

PROJECT STATUS REPORT

JULY 2014 - DECEMBER 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.

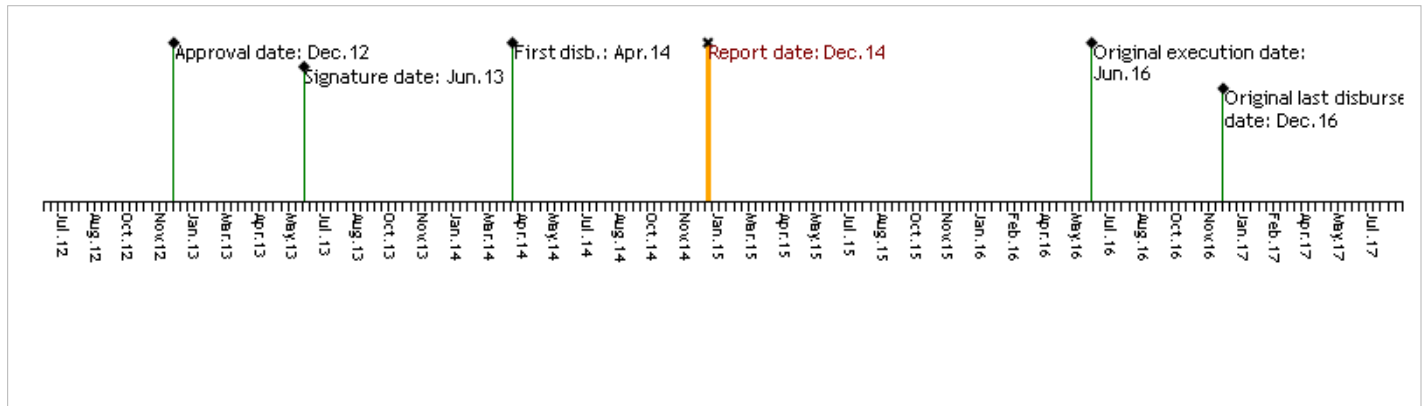
Country Administrator
SURINAME

Beneficiary Country
SURINAME

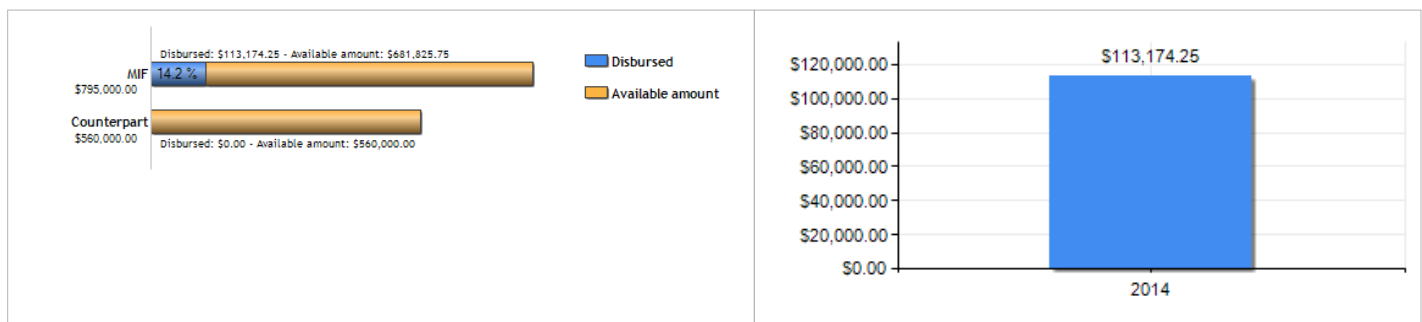
Executing agency: Fonds Ontwikkeling Binnenland

