

# PROJECT STATUS REPORT

JANUARY 2016 - JUNE 2016

## 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 CORPORATION OF BELIZE

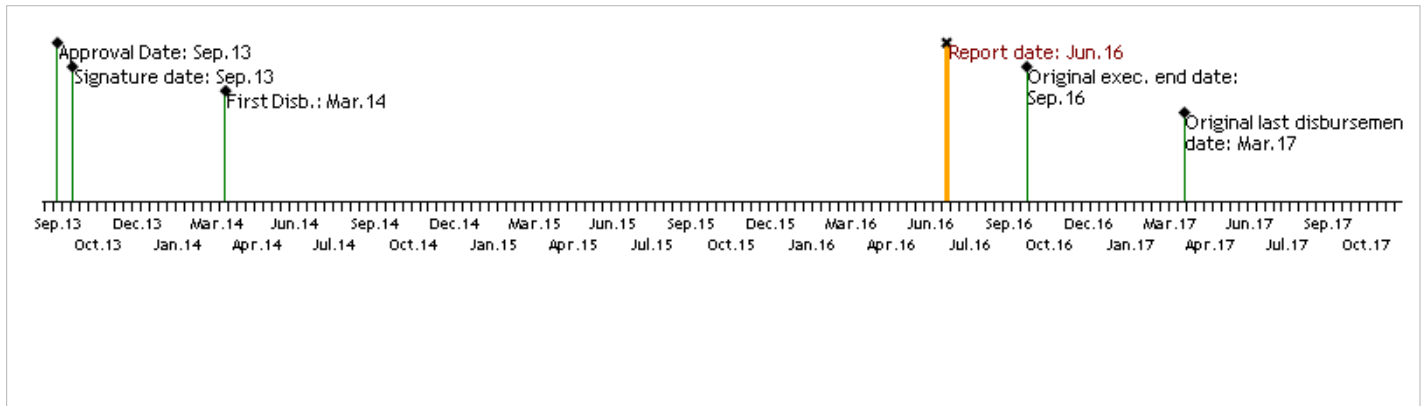
**Design Team Leader:**

MARIA VICTORIA SAENZ-SAMPER

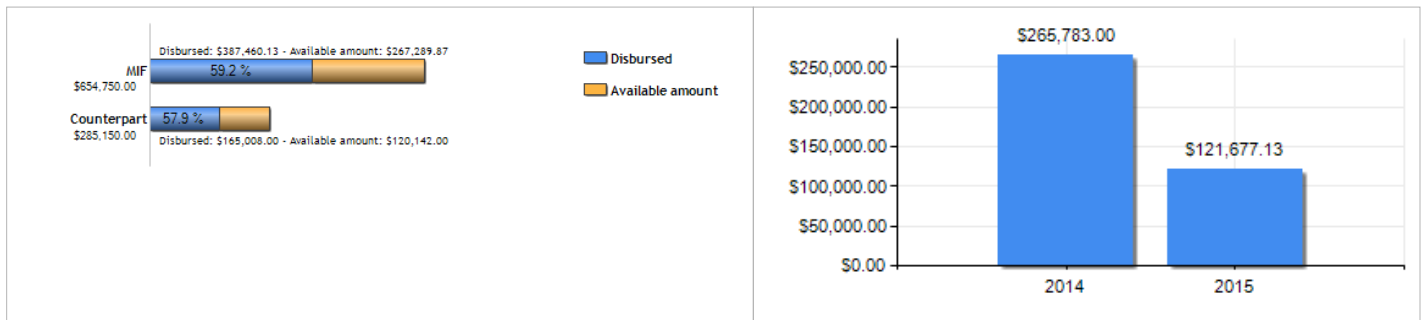
**Supervision Team Leader:**

WAYNE BEECHER

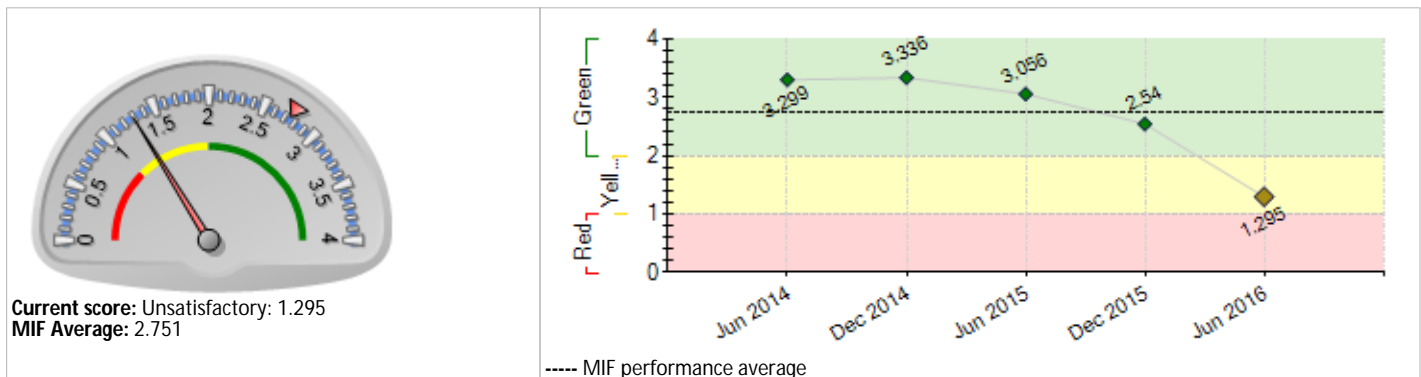
### PROJECT CYCLE



### FUNDS



### PERFORMANCE SCORE



### EXTERNAL RISKS

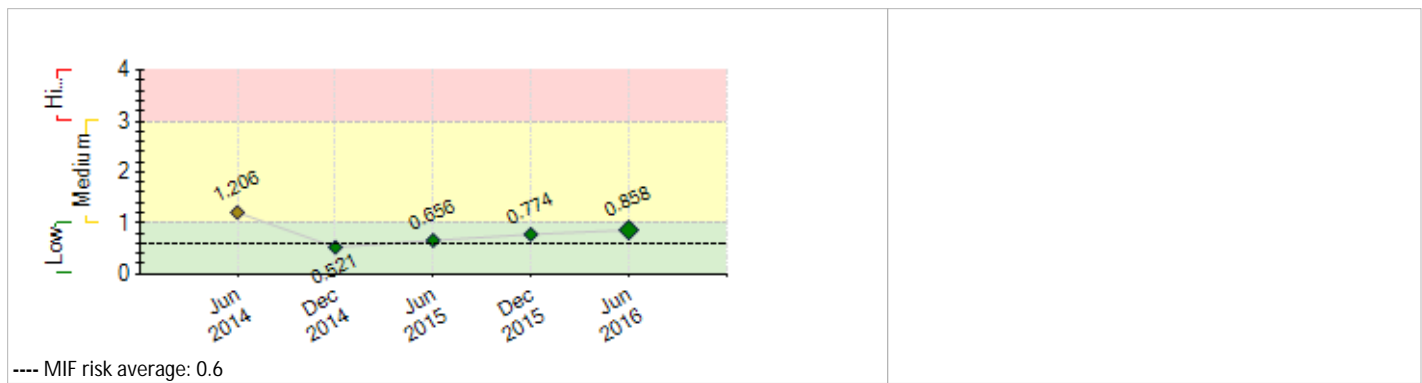
### INSTITUTIONAL CAPACITY

**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 functional
- Design of 3 microinsurance product concepts; 1 has been approved by the SOI
- Insurance ACT amended to include section on microinsurance
- At least 5 information sharing workshops with different stakeholders conducted

Difficult area - securing a business agreement for distribution of the MI products. Finalization of M&E system contingent on sign off with business partner.

Risks - Internal weaknesses with EA contributing to delays in all project areas. Non buy-in from targeted distribution partners.

Mitigation - Getting CEO to provide directives to internal stakeholders and arranging CEO to CEO discussions to lobby targeted distribution partners

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 4. Reconstitution of PSC 5. Actively engaging IDB

#### 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 - Continued review of the M&E System with the support of the MIC where initial testing was done(90%). A manual detailing the operations and process flow including process flow maps of the Hospital Helper has been drafted. Approval of Hospital Helper granted by SOI and regulations for MI included in Insurance Act.

Component 2 - Brochure for Hospital Helper was tested nationally and revised. Test results indicate acceptance of Hospital Helper.

Financial Literacy – N/A.

Component 3 -Presentation on microinsurance, the Hospital Helper, and the life and disability products to the Prime Minister of Belize February 24.

Project Coordination - The third advance of funds was justified. PSC being reconstituted.

Evaluation & Audits - Mid-Term Evaluation and Audit conducted.

Difficult area - securing a business agreement for distribution of the MI products.

Critical Focus areas 1. Contract with new Telecom for distributing 1st product 2. Contract with Electric Company for distributing 2nd product. 3.Reconstitute PSC

#### Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The project is at a critical stage due to challenges with establishing a distribution channel. This require the full commitment of the Management team to resolve

