



## PNG - Small and Medium Enterprise Access to Finance Project (P120707)

EAST ASIA AND PACIFIC | Papua New Guinea | Finance, Competitiveness and Innovation Global Practice | IBRD/IDA | Investment Project Financing | FY 2011 | Seq No: 15 | ARCHIVED on 22-Jun-2019 | ISR37615 |

Implementing Agencies: Department of Commerce and Industry, Independent State of Papua New Guinea, Bank of Papua New Guinea

### Key Dates

#### Key Project Dates

Bank Approval Date: 03-May-2011

Effectiveness Date: 15-Sep-2011

Planned Mid Term Review Date: 28-Feb-2014

Actual Mid-Term Review Date: 28-Oct-2013

Original Closing Date: 31-Dec-2024

Revised Closing Date: 31-Dec-2024

### Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The proposed development objective of this project is to facilitate access to sustainable credit for small and medium enterprises and thus contribute to incremental growth of SME employment and income.

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

No

### Components

Name

Risk Share Facility:(Cost \$11.90 M)

Performance-based TA to participating financial intermediaries:(Cost \$2.95 M)

TA to enhance SME Capacity:(Cost \$5.03 M)

TA to the Department of Commerce and Industry:(Cost \$6.62 M)

### Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Moderately Unsatisfactory	● Moderately Unsatisfactory
Overall Implementation Progress (IP)	● Moderately Satisfactory	● Moderately Unsatisfactory
Overall Risk Rating	● Substantial	● Substantial

### Implementation Status and Key Decisions

The Project became effective on September 15, 2011. All conditions for withdrawal of IDA credit were met for all categories specified in the Financing Agreement as of March 12, 2012 with IDA issuing confirmation letters to the GoPNG. GoPNG and IDA agreed to cancel the 2nd RSF and replace it with a new financing program for SMEs and strengthening a sustainable ecosystem for SME Finance in PNG. A request for restructuring of the project was received from the government on 13-May-2019. The details of the restructuring is being worked out and it is envisaged that this restructuring will be completed by the end of the calendar year.

## Risks

### Systematic Operations Risk-rating Tool

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

## Results

### PDO Indicators by Objectives / Outcomes

Facilitate access to sustainable credit for SMEs				
▶ Increase flow of credit to SMEs (in PNG Kina million) (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	114.60	114.60	250.00
Date	01-Aug-2011	12-Dec-2018	10-Jun-2019	31-Dec-2024
Comments:	The BSP reported amount has been in PGK million. Exchange rate: 1 USD = PGK 3.2 Total accumulative committed amount under the RSF reached PGK 114.6 million as of Sept 2017 (at closing of RSF). 2012 Total committed under RSF: PGK 7.7 million			
▲ Loans to business owned by women only and women as principal partners (Number of loans) (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	1.00	262.00	262.00	100.00
▲Loans to business owned by women only and women as principal partner (in PGK million) (Amount(USD), Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	25.00	25.00	15.00
▶Increase numbers of formal sector SMEs (incl. women managed) (Number (Thousand), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	45.00	50.00	50.00	54.00
Date	01-Jan-2013	12-Dec-2018	10-Jun-2019	31-Dec-2024
Comments:	IPA data doesn't provide SME registration directly. Estimate based on SME definition by DCI. IPA data as of Dec 2017. To be further verified during final beneficiary survey			
▶incremental employment generated by SMEs participating in RSF (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	500.00	2,149.00	2,149.00	600.00
Date	28-Sep-2012	12-Dec-2018	10-Jun-2019	31-Dec-2024
▶Incremental SME revenue generated by SMEs participating in RSF (in PGK) (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	5.00	5.00	5.00	25.00
Date	28-Sep-2012	12-Dec-2018	10-Jun-2019	31-Dec-2024
Comments:	No data available from BSP reports. To collect during beneficiary survey planned for Jan - May 2019			

### Intermediate Results Indicators by Components

Risk Share Facility				
▶Return on assets (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.50	2.00	2.00	1.50
Date	31-Aug-2011	12-Dec-2018	10-Jun-2019	31-Dec-2024
Comments:	Source: BSP Annual Reports			



Performance-based TA to participating financial intermediaries				
<b>►New SME strategy and product developed (Text, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not developed	No	No	New SME Strategy & product developed
Date	11-Dec-2018	12-Dec-2018	10-Jun-2019	31-Dec-2024
<b>►Automated loan origination platform developed (Text, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not developed	Not developed	Not developed	Automated loan origination platform developed
Date	11-Dec-2018	12-Dec-2018	10-Jun-2019	31-Dec-2024
<b>►Environmental and Social Management Framework established (Text, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not established	Not established	Not established	Environmental and Social Management Framework established
Date	11-Dec-2018	12-Dec-2018	10-Jun-2019	31-Dec-2024

