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Project Number: 55175-001  
June 2021

## Administration of Equity Investment Fairbanc Pte. Ltd. (Indonesia)

This is a redacted version of the document approved by ADB's Board of Directors, which excludes information that is subject to exceptions to disclosure set forth in ADB's Access to Information Policy.

Asian Development Bank



## **CURRENCY EQUIVALENTS**

(as of 24 May 2021)

Currency unit – rupiah (Rp)

Rp1.00 = \$0.000070

\$1.00 = Rp14,359

## **ABBREVIATIONS**

ADB	–	Asian Development Bank
B2B	–	business to business
BVI	–	British Virgin Islands
COVID-19	–	coronavirus disease
fintech	–	financial technology
FMCG	–	fast-moving consumer goods
MSMEs	–	micro, small, and medium-sized enterprises
OJK	–	Otoritas Jasa Keuangan (Financial Services Authority)
OP	–	operational priority
SMEs	–	small and medium-sized enterprises
US	–	United States

## **NOTE**

In this report, “\$” refers to United States dollars.



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<sup>a</sup> Outposted to the Thailand Resident Mission.

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## PROJECT AT A GLANCE<sup>1</sup>

<b>1. Basic Data</b>		<b>Project Number: 55175-001</b>
Project Name	Administration of Equity Investment for Fairbanc Pte. Ltd.	Department/Division PSOD/OPSD
Country Investee	Indonesia Fairbanc Pte. Ltd.	
Portfolio at a Glance	<a href="https://www.adb.org/Documents/LinkedDocs/?id=55175-001-PortAtaGlance">https://www.adb.org/Documents/LinkedDocs/?id=55175-001-PortAtaGlance</a>	
<b>2. Sector</b>		<b>ADB Financing (\$ million)</b>
✓ Finance	SME Financing and Leasing	2.00
	<b>Total</b>	<b>2.00</b>
<b>3. Operational Priorities</b>		<b>Climate Change Information</b>
✓ Addressing remaining poverty and reducing inequalities		GHG reductions (tons per annum) 0.000
✓ Accelerating progress in gender equality		Climate Change impact on the Project Low
✓ Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability		<b>ADB Financing</b>
		Adaptation (\$ million) 0.00
		Mitigation (\$ million) 0.00
		<b>Cofinancing</b>
		Adaptation (\$ million) 0.40
		Mitigation (\$ million) 0.00
<b>Sustainable Development Goals</b>		<b>Gender Equity and Mainstreaming</b>
SDG 1.5		Gender Equity (GEN) ✓
SDG 5.1, 5.5		
SDG 9.3		<b>Poverty Targeting</b>
SDG 13.a		General Intervention on Poverty ✓
<b>4. Nonsovereign Operation Risk Rating - NA</b>		
<b>5. Safeguard Categorization</b> Environment: C    Involuntary Resettlement: C    Indigenous Peoples: C		
<b>6. Financing</b>		
<b>Modality and Sources</b>		<b>Amount (\$ million)</b>
ADB		0.00
Nonsovereign Direct Investment: ADB Ventures Investment Fund 1		0.00
<b>Cofinancing</b>		<b>2.00</b>
ADB Ventures Investment Fund 1 (Full ADB Administration)		2.00
Others <sup>a</sup>		0.00
<b>Total</b>		<b>2.00</b>
Currency of Financing: US Dollar		

<sup>1</sup> Appendix 1, footnote c provides an explanation of the climate change cofinancing calculation.



