WHO WE ARE

The Private Sector Operations Department (PSOD) of the Asian Development Bank (ADB) catalyzes, structures, and provides financing to privately held and state-sponsored companies across a wide range of industry sectors throughout developing Asia. The emphasis is on commercially viable transactions that generate attractive financial returns while also delivering on ADB’s organization-wide mission to promote environmentally sustainable and inclusive economic growth.

WHAT WE DO

- **Finance** private sector companies, banks, and projects in infrastructure, financial services, clean energy, agribusiness, and other core sectors via debt and equity investments
- **Mobilize** third-party capital via credit enhancement products, risk transfer agreements, and donor funds
- **Invest** in private equity and other structured funds and manage institutional capital in such funds on behalf of clients
- **Actively manage** our portfolio to ensure strong financial performance, high development impact, and strong compliance with environmental, social, and governance safeguards

THE PSOD ADVANTAGE: OUR VALUE ADDITION

- **Wide network of strategic partnerships** with leading market players, financial and research institutions, and civil society, formed over ADB’s 50 years of successful development assistance in diverse operating contexts
- **Credibility** with host governments, private investors, and project developers, based on ADB’s AAA rating, reputation for prudent underwriting, and proven safeguard policies
- **Mitigated risk financing** through rigorous credit analysis and targeted risk reduction and management, offering attractive risk-adjusted returns
- **Multifaceted approach to service delivery**, encompassing not only finance but also intellectual capital and other proprietary resources
- **Highly qualified team** of banking and industry specialists drawn from the private sector
- **Organizational and staff presence** in 31 regional, subregional, and country offices worldwide, allowing closer and sustained engagement with clients and direct involvement in country strategy planning, project administration, and risk management
OUR MAIN GOAL

Poverty reduction through inclusive, sustainable, and socially responsible economic growth led by the private sector.

OUR PRODUCTS AND SERVICES

**DEBT**
Direct loans at market-based rates, B loans, and unfunded risk participations

**GUARANTEES**
Protection against political and credit risks

**EQUITY INVESTMENTS**
Direct investments in common shares, preferred stock, or convertibles; investments in private equity funds

**TECHNICAL ASSISTANCE AND CONCESSIONAL CAPITAL**
Collaborative support for project implementation, institutional capacity building, economic stability, and inclusive growth; attractively priced and structured financing from third-party sources for specific industries or geographic areas

OUR SECTOR FOCUS

**Infrastructure**
Catalyzing economic growth and social equity via energy, waste, water, transport, and telecommunications facilities

**Finance and capital markets**
Providing better access to higher-quality financial services across Asia’s developing markets

**Environmental protection**
Developing sources of renewable energy and encouraging energy efficiency

**Sustainable agribusiness**
Promoting environmentally friendly food production, processing, and distribution

**Education**
Building human capital through the expansion of basic and higher education services

**Health**
Supporting private providers of high-quality and affordable health care
PSOD Activities in 2021

Armenia
- ENA Investment Program Phase 2

Georgia
- Georgian Railway Green Bond Project
- M Square Affordable Housing Project
- Bank of Georgia COVID-19 Response to Support Micro, Small, and Medium-Sized Enterprises Project

Uzbekistan
- Korzinka COVID-19 Food Retail Supply Chain Support Project
- Hamkorbank Expanding Access to Credit for Micro, Small, and Medium-Sized Enterprise and Agriculture Borrowers Project

People’s Republic of China
- Henan Tianlun Resilient Energy Supply Project
- Tianzow Advanced Pig Breeding Stock Project
- Loan to Zhujiang Financial Leasing for SME Finance
- CD Finance Management Expanding Access to Finance for Farmers and Microentrepreneurs Project

Azerbaijan
- COVID-19 Staple Food Security Project (Avrora)

Sri Lanka
- John Keells Modern Retail Infrastructure Expansion Project

India
- Zenex Improved Animal Health and Welfare Project
- Bengaluru Smart Energy Efficient Power Distribution Project
- Shubham Housing Supporting Affordable Housing in Semi- and Peri-Urban Areas
- IIFLHF Supporting Access to Affordable Green Housing for Women Project
- COVID-19 Hospital Service Delivery Project
- Krsnaa COVID-19 Diagnostic Services
- GRIL Phase II Highway Equipment Finance Project
- DBL Highway Project

Primary Sector
- Agriculture
- Transport
- Energy (Other)
- Health
- Finance
- Water and Urban Services
- Information, Communication, Telecommunication

Regional
- PAG Growth II, LP
- Lombard Fund V
- Creatov LP
- Equity Investment in REG: Northstar Equity Partners V Limited
- New Hope COVID-19 Working Capital Support Project
- ECOM COVID-19 Smallholder Farmer Climate Resilience and Livelihood Support Project

Viet Nam
- Lotus Wind Power Project
- B. Grimm Viet Nam Solar Power Project – Dau Tieng Solar Power Project
- Supporting Small and Medium-Sized Enterprises and Improving Living Conditions
- TPB Expanding Access to Finance for Women-owned and led SMEs

Indonesia
- Cimory Inclusive Dairy Value Chain Project

Cambodia
- Prime Road National Solar Park Project

Thailand
- Green Yellow Rooftop Solar

Fiji
- Fiji Airways COVID-19 Liquidity Support Facility

Papua New Guinea
- Pacific Telecommunications Modernization Project (formerly ATH Vodafone Project)

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Client: Zenex Animal Health India Private Limited (ZAHL)

