



# Cambodia: Inclusive Financial Sector Development Program, Subprogram 1

Project Name	Inclusive Financial Sector Development Program, Subprogram 1												
Project Number	44263-013												
Country / Economy	Cambodia												
Project Status	Closed												
Project Type / Modality of Assistance	Loan Technical Assistance												
Source of Funding / Amount	<table><tr><td colspan="2">Loan 3460-CAM: Inclusive Financial Sector Development Program, Subprogram 1</td></tr><tr><td>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><tr><td colspan="2">TA 9232-CAM: Inclusive Financial Sector Development Program, Subprogram 1</td></tr><tr><td>Technical Assistance Special Fund</td><td>US\$ 445,000.00</td></tr></table>	Loan 3460-CAM: Inclusive Financial Sector Development Program, Subprogram 1		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	TA 9232-CAM: Inclusive Financial Sector Development Program, Subprogram 1		Technical Assistance Special Fund	US\$ 445,000.00
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TA 9232-CAM: Inclusive Financial Sector Development Program, Subprogram 1													
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Strategic Agendas	Inclusive economic growth												
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development Knowledge solutions Private sector development												
Sector / Subsector	Finance / Finance sector development												
Gender	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), 20112-020 updated under the FSP III.												
Project Rationale and Linkage to Country/Regional Strategy	<p>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.</p> <p>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</p>												
Impact	Improved access to finance for sustainability												
<strong>Project Outcome</strong>													
Description of Outcome	A growing, resilient, and efficient financial system with expanded coverage												
Progress Toward Outcome													
<strong>Implementation Progress</strong>													
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												
Status of Implementation Progress (Outputs, Activities, and Issues)	Majority of consultants' contracts extended given COVID restrictions on air travel.												
Geographical Location	Nation-wide												
<strong>Safeguard Categories</strong>													
Environment	C												
Involuntary Resettlement	C												
Indigenous Peoples	C												
<strong>Summary of Environmental and Social Aspects</strong>													
Environmental Aspects													

Involuntary Resettlement	
Indigenous Peoples	
<b>Stakeholder Communication, Participation, and Consultation</b>	
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	As of 28 March 2019 - Public consultations conducted on draft e-Commerce Law

<b>Business Opportunities</b>	
Consulting Services	<p>As of 28 March 2019 - International e-Commerce Law expert recruited.</p> <p>As of 27 March 2020 The following expertise were recruited to assist the Implementing Agencies:</p> <p>A. Ministry of Economy and Finance (MEF)</p> <ol style="list-style-type: none"> <li>1. International Microinsurance expert</li> <li>2. International Financial Sector expert (Insurance Supervision)</li> <li>3. International Policy expert (SME Credit Guarantees)</li> <li>4. International Financial Sector expert (Government Bonds)</li> <li>5. International Trust Law</li> </ol> <p>B. Ministry of Commerce (MOC)</p> <ol style="list-style-type: none"> <li>1. International e-Commerce Law expert</li> <li>2. International Consumer Protection Legal expert</li> <li>3. International e-Commercial Agent Law expert</li> <li>4. National e-Commerce Training expert</li> <li>5. National e-Commerce and Consumer Protection Law expert</li> </ol> <p>C. National Bank of Cambodia (NBC)</p> <ol style="list-style-type: none"> <li>1. Consulting firm - Integrating financial education in the Cambodian school curriculum</li> <li>2. International Financial Technology expert</li> <li>3. International Payment System expert (Infrastructure Development)</li> </ol> <p>D. Rural Development Bank (RDB)</p> <ol style="list-style-type: none"> <li>1. International Business Strategist (Agri-business)</li> <li>2. International MIS expert (Digital Banking)</li> <li>3. International Financial Literacy expert</li> </ol> <p>E. Securities and Exchange Commission of Cambodia (SECC)</p> <ol style="list-style-type: none"> <li>1. National Project Coordinator</li> <li>2. International Capital Market</li> </ol> <p>The recruitment of the following experts is ongoing:</p> <ol style="list-style-type: none"> <li>1. International e-Commerce Training expert (MOC)</li> <li>2. International Regulatory expert (Marketplace Lending Platform) (NBC)</li> <li>3. National Financial Literacy expert (RDB)</li> <li>4. International Financial Literacy expert for University and Professional Education</li> </ol>

Responsible ADB Officer	Ainabe, Benita
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Public Management, Financial Sector and Trade Division, SERD
Executing Agencies	National Bank of Cambodia

<b>Timetable</b>	
Concept Clearance	06 Nov 2013
Fact Finding	29 Mar 2016 to 06 Apr 2016
MRM	12 Aug 2016
Approval	17 Nov 2016
Last Review Mission	-
Last PDS Update	30 Mar 2021

## 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			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	40.00		Cumulative Contract Awards			
ADB	40.00		06 May 2023	38.63	0.00	100%
Counterpart	0.00		Cumulative Disbursements			
Cofinancing	0.00		06 May 2023	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	31 Dec 2022	20 Apr 2023

Financing Plan/TA Utilization							Cumulative Disbursements	
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
1,045,000.00	0.00	0.00	0.00	0.00	0.00	1,045,000.00	06 May 2023	950,849.64

Project Page	<a href="https://www.adb.org/projects/44263-013/main">https://www.adb.org/projects/44263-013/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=44263-013">http://www.adb.org/forms/request-information-form?subject=44263-013</a>
Date Generated	09 March 2024

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