

PROJECT STATUS REPORT

JULY 2012 - DECEMBER 2012

SECTION 1: PROJECT SUMMARY

PROJECT NAME: REMITTANCES AS A SOURCE OF END-USER FINANCE FOR SUSTAINABLE ENERGY

Project Number: HA-M1038 - Operation Number: ATN/ME-12705-HA

Purpose:

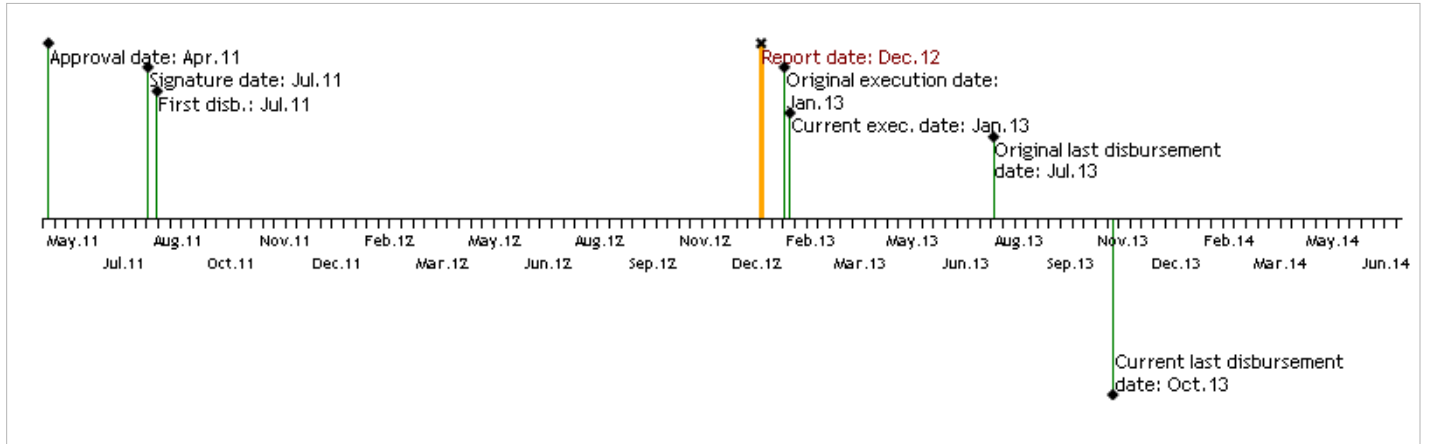
To test and prove a business model that uses remittance flows to facilitate the purchase and distribution of small scale renewable energy equipment in Haiti.

