

# PROJECT STATUS REPORT

JANUARY 2011 - JUNE 2011

## SECTION 1: PROJECT SUMMARY

**PROJECT NAME:** Improving the Competitiveness of Family Businesses through Corporate Governance

Project Number: JA-M1012 - Operation Number: ATN/ME-11576-JA

**Purpose:** To incorporate corporate governance and other managerial practices in selected MSMEs in Jamaica.

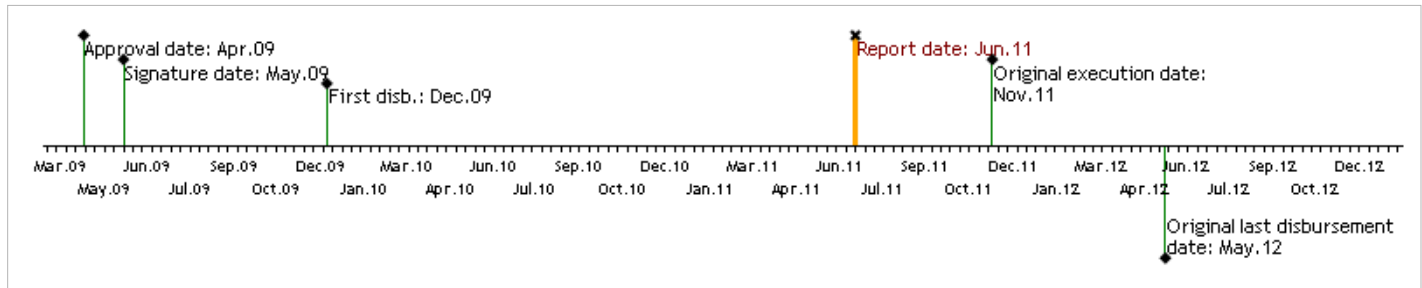
Country Administrator	Beneficiary Country	Group	Subgroup
JAMAICA	JAMAICA	SME - Small and Medium Enterprise Development	CGFE - Family Businesses

**Executing Agency:** PRIVATE SECTOR ORGANIZATION OF JAMAICA

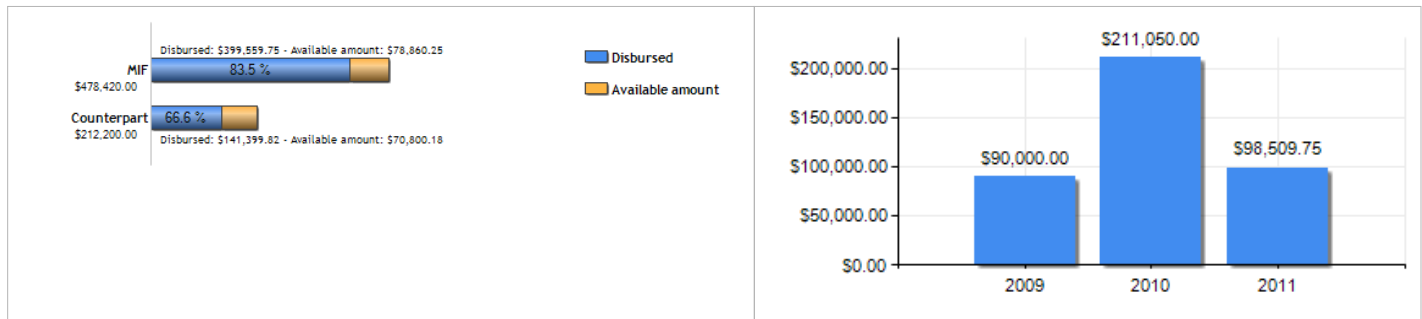
**Design Team Leader:** Otsuka, Nobuyuki

