

PROJECT STATUS REPORT

JANUARY 2011 - JUNE 2011

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Increasing Opportunities for the Majority through Business Plan Competitions

Project Number: RG-M1104 - Operation Number: ATN/ME-10509-RG

Purpose: Apoyar competencias de planes de negocios para empresas enfocados al mercado de la base de pirámide.

Country Administrator
UNITED STATES

Beneficiary Country
BOLIVIA, CHILE, COLOMBIA, ECUADOR,
PERU, VENEZUELA

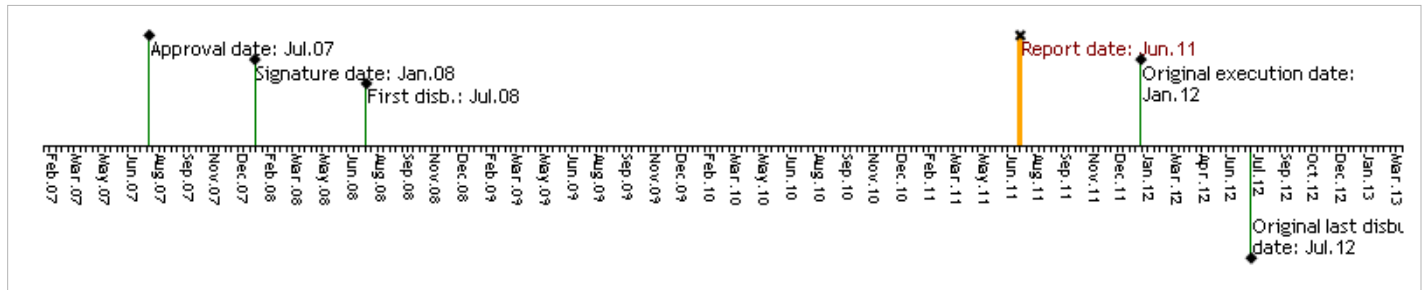
Group
SME - Small and Medium Enterprise
Development

Subgroup
BOPD - Economic Inclusion

Executing Agency: TechnoServe

Design Team Leader: Shepherd, Daniel
Supervision Team Leader: Peinado-Vara, Estrella

