

 Early Warning System

ADB-54424-002

Preparing the Micro, Small, and Medium-Sized Enterprises Financial
Access, Inclusivity, and Resilience Project



Quick Facts

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|--------------------------------|------------------------------|
| Countries | Pakistan |
| Financial Institutions | Asian Development Bank (ADB) |
| Status | Approved |
| Bank Risk Rating | U |
| Voting Date | 2021-08-10 |
| Sectors | Finance |
| Investment Type(s) | Advisory Services |
| Investment Amount (USD) | \$ 0.50 million |
| Grant Amount (USD) | \$ 0.50 million |
| Project Cost (USD) | \$ 1.00 million |



Project Description

According to the ADB project page, The Technical Assistance (TA) is attached to the concept paper for a proposed loan of \$125 million supporting financial inclusion of Micro, Small, and Medium-Sized Enterprises (MSME) and income-generating households in Pakistan. The objective of the proposed project is to restore economic resilience of the household and MSME borrowers in response to the ongoing COVID-19 crisis and help kick-start lending.

PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

In June 2020 Pakistan's microfinance industry serviced approximately 6.9 million borrowers with outstanding loans of approximately \$1.9 billion (PKRs 299 billion). Since 2015 the micro and small enterprise (MSE) loan book has grown at a compound average growth rate (CAGR) of 35% while client outreach increased at a CAGR of 20%. However, due to the economic decline in 2019 and COVID-19, client outreach and loan disbursements to households dropped sharply and further decline is anticipated until end 2021. Women borrowers were particularly hard hit declining 9% from June 2019-June 2020.



Investment Description

- Asian Development Bank (ADB)

The TA is estimated to cost \$1,000,000, of which (i) \$500,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-other sources) and (ii) \$500,000 will be financed on grant basis by the Republic of Korea e-Asia and Knowledge Partnership Fund and administered by ADB.



Contact Information

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|-----------------------------------|---|
| Responsible ADB Officer | McCartney, Andrew C. |
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| Responsible ADB Division | Pakistan Resident Mission Ministry of Economic Affairs, Economic Affairs Division Block Q, Pakistan Secretariat Islamabad, ICT, Pakistan 44000 |
| Executing Agencies | Pakistan Resident Mission Tariq Anwar Pakistan |

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>.



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Bank Documents

- [Project Disclosure PDF](#) [Original Source]



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Other Related Projects

- ADB-54424-001 Women Inclusive Finance Sector Development Program (Subprogram 1)