

PROJECT STATUS REPORT

JANUARY 2013 - JUNE 2013

SECTION 1: PROJECT SUMMARY

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

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

Result: 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.

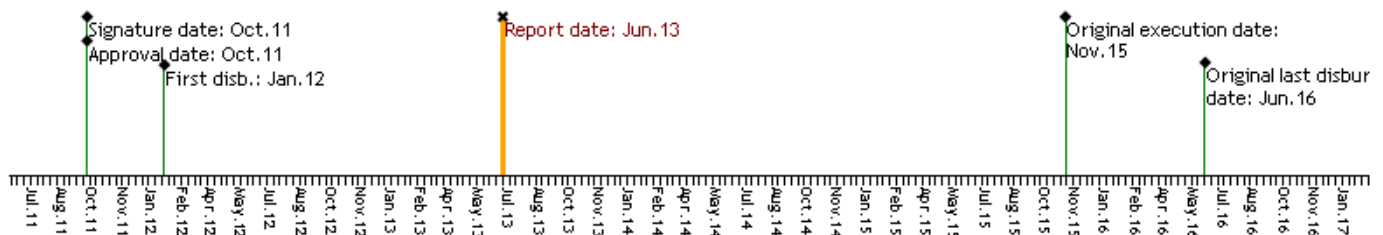
Country Administrator
UNITED STATES

Beneficiary Country
UNITED STATES

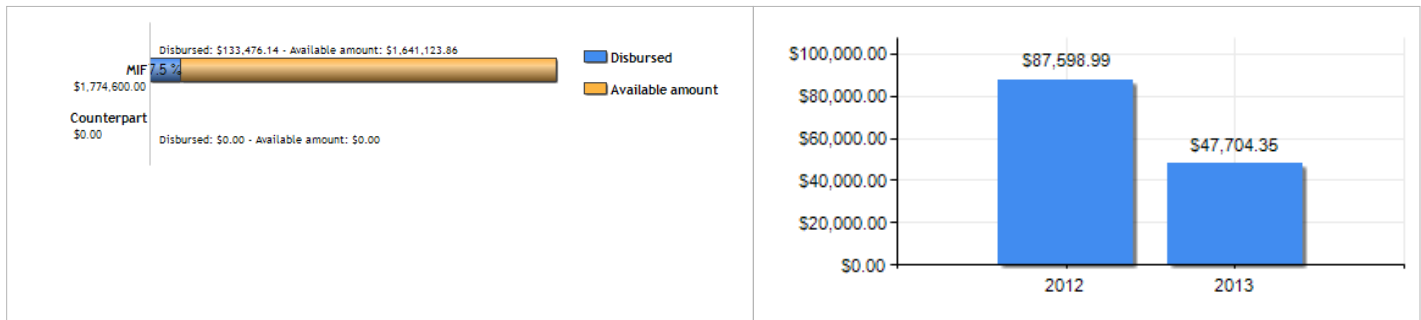
Executing Agency: INTER-AMERICAN DEVELOPMENT BANK

