

PROJECT STATUS REPORT

JANUARY 2017 - JUNE 2017

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Revitalization of the Bahamas Sponging Industry

Project Number: BH-M1013 - Project Num.: ATN/ME-15441-BH

Purpose: Spongers should (1) have increased revenue from capturing a greater portion of the value of the sponge value chain; (2) reach new markets through the Spongers Association; (3) increase sales. In addition, the sustainable management of the seafloor will result in biodiversity maintenance

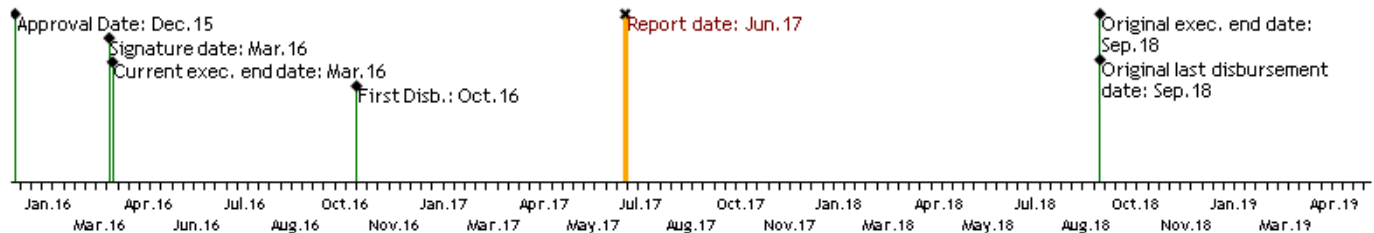
Country Admin
BAHAMAS

Country Beneficiary
BAHAMAS

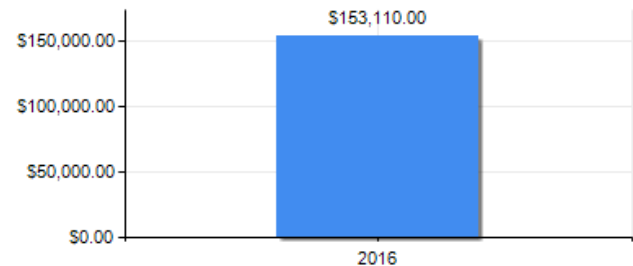
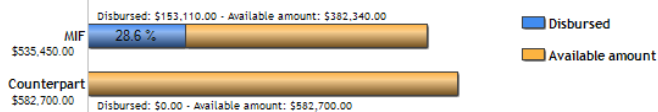
Executing Agency: Bahamas Agricultural and Industrial Corporation

Design Team Leader: GREGORY WATSON
Supervision Team Leader: SEGEE TERRY-ANN SHARLENE

