



Access to Long Term Finance (P156766)

EUROPE AND CENTRAL ASIA | Ukraine | Finance, Competitiveness and Innovation Global Practice | IBRD/IDA | Investment Project Financing | FY 2017 | Seq No: 7 | ARCHIVED on 24-Sep-2021 | ISR47661 |

Implementing Agencies: Ukreximbank, Ukreximbank

Key Dates**Key Project Dates**

Bank Approval Date: 02-May-2017

Effectiveness Date: 12-Jun-2018

Planned Mid Term Review Date: 27-Nov-2020

Actual Mid-Term Review Date: 18-Dec-2020

Original Closing Date: 31-Mar-2022

Revised Closing Date: 30-Jun-2023

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective (PDO) is to improve access to longer term finance for export oriented small and medium enterprises.

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

No

Components Table

Name

Credit facility to provide financing to export oriented SMEs.:(Cost \$250.00 M)

Overall Ratings

| Name | Previous Rating | Current Rating |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Progress towards achievement of PDO | <input type="checkbox"/> Satisfactory | <input type="checkbox"/> Satisfactory |
| Overall Implementation Progress (IP) | <input type="checkbox"/> Satisfactory | <input type="checkbox"/> Satisfactory |
| Overall Risk Rating | <input type="checkbox"/> Moderate | <input type="checkbox"/> Moderate |

Implementation Status and Key Decisions

Implementation Status: The ALTF project maintains a satisfactory implementation three years into its implementation since the declaration of effectiveness on 12 June 2018. In 1h21 the UEB and its PIU made a robust effort to accelerate disbursements and as of July 22nd, 2021, cumulatively 57 subprojects (implying an additional 14 projects since the last mission) have been approved for direct lending by the UEB, totaling US\$ 89.5 million (of which UEB disbursed US\$ 74.5 million) and one additional subproject for US\$ 5 million have been approved for disbursement by the new participating financial institution Bank Pivdenniy, in addition to one subproject for US\$ 2 million that was disbursed in the early stage of the Project by the first PB, Megabank. The initial subsidiary financing agreement with Megabank was fully utilized, and UEB does not see it feasible to increase exposure to the PB under its current risk management policies. The US\$ 5 million subsidiary loan agreement with Bank Pivdenniy has also been fully utilized, and the bank will be deciding on increasing exposure to the Project at the end of the calendar year 2021. According to the information presented by UEB and PBs, as of July 22th, 2021, 58 sub-loans continued to be serviced on time, whereas one minor sub-borrower remained in a delinquent payment state due to forcemajeure circumstances (warehouse fire). UEB continues communicating with this sub-borrower to find a mutually agreeable solution on debt restructuring.



UEB has also presented a solid pipeline of 6 more projects totaling US\$ 19.9 million. Of the six presented projects in the pipeline (via UEB), four are likely to be based on investment financing, and two – working capital financing. UEB also presented a plan to attract one more PFI with a total sub-financing of US\$ 5 million. The proposed pipeline in the next monitoring period will represent a satisfactory pace of project implementation.

Risks

Systematic Operations Risk-rating Tool

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

Results

PDO Indicators by Objectives / Outcomes

| | | | | |
|---|-------------|-------------------|------------------|-------------|
| To improve access to longer term finance for export oriented small and medium enterprises | | | | |
| ▶ Ratio of the average maturity of SME sub-financing under the project, over the average maturity of the PFIs' SME portfolio not financed under the project. (Text, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 1.00 | 1.20 | 1.20 | >1.00 |
| Date | 31-Mar-2017 | 01-Jan-2020 | 01-Jan-2021 | 30-Jun-2023 |
| ▶ Number of SME beneficiaries financed by PFIs under the project (cumulative). (Number, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |



| | | | | |
|--|-------------|-------------------|------------------|-------------|
| Value | 0.00 | 40.00 | 36.00 | 130.00 |
| Date | 31-Mar-2017 | 28-May-2020 | 01-Jan-2021 | 30-Jun-2023 |
| ► Based on Core Indicator: Volume of Bank Support: Lines of Credit - SME (cumulative, USD million). (Number, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 47.43 | 76.50 | 250.00 |
| Date | 31-Mar-2017 | 28-May-2020 | 22-Jul-2021 | 30-Oct-2023 |

Overall Comments

The indicator "*Number of SME beneficiaries financed by PFIs under the project (cumulative)*." was revised down to reflect the technical reporting mistake made in the previous reporting period (given that at the early stages of project implementation number of borrowers was equal to number of sub-loans issued), in which this indicator reflected the cumulative number of loans issued under the project. As of January 1, 2021, a total amount of 46 sub-loans has been issued to 36 unique beneficiary borrowers, given that some borrowers after positive first experience were returning to UEB for additional credit (within the maximum exposure per one borrower).

