

# **Micro and Small Enterprise (MSE) Development and Building Alternative Livelihoods for Vulnerable Groups**

**(GRT/GF-13725-GY)**

## **Project Completion Report (PCR)**

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## **Electronic Links**

1. [Development Effectiveness Matrix \(DEM\) Summary](#)
2. [Final version of the Progress Monitoring Report \(PMR\)](#)
3. [PCR Checklist](#)

## **Optional Electronic Links**

1. [Minutes of the project's exit workshop](#)
2. [Small Business Bureau: Micro & Small Enterprises \(MSE\) Survey 2018](#)
3. [Other relevant information as loan modifications, reformulations, others](#)

## Acronyms and abbreviations

CASE	Clean Air and Sustainable Environment
CEA	Cost Efficiency Analysis
CEOs	Chief Executive Officers
CES	Carbon Emitting Sectors
CGF	Credit Guarantee Fund
CIS	Carbon Intensive Sector
ESE	Environmental and Social Strategy
ESMR	Environmental and Social Management Report
FIs	Financial Institutions
GRIF	Guyana REDD + Investment Fund
GSDS	Green State Development Strategy
HC	High Carbon
IDB	Inter-American Development Bank
IPED	Institute of Private Enterprise Development (MFI)
LCDS	Low Carbon Development Strategy
LCS	Low Carbon Sector
MFIs	Micro Finance Institutions
MIF	Multilateral Investment Fund
MSE	Micro and Small Enterprises
MSED	Micro and Small Enterprise Development Program
M&E	Monitoring and Evaluation
NIS	National Insurance Scheme
PCR	Project Completion Report
PEU	Project Execution Unit
POD	Proposal of Development
SBA	Small Business Act
SBB	Small Business Bureau
SBC	Small Business Council
SBDF	Small Business Development Fund
SBDFT	Small Business Development Finance Trust
SBPP	Small Business Procurement Program

## Basic Project Information

PROJECT NUMBER (S): GY-G1003  
 TITLE: Micro and Small Enterprise (MSE) Development and Building Alternative Livelihood  
 LENDING INSTRUMENT: IGR-Investment Grant  
 COUNTRY: Guyana  
 BORROWER: Co-operative Republic of Guyana  
 LOAN (S): GRT/GF-13725-GY  
 SECTOR/SUBSECTOR: Private Firms and SME Development / Small and Medium Enterprise

DATE OF BOARD APPROVAL: February 27th, 2013  
 DATE OF LOAN CONTRACT EFFECTIVENESS: March 25th, 2013  
 DATE OF ELIGIBILITY FOR FIRST DISBURSEMENT: September 11th, 2013

### LOAN AMOUNT (S)

ORIGINAL AMOUNT: US\$5,000,000  
 CURRENT AMOUNT: US\$5,000,000  
 PARI PASSU: 0  
 TOTAL PROJECT COST: US\$5,000,000

### MONTHS IN EXECUTION

FROM APPROVAL: 68 months  
 FROM CONTRACT EFFECTIVENESS: 67 months

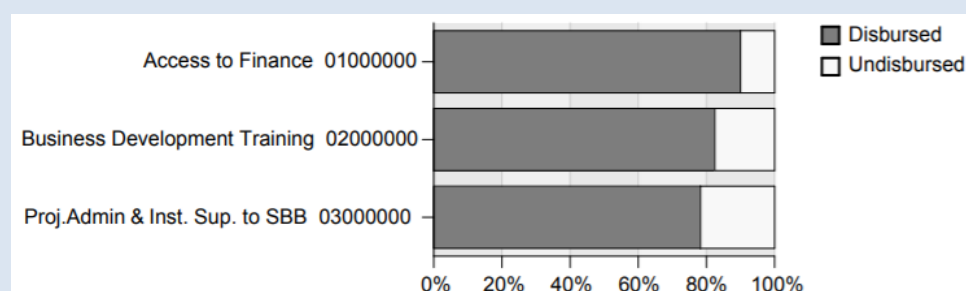
### DISBURSEMENTS PERIODS

ORIGINAL DATE OF FINAL DISBURSEMENT: March 25th, 2016  
 CURRENT DATE OF FINAL DISBURSEMENT: October 31st, 2018  
 CUMULATIVE EXTENSION (MONTHS): 31  
 SPECIAL EXTENSIONS (MONTHS): 0

### DISBURSEMENTS

TOTAL AMOUNT OF DISBURSEMENTS TO DATE: US\$5,000,000

### DISBURSEMENT GRAPH



Source: PMR First period Jan-Jun 2018

### REDIRECTIONING. HAS THIS PROJECT?

RECEIVED FUNDS FROM ANOTHER PROJECT [No]

SENT FUNDS TO ANOTHER PROJECT [No]

### Ratings of Project Performance in PMRs:

No.	PMR Date	PMR Stage		Actual Disbursements (USD millions)
1	May 07 <sup>th</sup> , 2018	Validated by Representative	SATISFACTORY	5

ECONOMIC ANALYSIS METHODOLOGY: EX ANTE ECONOMIC ANALYSIS, CEA

EX POST EVALUATION METHODOLOGY: MID-TERM EVALUATION

DEVELOPMENT EFFECTIVENESS CLASSIFICATION: PARTLY SUCCESSFUL

**BANK STAFF**

<b>POSITIONS</b>	<b>At PCR</b>	<b>At Approval</b>
VICE PRESIDENT VPS	ANA RODRIQUEZ-ORTIZ	SANTIAGO LEVY
VICE PRESIDENT VPC	ALEXANDRE MEIRA DA ROSA	ALEXANDRE MEIRA DA ROSA
COUNTRY MANAGER	THERESE TUNER-JONES	GERALD JOHNSON
SECTOR MANAGER	MOISES ROSENTHAL SCHWARTZ	ANA RODRIQUEZ-ORTIZ
DIVISION CHIEF	JUAN ANTONIO KETTERER	JUAN ANTONIO KETTERER
COUNTRY REP	SOPHIE MAKONNEN	SOPHIE MAKONNEN
PROJECT TEAM LEADER	NAVITA ANGANU	NAVITA ANGANU
PCR TEAM LEADER	NAVITA ANGANU	NAVITA ANGANU

**Staff Time and Cost**

<b>Stage Project Cycle</b>	<b># of staff weeks</b>	<b>USD (including travel and consultant costs)</b>
Preparation	49	272,070
Supervision	113	536,910
<b>Total</b>	<b>171</b>	<b>808,980</b>

**STATEMENT OF THE DEVELOPMENT OBJECTIVES OF THE PROJECT/PROGRAM:**

The goal of this program is to support the government's strategy to reduce carbon emissions by re-orienting the economy onto a low carbon path, through the creation of the necessary incentives for the beneficiaries to invest in the Low Carbon Sector (LCS). Specifically, the program will contribute to the reduction of economic activity in Carbon Emitting Sectors (CES) by facilitating the creation of employment via Micro and Small Enterprises (MSE) in the identified sectors of the Low Carbon Development Strategy (LCDS), through the enhancement of their access to finance and business development training.

Rephrasing to clarify the objectives and restructure it by general and specific goals:

- The general objective is to support the government's strategy to reduce carbon emissions by re-orienting the economy onto a low carbon path, through the creation of the necessary incentives for the beneficiaries to invest in the LCS.
- The specific objective of the project is the creation of employment via MSE in the identified sectors of the LCDS.

## **I. INTRODUCTION**

This program was developed in response to the Government of Guyana's identification of interventions within its LCDS; this particular initiative being the development of MSEs and providing alternative livelihoods to vulnerable groups with funding provided under the multi-contributor trust fund referred to as the Guyana REDD + Investment Fund (GRIF).

