



Indonesia: Small and Medium-Sized Enterprise Financing Project

Project Name	Small and Medium-Sized Enterprise Financing Project		
Project Number	53123-001		
Borrower/Company	PT Indosurya Inti Finance		
Country	Indonesia		
Location			
Approval Number			
Type of ADB Assistance / Amount	Other	USD 50.00 million	Proposed
	Ordinary capital resources	USD 30.00 million	Proposed
Strategic Agendas	Inclusive economic growth		
Drivers of Change	Gender Equity and Mainstreaming Partnerships Private sector development		
Sector / Subsector	Finance - Small and medium enterprise finance and leasing		
Gender Equity and Mainstreaming	Effective gender mainstreaming		
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	Private Sector Financial Institutions Division		
Responsible ADB Officer	De Leon Dovale, Jacobo		
Project Sponsor(s)			
Description	Asian Development Bank (ADB) will provide a senior unsecured loan to PT Indosurya Inti Finance (Indosurya) of up to \$30 million (or its rupiah, equivalent) of up to 5 years. In the event that the A loan or part of it is denominated in US dollars, ADB expects to syndicate a B loan of up to \$50 million by mobilizing impact investors and other eligible B loan participants, subject to market conditions. ADB also expects to provide a TA to support and enhance Indosurya's asset and liability management framework.		
Objectives and Scope	The proposed loan to Indosurya will support the onlending and expansion of its small and medium-sized enterprise (SME) loan portfolio. Funding from the ADB will provide support for critically needed financial products and services to this underserved segment in Indonesia with targeted support for women SME clients and borrowers in less-penetrated geographical markets, primarily outside Greater Jakarta.		
Linkage to Country/Regional Strategy	The project is consistent with ADB's Strategy 2030, especially its operational priorities of (i) addressing remaining poverty and reducing inequalities by facilitating quality job creation through SMEs, and (ii) accelerating progress in gender equality by narrowing the gender gap through economic empowerment through better access to finance for women SMEs. The project is also consistent with ADB's country partnership strategy for Indonesia, 2016 -2019, which aims to support Indonesia by fostering higher and more inclusive growth, including by expanding access to financing to SMEs so they become more competitive. The project is aligned with ADB's Gender Equality and Women's Empowerment Operational Plan, 2013 2020. It also complements ADB's finance sector sovereign operation in Indonesia, which support financial inclusion and fintech reform.		
Safeguard Categories			
Environment	FI		
Involuntary Resettlement	FI-C		
Indigenous Peoples	FI-C		
Summary of Environmental and Social Aspects			
Environmental Aspects	The project involves financing SMEs with ADB proceeds, which will have very limited direct climate change impact.		
Involuntary Resettlement	The business activities of Indosurya and its subborrowers are unlikely to engage in involuntary land acquisition that may result in physical or economic displacement risks and impacts.		
Indigenous Peoples	The nature of Indosurya's operations and its subborrowers' business activities are unlikely to entail impacts on indigenous peoples.		
Stakeholder Communication, Participation, and Consultation	Indosurya pledges to implement good corporate governance to maintain long-term business continuity. In doing so, Indosurya's whistleblowing system primarily relies on the participation of its employees, suppliers, customers, and partners. The policy encourages these stakeholders to report concerns on corruption and bribery, illegal levies and extortion, embezzlement of assets, abuse of authority, and information leaks. Indosurya engages with civil society organizations in implementing its corporate social responsibility programs.		
Timetable for assistance design, processing and implementation			
Concept Clearance	19 Mar 2019		
Due Diligence			
Credit Committee Meeting	-		
Approval	-		

Project Page	https://www.adb.org/projects/53123-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=53123-001
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