## I. INTRODUCTION

1. The transaction involves the administration by the Asian Development Bank (ADB) of an investment of up to the equivalent of \$2,000,000, with an initial investment of up to \$500,000 as a convertible promissory note in a nonoperating holding company called Fairbanc Pte. Ltd. (Fairbanc) in Singapore to expand its operations in Indonesia (conducted through its operating subsidiary in Indonesia, PT Fairbanc Technologies Indonesia), to be provided by the ADB Ventures Investment Fund 1<sup>1</sup> under the ADB Ventures Financing Partnership Facility. The balance of the approved amount may be invested in subsequent fundraising rounds that Fairbanc is expected to undertake by June 2024 as equity or quasi-equity. Consistent with the establishment arrangements for the fund, ADB will not invest its own capital alongside the fund.<sup>2</sup>

2. Fairbanc is a financial technology (fintech) company with primary operations in Indonesia that partners with fast-moving consumer goods (FMCG) distributors to offer digital microcredit to micro, small, and medium-sized enterprises (MSMEs) for inventory purchases. Fairbanc's proprietary data science and machine learning platform enable FMCG distributor partners to extend working capital on deferred payment terms to MSME suppliers with limited credit history and collateral by providing a first loss guarantee to these partners and leveraging their FMCG supply-chain data to assess credit risk. Limited resources and small-scale operations make MSMEs vulnerable to climate shocks, which affects the health and well-being of its owners and employees. Increased access to financial services, combined with Fairbanc's tailored products to increase awareness among MSMEs of climate risks, enhances their financial and technical capacity to counteract them and become more climate resilient. Fairbanc's mission to bridge the MSME credit gap in emerging markets aligns with ADB's operational priorities of achieving greater financial inclusion and building climate and disaster resilience in Asia and the Pacific.<sup>3</sup>

## II. THE INVESTMENT

### A. Project Identification and Description

3. **Credit gap.** MSMEs are the backbone of the Indonesian economy, contributing about 61% of gross domestic product and 97% of total employment in 2018.<sup>4</sup> Despite the sector's importance, the total MSME credit gap in Indonesia was estimated at \$166 billion in 2017.<sup>5</sup> Supply chains tend to be highly fragmented, and most MSMEs are very small and family-owned.<sup>6</sup> In 2018, Indonesia had about 64 million enterprises, of which just over 1% are considered small and medium-sized enterprises (SMEs) and about 98% are considered microenterprises. Most microenterprises are not legally registered and generally do not have access to formal credit. Lending to SMEs has not been an area of primary focus for the banking segment because of reasons such as lack of credit history and collateral. In 2019, MSMEs received only 19.6% of total bank lending, while only 39% of SMEs access bank financing. Nonbank financing is slowly

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<sup>1</sup> Financing partner: Clean Technology Fund, Nordic Development Fund, and the governments of Finland and the Republic of Korea. As provided in para. 52 of ADB. 2015. [Enhancing Operational Efficiency of the Asian Development Bank](#). Manila, the President is "authorized to approve the establishment of trust funds and PPFs [financing partnership facility], or participation in GFIs [global funding initiative]; acceptance of contributions from any financing partner; and administration of cofinancing for any operation."

<sup>2</sup> ADB. 2020. [Establishment of the ADB Ventures Financing Partnership Facility](#). Manila.

<sup>3</sup> ADB. 2018. [Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#). Manila.

<sup>4</sup> ADB. Data Library. [2020 ADB Asia Small and Medium-Sized Enterprise Monitor Volume 1: Country and Regional Reviews](#). Data from the Ministry of Cooperatives and SMEs.

<sup>5</sup> World Bank. World Bank Group Finances. [MSME Finance Gap](#).

<sup>6</sup> Most enterprises in Indonesia are small, usually employing fewer than 20 people.

expanding, but still only accounts for 8% of total financing to MSMEs (footnote 4). Women own about 50% of MSMEs in Indonesia, but experience constraints in accessing funding for their businesses, including difficulties in meeting loan eligibility criteria because of lack of property ownership and, in some cases, limited business experience.<sup>7</sup> The unmet financing demand of women-owned SMEs is estimated at \$22 billion (footnote 5).

