

**Implementation Status & Results
Georgia
Rural Development Project (P078544)**

Operation Name: Rural Development Project (P078544)	Project Stage: Implementation	Seq.No: 12	Status: ARCHIVED	Last Modified Date: 16-Jun-2011
Country: Georgia	Approval FY: 2005			
Product Line: IBRD/IDA	Region: EUROPE AND CENTRAL ASIA	Lending Instrument: Specific Investment Loan		
Implementing Agency(ies): Ministry of Agriculture, ADPCC				

Key Dates

Board Approval Date	17-May-2005	Original Closing Date	30-Jun-2010	Planned Mid Term Review Date	Last Archived ISR Date	28-Apr-2011
Effectiveness Date	26-Oct-2005	Revised Closing Date	30-Jun-2011	Actual Mid Term Review Date		

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The revised objective is to improve agricultural production and access to markets for Georgia's small and medium-scale farmers and rural enterprises supported by the project, through: (i) increasing the competitiveness of selected supply chains; (ii) strengthening the delivery of rural financial services and of the financial intermediaries; and (iii) modernizing key institutions for food safety and property registration with direct impact for increasing competitiveness of Georgia's agriculture.

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

Yes No

Component(s)

Component Name	Component Cost
Component I: Agricultural Supply Chain Development	4.00
Component II. Rural Finance Servcies	15.80
Component III. Institutional Modernization	3.20
Component IV. Project Management	1.50

Overall Ratings

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

Implementation Status Overview

The project has been restructured to relax the constraints to microfinance (MFI) lending which limited the credits for MFIs to a maximum 50% of their net equity and to a maximum US \$ 2 million per MFI, and to reallocate all remaining undisbursed uncommitted IDA amounts towards microfinance. As a result, at the end of the project all IDA credit funds will be fully

disbursed, with the majority of them (approx. 84%) disbursed towards rural finance credit lines for banks and microfinance. As of mid June, 2011, the project has disbursed 97% of the IDA credit, 88% of the IFAD loan, 98% of the IFAD grant and 38% of the PHRD grant. While the IDA credit and the PHRD grant will close on June 30, 2011, the IFAD loan and IFAD grant will continue to operate until April 30, 2012.

Results

Project Development Objective Indicators

Indicator	Baseline	Current	End Target
<p>Indicator Name Improved incomes for farmers and enterprises from activities supported under the project.</p> <p>Type Unit of Measure Custom Indicator Text</p>	<p>Value 0</p> <p>Date 31-Oct-2005</p> <p>Comment</p>	<p>Value +28.3%</p> <p>Date 15-Jun-2011</p> <p>Comment The data was collected through surveying the MFI grantees and the enterprises supported through the credit line to banks.</p>	<p>Value +10%</p> <p>Date 30-Jun-2011</p> <p>Comment</p>
<p>Indicator Name Improved access to agricultural rural finance.</p> <p>Type Unit of Measure Custom Indicator Text</p>	<p>Value 28% of rural households with access to financial services</p> <p>Date 31-Oct-2005</p> <p>Comment</p>	<p>Value 41.4%</p> <p>Date 15-Jun-2011</p> <p>Comment Additionally, during the project life the number of agro-borrowers increased 3.4 times, while the increase of total number of borrowers was 2.1 times. The share of agro-borrowers before project was 34%, and now this share is 55%. Also, the share of agro-portfolio in total portfolio before project was 30%, now this share is 47%.</p>	<p>Value 35%</p> <p>Date 30-Jun-2011</p> <p>Comment</p>

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Indicator		Baseline	Current	End Target
Indicator Name Improved capacity of the food safety and property registration institutions		Value No systems in place	Value The objective of improving the institutional capacity for property registration through NAPR has been fully achieved. While the project outputs for improving the institutional capacity of food safety have been delivered, some of the investments were not yet operational at the time of the final mission.	Value Central and local capacity developed
Date 31-Oct-2005		Date 31-Oct-2005	Date 15-Jun-2011	Date 30-Jun-2011
Type Custom Indicator	Unit of Measure Text	Comment	Comment	Comment

