

# PROJECT STATUS REPORT

JANUARY 2011 - JUNE 2011

## SECTION 1: PROJECT SUMMARY

**PROJECT NAME:** Caribbean Microfinance Capacity-Building Project (Carib-Cap)

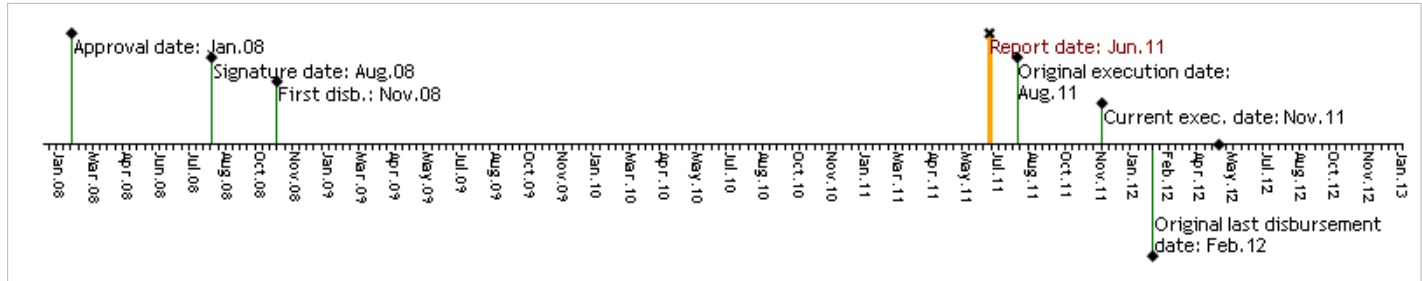
Project Number: RG-M1106 - Operation Number: ATN/ME-10809-RG

**Purpose:** The purpose of the project is to implement a capacity-building project that will enable the English-speaking Caribbean MFIs to improve the financial performance and outreach.

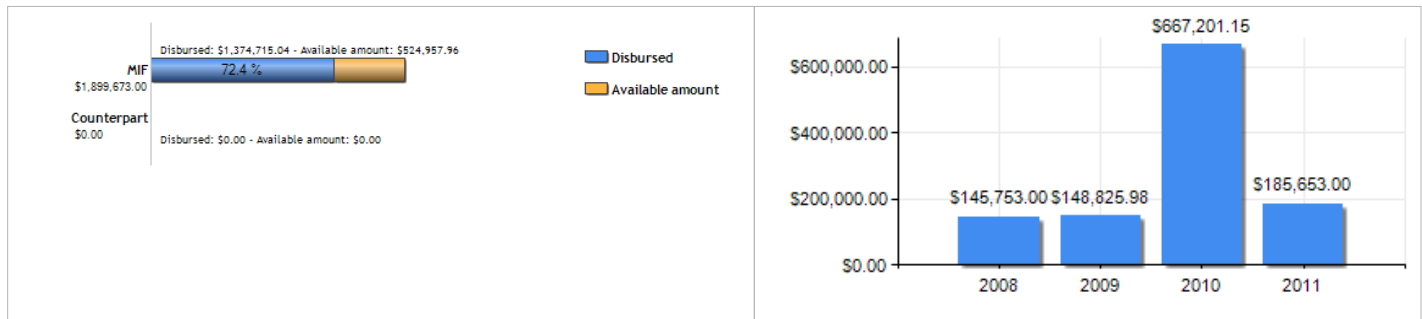
Country Administrator	Beneficiary Country	Group	Subgroup
JAMAICA	JAMAICA	MIC - Microenterprise Development	MFIN - Microfinance

<b>Executing Agency:</b>	INTER-AMERICAN DEVELOPMENT BANK	<b>Design Team Leader:</b>	Saenz-Samper, Maria Victoria
		<b>Supervision Team Leader:</b>	Leslie, Winsome

