

# PROJECT STATUS REPORT

JULY 2015 - DECEMBER 2015

## SECTION 1: PROJECT SUMMARY

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

Project Number: BL-M1008 - Project Num.: ATN/ME-14013-BL

**Purpose:** 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 Admin**

BELIZE

**Country Beneficiary**

BELIZE

**Executing Agency:**

INSURANCE COOPERATION OF BELIZE

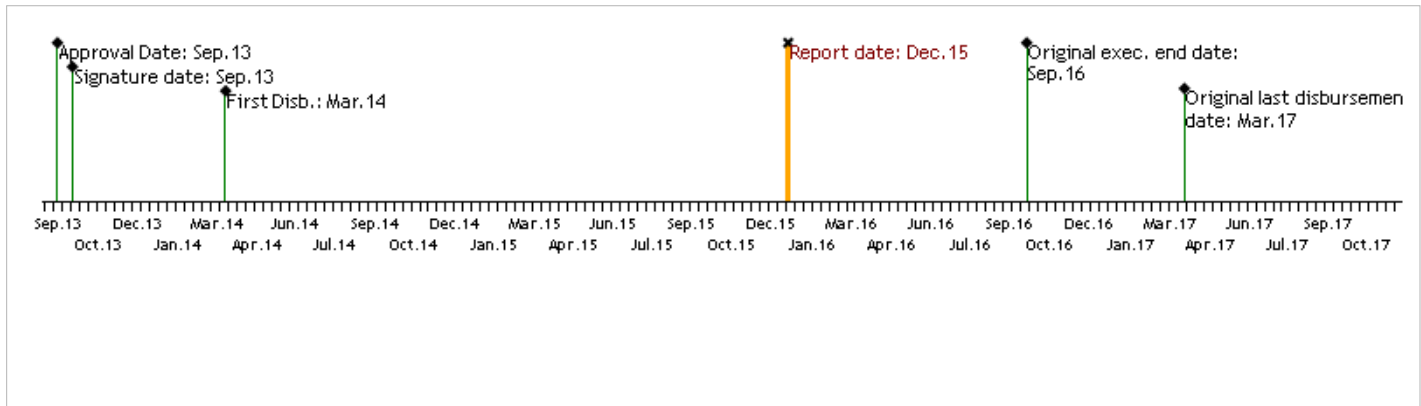
**Design Team Leader:**

MARIA VICTORIA SAENZ-SAMPER

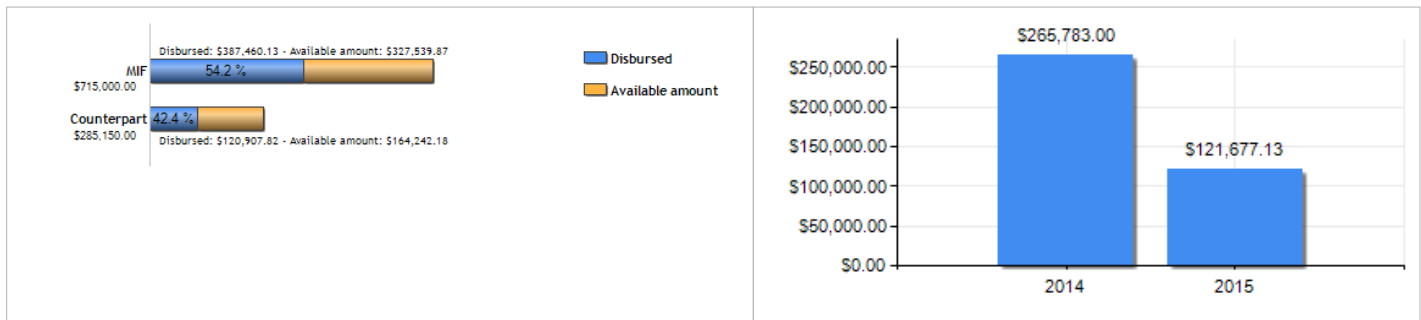
**Supervision Team Leader:**

WAYNE BEECHER

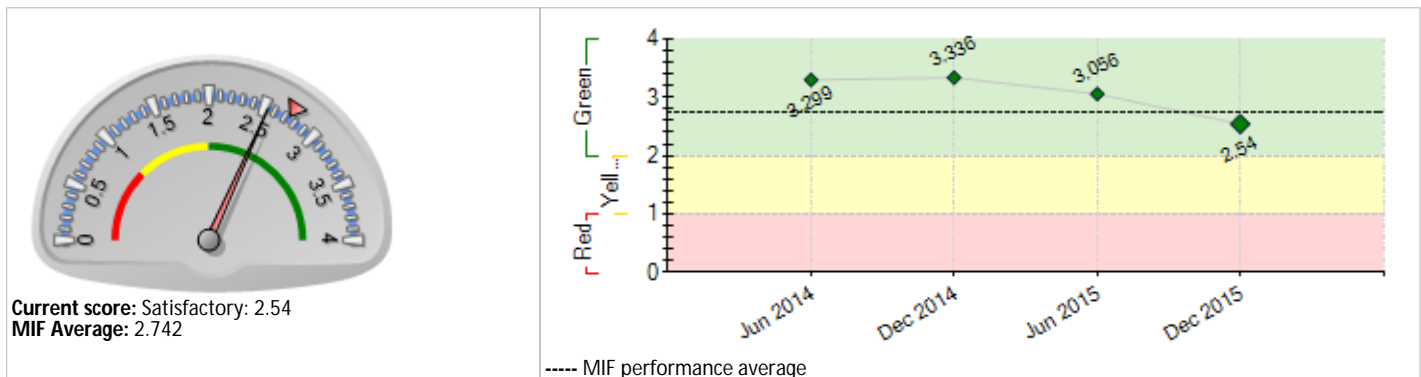
### PROJECT CYCLE



### FUNDS



### PERFORMANCE SCORE



### EXTERNAL RISKS

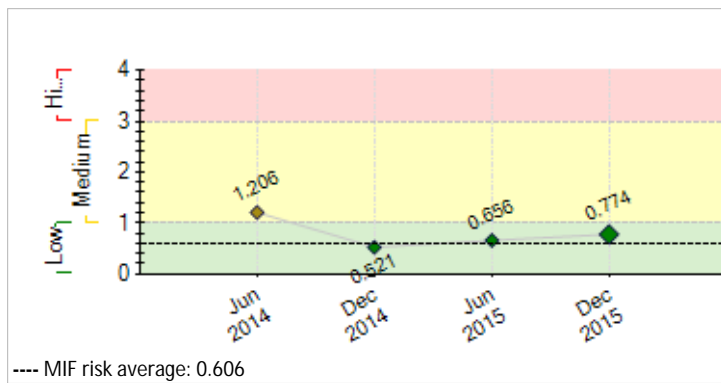
### INSTITUTIONAL CAPACITY

**Risk**

**Financial Management:** Medium

**Procurement:** Low

**Technical Capacity:** Low



## SECTION 2: PERFORMANCE

### Summary of project performance since inception

Main Project Results are:

- Compliance with conditions prior to first disbursement request
- Completion of market validation and baseline studies that show there is a need by low income people for insurance
- The monitoring and control base system is now in place and functionale services
- Design of 3 microinsurance product concepts; submission of 1 to SOI
- Submission of recommendation of microinsurance regulations

Difficult area -resolution on high development fee for product 1 and waiver of GST

Risk - Internal weaknesses with EA contributing to delays in all project areas especially software installation.

Mitigation - Continued lobby of key internal stakeholders and ensuring that the CEO is abreast of all activities and challenges.

