



PNG - Small and Medium Enterprise Access to Finance Project (P120707)

EAST ASIA AND PACIFIC | Papua New Guinea | Finance, Competitiveness and Innovation Global Practice |
IBRD/IDA | Investment Project Financing | FY 2011 | Seq No: 13 | ARCHIVED on 18-Jun-2018 | ISR32947 |

Implementing Agencies: Department of Commerce and Industry, Department of Treasury

Key Dates

Key Project Dates

Bank Approval Date:03-May-2011

Effectiveness Date:15-Sep-2011

Planned Mid Term Review Date:28-Feb-2014

Actual Mid-Term Review Date:28-Oct-2013

Original Closing Date:31-Dec-2024

Revised Closing Date:31-Dec-2024

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The proposed development objective of this project is to facilitate access to sustainable credit for small and medium enterprises and thus contribute to incremental growth of SME employment and income.

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

No

Components

Name

Risk Share Facility:(Cost \$11.90 M)

Performance-based TA to participating financial intermediaries:(Cost \$2.95 M)

TA to enhance SME Capacity:(Cost \$5.03 M)

TA to the Department of Commerce and Industry:(Cost \$6.62 M)

Overall Ratings

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



Implementation Status and Key Decisions

The Project became effective on September 15, 2011. All conditions for withdrawal of IDA credit were met for all categories specified in the Financing Agreement as of March 12, 2012 with IDA issuing confirmation letters to the GoPNG.

The 1st RSF with BSP has officially been terminated as of September 2017 with satisfactory results. 2nd RSF implementation, which is linked to PDO results indicators, has been delayed. GoPNG and IDA agreed to prepare for restructuring the 2nd RSF component with new financing instruments for SMEs, esp those in agriculture, and strengthening a sustainable ecosystem for SME Finance in PNG. GoPNG is to propose restructuring plan within the next 3 months.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	● Substantial	● Substantial
Macroeconomic	--	● Substantial	● Substantial
Sector Strategies and Policies	--	● Moderate	● Moderate
Technical Design of Project or Program	--	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	--	● Moderate	● Moderate
Fiduciary	--	● Substantial	● Substantial
Environment and Social	--	● Substantial	● Moderate
Stakeholders	--	● Moderate	● Moderate
Other	--	--	--
Overall	--	● Substantial	● Substantial

Results

Project Development Objective Indicators

► Increase flow of credit to SMEs (in PNG Kina million) (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	492.00	114.60	250.00
Date	01-Aug-2011	30-Sep-2016	29-Sep-2017	29-Jun-2018
Comments				



The BSP reported amount has been in PGK million. Exchange rate: 1 USD = PGK 3.2
 Total accumulative committed amount under the RSF reached PGK 114.6 million as of Sept 2017 (at closing of RSF).
 2012 Total committed under RSF: PGK 7.7 million

▲ Number of new SME loans (under BSP RSF.) (Number, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	1,828.00	1,828.00	1,000.00

▲ Loans to business owned by women only and women as principal partners (Number of loans) (Number, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	262.00	262.00	100.00

▷ Loans to business owned by women only and women as principal partner (in PGK million) (Amount(USD), Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	25.00	25.00	15.00

▶ Increase numbers of formal sector SMEs (incl. women managed) (Number (Thousand), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	45.00	50.00	50.00	54.00
Date	01-Jan-2013	30-Dec-2016	29-Dec-2017	29-Jun-2018

**Comments**

IPA data doesn't provide SME registration directly. Estimate based on SME definition by DCI. IPA data as of Dec 2017. To be further verified during final beneficiary survey

► incremental employment generated by SMEs participating in RSF (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	500.00	2,149.00	2,149.00	600.00
Date	28-Sep-2012	30-Sep-2016	27-Sep-2016	30-Sep-2016

► Incremental SME revenue generated by SMEs participating in RSF (in PGK) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	5.00	--	--	25.00
Date	28-Sep-2012	--	--	30-Sep-2016

Comments

No data available from BSP reports. To collect during beneficiary survey planned for July - Oct 2018

Overall Comments**Intermediate Results Indicators**



► Return on assets (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.50	2.00	2.00	1.50
Date	31-Aug-2011	30-Dec-2016	29-Dec-2017	30-Dec-2016

Comments

Source: BSP Annual Reports

► Improved SME managerial and financial skills - # trained (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	774.00	774.00	640.00
Date	31-Aug-2011	13-Dec-2016	13-Dec-2016	31-Dec-2017

▲ Numbers of women in SMEs trained (Number, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	391.00	391.00	300.00

