

PROJECT STATUS REPORT

JULY 2011 - DECEMBER 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

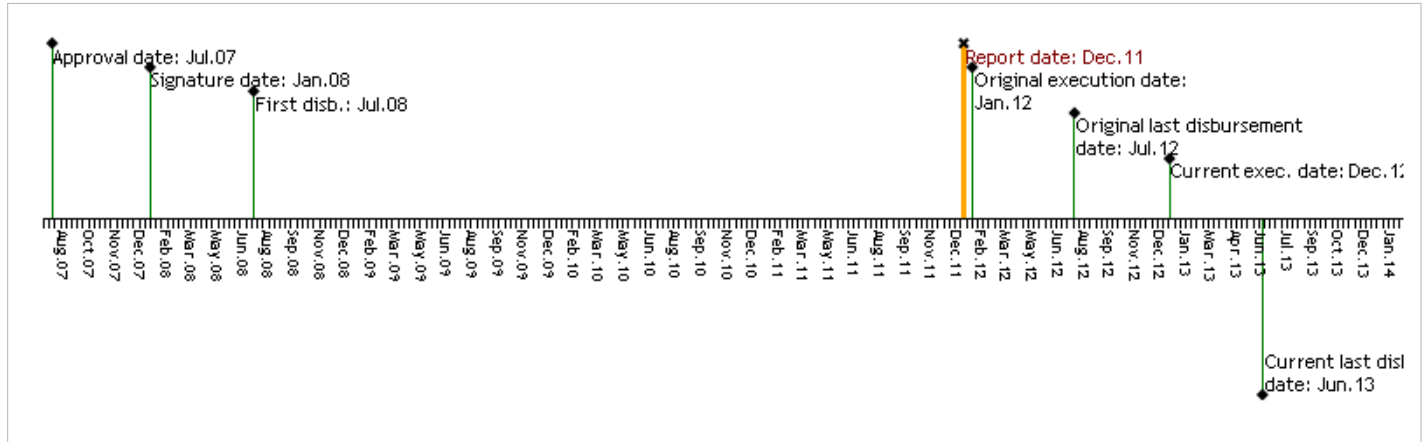
Group
SME - Small and Medium Enterprise
Development

