



## OECS MSME Guarantee Facility Project (P157715)

LATIN AMERICA AND CARIBBEAN | OECS Countries | Finance, Competitiveness and Innovation Global Practice | IBRD/IDA | Investment Project Financing | FY 2019 | Seq No: 8 | ARCHIVED on 27-Jun-2022 | ISR51271 |

Implementing Agencies: Eastern Caribbean Partial Credit Guarantee Corporation, Government of Antigua and Barbuda, Government of Grenada, Government of Saint Lucia, Government of Saint Vincent and the Grenadines, Government of St Kitts and Nevis, Government of the Commonwealth of Dominica

### Key Dates

#### Key Project Dates

Bank Approval Date: 05-Jul-2018

Effectiveness Date: 12-Jul-2019

Planned Mid Term Review Date: 21-Jun-2022

Actual Mid-Term Review Date: 21-Jun-2022

Original Closing Date: 30-Jun-2023

Revised Closing Date: 30-Jun-2023

### Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The development objective is to facilitate additional financial intermediation for MSMEs by supporting the establishment of a regional partial guarantee corporation.

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

No

### Components Table

Name

Capitalize the Partial Credit Guarantee Fund:(Cost \$8.10 M)  
Project Management, Operating Costs and Lender Training:(Cost \$1.90 M)

### Overall Ratings

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

### Implementation Status and Key Decisions

The ECPCGC began guaranteeing loans in February 2021 to help promote MSME lending, with the number of guarantees picking up in 2022. While COVID-19 has posed challenges for lending to MSMEs in the region, the ECPCGC is beginning to play a key role in supporting lending through guaranteeing a portion of the risk of lending. To help increase the number of guarantees, among others, the ECPCGC has decreased the guarantee fee, increased advertisements, and engaged stakeholders across all islands to promote sensitization on its partial credit guarantee scheme.



## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	<span style="color: orange;">□</span> Moderate	<span style="color: orange;">□</span> Moderate	<span style="color: orange;">□</span> Moderate
Macroeconomic	<span style="color: red;">□</span> High	<span style="color: red;">□</span> High	<span style="color: red;">□</span> High
Sector Strategies and Policies	<span style="color: orange;">□</span> Moderate	<span style="color: orange;">□</span> Substantial	<span style="color: orange;">□</span> Substantial
Technical Design of Project or Program	<span style="color: orange;">□</span> Substantial	<span style="color: orange;">□</span> Substantial	<span style="color: orange;">□</span> Substantial
Institutional Capacity for Implementation and Sustainability	<span style="color: orange;">□</span> Substantial	<span style="color: orange;">□</span> Moderate	<span style="color: orange;">□</span> Moderate
Fiduciary	<span style="color: orange;">□</span> Substantial	<span style="color: orange;">□</span> Moderate	<span style="color: orange;">□</span> Moderate
Environment and Social	<span style="color: orange;">□</span> Substantial	<span style="color: orange;">□</span> Substantial	<span style="color: orange;">□</span> Moderate
Stakeholders	<span style="color: green;">□</span> Low	<span style="color: green;">□</span> Low	<span style="color: green;">□</span> Low
Other	<span style="color: green;">□</span> Low	<span style="color: orange;">□</span> Substantial	<span style="color: orange;">□</span> Substantial
Overall	<span style="color: orange;">□</span> Substantial	<span style="color: orange;">□</span> Substantial	<span style="color: orange;">□</span> Substantial

## Results

### PDO Indicators by Objectives / Outcomes

Establishment of a regional partial guarantee corporation				
▶ Number of Guaranteed Loans (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	13.00	29.00	400.00
Date	03-Jul-2018	14-Dec-2021	07-Jun-2022	03-Jul-2023
▶ Total amount of outstanding guaranteed loans through Project (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	382,962.96	883,315.00	12,000,000.00
Date	03-Jul-2018	14-Dec-2021	07-Jun-2022	03-Jul-2023
▶ Number of loan officers trained in MSME credit assessment (Number, Custom)				



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	143.00	171.00	45.00
Date	03-Jul-2018	08-Dec-2021	26-Apr-2022	03-Jul-2023

### Overall Comments

Progress on the number of loan officers trained in MSME credit far exceeds the PDO and reflects the efforts by the ECPCGC to stimulate lending in the region, yet the low number of guarantees (20) and their value (USD 883,315) reflect persistent challenges to bolstering MSME lending in the region.

### Intermediate Results Indicators by Components

Capitalize the Partial Credit Guarantee Fund				
▶ Number of MSMEs receiving guaranteed loans through Project (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	13.00	28.00	400.00
Date	03-Jul-2018	14-Dec-2021	07-Jun-2022	03-Jul-2023
▶ Share of guarantees issued to women owned or managed MSMEs (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	53.85	44.80	30.00
Date	03-Jul-2018	14-Dec-2021	07-Jun-2022	03-Jul-2023
Comments:	This indicator captures the share of MSMEs receiving a guarantee with at least one female owner, as a number of the guarantees thus far include co-ownership by both men and women.			
▶ Percentage of funding through guaranteed loans with maturity more than one year (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	100.00	77.40	70.00
Date	03-Jul-2018	09-Dec-2021	07-Jun-2022	03-Jul-2023
▶ The ratio of equity to outstanding guarantees (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	40.57	0.64	1.00



Date	03-Jul-2018	09-Dec-2021	07-Jun-2022	03-Jul-2023
<b>► Number of guarantees paid-out (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	24.00
Date	18-Jul-2018	08-Dec-2021	07-Jun-2022	23-Jul-2023
<b>► Percentage of beneficiaries that feel project activities reflected their needs (Citizen Engagement Indicator) (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	82.10	75.00
Date	03-Jul-2018	08-Dec-2021	15-Mar-2022	03-Jul-2023
Comments:	Percentage of beneficiaries (MSMEs and Participating Financial Institutions) that feel project activities reflected their needs is defined by those who are either extremely satisfied and those who are satisfied. A combined 23 of 28 of MSMEs and Participating Financial Institutions indicated they were either extremely satisfied or satisfied. 3 respondents noted they were dissatisfied and 2 noted they were extremely dissatisfied.			

