

PROJECT STATUS REPORT

JANUARY 2014 - JUNE 2014

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.

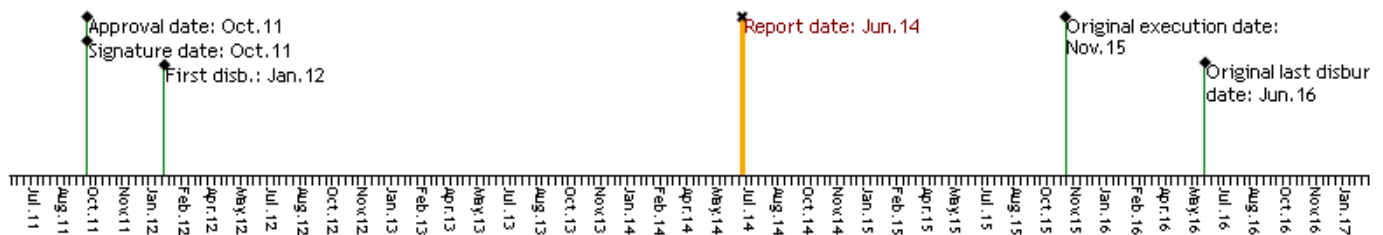
Country Administrator
UNITED STATES

Beneficiary Country
UNITED STATES

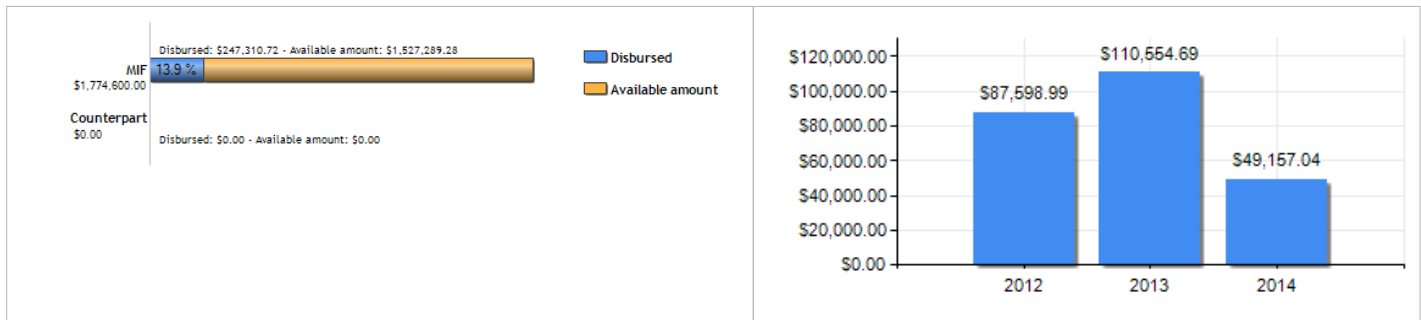
Executing Agency: INTER-AMERICAN DEVELOPMENT BANK

