Early Warning System

ADB-49432-001

Microfinance in Poverty-Stricken Counties

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Quick Facts

Countries	China
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	C
Voting Date	2016-05-17
Borrower	CD Finance Management (formerly CFPA Microfinance Management)
Sectors	Agriculture and Forestry, Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 50.00 million
Loan Amount (USD)	$ 50.00 million
Project Cost (USD)	$ 50.00 million

Project Description

As stated on the project disclosure page, ADB will provide a senior secured loan of up to $50 million (or CNY equivalent) with a 3-year tenor to CFPA Microfinance Management (CFPAMM) in the PRC. The proposed loan will fund CFPAMM's microfinance operations in counties designated by central and local government as poverty stricken areas.

The sub-loans will be primarily used for agricultural and farming purposes, and may also be used to support individual microbusinesses in trade, manufacturing, and services as well as other rural economic activities. The proposed loan will benefit women, as CFPAMM specifically targets women in rural areas as its core customers and currently women represent 94% of CFPAMM's borrowers. It will promote gender equity by improving rural women's access to finance through 121,000 collateral free microloans to women borrowers.

Early Warning System Project Analysis

The ADB categorized the project E&S risks as 'FI-C'.

Investment Description

- Asian Development Bank (ADB)

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.

- CD Finance Management (formerly CFPA Microfinance Management) (Financial Intermediary)

Private Actors Description

As stated by DevelopmentAid, CD Finance (formerly known as CFPA Microfinance Management Co Ltd) is a comprehensive rural service institution focusing on serving small and micro businesses in rural areas, which consists of CD Finance Management Co., Ltd. and its subsidiaries for microfinance and rural services. We aim to offer convenient, fast, economical, safe and reliable services for customer group in rural areas, enabling them to start business, increase income and pursue better lives through microcredit, microinsurance, agricultural input e-commerce, direct procurement of agricultural outputs, and technical training.

Contact Information

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

- Microfinance in Poverty-Stricken Counties: Initial Poverty and Social Analysis [Original Source]
- Microfinance in Poverty-Stricken Counties: Report and Recommendation of the President [Original Source]
- Pin Kun Xian Xiao E Xin Dai : Xiang Mu Shu Ju Biao [Original Source]
- Project Disclosure PDF