

PROJECT STATUS REPORT

JANUARY 2016 - JUNE 2016

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Mobile Money for the Unbanked

Project Number: JA-M1031 - Project Num.: ATN/ME-14598-JA

Purpose:

The expected result of this project is to increase access to financial services for low-income people through the introduction of a mobile money platform in Jamaica.

Country Admin

JAMAICA

Country Beneficiary

JAMAICA

Executing Agency:

DEVELOPMENT BANK OF JAMAICA LIMITED

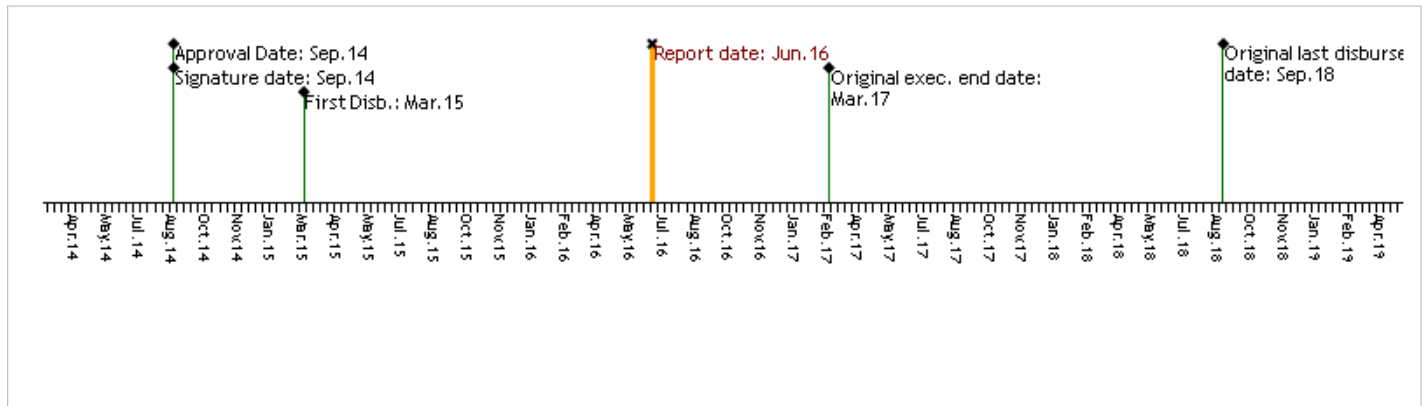
Design Team Leader:

WINSOME LESLIE

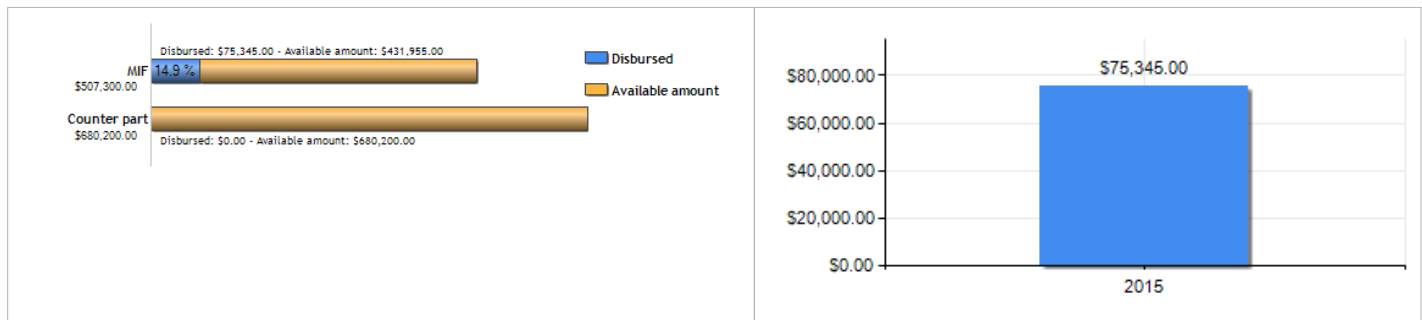
Supervision Team Leader:

