

PROJECT STATUS REPORT

JANUARY 2012 - JUNE 2012

SECTION 1: PROJECT SUMMARY

PROJECT NAME: REGIONAL PROGRAM ON GREEN MICROFINANCE THE "ECOMICRO" PROGRAM

Project Number: RG-M1205 - Operation Number: ATN/ME-12961-RG

Purpose: The purpose of the Program is to train MFIs (Financial institutions include organizations providing financial services for the poor, regulated and unregulated, including commercial banks willing to downscale as well as savings banks, cooperatives, NGOs, or credit unions) to provide new green finance instruments in order to capitalize on new opportunities in clean energy financing, adjusting their risk management models to climate change risk, and incorporating climate impact into their internal policies and operations.

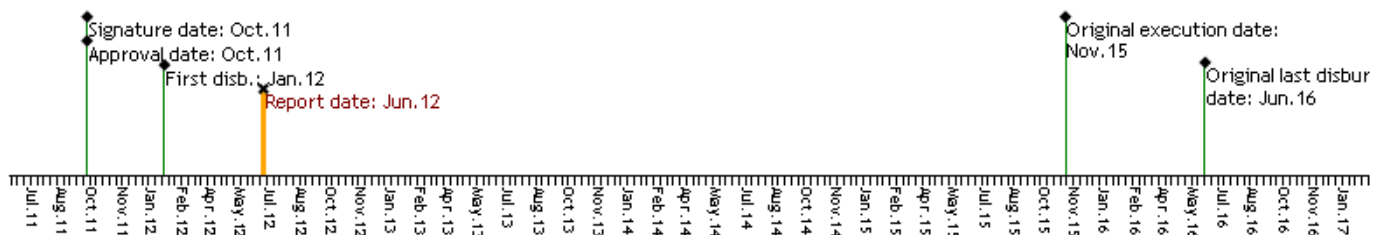
Country Administrator
UNITED STATES

Beneficiary Country
UNITED STATES

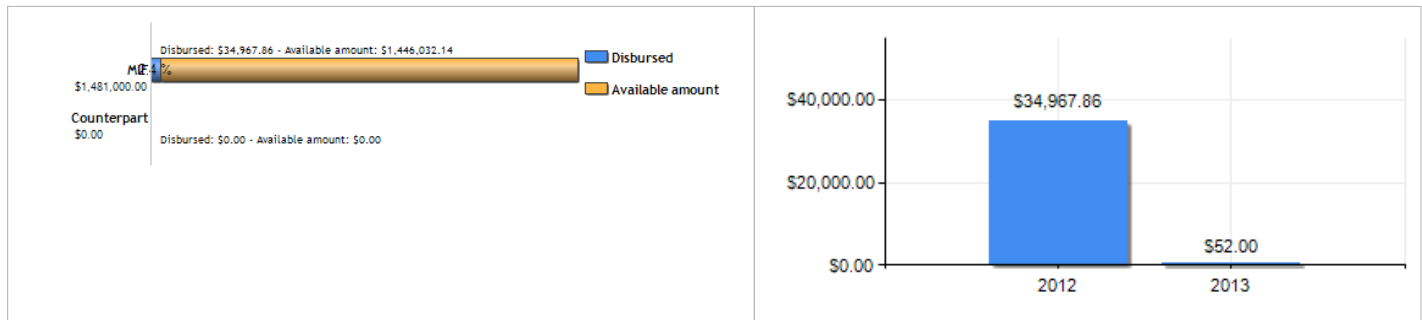
Executing Agency: INTER-AMERICAN DEVELOPMENT BANK

