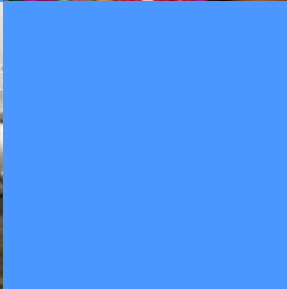


ADB

ASIAN DEVELOPMENT BANK

PRIVATE SECTOR OPERATIONS



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 mobilization of 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



Environmental protection

Developing sources of renewable energy and encouraging energy efficiency



Finance and capital markets

Providing better access to higher-quality financial services across Asia's developing markets



Sustainable agribusiness

Promoting environmentally friendly food production, processing, and distribution



Education

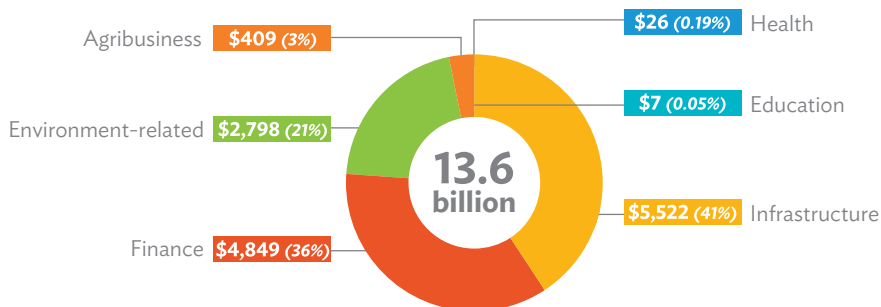
Building human capital through the expansion of basic and higher education services



Health

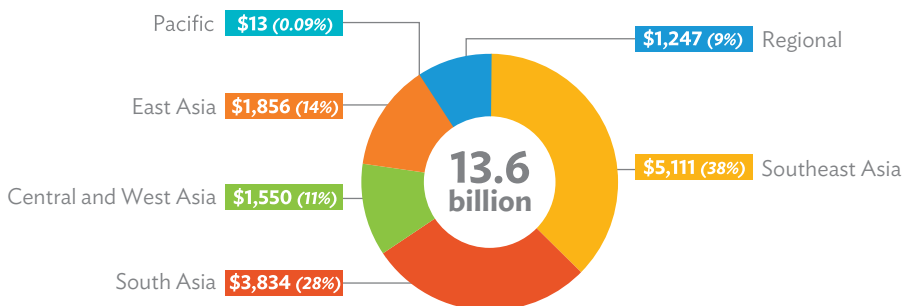
Supporting private providers of high-quality and affordable health care

PSOD's Current Portfolio, by Industry Sector, 2019 (\$ million)



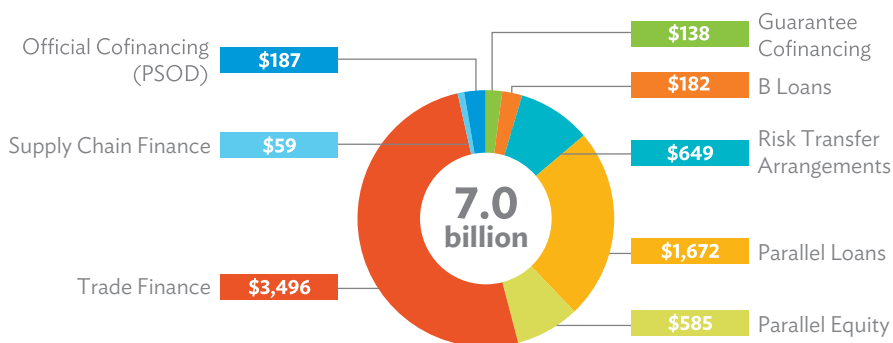
As of 31 December 2019

PSOD's Current Portfolio, by Geography, 2019 (\$ million)



As of 31 December 2019

PSOD's Direct Value-Added Cofinancing, 2019 (\$ million)



As of 31 December 2019

Notes: (i) \$ = United States dollar.

