

# PROJECT STATUS REPORT (FINAL)

JULY 2011 - DECEMBER 2011

## SECTION 1: PROJECT SUMMARY

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

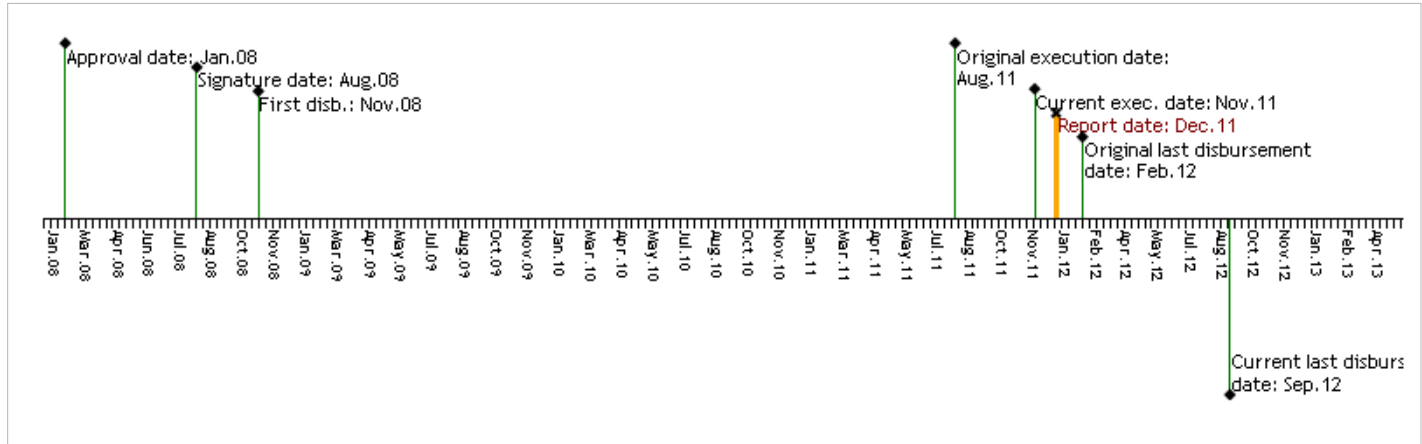
Project Number: RG-M1106 - Operation Number: ATN/ME-10809-RG

**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.

<b>Country Administrator</b> JAMAICA	<b>Beneficiary Country</b> JAMAICA	<b>Group</b> MIC - Microenterprise Development	<b>Subgroup</b> MFIN - Microfinance
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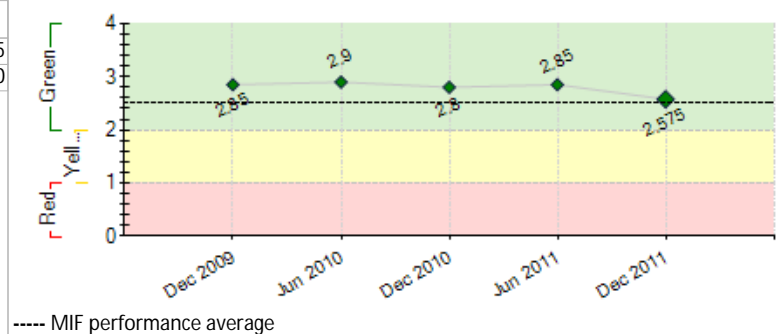
<b>Executing Agency:</b> INTER-AMERICAN DEVELOPMENT BANK	<b>Design Team Leader:</b> Saenz-Samper, Maria Victoria
	<b>Supervision Team Leader:</b> Leslie, Winsome

### TIMELINE



FUNDS	Approved	Cancelled	Disbursed
FOMIN	\$1,899,673.00	\$0.00	\$1,848,531.65
Counterpart	\$0.00	\$1,144,081.00	\$0.00

