

# Annexes

## Annex 7: Technical Assistance Portfolio in Red- and Yellow-Flag Status as of December 31, 2013

### 7a Technical Assistance Projects in Red- and Yellow-Flag Status as of December 31, 2013

Operation Number	Project Number	Country	Project Name	Critical Issues Affecting Performance	Main Actions Being Taken	Executing Agency	Original Approved Amount	Cancelled Amount
ATN/ME-10482-ME	ME-M1036	Mexico	Fill Rates Improvement for SME in Mexico and the Region	Doing a public call to develop the software system was a longer and more complex process than anticipated and it was difficult to find a large company willing to pilot the software. The executing agency also had difficulty attracting businesses interested in participating.	The project execution period was extended and the executing agency secured the participation of the tractor company, Mabe. Mabe is promoting the project among its suppliers, many of whom adopted the software system developed through the program. The project ended this year and met its target of implementing the software in 50 small businesses.	Cámara Nacional de la Industria Electrónica de Telecomunicaciones Informática	\$463,700	\$13,388
ATN/ME-11100-PN	PN-M1013	Panama	Support for Dynamic Business Ventures	Government institutions and regulators needed substantial time to review and approve proposals. Only a few mature businesses were ready to participate. Investment culture focuses on short-term outcomes.	The project increased its focus on developing the ecosystem for dynamic entrepreneurship. The project has succeeded in forming alliances with universities and international actors and establishing an angel investment network, the first in Panama, which has invested 1.4 million in 5 projects.	Fundación Ciudad del Saber	\$1,004,140	\$72,116
ATN/ME-11342-ME	ME-M1051	Mexico	Creation of an Entrepreneurial Culture of Adaptation to Natural Disasters	The project executing agency lacked the commitment and capacity to achieve the project's objectives. The project was not well aligned with the core functions and objectives of the executing agency.	The operation was cancelled.	Centro Empresarial de Tabasco	\$1,029,300	\$438,499
ATN/ME-11365-CR	CR-M1013	Costa Rica	Central Market as an Engine for	Improving the commercial and organizational operations of the	The municipality consolidated the executing unit. Contracts are now	Municipalidad de Alajuela	\$673,000	\$3,365

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			Economic and Cultural Growth in Alajuela	Alajuela market required a change in culture for the municipality and enterprises. Procurement difficulties and delays also contributed to project underperformance.	underway to provide training and technical assistance to the small enterprises operating in the market.			
ATN/ME-11370-EC	EC-M1046	Ecuador	Strengthening Telecenter Business Model through E-Commerce	Low institutional capacity (high turnover in the position of program assistant) and poor performance on the part of the executing agency. There were some challenges in acquisitions as well.	Project is being closed. The final report of the auditor determined that US\$91,380 would be returned to the Bank. This has been discussed in the legal department and the executing agency has been notified.	Fundación Chasquinet	\$906,200	\$655,545
ATN/ME-11476-HA	HA-M1017	Haiti	Creating Sustainable Recycling Businesses in Bel Air, Port Au Prince	The challenges have been in following-up with participants after the training, delays in fulfilling contract terms, institutional capacity of the executing agency, and design of the project and its components, particularly in the development for the public-private partnership (PPP).	Project was completed.	Viva Rio	\$830,273	\$4,151
ATN/ME-11533-BR	BR-M1061	Brazil	Development of a Methodology to Implement Microfranchises	The main challenges for this project were the slow delivery of consultant trainings and slow development of microfranchise methodologies, largely due to the pioneering nature of the subject. The support by entities that were expected to bring the project to scale were not manifested by the time expected. While this may have yielded a positive result by preventing the scaling of a methodology that was prematurely developed and lacked	The deadline for project implementation was June 30 and it was agreed not to extend the project. The executing agency has initiated activities to close the program, but is nonetheless tracking and monitoring the pilot projects. Some positive externalities have also been recorded, including actions taken by the Brazilian Franchising Association (ABF) to measure data on this particular segment, to give microfranchises due	Instituto Tomadati de Cooperação do Brasil	\$603,000	\$18,015

