

PMR Operational Report

Operation Number	BA-L1034	Chief of Operations Validation Date	03/19/18
Year- PMR Cycle	Second period Jan-Dec 2017	Division Chief Validation Date	04/18/18
Last Update	03/17/18	Country Representative Validation Date	04/18/18
PMR Validation Stage	Validated by Representative		

Basic Data

Operation Profile

Operation Name	Enhanced Access to Credit for Productivity Project	Loan Number	3389/OC-BA, 3390/CH-BA
Executing Agency	CENTRAL BANK OF BARBADOS, CENTRAL BANK OF BARBADOS	Sector/Subsector	FM-CAP - 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		

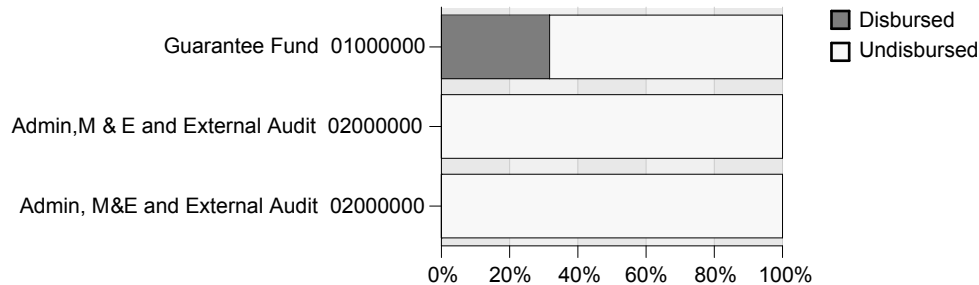
Environmental and Social Safeguards

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

Item	Total Cost and Source					Available Funds (US\$)			
	Original IDB	Current IDB	Local Counterpart	Co-Financing / Country	Total Original Cost	Current IDB	Disb. Amount to Date	% Disb	Undisbursed Amount
BA-L1034	35,000,000	35,000,000	0	0	35,000,000	35,000,000	11,037,128.42	31.53%	23,962,871.58
Aggregated	35,000,000	35,000,000	0	0	35,000,000	35,000,000	11,037,128.42	31.53%	23,962,871.58

Expense Categories by Loan Contract (cumulative values)



Please note that the Overall Stage represents the stage of the operation at the time of this report's publication, which might not necessarily match the stage of the operation during the PMR Cycle to which the report pertains. Please also 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.

PMR Operational Report

RESULTS MATRIX

IMPACTS

Impact Nbr. 0: To increase productivity of Small and Medium Enterprises (SME) by facilitating access to medium- and long term credit for investment projects.

Observation: Access to finance is one of the most problematic factors for doing business. The most recent report by the Enterprise Survey for Barbados (2010) mentions access to finances with 26.6% responses from the survey as the top constraint. The indicator will measure the improvement of the perception of business owners for access to finance.

Indicator		Unit of Measure	Baseline	Baseline Year		EOP 2020
0.0	Inaccessibility to Finance as an obstacle for firms according to the Enterprise Survey (IFC/WB).	%	26.60	2014	P	25.00
					P(a)	25.00
					A	

Details

Means of verification: Source: Enterprise Survey for Barbados, IFC/WB. Data verified at the end of the implementation period (see monitoring and evaluation plan).

Observations: Access to finance is one of the most problematic factors for doing business. The most recent report by the Enterprise Survey for Barbados (2010) mentions access to finances with 26.6% responses from the survey as the top constraint. The indicator will measure the improvement of the perception of business owners for access to finance.

Pro-Gender No **Pro-Ethnicity** No

Indicator		Unit of Measure	Baseline	Baseline Year		EOP 2020
0.1	Productive sectors financing as percentage of total credit to the economy by financial intermediaries.	%	33.00	2013	P	35.00
					P(a)	35.00
					A	

Details

Means of verification: Source: Central Bank of Barbados.

Observations: According to the Central Bank of Barbados in 2013, the credit to productive sectors equals 33% of the total credit to the economy by the financial intermediaries. The indicator will measure the improvement of the credit to productive sector to total credit to the economy by financial intermediaries' ratio by the final period of the program compared to the baseline ratio.

Pro-Gender No **Pro-Ethnicity** No

Indicator		Unit of Measure	Baseline	Baseline Year		EOP 2020
0.2	Average TFP growth rate over 3 years.	%	-0.80	2014	P	0.50
					P(a)	0.50
					A	

Details

Means of verification: Source: IMF 2010 Article IV. Data will be verified at the end of the implementation period (see monitoring and evaluation plan).

Observations: The indicator is equal to the average total factor productivity growth rate over a 3 year period after the implementation of the program.

Pro-Gender No **Pro-Ethnicity** No

PMR Operational Report

RESULTS MATRIX

OUTCOMES

Outcome Nbr. 0: New investments supported by the program

Observation: The indicator measures the amount in US\$ of new investments for SMEs supported by the program vis a vis the variation of the indicator of the non-beneficiary firms Note: An effort will be undertaken to monitor the women participation for firm's ownership. Source: ex post impact assessment, as described in the Monitoring and Evaluation Plan.