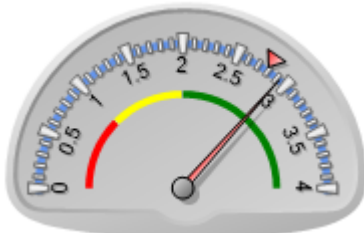
PROJECT CYCLE



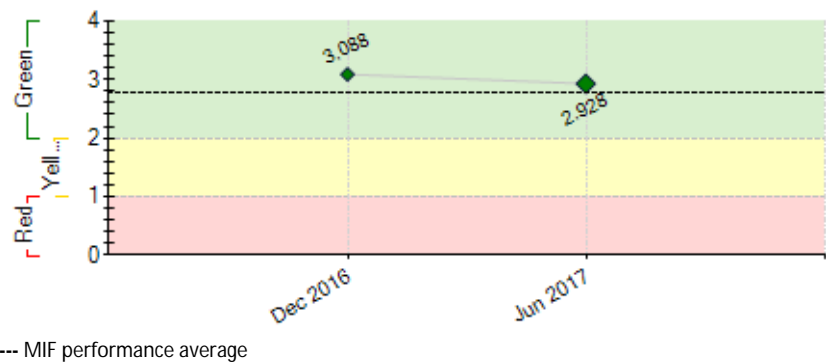
FUNDS



PERFORMANCE SCORE



Current score: Satisfactory: 2.928
MIF Average: 2.785



EXTERNAL RISKS

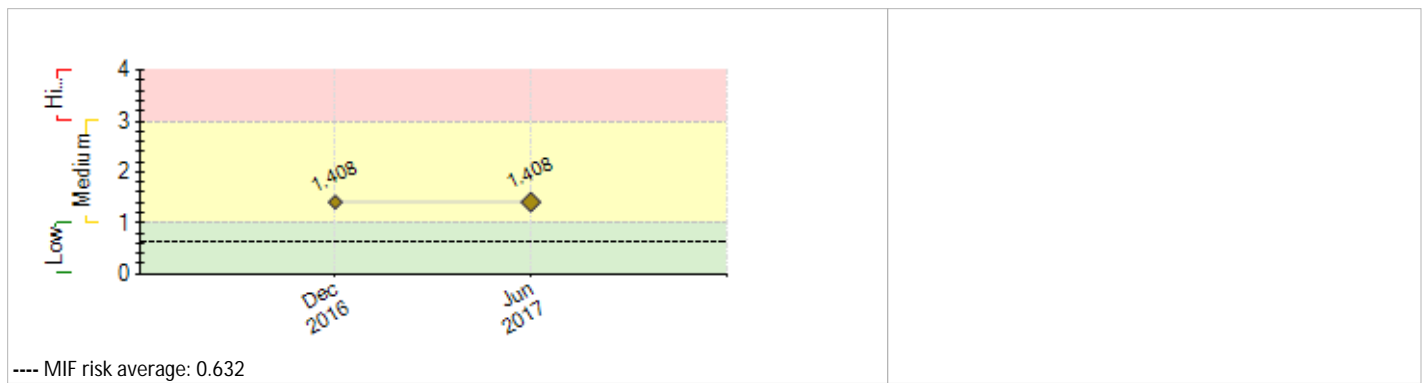
INSTITUTIONAL CAPACITY

Risk

Financial Management:

Procurement:

Technical Capacity:



SECTION 2: PERFORMANCE

Summary of project performance since inception

Project's performance to date has been less than anticipated.

Since the project's inception the association has been incorporated as *The Bahamas Commercial Spongers Association*, and the project was formally launched in each of the participating communities – Mangrove Cay, and Red Bays. Although progress is seen to be slow, activities are in progress.

Initially the project experienced delays as a result of a hurricane "Matthew" which devastated several islands of The Bahamas, including parts of Andros. Further delays were experienced as a result of general elections; a change of government; change of minister; and now as BAIC await the arrival of the newly appointed chairman. Timelines have been adjusted, project risks continue to be monitored, and adjustments made where necessary.

To date the project's risk level has increased to medium as due to our delays there is now a probability that the remaining time may not be sufficient to complete all of the deliverables as planned. Once completed, a low risk remains that "the association will not be sustainable". While this does not threaten the execution of the project, it is notable as it is something that constantly requires some level of mitigation as we implement. BAIC continues its commitment to the success of this project, and hence is determined to ensure that all resources are available to ensure its success. Therefore, the likelihood of this project achieving its final objectives remains optimistic.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Summary of project performance in the last six months

The project was launched in three (x3) locations – Nassau, Mangrove Cay, and Red Bays. Since the launch, we have spent time each month within the communities to increase support and participation levels. To date we have engaged consultants and some work have begun to develop a business plan. Additionally, trainings for board members have been scheduled and are expected to follow.

Primary causes for delays and postponements have been due to the distractions of a political season which led to a general election in The Bahamas, and immediately following this; a change of government, minister, and now we await the arrival of the newly appointed chairman for BAIC. However, as we continue to wait we are in the process of once again revising our timelines which will also support a new Operations Plan which will be presented to IDB for approval very soon.

During the next six months, our work will focus on completing all studies and research; ensuring that at least 10 board members and 25 association's members are fully trained and are all adopting sustainable harvesting techniques; acquisition of a lease for facilities, purchase of equipment, and strategically linking all trained members to business partners and also new domestic markets. Discussions to deliver these activities have already begun within the project's steering committee.

