



Support to MSME Growth Competitiveness and Access to Finance (P164283)

AFRICA WEST | Guinea | Finance, Competitiveness and Innovation Global Practice |
IBRD/IDA | Investment Project Financing | FY 2019 | Seq No: 4 | ARCHIVED on 29-Jun-2021 | ISR47362 |

Implementing Agencies: Ministry of Industry and SMEs, Republic of Guinea

Key Dates**Key Project Dates**

Bank Approval Date: 07-Jun-2019

Effectiveness Date: 27-Jan-2020

Planned Mid Term Review Date: 27-Jun-2022

Actual Mid-Term Review Date:

Original Closing Date: 29-May-2024

Revised Closing Date: 29-May-2024

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

Support micro, small and medium enterprises access to markets and access to finance in the Conakry urban area.

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

No

Components Table

Name

Support entrepreneurship and MSME Development:(Cost \$10.00 M)

Support financial infrastructure:(Cost \$10.00 M)

Develop financial services tailored towards MSMEs:(Cost \$8.00 M)

Project Management and Monitoring:(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"/> Moderately Satisfactory
Overall Risk Rating	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate

Implementation Status and Key Decisions

The project was approved on June 7th, 2019 and signed on July 29th, 2019. It became effective on January 25th, 2020 as planned. This fourth ISR was conducted remotely due to the missions ban because of Covid-19. The discussions with main counterparts took place via VC. The project's pace is moderate, with some delays in certain activities.

Component 1:

For sub-component 1.1, related to the institutional support of the Centre d'Appui aux PME (CAPME) the following activities have been implemented successfully: (i) the recruitment of CAPME staff, i.e., the Director of Operations, a trainings expert, an SME financing expert, a private sector development expert, an agent in charge of partnerships, another one in charge of firm registration and a logistics officer; (ii) a study trip to Côte d'Ivoire's Agence PME was organized for 3 CAPME key staff, 1 PIU staff and 2 executives from the Ministry in charge of SME; (iii) an action



plan and a mechanism to support MSMEs have been developed by the CAPME team; and (iv) a firm which will provide technical assistance to CAPME is currently being recruited (technical and financial offers are expected by the end of June 2021);

- About subcomponent 1.2 on the development of the relationship between clients and MSMEs, an action plan establishing collaboration with several key actors of the private sector (BSTP, APIP, Jatropha) has been put in place. In coordination with the buyers and suppliers' marketplace (BSTP), the project trained 150 SME which will be coached next with the goal of improving their competitiveness. Similarly, 150 firms benefitted from the project's covid-19 response program which provided capacity building to SME producing masks, hand washing stations and hydroalcoholic solutions in collaboration with Jatropha, an incubator/accelerator and Fablab. A training need assessment was also completed for 300 MSMEs with recommendations on specific trainings to improve their productivity is underway. In addition, with regard to strengthening enterprises' competitiveness, the implementation of a labeling program for 100 BSTP member SMEs is also underway (this program will enhance their managerial, technical, financial and operational capacities and facilitate their access to business opportunities). Also, given BSTP's central role in promoting local content and market access for local SMEs, the PRECOP is help strengthen its so the platform can offer quality services to SMEs and enhance its mission.

- About subcomponent 1.3 related to support for entrepreneurship and ecosystem providers, the following activities have been implemented: (i) the needs' analysis of ecosystem providers has been completed; (ii) the independent audit structure for the business plan (BPC) and innovation competitions process, and the result based support to business development service providers has been recruited and has produced a procedures manual to guide the organization of these competitions; (iii) workshops have been held to introduce the Project to all stakeholders; (iv) the recruitment of a firm to implement the BPC and innovation competitions has been finalized, the inception report is awaited and (v) the recruitment of a firm to support entrepreneurship and ecosystem provider activities is underway.

