



Cambodia: Inclusive Financial Sector Development Program, Subprogram 1

Project Name	Inclusive Financial Sector Development Program, Subprogram 1								
Project Number	44263-013								
Country	Cambodia								
Project Status	Active								
Project Type / Modality of Assistance	Loan Technical Assistance								
Source of Funding / Amount	<table border="1"> <tr> <td colspan="2">Loan 3460-CAM: Inclusive Financial Sector Development Program, Subprogram 1</td> </tr> <tr> <td>concessional ordinary capital resources lending / Asian Development Fund</td> <td>US\$ 40.00 million</td> </tr> <tr> <td colspan="2">TA 9232-CAM: Implementing the Inclusive Financial Sector Development Program</td> </tr> <tr> <td>Technical Assistance Special Fund</td> <td>US\$ 600,000.00</td> </tr> </table>	Loan 3460-CAM: Inclusive Financial Sector Development Program, Subprogram 1		concessional ordinary capital resources lending / Asian Development Fund	US\$ 40.00 million	TA 9232-CAM: Implementing the Inclusive Financial Sector Development Program		Technical Assistance Special Fund	US\$ 600,000.00
Loan 3460-CAM: Inclusive Financial Sector Development Program, Subprogram 1									
concessional ordinary capital resources lending / Asian Development Fund	US\$ 40.00 million								
TA 9232-CAM: Implementing the Inclusive Financial Sector Development Program									
Technical Assistance Special Fund	US\$ 600,000.00								
Strategic Agendas	Inclusive economic growth								
Drivers of Change	Governance and capacity development Knowledge solutions Private sector development								
Sector / Subsector	Finance - Finance sector development								
Gender Equity and Mainstreaming	Some gender elements								
Description	Based on successful implementation of the past and ongoing ADB Financial Sector Programs (FSP I, II, and III), with effective and flexible ways of converting complex policy objectives into implementable policy actions, the government requested continuing ADB support to the finance sector through a policy-based loan. 2 The proposed programmatic approach for a total of \$30 million equivalent from the Asian Development Fund (ADF), which will comprise two subprograms, is included in the country operations business plan (COBP), 2013_2015. It will be designed within the framework of the Financial Sector Development Strategy (FSDS), 2011_2020 updated under the FSP III.								
Project Rationale and Linkage to Country/Regional Strategy	As the financial sector expands its scope and moves toward a sound market-oriented system, the proposed program will build on the established relationship with government counterparts and ensure the momentum will not be lost on reforms completed under the FSP I, II, and III. A total of \$30 million equivalent from ADB's Special Funds resources is programmed for the Fourth Financial Sector Program (FSP IV). The size of the budget support program is based on (i) development financing needs for the sector as identified during country programming and strategy formulation, (ii) the importance the government attaches to the reform program, and (iii) the estimated costs of designing and implementing the medium-term reform program minus estimated financial support provided by other development partners. On the basis of ongoing dialogue with the government, as well as guidance received from ADB's Board of Directors and management during the previous programs, the FSP IV will increasingly focus on (i) improved access to finance, especially outreach in rural areas, with diversified financial services through microfinance and microinsurance; and (ii) improved transparency and governance in the financial sector, including anti-money-laundering and/ combatting the financing of terrorism (AML and CFT) measures and legal and information infrastructures. The FSP IV will also track progress on the development of nascent financial services, including capital markets, financial leasing with improved legal foundation and infrastructures, and emerging pension schemes such as contractual savings								
Impact	Improved access to finance for sustainability								

Project Outcome

Description of Outcome	A growing, resilient, and efficient financial system with expanded coverage
Progress Toward Outcome	
Implementation Progress	

Description of Project Outputs	Enhanced financial sector stability through upgrading the supervisory capacities and emerging financial services Improved legal foundation and infrastructure through the measures to reduce transaction and information costs Improved governance and transparency through the promotion of AML and /CFT measures , alternative dispute resolution, and International Financial Reporting Standards
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Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location

Safeguard Categories

Environment	C
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 PPTA for Fourth Financial Sector Program has been approved in November 2013. Because of the delay of the implementation of on-going Third Financial Sector Program (extended to June 2014), the implementation of PPTA for Fourth Financial Sector Program has been postponed accordingly. The Mission will initiate the recruitment of the consulting firm during 2014 Q4.

During Project Implementation

Responsible Staff

Responsible ADB Officer	Aoki, Hiroyuki
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Public Management, Financial Sector and Trade Division, SERD
Executing Agencies	<i>National Bank of Cambodia P.O. Box 25 22-24 Norodom Blvd. Phnom Penh, Cambodia</i>

Timetable

Concept Clearance	16 Mar 2014
Fact Finding	29 Mar 2016 to 06 Apr 2016
MRM	12 Aug 2016
Approval	17 Nov 2016
Last Review Mission	-
Last PDS Update	17 Nov 2016

Loan 3460-CAM

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
17 Nov 2016	14 Dec 2016	14 Feb 2017	30 Jun 2017	-	11 Apr 2017

Financing Plan	Loan Utilization
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	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	40.00	Cumulative Contract Awards			
ADB	40.00	17 Nov 2016	38.63	0.00	100%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	17 Nov 2016	38.63	0.00	100%

TA 9232-CAM

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
17 Nov 2016	09 Mar 2017	09 Mar 2017	31 Dec 2019	-	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
600,000.00	0.00	0.00	0.00	0.00	0.00	600,000.00	17 Nov 2016	3,162.46

Project Page <https://www.adb.org/projects/44263-013/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=44263-013>

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