

# PROJECT STATUS REPORT (FINAL)

JULY 2014 - DECEMBER 2014

## SECTION 1: PROJECT SUMMARY

**PROJECT NAME:** CARIBBEAN REGIONAL CAPACITY-BUILDING PROGRAM (CARIB-CAP) II

Project Number: RG-M1208 - Project Num.: ATN/ME-13184-RG

**Purpose:** To develop and implement a capacity-building program and create a knowledge-sharing eco-system for MFIs in the region, building on the activities of CARIB-CAP I.

**Country Admin**

JAMAICA

**Country Beneficiary**

BARBADOS, BAHAMAS, BELIZE,  
JAMAICA, SURINAME, TRINIDAD AND  
TOBAGO

**Executing Agency:**

INTER-AMERICAN DEVELOPMENT BANK

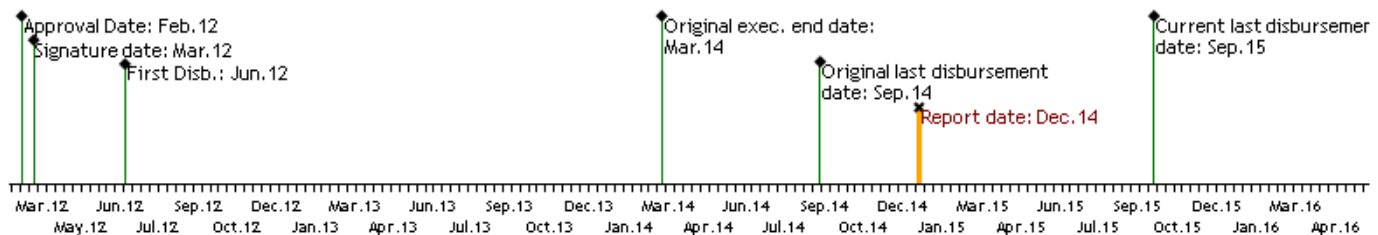
**Design Team Leader:**

WINSOME LESLIE

**Supervision Team Leader:**

WINSOME LESLIE

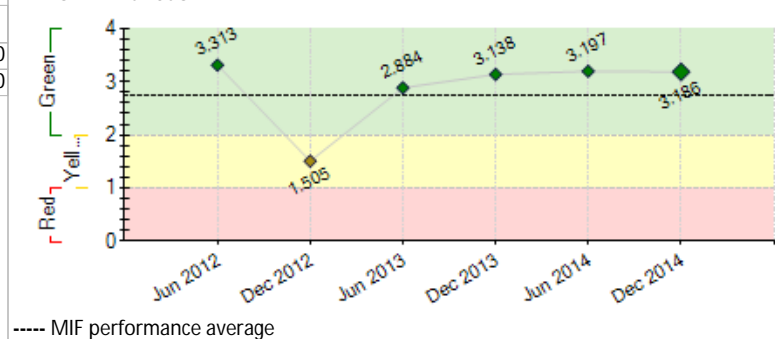
### PROJECT CYCLE



### FUNDS

	Approved	Cancelled	Disbursed
<b>FOMIN</b>	\$1,420,000.00	\$148,687.40	\$1,271,312.60
<b>Counterpart</b>	\$1,330,000.00	\$0.00	\$0.00

### PERFORMANCE SCORE



## SECTION 2: RESULTS AND ACHIEVEMENTS

### Performance once project is completed

#### Component 1: Capacity Building

- 13 MFIs are fully staffed and have developed new or have modified their microcredit product.
- 75 MFI staff participated in 3 regional training seminars.
- US\$72,869 was disbursed to 5 MFIs to upgrade their MIS platform.
- 13 MFIs are registered to the MIX Market.
- Over 70 MFIs were exposed to the SMART Campaign.
- Best practices in governance have been implemented in 8 MFIs.

#### Performance

- 3 MFIs from Carib Cap I achieved above 15% yearly increase in their micro loan portfolio.
- Client outreach totalled to 16,626.
- 5 MFIs with microcredit portfolios prior to Carib Cap II have achieved by over 50% in client outreach.
- 3 MFIs that began microcredit operations during Carib Cap II have met their targets.
- 10 MFIs recorded over 50% increase in portfolio value.
- 2 MFIs reduced PAR by more than 50% & 4 had reductions greater than 15%.