(ii) Numbers may not sum precisely because of rounding.

PSOD Activities in 2019

Mongolia

- Gender Inclusive Dairy Value Chain Project
- Sermsang Khushig Khundii Solar Project
- XacBank LLC for MSME Financing Project

Kazakhstan

- Baikonyr Solar Power Project
- Total Eren Access M-KAT Solar Power Project

Georgia

- Low-Income Housing Finance
- Hospital Bond Project

Armenia

- Yerevan Gas-Fired Combined-Cycle Power Project

Afghanistan

- Kandahar Solar Power Project

Pakistan

- Expanding Access to Credit for Women (Kashf Foundation)

Nepal

- Upper Trishuli-1 Hydropower Project

Bangladesh

- Second PRAN Agribusiness Project

India

- Avaada Solar Project
- Expanding Micro, Small, Medium-Sized Enterprise Lending Project
- Supporting Access to Finance for Women in Rural Areas Project
- Tata Capital Growth Fund II
- Highway Equipment Finance Project
- Railways Track Electrification Project

Regional

- Inclusive Beverage Production and Distribution Project
- AC Energy Green Bond Project
- Tertiary Education Project
- Capital Contribution to the Credit Guarantee and Investment Facility
- Asia-Pacific Remote Broadband Internet Satellite Project
- Everbridge Partners Fund I, L.P.
- Kaizen Private Equity II Pte. Ltd.

People's Republic of China

- Integrated and Sustainable Livestock Value Chain Project
- Eco-Industrial Park Waste-to-Energy Project
- Health Care Finance in Underdeveloped Provinces (Far East Horizon Limited)
- Maxwealth Financial Leasing Co., Ltd., for Industrial and Municipal Wastewater Treatment Project
- Equity Investment in CDH VGC Fund II, L.P.

Viet Nam

- Floating Solar Energy Project

Philippines

- Fostering Women's Empowerment Through Financial Inclusion in Conflict-Impacted and Lagging Provinces Project

Papua New Guinea

- Equity Investment in Kina Securities Limited for Supporting Inclusive Finance through the Development of Private Sector Banking

Indonesia

- High-Value Coconut Processing Project
- Riau Natural Gas Power Project

Thailand

- Energy Absolute Green Bond for Wind Power Project
- Eastern Economic Corridor Independent Power Project
- Bangkok Mass Rapid Transit Project (Pink and Yellow Lines)

Myanmar

- Myingyan Natural Gas Power Project
- Nationwide Data Connectivity Project

- Agribusiness
- Energy — Renewable
- Energy — Other
- Education
- Financial Institutions
- Health
- Information, Communication, Telecommunication
- Private Equity
- Transport
- Water



Actual project site (photo from 77 Group).

Client: Barakat Kandahar Solar Energy (BKSE)

ADB Commitment: \$4.0 million loan,
\$3.85 million loan from the Canadian Climate Fund
for the Private Sector in Asia II (CFPS II)

Key Features:

- Afghanistan's electricity mix is dominated by electricity imports (85%), which are complemented by domestic hydropower. The country has limited indigenous sources of electricity and a total installed capacity of 568 megawatts (MW). This excessive dependence on imports has immense implications for a country with scarce foreign exchange reserves.
- The project is part of several initiatives undertaken by the Ministry of Energy and Water to address the country's chronic power outages and to reduce its dependence on energy imports. It involves the construction, operation, and maintenance of a 15 MW solar power plant in Kandahar. Main project components include 55,000 photovoltaic panels and 100 inverters. A 20-year power purchase agreement, under a fixed tariff, was concluded under the project, with the government as sole purchaser of electricity generated by the plant.
- The project is a landmark as it involves ADB's first loan to Afghanistan. It is also the country's first grid-connected solar project developed by the private sector and the only project so far to undergo competitive bidding and financed by an international development institution.

