



Ghana Development Finance Project (P169742)

Western and Central Africa | Ghana | Finance, Competitiveness and Innovation Global Practice | IBRD/IDA | Investment Project Financing | FY 2021 | Seq No: 3 | ARCHIVED on 18-May-2022 | ISR51049 |

Implementing Agencies: Ministry of Finance, Development Bank Ghana, Republic of Ghana

Key Dates

Key Project Dates

Bank Approval Date: 29-Oct-2020

Effectiveness Date: 25-Feb-2022

Planned Mid Term Review Date: 25-Jun-2024

Actual Mid-Term Review Date:

Original Closing Date: 30-Jun-2027

Revised Closing Date: 30-Jun-2027

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

To support the establishment of a financially sustainable development bank to increase access to finance, in particular long-term finance, for viable MSMEs and small corporates

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

No

Components Table

Name

Long-term wholesale financing and technical assistance:(Cost \$185.50 M)

Partial credit guarantee (PCG) facility and digital financing platform:(Cost \$56.50 M)

Capital market development:(Cost \$6.00 M)

Project management, monitoring and evaluation:(Cost \$2.00 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"/> Substantial	<input type="checkbox"/> Substantial

Implementation Status and Key Decisions

The project became effective on February 25, 2022. Following project effectiveness, regular dialogue with Development Bank Ghana (DBG), Ministry of Finance, and the Securities and Exchange Commission (SEC) has focused on meeting the disbursement conditions and legal covenants, as well as developing Terms of Reference for technical assistance activities. Progress in project implementation and towards PDO are rated as satisfactory. Supported by the Project, the DBG is now operational and ready to start disbursing loans to participating financial institutions and end-borrowers (MSMEs and small corporates).



Risks

Systematic Operations Risk-rating Tool

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

Results

PDO Indicators by Objectives / Outcomes

Support establishment dev. bank to increase access to finance to viable MSMEs and small corporates				
▶ Volume of financing to viable MSMEs and small corporates facilitated by the project (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	475,000,000.00
Date	31-Dec-2019	28-Feb-2021	31-Dec-2020	30-Jun-2027
Comments:	Cumulative amount (in USD equivalent, at the time of disbursement) of all sub-loans provided by participating financial institutions (PFIs) to all subborrowers that are fully or partially funded by the project's credit line, or guaranteed by the project's partial credit guarantee (PCG) facility, or facilitated by the digital financing platform.			
□ Volume of financing to MSMEs facilitated by the project (Amount(USD), Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	425,000,000.00
▶ Average non-performing loans (NPL) ratio of the PFIs' loan portfolio financed by the Project (Percentage, Custom)				



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	10.00
Date	30-Jun-2020	28-Feb-2021	31-Dec-2021	30-Jun-2027
Comments:	NPLs are the outstanding principal of those loans overdue by at least 90 days. The NPL ratio is to be calculated as a percentage of total (gross) loans financed by the Project and be reported with reference to June and December of each calendar year. The overall ratio is a weighted average of the PFIs' gross loan portfolio financed by the Project (through the line of credit and PCG Facility).			
► Average maturity of sub-loans extended by participating financial institutions under the project (Years, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	6.00
Date	30-Jun-2020	28-Feb-2021	31-Dec-2021	30-Jun-2027
Comments:	Average contractual maturity of outstanding sub-loans (in years) at the time of reporting, weighted by the sub-loan amount.			
► DBG's return on equity (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	15.00
Date	31-Dec-2019	28-Feb-2021	31-Dec-2021	30-Jun-2027
Comments:	The Development Bank Ghana's return on equity is its net profit (after taxes) for the year divided by total average equity during the year. The average equity during the year is the sum of equity at the end of the year and equity at the beginning of the year divided by two. The indicator is measured using the most recent audited annual financial statements.			
► Risk-based supervision (RBS) approach developed and implemented by the SEC (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No RBS	No RBS	No RBS	RBS approach implemented
Date	30-Jun-2020	28-Feb-2021	31-Dec-2021	31-Dec-2026
Comments:	RBS is an approach and methodology that allows the SEC to allocate its scarce supervisory resources based on the risk of each supervised market operator.			

Intermediate Results Indicators by Components

Long-term wholesale financing and technical assistance

► Volume of DBG loans to participating financial institutions (PFIs) financed by the project (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
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Value	0.00	0.00	0.00	175,000,000.00
Date	30-Jun-2020	28-Feb-2021	31-Dec-2021	30-Jun-2027
Comments:	Cumulative amount (in USD equivalent, at the time of disbursement) of all loans provided by the DBG to participating financial institutions (PFIs) funded by the project.			
<input type="checkbox"/> Volume of DBG loans to PFIs for low-carbon and climate resilient investments financed by the Project (Amount(USD), Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	8,750,000.00
Date	30-Jun-2020	28-Feb-2021	31-Dec-2021	30-Jun-2027
<input type="checkbox"/> Volume of DBG loans to PFIs for women-owned/controlled enterprises financed by the Project (Amount(USD), Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	17,500,000.00
Date	30-Jun-2020	28-Feb-2021	31-Dec-2021	30-Jun-2027
<input type="checkbox"/> DBG's maximum non-performing loan (NPL) ratio (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	5.00
Date	30-Jun-2020	28-Feb-2021	31-Dec-2021	30-Jun-2027
Comments:	NPLs are the outstanding principal of those loans overdue by at least 90 days. The NPL ratio is to be calculated as a percentage of total (gross) loans. NPL ratio to be reported with reference to June and December of each calendar year.			