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

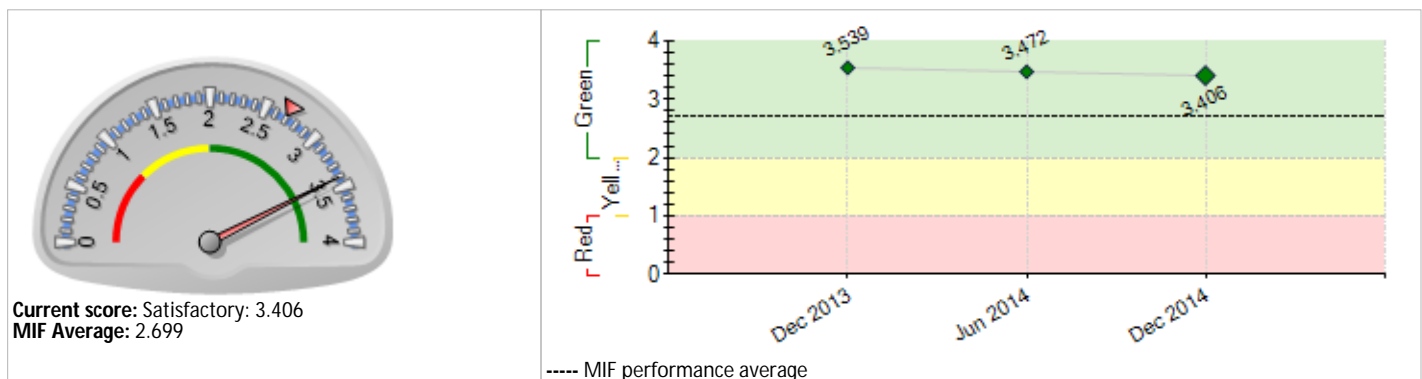
TIMELINE



FUNDS



PERFORMANCE SCORE



EXTERNAL RISKS

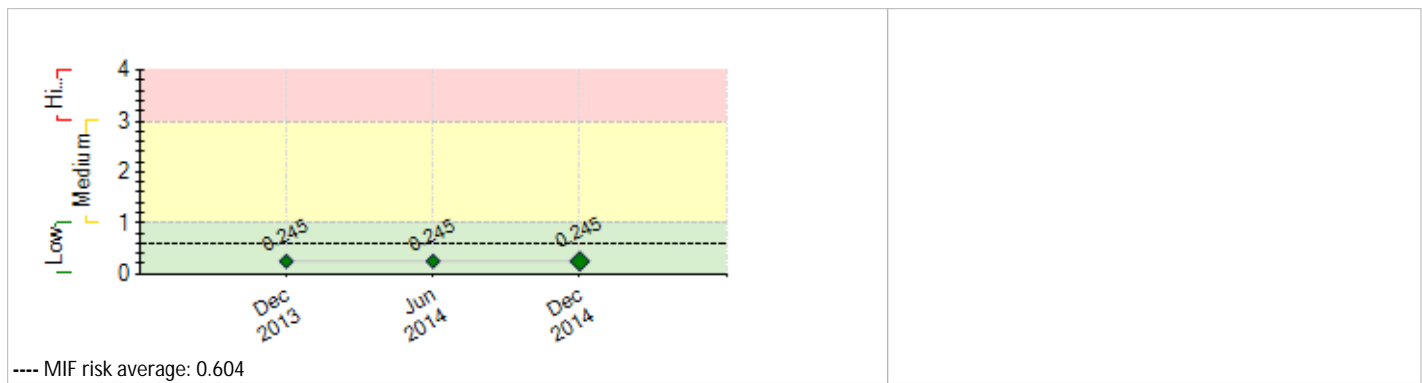
INSTITUTIONAL CAPACITY

Risk

Financial Management: Medium

Procurement: Low

Technical Capacity: Medium



SECTION 2: PERFORMANCE

Summary of project performance since inception

Main result:

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);
4. Milestone 1; At least 19 potential communities have been evaluated for the implementation of an ASW;
5. Milestone 5; 5 ASW pilots have been initiated;
6. Datsun Suriname has started training potential candidates for ASW in the Yamaha course for outboard motors.

The project has experienced significant delays in implementation due to institutional issues between the partners Stichting Fonds Ontwikkeling Binnenland (SFOB) and Datsun Suriname. This resulted in a breakdown in relations and communication between FOB and Datsun Suriname the key technical partner in the project. In November 2014 a mission from the Inter-American Development Bank (IDB) visited Paramaribo, Suriname. The objective of the mission was to review the project documents and where necessary restructure the project for successful implementation. This mission had a positive impact on the project implementation.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Summary of project performance in the last six months

A mission from the Inter-American Development Bank (IDB) visited Paramaribo, Suriname from November 26-28th, 2014. The mission was led by Vashtie Dookiesingh (MIF/CTT). The mission held meetings with the partners of this project namely, Stichting Fonds Ontwikkeling Binnenland (SFOB), Datsun Suriname NV (DS) and Suriname Hinterland Technical Training & Development Foundation (SHTTDF). The mission had 3 work sessions with SFOB, DS and SHTTDF where the project was discussed in detail and specific agreements were reached by the end of each meeting. The work sessions allowed the partners to reach agreement on the restructuring of the project activities, performance indicators and budget to capture investments and activities completed to date by the DS team, as well as clarifying the respective roles of SFOB, DS, SHTTDF and the Bank in administrative, technical and fiduciary management along with project governance. The restructuring of the project helped to build consensus on the way forward.

Contracts of the Project Administrative Coordinator as well as the Project Technical Training Coordinator are approved and signed.

Next steps:

1. Refine and adapt the ASW model in order to facilitate and simplify the creation of ASW in Suriname
2. Set up a financing methodology and system for Datsun Suriname to facilitate working capital for the ASW model
3. Strengthen the 5 pilot ASW
4. Have at least 10 satellites operational to expand the services of the ASW to smaller communities.