#### Component 2: Caribbean MicroFinance Alliance (CMFA) Consolidation

1. 24 members as of 12/2014.
2. Have published 3 Financial Performance Reports, 2011-2013.
3. CMFA trained to assess and prepare social performance reports using the SMART Campaign principles. 4 performance assessment reports completed for member MFIs.
4. CITI Foundation granted CMFA grant support for the 2014/16 financial year.
5. There were 3 hosting of the Citi CMFA Microentrepreneurship Awards for the Caribbean –2012-2014.
6. CMFA developed a Financial Literacy Training Programme.
  - 27 trainers trained, **4,457** entrepreneurs trained as at 12/ 2014
7. There have been 2 hosting of the Caribbean Microfinance Forum. Over 230 delegates were in attendance at both. Toolkit has been developed to guide future forums.
8. CMFA participated in an exchange visit to REDCAMIF & ASOMIF, Nicaragua, 2013, PROXFIN and SEEP, Conference, 2014.

### Component 3: Knowledge Sharing & Dissemination

1. Project donors and activities gained much publicity.
2. The following research papers were completed:
  - 2 country-based market studies; Suriname and Grenada - Development Options Ltd. & Enclude.
  - Informal Markets study in Guyana, Jamaica, Suriname and Belize- EA Consultants.
  - Study to assess and develop microfinance business models for 3 English speaking Caribbean countries- Barbara Magnoni and Rodolfo Quiroz.
  - Caribbean Microfinance Case Study on IPED, Guyana.
  - Microfinance and its role in supporting micro farmers in Jamaica, Ghana and Kenya, EU/ACP. Research included Jamaican MFIs that participated in Carib Cap II.

#### Comments from the Supervision Team Leader

Note that under the "Project Execution" tab, the results achieved in terms of a) the sustainability of the CMFA; b) the communications strategy, and c) the informal market studies indicate percentage achieved, rather than the number in the baseline indicator.

#### Final evaluation

Carib-Cap II project achieved goals in terms of effectiveness and relevance. Performance goals were largely achieved -- some institutions were more successful than others.

#### Comments from the Supervision Team Leader

Agree with the Evaluators comments

I agree with the findings.

[Final evaluation](#)

<http://mif.iadb.org/file.aspx?DOCNUM=39971277>

## SECTION 3: INDICATORS

	Indicators	Baseline	Planned	Achieved	Percentage
<b>Purpose:</b> To develop and implement a capacity-building program and create a knowledge-sharing eco-system for MFIs in the region, building on the activities of CARIB-CAP I.  <b>Classification:</b> Satisfactory	R.1 12 – 15 MFIs have increased by at least 50% their outreach in a sustainable way.	0	12	5	0 %
	R.2 At least 5 institutions able to attract investment from SEP or other IDB/donor programs by the end of the project (this number includes TCs or loans for credit unions).	0	5	3	0 %
<b>Component 1:</b> Component 1. Institutional Capacity-Building  <b>Weight:</b> 68%  <b>Classification:</b> Satisfactory	C1.11 At least 10 MFIs have successfully developed at least 1 new product .	0	10	13	0 %
	C1.12 At least 10 have implemented best practices in governance.	0	10	14	0 %
	C1.13 At least 5 implement best practices for social performance.	0	5	4	0 %
	C1.14 At least 5 institutions with a 15% to 25% yearly increase in portfolio beyond levels of CARIB-CAP I.	0	5	6	0 %
	C1.15 The 12 to 15 institutions participating have increased their outreach on an average of 50%.	0	12	8	0 %
	C1.16 At least 5 institutions with PAR reduced by a minimum of 50% from their baseline levels.	0	5	2	0 %
<b>Component 2:</b> Component 2. Consolidation of the Caribbean Microfinance Alliance (CMFA)  <b>Weight:</b> 23%  <b>Classification:</b> Satisfactory	C2.11 One regional network (the CMFA) consolidated formally and operating in a sustainable way.	0	1	55	0 %
	C2.12 Number of clients trained in financial literacy	0	3500	4457	0 %
	C2.13 Two MFIs and two micro-entrepreneurs have received a Citi Foundation awards.	0	4	5	0 %
<b>Component 3:</b> Component 3: Knowledge-Sharing and Dissemination  <b>Weight:</b> 9%  <b>Classification:</b> Satisfactory	C3.11 Communication strategy complete	0	1	1	0 %
	C3.12 Market studies and informal market study complete?	0	2	100	0 %
	C3.13 Report on the impact of microfinance in the region complete	0	1	1	0 %

Milestones

Planned

Due Date

Achieved

Date of achievement

Status

#### CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

[None reported in this period]

## SECTION 4: RISKS

## CRITICAL RISKS MANAGED DURING IMPLEMENTATION

1. MFIs unwillingness to update/ report to the MIX 2014 and beyond

**Level:** High**Responsible:** Project Coordinator**Status:** In effect**Comments:** This should become a priority area for the CMFA to continue exposing and encouraging MFIs to the benefits of an updated profile on the Mix Market.

