



Accelerating Economic Diversification and Job Creation Project (P178035)

EASTERN AND SOUTHERN AFRICA | Angola | IBRD/IDA | Investment Project Financing (IPF) | FY 2023 | Seq No: 2 | Archived on 15-May-2024 | ISR00456

Implementing Agencies: Ministry of Economy and Planning

1. OBJECTIVE

1.1 Development Objective

Original Development Objective (Approved as part of Approval package on 30-May-2023)

To increase private investment and climate resilient growth of micro, small and medium enterprises in non-oil value chains, particularly in the Lobito corridor

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

No

2. COMPONENTS

Name

Enabling Environment for Trade, Finance, and Investment:(Cost 40,000,000.00)

Catalyzing Investment in Productive Infrastructure:(Cost 130,000,000.00)

Strengthening Firms' Capabilities and Access to Finance:(Cost 115,000,000.00)

Project Management and Monitoring and Evaluation:(Cost 15,000,000.00)

3. OVERALL RATINGS

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

4. KEY ISSUES & STATUS



4.1 Implementation Status and Key Decisions

The project was declared effective on January 10, 2024 and the first mission after effectiveness took place in March 2024. The client has prepared an Operations Manual and appointed key staff for the Project Implementation Unit (PIU) (Project Coordinator, Procurement Specialist, Financial Management Specialist, Accountant, and Social Specialist). The PIU has worked closely with the Ministry of Planning (MINPLAN) to convene project stakeholders from relevant line ministries to review and agree on the actions needed to implement the priority measures outlined in the procurement plan. TORs for key project contracts covering: (i) improvements to start a business, property registration, and trade facilitation; (ii) development of PPPs and productive infrastructure; and (iii) strengthening MSME support and access to finance are at an advanced stage and several have been launched. Key activities of note include:

- The Project was officially launched at an event in-country on March 12, 2024.
- As required by the Legal Agreement to release disbursements for the related activities, agreements were signed between MINPLAN and the MSME Support Institution (INAPEM) and the Credit Guarantee Fund (FGC). Manuals for both activities should be finalized before the end of May, 2024.
- A launch event was held to gain inputs from stakeholders on the development of Terms of Reference for a Climate Resilient Master Plan for the Lobito Economic Corridor on April 25, 2024.

5. SYSTEMATIC OPERATIONS RISK-RATING TOOL

Risk Category	Rating at Approval Approval Package - 31 May 2023	Last Approved Rating ISR Seq. 01 - 09 Nov 2023	Proposed Rating
Political and Governance	● Substantial	● Substantial	● Substantial
Macroeconomic	● Substantial	● Substantial	● Substantial
Sector Strategies and Policies	● Moderate	● Moderate	● Moderate
Technical Design of Project or Program	● Substantial	● Substantial	● Substantial
Institutional Capacity for Implementation and Sustainability	● Substantial	● Substantial	● Substantial
Fiduciary	● Substantial	● Substantial	● Substantial
Environment and Social	● Substantial	● Substantial	● Substantial
Stakeholders	● Moderate	● Moderate	● Moderate
Overall	● Substantial	● Substantial	● Substantial



6. RESULTS

6.1 PDO Indicators by PDO Outcomes

Increase private investment in non-oil value chains								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Value of private sector investment leveraged by direct project activities (Amount(USD))	0.00	Jan/2023	0.00	03-Oct-2023			400,000,000.00	Dec/2029
	Comments on achieving targets		Resources mobilized from the private sector in activities of the project that concur in reaching the project's objectives (credit guarantees and grants to SMEs and investments in productive infrastructure).					
Value of private sector investment leveraged by direct project activities in the Lobito corridor (Amount(USD))	0.00	Jan/2023	0.00	03-Oct-2023			120,000,000.00	Dec/2029
	Comments on achieving targets		Resources mobilized from the private sector in the Lobito corridor provinces in activities of the project that concur in reaching the project's objectives (credit guarantees, support to strengthen MSMEs capabilities and technology adoption, and investments in productive infrastructure).					
Value of privately financed loans facilitated by the credit guarantee scheme (Amount(USD))	0.00		0.00				280,000,000.00	
	Comments on achieving targets		Value of loans guaranteed by the credit guarantee fund (Fundo de Garantia de Credito -- FGC) with the scheme capitalized by the Project. Businesses are defined as any private legal entity or individual entrepreneur operating in Angola, registered with the tax authorities, duly licensed (if applicable), and with not more than 200 employees.					
Support climate-resilient growth of MSMEs								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year