ADB Commitment: INR780 million equity from ADB’s OCR and $575,000 TA

Key Features
- Support the increased production of high-quality animal health care products, to help smallholder farmers mitigate disease risk, reduce losses, and increase productivity, and thereby improve their incomes.
- Promote awareness of antimicrobial resistance (AMR), better farm hygiene, and biosecurity best practices, and enhance gender inclusion at the corporate and farm levels.
- The project is the first agribusiness coinvestment of ADB’s Private Sector Operations Department leveraging on the market reach and due diligence abilities of an existing investee private equity fund. This is also the department’s first investment in a new sector of animal health. The animal health sector is an extremely important sector for ADB in the post-COVID-19 world, where improvements in biosecurity, AMR mitigation, and zoonosis prevention have gained immense significance.
- The project also benefits from the strong collaboration of ADB’s Private Sector Operations Department and South Asia Department.
- Having acquired the animal health business from its previous owners, ZAHL is now the second-largest animal health company in India, with a diversified portfolio across species as well as product categories. It has a well-regarded, technically trained field force and a wide distribution network reaching 100,000 veterinary doctors and more than 100,000 farmers.

ADB’s Value Addition
- Providing equity capital, to fill a market gap.
- Encouraging the adoption of best safeguards and governance practices, and improvements in industry best practices.
- Promoting gender inclusion. The transaction is categorized as effective gender mainstreaming.

Approval Date: 19 November 2021
Commitment Date: 7 December 2021
Client: PT Cisarua Mountain Dairy Tbk (Cimory)

ADB Commitment: IDR59.9 billion ($4.2 million) equity investment from ADB’s OCR

Key Features
- Cimory is the leading manufacturer and distributor of dairy and consumer foods with well-established household brands in Indonesia.
- ADB invested in the company’s initial public offering (IPO) on the Indonesia Stock Exchange. The IPO proceeds will finance Cimory capital expenditure related to the expansion of processing capacity and working capital for its dairy business.
- The project is ADB’s first equity investment in the Indonesian agribusiness sector and its first agribusiness IPO investment.

ADB’s Value Addition
- Supporting Cimory in adopting international standards for environmental, social, and governance (ESG) management, including gender inclusion, carbon footprint reduction, and environmental footprint reduction (e.g., in packaging operations).
- Through its participation as an anchor investor, helping Cimory to mobilize funding from like-minded, long-term, ESG-focused investors.

Approval Date: 28 October 2021
Commitment Date: 15 November 2021
Client: ECOM Agroindustrial Corp. Ltd. (together with its subsidiaries, ECOM)

ADB Commitment: $60 million loan from ADB’s OCR; $630,000 technical assistance (TA) from the ADB-managed Strategic Climate Fund

Key Features
• Founded in 1849, ECOM is the world’s largest coffee miller and one of the world’s top coffee, cocoa, and cotton merchants. As an origin-integrated group, ECOM is focused on partnering with stakeholders throughout the supply chain to provide traceable, certified, and client-specific products. The group has more than two decades of commitment to sustainability.
• This is an indirect COVID-19 response, climate adaptation finance ($50 million), inclusive business, and regional integration project.
• The project will fund liquidity to sustain ECOM’s operations and the livelihoods and climate resilience of 15,265 smallholder coffee farmers in India, Indonesia, Papua New Guinea, and Viet Nam.
• The TA will complement the loan by developing at least 150 climate resilient farmer groups, including at least 50 cocoa farmer groups in Indonesia and at least 100 coffee farmer groups in Papua New Guinea (PNG) with women farmers comprising an average of at least 25% and 15% of group members, respectively.

ADB’s Value Addition
• ADB’s loan is the first development finance institution (DFI) financing earmarked for ECOM operations in Asia and the Pacific— providing focused expertise related to safeguards, gender, and climate resilience to enhance the development impact of the project.
• Mobilizing nontraditional cofinancing via risk transfers, thereby diversifying ECOM’s funding sources and reducing ADB’s exposure. ADB has also mobilized concessional climate funds for the TA.
• Helping to mitigate ECOM’s refinancing risk, while addressing ECOM’s need for medium-term financing for permanent working capital. The financing also sent a positive signal to the banking market, mitigating the liquidity crunch affecting commodity players globally.

Approval Date: 14 December 2021
Commitment Date: 22 December 2021
**2021 CASE STUDIES**

**AGRIBUSINESS**

**UZBEKISTAN: KORZINKA COVID-19 FOOD RETAIL SUPPLY CHAIN SUPPORT PROJECT**

**Client:** Anglesey Food Foreign Enterprise Limited Liability Company (Korzinka)

**ADB Commitment:** $12 million loan (in SUM equivalent) from ADB’s OCR

**Key Features**
- This is ADB’s first agribusiness project in Uzbekistan and an indirect COVID-19 response project. ADB’s funding will be used to increase inventory, support faster payments to suppliers (including farmers), and to fund COVID-19-related operating expenditure (e.g., protective equipment and quarantining cost).
- Korzinka, incorporated in 1996, is Uzbekistan’s largest modern supermarket chain, offering more than 15,000 products.

**ADB’s Value Addition**
- Assisting Korzinka in diversifying its lender base and providing access to medium-term local currency financing, which is unavailable on the local market.
- Promoting gender equality through the implementation of a gender action plan for the supermarket chain.