Country Administrator: UNITED STATES
Beneficiary Country: UNITED STATES

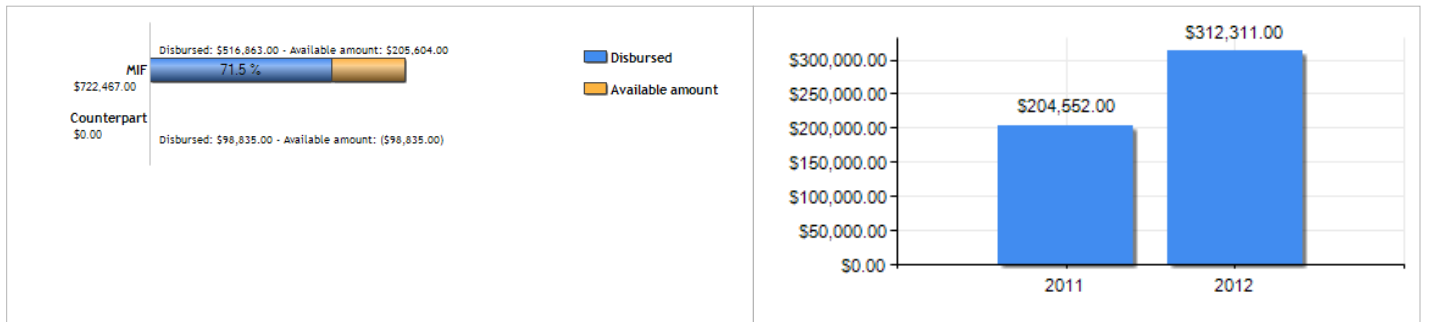
Executing Agency: Arc Finance Ltd

Design Team Leader: Watson, Gregory
Supervision Team Leader: Watson, Gregory

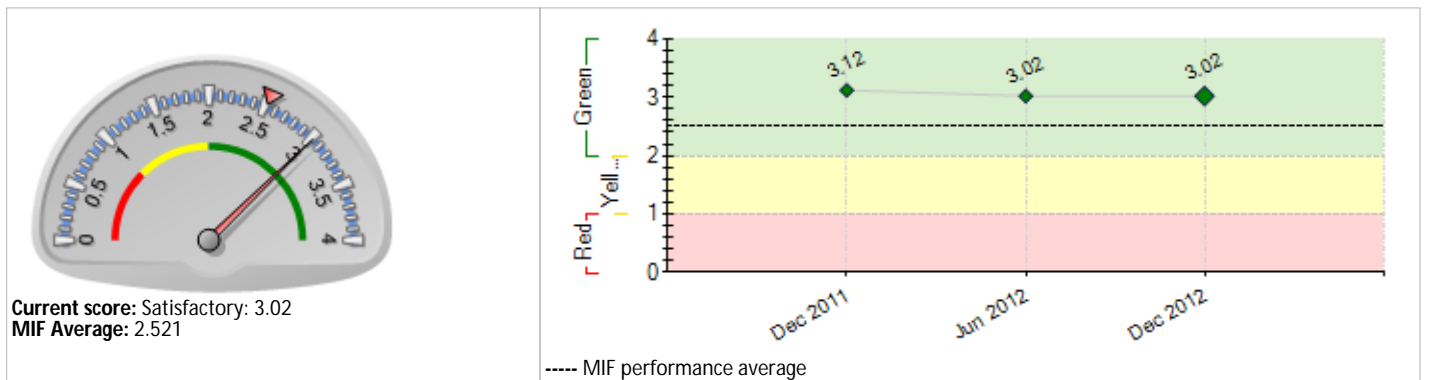
TIMELINE



FUNDS



PERFORMANCE SCORE

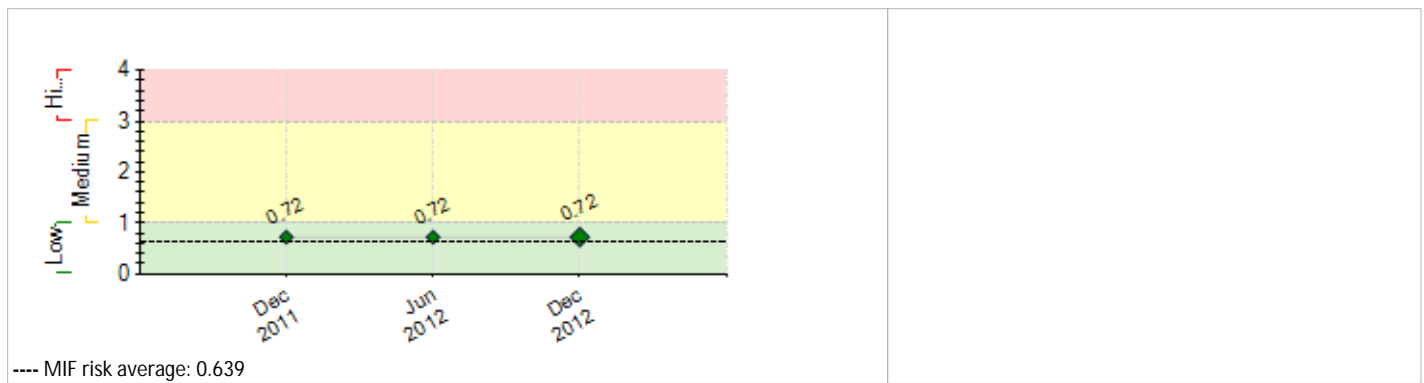


EXTERNAL RISKS

EXTERNAL RISKS

INSTITUTIONAL CAPACITY

Risk
Financial Management: Low
Procurement: Low
Technical Capacity: Low



SECTION 2: PERFORMANCE

Summary of project performance since inception

Arc Finance has completed Component 1, 2, 3 & 4 and begun work on 5.

