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REPORT NO.: RES30067

RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING

OF

MOBILE INNOVATION PROJECT UNDER EPIC

APPROVED ON JULY 10, 2014

TO

UNIVERSITY OF WEST INDIES

TRADE & COMPETITIVENESS

LATIN AMERICA AND CARIBBEAN

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ABBREVIATIONS AND ACRONYMS

BASIC DATA

Product Information

Project ID	Financing Instrument
P132570	Investment Project Financing
Original EA Category	**Current EA Category**
Not Required (C)	Not Required (C)
Approval Date	**Current Closing Date**
10-Jul-2014	30-Nov-2017

Organizations

Borrower	Responsible Agency
University of West Indies	University of the West Indies

Project Development Objective (PDO)

Original PDO

The Caribbean Mobile Innovation Project (CMIP) aims (1) to strengthen the Caribbean mobile innovation ecosystem and (2) to enable sustainable and competitive mobile enterprises to grow.

Summary Status of Financing

TF	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
TF-17431	17-Jul-2014	17-Jul-2014	17-Jul-2014	30-Nov-2017	1.50	1.42	.08

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. *Description*

1. The objective of the Caribbean Mobile Innovation Project is to strengthen the Caribbean mobile innovation ecosystem and to enable sustainable and competitive mobile enterprises to grow. The target beneficiaries of the project are mobile app innovators, aspiring and existing entrepreneurs from CARICOM region.

2. The project model is based on supporting and coordinating activities in locally based startup ecosystem hubs and the project consists of training courses, mobile app competitions, and support to promising entrepreneurs to launch their products, strengthen their market share and investment readiness.

3. The Caribbean Mobile Innovation Project was initially designed as a 40-month project under the Entrepreneurship Program for Innovation in the Caribbean (EPIC). The implementing agency, UWI Consortium, has been provided a grant (TF017431) by The World Bank Group on behalf of the Government of Canada in the amount of USD 1,500,000. The project implementation period commenced July 17, 2014 with a scheduled closing date of November 30, 2017.

4. The proposed change to the project is an extension of the grant closing date from November 30, 2017 to November 30, 2018. The requested extension is to ensure that UWI Consortium has adequate time to implement all the components of the project and meet the project objectives.

B. *Project Status*

5. To date, the Caribbean Mobile Innovation Project has achieved most of its deliverables in accordance with its annual agreed work plan and has received 94.67% of the grant funding. The last disbursement of USD 259,428 was made on November 17, 2017, which includes an advance for the projected expenditures over a six-month period. UWI Consortium has provided a detailed budget for the extension period and has offered to support the project with in-kind resources, including additional personnel needs, where necessary. With the extension of the grant closing date, UWI Consortium will be able to complete the remaining agreed deliverables and disburse the remaining available balance. Some of the results achieved by the project from inception to date are listed below:

(a) Entrepreneurs have commercialized 36 products and have achieved a cumulative total of USD 523,666 amount of investments raised and USD 387,023 of additional sales revenue.
(b) 92% of the entrepreneurs have been satisfied to extremely satisfied with the project services, according to a satisfaction survey conducted by UWI Consortium to three cohorts of the mobile app competition entrepreneurs.
(c) UWI Consortium appointed 4 mHubs across the region to support local entrepreneurs. Based on an assessment, all the mHubs agreed that participation in the project increased the technical capacity and visibility of their organizations, and improved the quality of support services provided to entrepreneurs.
(d) To ensure the sustainability of the services, University of the West Indies is taking steps to incorporate several project activities and services into a highly strategic innovation and entrepreneurship initiative for UWI (UWIC Innovation Ventures).

6. The financial management performance of the project has improved after necessary personnel changes. The project is being executed in compliance with the World Bank's policies and procedures and is in good standing with FM and all other fiduciary areas. In particular, the last audit submitted covered the 18th month period ended July 2016, and the Bank has granted a longer audit period, which should cover the period August 1, 2016 to November 30, 2017 (the original closing date). UWI Consortium has indicated that the audit will be conducted by the Auditor General's Department of Jamaica. The audit will be due by March 31, 2018. In addition, the Senior Procurement Specialist has cleared the revised procurement plan.