### SECTION 3: INDICATORS AND MILESTONES

| Indicators   |      | Baseline   | Intermediate<br>1 | Intermediate<br>2 | Intermediate<br>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<br>Sep 2013   | 4000<br>Dec 2015  |                   | 10000<br>Sep 2016 | 1478<br>Jun 2015 |           |
|  | R.2  | Percent of beneficiaries who are female-headed single-parent families, women entrepreneurs, rural farmers, or low-income urban families  | 0<br>Sep 2013     | 30<br>May 2015    | 30<br>Dec 2015    | 30<br>Sep 2016    | 0<br>Dec 2014    |           |
|  | R.3  | Percent of beneficiaries that report satisfaction with the price of the insurance product at project end.  | 0<br>Sep 2013     |                   |                   | 75<br>Sep 2016    | 0<br>Dec 2014    |           |
| <b>Component 1:</b> Microinsurance Product designed and commercialized<br><br><b>Weight:</b> 35%<br><b>Classification:</b> Unsatisfactory  | C1.1 | Market validation through focus groups, completed  |                   |                   |                   | Sep 2014          | Yes<br>Jan 2015  | Finished  |
|  | C1.2 | Basic insurance IT platform requirements and adaptations, bought and installed in participating CUs  |                   |                   |                   | Sep 2015          | No<br>Dec 2015   | Finished  |
|  | C1.3 | Product designed, adjusted to beneficiary needs and rolled out in a pilot  |                   |                   |                   | Nov 2015          | No<br>Jun 2016   | Delayed   |
|  | C1.4 | Monitoring and control system designed and implemented   |                   |                   |                   | Jun 2015          | No<br>Dec 2015   | Finished  |
| <b>Component 2:</b> Training and Financial Education, implemented<br><br><b>Weight:</b> 50%<br><b>Classification:</b> Unsatisfactory   | C2.1 | Financial education methodology, tools and materials adapted to the product  |                   |                   |                   | Jan 2015          | No<br>Jun 2016   | Delayed   |
|  | C2.2 | Number of trainers of trainers trained in the microinsurance product   | 0<br>Sep 2013     |                   |                   | 1<br>Sep 2014     | 10<br>Jun 2016   | Delayed   |
|  | C2.3 | Number of ICB and CUs' staff trained in the microinsurance product.  | 0<br>Sep 2013     | 10<br>Sep 2014    | 20<br>Sep 2015    | 45<br>Sep 2016    | 10<br>Jun 2016   | Delayed   |
|  | C2.4 | Number of credit union members trained in financial literacy and microinsurance. (CRF 110100)  | 0<br>Sep 2013     | 500<br>Sep 2015   |                   | 2500<br>Sep 2016  | 1<br>Jun 2016    | Delayed   |
| <b>Component 3:</b> Knowledge developed and strategic communications implemented<br><br><b>Weight:</b> 15%<br><b>Classification:</b> Satisfactory  | C3.1 | Number of knowledge events with media and policy makers  | 0<br>Sep 2013     | 1<br>Aug 2014     | 6<br>Jul 2015     | 11<br>Sep 2016    | 1<br>Feb 2016    | Delayed   |
|  | C3.2 | Number of international experts on microinsurance presented at a Belize Chamber of Commerce and Industry business mixer  | 0<br>Sep 2013     | 1<br>Jul 2015     |                   | 2<br>Sep 2016     | 0<br>Jun 2016    | Delayed   |
|  | C3.3 | Number of case studies completed on the project's experience   | 0<br>Sep 2013     |                   |                   | 1<br>Sep 2016     | 0<br>Jun 2016    | On Course |
|  | C3.4 | 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<br>Sep 2013     | 250<br>Sep 2015   |                   | 2250<br>Sep 2016  | 1<br>Jun 2016    | Delayed   |

| Milestones | Planned   | Due Date | Achieved | Date of achievement | Status        |
|------------|---|----------|----------|---------------------|---------------|
| M0         | Conditions Prior  | 8        | Mar 2014 | 8                   | Achieved      |
| M1         | Validation of demand for catastrophe product received.                          | 1        | Sep 2014 | 1                   | Achieved      |
| M2         | [*] Design and implementation of a monitoring and control system.               | 1        | Aug 2015 | 1                   | Achieved late |
| M3         | [*] At least 5 information sharing workshops with different stakeholders.       | 5        | Oct 2015 | 7                   | Achieved      |
| M4         | Product designed to clients' needs & at least 7,500 policies sold.              | 1        | Mar 2016 | 0                   | Not Achieved  |
| M5         | At least 18 training sessions and 1,000 persons trained on financial education. | 18       | Sep 2016 | 2                   |               |
| M6         | Production of a knowledge report on the experience and results of the project   | 1        | Nov 2016 | 0                   |               |

[\*] Indicate that the milestone has been reformulated

#### CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

[X] Executing agency institutional capacity

### 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.<br>2. Switch distribution partner for the Hospital Helper<br>3. 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. Meeting with IDB Country Team.   | 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 |
| <b>PROJECT RISK LEVEL:</b> Medium <b>TOTAL NUMBER OF RISKS:</b> 18 <b>IN EFFECT RISKS:</b> 14 <b>NOT IN EFFECT RISKS:</b> 0 <b>MITIGATED RISKS:</b> 4  |        |   |                     |

## SECTION 5: SUSTAINABILITY

**Likelihood of project sustainability after project completion:** P - Probable

**CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY**

| Issue   | Comments  |
|---|---|
| [X] A <b>market</b> is not generated for the project's services and/or activities (low payment capacity or low demand for those services) | without the appropriate distribution channel the product will not gain traction in the market |

**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. Mid-term evaluation and acting on the recommendations. (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. As the IDB/MIF moves to increase the role of executing to their partners, tools should be developed to accurately assess capacity of a proposed EA. This would not be used to exclude potential partners but it would allow for the final project document to include resources to support and build the capacity of the EA. | Design      | Usher, Miguel Alexander |
| 2. For future projects, include in Project documents not only a write up on the roles and responsibilities of the executing team but a clear flow of information, authority to sign off on project changes, and indicators for sipping task including the team member accountable to lead that task.                            | Design      | Usher, Miguel Alexander |