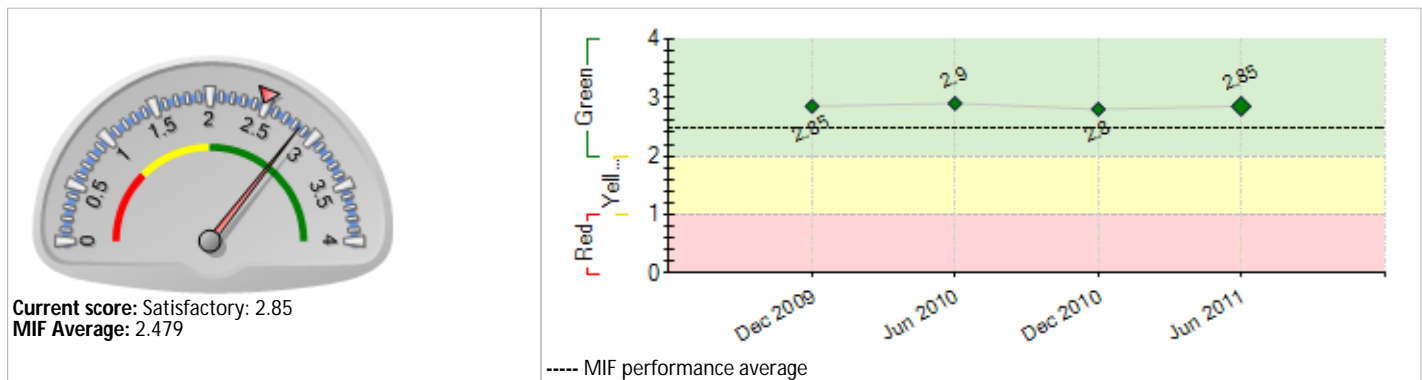
### TIMELINE



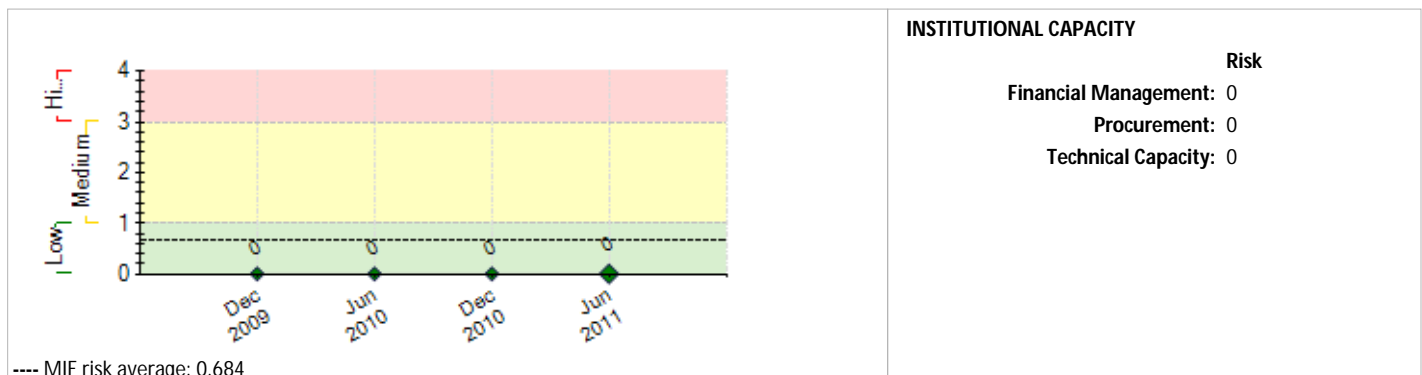
### FUNDS



### PERFORMANCE SCORE



### EXTERNAL RISKS



### INSTITUTIONAL CAPACITY

	Risk
Financial Management:	0
Procurement:	0
Technical Capacity:	0

## SECTION 2: PERFORMANCE

## Summary of project performance since inception

**Cost Sharing Payments:** As of June 30, 2011, 7 institutions have provided the PMU with proof of their second payment.

- **Technical Assistance:** The DID team submitted Progress Report No. 4 for the period ending April 30<sup>th</sup>, 2011 and Progress Report No. 5 for the period ending June 30<sup>th</sup>, 2011. Since project inception the total level of effort provided by DID consultants amounts to 406 days. Six MFIs based in Jamaica are supported on an intermittent basis over the course of the year by two resident consultants. MFIs outside Jamaica benefited from on-going distance technical support. **Volunteer Missions:** There were two missions during this review period. KSCD, Suriname had a volunteer assigned to work with them providing on the job coaching to four loan officers and one collection officer. **Review of Implementation of Capacity Building Component** With the exception of one MFI, all MFIs were recording improvements in all indicators. At the close of this semester, 9 of the MFIs had rolled out a new or revised micro credit product. It is noticeable that after increased focus by MIF, the PMU MFIs have begun to show greater focus on moving towards targets. Notwithstanding this indications are that targets set may not be achieved. One reality is that in addition to the technical assistance needed to transform MFIs there has to be significant focus on creating the policy shift needed to support new initiatives.

