

PROJECT STATUS REPORT

JULY 2015 - DECEMBER 2015

SECTION 1: PROJECT SUMMARY

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

Project Number: RG-M1205 - Project Num.: 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.

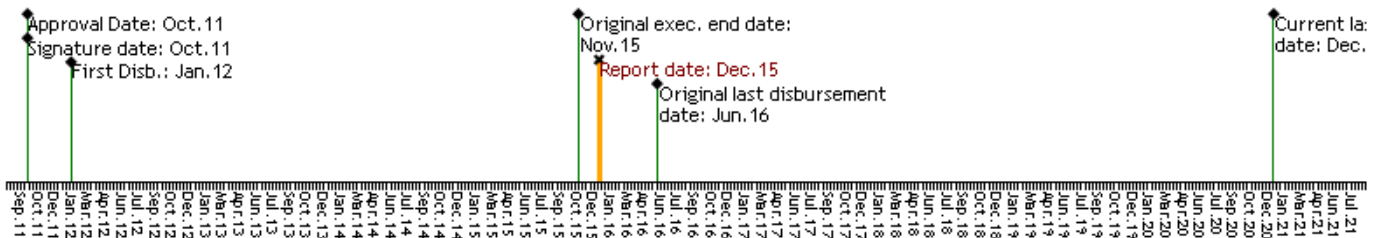
Country Admin
UNITED STATES

Country Beneficiary
UNITED STATES

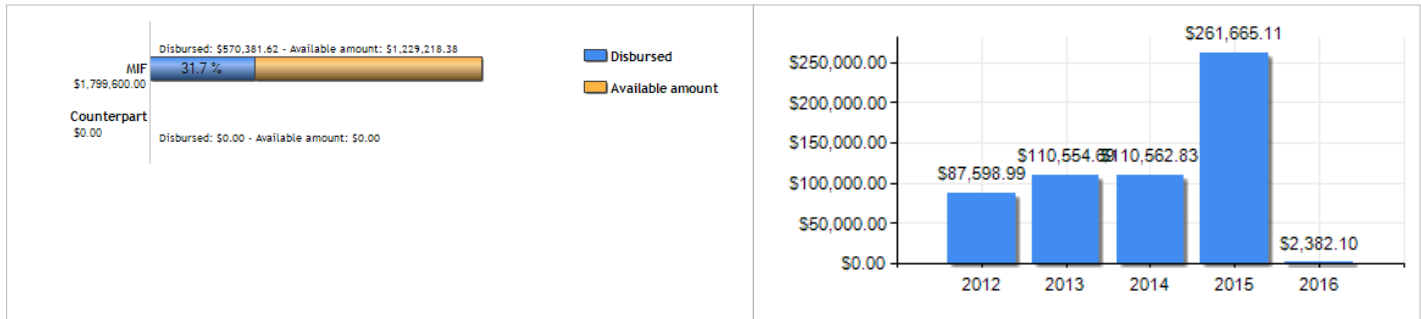
Executing Agency: INTER-AMERICAN DEVELOPMENT BANK

Design Team Leader: GREGORY WATSON
Supervision Team Leader: GREGORY WATSON

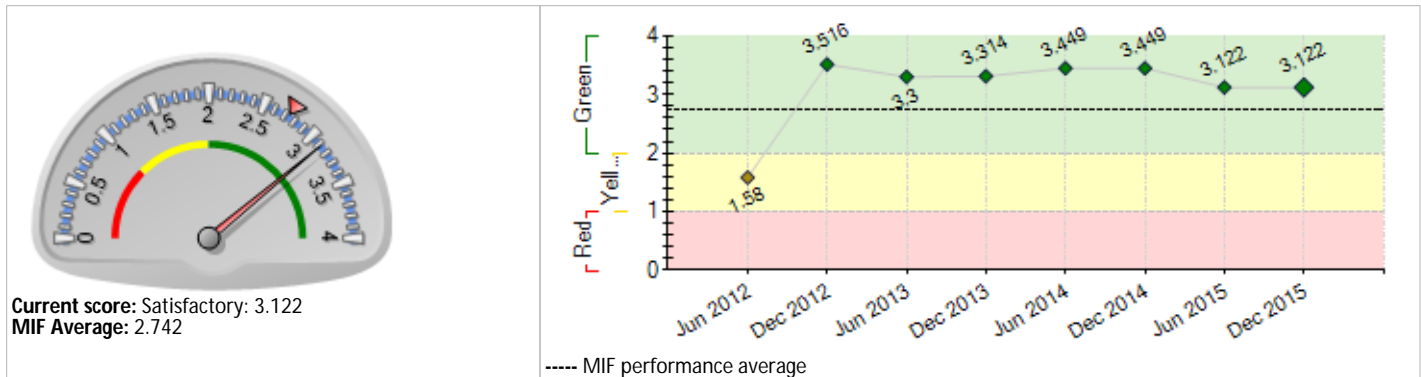
PROJECT CYCLE



FUNDS



PERFORMANCE SCORE



EXTERNAL RISKS

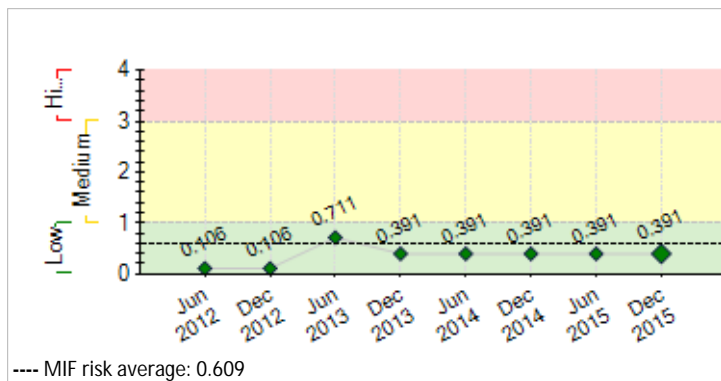
INSTITUTIONAL CAPACITY

Risk

Financial Management: Low

Procurement: Low

Technical Capacity: Low



SECTION 2: PERFORMANCE

Summary of project performance since inception

EcoMicro projects are being designed according to plan, out of the total 12, two are completed, six are in execution phase and three have been approved. The remaining project, corresponding to the last scheduled round, will be approved during the first quarter of 2016. Execution phase is taking longer than initially expected for one project in Bolivia due to differences between the consulting firm and the executing agency that are being currently addressed.