**Approval Date:** 8 December 2021

**Commitment Date:** 28 December 2021
Investee: Creador V L.P. (Creador V)

ADB Commitment: Up to $60 million equity investment from ADB’s OCR

Key Features
- Creador V intends to invest in growing companies primarily operating in the business services, consumer goods and services, health care (including pharmaceuticals), financial services, and manufacturing sectors in India, Indonesia, Malaysia, the Philippines, and Viet Nam.

ADB’s Value Addition
- Assisting Creador V in promoting gender equality across the fund’s operations by introducing and implementing a gender lens investing approach and enhancing gender-inclusive workplace practices.
- Requiring Creador V and its investees to adopt and implement an ADB-endorsed environmental and social management system.
- As a member of the fund’s advisory board, providing oversight of Creador V’s corporate governance and conflict-of-interest matters.

Approval Date: 5 November 2021
Commitment Date: 21 December 2021

Skills transfer on factory work to mass-produce PCB’s and microchips in Indonesia (photo by ADB).
**Investee:** New Forests Tropical Asia Forest Fund 2 L.P. (TAFF2)

**ADB Commitment:** $5 million equity from ADB’s OCR; $10 million from the Australian Climate Finance Partnership (ACFP). ACFP is an ADB-managed concessional financing facility funded by the Australian Department of Foreign Affairs and Trade (DFAT).

**Key Features**
- ADB investment in TAFF2 aims to support sustainable forestry companies in Southeast Asia and to reduce the logging of natural tropical forests through nature-based solutions.
- The fund manager, New Forests, is one of Asia’s leading sustainable forest management platforms. The fund was structured as a blended finance vehicle to help attract commercial and concessional capital, and to increase the fund’s impact activities in relation to climate, biodiversity, and livelihood outcomes.
- The fund will seek to acquire a portfolio of sustainable forestry assets certified by international best practice standards (i.e., through the Forest Stewardship Council). Assets may include established and brownfield plantations, greenfield developments, infrastructure and processing facilities, and ancillary environmental market opportunities.
- This investment targets climate adaptation and mitigation and represents ADB’s first private sector investment dedicated to sustainable forestry.

**ADB’s Value Addition:**
- Providing support for improved standards, through steps taken to ensure that TAFF2’s investee companies comply with ADB’s environment and social safeguard standards, and report on development indicators.
- Mobilizing concessional finance to support the fund’s climate, biodiversity and livelihood support objectives.
- Providing guidance on best practices to advance gender equality, including upskilling female plantation workers and developing a gender equality investment scorecard to support the selection of portfolio companies.

**Approval Date:** 19 January 2022

**Commitment Date:** 1 March 2022
**Investee:** Northstar Equity Partners V Limited (NEP V)

**ADB Commitment:** Equity investment of up to $40 million from ADB’s OCR

**Key Features**
- NEP V will invest in growing companies primarily focusing on the consumer goods and services (including education, health care, and agribusiness), financial services and digital economy sectors in Indonesia and Southeast Asia. The fund may opportunistically invest in early-stage companies.

**ADB’s Value Addition:**
- Helping Northstar to develop an environmental and social management system acceptable to ADB.
- Assisting Northstar in promoting gender equality across NEP V’s operations through the introduction and implementation of a gender lens investing approach and the enhancement of gender-inclusive workplace practices.
- As a member of the Fund’s Special Committee, providing oversight of NEP V’s corporate governance and conflict-of-interest matters.

**Approval Date:** 26 November 2021

**Commitment Date:** 23 December 2021
Investee: PAG Growth II L.P.

ADB Commitment: $50 million equity from ADB’s OCR

Key Features
- This is ADB’s first investment in a fund managed by PAG, one of Asia’s largest alternative investment managers, with around $40 billion in assets under management as of 31 December 2020.
- PAG Growth II intends to invest in growing companies primarily operating in the health care, financial services, information technology, and education sectors mainly in the People’s Republic of China.

ADB’s Value Addition
- Providing support for increased gender inclusiveness, by working with the PAG Growth II team on measures that will help the investment company achieve a more gender-equitable workforce and fund portfolio.
- Enabling PAG Growth II’s investee companies to comply with ADB’s environment and social safeguard standards, and to report on development indicators.
- As a member of the fund’s advisory committee, providing oversight of PAG Growth II’s corporate governance and conflict-of-interest matters.

Approval Date: 28 May 2021
Commitment Date: 12 July 2021
**Client:** Bank of Georgia JSC (BOG)

**ADB Commitment:** $100 million loan from ADB’s OCR. $100 million parallel loan from Japan International Cooperation Agency (JICA)

**Key Features**
- Long-term financing in local currency or US dollars will be made available to support micro, small, and medium enterprise (MSME) lending, especially for women-owned MSMEs (WMSMEs).
- With support from ADB, BOG will create a special COVID-19 Women in Business Program to help women entrepreneurs cope with the impact of COVID-19.
- BOG is the second-largest bank in terms of gross loans, and it has the largest distribution network in Georgia.
- With an MSME client base of 220,603 customers (31.6% of market share) and an MSME portfolio of $920 million equivalent, BOG is a key financier of Georgian MSMEs.
- BOG serves MSMEs with its strong digital footprint, underpinned by advanced analytics tools, digital products, and MSME business support.
- This is a COVID-19 response project.

**ADB’s Value Addition**
- Supporting financial inclusion during the COVID-19 pandemic.
- Assisting WMSMEs in coping with the COVID-19 crisis.
- Improving access to long-term local-currency finance among MSMEs, especially those owned by women.
- Mobilizing development finance.

