

PROJECT STATUS REPORT

JULY 2016 - DECEMBER 2016

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Mobile Money for the Unbanked

Project Number: JA-M1031 - Project Num.: ATN/ME-14598-JA

Purpose:

The expected result of this project is to increase access to financial services for low-income people through the introduction of a mobile money platform in Jamaica.

Country Admin

JAMAICA

Country Beneficiary

JAMAICA

Executing Agency:

DEVELOPMENT BANK OF JAMAICA LIMITED

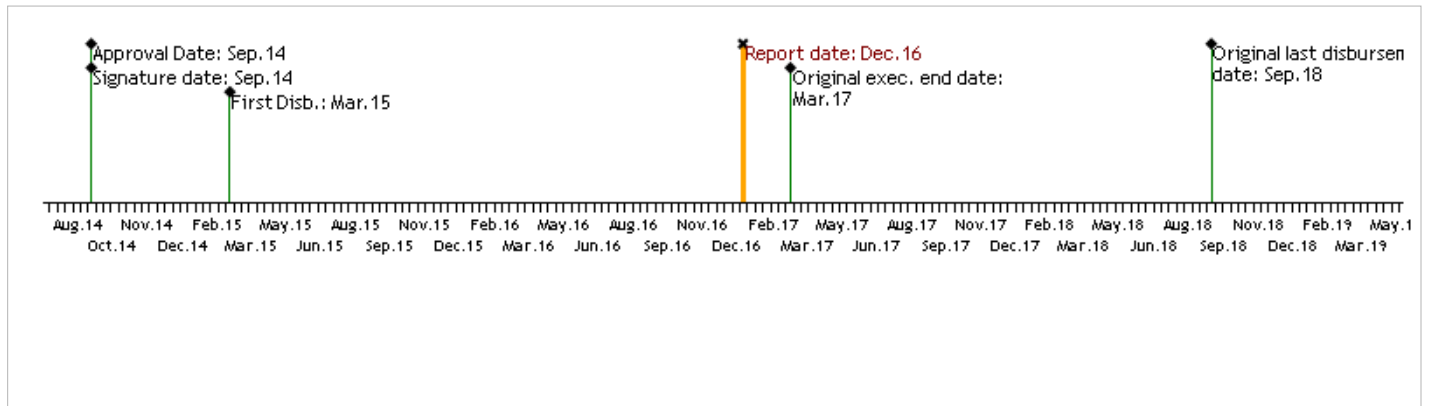
Design Team Leader:

WINSOME LESLIE

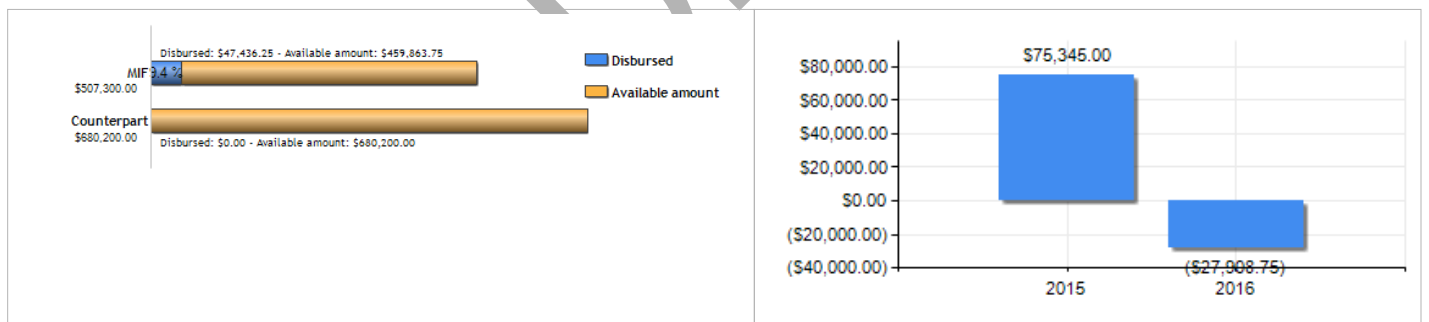
Supervision Team Leader:

