



China, People's Republic of: Innovative Small and Medium-Sized Enterprise Bond Financing and Investor Protection Mechanism

Project Name	Innovative Small and Medium-Sized Enterprise Bond Financing and Investor Protection Mechanism				
Project Number	46023-001				
Country	China, People's Republic of				
Project Status	Closed				
Project Type / Modality of Assistance	Technical Assistance				
Source of Funding / Amount	<table border="1"> <tr> <td colspan="2">TA 8461-PRC: Innovative Small and Medium-Sized Enterprise Bond Financing and Investor Protection Mechanism</td> </tr> <tr> <td>Technical Assistance Special Fund</td> <td>US\$ 400,000.00</td> </tr> </table>	TA 8461-PRC: Innovative Small and Medium-Sized Enterprise Bond Financing and Investor Protection Mechanism		Technical Assistance Special Fund	US\$ 400,000.00
TA 8461-PRC: Innovative Small and Medium-Sized Enterprise Bond Financing and Investor Protection Mechanism					
Technical Assistance Special Fund	US\$ 400,000.00				
Strategic Agendas	Inclusive economic growth				
Drivers of Change	Governance and capacity development				
Sector / Subsector	Finance - Finance sector development - Money and capital markets Industry and trade - Small and medium enterprise development				
Gender Equity and Mainstreaming					
Description	The TA will help the government formulate strategies and implement concrete programs to promote SMEs' access to finance by developing high yield bond market and appropriate investor protection mechanism. The TA will conduct a study on overall SME bond financing in PRC and international best practices to identify preconditions for successful development of high yield bond market. Based on this study, a roadmap for establishing effective policy measures will be prepared for high yield bond market development. Measures for diversifying and expanding investor base, building a proper legal framework, and designing a harmonized regulatory enforcement system will be explored and recommended. The TA will also explore possible investor protection mechanism through the comprehensive study on advanced economies with different legal system. Finally, the TA will also provide capacity building activities for relevant authorities and promote knowledge sharing through an international conference.				
Project Rationale and Linkage to Country/Regional Strategy					
Impact	Increased access to finance for SMEs				

Project Outcome

Description of Outcome	Development of a high-yield bond market and an enhanced investor protection mechanism in the PRC
Progress Toward Outcome	The recruiting process has been finalized. The inception meeting and consultation meetings have been conducted. The inception report has been submitted and approved. The second mission was fielded in August 2015 for further consultation and fact finding. The draft final report will be prepared and circulated by the end of October 2015.

Implementation Progress

Description of Project Outputs	<p>Comprehensive report on innovative SME bond financing</p> <p>Road map with specific policy measures for development of high-yield bond markets, market infrastructure, and an appropriate legal and appropriate regulatory framework</p> <p>A research report on appropriate investor protection mechanisms for a high-yield bond market and policy recommendations</p> <p>Improved capacity of regulatory authorities to develop high-yield bond markets and investor protection mechanisms</p>
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Status of Implementation Progress (Outputs, Activities, and Issues) The consultants are mobilized. The inception report has been submitted in March 2015. The second mission was fielded in August 2015 and draft final report was prepared and circulated for comments in May. The report was finalized and two policy notes have been translated in Chinese. The final workshop was held in June 2016 for sharing the output of the TA.

Geographical Location

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design Ministry of Finance was consulted during the project design.

During Project Implementation Regular meetings and consultations with EA and IAs are undertaken.

Business Opportunities

Consulting Services The individual consultants two international (8 person-months in total, SME Bond Market Specialist and Capital Market Legal and Regulatory Specialist) and three national consultants (10 person-months in total, Bond Market Specialist, SME Finance Specialist, Financial Data and Information Analyst) will be individually selected and engaged by the Asian Development Bank (ADB) in accordance with the Guidelines on the Use of Consultants (2013, as amended from time to time) and arrangements satisfactory to ADB for the engagement of national consultants.

Responsible Staff

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Timetable

Concept Clearance 05 Sep 2013

Fact Finding 13 Aug 2013 to 13 Aug 2013

MRM -

Approval 25 Sep 2013

Last Review Mission -

Last PDS Update 21 Sep 2016

TA 8461-PRC

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
25 Sep 2013	16 Jan 2014	16 Jan 2014	30 Jun 2015	30 Jun 2016	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
400,000.00	0.00	40,000.00	0.00	0.00	0.00	440,000.00	25 Sep 2013	220,137.60

Project Page	https://www.adb.org/projects/46023-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=46023-001
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