Subgroup
BOPD - Economic Inclusion

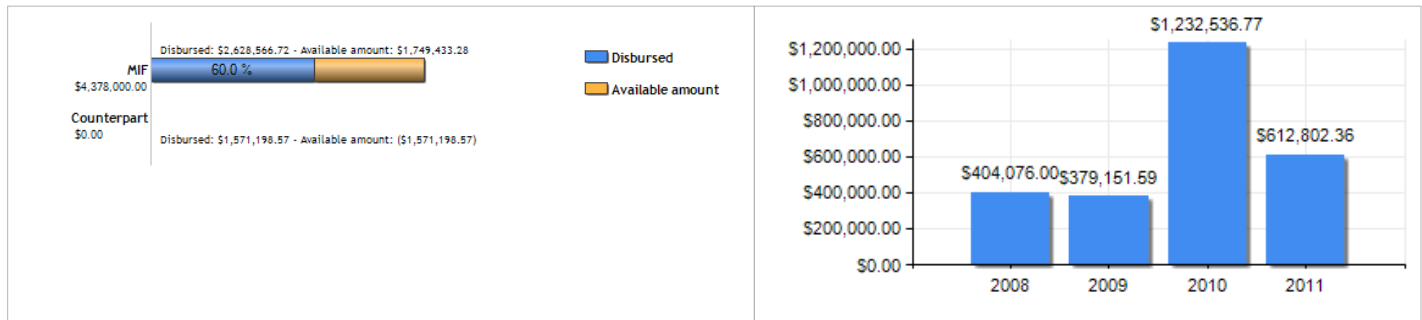
Executing Agency: TechnoServe

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

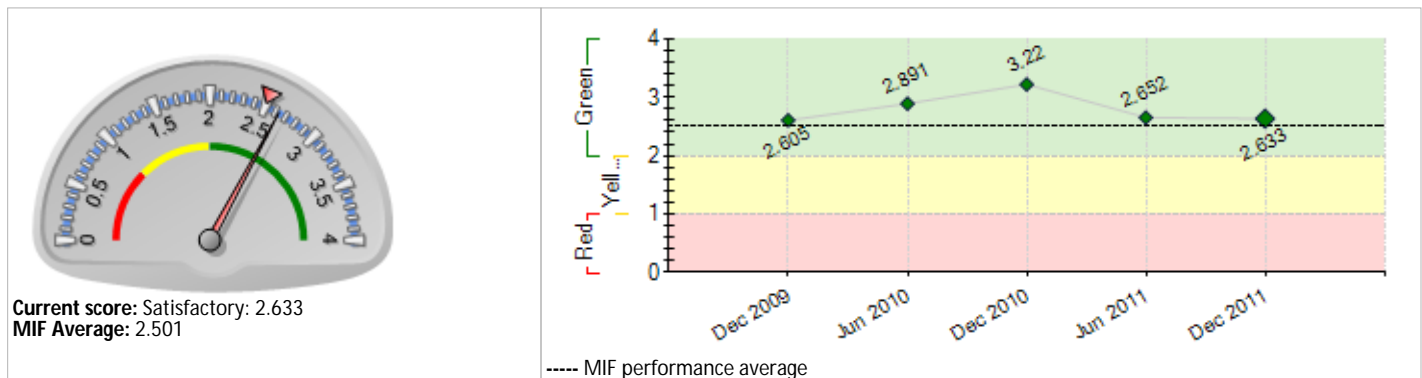
TIMELINE



FUNDS



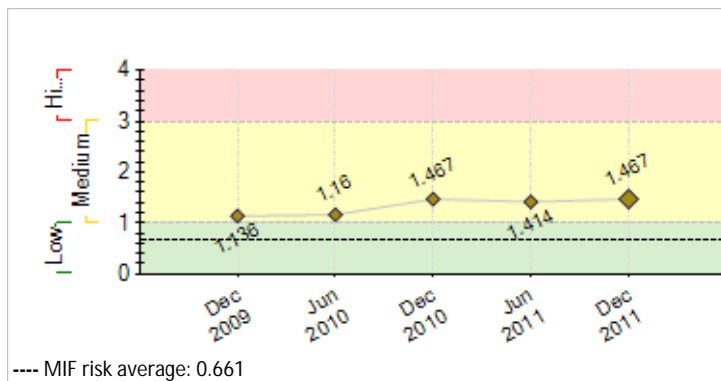
PERFORMANCE SCORE



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 has been very satisfactory. All target performance indicators are still on track or exceeding expectations.

The likelihood of the project achieving its final objectives is optimistic. The main difficulty for the regional programs continues to be access to finance and access to new reliable markets. This semester we continued our efforts hiring specialized access to finance and access to markets consultants in Bolivia and Ecuador, taking advantage of the lessons learned in Colombia Peru and Chile in the last stage. In Ecuador, 91% of our BPC2 winners now have been disbursed their loans. In Venezuela, the efforts focused on linking entrepreneurs with formal financial institutions (banks and MFIs) and strengthening the businesses through internal organization and better business administration. In Bolivia the participants were exposed to publicity, social media, trade fairs, entrepreneurship events and social impact investment forums.

We are also managing risks for the near term. As 2012 is election year in Venezuela, with Chavez aiming for another re-election and opposition fiercer than ever, consultants need to be prudent in the communities and make sure that the AfterCare does not have one bit of political discussions. Similarly, elections can affect schedules and present delays, which we are now prepared to encounter.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments
The overall implementation of the project is very satisfactory.

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:

Bolivia: Of 2,188 business proposals submitted by BPC 2 participants, 300 projects were invited to the interview stage. After the screening, 150 entrepreneurs were selected to participate in the business plan training workshops, 113 of them successfully completed the 16 sessions training held during 8 week-ends. The awards ceremony for the BPC 2 was a success with great participation of different media representatives, while BPC1 continued the Aftercare program as planned.

Venezuela: The BPC focused on low-end communities: 105 entrepreneurs participated in the Business Plan Training, 93 graduated successfully from the program and 65 were chosen for the AfterCare. An extensive baseline survey was carried out to the 65 selected entrepreneurs that will allow us to accurately measure the results of the BPC in these communities.

Ecuador: the semester focused on enlarging the entrepreneurs' networks, encouraging them to participate in trade and commercial fairs to increase their chances to access to new markets and distribution channels. The semester also saw the disbursements of loans from an in-built facility financed by SABMiller, and now 91% of BPC2 entrepreneurs have seen the disbursement of their loans. These have a subsidized rate of 8%, a grace period of 6 months and a total maturity of 5 years.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments
The project continues its implementation satisfactorily. The EA requested an extension of the execution period for the project because in some countries activities started later than originally expected. The extension has been granted and will allow the EA to complete the activities already under way.

