



## Project Data Sheet

Project 42235-013

Project Name Microfinance Development Program Subprogram 1

Project Number 42235-013

Country / Economy Viet Nam

Project Status Closed

Project Type /  
Modality of  
Assistance Loan  
Technical Assistance

### **Loan 2877-VIE: Microfinance Development Program - Subprogram 1**

Source of Funding / Amount Asian Development Fund US\$ 40.00 million  
**TA 8108-VIE: Supporting Microfinance Development Program**

Japan Fund for Prosperous and Resilient Asia and the Pacific US\$ 500,000.00

Strategic Agendas Inclusive economic growth

Drivers of Change Gender Equity and Mainstreaming  
Governance and capacity development  
Private sector development

Sector / Subsector **Finance** / Finance sector development - Inclusive finance - Insurance and contractual savings

Gender Some gender elements

Description The Microfinance Development Program will support the development of a market-oriented microfinance to increase access to formal financial services for the poor, especially in rural areas. It will focus on regulatory reforms, supervisory capacity building, institutional development, and financial infrastructure development. Planned regulatory reforms will be anchored by the integration of microfinance into the formal financial market, encouraging investment in microfinance, establishing standard sets of prudential and performance requirements and with fiscal and regulatory incentives. Strengthening operational and supervisory capacities will ensure sustainability and expand outreach of microfinance. State-owned financial institutions engaged in lending to the poor and microenterprises funded by the government budget will be reformed to become sustainable community-based financial institutions operating within market principles. Finally, the program seeks to develop financial infrastructure supporting the formal microfinance training, the advocacy of financial literacy on sustainable microfinance and customer protection, and credit information exchange systems.

Project Rationale and Linkage to Country/Regional Strategy	ADB, in its country partnership strategy for Viet Nam, supports the Viet Nam Socioeconomic Development Strategy, 2011 2020, which aims to transform the country into a modern, productive, and equitable economy. ADB's country strategy will pursue quality of growth, focusing on the reform and renovation process through good governance, capacity development, and development of the private and finance sectors. It is in this context that the Microfinance Development Program was formulated to support government efforts in improving the overall quality and capacity of microfinance, focusing on an improved policy and regulatory environment, increased operational and supervisory capacities, and financial infrastructure development in line with the national microfinance strategy. The program will address the existing constraints on nationwide access to formal financial services, and thus (i) develop an equitable economy by promoting a robust microfinance sector with an improved policy and regulatory environment supportive of the growth of private sector operations, (ii) promote wide adoption of microfinance best practices, and (iii) increase financial infrastructure development. It will enhance financial inclusion by improving access to financial services for traditionally underserved poor households, supporting inclusive growth in line with ADB's financial sector operational plan.
Impact	Greater financial inclusion and deepened financial sector.

### Project Outcome

Description of Outcome	Increased access of the poor women and men to sustainable and affordable microfinance services.
Progress Toward Outcome	In progress

### Implementation Progress

Description of Project Outputs	<p>Created a policy and regulatory environment conducive to the development of inclusive and sustainable market-oriented microfinance</p> <p>Strengthened the supervisory and regulatory capacities of the microfinance sector regulators</p> <p>Strengthened credit institutions involved in microfinance to provide affordable and sustainable services to the poor</p> <p>Developed infrastructure supportive of the microfinance activities</p>
Status of Implementation Progress (Outputs, Activities, and Issues)	<p>The IT firm engaged under the TA is in the final stages of completing their tasks. Their contract is expiring mid of September 2014. Consultants' reports have been submitted. For the TA, on CIC component, the recruitment of the IT firm to assist CIC in enhancing its server is ongoing. Almost all the other activities under the TA has been completed. The program loan has been disbursed in Jan 2013. Implementation is still on going. With the assistance of international and national consultants engaged under the project, there is good progress under the TA. The consultants also conducted several workshops and trainings on microinsurance.</p>
Geographical Location	Nation-wide

### Safeguard Categories

Environment	C
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Involuntary Resettlement C

Indigenous Peoples C

### Summary of Environmental and Social Aspects

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Environmental Aspects	The program does not trigger the safeguard policies and is categorized as C for environment.
Involuntary Resettlement	The program does not trigger the safeguard policies and is categorized as C for involuntary resettlement.
Indigenous Peoples	The program does not trigger the safeguard policies and is categorized as C for indigenous peoples.

### Stakeholder Communication, Participation, and Consultation

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During Project Design	Various ADB missions in consulting with the concerned government agencies, microfinance operating financial institutions, and development partners were conducted during project preparation.
During Project Implementation	During the project implementation, a number of consultations with microfinance stakeholders will be conducted.

### Business Opportunities

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Consulting Services	All consultants will be recruited according to ADB's Guidelines on the Use of Consultants (April 2010, as amended from time to time).
Procurement	All procurement of goods and works will be undertaken in accordance with ADB's Procurement Guidelines (April 2010, as amended from time to time).
Responsible ADB Officer	Sasaki, Eiichi
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Public Management, Financial Sector and Trade Division, SERD
Executing Agencies	<i>State Bank of Vietnam Le Duc Thuy ADB@GOSBV.ORG 47-49 Ly Thai To Street Hanoi Vietnam</i>

### Timetable

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Concept Clearance	29 Apr 2011
Fact Finding	09 May 2011 to 23 May 2011
MRM	15 Jul 2011
Approval	05 Jul 2012
Last Review Mission	-
Last PDS Update	11 Sep 2014

### Loan 2877-VIE

### Milestones

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Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
05 Jul 2012	07 Sep 2012	07 Jan 2013	31 Dec 2012	31 Mar 2013	31 Mar 2013

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	40.00	Cumulative Contract Awards			
ADB	40.00	17 Jun 2022	39.83	0.00	100%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	17 Jun 2022	39.83	0.00	100%

## TA 8108-VIE

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
05 Jul 2012	12 Sep 2012	12 Sep 2012	28 Feb 2014	31 Dec 2014	30 Jan 2015

Financing Plan/TA Utilization								Cumulative Disbursements	
ADB	Cofinancing	Counterpart		Project Sponsor	Others	Total	Date	Amount	
		Gov	Beneficiaries						
0.00	500,000.00	0.00	0.00	0.00	0.00	500,000.00	17 Jun 2022	481,543.24	

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