### Overall Comments

Progress towards the intermediate indicators remains on target, with all indicators exceeding their end of project goals.

### Performance-Based Conditions

#### Data on Financial Performance

#### Disbursements (by loan)

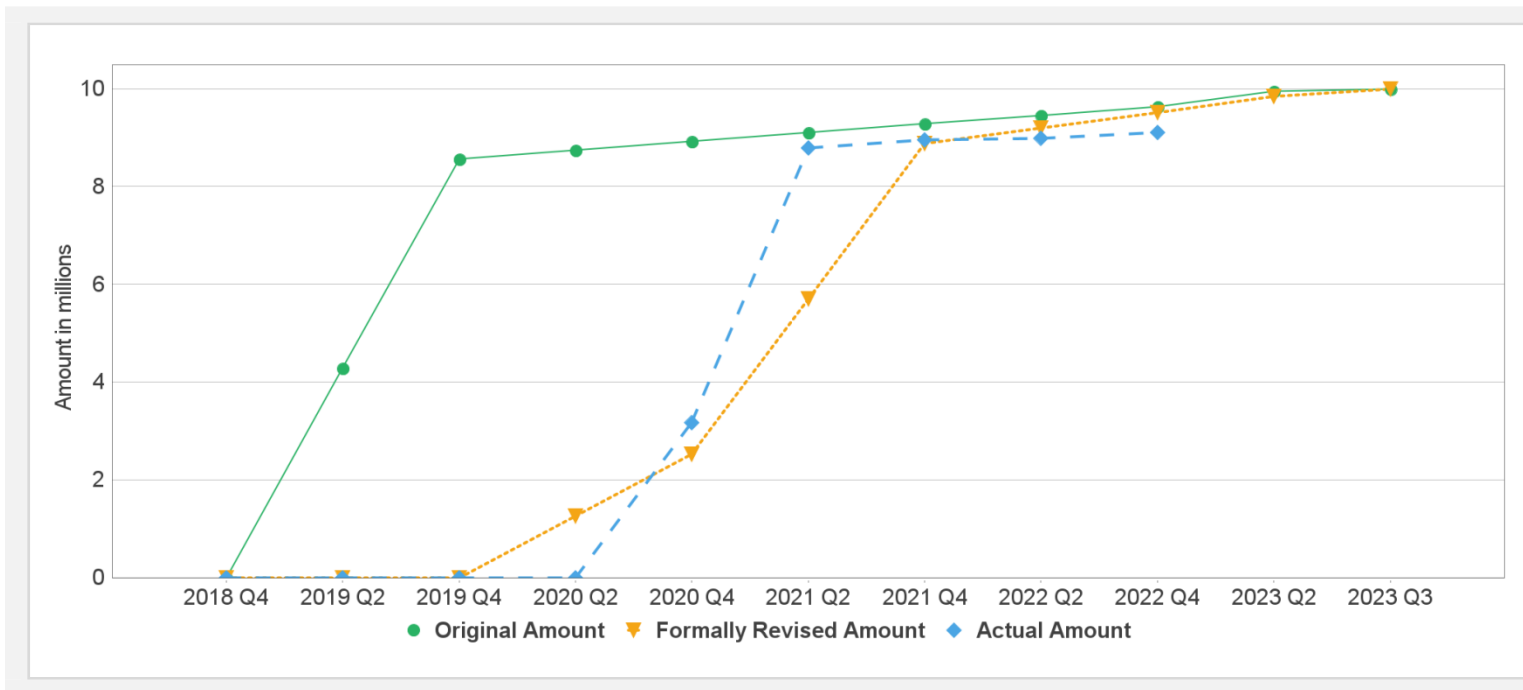
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P157715	IBRD-88830	Effective	USD	2.00	2.00	0.00	1.83	0.17	92%
P157715	IDA-62640	Effective	USD	2.00	2.00	0.00	1.83	0.17	91%
P157715	IDA-62650	Effective	USD	2.00	2.00	0.00	1.83	0.17	91%
P157715	IDA-62660	Effective	USD	2.00	2.00	0.00	1.83	0.17	91%
P157715	IDA-62670	Effective	USD	2.00	2.00	0.00	1.80	0.16	92%

#### Key Dates (by loan)



Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P157715	IBRD-88830	Effective	05-Jul-2018	28-Sep-2018	12-Jul-2019	30-Jun-2023	30-Jun-2023
P157715	IDA-62640	Effective	05-Jul-2018	28-Sep-2018	12-Jul-2019	30-Jun-2023	30-Jun-2023
P157715	IDA-62650	Effective	05-Jul-2018	28-Sep-2018	12-Jul-2019	30-Jun-2023	30-Jun-2023
P157715	IDA-62660	Effective	05-Jul-2018	21-Sep-2018	12-Jul-2019	30-Jun-2023	30-Jun-2023
P157715	IDA-62670	Effective	05-Jul-2018	22-Sep-2018	12-Jul-2019	30-Jun-2023	30-Jun-2023

### Cumulative Disbursements



### Restructuring History

There has been no restructuring to date.

### Related Project(s)

There are no related projects.