TA to enhance SME Capacity				
<b>►Improved SME managerial and financial skills - # trained (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	774.00	774.00	640.00
Date	31-Aug-2011	12-Dec-2018	10-Jun-2019	31-Dec-2024
Comments:	Completed and met the targets			
<b>▲Numbers of women in SMEs trained (Number, Custom Supplement)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	391.00	391.00	300.00
<b>▲% trainees obtaining the loans (Percentage, Custom Supplement)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	20.00	20.00	60.00

TA to the Department of Commerce and Industry



► Improved GoPNG capacity to support SME sector (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Baseline survey	2nd SME Survey, project beneficiary survey, and review of RSF and other SME finance options commissioned	2nd SME Survey, project beneficiary survey, and review of RSF and other SME finance options commissioned	Final Survey and M&E Reports
Date	28-Feb-2014	12-Dec-2018	10-Jun-2019	31-Dec-2024
Comments:	2nd Baseline Survey is to be completed by Aug 2019			
▲ Training of provincial DCI officials (Text, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	36.00	36.00	40.00

### Data on Financial Performance

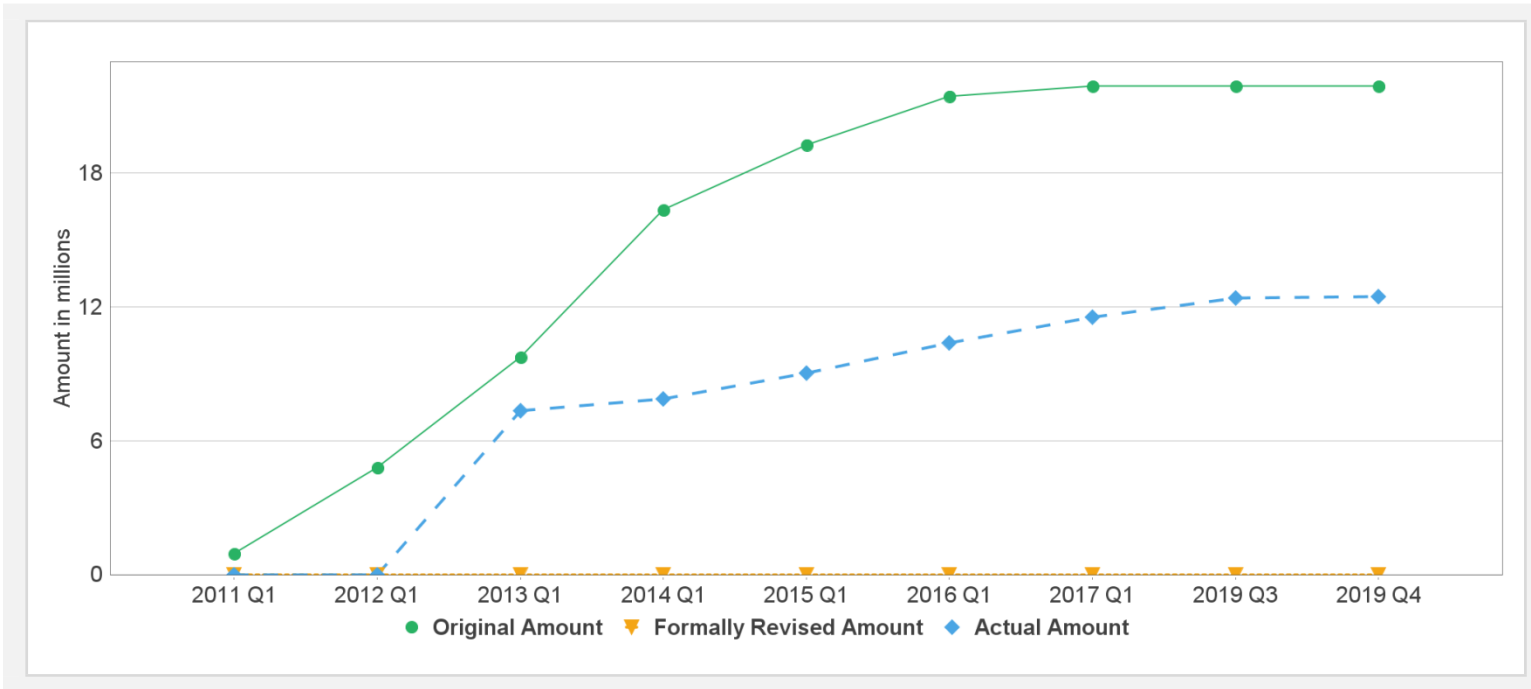
#### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P120707	IDA-49280	Effective	USD	21.91	21.91	0.00	12.45	7.73	62%

#### Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P120707	IDA-49280	Effective	03-May-2011	14-Jun-2011	15-Sep-2011	31-Dec-2024	31-Dec-2024

#### Cumulative Disbursements



### Restructuring History

There has been no restructuring to date.

### Related Project(s)

There are no related projects.