

# PROJECT STATUS REPORT

JANUARY 2014 - JUNE 2014

## SECTION 1: PROJECT SUMMARY

**PROJECT NAME:** Expanding the Psychometric Scoring Tool to Haiti

Project Number: HA-M1047 - Operation Number: ATN/ME-13359-HA

**Result:** The specific objective is to implement an innovative credit-scoring tool based on psychometrics to unlock financing for micro and small enterprises in Haiti, which are primarily managed by or hire poor people

**Country Administrator**  
HAITI

**Beneficiary Country**  
HAITI

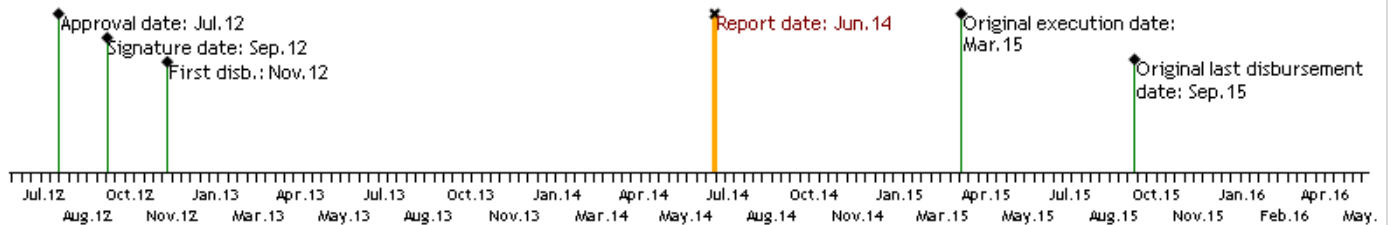
**Group**  
SME - Small and Medium Enterprise  
Development

**Subgroup**  
BDEV - Business Development

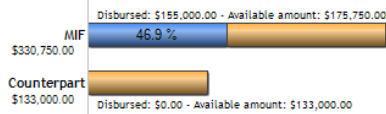
**Executing Agency:** SOCIETE GENERALE HAITIENNE DE SOLIDARITE