Change in revenue growth by beneficiary firms (Percentage)	0.00	Jan/2023	0.00	03-Oct-2023			25.00	Dec/2029
	Comments on achieving targets		Simple average change in sales growth of firms directly supported with interventions to strengthen capabilities and access to finance.					
Change in revenue growth by beneficiary women-owned/led firms (Percentage)	0.00		0.00		0.00		25.00	
	Comments on achieving targets		Women-owned firms are those where women directly own more than 50% of the company or that was founded by a woman or group of women that retain(s) an active role in the organization. Women-controlled enterprises are those with at least 30% of women in senior management position (C-Suite or equivalent, such as managing directors and partners) or with at least 30% of women as board (or investment committee) members.					
Climate mitigation and adaptation investments facilitated by the project (Amount(USD))	0.00	Mar/2023	0.00	03-Oct-2023			70,000,000.00	Jun/2029
	Comments on achieving targets		Value of investments facilitated by (i) vouchers and grants under Component 3.1, and (ii) the credit guarantee scheme under Component 3.2. Eligibility of subprojects will be determined by the Common Principles for Climate Mitigation Finance and by the Joint Methodology for Tracking Climate Change Adaptation Finance.					
Beneficiaries of job-focused interventions (Number)	0.00	Jun/2023	0.00	03-Oct-2023			24000.00	Dec/2029
Beneficiaries of job-focused interventions - Female (Number)	0.00		0.00				11000.00	

6.2 Intermediate Results Indicators by Components

Enabling Environment for Trade, Finance, and Investment								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Reduction in the time	0.00	Jan/2024	0.00	03-Oct-2023			20.00	Dec/2029



required for the release and/or clearance of goods (Percentage)	Comments on achieving targets		Change in the actual time to release and/or clear goods based on the World Customs Organization's Time Release Study. Time is measured from the time of arrival until the physical release of cargo.					
Automation tools for international trade implemented and functional (Yes/No)	No	Jan/2023	No	14-Apr-2024	No	14-Apr-2024	Yes	Dec/2029
	Comments on achieving targets		The project will track if the automation tools (NSW and technical software for Customs Administration) have been implemented as per the specifications and requirements.					
Implemented reforms supporting private sector development (Number)	0.00	Jan/2023	0.00	03-Oct-2023			5.00	Dec/2029
Firms benefiting from private sector initiatives (Number)	0.00	Jan/2023	0.00	03-Oct-2023			12000.00	Dec/2029
Catalyzing Investment in Productive Infrastructure								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Project preparation fund established and capitalized (Yes/No)	No	Jan/2023	No	03-Oct-2023			Yes	Dec/2029
	Comments on achieving targets		This indicator the establishment and capitalization of a Project Preparation Fund with support from the project to prepare selected PPP transactions.					
Tenders for productive infrastructure awarded (Number)	0.00	Jan/2023	0.00	03-Oct-2023			3.00	Dec/2029
	Comments on achieving targets		International competitive tenders supported by the project awarded					
Investments in productive infrastructure that apply climate adaptation or mitigation standards (Amount(USD))	0.00	Jan/2023	0.00	03-Oct-2023			60,000,000.00	Dec/2029
	Comments on achieving targets		This indicator will measure the productive infrastructure investments, including last-mile infrastructure supported by the project, with dedicated climate mitigation or adaptation standards, such as clean energy investments, water management, waste management, an recycling.					
Strengthening Firms' Capabilities and Access to Finance								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	