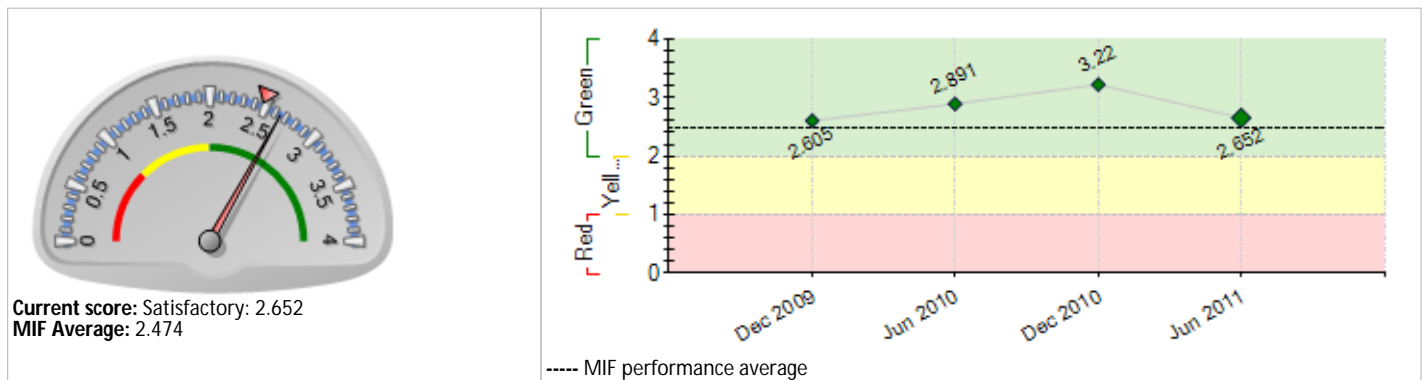
TIMELINE



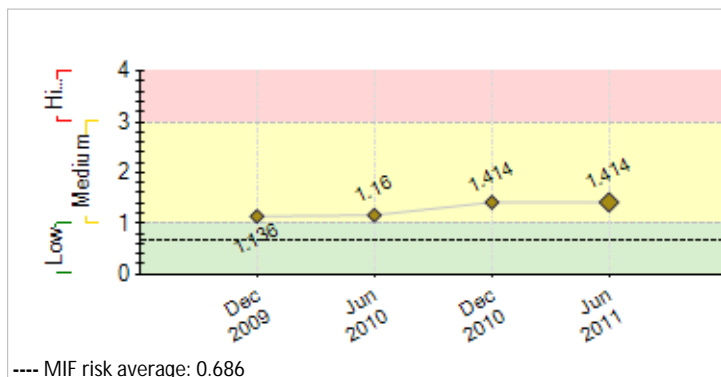
FUNDS



PERFORMANCE SCORE



EXTERNAL RISKS



INSTITUTIONAL CAPACITY

Risk

Financial Management: 0
Procurement: 0
Technical Capacity: 0

SECTION 2: PERFORMANCE

Summary of project performance since inception

The project's performance according to the Logical Framework is either on target or above, in 95% of the indicators. 11 competitions have been successfully launched, in cooperation with various partners, which include local corporations, multinationals, private foundations and educational institutions.

The likelihood of the project achieving its final objectives is optimistic. The most important challenge/risk for the regional programs as a whole continues to be access to finance and access to new markets. To strengthen our support for Aftercare participants on these two critical areas, we have hired specialized access to finance and access to markets consultants in Colombia, Chile, and Peru. Given this experience, in Ecuador and Venezuela we have focused in forging partnerships to secure access to finance for the program participants. In both cases we now have funds confirmed for seed capital. The results of these efforts will be observed in the next 6 to 12 months.

Venezuela's program, different in essence, as it works with entrepreneurs at the very bottom of the pyramid, from the incumbent areas in which Cargill works, has made it more difficult for these entrepreneurs to contribute to the program's goals in the same proportion to the other five countries. We have changed our methods to adapt them to the real needs of this type of businesses, by including workshops to the Aftercare process as well as providing specific training to the consultants in charge.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Summary of project performance in the last six months

The project's performance during the past semester has been highly satisfactory. The main achievements of the semester were:

Chile, Peru and Colombia: The Access to Finance consultancies have been running smoothly. The impact of these will be more clearly observed in next semester's evaluation.

Bolivia: We finalized an alliance with SOBOCE (largest cement company in the country) for second BPC with hopes to reach at least 600 participants. Additionally, we received grant of \$40,000 from a Swiss organization to increase awards and direct capital investment for the competition.

Venezuela: The business plan training program had a total of 105 graduates, receiving a very positive evaluation expost (92% evaluated the program as excellent and 82% ranked what they learned in trainings as very applicable to their businesses). Additionally, we trained 28 private sector executives in the evaluation of Business Plans.

Ecuador: The awards ceremony for the second BPC was held with lots of attention from the local press. The first BPC continued the Aftercare program smoothly. Finalists of the competition (40 in total) have received access to finance from Banco de Guayaquil up to \$20,000 in the form of an interest free loan, guaranteed by local partner Cervecería Nacional.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

SECTION 3: INDICATORS AND MILESTONES

Indicators		Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
Purpose: Apoyar competencias de planes de negocios para empresas enfocados al mercado de la base de pirámide.	P.I1 Número de planes de negocio premiados a través de las 12 competencias.	0 Jan 2008				120 Jul 2012	210 Jun 2011	
	P.I2 Número de participantes en las primeras nueve competencias con negocios operando con ventas.	0 Jan 2008				360 Jul 2012	201 Jun 2011	
	P.I3 Valor en US\$millones de incremento en ventas por los nuevos negocios entre las empresas participantes en el proyecto, de lo cual, al menos 30% del mercado BOP.	0 Jan 2008				10 Jul 2012	8.04 Jun 2011	
	P.I4 Número de nuevos empleos generados por los nuevos negocios.	0 Jan 2008				1000 Jul 2012	1011 Jun 2011	
Component 1: Promoción y Preparación Weight: 20% Classification: High Satisfactory	C1.I1 Número de unidades del Programa y número de comités organizadores establecidos en diferentes países (una unidad y un comité por cada país). (Acumulado)	0 Jan 2008	6 Jan 2009			12 Jan 2010	12 Jun 2011	Finished
	C1.I2 Número de personas con conocimiento del Proyecto a través de seminarios, publicaciones, y su participación en el Proyecto.	0 Jan 2008				6000 Jul 2012	78483 Jun 2011	Finished
	C1.I3 Número de representantes de la empresa privada, medios de comunicación, e instituciones colaboradoras con conocimiento de los resultados del Proyecto a través de reuniones, informes, seminarios y publicaciones.	0 Jan 2008				1000 Jul 2012	2648 Jun 2011	Finished
Component 2: Competencias de Planes de Negocios Weight: 50% Classification: High Satisfactory	C2.I1 Número de consultores capacitados.	0 Jan 2008	60 Jan 2009			120 Jan 2010	154 Jun 2011	Finished
	C2.I2 Número de postulaciones de negocios sometidas a los concursos.	0 Jan 2008	900 Jan 2009	2700 Jan 2010		3600 Jan 2011	11025 Dec 2010	Finished
	C2.I3 Número de negocios seleccionados.	0 Jan 2008	240 Jan 2009			720 Jan 2010	919 Jun 2011	Finished
	C2.I4 Número de planes de negocios premiados.	0 Jan 2008	30 Jan 2009	60 Jan 2010		120 Jan 2010	210 Jun 2011	Finished

