



SME Competitiveness Project (P147705)

EUROPE AND CENTRAL ASIA | Kazakhstan | Finance, Competitiveness and Innovation Global Practice | IBRD/IDA | Investment Project Financing | FY 2015 | Seq No: 9 | ARCHIVED on 30-Jun-2019 | ISR37906 |

Implementing Agencies: REPUBLIC OF KAZAKHSTAN, Ministry of National Economy, Ministry of National Economy

Key Dates

Key Project Dates

Bank Approval Date: 02-Mar-2015

Effectiveness Date: 26-Feb-2016

Planned Mid Term Review Date: 12-Mar-2018

Actual Mid-Term Review Date: 14-May-2018

Original Closing Date: 30-Jun-2020

Revised Closing Date: 28-Feb-2021

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The project development objective is to enhance the competitiveness and capacity of targeted small and medium sized enterprises in Kazakhstan.

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

No

Components

Name

1. SME Capacity Building Program:(Cost \$2.80 M)
2. SME Linkages in Competitive Sectors:(Cost \$11.60 M)
3. Impact Evaluations & Monitoring:(Cost \$2.20 M)
4. Project Management:(Cost \$1.30 M)

Overall Ratings

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

Implementation Status and Key Decisions

The restructuring completed on December 28, 2018 (reduction of loan amount to US\$18 million and extension of the closing date to February 28, 2021) has helped re-focus and streamline the project but has not yet led to significant disbursement pickup. The signing of new contracts has picked up and disbursement is anticipated to increase by the end of 2019, with several large contracts recently signed or expected to be signed in the third quarter of 2019. As of May 2019, the disbursed amount is 21% (out of 18 million), with expected disbursement by end of 2019 to reach 39,6%.

The management in the Ministry of National Economy and key counterparts had been recently changed (or even reorganized as in the case of Kazakhstan Industry Development Institute), raising the need for the Bank team to meet the new counterparts and reconfirm their commitment to the project and the components. While the cluster activities have achieved their objectives, the rest of the activities supported by the project are yet

to yield results. Serious and focused efforts on behalf of all project stakeholders will be needed in the remaining time to make sure the project achieves its development objective.

Risks

Systematic Operations Risk-rating Tool

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

Results

PDO Indicators by Objectives / Outcomes

Number of SMEs who become accredited suppliers to large companies				
▶ Number of SMEs who become accredited suppliers to large companies (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	100.00
Date	31-Dec-2014	06-Sep-2018	31-May-2019	28-Feb-2021
Comments:	This PDO indicator is only expected to be achieved in 2020 since the work on supplier development under subcomponent 2.1 has not yet begun. NADLoc and MNE are in agreement that with the hire of a Consultant as per Procurement Plan this can be met by 2020.			

Number of Cluster Competitiveness Action Plans for which implementation has begun	
▶ Number of Cluster Competitiveness Action Plans for which implementation has begun (Number, Custom)	

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	6.00	6.00
Date	31-Dec-2014	09-Nov-2018	31-May-2019	28-Feb-2021
Comments:	Given the progress on the cluster work, MNE and the PIU have revised the number of cluster action plans under implementation from 4 to 6 in 2020. In 2018 two actions plans are expected to begin implementation, with two more in 2019 and a final two - in 2020.			

Percentage of participating SMEs reporting improved management and business practices				
▶Percentage of participating SMEs reporting improved management and business practices (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	75.00
Date	31-Dec-2014	09-Nov-2018	31-May-2019	28-Feb-2021
Comments:	the target of 75% is expected to be met in 2019. The impact evaluation assessment under component 3 will gather the data needed for this indicator.			

