



Georgia: Credo COVID-19 Support for Agriculture Borrowers Project

Project Name	Credo COVID-19 Support for Agriculture Borrowers Project		
Project Number	54270-001		
Borrower / Company	Credo Bank JSC		
Country / Economy	Georgia		
Location	Nation-wide		
Type or Modality of Assistance	3973	Loan Ordinary capital resources	USD 4.00 million Committed
Operational Priorities	OP1: Addressing remaining poverty and reducing inequalities OP2: Accelerating progress in gender equality OP5: Promoting rural development and food security		
Sector / Subsector	Finance / Small and medium enterprise finance and leasing		
Gender	Effective gender mainstreaming		
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	Portfolio Management Division, PSOD		
Responsible ADB Officer	Arshad, Basit		
Project Sponsor(s)			
Description	The transaction involves a loan of up to either (i) \$4,000,000, if the loan is denominated in \$, or (ii) GEL 12,300,000, if the loan is denominated in GEL, to Credo Bank JSC (Credo) for coronavirus disease (COVID-19) Support for Agriculture Borrowers project in Georgia.		
Objectives and Scope	The ADB assistance to Credo comprises a senior loan of up to either (i) \$4,000,000 if the loan is denominated in United States dollars, or (ii) GEL12,300,000 if the loan is denominated in lari, with a tenor of up to 3 years. Credo will use the proceeds of the ADB loan to fund MSME borrowers in Georgia's agriculture sector.		
Status of Development Objectives	In progress.		
Status of Operation/Construction	Operation loan fully disbursed and expected to be fully repaid in March 2024.		

Linkage to
Country/Regional Strategy

The transactions support the following key operational priorities of ADB's Strategy 2030: (i) addressing remaining poverty and reducing inequalities, (ii) promoting rural development and food security, and (iii) accelerating progress in gender equality through the gender action plan. ADB plays a tangible role in deepening the finance sector in Georgia. Since 2007, it has provided nonsovereign loans totaling \$375 million and TA to banks (Bank of Georgia, Credo, Finca Bank, and TBC Bank) and the NBG. Bank of Georgia, Basis Bank, and TBC Bank are also beneficiaries of ADB's Trade Finance Program. The loan to Credo is part of ADB's wider COVID-19 response and is expected to strengthen Credo's partnership with ADB. ADB's nonsovereign efforts are aligned with its country partnership strategy, 2019-2023 and country operations business plan, 2020-2022 for Georgia. ADB's nonsovereign operations will continuously support the creation of an enabling environment to catalyze access to financial services for MSMEs, including women entrepreneurs.²² The loan to Credo complements ADB's sovereign operations support package to Georgia, which includes (i) a Countercyclical Support Facility Loan of \$100 million, approved on 28 May 2020;²³ (ii) a Social Protection and Fiscal Management programmatic policy-based loan of \$350 million, expected to be approved later in 2020; and (iii) other programs to support reforms in energy, urban water, and education.

Safeguard Categories

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

Summary of Environmental and Social Aspects

Environmental Aspects	ADB has categorized the investment in compliance with ADB's Safeguard Policy Statement (2009). This transaction is classified category FI for impacts on the environment.
Involuntary Resettlement	The project has no impact on involuntary resettlement.
Indigenous Peoples	The project has no impact on indigenous peoples.
Stakeholder Communication, Participation, and Consultation	Monitoring of the project will be carried out by ADB. Credo will provide ADB with required reporting at agreed reporting periods which include but are not limited to (i) financial statements on a quarterly basis; (ii) audited financial statements on an annual basis; (iii) compliance certificates for financial covenants; (iv) annual reporting on selected development indicators agreed between ADB and Credo; and (v) annual implementation status of its environmental and social management system (ESMS) reports.

Timetable for assistance design, processing and implementation

Concept Clearance	15 Jul 2020
Credit Committee Meeting	24 Sep 2020

Approval

15 Oct 2020

Last PDS Update

06 Oct 2023

Project Page <https://www.adb.org/projects/54270-001/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=54270-001>

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