4. **Climate vulnerability.** Indonesia is at high risk of climate-related hazards, including floods, drought, cyclones, and extreme heat. These risks are projected to increase because of climate change, with impacts expected in areas such as agriculture; water, coastal, and marine systems; and related supply chains. MSMEs are highly vulnerable to climate shocks because of their high exposure to climate hazards and limited adaptive capacity to reduce risk and manage residual risk, as well as supply chain risks. Climate hazards such as droughts and floods often disrupt business, resulting in loss of sales, disrupted supply chain movements, and damage to premises. This affects the health and well-being of MSMEs' owners and employees.<sup>8</sup> A barrier to MSMEs' disaster preparedness is that they typically prioritize urgent and immediate short-term issues in their business operations. Consequently, they operate with shorter business planning cycles than larger companies and have limited access to funding for adaptation. Most MSMEs do not clearly delineate between business and personal finances, so working capital may be diverted because of sudden large household expenses such as medical emergencies.<sup>9</sup> They often use personal savings, loans from family and friends, work more hours, and reduce expenses to cope with these shocks. Such measures have become less effective as the frequency of the disasters has increased.<sup>10</sup> Limited access to formal financing such as loans and insurance heightens this risk. Beyond the direct effects of climate change on MSMEs' operations, their lack of capacity to counteract these effects may also adversely impact on the local communities they serve, e.g., supply chain disruptions may limit access to basic goods for low-income populations during disasters. Indonesia has limited public sector risk management services in the form of credit, aid, insurance, and adaptation planning support for MSMEs.<sup>11</sup>

5. **Fintech and digitization.** Indonesia's rapidly growing fintech industry could allow MSMEs to access faster, more convenient, and cost-effective financial services. For example, digital business-to-business (B2B) marketplaces work with wholesalers to extend loans to MSMEs along the supply chain. If insufficiently regulated, however, some innovations (e.g., peer-to-peer lending products) could pose risks to MSME operations, particularly for business owners who have lower levels of financial literacy.<sup>12</sup> The Financial Services Authority (OJK) of Indonesia closely scrutinizes fintech lenders and promotes increased digital financial literacy, particularly for women, to mitigate risks.<sup>13</sup> The increase in account ownership at formal financial institutions for

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<sup>7</sup> International Finance Corporation. 2016. [Women-Owned SMEs in Indonesia: A Golden Opportunity for Local Financial Institutions: Market Research Study](#). Washington, DC.

<sup>8</sup> C. Schaer and N. Kuruppu, eds. 2018. [Private-Sector Action in Adaptation: Perspectives on the Role of Micro, Small and Medium Size Enterprises](#). Copenhagen: UNEP DTU Partnership.

<sup>9</sup> Oxford Policy Management. 2017. [Survey on Financial Inclusion and Access \(SOFIA\)](#). Focus Note on Gender. Jakarta.

<sup>10</sup> Indonesian National Board for Disaster Management Agency. 2021. [Indonesia's latest natural disasters are a 'wake up call'](#). ABC News.

<sup>11</sup> Organisation for Economic Co-operation and Development. 2018. [SME and Entrepreneurship Policy in Indonesia 2018](#). OECD Studies on SMEs and Entrepreneurship. Paris.

<sup>12</sup> E. Duflos. 2016. [Emerging Opportunities for Digital Finance in Indonesia](#). Blog. 17 October. Consultative Group to Assist the Poor.

<sup>13</sup> Government of Indonesia. 2020. [National Women's Financial Inclusion Strategy](#). Jakarta.

women and men since 2016 is largely driven by the successful digitization of government assistance programs.<sup>14</sup>