Recommendations : To achieve its development objectives, the mission recommends the following actions: - Launch the activities of the SME support center (CAPME) as soon as possible (by July 2021) and accelerate the implementation of CAPME's activities.; - Clarify the institutional framework for the creation of CAPME and define a governance framework and funding mechanism (including the preparation of a business plan) which will ensure its sustainability. It is recommended that the decree establishing the center is signed before the next supervision mission to clarify its mission and improve the Ministry's appropriation of its activities. Finally improving the communication between the Center's personnel and the Ministry is critical.

Component 2:

- Under Component 2.1, the procurement process for the digital interoperability platform (national switch)-which will enable the creation of an interoperable, interbank payments network of interconnected points of sale, including ATMs and mobile devices-is close to being finalized. Despite the recruitment of an expert to provide technical support to the BCRG project team for capacity building, there have been some substantial delays in the screening of technical and financial bids, the selection and the adoption of the provider selection minutes. After more than 9 months of procedures, the selection resulted in the choice of a provider and a field visit was organized to Ethswitch in Ethiopia. The selection report is awaiting non-objection from the World Bank. In addition, a procedure is underway to recruit a firm in charge of supporting the contractualization and implementation of the platform;

- Under component 2.2, which concerns the digitization of microfinance activities, with the acquisition of a mutualized Management Information System (MIS), which will allow the eligible microfinance institutions (MFIs) to share their databases and eventually connect to the SWITCH, in order to digitize their operations, the recruitment of a firm to carry out a study of the MFIs needs in terms of information systems has been finalized (after a first unsuccessful call for tenders right in the middle of the COVID crisis). A workshop bringing together all the participants in the microfinance sector was held in May 2021; the analysis report is expected to be delivered by the beginning of July 2021;

- As part of component 2.3 concerning the strengthening of the Credit Registry (SIC, Système d'Information de Crédit) and the support to the BCRG for the creation of a private credit bureau, technical assistance for upgrading of the SIC, housed at the BCRG, which provides information to financial institutions when granting new loans, has been active since January 2020. The previous mission had identified new needs related to technical and equipment upgrades (acquisition of software to update the database), which will be part of the activities added as part of the project's Level 2 restructuring in line with the Government letter request dated of February 21, 2021. Following the analysis of these deficiencies and the subsequent recommendations report prepared by the BCRG (reviewed by the World Bank), a proposal for upgrading the SIC was requested from the contractor, the Tunisian company BFI. The BCRG reviewed this proposal and was able to obtain a substantial price reduction as well as the inclusion of most of the improvements indicated in the report. BCRG and PRECOP have been working on the approval of this proposal, and a first technical meeting between BFI / BCRG / WBG is being organized at the end of June 2021 to decide on the roadmap and action plan of the redesign. Regarding the support to BCRG for the set-up of a private credit bureau, the initial proposal from CreditInfo (CI) to host the BIC system/database in CI's hub in Prague was rejected by BCRG, which prefers to have the data hosted in Africa. CI has reworked its business plan and investment assumptions to find an alternative that meets BCRG's request. As a result, in June 2021, BCRG and CI agreed that the system would be hosted at CI's facility in Casablanca, Morocco. CI is in the process of creating a Guinean legal entity for the BIC, and preparing the documentation required by the statutes to obtain the BCRG's credit bureau license.

- Under Component 2.4 on the establishment of an electronic collateral registry, the Project is working closely with the U.S. Treasury, which is providing technical assistance to the BCRG on the design of the registry as part of its alignment with OHADA. The U.S. Treasury's (OTA) technical assistance includes a review of the legal framework and presentation of options for the implementation of an electronic registry of security interests, as envisioned by the Project. In discussions with OTA and BCRG, it was concluded that these activities would be reviewed as part of the Project's Level 2 restructuring.

Recommendations: In order for the Project to be able to achieve its development objectives, the mission recommends the following measures: - After the World Bank's approval of the selection report, prepare and sign the contract with the SWITCH contractor as soon as possible; - After the study on the MFIs' MIS needs has been completed, prepare the technical specifications of the new MIS quickly in order to launch the procurement process as soon as possible; - As soon as the Level 2 restructuring of the Project is finalized (restructuring package to be submitted by end of June/early July 2021), kickstart the launch of the procurement process to upgrade the SIC as the technical specifications have already been



prepared; - Organize better coordination of work between the World Bank and OTA to launch the design of technical specifications of the electronic collateral registry as soon as possible.
Component 3 activities have not started and are being restructured.

