

PROJECT STATUS REPORT

JANUARY 2017 - JUNE 2017

SECTION 1: PROJECT SUMMARY

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

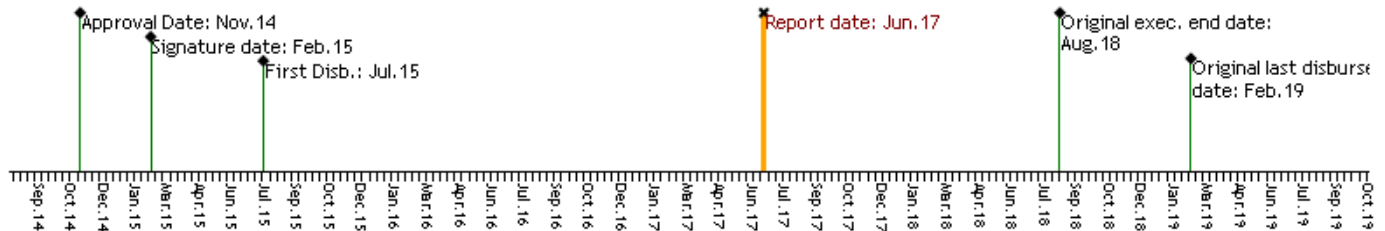
Project Number: BA-M1012 - Project Num.: ATN/ME-14739-BA

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

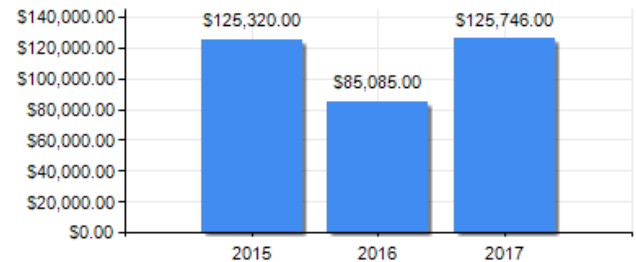
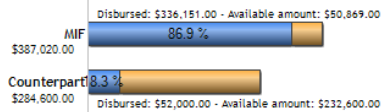
Country Admin	Country Beneficiary	Group	Subgroup
BARBADOS	BARBADOS	SME - Small and Medium Enterprise Development	BDEV - Business Development

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

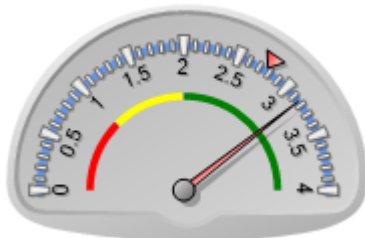
PROJECT CYCLE



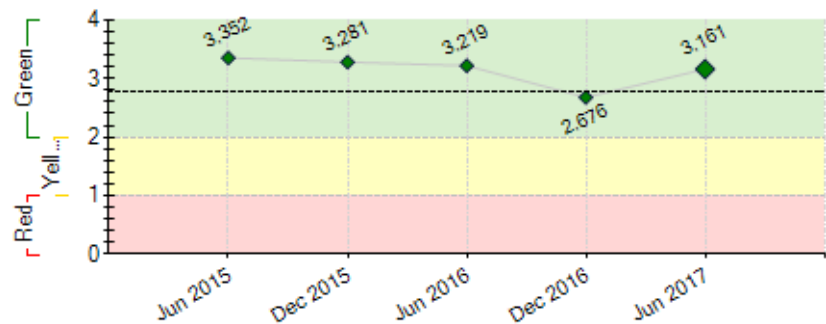
FUNDS



PERFORMANCE SCORE



Current score: Satisfactory: 3.161
MIF Average: 2.769

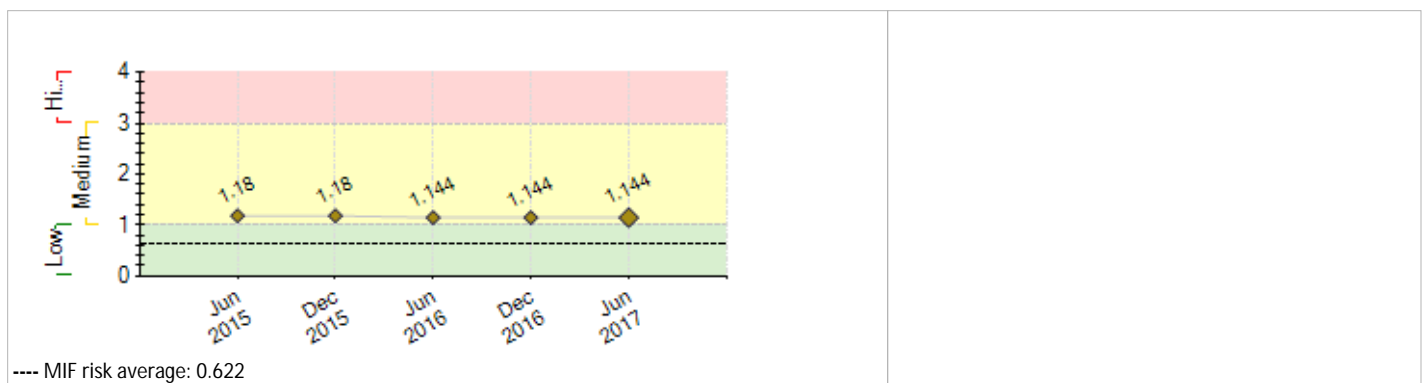


----- MIF performance average

EXTERNAL RISKS

INSTITUTIONAL CAPACITY

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



SECTION 2: PERFORMANCE

Summary of project performance since inception

Successful completion of Milestone 1 Anchor Firm Baseline Study, Milestone 2 Quality Assurance Scheme documents and guidelines, Milestone 3 Development of Business Model - Central Facility and Milestone 4 Farmers/Producers formally recognized as founding participants as suppliers in the project value chain via an event