	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Firms that completed the capabilities and technology adoption diagnostic (Number)	0.00	Jun/2023	0.00	03-Oct-2023			10,000.00	Dec/2029
Comments on achieving targets	Number of firms that complete the diagnostic of firm capabilities and technology adoption supported by the project							
of which, women-owned/led firms (Number)	0.00	Jun/2023	0.00	14-Apr-2024	0.00	14-Apr-2024	5,000.00	Dec/2029
Comments on achieving targets	(see above definition of women-owned/led firms)							
Firms provided with advice to strengthen managerial capabilities and technology adoption (Number)	0.00	Jan/2023	0.00	14-Apr-2024	0.00	14-Apr-2024	2,000.00	Dec/2029
Comments on achieving targets	Number of MSMEs and cooperatives that received technical assistance to upgrade their technologies and managerial capabilities with support of the project							
of which women-owned/led (Number)	0.00	Jan/2023	0.00	03-Oct-2023			1,000.00	Dec/2029
Comments on achieving targets	See above definition of women-led/owned SMEs.							
Firms receiving proof-of-concept grants for technology adoption (Number)	0.00	Jan/2023	0.00	03-Oct-2023			100.00	Dec/2029
Comments on achieving targets	Number of MSMEs and cooperatives receiving grant support from the project							
of which women-owned/led (Number)	0.00	Jan/2023	0.00	03-Oct-2023			35.00	Dec/2029
Comments on achieving targets	See above definition of women-owned/led firms.							
Increase in the aggregate Firm-level Technology Adoption Index for beneficiary firms (Percentage)	0.00	Jan/2023	0.00	03-Oct-2023			15.00	Dec/2029
Comments on achieving targets	The Technology Adoption Index measures the MSMEs adoption of technology, i.e. either better general business functions or sectoral technologies. Details can be found in the Firm-level Adoption of Technology Survey Flagship publication.							
Volume of guarantees issued under the Project	0.00	Dec/2022	0.00	03-Oct-2023			180,000,000.00	Jun/2029



(Amount(USD))	Comments on achieving targets		The cumulative USD amount of guarantees issued by the credit guarantee scheme managed by the FGC and funded by the Project, as of the end of the reporting period.					
Non-performing loans guaranteed under the Project (percentage) (Text)	0		0				Less than 20% of gross loans	
	Comments on achieving targets		Value of loans guaranteed that are more than 90 days past due, as a percentage of the total value of loans guaranteed					
Loans to businesses facilitated by the Project (Number)	0.00	Jan/2023	0.00	14-Apr-2024	0.00	14-Apr-2024	375.00	Dec/2029
	Comments on achieving targets		Number of loans guaranteed by the credit guarantee fund (Fundo de Garantia de Credito -- FGC) with the scheme capitalized by the Project. Businesses are defined as any private legal entity or individual entrepreneur operating in Angola, registered with the tax authorities, duly licensed (if applicable), and with not more than 200 employees.					
Loans to women-owned/led businesses (Number)	0.00	Jan/2023	0.00	14-Apr-2024	0.00	14-Apr-2024	115.00	Dec/2029
	Comments on achieving targets		See above definition of women-owned/led businesses					
Project Management and Monitoring and Evaluation								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Percentage of grievances that received a response (Percentage)	0.00	Jan/2023	0.00	03-Oct-2023			100.00	Dec/2029
	Comments on achieving targets		Measures the percentage of target beneficiaries grievances that are addressed, using the GRM Manual, with incidence reporting and response protocol.					
Civil servants benefiting from direct interventions to enhance their capacity (Number)	0.00	Jun/2023	3.00	14-Apr-2024	3.00	14-Apr-2024	225.00	Dec/2029
	Comments on achieving targets		Civil servants of government entities participating in the Project that actively participate in a training session or workshop that takes at least one working day.					