**Approval Date:** 16 November 2020  
**Commitment Date:** 9 December 2021
Client: IIFL Home Finance Limited (IIFLHF)

**ADB Commitment:** $58 million debt financing from ADB’s OCR; $10 million concessional loan from the ADB–managed Canadian Fund for the Private Sector in Asia (CFPS); technical assistance of $1 million from the ADB–managed Urban Climate Change Resilience Trust Fund (UCCRTF)

**Key Features**
- IIFLHF is one of the pioneering housing finance companies in India, with a strategy for increasing the supply of, and demand for, green-certified homes in the affordable housing segment. The financing will be ADB’s first private sector transaction in green affordable housing in India.
- IIFLHF also encourages women to be borrowers or co-borrowers for housing finance and is one of the top facilitators in India of the government’s Credit Linked Subsidy Scheme (CLSS) program, which mandates registered ownership by at least one female family member of the property for which the loan is secured. This project has therefore been assigned ADB’s highest gender categorization of gender equity theme (GEN).

**ADB’s Value Addition:**
- Increasing India’s supply of climate–resilient green affordable housing.
- Improving access to finance among low-income women, and funding the high demand for mortgages in low-income households through longer–tenor local–currency (Indian rupee) debt.
- ADB used a blended finance approach with concessional financing from CFPS to enable IIFLHF to provide construction loans for green-certified, affordable housing at a commercially viable interest rate. The concessional loan encouraged lending to women and to those in low-income groups or economically weak segments of India’s economy. IIFLHF can thus address the constraints on access to housing finance for the affordable segment, and expand the construction of green-certified residential buildings for underserved populations.
- Through the technical assistance, helping to overcome key identified obstacles to building the ecosystem for green-certified affordable housing in India.

**Approval Date:** 3 December 2021  
**Commitment Date:** 29 December 2021
Client: JSCB Hamkorbank (HMK)

ADB Commitment: $20.0 million loan from ADB’s OCR

Key Features
• The transaction entails ADB financing in local currency to support micro, small and medium-sized enterprise (MSME) lending, especially to women and agricultural borrowers. Eighty percent of ADB’s loan proceeds will be on-lent to borrowers outside the capital, Tashkent.
• HMK is the largest private sector bank in Uzbekistan, with headquarters in Andijan, outside Tashkent, and with assets accounting for 3.3% of total assets in Uzbekistan’s banking system in 2019.
• HMK is a universal bank focused on micro, small, and medium-sized enterprise (MSME) and retail lending, and also serves non-state-owned corporate clients. The presence of international development institutions, such as the Dutch development Bank (FMO) (14.55%), the International Finance Corporation (7.28%), and responsAbility (10.53%), among HMK’s shareholders reflects HMK’s position as an advanced and reliable bank for clients among peers.

ADB’s Value Addition
• Improving access to finance for critical sectors, such as MSMEs and agricultural borrowers.
• By means of a SUM synthetic loan provided through ADB offshore bonds, helping to eliminate HMK’s and its borrowers’ exposure to currency risk.
• Addressing the financing gap for women-owned MSMEs.
• Strengthening the private banking sector in Uzbekistan.

Approval Date: 8 April 2021
Commitment Date: 1 June 2021
Client: Vietnam International Commercial Joint Stock Bank (VIB)

ADB Commitment: $100.0 million loan from ADB’s OCR; $160.0 million B-loan; $0.5 million technical assistance (TA) funded with a grant from the Women Entrepreneurs Finance Initiative (We-Fi)

Key Features

• ADB’s long-term funding will support VIB, a leading private commercial bank, ranked 11th in the market in terms of assets in 2020. VIB is backed by the Commonwealth Bank of Australia, which has a 20% stake in the bank.

• ADB’s funding will promote the growth of small and medium-sized enterprises (SMEs), including women-owned SMEs (WSMEs), which form the backbone of the Vietnamese economy and are important drivers of job creation. The funding will also support VIB’s home improvement loan portfolio, thus contributing to better-quality housing and helping Viet Nam to achieve its goal of inclusive urban growth.

• The TA, funded by We-Fi, will facilitate increased lending to WSMEs by developing targeted marketing materials, training loan officers to reduce gender bias in lending, and introducing a gender-disaggregated management information system.

ADB’s Value Addition

• Providing longer-term funding.

• Mobilizing commercial financing through a B-loan, an important source of diversified funding.

• Through the TA, supporting VIB to expand women’s access to finance.

Approval Date: 19 March 2021
Commitment Date: 2 July 2021
Client: John Keells Holdings PLC (JKH)

ADB Commitment: An initial equity investment of $50 million, with the option to subscribe for additional new shares of up to $30 million within 12 months. ADB will equally provide financing from two sources – ADB’s OCR and the LEAP Fund. ADB will also provide a technical assistance grant of $500,000 from the ADB-managed CFPS II.

Key Features
- The project will support the expansion of modern retail infrastructure, strengthen market links, improve access to better-quality food products, and support climate resilience training for farmers.
- JKH is one of the largest listed companies in Sri Lanka, and is present in all the major sectors of the economy including transportation, consumer foods, retail, leisure, property, and financial services.

ADB’s Value Addition
- Providing equity capital at a time when the investment climate in the country is challenging, and liquidity—both foreign and domestic—is affected by the COVID-19 pandemic.
- Mobilizing co-investment of up to $40 million from LEAP.

