

PROJECT STATUS REPORT

JANUARY 2014 - JUNE 2014

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Using credit ratings to facilitate financing for caribbean SMEs

Project Number: TT-M1028 - Operation Number: ATN/ME-14291-TT

Result: The result is to increase the access of credit-worthy SMEs to diversified financial products by mainstreaming an external and independent credit risk rating methodology for SMEs and non-bank financial institutions

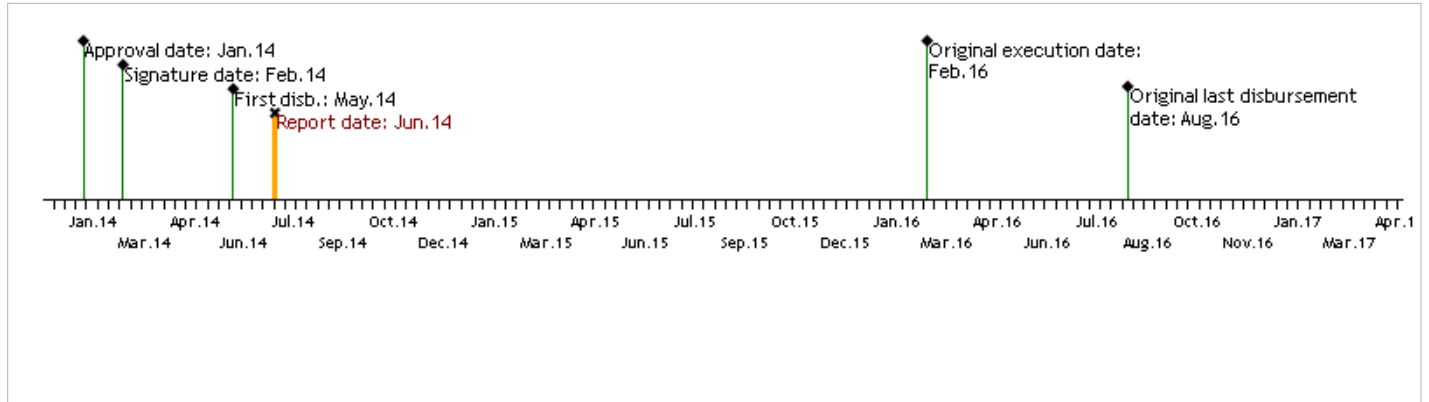
Country Administrator
TRINIDAD AND TOBAGO

Beneficiary Country
TRINIDAD AND TOBAGO

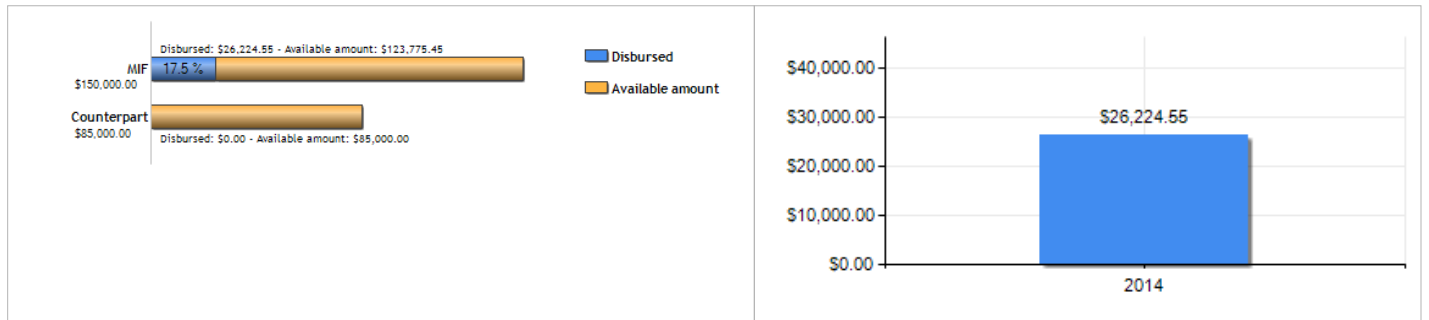
Executing Agency: Servicio Caribeño de Información y Calificación Crediticia