Intermediate Results Indicators

Indicator		Baseline	Current	End Target
Indicator Name Number of supply chains supported.		Value Zero	Value Three: wine, citrus and hazelnut	Value Five
Date 31-Oct-2005		Date 31-Oct-2005	Date 15-Jun-2011	Date 30-Jun-2011
Type Custom Indicator	Unit of Measure Text	Comment	Comment This indicator will not be fully achieved because the Competitive Grant Program Guidelines were not approved by the MOA.	Comment

Indicator		Baseline	Current	End Target
Indicator Name Volume of Bank Support: Lines of Credit - Microfinance		Value	Value 7500000.00	Value 7000000.00
Date		Date	Date 15-Jun-2011	Date 30-Jun-2011
Type Core Indicator	Unit of Measure Amount(USD)	Comment	Comment	Comment

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Indicator	Baseline	Current	End Target
Indicator Name Volume of Bank Support: Lines of Credit - SME	Value Date	Value Date	Value Date
Type Core Indicator	Unit of Measure Amount(USD)	Comment The financial crisis hit the banking sector, and the banks were no longer eligible to draw funds under the credit line. Bank lines of credit were therefore reallocated to microfinance lines of credit.	Comment 30-Jun-2011
Indicator Name Volume of Bank Support: Institutional Development - Microfinance	Value Date	Value Date	Value Date
Type Core Indicator	Unit of Measure Amount(USD)	Comment	Comment
Indicator Name Volume of Bank Support: Institutional Development - SME	Value Date	Value Date	Value Date
Type Core Indicator	Unit of Measure Amount(USD)	Comment	Comment
Indicator Name Outstanding Microfinance Loan Portfolio	Value Date	Value Date	Value Date
Type Core Indicator	Unit of Measure Amount(USD)	Comment	Comment

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Indicator	Baseline	Current	End Target
Indicator Name	Value	Value	Value
Outstanding SME Loan Portfolio		5700000.00	5700000.00
	Date	Date	Date
		31-Mar-2011	30-Jun-2011
Type	Unit of Measure	Comment	Comment
Core Indicator	Amount(USD)		
Indicator	Baseline	Current	End Target
Indicator Name	Value	Value	Value
No of active loan accounts -Microfinance		6000.00	4300.00
	Date	Date	Date
		31-Mar-2011	30-Jun-2011
Type	Unit of Measure	Comment	Comment
Core Indicator	Number		
Indicator	Baseline	Current	End Target
Indicator Name	Value	Value	Value
% active loans to women - Microfinance		50.00	50.00
	Date	Date	Date
		31-Mar-2011	30-Jun-2011
Type	Unit of Measure	Comment	Comment
Core Indicator	Percentage		
Indicator	Baseline	Current	End Target
Indicator Name	Value	Value	Value
Number of farmers / farmer groups supported in the supply chain through T&D and grants	0.00	43.00	35.00
	Date	Date	Date
	30-Oct-2005	31-Mar-2011	30-Jun-2011
Type	Unit of Measure	Comment	Comment
Custom Indicator	Number	1. Hazelnuts T&D project, 17 Direct Beneficiaries and 515 indirect beneficiaries, of which 70% Women and 30% Men 2. Citrus T&D Project, 26 Direct Beneficiaries and 89 indirect beneficiaries, of which 80% Women, 20% Men	

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Indicator		Baseline	Current	End Target
Indicator Name		Value	Value	Value
Total rural investments generated by the project through the banks.		0.00	22000000.00	22000000.00
		Date	Date	Date
		30-Oct-2005	31-Mar-2011	30-Jun-2011
Type	Unit of Measure	Comment	Comment	Comment
Custom Indicator	Number			
Indicator		Baseline	Current	End Target
Indicator Name		Value	Value	Value
NUmber of jobs created through PFIs lending with project funds.		0.00	205.00	50.00
		Date	Date	Date
			31-Mar-2011	30-Jun-2011
Type	Unit of Measure	Comment	Comment	Comment
Custom Indicator	Number			
Indicator		Baseline	Current	End Target
Indicator Name		Value	Value	Value
Well functioning and effective labs and regional centers for food safety		Non-existent	The laboratory was rehabilitated and equipped, and ten regional NS centers were constructed. However, they were not yet operational at the time of the last mission.	Upgraded
		Date	Date	Date
		30-Oct-2005	31-Mar-2011	30-Jun-2011
Type	Unit of Measure	Comment	Comment	Comment
Custom Indicator	Text			
Indicator		Baseline	Current	End Target
Indicator Name		Value	Value	Value
Establishment of the network of NAPR regional centers		Non-existent	A number of 68 NAPR territorial offices were established.	Completed
		Date	Date	Date
		30-Oct-2005	31-Mar-2011	30-Jun-2011
Type	Unit of Measure	Comment	Comment	Comment
Custom Indicator	Text			

