

Management Comments

While the EU definitions for micro, small and medium-sized enterprises are the most common reference used by the Bank, and increasingly adopted in the countries of operations, management nevertheless believes that some flexibility may be required, and wishes to study this issue further. In particular, different projects have different structures and may be associated with different donors with different needs. For example the largest microfinance programme managed by the Bank is partly financed by the US which has adopted a different definition than the EU definition. Monitoring implications and resources also need to be considered. In some cases projects may be better designed to have a more tight (smaller) definition than the EU definition. Management intends to study this issue and its implications further and revert with a proposal.