Approval Date: 13 December 2021
Commitment Date: 17 December 2021
**Client:** Prime Road Power Public Company Limited (PRIME)

**ADB Commitment:** $4.7 million loan from ADB’s OCR; $4.2 million concessional loan from the ADB-managed Canadian Climate Fund for the Private Sector in Asia II (CFPS II); and $3.2 million B-loan from BRED Bank. CFPS II is funded by Global Affairs Canada. $10.3 million parallel loans mobilized from other institutions.

**Key Features**
- The project, the first phase of Cambodia’s landmark National Solar Park, achieved the lowest utility-scale solar tariff in Southeast Asia at the time—$0.03877 per kilowatt-hour.
- This project is the culmination of “One ADB” efforts of the Southeast Asia Department, Sustainable Development and Climate Change Department, Office of Public–Private Partnership, and Private Sector Operations Department. It involves policy and planning support, mobilization of concessional finance, transaction advisory support, and private sector investment.
- PRIME is a renewable energy company listed in Thailand. It has 26 renewable projects with a total installed capacity of 168 megawatts in Cambodia, Japan, and Thailand.

**ADB’s Value Addition**
- Through ADB’s early support for bidders and its blended finance approach, including the mobilization of concessional finance from CFPS II, ADB provided confidence that affordable debt finance will be available to bidders participating in the auction. This helped to support the auction process and lower the tariff levels bid into the tender.
- Leading the financing and mobilizing significant cofinancing from BRED Bank, the International Finance Corporation, JICA, Norfund, and the Export–Import Bank of Thailand.
- Improving standards for environmental, social, and gender actions.

**Approval Date:** 12 February 2021

**Commitment Date:** 25 August 2021
Client: Air Pacific Limited, trading as Fiji Airways

ADB Commitment: $40 million loan from ADB’s OCR; $25 million loan from the LEAP Fund

Key Features
- This is ADB’s first private sector loan in Fiji and first private sector financing for the airline sector.
- Fiji Airways is the South Pacific’s leading airline, with a strong safety record, a new aircraft fleet, and a history of profitable operations. It provides essential transport for Fiji and other small island developing states in the South Pacific, and is a foundation for economic and social development in the region.
- The financing facility benefits from a sovereign guarantee for the loan principal.
- Under the “One ADB” approach, this collaborative project of the Private Sector Operations Department with the Pacific Department and Pacific Subregional Office in Fiji aims to integrate local knowledge and contacts.

ADB’s Value Addition
- Providing key financing to ensure that Fiji Airways transitions through the COVID-19 pandemic and that it will emerge with the capability to resume its central role in transport infrastructure for Fiji and other Pacific countries.
- Mobilizing a financing package from the JICA-funded and ADB-managed LEAP Fund to broaden financial support for Fiji Airways.
- Promoting gender equality, and thus achieving effective gender mainstreaming categorization.

Approval Date: 27 January 2021
Commitment Date: 12 March 2021
Client: Georgian Railway

**ADB Commitment:** $20 million debt security from ADB’s ordinary capital resources (OCR)

**Key Features**
- ADB, as anchor investor, invested in green bonds issued by Georgian Railway, attracting international investors to the first green bond issuance by a state-owned enterprise and transport company from Georgia and the South Caucasus.
- S&P Global provided assurance that the Eurobonds align with the International Capital Market Association’s Green Bond Principles. Georgian Railway is the sole railway company operating in Georgia and one of the country’s largest employers.

**ADB’s Value Addition**
- Through its involvement in this successful green bond issuance, ADB is filling a critical market gap amid uncertainty and market disruptions caused by the COVID-19 pandemic, helping ensure financial and operational sustainability of the railway company.
- Enhancing regional trade and connectivity via optimized logistic chains and improved transport.
- Strengthening gender design features in Georgian Railway’s operations to address key gender equality issues.

**Approval Date:** 10 June 2021

**Commitment Date:** 10 June 2021
Client: Optima LLC / m² Group / JSC Georgia Real Estate

ADB Commitment: $10 million loan from ADB’s OCR

Key Features
• Optima LLC is owned by m² Group, one of Georgia’s leading real estate developers with strong expertise in developing residential properties, and is part of Georgia Capital, one of the country’s largest business groups.
• The financing, ADB’s first private sector transaction in the housing sector in the Central and West Asia region, will entail the use of key sustainability criteria: affordability, safety, energy efficiency, and accessibility.
• Under the “One ADB” approach, this is the first project in the urban sector between the Private Sector Operations Department and the Central and West Asia Department (CWRD). It also benefits from an accessibility audit supported by CWRD.
• The project will be the first private sector–sponsored development to adopt the country’s Inclusive Cities Guidelines, established with ADB’s support.

ADB’s Value Addition
• Providing medium-tenor financing to complete much-needed urban housing infrastructure at a critical stage, before actual cash inflow from the presale of residential units.
• Promoting higher sustainability standards, including accessibility and energy efficiency, through technical assistance (TA) and a third-party TA that is also mobilized by ADB.
• Enhancing gender equality in housing infrastructure through the promotion of gender participation and economic inclusion in urban planning, to reduce persistent gender and inclusion gaps in accessing essential services. The transaction is categorized as effective gender mainstreaming.

Approval Date: 10 August 2021
Commitment Date: 30 September 2021
Client: Avaada Energy Private Limited (AEPL)

ADB Commitment: $7.5 million equity from ADB’s OCR; $7.5 million equity from the Leading Asia’s Private Infrastructure (LEAP) Fund. LEAP is an ADB–managed facility funded by the Japan International Cooperation Agency (JICA).