ADB's Value Addition:

- Mobilize long-term financing, which is otherwise unavailable for a private sector solar power project in Afghanistan.
- Address lending constraints, including the prohibitive terms and very short tenor of local commercial bank loans (if available). ADB's support, along with its ability to mobilize loans from CFPS II, is crucial in meeting a major market gap and establishing project viability.
- Ensure the adoption of international best practices in environmental and safeguard management.

Approval Date: 2 April 2019

Commitment Date: 17 May 2019

Note: \$ = United States dollar





A segment of electrified railway tracks in India (photo by Marie Kristine Estrella/ADB).

Client: Indian Railways Finance Corporation

ADB Commitment: \$746 million loan equivalent in Indian rupees (\$500 million risk transfer)

Key Features:

- The Government of India has placed significant emphasis on investing in infrastructure and has developed a 5-year, \$132 billion capital expenditure program to modernize the Indian Railways, which it owns through the Ministry of Railways. Part of the overall master plan is the electrification of railway tracks for faster and more efficient movement of goods and people across the country. Electric trains cost far less to operate and maintain than diesel-powered trains, use renewable energy, and are able to recover energy from trains braking or slowing down.
- The project involves the electrification of about 3,378 route-kilometers of existing railway tracks spread across 13 states in India.

ADB's Value Addition:

- ADB's 20-year amortizing local currency loan will allow the Indian Railways to match cash flow from assets to loan repayment with no foreign exchange risk.
- Help attract private sector insurance companies through unfunded risk transfers—an important and new source of mobilization.
- Provide technical assistance to Indian Railways to help build capacity in environmental and social safeguards systems required to implement the railway electrification subprojects.

Approval Date: 10 July 2018

Commitment Date: 16 May 2019

Note: \$ = United States dollar



Project site is located in southeastern Kazakhstan about 8 kilometers from the town of Shu in the Jambyl region (photo courtesy of M-KAT Green Limited Liability Partnership).

Client: M-KAT Green Limited Liability Partnership (LLP)

ADB Commitment: \$30.5 million loan equivalent in tenge

Key Features:

- The assistance is intended to encourage the Government of Kazakhstan to promote investment in the renewable energy sector. It will also help replace imports of electricity in southeastern Kazakhstan, which is electricity-deficient but has abundant indigenous renewable sources.
- M-KAT Green LLP is a special-purpose vehicle that is 100% owned by Total Eren SA, a French independent power producer specializing in renewable energy. It develops, builds, and operates renewable energy assets in both developed countries and emerging markets.

ADB's Value Addition:

- Provide long-term local currency financing not readily available in Kazakhstan.
- Show the viability of solar power projects and create a demonstration effect for other developers and sponsors.
- Ensure the establishment of high environmental and social standards.

Approval Date: 14 January 2019

Commitment Date: 8 April 2019

Note: \$ = United States dollar



The ADB-supported hydropower plant project will be situated in Trishuli River in Nepal (photo by Sumika Nakane/ADB).

Client: Nepal Water and Energy Development Company Private Limited

ADB Commitment: \$30.0 million loan,
\$30.0 million loan from the Canadian Climate Fund
for the Private Sector in Asia II (CFPS II)

Key Features:

- The project involves the construction and operation of a 216-megawatt run-of-river hydropower plant on the Trishuli River, Nepal.
- As one of the largest private sector investments in Nepal, the project is expected to increase domestic energy production by one-third from current levels and meet the growing demand for electricity through a renewable energy source.
- The strong commitment and working relationships of development organizations enabled this landmark project to proceed to construction through the provision of long-term financing and blended finance that ensured the viability of the project.

ADB's Value Addition:

- Through the ADB-administered CFPS II funding, promote the project's financial viability and help attract private capital currently unavailable in the market.
- Ensure that this highly complex and sensitive project in the effective gender mainstreaming category was prepared in compliance with international environmental and social standards.