WAYNE BEECHER

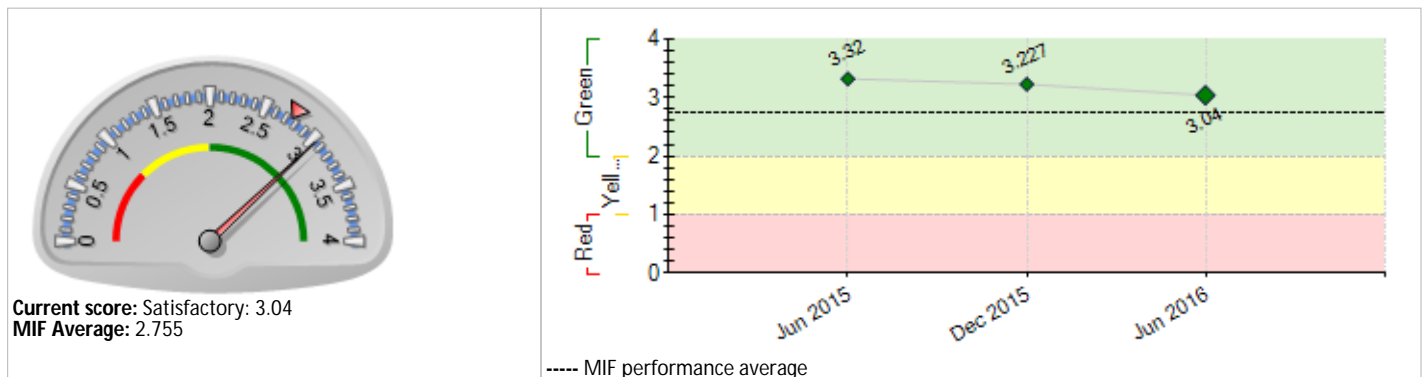
PROJECT CYCLE



FUNDS



PERFORMANCE SCORE



EXTERNAL RISKS

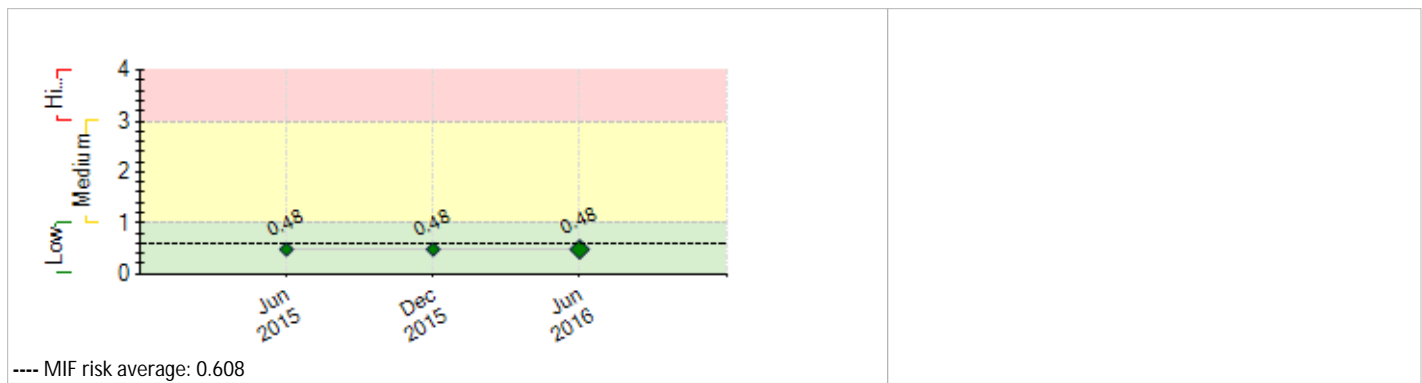
INSTITUTIONAL CAPACITY

Risk

Financial Management: Low

Procurement: Low

Technical Capacity: Low



SECTION 2: PERFORMANCE

Summary of project performance since inception

- The technology partner (Transcel Ltd) responsible for the development of the mobile platform has failed to meet the third Board approved deadline date for readiness of the platform for deployment to customers.

-The scope of the project was revised to ensure sustainability, in addition alignment with the goals and objectives of the DBJ as well as other wider Government objectives. The current design attempts to achieve increased financial inclusion through mobile money using an alternate strategy which is driven by private sector entities that are best equipped to manage these services and technologies. The DBJ's Financial Education programme will help in raising awareness of the benefits in using these technologies.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Summary of project performance in the last six months

- Following the completion of the second round of systems certification tests involving Transcel Ltd, NCB Limited and Symptai Consulting, the platform components failed several tests resulting in the suspension of further testing until the issues identified were resolved.

- DBJ Compliance Education programme for MFIs in preparation for agent network banking. The programme covers Know-Your-Customer/Anti-Money Laundering standards and procedures that are relevant to financial service operations.

