Public Disclosure Authorized

Innovative Startups Fund Project (P161905)

MIDDLE EAST AND NORTH AFRICA | Jordan | Finance, Competitiveness and Innovation Global Practice |
IBRD/IDA | Investment Project Financing | FY 2017 | Seq No: 5 | ARCHIVED on 15-Jan-2020 | ISR40150 |

Implementing Agencies: Jordan Loan Guarantee Corporation, Government of Jordan, Innovative Startups and SMEs Fund

Key Dates

Key Project Dates

Bank Approval Date: 23-Jun-2017
Effectiveness Date: 19-Dec-2017
Planned Mid Term Review Date: 07-Dec-2020
Actual Mid-Term Review Date:
Original Closing Date: 30-Nov-2023
Revised Closing Date: 30-Nov-2023

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The project's development objective is to increase private early stage equity finance for innovative small and medium enterprises ("SMEs").

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

No

Components

Name
Equity/Quasi Equity Financing Program:(Cost $44.75 M)
Deal-Flow Creation Support:(Cost $3.13 M)
Project Management, Coordination, and Monitoring and Evaluation:(Cost $2.00 M)

Overall Ratings

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

Implementation Status and Key Decisions

This project of US $50 million to support the establishment of the Innovative Startups and SMEs Fund (ISSF) was approved by the World Bank's Board of Executive Directors on June 23, 2017. The ISSF was launched in Jordan on September 23, 2018. The ISSF is actively receiving applications from the private sector for investment and support. To date, ISSF has co-financed 4 investments for total amount of $5.85M, i.e. 1 indirect investment in Oasis500 Venture II Fund and 3 indirect investments in Little Thinking Minds (edutech), Mecal (creative industries) and Solfeh (fintech). ISSF $5.85M in equity contributed to mobilize $16.72M of private capital from local and international investors. The expected leverage of 2.9 times demonstrates the project's ability to crowd in private financing in line with the Maximizing Finance for Development (MFD) principles. More information can be found online at: https://issfjo.com/home/

Risks

Systematic Operations Risk-rating Tool

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

Results

PDO Indicators by Objectives / Outcomes

Private Capital Mobilized

▸Private Capital Mobilized (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1,265,000.00	8,715,000.00	71,500,000.00
Date	23-Jun-2017	31-May-2019	10-Dec-2019	30-Nov-2023

◢Private Early/Seed Stage Capital Mobilized Through the Project (Amount(USD), Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	8,715,000.00	14,500,000.00
Date	23-Jun-2017	31-May-2019	10-Dec-2019	30-Nov-2023

◢Private Venture Capital Mobilized Through the Project (Amount(USD), Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target

Value	0.00	1,265,000.00	0.00	57,000,000.00
Date	23-Jun-2017	31-May-2019	10-Dec-2019	30-Nov-2023

Beneficiary Companies Receiving Financing Through the Project

▸Beneficiary Companies Receiving Financing Through the Project (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	12.00	150.00
Date	23-Jun-2017	31-May-2019	10-Dec-2019	30-Nov-2023

◢Beneficiary Companies Receiving Private Early/Seed Stage Financing Through the Project (Number, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	12.00	80.00
Date	23-Jun-2017	31-May-2019	10-Dec-2019	30-Nov-2023

◢Beneficiary Companies Receiving Private VC Financing Through the Project (Number, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1.00	0.00	70.00
Date	23-Jun-2017	31-May-2019	10-Dec-2019	30-Nov-2023

◢Beneficiary Companies Led by Women Receiving Financing Through the Project (Percentage, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	100.00	50.00	25.00

◢Beneficiary Companies Led by Youth Receiving Financing Through the Project (Percentage, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	30.00	30.00

◢Beneficiary Companies Graduating From the Deal Flow Component Receiving Financing Through the Project (Number, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	100.00
Date	23-Jun-2017	31-May-2019	10-Dec-2019	30-Nov-2023

Beneficiary Companies That Introduced a New Product or Process

▸Beneficiary Companies That Introduced a New Product or Process (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target

Value	0.00	0.00	0.00	100.00
Date	23-Jun-2017	31-May-2019	10-Dec-2019	30-Nov-2023

Overall Comments

The project has 12 beneficiary companies receiving financing (8 percent of end target), up from 1 six months ago. This translates in an increase of 617 percent in private capital mobilized at $8,715,000 (12 percent of the end target) over the last six months. The measurement of one PDO indicator is being contextualized/ refined before the launch of the Entrepreneurship Enablement & Development Program (EEDP) in order to have a consistent monitoring across project's components, i.e. "Beneficiary Companies That Introduced a New Product or Process". This will be updated in the next ISR.

Intermediate Results Indicators by Components

Equity/Quasi Equity Financing Program

▸Total Financial Intermediaries Receiving Financing Through the Project (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	1.00	10.00
Date	23-Jun-2017	31-May-2019	10-Dec-2019	30-Nov-2023

◢Venture Capital Financial Intermediaries Receiving Financing Through the Project (Number, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	6.00
Date	23-Jun-2017	31-May-2019	10-Dec-2019	30-Nov-2023

◢Early/Seed Stage Financial Intermediaries Receiving Financing Through the Project (Number, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	1.00	4.00
Date	23-Jun-2017	31-May-2019	10-Dec-2019	30-Nov-2023

▸Shareholder or Partnership Agreements Signed With Equity Finance Providers/Financial Intermediaries (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	3.00
Date	23-Jun-2017	31-May-2019	10-Dec-2019	30-Nov-2023