6. **Business strategy and rationale.** Fairbanc aims to enable microcredit to be extended through fragmented FMCG supply chains to about 4 million MSMEs in Indonesia, which have a market size of \$1.7 billion. Fairbanc leverages the distribution network and technology infrastructure of large FMCG companies to access the supply chain data of MSMEs digitally. The company's proprietary data science and machine learning platform analyzes these data to enable efficient assignment of credit to MSMEs that require credit to grow but are less likely to default. Fairbanc accomplishes this by providing distributor partners a standing credit on its balance sheet, enabling these partners to extend working capital on deferred payment terms to MSME suppliers. Fairbanc currently earns revenue by taking discount received by MSMEs from distributors per order as its commission for its data analytics and credit management services. MSMEs' engagement in adaptation and resilience-building will be enhanced by Fairbanc's plans to implement a product recommendation system that will provide information alerts to MSMEs on in-demand products during climate events. By using the early warning system of Indonesia's Meteorology, Climatology, and Geophysics Agency (BMKG) and conducting historic data analysis, Fairbanc will provide a list of in-demand essential goods for MSMEs to stock.<sup>15</sup> It will also launch a business continuity program that will help build the capacity of MSMEs to become more resilient during climate events by adopting procedures such as secured storage of assets (inventory), emergency lighting, and identifying back-up suppliers. These measures will increase MSMEs' awareness of climate risks and enhance their financial and technical capacity to counteract them and become more climate resilient.

## B. Ownership and Management

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7. **Management.** The management team consists of the founder and other experienced and well-qualified professionals. They have previous entrepreneurial experience and are well connected in prime market segments for financial services, including fintech and retail. Mir Nizamul Haque, the chief executive officer, has more than 10 years of experience in entrepreneurship and management consulting. Kevin O'Brien, the chief technology officer, has more than 9 years of technological design and architecture experience at Kiva.

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## III. THE ADB ASSISTANCE

### A. The Assistance

8. ADB will administer the provision of assistance of up to \$2,000,000, with an initial investment of up to \$500,000 through a quasi-equity investment in Fairbanc Pte. Ltd.

9. The initial investment will be in the form of a convertible promissory note,. ADB will coinvest about 30% of this financing round and expects to mobilize parallel equity financing of at least \$8,000,000 during 2021–2024. The balance of the approved equity amount may be invested

<sup>14</sup> Results from the National Financial Inclusion Insights Survey in Government of Indonesia. 2016. *National Financial Inclusion Strategy*. Jakarta.

<sup>15</sup> Badan Meteorologi, Klimatologi, dan Geofisika

in subsequent fundraising rounds. ADB is expected to provide support to help strengthen governance, improve environmental and social sustainability, incorporate measures to support gender equality in Fairbanc's business activities to narrow gender disparities, and strengthen awareness on climate and disaster risk. This investment complements ADB's sovereign operations.<sup>16</sup> ADB aims to leverage its networks to help Fairbanc connect with regulators and new customers, and gain traction in other Asian markets. In line with the ADB Ventures Financing Partnership Facility (footnote 2), the share purchase price will be based on a valuation approved by the fund investment committee.

## B. Implementation Arrangements

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10. **Use of proceeds.** Fairbanc will use the investment proceeds to finance its business growth in Indonesia by expanding its FMCG partnerships and team to improve both technological and sales capabilities, including hiring of senior management to accelerate growth, in a gender-inclusive manner. Subsequent funding might be used to fund business expansion in other developing member countries of ADB. Some 70% of the investment proceeds will be allocated to target women-owned MSMEs.

11. **Evaluation.** Fairbanc will prepare and submit monitoring reports to ADB at least annually. The first report will be submitted no later than 12 months after the first disbursement.

## C. Value Added by ADB Assistance

12. **Development of fintech industry in Indonesia.** The investment will demonstrate ADB's support of innovative financial technologies that strengthen financial inclusion in Indonesia. Micro-credit enables micro-retailers in Indonesia to maintain a larger inventory because of ready access to working capital.

13. **Resource mobilization.** ADB's shareholding is anticipated to have a significant signaling effect and is likely to increase market confidence in Fairbanc achieving its business goals. This will help Fairbanc in critical areas, such as launching new products and attracting future debt and equity. ADB's investment will also help catalyze more impact venture investments in Indonesia.

14. **Progress to market-leading standards.** As the first and only development finance institution shareholder, ADB will help develop and support Fairbanc's adherence to high corporate governance and integrity standards, as well as its adoption of market-leading social and environmental standards, with potential demonstration effects in the Indonesian fintech segment.