Approval Date: 12 April 2019

Commitment Date: 28 October 2019

Note: \$ = United States dollar



Wind and solar farms in the Philippines (wind) and Viet Nam (solar)
(photos courtesy of AC Energy).

Client: AC Energy Finance International Limited (ACEFIL)

ADB Commitment: \$20 million debt investment in bonds

Key Features:

- ADB has invested in green bonds issued by ACEFIL. The bond issue complies with the International Capital Markets Association’s Green Bond Principles and the certification process of the Climate Bonds Initiative (CBI) under its Climate Bond Standards. AC Energy, ACEFIL’s parent company and bond guarantor, obtained CBI certification on the advice of ADB. The proceeds of ADB’s subscription will be applied only to solar and wind projects in the Indonesia, Philippines, and Viet Nam.
- AC Energy developed and enlarged its Philippine portfolio to over 1,739 megawatts of gross capacity by the end of 2018. It has also expanded its business overseas, becoming a regional leader in renewable energy in Southeast Asia.

ADB’s Value Addition:

- Ensure that the bonds comply with the Green Bond Principles and the climate bond monitoring process.
- Help make green and climate bonds better known in the region.
- In its anchor investor role, catalyze alternative financing for clean-energy initiatives in the private sector.

Approval Date: 30 January 2019

Commitment Date: 31 January 2019

Note: \$ = United States dollar



Kacific1 launched successfully into space (photo courtesy of Kacific/Space X).

Client: Kacific Broadband Satellites International Limited

ADB Commitment: \$25 million loan,
\$25 million loan from Leading Asia's Private Infrastructure Fund

Key Features:

- The project will provide broadband internet access to remote areas with very limited or no internet coverage. It will extend broadband internet services and make information, communication, and social and economic opportunities more accessible.
- The project will contribute directly to realizing ADB's commitment to improve connectivity and access to information and communication technology in rural areas as well as in small island developing states, thus improving living standards and reducing poverty across Asia and the Pacific.
- Kacific is a Singapore-based company established in 2013 to develop and deliver affordable broadband internet access to underserved, remote areas of Asia and the Pacific.

ADB's Value Addition:

- Secure needed long-term financing for large-scale infrastructure investments, which remains a challenge for least developed countries.
- Mobilize a significant amount of long-term debt from other lenders.
- Play a key role in structuring a non-recourse, project finance structure for satellite financing with semi-merchant risk—the first of its kind in the region.

Approval Date: 24 July 2019

Commitment Date: 30 November 2019

Note: \$ = United States dollar



Construction of monorail line in Bangkok (photo courtesy of BTS Group).

Client: BSR Joint Venture

ADB Commitment: \$310.9 million loan equivalent in baht

Key Features:

- The project involves the construction and operation of two mass rapid transit (MRT) monorail lines. Both with links to Bangkok, the Pink Line will run an estimated 34.5 kilometers (km) to Nonthaburi Province while the Yellow Line will run about 30 km to Sumut Prakarn Province.
- Through a public-private partnership (PPP) net cost scheme, the government will provide land and right of way, as well as the subsidy payment, while the private sector will invest in civil works, mechanical and equipment systems, and rolling stock, as well as operation and maintenance.
- BSR Joint Venture comprises the BTS Group, Sino-Thai Engineering and Construction Public Company, and RATCH Group Public Company Limited. The concession was awarded to BSR through competitive and transparent tendering.
- ADB will provide a loan with a longer tenor (a ridership ramp-up tranche) to mitigate the ridership risk following the expiry of the government subsidy.

ADB's Value Addition:

- Signal confidence to other financiers and investors and catalyze commercial financing for the MRT sector through the innovative ridership ramp-up tranche.
- By supporting both private sector and public sector operation in the Thai MRT sector, help promote the PPP schemes and assure the government of ADB's support regardless of the PPP scheme applied to individual lines.

