

PROJECT STATUS REPORT

JANUARY 2018 - JUNE 2018

SECTION 1: PROJECT SUMMARY

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

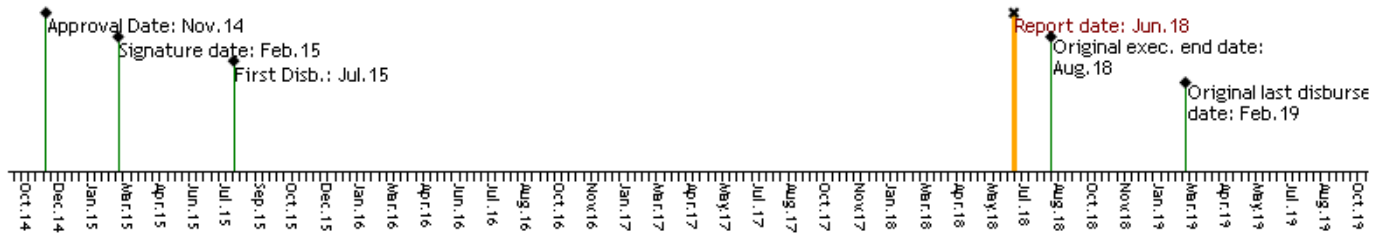
Project Number: BA-M1012 - Project Num.: ATN/ME-14739-BA

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

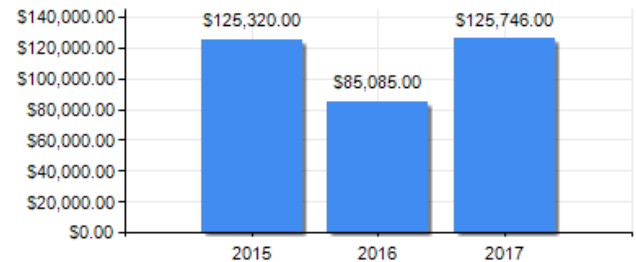
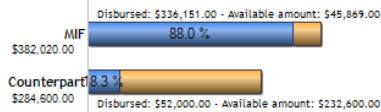
Country Admin	Country Beneficiary	Group	Subgroup
BARBADOS	BARBADOS	SME - Small and Medium Enterprise Development	BDEV - Business Development