The goal of this program was to support the government's strategy to reduce carbon emissions by re-orienting the economy onto a low carbon path, through the creation of the necessary incentives for the beneficiaries to invest in the LCS of the economy. Companies with more than 100 employees were not included, as per the Small Business Bureau (SBB) Act.

Specifically, the program was designed to contribute to reducing the participation of the Carbon Intensive Sector (CIS) in the country's economic activity, by fostering the creation of employment via MSEs in identified LCS of the economy, through promoting access to finance and business development services to MSEs of this sector, particularly from vulnerable groups (e.g. single mothers).

Thus, the program aimed to address the predominant development needs of MSEs, mainly including: (i) access to financial products or credit; and (ii) access/development of non-financial services or business development services (e.g. market information, management and vocational skill training and business advisory in LCS); while reducing the risk of the financial institutions to address the limitations of financing these sectors.

To accomplish its goal and addressing the needs identified, the program was divided into two components: (i) access to finance and; and (ii) access to business development training.

It is important to highlight that the original project term was 24 months. The project received three further extensions, with a total program duration of about 55 months. The extensions were mainly due to delays to the fulfilment of pre-disbursement requirements, lengthened the negotiations with financial institutions, elections and change in governments and an extension was also granted, with the objective to enhance outcomes after the mid-term evaluation.

The purpose of this Project Completion Report (PCR) is to document the performance of the program at the end of its execution, in relation to the goals originally proposed. The following sections present an assessment of the relevance of the goals outlined in the context of the Guyana economy, as well as an assessment of compliance with the development results and the efficiency in their execution, analysing the main factors that have affected the achievement of them. Likewise, the main lessons learned during the implementation of the program are presented, with the intention to improve future IDB programs.

## II. CORE CRITERIA. PROJECT PERFORMANCE

### 2.1 Relevance

#### a. Alignment with country development needs

In June 2009, the Government of Guyana launched its LCDS aiming to transform Guyana's economy onto a low carbon and sustainable development trajectory, while combating climate change. This program aligns directly with this strategy through the development of MSEs in identified low carbon sectors of the economy and providing alternative livelihoods to vulnerable groups with funding provided under the multi-contributor trust fund GRIF.

Specifically, the program aimed to address the predominant development needs of MSEs, which included fostering: (i) access to financial products or credit; and (ii) access/development of non-financial services or business development services (e.g. market information, management and vocational skill training and business advisory in LCS); while reducing the risk of the financial institutions to address the limitations of financing these sectors.

Likewise, the project design was consistent with the Small Business Act (SBA), enacted in 2004, "to provide for an incentive regime and support program for small business; the establishment of the Small Business Council (SBC), the SBB, the Small Business Development Fund (SBDF) and for all matters connected therewith and incidental to this objective." Yet, due to the lack of funds, SBDF has not been implemented, leading to insufficient resources for supporting the development of MSEs, hence the program aimed to fill part of this gap and support development needs for MSEs. Furthermore, the SBA during project implementation was rolled into Guyana's Ministry of Business 2016-2020 Strategic Plan: "The most effective means for achieving results is ... providing access to financing, technology and training required to increase the productivity of small farmers or producers of intermediary goods".

#### b. Strategic Alignment

During program design, approval, and implementation, there were two IDB Country Strategies (CS), one for 2012-2016 and another for 2017-2021 (GN-2905). The program has been aligned to both IDB Group's CS, from the project's approval to conclusion. For 2012-2016, IDB Guyana's CS proposed four priority areas: (i) "Sustainable Energy"; (ii) "Natural Resource Management"; (iii) "Private Sector Development"; and (iv) "Public Sector Management". For the 2017-2021 period, the CS (GN-2905) agreed areas of intervention were also four: (i) establishing a modern national strategy and planning framework for undergirding the new Green State Development Strategy (GSDS), including to drive economic diversification efforts and pursue modern industrial policies; (ii) strengthening fiscal policies and the framework managing natural resource revenues; (iii) facilitating private sector development to support the delivery of better services, mainly through enhancing the business environment; and (iv) delivering critical infrastructure to facilitate human and private sector development.

For the first period (2012-2016), the program was aligned with the third priority area, **Private Sector Development**, particularly with the objective of addressing limited private sector development and to increase access to finance for small businesses. Within this same priority area, the IDB facilitated private investment in low carbon technologies through the creation of a Credit Guarantee Fund (CGF), which provided 40 percent of the collateral requirements of lending institutions; an Interest Payment Support Facility, which provided reductions in the interest cost



of SME loans; and a Low Carbon Grant Scheme for equipment upgrades, implementation of beneficiaries' business plans, technological innovations, marketing, and others.

For the second period (2017-2021), the program aligned with the third priority area, **Facilitating Private Sector Development to Support the Delivery of Better Services**, where the IDB aimed to support the business climate, fostering access to finance with initiatives to develop secure transaction systems and collateral registries. The IDB Group defined a workplan with the Government of Guyana, including through the IDB Invest and IDB Lab (previously Inter-American Investment Corporation (IIC) and Multilateral Investment Fund (MIF), to support the private sector by focusing on initiatives to increase firms' access to credit and assisting companies to achieve productivity gains through investments and advisory services that promote innovation and adoption of sustainable business practices.

### **c. Relevance of design**

The examination of this section revealed that the program's main objectives and planned outputs in the original design was consistent with the government's strategies of supporting the green economy and to develop the small business sector. According to the Proposal of Development (POD), the goal of this program was to support the government's strategy to reduce carbon emissions by re-orienting the economy onto a low carbon path, through the creation of the necessary incentives for the beneficiaries to invest in the LCSs of the economy. Specifically, the program would contribute to the reduction of economic activity in CES by facilitating the creation of employment via MSE in the identified sectors of the LCDS, through the enhancement of their access to finance and business development training.

**To clarify the previous objectives and access its accomplishment here in the PCR**, the program goals were divided into general and specific objectives, following the new guidelines. The **general goal** of the program was to support the government's strategy **to reduce carbon emissions by re-orienting the economy onto a low carbon path**, through the creation of the necessary incentives for the beneficiaries to invest in the LCS. The **specific objective** of the project was the **creation of employment via MSE** in the identified **sectors of the LCDS**.

During the diagnostic process, it was identified that supporting the re-orientation of the economy onto a low carbon path was essential if Guyana aimed to accomplish the goals established in the LCDS, particularly given that for many years, the Guyanese economy was based in High Carbon (HC) sectors. Among other causes, the latter fact was related to the low entrance barriers of these sectors, in terms of employment, and the elevated return to labor in these activities, resulting in the specific problem identified in the diagnostic of a high employment rate in HC sectors.

In this sense, the operation was designed to help to revert this scenario, by contributing to increase the employment via SME in the LCS. The logic behind the process of tackling the specific problem identified was that by increasing the number of jobs in the LCS, it would create opportunities to deviate workers from going to the HC sectors, helping to change the shares of these sectors in the country's economic activity. Even though this link, between the specific problem identified and the specific objective settled, is not direct, the process relating them is clear.

In order to accomplish this, the program proposed: (i) to assist the SME in the LCDS to get access to credit for productive investments in capital; and (ii) to facilitate the access to business

development training for MSMEs and vulnerable groups. These were the two main constraints identified as barriers affecting SME's development in Guyana.<sup>1</sup>

In terms of the access to financial services, the diagnostic had identified that the SMEs presented a high degree of lending risk, given their susceptibility to economic shocks and historical high propensity to failure. Due to the high cost of obtaining information and inability to distinguish between good and bad loans, lending institutions were often hesitant to provide loans to these firms (Mc. Garrell, Nov. 2009). Moreover, in the cases where the financial institutions provided services to this group, it was by adding a higher risk premium to their standard rate of interest and to the collateral criteria. In this sense, an analysis of the Micro Financial Institutions (MFI) in Guyana found that interest rates were up to 35% higher for SMEs (see [Microfinance Sector Review for GY GRT/GF-13725-GY](#)).

