

PROJECT STATUS REPORT

JANUARY 2016 - JUNE 2016

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Linking MSEs to Anchor Companies in the Barbados Hotel Value Chain

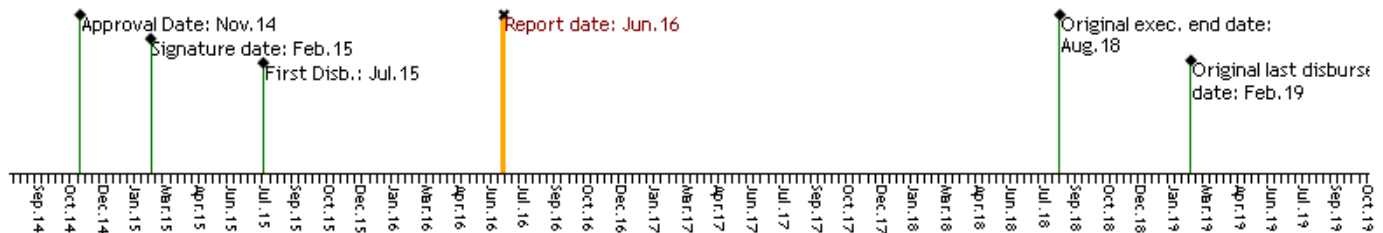
Project Number: BA-M1012 - Project Num.: ATN/ME-14739-BA

Purpose: To assist MSEs to establish consistent and reliable trade with anchor companies, by establishing a well-managed, sustainable inclusive business model - capable of reducing high transaction costs

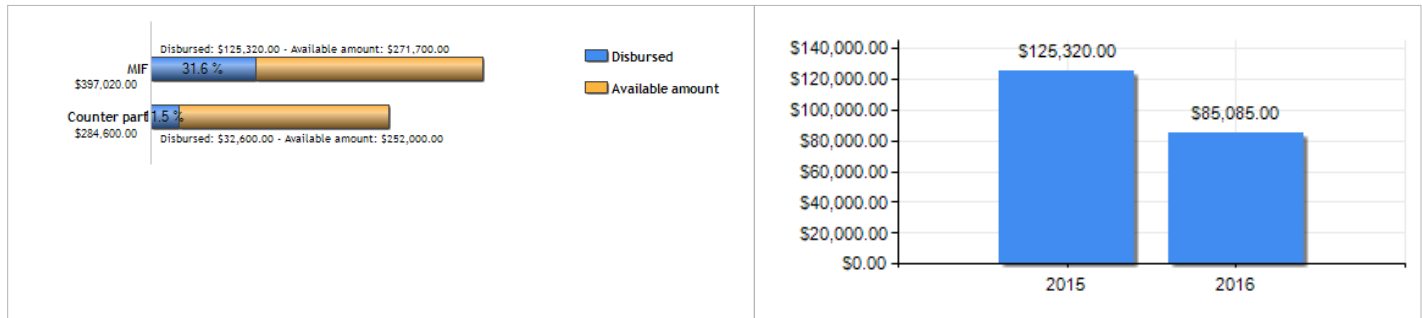
Country Admin	Country Beneficiary	Group	Subgroup
BARBADOS	BARBADOS	SME - Small and Medium Enterprise Development	BDEV - Business Development

Executing Agency: BARBADOS HOTEL AND TOURISM ASSOCIATION
Design Team Leader: VASHTIE DOOKIESINGH
Supervision Team Leader: VASHTIE DOOKIESINGH

