

# PMR Public Report

Operation Number	ME-L1301	Chief of Operations Validation Date	10/14/22						
Year- PMR Cycle	First period Jan-Jun 2022	Division Chief Validation Date							
Last Update	10/11/22	Country Representative Validation Date							
PMR Validation Stage	Validated by Chief of Operations								
Basic Data									
Operation Profile									
Operation Name	Global Credit Program for Safeguarding the Productive Fabric and Employment in the Agroindustrial Sector	Loan Number	5063/OC-ME						
Executing Agency	FIDEICOMISOS INSTITUIDOS EN RELACIÓN CON LA AGRICULTURA	Sector/Subsector	FINANCIAL MARKETS-FINANCIAL INCLUSION						
Team Leader	RIQUELME ARRIOLA, LETICIA	Overall Stage	Approved/Pending Signature						
Operation Type	Loan Operation	Country	Mexico						
Lending Instrument	Investment Loan	Convergence related Operation(s)							
Borrower	NACIONAL FINANCIERA S.N.C. GERENCIA OPERACION ORGANISMOS MULTILAT.								
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
ME-L1301	100,000,000	100,000,000	0	0	100,000,000	100,000,000	-	0.00%	100,000,000
Aggregated	100,000,000	100,000,000	0	0	100,000,000	100,000,000	-	0.00%	100,000,000
Expense Categories by Loan Contract (cumulative values)									

No Data Available

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: Support the sustainability of MSMEs amid the COVID-19 crisis

Observation:

Indicator		Unit of Measure	Baseline	Baseline Year	Expected Year of Achievement	EOP 0	
1.0	Percentage of employment generated by agroindustrial activity as a share of the country's total employment	%	20	2020	2024	P	20
						A	-

Details

Means of Verification: National Institute of Statistics and Geography (INEGI) information, considering the food and beverage and tobacco subsectors

Observations: The program should help maintain the sector's share of the total economically active population. A value similar to the precrisis level should be established as a target.

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: Support to improve the short-term financial capacity of MSMEs in the agroindustrial sector.

Observation:

	Indicator	Unit of Measure	Baseline	Baseline Year		2022	2023	2024	EOP 0
1.0	Rate of arrears of the Special Fund for Agricultural Financing (FEFA) portfolio of working capital credit to agroindustrial sector MSMEs at six months after program start, compared with the rate of FIRA's total portfolio.	%	65	2020	P	-	-	171	171
					A	-	-	-	-

Details

Means of Verification: Program monitoring and supervision information collected by the executing agency

Observations: Definition: Rate of arrears = overdue portfolio/total portfolio. The indicator will be calculated as: FEFA rate of arrears/FIRA rate of arrears (total rate). The rate of arrears for this portfolio will take into account the full underlying portfolio of FIRA-supported financial intermediaries that fulfills the criteria set forth in the program Operating Regulations (agroindustrial sector MSME working capital financing), and not just the part issued with IDB funds. This measurement will be taken several times throughout the execution period. This indicator and its target are for the first measurement, which will be performed six months from the outset of the crisis (September 2020). The rate of arrears of FEFA's portfolio of working capital credit to agroindustrial sector MSMEs is expected to triple over that six-month period, and then drop gradually until it ultimately reaches the precrisis value (baseline from March 2020). Over the six months, the decline should be worse for the target

Evaluation Methodology: -

Pro-Gender	No	Pro-Ethnicity	No	CRF indicator	

	Indicator	Unit of Measure	Baseline	Baseline Year		2022	2023	2024	EOP 0
1.2	Rate of arrears of FEFA's portfolio of agroindustrial sector MSMEs with restructured debt at six months after program start, compared with the rate of FIRA's total portfolio.	%	31	2020	P	-	-	87	87
					A	-	-	-	-

Details

Means of Verification: Program monitoring and supervision information collected by the executing agency

Observations: Definition: Rate of arrears = overdue portfolio/total portfolio. The indicator will be calculated as: FEFA rate of arrears/FIRA rate of arrears (total rate). The rate of arrears for the restructured debt portfolio will take into account the full underlying portfolio of FIRA-supported financial intermediaries that fulfills the criteria set forth in the program Operating Regulations (agroindustrial sector MSME financing), and not just the part issued with IDB funds. This measurement will be taken several times throughout the execution period. This indicator and its target are for the first measurement, which will be performed six months from the outset of the crisis (September 2020). The rate of arrears of FEFA's portfolio of agroindustrial sector MSMEs with restructured debt is expected to triple over that six-month period, and then drop gradually until it ultimately reaches the precrisis value (baseline from March 2020). The target portfolio should see greater deterioration because, of

Evaluation Methodology: -

Pro-Gender	No	Pro-Ethnicity	No	CRF indicator	

	Indicator	Unit of Measure	Baseline	Baseline Year		2022	2023	2024	EOP 0
1.3	Rate of arrears of FEFA's portfolio of working capital credit to agroindustrial sector MSMEs at 12 months after program start, compared with the rate of FIRA's total portfolio.	%	65	2020	P	-	-	139	139
					A	-	-	-	-