Approval Date: 5 June 2018

Commitment Date: 30 May 2019

Note: \$ = United States dollar





Floating solar panels at Da Mi reservoir in Viet Nam (photo by Michael Gabisch/ADB).

Client: Da Nhim–Ham Thuan–Da Mi Hydro Power Joint Stock Company (DHD)

ADB Commitment: \$17.6 million loan,
\$11.0 million concessional loan from the Canadian Climate Fund
for the Private Sector in Asia (CFPS),
\$4.0 million concessional loan from CFPSII,
\$4.4 million loan from Leading Asia’s Private Infrastructure Fund

Key Features:

- The project involves the installation of 47.5 megawatts (MW) of floating solar photovoltaic power generation panels in the reservoir of DHD’s existing 175 MW Da Mi hydropower plant. This project will be one of the first utility-scale, solar projects in Viet Nam and one of the largest floating solar projects outside the People’s Republic of China.
- DHD is a subsidiary of Power Generation Corporation 1, one of the three regional generation companies of Viet Nam Electricity, the national utility. DHD owns and operates four hydropower plants contributing 1.7% of Viet Nam’s generation capacity.

ADB’s Value Addition:

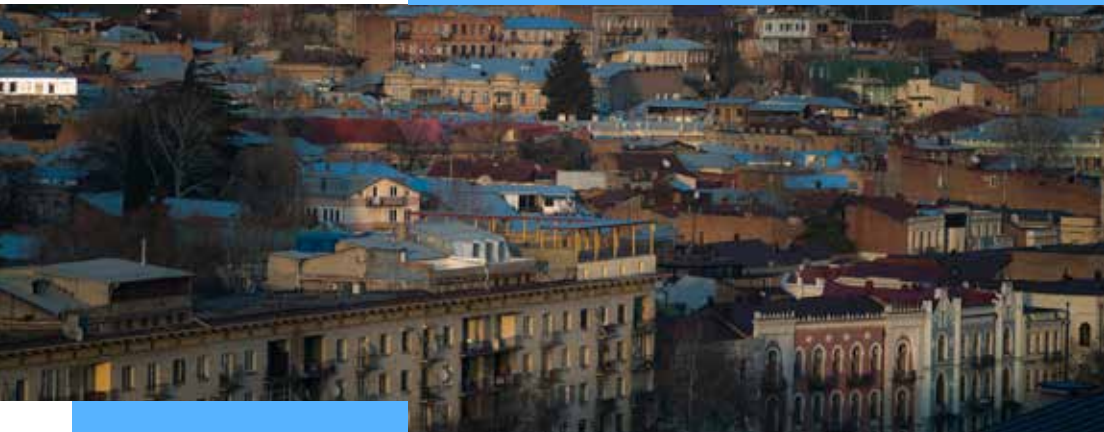
- Provide long-term dollar financing not readily available in Viet Nam.
- Demonstrate the viability of floating solar power projects in Viet Nam and in the region, through the ADB loan and the concessional loans from CFPS and CFPS II.
- Ensure DHD’s compliance with environmental and social safeguard standards.

Approval Date: 4 October 2018

Commitment Date: 26 September 2019

Notes:

- (i) \$ = United States dollar.
- (ii) ADB recognizes “Vietnam” as Viet Nam.



Tbilisi is the capital of and the largest city in Georgia. Its history is manifested in its unique architecture, making it a popular destination. The city is also recognized as one of the Europe's safest (photo by ADB).

Client: Credo Bank JSC

ADB Commitment: \$22.3 million equivalent in lari

Key Features:

- ADB signed a long-term loan agreement with Credo Bank to support the launch of housing finance products for the home renovation and construction needs of low-income clients in rural Georgia and within the periphery of the capital.
- Since 2014, Credo has been owned by a consortium led by Access Microfinance Holding AG. In 2016, ADB provided a \$23 million loan and technical assistance to support Credo in its transformation from microfinance lender to a bank, which materialized in March 2017. More than half of Credo's 230,000-strong clientele are women, predominantly representing rural and farm households that generate income from farming and business, including agritourism.