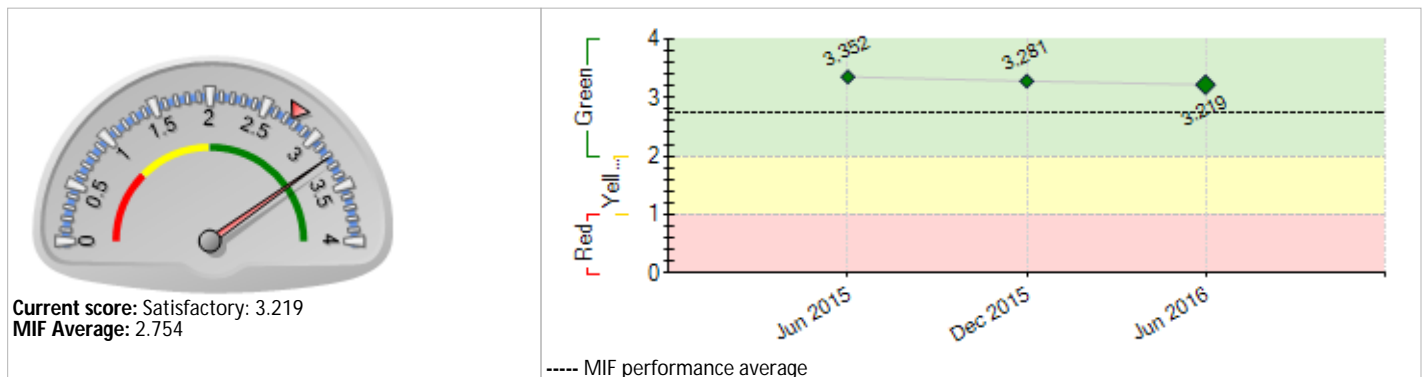
PROJECT CYCLE



FUNDS



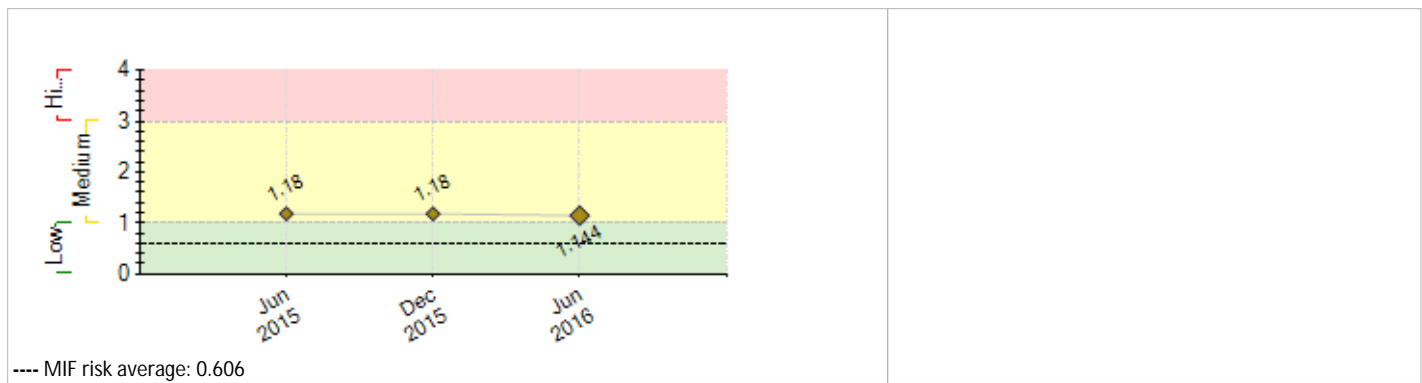
PERFORMANCE SCORE



EXTERNAL RISKS

INSTITUTIONAL CAPACITY

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



SECTION 2: PERFORMANCE

Summary of project performance since inception

Key achievements include the successful completion of Milestones 1 Anchor firm baseline study and Milestone 2 completion of Quality Assurance scheme documents & guidelines.

Commitment to the project through signing of Memorandums of Understanding with 15 hotels and 28 MSEs.

The delayed start date of the project has impacted on the overall timeline and inadvertently delayed the completion of some key tasks, however the team has successfully completed all key deliverables to date.

One of the key risks to the project relates to the central facility. The facility initially identified is no longer a viable option, as they have alternative uses for the site. Other locations are currently being researched and a potentially viable site has been identified and is being analysed and costed.

Another key risk is the adoption of the QA scheme by stakeholders. There will be an official launch and targeted training sessions to facilitate understanding and promote use. The continuity of the scheme also has to be facilitated through training workshops as well as assistance from key stakeholders.

