



Cambodia: Inclusive Financial Sector Development Program, Subprogram 2

Project Name	Inclusive Financial Sector Development Program, Subprogram 2
Project Number	44263-015
Country	Cambodia
Project Status	Proposed
Project Type / Modality of Assistance	Loan
Source of Funding / Amount	Loan: Inclusive Financial Sector Development Program, Subprogram 2 concessional ordinary capital resources lending / Asian Development Fund US\$ 40.00 million
Strategic Agendas	Inclusive economic growth
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development
Sector / Subsector	Finance - Finance sector development
Gender Equity and Mainstreaming	Some gender elements
Description	Following the successful implementation of previous and ongoing ADB Financial Sector Programs (FSP and IFSD 1), which demonstrated effective and flexible ways of converting complex policy objectives into implementable policy actions, the government requested continued ADB support to the finance sector through a policy-based loan. The proposed Inclusive Financial Sector Development Program (IFSDP) for a total of \$120 million equivalent, from the Asian Development Fund (ADF) comprises three subprograms. This being the second (IFSD 2), it is included in the country operations business plan (COBP) 2018-2020. It has been designed in line with Cambodia's Financial Sector Development Strategy (FSDS) 2016-2025.
Project Rationale and Linkage to Country/Regional Strategy	As the financial sector expands its scope and moves towards a sound market-oriented system, the proposed program will build on the established relationships with government counterparts and ensure that the momentum is not lost on reforms completed under IFSD 1. A total of \$40 million equivalent from ADB's Special Funds resources is programmed for the Inclusive Financial Sector Development Program, Subprogram 2 (IFSD 2). The size of the budget support program is based on achieving the following outputs: 1) Access to formal financial services to the poor expanded; 2) Financial sector stability enhanced; and 3) Financial sector infrastructure upgraded.
Impact	
Outcome	
Outputs	
Geographical Location	Nation-wide
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 An ADB mission visited Phnom Penh from 28 Nov to 1 Dec 2017. The purpose of the mission was to meet with the Executing and Implementing Agencies and take stock of progress in meeting SP2 policy actions ahead of the fact-finding mission in Feb 2018. The mission also proposed suitable compliance documents to be sent ahead of the presented during fact-finding. A pre-fact-finding mission was subsequently fielded from 5-9 March 2018. Loan negotiations are planned after the mid-year elections. In the interim, ADB has been organizing consultations on the Govt's proposed e-Commerce Law and is providing support to financial education.

During Project Implementation

Responsible ADB Officer	Ainabe, Benita
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	-
Fact Finding	05 Mar 2018 to 09 Mar 2018
MRM	03 Jul 2018
Approval	-
Last Review Mission	-
Last PDS Update	03 Apr 2018

Project Page	https://www.adb.org/projects/44263-015/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=44263-015
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