Key Features
• This is ADB’s second investment in AEPL. ADB invested $50 million in April 2019, when it was a newly established platform. AEPL is now a leading solar developer in India, having operationalized about 666 megawatts of solar operating generation capacity and developed a healthy pipeline.
• The project will contribute to the Government of India’s strategy of increasing the share of renewable energy generation capacity from about 20% in 2018 to 40% by 2030. It contributes to ADB’s elevated ambition to provide $100 billion in cumulative climate finance from its own resources from 2019 to 2030.

ADB’s Value Addition
• Providing AEPL with access to much-needed growth equity to sustain the momentum of implementation of ongoing solar projects—despite the COVID–19 pandemic.
• Mobilizing additional equity from JICA–funded and ADB–managed LEAP Fund.
• Catalyzing an additional $25 million in equity from existing shareholders.
• Supporting AEPL in improving corporate governance, gender policy, and safeguard standards.

Approval Date: 22 September 2020
Commitment Date: 28 September 2020
Client: Bangalore Electricity Supply Company Limited (BESCOM)

ADB Commitment: $90 million nonsovereign loan from ADB’s OCR; $100 million sovereign loan from ADB’s OCR

Key Features
• BESCOM is responsible for power distribution to more than 11.8 million consumers in the Bengaluru urban area, and is fully owned by the Government of Karnataka.
• This project is under the “One ADB” approach between the Private Sector Operations Department and South Asia Department. It marks the first time that ADB provided a combination of sovereign and nonsovereign loans to a subsovereign enterprise.
• The combination of sovereign and nonsovereign loans will help reduce the government’s guarantee obligations and enable BESCOM to move toward a market-based approach in raising financial resources in the future.

ADB’s Value Addition
• Enhancing financial management capability by strengthening the financial discipline of BESCOM and the government of Karnataka.
• Assisting BESCOM in strengthening its operation and maintenance (O&M) capability, in partnership with a leading power distribution company in Japan.
• Providing much-needed long-term local currency financing.

Approval Date: 4 December 2020
Commitment Date: 8 June 2021
Client: GreenYellow Solar 1 (Thailand) Co., Ltd. (GreenYellow)

ADB Commitment: $11.3 million (equivalent) loan from ADB’s OCR; $11.3 million B-loan from funds managed by responsAbility Investments AG

Key Features:
- GreenYellow builds, owns, and operates solar photovoltaic systems and sells electricity through power purchase agreements (PPAs) at the prevailing retail price minus a discount.
- The PPAs have terms of up to 20 years. At the end of the agreement, ownership of the solar photovoltaic systems will be transferred to the commercial and industrial consumers.
- GreenYellow is indirectly owned by GreenYellow SAS, a leading full-service provider of solar power solutions for commercial and industrial consumers based in France. GreenYellow SAS has implemented over 2,500 energy projects and operates more than 260 megawatts of solar systems on more than 1.3 million square meters of building and parking-lot rooftops worldwide.

ADB’s Value Addition:
- Leading the structuring and arrangement of commercial financing, including the mobilization of the B-loan.
- Strengthening environmental and social standards and project capacity through the implementation of an environmental and social action plan.
- Integrating measures intended to promote gender equality and women’s empowerment through effective gender mainstreaming.

Approval Date: 8 April 2021
Commitment Date: 12 April 2021

Borrower: Lien Lap Wind Power Joint Stock Company / Phong Huy Wind Power Joint Stock Company / Phong Nguyen Wind Power Joint Stock Company

ADB Commitment: $35.0 million A-loan from ADB’s OCR; $81.0 million B-loan from commercial banks; $25 million parallel loan from JICA; $32 million parallel loan from Export Finance Australia

Key Features
- This is one of the first and largest wind power projects in Viet Nam with international limited-recourse project financing.
- The 144MW wind farm has reached commercial operation in October 2021 and increased Viet Nam’s wind generation capacity by 30%.
- Knowledge transfer to the Vietnamese sponsor from its Japanese equity partner.
- The project is a collaborative undertaking under the “One ADB” approach by the Private Sector Operations Department, Southeast Asia Department, and Viet Nam Resident Mission.

ADB’s Value Addition
- As the mandated lead arranger, ADB developed a limited-recourse financing structure to address key bankability issues of the power purchase agreement, which enabled the participation of commercial banks and other development finance institutions and mobilized $138 million at a cofinancing ratio of 3.9:1.
- Enhancing environmental and social and gender standards, with an effective gender mainstreaming gender categorization and a climate certification by the Climate Bond Initiative.

Approval Date: 24 March 2021
Commitment Date: 21 May 2021
Client: JSC Evex Hospitals

ADB Commitment: $6.8 million debt security equivalent in Georgian lari (GEL) from ADB’s OCR

Key Features
- ADB purchased GEL20 million of Evex Hospitals’ GEL50 million overall bond issuances.
- Diversify Evex’s funding sources, and in part repay the hospitals’ existing local-currency debts.
- Support Evex Hospitals’ goal of operationalizing medical record digitization through an integrated health information system, and assist in expanding specialist medical services such as oncology, chemotherapy, angiography, and transplantology, covering 14 of the company’s hospitals in Georgia.
- Support the professional development of Evex’s nurses and doctors through training, thus raising medical service and hospital governance standards in Georgia.
- Evex Hospitals is a Georgian operator of referral hospitals and a market leader in the Georgian hospital services sector, with a 21% market share. It operates 18 referral hospitals—seven in Tbilisi and 11 in other major regional cities. These hospitals provide comprehensive secondary and tertiary outpatient and inpatient care, including a range of complex and specialist diagnostic, surgical, curative, and preventive health services.

