

PROJECT STATUS REPORT

01/01/2021 - 06/30/2021

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:	Country beneficiary:	Group:	SubGroup:
BELIZE	Belize	D	

Executing Agency: Development Finance Corporation

Team Leader: RUTHH

Score Image:

Total Score: 2.497

Project cycle:

Report Date: 2021-07-01	Original Execution End Date:
Approval Date: 2019-07-15	Current Execution End Date:
Signature Date: 2019-12-12	Original Last Disbursement Date: 2022-12-12
First Disbursement Date: 2020-08-11	Last Current Disbursement Date: 2022-12-12

SECTION 2: PERFORMANCE

Project's performance summary since the beginning

Progress can be deemed as satisfactory despite the adverse impacts of the pandemic. Completed deliverables include literature review and stakeholder consultations, Market and gender analysis, DFC analysis, Recommendations to improve the RE/EE product, Capacity building for employees and ESCOs, energy assessments for DFC's buildings, a DFC carbon footprint report, improvements to DFC's Climate Change Policy and Greening Action Plan. W.R.T knowledge and communications, DFC has continued its production of brochures highlighting the benefits of its RE/EE lending program, and a video testimonial featuring an RE/EE client, as well as concluded four awareness sessions for stakeholders. As part of its scale strategy, DFC has been engaged in negotiations with the CDF for participation in its CRAF partial Credit Guarantee program and with the IADB for a credit line to support MSMEs in climate resilient initiatives. Two semi-annual progress reports were also concluded on schedule.

Supervision Team Leader comments

In agreement with the EA.

Project's performance summary in the last 6 months

Econoler continues to work remotely with weekly update meetings between the DFC and the consultant. For this reporting period the market/gender analysis, recommendations to improve the RE/EE product, the DFC carbon footprint, and Energy audits for two DFC owned buildings were finalized. The consultants also reviewed DFC's Climate Change Policy and Go Green Action Plan and made recommendations for improvement. The Go Green Plan was approved by the Steering Committee and to Policy recommendations will be tabled for BOD approval in the first week of August. Training Sessions for DFC 34 employees and ten ESCOs (16 individuals) were also concluded on the principles of RE/EE and EPC. DFC also engaged in negotiations for the establishment of a Partial Credit Guarantee program under the CDF CRAF Program, and an IADB credit line targeting covid recovery, gender inclusive and climate resilient financing. These negotiations should be finalized by August 2021. DFC and Econoler also organized stakeholder awareness sessions which have resulted in a renewed interest in DFC's green energy program. Stakeholders included 63 individuals the agriculture, agro-processing/ manufacturing, tourism, and services/ commercial sectors.

Supervision Team Leader comments

In agreement with the EA. Performance this period has been solid, despite continued challenges and economic impact of the pandemic.

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 (2021-05-12)	1 (2021-02-08)	Finished
I2	0	350 (2023-05-12)	104 (2021-06-22)	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
I9	0	1000000 (2022-12-15)		In progress
I11	0	34 (2023-05-12)	53 (2021-03-24)	Finished

C2 : Analyzing the Vulnerability of the Loan Portfolio to Climate Change

Weight 25%

Qualification High Satisfactory

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

C3 : Reducing the Environmental Impact of the Finance Institution

Weight 25%

Qualification High Satisfactory

Indicators	Baseline	Planned	Achieved	Status
I2	0	1 (2023-05-12)	1 (2021-07-12)	Finished
I1	0	100 (2023-05-12)	100 (2021-02-23)	Finished
I3	0	34 (2022-12-15)		In progress
I4	0	1 (2022-12-15)		In progress
I5	0	0 (2022-12-15)		In progress
I6	0	1000 (2022-12-15)		In progress

C4 : Knowledge Management and Communications Strategy

Weight 25%

Qualification High Satisfactory

Indicators	Baseline	Planned	Achieved	Status
I1	0	9 (2022-12-15)		In progress
I2	0	1 (2022-12-15)		In progress
I3	0	1 (2022-05-12)	1 (2020-12-09)	Finished
I4	0	75 (2021-12-15)		In progress
I5	0	1 (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	1	2021-06-12	2021-02-24	Achieved
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?

N/A

SECTION 4: RISKS

Impact Area	Severity	Prob.	Date	Responsible	Mitigation action
Final Outcome, Intermediary					Remote engagements as far as possible and

Covid 19 Global Pandemic	Outcome, Design & Implementation of Green Finance Products	(4) High	High 80%	2020-08-24	Executing Agency	rescheduling of project activities. Use of MS Teams for scheduling weekly progress meeting and sharing project reports to ensure that the project maintains momentum.
Limited appetite among MSMEs for green financing.	Final Outcome, Intermediary Outcome, Design & Implementation of Green Finance Products	(3) Medium	Medium 60%	2021-01-18	Executing Agency	<p>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, 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.</p> <p>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.</p> <p>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.</p>
Limited number of RE/EE technology suppliers	Design & Implementation of Green Finance Products	(2) Low	Very Low 20%	2021-01-18	Executing Agency	
National Economic decline	Final Outcome, Design & Implementation of Green Finance Products	(4) High	High 80%	2021-01-21	Project Coordinator	
ESCO unwillingness to engage in EPC model	Final Outcome, Intermediary Outcome, Design & Implementation of Green Finance Products, Knowledge Management and Communications Strategy	(3) Medium	High 80%	2021-07-26	Executing Agency	ESCO and MSME training in the benefits of EPC. Demonstration projects utilizing one or two successfully implemented EPCs
Zoom Fatigue	Final Outcome, Intermediary Outcome, Design & Implementation of Green Finance Products, Knowledge Management and Communications Strategy	(4) High	High 80%	2021-07-26	Executing Agency	1) Advance notification of sessions 2) appropriate content and timing of sessions. 3) Use focus groups where possible
	Final Outcome, Intermediary Outcome, Design &					

Lack of enabling policy environment	Implementation of Green Finance Products, Knowledge Management and Communications Strategy	(4) High	High 80%	2021-07-26	Executing Agency	Actively lobby	GOB to implement NDC commitments to the UNFCCC
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TOTAL RISKS QUANTITY: 7

IN EFFECT RISKS: 7

NOT IN EFFECT RISKS: 0

MITIGATED RISKS: 0

SECTION 5: SUSTAINABILITY

Indicate likelihood of project sustainability after project completion: HP

Justification:

The project is designed to provide the EA with specialized consulting support to develop guidelines, contracting documents and train staff in the execution of an EPC model, that is tailored to the Belize context. This will enable the EA to ensure sustainability and scale beyond the pilot project which will design and test the model. In addition DFC is close to securing USD15 mn from IDB to scale green finance.

Aspects that put the project sustainability at risk

Factor	Comments
Others, Which?: N/A	

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

DFC commenced negotiations to secure additional funding for climate and green projects with the IADB late in 2020. These negotiations are almost concluded and will avail funding of USD 15 million to fund MSMEs. Thirty percent of this credit line will be reserved for financing green or climate smart projects whilst 25% of the funds will be allocated for financing women owned/controlled businesses in the various sectors. DFC is also at an advanced stage of negotiations with the CARICOM Development Fund to participate in its Climate Risk Abatement Facility. That program will provide partial credit guarantees to promote uptake of green energy financing in pilot countries including Belize.

SECTION 6: PRACTICAL LESSONS

	Relative to	Author	Date
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