



REPORT NO.: RES52292

DOCUMENT OF THE WORLD BANK

RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING

OF

ACCESS TO LONGER TERM FINANCE FOR MICRO, SMALL AND MEDIUM ENTERPRISES PROJECT

APPROVED ON NOVEMBER 18, 2016

TO

ARGENTINE REPUBLIC

FINANCE, COMPETITIVENESS AND INNOVATION

LATIN AMERICA AND CARIBBEAN

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**I. BASIC DATA**

**Product Information**

Project ID P159515	Financing Instrument Investment Project Financing
Original EA Category Financial Intermediary Assessment (F)	Current EA Category Financial Intermediary Assessment (F)
Approval Date 18-Nov-2016	Current Closing Date 30-Jun-2022

**Organizations**

Borrower Argentine Republic	Responsible Agency Banco de Inversión y Comercio Exterior (BICE)
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**Project Development Objective (PDO)**

Original PDO

The Project Development Objectives (PDO) are to improve access to, and strengthen the framework for the provision of, longer term finance for eligible micro, small and medium enterprises.

**Summary Status of Financing (US\$, Millions)**

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
IBRD-86590	18-Nov-2016	20-Apr-2018	05-Oct-2018	30-Jun-2022	50.00	48.24	1.76

**Policy Waiver(s)**

Does this restructuring trigger the need for any policy waiver(s)?

No

**II. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES**



**Project Status:** The Project has a satisfactory progress towards achieving the Project Development Objective (PDO) and a satisfactory overall Implementation Progress. The implementing entity continues a sustained path to achieving its PDO of improving access to, and strengthen the framework for the provision of, longer term finance for eligible micro, small and medium enterprises. The three PDO indicators have already been achieved. As of June 28, 2022, US\$48.24 million has been disbursed, accounting for 96.5 percent of the total loan proceeds. Under component 1, the credit line intermediated by Banco de Inversión y Comercio Exterior (BICE) to participating financial intermediaries (PFIs) for on-lending to MSMEs disbursed 100 percent of the amount allocated with the Project funds and continues on-lending with revolving funds. As of June 28, 2022, US\$52.1 million has been on-lent to 161 subloans to MSMEs and about US\$2 million are currently in the process to be approved. Moreover, under component 2, the Project has supported the strengthening of BICE by improving its risk management systems, including credit risk, and by implementing a comprehensive training plan for its authorities and technical staff. Moreover, the Ministry for Productive Development, technical counterpart for this component, has reached key milestones in four key areas for promoting access to finance: (i) A new MSME platform has been developed and it is operative; (ii) the Data Repository (Legajo Único Económico y Financiero) has been developed and is ready to be launched; (iii) the work plan to increase the use of the Electronic Credit Invoice Regime for MSMEs has been developed and it is under implementation, and (iv) a proposal to reform the regulatory framework on Insolvency has been finalized and it is under a final review of the authorities of the Ministry of Productive Development. In addition, there is no outstanding audit report for the Project; and all the audit reports received for the project were considered satisfactory to the World Bank.

**Proposed change:** Extension of the closing date for 2 months, from June 30, 2022 to August 31, 2022. This would be the second extension of the project since the original closing date of November 30, 2021.

**Rationale:** The government authorities have requested this extension to allow BICE to complete the reception of 220 laptops that were procured under the Project; however, the delivery of these goods experienced some delays mainly due to the restrictions of the pandemic and due to the time needed to obtain the import license.

### III. DETAILED CHANGES

#### LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IBRD-86590	Effective	30-Nov-2021	30-Jun-2022	31-Aug-2022	31-Dec-2022