

PROJECT STATUS REPORT

JANUARY 2016 - JUNE 2016

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Enhancing Credit Union Members Access in Belize through Technology

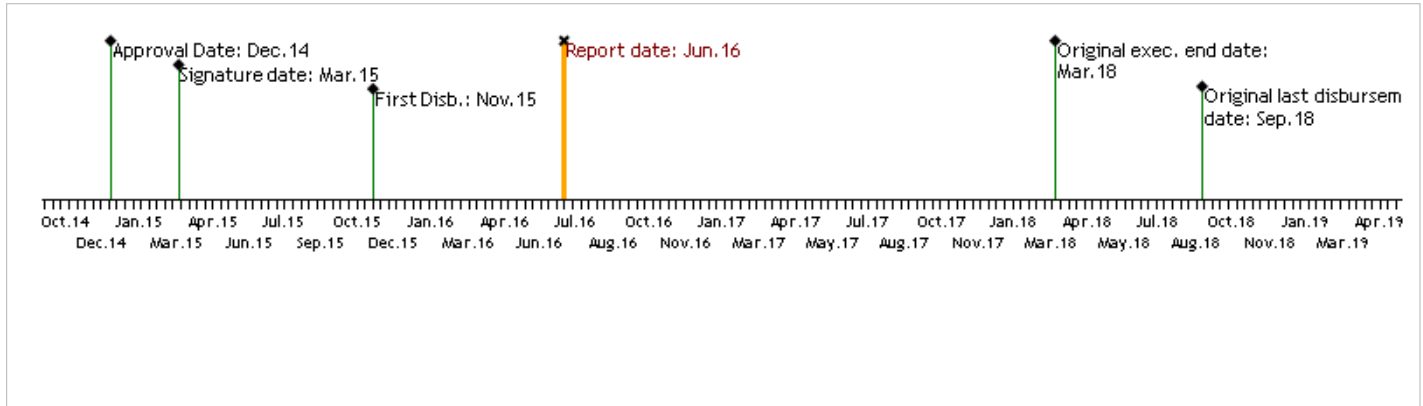
Project Number: BL-M1009 - Project Num.: ATN/ME-14804-BL

Purpose: Increased access to and use of formal savings products by CCT recipients and remittances clients in Belize, through the development of financial products and services tailored to this population.

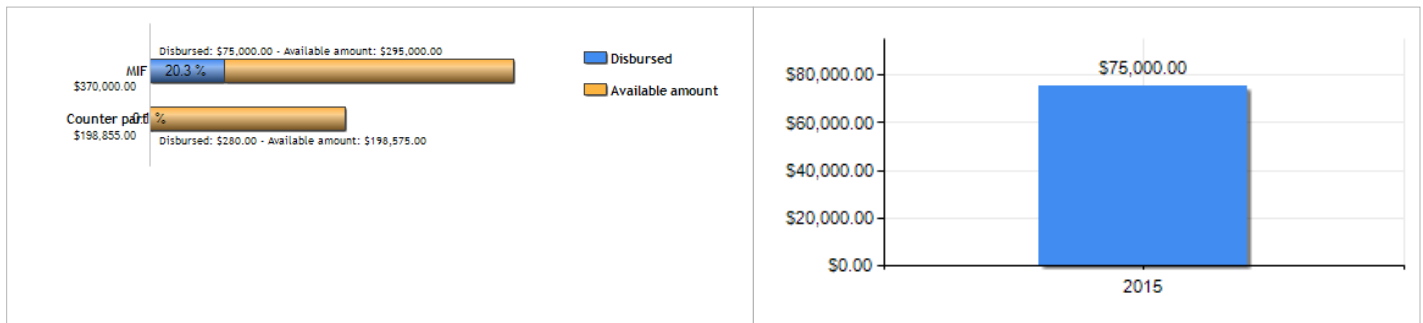
Country Admin: BELIZE
Country Beneficiary: BELIZE

Executing Agency: BELIZE CREDIT UNION LEAGUE
Design Team Leader: MARIA TERESA MORALES
Supervision Team Leader: WAYNE BEECHER