On the business development services side, the provision of these services in Guyana was limited to a few institutions providing basic training,<sup>2</sup> not geared to market conditions and lacking depth and sophistication needed for new and developing entrepreneurs, particularly in LCDS. As presented by the literature in this area, providing different training at different stages in the entrepreneurial business cycle is critical to the sustainability of the SME (Mc Garrell, Nov. 2009). Thus, providing appropriate training for the firms in different stages<sup>3</sup> was identified as an important issue for Guyana at that time.

In specific terms, to address these constraints identified as barriers affecting the SME's development, the program was designed having two components: (i) planned to enhance the MSEs access to finance, through the development of instruments aimed to harmonize the current capacities of the beneficiaries of the LCS with the basic requirements of the financial sector; and (ii) defined to support the SME's business development training, providing resources for activities related to technical and business development training for the beneficiaries of the program.

The logic described above is presented in figure 1. The program's theory of change explains the relationship among the program's outputs, outcomes and impacts. As this workflow shows, the indicators defined to measure the achievement of the goals settled are correlated to the program's objectives, although some of them are not completely specific. In this regard, the indicator established to measure the program's general goal was the **rate of conversion of forest (change of forest area to non-forest, excluding degradation)**. It was planned to validate the idea that the rate would remain at least equal after the program implementation. Although somewhat linked to the program's general objective, this indicator is very broad. On the other hand, the **result indicator (jobs created with resources from the program in the low carbon sectors)** linked to the specific objective of the project, is very precise and specific in terms of the goal it is measuring.

At the output level (figure 1), to monitor the deliverables of the Component 1 (**access to finance**), the following outputs were proposed: (i) the number of guarantees granted to beneficiaries; (ii) the

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<sup>1</sup> Mc Garrell, C.D., (November 2009). Needs assessment on the small business sector in Guyana, final report.

<sup>2</sup> Training providers generally focused on areas like small business finance, management, MIS, record keeping, marketing, packaging and auditing. The training providers were the Institute of Private Enterprise Development (IPED), EMPRETEC, the Business School, Kuru Kuru Co-op College, Consultative Association of Guyanese Industries (CAGI) and the American University of Peace Studies.

<sup>3</sup> It was important to ensure appropriate training in two categories: (i) operational, geared toward start-up entrepreneurs who require basic operational business training in areas such as business plan preparation, accounting, marketing, inventory control, costing, pricing and sales forecasting; and (ii) strategic, for mature entrepreneurs who face different constraints as they look for expansion, growth and profitability opportunities for their businesses.

number of beneficiaries who have accessed interest subsidies; and (iii) the number of grants approved to beneficiaries.

For the Component 2 (**access to business development**), one output indicator was planned to measure its execution: the number of beneficiaries who accessed technical and business skills development through training. Both components and their respective outputs are correlated to the achievement of the specific objective of the project.

All these indicators were kept with no changes from approval to operation closure, although the goals were reviewed during the project execution. This can be seen at table 1, that reports the details of the [Project's Result Matrix](#), comparing three moments: approval, eligibility + 60 days and closing. All the analysis in this PCR are realized considering the goals settled on the eligibility +60 days period.<sup>4</sup> It is important to note that, although the objectives proposed in approval were not following the format used under the current guidelines (general objective and specific objectives), table 1 presents the indicators structured according to the objectives adjusted to the current format (as discussed at the beginning of this section).

Finally, it is important to highlight some implementation issues faced by the project. In the POD, **the program was planned to be implemented in a two-year period, which was insufficient given the challenges encountered at the implementation phase**, even at the very beginning. Some of the issues that materialized during program execution were related to the original limitations in staff and capabilities of the SBB as Project Executing Unit (PEU), and the lengthy time it took to get the financial institutions on board. A four to five-year period would have been appropriate, with a second tranche disbursement based on the midterm evaluation findings and recommendations.<sup>5</sup>

In the POD, it was recognized that the SBB lacked staff and would need training and mentoring during implementation. Conditions precedent disbursement should have included the contracting of program implementation staff by the SBB and of external advisers/consultants given the limitations in staff and capabilities of the SBB were recurrent and although the program budget included a component for program administration and institutional support to the SBB of US\$776,500,<sup>6</sup> the SBB staff still needed training and guidance mainly with regards to strategy implementation, branding-marketing-awareness, and Monitoring and Evaluation (M&E) after intervention. Other conditions precedent to disbursement should have considered a signed agreement with the IPED, identified as the dominant micro finance institution. Original program design (i.e. output targets definition) assumed that the bulk of loans were to be extended by microfinance institutions but IPED participated in only two loans, which could be considered as an inactive partnership. The other microfinance institution, smaller than IPED, Small Business Development Finance Trust (SBDFT) was always interested but lacked the funds to participate. Given these challenges, program design should have considered ways for enabling SBDFT to obtain liquidity, such as allowing the Collateral Guarantee Facility of Component 1 to guarantee funding by a bank of the SBB-approved loan portfolio of SBDFT.

Another challenge that added complications timewise during program execution was the change in government that happened in 2015. In this year, Guyana experienced a change in government, ending 23 years of rule for the previous administration. A more comprehensive assessment of all the potential risks that might be faced in the implementation stage was not developed, including

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<sup>4</sup> For the goals, there are different numbers in others PMR reports, but for the purpose of transparency and clearance of the document, the PCR follows the matrix presented at eligibility +60 days. Moreover, since the program was extended, the analysis just considers the EOP goal, since the +60 days matrix does not account for all the years of implementation the operation required.

<sup>5</sup> Mid-Point Performance Evaluation, (2017), conducted by Guillermo Bolaños.

<sup>6</sup> To finance the institutional strengthening of the SBB and program administration costs.

