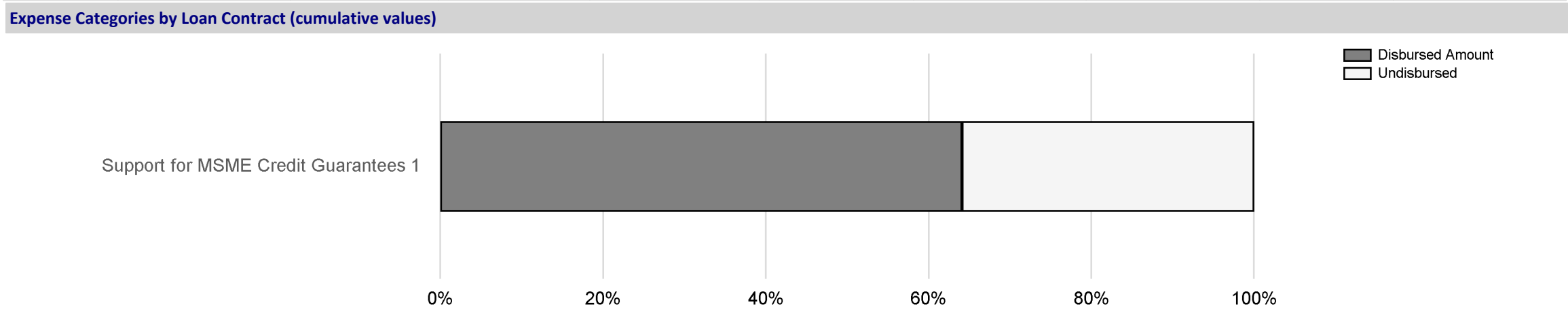


# PMR Public Report

Operation Number	BA-L1051	Chief of Operations Validation Date	03/31/23
Year- PMR Cycle	Second period Jan-Dec 2022	Division Chief Validation Date	04/19/23
Last Update	03/28/23	Country Representative Validation Date	04/27/23
PMR Validation Stage	Validated by Representative		

Basic Data			
Operation Profile			
Operation Name	Global Credit Program for Safeguarding the Productive Sectors and Employment	Loan Number	5205/OC-BA
Executing Agency	CENTRAL BANK OF BARBADOS	Sector/Subsector	FINANCIAL MARKETS-CAPITAL MARKET DEVELOPMENT
Team Leader	SIERRA GONZALEZ, EDUARDO	Overall Stage	Disbursing (From eligibility until all the Operations are closed)
Operation Type	Loan Operation	Country	Barbados
Lending Instrument	Investment Loan	Convergence related Operation(s)	
Borrower	BARBADOS		
Environmental and Social Safeguards			
Impacts Category	B13	Was/Were the objective(s) of this operation reformulated?	NO
Safeguard Performance Rating		Date of approval	
Safeguard Performance Rating - Rationale			

Financial Data									
	Total Cost and Source					Available Funds (US\$)			
Operations	Original IDB	Current IDB	Local Counterpart	Co-Financing / Country	Total Original Cost	Current IDB	Disb. Amount to Date	% Disbursed	Undisbursed Amount
BA-L1051	30,000,000	30,000,000	0	0	30,000,000	30,000,000	19,226,328.77	64.09%	10,773,671.23
Aggregated	30,000,000	30,000,000	0	0	30,000,000	30,000,000	19,226,328.77	64.09%	10,773,671.23



Please note that inactive indicators and outputs are not displayed; totals in the actual cost table may not match the sum of the cost of the outputs displayed, due to the cost of inactive outputs.

RESULTS MATRIX

General Development Objectives

General Development Objectives Nbr. 1: The objective of this operation is to support the sustainability of the Micro, Small and Medium Enterprises (MSME) to maintain employment and economic activity in Barbados in response to the crisis caused by COVID-19.

Observation:

Indicator		Unit of Measure	Baseline	Baseline Year	Expected Year of Achievement	EOP 2024	
1.0	Annual income of MSMEs supported by the program	Thousand US\$	229	2021	2023	P	229
						A	-

Details

**Means of Verification:** Follow-up and monitoring information of the program collected by the Executing Agency (EA); and Small Business Association (SBA).

**Observations:** Measures the variation in the expected income of MSMEs identified by the program as vulnerable. Baseline corresponds to the 2016 Barbados MSME Survey as least available data (Summary of the National Survey of the Micro, Small & Medium Enterprise Sector, SBA). The estimation includes the MSME revenue generated in private, non-agricultural sector. With the support of the project, MSMEs are expected to maintain their yearly income.

