Implementation Status & Results
Madagascar
ACGF - Madagascar Financial Services Project (P109607)

Operation Name: ACGF - Madagascar Financial Services Project (P109607)  
Project Stage: Implementation  
Seq.No: 11  
Status: ARCHIVED  
Archive Date: 18-Nov-2013

Country: Madagascar  
Approval FY: 2008  
Region: AFRICA  
Lending Instrument: Specific Investment Loan

Implementing Agency(ies): AGEPASEF

Key Dates

<table>
<thead>
<tr>
<th>Date Type</th>
<th>Date</th>
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<tr>
<td>Board Approval Date</td>
<td>05-Jun-2008</td>
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<tr>
<td>Original Closing Date</td>
<td>31-Dec-2012</td>
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<td>Planned Mid Term Review Date</td>
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<td>Last Archived ISR Date</td>
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<td>Revised Closing Date</td>
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<td>Actual Mid Term Review Date</td>
<td>30-Nov-2014</td>
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Project Development Objectives

The objective of the Project is to assist the Recipient in increasing access to sustainable financial services, particularly by micro, small and medium enterprises and households in Madagascar.

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

☐ Yes  ☐ No

Component(s)

<table>
<thead>
<tr>
<th>Component Name</th>
<th>Component Cost</th>
</tr>
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<tbody>
<tr>
<td>1. Increasing MSME access to finance</td>
<td>5.80</td>
</tr>
<tr>
<td>2. Improving the capacity of MFIs for greater outreach and sustainability</td>
<td>6.30</td>
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<tr>
<td>3. Project Implementation, Monitoring and Evaluation</td>
<td>2.70</td>
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Overall Ratings

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<tr>
<th>Rating Area</th>
<th>Previous Rating</th>
<th>Current Rating</th>
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<tr>
<td>Progress towards achievement of PDO</td>
<td>Moderately Satisfactory</td>
<td>Moderately Satisfactory</td>
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<tr>
<td>Overall Implementation Progress (IP)</td>
<td>Moderately Satisfactory</td>
<td>Moderately Satisfactory</td>
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<tr>
<td>Overall Risk Rating</td>
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</table>

Implementation Status Overview

The project team focused its actions on (I) monitoring project implementation and (II) handling the transfer of the TTL activities of the project to the new TTL starting November 1st, 2013.

The Project Action Plan, approved by the Project Steering Committee, is being implemented without any major obstacles.
On Component 1: Increasing MSME access to finance. One of the major achievements is the agreement between the Bank, the MoF, the Guarantee Fund Manager (SOLIDIS) and the PIU on the legal status of the Partial Credit Guarantee Fund (PCGF). The Fund will be a foundation governed by Law No. 2004-014 of August 19, 2004. The Bank Country Lawyer comments on the draft statutes (version of August 14, 2013) have been transmitted to the PIU. Next steps: once Bank comments are incorporated, the PIU will submit the draft statutes and the draft decree establishing the Fund for Bank no objection by December 2013. The draft decree will then be submitted to the Council of Government. In line with the project restructuring paper and project agreement, SOLIDIS will be the exclusive manager of the Fund and its fiduciary agent, at the start of the project and as long as its performance is satisfactory. The resident Technical Assistant to SOLIDIS took office on September 2, 2013. A draft Procedures Manual for the PCG, one of the TA deliverables, was presented to the Bank during the mission (second major achievement). Next steps: validation of the Procedures Manual and issuance of the no objection for the Manual by the World Bank.

On Component 2: Improving the capacity of micro finance institutions for greater outreach and sustainability. Five out of the seven planned activities included in the first sub component Strengthening supervision of MFIs by the regulatory authority (CSBF/Central Bank) have been launched: a) the survey that will enable to map all the MFIs (with or without a license) operating in Madagascar, will start in November 2013, (b) CSBF is finalizing the detailed cost estimate for the establishment of information centers within the territorial representations of the Central Bank, (c) on the recruitment of the TA for a new regulatory text on mobile banking and agent banking, technical proposals of selected firms are currently been reviewed by the PIU Evaluation Committee, (d) the PIU is currently collecting tenders for the recruitment of the TA to support CSBF on improving the efficiency of the Centrale des Risques, (e) a first group of training of CSBF staff in banking and MFI supervision is completed. Next training is scheduled in 2014. Under the second sub component Reinforcing the MFIs (a) a couple of training sessions of MFIs for strengthening their capacity planned in the MOU between the PIU and the MFI professional association (APIMF) in partnership with CGAP are completed, (b) as to the modernization of the MIS systems seven MFIs are selected following the RFP and (c) on the provision of funding, on a cost-sharing basis, for the opening of new MFI branch and sub-branch offices in areas where there are only few institutions or in areas of intervention of other Bank projects, the PIU has completed the selection process of the MFIs. Three MFIS are selected. Branches will be opened in both regions of Anosy and Betsiboka.

On Component 3: Project Implementation and Monitoring and Evaluation

The Project results framework has been updated. Data related to PCG Participating financial institutions for both components 1 and 2 are missing until the institutions are selected.

