

PROJECT STATUS REPORT

JULY 2016 - DECEMBER 2016

SECTION 1: PROJECT SUMMARY

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

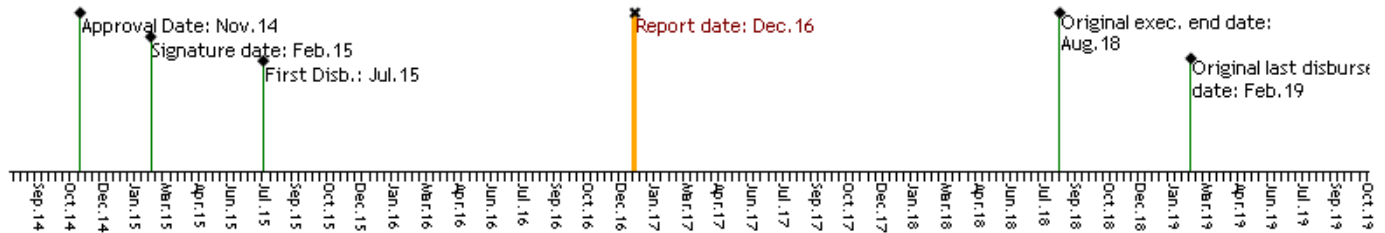
Project Number: BA-M1012 - Project Num.: ATN/ME-14739-BA

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

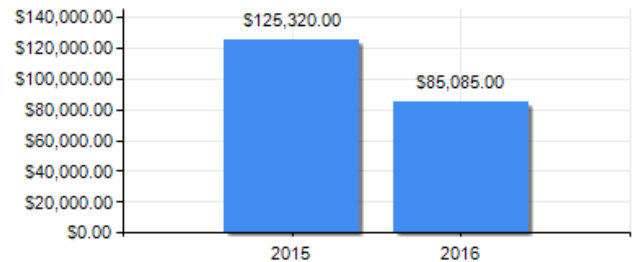
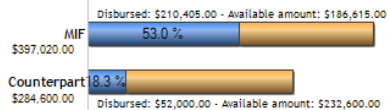
Country Admin	Country Beneficiary	Group	Subgroup
BARBADOS	BARBADOS	SME - Small and Medium Enterprise Development	BDEV - Business Development

