

Project Number: 48917-001
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Extension of Technical Assistance Validity Approval Azerbaijan: Capacity Building for Rural Financial Inclusion

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1. On 26 December 2014, ADB approved capacity development technical assistance project (TA) to AccessBank Azerbaijan and FINCA Azerbaijan to support ADB's senior loans¹ to the banks.² The TA is expected to expand the private banking services in Azerbaijan's regions, with a special focus on agriculture and rural regions and to expand private banking deposit services.
2. The TA, estimated to cost \$750,000, is to be financed on a grant basis from the Technical Assistance Special Fund (TASF-Others).
3. In accordance with paragraph 16 of PAI 1.03, the validity of ADB approval of a TA lapses automatically 12 months after the date of TA approval unless the related agreements are signed within that period or the validity period is extended.
4. The implementation agreements for this TA were signed on 4 February 2016 (AccessBank Azerbaijan) and 12 February 2016 (FINCA Azerbaijan), beyond the 12 months TA approval validity period. The TA became effective on 12 February 2016.
5. On 18 February 2016, PSOD informed the Vice President, Private Sector and Cofinancing Operations, in a combined memo, of (a) the lapse in terms of obtaining timely extension for three PSOD TAs, including the above, and (b) sought approval for extension of these three TAs on a retroactive basis, as well as for two other TAs which had also crossed their validity but were not yet effective. The Vice President acknowledged the lapses on 26 February 2016 and approved the extension of the TA validity of all the five TAs.
6. We are herewith advising the Board of these actions.

¹ ADB approved \$75 million to AccessBank Azerbaijan and \$20 million to FINCA Azerbaijan on 22 April 2015. ADB. 2014. *Report and Recommendation of the President to the Board of Directors: Proposed Senior Loans for Improving Financial Service Outreach for Agriculture*. Manila.

² In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.