Intermediate Results Indicators by Components

| | | | | |
|---|-------------|-------------------|------------------|-------------|
| Credit facility to provide financing to export oriented SMEs. | | | | |
| ► Based on Core Indicator: Outstanding SME finance portfolio (USD million). (Text, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | n/a | 2,107.00 | 1,780.00 | n/a |
| Date | 31-Mar-2017 | 01-Jan-2020 | 01-Jan-2021 | 30-Jun-2023 |
| ► Based on Core Indicator: Number of active SME finance accounts (not cumulative). (Text, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | n/a | 1,419.00 | 943.00 | n/a |
| Date | 31-Mar-2017 | 01-Jan-2020 | 01-Jan-2021 | 30-Jun-2023 |
| ► Based on Core Indicator: Portfolio Quality: Portfolio at risk (%). (Text, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 40.95 | 49.50 | 47.20 | n/a |
| Date | 30-Jun-2016 | 01-Jan-2020 | 01-Jan-2021 | 30-Jun-2023 |



| | | | | |
|--|-------------|-------------------|------------------|-------------|
| ► Based on Core Indicator: Financial Sustainability: Return on Assets (%) (Text, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | -1.82 | 0.04 | -3.36 | n/a |
| Date | 30-Jun-2016 | 01-Jan-2020 | 01-Jan-2021 | 30-Jun-2023 |
| ► Based on Core Indicator: Financial Sustainability: Return on Equity (%) (Text, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | -299.79 | 0.80 | -59.17 | n/a |
| Date | 30-Jun-2016 | 01-Jan-2020 | 01-Jan-2021 | 30-Jun-2023 |
| ► Number of active PFIs under the project (cumulative). (Number, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 2.00 | 2.00 | 3.00 |
| Date | 31-Mar-2017 | 28-May-2020 | 01-Jan-2021 | 30-Jun-2023 |
| ► Gender: The first sub-finance from each PFI has been reviewed by the World Bank for gender bias, and remedial action has been taken accordingly. (Yes/No, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | No | Yes | Yes | Yes |
| Date | 31-Mar-2017 | 01-Jan-2020 | 01-Jan-2021 | 30-Jun-2023 |
| ► Gender: Percent of SME beneficiaries financed under the project with at least 15 percent female participation in their workforce. (Text, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 86.40 | 86.10 | 70.00 |
| Date | 31-Mar-2017 | 01-Jan-2020 | 01-Jan-2021 | 30-Jun-2023 |
| ► Compliance with prudential regulation. (Yes/No, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | Yes | Yes | Yes | Yes |
| Date | 30-Jun-2016 | 01-Jan-2020 | 01-Jan-2021 | 30-Jun-2023 |
| ► Citizen Engagement: SMEs that report that project sub-finance reflected their needs. (Text, Custom) | | | | |



| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|--|-------------|-------------------|------------------|-------------|
| Value | 0.00 | 31.00 | 36.00 | >90 |
| Date | 31-Mar-2017 | 01-Jan-2020 | 01-Jan-2021 | 30-Jun-2023 |
| ► Percentage of SMEs who believe that the Project has established effective engagement processes (through semi-annual roundtables and/or a survey) (Text, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | n/a | n/a | n/a | 70.00 |
| Date | 22-Jan-2021 | 22-Jan-2021 | 22-Jan-2021 | 30-Jun-2023 |
| ► Share of the volume of financing provided to sub-borrowers with less than 250 employees (Text, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 46% | 46% | 49.7% | n/a |
| Date | 20-Nov-2020 | 20-Nov-2020 | 01-Jan-2021 | 30-Jun-2023 |
| ► Share of female-led SMEs (i.e. have Director/CEO, Deputy/member of the Management Board, Chief Accountant/CFO or woman owning >50% stake or is the sole proprietor) (Text, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | n/a | 84% | 84% | 70.00 |
| Date | 22-Jan-2021 | 22-Jan-2021 | 22-Jan-2021 | 30-Jun-2023 |

Performance-Based Conditions

Data on Financial Performance

Disbursements (by loan)

| Project | Loan/Credit/TF | Status | Currency | Original | Revised | Cancelled | Disbursed | Undisbursed | % Disbursed |
|---------|----------------|---------------|----------|----------|---------|-----------|-----------|-------------|-------------|
| P156766 | IBRD-87270 | Effective | USD | 150.00 | 150.00 | 0.00 | 88.87 | 61.13 | 59% |
| P156766 | IBRD-92540 | Not Effective | USD | 100.00 | 100.00 | 0.00 | 0.00 | 100.00 | 0% |

