



# Draft Design and Monitoring Framework

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Project Number: 43431  
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## REG: Regional Cooperation of Domestic Credit Rating Agencies in South Asia

A design and monitoring framework is an active document, progressively updated and revised as necessary, particularly following any changes in project design and implementation. In accordance with ADB's public communications policy (2005), it is disclosed before appraisal of the project or program. This draft framework may change during processing of the project or program, and the revised version will be disclosed as an appendix to the report and recommendation of the President.

**Asian Development Bank**

## PRELIMINARY DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and/or Indicators	Data Sources and/or Reporting Mechanisms	Assumptions and Risks
<p><b>Impact</b> Contributing to the development of efficient national and regional financial systems with expanding volume and outreach</p>	<p>Increased economic growth rate in the region</p> <p>Increased poverty reduction in the region</p> <p>Financial deepening through increased size of financial markets (as % to GDP)</p>	<p>ADB</p> <p>Country partnership paper and country operation business plan</p> <p>Financial sector road map</p>	<p><b>Assumption</b></p> <ul style="list-style-type: none"> <li>• Commitment of government to financial sector development</li> </ul> <p><b>Risk</b></p> <ul style="list-style-type: none"> <li>• Macroeconomic stability</li> </ul>
<p><b>Outcome</b> Developing national and regional financial markets and facilitating effective use of savings pool to meet growing financing needs of SME and infrastructure</p>	<p>Financial deepening through increased size of financial markets (as % to GDP)</p> <p>Increased financing amount to SME and infrastructure sector in the region</p>	<p>Country partnership paper and country operation business plan</p> <p>Financial sector road map</p>	<p><b>Assumption</b></p> <ul style="list-style-type: none"> <li>• Commitment of government to financial sector development</li> </ul> <p><b>Risk</b></p> <ul style="list-style-type: none"> <li>• Macroeconomic stability</li> </ul>
<p><b>Outputs</b></p> <p>1. Best practices model regulatory framework for DCRAs</p> <p>2. Model of credit rating on SME financing</p> <p>3. Model of credit rating on infrastructure/PPP financing</p> <p>4. Regulators' and DCRAs' ad-hoc forum</p>	<p>Capital market deepening through increased size of transactions (as % to GDP)</p> <p>Increased credit rating activities and transactions in the region</p> <p>Increased credit ratings for SME financing in the region</p> <p>Increased credit ratings for infrastructure/PPP financing in the region</p> <p>Implementation by the regulators of credit rating agencies in the region</p>	<p>Credit rating agency data and various indicators at websites</p> <p>Country partnership paper and country operation business plan</p> <p>Financial sector road map</p>	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>• Commitment of government to financial sector development</li> <li>• Coordination and support from the security markets regulators of the region</li> <li>• Coordination and support from the rating agencies in the region</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Macroeconomic stability</li> <li>• Availability of information on respective rating agencies</li> <li>• Availability of resources and seminar speakers</li> </ul>
<p><b>Activities with Milestones</b></p>			<p><b>Inputs</b></p>
<p>1.1. Appointment of individual consultants for the study</p> <p>1.2. Reviewing draft studies prepared by individual consultants and seek for views from selected regulators and DCRAs</p> <p>1.3. Finalizing the study report and identifying the issues to be discussed at the</p>			<p>ADB (Investment Climate Facilitation Fund): \$550,000</p> <ul style="list-style-type: none"> <li>• Person-months of consulting services:</li> </ul>

<p>forum</p> <ol style="list-style-type: none"> <li>1.4. Disseminating the final report to the relevant website</li> <li>2.1. Appointment of individual consultants for the study</li> <li>2.2. Reviewing draft studies prepared by individual consultants and seek for views from selected regulators and DCRA</li> <li>2.3. Finalizing the study report and identifying the issues to be discussed at the forum</li> <li>2.4. Disseminating the final report to the relevant website</li> <li>3.1. Appointment of individual consultants for the study</li> <li>3.2. Reviewing draft studies prepared by individual consultants and seek for views from selected regulators and DCRA</li> <li>3.3. Finalizing the study report and identifying the issues to be discussed at the forum</li> <li>3.4. Disseminating the final report to the relevant website</li> <li>4.1. Scheduling the date of the ad-hoc forum, venue and participants</li> <li>4.2. Preparation for the ad-hoc forum and identifying the agenda, and participants</li> <li>4.3. Conducting the ad-hoc forum</li> <li>4.4. Disseminating the results of the ad-hoc forum in relevant website</li> </ol>	<p>\$382,000</p> <ul style="list-style-type: none"> <li>• Travel Expense for consultants: \$15,000</li> <li>• Printing reports and communication: \$8,000</li> <li>• Seminar and Conference: \$95,000</li> <li>• Contingency: \$50,000</li> </ul>
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ADB = Asian Development Bank, DCRA = domestic credit rating agencies, PPP = public private partnership, SME = small and medium enterprise.