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				in analysis, it hindered the achievement of the project's targets for results and impacts.	representation in their sponsored conferences, and to create a microfranchising web portal; and by Instituto Tomodati which is investigating working on microfranchise programs across several states.			
ATN/ME-11740-AR	AR-M1045	Argentina	Competitiveness and Sustainable Management of Productive Chains in Tierra del Fuego	The program was delayed due to administrative issues that affected the hiring of consultants and the use of program funds. The main reason for these issues was differences between the MIF processes and the provincial administration. The project was also affected by very early development of representative organizations of producers.	The project has been granted an extension in order to achieve the program objectives. The recent collaboration with Universidad Nacional de Tierra del Fuego will enable more rapid progress in the development of project activities.	Secretaría de Desarrollo Sustentable y de Ambiente	\$986,829	\$59,934
ATN/ME-11777-RG	RG-M1156	Regional	Sustainable Tourism Market Access Program	The executing agency expressed the decision to stop contributing counterpart funds due a lack of resources and political changes within the agency.	Project to be closed per executing agency's request. An audit has been conducted and the executing agency has been informed of cancellation.	whl.travel Américas, LLC	\$619,261	\$428,074
ATN/ME-12051-GU	GU-M1022	Guyana	Streamlining Fiscal Procedures for MSMEs through Improvement of Processes and TIC	Policy changes and a lack of commitment in the executing agency derived from changes in institutional priorities. Changes in national policy and community and political opposition affected project performance as well.	Project has been cancelled.	Superintendencia de Administración Tributaria	\$1,000,000	\$845,503
ATN/ME-12124-BO	BO-M1024	Bolivia	Support SME's Access to the Capital Markets	Delays in legislative approval. Progress in the implementation of project activities is slow; as a consequence, structuring of companies has been postponed to the second semester of 2014.	Recruitment for an SME project leader has begun. The project leader will devote exclusive time to project execution.	Bolsa Boliviana de Valores	\$458,000	\$10,210
ATN/ME-	HA-	Haiti	Un Techo para Mi	Low institutional capacity of Techo	As a result of midterm evaluation	Un Techo para mi Pais	\$2,600,000	\$88,000

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12136-HA	M1031		Pais: Emergency and Social Inclusion	Haiti, including insufficient counterpart funds. Difficulty in the involvement of Haitian volunteers and implementation of development plans in water and sanitation.	and due the serious delays and problems in project implementation, the MIF and Techo agreed on a strategy for closing the project. The actions to be completed are (1) institutional strengthening for Techo Haiti; (2) completion of emergency housing maintenance program; (3) implementation of programs that strengthen communities; (4) identification, formulation, and implementation of water and sanitation solutions, including training; (5) economic integration; and (6) monitoring results. New metrics and indicators for each dimension have been established.			
ATN/ME-12137-RG	RG-M1118	Regional	Organization of Sustainable Tourism in the Trifinio Region	Lack of monitoring progress and evaluation of the program as well as insufficient counterpart funds. Poor coordination between the Tri Chamber of Sustainable Tourism (CTTS) and the executing agency.	The Bank will conduct a midterm evaluation and audit of the program in mid-March 2014. The executing agency has been asked to clarify the status of unmet milestones and develop an action plan to achieve those milestones on the scheduled dates. Some of these milestones have been extended for more than 6 months and cannot be extend anymore.	Comisión Trinacional del Plan Trifinio	\$2,500,000	\$42,500
ATN/ME-12155-RG	RG-M1176	Regional	Implementation of a Sustainable Model for Microinsurance in Central America	Delays in selecting an insurer and legislative approval. Delays are occurring with insurance regulatory agencies in Honduras and Nicaragua. The program depends on multiple actors and had no legal background, so its preparation, consultation, and approval	The executing agency is working to market microinsurance products in at least three other countries in the region, to implement advertising campaigns, and to finalize actions to begin the pilot program in these countries. Results are	Red Centroamericana de Microfinanzas	\$1,606,548	\$24,098

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				required more than four months.	expected in the first half of 2014.			
ATN/ME-12215-PE	PE-M1071	Peru	More Rural: Improving Outreach of Rural Financial Services in the South of Peru	During the project, Peru's banking superintendency changed the requirements for transforming into a EDPYME (requiring more initial capital), and the executing agency was unable to transform. As a result, the executing agency will not be able to offer savings accounts, one of the objectives of the project.	The MIF project reached the end of its execution period. Because of the new requirements for becoming an EDPYME, it was not possible for the executing agency to achieve project objectives related to savings. The executing agency is now considering becoming a credit union.	Fondo de Desarrollo Regional	\$254,000	\$9,226
ATN/ME-12255-ME	ME-M1052	Mexico	Support for Entrepreneurship through Open Innovation in Nuevo Leon	A serious delay in implementation of the international tender, few consultants in the field who are willing to do a project for the established fee. Very substantial delay due primarily to a transition in the executing agency team just after project approval. The executing agency has also stated that it has not sufficient liquidity to cover some commitments for the remaining activities of the project that were originally budgeted with MIF resources and that these expenses will be reimbursed once the milestone is met, so there is a real possibility that the project will be cancelled.	Efforts are being made to adjust the compliance dates for various milestones to reflect a realistic completion date. MIF in Mexico has made progress on the implementation of the Trust Reform that will allow hiring the external auditor for ex-post procurement and disbursement reviews and conduct the external audit of the project.	Instituto de Innovación y Transferencia de Tecnología	\$1,387,500	\$31,938
ATN/ME-12265-BH	BH-M1008	Bahamas	Bahamas Virtual Platform	Low executing agency institutional capacity and supplier performance. Another critical issue affecting project performance was the delay in fulfilling the contract terms as well as purchase difficulties.	The key output, the platform, is still outstanding and should be completed and tested before the expiration of the disbursement period. The final months of the project will seek to finalize this exercise.	Bahamas Chamber of Commerce	\$313,568	\$91,089
ATN/ME-	UR-	Uruguay	Rocha Tourism	Slow progress is reflected in the	In the last six months, an external	Corporación	\$373,653	\$27,868

