Multilateral Investment Fund
Member of the IDB Group

PROJECT STATUS REPORT

JULY 2011 - DECEMBER 2011

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Value Chain Development

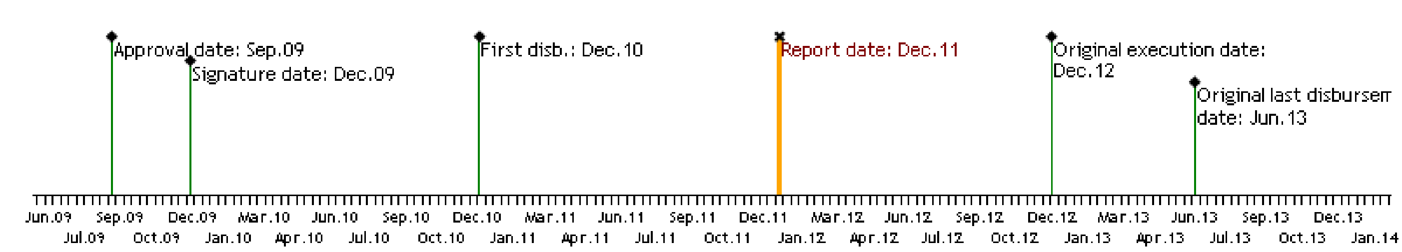
Project Number: TT-M1015 - Operation Number: ATN/ME-11751-TT

Purpose:
To develop strategic clusters with active participation from SMEs around the plastic, packaging and printing, and food and beverage sectors

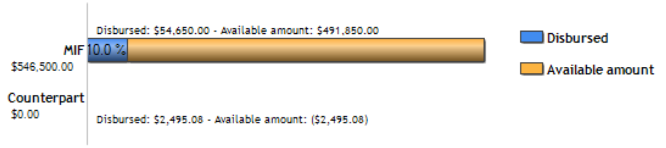
Country Administrator	Beneficiary Country	Group	Subgroup
TRINIDAD AND TOBAGO	TRINIDAD AND TOBAGO	SME - Small and Medium Enterprise Development	PINT - Small Business Networks

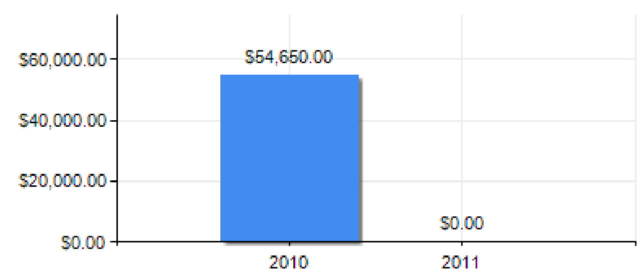
Executing Agency:	TRINIDAD Y TOBAGO MANUFACTURERS' ASSOCIATION	**Design Team Leader:**	Otsuka, Nobuyuki
		Supervision Team Leader:	Otsuka, Nobuyuki