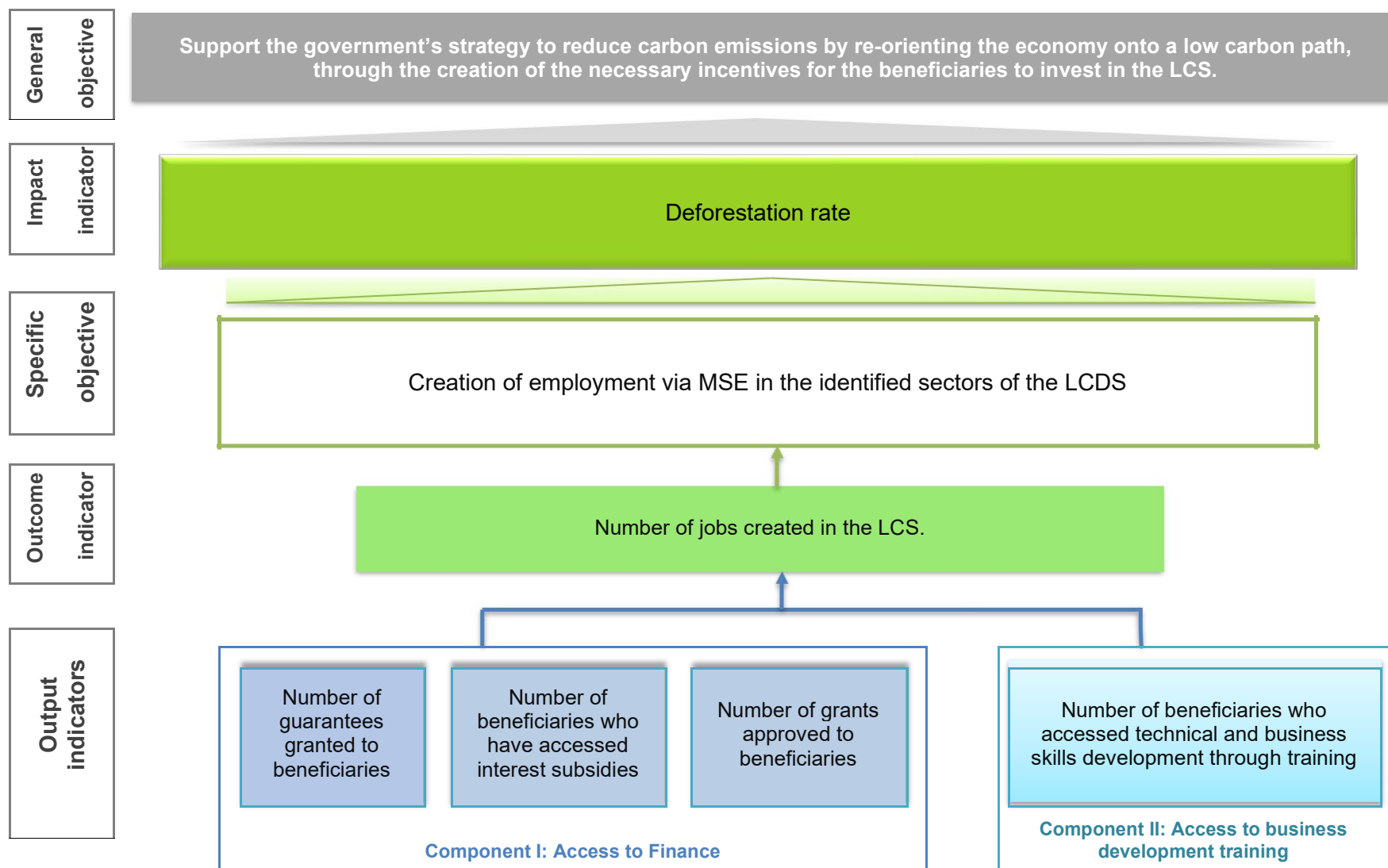
the potential change of administration in 2015 (as elections were expected to take place in that year).

Given all the above, although the implementation phase faced complications unanticipated, in general the logic of the program was clear and the link among its elements established. The specific objective of the program was indeed related to increasing the share of employment of the clean sectors or LCS, via supporting MSE. The achievement of this specific objective would translate into also achieving the objective of reducing the participation of HC sectors in the total share. Furthermore, the outputs in both components were linked to the attainment of the specific objective of the program, and in turn to the general objective, although the impact indicator chosen to measure its achievement was very far from the operation. Figure 1 below reflects the vertical logic of the program, while table 1 reports the indicators for the Results Matrix.<sup>7</sup>

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<sup>7</sup> Please see in table A1 reporting the indicators for the Outputs Matrix (equivalent to Table 1 but for outputs).

**Figure 1. Vertical Logic: Micro and Small Enterprise (MSE) Development and Building Alternative Livelihood (GRT/GF-13725-GY)**



**Table 1. Results matrix**

Indicators	At approval			At eligibility + 60 days			At project completion (PCR)			Comments
	Unit of measure	Baseline	EOP (P)	Unit of measure	Baseline	EOP (P)	Unit of measure	Baseline	(A)	
General Objective: Support the government's strategy to reduce carbon emissions by re-orienting the economy onto a low carbon path, through the creation of the necessary incentives for the beneficiaries to invest in the LCS										
Impact										
Rate of deforestation	Rate of conversion of forest	0.056	0.056	Rate of conversion of forest	0.05	0.05	Rate of conversion of forest	0.05	0.56	The indicator measures the rate of conversion of forest: area change of forest to non-forest excluding degradation. It is obtained from the Monitoring Reporting and Verification system maintained by the Guyana Forestry Commission.
Specific Objective: Creation of employment via MSE in the identified sectors of the LCDS										
Outcome: Jobs created with resources from the program in the low carbon sectors										
Number of jobs created in the LCS.	Jobs	0	2200	Jobs	0	811	Jobs	0	2101	The indicator measures the number of new employees (or equivalent full-time employees) in low-carbon emission activities. It is obtained from the M&E system maintained by the SBB.

Sources: At Approval (Annex II-GP), 60 days after reaching eligibility matrix (PMR First period Jan-Jun 2014), Project Results Matrix (PMR First period June -December 2019).

## 2.2 Effectiveness

### a. Statement of project development objectives.

As mentioned in the previous section, in the POD it was established that the goal of this program was to support the government's strategy to reduce carbon emissions by re-orienting the economy onto a low carbon path, through the creation of the necessary incentives for the beneficiaries to invest in the LCSs of the economy. Specifically, the program would contribute to the reduction of economic activity in CES by facilitating the creation of employment via MSE in the identified sectors of the LCDS, through the enhancement of their access to finance and business development training.

In order to clarify the previous goal, in the present PCR it was segmented into general and specific objectives. The general goal of the program was to support the government's strategy to reduce carbon emissions by re-orienting the economy onto a low carbon path, through the creation of the necessary incentives for the beneficiaries to invest in the LCS. The specific objective of the project was the creation of employment via MSE in the identified sectors of the LCDS.

### b. Results achieved

As stated before, in the result matrix approved, the one specific objective of the program was supposed to be measured through one outcome indicator: **1) Number of jobs created in the LCS.**

This number of jobs created in the LCS, measured by the number of new employees (or equivalent full-time employees) in low-carbon emission sectors that participate in the project, fluctuated throughout the implementation period. By EOP, a total of 2,101 jobs were created in the LCS, surpassing the EOP target of 811 jobs. This target of 811 however was a revised figure, the original being 2,200.

As discussed before, there were some challenges that occurred during program implementation affecting project results. The program was originally designed to be implemented in two years, starting in mid-2013. However, implementation started in early 2014 and three extensions were required. As mentioned before, change in government's administration in 2015 added to these delays. The program expiration date was finally extended to October 31st, 2018.

In terms of outputs, table A2 in the annex shows that access to credit to small business, in the form of loans and grants, was increased - through the participation of two large banks whose executives spent extensive hours working with the SBB to focus on small business lending. However, the leading microfinance institutions did not participate as planned. Thus, two out of the three output indicators EOP targets (P(a)) linked to this component (access to finance) had to be adjusted downwards (Loans guarantees granted through the Collateral Guarantee Fund and Number of grants approved to eligible MSEs). Business skills were **improved**, particularly record keeping and financial management, for a large number of small entrepreneurs, 3,738 of 1,231 planned. Table 2 shows the progress and achieved results by EOP.

**Table 2. Project results matrix**

Result/Indicator	Unit of measure	Base-Line	Baseline Year	Target and Achieved		% Achieved	Mean of Verification
Impact							
Rate of deforestation	Rate of conversion of forest	0.05	2014	P	0.05	0%	The Monitoring Reporting and Verification system maintained by the Guyana Forestry Commission.
				P(a)	0.05		
				A	0.56		
Outcome 1: Jobs created with resources from the program in the low carbon sectors							
Number of jobs created in the LCS	Jobs	0	2012	P	2200	100%	Bank of Guyana statistics on micro finance activities in Guyana and the annual report of the three MFI.
				P(a)	811		
				A	2101		

\*% achieved estimated with respect to target (P). Where: P = Planned target; P (a) = Adjusted target; A = real.



