

**MSME Growth Innovation and Inclusive Finance Project (P151544)**

SOUTH ASIA | India | Finance & Markets Global Practice |
IBRD/IDA | Investment Project Financing | FY 2015 | Seq No: 5 | ARCHIVED on 21-Sep-2016 | ISR24878 |

Implementing Agencies: Small Industries Development Bank of India

Key Dates**Key Project Dates**

Bank Approval Date:24-Feb-2015

Effectiveness Date:26-Jun-2015

Planned Mid Term Review Date:15-Dec-2017

Actual Mid-Term Review Date:--

Original Closing Date:31-Mar-2020

Revised Closing Date:31-Mar-2020

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The project development objective is to improve access to finance of MSMEs in manufacturing and service sectors from early to growth stage, including through innovative financial products.

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

No

Components

Name

Spurring Early Stage and Risk Capital Finance:(Cost \$165.00 M)

Supporting Service Sector Financing Models:(Cost \$220.00 M)

Supporting Finance to Manufacturing Sector:(Cost \$165.00 M)

Overall Ratings

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



Implementation Status and Key Decisions

The MSME Growth Innovation and Inclusive Finance project loan is effective since June 2015. The project development objective is to improve access to finance of MSMEs in manufacturing and service sectors from early to growth stage, including through innovative financial products. Key outcome indicators of the project include (a) Outstanding MSME loan portfolio in risk capital financing including startups; (b) Outstanding MSME loan portfolio in the service sector; (c) Outstanding MSME loan portfolio in the manufacturing sector; (d) Turnover of startups supported through the project; and (e) Total number of MSMEs beneficiaries. Progress in results indicators is mixed with a slowdown in the focus on innovative financing and a request for reallocation of project funds between project components, which confirms a moderately satisfactory progress towards the development objectives. The next implementation support mission will review implementation progress, component-wise progress and progress toward achievement of the development objectives.



Risks

Systematic Operations Risk-rating Tool

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



Results

Project Development Objective Indicators

► Outstanding MSME loan portfolio in risk capital financing including startups (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	136.00	123.70	134.29	300.00
Date	31-Mar-2014	31-Jan-2016	30-Jun-2016	31-Mar-2020

Comments

Amounts in million USD at prevailing exchange rate at the time of calculation (USD 1= INR 67.152)

► Turnover of startups supported through the project (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	16.10	26.50	100.00
Date	31-Mar-2014	31-Jan-2016	30-Jun-2016	31-Mar-2020

Comments

Amounts in million USD

► Outstanding MSME loan portfolio in the manufacturing sector (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	497.00	397.14	653.85	1283.00
Date	31-Mar-2014	31-Jan-2016	30-Jun-2016	31-Mar-2020

Comments

Amounts in million USD at prevailing exchange rate at the time of calculation (USD 1= INR 67.152)



► Outstanding MSME loan portfolio in the service sector (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	346.00	--	302.46	945.00
Date	31-Mar-2014	--	30-Jun-2016	31-Mar-2020

Comments

Amounts in million USD at prevailing exchange rate at the time of calculation (USD 1= INR 67.152)

► Total number of MSMEs beneficiaries under the credit line (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	387.00	1650.00
Date	31-Mar-2014	31-Mar-2014	30-Jun-2016	31-Mar-2020

Comments

Numbers have been updated based on review of some cases under retroactive financing

Overall Comments

Intermediate Results Indicators

► Number of MSMEs extended risk capital under the credit line (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	67.00	330.00
Date	31-Mar-2014	--	30-Jun-2016	31-Mar-2020

Comments

Numbers have been updated based on review of some cases under retroactive financing



► Average time for processing credit for startups (Months, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	6.00	--	2.89	1.00
Date	31-Mar-2014	--	30-Jun-2016	31-Mar-2020

► Volume of loans extended to MSMEs using innovative methods including franchising finance under the credit line (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	60.00
Date	31-Mar-2014	31-Jan-2016	30-Jun-2016	31-Mar-2020

► Non-performing loans (NPLs) of PFIs' MSME portfolio (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	TBD	--	TBD	Less than 8%
Date	31-Mar-2014	31-Mar-2015	30-Jun-2016	31-Mar-2020

► Total number PFIs supported under the credit line (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	8.00
Date	31-Mar-2014	31-Jan-2016	30-Jun-2016	31-Mar-2020



► Number of service sector MSMEs reached under the credit line (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	73.00	75.00	480.00
Date	31-Mar-2014	31-Jan-2016	30-Jun-2016	31-Mar-2020

Comments

Numbers have been updated based on review of some cases under retroactive financing

► Strengthened credit appraisal methods for service sector loans (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Sufficient	--	Sufficient	Strong
Date	31-Mar-2014	31-Jan-2016	30-Jun-2016	31-Mar-2020

