

PROJECT STATUS REPORT

JULY 2014 - DECEMBER 2014

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Promoting community innovations through scalable market-based distribution model

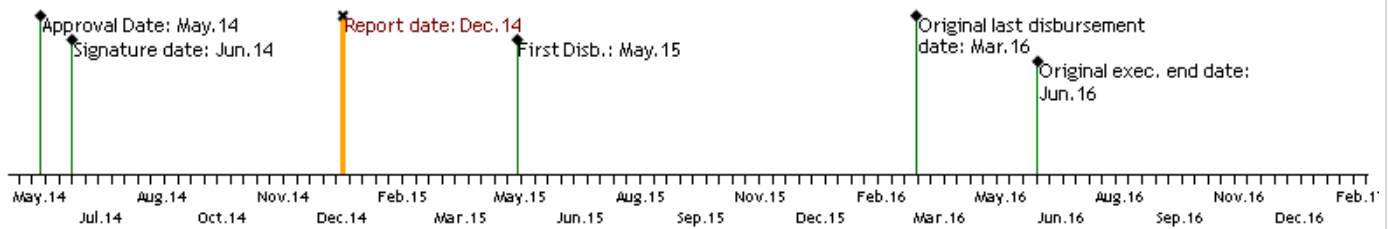
Project Number: GU-M1051 - Project Num.: ATN/ME-14414-GU

Purpose: Implementation of the microconsignment model to improve entrepreneurial capacity and increase access to essential products and services

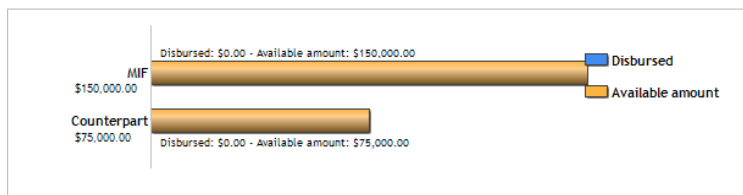
| Country Admin | Country Beneficiary | Group | Subgroup |
|---------------|---------------------|--|------------------------------------|
| UNITED STATES | GUATEMALA | SMF - Micro, Small and Medium Enterprise Financing | SMED - Small and Medium Enterprise |

Executing Agency: SOLUCIONES COMUNITARIAS S.A.S. **Design Team Leader:** Buenadicha, Cesar M.
Supervision Team Leader: Buenadicha, Cesar M.

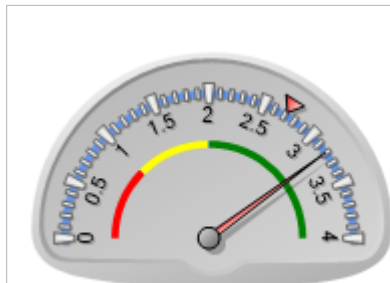
PROJECT CYCLE



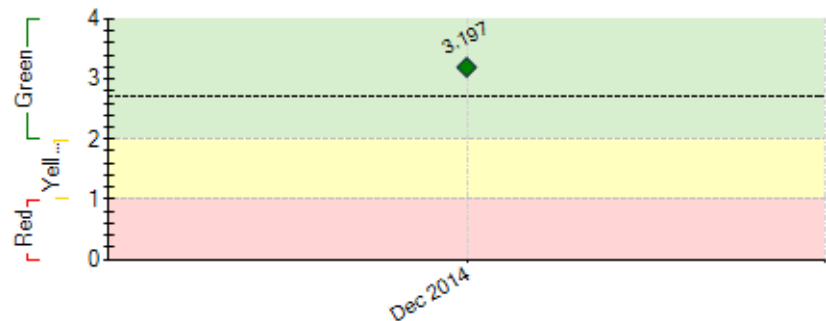
FUNDS



PERFORMANCE SCORE

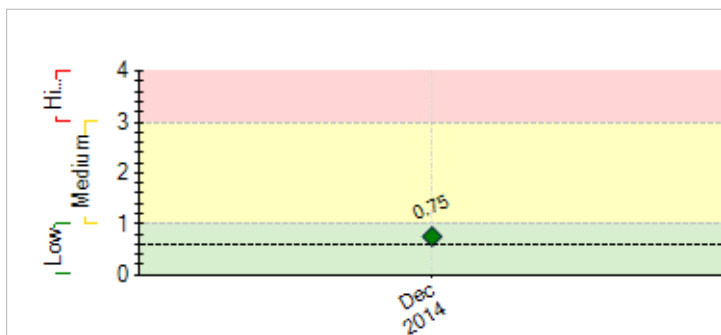


Current score: Satisfactory: 3.197
MIF Average: 2.715



----- MIF performance average

EXTERNAL RISKS



----- MIF risk average: 0.604

INSTITUTIONAL CAPACITY

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

SECTION 2: PERFORMANCE

Summary of project performance in the last six months

Tuvimos ciertos retrasos con el proyecto lo cual afectó nuestro desempeño este semestre. Esperamos que con el apoyo del MIF en Washington D.C. podamos retomar la ejecución del proyecto lo antes posible y llegar a las metas establecidas. A continuación incluimos una lista de nuestros logros entre junio y diciembre del 2014:

- Cumplimiento con condiciones previas según lo establecido en el convenio.
- Identificación y clasificación de 40 comunidades donde estaremos ejecutando el proyecto.
- La planificación sobre cómo se estarán llevando a cabo las capacitaciones ya está completada.
- Alcance inicial con instituciones trabajando en la región de enfoque.
- Compra de materiales demostrativos y de venta para las microfranquicias y microconsignación.