Locations

<table>
<thead>
<tr>
<th>Country</th>
<th>First Administrative Division</th>
<th>Location</th>
<th>Planned</th>
<th>Actual</th>
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<tr>
<td>Madagascar</td>
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Results

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Core</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Current</th>
<th>End Target</th>
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<tbody>
<tr>
<td>Outstanding SME Loan Portfolio</td>
<td></td>
<td>Amount(USD)</td>
<td>Value 300000.00</td>
<td>374164.00</td>
<td>950000.00</td>
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<tr>
<td></td>
<td></td>
<td>Date</td>
<td>31-Dec-2012</td>
<td>28-Jun-2013</td>
<td>31-Dec-2016</td>
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<td></td>
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<td>Comments</td>
<td>In million MGA</td>
<td>In million MGA</td>
<td>In million MGA</td>
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<tr>
<td>Percentage of project-supported institutions that are reporting on this indicator</td>
<td>☑</td>
<td>Percentage Sub Type Supplemental</td>
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<td>Outstanding Microfinance Loan Portfolio</td>
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<td>Amount(USD)</td>
<td>Value 190000.00</td>
<td>242000.00</td>
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### Percentage of project-supported institutions that are reporting on this indicator

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<th>Value</th>
<th>Comments</th>
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</thead>
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<tr>
<td>31-Dec-2012</td>
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<td>In million MGA</td>
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<tr>
<td>28-Jun-2013</td>
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<td>In million MGA</td>
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<tr>
<td>31-Dec-2016</td>
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<td>In million MGA</td>
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### % active loans to women - Microfinance

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<th>Value</th>
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<td>31-Dec-2012</td>
<td>42.00</td>
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<td>43.00</td>
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<td>31-Dec-2016</td>
<td>50.00</td>
<td>Est. to be confirmed by CNMF</td>
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### Intermediate Results Indicators

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<tr>
<th>Indicator Name</th>
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<th>Baseline</th>
<th>Current</th>
<th>End Target</th>
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</thead>
<tbody>
<tr>
<td>Outstanding loans by participating MFIs in target areas</td>
<td></td>
<td>Number</td>
<td>Value 28000.00</td>
<td>37689.00</td>
<td>80000.00</td>
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<td></td>
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<td>Date 31-Dec-2012</td>
<td>28-Jun-2013</td>
<td>31-Dec-2016</td>
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<td></td>
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<td>Comments In million MGA Component 2</td>
<td>In million MGA</td>
<td>In million MGA</td>
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<td>Outstanding loans to MSMEs by participating financial institutions</td>
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<td>Amount(USD)</td>
<td>Value 0.00</td>
<td>0.00</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Date 31-Dec-2012</td>
<td>28-Jun-2013</td>
<td>31-Dec-2016</td>
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<td></td>
<td></td>
<td>Comments Applicable once PCG program launched</td>
<td>To be completed</td>
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<tr>
<td>Portfolio At Risk - MSME - Participating Financial Institutions</td>
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<td>Percentage</td>
<td>Value</td>
<td>3.00</td>
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<td></td>
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<td></td>
<td>Date 31-Dec-2012</td>
<td>28-Jun-2013</td>
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<td>Dedicated MSME lending department established in each of the participating financial institution</td>
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<td>Yes/No</td>
<td>Value No</td>
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<td>Date 31-Dec-2012</td>
<td>28-Jun-2013</td>
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<td>Number of loans introduced in the PPCG Fund by participating financial institutions</td>
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<td></td>
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<td></td>
<td>Date 31-Dec-2012</td>
<td>28-Jun-2013</td>
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<td>Comments Applicable once PCG program launched</td>
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<tr>
<td>PFIs meet main prudential norms and regularly provide audited financial statements</td>
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<td>28-Jun-2013</td>
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<td>Internal audit, risk management of the Fund Manager improved</td>
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<td>31-Dec-2016</td>
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<td>Fund manager profitable</td>
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<td>31-Dec-2016</td>
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<tr>
<td>Claims on guaranteed portfolio less than 3 %</td>
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<td>Yes</td>
<td>31-Dec-2012</td>
<td>28-Jun-2013</td>
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<td>Study on interest rates determination completed</td>
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<td>Average time it takes to issue an MFI license</td>
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<td>Number of enquiries issued through single application window in regional branches of CB</td>
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<td>Number of MFIs inspected (on-site) by CSBF</td>
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<td>Number of enquiries from MFIs to Centrale des Risques (CRM) increases</td>
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<td>31-Dec-2016</td>
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<td>A mobile banking framework is issued</td>
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<td>28-Jun-2013</td>
<td>Yes</td>
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<td>Outstanding microfinance loans by participating MFIs supported by the Project</td>
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<td>Portfolio at Risk</td>
<td>Portfolio at Risk - Microfinance</td>
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<td>Comments</td>
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<td>Percentage of project-supported institutions that are reporting on this indicator</td>
<td>Percentage</td>
<td>Value</td>
<td>Date</td>
<td>Comments</td>
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<td>31-Dec-2016</td>
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<td></td>
<td>Number of employees who change their method of work following training</td>
<td>Number</td>
<td>Value</td>
<td>Date</td>
<td>Comments</td>
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<td>0.00</td>
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<td></td>
<td>Number of MFIs supported by the project using an automated MIS</td>
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<td>31-Dec-2012</td>
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<td>28-Jun-2013</td>
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**Data on Financial Performance (as of 24-Sep-2013)**

**Financial Agreement(s) Key Dates**

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<thead>
<tr>
<th>Project</th>
<th>Ln/Cr/Tf</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Original Closing Date</th>
<th>Revised Closing Date</th>
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</table>

**Disbursements (in Millions)**

<table>
<thead>
<tr>
<th>Project</th>
<th>Ln/Cr/Tf</th>
<th>Status</th>
<th>Currency</th>
<th>Original</th>
<th>Revised</th>
<th>Cancelled</th>
<th>Disbursed</th>
<th>Undisbursed</th>
<th>% Disbursed</th>
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<tbody>
<tr>
<td>P109607</td>
<td>TF-92098</td>
<td>Effective</td>
<td>USD</td>
<td>15.00</td>
<td>15.00</td>
<td>0.00</td>
<td>0.98</td>
<td>14.02</td>
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</table>

**Disbursement Graph**
Key Decisions Regarding Implementation
Official use only - Not for public disclosure

Restructuring History
Level one Approved on 05-Feb-2013

Related Projects
There are no related projects.