



## Financial Sector Support Project (P150938)

SOUTH ASIA | Bangladesh | Finance & Markets Global Practice |  
IBRD/IDA | Investment Project Financing | FY 2015 | Seq No: 2 | ARCHIVED on 27-Jun-2016 | ISR23652 |

Implementing Agencies: Bangladesh Bank

### Key Dates

#### Key Project Dates

Bank Approval Date:05-Jun-2015

Effectiveness Date:20-Sep-2015

Planned Mid Term Review Date:19-Mar-2018

Actual Mid-Term Review Date:--

Original Closing Date:30-Sep-2020

Revised Closing Date:30-Sep-2020

### Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The project development objective is to improve financial market infrastructure, regulatory and oversight capacity of Bangladesh Bank and access to long term financing for private firms in Bangladesh.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

### Components

Name

Strengthening Financial Market Infrastructure:(Cost \$50.00 M)

Strengthening Regulatory Capacity:(Cost \$5.00 M)

Supporting Long Term Finance:(Cost \$292.50 M)

Project Implementation and Monitoring:(Cost \$2.50 M)

### Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<span style="color: green;">●</span> Satisfactory	<span style="color: green;">●</span> Satisfactory
Overall Implementation Progress (IP)	<span style="color: green;">●</span> Satisfactory	<span style="color: orange;">●</span> Moderately Satisfactory
Overall Risk Rating	<span style="color: orange;">●</span> Moderate	<span style="color: orange;">●</span> Moderate



## Implementation Status and Key Decisions

The Bangladesh Financial Sector Support Project (FSSP) was approved by the Board on June 5, 2015. The Project became effective on September 20, 2015. Bangladesh Bank (BB) has set up a department named Financial Sector Support Project and Strategic Planning Department to implement the project. The department is fully functional, and the procurement of key Information Technology Packages under Component 1 (Financial Markets Infrastructure) and services for all the components of the project has already started. The Long-term Finance credit line of the project has also become operational, and twenty two commercial banks have already signed contracts with Bangladesh Bank as Partner Financial Institutions (PFIs) to finance long-term FX borrowing. However, implementation is slower than planned and its status has been downgraded to Moderately Satisfactory. It is too early to measure progress on project development objective (PDO) indicators which for now is assessed as Satisfactory. Implementation is slow and its status has been downgraded to Moderately Satisfactory because of some delays from Bangladesh Bank in undertaking project activities. Bangladesh Bank leadership has confirmed that Bangladesh Bank will review the implementation arrangements, especially the approval process of the Credit Line, and take appropriate measures to pick up the speed soon and register good progress and results in the remaining project period.

## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● High	● High	● High
Macroeconomic	● Moderate	● Moderate	● Moderate
Sector Strategies and Policies	● Moderate	● Moderate	● Moderate
Technical Design of Project or Program	● Moderate	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	● Moderate	● Moderate	● Moderate
Fiduciary	● Substantial	● Substantial	● Moderate
Environment and Social	● Moderate	● Moderate	● Moderate
Stakeholders	● Low	● Low	● Low
Other	--	--	--
Overall	● Moderate	● Moderate	● Moderate

## Results

### Project Development Objective Indicators

► Percentage of Government Payments by value processed through electronic means (annually) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	10.00	10.00	10.00	40.00



Date	30-Sep-2014	30-Sep-2014	30-Sep-2014	30-Sep-2020
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► Certification of the BB against ISO270001 and COBIT (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	NO	--	No	Final Certification
Date	30-Sep-2014	30-Sep-2014	30-Sep-2014	30-Sep-2020

► High level of operational reliability as measured by improved compliance of BB with the Principle 17 of the Committee of Payment and Settlement Systems (CPSS) – International Organization of Securities (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not observed	--	Not observed	Observed
Date	30-Sep-2014	--	30-Sep-2014	23-Sep-2020

► Performance on BCP assessment: Number of principles on which Bangladesh Bank is judged as largely compliant and compliant. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	4.00	--	4.00	12.00
Date	30-Sep-2009	--	30-Sep-2014	30-Sep-2020

► Outstanding FX Long term loans of Participating Financial Institutions (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	550.00
Date	30-Sep-2014	--	29-Sep-2015	30-Sep-2014



## Overall Comments

N/A

## Intermediate Results Indicators

► Observance the General Principles of Credit Reporting Systems. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	To be assessed – Expected to be Partial Observance	--	To be assessed. Expected Partial observance	Broadly Observed
Date	30-Sep-2014	30-Sep-2015	30-Sep-2015	30-Sep-2020

► Uptime of the core systems of the BB: core banking, payment systems, credit reporting system, and MI module (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	95.00	--	95.00	98.00
Date	30-Sep-2014	--	30-Sep-2014	30-Sep-2020

► Cumulative number of Bangladesh Bank banking supervision officers trained on risk-based supervision (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	500.00
Date	30-Sep-2014	--	30-Sep-2015	30-Sep-2020



► Circular on prompt corrective action issued by BB (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	--	No circular issued yet	Circular issued
Date	30-Sep-2014	--	30-Sep-2015	30-Sep-2020

► Financial inclusion strategy drafted and approved (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	--	No	Strategy published and disseminated
Date	30-Sep-2014	--	29-Sep-2015	30-Sep-2020

► Direct project beneficiaries (firms and PFIs) that feel project financing reflected their needs (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	75.00
Date	30-Sep-2014	30-Sep-2015	30-Sep-2015	30-Sep-2020