**The General Development Objective indicator target is expected to be observed by the operation's "Fully Justified" date in Convergence (CO):** No

Pro-Gender	No	Pro-Ethnicity	No	CRF indicator					
Indicator				Unit of Measure	Baseline	Baseline Year	Expected Year of Achievement	EOP 2024	
1.1	Percentage of employment registered in MSMEs over private sector employment registered in the country.			%	60.7	2021	2023	P	60.7
								A	-
Details									

**Means of Verification:** Follow-up and monitoring information of the program collected by the EA; and SBA.

**Observations:** Measures the variation in the MSME employment over the total formal employment in the country. Baseline corresponds to the 2016 Barbados MSME Survey as least available data (Summary of the National Survey of the Micro, Small & Medium Enterprise Sector, SBA). The program is expected to help maintain the participation of MSMEs over the total number of registered workers in the country.

**The General Development Objective indicator target is expected to be observed by the operation's "Fully Justified" date in Convergence (CO):** No

Pro-Gender	No	Pro-Ethnicity	No	CRF indicator			

RESULTS MATRIX

Specific Development Objectives

Specific Development Objectives Nbr. 1: To support the short-term financial sustainability of MSMEs

Observation:

	Indicator	Unit of Measure	Baseline	Baseline Year		2023	EOP 2024
1.0	Non-performing Loans (NPL) of the MSME working capital financing portfolio over NPL of the total financial system, 6 months after the beginning of the project.	Unit	2	2020	P	-	2
					A	-	-

Details

Means of Verification: Follow-up and monitoring information of the program collected by the EA.

Observations: Baseline is going to be calculated as follows: N/D; where: - Numerator (N): weighted average of participating (Intermediary Financial Institutions) IFIs NPL, taking into account the total size of their portfolio over the aggregated portfolio of all participating IFIs. The value of the NPL for working capital portfolio provided by the Central Bank of Barbados was 14.6%. - Denominator (D): Financial system NPL. NPL of the financial system amounted 7.3% as of December 2020 (IMF Article IV report). Short-term NPL at the time of program preparation is 2 times higher than the NPL of the total financial system. With the program support, it is anticipated that at least the rate of NPL would maintain its current level. The final target will be verified at the end of the program.

Evaluation Methodology: -

Pro-Gender	No	Pro-Ethnicity	No	CRF indicator	

	Indicator	Unit of Measure	Baseline	Baseline Year		2023	EOP 2024
1.3	Leverage of MSME working capital financing resources achieved thanks to program support.	Millions of US\$	0	2020	P	-	3
					A	-	-

Details

Means of Verification: Follow-up and monitoring information of the program collected by the EA.

Observations: Guarantees will cover 80% of the total financing. Target presents the leverage achieved by the US\$15 million of program resources dedicated to subcomponent 1.1.

Evaluation Methodology: -

Pro-Gender	No	Pro-Ethnicity	No	CRF indicator	

Specific Development Objectives Nbr. 2: To promote the economic recovery of MSME through access to productive financing.

Observation:

	Indicator	Unit of Measure	Baseline	Baseline Year		2023	EOP 2024
2.0	NPL of the productive MSME financing portfolio over NPL of the total financial system, 24 months after the beginning of the project.	Unit	2.36	2020	P	-	2.36
					A	-	-

Details

Means of Verification: Follow-up and monitoring information of the program collected by the EA

Observations: Baseline is going to be calculated as follows: N/L; where: - Numerator (N): weighted average of participating IFIs NPL, taking into account the total size of their portfolio over the aggregated portfolio of all participating IFIs. The value of the NPL for financing portfolio provided by the Central Bank of Barbados was 17.3%. - Denominator (D): Financial system NPL. NPL of the financial system amounted 7.3% as of December 2020 (IMF Article IV report). Productive portfolio NPL at the time of program preparation is 2.36 times higher than the NPL of the total financial system. With the program support, it is anticipated that at least the rate of NPL would maintain its current level. The final target will be verified at the end of the program.

Evaluation Methodology: -

Pro-Gender	No	Pro-Ethnicity	No	CRF indicator	

	Indicator	Unit of Measure	Baseline	Baseline Year		2023	EOP 2024
2.3	Leverage of productive MSME financing resources achieved thanks to program support	Millions of US\$	0	2020	P	-	3
					A	-	-

Details

Means of Verification: Follow-up and monitoring information of the program collected by the EA.