Indicator		Unit of Measure	Baseline	Baseline Year		2020	EOP 2020
0.0	New investments for SME supported by the program.	US mls	0.00	2015	P		54.60
					P(a)		54.60
					A		

Details

Means of verification: Source: ex post impact assessment, as described in the Monitoring and Evaluation Plan.

Observations: The indicator measures the amount in US\$ of new investments for SMEs supported by the program vis a vis the variation of the indicator of the non-beneficiary firms Note: An effort will be undertaken to monitor the women participation for firm's ownership.

Pro-Gender No **Pro-Ethnicity** No

Outcome Nbr. 1: Sales per worker observed on the beneficiary firms

Observation: The indicator is equal to the average real sales per worker for the beneficiary firms compared to the same indicator for a comparable non-beneficiary firm, minus 1, multiplied by 100. Actual sales per worker of beneficiary firms are expected to increase relative to comparable non-beneficiary companies by the end of year 5. Source: ex post impact assessment, as described in the Monitoring and Evaluation Plan.

Indicator		Unit of Measure	Baseline	Baseline Year		2020	EOP 2020
1.0	Difference between the percentage increase in sales per worker observed on the beneficiary firms over the percentage increase in sales per worker observed in comparable non-beneficiary firms.	%	0.00	2015	P		4.00
					P(a)		4.00
					A		

Details

Means of verification: Source: ex post impact assessment, as described in the Monitoring and Evaluation Plan.

Observations: The indicator is equal to the average real sales per worker for the beneficiary firms compared to the same indicator for a comparable non-beneficiary firm, minus 1, multiplied by 100. Actual sales per worker of beneficiary firms are expected to increase relative to comparable non-beneficiary companies by the end of year 5.

Pro-Gender No **Pro-Ethnicity** No

Outcome Nbr. 2: Guaranteed loan tenor length.

Observation: The indicator measures the tenor length for the new loans guaranteed on the final year of the program compared to the baseline tenor length for the new loans at the beginning of the program. This indicator was added to measure the length effect on beneficiary firms. Given the lack of appropriate information, we are uncertain that a meaningful comparison with the control group is feasible. Source: ex post impact assessment, as described in the Monitoring and Evaluation Plan.

Indicator		Unit of Measure	Baseline	Baseline Year		2020	EOP 2020
2.0	Guaranteed loan tenor length. (The indicator measures the tenor length for the new loans guaranteed on the final year of the program	years	0.00	2015	P		4.00
					P(a)		4.00

PMR Operational Report

RESULTS MATRIX

OUTCOMES

2.0	compared to the baseline tenor length for the new loans at the beginning of the program.)	years	0.00	2015	A		
Details							
Means of verification: Source: ex post impact assessment, as described in the Monitoring and Evaluation Plan.							
Observations: The indicator measures the tenor length for the new loans guaranteed on the final year of the program compared to the baseline tenor length for the new loans at the beginning of the program.							
Pro-Gender		No			Pro-Ethnicity		No

RESULTS MATRIX

OUTPUTS: ANNUAL PHYSICAL AND FINANCIAL PROGRESS

Component Nbr. 1 Single component - Guarantee Fund.

	Output	Unit of Measure		PHYSICAL PROGRESS		FINANCIAL PROGRESS	
				2017	EOP 2020	2017	EOP 2020
1.1	New Guarantee scheme Funded	#	P	0	1		2,500,000
			P(a)	0	1		2,500,000
			A	0	1	0	2,500,000
1.2	Guaranteed loans for SME by the new guarantee scheme.	#	P	43	202	7,450,000	32,300,000
			P(a)	21	122	6,132,358	27,460,642
			A	13	29	1,293,000	9,804,642

Other Cost

	Administrative costs (administrative, monitoring, evaluation and external audit cost)	P			50,000	200,000
		P(a)			150,000	50,000
		A			0	0

Total Cost

	Total Cost	P			7,500,000	35,000,000
		P(a)			6,282,358	30,010,642
		A			1,293,000	12,304,642

CHANGES TO THE MATRIX

Section	Name	Type of Change	Reasons	Entered in the System	Agreed with Executing Agency
Output	Guaranteed loans for SME by the new guarantee scheme.	Modify Output	In 2017, the program faced some challenges because of the fiscal and financial situation in the country. Local banks' portfolios were exposed to sovereign risks (they increased their local debt position due to the increase of money supply done by the Central Bank) they lost appetite in financing private sector operations. Besides, private sector also postponed investment plans due to political uncertainty. Guarantees approved in 2017 were of a higher value than estimated during the preparation of the Program, so the number of operations supported were less also in 2017. Because of that, we have adjusted the number of guarantees planned for 2017 and we have reduced the number of total guarantees approved (21).	03/16/2018	03/15/2018
Output	Guaranteed loans for SME by the new guarantee scheme.	Modify Output	In 2017, the program faced some challenges because of the fiscal and financial situation in the country. Local banks' portfolios were exposed to sovereign risks (they increased their local debt position due to the increase of money supply done by the Central Bank) they lost appetite in financing private sector operations. Besides, private sector also postponed investment plans due to political uncertainty. Guarantees approved in 2017 were of a higher value than estimated during the preparation of the Program, so the number of operations supported were less also in 2017. Because of that, we have adjusted the number of guarantees planned for 2017 and we have reduced the number of total guarantees approved (21).	03/16/2018	03/15/2018