### c. Counterfactual analysis

In the POD, as part of the project monitoring and evaluation plan, an impact evaluation was planned to be carried out six months before program completion. Unfortunately, due to the limitations and data challenges, it was not possible to conduct it. For instance, on the data challenges, a baseline of MSEs, beneficiaries and non-beneficiaries was not established. A survey on these matters was completed only in September 2018, by the end of the project. This survey of 900 MSEs indicated that many MSEs in Guyana were affected negatively in their sales, assets, and income, by the economic slowdown of 2016–2018, which might have also affected the creation of new jobs. In this regard, since the program achieved positive results on job creation (Table 2), it could be the case that, in the absence of the program, these job opportunities would not have occurred. On a positive note about the data collection, SBB monitoring of Micro and Small Enterprise Development Program (MSED) project grant and loan beneficiaries, as well as the closeout workshop<sup>8</sup> of beneficiaries, indicated that most MSED beneficiaries did well in growing their sales and income. Loan defaults of the CEF managed by the SBB was recorded at 1%,<sup>9</sup> lower than normal bank portfolio loans.

According to the literature, financial interventions would help drive the shift to renewable energy and job creation, laying the ground for deep decarbonization. One example is the Clean Air and Sustainable Environment (CASE) project in Bangladesh, which envisaged a combination of technical assistance to key polluting sectors and investments in demonstration sub-projects that have an impact in terms of environmental sustainability, with a particular focus on emissions reduction. This intervention, as in the present project, stimulated employment in downstream activities in their countries, especially for women and the youth (ILO, 2011; WB, 2009).<sup>10</sup>

In terms of jobs creation, Bruhn, Karlan and Schoar (2018),<sup>11</sup> through a randomized control trial with 432 small and medium enterprises in Mexico found that management consulting services have a large and persistent increase (of about 50 percent) in the number of employees and total wage bill even 5 years after the program. Also addressing jobs creation, Kersten et al. (2017)<sup>12</sup> realized a literature review about SME financial studies and conclude that finance has a positive and significant effect on employment (as well as in firms' performance and investments). In a wider way, Grimm and Paffhausen (2015)<sup>13</sup> conducted a systematic review and found that interventions that combine training and business development with financial facilitation are more effective on impacting SME's performance. The Office of Evaluation and Oversight (OVE) (2014) of the IDB conducted an impact evaluation to assess the effectiveness of the main types of programs through which IDB has supported small and medium-sized enterprises (SMEs) in Brazil. Overall, the analysis finds that credit support is the only type of support that significantly affects all outcome variables, and it also has the most positive impact on employment and wages. The estimations

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<sup>8</sup> The IDB and the SBB held the Project close out workshop on September 27<sup>th</sup>, 2018. During this workshop, the beneficiaries stated that their businesses have grown because of this project and those with new business, commented that they were able to have a business because of this project.

<sup>9</sup> The loan default rate of 1% is from the CEF that is being managed by the SBB as part of this project. This is against the default rate reported by the Central Bank.

<sup>10</sup> ILO, (2011). [Assessing Green Jobs Potential in Developing Countries](#), A practitioner's guide.

<sup>11</sup> Bruhn, Miriam, Dean Karlan, and Antoinette Schoar. "The Impact of Consulting Services on Small and Medium Enterprises: Evidence from a Randomized Trial in Mexico." *Journal of Political Economy* 126.2, (2018): 635-687.

<sup>12</sup> Kersten, Renate, et al. "Small Firms, Large Impact? A Systematic Review of the SME Finance Literature". *World Development* 97, (2017): 330-348.

<sup>13</sup> Grimm, Michael, and Anna Luisa Paffhausen. "Do Interventions Targeted at Micro-entrepreneurs and Small and Medium-sized Firms Create Jobs? A Systematic Review of the Evidence for Low- and Middle-income Countries." *Labour Economics* 32, (2015): 67-85.

suggest that SMEs that received credit support experienced a 15% increase in their number of workers (3 jobs per establishment).<sup>14</sup>

These findings support the argument that the jobs created in the LCS firms intervened by the program were, to a great extent, result of the program implementation, since some of the project's outputs of providing financial access and training (See table A2) were considerably achieved.

On the environmental side, the operation broad logic seems also to be aligned to the literature, although the lack of an impact evaluation and the broad impact indicator does not allow a precise measurement. An OECD report (2012)<sup>15</sup> looking at the jobs' potential of a shift towards a low-carbon economy, highlights that it is essential to decouple economic growth from unsustainable environmental pressures, such as those leading to global climate change, and that a successful transition towards a low-carbon economy will necessarily reshape the labor market. According to this report, labor market and skill policies can make an important contribution to a successful transition by facilitating the structural change required to put green production practices in place, for example by minimizing skill bottlenecks in expanding green sectors. The report argues that the transition to green growth is best conceived of as a driver of structural economic change.

#### **d. Unanticipated outcomes**

There were no unanticipated results identified in this operation.

### **2.3 Efficiency**

In the POD, the project did not include an ex-post cost-benefit analysis (CBA) or a cost-efficiency analysis (CEA), although an ex-ante CBA was indeed conducted. The total cost of this project was estimated to US\$5 million. The project costs by EOP (2018) are displayed in Table 3.

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<sup>14</sup> OVE, (2014). A Comparative Analysis of IDB Approaches Supporting SMEs: Assessing Results in the Brazilian Manufacturing Sector.

<sup>15</sup> OECD, (2012). [The Jobs Potential of a Shift Towards a Low-carbon Economy](#). Final Report for the European Commission, DG Employment.

**Table 3. Project costs**

1 Access to Finance		Component Revised Cost 2,750,000							
Outputs		2013	2014	2015	2016	2017	2018	Cost	
1.1	Loans guarantees granted through the Collateral Guarantee Fund.	P 1,575,000	-	-	-	-	-	1,575,000	
		P(a) 1,575,000	-	-	-	-	-	1,575,000	
		A 1,575,000	0	0	0	0	0	1,575,000	
1.2	Number of Loans with interest reductions granted through the Interest Payment Support facility.	P 15,000	550,000	110,000	-	-	-	675,000	
		P(a) 15,000	550,000	574,000	674,980	-	-	675,000	
		A 0	0	20	916.15	2,610	1,831.08	5,377.23	
1.3	Grants approved to beneficiaries	P 8,000	350,000	142,000	-	-	-	500,000	
		P(a) 8,000	350,000	426,000	280,384.87	-	-	500,000	
		A 0	2,645.13	216,970	86,895.35	281,890	276,135.76	864,536.24	
2 Access to Business Development Training		Component Revised Cost 1,474,000							
Outputs		2013	2014	2015	2016	2017	2018	Cost	
2.1	Beneficiaries who have accessed technical and business skills development training.	P 74,000	1,000,000	400,000	-	-	-	1,474,000	
		P(a) 74,000	1,000,000	454,100	1,304,383.70	-	-	1,474,000	
		A 9,951.34	103,594.96	56,070	623,178.79	333,670	337,034.91	1,463,500	
3 Project Management		Component Revised Cost 0							
Outputs									
Other Costs		2013	2014	2015	2016	2017	2018	Cost	
Supports Institutional Strengthening, M&E, Audit and Contingencies.		P 126,000	400,000	250,000	-	-	-	776,000	
		P(a) 126,000	400,000	530,300	375,081.98	-	-	776,000	
		A 29,279.41	187,128.61	184,510	180,310	251,950	258,222.67	1,091,400.69	
Total Costs include inactive outputs									
Total		2013	2014	2015	2016	2017	2018	Cost	
Total cost		P 1,798,000	2,300,000	902,000	0	0	0	5,000,000	
		P(a) 1,798,000	2,300,000	1,968,400	2,634,830.55	0	0	5,000,000	
		A 1,614,230.75	293,368.70	457,570	891,300.29	870,120	873,224.42	999,814.16	

