



Fondo Multilateral de Inversiones
Miembro del Grupo BID

PSRDEF

JULIO 2016 - DICIEMBRE 2016

SECTION 1: PROJECTSUMMARY

PROJECTNAME: Ilumexico: Mejorando el Acceso a Energía a Comunidades Rurales en Mexico

ProjectNum: ME-M1106 - OperationNum: ATN/ME-15213-ME

Purpose: Ilumexico reaches financial sustainability of credit programs and strengthens its loan portfolio performance.

CountryAdmin

MÉXICO

CountryBeneficiary

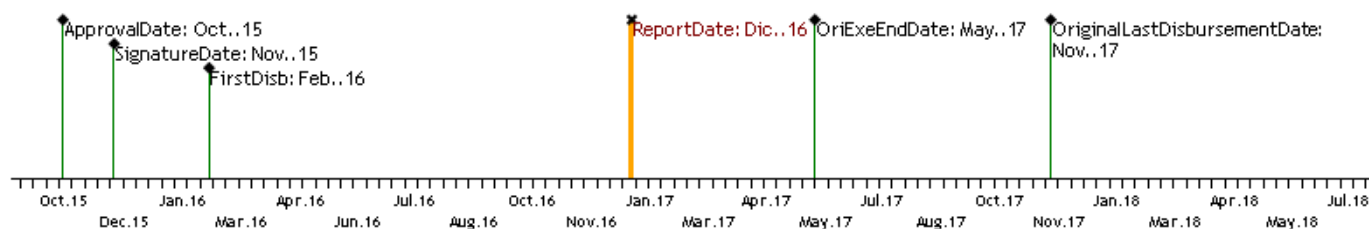
MÉXICO

EA: ERES ENERGIA RENOVABLE SAPI DE CV

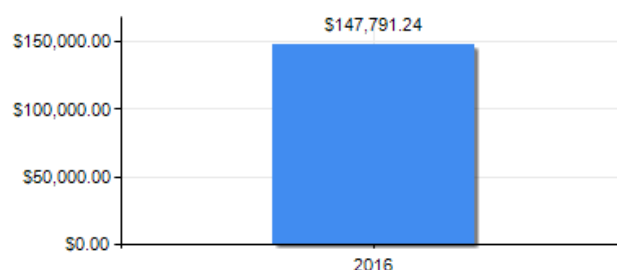
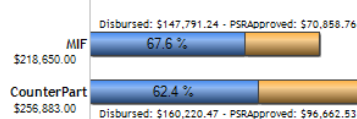
DesignTeamLeader: IGNACIO FERNANDEZ ADMETLLA

SupervisionTeamLeader: ALBERTO BUCARDO

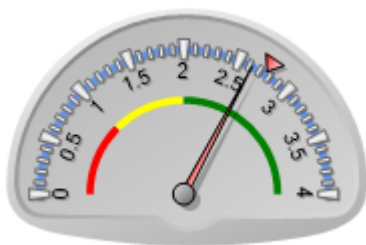
PROJECTCYCLE



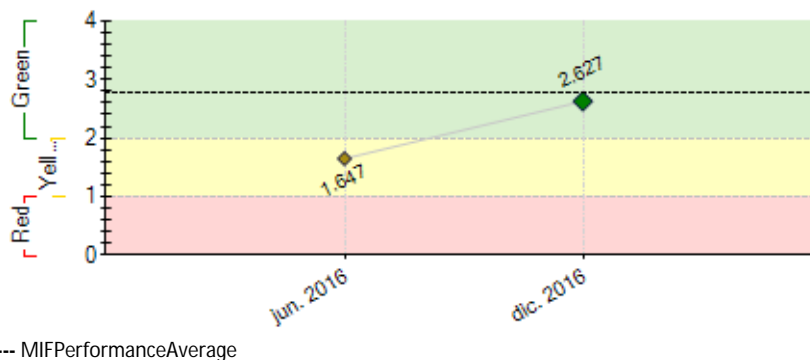
PSRRESOURCEDISBURSED



PERFORMANCERATINGS



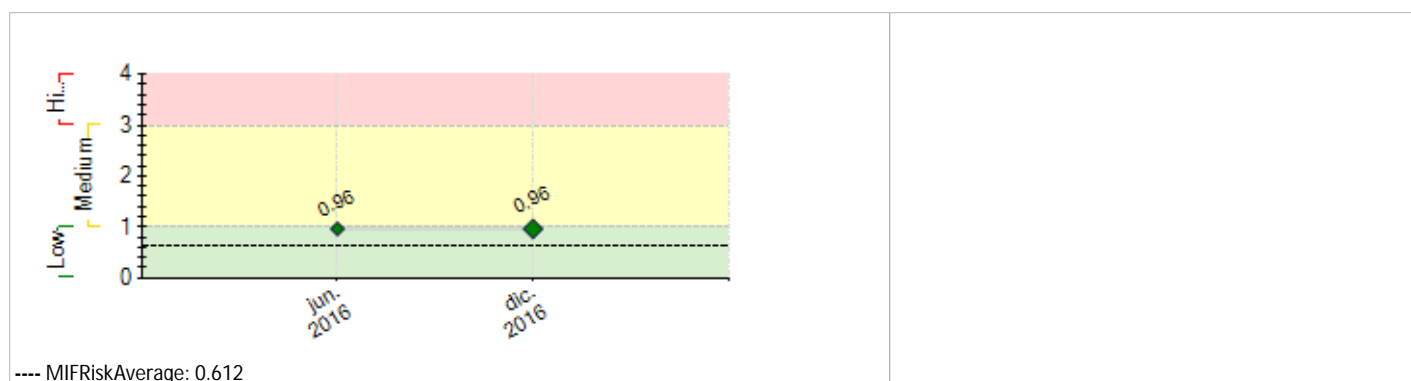
CurrentRating: SDesc: 2.627
MIFAverage: 2.76