WAYNE BEECHER

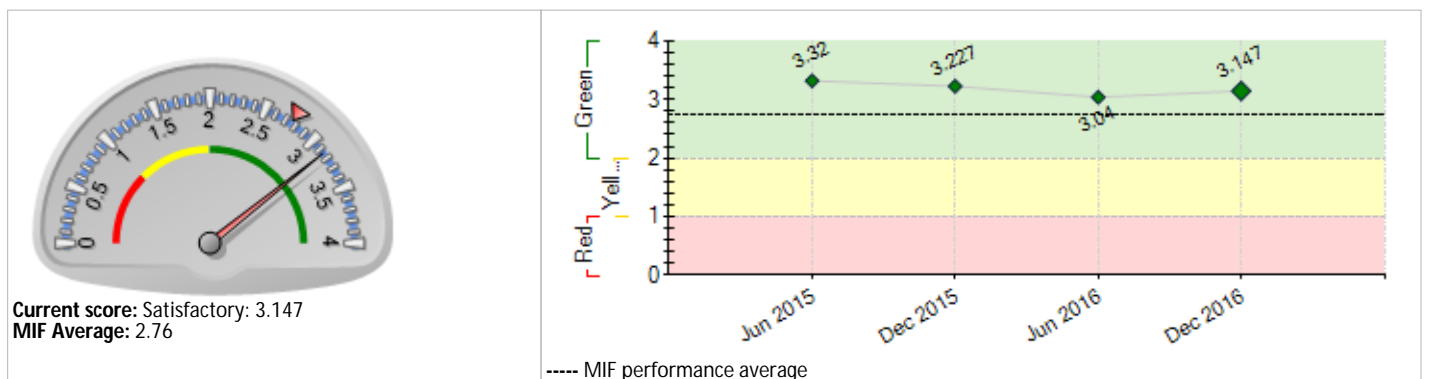
PROJECT CYCLE



FUNDS



PERFORMANCE SCORE



EXTERNAL RISKS

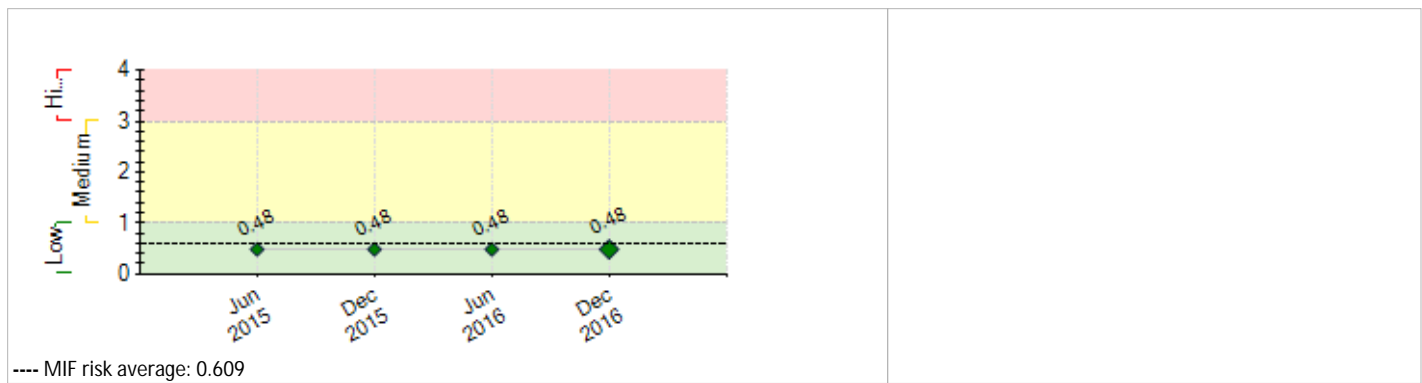
INSTITUTIONAL CAPACITY

Risk

Financial Management: Low

Procurement: Low

Technical Capacity: Low



SECTION 2: PERFORMANCE

Summary of project performance since inception

- The DBJ's KYC/AML Compliance workshops for MFIs was completed in 2016. There are no further plans to resume this activity in 2017.
- Formal approval of revision in scope and extension to project timelines requested by the DBJ. Revision in some milestones declared under the prior design are necessary to ensure accurate tracking of the project status.
- Procurement activities were completed for 1) Financial Education Training Consultant and 2) Research Consultant. Procurement activities for a qualified Event Planner will commence in January 2017.
- Proposal for the execution of the DBJ's Mobile Money Conference in 2017 approved by Senior Management. Procurement of an Event Planner for this project component will commence in March 2017.
- In December 2016, the DBJ was requested by the Jamaica Money Market Brokers, to present research on the state of mobile money services in Jamaica, and the strategic factors for consideration for operators and implementers. The DBJ intends to embark on further research surrounding mobile financial services in an effort to disseminate research and knowledge that is beneficial to the growth of these services in Jamaica.
- In light of the change in scope of the project to align with the objectives of the institution, there is a heightened degree of confidence in the ability of the institution to achieve the revised milestones. The DBJ is likely to partner with several Government agencies in the execution of remaining project components.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Summary of project performance in the last six months

