

PROJECT STATUS REPORT

JANUARY 2014 - JUNE 2014

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Serving rural communities of Surinam through microfranchising

Project Number: SU-M1018 - Operation Number: ATN/ME-13636-SU

Result:

The purpose of the project is to test and validate a microfranchising methodology for engine maintenance in communities of the three interior districts of Suriname.

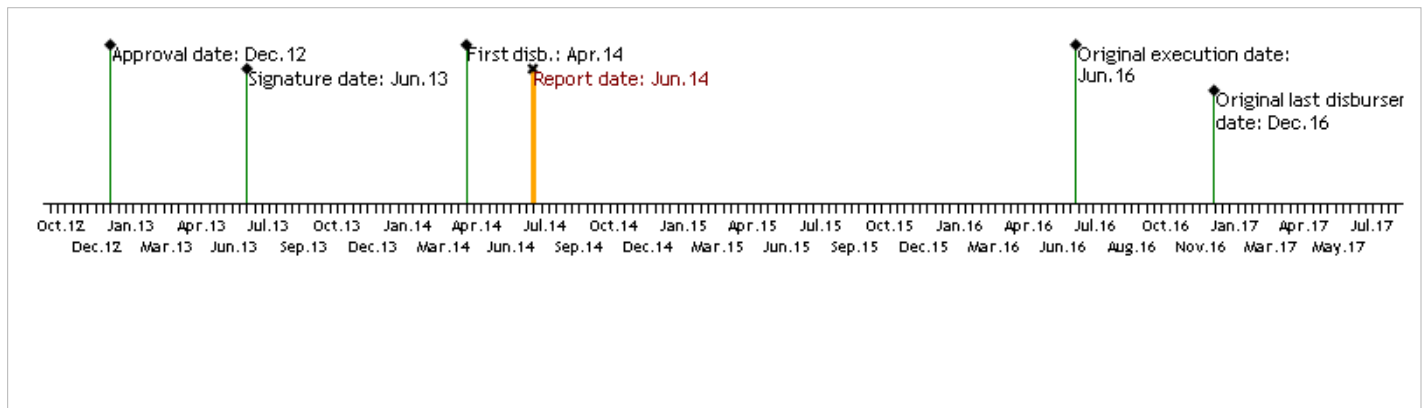
Country Administrator
SURINAME

Beneficiary Country
SURINAME

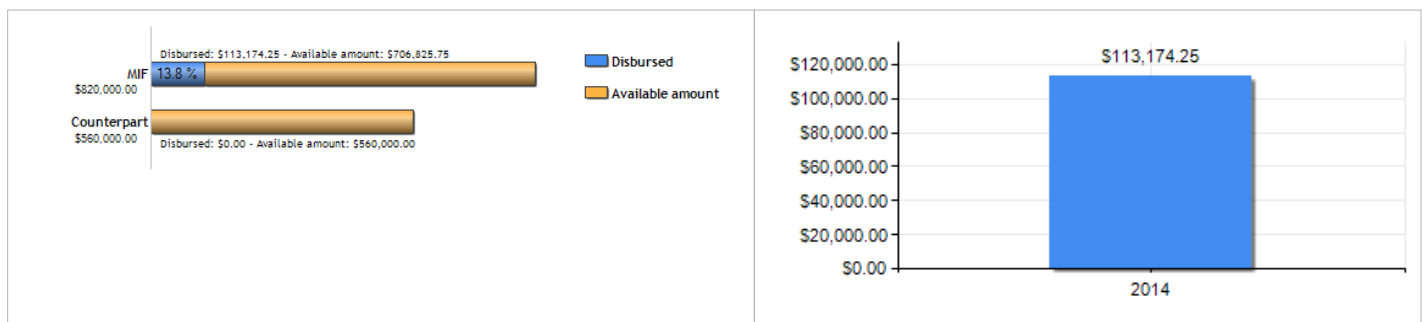
Executing Agency: Fonds Ontwikkeling Binnenland

Design Team Leader: Buenadicha, Cesar M.
Supervision Team Leader: Dookiesingh, Vashatie