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12346-UR	M1035		Destination Management System	low level of financial performance and results to December 31, 2013. Performance is unsatisfactory mainly in: (i) the development of innovative new products; (ii) the institutionalization of Destination Management Organization; and (iii) the lack of progress in generating a supply of staff training and a proposal in the area of good quality practices, combining training and technical assistance. These delays are due to: (i) delays at the beginning of the project; (ii) changes in the technical coordination and weaknesses in administrative and financial management; (iii) a high demand in the advocacy and facilitation in the territory, which ignores other relevant activities in planning, and (iv) project governance.	evaluation was launched to provide an external view on the results achieved to date, lessons learned, and recommendations for action. After several follow-up meetings and exchanges with the project team, progress was made in the signature of the five winning projects, and there is now a legal advisor to discuss alternatives to the institutionalization of Destination Management Organization.	Rochense Turismo		
ATN/ME-12448-RG	RG-M1165	Regional	Market Opportunities for SMEs in Honduras, Guatemala and Bolivia	Lack of commitment on the part of the executing agency.	The project is being considered for cancellation.	Fundación Feria a la Inversa	\$434,060	\$0
ATN/ME-12715-PE	PE-M1080	Peru	Strengthening Rural Microfinance in Peru	Inadequate performance of consultants. Inadequate level of governance for both the executing agency and its partners. The negative perceptions regarding services provided by the member cooperatives. The dissatisfaction from the biggest cooperative's members in relation to the support provided by the executing agency	Working meetings with representatives from each cooperative of the project. The actions and activities must follow the work plan with the commitment to meet milestones and project sustainability. From now on, cooperative managers will work closely with consultants in order to ensure quality work.	Cooperativa de Ahorro y Crédito para la Integración y Desarrollo Rural	\$500,000	\$13,388

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				to smaller cooperatives has motivated further withdrawal of Los Andes and CREDIFLORIDA cooperatives from the project.				
ATN/ME-12768-RG	RG-M1139	Regional	Promotion of Corporate Social Responsibility in Central America	Delays of certain milestones due to difficulty with data collection for the baseline. Delays in the consultant recruitment process have affected the rating of the program, and as a result, the program is on yellow alert. If the situation persists, the program may be eligible for cancellation by the MIF.	The executing agency has been asked to submit a plan of action to overcome the delays. The midterm evaluation will be conducted during the first half of 2014.	Fundación Empresarial para la Acción Social	\$403,529	\$3,000
ATN/ME-13327-CO	CO-M1080	Colombia	Mobile Saving Accounts for Low-Income Population in Colombia	Lack of commitment from the executing agency to continue or expand the services or project activities.	Project has been cancelled.	REDEBAN Multicolor	\$840,000	\$840,000
ATN/ME-13567-PE	PE-M1089	Peru	Savings for Entrepreneurs	There have been political changes in the executing agency due to its merger with Caja Nuestra Gente. The executing agency had to concentrate on solving some internal issues during the first months of the project.	A strategic alliance with the Institute of Peruvian Studies (IEP) has been established. IEP will participate in the project by performing the baseline assessments and impact studies and by providing technical assistance in the design of methodology of rural financial institutions.	Caja Nuestra Gente	\$189,800	\$0
<b>Total</b>							<b>\$20,976,361</b>	<b>\$3,733,295</b>

### 7b Issues Affecting Performance of Active Red- and Yellow-Flag Technical Assistance Projects

Performance Issue	2009	2010	2011	2012	2013	Trend Line
Executing Agency	40%	52%	39%	34%	44%	
Lack of executing agency institutional capacity	20%	24%	20%	20%	23%	
Lack of counterpart resources	9%	12%	6%	6%	6%	
Structural/leadership changes in the executing agency	5%	7%	7%	4%	9%	
Lack of borrower/executing agency commitment	6%	10%	6%	5%	7%	
Project Design and Management	41%	34%	50%	53%	39%	
Procurement difficulties	12%	10%	12%	16%	9%	
Delays in fulfilling contract terms	9%	4%	7%	7%	10%	
Inadequate design	8%	10%	14%	11%	8%	
Poor consultant performance	5%	5%	6%	8%	2%	
Poor monitoring and evaluation systems	4%	4%	6%	5%	7%	
Poor supplier/contractor performance	3%	2%	5%	6%	2%	
Difficulties in inter-agency coordination	NA	NA	NA	NA	NA	
Project External Environment	15%	11%	11%	13%	14%	
National political changes	9%	6%	6%	7%	6%	
Legislative delays	3%	1%	2%	2%	6%	
Community/political opposition	2%	2%	1%	3%	2%	
Environmental restrictions	1%	2%	2%	1%	0%	
Bank Procedures	4%	3%	1%	0%	2%	
Bank efficiency (response delays)	3%	3%	1%	0%	2%	
Bank policy changes	1%	0%	0%	0%	0%	
Other	NA	NA	NA	0%	1%	

Note: These arrows indicate increases or decreases in the percent of reports of a particular performance issue in red and yellow flag projects.