



Viet Nam: Expanding Micro, Small, and Medium Enterprise Lending Project

Project Name	Expanding Micro, Small, and Medium Enterprise Lending Project		
Project Number	51218-001		
Borrower/Company	An Binh Commercial Joint Stock Bank		
Country	Viet Nam		
Location	Nation-wide		
Approval Number	7538/3618		
Type of ADB Assistance / Amount	3618	Ordinary capital resources	USD 30.00 million Approved
Strategic Agendas	Inclusive economic growth		
Drivers of Change	Gender Equity and Mainstreaming Private sector development		
Sector / Subsector	Finance - Small and medium enterprise finance and leasing		
Gender Equity and Mainstreaming	Some gender elements		
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	Private Sector Financial Institutions Division		
Responsible ADB Officer	Bracey, Pamela		
Project Sponsor(s)			
Description	ADB will provide a senior unsecured loan to ABB of up to \$100 million in up to three tranches in staggered tenors of up to 5 years.		
Objectives and Scope	ABB will use the proceeds of ADB's loan to finance business loans to MSMEs in Viet Nam.		
Linkage to Country/Regional Strategy	ADB's Midterm Review of Strategy 2020 emphasizes ADB's support to the financial sector by helping to develop financial infrastructure, institutions, and products and services. The proposed transaction contributes to financial sector development by supporting the growth of a financial institution, an important component of Viet Nam's financial sector. ADB's Midterm Review of Strategy 2020 also seeks to promote inclusive growth. Without access to formal financial services, lower income or underserved segments of the population will be excluded from the growth process and its benefits. According to ADB's country partnership strategy for Viet Nam, 2016- 2020 and country operations business plan for Viet Nam, 2017 -2019, ADB's nonsovereign operations will support investments that promote more inclusive economic growth based on promoting job creation and competitiveness. The proposed transaction will support the development of MSMEs in Viet Nam, part of the inclusive economic growth objective identified in the country partnership strategy, and a high government priority.		

Safeguard Categories

Environment	FI
Involuntary Resettlement	FI-C
Indigenous Peoples	FI-C

Summary of Environmental and Social Aspects

Environmental Aspects	The transaction's potential environmental and social impacts, risks associated with the financial intermediary's existing and/or likely future portfolio, and commitment to and capacity for environmental and social management have been assessed. ABB has an existing environmental and social management system under which an exclusion list and procedures based on the loan size are applied to address projects' environmental and social risks. Prior to the disbursement of the ADB financing, the company will enhance its existing environmental and safeguards management system to comply with ADB's Safeguard Policy Statement (2009) requirements by updating its exclusion list and screening and categorization procedures.
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Involuntary Resettlement	None, because of the small nature of investments involved. The environmental and social management system (ESMS) will provide guidance on due diligence and corrective actions in the unlikely event of any involuntary resettlement impacts.
Indigenous Peoples	No adverse impacts, because of the small nature of investments involved.
Stakeholder Communication, Participation, and Consultation	Not required. Banks have adequate processes in place that encourage participation.

Timetable for assistance design, processing and implementation

Concept Clearance	01 Aug 2017
Due Diligence	
Credit Committee Meeting	30 Oct 2017 to 30 Oct 2017
Approval	11 Dec 2017
Last PDS Update	21 Sep 2018

Project Page	https://www.adb.org/projects/51218-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=51218-001
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