ADB’s Value Addition
- Supporting Georgia’s local currency bond and corporate debt securities market, thus demonstrating a diversification in funding sources, which will lower the cost of capital and diversify risks to the real economy and the financial system.
- Continuing to hold Evex Hospitals accountable to internationally acceptable standards of environmental and social safeguards, and increasing its capacity to tackle sexual harassment in the workplace and support survivors of gender-based violence.

Approval Date: 26 November 2019
Commitment Date: 12 December 2019
Client: PT Medikaloka Hermina (Hermina)

ADB Commitment: $9.3 million equity from ADB’s OCR; $9.3 million equity from LEAP

Key Features
• Hermina is the second-largest private hospital group in Indonesia, operating 28 hospitals with 2,780 beds in 2017. Since it opened its first maternity clinic in 1985, it has developed a chain of general and multi-specialty hospitals with a continued focus on maternity and pediatric health care services.
• Hermina’s strategic focus is on serving emerging and current middle-income segments of the population.
• Hermina aimed to expand to 40 hospitals with 4,000 beds by 2020.
• Through its partnership with Jaminan Kesehatan Nasional (JKN), Indonesia’s national health insurance program, Hermina is contributing to more equitable provision of health care services in Indonesia.

ADB’s Value Addition:
• Through its participation as an anchor investor in Hermina’s initial public offering (IPO) in May 2018, helping the company to successfully complete its IPO fund-raising of $140 million in challenging market conditions.
• Improving Hermina’s environmental and social safeguard standards through the adoption of ADB standards.
• Demonstrating the viability of a business model that is focused on JKN adoption and contributes to the overall improvement of health care services in Indonesia.

Approval Date: 24 April 2018
Commitment Date: 7 May 2018
**Client:** PHINMA Education Holdings, Inc. (PEHI)

**ADB Commitment:** $6.25 million equity investment from ADB’s OCR; $6.25 million equity investment from LEAP

**Key Features**
- The investment will help PEHI expand student enrolment from 68,819 to 114,000 in 2019–2024, through a combination of capacity expansion in its six universities and the acquisition of new tertiary education institutions in Southeast Asia. ADB funds will be used for PEHI’s expansion in Indonesia.
- PEHI is owned by PHINMA Corp., a company in the Philippines with interests in various sectors including education, hospitality, housing, construction materials, steel, and strategic consulting.

**ADB’s Value Addition**
- Attracting investments in PEHI from third-party investors.
- Ensuring the adoption of improved environmental and social safeguard standards.

**Approval Date:** 8 April 2019

**Commitment Date:** 12 April 2019
Client: Jointown Pharmaceutical Group Co. Ltd.

ADB Commitment: $18.6 million (CNY130 million) loan from ADB’s OCR

Key Features
- The project provided short-term financing to Jointown to procure emergency medical supplies and distribute them in COVID-19-affected areas, including the most affected provinces of Guangdong, Henan, Hubei, Hunan, and Zhejiang.
- Jointown is one of the pharmaceutical distributors designated by the Government of the PRC in Hubei Province to procure and distribute medical supplies during the pandemic.
- Jointown is the PRC’s fourth-largest pharmaceutical distributor and the only privately owned distributor among the top five. Jointown has been listed on the main board of the Shanghai Stock Exchange since 2010.
- This is a COVID-19 response project.

ADB’s Value Addition
- Through its support for continued high-quality health care service delivery, ensuring the availability and affordability of access to health care, especially during a global public health emergency.
- Boosting investor confidence in the PRC at a critical time, and supporting the government in its efforts to increase liquidity in the financial system.
- Providing longer-term finance, compared with regular working capital loans from local banks.

Approval Date: 20 February 2020
Commitment Date: 25 February 2020
ADB Ventures, the Private Sector Operations Department’s venture investment platform, provides funding and support for technology-driven businesses with the potential to scale up their climate and gender impact in Asia. It leverages ADB’s unique networks to reduce market entry risks and accelerate access to growth opportunities. It aims to become a leading regional impact-focused technology investment platform, crowding in more than $1 billion in risk capital by 2030.

The inaugural $60 million ADB Ventures Equity Fund can make first-check investments up to $4 million per company with potential for follow-on investments. Investees to-date include:

- **E Green Global**, an agri-biotech company strengthening food security and resilience through disease-free seed potatoes.
- **Euler Motors**, which makes light electric vehicles for last-mile commercial logistics in India.
- **Fairbanc**, which partners with fast-moving consumer goods distributors to bridge Indonesia’s micro, small, and medium-sized enterprise (MSME) credit gap, offering digital microcredit for inventory purchases.
- **Nuventura**, which has developed an alternative to SF6, the world’s strongest manmade greenhouse gas, for insulating electric switchgear.
- **SatSure**, which provides satellite data and crop analytics for the banking and insurance sector, making crop insurance more affordable.
- **Skycatch**, which uses drone-based surveying to eliminate waste and reduce the construction industry’s carbon footprint.
- **Smart Joules**, a provider of energy-efficient cooling as a service for Indian hospitals and commercial buildings.
- **Wagely**, a digital earned wage access and financial literacy platform, with a vision of becoming a neo-bank for workers in emerging Asia and strengthening financial and climate resilience, especially among women.

