Early Warning System

ADB-54287-001

Expanding Access to Finance for Farmers and Micro Entrepreneurs Project

Early Warning System

Expanding Access to Finance for Farmers and Micro Entrepreneurs Project

ADB-54287-001

Quick Facts

Countries	China
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	C
Voting Date	2021-03-02
Borrower	CD Finance Management Co., Ltd. (CFM)
Sectors	Agriculture and Forestry, Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 40.00 million
Loan Amount (USD)	$ 40.00 million
Project Cost (USD)	$ 40.00 million

Project Description

According tothe bank website, this project entails the Asian Development Bank (ADB) providing longer-tenor financing to CFM to support the company's lending operations to farmers and micro entrepreneurs in PRC's rural counties. The proposed loan will help expand the availability of microcredit to the underserved segments, including women borrowers, and support rural economic development

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 the ADB, CD Finance Management Co., Ltd. (CFM) was established in 2008 as a commercially operated entity to scale up the microfinance activities of the China Foundation for Poverty Alleviation (CFPA) under a joint program of the World Bank and the Government of the PRC, which had been in operation since 1996. From 1996 to 2008, the initiative had cumulatively disbursed CNY600 million of microloans to 150,000 households. CFM has been growing rapidly since its establishment in 2008, supported by several rounds of capital increases, and has transformed from a donor-funded development project to a sustainable commercial institution. CFM expects to operate exclusively in rural counties and continue to serve the financial needs of rural low- and middle-income groups. CFM is the largest microfinance institution in the PRC with an outstanding microfinance loan portfolio of CNY11.25 billion as of June 2020. It currently serves approximately 400,000 active borrowers. About 45% of its borrowers are women.

Contact Information

ADB
Huang, Biao (Project Officer)

Project contacts not available at the time of disclosure.

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

- Expanding Access to Finance for Farmers and Micro Entrepreneurs Project: Initial Poverty and Social [Original Source]
- Project Disclosure PDF [Original Source]
- Report and Recommendations of the President