



Philippines: Encouraging Investment through Capital Market Reforms Program, Subprogram 2

Project Name	Encouraging Investment through Capital Market Reforms Program, Subprogram 2								
Project Number	48427-002								
Country	Philippines								
Project Status	Approved								
Project Type / Modality of Assistance	Loan Technical Assistance								
Source of Funding / Amount	<table border="1"> <tr> <td colspan="2">Loan 3595-PHI: Encouraging Investment through Capital Market Reforms, Subprogram 2</td> </tr> <tr> <td>Ordinary capital resources</td> <td>US\$ 300.00 million</td> </tr> <tr> <td colspan="2">TA 9424-PHI: Institutionalizing Capital Market Reforms</td> </tr> <tr> <td>Technical Assistance Special Fund</td> <td>US\$ 500,000.00</td> </tr> </table>	Loan 3595-PHI: Encouraging Investment through Capital Market Reforms, Subprogram 2		Ordinary capital resources	US\$ 300.00 million	TA 9424-PHI: Institutionalizing Capital Market Reforms		Technical Assistance Special Fund	US\$ 500,000.00
Loan 3595-PHI: Encouraging Investment through Capital Market Reforms, Subprogram 2									
Ordinary capital resources	US\$ 300.00 million								
TA 9424-PHI: Institutionalizing Capital Market Reforms									
Technical Assistance Special Fund	US\$ 500,000.00								
Strategic Agendas	Inclusive economic growth								
Drivers of Change	Governance and capacity development								
Sector / Subsector	Finance - Finance sector development - Money and capital markets								
Gender Equity and Mainstreaming	No gender elements								
Description	The program supplements coordinated support provided by the Asian Development Bank (ADB) to accelerate investment by increasing the availability of long-term finance. The program will deepen the capital market through a series of sequenced reforms designed to (i) further develop the government bond market, (ii) encourage growth in domestic long-term savings, and (iii) ease barriers to entry to diversify and broaden available funding sources. Subprogram 2 is included in ADB's country operations business plan, 2017 2019.								
Project Rationale and Linkage to Country/Regional Strategy	The program's accomplishments will also provide a framework to pivot ADB's support toward increasing financial inclusion with a focus on improving poor households' access to finance, financial literacy, and consumer protection. The use of a programmatic approach with a policy-based loan and TA aligns ADB's support with the government's reform program while providing incentives and capacity to complete the reforms.								
Impact	The Government of the Philippines' targeted investment rate achieved.								

Project Outcome

Description of Outcome	A deeper nonbank finance sector developed
Progress Toward Outcome	

Implementation Progress

Description of Project Outputs	Liquidity in the government bond market enhanced Long-term savings and long-term investment products encouraged Market depth and diversity increased
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Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location	Nation-wide
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Safeguard Categories

Environment	C
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Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Business Opportunities

Consulting Services	<p>The TA supports the full and continuing completion of reforms under subprogram 2 of the Encouraging Investment through Capital Market Reforms program and thus shares the same impact and outcome. The TA will have two outputs that will ensure that capital market development efforts are comprehensive and coordinated across the government, and that initiatives critical to the success of development efforts are completed in a timely manner. Specifically, the TA will provide support to complete and publish the Philippines' first fully coordinated, government-issued, capital market development blueprint. In a departure from past efforts, this blueprint will focus on the government's actions to provide an enabling environment for the private sector, and will not be product specific. The TA will also provide expert advice to support the government's efforts to transition the wholesale government securities market to over-the-counter with competition among trading platforms. Complementary support will be provided to encourage the establishment of pricing conventions and benchmarks. To ensure an efficient, effective, and appropriate supervisory structure, the TA will also help develop market standards for the government bond market and the newly launched repurchase market. Furthermore, the TA will directly support the development, evaluation, and approval of industry self-regulatory structures along with effective governmental oversight mechanisms.</p> <p>The activities under the TA will be delivered by one consulting firm, three international individual consultants, and one national consultant. A total of 11 person-months of consulting will be allocated to the consulting firm, which will be hired through quality- and cost-based selection. The contract package will be an output-based, lump-sum contract. For the firm, a total of 8 person-months of international consulting inputs will be allocated to three international consultants, and 2 person-months will be allocated to one national consultant. The balance of the TA will be allocated to individual consultants recruited using individual consultant selection. Five person-months will be allocated among three individual international consultants, and 4 person-months will be allocated to one individual national consultant. Individual consultant contracts will be input-based due to the consultative nature of the assignments. ADB will engage the consultants in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time).</p>
Procurement	<p>The Department of Finance (DOF) is the executing agency, and the BTr and SEC are the implementing agencies. The implementation period is July 2015 to June 2017. A steering committee chaired by the DOF with the implementing agencies as members will oversee the program's implementation. ADB will administer the TA.</p>

Responsible ADB Officer	Schuster, Stephen R.
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Public Management, Financial Sector and Trade Division, SERD
Executing Agencies	<p><i>Department of Finance</i> <i>DOF Building</i> <i>Bangko Sentral ng Pilipinas Complex</i> <i>Roxas Blvd., Manila, Philippines</i></p>

Timetable

Concept Clearance	05 May 2015
Fact Finding	08 May 2017 to 18 May 2017
MRM	16 Jun 2017
Approval	21 Nov 2017
Last Review Mission	-
Last PDS Update	21 Nov 2017

Loan 3595-PHI

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	300.00	Cumulative Contract Awards			
ADB	300.00	-	0.00	0.00	%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

TA 9424-PHI

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
500,000.00	0.00	0.00	0.00	0.00	0.00	500,000.00	-	0.00

Project Page <https://www.adb.org/projects/48427-002/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=48427-002>

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