ADB Ventures has a separate technical assistance–funded seed program that provides small-scale finance to companies not yet qualifying for equity investment. ADB Ventures monitors seed funding recipients closely and retains the option to make future equity investments. As of June 2022, the seed program has supported 35 companies, including e-mobility, green materials, circular economy, logistics, and financial risk management solutions for climate risk and disaster preparedness.
ADB’S TRADE AND SUPPLY CHAIN FINANCE PROGRAM (TSCFP)
MAKING GLOBAL TRADE GREEN, RESILIENT, INCLUSIVE, TRANSPARENT AND SOCIALLY RESPONSIBLE

Port of Suva is Fiji’s main container and multipurpose port facility. It is the principal gateway for the country’s international trade (photo by ADB).

WHAT WE DO:

- Fill market gaps for trade and supply chain finance.
- Provide guarantees and loans to banks to support trade.
- Support a wide range of import/export transactions: commodities, capital, and consumer goods.
- Deliver solutions and products with partners to make global trade green, resilient, inclusive, transparent, and socially responsible.

2021 BY NUMBERS:

- $8.4 billion Value of transactions supported 2009 to 2021: $57 billion
- $5.5 billion Cofinancing 2009 to 2021: $34 billion
- 9,200 Number of transactions supported 2009 to 2021: 45,494
- 3,500 SME transactions supported 2009 to 2021: 27,309

TRADE FINANCE

Financial Products

Guarantee Products

1. Credit Guarantee:
   Covers up to 100% of bank risk; provided within 24–48 hours

2. Risk Participation Agreement:
   Automatically binds TSCFP up to 85%

Funded Projects

1. Revolving Credit Facility:
   Loans to banks to support pre- and post-shipment transactions

2. Funded Risk Participation Agreement:
   Automatically binds the TSCFP for up to 50% of bank risk in support of funded trade transactions

Distribution Product (Cofinance)

Risk Distribution Agreement:
   TSCFP leverages capital resources and credit limits by sharing risk

SUPPLY CHAIN FINANCE

Financial Products

Pre-Shipment Finance
   Pays suppliers upfront for verified purchase orders

Post-Shipment Supplier Finance
   Provides funds to suppliers upon delivery and acceptance of goods

Distributor Finance
   Provides financing for distributors to cover holding of goods for resale
**Green and Social Responsibility Initiative**

*Environmental, Social and Governance (ESG)*  
Implemented environment and social management systems in financial institutions. Also implementing pilots with partner banks to enhance traceability to monitor and verify environmental and social standards.

**Resilience Initiatives**

*Digitalization*  
Created the Digital Standards Initiative to drive common standards for interoperability throughout the trade and supply chain ecosystem and a legal framework to recognize electronic trade documents.

**Supply Chain Mapping Tool**

Created a tool to address bottlenecks that identified almost every company involved in the supply chain of 34 essential goods to fight Covid-19, such as ventilators and masks.

**Inclusion Initiatives**

*Gaps, Growth, and Jobs Survey*  
Trade Finance Gaps, Growth, and Jobs Survey, the world’s barometer on global trade finance gaps, which impede growth and our ability to achieve the Sustainable Development Goals. The 2021 survey estimated a $1.7 trillion global gap.

**Gender Equity**

Implemented human resource policies in banks to attract, retain, and promote more women in banking.

**Transparency Initiative**

*Trade-based Money Laundering*  
Delivered training to financial institutions and bank regulators on anti-money-laundering. Also, implementing a pilot with 6 countries to address trade-based money laundering.
ADB’s Microfinance Program (MFP) is a mainstream regional private sector initiative for deepening financial inclusion. Its aim is to broaden access to finance for low-income borrowers by facilitating local currency funding for microfinance institutions (MFIs) and nonbank financial institutions in ADB’s developing member countries. With ADB’s credit enhancement, MFIs are able to access wholesale funding from partner banks, thereby promoting private sector investment in microfinance.

Since it started in 2010, the MFP has facilitated $1.9 billion in financing from commercial sources, and has reached more than nine million individual borrowers. Women living in rural and peri-urban areas comprise 99% of those supported through the Program, with loans averaging less than $400, making the MFP highly gender-inclusive and centered on building rural livelihoods. These results align closely with five of the seven operational priorities established in ADB’s Strategy 2030, and underscore the role, outreach, and contribution of ADB’s financial inclusion initiatives in developing Asia, through its private sector operations. No claim has been made on ADB’s guarantees since the program began.

In 2021, the program helped mobilize a total of $482 million in local currency financing—63% above the previous year’s level and its highest annual volume so far. Most of this support went to micro-loans disbursed in pandemic-affected areas. The program helped provide critical access to funding for nearly 1.5 million micro-borrowers, particularly those dependent on agriculture, at a time when many other sources of funding had shut down, thus demonstrating the MFP’s effectiveness as a countercyclical facility in ADB’s response to the COVID-19 pandemic.

During the past year, the MFP added eight new partner MFIs in its coverage. It also increased its regional impact by deepening its activities in Bangladesh and India, and expanding to new markets including Cambodia, Indonesia, Pakistan, and the Philippines.
About the Asian Development Bank

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 68 members—49 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

Notes:
“$” refers to United States dollars.
ADB recognizes “Vietnam” as Viet Nam.
Numbers may not sum precisely due to rounding.

On the cover: The Asian Development Bank is actively involved in various private sector development projects in Asia and the Pacific.
All photos by ADB, unless otherwise stated.

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