Early Warning System

ADB-46920-028

Capacity Development for the Supply Chain Finance Program (Phase 3) (Subproject 3)

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Quick Facts

Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	U
Borrower	Borrower not available at the time of the snapshot.
Sectors	Finance, Technical Cooperation
Investment Type(s)	Grant
Investment Amount (USD)	$ 1.50 million

Project Description

According to the Bank's website, the Trade and Supply Chain Finance Program (TSCFP) is composed of the Trade Finance Program (TFP) and the Supply Chain Finance Program (SCFP) which were operationally merged in 2020 to achieve efficiencies and deliver better client service. Whereas the TFP assumes bank risk to support cross-border trade, the SCFP assumes corporate risk to support both domestic and cross-border supply. Both businesses share TSCFP middle and back office operations, and front office team-members represent all TSCFP products. This proposed technical assistance (TA) will fund the engagement of consultants for business operations and for capacity building activities related to gender, sustainability, and anti-money laundering.

Subproject 3 activities will include the following:
(i) work with companies (i.e., corporate and SME obligors) and PFIs to acquire financial data;
(ii) conduct in-depth due diligence and risk analysis that will focus on credit and performance risk and established relationships specific to a supply chain of companies in which ADB would assume risk under the SCFP, and ensure that business activities of such companies and their DMC suppliers and/or obligors are not on ADB's prohibited investment activities list;
(iii) assess the supply chain finance operations capacity of selected banks and make recommendations for improvement;
(iv) draft credit applications, risk ratings, and financial due diligence reports;
(v) conduct integrity due diligence and reputational risk reviews, including monitoring and following up on recommendations for improvement;
(vi) conduct signing ceremonies with new PFIs;
(vii) conduct knowledge-building, knowledge-sharing, and partnership-development activities on supply chain finance and gender, sustainability and anti-money laundering-related initiatives (including training seminars for DMC banks, SMEs and regional training and/or networking events);
(viii) administer transactions and perform annual monitoring assessments on companies and PFIs; and
(ix) engage consultants or possibly collaborate with established financial technology or supply chain finance platforms to facilitate operations.

Investment Description

- Asian Development Bank (ADB)

The TA cluster subproject financing amount is $1,500,000, of which (i) $1,000,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF 7), and (ii) $500,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-other sources). The key expenditure items are listed in Annex 1 Cluster Subproject Cost Estimates Financing Plan.

Contact Information

No contacts available at the time of disclosure.

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

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

- Capacity Development for the Supply Chain Finance Program (Phase 3) (Subproject 3): Technical Assist
- Project Disclosure PDF

Other Related Projects

- ADB-46920-017 Capacity Development for the Supply Chain Finance Program (Phase 2) (Subproject 1)
- ADB-46920-015 Supply Chain Finance Program (Additional Financing)
- ADB-46920-020 Capacity Development for the Supply Chain Finance Program (Phase 2) (Subproject 3)