15. **Gender inclusion.** ADB will help Fairbanc implement gender actions to enhance financing capacity toward women owned MSMEs; increase the number of women employees; encourage more balanced women's participation at senior management and board levels; and develop a more inclusive corporate environment, addressing the issue of sexual harassment.

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<sup>16</sup> ADB. 2020. [\*Report and Recommendation of the President to the Board of Directors: Proposed Programmatic Approach and Policy-Based Loan for Subprogram 1 to the Republic of Indonesia for the Promoting Innovative Financial Inclusion Program\*](#). Manila.

## IV. DEVELOPMENT IMPACT AND STRATEGIC ALIGNMENT

### A. Development Impact, Outcome, and Outputs

16. The investment is aligned with the Government of Indonesia's commitment to increase financial inclusion and achieve Sustainable Development Goals 1, 8, and 13.<sup>17</sup> The investment's expected outcome is increased financial inclusion and reduced climate vulnerabilities for MSMEs, particularly those owned by women.<sup>18</sup> The expected outputs of the investment are (i) expansion of Fairbanc's business, including climate-resilient products, in a gender-inclusive manner; and (ii) gender equality in the workplace enhanced.

### B. Alignment with ADB Strategy and Operations

17. **Consistency with ADB strategy and country strategy.** The investment is compliant with the fund's objectives, as set out in the relevant contractual documents. In addition, the investment will contribute to the following Strategy 2030 operational priorities and their operational plans: (i) addressing remaining poverty and reducing inequalities (OP1); (ii) accelerating progress in gender equality (OP2); and (iii) tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability (OP3).<sup>19</sup> The investment is also aligned with the objective of the ADB country partnership strategy and country operations business plan for Indonesia of addressing climate change, increasing climate resilience, and gender equality.<sup>20</sup>

## V. POLICY COMPLIANCE

### A. Safeguards and Social Dimensions

18. ADB has categorized the investment in compliance with ADB's Safeguard Policy Statement (2009) as follows: environment (category C), involuntary resettlement (category C), and indigenous peoples (category C).<sup>21</sup>

19. ADB has undertaken due diligence and reviewed the potential environmental and social impacts of the investment. Fairbanc's business operations and plan for using ADB proceeds is likely to cause minimal adverse impacts to the environment and will not trigger involuntary resettlement or indigenous peoples safeguards.

20. As a digital business, Fairbanc's operations use electricity as the primary resource and generate minimal waste outputs. These impacts can be managed through compliance with existing regulations and the adoption of resource conservation measures as part of Fairbanc's environmental and social policies improvement. Likewise, Fairbanc commits to adhere to applicable labor laws and internationally recognized core labor standards. Fairbanc will report to ADB annually on its environmental and social performance.<sup>22</sup>

<sup>17</sup> Government of Indonesia. 2020. *National Medium-Term Development Plan (RPJMN), 2020–2024*. Jakarta; and Government of Indonesia. 2005. *National Long-Term Development Plan (RPJPN), 2005–2025*. Jakarta.

<sup>18</sup> The ADB Ventures Investment Fund 1 will contribute to multiple SDGs by applying a climate (80% of investments) and gender (75% of investments) impact investment lens, primary targeting ADB's developing member countries in Southeast Asia and South Asia.

<sup>19</sup> ADB. *Strategy 2030: Operational Plans*.

<sup>20</sup> ADB. 2020. *Country Partnership Strategy: Indonesia, 2020–2024—Emerging Stronger*. Manila; and ADB. 2020. *Country Operations Business Plan: Indonesia, 2021–2023*. Manila.

<sup>21</sup> ADB. *Safeguard Categories*. Manila

<sup>22</sup> Summary Poverty Reduction and Social Strategy (accessible from the list of linked documents in Appendix 2).