TIMELINE

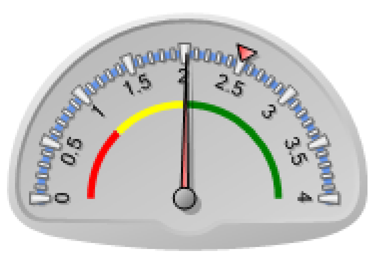


FUNDS

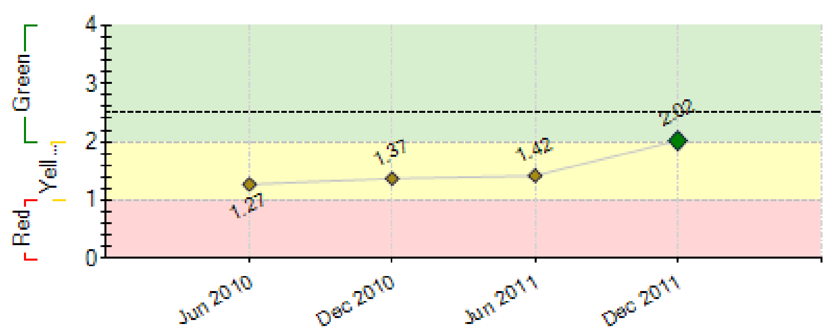




PERFORMANCE SCORE



Current score: Satisfactory: 2.02
MIF Average: 2.503

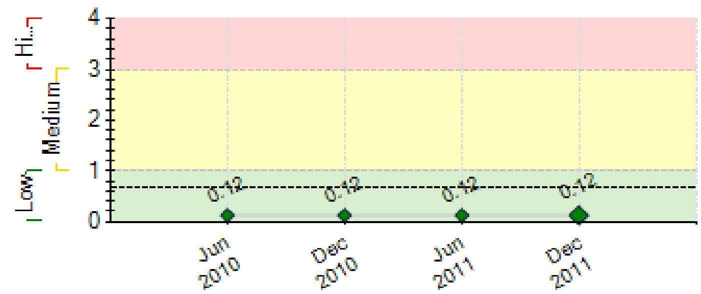


----- MIF performance average

EXTERNAL RISKS

INSTITUTIONAL CAPACITY

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



---- MIF risk average: 0.652

SECTION 2: PERFORMANCE

Summary of project performance since inception

The TTMA completed the evaluation process for contracting a consultant to execute Components One and Two of the project. After the evaluation process, the TTMA contracted the services of the Caribbean Industrial Research Institute (CARIRI).

The project achieved its first milestone as the project was formally launched during this period with approximately 80-100attendees. Subsequent to the launch, TTMA amassed the contact details for over 500 SMEs in the targeted sectors as well as support institutions and government agencies.

During this period the project hosted three Focus Group workshops that ensured over 60 representatives of the targeted sectors met with Cariri's team as well as their project cluster expert Dr Roger Voyer. These sessions offered presentations by representatives of both sectors offering sectoral summaries as well as a presentation by Dr Michael Wolfson as a demonstration of successful cluster development in Toronto both the benefits of clustering and the efforts that are required. Dr Voyer interacted with the representatives of the targeted sectors to develop octagon/spider web for each sector based on eight (8) characteristics which were deemed integral to the development of the cluster development strategy. The octagon/spider web shows the average views of participants and the parameters were scored between 0 - 10, with 10 indicating an ideal situation. Both sectors scored less than five.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Summary of project performance in the last six months

The project was officially launched on 17th October 2011 with representatives of the private sector, government agencies, media representatives as well as business support agencies. TTMA was especially pleased to have hosted representatives from the local Food and Beverage Industry Development Council and the Printing, Packaging and Plastics Industry Council. The launch was attended by two government ministers and representatives of the Caribbean Center for Competitiveness. The Focus Group meetings were held in November/December 2011 with representatives of the targeted sectors as well as a number of support agencies.

The objective of the launch and the focus group meetings were to introduce the project concept, objective and structure to the business community and other stakeholders within the targeted sectors. The project launch and meetings were highlighted on the TTMA's website with information on the presenters and presentations shared through this medium. A press release was also shared with the local media houses however the TTMA did note that coverage was minimal. TTMA is presently evaluating the use of advertisements in the local business pull outs published weekly in the Daily newspapers as well as the creation of a quarterly column in the TTMA's newsletter and other publications to raise awareness for the project.

TTMA believes that the launch and focus group meetings offered a strong start and hopes to meet the overall target of component one in 2012.

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: To develop strategic clusters with active participation from SMEs around the *plastic, packaging and printing, and food and beverage sectors*	**P.I1**	Growth in value-added (measured in terms of profits), productivity and employment in the target clusters exceeds the overall average of all manufacturing sectors.	0				1 Dec 2015	0	
	P.I2	Relative increase in the output of SMEs participating in the defined value chain for each of the 2 targeted clusters exceeds the overall average of all sectors.	0				1 Dec 2015	0	
	P.I3	Entry of new SMEs into the value chain map in each of the 2 targeted sectors.	0				5 Dec 2015	0	

