Early Warning System

ADB-53144-001

Rural Enterprise Financing Project

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Quick Facts

Countries	Nepal
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	C
Voting Date	2019-11-11
Borrower	Government of Nepal
Sectors	Agriculture and Forestry, Finance
Investment Type(s)	Advisory Services, Loan
Investment Amount (USD)	$ 50.75 million
Loan Amount (USD)	$ 50.00 million
Grant Amount (USD)	$ 0.75 million

Project Description

According to the bank website, "the project will promote and finance commercial agribusiness enterprises collective owned by small farmers (collective enterprises) and individual small enterprises (individual enterprises) through Small Farmers Development Bank (SFDB), an apex development bank owned by Small Farmers Agriculture Cooperatives (SFACs). SFDB provides wholesale loans to SFACs; then SFACs relend to their small famer members. Under the project, SFACs will relend the loan proceeds to their members' collective enterprises and individual enterprises."

Early Warning System Project Analysis

The ADB categorized the project E&S risks as follows:

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

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.

- Small Farmer Development Bank (SFDB, Nepal) (Financial Intermediary)

Private Actors Description

As stated on the company's website, the Government of Nepal (the GoN) has entered into a loan agreement with the Asian Development Bank (the ADB) to borrow USD 50 million on 10th December 2019 for the implementation of the Rural Enterprise Financing (REF) Project. Sana Kisan Bikas Laghubitta Bittiya Sanstha Ltd. (in English, Small Farmer Development Bank- SFDB) is the Implementing Agency (IA) and Financial Sector Management and Corporation Coordination Division (FSMCCD) Ministry of Finance is the Executing Agency (EA) for the Project.

A five-member Project Steering Committee headed by the Secretary Ministry of Finance has been formed to monitor and supervise project implementation and provide guidance on major project implementation issues.

Contact Information

Responsible ADB OfficerOzaki, Mayumi
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Responsible ADB DivisionPublic Management, Financial Sector and Trade Division, SARD
Executing Agencies
Ministry of Finance
The Government of Nepal
Singha Durbar, Kathmandu, Nepal

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

- Project Disclosure PDF [Original Source]
- Rural Enterprise Financing Project: Initial Poverty and Social Analysis [Original Source]

Media

- ADB Project to Promote Rural Entrepreneurship in Nepal