2. MFIs refusing to hire and or unable to retain new loan officers to coordinate/manage micro credit activities.

**Level:** Medium**Responsible:** Project Coordinator**Status:** In effect**Comments:** During the period September- December 2013, the EA gave an ultimatum to 3 MFIs regarding this issue. This resulted in the exclusion of 1 MFI from the project. At project close all 13 MFIs had 1 or more staff operating their microfinance activities. Other staff related concerns including the loss of staff trained in microfinance operations during the implementation of Carib Cap II may have also impacted the gains or lack thereof in some MFIs.

3. The CMFA depends heavily on one person as they have no executive capacity beyond the OM. CMFA's capacity is more than fully taken by playing a major role in executing 6 of CARIB CAP's project activities.

**Level:** Low**Responsible:** Project Coordinator**Status:** In effect**Comments:** A Business Development Officer was recruited on May 1, 2013 to support the Operations Manager. BDO's contract expired August 2014 and the CMFA is now being led by its Executive Director with oversight from its 7 member Board.

4. Failure by the CMFA's Board of Directors to provide adequate strategic support to the CMFA contributes to the lack of growth of the Alliance.

**Level:** Low**Responsible:** Project Coordinator**Status:** In effect**Comments:** Seven institutions were nominated en bloc to the Board of Directors of the CMFA on Monday, June 03, 2014. Mr. Ramesh Persaud was reelected as Chairman. In addition, the CMFA has a 2 years strategic plan that it will use to guide the management and operations of the CMFA.

5. MFIs unwillingness to pay/co-sponsor their clients to participate in the FE training, this could impact the project target to train 7,000 clients in FE.

**Level:** Low**Responsible:** Project Coordinator**Status:** In effect**Comments:** - CMFA negotiated several approaches with MFIs to have the FET delivered to their borrowers. This included 1. co-financing expenses to deliver training and in some instance assigned independent trainers to undertake training of clients. 2. training MFIs staff to delivering training including the provision of training materials. - The effort did not yield much response which led to the engagement of other groups that supported entrepreneurs. - 4,457 entrepreneurs were trained in 7 islands. 63% of the sessions were done in Jamaica followed by Guyana with 23%.

6. Membership to CMFA could decline post Carib Cap II in 2014/15i) Birth of a new Association- JAMFIN, representing priority issues for Jamaican MFIs (8 registered MFIs and another 3 pending applications) and offering business development support for their clients, could impact the growth and or retention of membership by MFIs in Jamaica. ii) Benefits of being members of CMFA and accessing Carib Cap II benefits will be removed. Jamaican MFIs might see less benefits in being a member of the CMFA

**Level:** Low**Responsible:** Project Coordinator**Status:** In effect**Comments:** The hosting of the CMF V resulted in an additional 5 institutions joining the CMFA. It is expected that as the CMFA continues to implement its new strategic activities that their position will be further reinforced as the representative organization of the Microfinance sector in the Caribbean.**PROJECT RISK LEVEL:** Low **TOTAL NUMBER OF RISKS:** 24 **IN EFFECT RISKS:** 12 **NOT IN EFFECT RISKS:** 1 **MITIGATED RISKS:** 11

## SECTION 5: SUSTAINABILITY

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

The sustainability of the project -- training, data gathering, hosting of the annual Caribbean Microfinance Forum -- will be facilitated through the work of the Caribbean Microfinance Alliance, the microfinance network established by Carib-Cap.

## CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY

[None reported in this period]

**Actions related to sustainability which have been implemented:**

The implementation of the Carib Cap Project has resulted in increased client outreach and several MFIs have adopted best practices that have already resulted in improved MF operations and portfolio quality. In addition, the qualitative achievement is immeasurable and is evident in the renewed attitude amongst MFIs' staff and board members. Also, some MFIs have already started extending their microfinance operations in other areas in their respective countries and have strengthened their internal structures to better serve the market.