The likelihood of achieving the final objectives is highly optimistic given the potential for identifying a viable central facility and commitment of team and stakeholders to facilitate the adoption of the QA scheme.

Key actions include securing private sector investment in a central facility, conducting training workshops, signing-up more Anchor firms and MSEs.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Summary of project performance in the last six months

Component 1:

Conducting grower audits and assessments.

Training workshops for MSEs commenced June 2016.

Business case analysis for central facility underway, private sector site being considered, funding being sought.

A website is being developed, the full ICT platform will be adapted to link it through the central facility.

Milestone 2 Quality Assurance parameters approved.

Component 2:

Project launch held on 27/01/16.

2 Best practice exchange visits conducted to Jamaica and Trinidad & Tobago.

Indicator1 & 2 – conducted a market matching event and facilitated 1 value chain dialogue session

Difficulties

There is insufficient volume demanded from Anchor firms to incentivise suppliers. Currently seeking to expand market base by including other channels.

Central facility originally identified is no longer available, currently seeking an alternative.

Next semester:

Component 1 - develop grower programmes, complete QA audits, continue training workshops. Specialist contract to be extended.

Component 2: launch website, and explore development of mobile application to assist with audits and traceability.

Deliver sector networking/market matching forum and value chain session component indicators.

Component 3- financial mechanism to be reconsidered.

Milestone 3 and 4 have been changed to M3: Design of Business Model for a Central Packing Facility and M4: Event to recognise 20 founding MSEs.

Mid-term evaluation is rescheduled to first quarter of 2017.

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: To assist MSEs to establish consistent and reliable trade with anchor companies, by establishing a well-managed, sustainable inclusive business model - capable of reducing high transaction costs	R.1	Number of firms or farms with links to strategic business partners (230200).	0	75			150	0	
			Feb 2015	Jan 2017			Aug 2018		
	R.2	Anchor companies (hotels and restaurants) participating in the project as buyers.	6	15	25		30	0	
			Feb 2015	Jan 2017	Aug 2017		Aug 2018		
Component 1: Linking Actors in the Value Chain Weight: 60% Classification: Satisfactory	C1.11	Number of firms or farms that have adopted new technologies or practices (230100).	0	75			150		
			Feb 2015	Jan 2018			Aug 2018		
	C1.12	Number of firms or farms receiving training or otherwise strengthened to provide new and/or augmented goods or services (130100).	0	50	75	150	200		
			Feb 2015	Jan 2018	Jan 2018	Jan 2019	Aug 2019		
Component 2: Business Exchange & Networking Weight: 30% Classification: Satisfactory	C2.11	Number of MSEs/other local suppliers and anchor firms (actual and potential) participating in business exchange and networking events and activities.	0	50	150	250	300	64	On Course
			Feb 2015	Feb 2016	Jan 2017	Jan 2018	Aug 2018	Feb 2016	
	C2.12	Number of bilateral value-chain dialogue/events promoting business exchange and future needs of the sector.	0	2	4	6	8		
			Feb 2015	Jul 2016	Jan 2017	Jan 2018	Aug 2018		
Component 3: Development of a Financial Product Weight: 7% Classification: Satisfactory	C3.11	A financial solution that offers a factoring service and/or other facilities to reduce payment cycle for local MSEs supplying anchor firms is implemented.	0				1		
			Feb 2015				Jan 2017		

Component 4: Knowledge Management and Strategic Communication Weight: 3% Classification: Satisfactory	C4.11	Number of institutions that access the case study including national tourism associations affiliated with the CHTA; as well as organizations/firms that are members of the BHTA.	0				50		
							Aug 2018		
	C4.12	Number of people that access the infographics which illustrate specific solutions to barriers to value-chain integration of MSEs in the Barbados tourism sector.	0				100		
							Aug 2018		