Component 1: Awareness raising and stakeholder engagement **Weight:** 4%	**C1.I1**	Organizations in targeted sectors demonstrating heightened awareness of cluster development after completion of awareness sections.	0				100 Dec 2013		
	C1.I2	Based on heightened understanding of cluster development,	0				50		

Classification: Unsatisfactory

	organizations are willing to partner in each cluster.					Dec 2013		

Component 2: Value chain analysis and design of cluster development strategy

Weight: 16%

Classification: Unsatisfactory

C2.I1	Anchor firms/other partners in each cluster committing at least US$85,000 in resources to support cluster development initiatives	0				2 Mar 2012		
C2.I2	Value chain analysis conducted for each target cluster.	0				1 Jun 2010		Delayed
C2.I3	Defined development strategy for each targeted cluster	0				1 Jun 2010		Delayed
C2.I4	A Cluster Development Committee (CDC) led by anchor firms and including relevant partners from academic/research institutions and the public sector created for each industry.	0				1 Dec 2010		Delayed

Component 3: Development of SMEs in Cluster Value Chain

Weight: 38%

Classification: Unsatisfactory

C3.I1	SMEs have received tailored assistance to improve value-chain efficiency (30 by Month 24 and 50 by Month 30)	0				50 Jun 2012		
C3.I2	Increase (in porcentage) of participating SMEs engage in horizontal (similar producers), or vertically (suppliers and buyers) collaborative initiatives	0				70 Dec 2012		
C3.I3	Other key initiatives under cluster development strategies implemented	0				2 Dec 2012		

Component 5: Dissemination of the results

Weight: 42%

Classification: Unsatisfactory

C5.I1	Disseminate the results of the project, with a view to raising awareness of the benefits of the cluster approach to business development	0				1 Dec 2010		Delayed

Milestones		Planned	Due Date	Achieved	Date achieved	Status
M1	Formal Project Launch	1	Apr 2010	1	Oct 2011	Achieved late
M2	Completion of (1) Cluster Development Strategy	1	Jul 2010	0	Jun 2011	Not Achieved
M3	Confirmantion of 1 anchor firm's participation in each cluster	1	Oct 2010	0	Jun 2011	Not Achieved
M4	Completion of integrated SME intervention plan	1	Feb 2011	0	Jun 2011	Not Achieved
M0	[*] Conditions Prior	6	Feb 2011	6	Dec 2010	Achieved
M5	Number of completion of SME inteventions	20	Jun 2012			
M6	Completion of Spercial Purpose Forum to disseminate the project results	1	Dec 2012			

[*] 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. The potential deepening of the global financial crisis could have adverse effect on the market and growth prospects of the targeted industries.	Low	To address this risk, the project will ensure that short-term business targets are realistic. In addition, proposed cluster development strategies will have long-term horizons and address structural bottlenecks to help firms to unlock dynamic and permanent sources of competitive advantage.	Project Coordinator
2. Anchor firms will not provide requisite counterpart resources because they do not understand the benefits of expanding the value chain in the two targeted sectors.	Low	To mitigate this risk, extensive awareness raising of cluster components will facilitate the understanding of anchor firms as to the business case of long-term cluster development initiatives.	Project Coordinator
3. Lack of interest on the part of SMEs in this project	Low	Participating SMEs will be selected through a careful process, in consultation with all stakeholders.	Project Coordinator

PROJECT RISK LEVEL: Low **TOTAL NUMBER OF RISKS:** 3 **IN EFFECT RISKS:** 3 **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:

- Members of the project team were part of an IDB financed course on project management. This course was meant to guide executing agencies on the best practices and procedures required to meet the demands of working with the IDB and project coordination
- TTMA invited the Ministry of Planning and the Economy; Ministry of Trade and Industry as well as a few other local agencies involved in improving competitiveness and innovation locally to sit on the Project Steering Committee (PSC). This led to the PSC meeting in December and confirmation that meetings will be held monthly until it was felt that the project was proceeding smoothly and less guidance was required by the PSC

SECTION 6: PRACTICAL LESSONS

[No lessons learned added yet.]