**Supervision Team Leader:** Beecher, Wayne

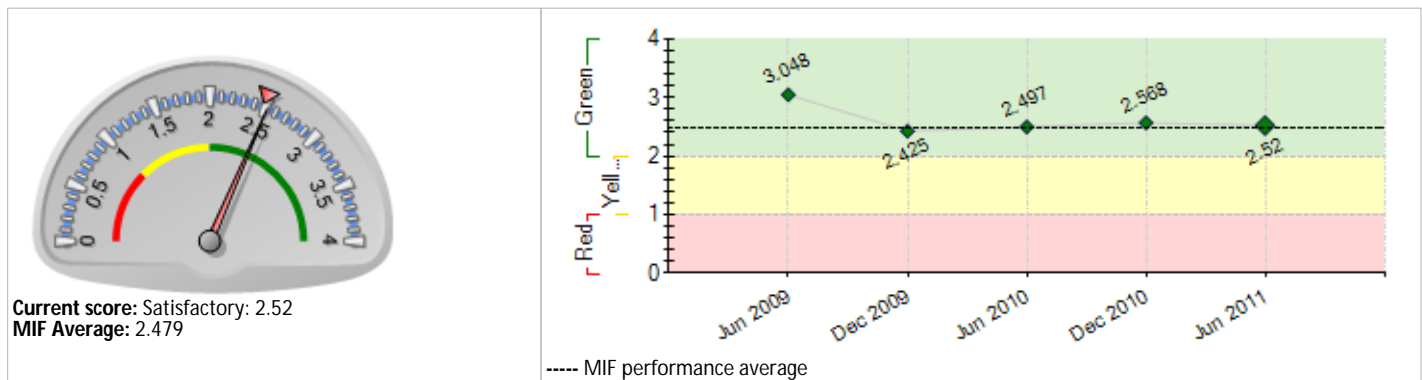
### TIMELINE



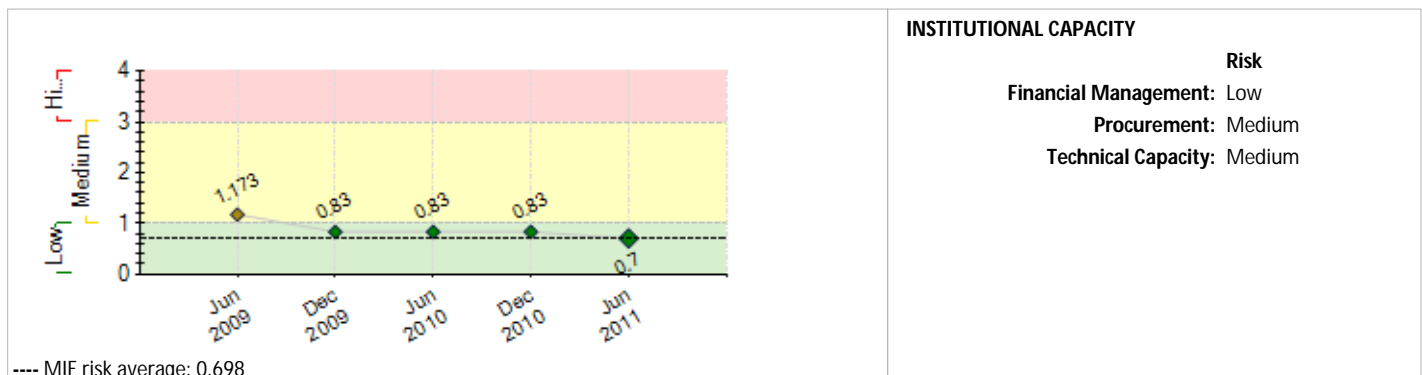
### FUNDS



### PERFORMANCE SCORE



### EXTERNAL RISKS



### INSTITUTIONAL CAPACITY

	Risk
Financial Management:	Low
Procurement:	Medium
Technical Capacity:	Medium

## SECTION 2: PERFORMANCE

**Summary of project performance since inception**

Component 3 is in progress for ten FBs selected for in-firm specific TA. These firms were required and execute a contract agreeing to contribute between twenty percent and fifty percent of the cost of the TA. They were required to affirm the intervention to be provided in Component 3 using the Needs Assessment they had signed off on in Component 2. All firms have completed payment of the 20 percent minimum contribution and they will be required to sign off on the intervention provided to ensure that they are satisfied customers. There were minor delays as the FBs made their payments and scheduled time to meet with the consultants to discuss the TA. Component 4 is also being executed for the local FB consultants and the PM were trained in case writing. This was intended to create a pool of FB case writers in Jamaica. At least 5 cases will be developed for final review by the Case Writing training consultant in July. Having achieved Milestone 4 the project successfully processed disbursement of USD98,000 to cover expenses. The future prospects of the project in achieving its ultimate objectives are medium optimistic because 1. all ten FBs participated in the TA agreed in writing to participate in case studies. 2. The PM expects the executed acceptance of the TA in July 2011. 3. Case writing is underway for completion by July 31, 2011. 4. The EA has begun to make arrangements for dissemination of the cases to share lessons learned with the public.

**Comments from the Supervision Team Leader**

Agree with the Executing Agency comments  
The project is being well executed

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

The 4th Milestone was achieved and the disbursement for US\$98,000 processed successfully. The Executing Agency continued to stress the need for Corporate Governance (CG) particularly in depressed economic times and a CG workshop was held for FBs. Component 3 is almost complete pending written confirmation from the FBs of their satisfaction with the TA. Firms were required to execute agreements to contribute between twenty and fifty Percent of the cost of the TA. All FBs paid the minimum contribution and 20 percent of TA. There were minor delays waiting for the Payments which were a prerequisite to schedule the TA. Component 4 is in progress and 5 cases are due July 31, 2011 by the initial pool of writers of FB cases in Jamaica. Of some concern is whether all FBs will implement the recommendations for CG received. The EA intends to publicise the 5 FB cases to sensitise some 1000 persons of the successes of the project for improved competitiveness through corporate governance. Due to the poor state of the local economy this will be challenging but we remain optimistic.