ADB's Value Addition:

- Provide needed long-term funding for housing in Georgia, make available affordable loans to lower-income segments, and improve the livelihood of rural dwellers.
- Support Credo's initiatives to serve lower-income homeowners, and thereby help reduce rural poverty and improve living conditions in rural Georgia.
- Provide technical assistance to support Credo's efforts to extend its reach to rural clients in 1700 additional villages, benefiting an estimated 30,000 women clients via branchless banking services and targeted financial literacy initiatives.

Approval Date: 5 December 2018

Commitment Date: 17 April 2019

Note: \$ = United States dollar



Publication date: April 2020
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Naseema Kosar preparing a fresh harvest of apricot for sun-drying in her plant (photo by ADB).

Client: Kashf Foundation (Kashf)

ADB Commitment: \$15 million loan; \$10 million B loan

Key Features:

- ADB will support Kashf lending to low-income women, female micro- and small entrepreneurs, and low-cost schools in Pakistan.
- Kashf was established in 1996 as a microfinance service provider but transitioned into a registered nonprofit nonbanking financial company in February 2007. Its objective is to reduce poverty and empower women by providing high-quality and cost-effective microfinance services to low-income households. It stands out as one of the few microfinance institutions with a long and successful record of lending to female micro-borrowers. Kashf also offers mandatory health insurance to its borrowers, educational seminars and programs—all of which contribute to its leading position in Pakistan’s microfinance industry.

ADB’s Value Addition:

- Broaden access to finance for female micro-borrowers.
- Provide longer-tenor debt to help Kashf diversify its product portfolio.
- Catalyze private sector financing.

Approval Date: 4 February 2019

Commitment Date: 31 July 2019

Note: \$ = United States dollar



Project improvements in digital channels and in small and medium-sized enterprise banking will support inclusive finance (photo by ADB).

Client: Kina Securities Limited (KSL)

ADB Commitment: \$10 million loan

Key Features:

- ADB's investment in KSL will help bring international best banking practices to the banking sector in Papua New Guinea and it will also broaden access to financial services for small and medium enterprises and the retail banking segment in the country.
- KSL is a diversified financial services company that was founded in Port Moresby in 1985 as a private limited company. In May 2015, KSL concluded its initial public offering.

ADB's Value Addition:

- Support inclusive finance and development of the finance sector.
- Contribute to KSL's board by providing extensive international banking experience, knowledge of financial inclusion and development finance, and experience with associated technology platforms.
- Catalyze funding and support for building commercial banking relationships.
- Help develop and support KSL's adherence to high corporate governance and integrity standards, and its adoption of market-leading risk management, social, and environmental standards, with potential demonstration effects in the Papua New Guinea's finance sector.
- Assist KSL in establishing an environmental and social management system to ensure compliance with ADB's environmental and social standards.
- Provide technical assistance to (i) improve corporate governance; (ii) strengthen KSL's anti-money laundering and anti-terrorism financing policies, environmental and social standards, and risk management; and (iii) help Kina Bank build its digital banking platform to expand its outreach to underserved areas of the country.

Approval Date: 2 December 2019

Commitment Date: 3 December 2019

Note: \$ = United States dollar

Publication date: April 2020

For inquiries and clarifications:
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A female micro-entrepreneur engaged in fabric-making (photo courtesy of ASA Philippines).