Design Team Leader: Leslie, Winsome
Supervision Team Leader: Leslie, Winsome

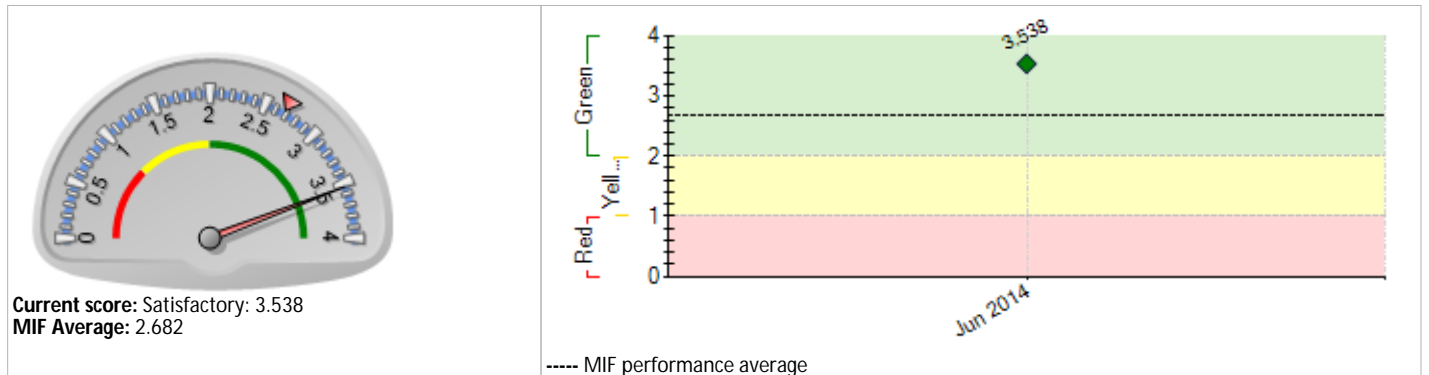
TIMELINE



FUNDS



PERFORMANCE SCORE

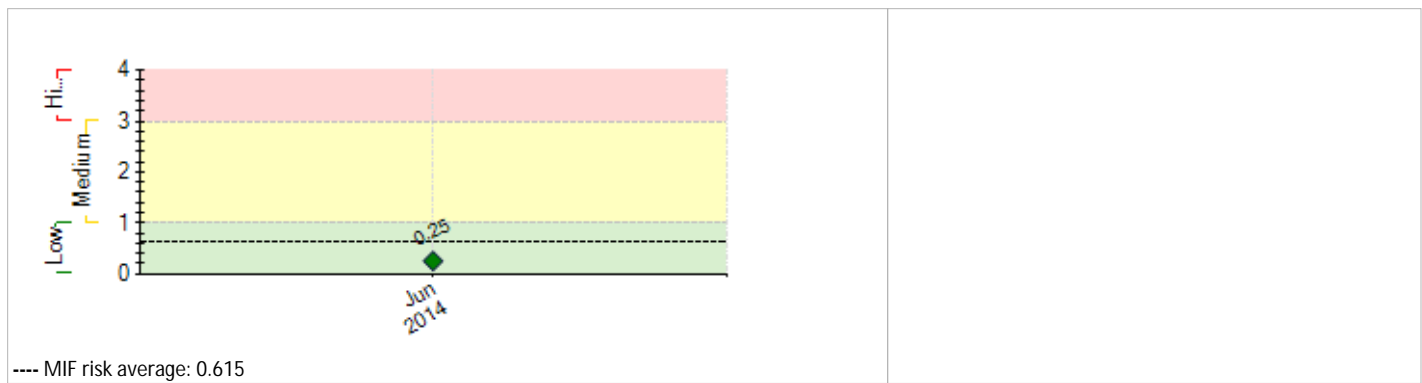


EXTERNAL RISKS

INSTITUTIONAL CAPACITY

Risk

Financial Management:
Procurement:
Technical Capacity:



SECTION 2: PERFORMANCE

Summary of project performance in the last six months

Semester performance focused on the skills-building training and institutional strengthening conducted by the Consultant, Ms. Shelly Harris, as well as sensitization and knowledge sharing with one seminar held which was attended by 30-40 SMEs and banking officers.