Revision of project scope completed to ensure alignment with the mission and objectives of the Development Bank of Jamaica. The primary objectives are supported by two defined pillars:

- a) Designing and executing a financial education and awareness program for micro-entrepreneurs in promoting the benefits of emerging technologies such as mobile money.
- b) Providing industry-level assistance (eg. capacity development and awareness raising) aimed at enhancing the growth and usage of the mobile money services and other forms of mobile financial services and digital payment models in Jamaica, and in identifying and assisting SMEs in improving their potential readiness for agent banking inclusion.

Procurement activities for a qualified Financial Education Training consultant will commence in August 2016 with an expected completion date of October 15th 2016.

Procurement activities for a qualified Communications and Marketing Consultant were unsuccessful due to the value of bids submitted. The decision was made at the steering committee level to reduce the scope of work for the and re-issue the RFP by way of limited tender.

The Management Institute for National Development (MIND) , was awarded the contract to design and implement the DBJ's Financial Education Program for Micro-entrepreneurs (FEPM) in September 2016.

In December 2016, a new contract for services was signed between the DBJ and UWIC to conduct the impact and assessment study.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The project activities have been adjusted to better align to recent development in the mobile money and financial inclusion trends emerging in Jamaica. There are now 3 mobile money providers and the Bank of Jamaica is more assertive in pursuing financial inclusion via this platform