Risks

Systematic Operations Risk-rating Tool

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

Results

PDO Indicators by Objectives / Outcomes

Support entrepreneurship and MSME growth				
▶ Number of sales contracts won by MSMEs supported by the project (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	63.00	150.00
Date	31-Dec-2019	09-Mar-2020	31-May-2021	31-May-2024
Comments:	Number of SMEs that receives a capacity building programs funded by the project and were as a result being able to secure sales contracts from a large companies			



▶ Number of start-up or innovative MSMEs successfully supported (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	150.00
Date	31-Dec-2019	09-Mar-2020	31-May-2021	31-May-2024
Comments:	Digital entrepreneurship projects supported by the project			

Strengthen financial infrastructure				
▶ Monthly volume of transactions processed by the National Switch (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	10,000,000.00
Date	31-Dec-2019	09-Mar-2020	31-May-2021	31-May-2024
Comments:	Monthly volume of transactions processed by the National Switch			
▶ Credit registry coverage (% population) (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.03	2.00	3.16	5.00
Date	31-Dec-2019	09-Mar-2020	31-May-2021	31-May-2024
Comments:	Credit registry coverage measured as a % of individuals and firms listed in a credit registry with information on their borrowing history from the past 5 years			

Increase financial services for MSMEs				
▶ Loans provided to MSMEs by financial institutions participating in the RSF (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	350.00
Date	31-Dec-2019	30-Aug-2019	31-May-2021	31-May-2024
Comments:	Number of MSME loans provided by the participating financial institutions of the RSF			

Intermediate Results Indicators by Components

Support Entrepreneurship and MSME Development



► Large domestic and foreign companies signed up for MSME linkage program (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	6.00	50.00
Date	31-Dec-2019	09-Mar-2020	31-May-2021	31-May-2024
Comments:	Large multinationals or domestic companies that sign an MOU with the project to participate in a linkage programs supported by the project			
► Entrepreneurship ecosystem providers to be strengthened (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	13.00	10.00
Date	30-Dec-2019	09-Mar-2020	31-May-2021	31-May-2024
Comments:	Strategic partners who are enablers across the entrepreneurship ecosystem			
► Number of grass root events, workshops, and strategic engagements with civil society representatives for broad-based consultations on the implementation and impact of MSME programs (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	7.00	20.00
Date	31-Dec-2019	09-Mar-2020	31-May-2021	31-May-2024
Comments:	Number of grass root events, workshops, and strategic engagements with civil society representatives for broad-based consultations on the implementation and impact of SME programs			

Support payment infrastructure and access to finance				
► National switch fully operational (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	31-Dec-2019	09-Mar-2020	31-May-2021	31-May-2024
Comments:	A switch will platform will be designed and implemented to facilitate and increase digital payments			
► MFIs digitally transformed (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	25.00
Date	31-Dec-2019	09-Mar-2020	31-May-2021	31-May-2024
Comments:	Number of MFIs digitally transformed			



► Number of inquiries received by SIC on a monthly basis (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	1,786.00	20,000.00
Date	31-Dec-2019	09-Mar-2020	31-May-2021	31-May-2024
Comments:	Number of inquiries received by SIC on a monthly basis			
► A collateral registry established and operational (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	31-Dec-2019	09-Mar-2020	31-May-2021	31-May-2024
Comments:	The collateral will electronically register movable collaterals and allow on-line consultations			
► Risk Sharing Facility is created and operational (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	31-Dec-2019	09-Mar-2020	31-May-2021	31-May-2024
Comments:	IFC supported Risk Sharing Facility			

Performance-Based Conditions

Data on Financial Performance

Disbursements (by loan)

