

PMR Operational Report

| | | | |
|-----------------------------|-----------------------------|---|----------|
| Operation Number | BA-L1034 | Chief of Operations Validation Date | 03/29/17 |
| Year- PMR Cycle | Second period Jan-Dec 2016 | Division Chief Validation Date | 04/11/17 |
| Last Update | 03/28/17 | Country Representative Validation Date | 04/18/17 |
| 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 | 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 | | |

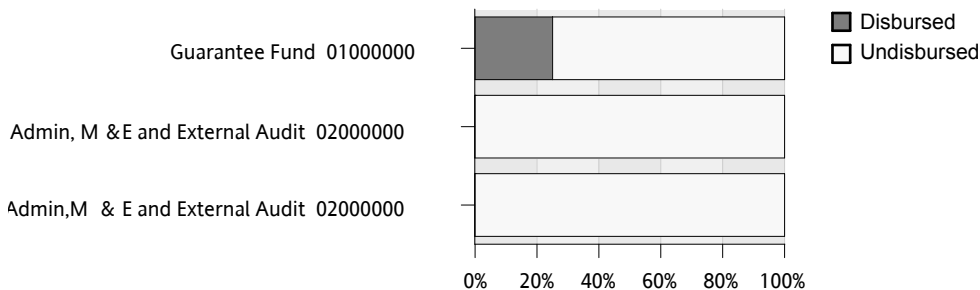
Environmental and Social Safeguards

| | | | |
|---|-----|--|----|
| 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 | 8,717,642 | 24.91% | 26,282,358 |
| Aggregated | 35,000,000 | 35,000,000 | 0 | 0 | 35,000,000 | 35,000,000 | 8,717,642 | 24.91% | 26,282,358 |

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.

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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). | % | 26.6 | 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. | % | 33.0 | 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. | % | -0.8 | 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

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RESULTS MATRIX

IMPACTS

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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 | | EOP 2020 |
|-----------|---|-----------------|----------|---------------|------|----------|
| 0.0 | New investments for SME supported by the program. | US mls | 0.0 | 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 | | 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. | % | 0.0 | 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 | | 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 | 0.0 | 2015 | P | 4.00 |
| | | | | | P(a) | 4.00 |

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RESULTS MATRIX

OUTCOMES

| | | | | | | |
|---|---|-------|-----|------|----------------------|--|
| 2.0 | compared to the baseline tenor length for the new loans at the beginning of the program.) | years | 0.0 | 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 | |
|-----|---|-----------------|------|-------------------|----------|--------------------|------------|
| | | | | 2016 | EOP 2020 | 2016 | 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 | 29 | 202 | 4,900,000 | 32,300,000 |
| | | | P(a) | 29 | 167 | 4,900,000 | 32,300,000 |
| | | | A | 16 | 18 | 6,217,642 | 6,217,642 |

Other Cost

| | | | | | | |
|--|---|------|--|--|---------|---------|
| | Administrative costs (administrative, monitoring, evaluation and external audit cost) | P | | | 100,000 | 200,000 |
| | | P(a) | | | 100,000 | 200,000 |
| | | A | | | 0 | 0 |

Total Cost

| | | | | | | |
|--|------------|------|--|--|-----------|------------|
| | Total Cost | P | | | 5,000,000 | 35,000,000 |
| | | P(a) | | | 5,000,000 | 35,000,000 |
| | | A | | | 6,217,642 | 8,717,642 |

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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 | The guarantees approved in 2016 were of a higher value than it was estimated during the preparation of the Program, so the number of operations supported were less in 2016 (16 guarantees). However, this situation didn't impact the disbursement forecast in 2016 and the loan value was executed according to planned. Because of that, we have adjusted the number of guarantees planned for 2017 and we have reduced the number of total guarantees approved (21). | 03/28/2017 | 03/28/2017 |