▲ % trainees obtaining the loans (Percentage, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	20.00	20.00	60.00



▶ Improved GoPNG capacity to support SME sector (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Baseline survey	2nd SME Survey, project beneficiary survey, and review of RSF and other SME finance options planned to inform government of the demand of SMEs, impact of the RSF project, and demand for other financing instruments by SMEs	2nd SME Survey, project beneficiary survey, and review of RSF and other SME finance options commissioned	Final Survey and M&E Reports
Date	28-Feb-2014	01-Dec-2017	29-Jun-2018	28-Dec-2018

▲ Training of provincial DCI officials (Text, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	36.00	36.00	40.00

Overall Comments

Data on Financial Performance

Disbursements (by loan)

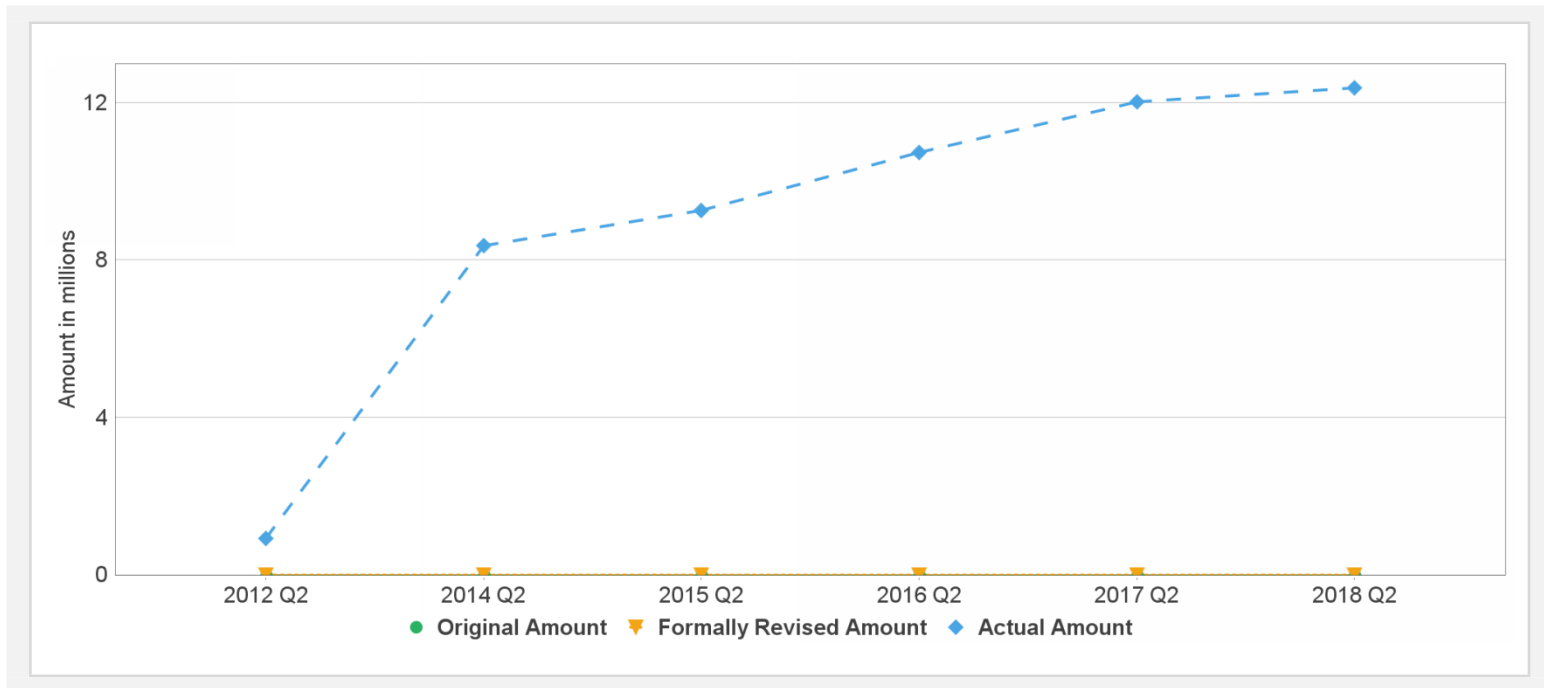
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P120707	IDA-49280	Effective	USD	21.91	21.91	0.00	12.37	7.98	 61%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P120707	IDA-49280	Effective	03-May-2011	14-Jun-2011	15-Sep-2011	31-Dec-2024	31-Dec-2024



Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.