



Access to Finance for MSMEs (P152307)

LATIN AMERICA AND CARIBBEAN | Jamaica | IBRD/IDA | Investment Project Financing (IPF) | FY 2018 | Seq No: 14 |
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Implementing Agencies: The Development Bank of Jamaica

1. OBJECTIVE

1.1 Development Objective

Original Development Objective (Approved as part of Approval package on 28-Jan-2018)

The Project Development Objective (PDO) is to improve access to finance for micro, small, and medium enterprises (MSMEs).

Has the Development Objective been changed since Board Approval of the Project Objective?

No

2. COMPONENTS

Name

Enhancement of the Credit Enhancement Facility (CEF):(Cost 5,550,000.00)

Establishment of an SME Fund:(Cost 6,790,000.00)

Improvement of enabling environment for access to finance and Business Development Services for MSMEs:(Cost 1,350,000.00)

Project management:(Cost 1,270,000.00)

3. OVERALL RATINGS

Name	Previous	Current
Progress towards achievement of PDO	● Moderately Satisfactory	● Moderately Satisfactory
Overall Implementation Progress (IP)	● Moderately Satisfactory	● Moderately Satisfactory
Overall Risk Rating	● Substantial	● Substantial



4. KEY ISSUES & STATUS

4.1 Implementation Status and Key Decisions

5. SYSTEMATIC OPERATIONS RISK-RATING TOOL

Risk Category	Rating at Approval Approval Package - 29 Jan 2018	Last Approved Rating ISR Seq. 013 - 31 Mar 2024	Proposed Rating
Political and Governance	● Substantial	● Moderate	● Moderate
Macroeconomic	● High	● Substantial	● Substantial
Sector Strategies and Policies	● Moderate	● Moderate	● Moderate
Technical Design of Project or Program	● Substantial	● Substantial	● Substantial
Institutional Capacity for Implementation and Sustainability	● Substantial	● Substantial	● Substantial
Fiduciary	● Substantial	● Moderate	● Moderate
Environment and Social	● Moderate	● Moderate	● Moderate
Stakeholders	● Moderate	● Moderate	● Moderate
Overall	● Substantial	● Substantial	● Substantial



6. RESULTS

6.1 PDO Indicators by PDO Outcomes

The PDO is to improve access to finance for micro, small and medium enterprises (MSMEs)								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Number of SMEs getting access to risk capital through the SME Fund (Number)	0.00	Jan/2018	1.00	31-May-2024	1.00	31-May-2024	5.00	Jan/2025
	Comments on achieving targets		Cumulative number of SMEs getting access to risk capital through the SME fund.					
Number of guarantees issued for MSME loans through the improved CEF (Number)	78.00	Jan/2018	2,049	31-May-2024	2,049	31-May-2024	1,178.00	Jan/2025
	Comments on achieving targets		Cumulative number of guarantees issued to MSME loans through the improved CEF. The indicator refers to the number of guarantees issued within the reporting period, as opposed to the number of guarantees outstanding in the portfolio.					

6.2 Intermediate Results Indicators by Components

Enhancement of the Credit Enhancement Facility (CEF)								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Improvements of the DBJ's institutional capacity in credit risk management of AFIs (Text)	The DBJ has limited institutional capacity to scale sustainably the	Jan/2018	The DBJ has adequate systems and expertise in place to scale and manage	31-May-2024	The DBJ has adequate systems and expertise in place to scale and manage	31-May-2024	The DBJ has adequate systems and expertise in place to scale and manage	Jan/2025



	CEF's operations.		the CEF, in a sustainable manner. Additionally, a new CEF Division was established with a dedicated General Manager and staff along with a MIS and support from an enhanced risk unit.		the CEF, in a sustainable manner. Additionally, a new CEF Division was established with a dedicated General Manager and staff along with a MIS and support from an enhanced risk unit.		the CEF, in a sustainable manner.	
	Comments on achieving targets							
Volume of guarantees provided to MSME loans (Amount(USD))	4,412,800.00	Jan/2018	106,930,253	31-May-2024	106,930,253	31-May-2024	100,000,000.00	Jan/2025
	Comments on achieving targets		Cumulative volume of guarantees (in USD) provided to MSME loans through the improved CEF. The indicator refers to the volume of guarantees issued within the reporting period, as opposed to the outstanding balance of guarantees in CEF's portfolio. Projected target values reflect an estimated exchange rate at project's approval (USD 1 = J\$ 125). The indicator will be reported in local currency(J\$) as well to monitor exchange rate fluctuations.					
Establishment of an SME Fund								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year