**Design Team Leader:**  
**Supervision Team Leader:** Denize, Ralph

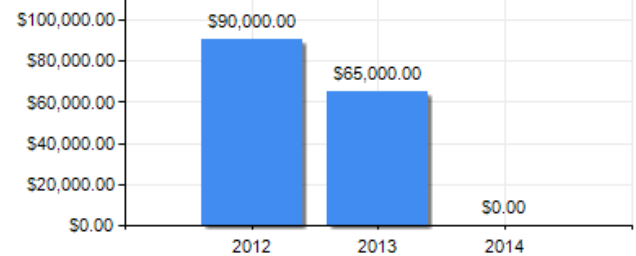
### TIMELINE



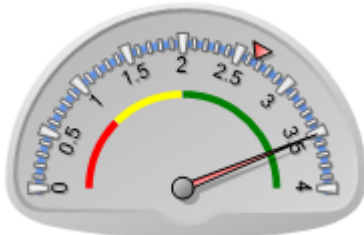
### FUNDS



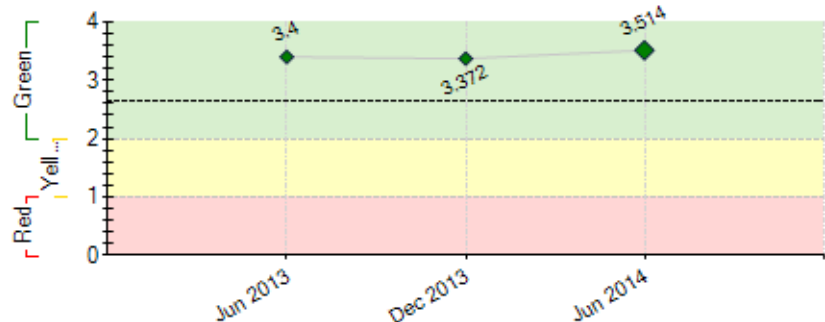
Disbursed  
Available amount



### PERFORMANCE SCORE



Current score: Satisfactory: 3.514  
MIF Average: 2.657

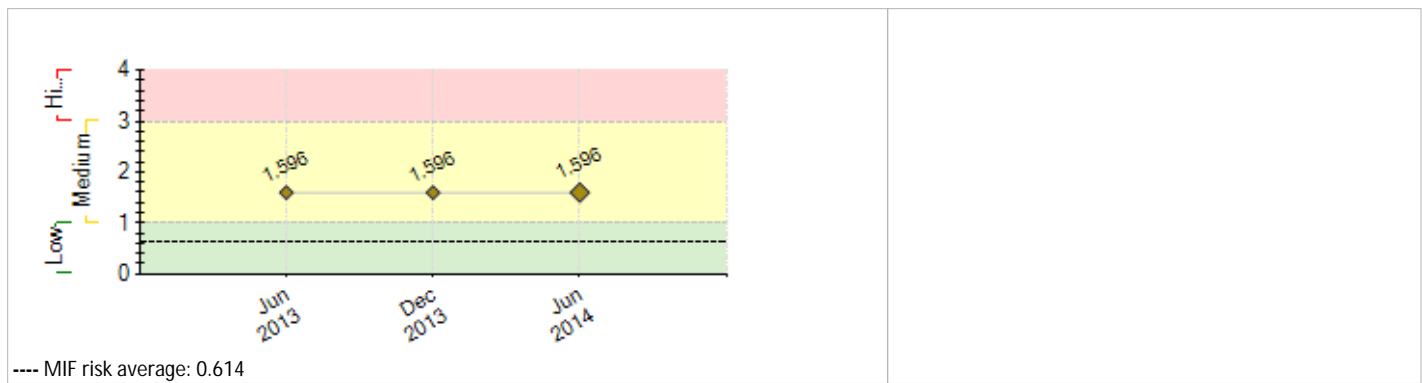


----- MIF performance average

### EXTERNAL RISKS

### INSTITUTIONAL CAPACITY

**Risk**  
**Financial Management:** High  
**Procurement:** High  
**Technical Capacity:** High



## SECTION 2: PERFORMANCE

### Summary of project performance since inception

No answer received

#### Comments from the Supervision Team Leader

Agree with the Executing Agency comments

With Sogesol's dedication to high quality test administration and volumes, we are on target to achieve a calibrated analytical model soon. Sogesol values the relationship EFL and is happy with the outcome.

Sogesol is now awaiting a dual matrix with the Acción score and the EFL score. The signing of a long agreement with Sogesol will depend on the predictive power of the tool being designed by EFL.

A mid-term evaluation is under way, the results will guide the implementation of the credit-scoring tool in Haiti.

### Summary of project performance in the last six months

No answer received

#### Comments from the Supervision Team Leader

Agree with the Executing Agency comments

See above

## SECTION 3: INDICATORS AND MILESTONES

Indicators	Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
<b>Result:</b> The specific objective is to implement an innovative credit-scoring tool based on psychometrics to unlock financing for micro and small enterprises in Haiti, which are primarily managed by or hire poor people	R.1 Number of sogesol implements the psychometric methodology on a pilot basis to provide new loans to SEs that would be rejected using traditional analysis.	0			1 Mar 2015	0	
	R.2 Number MSEs have access to finance in addition to current Sogesol's portfolio.	0			1000 Mar 2015	0	
	R.3 Amount of channeled to MSEs by the partnered FI thanks to the psychometric analysis tool.	0			2000000 Mar 2015	0	
	R.4 The models have been improved and have a special customization to the Haitian market and culture.	0			1 Mar 2015	0	
	R.5 The prediction capability of the methodology and its potential to reach otherwise excluded MSEs is evaluated, documented and disseminated.	0			1 Mar 2015	0	
C1.I1	Number of MSEs are tested with the psychometric tool	0	2087	3613	200	3613	On Course

<b>Component 1:</b> Pilot implementation to adjust the psychometric tool to local market.  <b>Weight:</b> 57%  <b>Classification:</b> High Satisfactory				Dec 2013	Jun 2014		Sep 2013	Jun 2014	
	C1.I2	Number of MSEs are tested with the psychometric tool	0	3613			1000	2087	On Course
				Jun 2014			Sep 2014	Dec 2013	
	C1.I3	Number MSEs are tested with the psychometric tool	0	2087			2000	3613	On Course
<b>Component 2:</b> Mainstream implementation of the psychometric tool  <b>Weight:</b> 35%  <b>Classification:</b> Satisfactory				Dec 2013			Mar 2015	Jun 2014	
	C1.I4	Sogebank and/or Fonkoze are integrated to the pilot project.	0				1	1	On Course
							Mar 2015	Dec 2013	
<b>Component 3:</b> Dissemination of project results  <b>Weight:</b> 8%  <b>Classification:</b> Satisfactory	C2.I1	The tool is embedded in Sogesol's loan approval process as a key factor for decision-making.	0				1	1	On Course
							Sep 2014	Dec 2013	
	C2.I2	Sogesol approves the mainstream implementation plan.	0				1	1	On Course
							Sep 2014	Dec 2013	
	C2.I3	A proposal for scaling up the initiative in Haiti is presented to the IDB's BDS by EFL	0				1		
							Mar 2015		
	C2.I4	An implementation proposal is presented to Sogesol and/or Fonkoze	0				1		
							Mar 2015		
	C3.I1	A case study of the psychometric tool implementation in Haiti has been developed and disseminated.							
							Sep 2014		
	C3.I2	Percentage of the Haitian financial institutions participate in a workshop to disseminate the project results.	0				80		
							Mar 2015		

Milestones	Planned	Due Date	Achieved	Date achieved	Status
M1 Conditions Prior	3	Mar 2013	3	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. Demand for loans and financial products continue strong among small enterprises. Regulatory and legal framework is conducive for applying the psychometric analysis.	High	n/a	Project Guest
2. Political and economic environment in the country where not partnered financial institutions are located are conducive to SE financing.	Medium	...	Project Guest
3. Predicative power of the tool sufficient for profitable lending as is in Africa.	Medium	...	Project Guest
4. ...	Low	...	Project Guest

PROJECT RISK LEVEL: Medium 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	Comments
[X] Lack of <b>cost recovery</b> mechanisms or <b>external financing sources</b> (government, donors and/or private sector) to continue the activities of the project once MIF resources are expended	EFL is negotiating a long term agreement with Sogesol which is dependent on the predictive power of the tool being developed by EFL
[X] A <b>market</b> is not generated for the project's services and/or activities (low payment capacity or low demand for those services)	Until the predictive power of the Tool is proven a market cannot be created. Other financial institutions have expressed interest in the tool.
<b>Actions related to sustainability which will be or have been implemented:</b>	

### SECTION 6: PRACTICAL LESSONS

[No lessons learned added yet.]