Given the data limitations, which translated in the impossibility to collect all the information needed to update the parameters and assumptions established in the ex-ante CBA, an ex-post CEA was conducted. As presented in table 3A, the analysis is based in a comparison scenario from another IDBG - CMF operation in Argentina ([1884/OC-AR](#)). The aim of the operation [1884/OC-AR](#) was to contribute to the improvement of the competitiveness of the Argentinean SMEs through the provision of technical assistance to facilitate the credit access for medium and long-term investments. The operation was approved in 2006 and started in 2008, having presented disbursement until 2015. Although the two countries have differences, since the projects are from the same sector and had implemented similar interventions, it was considered that the Argentinian project provides an acceptable comparison for the present project. Moreover, the costs' flows were adjusted to international dollars, then some macroeconomic differences were accounted for. To substantialize the section analysis, the CEA calculus was done for the outcome and the outputs.<sup>16</sup> The calculus details are in table 3.

**Table 3A. Projects details**

Project	Name of the Program	Approval	Closure	Total (USD millions)
GRT/GF-13725-GY	Micro and Small Enterprise (MSE) Development and Building Alternative Livelihood for Vulnerable Groups.	2013	2018	5
1884/OC-AR	SMEs Credit Access and Competitiveness Program.	2007	2015	84

<sup>16</sup> Since the other output is number of loans, it was not considered in the CEA analysis.

Table 3B summarizes the ex-post CEA results for the outcome **Number of LCS jobs created by the program**. Table 3B shows the findings of this analysis, including the EC ratio, which in this case is a statistic describing the number of jobs created per US dollar spent. Or, if the ratio is flipped, how much it cost to produce one job (CE ratio). Both measures give an indication of the value for money of these programs. In this particular case, the efficiency rating of the present project is Excellent (E), given that the cost to create one job (US\$5,532.62) is considerably cheaper than the cost to create one job in the Argentinian scenario (US\$58,526.17). It is important to highlight that the estimates from this comparison should be taken cautiously due to the extra assumptions made (see footnote in table 3B).

**Table 3B. CEA on outcome – Jobs**

Project	CE Ratio (C/B)	EC Ratio (B/C)
GRT/GF-13725-GY	5,532.62	0.00018
1884/OC-AR	58,526.17	0.00002

\*The Argentinian project did not have an explicit indicator related to jobs creation but of micro, small, and medium enterprises (MSM) created. We took the reported MSM enterprises created (363) and multiplied that for the average number of workers per establishment (11.6 workers) in SMEs for primary and manufacturing sectors in Argentina for 2010 reported in Auguste, Bebczuk and Sánchez (2013). Firm Size and Credit in Argentina. IDB-WP-396 <https://pdfs.semanticscholar.org/a74b/0ca76dafd198b556712a69d5a77852505a83.pdf>.

Table 3C shows a complementary analysis comparing an output of the project, **Number MSE and vulnerable groups who have accessed technical and business skills development through training** or simplifying **number of technical assistances**. For this output, the efficiency rating is also Excellent, as the cost to achieve a similar output is very less expensive than in the Argentinian intervention.

**Table 3C. CEA on outputs – Technical assistances**

Project	CE Ratio (C/B)	EC Ratio (B/C)
GRT/GF-13725-GY	774.60	0.00129
1884/OC-AR	40,517.44	0.00002

Although the assessment of the CEA analysis signalizes a high efficiency rating, considering the operation under analysis faced implementation issues (as discussed on the relevance section) and the CEA analyses had to be done considering just one comparison country and using extra hypothesis and/or just part of the operation components, it's arguable that the efficiency of the operation must be partially unsatisfactory.

## 2.4 Sustainability

### a. General sustainability aspects

The risks of the project outcome (maintenance of the jobs in the low carbon sector) are as follow:

1. The attraction of the carbon emitting sectors with persons gravitating back to these jobs.
2. Limited institutional capacity at the Small Business Bureau to track the outcomes, particularly since project has come to an end and some key staff who were paid with project funds, have left.

3. The oil sector can add risk to this outcome as new investments could require more deforestation of the natural resources; and prove more attractive for individuals to move into the oil sector. This risk is particularly high.
4. Lack of national ownership. The successful implementation of the LDGS, also in terms of sustainability and long-term results, is dependent on national ownership of the initiative particularly maintaining the Collateral Guarantee Scheme for its said purposes.

The probability of these risks materializing is low to medium, but the impact could be severe. However, some actions have already been taken and are helping the maintenance of the result achieved by the project. In this regard, the guarantee facility is continuing even though the project has come to an end. The SBB has disbursed 43 new loans since the MSED project closure and is also financing grants through subventions from the government. Furthermore, the SBB has retained staff for the continuation the CEF, following previous agreements for the project. Finally, training is on-going for at-risk youths and is IDB funded through the Ministry of Public Infrastructure (CSJP Program).

Moreover, it is the intention of the government to continue supporting MSMEs and particularly incentivizing them into green initiatives and operations. With the support of the IDB, The MOB has created a Green Business Framework<sup>17</sup> for Guyana businesses and its implementation is expected shortly. This is coming under a GSDS developed by the current government.

#### **b. Environmental and social safeguards**

As a green economy program, the MSE was implemented by the SBB within the strict program guidelines for environmental eligibility of business sectors and activities, including the restricted use of pesticides of produce and the restriction on the use of nets for fishing. The SBB made special efforts to include vulnerable groups, including rural women, head of households and Amerindians, as program beneficiaries.

On February 16th, 2012, the Environmental and Social Strategy (ESS) of this program was cleared by the Bank's Environmental and Social Review Unit and **the program was determined to be a B.13, with medium to high risks**. The Environmental and Social Management Report (ESMR) discusses these potential risks and indicates that presently the SBB does not have an environmental and social management system for sub-projects and would rely on compliance with national requirements for environmental and social management.

As part of the Bank's requirements included in the ESMR for disbursement conditions, the program was required to comply with the following: (i) a screening and exclusion tool, to determine environmental and social eligibility for sub-projects to be supported by the CGF so as to minimize any high risk projects; and (ii) an ESMS to evaluate compliance of sub-projects and any proposed environmental and social management actions against the national environmental and social requirements, and those of the Bank.

During the execution of the project, the banks did the first screening of the projects before sending them to the SBB for approval. The requisite permits would be had before the project was approved for financing. Then SBB reviewed project for ESG requirements. Only two projects utilizing the guarantees needed environmental permits.

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<sup>17</sup> Final Guyana Green Business Framework, (February 27<sup>th</sup>, 2019).

### III. NON-CORE CRITERIA

#### 3.1 Bank's performance

The Bank, in **establishing a 2-year implementation period, underestimated** the following:

- i. **Difficulty of the SBB in recruiting staff for the PEU** for the MSED project.
- ii. The **delays of the government in meetings conditions** precedent caused by delays in reaching agreement with the participating banks; and the subsequent non-participation of the only two micro financial institutions to participate in the project.

The Bank, on the other hand, during execution provided adequate guidance and support to the PEU which enabled it to largely meet project objectives. Moreover, the Bank, in collaboration with the government, agreed to make changes to the program based on the findings of the mid-term evaluation.

#### 3.2 Borrower's performance

This program was executed by the SBB within the Ministry of Business, on behalf of the Government of Guyana.