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

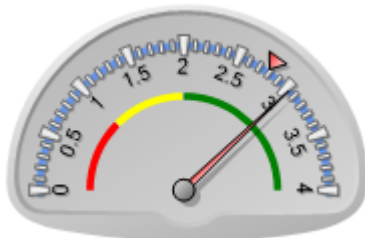
PROJECT CYCLE



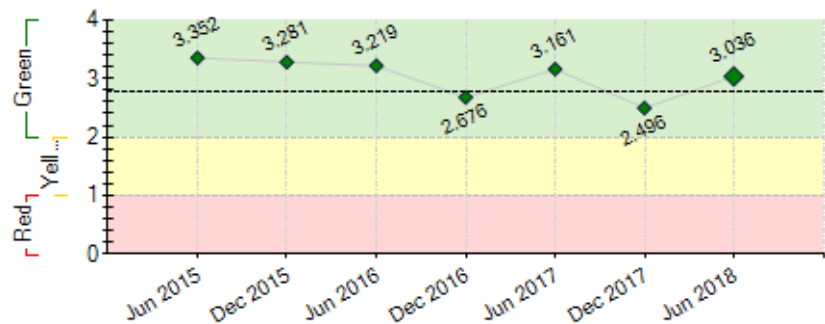
FUNDS



PERFORMANCE SCORE



Current score: Satisfactory: 3.036
MIF Average: 2.788

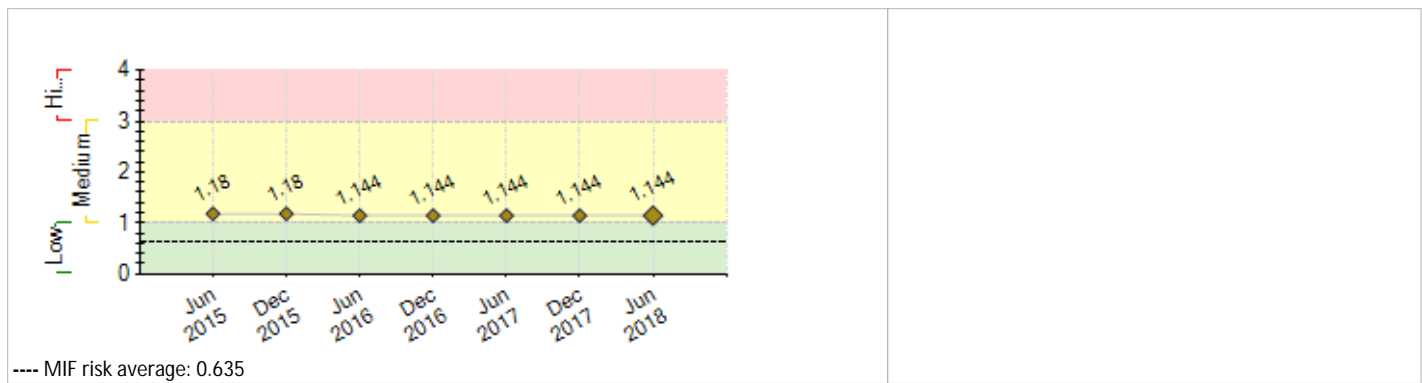


----- MIF performance average

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, Milestone 4 Farmers/Producers formally recognized as founding participants as suppliers in the project value chain via an event, Milestone 5 Commencement of business operations at a Consolidation Facility, Milestone 6 Strategic and Business Plan for Sustainability developed and accepted by BHTA and BADMC (Packaging Facility).

A Cumulative total of Twenty (20) Hotels and restaurants committed towards engaging Packaging Facility in trade of local produce. However, due to the physical space within ONLY five (5) hotels actively involved at present.

Business operations currently in its seventh month. The number of farmers participating in supplying the Pack House increased from Eighty (80) to Two hundred and Twenty (220) based on standards set by Facility.

The facility has established a traceability facility where each farm plot has an identification number.

In view of these objectives, the likelihood of this project achieving its objectives is highly optimistic. However, there is still the need to strengthen the business processes within the packaging facility to obtain greater commitment from the hospitality sector, hence the need for more bi-lateral engagement and the strengthening of collaborative framework between BHTA - BADMC.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The project has achieved good progress in terms of providing relevant training as well as a practical monitoring system and has established a small scale packing facility. However to date sales to hotels have not reach the numbers that were targeted. In the remaining months of the project greater focus on securing additional buyers from the hospitality sector is required.

Summary of project performance in the last six months

Component1:

Transparent and formal purchasing arrangement established for short-term. However, a more long term arrangement for supply needs to be established to ensure consistent supply. This can only be achieved by greater commitment shown by the hospitality sector.

Traceability framework established to identify which products are produced by which Farm plot and farmer.

Grading scheme established based on Quality assurance Scheme designed by executing agency. Products which do not meet standards for supply to hospitality sector are sold in BADMC Farm Stores.

Five percent of products are rejected and dumped.

Operational throughput volumes on five products identified were recorded during period Jan 01 - June 29 2018 were as follows: Cucumbers 15550lbs, Butternut Squash 12212lbs, Watermelon 20929 lbs, Green Peppers 11250lbs, Egg Plant 3710lbs

Component 2:

Bi-lateral value chain conducted with hotels, restaurants, packhouse and farmers. the packhouse continues to engage hospitality sector to indicate What is available, outline prices a weekly product and price list is circulated to BHTA members.

Component 3:

A revolving Fund has been established by BADMC to address payment to Farmers.

Next Steps:

Continue to finalize Marketing Agreements between the various stakeholders within the project

Continue to formulate Content Development and Campaign Design surrounding the of the value of Central Packing Facility emphasizing linkages in the Agricultural and Tourism sectors.

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	220	
			Feb 2015	Jan 2017		Aug 2018	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	C1.1	Number of firms or farms that have adopted new technologies or practices (230100).	0	75		150	80	On Course
			Feb 2015	Jan 2018		Aug 2018	Dec 2017	
	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	Finished
			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	250	300	250	On Course
			Feb 2015	Feb 2016	Jan 2018	Aug 2018	Jan 2018	
	C2.12	Number of bilateral value-chain dialogue/events promoting business exchange and future needs of the sector.	0	2	4	6	8	Finished
			Feb 2015	Jul 2016	Apr 2017	Jan 2018	Aug 2018	Mar 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	0	Delayed
			Feb 2015			Feb 2018	Jan 2018	
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
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	1	Dec 2017	Achieved

M6	Strategic and Business Plan for Sustainability developed and accepted by Advisory Committee	1	Feb 2018	1	Feb 2018	Achieved
M8	Completion of detailed Case Study	1	Aug 2018			
M7	[*] MOUs signed with a cumulative total of 30 Anchor Firms	20	Sep 2018	10	Jun 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 rational 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	Comments
[X] Lack of commitment from the executing agency to continue or expand the project's services and/or activities	The BHTA as Executing Agency has not shown consistent leadership of the program given emphasis on farmers however given commercial operation of a small scale packing facility the intervention sustainability is not dependent on the Executing Agency
[X] Lack of cost recovery mechanisms or external financing sources (government, donors and/or private sector) to continue the activities of the project once MIF resources are expended	Given the economic downturn in Barbados raising additional financing is likely to be challenging

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

There has not been great commitment from the hospitality sector as a result of the size of the facility. However, the retail sector has continued to give support for such a facility. The project stakeholders have been working assiduously to develop marketing content which would enable greater buy in.

SECTION 6: PRACTICAL LESSONS

[No lessons learned found]