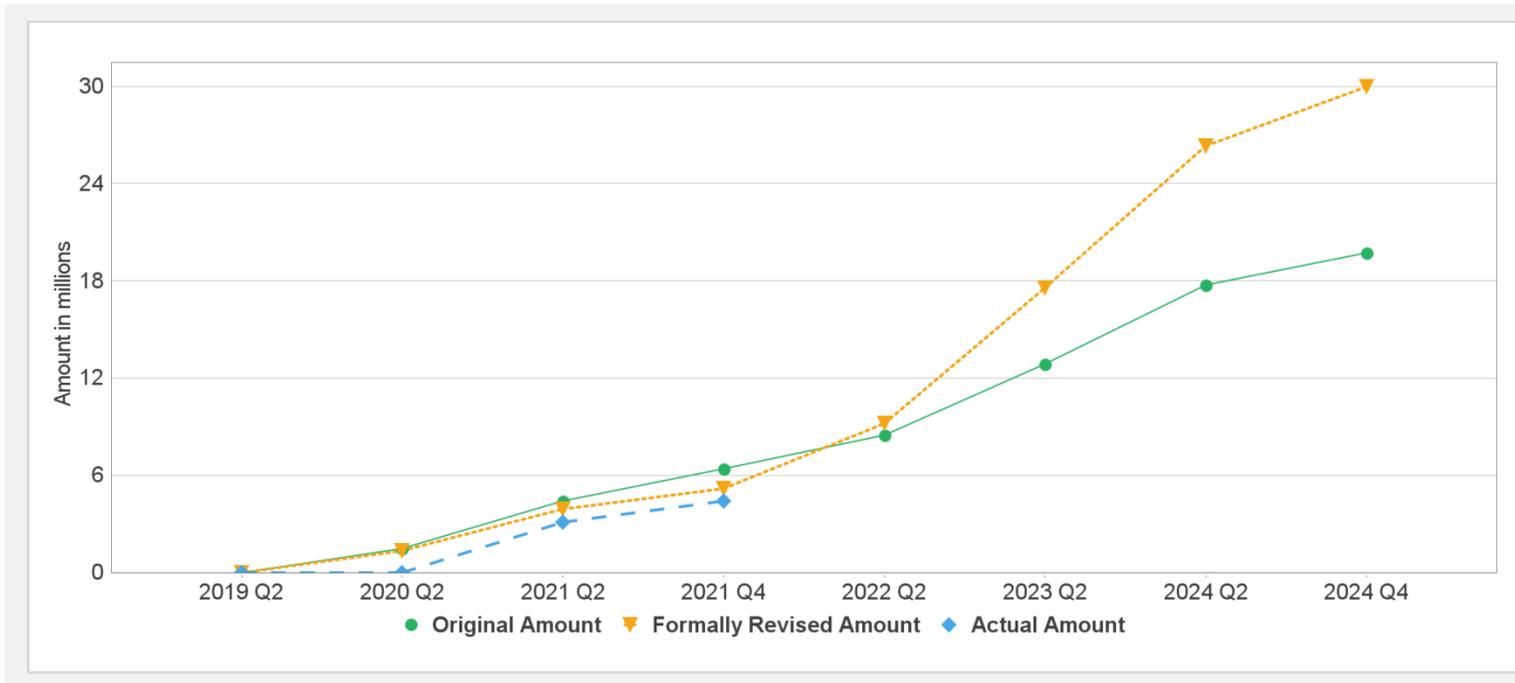
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P164283	IDA-64690	Effective	USD	15.00	15.00	0.00	2.27	12.73	15%
P164283	IDA-D5070	Effective	USD	15.00	15.00	0.00	2.15	13.38	14%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P164283	IDA-64690	Effective	07-Jun-2019	29-Jul-2019	27-Jan-2020	29-May-2024	29-May-2024
P164283	IDA-D5070	Effective	07-Jun-2019	29-Jul-2019	27-Jan-2020	29-May-2024	29-May-2024



Cumulative Disbursements



PBC Disbursement

PBC ID	PBC Type	Description	Coc	PBC Amount	Achievement Status	Disbursed amount in Coc	Disbursement % for PBC
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Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.