The CMFA also continues to intensify their position to become the reference point for further development in the sector. It is expected that with their new strategic initiatives that they will become a strong force to represent Caribbean microfinance.

Some follow-up initiatives and continuation of major activities include:

- i. The CMFA has received further grant support from the CITI Foundation
- ii. Multilateral donors and private donors—European Investment Bank and Whole Foods Foundation; already are exploring opportunities in the English-speaking Caribbean.
- iii. DBJ has incorporated registering with the MIX as a criterion for Jamaican MFIs.

[Sustainability Plan](#)

## SECTION 6: KNOWLEDGE

**Lessons learned**

- 1. Caribbean Microfinance Forum

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

1. CMF venues should be best decided through a bidding process, the bid document would indicate minimum requirements. Each bidder should provide a work programme, name a committed management team and indicate both cash and kind contribution in the bid document. There should then be a panel that would select and make a decision. This should be done at least 15 months ahead of the staging of an event.

2. Planning and Execution of the CMF V requires a dedicated team lead by a competent Project Manager.

3. Content of the Forum and theme must be broad-based to allow for a wider participation than the Micro Finance Institutions.

4. Timelines - content planning should begin within 12 months of the event, decision on theme and primary speakers 9 months before the event, save the dates should be issued no later than 6 months ahead of the event and registration opens 4 months before the event.

#### 2. Knowledge Visits (KV)

Schedule Knowledge Visits to compliment the proposed Technical Assistance and use the KV to reinforce the direction the TA will take the MFI.

#### 3. Management Information Systems

i. The decision on eligibility needs to be made prior to the midpoint of the project and implementation begin then.

ii. Capacity to implement must be confirmed.

iii. The resource contracted to recommend the eligibility should be retained to oversee implementation.

4. More in-depth along with hand-holding TA support is needed when seeking to effect change in processes and systems. Close monitoring and hand-holding is integral to the successful implementation of technical assistance in MFIs

5. A successful technical assistance programme must target specific needs of each MFI operating within its unique environment.

#### 6. Technical Assistance Programme

Project targets must be closely aligned to the maturity of the microfinance market in each beneficiary country.

There are clear gains to this as it reduced the startup time. However this was also enhanced by the fact that the firm delivering the TA lead in the delivery of the TA for Carib-Cap I and therefore had intimate knowledge of the profile of the MFIs

7. An agreed system must be established at start that will guide the elimination or continuation of MFIs.

8. There should be a participation agreement signed between all key partners including the EA or its representative.

#### 9. Selection, Capacity & Commitment of Targeted MFIs

i. MFIs participating in Carib-Cap II should have been selected based on their achievements in Carib-Cap I and their commitment to the process.

ii. MFIs participating in a capacity building programme of this nature should possess a committed management team and board of directors who understand the objectives of microfinance.

iii. Team should comprise officers that possess the emotional intelligence to engage client group, build and manage the portfolio.

iv. While it is not possible to hold the MFI to retaining staff they need to advise and commit to filling the post with a similar profile.

Implementation Webber, Maureen

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Design Webber, Maureen

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Design Webber, Maureen

Implementation 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.

The products can be found on the MIF website and on the website for the Caribbean Microfinance Network. These products have also been shared at the Caribbean Microfinance Forum in 2014 and 2015.

#### Main products of the project

[May 2014] Building Up Business - MicroenterpriseDeand for credit in the Caribbean (Other)

**Author:** EA Consultants

[Aug 2014] The Microentrepreneur A newsletter of the Caribbean Microfinance Capacity Building Project II (Other)

**Author:** Marcia Erskine & Associates

[Jul 2015] Open For Business: Supporting a Sustainable Microfinance Industry in the Caribbean (Case studies)

**Author:** EA consultants

### SECTION 7: DOCUMENTS

06/JAN/2012 [Donors Memorandum](#)

[<http://www.fomin.org/file.aspx?DOCNUM=36618947>]

08/FEB/2012 [Donors Memorandum](#)

[<http://www.fomin.org/file.aspx?DOCNUM=36674391>]

17/NOV/2015 [Final Evaluation Report](#)

[<http://www.fomin.org/file.aspx?DOCNUM=39971277>]

[Project profile](#)

<http://apps.fomin.org/public/psr/projectprofile.aspx?proj=RG-M1208&lg=EN>