

# PROJECT STATUS REPORT

JANUARY 2013 - JUNE 2013

## SECTION 1: PROJECT SUMMARY

**PROJECT NAME:** Development of Tourism Micro Projects in Barbados (Joint Venture w/MOT & BSBA)

Project Number: BA-M1004 - Operation Number: ATN/ME-12041-BA

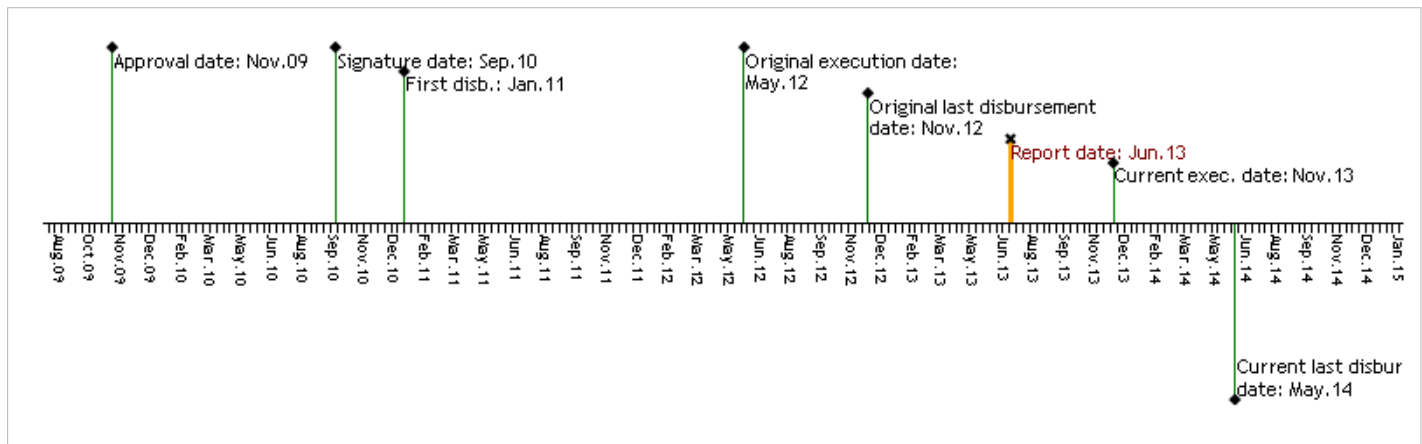
**Result:** The purpose of the project is to (i) improve the quality of products offered to tourists by MSME's in three clusters (Agro-processing, wood-based Arts and Crafts, Small Accommodation); (ii) improve the packaging, marketing and distribution of indigenous products and services offered to tourists by micro and small businesses in the three selected clusters

<b>Country Administrator</b> BARBADOS	<b>Beneficiary Country</b> BARBADOS	<b>Group</b> ENV - Environment	<b>Subgroup</b> TOUR - Sustainable Tourism
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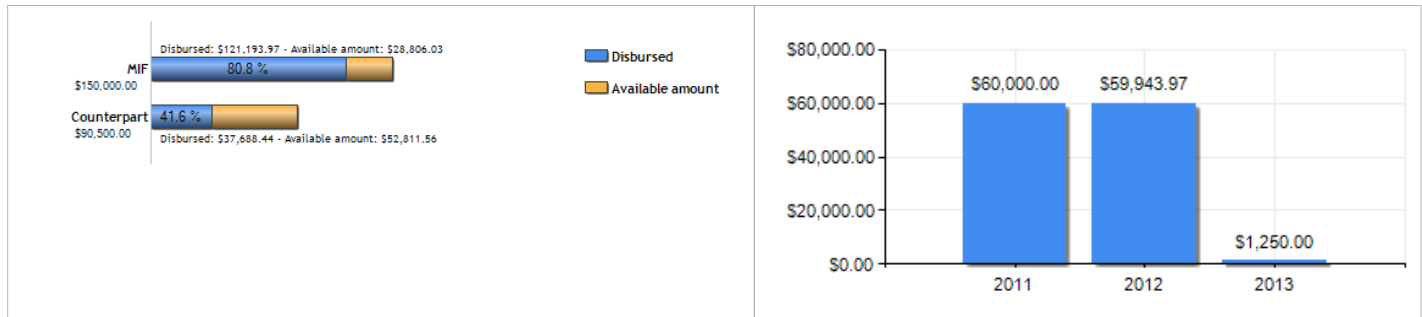
**Executing Agency:** BARBADOS SMALL BUSINESS ASSOCIATION