Client: ASA Philippines Foundation, Inc. (ASA)

ADB Commitment: Debt financing of \$30 million equivalent in pesos

Key Features:

- ADB will provide longer-tenor financing to ASA to (i) expand its portfolio of business loans for microenterprises owned and managed by ASA's female borrowers and (ii) strengthen its resource base for lending to female borrowers for micro housing, water supply, and on-site sanitation. Up to 80% of ADB's financing proceeds will be deployed to lagging and conflict-affected provinces in the Philippines (in Visayas and Mindanao). The rest will be directed to remote and less penetrated parts of Luzon.
- ASA is one of the largest and most reputable microfinance providers in the Philippines. With more than 70% of its 1,100 branches located in lagging provinces, ASA has built a solid presence by maintaining a transparent and fair approach to lending with very high disclosure, reporting, and governance standards. The foundation's ability to provide sharia-compliant financing in the conflict-affected areas of Mindanao further strengthens its credentials.

ADB's Value Addition:

- Broaden access to finance for microenterprises owned by women in conflict-affected and lagging areas, thereby improving income levels, savings, and overall living conditions. By focusing on lagging provinces, this financing will help reduce regional imbalances.
- Help diversify ASA's liability profile through ADB's longer-tenor financing.

Approval Date: 21 August 2018

Commitment Date: 31 October 2019

Note: \$ = United States dollar



Kaizen will help companies in the education sector to expand and potentially reach regional scale (photo by ADB).

Client: Kaizen Private Equity II Pte. Ltd. (KPE-II)

ADB Commitment: \$5 million equity

Key Features:

- KPE-II is a private equity fund with a capitalization of \$79 million that will focus on education. It is expected to invest in a portfolio of up to eight education companies across Bangladesh, India, Myanmar, the Philippines, Sri Lanka, Thailand, and Viet Nam. Target subsectors include K-12 education, test preparation, preschools, online education, and vocational training.
- KPE-II will be managed by Kaizen Capital Management Private Limited, a private equity fund manager incorporated in Singapore that is dedicated to education investments. Kaizen Capital is led and owned by managing partners Sandeep Aneja and Jetu Lalvani who have more than 30 years' experience in private equity, investment banking, consulting, and entrepreneurship.

ADB's Value Addition:

- Attract other institutional financiers and enhance the funding available to the private education sector in South Asia and Southeast Asia.
- Strengthen Kaizen Capital's environmental and social management system.
- Promote gender mainstreaming within KPE-II and its investee companies.

Approval Date: 25 September 2019

Commitment Date: 9 October 2019

Note: \$ = United States dollar



The project will promote the development of a coconut agro-industry in Central Sulawesi (Photo from Silvermill).

Client: PT SASL and Sons Indonesia (PTSASL)

ADB Commitment: \$5 million loan

Key Features:

- The project will promote the development of the coconut value chain in Central Sulawesi, with the investment in a state-of-the-art processing plant for the global export of high-value-added coconut products and sourcing from about 9,500 smallholder coconut farmers. The project will contribute to rural development, better market connectivity, and local agricultural value addition.
- It will provide opportunities for low-income households to participate in economic growth through the (i) integration of smallholder farmers in the coconut value chain and (ii) creation of off-farm employment opportunities, primarily for women, at the new plant.
- PTSASL, a limited liability company established in Indonesia in 2017, will manufacture coconut-based products, including desiccated coconut and virgin coconut oil. PTSASL is jointly owned by Giriulla Mills Limited (50%) and Silvermill Natural Beverages (Private) Limited (50%). GML and SMNB are wholly owned subsidiaries of Silvermill Investment Holdings (Private) Limited, which is the ultimate holding company of the Silvermill Group.
- The Silvermill Group is a family-owned business established in 1920, which has grown into one of the largest manufacturers and exporters of coconut-based products in Sri Lanka.

ADB's Value Addition:

- Strengthen the funding base by providing long-term debt.
- Promote the adoption of international environmental and social standards and gender equality through a gender action plan.
- Mitigate political risk by maximizing the chances of the project's smooth and successful implementation.

Approval Date: 20 December 2019

Commitment Date: 20 December 2019

Note: \$ = United States dollar



Fruit juice being manufactured and packed by RG Brands in Almaty (photo by ADB).