Design Team Leader: Watson, Gregory
Supervision Team Leader: Watson, Gregory

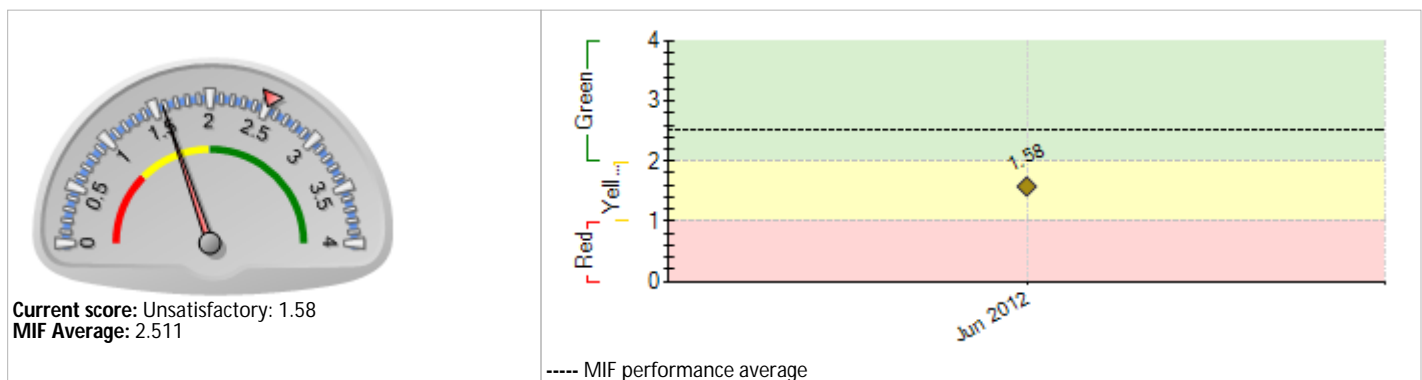
TIMELINE



FUNDS



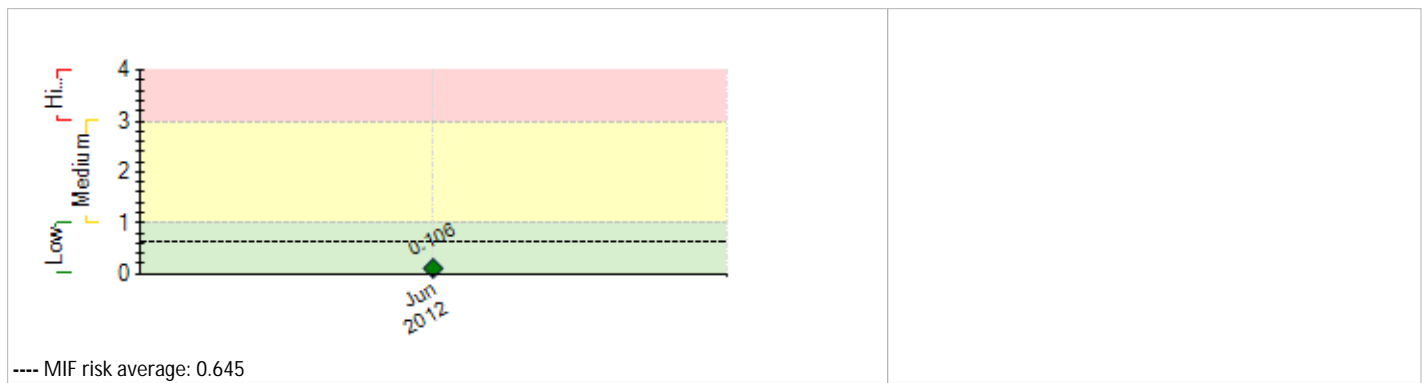
PERFORMANCE SCORE



EXTERNAL RISKS

INSTITUTIONAL CAPACITY

Risk
Financial Management: Low
Procurement: Low
Technical Capacity: Low



SECTION 2: PERFORMANCE

Summary of project performance in the last six months

- 1 Main Achievements: Selection Committee appointed to evaluate and select eligible consulting firms and MFIs for project execution. The Selection Committee, pre qualified 8 consulting firms following a competitive call. The Program launched a regional call for proposals to participate in the EcoMicro Program which closed in April 2012 with 54 applications from 15 different countries in the region. The Selection Committee (which involved MIF and IDB personnel) selected 4 MFIs. On the promotion side, the Program hired a designer as a consultant to develop marketing materials and the institutional image of EcoMicro. Results at the end of the semester included design of the EcoMicro institutional image, two flyers, logo and design of the webpage look and feel. The Program also hired web programmers to implement the website of EcoMicro.
- 2 Delays: Disseminations plan only for year 1. The rest was delayed in order to be able of launching call for proposals in time. The baseline study for Components 2 and 3 will be developed during project implementation.

Actions to be undertaken : Promotion of the EcoMicro Program will happen at the FOROMIC (Awards Ceremony to recognize the 4 winners). The Program Coordinator communications' interventions will also include participation in the other forums such as Green Finance Forum in Germany and KNL forito. The web page should be up and running. At least 3 out of the 4 projects should have been designed and approved by the MIF manager.

3 Comments from the Supervision Team Leader

Agree with the Executing Agency comments
2 projects approved by manager, third is about to be submitted to QRR. There is a slight delay, but nothing substantial.