## Comments from the Supervision Team Leader

Agree with the Executing Agency comments

## Summary of project performance in the last six months

- The Capacity Building Consultant Desjardins Développement International (DID) continued the delivery of TA to all ten institutions. DID delivered the second (Jamaica) and third (Jamaica & Trinidad & Tobago) general training sessions for all 18 MFIs. Events were well received.
- The Caribbean Micro Finance Alliance (CMFA) was launched in Kingston, Jamaica
- To facilitate the completion of Component II the Project was extended to November 2011.
- PMU Submitted Lessons Learned Report to FOMIN
- PMU and FOMIN started the preparation of the 3<sup>rd</sup> Caribbean Microfinance Forum.
- The Caribbean Micro Finance Alliance (CMFA) experienced growth in membership and held two Board Meetings and a Learning Event on June 24<sup>th</sup>, 2011.
- Abstract for CARIB-CAP II developed and reviewed internally.
- Contract signed with Robert Vogel to undertake a study on Regulation and Supervision of MicroFinance Industry
- PMU and CMFA are granted scholarships by the AusAID to attend Pacific Microfinance Network Conference.

For the upcoming semester the PMU will focus on preparation for the CMFIII.

## 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 purpose of the project is to implement a capacity-building project that will enable the English-speaking Caribbean MFIs to improve the financial performance and outreach.	P.11	Percentage of participant MFIs that have improved their main financial ratios	0			80	50	
						Nov 2011	Nov 2011	
	P.12	Percentage of participant MFIs that have increased their clients	0			80	80	
						Nov 2011	Nov 2011	

<b>Component 1:</b> Performance Assessments (PA)  <b>Weight:</b> 10% <b>Classification:</b> Satisfactory	<b>C1.11</b>	Number of technical performance assessments completed.	0				34	18	Finished
							Aug 2009	Mar 2010	
<b>Component 2:</b> Implementation of the CBPs  <b>Weight:</b> 35% <b>Classification:</b> Satisfactory	<b>C2.11</b>	At least 15 MFIs with PA will have a CBP implemented	0				15	35	Finished
							Aug 2011	Mar 2011	
	<b>C2.12</b>	At least 70% of participating institutions will report their performance data to the MIX no later than 12 months after launching their CBPs.	0				70	0	Finished
							Sep 2010	Dec 2010	
<b>Component 3:</b> Good practice incentive (GPI)  <b>Weight:</b> 10% <b>Classification:</b> Satisfactory	<b>C2.13</b>	5 knowledge exchanges among other Caribbean MFIs and MFIs from Latin America, Asia and Africa.	0				5	0	Finished
							Aug 2011	Mar 2011	
	<b>C3.11</b>	Two prizes for large MFIs (equivalent of US\$ 75,000)	0				2		Finished
							Aug 2011		
<b>Component 4:</b> Strengthening of the CMN  <b>Weight:</b> 25% <b>Classification:</b> Satisfactory	<b>C3.12</b>	Ten prizes for smaller MFIs (equivalent of US\$25,000)	0				10		Finished
							Aug 2011		
	<b>C4.11</b>	CMN increased membership by at least 50% over the life of the project	0				50	11	Finished
							Aug 2011	Mar 2011	
<b>Component 5:</b> Dissemination and Lessons Learned  <b>Weight:</b> 20% <b>Classification:</b> Satisfactory	<b>C4.12</b>	CMN is recognized by the governments in the region as a technical organization of the microfinance sector.	0				1	0	On Course
							Aug 2011	Mar 2011	
	<b>C5.11</b>	A CD-ROM with cases and lessons learned is distributed in the Region.	0				1		Delayed
							Aug 2011		

Milestones	Planned	Due Date	Achieved	Date achieved	Status
<b>M0</b> Previous Conditions	1	Feb 2009	1	Oct 2008	Achieved

**CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE***[None reported in this period]***SECTION 4: RISKS****MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE****PROJECT RISK LEVEL:** Low **TOTAL NUMBER OF RISKS:** 2 **IN EFFECT RISKS:** 0 **NOT IN EFFECT RISKS:** 1 **MITIGATED RISKS:** 1**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:**

1. Launch of the CMFA with immediate follow up of structured board meetings, registration of the entity, recruitment drive which achieve a 70% increase in a 6 month period.
2. The decision to roll out a follow up project to ensure that the gains made under the current initiative are built on as it was recognised that the time period to achieve to the transformational changes, given the level of infancy of the microfinance sector in the Caribbean.

**SECTION 6: PRACTICAL LESSONS**

1. 14. Issue: Working with Credit Unions was not the key focus of the Project but the phased selection of project beneficiaries led to a situation whereby seven of the ten institutions who made it to the Capacity Building component are Credit Unions. Most of them have indicated that microfinance can be a way of diversifying their clientele.

**Lessons:**

- In order for technical assistance to be effective, credit unions which are newcomers to microfinance have to take a strategic decision about including a new type of clients and about specialized microfinance products. This requires believing that attending microcredit clients can be a profitable business.

**Relative to**  
Implementation**Author**  
Webber, Maureen

- The successful strengthening of CU's requires special attention as it can have a demonstration effect among the credit union movement of the whole region.
- In order to achieve a multiplier effect, a second phase of the Project could work with the Credit Union Leagues of the region.