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
Goal: The project should 1) develop new partnerships between public and private actors; (2) change the way that Spongers are organized, harvest, process, and sell sponges; (3) help the Sponge sector re-emerge as a	I.1	Number of new markets or sectors that emerge with MIF support	0			1	0	
						Mar 2020		

key income driver in Adros

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R.1	Number of spongers who sell to new export markets through the Sponge Association	0 Apr 2016	25 Apr 2017	100 Apr 2018		200 Apr 2019	0	
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Component 1: Determination of Best Practices in Sponging and Establishment of Market Linkages

Weight: 30%

Classification: Satisfactory

C1.11	Completion of study on international and national market requirements, buyers, and opportunities	0				1 Mar 2017		Delayed
C1.12	Completion of study on optimal sponge harvesting practices and development of sustainable certification guidelines	0				1 Mar 2018		
C1.13	Sales contracts finalized	0 Mar 2016	15 Mar 2018			25 Mar 2019		
C1.14	Volume of sponges sold by Association	0 Mar 2016	150000 Mar 2018			200000 Mar 2019		

Component 2: Institutional Strengthening to Operationalize the Bahamas Commercial Sponge Association

Weight: 30%

Classification: Satisfactory

C2.11	Detailed business plan of the Association completed	0				1 Mar 2017		Delayed
C2.12	Board members trained in governance and financial management	0 Mar 2016	10 Mar 2018			12 Mar 2019		
C2.13	Production of sponge samples with all branding, improved processes.	0 Mar 2016	3000 Mar 2018			5000 Mar 2019		

Component 3: Business Training and Skill Development for Spongers/Association Members

Weight: 30%

Classification: Satisfactory

C3.11	Creation of value chain and processing curriculum	0				1 Mar 2017		Delayed
C3.12	Creation of sustainable harvesting curriculum	0				1 May 2017		Delayed
C3.13	Creation of business skills curriculum	0				1 Mar 2017		Delayed
C3.14	Number of spongers trained on value chains, product quality, and processing techniques.	0 Mar 2016	25 Apr 2017	100 May 2018		200 Mar 2019		Delayed
C3.15	Number of spongers trained on sustainable sponging, ecosystem conservation.	0 Mar 2016	50 Apr 2017	150 Apr 2018		250 Mar 2019		Delayed
C3.16	Number of spongers trained on business skills and financial management.	0 Mar 2016	100 Mar 2018			200 Mar 2019		

Component 4: Knowledge Sharing, Strategic Communications, and Sustainability of Association

Weight: 10%

Classification: Satisfactory

C4.11	Number of Association members trained to take on management of all association functions through knowledge transfer	0				50 Feb 2019		
C4.12	Number of sponging leaders from other Bahamian Islands who receive how-to guide and knowledge transfer on project model, market, and processes	0				12 Feb 2019		
C4.13	Number of institutions (government, NGOs, private sector) that receive how-to-guide and knowledge transfer on project model, market and techniques.	0				20 Feb 2019		

Milestones	Planned	Due Date	Achieved	Date of achievement	Status
M1 Conditions Prior	1	Sep 2016	1	Sep 2016	Achieved

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. Spongers are not able to provide higher value products to capture the market	Medium	The provision of training and availability of processing equipment through the Association.	Project Coordinator
2. The model created is not relevant to the other Island in the Bahamas or abroad Spongers do not adopt new practices.	Medium	The involvement of senior respected leaders in design and implementation.	Project Coordinator
3. Spongers do not adopt the sustainability harvesting practices	Medium	Spongers will be trained to recognize the economic value of sustained harvesting. Respected community elders will be involved in training.	Project Coordinator
4. The association will not be sustainable	Medium	A business plan will be prepared that incorporates mechanisms to cover the carrying costs through revenue generation. The Association will be incubated by BAIC for 2 years.	Project Coordinator
5. The association is not able to make sufficient linkages to the market	Medium	The existence of buyer commitment from Ministry of Tourism prior to project approval. Additional private sector purchases already approached prior to approval. (hotel, cruise lines, spas, other SMEs)	Project Coordinator

PROJECT RISK LEVEL: Medium TOTAL NUMBER OF RISKS: 5 IN EFFECT RISKS: 5 NOT IN EFFECT RISKS: 0 MITIGATED RISKS: 0

SECTION 5: SUSTAINABILITY

Likelihood of project sustainability after project completion: P - Probable

CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY

Issue

Comments

[X] Lack of organizational, managerial and financial management capacity to **continue** and sustain the program once the execution phase is finalized.

[X] Lack of a **sustainability plan** or its inadequate implementation

Actions related to sustainability which have been taken in the reporting period:

N/A

SECTION 6: PRACTICAL LESSONS

[No lessons learned found]