

PROJECT STATUS REPORT

JULY 2014 - DECEMBER 2014

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Development and Implementation of Sustainable Microinsurance Solutions in Belize

Project number: BL-M1008 - Operation Number: ATN/ME-14013-BL

Result: The expected RESULT or objective of the project is to provide affordable property/agricultural insurance coverage to the low-income population in Belize, specifically to those rural agricultural members of the CUs.

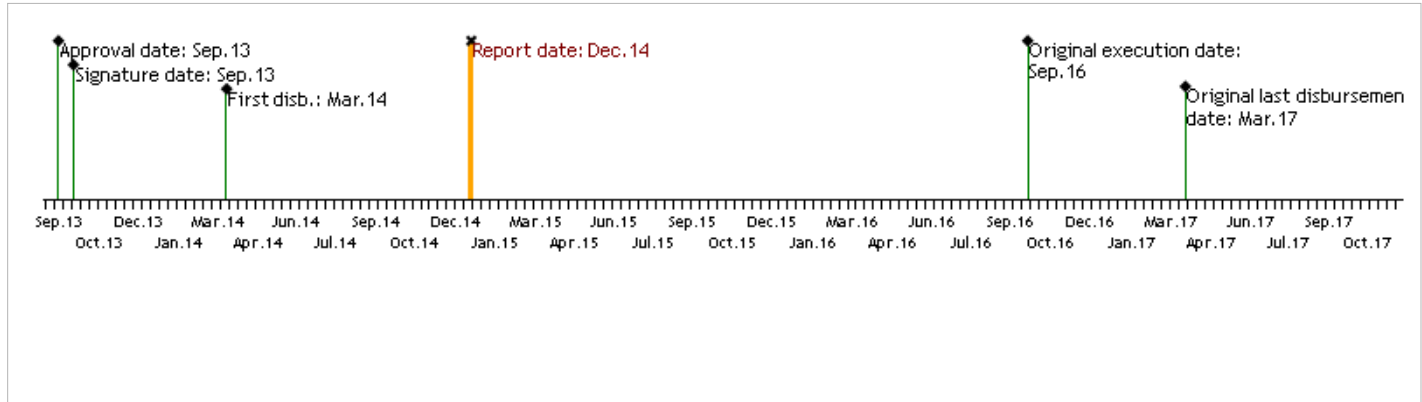
Country Administrator
BELIZE

Beneficiary Country
BELIZE

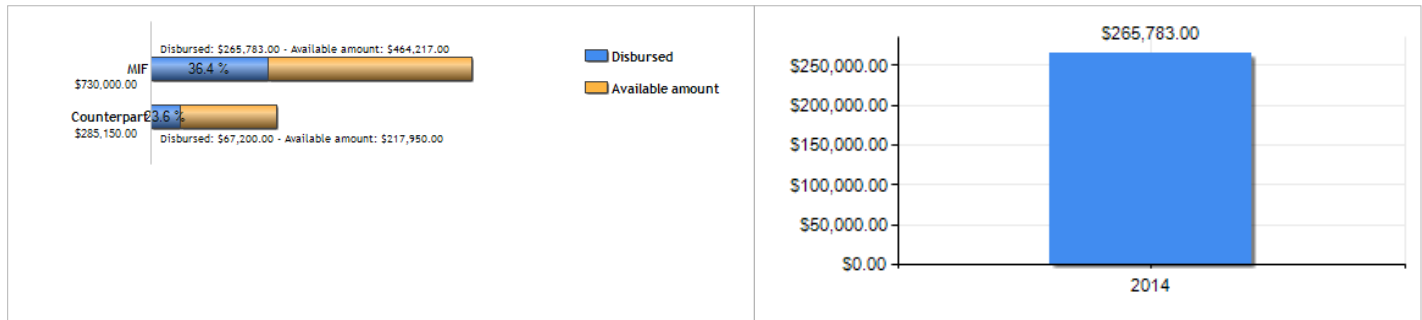
Executing agency: INSURANCE CORPORATION OF BELIZE

Design Team Leader: Saenz-Samper, Maria Victoria
Supervision Team Leader: Beecher, Wayne

