Early Warning System

ADB-44934-026

Regional: Supporting Microfinance and Lending Partner Financial Institutions in their COVID-19 and Post-pandemic Response

Regional: Supporting Microfinance and Lending Partner Financial Institutions in their COVID-19 and Post-pandemic Response

Quick Facts

Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	U
Sectors	Finance, Law and Government
Investment Amount (USD)	$ 0.50 million

Project Description

This Technical Assistance (TA) proposes timely intervention as economic activity and income-generating opportunities resume in the post-lockdown period. It will help these MFIs/NBFIs a) build their capacity and resilience; b) secure continued financing by wholesale investors to ensure on lending to low-income borrowers; c) promote continuity of lending and collection activity for clients, assisting them through periods of economic and personal distress with awareness and sensitivity; and d) prepare for future crisis-related scenarios.

According to the ADB project website on COVID, this project will support COVID 19 relief efforts. The disclosed project documents also state:

> "In April 2020, the Asian Development Bank (ADB) approved an increase in the aggregate limit for the Microfinance Risk Participation and Guarantee Program (MFP) by $260 million to $600 million.1 MFP is a credit enhancement initiative designed to address market gaps by sharing risks to facilitate local currency lending to microfinance institutions (MFIs), which on-lend to lowincome people who face difficulties in gaining access to finance. Operating on a revolving basis, the MFP has supported $1.18 billion in new local currency loans since inception in 2010 to end2019, benefiting over 6 million end-borrowers, mostly women, across ADB's developing member countries. As a result of the COVID-19 outbreak, MFP seeks to support MFIs that are partners of the program by building resilience during the post-pandemic period and help sustain continued financing of the most vulnerable low-income population in ADB's developing member countries.."

Investment Description

- Asian Development Bank (ADB)

Contact Information

Project Officer

Hyde, Janet Veronica

Private Sector Operations Department (email contacts not provided at the time of disclosure)

ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.adb.org/forms/request-information-form

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: https://www.adb.org/site/disclosure/appeals

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main.

Bank Documents

- Technical Assistance Report: Supporting Microfinance and Lending Partner Financial Institutions

Other Related Projects

- ADB-44934-016 Microfinance Risk Participation and Guarantee Program
- ADB-44934-015 Microfinance Risk Participation and Guarantee Program
- ADB-44934-017 Microfinance Risk Participation and Guarantee Program - Transaction Support for Expansion
- ADB-44934-032 Building Awareness on Climate Change and Adaptability at the Community level