

# PROJECT STATUS REPORT

JANUARY 2013 - JUNE 2013

## 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

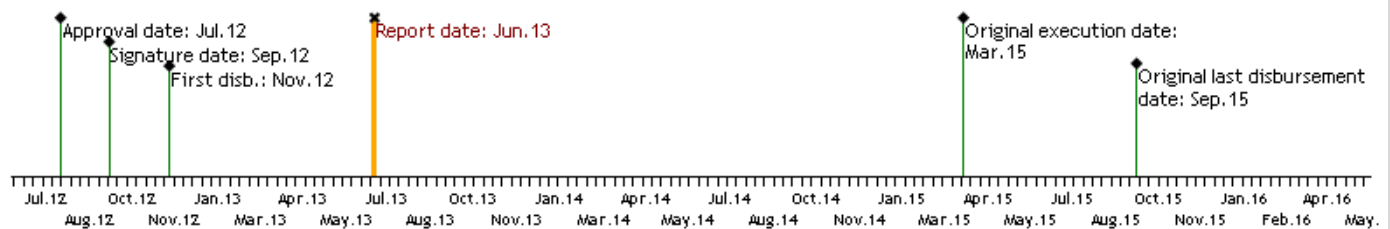
**Group**  
SME - Small and Medium Enterprise  
Development

**Subgroup**  
BDEV - Business Development

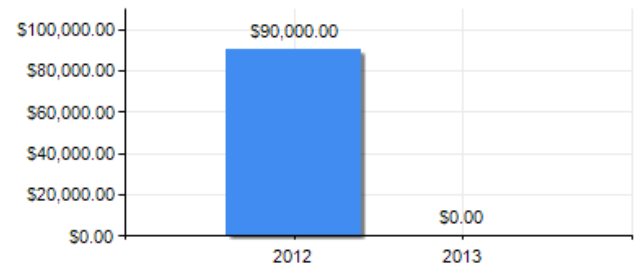
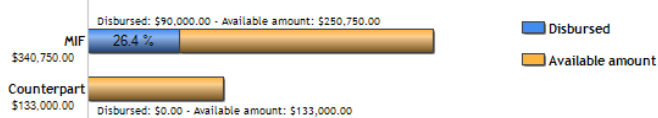
**Executing Agency:** SOCIETE GENERALE HAITIENNE DE SOLIDARITE