SECTION 3: INDICATORS AND MILESTONES

Indicators		Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status	
Purpose: The purpose of the Program is to train MFIs (Financial institutions include organizations providing financial services for the poor, regulated and unregulated, including commercial banks willing to downscale as well as savings banks, cooperatives, NGOs, or credit unions) to provide new green finance instruments in order to capitalize on new opportunities in clean energy financing, adjusting their risk management models to climate change risk, and incorporating climate impact into their internal policies and operations.	P.I1	At least 13 sustainable green financial products offered (1 per MFI).	0			13 Oct 2015	0		
	P.I2	2% of MFI portfolio represented by green lending.	0			99 Oct 2015	0		
	P.I3	\$3.25 million in financing mobilized for development and consumption energy efficiency and clean energy products and services.	0			3250000 Oct 2015	0		
	P.I4	At least 13 partnerships defined between MFIs and local tech providers, suppliers, etc.	0			13 Oct 2015	0		
	P.I5	At least 13 risk management models incorporate climate change risk	0			13 Oct 2015	0		
	P.I6	At least 13 loan disbursement methodologies that contemplate climate risk (1 per MFI).	0			13 Oct 2015	0		
	P.I7	At least 13 new supervision and loan management methodologies that include indicators for climate risk.	0			13 Oct 2015	0		
	P.I8	At least 13 new environmental internal policies.	0			13 Oct 2015	0		
Component 1: Promotion, program preparation and awareness raising Weight: 2% Classification: High Satisfactory	C1.I1	Select Program Coordinator				Nov 2011	Yes Jan 2012	Finished	
	C1.I2	Consulting firms selected and MIF Selection Committee appointed				Jan 2012	Yes Feb 2012	Finished	
	C1.I3	Dissemination plan				Feb 2012		Delayed	
	C1.I4	Launch call for MFI Proposals				Feb 2012	No Mar 2012	Finished	
Component 2: Implementation of	C2.I1	Selection of 13 MFIs	0	4	8	13	13	4	Finished

Individual Projects			May 2012	Nov 2012	Nov 2013	Oct 2015	Jun 2012	
Weight: 82%	C2.12	At least 13 completed in-depth consultations	0	4	8	13	13	On Course
Classification: Satisfactory	C2.13	Design of at least 13 sustainable green financial products.	0	Nov 2013	May 2014	May 2015	Oct 2015	
	C2.14	Financing mobilize in USD for consumption EE&CE products and adaptation products and services	0				Oct 2015	
	C2.15	Portfolio vulnerability assessment and risk mitigation recommendations.					3250000	
	C2.16	New methodologies for loan disbursement and monitoring					Oct 2015	
	C2.17	13 new environmental internal policies developed and implemented internally.	0	4	8	13	13	
	C2.18	MFI Internal energy savings in USD (Cost savings in energy efficiency may be calculated as a function of KWHs saved or reduced)	99	Nov 2013	May 2014	May 2015	Oct 2015	

Component 3: Knowledge Capturing and dissemination of resources	C3.11	1 how-to guide.	0				1	
Weight: 16%	C3.12	13 Case Studies	0	4	8	13	Oct 2015	
Classification: Satisfactory	C3.13	Dissemination at 6 platforms.	0	Jun 2014	Jan 2015	Aug 2015	Oct 2015	
	C3.14	Research studies	0				6	
	C3.15	Three annual knowledge sharing meetings.	0	1	2	3	Nov 2015	Delayed
	C3.16	Two International knowledge sharing events	0	1	Oct 2012	Oct 2013	Oct 2014	Delayed

Milestones	Planned	Due Date	Achieved	Date achieved	Status
M1 Conditions Prior	1	Apr 2012	0	Apr 2012	Not Achieved

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. Conflict of interest between the consulting firms and the MFIs they advise	Low	Mitigation action: competitive selection process to select consulting firms so that there is no conflict of interest. During implementation, if conflict of interest arises, according to the TORs of the Program Coordinator can re-open the screening process of consulting firms at any given time to replace a consulting firm that proves unable to deliver the quality of services required for the successful execution of a project. The inability of the consulting firm will be determined by the MFI, in coordination with the Consultant. The MFI will be required to provide written proof of the consulting firm's deficiencies and make a request for the consulting firm to be replaced.	Project Guest
2. Knowledge is only shared between the MFIs and consulting firms, and not collected holistically for the project	Low	Mitigation action: a fourth component has been added to the Projects to ensure knowledge capturing and dissemination. It will be required that the EA submits a full report and compilation of all documents during project implementation which includes a case study and major deliverables of the project	Project Guest
3. Lessons learned are not applicable in other geographical regions	Low	Mitigation action	Project Guest
4. Lessons learned are not applicable to different institutions	Low	Mitigation action	Project Guest
PROJECT RISK LEVEL: Low TOTAL NUMBER OF RISKS: 4 IN EFFECT RISKS: 4 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:

The EcoMicro Program focuses on developing market driven business cases for green finance, so that products can be sustainable after the project terminates. In order to maximize the odds of finding these sustainable financing models, the selection of MFIs already requires (i) proof of demand for green technologies or adaptation to climate change within MFI clients as well as (ii) evidence of the institutional commitment of the MFI to develop green finance. During project execution, most of the technical assistance will be focused on building market driven green finance based on local demand of each of the MFI clients. Projects deliverables will include case studies that are aimed at demonstrating the sustainability of green finance or else, the lessons learned and main obstacles to its development

SECTION 6: PRACTICAL LESSONS

[No lessons learned added yet.]