Component 1

- Developed preliminary & detailed business plan & pricing strategy
- Selected & purchased products
- Documented sales, purchasing, distribution & warranty systems
- Developed monitoring criteria and systems

Component 2

- Designed & implemented marketing campaign in diaspora, documented strategy & results
- Promoted model in Haiti, documented strategy & results

Component 3

- Created staff training strategy & guidelines for Haiti
- Conducted training session in Haiti & Miami
- Completed adaptation of IT systems

Component 4

- Developed metrics to measure indicators
- Defined monitoring tools
- Configured software & hardware
- Conducted training for monitoring & evaluation
- Documented sales to date
- Created & disseminated media kit
- Disseminated results and tracked dissemination efforts
- Tracked impact data as per logframe

Component 5

- Researching state of the market and support for pro-poor energy sector in Haiti
- Planning final workshop

Delays and Difficulties: Progress smooth, implementation of all project activities completed. Project extension April 31 2013 to meet sales target approved by IDB.

Risks: Risk level is low.

Project Diagnosis: Prospect of meeting project objectives is optimistic, partners are highly committed and sales have picked up.

Critical Actions in the Coming Semester: Hold final workshop, prepare final reports and recommendations and close out project.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Summary of project performance in the last six months

This semester, Arc Finance :

No major delays in achieving the project or impact milestones except for "number of units sold". Requested time extension till April 2013 to enable tracking of more units sold by close of project. Request granted by IDB.

- Purchased two other rounds of products
- Increased promotion efforts in Miami and Haiti
- Strategized about new ways to increase sales
- Developed new marketing materials
- Developed mobile phone-based tool to conduct impact survey
- Conducted follow up survey to track impact and drafted a report on findings
- Integrated SogeXpress impact tracking systems into Arc Finance impact tracking system
- Produced media kits and documented dissemination efforts and results
- Began researching state of the market and support for pro-poor energy sector in Haiti
- Began planning final workshop
- Reallocation budget to reflect changes in marketing strategy

Delays and difficulties:

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

This is an excellent project, executing wonderfully.

SECTION 3: INDICATORS AND MILESTONES

Indicators	Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
Purpose: To test and prove a business model that uses remittance flows to facilitate the purchase and distribution of small scale renewable energy equipment in Haiti.	P.11 5% new customers of FoodExpress as a result of the project (i.e. who used FoodExpress for the first time in order to purchase clean and efficient energy products).	0			5 Apr 2013	0	
	P.12 10% of existing FoodExpress customers purchase energy products	0			10 Apr 2013	0	
	P.13 Percent profit increase for FoodExpress reaches target as determined by business plan (+/- 1%) . Track [\$] profit/loss for FoodExpress.	0			10 Apr 2013	0	
	P.14 The clean and efficient energy products segment of FoodExpress operations is profitable. Track [#] units of clean or efficient energy devices sold by FoodExpress. Track [\$] in profits generated by energy devices	0			1 Apr 2013	0	
	P.15 5,000 Haitians have purchased new clean energy devices.	0 Nov 2011			5000 Apr 2013	3031 Jan 2013	
Component 1: Structure the business model. Weight: 35% Classification: Satisfactory	C1.11 FoodExpress launches sales of clean and efficient energy products.	0			1 Jul 2012	1 Apr 2012	Finished
Component 2: Awareness Raising and Consumer Outreach Weight: 30% Classification: Satisfactory	C2.11 remittance senders reached through direct marketing/media campaigns	0			50000 Jul 2012	45500 Nov 2012	Finished
	C2.12 remittance senders reached through indirect (radio, billboards) marketing/media campaigns	0			100000 Jul 2012	300000 Jul 2012	Finished
	C2.13 remittance recipients reached through direct marketing/media campaign	0			150000 Jul 2012	86600 Nov 2012	Delayed
	C2.14 remittance recipients reached through indirect (radio, billboards) media/marketing campaigns	0			300000 Jul 2012	300000 Jun 2012	Finished
Component 3: Roll-out of the business model. Weight: 10% Classification: Satisfactory	C3.11 units of clean or efficient energy devices sold by FoodExpress	0			5000 Apr 2013	1690 Nov 2012	On Course
	C3.12 FoodExpress counts on its energy products to generate revenue Track [\$] sales of energy devices	0			1 Apr 2013	10 Dec 2012	On Course
Component 4: Monitoring, evaluation, and knowledge return Weight: 20% Classification: Satisfactory	C4.11 Project disseminated in at least 5 fora.	0			5 Jan 2013	1 Jul 2012	Finished
	C4.12 Media kit delivered to at least 10 interested audiences.	0			10 Apr 2013	10 Jul 2012	Finished

