

PROJECT STATUS REPORT

07/01/2020 - 12/31/2020

SECTION 1: PROJECT SUMMARY

Operation number: RG-T3378

Suboperation number: ATN/CN-17251-RG

Project Name: EcoMicro - National Development Foundation of Dominica Limited - Green Finance for MSMEs and Low-Income Households

Purpose:

Country admin	Country beneficiary:	Group:	SubGroup:
BARBADOS	Regional	C	

Executing Agency: National Development Foundation Of Dominica Ltd.

Team Leader: RUTHH

Project cycle:

Report Date: 2021 - 01 - 01

Approval Date: 2019 - 03 - 05

Signature Date: 2019 - 04 - 04

First disbursement date: 2019 - 08 - 07

Original Execution End Date:

Current Execution End Date:

Original Last Disbursement Date: 2022 - 04 - 04

Last Current Disbursement date: 2022 - 04 - 04

SECTION 2: PERFORMANCE

Project's performance summary since the beginning

The project was going according to plan and in some instances was ahead of schedule. However, the interruption caused by the Covid-19 pandemic resulted in some setbacks with the overall plan. One of the things which resulted was to consider as part of the risk analysis events other than natural disasters. While the pandemic had its negative impact we were able to draw some insightful experiences. The ability to execute the portfolio risk analysis virtually was one of the commendable outcomes.

Supervision Team Leader comments

Agree with the Executing Agency.

Project's performance summary in the last 6 months

The Covid-19 pandemic impacted the project substantially since the "Green Loans" products could not be launched. Also, the clients' needs, and priorities changed over the period, which compounded the situation and hence limited the NDFD's ability to progress as planned. NDFD had to strategize how to meet these needs during these challenging times. Whilst we were unable to host country missions after the shutdowns, we were able to execute the portfolio risk assessment. In addition, the tool has been optimized to customize it to the local environment. Essentially some objectives were also reviewed given the challenges posed by the pandemic.

Supervision Team Leader comments

Agree with the Executing Agency. The project has sought to focus on activities that were conducted remotely by the consulting team - particularly Component 2

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 - 05 - 04)	1 (2019 - 12 - 04)	Finished
I2	0	2 (2021 - 05 - 04)	4 (2020 - 03 - 20)	Finished
I3	0	75 (2022 - 04 - 05)		In progress
I4	0	225 (2022 - 04 - 05)		In progress
I5	0	300000 (2022 - 04 - 05)		In progress
I6	0	16 (2022 - 05 - 04)	25 (2020 - 03 - 20)	Finished
I7	0	1 (2022 - 04 - 05)		In progress
I8	0	250 (2022 - 04 - 05)		In progress

C2 : Analyzing the Vulnerability of the Finance Institution Loan Portfolio to Climate

Weight 25%

Qualification High
Satisfactory

Indicators	Baseline	Planned	Achieved	Status
I2	0	1 (2022 - 04 - 05)		In progress
I1	0	70 (2022 - 04 - 05)		In progress

I3	0	17 (2022 - 05 - 04)	17 (2020 - 11 - 27)	Finished
I4	0	1 (2022 - 05 - 04)	1 (2020 - 08 - 14)	Finished

C3 : Reducing the Environmental Impact of the Finance Institution

Weight 25%

Qualification High Satisfactory

Indicators	Baseline	Planned	Achieved	Status
I2	0	1 (2021 - 05 - 04)	1 (2020 - 03 - 20)	Finished
I4	0	1 (2022 - 05 - 04)	17 (2020 - 11 - 27)	Finished
I3	0	17 (2022 - 05 - 04)	1 (2020 - 01 - 29)	In progress
I1	0	100 (2021 - 05 - 04)	100 (2020 - 03 - 20)	Finished
I5	0	0 (2022 - 04 - 05)		In progress

C4 : Knowledge Management and Communications

Weight 25%

Qualification High Satisfactory

Indicators	Baseline	Planned	Achieved	Status
I1	0	9 (2022 - 04 - 05)		In progress
I2	0	1 (2022 - 04 - 05)		In progress
I3	0	1 (2022 - 05 - 04)	1 (2020 - 12 - 09)	Finished
I4	0	75 (2022 - 04 - 05)		In progress
I5	0	1 (2022 - 04 - 05)		In progress

Milestones	Planned Value	Achieved Value	Due Date	Achieved Date	Status
Conditions prior to first disbursement	1	1	2019 - 10 - 04	2019 - 07 - 18	Achieved
Market Study (including Gender Analysis) completed	1	1	2020 - 04 - 04	2019 - 12 - 04	Achieved
Operational Guide and Internal Processes for the new green finance product	1	1	2021 - 04 - 04	2019 - 12 - 03	Achieved
Climate Risk Assessment Tool developed and approved by Board	1	0	2021 - 10 - 04		Pending
Plan for Scale: strategy for post-pilot roll out of the Green Finance Product	1	0	2022 - 02 - 04		Pending
Technology Guide	1	1	2020 - 10 - 04	2019 - 12 - 03	Achieved

CRITICAL FACTS THAT HAVE AFFECTED PROJECT'S PERFORMANCE

Environmental restrictions

Others, Which?

COVID-19 has impacted the execution of the project given the impact on MSMEs and delays in their ability to invest in new green technologies at this time. This led the EA to delay placing new green loans in the market. Also the inability of consulting teams to mobilize in country has impacted the execution. However, overall this has not impacted overall performance of the project and all activities remain on track.

SECTION 4: RISKS

	Impact Area	Severity	Prob.	Date	Responsible	Mitigation action
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	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 and adaptation loan products in the market will be prepared, with a view to making necessary adjustments to scale post-pilot.
Limited number of RE/EE and adaptation technology/service providers.	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 and adaptation technologies by MSMEs and low-income households, the project will establish alliances between NDFD and leading suppliers to ensure that this increasing demand can be met. In addition, the market study will assess the potential for NDFD to encourage new RE/EE and adaptation technology entrants and distributors into the local market, through tailored products to finance green suppliers.

TOTAL RISKS QUANTITY: 2 IN EFFECT RISKS: 2 NOT IN EFFECT RISKS: 0 MITIGATED RISKS: 0

SECTION 5: SUSTAINABILITY

Indicate likelihood of project sustainability after project completion:

HP

Justification

NDFD is executing the project effectively and efficiently - they continue to extract value from their consulting partners - with whom they are currently in dialogue to reprogram consulting days and cost savings due to restricted in country travel resulting from COVID-19. These reprogrammed funds are aimed at assisting NDFD to identify and apply for investment funds to amplify their green lending program.

ASPECTS THAT PUT THE PROJECT SUSTAINABILITY AT RISK

Factor	Comments
Others, Which?:	COVID-19 has impacted the financial health of MSME clients who are currently not able to adopt new green technologies.

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

Environmental sustainability - in terms of the office building and its carbon footprint. The NDFD was able to implement greener technologies in its building e.g. more efficient air condition units, tinting of windows for energy conservation and waste management. We have also been passing on some of the knowledge to our clients and how it can be utilized. Financial sustainability - it showed how being energy efficient can impact financial sustainability in the long run.

SECTION 6: PRACTICAL LESSONS

[There were no lessons learned reported during this period]