Intermediate Results Indicators by Components

1. SME Capacity Building Program				
▶Number of local SME Advisors trained to undertake SME capacity building based on an established competency framework (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	150.00
Date	31-Dec-2014	09-Nov-2018	31-May-2019	28-Feb-2021
Comments:	In the revised results framework, MNE proposes to reduce the end target of trained local SME advisors from 750 to 150. This is consistent with the scaling down of component 1. It is expected that the target of 150 will be reached in 2019, once the training of advisors has been completed. In addition, MNE proposes to reduce the end target of women SME advisors trained from 50% to 30%. However the original targets will remain until the formal restructuring is completed.			
▲Percent of Women Advisors trained (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	30.00
▶Percent of training participants who found the training offered as effective and useful to them (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	99.00	66.00

Date	31-Dec-2014	09-Nov-2018	31-May-2019	28-Feb-2021
Comments:	The end target of 66% is considered achievable and remains unchanged. This will be measured once training events for advisors and SMEs are completed under components 1 and 2.			
►Number of master trainers, assessors, instructional designers developed and trained in global best practice (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	40.00
Date	31-Dec-2014	09-Nov-2018	31-May-2019	28-Feb-2021
Comments:	MNE proposes to keep the end target at 40 master trainers under component 1, with the expectation that 23 will be trained in 2019 and a further 17 - in 2020.			

2. SME Linkages in Competitive Sectors

►Number of SMEs who are in the process of becoming "accredited suppliers" to large companies (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	200.00
Date	31-Dec-2014	22-Nov-2016	31-May-2019	28-Feb-2021
Comments:	MNE proposes to reduce the end target indicator from 200 to 100 SMEs, who are judged to be in the process of becoming accredited suppliers to large companies. It is expected that with the work by NADLoC and the consultant to be hired the target will be met in 2019.			

►Number of Cluster Competitiveness Action Plans that have been developed (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	6.00	6.00	6.00
Date	31-Dec-2014	09-Nov-2018	31-May-2019	28-Feb-2021
Comments:	The end target for this indicator remains unchanged. The work on cluster competitiveness plans has begun and it is expected that 2 will be approved in 2018, with a further two in 2019 and 2020 each.			

►Strategic assessment for supply chain financing program has been completed, including recommendations on design, partners, structure, location, and regulatory requirements. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Activity is new and no prior experience is available in the country	The consultant is selected and the contract signing is in progress	The consultant is selected and the contract signing is in progress	Strategic assessment completed with clear and actionable recommendations on the next steps for development of supply chain financing in the country and factoring program installed.
Date	31-Dec-2014	09-Nov-2018	31-May-2019	28-Feb-2021

Comments:	This indicator measures progress on subcomponent 2.3. With the recent conclusion of the contracting of a consultant, it is expected that in 2018 an interim assessment will be completed and a workshop/training held with relevant stakeholders to gather inputs and define remaining areas of inquiry.			
► Value of increased sales of SMEs facilitated through participation in the project (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	25,000,000.00
Date	31-Dec-2014	09-Nov-2018	31-May-2019	28-Feb-2021
Comments:	This indicator pertains to the supplier development activities and the value of increased sales of SMEs to large companies. It remains unchanged and is expected to be met by 2019.			
► Direct project beneficiaries (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	70.00	230.00	3,500.00
Date	31-Dec-2014	09-Nov-2018	31-May-2019	28-Feb-2021
Comments:	These are the direct project beneficiaries under components 1 and 2. The revised results framework indicates 50 SMEs as of 2017 (under the clusters) and going up to 70 in 2018. Significant increases are expected in 2019 (1200) and 2020 (5000) as the capacity building for SMEs reaches its full scale. MNE also proposes to decrease the end target for female beneficiaries from 50% to 30%. In 2017, it was estimated that 15% of direct project beneficiaries were women (as SME owners or managers).			
▲ Female beneficiaries (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	15.00	43.50	30.00

3. Impact Evaluations & Monitoring

► Number of impact evaluations of SME interventions conducted or underway (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	1.00	3.00
Date	31-Dec-2014	09-Nov-2018	31-May-2019	28-Feb-2021
Comments:	MNE is proposing to revise the end target from 6 to 3 impact evaluations, which is in line with the downsizing of activities under component 3. These are expected to be completed in 2019, with a consultant being hired for this work now.			
► Number of government and associated professionals/staff receiving capacity building through trainings, workshops, study visits, etc. (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	40.00	67.00	125.00