Knowledge and Communication: the program has continued the implementation of the knowledge strategy and achieved a major milestone of promoting green microfinance in an event organized during Foromic 2015 where preliminary results of the first study on green microfinance in the region were presented and various videos explaining what green loans are were produced and disseminated in social media and the website. The Team Leader of the program, Gregory Watson, was interviewed by the UN Framework Convention on Climate Change to talk about the program.

Administration: The program went through the first evaluation. The scope included both projects completed and/or in execution and the design and organization of the program. Main conclusions confirmed the program and its structural components are "absolutely relevant" to address the vulnerability of households and MSMEs to climate change in the region. The evaluation also provided with valuable comments to improve day-to-day operational elements of the program.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Summary of project performance in the last six months

Approval of three projects of the last round: Sartawi in Bolivia, Fundacion Paraguaya in Paraguay, Access Financial Services in Jamaica. The design of the latest project Bancamia is expected to be approved in the first quarter of 2016.

EcoMicro has been extended until 2020 and recapitalized by an additional USD6 million to solidify the position of green microfinance as a mainstream business line through the consolidation of the ecosystem, financing of additional pilots, and linkages with financing lines to scale up pilot projects. Moreover, the program will identify other green finance solutions such as pay-as-you-go or leasing models that can also achieve the objective of making technology solutions available to MSMEs and low-income populations.

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
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.	R.1 At least 12 sustainable green financial products offered (1 per MFI).	0				12 Dec 2016	4 Dec 2014	
	R.2 2% of MFI portfolio represented by green lending.	0				99 Dec 2016	0	
	R.3 \$3 million in financing mobilized for development and consumption energy efficiency and clean energy products and services.	0				3000000 Dec 2016	1000000 Mar 2014	
	R.4 At least 12 partnerships defined between MFIs and local tech providers, suppliers, etc.	0				12 Dec 2016	4 Jun 2015	
	R.5 At least 12 risk management models incorporate climate change risk	0				12 Dec 2016	3 Dec 2014	
	R.6 At least 12 loan disbursement methodologies that contemplate climate risk (1 per MFI).	0				12 Dec 2016	3 Dec 2014	
	R.7 At least 12 new supervision and loan management methodologies that include indicators for climate risk.	0				12 Dec 2016	3 Dec 2014	
	R.8 At least 12 new environmental internal policies.	0				12 Dec 2016	4 Dec 2014	

Component 1: Promotion, program preparation and awareness raising Weight: 2% Classification: High Satisfactory	C1.11	Select Program Coordinator						Yes	Finished
	C1.12	Consulting firms selected and MIF Selection Committee appointed					Nov 2011	Jan 2012	Finished
	C1.13	Dissemination plan					Jan 2012	Apr 2013	Delayed
	C1.14	Launch call for MFI Proposals					Feb 2012	Dec 2014	Finished
Component 2: Implementation of Individual Projects Weight: 82% Classification: Satisfactory	C2.11	Selection of 12 MFIs	0	4	8	13	12	12	Finished
	C2.12	At least 12 completed in-depth consultations	0	4	8	12	12	12	Finished
	C2.13	Design of at least 12 sustainable green financial products.	0				12	4	On Course
	C2.14	Financing mobilize in USD for consumption EE&CE products and adaptation products and services	0				Dec 2016	Dec 2014	On Course
	C2.15	Portfolio vulnerability assessment and risk mitigation recommendations.					3000000	1000000	On Course
	C2.16	New methodologies for loan disbursement and monitoring					Dec 2016	Mar 2014	On Course
	C2.17	12 new environmental internal policies developed and implemented internally.	0	4	8	12	12	4	Delayed
	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				Dec 2016	Dec 2014	Delayed
Component 3: Knowledge Capturing and dissemination of resources Weight: 16% Classification: Satisfactory	C3.11	1 how-to guide.	0				1		Delayed
	C3.12	12 Case Studies	0	4	8	12	12	2	Delayed
	C3.13	Dissemination at 6 platforms.	0				Dec 2016	Jun 2015	Finished
	C3.14	Research studies and other knowledge products	0				Nov 2015	Oct 2015	On Course
	C3.15	Three annual knowledge sharing meetings.	0	1	2	3	3	5	Finished
	C3.16	Two International knowledge sharing events	0	1			Oct 2012	Dec 2015	Finished
				Oct 2013			2	2	Finished

Milestones	Planned	Due Date	Achieved	Date of achievement	Status
M1 Conditions Prior	1	Apr 2012	1	Oct 2011	Achieved

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

- [X] Supplier/contractor performance
- [X] Bank Policy changes

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.	Coordinador del proyecto
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.	Invitado Proyecto
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	Invitado Proyecto
4. Lessons learned are not applicable to different institutions	Low	Mitigation action	Invitado Proyecto
5. Lessons learned are not applicable in other geographical regions	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 have been taken in the reporting period:

Individual projects under the facility are expected to be sustainable, but the facility itself is not designed for sustainability

SECTION 6: PRACTICAL LESSONS

[No lessons learned found]