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

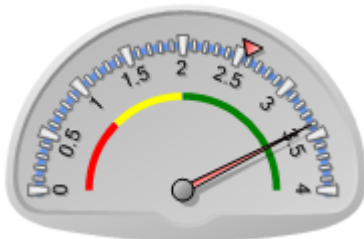
### TIMELINE



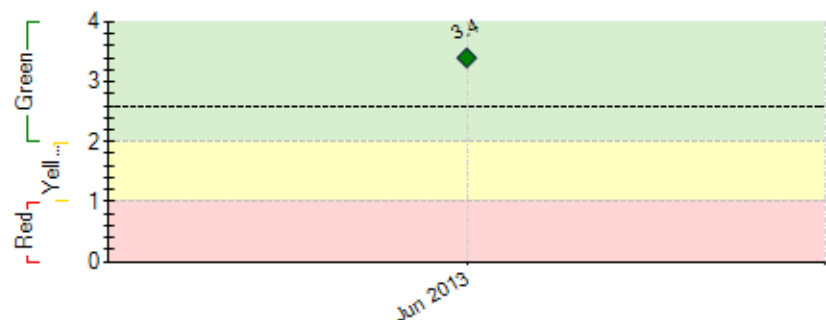
### FUNDS



### PERFORMANCE SCORE



Current score: Satisfactory: 3.4  
MIF Average: 2.57

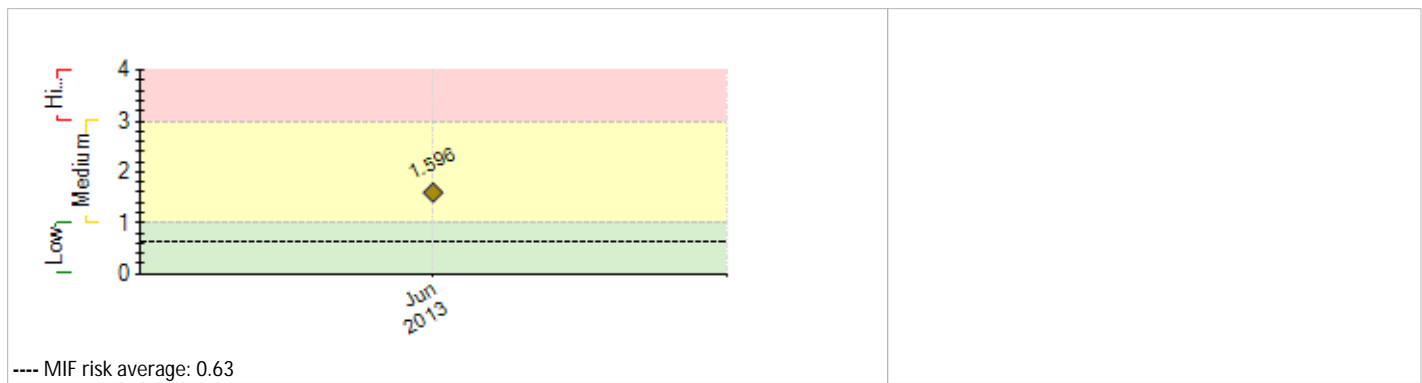


----- MIF performance average

### EXTERNAL RISKS

### INSTITUTIONAL CAPACITY

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



## SECTION 2: PERFORMANCE

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

Not answer received

#### Comments from the Supervision Team Leader

Agree with the Executing Agency comments

### EFL Report of Achievements: November 2013 Overview

The Entrepreneurial Finance Lab(EFL) has been working to support Sogesol in leveraging EFL's psychometric credit-scoring tool in Haiti.

\* EFL's dedicated account manager, Arielle Salomon, is responsible for managing the implementation of EFL's tool in Haiti.

\* EFL has worked to customize the tool to the local market and has collaborated with Sogesol to successfully launch implementation:

I. In October 2012, EFL and Sogesol developed a pilot implementation plan. In January 2013, Sogesol successfully launched the credit-scoring tool in 1 branch and in August-September 2013 rolled-out the tool to all 17 branches of the organization.

II. In January 2013, EFL customized the tool for Sogesol by adjusting questions and response choices.

III. EFL translated the tool into French and Creole.

IV. EFL and Sogesol have worked to integrate EFL processes into Sogesol IT operations by training a Sogesol IT representative to respond to technical questions in the field and establishing an ongoing flow of data to calibrate the EFL model.

V. In January 2013, Sogesol's head office and trainer were trained by EFL on how to implement EFL's tool. Branch loan officers and branch managers have been trained by Sogesol's training department in January, August, and September of 2013.

VI. Sogesol has been administering the EFL tool to all new and renewal applicants in operating branches since January 2013.

VII. EFL projects that that sufficient data to calibrate the EFL model will be available in August 2014.

VIII. EFL and Sogesol maintain regular communication to ensure continued success of the pilot.

## Summary of Progress

**\*17 branches have been trained and are implementing the psychometric risk-assessment tool**

\*1408 clients have been tested (718 females/690 males)

\* Repayment rates forthcoming

\* Validated statistics on results of tool's predictive power forthcoming

## 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	<b>P.11</b> 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	
	<b>P.12</b> Number MSEs have access to finance in addition to current Sogesol's portfolio.	0			1000 Mar 2015	0	
	<b>P.13</b> Amount of channeled to MSEs by the partnered FI thanks to the psychometric analysis tool.	0			2000000 Mar 2015	0	
	<b>P.14</b> The models have been improved and have a special customization to the Haitian market and culture.	0			1 Mar 2015	0	
	<b>P.15</b> The prediction capability of the methodology and its potential to reach otherwise excluded MSEs is evaluated, documented and disseminated.	0			1 Mar 2015	0	
<b>Component 4:</b> Pilot implementation to adjust the psychometric tool to local market.  <b>Weight:</b> 57% <b>Classification:</b> High Satisfactory	<b>C4.11</b> Number of MSEs are tested with the psychometric tool	0			200 Sep 2013		
	<b>C4.12</b> Number of MSEs are tested with the psychometric tool	0			1000 Sep 2014		
	<b>C4.13</b> Number MSEs are tested with the psychometric tool	0			2000 Mar 2015		
	<b>C4.14</b> Sogebank and/or Fonkoze are integrated to the pilot project.	0			1 Mar 2015		
<b>Component 5:</b> Mainstream implementation of the psychometric tool  <b>Weight:</b> 35% <b>Classification:</b> Satisfactory	<b>C5.11</b> The tool is embedded in Sogesol's loan approval process as a key factor for decision-making.	0			1 Sep 2014		
	<b>C5.12</b> Sogesol approves the mainstream implementation plan.	0			1 Sep 2014		
	<b>C5.13</b> A proposal for scaling up the initiative in Haiti is presented to the IDB's BDS by EFL	0			1 Mar 2015		
	<b>C5.14</b> An implementation proposal is presented to Sogesol and/or Fonkoze	0			1 Mar 2015		
<b>Component 6:</b> Dissemination of project results  <b>Weight:</b> 8% <b>Classification:</b> Satisfactory	<b>C6.11</b> A case study of the psychometric tool implementation in Haiti has been developed and disseminated.				Sep 2014		
	<b>C6.12</b> 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
<b>M1</b> Conditions Prior	1	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. Predicative power of the tool sufficient for profitable lending as is in Africa.	Medium	...	Project Guest
3. Political and economic environment in the country where not partnered financial institutions are located are conducive to SE financing.	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:** HP - Highly Probable

#### CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY

*[None reported in this period]*

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

#### SECTION 6: PRACTICAL LESSONS

*[No lessons learned added yet.]*