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Indicator		Baseline	Current	End Target
Indicator Name Development of the CORS for NAPR		Value Non-existent	Value The CORS system has been installed and is fully operational, and staff is trained in its use.	Value Completed
Type Custom Indicator		Date 30-Oct-2005	Date 31-Mar-2011	Date 30-Jun-2011
Unit of Measure Text		Comment	Comment	Comment

Data on Financial Performance (as of 24-May-2011)

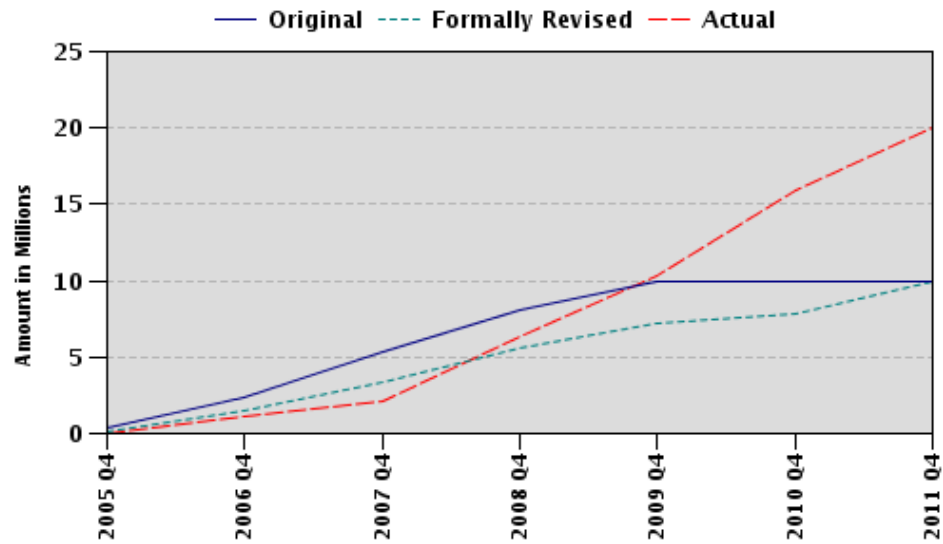
Financial Agreement(s) Key Dates

Project	Loan No.	Status	Approval Date	Signing Date	Effectiveness Date	Closing Date
P078544	COFN-04600	Effective	29-Jun-2005	29-Jun-2005	22-May-2006	30-Jun-2012
P078544	COFN-04610	Effective	29-Jun-2005	29-Jun-2005	22-May-2006	30-Jun-2012
P078544	IDA-40620	Effective	17-May-2005	28-May-2005	26-Oct-2005	30-Jun-2011
P078544	TF-54362	Effective	28-May-2005	28-May-2005	28-May-2005	30-Jun-2011

Disbursements (in Millions)

Project	Loan No.	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P078544	COFN-04600	Effective	USD	8.88	8.88	0.00	7.82	1.60	88.00
P078544	COFN-04610	Effective	USD	0.81	0.81	0.00	0.79	0.07	98.00
P078544	IDA-40620	Effective	USD	10.00	10.00	0.00	9.74	0.55	97.00
P078544	TF-54362	Effective	USD	4.50	4.50	0.00	1.71	2.79	38.00

Disbursement Graph



Key Decisions Regarding Implementation

There are no remaining management decisions to be made until project closure.

Restructuring History

Board Approved on 09-Jul-2009, Board Approved on 10-Jul-2009, Level two Approved on 29-Mar-2011, Level two Approved on 28-Apr-2011

Related Projects