EXTERNALRISK

INSTITUTIONALCAPACITY

Risk
FinancialMngt: High
Procurement: High
TechnicalCapacity: High



SECTION 2: PERFORMANCE

PSRReportCumulative

C1.SUB 1.1 - Market analysis and assessment completed with final report about customers, selling channels, value proposition and institutional communication. SUB 1.2 ToR for the implementation of the insights concluded in the sub 1.1 and printing materials to be developed. SUB 1.3 New inventory tracking and supervision software to manage and improve our processes, days of inventory and visibility; A report on best practices and lessons learned on for solar business; A report on a research on viability to migrate into a service model instead of a purchasing model; A mapping on administrative and supervision processes in the office, including purchases, budgeting, new hiring, etc. and a process improvement Project (not completed).

C2. Client & Order Tracking:Complete; Inventory Tracking Complete; Credit Tracking, pending Final Tests with integration to Taroworks. Licencing on offline software for two years.

C3. Handbook, new product design guidelines, a credit analysis tool, new formats, new policies, training materials and new processes. We are on course of two Consulting on Financial Processes and Human Resource Planning. One to do with overall company finances and one with the HR payments.

C4. Knowledge generation is delayed.

PSRCommentsMIFSpecialist

De acuerdo con los comentarios de la Agencia Ejecutora
Se realizará visita de inspeccion en el semestre para verificar avances y pendientes del proyecto.

PSRReportSemester

Main achivements: ToR for financial consultancy, implementation of new communication and marketing strategy

On course: Administrative and headquarters processes, HR paysheet conformation, CRM redesign (only pending final tests)

Concluded: Microcredit module with handbooks, training materials and new policies; new communication and mkt strategy

Delays and main efforts: CRM redesign (only pending final tests); Knowledge component is still to be defined because we dont have a supplier for this activities.

PSRCommentsMIFSpecialist

De acuerdo con los comentarios de la Agencia Ejecutora

SECTION 3: INDICATORS AND MILESTONES

	Indicators	Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
Goal: The goal of this technical cooperation is that Ilumexico reach investment readiness and position itself to scale the company through an IADB loan or through another source of impact investment.	I.1	Number of ILUCentrosn Opened	5	10		14	11	
			Nov. 2015	Nov. 2016		May. 2017	Ene. 2017	
	I.2	Number of households with access to clean energy solutions	4200	9000		11500	8009	
			Nov. 2015	Ago. 2016		May. 2017	Ene. 2017	
	I.3	Number of net jobs created	36	45		60	46	
			Nov. 2015	Ago. 2016		May. 2017	Ene. 2017	
	I.4	Total Annual Revenue	550000	1300000		2200000	490000	
			Nov. 2015	Ago. 2016		May. 2017	Jun. 2016	
Purpose: Ilumexico reaches financial sustainability of	R.1	Loan Payment Rate	83	88		92	95	
			Nov. 2015	Nov. 2016		May. 2017	Ene. 2017	

credit programs and strengthens its loan portfolio performance.	R.2	Percentage Portfolio at Risk (60 days)	45	30			25	46	
			Nov. 2015	Ago. 2016			May. 2017	Ene. 2017	
	R.3	Average Quarterly Loans /ILUCentro	180000	250000			300000	0	
			Nov. 2015	Ago. 2016			May. 2017		

Component 1: Strengthening Ilumexico's internal processes Weight: 22% Classification: Satisfactorio	C1.1	Number of Credit Manuals developed	0				1	1	Finished
							May. 2017	Nov. 2016	
	C1.2	Number of new operational manuals and processes implemented	0				5	0	OnCourse
			Nov. 2015				May. 2017	Jul. 2016	
	C1.3	Redefinition of organizational Structure	0				1	0	OnCourse
			Nov. 2015				Nov. 2016	Jul. 2016	
	C1.4	Percentage improvement in overall margin of Business Model (with new sales and credit indicators)	0	10			12		Delayed
			Nov. 2015	Nov. 2016			May. 2017		

