



Georgia: Bank of Georgia COVID-19 Response to Support Micro, Small, and Medium-Sized Enterprises Project

Project Name	Bank of Georgia COVID-19 Response to Support Micro, Small, and Medium-Sized Enterprises Project		
Project Number	54239-001		
Borrower/Company	Joint Stock Company Bank of Georgia		
Country	Georgia		
Location	Nation-wide		
Approval Number			
Type of ADB Assistance / Amount	Japan	USD 100.00 million	Approved
	Ordinary capital resources	USD 100.00 million	Approved
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	Gender equity		
Responsible ADB Department			
Responsible ADB Division			
Responsible ADB Officer	Perez, Gema		
Project Sponsor(s)			
Description	Senior unsecured loan of up to \$100,000,000 or its lari equivalent to the Joint Stock Company Bank of Georgia (BoG) for the Bank of Georgia COVID-19 Response to Support Micro, Small, and Medium-Sized Enterprises Project in Georgia.		
Objectives and Scope	The loan to BoG will improve the conditions for Georgia economic recovery by facilitating the growth of BoG lending to micro, small, and medium-sized enterprises (MSMEs), providing critically needed funding to companies that have been affected by the pandemic's economic fallout or that have new financing needs to build medium-term resilience and sustainable operations.		
Linkage to Country/Regional Strategy	<p>The transaction contributes to finance sector development by supporting the growth of a financial institution that plays a key role in Georgia's finance sector. It also contributes to accelerating progress in gender equality, an operational priority of ADB's Strategy 2030. The transaction is also aligned with the Operational Plan for Private Sector Operations, which aims to support vibrant, stable, and efficient finance sectors and financial inclusion.</p> <p>The loan complements ADB's sovereign operations support package to Georgia, which includes a COVID-19 Active Response and Expenditure Support (CARES) loan of \$100 million approved on 28 May 2020, and a protection and fiscal management programmatic policy-based loan of \$350 million expected to be approved later in 2020, as well as increasing other existing programs to support reforms in energy, urban water, and education. The loan complements the countercyclical pandemic response's SME access to finance component via the government credit guarantee scheme, by providing funds for banks to lend to this segment.</p>		
Safeguard Categories			
Environment			FI
Involuntary Resettlement			FI-C
Indigenous Peoples			FI-C
Summary of Environmental and Social Aspects			
Environmental Aspects	BOG will exclude any investment that is category A for environment or category A or B for social safeguard impacts from using ADB loan proceeds. The project will not contribute to the reduction of greenhouse gas emissions. No climate mitigation or adaptation financing has been estimated for this project.		
Involuntary Resettlement	No involuntary resettlement impacts are envisaged.		
Indigenous Peoples	No indigenous people's impacts are anticipated.		
Stakeholder Communication, Participation, and Consultation	BOG will engage directly with its MSME borrowers and work with them to provide the support needed during the COVID-19 crisis. Women who own MSMEs will benefit particularly from this project, as BOG will ensure that its COVID-19 financial and business support response is gender equitable. To implement this objective, both the design and monitoring framework and the gender action plan annexed to the loan agreement outline specific gender measures that will be carried out.		
Timetable for assistance design, processing and implementation			
Concept Clearance	04 Jun 2020		

Due Diligence	
Credit Committee Meeting	21 Aug 2020 to 21 Aug 2020
Approval	16 Nov 2020
Last PDS Update	26 Oct 2020

Project Page	https://www.adb.org/projects/54239-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=54239-001
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