The PEU **initially had difficulties in organizing the program team, delaying program implementation**, but was able to implement diverse activities and overcome logistics operating in a large country with a small population, seeking to reach vulnerable populations.

After start-up, the PEU carried out its program implementation duties with professionalism and established an efficient, transparent, and productive policies, processes and procedures to deliver program inputs and to monitor performance. The PEU complied with all relevant covenants, clauses and environment safeguards per the loan agreement. It provided timely and accurate financial and Implementation reports.

The MOB/SBB also established a plan for the program's sustainability, retaining staff for the continuation the CEF per the loan agreement, continuation of the grants by requesting government's subvention and maintaining the training with other sources of finance.

### IV. FINDINGS AND RECOMMENDATIONS

In order to enable MSMEs to proactively participate in the economic development of Guyana, the following areas still need support:

**Table 4. Findings and recommendations**

Dimension	Category	Area/ Topic	Finding	Recommendation
Organizational and managerial	Project management capacity	Guarantee fund	Access to credit remains a continuing challenge for this sector. While the guarantee scheme continues in operation and at a higher rate of coverage (up to 70%), these resources will need to be increased as more businesses benefit from the scheme. The uptake has begun at the increased rate and this is expected to continue. While SBB has utilized some 55% of the	The SBB, as it builds credibility with the financial institutions, should move to leverage the guarantee funds by guaranteeing loans up to 500% of the guarantee fund equity, as is the norm in developing countries.

Dimension	Category	Area/ Topic	Finding	Recommendation
			Guarantee Fund capital, the remaining 45% will not last long at a higher coverage.	
Technical-sectorial/ Public processes and actors	Project design/ Stakeholder priorities	Lines of credit for MFIs	The two MFIs in Guyana didn't utilize the program because one of them preferred a line of credit while the clients of the other didn't want to register to access the benefits of the programs. This registration included the National Insurance Scheme (NIS) registration which required the clients to pay NIS monthly whether or not they make a profit.	To tackle the non-participation of MFIs, future follow-on programs can (i) consider a sum to be used to guarantee external funding to MFIs (ii) directly lend a line of credit to the MFIs with them utilizing their criteria for on lending. (iii) the SBB should investigate whether they can support micro businesses without these registration requirements. Also, the SBB should consider supporting businesses which are labelled as medium size businesses, even though the SBA only refers to small businesses. SBB 's performance has been constrained by the Small Business Act in these parameters.
Organizational and managerial	Project management capacity	Access to credit	The two participating commercial banks made a sustained effort to implement small business lending.	Reduce the project reporting burden on the banks. Provide technical assistance to the banks to adopt best practices in establishing a small business lending profit center.
Organizational and managerial	Inter/ Intra-institutional coordination	Access to credit	Bank of Guyana supervision limits bank flexibility to adapt loan conditionality to MSEs and this has limited the achievement of the outputs of the program.	Promote a study tour of Bank of Guyana and private banks to countries successfully implementing MSE lending. Provide technical assistance to the Bank of Guyana to adapt its loan regulations to best practices for MSE lending.
Organizational and managerial	Project management capacity	Accessing loans	The small businesses also complained about the requirements of the banks in accessing loans and this is a clear need that the SBB can support, that is support with the documentations and legal requirements (cash flow statements, records keeping, Tax	In future operations, the IDB should explore options to enable MSMEs to accept payments electronically for their products. Considerations should be given to develop a separate credit rating methodology for

Dimension	Category	Area/ Topic	Finding	Recommendation
			and NIS compliance) for accessing loans.	MSMEs by the credit agency and banks, in order that they have a more appropriate risk rating accepted by the regulator, the Bank of Guyana, to enable borrowing. MSMEs also need assistance to utilize the proposed secured transactions bill which will allow them to use movable assets as collateral. The market for such movable assets needs to be developed, as well as a pricing mechanism for the valuation of such assets.
Technical-sectorial	Project design, Project monitoring and evaluation	MSE registration/lack of information	Informality of MSEs delays and limits their access to credit and procurements.	Future initiatives should consider (i) Organizing a one stop place (with online access) for MSEs to meet government business registration requirements. Simplify and facilitate the regulatory burden on MSEs through pro-business sensitivity training of government institutions.
Organizational and managerial	Project management capacity.	Business development and technical skills.	The training component of this operation was successful in that more businesses were trained than planned for because of the need that exists. This component should be continued as the needs will only increase with Guyana becoming an Oil and Gas economy and MSMEs are a major source of jobs which can tackle the high unemployment rate which persists among youths.	Business Support services should continue to focus on how to manage a business, customer services, packaging and marketing etc., in addition, to enabling small enterprises to participate in the impending Small Business Procurement Program (SBPP) (through which government will allocate 20% of its procurement to MSEs), including getting their business compliant, record keeping up to date and generally enhancing their capacity in order to benefit from the new Oil and Gas economy.



Dimension	Category	Area/ Topic	Finding	Recommendation
Organizational and managerial	Project management capacity	Business development and technical skills	Technical assistance and business skills training to be focused on productivity and access to credit.	Future initiatives should consider expanding the provision of advanced technical skills training by experts on productive and develop local expertise. Organize an online grouping of beneficiary MSEs to share knowledge, mentor, and trade goods and services. And provide guidance to loan and grant applicants and follow up mentoring during implementation of their expansion phase.
Organizational and managerial	Inter/ Intra-institutional coordination.		Enabling environment for MSEs is limited by Guyana's low doing business ratings.	IDB can help the GOG by coordinating efforts to improve overall doing business ratings particularly in starting a business and getting credit.

Table A1. Outputs matrix

Indicators	At approval			At eligibility + 60 days			At project completion (PCR)			Comments
	Unit of measure	Baseline	EOP (P)	Unit of measure	Baseline	EOP (P(a))	Unit of measure	Baseline	EOP (A)	
Outputs										
Component 1: Access to finance										
Loans guarantees granted through the CGF.	Number of guarantees	0	800	Number of guarantees	0	542	Number of guarantees	0	222	Trends obtained from the SBDFT as well as from IPED. Source: IDB M&E system
Number of loans with interest reductions granted through the Interest Payment Support Facility.	Number of beneficiaries	0	150	Number of beneficiaries	0	152	Number of beneficiaries	0	9	A sub target of the CGF, target based on trends in the micro financing sector. Source: IDB M&E system.
Number of grants approved to eligible MSEs.	Number of grants approved	0	300	Number of grants approved	0	212	Number of grants approved	0	559	Based on trends garnered from the micro financing sector. Phase 2 targets set from trends in Phase 1 and the increased amount available under this expense item. Source: IDB M&E system.
Component 2: Access to business development training										
Number MSE and vulnerable groups who have accessed technical and business skills development through training.	Number of beneficiaries	0	1,000	Number of beneficiaries	0	1,231	Number of beneficiaries	0	3,738	Target was derived from baseline trends obtained from the micro financing sector. Source: IDB M&E system.