Partial credit guarantee (PCG) facility and digital financing platform				
<input type="checkbox"/> Volume of guarantees issued under the project (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	175,000,000.00
Date	31-Dec-2019	28-Feb-2021	31-Dec-2021	30-Jun-2027
Comments:	The cumulative USD amount of guarantees issued by the partial credit guarantee facility, as of the end of the reporting period.			
<input type="checkbox"/> Digital financing platform established and operational (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No platform	No platform	No platform	Platform established and operational



Date	31-Dec-2019	28-Feb-2021	31-Dec-2021	31-Dec-2023
Comments:	Digital platform for SME financing is an online platform that allows multiple participants in a market for receivables discount financing, and that can be accessed through digital channels. The platform is operational when it is "live" with registered users (SMEs, buyers, or financiers).			

Capital market development				
▶ Percentage of capital market operators that undergo inspection by the SEC during the year (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	20.00	20.00	20.00	50.00
Date	30-Jun-2020	28-Feb-2021	31-Dec-2021	30-Jun-2027
Comments:	Capital market operators are those with a valid license issued by the Securities and Exchange Commission (SEC) and active in the Ghanaian capital markets during the reference period. For the purposes of this indicator, capital market operators are the brokers-dealers, investment advisers, and fund managers.			
▶ Number of capital market professionals trained under the project (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	250.00
Date	30-Jun-2020	28-Feb-2021	31-Dec-2021	31-Dec-2026
Comments:	Cumulative number of capital market professionals that completed the continuing professional development course developed by the Ghana Investment and Securities Institute under the Project.			

Project Management, Monitoring and Evaluation				
▶ Feedback received from the beneficiary satisfaction survey addressed and used to improve project interventions (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No survey	No survey	No survey	Feedback addressed and used to improve project interventions
Date	30-Jun-2020	28-Feb-2021	31-Dec-2021	30-Jun-2027
Comments:	The citizen/stakeholders engagement will entail the completion a survey of beneficiaries (PFIs, MSMEs, capital market operators) to assess their satisfaction with the products and services (lines of credit, PCGs, training programs) and collect feedback to improve project interventions.			

Performance-Based Conditions

Data on Financial Performance

Disbursements (by loan)

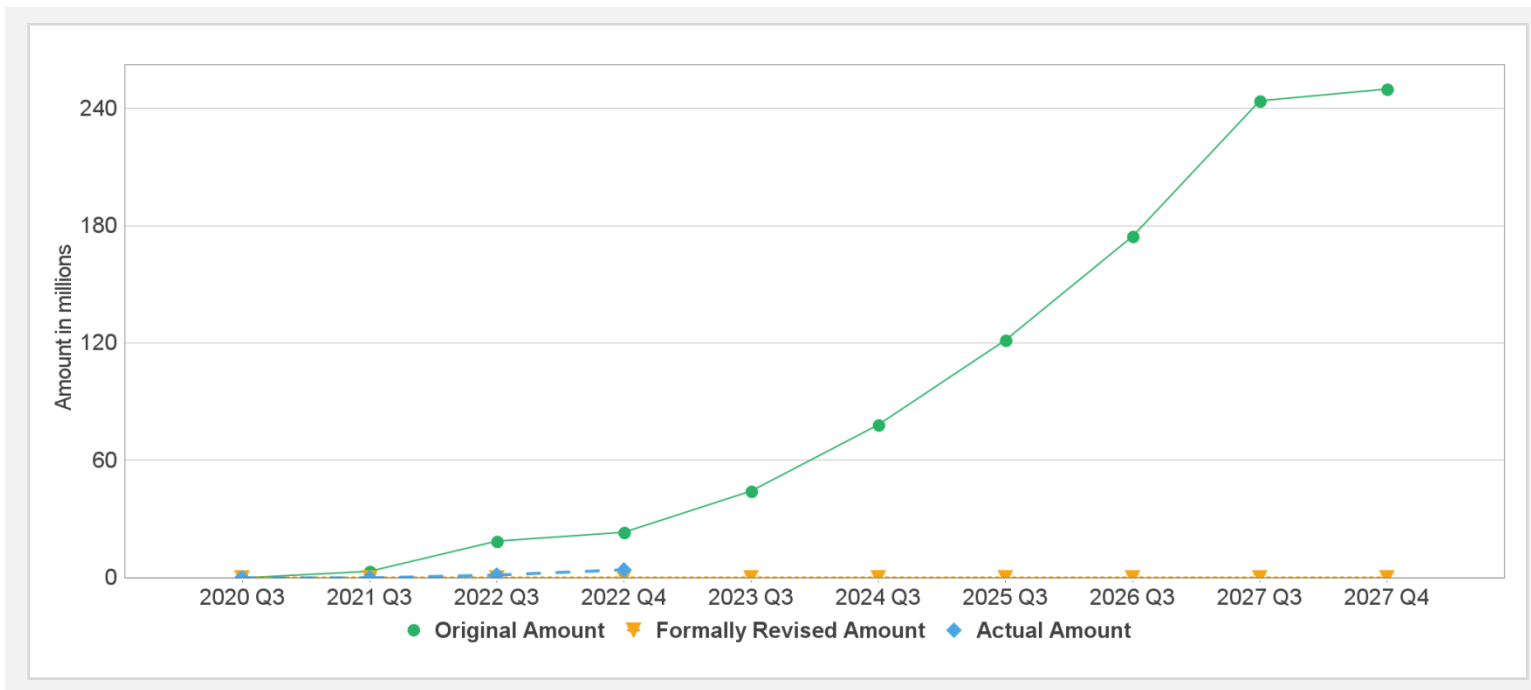


Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P169742	IDA-67880	Effective	USD	250.00	250.00	0.00	3.96	246.04	1.6%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P169742	IDA-67880	Effective	29-Oct-2020	12-Nov-2020	25-Feb-2022	30-Jun-2027	30-Jun-2027

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.