



# Bhutan: Supporting Financial Sector Reforms

Project Name	Supporting Financial Sector Reforms				
Project Number	51252-006				
Country	Bhutan				
Project Status	Approved				
Project Type / Modality of Assistance	Technical Assistance				
Source of Funding / Amount	<table border="1"> <tr> <td>TA 6885-BHU: Supporting Financial Sector Reforms</td> <td></td> </tr> <tr> <td>Technical Assistance Special Fund</td> <td>US\$ 500,000.00</td> </tr> </table>	TA 6885-BHU: Supporting Financial Sector Reforms		Technical Assistance Special Fund	US\$ 500,000.00
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Technical Assistance Special Fund	US\$ 500,000.00				
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth				
Drivers of Change	Governance and capacity development Private sector development				
Sector / Subsector	Finance - Finance sector development				
Gender Equity and Mainstreaming	Effective gender mainstreaming				
Description	This knowledge and support technical assistance (TA) will support financial sector reforms in Bhutan by focusing on assisting the Royal Monetary Authority (RMA) to: (i) improve their internal capacity to manage credit risks and comply with international standards, (ii) implement risk management measures encompassing the formal credit ecosystem in Bhutan and (iii) implement insurance sector strategy and recommendations to improve sector solvency, product scope and risk diversification.				
Project Rationale and Linkage to Country/Regional Strategy	The proposed TA will assist in the objectives of RMA to build capacity, develop a risk-based system and enhance the supervisory process in the areas of credit, insurance and overall risk management of the financial system.				
Impact	TA is Aligned with stability and integrity of the financial system maintained (Twelfth Five Year Plan, 2018-2023). Financial sector reforms of Bhutan supported with strengthened capacity and implementation of financial market development strategies.				
<b>Project Outcome</b>					
Description of Outcome	Financial sector reforms of Bhutan supported with strengthened capacity and implementation of financial market development strategies by RMA strengthened.				
<b>Progress Toward Outcome</b>					
<b>Implementation Progress</b>					
Description of Project Outputs	Insurance sector strategy strengthened Implementation of short to medium term strategies on credit risk management and efficient recovery of assets in the financial system enhanced Risk Based Supervision System (RBSS) for banks and nonbanks implemented Coverage and delivery of insurance products and annual reporting on financial inclusion enhanced				
<b>Status of Implementation Progress (Outputs, Activities, and Issues)</b>					
Geographical Location	Nation-wide				
<b>Summary of Environmental and Social Aspects</b>					
<b>Environmental Aspects</b>					
<b>Involuntary Resettlement</b>					
<b>Indigenous Peoples</b>					
<b>Stakeholder Communication, Participation, and Consultation</b>					
During Project Design					
During Project Implementation					
<b>Business Opportunities</b>					
Consulting Services	ADB will recruit consulting firms with international and national consultants. The firms will be engaged by ADB through quality- and cost-based selection with a quality-cost ratio of 90:10, because of the highly specialized expertise needed, using a simplified technical proposal in accordance with the ADB Procurement Policy (2017, as amended from time to time).				
Procurement	not applicable				
Responsible ADB Officer	Gunawardhena, Manohari				
Responsible ADB Department	South Asia Department				
Responsible ADB Division	Public Management, Financial Sector and Trade Division, SARD				

Timetable	
Concept Clearance	18 Nov 2021
Fact Finding	17 Nov 2021 to 17 Nov 2021
MRM	-
Approval	16 Dec 2021
Last Review Mission	-
Last PDS Update	16 Dec 2021

## TA 6885-BHU

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	<a href="https://www.adb.org/projects/51252-006/main">https://www.adb.org/projects/51252-006/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=51252-006">http://www.adb.org/forms/request-information-form?subject=51252-006</a>
Date Generated	17 December 2021

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