Details

Means of Verification: Program monitoring and supervision information collected by the executing agency

Observations: Definition: Rate of arrears = overdue portfolio/total portfolio. The indicator will be calculated as: FEFA rate of arrears/FIRA rate of arrears (total rate). The rate of arrears for this portfolio will take into account the full underlying FIRA-supported portfolio that fulfills the established criteria (agroindustrial sector MSME working capital financing), and not just the part issued with IDB funds. This measurement will be taken several times throughout the execution period. This indicator and its target are for the second measurement, which will be performed 12 months from the outset of the crisis (March 2021). The rate of arrears of FEFA's portfolio of working capital credit to agroindustrial sector MSMEs is expected to triple over that six-month period, and then drop gradually until it ultimately reaches the precrisis value (baseline from March 2020). Twelve months from the outset of the program, it should reach 139%, on its way down from a six-month peak. The target portfolio sh

Evaluation Methodology: -

Pro-Gender	No	Pro-Ethnicity	No	CRF indicator	

	Indicator	Unit of Measure	Baseline	Baseline Year		2022	2023	2024	EOP 0
1.4	Rate of arrears of FEFA's portfolio of agroindustrial sector MSMEs with restructured debt at 12 months after program start, compared with the rate of FIRA's total portfolio.	%	31	2020	P	-	-	63	63
					A	-	-	-	-
Details									

**Means of Verification:** Program monitoring and supervision information collected by the executing agency

**Observations:** Definition: Rate of arrears = overdue portfolio/total portfolio. The indicator will be calculated as: FEFA rate of arrears/FIRA rate of arrears (total rate). The rate of arrears for the restructured debt portfolio will take into account the full underlying FIRA-supported portfolio that fulfills the established criteria (agroindustrial sector MSME financing), and not just the part issued with IDB funds. This measurement will be taken several times throughout the execution period. This indicator and its target are for the second measurement, which will be performed 12 months from the outset of the crisis (March 2021). The rate of arrears of FEFA’s portfolio of agroindustrial sector MSMEs with restructured debt is expected to triple over that six-month period, and then drop gradually until it ultimately reaches the precrisis value (baseline from March 2020). Twelve months from the outset of the program, it should have fallen to 63%. The target portfolio is expected to see greater deterior

**Evaluation Methodology:** -

Pro-Gender	No	Pro-Ethnicity	No	CRF indicator							
Indicator					Unit of Measure	Baseline	Baseline Year	2022	2023	2024	EOP 0
1.5	Balance of the agroindustry MSME working capital portfolio.			US\$ Million	64.6	2020	P	-	-	124	124
							A	-	-	-	-
Details											

**Means of Verification:** Program monitoring and supervision information collected by the executing agency

**Observations:** For the baseline, the balance of the program’s target portfolio (FEFA’s agroindustry MSME loan portfolio) as of March 2020 was used. This does not take into account the balance of guarantees without financing or the balance of guarantee payments. The portfolio balance is equal to the previous month’s starting balance, plus credit issued over the month, minus scheduled or prepayment recoveries. The final target reflects the projected end-of-program balance, taking into account that some credit will be short term (90 days) and require time to be reissued, which takes an average of 120 days. IDB financing will prevent a decline in this portfolio. FIRA predicts that the portfolio would have fallen to US\$30 million in the program's absence due to liquidity restrictions in the domestic capital market owing to the current crisis. Based on its projections, FEFA will see a demand for its capital from various vulnerable sectors in need of liquidity that do not fall within the program's target se

**Evaluation Methodology:** -

Pro-Gender	No	Pro-Ethnicity	No	CRF indicator					

RESULTS MATRIX

OUTPUTS: ANNUAL PHYSICAL AND FINANCIAL PROGRESS

Component Nbr. 1 Support to improve the short-term financial capacity of MSMEs in the agroindustrial sector.

				PHYSICAL PROGRESS		FINANCIAL PROGRESS	
	Output	Unit of Measure		2022	EOP 0	2022	EOP 0
1.01	Support to improve the short-term financial capacity of MSMEs in the agroindustrial sector.	US\$ million	P	-	94	-	94,000,000
			P (a)	-	94	-	94,000,000
			A	-	-	-	-
1.02	Amount of financing issued for MSME debt restructuring in the agroindustrial sector	US\$ million	P	-	6	-	6,000,000
			P (a)	-	6	-	6,000,000
			A	-	-	-	-

Total Cost				
	Total Cost		P	0
			P (a)	0
			A	0

No information available for this section

RISKS AND PLANNED RESPONSES

Risk ID	Risk Status		Risk Taxonomy
3	Active		Economic and Financial Environment
	Response Actions		
	3.0	Management Strategy	Status
		-	

Risk ID	Risk Status		Risk Taxonomy
6	Active		Planning
	Response Actions		
	6.0	Management Strategy	Status
		-	

IMPLEMENTATION STATUS AND LEARNING

Lesson Learned - Categories