

PROJECT STATUS REPORT

JULY 2014 - DECEMBER 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

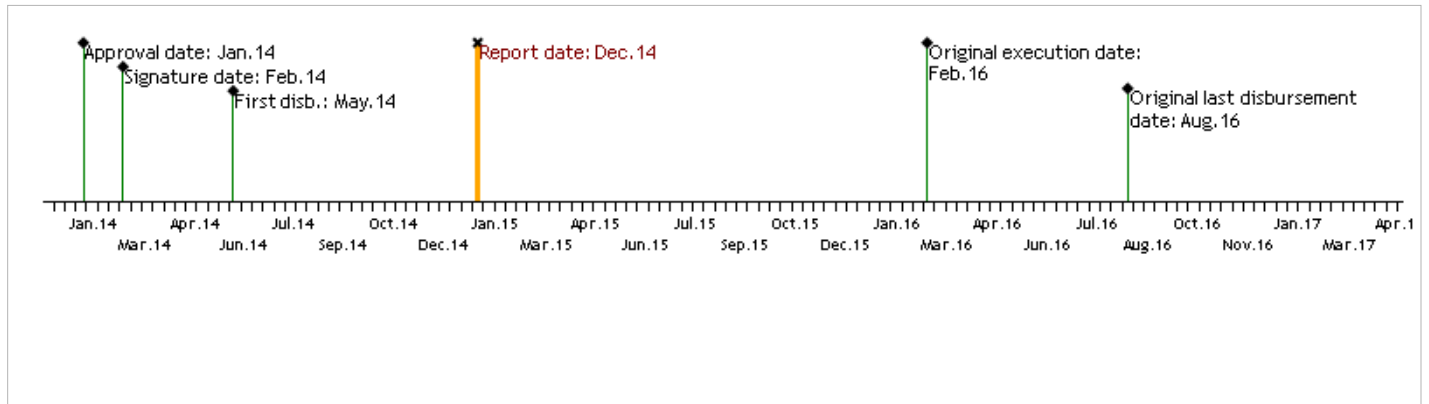
Country Administrator
TRINIDAD AND TOBAGO

Beneficiary Country
TRINIDAD AND TOBAGO

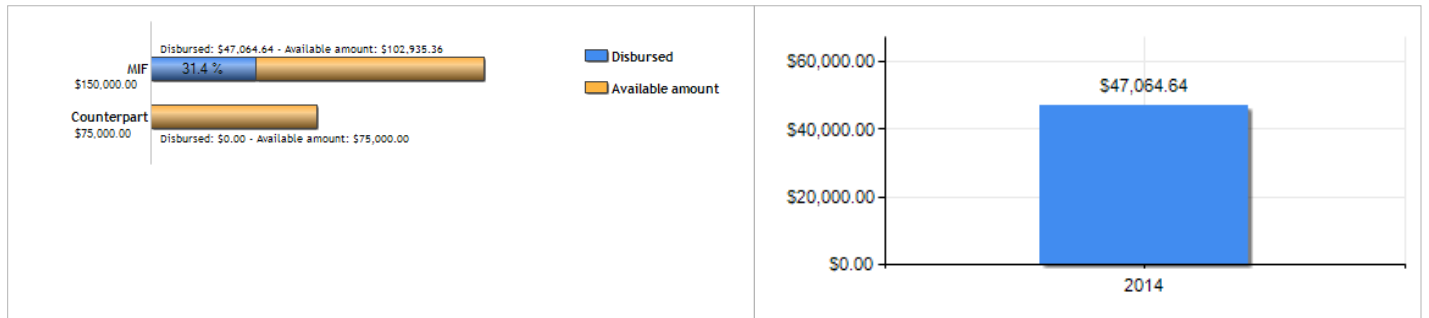
Executing agency: CARIBBEAN INFORMATION AND CREDIT RATING SERVICES LIMITED

