

# PROJECT STATUS REPORT

## 07/01/2020 - 12/31/2020

### SECTION 1: PROJECT SUMMARY

**Operation number:** BL-T1122

**Suboperation number:** ATN/CN-17454-BL

**Project Name:** EcoMicro - Development Finance Corporation - Green Finance for Renewable Energy and Energy Efficiency for MSMEs

**Purpose:**

**Country admin**

BELIZE

**Country beneficiary:**

Belize

**Group:**

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**SubGroup:**

**Executing Agency:** Development Finance Corporation

**Team Leader:** RUTHH

**Project cycle:**

Report Date: 2021 - 01 - 01

Approval Date: 2019 - 07 - 15

Signature Date: 2019 - 12 - 12

First disbursement date: 2020 - 08 - 11

Original Execution End Date:

Current Execution End Date:

Original Last Disbursement Date: 2022 - 12 - 12

Last Current Disbursement date: 2022 - 12 - 12

### SECTION 2: PERFORMANCE

Project's performance summary since the beginning

The project commenced at the end of April 2020, amidst delays caused by the outbreak of the COVID 19 pandemic. The project workplan was adjusted to allow for completion of activities which could have been completed virtually. A detailed three month work plan was submitted with a high level plan for the first year. Ad DFC's request, it was agreed that activities relating to Component 3 (DFC Carbon Footprint) would be advanced to Quarter 2. All Deliverables for Quarter 1 was made on schedule. These included the Inception Report, the First Annual workplan and the first biannual report. There have been slight delays, with the activities schedule for delivery in quarter 2 and these are currently being finalized in Quarter 3.

**Supervision Team Leader comments**

Agree with Executing Agency, they have made good progress despite the challenges posed by COVID-19 commencing prior to the start of this project.

**Project's performance summary in the last 6 months**

Implementation over the last six months has proceeded satisfactorily considering the limitations posed by the pandemic. There are weekly progress meetings between the Econoler consultants and DFC's project team. Three tasks have been practically concluded under Component 1 of the project. These include The Landscape and Market Analysis (including the Gender Analysis), Analysis of DFC's capacity and procedures, and Recommendations for improvement of DFC's Green Finance Product. . The consultant has concluded, interviews and focus group sessions with all relevant stakeholders. Draft reports have been submitted by the consultant. These have all been reviewed by the Project Coordinator and final edits are underway prior to presentation to the Project Steering Committee for final approval. These include the Market study, Gender analysis, DFC Analysis, and Analysis of DFC's green finance products. The DFC Carbon Footprint report (Component 3) is also being finalized as of this reporting date,

**Supervision Team Leader comments**

Agree with Executing Agency, important progress has been made during the past six months despite COVID-19 restrictions and impact

### SECTION 3: INDICATORS AND MILESTONES

**C1 : Design & Implementation of Green Finance Products**

**Weight** 25%

**Qualification** High Satisfactory

Indicators	Baseline	Planned	Achieved	Status
I1	0	1 ( 2020 - 12 - 15)		In progress
I2	0	350 ( 2022 - 12 - 15)		In progress
I4	0	1 ( 2021 - 12 - 15)		In progress
I3	0	1 ( 2022 - 12 - 15)		In progress
I5	0	3 ( 2022 - 12 - 15)		In progress
I8	0	200 ( 2022 - 12 - 15)		In progress
I6	0	3 ( 2022 - 12 - 15)		In progress
I10	0	0 ( 2022 - 12 - 15)		In progress
I7	0	100 ( 2022 - 12 - 15)		In progress

<b>I9</b>	0	<b>1000000</b> ( 2022 - 12 - 15)	In progress
<b>I11</b>	0	<b>34</b> ( 2023 - 05 - 12)	In progress

**C2 : Analyzing the Vulnerability of the Loan Portfolio to Climate Change** **Weight** 25%

**Qualification** High Satisfactory

Indicators	Baseline	Planned	Achieved	Status
<b>I1</b>	0	<b>100</b> ( 2022 - 05 - 12)	<b>35871</b> ( 2020 - 07 - 15)	Finished
<b>I2</b>	0	<b>1</b> ( 2022 - 05 - 12)	<b>7725</b> ( 2020 - 07 - 01)	Finished
<b>I3</b>	0	<b>34</b> ( 2023 - 05 - 12)	<b>7725</b> ( 2020 - 08 - 24)	Finished
<b>I4</b>	0	<b>100</b> ( 2022 - 12 - 15)		In progress

**C3 : Reducing the Environmental Impact of the Finance Institution** **Weight** 25%

**Qualification** High Satisfactory

Indicators	Baseline	Planned	Achieved	Status
<b>I2</b>	0	<b>1</b> ( 2022 - 12 - 15)		In progress
<b>I1</b>	0	<b>100</b> ( 2022 - 12 - 15)		In progress
<b>I3</b>	0	<b>34</b> ( 2022 - 12 - 15)		In progress
<b>I4</b>	0	<b>1</b> ( 2022 - 12 - 15)		In progress
<b>I5</b>	0	<b>0</b> ( 2022 - 12 - 15)		In progress
<b>I6</b>	0	<b>1000</b> ( 2022 - 12 - 15)		In progress