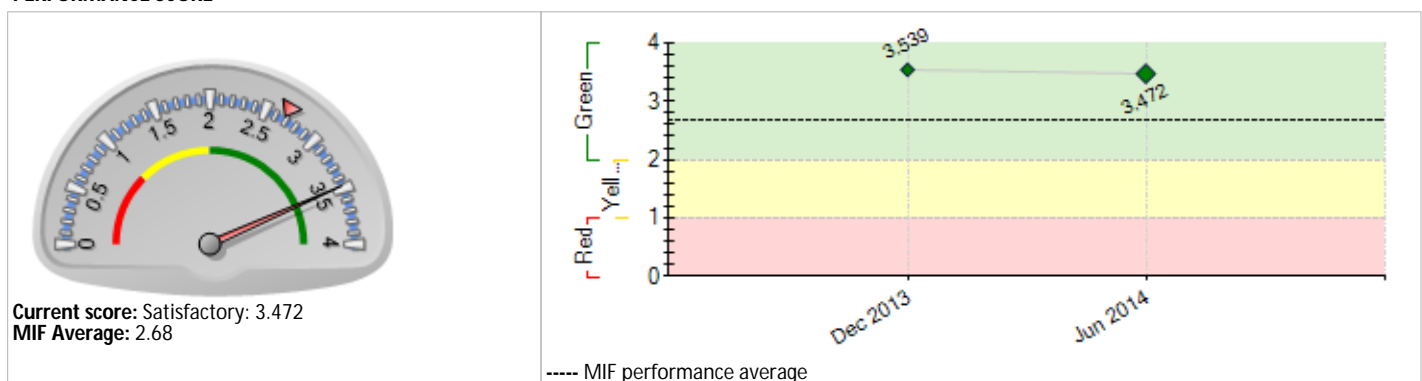
TIMELINE



FUNDS



PERFORMANCE SCORE



EXTERNAL RISKS

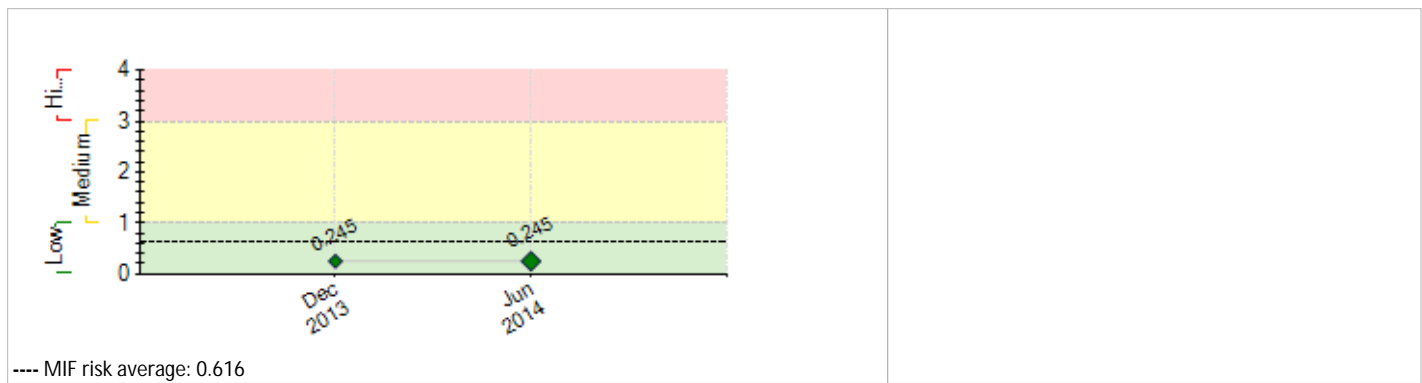
INSTITUTIONAL CAPACITY

Risk

Financial Management: Medium

Procurement: Low

Technical Capacity: Medium



SECTION 2: PERFORMANCE

Summary of project performance since inception

Main achievements of the semester:

1. Project Operations Manual;
2. Selection report for the hiring of the Project Technical and Training coordinator (PTTC);
3. List of 50 potential communities for the establishment of the Authorized Service Workshop (ASW).