		Jan 2008	Jan 2009	Jan 2010		Jan 2011	Jun 2011	
C2.15	Número de participantes en las primeras seis competencias con negocios operando con ventas.	0				280	153	Delayed
		Jan 2008				Jan 2011	Jun 2011	
C2.16	Número de postulaciones sometidas provenientes de cadenas de grandes empresas	0	15	45		60	163	Finished
			Jan 2009	Jan 2010		Jan 2011	Jun 2011	

Component 3: Seguimiento y Acompañamiento ("Aftercare")	C3.11	Número de empresas con "aftercare" recibido.	0	170			500	399	Delayed
			Jan 2008	Jan 2010			Jan 2011	Jun 2011	
Weight: 30%	C3.12	Número de participantes en las primeras seis competencias con negocios operando con ventas.	0				120	153	Finished
			Jan 2008				Jan 2010	Jun 2011	

Classification: Satisfactory

Milestones	Planned	Due Date	Achieved	Date achieved	Status
M0 Previous Conditions	1	Jul 2008	1	Jun 2008	Achieved

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE*[None reported in this period]***SECTION 4: RISKS****MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE**

	Level	Mitigation action	Responsible
1. In Venezuela, we may find that we can not find the entrepreneurship quality to the level of innovation and dynamism that we have found in the other countries. This is attributed by our local partners to Venezuelan culture of employment related income (according to Foco Sustentable, partner in the program).	Medium	We will focus on supporting business ideas to get started and we will adapt the training and aftercare programs to the Venezuelan context.	Project Coordinator
2. No poder identificar entidades financieras interesadas en otorgar financiamiento a los ganadores de las competencias en cada país.	Medium	Buscar entidades financieras en cada país desde el inicio del programa.	Project Coordinator
3. It will be hard to do proper monitoring and evaluation of the program once the competitions are over.	Medium	We have created a continuous M&E effort led by two people in the team, where we aim at reviewing the impact created by the program after the intervention has finished. The first step has taken place with 200+ entrepreneurs in Colombia, Peru, Chile and Ecuador during July 2011.	Project Coordinator
4. An important risk across all countries, is the loss in thrust with the implementation and improvement of their business, once the entrepreneurs stop receiving the support from consultants in the aftercare program, especially because these consultants have developed very close ties with the businesses they advice.	Medium	a) encourage the entrepreneurs to develop a "Strategic Plan for the whole Year" so that they will have concrete actions to undertake once the aftercare is completed in June 2010 (First BPC); 2) the development of new alliances with different organizations to provide support to entrepreneurs in terms of commercial linkages.	Project Coordinator

PROJECT RISK LEVEL: Medium **TOTAL NUMBER OF RISKS:** 6 **IN EFFECT RISKS:** 4 **NOT IN EFFECT RISKS:** 2 **MITIGATED RISKS:** 0**SECTION 5: SUSTAINABILITY****Likelihood of project sustainability after project completion:** P - Probable**CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY***[None reported in this period]***Actions related to sustainability which will be or have been implemented:**

- In Chile, to give continuity to the first and second BPCs, we are replicating with similar projects in a variety of regions. In communities in area of Angostura 60 entrepreneurs being trained and in communities around AngloAmerican mine sites 110 entrepreneurs are being assisted. Additionally, we are in talks with the Chilean government agency CORFO to design a business incubator focused in the segment of small businesses with high growth potential.

- In Venezuela, we have started conversations with Cargill to potentially carry out a replication of the program but with a greater scope at the national level. The idea would be to apply the lessons learned from the current program, and to give continuity to the mentoring services that we will be providing.

SECTION 6: PRACTICAL LESSONS

	Relative to Implementation	Author
1. On the selection front we have learned that it is definitely better to select the BPC participants taking more heavily into account the entrepreneur than the actual business or business idea. The business or business idea may be modified or suffer changes, but if the entrepreneur is really good,		Rico, Andres

he/she will deal with that successfully.