Observations: Guarantees will cover 80% of the total financing. Target presents the leverage achieved by the US\$15 million of program resources dedicated to subcomponent 1.2.

Evaluation Methodology: -

Pro-Gender	No	Pro-Ethnicity	No	CRF indicator					
Indicator		Unit of Measure			Baseline	Baseline Year		2023	EOP 2024
2.3	Proportion of women owned MSMEs in the guarantees portfolio.			%	5.2	2020	P	-	20
							A	-	-
Details									

Means of Verification: Follow-up and monitoring information of the program collected by the EA

Observations: Gender tracking. Women's MSME is understood to be those companies led or owned by women (with more than 50% of the shareholding in the hands of women or with at least 25% of the shareholding in the hands of women and at least one woman in a position decision). The program indicates that at least 20% of the resources will be dedicated to financing women's MSMEs. Baseline has been provided by the Central Bank of Barbados to be 5.2%. Target is going to present current percentage, plus the effect of the 20% of the program resources over aggregated portfolio and average women MSME participation.

Evaluation Methodology: -

Pro-Gender	No	Pro-Ethnicity	No	CRF indicator					
Indicator		Unit of Measure			Baseline	Baseline Year	2023		EOP 2024
2.4	Productive MSME financing portfolio amount supported by the program.			Millions of US\$	0	2020	P	-	18
							A	-	-
Details									

Means of Verification: Follow-up and monitoring information of the program collected by the EA.

Observations: Baseline is calculated as a weighted aggregate of participating IFIs portfolio, taking into account guaranteed amount by every IFI over total Fund. The productive MSME financing portfolio amount supported by the program at baseline was 0. The final target shows the US\$15 million to support for access to production-oriented guarantees + the US\$3 million leverage. Considering that guarantees cover 80% of the financing, target includes IDB resources plus leverage amount.

Evaluation Methodology: -

Pro-Gender	No	Pro-Ethnicity	No	CRF indicator			

RESULTS MATRIX

OUTPUTS: ANNUAL PHYSICAL AND FINANCIAL PROGRESS

Component Nbr. 1 Support for access to short-term financial guarantees

				PHYSICAL PROGRESS		FINANCIAL PROGRESS	
	Output	Unit of Measure		2022	EOP 2024	2022	EOP 2024
1.01	Amount guaranteed for MSMEs' working capital financing with program resources.	Millions of US\$	P	1	3	1	3
			P (a)	1	1.57	1	1.57
			A	0.04	0.57	0.04	0.57
1.02	Amount guaranteed for MSMEs' productive financing with program resources.	Millions of US\$	P	9	27	9	27
			P (a)	9	28.43	9	28.43
			A	9.4	18.65	9.4	18.65

Total Cost				
	Total Cost	P	10	30
		P (a)	10	30
		A	9.44	19.22

CHANGES TO THE MATRIX					
Section	Name	Type of Change	Sub type	Modified By	Entered in System
Output	Amount guaranteed for MSMEs' productive financing with program resources.	Modify Output	Modify Financial EOP P(a) value - caused by a change in the Financial P(a).	SHAMARB	3/24/2023
			Modify Physical EOP P(a) value - caused by a change in the Physical P(a).	SHAMARB	3/24/2023
	Amount guaranteed for MSMEs' working capital financing with program resources.	Modify Output	Modify Financial EOP P(a) value - caused by a change in the Financial P(a).	SHAMARB	3/24/2023
			Modify Physical EOP P(a) value - caused by a change in the Physical P(a).	SHAMARB	3/24/2023

RISKS AND PLANNED RESPONSES

Risk ID	Risk Status		Risk Taxonomy
1	Active		Planning
	Response Actions		
	1	Management Strategy	Status

Risk ID	Risk Status		Risk Taxonomy
2	Inactive		Goods, and Services
	Response Actions		
	2	Management Strategy	Status

Risk ID	Risk Status		Risk Taxonomy
3	Inactive		Economic and Financial Environment
	Response Actions		
	3.01	Management Strategy	Status
		MITIGATE	ACTIVE

Risk ID	Risk Status		Risk Taxonomy
4	Materialized		Planning
	Response Actions		
	4	Management Strategy	Status

IMPLEMENTATION STATUS AND LEARNING

Lesson Learned - Categories
Project Design
Cost and Budgetary Aspects