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 3. Open dialogue with partners and Software provider

#### Comments from the Supervision Team Leader

Agree with the Executing Agency comments

### Summary of project performance in the last six months

Results of Semester 1 of the project's performance are:

Component 1 - Training/familiarization with Monitoring & Control system by ICB staff. Conditional approval of the Hospital Helper in addition to reductions in business and insurance premium taxes. Submitted a legal opinion on use of electronic signature for the Hospital Helper & now awaiting final approval of product from the SOI.

Component 2 - Training was conducted with 7 of ICB District Call Agents on the following:

Train the Trainer – provided tips on facilitating presentations

Financial Literacy – creating a financial plan Brochure has been designed for the Hospital Helper & is pending testing.

Component 3 - The PC presented on MI, the Hospital Helper, and the life and disability products to the General Sales Tax (GST) and at the Belize Credit Union League's 11<sup>th</sup> Annual Convention.

Project Coordination - The justification for the second advance of funds was justified. Discussions are on-going with personnel from Ministry of Health in trying to develop a standardized hospital discharge form for use at the public hospitals. This will aid in the claims process. PC Provided update to IDB's Learning Diary.

Difficult area - resolution on high development fee for product 1 and waiver of GST

Critical Focus areas 1. Contract with Telecom for distributing 1st product 2. Launch of Product 1 3. Finalize design of Product 2.