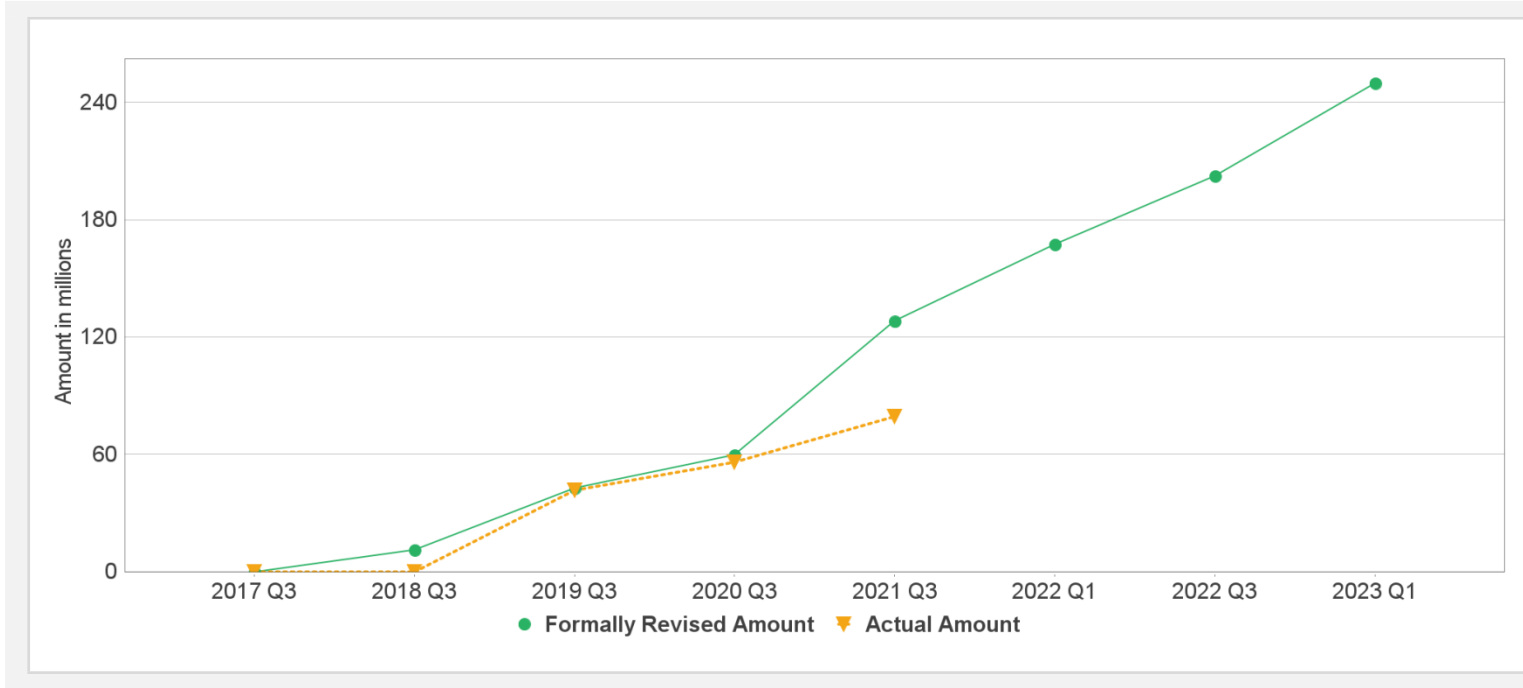
Key Dates (by loan)

| Project | Loan/Credit/TF | Status | Approval Date | Signing Date | Effectiveness Date | Orig. Closing Date | Rev. Closing Date |
|---------|----------------|-----------|---------------|--------------|--------------------|--------------------|-------------------|
| P156766 | IBRD-87270 | Effective | 02-May-2017 | 26-Jun-2017 | 12-Jun-2018 | 31-Mar-2022 | 31-Mar-2022 |



| | | | | | | | |
|---------|------------|---------------|-------------|-------------|----|-------------|-------------|
| P156766 | IBRD-92540 | Not Effective | 28-May-2021 | 07-Jun-2021 | -- | 30-Jun-2023 | 30-Jun-2023 |
|---------|------------|---------------|-------------|-------------|----|-------------|-------------|

Cumulative Disbursements



PBC Disbursement

| PBC ID | PBC Type | Description | Coc | PBC Amount | Achievement Status | Disbursed amount in Coc | Disbursement % for PBC |
|--------|----------|-------------|-----|------------|--------------------|-------------------------|------------------------|
|--------|----------|-------------|-----|------------|--------------------|-------------------------|------------------------|

Restructuring History

There has been no restructuring to date.

Related Project(s)

P175927-Ukraine Access to Long Term Finance COVID-19 Additional Financing