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

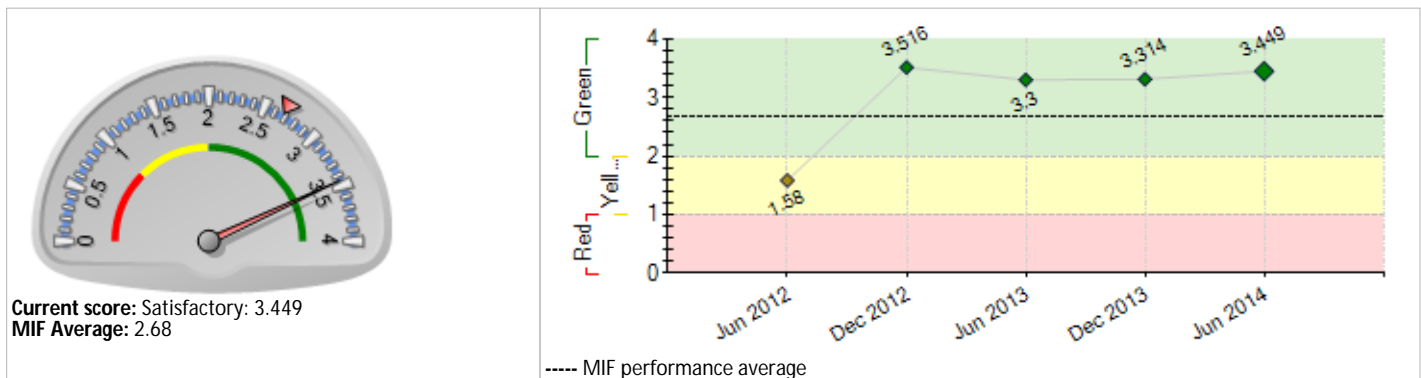
TIMELINE



FUNDS



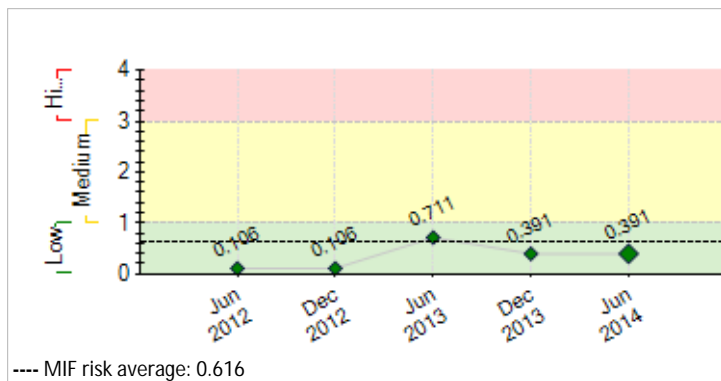
PERFORMANCE SCORE



EXTERNAL RISKS

INSTITUTIONAL CAPACITY

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



SECTION 2: PERFORMANCE

Summary of project performance since inception

EcoMicro activities are being executed according to plan. There has been no major delay in any of the different projects being implemented. From an EcoMicro facility point of view there is nothing significant to report other than the fact that a new coordinator is expected to be hired in August 2014. Further details can be found in section below.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

New Coordinator was hired in late August, and has rapidly come up to speed on project. She is moving the project forward rapidly.

Summary of project performance in the last six months

The project with Diaconia in Bolivia, replacing the one that was cancelled in February 2013 was successfully approved.

Te Creemos (Mexico) last disbursement expected date has been postponed to March 2015 (original date of August 2014) at the formal request of Te Creemos. Component 3, the case study, has been delayed so complete information on energy savings of beneficiaries is obtained. Neither COF nor the team at headquarters has an objection on this deferral. The project has already shown excellent results.

Selection of consulting firms for the third and last round was completed. 13 firms responded and 8 were selected (4 are already working with EcoMicro). The third and last call for proposals for regional MFIs is being prepared (flyers, website, and social media) and will be launched in July 2014.

EcoMicro was endorsed a concessional loan of US\$ 1mm from CIF's PPCR for the project in Bolivia. EcoMicro's proposal was selected out of a total of 8. The feedback received from the expert group highlighted that "if this project was to succeed, it would become an important example to other PPCR countries still struggling to develop one".

EcoMicro applied to the Momentum for Change award organized by UN FCCC. The winner of this award will be announced in November 2014.

Terms of Reference for the new EcoMicro coordinator have been prepared. Greg Watson supported by Alma Garcia will ensure the continuity of activities of EcoMicro during the interim phase (Jul-Aug)

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

EcoMicro won the Momentum for Change award in September.

SECTION 3: INDICATORS AND MILESTONES

Indicators		Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
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	R.1	At least 13 sustainable green financial products offered (1 per MFI).	0			13	2	
	R.2	2% of MFI portfolio represented by green lending.	0			Oct 2015	Jun 2014	
	R.3	\$3.25 million in financing mobilized for development and consumption energy efficiency and clean energy products and services.	0			3250000	1000000	
	R.4	At least 13 partnerships defined between MFIs and local tech providers, suppliers, etc.	0			13	3	
	R.5	At least 13 risk management models incorporate climate change risk	0			13	1	
	R.6	At least 13 loan disbursement methodologies that contemplate climate risk (1 per MFI).	0			13	1	