Milestones	Planned	Due Date	Achieved	Date of achievement	Status
M0 Conditions Prior	9	Aug 2015	9	Jul 2015	Achieved
M1 Initial Value Chain Analysis/Baseline Data completed protocol/process for monitoring and evaluation of results.	1	Nov 2015	1	Nov 2015	Achieved
M2 [*] Standards and Grading System required to implement quality assurance scheme are developed and accepted by participating anchor firms.	1	Apr 2016	1	Apr 2016	Achieved
M3 Development of a Business Model for a Centralized Packing Facility for suppliers	1	Sep 2016			
M5 Commitment of Counterpart Financing for the MSE Consolidator	1	Feb 2017			
M4 [*] Farmers/Producers formally recognized as founding participants as suppliers in the project value chain via an event	20	Feb 2017			
M6 MOUs signed with a cumulative total of 30 Anchor Firms	30	Aug 2017			
M7 Strategic and Business Plan for Sustainability developed and accepted by Advisory Committee	1	Feb 2018			
M8 Completion of detailed Case Study	1	Aug 2018			

[*] Indicate that the milestone has been reformulated

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

- [X] Supplier/contractor performance
- [X] Lack of resources for the counterpart

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

	Level	Mitigation action	Responsible
1. Reductions in transaction costs are not sufficiently realized to justify increased purchases from MSEs by anchor firms.	Medium	The project will undertake analysis to identify local goods and services that are in high demand and are likely to be supplied on a commercially sustainable and competitive manner by local MSEs.	Project Guest
2. Deterioration of macroeconomic environment and downward pressure on tourism sector	Medium	N/A	Project Guest
3. MSE suppliers and Anchor Companies may be unwilling to adapt current practices to meet defined quality standards	Medium	By emphasizing engagement and capacity building of MSE suppliers, and value chain dialogue of key stakeholders the project will allow for greater awareness and understanding of the rationale behind the industry's requisite quality standards MSEs are more likely to accept and implement new on-farm practices where there is an immediate potential for new market opportunities.	Project Guest
4. MSEs may be unwilling to pay fees or interest charges required to implement financial solution.	Medium	The project will develop the financial solution in close consultation with key partners (including MFIs/FIs and other donors), with a view to obtaining their commitment and buy-in therefore augmenting the opportunity for sustainability.	Project Guest
5. Failure to obtain private-sector investment in the development of the central facility	Medium	Business case analysis for discussion.	Project Guest

PROJECT RISK LEVEL: Medium **TOTAL NUMBER OF RISKS:** 10 **IN EFFECT RISKS:** 10 **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:

The usage data provided by the Anchor firms confirms that the volumes of produce required are smaller than anticipated. The initial production planning has uncovered that the acreage requirements from each farmer would potentially be quite small and therefore may be insufficient to guarantee their interest and engagement with the project. Therefore the project team is expanding the market base to include other channels such as supermarkets, cruise ships etc.

The central facility originally selected for use in the project is no longer available. An alternative facility is being sought through engagement with stakeholders involved in the project. One potential site is currently being thoroughly assessed and private sector investment is being sought.

SECTION 6: PRACTICAL LESSONS

1. Through the regional best practice exchange visits it was uncovered that the most successfully implemented programmes for enhancing linkages between Anchor firms and MSEs involved a 'top down' approach with very significant ministerial involvement and even legislation. As well as very high levels of stakeholder involvement. This project will continue to seek active engagement from the relevant ministerial department and various stakeholders in order to obtain more substantive and active involvement and support of the project initiatives	Relative to Design	Author Fleming, Andrea
2. A full ICT platform was initially proposed however given the current systems currently being used by the key stakeholders, namely the Anchor firms and the MSEs, there is no indication of a willingness or need to undertake a full platform at this stage. However if it is uncovered that such an interface may be feasible in the near future, the interface can potentially be facilitated through the central facility.	Design	Fleming, Andrea
3. Having reviewed the central facilities currently available there is much evidence to suggest that private sector investment is required to develop the type of facility required by the project and to be sustainable beyond the project life.	Design	Fleming, Andrea
4. Uncovered the extent of the lack of traceability and poor record keeping by the growers. There is an opportunity to provide training workshops to assist with recording procedures and practices	Design	Fleming, Andrea
5. Based on grower interactions to date there are significant knowledge gaps. This affords excellent opportunity for the project to provide very targeted training to assist them.	Design	Fleming, Andrea