# ADB

## **PROJECT DATA SHEET**

Project Data Sheets (PDS) contain summary information on the project or program: Because the PDS is a work in progress, some information may not be included in its initial version but will be added as it becomes available. Information about proposed projects is tentative and indicative.

**PDS Creation Date** PDS Updated as of 16 Oct 2007 **Project Name** SME Sector Development (Project Loan) Country Pakistan **Project/Program Number** 34327-023 **Status** Approved **Geographical Location** Pakistan In preparing any country program or strategy, financing any project, or by making any designation of, or reference to, a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area. Sector and/or Subsector Industry and trade Classification / Small and Medium Enterprise Development **Thematic Classification** Economic growth Governance Private sector development **Gender Mainstreaming Categories** 

## FINANCING

Type/Modality of Assistance	Approval Number	Source of Funding	Approved Amount (US\$ thousand)
Loan	2067	-	0
TOTAL			US\$ 0

## SAFEGUARD CATEGORIES

For more information about the safeguard categories, please see http://www.adb.org/site/safeguards/safeguard-categories

Environment	C

Involuntary Resettlement –	
Indigenous Peoples –	
SUMMARY OF ENVIRONMENTAL AND SOCIAL	ISSUES
Environmental Aspects	
Involuntary Resettlement –	
Indigenous Peoples	
STAKEHOLDER COMMUNICATION, PARTICIPA	TION, AND CONSULTATION
During Project Design	
During Project Implementation –	
DESCRIPTION	
infrastructure for business development services (BDS) a subprojects. Subproject 1 (Policy Formulation and Implementation and inspection policy. Subproject 2 (SME BIBDS through SME Business Support Fund (BSF). Subproject	entation of policy reforms and the building of a market-based and financial services to SMEs and is structured in three ntation) supports policy formulation, including SME policy and usiness Support Fund) supports market development for SME ct 3 (Market Development for SME Finance) supports market of development, credit information, and capacity building for
PROJECT RATIONALE AND LINKAGE TO COU	NTRY/REGIONAL STRATEGY
DEVELOPMENT IMPACT	
_	
PROJECT OUTCOME	
Description of Outcome	Progress Towards Outcome
_	_
OUTPUTS AND IMPLEMENTATION PROGRESS	
Description of Project Outputs	Status of Implementation Progress (Outputs, Activities, and Issues)



#### **BUSINESS OPPORTUNITIES**

**Date of First Listing** 

11 Dec 2006

**Consulting Services** 

All consultants to be financed from the proceeds of the ADB loan will be recruited in accordance with ADB's Guidelines on the Use of Consultants & other arrangements for the engagement of domestic consultants satisfactory to ADB. The Government requested that domestic consultants may be required to collaborate with international consultants. Subproject 1: Policy Formulation & Implementation A. Component 1.1: The implementing agency will be Small & Medium Enterprise Development Authority (SMEDA). The assistance will be implemented intermittently over 36 months. An international SME policy specialist (1.5 months), and domestic SME specialists (11 months) will support the Task Force (TF). SMEDA will provide office facilities for the consultants. The consultants will have expertise in policy development and will be selected by the implementing agency after concurrence by ADB on an individual basis in accordance with ADB's Guidelines on the Use of Consultants and other arrangements for the engagement of domestic consultants acceptable for ADB. Besides the terms of reference, the consultants will prepare quarterly progress reports and a final report at the end of the task. B.Component 1.2: Labor Protection and Inspection Policy Development. The implementing agency will be Ministry of Labour and Overseas Pakistanis (MOL). The component will be implemented over 24 months. An international labor policy specialist (6 months), and a full-time domestic labot specialist (20 months) will support the TF in conducting its task. MOL will provide office facilities for the consultants. The consultants will be experienced labor policy specialists and recruited on an individual basis consistent with ADB's Guidelines on the Use of Consultants and other arrangements for the use of domestic consultants satisfactory to ADB. Besides the terms of reference, the consultants will prepare quarterly progress reports and a final report at the end of the task. Subproject 2: Small and Medium Enterprise Business Support Fund The Executing Agency will be the Ministry of Finance represented by the core program management unit. The implementing agency will be the Ministry of Finance prior to eastablishment of Business Support Fund (BSF), and then BSF, commencing on the date on which BSF enters into a project agreement with Asian Development Bank. The subproject will be implemented over 60 months. An internationally experienced BDS specialist will be recruited on an intermittent basis to establish and manage the facility (32 personmonths over 5 years), provide on-the-job training for staff, and induce a senior staff to take over the management function for the BSF. The international expert will be recruited on an individual basis consistent with the Guidelines on the Use of Consultants . Besides the terms of reference, the consultants will prepare brief quarterly reports and a final report at the end of the task. Subproject 3: Market Development for Small & Medium Enterprise Finance Component 3.1: Regulatory Policy Development, Credit Information, and Capacity Building for Financial Institutions. Consultants to be financed under this subproject will be recruited in accordance with ADB's Guidelines on the Use of Consultants and other arrangements for the engagement of domestic consultants satisfactory to ADB. The services require an innovative approach to awareness building, identification of participating financial institutions (PFIs), and PFI senior management commitment of their SME finance business plans, before assistance packages can be customized. Since there is no standardized approach for delivery of such services and the tasks of developing systems, lending processes, and procedures for SME finance are complex and require highly specialized skills and a significant degree of flexibity in the allocation of expertise, quality-based selection method will be applied for the capacity-building portion of this component (308 person-months of which 124 months are international