21. **Gender equity as a theme.** Following ADB's Policy on Gender and Development (1998), Fairbanc has incorporated measures to promote gender equality and women's empowerment in its business activities.<sup>23</sup> Key features of the gender action plan are as follows: increasing the number of microcredit loans issued to MSMEs owned by women; and increasing women's representation on the board, in senior management, and in new jobs. Fairbanc will also implement measures to enhance gender equality in the workplace through an explicit anti-sexual harassment policy with supporting procedures, together with training sessions of Fairbanc staff on this topic. Fairbanc will submit periodic reports on implementation of gender measures to ADB.

## **B. Anticorruption Policy**

22. Fairbanc was advised of ADB's policy of implementing best international practice relating to combating corruption, money laundering, and the financing of terrorism. ADB will ensure that the investment documentation includes appropriate provisions prohibiting corruption, money laundering, and the financing of terrorism; and remedies for ADB in the event of noncompliance.

## **C. Assurances**

23. Consistent with the Agreement Establishing the Asian Development Bank (the Charter),<sup>24</sup> ADB will proceed with the assistance upon establishing that the Government of Indonesia has no objection to the assistance to Fairbanc. ADB will enter into suitable investment documentation, in form and substance satisfactory to ADB.

## **VI. THE PRESIDENT'S DECISION**

24. The President, acting under the authority delegated by the Board, has approved the administration of an investment of up to the equivalent of \$2,000,000, with an initial investment of up to \$500,000 as a convertible promissory note in a nonoperating holding company called Fairbanc Pte. Ltd. in Singapore, to be provided by the ADB Ventures Investment Fund 1 under the ADB Ventures Financing Partnership Facility, and hereby reports this action to the Board.

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<sup>23</sup> ADB. 1998. [ADB's Policy on Gender and Development](#). Manila.

<sup>24</sup> ADB. 1966. [Agreement Establishing the Asian Development Bank](#). Manila.



**DESIGN AND MONITORING FRAMEWORK  
FOR THE ADB VENTURES INVESTMENT: FAIRBANC PTE. LTD.**

<b>Impact the Project is Aligned with:</b> The Government of Indonesia's commitment to increase financial inclusion and achieve SDGs 1, 5, 8, and 13 (National Medium-Term Development Plan [RPJMN]), 2020–2024 <sup>a</sup>			
<b>Results Chain</b>	<b>Performance Indicators</b>	<b>Data Sources and Reporting Mechanisms</b>	<b>Risks and Critical Assumptions</b>
<p><b>Outcome</b></p> <p>Increased financial inclusion and reduced climate vulnerabilities for MSMEs, particularly those owned by women<sup>b</sup></p>	<p>By 2025 and 2037<sup>c</sup></p> <p>a. <b>CONFIDENTIAL INFORMATION DELETED</b></p> <p>b. <b>CONFIDENTIAL INFORMATION DELETED</b></p> <p>c. <b>CONFIDENTIAL INFORMATION DELETED</b></p> <p>d. <b>CONFIDENTIAL INFORMATION DELETED</b></p> <p>e. Number of jobs at Fairbanc increased to at least 30 by 2025, of which 15 are held by women; and 300 by 2037, of which 150 are held by women (2020 baseline: 12, of which 5 are held by women) (OP1.2, OP2.1)</p>	<p>a.–e. Annual Development Effectiveness Report of Fairbanc</p>	<p>Economic growth and business expansion slows because of COVID-19</p>
<p><b>Outputs</b></p> <p>1. Expansion of Fairbanc's business, including climate-resilient products, in a gender-inclusive manner</p> <p>2. Gender equality in the workplace enhanced</p>	<p>1a. <b>CONFIDENTIAL INFORMATION DELETED</b></p> <p>1b. <b>CONFIDENTIAL INFORMATION DELETED</b></p> <p>2a. At least 33% of Fairbanc board members are women by 2023 (2020 baseline 0%) (OP 2.3)</p>	<p>1.–2. Annual Development Effectiveness Reports of Fairbanc</p>	<p>Funding constraints</p> <p>Failure to expand services beyond FMCGs</p> <p>Shift in fintech regulations</p> <p>High rate of non-performing loans</p>

Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
	<p>2b. At least 25% of Fairbanc senior managers are women by 2023 (2020 baseline 0%) (OP 2.3)</p> <p>2c. Fairbanc adopts an anti-sexual harassment policy with supporting procedures by 2022<sup>h</sup> (2020 baseline: n/a) (OP 2.3.2)</p> <p>2d. At least 80% of staff are trained annually on the company's anti-sexual harassment provisions by 2023 (2020 baseline: n/a)</p>		

#### Key Activities with Milestones

##### 1. Expansion of Fairbanc's business, including climate-resilient products, in a gender-inclusive manner

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- 1.2. CONFIDENTIAL INFORMATION DELETED
- 1.3. CONFIDENTIAL INFORMATION DELETED
- 1.4. CONFIDENTIAL INFORMATION DELETED

##### 2. Gender equality in the workplace enhanced

- 2.1. Recruitment of women for advisory and management roles completed by Q3 2023
- 2.2. Anti-sexual harassment policy approved by Q2 2022
- 2.3. Training module for anti-sexual harassment policy implemented by Q4 2022

#### Inputs

ADB: \$2 million (equity or quasi-equity)

ADB = Asian Development Bank; COVID-19 = coronavirus disease; FMCG = fast-moving consumer goods; MSMEs = micro, small, and medium-sized enterprises; n/a = not applicable; OP = operational priority; Q = quarter; RPJMN = *Rencana Pembangunan Jangka Menengah Nasional* (The Medium-Term National Development Plan); SDG = Sustainable Development Goal.

<sup>a</sup> Government of Indonesia. 2020. *National Medium-Term Development Plan (RPJMN), 2020–2024*. Jakarta; and Government of Indonesia. 2005. [National Long-Term Development Plan \(RPJPN\), 2005–2024](#). Jakarta.

<sup>b</sup> Fairbanc defines a women-owned business where the person responsible for running the business, or who runs the business on a daily basis, is a woman. This is in line with the first criteria of the newly set definition in the Indonesia 2020 National Women's Financial Inclusion Strategy.

<sup>c</sup> The ADB Ventures Investment Fund 1 has a 17-year fund life (up to 2037) and will make 15–36 investments. ADB expects some investments to result in full or partial loss, consistent with the market dynamics of early-stage companies. ADB is therefore taking a portfolio approach by investing in high-risk investments that can generate significant development outcomes. The outcome indicators of each investment are meant to be ambitious to be consistent with the portfolio strategy and fund-level outcome targets.

<sup>d</sup> Since Fairbanc was in a pilot testing phase until December 2020, the baseline numbers are from the pilots conducted by Fairbanc.

<sup>e</sup> The computations assume that only 60% of Fairbanc's MSME clients are climate-vulnerable, and of this total, only 33% (60%\*33%=20%) will utilize Fairbanc services related to microcredit, business continuity program and order recommendation system.

<sup>f</sup> Assumes that Fairbanc will raise a \$1.5 million this round, of which ADBV will contribute \$500,000, and a \$10 million round by 2023, of which ADBV will contribute \$2 million including the initial investment of \$500,000.

- <sup>g</sup> Fairbanc's order recommendation system will provide in-demand stock keeping units of products in demand during climate events. Fairbanc will also have a store enhancement program which recommends precautionary measures to avoid losses during climate events, optimizes MSMEs' operations, and ensures business continuity.
- <sup>h</sup> Supporting procedures to the new anti-sexual harassment policy may notably include a confidential reporting mechanism, confidential investigative procedure, mechanism for redress and a non-retaliation clause.

Source: Asian Development Bank.

**LIST OF LINKED DOCUMENTS**

<http://www.adb.org/Documents/RRPs/?id=55175-001-4>

1. Country Economic Indicators
2. **CONFIDENTIAL INFORMATION DELETED**
3. **CONFIDENTIAL INFORMATION DELETED**