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.	R.7	At least 13 new supervision and loan management methodologies that include indicators for climate risk.	0				Oct 2015	Jun 2014	
							13	1	
	R.8	At least 13 new environmental internal policies.	0				Oct 2015	Jun 2014	
							13	2	

Component 1: Promotion, program preparation and awareness raising Weight: 2% Classification: High Satisfactory	C1.11	Select Program Coordinator						Yes	Finished
							Nov 2011	Jan 2012	
	C1.12	Consulting firms selected and MIF Selection Committee appointed						Yes	Finished
							Jan 2012	Apr 2013	
	C1.13	Dissemination plan						No	Delayed
							Feb 2012	Jun 2014	
	C1.14	Launch call for MFI Proposals						No	Delayed
							Feb 2012	Jun 2014	

Component 2: Implementation of Individual Projects Weight: 82% Classification: Satisfactory	C2.11	Selection of 13 MFIs	0	4	8	13	13	8	Finished
				May 2012	Nov 2012	Nov 2013	Oct 2015	Sep 2013	
	C2.12	At least 13 completed in-depth consultations	0	4	8	13	13	8	Finished
				Nov 2013	May 2014	May 2015	Oct 2015	Nov 2013	
	C2.13	Design of at least 13 sustainable green financial products.	0				13	3	On Course
							Oct 2015	Jun 2014	
	C2.14	Financing mobilize in USD for consumption EE&CE products and adaptation products and services	0				3250000	1000000	On Course
							Oct 2015	Mar 2014	
	C2.15	Portfolio vulnerability assessment and risk mitigation recommendations.						No	On Course
							Oct 2015	Jun 2014	
	C2.16	New methodologies for loan disbursement and monitoring						No	On Course
							Oct 2015	Jun 2014	
	C2.17	13 new environmental internal policies developed and implemented internally.	0	4	8	13	13	2	Delayed
				Nov 2013	May 2014	May 2015	Oct 2015	Jun 2014	
	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				99		
							Oct 2015		

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

Milestones	Planned	Due Date	Achieved	Date achieved	Status
M1 Conditions Prior	1	Apr 2012	1	Apr 2012	Achieved

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

[X] Executing agency institutional capacity
[X] Others, which?: Change in coordinator.

SECTION 4: RISKS

MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE

	Level	Mitigation action	Responsible
1. Web page is dysfunctional	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.	Project Coordinator
2. 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
3. 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. Additionally, a webinar will be organized (1Q 2015) with all participant MFIs so information is shared among MFIs and EcoMicro team at headquarters	Project Guest
4. Lessons learned are not applicable to different institutions	Low	Mitigation action	Project Guest

5. Lessons learned are not applicable in other geographical regions Low Mitigation action Project Guest

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:

Individual projects under the facility are expected to be sustainable but the facility itself is not designed for sustainability. Therefore, there is no need for action related to sustainability in any of the reporting periods.

SECTION 6: PRACTICAL LESSONS

1. If a program or project is designed to have a regional competitive process, the platform/ operational process is crucial for successful and timely implementation of the overall program/project. In the EcoMicro case, website technical problems delayed the selection process for almost a full quarter the second round selection process. We also lost candidates in the process because they repeatedly submitted applications that were not registered and ended up not submitting at all. Finally, these technical problems became a reputational risk for FOMIN, as MFIs (who may be client/partners of the MIF in other projects/initiatives) may be damaged or upset with these problems.	Relative to Implementation	Author Loza, Arantza
2. In the design of adaptation projects, the execution period and design of activities should be linked to the agricultural cycle. Longer execution periods (minimum of 2 years) are necessary to ensure sufficient time for activities to be conducted prior to starting point of agricultural cycle and to compile results of a full agricultural cycle for results (and eventually impact) measurement. The program structure (4 years) allowed this lengthening to happen for projects selected in the 1st and 2nd rounds. Third round projects might be happen too late in the process (year 3 out of 4) to be able to accommodate a longer execution period. In future adaptation projects that involve agricultural activities, longer periods of time need to be considered.	Design	Loza, Arantza
3. 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	Implementation	Loza, Arantza