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

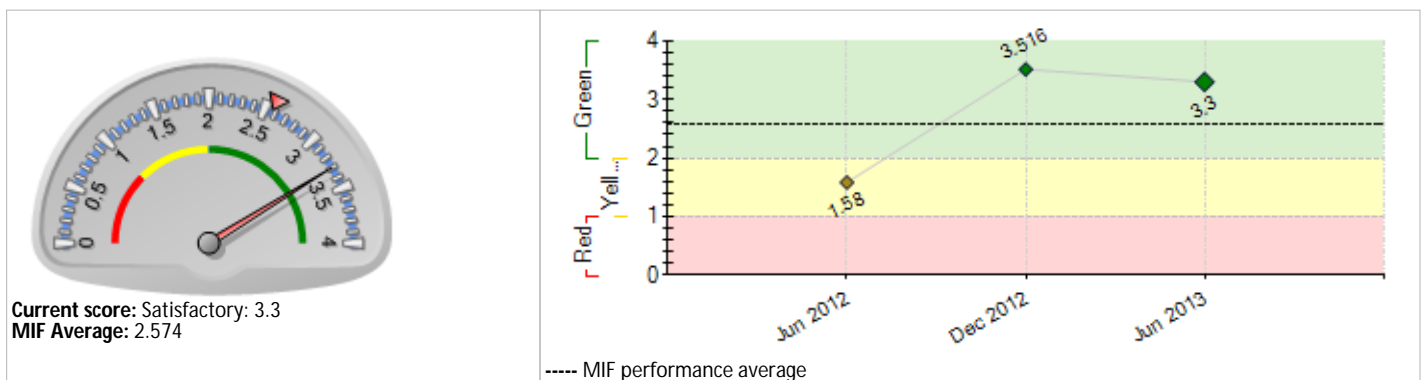
TIMELINE



FUNDS



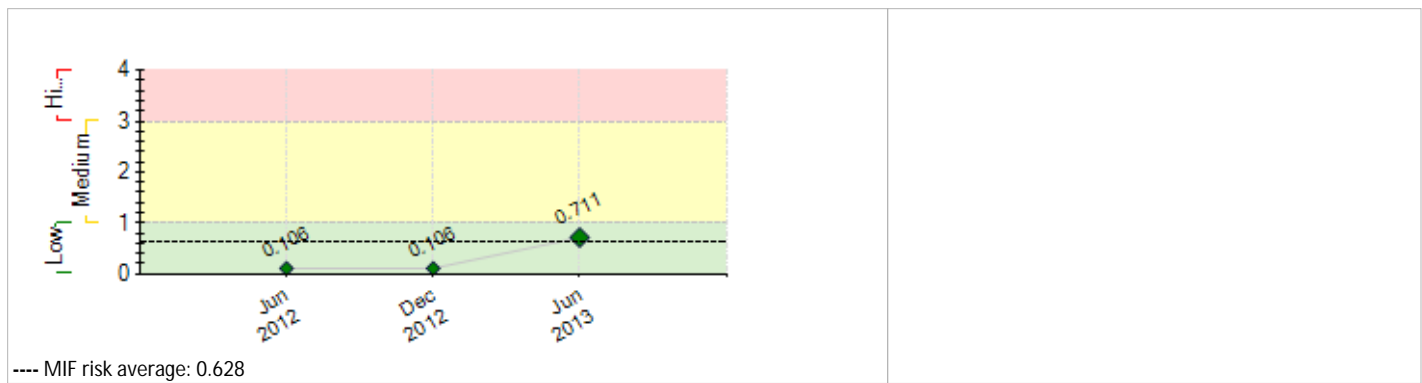
PERFORMANCE SCORE



EXTERNAL RISKS

INSTITUTIONAL CAPACITY

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



SECTION 2: PERFORMANCE

Summary of project performance since inception

By the end of 1H2013, the Program approved three projects out of the four first round EcoMicro projects. Approved projects are: Te Creemos Mexico, ME-M1082 (approved in 2H2012); Caja Arequipa Peru PE-M1092 (approved in 1H2013) and FDLNicaragua NI-X1008 (approved 1H2013). The 4th project corresponding to Bolivia BO-X1011 was cancelled at the request of the MFI Banco Los Andes ProCredit and replaced by Diaconia in Bolivia.

During this first semester, the MIF also pre-qualified consulting firms for the second call for proposals of EcoMicro. According to Procurement rules, the Program must go through the exercise of evaluating consulting firms on a yearly basis in order to ensure free/equal access to participate in all rounds. The MIF received 24 request from proposals from the consulting firms compared with the 15 proposals received the previous year.

The EcoMicro web page was launched in May 20th 2013. The web has several functions: (i) serve as information platform for the program, (ii) promote the program and projects, and (iii) instrument to receive applications on line from MFIs in the second and third rounds of the Program.

The Program opened its second MFI selection round in May 2013. Continued technical problems with the application on line functions of the web page (where MFIs submitted their applications) caused delays in receiving applications. The closing date for the second round was delayed until mid-July.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Summary of project performance in the last six months

During this semester, the program faced two major challenges: (i) the cancellation of one of the EcoMicro projects, and (ii) technical problems with the website that impeded to receive application on line from the MFIs on a timely manner

For the first challenge, reasons for cancellation included differences on the scope of the project: the goal of EcoMicro is to measure results at the beneficiary level while the MFI (Banco Los Andes ProCredit) wanted to measure results at the institutional level only. The request for cancelation was sent in an email by Heidi Sumser on February 7th 2013.