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
Result: The result is to increase the access of credit-worthy SMEs to diversified financial products by mainstreaming an external and independent credit risk rating methodology for SMEs and non-bank financial institutions	R.1 Number of SMEs that receive new credit lines from banks as a result of being rated (disaggregated by sex of owner)	0			20 Jan 2018	0	
	R.2 Number of SMEs rated by CariCRIS (disaggregated by sex of owner)	0	30 Jan 2016		60 Jan 2018	0	
	R.3 Number of commercial banks utilizing CariCRIS rating information in their credit assessment process of SMEs	0	1 Jan 2016		3 Jan 2018	0	
Component 1: Sensitization and Knowledge Sharing Weight: 25% Classification: Satisfactory	C1.11 Media campaign implemented	0			1 Jan 2018		
	C1.12 Number of SMEs, regulators and lenders made aware of CariCRIS ratings	0	100 Aug 2016		300 Jan 2018	40 May 2014	On Course
	C1.13 Number of seminars of industry actors (SMEs, lenders, regulators) featuring CariCRIS rating system	0	2 Aug 2016		3 Jan 2018	1 May 2014	On Course
Component 2: Expansion of SME Risk Rating Program Weight: 25% Classification: Satisfactory	C2.11 Number of commercial bank staff trained on the inclusion of SME credit ratings into the credit assessment process	0	30 Aug 2016		45 Jan 2018		
	C2.12 Number of training sessions of loan officers of commercial banks	0	3 Jan 2016		6 Jan 2018		
Component 3: Institutional Strengthening of CariCRIS Weight: 25% Classification: Satisfactory	C3.11 CariCRIS management, technical staff and rating committee members trained by external consultant	0			1 Jan 2017	1 Apr 2014	Finished
	C3.12 The risk assessment process and procedures of CariCRIS in evaluating non-bank financial institutions is developed	0			1 Jan 2016	1 Apr 2014	Finished
	C3.13 Number of CariCRIS staff that are trained to rate credit unions and non-bank financial institutions	0			6 Jan 2016	9 Apr 2014	Finished
Component 4: Knowledge Dissemination and Communication Weight: 25% Classification: Satisfactory	C4.11 Number of participants in closing seminar	0			50 Jan 2018		
	C4.12 Infographic created	0			1 Aug 2016		
	C4.13 Final evaluation conducted	0			1 Jan 2018		

Milestones	Planned	Due Date	Achieved	Date achieved	Status
M1 Conditions Prior	6	Aug 2014	6	May 2014	Achieved
M2 Completion of CariCRIS Capacity Building to rate non-bank financial institutions	1	Nov 2014	1	Apr 2014	Achieved
M1 [*] Completion of 2 sensitisation workshops	2	Dec 2014			
M3 Completion of 30 SME ratings	30	Feb 2015			
M4 Completion of 50 SME ratings	50	Aug 2015			

[*] Indicate that the milestone has been reformulated

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. Sector Risk: Although banks utilize credit ratings in their credit assessments, this may not lead to an increase in bank financing for SMEs.	Low	Identify alternative financing options for SMEs outside of current banker	Project Guest
2. Sustainability Risk: The business viability of CariCRIS should be monitored. Its sustainability as a business depends on increasing revenues from its current target audience, including SMEs, as well as expanding its rating services to include non-bank financial institutions	Low	Executing Agency to identify other revenue streams outside of the current SME sector and the region	Project Guest
3. A deterioration in economic conditions may weaken business profitability and negatively affect employment and sales.	Low	Monitor economic climate and adapt project activities if needed	Project Guest
4. Sector Risk: There may not be sufficient SME demand to conduct 60 ratings despite the co-payment supplied by the project.	Low	EA to partner with other agencies that work with SMEs to identify potential participants	Project Guest

PROJECT RISK LEVEL: Low TOTAL NUMBER OF RISKS: 4 IN EFFECT RISKS: 4 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

[X] Relevant actor's **opposition or lack of interest** to continue with the project's activities or services

Comments

There is a slight risk here, if for some reason the Bank's are dissatisfied with the rating programs' ability to significantly assist their credit assessment process. This is being mitigated by ongoing discussions with the Bank's and the demonstration effect of the project.

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

Discussions were undertaken with financial institutions to highlight the benefits of using the credit rating report in making lending decisions.

SECTION 6: PRACTICAL LESSONS

[No lessons learned added yet.]