- Strategic review of project completed; Emphasis to be placed on facilitating the development of mobile money services and by extension increased financial inclusion through partnerships, awareness raising and information sharing in light of multiple entrants in the mobile money services industry. DBJ to collaborate with mobile money service providers in the on-boarding of MFIs as merchants to support micro loan repayments and other services.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The inability of Transcel to meet the requirements of the projects meant that the project scope had to be shifted in order to make the project more relevant to the emerging industry

SECTION 3: INDICATORS AND MILESTONES

Indicators		Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
Purpose: 1 The expected result of this project is to increase access to financial services for low-income people through the introduction of a mobile money platform in Jamaica.	R.1	Number of new MFI clients [210800]	0	200		800	0	
	R.2	Number of M3 users (includes MFI clients)	0	1000		2500	0	
	R.3	Number of M3 users regularly conducting transactions with M3 [210400]	0	900		2200	0	
	R.4	Simple percentage increase in number of clients per loan officer in participating MFIs	0	1		5	0	
	R.5	Increased frequency of financial transactions conducted among M3 MFI clients vs non-M3 MFI clients	100	110		120	0	
	R.6	Number of approved MFIs participating on the M3 platform.	4	7		10	0	
			Sep 2014	Mar 2016		Mar 2017		

Component 1: Facilitating Mobile	C1.I1 Design and execution of a Compliance education programme	0				1		Finished
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Wallet/Digital Economy Industry Development Weight: 20% Classification: Satisfactory	for MFIs					Nov 2016		
	C1.12 Design of strategic plan and policy recommendations for mobile money industry growth and development	0				1		
						Mar 2017		
Component 2: Financial Education and Technical Support Weight: 30% Classification: Satisfactory	C2.11 Number of microentrepreneurs that receive financial education training.	0	1000			2500		Delayed
		Sep 2014	Mar 2016			Mar 2017		
	C2.12 Number of MFIs who received technical support	0	6	4		10		Delayed
		Sep 2014	Mar 2016	Dec 2016		Jun 2017		
	C2.13 Number of MSMEs participating in the agency network.	0	15	25		40		
Component 3: Agent Network Development and Scaling of the Pilot Weight: 30% Classification: Satisfactory		Sep 2014	Apr 2017	Oct 2017		Jun 2018		
	C3.11 Retail agent network support system designed and tested	0				1		
		Sep 2014				Dec 2017		
	C3.12 Number of retail agents licensed and trained on M3	0				50		
		Sep 2014				Mar 2017		
Component 4: Knowledge Management and Knowledge Dissemination Weight: 20% Classification: Satisfactory	C4.11 Case study on M3 completed.	0				1		
		Sep 2014				Aug 2018		

Milestones	Planned	Due Date	Achieved	Date of achievement	Status
M1 Conditions Prior	12	Mar 2015	12	Mar 2015	Achieved
M4 Conditions prior: (v) formation of a centralized project management office and establishment of the Project Steering Committee	1	Nov 2016			
M2 Conditions prior: iii) satisfactory completion of user acceptance testing and certification of the integration with the National Commercial Bank and the security protocol for interface with the national payment system	1	Feb 2017			
M6 Conditions prior: (i) hiring a Project Manager.	1	Apr 2017			
M3 [*] Align operational plan for the Agent Networks with the technical assistance to MSMEs through a web portal	1	Jun 2017			
M5 Conditions prior: (vi) designation of one or more representatives of DBJ with legal powers to execute the technical cooperation agreement and any other related documents	1	Aug 2017			

[*] Indicate that the milestone has been reformulated

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

[X] Supplier/contractor performance

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

	Level	Mitigation action	Responsible
1. Sustainability Risk: M3 does not reach critical mass of clients one year after pilot to make the initiative viable. .	Low	Mitigation: A marketing campaign, including an incentive program which rewards MFI and their staff for recruitment, will help ensure that a critical mass of clients is reached. Additionally, financial education training will teach clients about how best to use financial services and the benefits of the M3 platform	Project Coordinator
2. Beneficiary Risk: Slow adoption of M3 technology due to doubts about safety, unfamiliarity and unwillingness to lose the face-to-face interaction of traditional banking.	Low	Mitigation: There will be a robust marketing campaign to show clients M3 and explain how it works. Additionally financial education will help clients understand the advantages of M3.	Project Coordinator
3. Technical Risk: M3 technology, systems and processes could fail to integrate appropriately with those in the MFIs, as many of them use older technology.	Low	Mitigation: Resources have been dedicated for integration of MFI business platforms.	Project Coordinator
PROJECT RISK LEVEL: Low TOTAL NUMBER OF RISKS: 3 IN EFFECT RISKS: 3 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 project was internally reviewed and modified with the intention of retaining some key project deliverables. Key deliverables retained include 1) Compliance education, 2) Financial Education, 3) MFI technical assistance, 4) Mobile Money service availability for MFI clients.

DBJ to partner with mobile money service providers including NCB-QUIK, JCCUL-CONEC, in addition to umbrella organizations including the Small Business Association of Jamaica, Jamaica Micro-Finance Association, Jamaica Business Development Corporation in generating greater awareness for mobile money

services.

SECTION 6: PRACTICAL LESSONS

1. Selection of a technology partner and platform requires the same level of due diligence as the executing partner	Relative to Design	Author Beecher, Wayne <i>[MIF]</i>
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