The risk of withdrawal had nevertheless a minor impact on overall program implementation given that the regional call for proposals provides a longer list of candidates/projects that can serve as substitutes for "fallen" projects. The most important negative effect was a delay to design and approve the "next" best project in Bolivia out of the ranking of the first round.

The second challenge has proven to be more difficult to solve and may have discouraged some MFIs to apply to the program. The technical problems experienced with the web page included: (i) lost applications, (ii) information in applications partially saved; (iii) reputation risk for the MIF by asking MFIs to complete the application on line several times.

We are currently working with the website programmers and the MIF IT team to improve the web page functionality for the second and third rounds.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

SECTION 3: INDICATORS AND MILESTONES

1 2 3

Result: 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.11	At least 13 sustainable green financial products offered (1 per MFI).	0				13	0	
	P.12	2% of MFI portfolio represented by green lending.	0				Oct 2015	99	0
	P.13	\$3.25 million in financing mobilized for development and consumption energy efficiency and clean energy products and services.	0				Oct 2015	3250000	0
	P.14	At least 13 partnerships defined between MFIs and local tech providers, suppliers, etc.	0				Oct 2015	13	0
	P.15	At least 13 risk management models incorporate climate change risk.	0				Oct 2015	13	0
	P.16	At least 13 loan disbursement methodologies that contemplate climate risk (1 per MFI).	0				Oct 2015	13	0
	P.17	At least 13 new supervision and loan management methodologies that include indicators for climate risk.	0				Oct 2015	13	0
	P.18	At least 13 new environmental internal policies.	0				Oct 2015	13	0

Component 1: Promotion, program preparation and awareness raising Weight: 2% Classification: High Satisfactory	C1.11	Select Program Coordinator					Nov 2011	Yes	
	C1.12	Consulting firms selected and MIF Selection Committee appointed					Jan 2012	Yes	
	C1.13	Dissemination plan					Feb 2012	No	Delayed
	C1.14	Launch call for MFI Proposals					Feb 2012	No	Delayed

Component 2: Implementation of Individual Projects Weight: 82% Classification: Satisfactory	C2.11	Selection of 13 MFIs	0	4	8	13	13	4	
	C2.12	At least 13 completed in-depth consultancies	0	May 2012	Nov 2012	Nov 2013	Oct 2015	Jun 2012	
	C2.13	Design of at least 13 sustainable green financial products.	0	Nov 2013	May 2014	May 2015	Oct 2015	Dec 2012	
	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.					Oct 2015		
	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	99	

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

Milestones	Planned	Due Date	Achieved	Date achieved	Status
M1 Conditions Prior	1	Apr 2012	1	Apr 2012	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. The web page where we receive applications from MFIs does not work	Medium	Work with MIF IT to solve the problems. If the web does not work we can always use word questionnaires and an evaluation matrix in excel to make the process manually.	Coordinador del proyecto
2. Web page is disfunctional	Medium	Work with MIF IT to solve the problems. If the web does not work we can always use word questionnaires and an evaluation matrix in excel to make the process manually.	Coordinador del proyecto
3. 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	Invitado Proyecto

4. Knowledge is only shared between the MFIs and consulting firms, and not collected holistically for the project	Low	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. 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	Invitado Proyecto
5. Lessons learned are not applicable to different institutions	Low	Mitigation action	Invitado Proyecto
PROJECT RISK LEVEL: Low TOTAL NUMBER OF RISKS: 6 IN EFFECT RISKS: 6 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:

Not applicable for a facility project.

SECTION 6: PRACTICAL LESSONS

1. At program level, if the regional competitive process relies on an on-line platform for compiling applications, the whole site needs to be tested (considering different scenarios) in advance. Project implementation schedule should include a test period before real time launch.	Relative to Implementation	Author Benchimol, Avril
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