**C4 : Knowledge Management and Communications Strategy** **Weight** 25%

**Qualification** High Satisfactory

Indicators	Baseline	Planned	Achieved	Status
<b>I1</b>	0	<b>9</b> ( 2022 - 12 - 15)		In progress
<b>I2</b>	0	<b>1</b> ( 2022 - 12 - 15)		In progress
<b>I3</b>	0	<b>1</b> ( 2022 - 05 - 12)	<b>1</b> ( 2020 - 12 - 09)	Finished
<b>I4</b>	0	<b>75</b> ( 2021 - 12 - 15)		In progress
<b>I5</b>	0	<b>1</b> ( 2022 - 12 - 15)		In progress

Milestones	Planned Value	Achieved Value	Due Date	Achieved Date	Status
Condiciones Previas / Prior Conditions	1	1	2020 - 06 - 12	2020 - 02 - 24	Achieved
DFC Analysis Report complete	1	1	2020 - 12 - 31	2020 - 10 - 16	Achieved
EPC Operational Guide complete	1	0	2021 - 12 - 12		Pending
Market Study complete	1	0	2021 - 06 - 12		Pending
Accreditation scheme complete	1	0	2022 - 06 - 12		Pending
Scale Strategy complete	1	0	2022 - 10 - 12		Pending

## CRITICAL FACTS THAT HAVE AFFECTED PROJECT'S PERFORMANCE

### Others, Which?

Despite the impact of COVID-19, DFC have been able to successfully advance their project this semester, focussing on activities that could be advanced under the lockdown conditions with virtual support from their EcoMicro Partner.

## SECTION 4: RISKS

	Impact Area	Severity	Prob.	Date	Responsible	Mitigation action
<b>Covid 19 Global Pandemic</b>	Final Outcome, Intermediary Outcome, Design & Implementation of Green Finance Products	(4) High	High 80%	2020 - 08 - 24	Executing Agency	Remote engagements as far as possible and rescheduling of project activities. Use of MS Teams for scheduling weekly progress meeting and sharing project reports to ensure that the project maintains momentum.
<b>Limited appetite among MSMEs for green financing.</b>	Final Outcome, Intermediary Outcome, Design & Implementation	(3) Medium	Medium 60%	2021 - 01 - 18	Executing Agency	The project will address potential limited demand by devoting significant resources to an initial market study, review of technologies and technology suppliers and product design. This will help to determine local demand for green lending as well as to establish strategic alliances and partnerships with local suppliers and other key actors. The project will also conduct direct outreach and training within beneficiary communities to stimulate awareness and demand for the new green finance products. In addition,

	of Green Finance Products					continuous assessments and a final evaluation of the performance of the RE/EE loan products in the market will be prepared, with a view to making necessary adjustments to scale post-pilot.
<b>Limited number of RE/EE technology suppliers</b>	Design & Implementation of Green Finance Products	(2) Low	Very Low 20%	2021 - 01 - 18	Executing Agency	The market is dominated by a limited number of key suppliers and their respective distribution agents. Given that new green finance will result in an increase in the demand for RE/EE technologies by MSMEs, the project will establish alliances between DFC and leading suppliers to ensure that this increasing demand can be met. In addition, the market study will assess the potential for DFC to encourage new RE/EE technology entrants and distributors into the local market, through tailored products to finance green suppliers.
<b>National Economic decline</b>	Final Outcome, Design & Implementation of Green Finance Products	(4) High	High 80%	2021 - 01 - 21	Project Coordinator	DFC will increase focus on sectors which were not as significantly affected by COVID e.g swine and poultry production, and small scale agro- processing. DFC will also actively market the product as one that will increase operational efficiency in the Tourism sector given the current depressed market conditions. Special emphasis will be placed on women owned and managed businesses.
<b>TOTAL RISKS QUANTITY: 4    IN EFFECT RISKS: 4    NOT IN EFFECT RISKS: 0    MITIGATED RISKS: 0</b>						

## SECTION 5: SUSTAINABILITY

### Indicate likelihood of project sustainability after project completion: HP

#### Justification

DFC is highly motivated to ensure this project succeeds and is sustained. They are already engaging with Caribbean and Global partners to seek investment funds for scale.

### ASPECTS THAT PUT THE PROJECT SUSTAINABILITY AT RISK

*[There were no aspects reported during this period]*

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

DFC is currently in negotiations with the CDF for participation in its Climate Risk Abatement Fund (CDF). This facility will offer partial guarantees for RE/EE investments that demonstrate sound financial viability, but fail to meet some of DFC's eligibility criteria (e.g. Collateral). This will result in increased uptake of the RE/EE Product. DFC has also been identified for participation in the CDB GCF funded project - Transforming Finance To unlock Climate action in the Caribbean Program. Under this program, funds amounting to US\$20.0 million will be accessed for climate smart financing including RE/EE investments. TA will also be available for participating institutions. This project is at the Project Preparation Facility stage.

## SECTION 6: PRACTICAL LESSONS

	Relative to	Author	Date
The use of Information technology has contributed significantly to the attainment of project deliverables. This has proven to be cost effective, particularly for project which seeks to reduce the Corporation's carbon footprint. Consultant travel and in-country work have been substituted with online interviews, focus group sessions and questionnaires utilizing survey monkey. A local consultants is also being utilized for the Energy Audits which will serve to curtail cost and build capacity of a local expert.	Implementation	Franklyn Magloire & Maritza Cunha	2020 - 08 - 24
DFC has relied extensive on the use of digitization technology to access stakeholders. This approach can also be used to target audiences for the promotion component of the project. It is convenient and cost effective for stakeholders.	Sustainability	Franklyn Magloire & Mariza Cunha	2021 - 01 - 21