bank systems.	Relative to Implementation	Author Houliston, Ruth <i>[MIF]</i>
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