and 184 months are domestic expertise). Since the participating FIs will be identified in the awareness-building process through short-term consultants, the requisite terms of reference and specialized skills will be customized to the needs of the individual PFI> The short-term positions (32 person-months of which 16 months are international and 16 months are domestic expertise) will be advertised and selected on an individual basis. The experts will have a strong track record in emerging markets in the followig areas: (i) SME finance policy/regulation, (ii) awareness building and training, and (iii) design and implementation of downscaling programs for SME finance. Component 3.2: SME Bank Restructuring This component will be implemented over 24 months and will assist the Government and SME Bank with the implementation of the restructuring plan, and provide expertise to (i) identify markets niches for SME Bank, (ii) establish lending policies and procedures, (iii) develop financial products, (iv) develop marketing strategies to enhance outreach, and (v) develop sound risk management through incentives for staff, controls, and sound management information systems. SME Bank will recruit an individual international expert as head of its SME business unit, who will lead for a 24-month period the buildup of the commercial SME business unit including the use of deposit and lending products for its clients. The expert will be selected in a competitive process by a committee composed of SME Bank and the core program management unit. Recruitment will be in agreement with ADB and consistent with the Guidelines on the Use of Consultants. The expert will prepare quarterly reports and a final report at the end of the task. The expert will have (i) at least 8 years experience in (a) establishing and managing SME banking for commercial FIs; (b) SME credit origination, management, and risk management; and (c) analytical, management, marketing, and interpersonal skills.

Procurement	Procurement of goods and services is in accordance with ADB's Guidelines for Procurement.			
Procurement and Consulting Notices	http://www.adb.org/projects/34327-023/business-opportunities			
TIMETABLE				
Concept Clearance	-			
Fact-finding	19 May 2003 to 03 Jun 2003			
Management Review Meeting	29 Aug 2003			
Approval	19 Dec 2003			
Last Review Mission	_			

## MILESTONES

Approval No	Annroyal				Closing	
Approval No.	Approval	Signing	Effectivity	Original	Revised	Actual
Loan 2067	19 Dec 2003	10 Feb 2004	05 Jul 2004	30 Jun 2009	30 Sep 2009	21 Jun 2010

## STATUS OF COVENANTS

Covenants are categorized under the following categories—audited accounts, safeguards, social, sector, financial, economic, and others. Covenant compliance is rated by category by applying the following criteria: (i) Satisfactory—all covenants in the category are being complied with, with a maximum of one exception allowed, (ii) Partly Satisfactory—a maximum of two covenants in the category are not being complied with, (iii) Unsatisfactory—three or more covenants in the category are not being complied with. As per the 2011 Public Communications Policy, covenant compliance ratings for Project Financial Statements apply only to projects whose invitation for negotiation falls after 2 April 2012.

	Category						
Approval No.	Sector	Social	Financial	Economic	Others	Safe	Project Financial Statements
Loan 2067	_	_	_	_	_	_	_

## CONTACTS AND UPDATE DETAILS

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http://www.adb.org/projects/34327-023/main	
http://www.adb.org/projects/34327-023/documents	