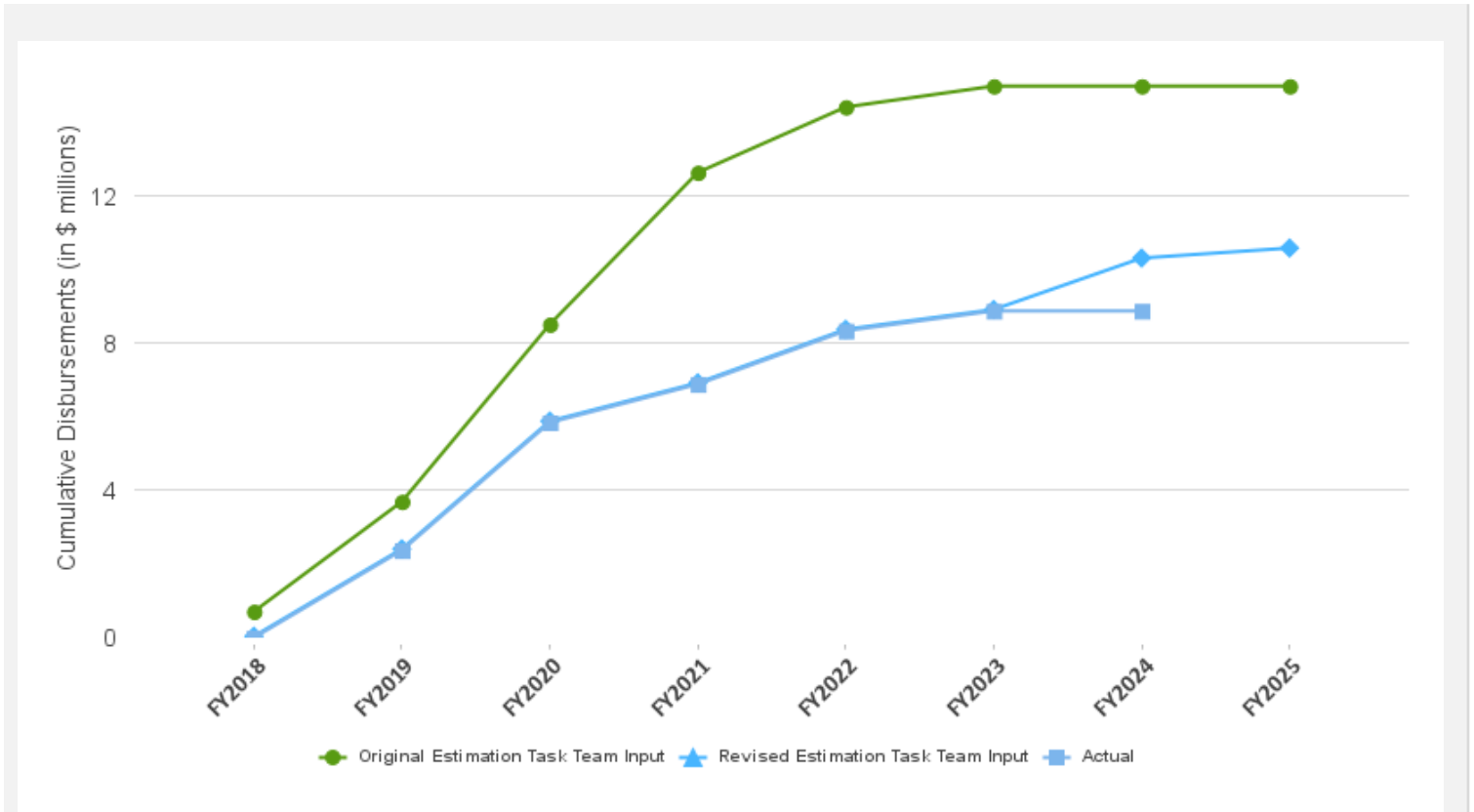


Private capital mobilized (Amount(USD))	0.00	Jan/2018	10,000,000.00	31-May-2024	10,000,000.00	31-May-2024	10,000,000.00	Jan/2025
	Comments on achieving targets		Victoria Mutual Investments Limited committed US 10 million to the SME equity fund in June 2022.					
Volume of risk capital provided to SMEs (Amount(USD))	0.00	Jan/2018	910,000.00	31-May-2024	910,000.00	31-May-2024	4,000,000.00	Jan/2025
	Comments on achieving targets		Cumulative volume of risk capital provided to SMEs through the public-private SME Fund. Risk capital refers to investments (equity or quasi-equity) made by the SME Fund in eligible SMEs, according the terms and conditions of the SME Fund. Projected target values reflect an estimated exchange rate at project's approval (USD 1 = J\$ 125). The indicator will be reported in local currency (J\$) as well to monitor exchange rate fluctuations.					
Number of SME investment opportunities presented to the Fund's Investment committee for approval (Number)	0.00	Jan/2018	5.00	31-May-2024	5.00	31-May-2024	8.00	Jan/2025
Improvement of enabling environment for access to finance and Business Development Services for MSMEs								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Percentage of beneficiaries that feel project activities reflected their needs (Citizen Engagement Indicator) (Percentage)	0.00	Jan/2018	86.00	31-May-2024	86.00	31-May-2024	75.00	Jan/2025
	Comments on achieving targets		The last surveys of beneficiaries were conducted in February and March 2023.					
New business development service platform operational (Yes/No)	No	Jan/2018	Yes	31-May-2024	Yes	31-May-2024	Yes	Jan/2025
	Comments on achieving targets		New Business Development Service Platform designed, developed, tested and functioning online. It will include a virtual market for BDS providers and MSMEs and online tools for business development.					



7. DATA ON FINANCIAL PERFORMANCE

7.1 Cumulative Disbursements



7.2 Disbursements (by loan)

Loan/Credit/TF	Status	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
IBRD-88220	Effective	15.00	15.00	0.00	9.86	5.14	65.73%

7.3 Key Dates (by loan)

Loan/Credit/TF	Status	Approval	Signing	Effectiveness	Orig. Closing	Rev. Closing
IBRD-88220	Effective	29-Jan-2018	02-Mar-2018	29-May-2018	30-Jan-2023	15-Jan-2025

8. KEY DATES



Key Events	Planned	Actual
Approval	29-Jan-2018	29-Jan-2018
Effectiveness	22-Mar-2018	29-May-2018
Mid-Term Review No. 01	01-Jun-2021	01-Jul-2021
Operation Closing/Cancellation	15-Jan-2025	

9. RESTRUCTURING HISTORY

Restructuring Level 2 Approved on 06-Sept-2022

Restructuring Level 2 Approved on 04-Jan-2024

10. ASSOCIATED OPERATION(S)

There are no associated operations