► Cumulative number of Training Of Trainers (TOT), awareness campaigns and workshops delivered to industry associations on safeguards and health and safety (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	64.00
Date	30-Sep-2014	--	30-Sep-2015	30-Sep-2020



► Cumulative number of FI officers receiving training or attending workshops on risk management, safeguards, and commercial practices in procurement (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	45.00
Date	30-Sep-2014	--	30-Sep-2015	30-Sep-2020

► Number of PFIs (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	10.00
Date	30-Sep-2014	--	30-Sep-2015	30-Sep-2020

► Direct project beneficiaries (firms) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	250.00
Date	30-Sep-2014	--	30-Sep-2015	30-Sep-2020

► Publication and dissemination of two analytical and policy research papers on the development of long-term capital markets and on the pensions market (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	--	No	Papers produced and disseminated
Date	30-Sep-2014	--	30-Sep-2015	30-Sep-2020



► NPLs in project-funded in foreign-denominated long-term finance portfolio (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	7.00
Date	30-Sep-2014	29-Sep-2015	29-Sep-2015	30-Sep-2020

► Publication and dissemination of study on Warehouse receipt financing in Bangladesh (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	--	No	Study on warehouse receipt financing produced and disseminated
Date	30-Sep-2014	29-Sep-2015	29-Sep-2015	30-Sep-2020

Overall Comments  
N/A

## Data on Financial Performance

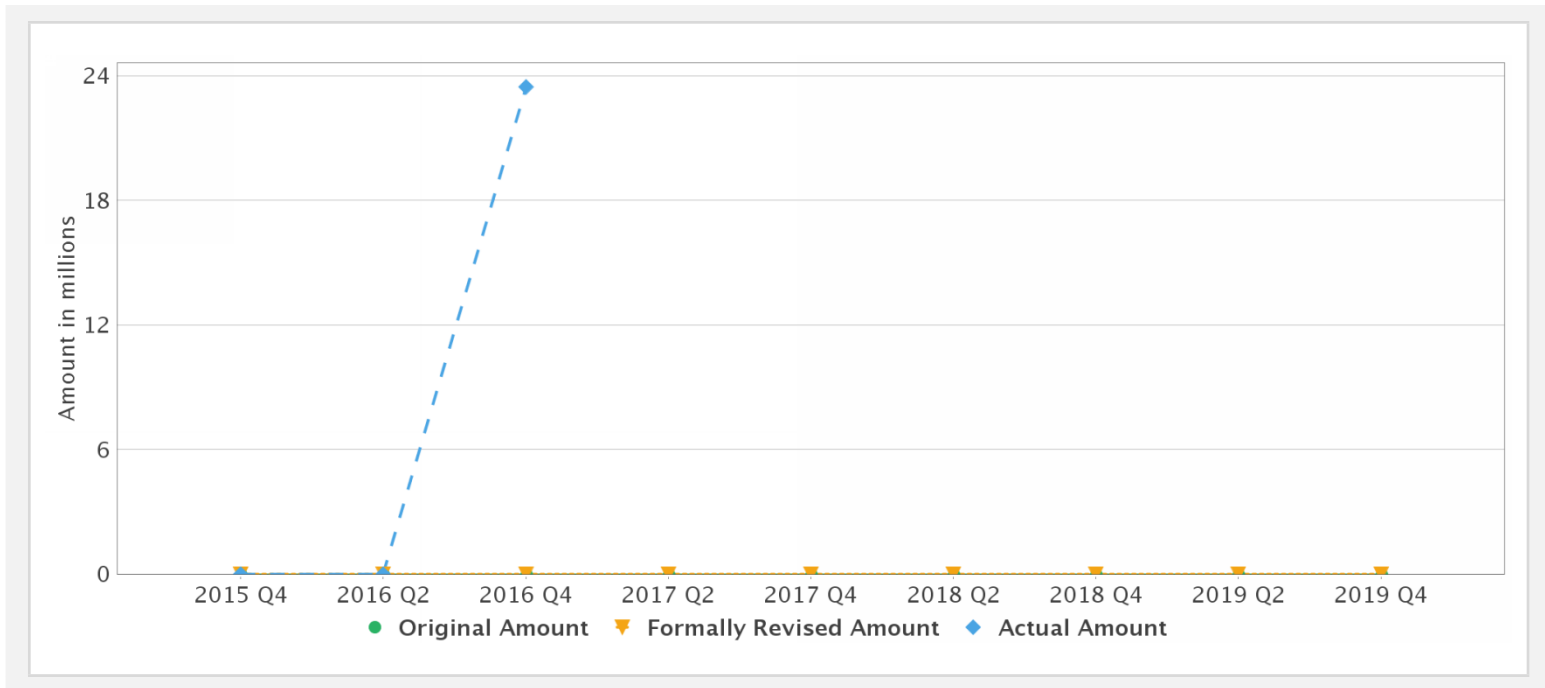
### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P150938	IDA-56640	Effective	XDR	213.40	213.40	0.00	23.47	189.93	11%

### Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P150938	IDA-56640	Effective	05-Jun-2015	30-Jun-2015	20-Sep-2015	30-Sep-2020	30-Sep-2020

### Cumulative Disbursements



## Restructuring History

There has been no restructuring to date.

## Related Project(s)

There are no related projects.