Client: RG Brands Kazakhstan LLP (RGB)

ADB Commitment: \$12.5 million loan

Key Features:

- The project will support the expansion of RGB across the beverage value chain by financing the purchase of (i) energy-efficient coolers for retail distribution in Kazakhstan and the Kyrgyz Republic and (ii) production equipment in Kazakhstan. It will also diversify the Kazakh economy by enhancing non-oil exports, improve the livelihood of shopkeepers, and support women's empowerment in both countries.
- Established in 1994, RGB is a leading producer of milk, tea, juice, water, and other packaged beverages in Kazakhstan. Its founder and majority shareholder is Kairat Mazhibayev.
- ADB will provide technical assistance to RGB to enhance its corporate governance, by promoting new models for inclusive business, the circular economy, and responsible consumption.
- This is ADB's second assistance to RGB.

ADB's Value Addition:

- Provide long-term financing (in tenge), which is not readily available in Kazakhstan.
- Promote better corporate governance standards through loan conditions that mandate the formulation of internal corporate policies for improved financial and human resources management.
- Promote gender equality through the implementation of a gender action plan.

Approval Date: 9 December 2019

Commitment Date: 19 December 2019

Note: \$ = United States dollar



The project will directly improve the livelihoods of up to 1,000 smallholder milk suppliers in rural Mongolia while promoting gender equality and women's empowerment (photo from Milko LLC).

Client: Milko Limited Liability Company

ADB Commitment: \$7.5 million loan equivalent in togrog

Key Features:

- The project will support the expansion of Milko's dairy-processing capacity and its raw milk and fruit procurement capacity. This will ultimately benefit female and male smallholder farmers and herders as they become part of formal value chains.
- A limited liability company incorporated in Mongolia, Milko is a vertically integrated manufacturer of dairy products and fruit juices. It is one of the leading producers of curd drinks and powdered milk in the country. Founded in 2009, Milko is part of the Teso Group of food and beverage companies owned by the Odon family.

ADB's Value Addition:

- Attract long-term capital and partnerships from international sources, especially as Milko seeks to expand its exports.
- Help Milko develop a robust environmental and social management plan following the best international safeguard practices, including a gender action plan.
- Promote better corporate governance standards through compliance with loan conditions.

Approval Date: 22 November 2019

Commitment Date: 2 December 2019

Note: \$ = United States dollar



New Hope's modern pig farm is set to improve waste management and biosecurity.
(photo by ADB).

Client: New Hope Liuhe Co., Ltd. (NHL)

ADB Commitment: \$40 million A loan equivalent in yuan;
\$60 million C loan equivalent in yuan

Key Features:

- The project will support the expansion of NHL's integrated livestock business with the construction of two hog farms and a meat-processing plant in the People's Republic of China (PRC). Through this project, ADB will promote a business model for livestock production that is inclusive, resource-efficient, and with less impact on the environment, climate change, and public health.
- Founded in 1982 by Liu Yonghao, NHL is a leading integrated animal protein producer in the PRC, with major operations in animal feed production, livestock (poultry and hog) farming, slaughtering, and meat processing.
- The project improves the resource efficiency of hog farming in the PRC by increasing the number of hogs per sow, improving the feed conversion ratio, and reducing water usage. The installation of biogas digesters within hog farms will ensure effective waste management and help reduce carbon dioxide emissions by at least 8,000 tons per year. The project will help the company integrate 1,000 smallholder farmers into the company's hog production value chain and increase their income.

ADB's Value Addition:

- Help NHL implement a gender action plan and, through the technical assistance, ensure the equitable inclusion of women and men in technical training programs for contract farmers and farm employees.
- Provide long-term financing, which is not readily available from commercial banks.
- Assist NHL in implementing an improved environmental and social management plan, and in monitoring the company's progress during project implementation.

Approval Date: 6 December 2019

Commitment Date: 24 December 2019 for the A loan

Note: \$ = United States dollar



Publication date: April 2020
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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.

For inquiries and clarifications:

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Notes:

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



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