**Table A2. Project results matrix**

Result/Indicator	Unit of measure	Base-line	Baseline Year	Target and Achieved		% Achieved	Mean of Verification
Products/Outputs							
Loans guarantees granted through the CGF.	Number of guarantees	0	NA	P	800	41	IDB M&E system
				P(a)	542		
				A	222		
Number of loans with interest reductions granted through the Interest Payment Support Facility.	Number of beneficiaries	0	NA	P	150	6	IDB M&E system
				P(a)	152		
				A	9		
Number of grants approved to eligible MSEs.	Number of grants approved	0	NA	P	300	100	IDB M&E system
				P(a)	212		
				A	559		
Number MSE and vulnerable groups who have accessed technical and business skills development through training.	Number of beneficiaries	0	NA	P	1,000	100	IDB M&E system
				P(a)	1,231		
				A	3,738		

## Cost-efficiency analysis

The analysis compares the GRT/GF-13725-GY with the 1884/OC-AR

Project	Name of the Program	Approval	Closure	Total (USD millions)
GRT/GF-13725-GY	Micro and Small Enterprise (MSE) Development and Building Alternative Livelihood for Vulnerable Groups	2013	2018	5
1884/OC-AR	SMEs Credit Access and Competitiveness Program	2007	2015	84

The following indicators of each operation were used

Level	GRT/GF-13725-GY	1884/OC-AR
Outcome	Number of jobs created in the LCS	Micro Small and Medium Enterprises created and consolidated
Output	Beneficiaries who have accessed technical and business skills development training	Technical assistance to executed companies

Since the 1884/OC-AR project did not have a jobs indicator but had one of micro, small, and medium enterprises (MSM) created, it was used the average number of workers per establishment (11.6 workers) in SMEs for primary and manufacturing sectors in Argentina, reported in Auguste, Bebczuk and Sánchez (2013), to obtain an estimated number of jobs.

To compare how cost-efficient each of the alternatives, we first adjusted the prices using the Consumer Price Index (CPI) of the United States for each year. We use 2011 as year base. Thus, in this manner, the costs were adjusted, using the following formula:

$$\text{Constant Cost (US\$ 2011) GDP PPP in year } i = \frac{\text{Cost for year } i}{\text{CPI (base 2011)}} * 100$$

Given that the size of the economies that we are comparing could be different and thus the price of an output depends on the living standards in each country, our second step consists in adjusting by the Purchasing Power-Parity (PPP), transforming the US\$ costs in international US\$ costs. To do so, we first construct a PPP factor using the following formula:

$$\text{PPP factor year } i = \frac{\text{Constant (US\$ 2011) GDP PPP in year } i}{\text{Constant (US\$ 2011) GDP in year } i}$$

Once we have the PPP factor for each year, we adjust the costs using the following formula:

$$\text{Constant Cost PPP year } i = \text{Constant Cost (US\$ 2011)GDP PPP in year } i * \text{PPP factoryear } i$$

Finally, we calculate the Net Present Value (NPV) – 2018 - of each cost flow using discount rate of 12%. The calculations are presented in table A3.2. The government data used was obtained from the world development indicators of the World Bank.

Table A3.1 shows the results of the analysis.

**Table A3.1. CEA results**

Level	Project	CE Ratio (C/B)	EC Ratio (B/C)	Conclusion
Outcome - Jobs	GRT/GF-13725-GY	US\$5,532.62	0.00018	The unitary cost for this outcome lies below the magnitude of what it has been paid in the comparison scenario.
	1884/OC-AR	US\$58,526.17	0.00002	
Output – Technical Assistance	GRT/GF-13725-GY	US\$774.60	0.00129	The unitary cost for this output lies below the magnitude of what it has been paid in the comparison scenario.
	1884/OC-AR	US\$40,517.44	0.00002	

The project efficiency rating based on the calculus is Excellent (E), given that the cost to create one job or to provide a technical assistance is considerably cheaper than the costs in the Argentinian scenario. It is important to highlight that the estimates from this comparison should be taken cautiously considering the analyses were done considering just one comparison country and using extra hypothesis and/or just part of the operation components.

Table A 3.2. CEA calculus outcome

Table A-6.2. CEA Calculus Outcome											
Project	Year	Nominal Cost (US\$)	Real Cost (\$ 2011 constant prices)	PPP Factor (\$ constant 2011)	Real Cost PPP (constant 2011 international \$)	Discount Rate	Present Value Cost (2018)	Present Value Cost Total (2018)	Outcome - Jobs*	B/C	C/B
GRT/GF-13725-GY	2013	1,614,230.75	1,558,671.56	1.78	2,778,844.84	0.12	4,897,274.08	11,624,043.32	2101	0.00018	5,532.62
	2014	293,368.70	278,749.59	1.78	496,962.84	0.12	781,980.65				
	2015	457,570.00	434,252.98	1.78	774,198.80	0.12	1,087,693.57				
	2016	891,300.29	835,339.64	1.78	1,489,267.72	0.12	1,868,137.43				
	2017	870,120.00	798,482.06	1.78	1,423,556.96	0.12	1,594,383.80				
	2018	873,224.42	782,225.22	1.78	1,394,573.79	0.12	1,394,573.79				
1884/OC-AR	2008	0.00	0.00	1.54	0.00	0.12	0.00	246,441,991.85	4211	0.00002	58,526.17
	2009	4,552,000.00	4,772,707.40	1.54	7,361,187.04	0.12	20,413,151.41				
	2010	3,302,000.00	3,406,228.57	1.54	5,253,597.91	0.12	13,007,714.97				
	2011	17,000,000.00	17,000,000.00	1.54	26,219,956.33	0.12	57,963,969.96				
	2012	16,301,000.00	15,970,498.53	1.54	24,632,104.35	0.12	48,619,406.35				
	2013	26,962,000.00	26,034,011.93	1.54	40,153,568.00	0.12	70,764,306.61				
	2014	9,902,470.00	9,409,011.30	1.54	14,511,992.08	0.12	22,834,900.49				
	2015	6,243,000.00	5,924,866.90	1.54	9,138,220.66	0.12	12,838,542.08				
* 1884/OC-AR did not have a jobs indicator but had one of micro, small, and medium enterprises (MSM) created. It was used the reported MSM enterprises created (363) and the average number of workers per establishment (11.6 workers) in SMEs for primary and manufacturing sectors in Argentina, reported in Auguste, Bebczuk and Sánchez (2013).											
Output											
Project	Year	Nominal Cost (US\$)	Real Cost (US\$ 2011 constant prices)	PPP Factor (US\$ constant 2011)	Real Cost PPP (constant 2011 international US\$)	Discount Rate	Present Value Cost (2018)	Present Value Cost Total (2018)	Output - technical assistance (total EOP)	B/C	C/B
GRT/GF-13725-GY	2013	9,951.34	9,608.83	1.78	17,130.90	0.12	30,190.50	2,895,438.48	3738	0.00129	774.60
	2014	103,594.96	98,432.63	1.78	175,488.54	0.12	276,134.62				
	2015	56,070.00	53,212.76	1.78	94,869.26	0.12	133,284.48				
	2016	623,178.79	584,052.26	1.78	1,041,265.29	0.12	1,306,163.18				
	2017	333,670.00	306,198.58	1.78	545,899.70	0.12	611,407.67				
	2018	337,034.91	301,912.31	1.78	538,258.03	0.12	538,258.03				
1884/OC-AR	2008	0.00	0.00	1.54	0.00	0.12	0.00	186,866,412.40	4612	0.00002	40,517.44
	2009	0.00	0.00	1.54	0.00	0.12	0.00				
	2010	1,083,000.00	1,117,185.20	1.54	1,723,091.02	0.12	4,266,309.91				
	2011	15,299,000.00	15,299,000.00	1.54	23,596,418.34	0.12	52,164,163.32				
	2012	13,289,000.00	13,019,566.59	1.54	20,080,733.37	0.12	39,635,807.06				
	2013	23,976,000.00	23,150,785.18	1.54	35,706,622.14	0.12	62,927,268.57				
	2014	8,483,450.00	8,060,703.74	1.54	12,432,429.41	0.12	19,562,668.36				
	2015	4,041,000.00	3,835,077.23	1.54	5,915,032.79	0.12	8,310,195.18				