



Regional: Strengthening Corporate Governance in ADB’s Non-Sovereign Investments in Developing Countries

Project Name	Strengthening Corporate Governance in ADB’s Non-Sovereign Investments in Developing Countries		
Project Number	51338-001		
Borrower/Company			
Country	Regional		
Location	Regional		
Approval Number			
Type of ADB Assistance / Amount	Technical Assistance	USD 600,000	Proposed
Strategic Agendas	Inclusive economic growth Regional integration		
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development Knowledge solutions Partnerships Private sector development		
Sector / Subsector	Agriculture, natural resources and rural development - Agricultural production - Agro-industry, marketing, and trade - Livestock - Rural market infrastructure Energy - Electricity transmission and distribution - Energy utility services - Renewable energy generation - biomass and waste - Renewable energy generation - geothermal - Renewable energy generation - solar - Renewable energy generation - wind Finance - Banking systems and nonbank financial institutions - Housing finance - Infrastructure finance and investment funds - Small and medium enterprise finance and leasing Industry and trade - Industry and trade sector development - Small and medium enterprise development - Trade and services Water and other urban infrastructure and services - Other urban services - Urban housing - Urban solid waste management		
Gender Equity and Mainstreaming	Some gender elements		
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	PSTS		
Responsible ADB Officer	Elizabeth Fiona Alpe		
Project Sponsor(s)			
Objectives and Scope	<p>Under this technical assistance project (TA), ADB will conduct approximately five governance assessments on early and mid-stage direct equity investments and corporate finance transactions in which ADB is invested or is considering investing. Based on the governance assessments, and with the agreement of the participating companies, ADB will develop action plans to strengthen corporate governance among willing participants. For companies and enterprises willing to pursue the identified improvements, ADB will provide the necessary human and financial resources to assist them. PSOD will select early and mid-stage direct equity investments and corporate finance transactions where governance challenges have been identified as priority areas for focus under this TA. Early and mid-stage operated companies face a unique set of risks which they must surmount in order to succeed. Challenges may include inexperienced management, undercapitalization, rapid change, large consequence and small margins of error for decision-making, low levels of diversity (particularly among decision-makers), and overconfidence. This can prevent early and mid-stage companies from achieving optimal growth. Boards of these companies are often not well-equipped to assist on governance matters and may lack the independence to provide detached oversight and guidance. PSOD has also identified a similar set of corporate governance challenges at the board level in companies to which ADB provides corporate finance.</p> <p>On occasion, ADB provides nominee non-executive directors to the board of director of its equity investee companies. These nominee directors are intended to add value to the client and to protect ADB’s investment. Nominee directors provide supplemental skills or perspectives that facilitate the growth and prosperity of the company, assist the board to discharge its functions more effectively, and establishing or improving good governance practices. As part of this TA, PSOD will arrange for annual training and capacity building to the nominee directors.</p>		
Linkage to Country/Regional Strategy			
Summary of Environmental and Social Aspects			
Environmental Aspects			
Involuntary Resettlement			
Indigenous Peoples			
Stakeholder Communication, Participation, and Consultation			
Timetable for assistance design, processing and implementation			
Concept Clearance	-		
Due Diligence			

Credit Committee Meeting	-
Approval	-
Last PDS Update	26 Sep 2019

Project Page	https://www.adb.org/projects/51338-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=51338-001
Date Generated	28 September 2019

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.