Strategic Alliances with other Executing Agencies (National Union Of Farmers (NUF) and the Barbados Agricultural Society (BAS) to build capacity of farmers and showcase farming community.

Conducted Farming Community Business Matching initiatives.

There has been a delay in securing private investment in the physical packing facility as a result of deteriorating macroeconomic conditions affecting the country. However, alternative investment options have been proposed and are at an advance stage.

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 the importance of Post-harvest handling of vegetables at various stages of the value-chain and adopting Alternative Production Systems (Green Houses) to increase yields

Comments from the Supervision Team Leader

Partially Agree with the Executing Agency comments

After consultation with the BHTA executive and new CEO the project has received a greater level of support and interest. Critical to advancing the project objectives is the increase in sales by local producers and the project team was urged to find practical ways to support this process in the absence of a physical warehousing facility

Summary of project performance in the last six months

Summary of project performance in the last six months

Component1:

23 Farmers formally recognized as founding participants on February 21, 2017.

Technical and business support was provided to strengthen local MSEs capacity to meet quality and demand requirements of anchor firms Ten Farmer Field Training Sessions from February 21 to April 11, 2017 on Tuesdays and Sundays. The two farming communities where sessions were held were Spring Hall, St. Lucy in the north and Gibbons Boggs, Christ Church in the south. Over-all Seventy-Six farmers were trained in focal areas of Good Agricultural Practices.

Acquisition of Muddy Boots Supplier Approval module to assist in organising farmers at Packing facility.

Commenced production planning

Established focus groups re:sales and purchase agreements

Component 2:

Engagement in three (3) bi-lateral value-chain events from April 4 – 11, 2017. Topics included demand forecasting, meat specifications of Barbados' Black Belly Lamb and NUF Code of Ethics.

Showcased local produce "Taste of Caribbean" pop up dinners.

Next Semester

Create baseline production database with farm profiles

Link Farming to Cuisine during Carifesta 2017

Continue to develop a system for production planning and scheduling

Undertake production monitoring.

Continue to formalise sales and purchasing agreements that better permit predictability of demand

Deliver networking and value chain sessions

Commercialization of Central 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%	C1.1	Number of firms or farms that have adopted new technologies or practices (230100).	0	75		150		
		Feb 2015	Jan 2018			Aug 2018		
	C1.2	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		

Classification: Satisfactory									
Component 2: Business Exchange & Networking Weight: 30% Classification: Satisfactory	C2.I1	Number of MSEs/other local suppliers and anchor firms (actual and potential) participating in business exchange and networking events and activities.	0 Feb 2015	50 Feb 2016	250 Jan 2018		300 Aug 2018	64 Feb 2016	On Course
	C2.I2	Number of bilateral value-chain dialogue/events promoting business exchange and future needs of the sector.	0 Feb 2015	2 Jul 2016	4 Apr 2017	6 Jan 2018	8 Aug 2018	4 Apr 2017	On Course
Component 3: Development of a Financial Product Weight: 7% Classification: Unsatisfactory	C3.I1	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 Feb 2015				1 Feb 2018		
Component 4: Knowledge Management and Strategic Communication Weight: 3% Classification: Unsatisfactory	C4.I1	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.I2	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
M4	[*] Farmers/Producers formally recognized as founding participants as suppliers in the project value chain via an event	20	Feb 2017	20	Feb 2017	Achieved
M5	Commencement of business operations at a consolidation facility (or facilities) to supply hoteliers and tourism operators with local produce	1	Dec 2017			
M6	Strategic and Business Plan for Sustainability developed and accepted by Advisory Committee	1	Feb 2018			
M7	[*] 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] Others, which?: Over reliance on a physical packing facility to initiate sales

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**Issue**

- [X] Lack of organizational, managerial and financial management capacity to continue and sustain

Comments

Farmers/Producers are not organized or resourced to

the program once the execution phase is finalized.

manage project delivery independent of the project execution team

Actions related to sustainability which have been taken in the reporting period:

Supply-Production Capacity

Multiplicity of actors in the sector with duplication of mandates and missions and ineffective coordination among them. The members of the Project Execution Unit met with various actors within the sector and sensitized them of the importance of an agro-trading facility, the need for coordination and the demand for local products within international transport(cruise sector). Based on interaction farmer groups have opted to have their members enrolled in various training workshops to build capacity.

SECTION 6: PRACTICAL LESSONS

[No lessons learned found]