► Number of new schemes introduced and dedicated for women-owned / managed MSMEs (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	2.00
Date	31-Mar-2014	31-Jan-2016	30-Jun-2016	31-Mar-2020

► Number of MSMEs benefitting from loan extension services under the credit line (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	150.00
Date	31-Mar-2014	31-Jan-2016	30-Jun-2016	31-Mar-2020



► Number of new schemes/products introduced and piloted for the manufacturing sector (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1.00	2.00	4.00
Date	31-Mar-2014	31-Jan-2016	30-Jun-2016	31-Mar-2020

► Number of women-owned / managed MSME beneficiaries under the credit line (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	65.00	202.00	400.00
Date	31-Mar-2014	31-Jan-2016	30-Jun-2016	31-Mar-2020

Comments
To be updated

► Number of SIDBI and PFI officials trained (cumulative and by gender) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	250.00
Date	31-Mar-2014	31-Jan-2016	30-Jun-2016	31-Mar-2020

► Number of MSMEs (other than early stage) in Low Income States benefitting from the line of credit (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	68.00	175.00	400.00
Date	31-Mar-2014	31-Jan-2016	30-Jun-2016	31-Mar-2020



► Improved collaboration for information sharing with external partners (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Sufficient	--	Sufficient	Strong
Date	31-Mar-2014	31-Jan-2016	30-Jun-2016	31-Mar-2020

► Volume of Bank Support: Lines of Credit - SME (Amount(USD), Core)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	100.00	187.38	500.00
Date	31-Mar-2014	31-Jan-2016	30-Jun-2016	31-Mar-2020

Comments

Amounts in million USD

Overall Comments

Data on Financial Performance

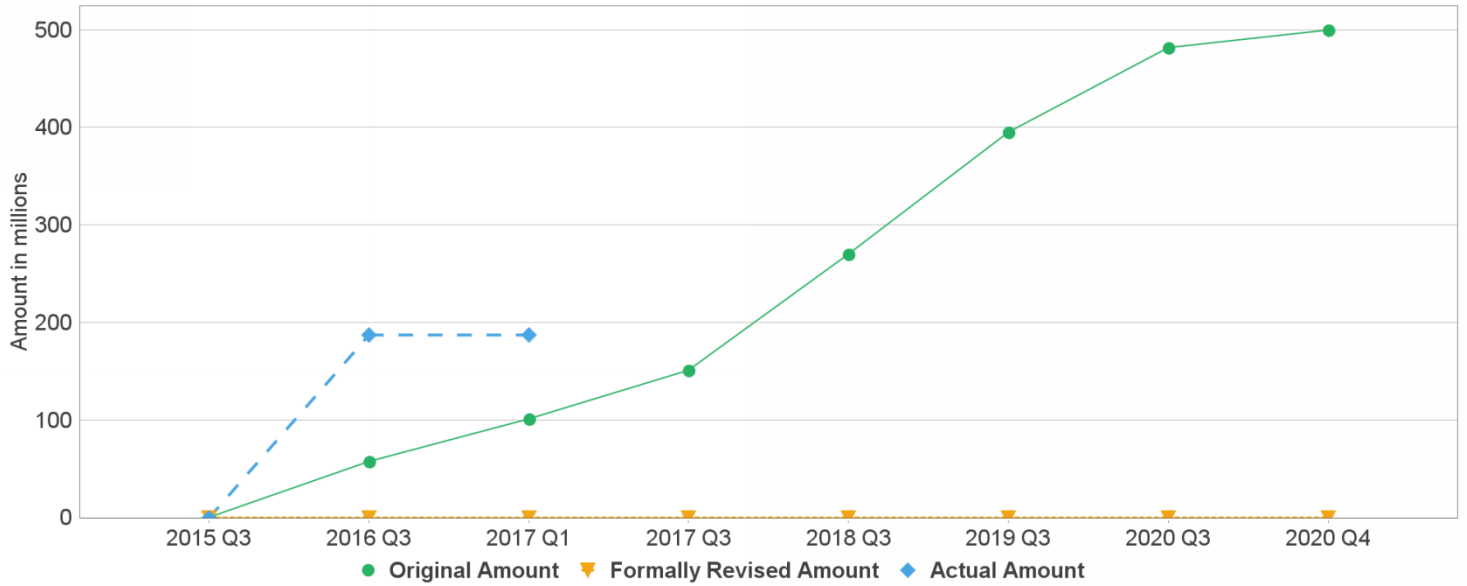
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P151544	IBRD-84710	Effective	USD	500.00	500.00	0.00	188.63	311.37	38%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P151544	IBRD-84710	Effective	24-Feb-2015	31-Mar-2015	26-Jun-2015	31-Mar-2020	31-Mar-2020

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.