**Design Team Leader:** Saavedra, Jose J.  
**Supervision Team Leader:** Dookiesingh, Vashit

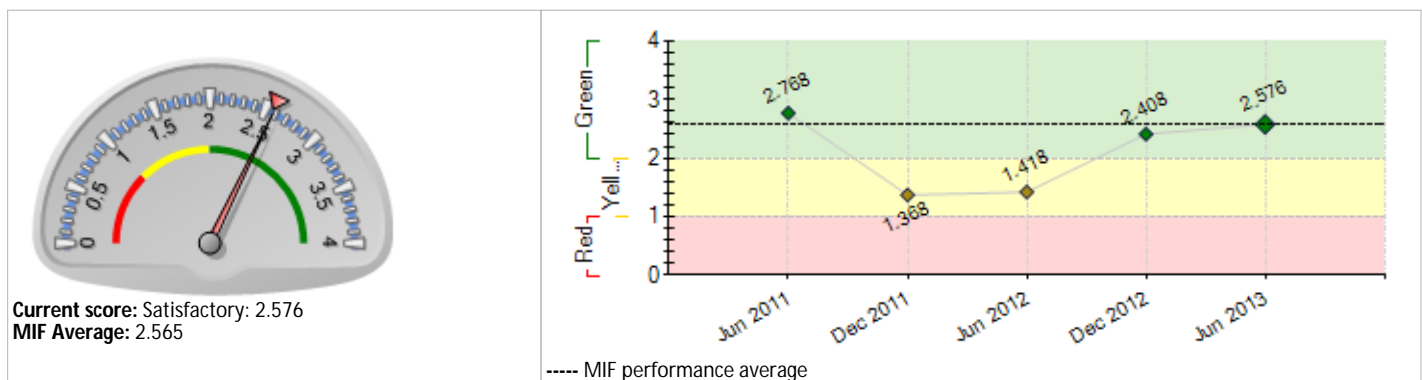
### TIMELINE



### FUNDS



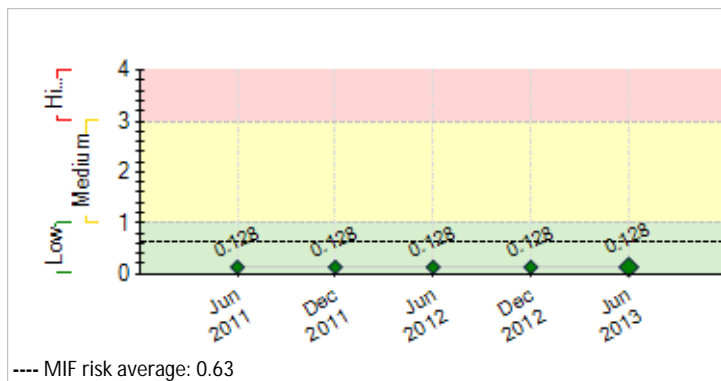
### PERFORMANCE SCORE



### EXTERNAL RISKS

#### INSTITUTIONAL CAPACITY

	<b>Risk</b>
<b>Financial Management:</b>	Low
<b>Procurement:</b>	Low
<b>Technical Capacity:</b>	Low



## SECTION 2: PERFORMANCE

### Summary of project performance since inception

The project experienced some initial delays as a result of the untimely issuance of the IADB non-objection instrument during the period under review. These challenges were addressed and substantial progress made.

The consultant was able to expand on the number of artisans in the cluster who were not presently affiliated with any other association.

The consultant was also able to meet and correspond with existing associations/groups to get an understanding of their respective objectives and operational interests. They were also able to review the associations' documents. The **Craft Union's** focus is on arts and craft artisans while **Arts in Motion's** focus is more broad based.

Examinations of their documentation highlighted a need for proper accounting and financial management procedures to ensure transparency and a vision for the organisation.

### Comments from the Supervision Team Leader

Partially Agree with the Executing Agency comments

The SBA as an executing agency has experienced some difficulties in complying with required procedures for procurement and disbursement as contractually required for MIF financed projects, these issues were exacerbated by staff turnover which have together resulted in some delays in project implementation. Although delayed the project has been able to deliver value added and relevant services and support to small enterprises in various clusters within the tourism sector. The key challenge in terms of sustainability of MIF's investment is how to ensure further leverage of such investments by beneficiary companies for commercial gain

### Summary of project performance in the last six months

The execution of the marketing strategy is the last component to be completed. The selection of the consulting firm for this component has already gone through the request and selection phase.

Some other areas of the consultancy are still to be conducted including the proposal writing and advocacy training. "**The Craft Union**" is sufficiently interested in taking ownership of the strategy but the more commercially focused "**Arts In Motion**" may be better suited to ensure a sustainable project. A means of sustainability must be found for the craft union and training in proposal writing and advocacy would play a major role in achieving this regardless of the agency chosen.

### 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
<b>Result:</b> The purpose of the project is to (i)improve the quality of products offered to tourists by MSME's in three clusters (Agro-	<b>P.I1</b> 100 Entrepreneurs and small businesses have been trained	0				100	20	
	<b>P.I2</b> Perceived improvements in the quality of production and final product of each cluster					May 2012	Sep 2011	
						May 2012	Nov 2011	