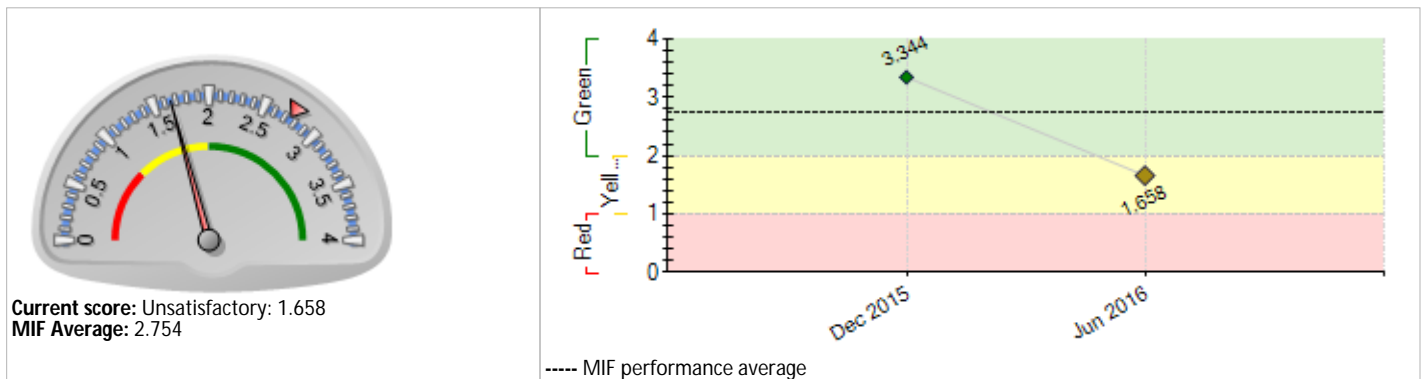
PROJECT CYCLE



FUNDS

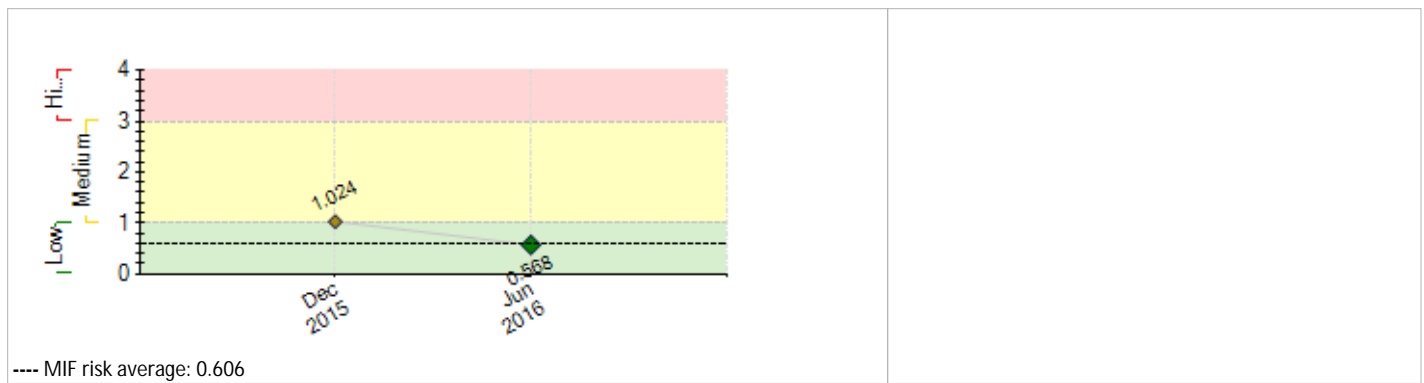


PERFORMANCE SCORE



EXTERNAL RISKS

	INSTITUTIONAL CAPACITY Risk Financial Management: Low Procurement: Medium Technical Capacity: Low
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SECTION 2: PERFORMANCE

Summary of project performance since inception

Cumulative performance:

Under Component 1. Business Model Development, Activity 1.1.1 Product Pre-Design Workshop was held and nine potential savings products were identified for the Market Survey.

- Belize Credit Union League (BCUL) requested that they execute the activity 1.1.3 Facilitator for Design of New Savings Products

- Component 1. Business Model Development, Activity 1.1.2 Market Research on New Savings Products, Mr. Shaun Finnetty was contracted

- Component 2. Development of Shared Agents Platform, Activity 2.1 Switch Software and 2.5 Shared Agent Software, MIFOS initiative contracted as provider

Difficulties during the period

BCUL had experienced delays in hiring an IT Officer and the project coordinator was overwhelmed with carrying out both project and IT Officer duties.

- The activity 1.1.2 Market Research on New Savings Products had experienced significant delays

- Delays by credit unions in organizing focus groups and availability of management for interviews during market survey

- Delays in getting meeting dates with credit union's core banking systems provider

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Risks

- Regulatory requirements for BCUL acquiring operator license in the national payment system from Central Bank

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- Anti Money Laundering policies and training for shared agents

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- Reduction of remittances due to Belize's loss of correspondent banking.

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The likelihood of the project achieving its final objectives are high

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Summary of project performance in the last six months

Semester two performance:

- Operational/administrative coordinator began working on February 15, 2016.

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- Component 1. Business Model Development, Activity 1.1.2 Market Research on New Savings Products, Mr. Shaun Finnetty was contracted.