Component 5: Recommendations to leverage results

Weight: 5%

Classification: Satisfactory

C5.11	Research and recommendations reports delivered to at least 5 interested audiences.	0				5	
						Apr 2013	Dec 2012

Milestones	Planned	Due Date	Achieved	Date achieved	Status
M1 Previous Conditions	1	Jan 2012	1	Jan 2012	Achieved
M2 Pricing strategy and preliminary version (almost finished) of business model	1	Jan 2012	1	Nov 2011	Achieved
M3 Detailed business model finished and system to Document sales purchasing, distribution, sales and warranty in place	2	Jan 2012	2	Jan 2012	Achieved
M4 Adaptation of FoodExpress IT systems and Strategy and guidelines of staff training prepared	1	Apr 2012	2	Apr 2012	Achieved
M5 Monitoring tools are defined and developed: Software and hardware are configured	1	Jun 2012	1	Jun 2012	Achieved
M6 Design and implementation of campaign in Diaspora completed and Promotion of the model in Haiti performed	1	Jul 2012	2	Jul 2012	Achieved
M7 Creation of Media Kit completed	1	Nov 2012	1	Nov 2012	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. Other energy enterprises distributing sustainable energy goods are increasingly present in Haiti.	Medium	..	Project Coordinator
2. Key audiences do not look at this business as an example that clean and efficient energy devices can be provided to low-income households in a financially profitable and sustainable way	Medium	..	Project Coordinator
3. The economic, political and environmental conditions in Haiti do not remain stable.	Medium	...	Project Coordinator
4. Haitian consumers don't accept the potential of purchasing sustainable energy products as a way to mitigate the environmental risks affecting the island.	Medium	...	Project Coordinator
5. Media outlets and channels are not the most appropriate and relevant to reach target audiences.	Low	..	Project Coordinator

PROJECT RISK LEVEL: Low **TOTAL NUMBER OF RISKS:** 10 **IN EFFECT RISKS:** 10 **NOT IN EFFECT RISKS:** 0 **MITIGATED RISKS:** 0

SECTION 5: SUSTAINABILITY

Likelihood of project sustainability after project completion: HP - Highly Probable

CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY

[None reported in this period]

Actions related to sustainability which will be or have been implemented:

Action to promote sustainability of the project that have been take in the reporting period are: • Finalizing the revolving fund agreement between partners • Conducted a follow up survey to understand customer behavior and motivations, ensure customer satisfaction and quality of after-sale services and the effectiveness of marketing strategy to date lessons learned incorporated into marketing strategy and reflected in budget reallocation choices

SECTION 6: PRACTICAL LESSONS

	Relative to Implementation	Author
1. • Identifying country-specific promotion tactics: key role of local agents and "hands on experience". In Haiti, sales were boosted through SogeXpress agents promoting the products during special events, or festivals. Haitians noted that they trust their agent and were more inclined to buy something that they had seen work from someone they knew. Trust and familiarity play a big role, as some Haitians have had bad experiences with inferior types of solar lamps in the past. This was also borne out through the results of the follow up survey.		Akkari, Yara
2. • Identifying country-specific promotion tactics: key role of "Special Promotions". We discovered that Haitians react very well to "special promotions" which turned out to be a very	Implementation	Akkari, Yara

effective strategy to boost sales. In fact, sales were multiplied by a factor of 2.5 in both Haiti and Miami in periods where we were implementing special promotions.