**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>Purpose:</b> To incorporate corporate governance and other managerial practices in selected MSMEs in Jamaica.	<b>P.11</b> At the end of execution of the project, Formal Boards established and functioning in at least 20 participating FBs	0				20 Nov 2011	3 Dec 2010	
	<b>P.12</b> At the end of the execution of the project, strategic and/or operational plans in place and approved by Boards for 10 targeted FBs	0				10 Nov 2011	0 Dec 2010	
	<b>P.13</b> Beneficiary FBs report high satisfaction with the results of the project	0				100 Nov 2011	100 Dec 2010	
<b>Component 1:</b> Promotion and Awareness-raising <b>Weight:</b> 25% <b>Classification:</b> Satisfactory	<b>C1.11</b> At the end of the first year of execution, 100 FBs sensitized about CG principles and practices.	0				100 May 2010	100 May 2010	Finished
	<b>C1.12</b> At the end of the first year of execution, PSQJ website updated with page on FBs and fully functional.	0				1 Nov 2011	1 Apr 2010	On Course
	<b>C1.13</b> At the end of the first year of execution, 30 FBs selected to receive technical assistance.	0				30 Nov 2011	30 Jun 2010	Finished
	<b>C1.14</b> At 6 months of execution, at least 5 institutions have been sensitized about the importance of CG principles and practices.	0				5 Nov 2009	5 Feb 2010	Finished
<b>Component 2:</b> Training and Technical Assistance on Family Business Governance and Strategies <b>Weight:</b> 25% <b>Classification:</b> Satisfactory	<b>C2.11</b> At the end of project execution, 30 FBs trained on family protocol, succession planning and managerial skills	0				30 Nov 2011	30 Sep 2010	Finished
	<b>C2.12</b> At the end of project execution, 30 FBs receive technical assistance to improve their managerial skills and incorporate family protocols and succession planning	0				30 Nov 2011	30 Sep 2010	Finished
	<b>C2.13</b> At month 7, 30 FBs selected to receive training	0				30 Dec 2009	19 Jul 2010	Finished
<b>Component 3:</b> Facilitation of External Resources for Family Businesses <b>Weight:</b> 25% <b>Classification:</b> Satisfactory	<b>C3.11</b> At the end of project execution, 10 FBs that received technical assistance, introduce CG systems and develop strategic and operational plans	0				10 Nov 2011	5 Jun 2011	On Course
	<b>C3.12</b> At month 18, 10 FBs selected for development of strategic and operational plans	0				10 Nov 2010	10 Feb 2011	Finished
<b>Component 4:</b> Dissemination of Outcomes <b>Weight:</b> 25% <b>Classification:</b> Satisfactory	<b>C4.11</b> At the end of project execution, over 1000 stakeholders made aware of the lessons learned.	0				1000 Nov 2011	0 Dec 2010	On Course
	<b>C4.12</b> At the end of project execution, 3 case studies disseminated within stakeholders (financial institutions, investors, international organizations, etc.)	0				3 Nov 2011	0 Dec 2010	On Course

Milestones		Planned	Due Date	Achieved	Date achieved	Status
<b>M0</b>	Condiciones previas	1	Nov 2009	1	Nov 2009	Achieved
<b>M1</b>	Creation of PEU and establishment of PSC	17	Nov 2009	17	Nov 2009	Achieved
<b>M2</b>	Deliver 6 awareness sessions with a total of at least 60 participants over all events	21	Apr 2010	100	May 2010	Achieved late
<b>M3</b>	20 FBs are selected for detailed training and TA	19	Jul 2010	30	Sep 2010	Achieved
<b>M4</b>	-20 FBs receive training and TA.	19	Feb 2011	30	Feb 2011	Achieved late

	-10 FBs are selected for development of strategic and operational plans.					
<b>M5</b>	3 case studies completed.	8	Sep 2011	0	Jun 2011	
<b>M6</b>	Dissemination conference for 75 people held.	1	Mar 2012	0	Jun 2011	

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

	<b>Level</b>	<b>Mitigation action</b>	<b>Responsible</b>
1. Macro-economic factors do not impede investments in and growth of FBs.	Medium	The PSOJ will continue to advise FBs of the importance of strong corporate governance particularly during economic downturns.	Project Coordinator
2. FB are not willing to have their cases documented and published	Low	FBs will be advised of the PR and other long term benefits of having their achievements recognised by the public.	Project Coordinator

**PROJECT RISK LEVEL:** Low **TOTAL NUMBER OF RISKS:** 4 **IN EFFECT RISKS:** 2 **NOT IN EFFECT RISKS:** 0 **MITIGATED RISKS:** 2**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:**

The ten FBs selected to receive in-firm specific TA all completed an agreement to pay 20 percent to 50% of the cost of the TA and to participate in the case writing aspect of Component 4 if selected. Also, a Casw Writing Workshop was organised to train the local FB consultants to write cases. They will write at least five local FB cases in completion of this training which will be used to share with the public lessons learned and successes of this project.

**SECTION 6: PRACTICAL LESSONS***[No Lessons learned records to Display]*