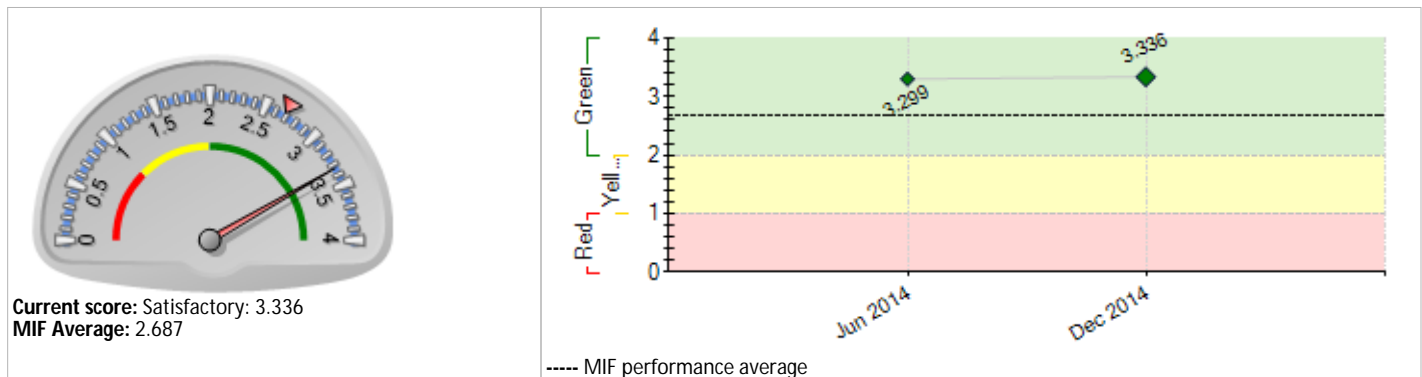
TIMELINE



FUNDS



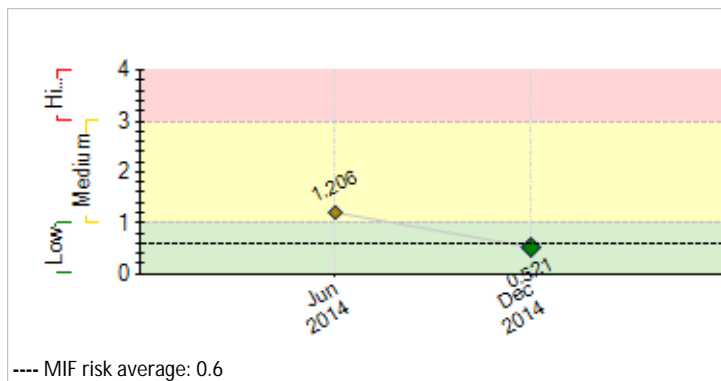
PERFORMANCE SCORE



EXTERNAL RISKS

INSTITUTIONAL CAPACITY

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



SECTION 2: PERFORMANCE

Summary of project performance since inception

Main Project Results are:

1. Compliance with conditions prior to first disbursement request
2. Completion of market validation and baseline studies that show there is a need by low income people for insurance services
3. Design of 3 microinsurance product concepts
4. Identification of 3 IT software providers
5. Presentation of draft recommendation of microinsurance regulations

Difficult area - finalizing procurement of appropriate software for M&E

Risk - Discontinued commitment of ICB and its partners: Microinsurance is very different from traditional insurance. The ability and willingness to think differently and innovative is a critical success factor. This also implies the willingness and capability to do things differently on the part of providers.

Mitigation - ICB has shown great interest and commitment in developing microinsurance products with its introduction of several products and a dedicated distribution team. The products and processes implemented will need to continue to evolve and ICB will need to continue to be open to innovation and change in order to scale the program and make it sustainable. Open discussion among senior management for company buy-in is necessary.

Achieving final objectives are highly optimistic given diversity of products and potential distribution partners.

Execution Unit critical actions

1. Open dialogue with PMU
2. Open dialogue with product designers

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Summary of project performance in the last six months

Results of Semester 2 are:

1. Completion of market validation and baseline studies that show there is a need by low income people for insurance services.
2. Design of 3 microinsurance product concepts
3. Identification of 3 IT software providers
4. Presentation of draft recommendation of microinsurance regulations

Difficult area - finalizing procurement of appropriate software for M&E

Critical Focus areas

1. Finalized microinsurance products design inclusive of actuarial notes
2. Procurement of appropriate IT software that meet ICB's needs
3. Finalize MOU with potential distribution partners

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: The expected RESULT or objective of the project is to provide affordable property/agricultural insurance coverage to the low-income population in Belize, specifically to those rural	R.1 Number of low-income people covered by a general insurance policy	540 Sep 2013	4000 Dec 2015			10000 Sep 2016	1311 Dec 2014	
	R.2 Percent of beneficiaries who are female-headed single-parent families, women entrepreneurs, rural farmers, or low-income urban families	0 Sep 2013	30 May 2015	30 Dec 2015		30 Sep 2016	0 Dec 2014	

agricultural members of the CUs.	R.3	Percent of beneficiaries that report satisfaction with the price of the insurance product at project end.	0				75	0	
			Sep 2013				Sep 2016	Dec 2014	