Deal-Flow Creation Support

▸Beneficiary Companies Receiving IR Support and BDS Services Through the Project (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	675.00
Date	23-Jun-2017	31-May-2019	10-Dec-2019	30-Nov-2023

◢Beneficiary Companies Led by Women Receiving IR Support and BDS Services Through the Project (Percentage, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	30.00

◢Beneficiary Companies Led by Youth Receiving IR Support and BDS Services Through the Project (Percentage, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	30.00

◢Beneficiary Companies Receiving IR Support Through the Project (Number, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	600.00
Date	23-Jun-2017	31-May-2019	10-Dec-2019	30-Nov-2023

◢Beneficiary Companies Receiving BDS Services Through the Project (Number, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	75.00
Date	23-Jun-2017	31-May-2019	10-Dec-2019	30-Nov-2023

▸Prospective Angel Investors Receiving Training Through the Project (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	11.00	30.00
Date	23-Jun-2017	31-May-2019	10-Dec-2019	30-Nov-2023

▸Beneficiaries Receiving Acceleration Services Through the Project (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	150.00
Date	23-Jun-2017	31-May-2019	10-Dec-2019	30-Nov-2023

◢Female Beneficiaries Receiving Acceleration Services Through the Project (Percentage, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	30.00

▲Young Beneficiaries Receiving Acceleration Services Through the Project (Percentage, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	40.00

Project Management, Coordination, and Monitoring and Evaluation

▶Beneficiaries Satisfied With Services Received and Performance of Funds (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	75.00
Date	23-Jun-2017	31-May-2019	10-Dec-2019	30-Nov-2023

Overall Comments

Equity/Quasi Equity Financing Program (component 1): 1 financial intermediary has received financing through the project to date, up from 0 six months ago.

Deal-Flow Creation Support (component 2): 11 prospective angel investors have received training through the project (37 percent of the end target), and it is expected that more be trained in 2020 with the launch of Jordan's firs Angel Investor Network (AIN) in partnership with Beyond Capital last December 2019.

Project Management, Coordination, and Monitoring and Evaluation (component 3): A survey will be conducted before the mid term review, and then updated on a semi-annual basis.

Data on Financial Performance

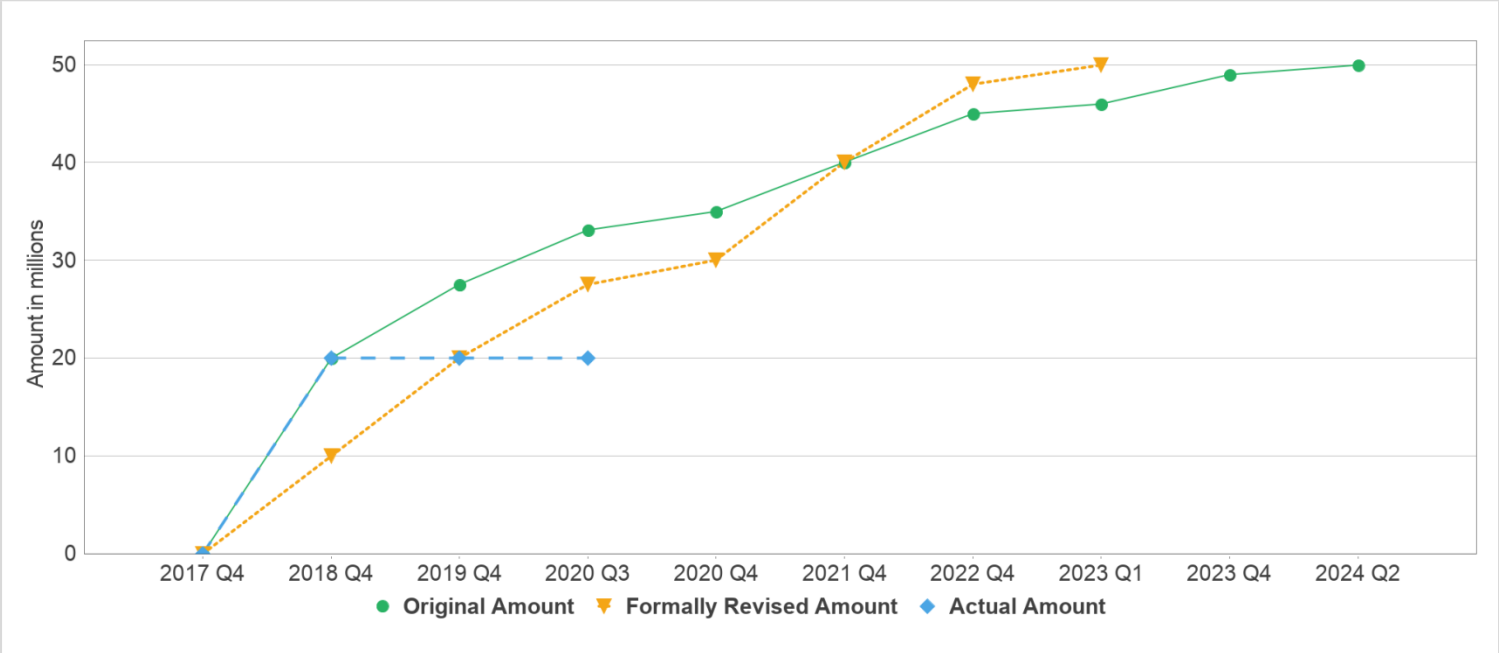
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P161905	IBRD-87670	Effective	USD	50.00	50.00	0.00	20.13	29.88	40%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P161905	IBRD-87670	Effective	23-Jun-2017	21-Aug-2017	19-Dec-2017	30-Nov-2023	30-Nov-2023

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.