C. *Rationale for Restructuring*

*7. T*he proposed extension would allow sufficient time for the recipient to monitor and collect results data from target beneficiaries to properly capture the growth in revenues, investments and employment attributable to the project, and complete the implementation milestones. In addition, an extension of the project closing date would ensure the budget will be fully disbursed. Remaining deliverables include:

(a) Provision of remaining incubation support to PitchIT Caribbean cohort 3 winners (including investment readiness training and demo trek activities);
(b) Launch of an Alumni Network and digital promotion of PitchIT winners;
(c) Coordination of Knowledge Sharing event with CMIP stakeholders;
(d) Participation at SLUSH 2017 conference Global Impact Acceleration program;
(e) Completion of the service integration into UWIC Innovation Ventures to ensure sustainability, including the finalization of the program document and business model; and

II. DESCRIPTION OF PROPOSED CHANGES

D. *Closing Date*

8. This will be the first extension of the project. Proposed change is to extend the current closing date by 12 months from November 30, 2017 to November 30, 2018. This extension was requested by the UWI Consortium.

E. *Results Framework*

9. The results of the project to date indicate that that some key assumptions used for the initial framework targets were too optimistic and should be adjusted to more realistic levels. It was also discussed with the Recipient that after two of potential mHubs did withdraw their interest in joining the project, rather than adding two new mHubs, the recipient should invest more resources to integrate the project activities into the broader UWI innovation and entrepreneurship agenda within the Caribbean. Updates to the results have already been discussed and agreed with the donors when the overall EPIC MDTF results framework was revised. For the Caribbean Mobile Innovation Project, the changes to cumulative target values include the following indicators:

(a) IT/ITES Revenue: from USD 2,509,099 to USD 500,000;
(b) Investment raised: from USD 1,626,917 to USD 500,000;
(c) CMIP Reaching Financial Sustainability Targets: from 49% to 25%; and
(d) mHubs Established by CMIP: from 6 to 4.

F. *Institutional Arrangements*

10. Initial assumption was that CMIP would have been set-up as a separate legal entity during the grant period. However, as UWI expressed interest in integrating select services and activities into the UWIC Innovation Ventures initiative it was proposed that instead of a project advisory board the Recipient will invite strategic advisors to assist with the integration. Thus, there was no need for an advisory board, and it is proposed that this clause will be removed from the Grant Agreement.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Change in Results Framework	✓	
Change in Loan Closing Date(s)	✓	
Change in Disbursement Estimates	✓	
Change in Procurement	✓	
Change in Implementation Schedule	✓	
Change in Implementing Agency		✓
Change in Project's Development Objectives		✓
Change in Components and Cost		✓
Cancellations Proposed		✓
Additional Financing Proposed		✓
Reallocation between Disbursement Categories		✓
Change in Disbursements Arrangements		✓
Change in Overall Risk Rating		✓
Change in Safeguard Policies Triggered		✓
Change of EA category		✓
Change in Legal Covenants		✓
Change in Institutional Arrangements		✓
Change in Financial Management		✓
Other Change(s)		✓

IV. DETAILED CHANGE(S)

RESULTS FRAMEWORK

Project Development Objective Indicators

IT/ITES Revenue (US$)
Unit of Measure: Amount(USD)
Indicator Type: Custom

Baseline	Actual (Current)	End Target	Action

Value	0.00	387023.00	750000.00	Revised
Date	17-Jul-2014	30-Sep-2017	30-Nov-2018	

IT/ITES Employment (number of people)
Unit of Measure: Number
Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	0.00	80.00	416.00	Revised
Date	17-Jul-2014	30-Jun-2017	30-Nov-2018	

Investment Raised
Unit of Measure: Amount(USD)
Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	0.00	523666.00	500000.00	Revised
Date	17-Jul-2014	30-Sep-2017	30-Nov-2018	

Sustainable startups created
Unit of Measure: Amount(USD)
Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	24.00	Revised
Date	17-Jul-2014	30-Jun-2017	30-Nov-2018	

Intermediate Indicators

Startup teams receiving services
Unit of Measure: Number
Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	0.00	266.00	100.00	No Change
Date	17-Jul-2014	30-Jun-2017	30-Nov-2017	

Level of satisfaction by startups of CMIP services
Unit of Measure: Percentage
Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	75.00	No Change
Date	17-Jul-2014	30-Jun-2017	30-Nov-2017	

Applications received through mobile competitions
Unit of Measure: Number
Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	0.00	513.00	400.00	No Change
Date	17-Jul-2014	30-Jun-2017	30-Nov-2017	

CMIP Reaching financial sustainability targets
Unit of Measure: Percentage
Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.05	25.00	Revised
Date	17-Jul-2014	30-Jun-2017	30-Nov-2018	

mHubs established by CMIP
Unit of Measure: Number
Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	0.00	4.00	4.00	Revised
Date	17-Jul-2014	30-Jun-2017	30-Nov-2018	

LOAN CLOSING DATE(S)

TF	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
TF-17431		30-Nov-2017		30-Nov-2018	30-Mar-2019

DISBURSEMENT ESTIMATES

Change in Disbursement Estimates

Yes

Year	Current	Proposed