### PERFORMANCE SCORE



## SECTION 2: RESULTS AND ACHIEVEMENTS

### Performance once project is completed

- 1) Ten MFI/CUs received tailor made technical assistance from DID. Both the performance assessments and DID's capacity building interventions have contributed to strategic planning of MFIs and greater Board involvement.
- 2) Four General Training sessions held, with the attendance of 90 participants from 26 MFI/CUs
- 3) Three MFIs from Carib Cap who are listed on the MIX with financial performance details, Another MFI is listed profile information. Two other MFIs indicated that they have registered but this information is not yet displayed on the MIX.
- 4) 2 MFIs in Jamaica and Guyana are independently implementing recommendations arising out of the performance assessment
- 5) Four institutions were selected for Good Performance Incentive Awards: Two institutions received GPI Awards of US\$30K each and Two institutions received GPI Awards of US\$20K each. The selection criteria used were: Registration with the MIX market and the start of financial reporting. Fully paid-up membership in the CMFA and of the Project's cost sharing payment. Active engagement in discussions via the blog established by DID. Demonstrated improvement in the areas of ROA, ROE, FSS and delinquency.
- 6) By the end of November 2011 the membership of the CMFA consists of 16 MFIs/CUs and two Support Organization from seven countries in the Region.
- 7) 3 Caribbean MicroFinance Fora held, 2009 - 2011 and facilitated increased sharing of knowledge within practitioners in the region and also with good practices outside the region.
- 8) Contributions to the body of knowledge about Caribbean microfinance through research - Study on Demand for Financial Services and Study on Regulation and Supervision of the MicroFinance Industry in addition to the lessons learned during the Project.
- 9) Supported earlier IDB research that the 'real' problems affecting MFIs – that internal, not external constraints are the more immediate challenges to

profitability and success

#### Comments from the Supervision Team Leader

1. Thirty-four performance assessments were originally planned, but only 18 were achieved, based on the fact that fewer institutions than anticipated were found satisfying the requisite project eligibility criteria. Only 10 capacity-building plans were done as well - some institutions chose to take the PA and do this on their own, and also some institutions receiving the PA (credit unions) had a low level of commitment to developing microfinance.  
2. The original Caribbean Microfinance network was weaker than originally thought and so a new institution -- the Caribbean Microfinance Alliance -- was created by consensus among the CARIB-CAP beneficiaries. This organization already has 18 new members.

#### Final evaluation

Good implementation that achieved the development objectives  
Only issue was with the reporting of local counterpart

#### Comments from the Supervision Team Leader

Agree with the Evaluators comments

[Final evaluation](#)

<http://mif.iadb.org/file.aspx?DOCNUM=36833326>

### SECTION 3: INDICATORS

Indicators		Baseline	Planned	Achieved	Percentage
<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.	<b>P.11</b> Percentage of participant MFIs that have improved their main financial ratios	0	80	50	63 %
	<b>P.12</b> Percentage of participant MFIs that have increased their clients	0	80	80	100 %
<b>Classification:</b> Satisfactory					
<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	53 %
<b>Component 2:</b> Implementation of the CBPs <b>Weight:</b> 35% <b>Classification:</b> Satisfactory	<b>C2.11</b> At least 12 MFIs with PA will have a CBP implemented	0	12	10	83 %
	<b>C2.12</b> At least 50% of participating institutions will report their performance data to the MIX no later than 12 months after launching their CBPs.	0	50	80	160 %
	<b>C2.13</b> 5 knowledge exchanges among other Caribbean MFIs and MFIs from Latin America, Asia and Africa.	0	5	3	60 %
<b>Component 3:</b> Good practice incentive (GPI) <b>Weight:</b> 10% <b>Classification:</b> Satisfactory	<b>C3.11</b> Two prizes for large MFIs (equivalent of US\$ 30,000)	0	2	2	100 %
	<b>C3.12</b> Two prizes for smaller MFIs (equivalent of US\$25,000)	0	2	2	100 %
<b>Component 4:</b> Strengthening of the CMN <b>Weight:</b> 25% <b>Classification:</b> Satisfactory	<b>C4.11</b> CMN increased membership by at least 50% over the life of the project	0	50	200	400 %
<b>Component 5:</b> Dissemination and Lessons Learned <b>Weight:</b> 20% <b>Classification:</b> Satisfactory	<b>C5.11</b> A video with cases and lessons learned is distributed in the Region.	0	1	0	0 %

**CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE***[None reported in this period]***SECTION 4: RISKS****CRITICAL RISKS MANAGED DURING IMPLEMENTATION****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

A second phase of this project has been approved and will begin execution in late April 2012.

**CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY***[None reported in this period]***Actions related to sustainability which have been implemented:**

IDB/MIF Provided and committed to provide bridge support to the CMFA by virtue of the CMFA undertaking a monitoring role of the 10 MFIs to ensure that performance data is collected following the close of the project.

IDB/MIF commitment to ongoing knowledge sharing by ensuring there is an expanded Caribbean component in the FOROMIC scheduled for 2012, in Bridgetown Barbados.

IDB/MIF recognising that the gains made in Project need to be solidified and have requested and gotten sign off from at least one major sponsor to be a part of a new initiative.

[Sustainability Plan](#)<http://mif.iadb.org/file.aspx?DOCNUM=36850650>**SECTION 6: KNOWLEDGE****Lessons Learned**

1. 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.
- 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.

2. Issue: throughout the Project, communication with the MF sector was a key priority. In the periods of slow project progress it kept interested MFIs "on board" and throughout it contributed to cohesion in the sector. The PMU played an important role in keeping the institutions interested, by regular communication and by inviting the MFI's to specific events while waiting for the next component to unfold. Although not a project requirement, the development of a CARIB CAP website has added to the Project's presence in the region. .

Lesson: intensive and professional communication pays off and has to be included in a project budget. Communication was made easier thanks to the regionally based PMU which had direct contacts with all involved institutions. In addition it is now emerging that a quarterly newsletter to provide updates, and inform on project activities would be an even more important addition.

3. Issue: In the start up phase country briefing sessions turned out to play a crucial role to make MFI's in the region interested in CARIB CAP. It overcame initial skepticism, which was based on "idle promises" of earlier microfinance support initiatives. Few institutions were left untouched.

Lesson: it pays off to invest in project promotion and disclosure among the target sector (group).

**Relative to**  
Diseño**Author**  
Webber, Maureen

Implementación

Webber, Maureen

Implementación

Webber, Maureen

**Indicate which are the main products of the project, where they can be found, and how they could be "shared" with other entities or similar projects.**

A study on the Demand for Financial Services among Low-Income people (Dec, 2010) -- posted on the MIF website  
 A study on regulations in the microfinance sector in the region (Dec. 2011)- public version to be released shortly online  
 Two articles on Caribbean Microfinance in MicAmericas online magazine

**Main products of the project***[No related products to display]*

## SECTION 7: DOCUMENTS

10/AUG/2007	<a href="#">Donors Memorandum</a>	[http://www5.iadb.org/mif/file.aspx?DOCNUM=1084193]
07/SEP/2007	<a href="#">Donors Memorandum</a>	[http://www5.iadb.org/mif/file.aspx?DOCNUM=1118479]
09/OCT/2007	<a href="#">Donors Memorandum</a>	[http://www5.iadb.org/mif/file.aspx?DOCNUM=1162130]
30/OCT/2007	<a href="#">Donors Memorandum</a>	[http://www5.iadb.org/mif/file.aspx?DOCNUM=1191745]
06/NOV/2007	<a href="#">Donors Memorandum</a>	[http://www5.iadb.org/mif/file.aspx?DOCNUM=1200075]
14/JAN/2008	<a href="#">Donors Memorandum</a>	[http://www5.iadb.org/mif/file.aspx?DOCNUM=1277577]
25/APR/2008	<a href="#">Donors Memorandum</a>	[http://www5.iadb.org/mif/file.aspx?DOCNUM=1412946]
30/APR/2012	<a href="#">Intermediate Evaluation Report</a>	[http://www5.iadb.org/mif/file.aspx?DOCNUM=36833323]
30/APR/2012	<a href="#">Final Evaluation Report</a>	[http://www5.iadb.org/mif/file.aspx?DOCNUM=36833326]
09/MAY/2012	<a href="#">Sustainability Plan</a>	[http://www5.iadb.org/mif/file.aspx?DOCNUM=36850650]

[Project profile](#)

<http://www5.iadb.org/mif/apps/public/psr/projectprofile.aspx?proj=RG-M1106&lg=EN>