Date	31-Dec-2014	09-Nov-2018	31-May-2019	28-Feb-2021
Comments:	This indicator is left unchanged, with an end target of 125. As of now, the number of government and associated professional staff to have received training through workshops and study tours (e.g., for the clusters) is 30, and expected to reach 40 in 2018 and 125 in 2019.			
►Beneficiaries reporting that working group decisions represented their views (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	75.00
Date	31-Dec-2014	31-Dec-2018	31-May-2019	28-Jan-2021

Data on Financial Performance

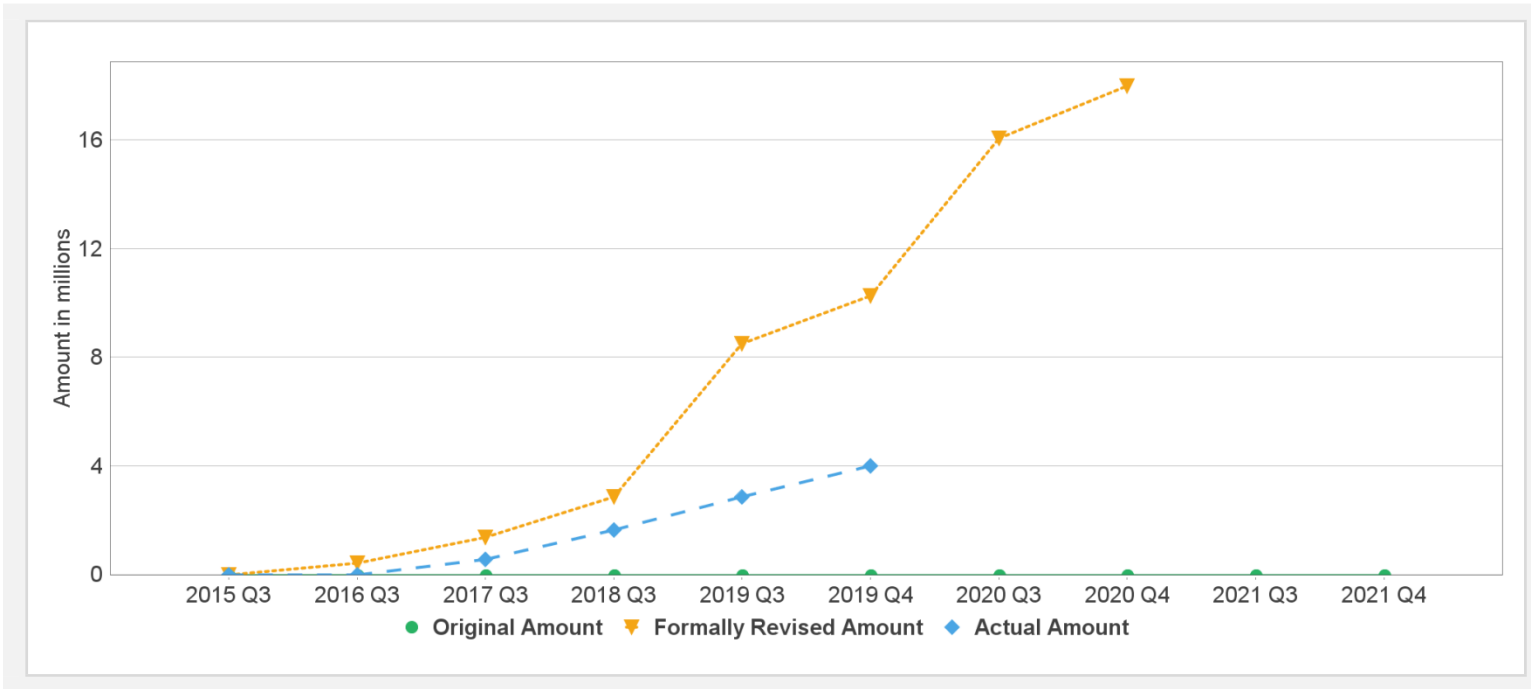
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P147705	IBRD-84770	Effective	USD	40.00	18.00	22.00	4.00	14.00	22%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P147705	IBRD-84770	Effective	02-Mar-2015	20-Jul-2015	26-Feb-2016	30-Jun-2020	28-Feb-2021

Cumulative Disbursements



Restructuring History

Level 2 Approved on 28-Dec-2018

Related Project(s)

There are no related projects.