

PROJECT STATUS REPORT

JANUARY 2015 - JUNE 2015

SECTION 1: PROJECT SUMMARY

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

Project Number: TT-M1028 - Project Num.: ATN/ME-14291-TT

Purpose: 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 Admin

TRINIDAD AND TOBAGO

Country Beneficiary

TRINIDAD AND TOBAGO

Executing Agency:

Servicio Caribeño de Información y Calificación
Crediticia

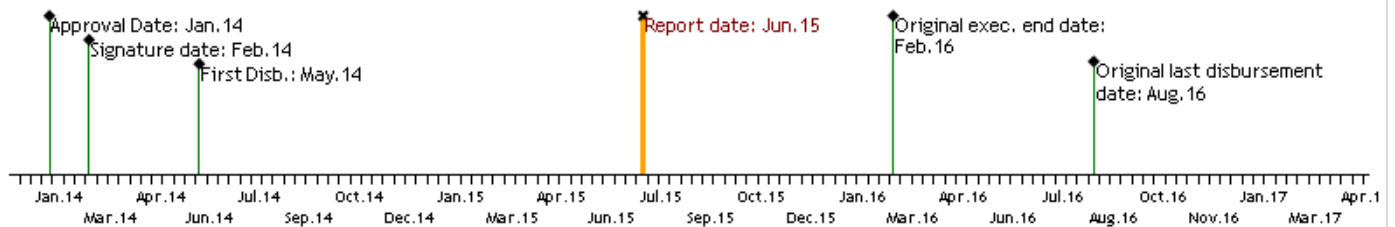
Design Team Leader:

WINSOME LESLIE

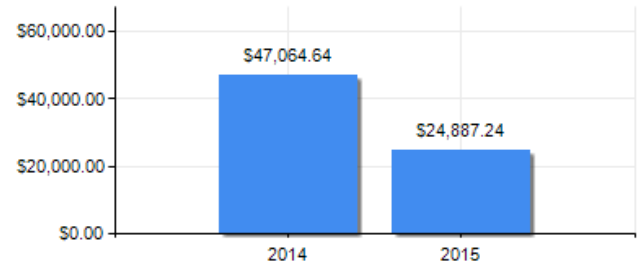
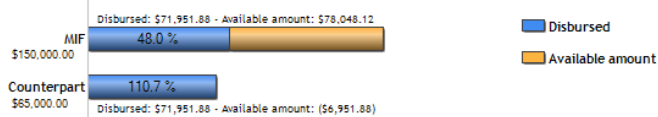
Supervision Team Leader:

VASHTIE DOOKIESINGH

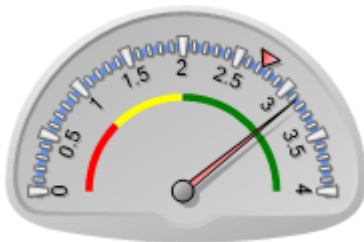
PROJECT CYCLE



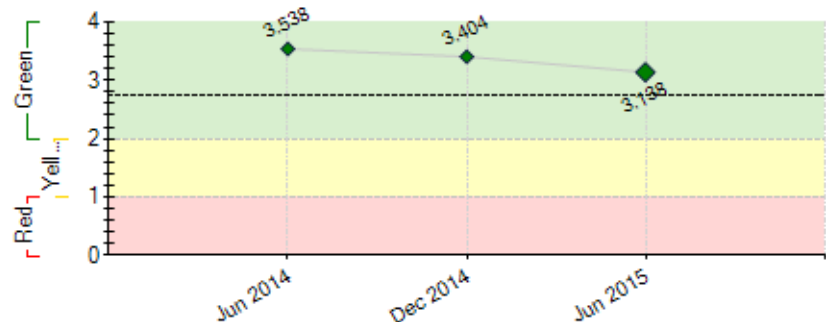
FUNDS



PERFORMANCE SCORE



Current score: Satisfactory: 3.138
MIF Average: 2.731



EXTERNAL RISKS

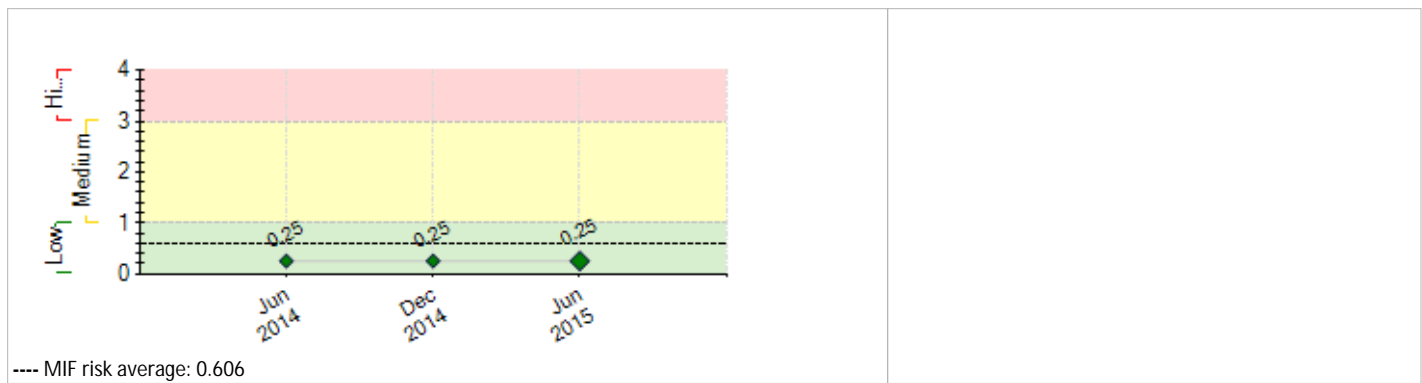
INSTITUTIONAL CAPACITY

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 three seminars which were attended by 90-100 SMEs and banking officers, and the rating of 16 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 conducted sensitization seminars with two commercial banks. The first was held with Scotia Bank of Trinidad and Tobago Limited on the 19th February 2015; around twenty-five banking officers attended. The second was held with Republic Bank Limited on 16th April 2015; around forty banking officers attended. Additionally, two SME credit ratings were conducted as a direct result of these sensitization sessions.

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
Purpose: 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:	C1.I1 Media campaign implemented	0				1 Jan 2018		
	C1.I2 Number of SMEs, regulators and lenders made aware of CariCRIS ratings	0	100 Aug 2016			300 Jan 2018	90 Apr 2015	Finished
	C1.I3 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:	C2.I1 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	90 Apr 2015	On Course
	C2.I2 Number of training sessions of loan officers of commercial banks	0	3 Jan 2016			6 Jan 2018	3 Apr 2015	Finished
Component 3: Institutional Strengthening of CariCRIS Weight: 25% Classification:	C3.I1 CariCRIS management, technical staff and rating committee members trained by external consultant	0				1 Jan 2017	1 Apr 2014	Finished
	C3.I2 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.I3 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:	C4.I1 Number of participants in closing seminar	0				50 Jan 2018		
	C4.I2 Infographic created	0				1 Aug 2016		
	C4.I3 Final evaluation conducted	0				1 Jan 2018		

Milestones

Planned Due Date Achieved Date of achievement 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	Apr 2015	3	Apr 2015	Achieved
M3	[*] Completion of 20 SME ratings	20	Sep 2015	16	Jun 2015	
M4	[*] Completion of 50 SME ratings	50	Mar 2016			

[*] 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***[None reported in this period]***Actions related to sustainability which have been taken in the reporting period:**

The recommendations from the Credit Rating Consultant have been documented and implemented by the CariCRIS Rating Team which would lead to a more focused and efficient rating process.

SECTION 6: PRACTICAL LESSONS*[No lessons learned found]*