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 <i>purpose</i> of the project is to test and validate a microfranchising methodology for engine	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	0	

maintenance in communities of the three interior districts of Suriname.	R.4	Microfranchisor direct sales and service maintenance of engines in the interior of the country has increased by 50%.	0				Jun 2016		
							50	0	
	R.5	80% of population in communities with access to ASWs express satisfaction with services.	0				Jun 2016		
							80	0	

Component 5: Market analysis and ASW microfranchise model building Weight: 9% Classification: Satisfactory	C5.11	120 candidates (sex-disaggregated) have been selected for the expansion phase.	0				120	16	On Course
							Apr 2016	Oct 2014	
	C5.12	19 Communities have been evaluated for suitability as ASW locations	0				19	19	Finished
							Dec 2014	Oct 2014	

Component 6: Piloting ASW initiatives and refining the model. Weight: 33% Classification: Satisfactory	C6.11	5 ASW have been piloted	0				5	5	On Course
	C6.12	Refined ASW model is elaborated that adapts, facilitates and simplifies the creation of ASW.	0				Jan 2015	Dec 2014	
							1		
	C6.13	A financing methodology for Datsun Suriname to facilitate working capital for the ASW model has been implemented.	0				Jun 2015		
							1		
	C6.14	At least 10 satellites operate expanding the services of the ASW to smaller communities.	0				Jun 2015	10	

Component 7: Expansion of the refined ASW microfranchise model. Weight: 50% Classification: Satisfactory	C7.11	At least an additional 10 ASW are created (15 in total with the pilot)	5				15		
	C7.12	20 additional satellites are in operation	10				Mar 2016		
							30		
	C7.13	50 additional mechanics (sex-disaggregated) are trained.	0				Jun 2016		
							50		
	C7.14	80 additional mechanics (sex-disaggregated) are trained.	50				Jun 2016	130	
							30		
	C7.15	15 additional ASW are created (total of 30)	15				Jun 2016		
							30		
	C7.16	30 additional satellites are in operation .	20				Jun 2016	30	
							Jun 2015		
	C7.17	50 ASW and satellite operators assist the convention of ASW in Suriname.	0				Jun 2016	50	

Component 8: Knowledge creation, dissemination and expansion plan for other countries. Weight: 8% Classification: Satisfactory	C8.11	A communication strategy and work plan is defined.	0				1		
	C8.12	At least 50 professionals of the sector attend the Japan and Washington, DC presentation of the initiative.	0				Jun 2015	50	
							Jun 2015	1	
	C8.13	A study on the potential of ASWs in other country is elaborated in collaboration with Yamaha.	0				Jul 2016	2	
							Jun 2016	5	
	C8.15	At least 5 Yamaha distributors express their interest in implementing the ASW refine model.	0				Jun 2016		

Milestones	Planned	Due Date	Achieved	Date achieved	Status
M0	Conditions Prior	1	Dec 2013	7	Achieved late
M1	[*] At least 19 potential communities have been evaluated for the implementation of an ASW	19	Dec 2014	19	Achieved
M5	[*] 5 ASW pilots have been initiated	5	Jan 2015		
M3	[*] SHTTDF has developed a strategic framework to promote the sustainability and expansion of its activities.	1	Dec 2015		
M4	[*] Business plan for roll out of ASW model adapted to conditions in Suriname completed together with guidance materials for franchisees	1	Dec 2015		
M6	At least an additional 10 ASW are created (15 in total with the pilot) and 30 additional satellites are in operation	45	Mar 2016		
M7	2 case studies have been developed regarding the project and disseminated in relevant media.	2	Sep 2016		
M8	A total of 30 ASW are created and 90 satellites are in operation	120	Sep 2016		

[*] Indicate that the milestone has been reformulated

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

[X] Executing agency institutional capacity
[X] Others, which?: Breakdown in communication between Executing Agency and Datsun Suriname as financial and 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	Low	SHDTTF will be trained in gender-responsive programming, and the project will take a systematic approach to researching gender roles	Project Guest

enterprises could lead to increased incidences of domestic violence		and responsibilities in the villages and designing a culturally sensitive model that promotes women's participation as mechanics and managers.	
3. Inability to effectively pilot ASW initiative due to challenges of working and coordinating with 30 communities with very different cultures and characteristics (Indigenous populations and Maroons).	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 cultural sensitive (pictograms and similar), and the trainers will receive specific formation about the cultural reality of the interior.	Project Guest
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

[None reported in this period]

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

None

SECTION 6: PRACTICAL LESSONS

	Relative to Implementation	Author
1. Good cooperation between the partners and recognition each others roles and responsibilities is an important aspect for the progress of project execution.		Babb, Gillian