In the months April and May 2014 there had been institutional issues between the partners Stichting Fonds Ontwikkeling Binnenland (SFOB) and Datsun Suriname. This impacted the progress of the project. Meetings were arranged between the partners as result that the matters and the way forward were discussed. With this action the matters are resolved now

Comments from the Supervision Team Leader

Partially Agree with the Executing Agency comments

The FOB has experienced significant delays in implementation of the project as a result in a breakdown in relations and communication between FOB and Datsun Suriname the key technical partner in the project. Despite extensive efforts of MIF Design and Supervision teams to help establish dialogue, communication protocols and consensus on the way forward this trend seems to be persisting. The situation will be monitored over the next semester at which point viability of the project will have to be reassessed

Summary of project performance in the last six months

Main achievements of the semester:

1. Project Operations Manual;
2. Selection report for the hiring of the Project Technical and Training coordinator (PTTC);
3. List of 50 potential communities for the establishment of the Authorized Service Workshop (ASW).

The focus for the next six months will be the following:

1. Conduct a comprehensive market analysis
2. Build a specific micro franchise model for Yamaha-Datsun Surinam, including its business plan
3. Develop operational manuals, training curriculum (including financial literacy for the micro franchisees) and promotional/marketing materials that respond to the distinct needs and realities of men and women micro franchisees as well as to the cultural differences and languages of the interior communities
4. Carry out a capacity building program on engine maintenance & repair for Datsun staff. This will be an refresher, since this training was done in 2013.
5. Train 75 mechanics

6. Launch the pilot experience with five ASW and their respective "satellite repair shops"

7. Define a communication strategy and work plan for the ASW.

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
Result: 1 The purpose of the project is to test and validate a microfranchising methodology for engine maintenance in communities of the three interior districts of Suriname.	R.1 150 mechanics (sex-disaggregated) fully operating Authorized Service Workshop microfranchisees.	0				150 Jun 2016	0	
	R.2 Approximately 15,000 people from 30 communities of the interior have access to quality engine maintenance.	0				15000 Jun 2016	0	
	R.3 25% increase in profit of new ASW microfranchises compared with similar workshops in the interior.	0				25 Jun 2016	0	
	R.4 Microfranchisor direct sales and service maintenance of engines in the interior of the country has increased by 50%.	0				50 Jun 2016	0	
	R.5 80% of population in communities with access to ASWs express satisfaction with services.	0				80 Jun 2016	0	

Component 5: Market analysis and ASW microfranchise model building Weight: 9% Classification: Satisfactory	C5.I1	50 potential communities analyzed for the establishment of an ASW	0				50	45	Delayed
	C5.I2	120 candidates (sex-disaggregated) have been selected for the expansion phase.	0				Jun 2014	Apr 2014	
							120		
							Jun 2015		
Component 6: Piloting ASW initiatives and refining the model. Weight: 33% Classification: Satisfactory	C6.I1	5 ASW have been incorporated and are fully operational.	0				5		Delayed
							Jun 2014		
	C6.I2	Refined ASW model is elaborated that adapts, facilitates and simplifies the creation of ASW.	0				1		
							Jun 2015		
	C6.I3	A financing methodology for Datsun Suriname to facilitate working capital for the ASW model has been implemented.	0				1		
							Jun 2015		
Component 7: Expansion of the refined ASW microfranchise model. Weight: 50% Classification: Satisfactory	C6.I4	At least 10 satellites operate expanding the services of the ASW to smaller communities.	0				10		
							Jun 2015		
	C6.I5	50 workshops have access to credit through the implementation of a credit facility.	0				50		
							Jun 2016		
	C7.I1	At least an additional 10 ASW are created (15 in total with the pilot)	5				15		
							Jun 2015		
	C7.I2	20 additional satellites are in operation	10				30		
							Jun 2015		
	C7.I3	50 additional mechanics (sex-disaggregated) are trained.	0				50		
							Jun 2015		
	C7.I4	80 additional mechanics (sex-disaggregated) are trained.	50				130		
							Jun 2016		
	C7.I5	15 additional ASW are created (total of 30)	15				30		
							Jun 2016		
	C7.I6	30 additional satellites are in operation .	20				30		
			Jun 2015				Jun 2016		
	C7.I7	50 ASW and satellite operators assist the convention of ASW in Suriname.	0				50		
							Jun 2016		
	C7.I8	90% of the ASW continue in full operations serving the communities.	0				90		
							Jun 2016		
Component 8: Knowledge creation, dissemination and expansion plan for other countries. Weight: 8% Classification: Satisfactory	C7.I9	At least 30 female mechanics are working at the Authorized Service Workshops.	0				30		
							Jun 2016		
	C8.I1	A communication strategy and work plan is defined.	0				1		Delayed
							Jun 2014		
	C8.I2	At least 50 professionals of the sector attend the Japan and Washington, DC presentation of the initiative.	0				50		
							Jun 2015		
	C8.I3	A study on the potential of ASWs in other country is elaborated in collaboration with Yamaha.	0				1		
							Jun 2015		
	C8.I4	2 case studies have been developed regarding the project and disseminated in relevant media.	0				2		
							Jun 2016		
	C8.I5	At least 5 Yamaha distributors express their interest in implementing the ASW refine model.	0				5		
							Jun 2016		