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

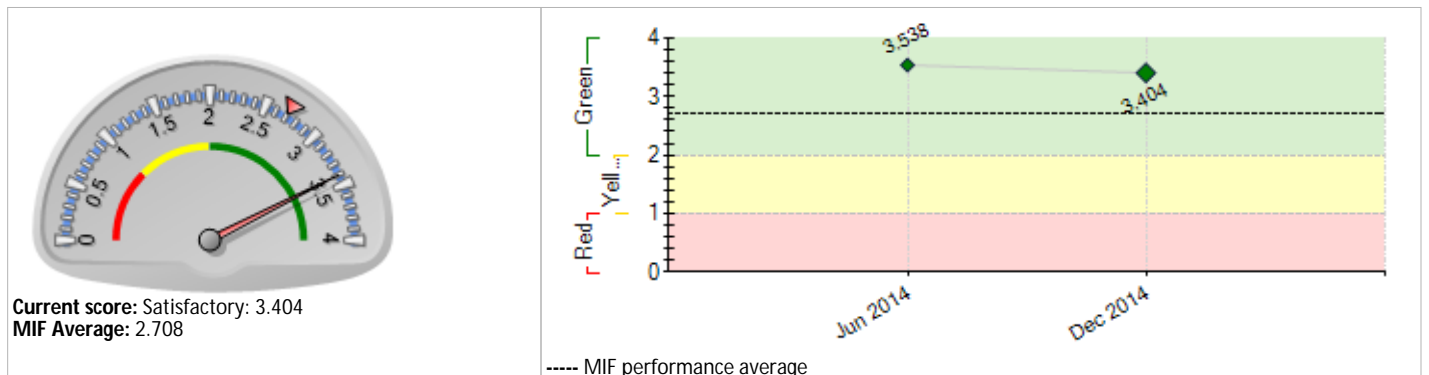
TIMELINE



FUNDS



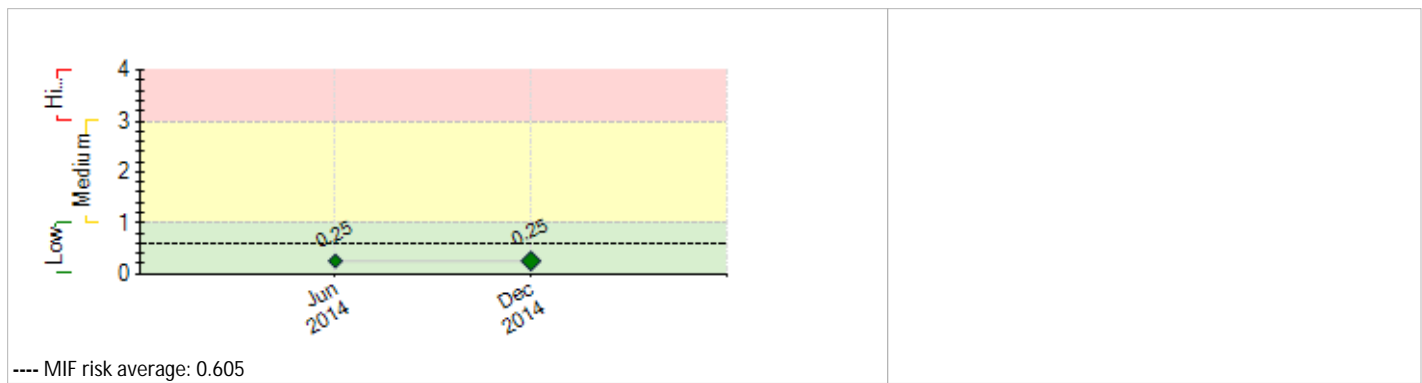
PERFORMANCE SCORE



EXTERNAL RISKS

INSTITUTIONAL CAPACITY

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



SECTION 2: PERFORMANCE

Summary of project performance since inception

The project has thus far achieved skills-building and institutional strengthening, with training for CariCRIS' staff provided by a consultant, sensitization and knowledge sharing through participation in one seminar which was attended by 30-40 SMEs and banking officers, and the rating of 14 SMEs.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Summary of project performance in the last six months

During the semester, the executing agency, along with MIF support created its Project Fact Sheet. The executing agency also produced a promotional flyer. These two documents will be presented to banking officers for distribution to SMEs in the next semester, along with training of these officers to facilitate the credit rating of interested SMEs.

Comments from the Supervision Team Leader

Partially Agree with the Executing Agency comments

The Executing Agency has developed a plan and committed staff to aggressively engage banks as well as SMEs to participate in the rating process in the coming semester which should be reflected in an acceleration of results in component 3 in the next reporting period

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	C1.1 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	C2.1 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	C3.1 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	C4.1 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	1	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	Apr 2015	0	Dec 2014	
M3	[*] Completion of 20 SME ratings	20	Sep 2015			
M4	[*] Completion of 50 SME ratings	50	Mar 2016			

[*] Indicate that the milestone has been reformulated

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

[X] Others, which?: The project was delayed in part due to consultations and approvals required for fiduciary framework for payment of subsidy for ratings which has now been resolved

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***[None reported in this period]***Actions related to sustainability which will be or have been implemented:**

The recommendations from the Credit Rating Consultant have been documented and are in the process of being fully implemented by the CariCRIS' Rating Team which would lead to a more focused and efficient credit rating process.

SECTION 6: PRACTICAL LESSONS*[No lessons learned added yet.]*