



Regional: Asia SME Finance Monitor (Phase 2)

Project Name	Asia SME Finance Monitor (Phase 2)		
Project Number	48269-001		
Country	Regional		
Project Status	Closed		
Project Type / Modality of Assistance	Technical Assistance		
Source of Funding / Amount	TA 8679-REG: Asia SME Finance Monitor (Phase 2)		
	Financial Sector Development Partnership Special Fund	US\$ 225,000.00	
Strategic Agendas	Inclusive economic growth Regional integration		
Drivers of Change	Knowledge solutions		
Sector / Subsector	Finance - Small and medium enterprise finance and leasing		
Gender Equity and Mainstreaming	No gender elements		
Description	<p>The Asia SME Finance Monitor (ASM) is a knowledge sharing product on small and medium-sized enterprises (SMEs) in Asia and the Pacific, specially focusing on access to finance. The ASM reviews various country aspects of SME finance including the banking sector, nonbank sector, and capital markets. The main objectives of the ASM are to (i) provide in-depth analyses relevant to SME sector development and SME finance, (ii) exchange country best practices and experiences on SME finance, and (iii) present timely comparative data on SMEs and SME finance in Asia and the Pacific. The target beneficiaries are policy makers responsible for enhancing SME access to finance in ADB's developing member countries (DMCs).</p> <p>The ASM has four components: (i) an overview of the SME sector and SME finance in Asia and the Pacific; (ii) country analyses on SME financing covering the banking sector, nonbank sector, capital markets, and national policies and regulations, together with SME landscapes; (iii) a thematic discussion on innovative financing models for SMEs and/or a case study; and (iv) multicountry SME financial and nonfinancial data with annual updates.</p> <p>The ASM 2013 had 14 participating countries from five ADB regions: (i) Kazakhstan (Central Asia); (ii) the People's Republic of China and the Republic of Korea (East Asia); (iii) Bangladesh, India, and Sri Lanka (South Asia); (iv) Cambodia, Indonesia, Malaysia, the Philippines, Thailand, and Viet Nam (Southeast Asia); and (v) Papua New Guinea and Solomon Islands (Pacific).</p> <p>The project aims to issue the ASM 2014, a comprehensive SME financial and nonfinancial information-sharing platform for Asia and the Pacific, with updated data and a thematic study in the form of an annual periodical and a web portal. The number of countries covered by the ASM 2014 will be expanded upon necessity and/or request from DMCs and ADB operations departments.</p>		

Project Rationale and Linkage to Country/Regional Strategy	<p>Poor access to finance limits the ability of SMEs to survive and grow. In Asia where bank-centered financial systems have been established, enhancing bankability is a critical policy agenda on SME access to finance. Meanwhile, a rapidly changing global economy, with lessons from past financial crises, is generating the need for SMEs to be able to access finance beyond conventional bank credit and for countries to diversify their domestic financial systems. Accordingly, national policy makers need to develop a comprehensive suite of policy options that support innovative and diversified financing models appropriately serving the financing needs of SMEs at different business stages, which will result in reducing the supply-demand gap in SME finance, enhancing SME productivity, and encouraging inclusive economic growth in Asia and the Pacific.</p> <p>To support this policy makers' effort, timely availability of high quality comparative information on SMEs and SME finance across countries is needed. With the same perception, several global initiatives have been launched to make financial access data publicly available. The International Monetary Fund (IMF) has established the Financial Access Survey, which provides annual geographic and demographic data on access to basic consumer financial services worldwide. The Consultative Group to Assist the Poor provides key financial access indicators through its annual financial access reports, which include SME lending data. The World Bank Enterprise Surveys provide firm data on a broad range of business environment topics including access to finance and SME data. The World Bank also issues the Global Financial Inclusion Database (Global Findex), which is the first public database of demand-side indicators that measures individuals' use of financial products across countries and over time. The Organisation for Economic Co-operation and Development (OECD) presents an SME Scoreboard which includes annual country profiles on SME finance in participating OECD economies.</p> <p>Multi-country SME data will help regulators and policy makers understand SMEs' financial and non-financial conditions in other countries and support the proper design of national regulations and policies on SMEs through peer learning. According to the ADB surveys conducted in 2012 and 2013, Asian policy makers tend to seek multicountry comparative SME data to design proper SME policies. ADB is an optimal organization to create a comprehensive multicountry database on SMEs and SME finance especially designed for Asia and the Pacific which everyone can easily access, making the best use of its accumulated experiences from SME projects and networks with DMCs.</p> <p>The Regional Cooperation and Integration (RCI) strategy, approved in July 2006, supports various regional initiatives including financial market development and integration. The ASM will contribute to promoting the sound financial sector development in the Asia-Pacific region by means of involving DMCs' financial regulators and policy makers in timely policy dialogues on SME finance through one-stop knowledge platform.</p> <p>Strategy 2020, the long-term strategic framework of ADB, focuses on financial sector development as a core specialization, where inclusive economic growth is a key strategic agenda. In line with this strategy, the ADB's Financial Sector Operational Plan, approved in May 2011, has attached importance to supporting DMCs' efforts to enhance financial access for the traditional underserved, which includes SMEs.</p>
Impact	SME access to finance improved through enhanced evidence-based policy making on SME sector development and SME finance in DMCs

Project Outcome

Description of Outcome	Increased awareness and understanding on financial and non-financial conditions of SMEs in DMCs
Progress Toward Outcome	
Implementation Progress	
Description of Project Outputs	ASM 2014 in the form of an annual periodical and a web portal A follow-up report on operational linkage of the ASM with evaluation by the FSD CoP
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	

Summary of Environmental and Social Aspects

Environmental Aspects
Involuntary Resettlement
Indigenous Peoples
Stakeholder Communication, Participation, and Consultation
During Project Design
During Project Implementation

Business Opportunities

Consulting Services	Consultants for approved proposals will be engaged to collect data from selected DMCs and draft and submit designated country papers that cover SME landscape, banking sector, nonbank sector, capital markets, and SME policies and regulations, with a complete set of background data in accordance with the Guidelines on the Use of Consultants (2013, as amended from time to time).
Procurement	ADB, through the Office of Regional Economic Integration supported by the Financial Sector Development Community of Practice, will be the executing agency of the TA. OREI management will screen and approve all proposals in consultation with FSD CoP chair to ensure proper and efficient allocation of resources. TA funds will be disbursed in accordance with ADBs Technical Assistance Disbursement Handbook (2012, as amended from time to time).

Responsible Staff

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Responsible ADB Division	OREF
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Timetable

Concept Clearance	17 Aug 2014
Fact Finding	18 Aug 2014 to 04 Sep 2014
MRM	-
Approval	04 Jul 2014
Last Review Mission	-
Last PDS Update	14 Nov 2014

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Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
04 Jul 2014	-	04 Jul 2014	31 May 2015	30 Sep 2015	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
225,000.00	0.00	0.00	0.00	0.00	0.00	225,000.00	04 Jul 2014	165,350.33

Project Page	https://www.adb.org/projects/48269-001/main
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