SECTION 3: INDICATORS AND MILESTONES

Indicators		Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
Purpose: 1 The expected result of this project is to increase access to financial services for low-income people through the introduction of a mobile money platform in Jamaica.	R.1 Number of new MFI clients [210800]	0 Sep 2014	200 Mar 2016			800 Mar 2017	0	
	R.2 Number of M3 users (includes MFI clients)	0 Sep 2014	1000 Oct 2020			2500 Mar 2017	0	
	R.3 Number of M3 users regularly conducting transactions with M3 [210400]	0 Sep 2014	900 Mar 2016			2200 Mar 2017	0	
	R.4 Simple percentage increase in number of clients per loan officer in participating MFIs	0 Sep 2014	1 Mar 2016			5 Mar 2017	0	
	R.5 Increased frequency of financial transactions conducted among M3 MFI clients vs non-M3 MFI clients	100 Sep 2014	110 Mar 2016			120 Mar 2017	0	
	R.6 Number of approved MFIs participating on the M3 platform.	4 Sep 2014	7 Mar 2016			10 Mar 2017	0	
Component 1: Facilitating Mobile Wallet/Digital Economy Industry Development Weight: 20% Classification: Satisfactory	C1.1 Design and execution of a Compliance education programme for MFIs	0 Sep 2014				1 Nov 2016	1 Jul 2016	Finished
	C1.2 Design of strategic plan and policy recommendations for mobile money industry growth and development	0 Sep 2014				1 Mar 2017		
Component 2: Financial Education and Technical Support Weight: 30% Classification: Satisfactory	C2.1 Number of microentrepreneurs that receive financial education training.	0 Sep 2014	1000 Mar 2016			2500 Mar 2017		Delayed
	C2.12 Number of MFIs who received technical support	0 Sep 2014	6 Mar 2016	4 Dec 2016		10 Jun 2017		Delayed
	C2.13 Number of MSMEs participating in the agency network.	0 Sep 2014	15 Apr 2017	25 Oct 2017		40 Jun 2018		
Component 3: Agent Network Development and Scaling of the Pilot Weight: 30% Classification: Satisfactory	C3.1 Retail agent network support system designed and tested	0 Sep 2014				1 Dec 2017		
	C3.12 Number of retail agents licensed and trained on M3	0 Sep 2014				50 Mar 2017		
Component 4: Knowledge Management and Knowledge Dissemination Weight: 20% Classification: Satisfactory	C4.1 Case study on M3 completed.	0 Sep 2014				1 Aug 2018		

Milestones		Planned	Due Date	Achieved	Date of achievement	Status
M1	Conditions Prior	12	Mar 2015	12	Mar 2015	Achieved
M4	Conditions prior: (v) formation of a centralized project management office and establishment of the Project Steering Committee	1	Nov 2016	1	Jul 2016	Achieved
M2	Conditions prior: iii) satisfactory completion of user acceptance testing and certification of the integration with the National Commercial Bank and the security protocol for interface with the national payment system	1	Feb 2017	1	Nov 2016	Achieved
M3	[*] Align operational plan for the Agent Networks with the technical assistance to MSMEs through a web portal	1	Jun 2017			
M5	Conditions prior: (vi) designation of one or more representatives of DBJ with legal powers to execute the technical cooperation agreement and any other related documents	1	Aug 2017			
M6	[*] Mapping, Planning and Preparing a Agency Network	1	Sep 2017			

[*] Indicate that the milestone has been reformulated

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

- [X] Supplier/contractor performance
- [X] National political changes

SECTION 4: RISKS

MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE

Level	Mitigation action	Responsible
Low	Mitigation: A marketing campaign, including an incentive program which rewards MFI and their staff for recruitment, will help ensure that a critical mass of clients is reached. Additionally, financial education training will teach clients about how best to use financial	Project Coordinator
1. Sustainability Risk: M3 does not reach critical mass of clients one year after pilot to make the initiative viable. .		

		services and the benefits of the M3 platform	
2. Beneficiary Risk: Slow adoption of M3 technology due to doubts about safety, unfamiliarity and unwillingness to lose the face-to-face interaction of traditional banking.	Low	Mitigation: There will be a robust marketing campaign to show clients M3 and explain how it works. Additionally financial education will help clients understand the advantages of M3.	Project Coordinator
3. Technical Risk: M3 technology, systems and processes could fail to integrate appropriately with those in the MFIs, as many of them use older technology.	Low	Mitigation: Resources have been dedicated for integration of MFI business platforms.	Project Coordinator
PROJECT RISK LEVEL: Low TOTAL NUMBER OF RISKS: 3 IN EFFECT RISKS: 3 NOT IN EFFECT RISKS: 0 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 have been taken in the reporting period:

Establishing partnerships with other institutions (public and private) with a clear mandate and specific focus on the growth and development of MSME/SMEs in Jamaica. Some of these institutions include:
 The Jamaica Business Development Corporation
 The MSME Alliance
 The Small Business Association of Jamaica
 Jamaica Micro-Finance Association (JaMFA)
 The Social Development Commission (for community outreach)

SECTION 6: PRACTICAL LESSONS

[No lessons learned found]