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: Implementation of the microconsignment model to improve entrepreneurial capacity and increase access to essential products and services | R.1 | 160101 Number of innovations adopted that benefit people | 0 | 1 | | 3 | 0 | |
| | | | Jun 2014 | May 2015 | | May 2016 | | |
| | R.2 | 210800 - Number of people who access credit products (sex-disaggregated) | 0 | 25 | | 50 | 0 | |
| | | | Jun 2014 | May 2015 | | May 2016 | | |
| | R.3 | 210200 - Number of women microfranchisees who start a new enterprise or business | 0 | 15 | | 35 | 0 | |
| | | | Jun 2014 | May 2015 | | May 2016 | | |
| Component 1: Intercultural Local Training, Creative Capacity Building and Product Design Weight: 50% Classification: | C1.1 | Community members trained in CCB methodology. | 0 | 400 | | 800 | | |
| | | | Jun 2014 | May 2015 | | May 2016 | | |
| | C1.12 | Number of Solcom staff trained in CCB | 0 | 3 | | 5 | | |
| | | | Jun 2014 | May 2015 | | May 2016 | | |
| | C1.13 | Number of pilot innovations | 0 | 10 | | 20 | | |
| | | | Jun 2014 | May 2015 | | May 2016 | | |
| Component 2: Implementation of Microconsignment Distribution Model Weight: 34% Classification: | C2.1 | Community distribution plan created | 0 | 1 | | 1 | | |
| | | | Jun 2014 | May 2015 | | May 2016 | | |
| | C2.12 | Percentage of Solcom sales that are the result of the CCB training | 0 | 5 | | 10 | | |
| | | | Jun 2014 | May 2015 | | May 2016 | | |
| | C2.13 | Number of rural communities served | 0 | 15 | | 30 | | |
| | | | May 2015 | Jun 2015 | | May 2016 | | |
| Component 3: Knowledge Creation and Dissemination of Results Weight: 16% Classification: | C3.1 | Number of entities that access the comprehensive "how to guide" developed | 0 | 10 | | 50 | | |
| | | | May 2015 | Jun 2015 | | May 2016 | | |

| Milestones | | Planned | Due Date | Achieved | Date of achievement | Status |
|------------|---|---------|----------|----------|---------------------|----------|
| M1 | Condiciones previas | 1 | Dec 2014 | 5 | Oct 2014 | Achieved |
| M1 | Convenio firmado entre SolCom y MIT | 1 | Dec 2014 | 1 | Sep 2014 | Achieved |
| M3 | Número de tecnologías diseñada | 1 | Jun 2015 | | | |
| M4 | Número de empresas accediendo a crédito o a otros productos financieros | 12 | Jun 2015 | | | |
| M2 | Número de personas formadas | 200 | Jun 2015 | | | |
| M5 | personas who start a new Enterprise or business integrated to the SolCom distribution network | 50 | Dec 2015 | | | |

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

[None reported in this period]

SECTION 4: RISKS

MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE

| | Level | Mitigation action | Responsible |
|--|--------|---|---------------|
| 1. Economic and social conditions may not favor the consolidation and expansion of the model | Medium | Constant monitoring of economic and social environment | Project Guest |
| 2. External circumstances or environmental conditions prevent microentrepreneurs from | Medium | Monitoring of external circumstances and environmental conditions | Project Guest |

reaching targeted distribution sites.

| | | | |
|---|--------|--|---------------|
| 3. Sufficient numbers of entrepreneurs may not be interested in attending workshops. | Medium | Constant monitoring and complementary incentives | Project Guest |
| 4. Microentrepreneurs do not return base costs of consignment products to the Executing Agency. | Low | Visits to follow up on commitments | Project Guest |
| 5. Workshop participants may not be able to design products that solve community problems, are technically viable and cost-effective. | Low | Capacity building to motivate participant's to find alternative ways to solve community problems | Project Guest |

PROJECT RISK LEVEL: Low **TOTAL NUMBER OF RISKS:** 8 **IN EFFECT RISKS:** 8 **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:

Uno de los principales principios de este proyecto es desarrollar la capacidad local para la innovación, creación de tecnología y su distribución. Estas capacidades, si son desarrolladas apropiadamente y están arraigadas profundamente en la comunidades beneficiarias, se traducen directamente en la sostenibilidad del proyecto incluso después de la vida de la subvención. SolCom es una empresa financieramente sostenible que seguirá usando el modelo de microconsignación y la ejecución del centro de innovación comunitaria. Los innovadores capacitados en la metodología CCB serán la próxima generación de capacitadores que compartirán la metodología a otras comunidades y los microempresarios que surgirán del CCB tendrán la habilidad, por virtud de su arduo trabajo, de continuar teniendo acceso a productos que estén en venta para los consumidores que estén buscando mejorar su calidad de vida.

SECTION 6: PRACTICAL LESSONS

| | Relative to | Author |
|---|----------------|----------------------------|
| 1. Hay que tomar en cuenta el idioma que se habla en las comunidades identificadas para que los talleres sean apropiados. | Implementation | Berkowitz Sultan, Michelle |
| 2. Es mejor tener capacitaciones de medio día, una vez por semana que tres capacitaciones una tras de la otra ya que los participantes no tienen tanto tiempo entre semana. | Implementation | Berkowitz Sultan, Michelle |