processing, wood-based Arts and Crafts, Small Accommodation); (ii) improve the packaging, marketing and distribution of indigenous products and services offered to tourists by micro and small businesses in the three selected clusters	<b>P.13</b>	10% increase in the volume of products accessing points of sale	0				10	0	
							May 2012		
<b>Component 1: Agro-Processing Cluster Support</b>  <b>Weight: 38%</b>  <b>Classification: Satisfactory</b>	<b>C1.11</b>	Cluster mapping, diagnostic and action plan completed					Jul 2011	Yes	
	<b>C1.12</b>	Training programs are structured, consultants hired and sessions running					Jul 2011	Yes	
	<b>C1.13</b>	Training Programs have been completed in food technology and food safety, sanitation and standards					May 2012	Yes	
	<b>C1.14</b>	Improved quality of products					May 2012	Yes	
	<b>C1.15</b>	Improved packaging and labeling for products completed					May 2012	Yes	
	<b>C1.16</b>	4. Increased distribution channels and outlets for products					May 2012	Yes	
<b>Component 2: Arts and Crafts Cluster</b>  <b>Weight: 32%</b>  <b>Classification: Unsatisfactory</b>	<b>C2.11</b>	Cluster mapping, diagnostic and action plan is completed					Jul 2011	Yes	
	<b>C2.12</b>	Training programs are structured, consultants hired and sessions running					Jul 2011	No	Delayed
	<b>C2.13</b>	Training Programs have been completed in product design, finish and work procedures					May 2012	No	Delayed
	<b>C2.14</b>	Improved quality of products					May 2012	No	Delayed
	<b>C2.15</b>	Increased distribution channels and outlets for products					May 2012	No	Delayed
							May 2012	Jun 2013	
<b>Component 3: Small Accommodation Hotels and Hostels Support</b>  <b>Weight: 26%</b>  <b>Classification: Satisfactory</b>	<b>C3.11</b>	Cluster diagnostic and marketing strategy completed					Jul 2011	Yes	
	<b>C3.12</b>	Server running					Jul 2011	Yes	
	<b>C3.13</b>	ICT portal, software consultancy commissioned					Jul 2011	Yes	
	<b>C3.14</b>	Marketing strategy developed and implemented					May 2012	Yes	
	<b>C3.15</b>	ICT Portal in use					May 2012	Yes	
							May 2012	Dec 2012	
<b>Component 4: Showcase and lessons learned</b>  <b>Weight: 4%</b>  <b>Classification: Satisfactory</b>	<b>C4.11</b>	1. Demonstrate the project benefits beyond the targeted sector to the global MSME community in Barbados through more than targeted cluster presence, and to the general public					May 2012	Yes	
								Sep 2012	

Milestones	Planned	Due Date	Achieved	Date achieved	Status
<b>M1</b> Project Mobilization/ Satisfaction of Conditions Prior to First Disbursement	7	Mar 2011	7	Dec 2010	Achieved
<b>M2</b> All diagnostic work has been completed and approved for three clusters	30	Jul 2011	30	Oct 2011	Achieved late
<b>M3</b> Training programmes are structured for Agro-processing and Arts and Crafts clusters	20	Dec 2011	20	Aug 2012	Achieved late
<b>M4</b> [*] Impact Evaluation Report	1	May 2012	10	Mar 2013	Achieved late

[\*] Indicate that the milestone has been reformulated

**CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE**

- [X] Executing agency institutional capacity  
[X] Purchase difficulties  
[X] Lack of a tracking and evaluation System

**SECTION 4: RISKS****MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE**

Level	Mitigation action	Responsible
Low	This risk will be mitigated by effort on the part of BSBA to partner with BDC to leverage additional technical and financial assistance in order to fully implement the action plans and roll-out packaging prototypes and marketing strategies beyond those financed by the project	Project Coordinator
<b>PROJECT RISK LEVEL: Low    TOTAL NUMBER OF RISKS: 3    IN EFFECT RISKS: 1    NOT IN EFFECT RISKS: 0    MITIGATED RISKS: 2</b>		

**SECTION 5: SUSTAINABILITY**

Likelihood of project sustainability after project completion: LP - Low Probability

**CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY**

Issue	Comments
[X] Lack of <b>cost recovery</b> mechanisms or <b>external financing sources</b> (government, donors and/or private sector) to continue the activities of the project once MIF resources are expended	Given the economic conditions prevailing in Barbados financing of future activities may be difficult for the Executing Agency to generate
[X] Lack of a <b>sustainability plan</b> or its inadequate implementation	There is currently no sustainability plan in place
<b>Actions related to sustainability which will be or have been implemented:</b>	
Critical issues that may affect project sustainability	
Issues related to the copyright and usurpation of artisans' brands by the cluster brand. - Artisans may be unwilling to have their own brands subjugated by the Bajan Handcrafted brand	
Craft Union - The ability of the Craft Union to sustain itself will impact on the degree of attention that is paid to this cluster and any other artisans that fall under the institution.	
Arts In Motion - The consultant suggests that this body because of its commercial focus may be better suited to drive the brand and the marketing strategy beyond the project.	

**SECTION 6: PRACTICAL LESSONS**

	Relative to Sustainability	Author
1. A study of the cultural industries act as it relates to the cluster should be employed to see how this project can benefit from the new legislation.		Holder, Lynette
2. Attention need to be given to the timing of such projects and the effectiveness of the overall objectives.	Design	Holder, Lynette