Milestones		Planned	Due Date	Achieved	Date achieved	Status
M0	Conditions Prior	7	Mar 2014	7	Mar 2014	Achieved
M1	At least 50 potential communities have been evaluated for the implementation of an ASW A pilot business plan for the microfranchise model created	2	Sep 2014	50	Apr 2014	Achieved
M2	SHTTF has developed a strategic framework to promote the sustainability and expansion of its activities.	1	Mar 2015			
M3	5 ASW have been incorporated and are in full operation.	5	Sep 2015			
M4	At least an additional 10 ASW are created (15 in total with the pilot) and 30 additional satellites are in operation	45	Mar 2016			
M5	2 case studies have been developed regarding the project and disseminated in relevant media.	2	Sep 2016			
M6	A total of 30 ASW are created and 90 satellites are in operation	120	Sep 2016			

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

- [X] Executing agency institutional capacity
- [X] Others, which?: Lack of co-ordination with Datsun Suriname the key technical partner

SECTION 4: RISKS

MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE

	Level	Mitigation action	Responsible
1. Deterioration of physical security conditions in the interior during the operation and expansion of the business.	Low	SHDTTF will forge strategic partnerships with institutions with credibility in the interior that will facilitate access to key leaders of the communities to facilitate the project operations. In addition, training materials will be cultural sensitive (pictograms and similar), and the trainers will receive specific formation about the cultural reality of the interior.	Project Guest
2. Challenging cultural norms by promoting women in traditionally male-dominated enterprises could lead to increased incidences of domestic violence	Low	SHDTTF will be trained in gender-responsive programming, and the project will take a systematic approach to researching gender roles and responsibilities in the villages and designing a culturally sensitive model that promotes women's participation as mechanics and managers.	Project Guest
3. Inability to effectively pilot ASW initiative due to challenges of working and coordinating with 30 communities with very	Low	SHDTTF will forge partnerships with institutions with credibility in the interior that will facilitate access to key leaders of the communities to facilitate the project operations. In addition, training materials will be	Project Guest

different cultures and characteristics (Indigenous populations and Maroons).		cultural sensitive (pictograms and similar), and the trainers will receive specific formation about the cultural reality of the interior.	
4. Insufficient interest of public and private sectors and civil society in the potential of microfranchising as a tool for working with low income populations.	Low	Development of a strategic communication plan regarding pilot successes, best practices and lessons learned. Workshops will be conducted at the local, national and international level in order to disseminate results and generate interest in public and private sectors and civil society. An informational and promotional video will be created of an ASW model in practice. Case studies will be developed and disseminated to relevant actors and the public.	Project Guest
5. There are economic and legal conditions do not favor the consolidation and expansion of the model.	Low	Baseline study and analysis of legal and economic conditions will confirm adequacy of existing conditions.	Project Guest
PROJECT RISK LEVEL: Low TOTAL NUMBER OF RISKS: 5 IN EFFECT RISKS: 5 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 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	Financing mechanism to establish the franchisee operations not factored into design. Discussions in progress with local microfinance institutions.

Actions related to sustainability which will be or have been implemented:

None.

SECTION 6: PRACTICAL LESSONS

	Relative to	Author
1. The lack of sustained communication and co-ordination between FOB as the Executing Agency and Datsun Suriname in implementation of technical activities has significantly undermined project progress to date.	Diseño	DOOKIESINGH, VASHTIE [MIF]