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

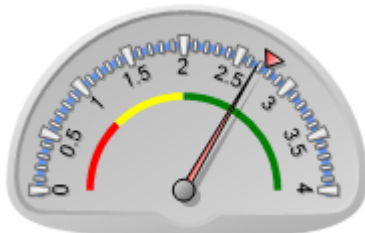
PROJECT CYCLE



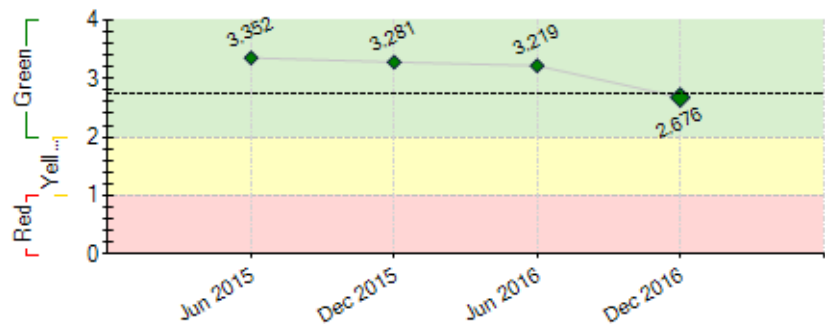
FUNDS



PERFORMANCE SCORE



Current score: Satisfactory: 2.676
MIF Average: 2.756

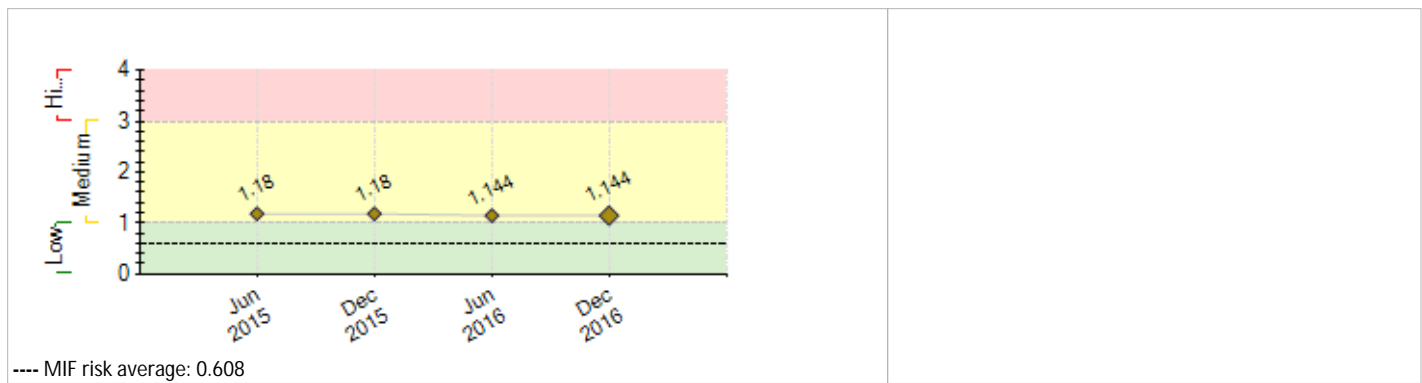


----- MIF performance average

EXTERNAL RISKS

INSTITUTIONAL CAPACITY

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



SECTION 2: PERFORMANCE

Summary of project performance since inception

Summary of Project Performance since inception

Successful completion of Milestone 1 Anchor Firm Baseline study, Milestone 2 Quality Assurance Scheme documents and guidelines and Milestone 3 Development of Business model - Central Facility.

Formal systems for quality management and assurance have been established.

Private sector investment has been attracted and a location identified to facilitate the establishment of Central Facility.

Alternative credit and finance facilities to be handled by Central Facility.

In view of these objectives, the likelihood of this project achieving its objectives is highly optimistic. However, there is still the need for management of production for operational efficiencies, hence the need for more training and bi-lateral value chain sessions. There is also a need to sensitize the farming community on adopting Alternative Production Systems (Green Houses) to increase yields and also ensure a more environment friendly production methodology.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Summary of project performance in the last six months

Summary of Project Performance July - Dec. 2016

Component1:

Approval of a business model and acceptance by private sector investors to provide initial working capital for a Central Facility has led to the establishment of an expanded set of activities outlined below:

Incorporation of the Commercial Entity to deal with operations management of the Central Packing Facility.

Identification of a need for a mobile application to support Quality Assurance Scheme, including on-farm audits - providing a level of traceability and due diligence to international standards.

Identification of a need for Agricultural Training Development Officer -to provide technical support to MSEs to meet quality and demand requirements.

Next Semester

Start of Capital works aimed at retrofitting building - Packing facility.

Develop a system for production planning and scheduling.

Undertake production monitoring.

Formalize sales and purchase arrangements that better permit predictability of demand and transparency in pricing of products.

Launch Facility.

Commission and Install Mobile Application.

Commence training with focal areas such as good agricultural practices, capacity building and traceability.

Recruit the Agricultural Development Training Officer to implement key training programmes to various stakeholders within the project.

Launch website.

Development of Marketing and Branding – PR-Marketing Campaign Design and Content Development, relating to the new Central Packing Facility.

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: Unsatisfactory	C1.1	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	C2.1	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
			Feb 2015	Feb 2016	Jan 2017	Jan 2018	Aug 2018
	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	Apr 2017	Jan 2018	Aug 2018
Component 3: Development of a Financial Product Weight: 7% Classification: Unsatisfactory	C3.1	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: Unsatisfactory	C4.1	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	1	Sep 2016	Achieved
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			
M7	Strategic and Business Plan for Sustainability developed and accepted by Advisory Committee	1	Feb 2018			
M6	[*] MOUs signed with a cumulative total of 30 Anchor Firms	30	Jun 2018			
M8	Completion of detailed Case Study	1	Aug 2018			

[*] Indicate that the milestone has been reformulated

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

- [X] Executing agency institutional capacity
[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:

No Issues currently affecting sustainability

SECTION 6: PRACTICAL LESSONS

	Relative to Implementation	Author
1. Prior to confirmation of private investment in a physical packing facility by a private sector investor little progress was made on the project. The key lesson learned is that securing active participation of suppliers as well as buyers at each stage in the supply chain is critical to success of supply chain projects		Dookiesingh, Vashtie [MIF]