Component 2: Consolidating Ilumexico's Data Management Capacity Weight: 45% Classification: Satisfactorio	C2.1	Number of improved modules in CRM Platform developed	0				3	1	Delayed
			Nov. 2015				Nov. 2016	Nov. 2016	
	C2.2	Use of offline data capture for all processes.	80	95			98	85	OnCourse
			Nov. 2015	Nov. 2016			May. 2017	Jul. 2016	
	C2.3	Credit Tracking Modules Implemented	0	1			1	0	Delayed
			Nov. 2015	Ago. 2016			May. 2017	Nov. 2016	

Component 3: Improving Ilumexico's Loan-Disbursement Process and Credit Analysis Weight: 28% Classification: Satisfactorio	C3.1	Number of report developed on Best Practices for Rural Financing for Solar Home Systems.	0				1	1	Finished
			Nov. 2015				Nov. 2016	Nov. 2016	
	C3.2	Percentage use of Revolving fund for loans.	0	80			100		Delayed
			Nov. 2015	Nov. 2016			May. 2017		

Component 4: Knowledge generation on credit scoring on solar loans Weight: 5% Classification: Satisfactorio	C4.1	Number of people who access MIF knowledge products or knowledge transfer activities	0				200		
							May. 2017		

Milestones		Planned	DueDate	Achieved	DateAchieved	Status
H1	Condiciones previas	4	May. 2016	4	Ene. 2016	Achieved
H1	End of Module 2.3 Tools and infsrstructure for Data Processing / Capture	1	May. 2016	19	Feb. 2016	Achieved
H2	Progress on module 2.1 Improvement of Salesforce CRM	1	May. 2016	30	Jul. 2016	AchievedLate
H3	End of Module 2.2 Offline data-capture for data adquisition, client processing and credit scoring	1	May. 2016	100	Jul. 2016	AchievedLate
H4	Diagnosis from Module 1.1 Understand the market dynamics regarding payment capacity	1	May. 2016	1	Jul. 2016	AchievedLate
H5	Diagnosis from Module 3.2 Consulting on Micro-Financing Best Practices	1	May. 2016	1	Jul. 2016	AchievedLate
H6	End of module 1.1 Understand the market dynamics regarding payment capacity	1	Nov. 2016	1	Nov. 2016	AchievedLate
H8	End of module 3.2 Consulting on Micro-Financing Best Practices	1	Nov. 2016	1	Nov. 2016	AchievedLate
H7	[*] Implementations of module 2. Improved Modules for specific Credit tracking and analysis	1	Mar. 2017			
H9	End of module 3.4 Consulting on Financial Processes and Human Resource Planning	1	May. 2017			
H10	End of Module 4.1 Publications on Impact Measurement and Credit Allocation best practices.	1	May. 2017			
H11	End of module 1.3 Redefine and Strenghten Organizational/Financial Structure	1	May. 2017			
H12	End of module 1.2 Develop Training Manuals and Processes	1	May. 2017			
H13	Fund for Equipment Financed	100	May. 2017	100	May. 2016	Achieved
H14	Operating expenses financed	100	May. 2017	27	May. 2016	
H15	Operating expenses financed	100	May. 2017			
H16	Operating expenses financed	100	May. 2017			

[*] MilestoneReformulated

PSRCRITICALISSUESTITLE

[NoneReportedFactors]

SECTION 4: RISKS

PSRRISKTITLE

	Level	MitigationAction	Responsible
1. The Energy sector in Mexico has just undergone major structural reforms, including more private investment in the sector and increased opportunities. Ilumexico sees this as an advantage, however there is a risk of major policies steering towards traditional grid-extension and/or government owned solar programs.	Medium	To mitigate this risk Ilumexico has participated in different government bids, as they have done in the past, as present competitive offers that will incentivize governments to keep supporting alternative off-grid solutions as well. The agencies with whom we are working are SENER (Ministry of Energy) with the FSUE (Fondo de Servicio Universal Eléctrico) and CFE (Comisión Nacional de Electricidad)	Project Coordinator
2. Since Ilumexico works with micro-loans and rural financing, there is an inherent risk related to credit policies and conditions, as well as the legal framework behind rural credits.	Medium	To mitigate this risk Ilumexico is focused on selling equipment on credit and not loaning cash specifically, which to date protects them from currently regulations that are taking place. The consultancy in place is helping us better understand risks and cash flow implications without compromising our social mission.	Project Coordinator

OVERALLPROJECTRISK: Medium NRORISKS: 2 INEFFECTRISK: 2 NOTINEFFECTRISK: 0 MITIGATEDRISKS: 0

SECTION 5: SUSTAINABILITY

PSRSustainabilityScore: P - Probable

PSRCRITICALISSUESSUSTAINABILITYTITLE

[NoneReportedFactors]

RelativeActions:

Most of the activities include operational handbooks, training activities with stakeholders and clear processes to implement. The handbooks written so far:

1. Culture and code of business conduct handbook
2. Technical handbooks
3. Credit handbook and policies
4. Handbook for administration activities in rural branches
5. Handbooks of special programs like community ambassadors

Also, we have mapped out most of the administration processes in the headquarters and implementes clear purchasing and budgeting policies.

SECTION 6: PRACTICALLESSONS

[NoLessons]

Draft