

Early Warning System

ADB-49137-001

Improve Financial Service Outreach for Agriculture - Finca Azerbaijan

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Quick Facts

Countries	Azerbaijan
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	U
Voting Date	2015-04-22
Borrower	Finca Azerbaijan
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 25.00 million
Loan Amount (USD)	$ 25.00 million

Project Description

As of June 4, 2024, the project disclosure page has been removed from the ADB's website.

According to ADB documents, ADB has supported the development of private finance in Azerbaijan since 2005 with interventions to build up banks that finance micro, small, and medium-sized enterprises (MSMEs). Initially, this support largely benefited banks and enterprises centered in the capital. To support increased access to finance in secondary towns and rural regions, ADB provided in 2013 a loan to ABA who expanded its regional footprint through branch openings and support to farmers and small trade and service businesses. However, an enhanced focus is needed to advance the outreach of custom-suited financial products for agriculture through sound financial institutions and, especially in the short term, to respond to the adverse devaluation impact.

The proposed ADB assistance entails two direct senior, unsecured loan facilities for (i) ABA of up to $75 million (or AZN equivalent) with a maximum 7-year tenor, and (ii) FIA of up to $25 million comprising, of an A-loan of up to $20 million (or AZN equivalent) with a maximum 6-year tenor, and a B-loan of up to $5 million with a 4-year tenor to be funded by participating commercial banks.

Investment Description

- Asian Development Bank (ADB)

B-Loan: USD 5.00 million (Proposed)

7747/3254
Loan: USD 20.00 million (Approved)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- FINCA Azerbaijan (Financial Intermediary)

Private Actors Description

FINCA is a commercial bank operating worldwide, including in Azerbaijan.

Contact Information

Project Officer: Flegler, Paul Robert
Private Sector Operations Department
No contact information provided at the time of disclosure.

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

- K@nd T@s@rrufati ucun Maliyy@ Xidm@ti @hat@sinin T@kmill@sdirilm@si - Finca Az@rbaycan : Layih@ Data [Original Source]
- Project Disclosure PDF [Original Source]
- Proposed Senior Loans to AccessBank Azerbaijan and Finca Azerbaijan Improving Financial Service Outr [Original Source]