Component 1: Microinsurance Product designed and commercialized Weight: 35% Classification: Satisfactory	C1.I1	Market validation through focus groups, completed					Sep 2014	Yes	Dec 2014	Finished
	C1.I2	Basic insurance IT platform requirements and adaptations, bought and installed in participating CUs					Sep 2015	No	Dec 2014	On Course
	C1.I3	Product designed, adjusted to beneficiary needs and rolled out in a pilot					Nov 2015	No	Dec 2014	On Course
	C1.I4	Monitoring and control system designed and implemented					Jun 2015	No	Dec 2014	On Course
Component 2: Training and Financial Education, implemented Weight: 50% Classification: Satisfactory	C2.I1	Financial education methodology, tools and materials adapted to the product					Jan 2015	No	Dec 2014	Delayed
	C2.I2	Number of trainers of trainers trained in the microinsurance product	0				1	0		On Course
			Sep 2013				Sep 2014	Jun 2014		
	C2.I3	Number of ICB and CUs' staff trained in the microinsurance product.	0	10	20		45	0		Delayed
			Sep 2013	Sep 2014	Sep 2015		Sep 2016	Dec 2014		
Component 3: Knowledge developed and strategic communications implemented Weight: 15% Classification: Satisfactory	C2.I4	Number of credit union members trained in financial literacy and microinsurance.	0	500			2500	0		On Course
			Sep 2013	Sep 2015			Sep 2016	Dec 2014		
	C3.I1	Number of knowledge events with media and policy makers	0	1	6		11	1		On Course
			Sep 2013	Aug 2014	Jul 2015		Sep 2016	Sep 2014		
	C3.I2	Number of international experts on microinsurance presented at a Belize Chamber of Commerce and Industry business mixer	0	1			2	0		On Course
			Sep 2013	Jul 2015			Sep 2016	Dec 2014		
	C3.I3	Number of case studies completed on the project's experience	0				1	0		On Course
			Sep 2013				Sep 2016	Dec 2014		
	C3.I4	Number of credit union members trained in financial literacy and microinsurance who can explain the concept of microinsurance and the specific product in simple language	0	250			2250	0		On Course
			Sep 2013	Sep 2015			Sep 2016	Dec 2014		

Milestones		Planned	Due Date	Achieved	Date achieved	Status
M0	Conditions Prior	1	Mar 2014	5	Feb 2014	Achieved
M1	Validation of demand for catastrophe product received.	1	Sep 2014	1	Aug 2014	Achieved
M2	Design and implementation of a monitoring and control system.	1	Mar 2015			
M3	At least 5 information sharing workshops with different stakeholders.	5	Sep 2015	1	Sep 2014	
M4	Product designed to clients' needs & at least 7,500 policies sold.	1	Mar 2016	0	Dec 2014	
M5	At least 18 training sessions and 1,000 persons trained on financial education.	18	Sep 2016			
M6	Production of a knowledge report on the experience and results of the project	1	Nov 2016			

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. Belize's market is proven too small for formal property insurance to be viable through local credit unions.	Medium	There remains an opportunity for property insurance, however the actuarial numbers need to be worked out. Also, the project team is currently liaising with re-insurance to determine the feasibility of offering such a product	Project Coordinator
2. Credit unions are an inappropriate channel for marketing property microinsurance.	Medium	Train CUs and identify additional partners (development finance corporation and farming associations)	Project Coordinator
3. Credit union members do not understand the benefits of property insurance and are uninterested in receiving education on or obtaining the product.	Medium	Financial education/ training activities.	Project Guest
4. Training and education is not an effective mechanism for marketing property microinsurance or stimulating demand.	Medium	Selected and design proper training. (refer to project activities)	Project Guest
5. Inadequate technical support for the design and development of the microinsurance product.	Medium	Continued discussion with ICB management on the process to design and develop the product and provide clear instructions on the role and responsibilities for technical staff support.	Project Coordinator
PROJECT RISK LEVEL: Low TOTAL NUMBER OF RISKS: 16 IN EFFECT RISKS: 16 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:

Actions which will impact project sustainability include:

1. Establishing a business case for microinsurance and sharing the information with distribution partners. (On-going)
2. Continued training of ICB personnel in the processes involved in the provision of microinsurance. (To be done)
3. Education outreach targeting low income people about the benefits of insurance and the affordability of microinsurance. (To be done)

SECTION 6: PRACTICAL LESSONS

1. Before meeting compliance with the first disbursement, project PMUs, the Executing Institution, and the MIF should meet (project orientation) to discuss the project in detail and moving forward. This will allow everyone to be on the same page and for ambiguities to be clarified.	Relative to Implementation	Author Usher, Miguel Alexander
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