

PROJECT STATUS REPORT

01/01/2020 - 06/30/2020

SECTION 1: PROJECT SUMMARY

Operation number: RG-T2935
Suboperation number: ATN/ME-16289-RG

Project Name: PROADAPT - Support Climate Resilient Investment in Agricultural Sectors in Saint Lucia
Purpose: The main objective of the project is to strengthen the viability of agri-business

Country admin	Country beneficiary:	Group:	SubGroup:
TRINIDAD AND TOBAGO	REGIONAL	C	

Executing Agency: Laborie Co-Operative Credit Union Ltd.
Team Leader: VASHTIED

Project cycle:

Report Date: 2020 - 07 - 01	Original Execution End Date: 2020 - 12 - 22
Approval Date: 2017 - 08 - 04	Current Execution End Date: 2020 - 12 - 22
Signature Date: 2017 - 12 - 22	Original Last Disbursement Date: 2021 - 06 - 22
First disbursement date: 2018 - 06 - 27	Last Current Disbursement date: 2021 - 06 - 22

SECTION 2: PERFORMANCE

Project's performance summary since the beginning

To date all project milestones have been achieved. Membership in the co-operative has increased to 78. Sales were on an upward trajectory until the impact of COVID-19 resulted in a decline of over 60% in sales revenue.

Supervision Team Leader comments

Project's performance summary in the last 6 months

COVID-19 has affected all aspects of life in world. St. Lucia has not been spared. The agricultural and tourism sectors have been most adversely impacted. It has become a challenge to incentivize farmers to keep their fields operational as the main markets for produce have become non-existent. All major hotels have closed with a few only beginning to reopen on a small scale. Black Bay Farmers has began selling to households as a means of generating revenue from new streams. The organisation has also began exploring the phytosanitary requirements to begin production, processing and handling produce for export. A pack house will be required. The organisation is also looking at a cheaper means of delivering to households and will require a more efficient means of transportation as the fuel cost associated with the truck has been increasing.

Supervision Team Leader comments

SECTION 3: INDICATORS AND MILESTONES

C1 : Strengthen Market Linkages and Production of producers in the Black Bay Small Fa **Weight** 33%

Qualification ~not selected~

Indicators	Baseline	Planned	Achieved	Status
I1 Number of members at the BBFC cooperative (disaggregated by gender)	37	192 (2021 - 04 - 22)	58 (2018 - 12 - 31)	In progress
I2 Number of people trained (CRF 110100) (disaggregated by gender)	37	207 (2020 - 12 - 04)		In progress

C2 : Expanding Access to Climate Resilient Financing **Weight** 33%

Qualification ~not selected~

Indicators	Baseline	Planned	Achieved	Status
I1 Number of people who gain access to microinsurance products (CRF 210900)	0	154 (2020 - 12 - 04)		In progress

C3 : Building Institutional Capacity for Climate Resilience **Weight** 34%

Qualification ~not selected~

Indicators	Baseline	Planned	Achieved	Status
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11 Business Continuity Plan (BOP) has been developed and approved by LCCU board

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1 (2021 - 03 - 04)

In progress

Milestones	Planned Value	Achieved Value	Due Date	Achieved Date	Status
Conditions Prior	11	11	2018 - 06 - 22	2018 - 06 - 05	Achieved
Strategic and Business plan developed and approved by the steering committee	1	1	2018 - 12 - 22	2019 - 01 - 30	Achieved
Initiation of Marketing of Green Finance line by LCCU	1	100	2019 - 03 - 24	2019 - 01 - 31	Achieved
Climate and enterprise risk assessment for the LCU completed	1	1	2019 - 06 - 23	2020 - 02 - 24	Achieved
BBFC demonstrates ability to finance the project coordinator	1	0	2020 - 06 - 22		Overdue

CRITICAL FACTS THAT HAVE AFFECTED PROJECT'S PERFORMANCE

Supplier/contractor performance

Delays in fulfilling the contract terms

Environmental restrictions

SECTION 4: RISKS

Impact Area	Severity	Prob.	Date	Responsible	Mitigation action
During the project execution, any natural disaster could occur given St. Lucia's	Final Outcome (3) Medium	Very Low 20%	2020 - 02 - 14	Project Coordinator	the project includes the dissemination and adoption of best practices to increase the resilience of agro producers and of the LCCU as Executing Agency and as a key financial institution in the southern region. Additionally, parametric agro insurance will be included in each climate resilient loan to support the borrowers in resuming business in case of any major climate event. Currently, LCCU already provides property and life insurance to its customers, and plans to bundle agro parametric insurance with these services to reduce the cost of the premiums to its borrowers and members while reducing their business risk. In addition, LCCU will be strengthened via the development of a Climate and Enterprise Risk Assessment and a Business Continuity plan that will allow it to continue operations in case of any disaster.
Low appetite for loans from the producers.	Expanding Access to Climate Resilient Financing (2) Low	Low 40%	2020 - 02 - 14	Project Coordinator	BBFC will lead the change with the producers by linking adaptation to climate change with access to higher value markets year round. To support this initiative, BBFC will access a loan to improve its own productive infrastructure (storage, processing and cooling room) and logistics capacity. This improvement is expected to have a trickle-down effect on the supply chain, as members will in turn need to access loans to adopt the technology that will allow for climate resilient year-round production (green houses, irrigation and rainwater harvesting systems, solar water pumps and solar chillers).
small producers face a market risk where a conglomerate owned by local and foreign	Strengthen Market Linkages and Production of producers in the Black Bay Small Fa (2) Low	Very Low 20%	2020 - 02 - 14	Project Coordinator	BBFC is in the process of forging an alliance with this conglomerate so that BBFC can itself become a supplier; moreover, the alliance will include exploring the possibility of supplying produce to other Caribbean countries. In addition, the BBFC is already supplying to the largest supermarket and several tourism operators and this operation creates opportunities for further business expansion.
The Eastern Caribbean Dollar (EC\$) has been stable in the last several decades,	Intermediary Outcome (2) Low	Very Low 20%	2020 - 02 - 14	Project Coordinator	The loan would be repayable in US\$ dollars; and the PPCR will absorb the potential losses related to exchange rate variations.

TOTAL RISKS QUANTITY: 4 IN EFFECT RISKS: 4 NOT IN EFFECT RISKS: 0 MITIGATED RISKS: 0

SECTION 5: SUSTAINABILITY

Indicate likelihood of project sustainability after project completion:

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Justification

The Executing Agency is closely affiliated and actively engaged with farming and fishing co-operatives and has been working with them for several years, this partnership will continue beyond the period of IDB Lab Investment. However the impact of COVID 19 and recovery of St Lucia's tourism sector (main market for farmers) may have a negative impact on sustainability of the results achieved.

ASPECTS THAT PUT THE PROJECT SUSTAINABILITY AT RISK

Factor	Comments
3. A market is not generated for the project's services and/or activities (low payment capacity or low demand for those services)	Medium term impact on the hospitality sector is unknown and this is the key market

Actions related to sustainability which have been implemented in the project:

SECTION 6: PRACTICAL LESSONS

[There were no lessons learned reported during this period]