

CONTRIBUTION TO THE ADB RESULTS FRAMEWORK

No.	Level 2 Results Framework Indicators (Key Outputs and Beneficiaries)	Targets	Methods / Comments
1.	None		<p>Through SEMP II, ADB will help Bhutan address the following development challenges, as identified in Strategy 2020:</p> <p>(i) Weak governance</p> <p>Output 1 will help Bhutan strengthen the policies and institutions for revenue and macroprudential management. With strengthened macroeconomic management capacity, governance standards will improve. This will contribute to the achievement of more stable and sustainable growth performance.</p> <p>(ii) Poverty reduction</p> <p>Revenue management reforms under Output 1 will help Bhutan achieve poverty reduction through effective utilization of public resources, and better public service delivery. Macroprudential management reforms will improve financial sector stability that will support sustainable economic growth for poverty reduction. Output 2 will contribute to the employment generation through private sector development, and financial inclusion, both of which are essential for poverty reduction.</p> <p>(iii) Inefficient financial sector intermediation</p> <p>Output 2 will help Bhutan improve the efficiency of financial sector intermediation. Reforms will target the banking sector, mobilization of savings, financial inclusion and financial literacy, development of capital markets and nonbank financial institutions, and strengthening of the Credit Information Bureau.</p> <p>(iv) Infrastructure Deficit</p> <p>Output 2 will help Bhutan improve the institutional capacity for financing private sector and infrastructure investment.</p> <p>SEMP II Outputs: Output 1: Improved macroeconomic management Output 2: Strengthened financial sector development</p>

ADB = Asian Development Bank, SEMP II = Strengthening Economic Management Program II

Source: Asian Development Bank