6.3 Performance Based Conditions (PBC)

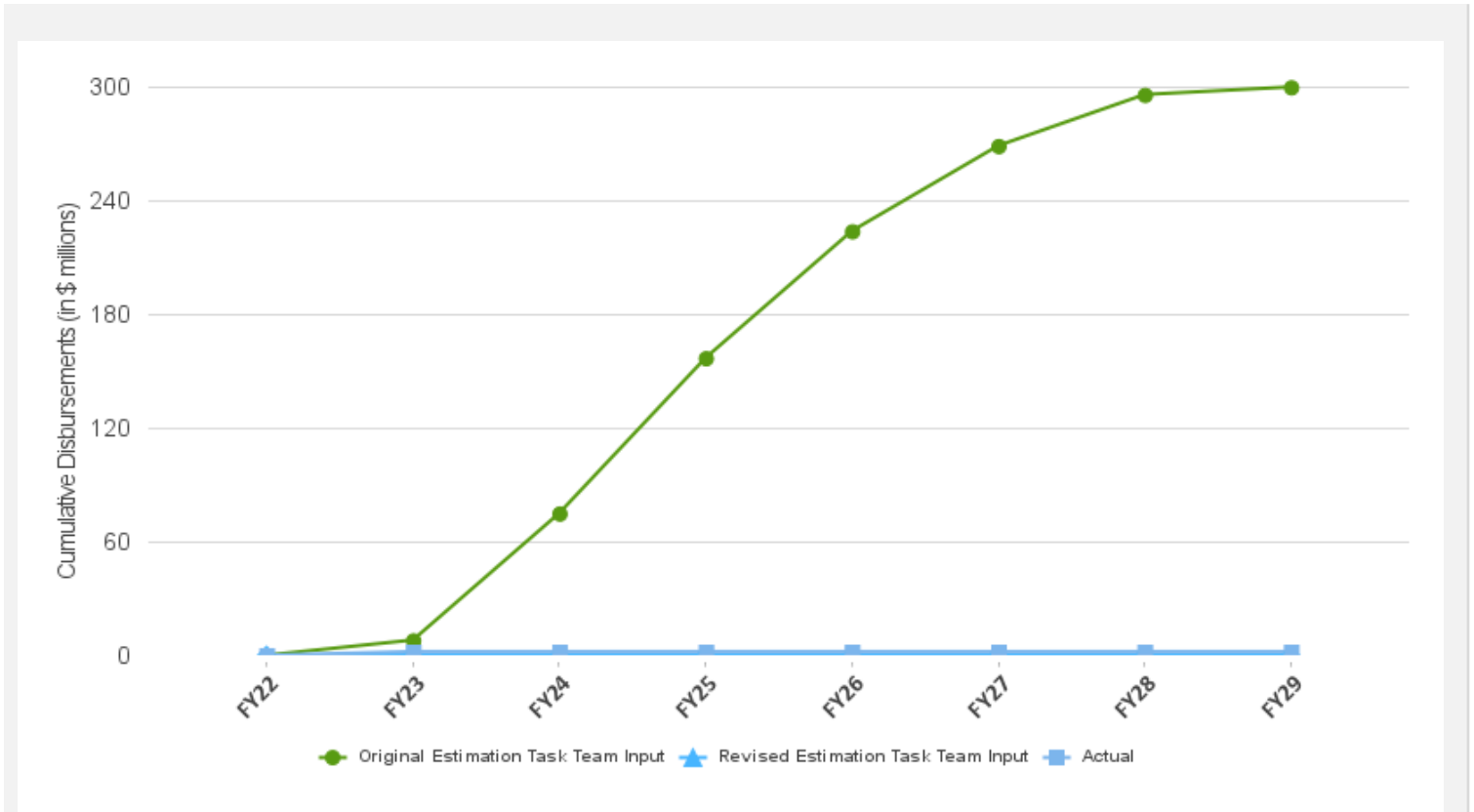


PBC Name		Baseline	Actual (Current)		Closing Period
			Value	Date	
1 : Publication of a Presidential Decree approving governance framework for the NSW (Yes/No)	Value	No			No
	Allocated Amount	0.00	0.00		0.00
2 : Effective establishment of the Project Preparation Fund (Yes/No)	Value	No			Yes
	Allocated Amount	0.00	0.00		10,000,000.00



7. DATA ON FINANCIAL PERFORMANCE

7.1 Cumulative Disbursements



7.2 Disbursements (by loan)

Loan/Credit/TF	Status	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
IBRD-95270	Effective	300.00	300.00	0.00	2.65	297.35	0.88%

7.3 Key Dates (by loan)

Loan/Credit/TF	Status	Approval	Signing	Effectiveness	Orig. Closing	Rev. Closing
IBRD-95270	Effective	31-May-2023	26-Jun-2023	10-Jan-2024	31-Dec-2029	31-Dec-2029

8. KEY DATES



Key Events	Planned	Actual
Approval	31-May-2023	31-May-2023
Effectiveness	10-Jan-2024	10-Jan-2024
Mid-Term Review No. 01	23-Sep-2025	
Operation Closing/Cancellation	31-Dec-2029	

9. RESTRUCTURING HISTORY

10. ASSOCIATED OPERATION(S)

There are no associated operations