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.11 Número de planes de negocio premiados a través de las 12 competencias.	0 Jan 2008				120 Jul 2012	267 Dec 2011	
	P.12 Número de participantes en las primeras nueve competencias con negocios operando con ventas.	0 Jan 2008				360 Jul 2012	301 Jan 2012	
	P.13 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	8.8 Dec 2011	
	P.14 Número de nuevos empleos generados por los nuevos negocios.	0 Jan 2008				1000 Jul 2012	1484 Dec 2011	
Component 1: Promoción y Preparación Weight: 20% Classification: High Satisfactory	C1.11 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 Dec 2011	Finished
	C1.12 Número de personas con conocimiento del Proyecto a través de seminarios, publicaciones, y su participación en el Proyecto.	0 Jan 2008				6000 Jul 2012	88483 Dec 2011	Finished
	C1.13 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	2948 Dec 2011	Finished
Component 2: Competencias de Planes de Negocios Weight: 50% Classification: High Satisfactory	C2.11 Número de consultores capacitados.	0 Jan 2008	60 Jan 2009			120 Jan 2010	170 Dec 2011	Finished
	C2.12 Número de postulaciones de negocios sometidas a los concursos.	0 Jan 2008	900 Jan 2009	2700 Jan 2010		3600 Jan 2011	9987 Dec 2011	Finished
	C2.13 Número de negocios seleccionados.	0 Jan 2008	240 Jan 2009			720 Jan 2010	934 Dec 2011	Finished
	C2.14 Número de planes de negocios premiados.	0 Jan 2008	30 Jan 2009	60 Jan 2010		120 Jan 2011	267 Dec 2011	Finished
	C2.15 Número de participantes en las primeras seis competencias con negocios operando con ventas.	0 Jan 2008				280 Jan 2011	301 Dec 2011	Finished
	C2.16 Número de postulaciones sometidas provenientes de cadenas de grandes empresas	0	15 Jan 2009	45 Jan 2010		60 Jan 2011	163 Dec 2011	Finished
Component 3: Seguimiento y Acompañamiento ("Aftercare") Weight: 30% Classification: Satisfactory	C3.11 Número de empresas con "aftercare" recibido.	0 Jan 2008	170 Jan 2010			500 Jan 2011	461 Dec 2011	Delayed
	C3.12 Número de participantes en las primeras seis competencias con negocios operando con ventas.	0 Jan 2008				120 Jan 2010	301 Dec 2011	Finished

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

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

[X] National political changes

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. Venezuela is facing a very polarized political situation because it is election year in the country. President Hugo Chavez is aiming for a re-election, amidst a very tense environment, with opposition being as fierce as ever, but the incumbent manipulating the setting of the elections with corruption.	Medium	Consultants need to be prudent in the communities and make sure that the AfterCare does not have one bit of political discussions. Similarly, we need to be prepared to face delays due to organized protests and other events in the ramp-up to the elections.	Project Coordinator
3. 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
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
5. It will be hard to do proper monitoring and	Medium	We have created a continuous M&E effort led by two people in the	Project Coordinator

evaluation of the program once the competitions are over.

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 RISK LEVEL: Medium **TOTAL NUMBER OF RISKS:** 7 **IN EFFECT RISKS:** 5 **NOT IN EFFECT RISKS:** 2 **MITIGATED RISKS:** 0

SECTION 5: SUSTAINABILITY

Likelihood of project sustainability after project completion: HP - Highly Probable

CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY

[X] Social, political and business circumstances might not be conducive for future sustainability

The model in Venezuela might require adjustments to the business culture and social and political circumstances.

Actions related to sustainability which will be or have been implemented:

In order to guarantee sustainability, we will be focusing on promoting good managerial and business practices among entrepreneurs. In Venezuela the first workshop for entrepreneurs that was carried out in October focused on how to maintain good book keeping practices. The consultants designed it and to strengthen this key subject we will also be carrying out a part II of these workshops with TechnoServe's methodology (to be implemented in 2012). Similarly, we are working in motivating entrepreneurs through the trimester Workshops. These workshops serve to teach and review key subjects as well as to integrate the team of entrepreneurs and build morale. This way, they can have a small community where they do businesses (new providers and clients) and help each other out. This community building is an interesting externality from the program.

SECTION 6: PRACTICAL LESSONS

	Relative to Risk	Author
1. An important lesson learned in the second business plan competition in Ecuador, is that the executing agency needs to pressure program partners to sign cooperation agreements prior to the award ceremony, so that false expectations in terms of awards, etc. are not created during the ceremony. In this specific case, we experienced delays in the awards due to issues with finalizing the agreement amongst the donors. This created a feeling of dissatisfaction and concern among entrepreneurs.		Rico, Andres
2. It is definitely important to follow up with the entrepreneurs personally and not only through phone, Skype or email. For entrepreneurs it is absolutely necessary since many times they do not have constant Internet access but that is a general lesson learned for all types of entrepreneurs. Consultants need to understand how the entrepreneur works, what is the environment and assess the real needs of the business.	Implementation	Rico, Andres
3. AfterCare hours: since most of the entrepreneurs operate their business, it has been difficult to schedule a time when to meet with the consultants. For the 65 micro entrepreneurs participating in the Aftercare in Venezuela, the consultancy has to be face to face which makes it more difficult to schedule. Similarly, it is hard for the entrepreneurs to assist in the workshops since they do not have employees to take care of the business in their absence.	Implementation	Rico, Andres