

CONTRIBUTION TO THE ADB RESULTS FRAMEWORK

No.	Level 2 Results Framework Indicators (Outputs and Outcomes)	Targets	Methods / Comments
1	None		None

Source: Asian Development Bank

ADB's Financial Sector Operational Plan (FSOP)¹ recognizes that financial sectors of the region, including that of the Philippines, remain bank-dominated reflecting a lack of capacity in the nonbank financial sectors and capital markets. In response, the FSOP has prioritized a number of areas for support which are broadly consistent with ADB's Strategy 2020.² Further, as the Philippines is a medium-sized, ordinary capital resource country, the FSOP recommends that ADB's assistance programs address select reform issues such as developing the domestic capital market and encouraging growth in institutional investors to support infrastructure finance. These are areas in which ADB has demonstrated expertise.

While the FSOP has not yet identified performance targets, it does provide guiding principles for developmental effectiveness. The Encouraging Investment through Capital Market Reforms Program (EICMR) adheres to these principles by building on a comprehensive sector assessment, tailoring reforms to the current stage of development, providing capacity development and closely coordinating with donors. Specifically, EICMR includes measures designed to strengthen public debt markets and improve financial infrastructure to: (i) develop the domestic debt markets; (ii) encourage savers to become investors; and (iii) open markets to increase the diversity of participants and business models. EICMR also serves as a catalyst for regional cooperation and integration by promoting the adoption of common standards based on sound international practices. EICMR's quantitative performance targets have been designed to support achievement of the Country Partnership Strategy Results Framework, which is an enlarged nonbank financial sector.³

¹ ADB. 2011. *Financial Sector Operational Plan*. Manila.

² ADB's Strategy 2020 established a focus on three complementary strategic agendas: inclusive economic growth, environmentally sustainable growth, and regional integration. To maximize its development impact, ADB will target five drivers of change including financial sector development.

³ ADB. 2011. PHI: Country Partnership Strategy, 2011–2016. Manila. The share of nonbank finance sector assets in total finance sector assets increases from 15% in 2010 to 25%–30% in 2015.