Early Warning System

ADB-46920-015

Supply Chain Finance Program (Additional Financing)

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Quick Facts

Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	C
Voting Date	2018-03-22
Sectors	Finance, Industry and Trade
Investment Type(s)	Guarantee, Loan
Investment Amount (USD)	$ 100.00 million
Loan Amount (USD)	$ 50.00 million

Project Description

According to the bank website, "The Board of Directors approved the Supply Chain Finance Program (SCFP) on a pilot basis in November 2012 with a revolving limit of $200 million, under which ADB provides guarantees and funding through partner financial institutions (PFIs) to support developing member countries' (DMC) small and medium-sized enterprises (SMEs)1. Technical assistance of $800,000 was approved in 2013 and used primarily to engage consultants to help implement the program.2 Obligations and liabilities under the Program are to be discharged by 31 August 2018 if the program is not renewed.

This paper seeks the approval of the Board of Directors of the Asian Development Bank (ADB) for a major change in scope and amount for the Supply Chain Finance Program (SCFP or the Program). The proposed changes are derived from lessons learned during the SCFP's pilot phase, a market survey, and are aligned with the Program's developmental objectives. They are: (i) remove the program expiry date of 31 August 2018; (ii) increase the overall exposure limit from $200 million to $300 million; and (iii) broaden parameters to enhance the Program's scope and development impact by supporting innovative structures that may involve more risk."

According to the ADB website, this project is part of the bank's COVID-19 response. For more information about the ADB's COVID-19 response, please refer to: https://www.adb.org/what-we-do/covid19-coronavirus.

Early Warning System Project Analysis

The ADB categorized the project risks as follows:

Environment	FI-C
Involuntary Resettlement	FI-C
Indigenous Peoples	FI-C

Investment Description

- Asian Development Bank (ADB)

Private Actors Description

The project supports commercial banks' trade finance and supply chain operations in ADB's developing member countries. The names of specific participating financial institutions have not been disclosed by the banks.

Contact Information

Responsible ADB Department Private Sector Operations Department
Responsible ADB Division Private Sector Financial Institutions Division
Responsible ADB Officer Beck, Steven

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

- Gender Action Plan
- Initial Poverty and Social Analysis
- Project Disclosure PDF [Original Source]
- Report and Recommendation of the President

Media

- ADB Ramps Up Support for SMEs with Additional Supply Chain Financing

Other Related Projects

- ADB-46920-017 Capacity Development for the Supply Chain Finance Program (Phase 2) (Subproject 1)
- ADB-46920-020 Capacity Development for the Supply Chain Finance Program (Phase 2) (Subproject 3)
- ADB-46920-028 Capacity Development for the Supply Chain Finance Program (Phase 3) (Subproject 3)