

 Early Warning System

ADB-51269-003

Microenterprise Financing and Credit Enhancement Project



Quick Facts

Countries	Bangladesh
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	FI
Voting Date	2022-11-14
Borrower	People's Republic of Bangladesh
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 200.00 million
Loan Amount (USD)	\$ 200.00 million
Project Cost (USD)	\$ 200.00 million



Project Description

According to ADB, the proposed project will strengthen microfinance in Bangladesh by expanding access to finance for unbanked and underbanked microenterprises, especially microenterprises owned by women and those from regions affected by adverse climatic conditions. The project targets increased access to finance for microfinance institutions (MFIs), which are key lenders to microenterprises. The project will channel funds through Palli Karma Sahayak Foundation (PKSF), a state-owned wholesale microfinance and development organization, which will onlend to its partner MFIs. ADB will use the attached TA to help develop a pilot credit guarantee fund (CGF) at PKSF and develop partner MFIs' capacity to enhance women's entrepreneurship skills and promote environmentally responsible microenterprise financing through advisory services for those affected by climate risk. It builds on previous work by ADB in microfinance, including commercialization and digitalization of microfinance and inclusive insurance as well as providing financial support for microcredit development. The financial intermediary modality is used as it is the most appropriate to achieve the project objectives of (i) expanding microenterprises' access to finance, and (ii) expanding MFIs' sources of funding.

Bank Rating: FI-C



Investment Description

- Asian Development Bank (ADB)

The project is estimated to cost \$200 million. The government has requested a concessional loan of \$200 million from ADB's ordinary capital resources to help finance the project. The loan will have a 25-year term, including a grace period of 5 years; an interest rate of 2.0% per year during the grace period and thereafter; and such other terms and conditions set forth in the draft loan and project agreements.



Contact Information

Responsible ADB Officer Gunawardhena, Manohari
Responsible ADB Department South Asia Department
Responsible ADB Division Public Management, Financial Sector and Trade Division, SARD
Executing Agencies Financial Institutions Division-MOF

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

- [Climate Change Assessment](#) [Original Source]
- [Gender Action Plan](#) [Original Source]
- [Loan Agreement](#) [Original Source]
- [Microenterprise Financing and Credit Enhancement Project: Initial Poverty and Social Analysis](#) [Original Source]
- [Project Administration Manual](#) [Original Source]
- [Project Agreement](#) [Original Source]
- [Project Disclosure PDF](#) [Original Source]
- [Report and Recommendations to the President](#) [Original Source]
- [Technical Assistance Report](#) [Original Source]