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- Component 2. Development of Shared Agents Platform, Activity 2.1 Switch Software and 2.5 Shared Agent Software, MIFOS initiative contracted as provider

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- Participated in BOOST plus launch, received file with payouts by credit unions from Project manager to gather baseline information

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Difficulties during the period

- Delays by credit unions in organizing focus groups and availability of management for interviews during market survey

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- Delays in getting meeting dates with credit union's core banking systems provider

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Actions taken

Project unit finalized the list and called the participants for the focus groups

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Sent letter to be forwarded to providers to the credit unions so that MIFOS could start contacting providers directly

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Next period activities

Liaise with Belize Credit Union League on the development of the savings products

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Liaise with MIFOS on the integration with the different banking cores

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• Procurement of the activity 1.1.4.1 New Savings Products Team Leader

• Prepare justification for next disbursement

Comments from the Supervision Team Leader
 Agree with the Executing Agency comments
 The project is being executed slower than planned. Efforts will be made to improved project execution

SECTION 3: INDICATORS AND MILESTONES

Indicators	Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
Purpose: Increased access to and use of formal savings products by CCT recipients and remittances clients in Belize, through the development of financial products and services tailored to this population.	R.1	0			7000 Dec 2018	0	
	R.2	0	375 Dec 2016	1500 Dec 2017	2000 Dec 2018	0	
	R.3	0	375 Dec 2016	750 Dec 2017	1500 Dec 2018	0	
	R.4	0	1500 Dec 2016		3000 Dec 2018	0	
	R.5	0	600 Dec 2016	1250 Dec 2017	2500 Dec 2018	0	
	R.6	0	120000 Dec 2017		350000 Dec 2018	0	
	R.7	0	800 Dec 2017		2100 Dec 2018	0	
	R.8	0	14 Dec 2016		64 Dec 2018	0	
Component 1: Design of Savings Products and Business Weight: 50% Classification: Unsatisfactory	C1.11	0			1 Mar 2016	0 Dec 2015	Delayed
	C1.12	0			2 Mar 2018		
	C1.13						Delayed
Component 2: Development of Shared Agent Platform Weight: 50% Classification: Satisfactory	C2.11						Delayed
	C2.12	0			7 Mar 2018		
	C2.13	0			30 Mar 2018		

Milestones	Planned	Due Date	Achieved	Date of achievement	Status
M2 Conditions Prior	8	Sep 2015	8	Sep 2015	Achieved
M3 Validation of demand for Savings product received and Two savings product confirmed	1	Jan 2016			Not Achieved
M5 3 CUs IT platform modified and updated to work with transactional switch.	3	Jan 2017			
M4 [*] 2 Savings Products Developed	2	May 2017			
M6 50 Agents selected and trained.	50	Jul 2017			
M7 750 members sensitized on importance of savings and new Saving Products	750	Nov 2017			
M8 Production of one video documenting members experience with the savings products and delivery channels.	1	Jan 2018			

[*] Indicate that the milestone has been reformulated

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

- [X] Executing agency institutional capacity
- [X] Purchase difficulties
- [X] Delays in fulfilling the contract terms

SECTION 4: RISKS**MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE**

	Level	Mitigation action	Responsible
1. Holy Redeemer Credit Union Ltd (HRCU), during the market research expressed concerns over the use of the shared agents, in particular relating to Anti Money Laundering (AML) practices. This valid concern has made them hesitant to embrace this delivery channel and may only consider using other credit unions as agents. HRCU is not keen about offering new savings products.	Medium	Need to develop strong Anti Money Laundering Policies and training for shared agents. Include within the scope of works for the saving product team leader the development of such policies.	Project Coordinator
2. Newly developed savings products might be slower than expected in attracting new savers	Medium	Train credit union employees in product sensitization and offering the products to members. Work with Belize Credit union League in offering training of trainers to credit union employees through financial literacy programs	Project Coordinator
3. Remittances or CCT payments might decrease substantially as a result of Belize correspondent banking relations	Low	Liaise with credit unions offering remittance services to evaluate the effect of Belize's debanking.	Project Coordinator
4. Operational difficulties due to technology delay launch of the new savings products. New regulatory requirements being implemented by the Central Bank of Belize for electronic payments.	Low	Facilitate the process of getting BCUL to take lead in meeting the requirements set fort by the CBB.	Project Coordinator
5. Changes in the Boost program reduce the number of beneficiaries	Low	Liaise with BOOST project team to keep abreast of new developments within their project and find ways of collaboration.	Project Coordinator

PROJECT RISK LEVEL: Low **TOTAL NUMBER OF RISKS:** 6 **IN EFFECT RISKS:** 5 **NOT IN EFFECT RISKS:** 0 **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 have been taken in the reporting period:

Actions which would impact the sustainability of the project include, the acceptability of the credit union membership of the saving products and delivery channels and the transaction cost for the use of a shared agent. Vital feedback from both credit union members and management acquired via the market research is to be used in the development of the savings products. By selecting MIFOS as the software provider and the MIFOS initiative absorbing most of the implementation cost, and a 1 cent used per transaction cost after implementation, it will allow for a very competitive transaction cost.

SECTION 6: PRACTICAL LESSONS

1. During the procurement process of the transactional switch, it was learned that by exploring open source technology, the cost for acquiring a transactional switch and shared agents software for the credit unions can be reduced significantly by almost 80%. The MIFOS initiative is such an alternative and will provide software for the transactional switch and shared agents and knowledge transfer to BCUL.

Relative to
Implementation

Author
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