#### 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	
<b>Purpose:</b> 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.	R.1	Number of low-income people covered by a general insurance policy (CRF 210900)	540	4000			10000	1478	
			Sep 2013	Dec 2015			Sep 2016	Jun 2015	
	R.2	Percent of beneficiaries who are female-headed single-parent families, women entrepreneurs, rural farmers, or low-income urban families	0	30	30		30	0	
			Sep 2013	May 2015	Dec 2015		Sep 2016	Dec 2014	
	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	
<b>Component 1:</b> Microinsurance Product designed and commercialized  <b>Weight:</b> 35% <b>Classification:</b> Satisfactory	C1.1	Market validation through focus groups, completed					Yes	Finished	
							Sep 2014		Jan 2015
	C1.12	Basic insurance IT platform requirements and adaptations, bought and installed in participating CUs					No	Finished	
							Sep 2015		Dec 2015
	C1.13	Product designed, adjusted to beneficiary needs and rolled out in a pilot					No	Delayed	
						Nov 2015	Dec 2015		
C1.14	Monitoring and control system designed and implemented					No	Finished		
						Jun 2015	Dec 2015		
<b>Component 2:</b> Training and Financial Education, implemented  <b>Weight:</b> 50% <b>Classification:</b> Satisfactory	C2.1	Financial education methodology, tools and materials adapted to the product					No	Delayed	
							Jan 2015		Dec 2015
	C2.12	Number of trainers of trainers trained in the microinsurance product	0				1	7	On Course
			Sep 2013				Sep 2014	Dec 2015	
	C2.13	Number of ICB and CUs' staff trained in the microinsurance product.	0	10	20		45	9	On Course
			Sep 2013	Sep 2014	Sep 2015		Sep 2016	Jun 2015	
C2.14	Number of credit union members trained in financial literacy and microinsurance. (CRF 110100)	0	500			2500	43	On Course	
		Sep 2013	Sep 2015			Sep 2016	Jun 2015		
<b>Component 3:</b> Knowledge developed and strategic communications implemented  <b>Weight:</b> 15% <b>Classification:</b> Satisfactory	C3.1	Number of knowledge events with media and policy makers	0	1	6		11	1	Delayed
			Sep 2013	Aug 2014	Jul 2015		Sep 2016	Oct 2015	
	C3.12	Number of international experts on microinsurance presented at a Belize Chamber of Commerce and Industry business mixer	0	1			2	0	Delayed
			Sep 2013	Jul 2015			Sep 2016	Dec 2015	
	C3.13	Number of case studies completed on the project's experience	0				1	0	On Course
			Sep 2013				Sep 2016	Dec 2015	
	C3.14	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 (CRF 110100)	0	250			2250	43	On Course
		Sep 2013	Sep 2015			Sep 2016	May 2015		

Milestones	Planned	Due Date	Achieved	Date of achievement	Status	
M0	Conditions Prior	8	Mar 2014	8	Mar 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	Aug 2015	1	Oct 2015	Achieved late
M3	[*] At least 5 information sharing workshops with different stakeholders.	5	Oct 2015	7	Oct 2015	Achieved
M4	Product designed to clients' needs & at least 7,500 policies sold.	1	Mar 2016	0	Jun 2015	
M5	At least 18 training sessions and 1,000 persons trained on financial education.	18	Sep 2016	2	Jun 2015	
M6	Production of a knowledge report on the experience and results of the project	1	Nov 2016	0	Jun 2015	

[\*] Indicate that the milestone has been reformulated

#### 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. Delay in installation of monitoring system.	High	1. Increase involvement of ICB Technical staff in the installation process. 2. Fast track design of second product.	Project Coordinator
2. 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
3. Additional Cost for monitoring system based on required needs for distribution	Medium	Negotiation with distribution partner to increase their participation in the product management cycle	Project Coordinator
4. 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.	Medium	ICB has shown a great interest and commitment to 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.	Project Coordinator
5. Belize's market is proven too small for formal property insurance to be viable through local distribution partners including utility companies and credit unions.	Medium	There remains an opportunity for property insurance, however the actuarial numbers need to be worked out.	Project Coordinator

PROJECT RISK LEVEL: Low TOTAL NUMBER OF RISKS: 18 IN EFFECT RISKS: 15 NOT IN EFFECT RISKS: 0 MITIGATED RISKS: 3

## 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:

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. (On-going)
3. Lobbying for GST waiver and tax reduction (Income and Premium Tax). (On-going)
3. Education outreach targeting low income people about the benefits of insurance and the affordability of microinsurance. (To be done)

## SECTION 6: PRACTICAL LESSONS

	Relative to	Author
1. Potential distributing partners like utility companies are regulated and may require involvement of and approval by their regulators when engaging in new business development. These regulators must be consulted prior to and during project design to ensure that what is being proposed is allowed within regulations.	Design	Usher, Miguel Alexander