

## DEVELOPMENT COORDINATION

### A. Major Development Partners: Strategic Foci and Key Activities

1. Cambodia receives significant assistance from various development partners for the development of its financial sector. The Asian Development Bank (ADB) has been the lead donor in providing support for the sector in collaboration with government agencies and other development partners. Major bilateral and multilateral donors in the sector include the World Bank (for financial stability and governance issues) together with the International Monetary Fund, the United States (for deposit insurance and general insurance), the Korea International Cooperation Agency (for capital market development), and the International Finance Corporation (for access to finance including secured transactions). Table 1 provides a list of ongoing projects in the financial sector. Agence Française de Développement has been working for agriculture commercialization, including financing. The United Nations Development Programme has recently launched a financial inclusion program.

**Table 1: Major Development Partners**

<b>Development Partner</b>	<b>Project Name</b>	<b>Duration</b>	<b>Amount (million)</b>
<b>Financial sector development</b>			
ADB	Third Financial Sector Program	2010–2014	45.00 with CDTA
World Bank / First Initiative	Crisis Preparedness, Comprehensive Review and Strengthening of Legal Framework Surrounding Financial Sector, and Improving Accounting and Audit Practice	2011–2014	1.20
IFC	Access to Finance Program	2013–2017	...
IMF	Technical Assistance for Monetary Policy Development (Resident Advisor)	Ongoing	...
UNDP/UNCDF	Cambodia MAP Project	Ongoing	...
United States	US Treasury, Office of Technical Assistance	2008–2016	9.44
KOICA	The Project for Securities Market Development in Cambodia	2014–2016	3.00
AFD	Support to Rice Sector in Cambodia	Ongoing	...
<b>Small and medium-sized enterprise finance</b>			
ADB	ACLEDA Bank Promoting Finance Inclusion	2013–2016	75.00
AFD	Green Microfinance in Cambodia	2014–2016	6.00
AFD	Support to Cambodian microfinance sector (CMA)	2012–2016	0.90

ADB = Asian Development Bank, AFD = Agence Française de Développement, CDTA = capacity development technical assistance, CMA = Cambodia Microfinance Association, IFC = International Finance Corporation, KOICA = Korea International Cooperation Agency, UNCDF = United Nations Capital Development Fund, UNDP = United Nations Development Programme, US = United States.

## B. Institutional Arrangements and Processes for Development Coordination

2. Within the area of financial sector development, the National Bank of Cambodia is the executing agency responsible for coordinating the assistance provided by all development partners. The implementing agencies include the Ministry of Economy and Finance, Ministry of Commerce, and Securities and Exchange Commission of Cambodia. The government has established a steering committee and technical working group chaired by the Director General of the National Bank of Cambodia to work on the issues related to financial sector development. The donor coordination has been made through NBC and anchored by the Financial Sector Development Strategies ADB has been providing the supports.

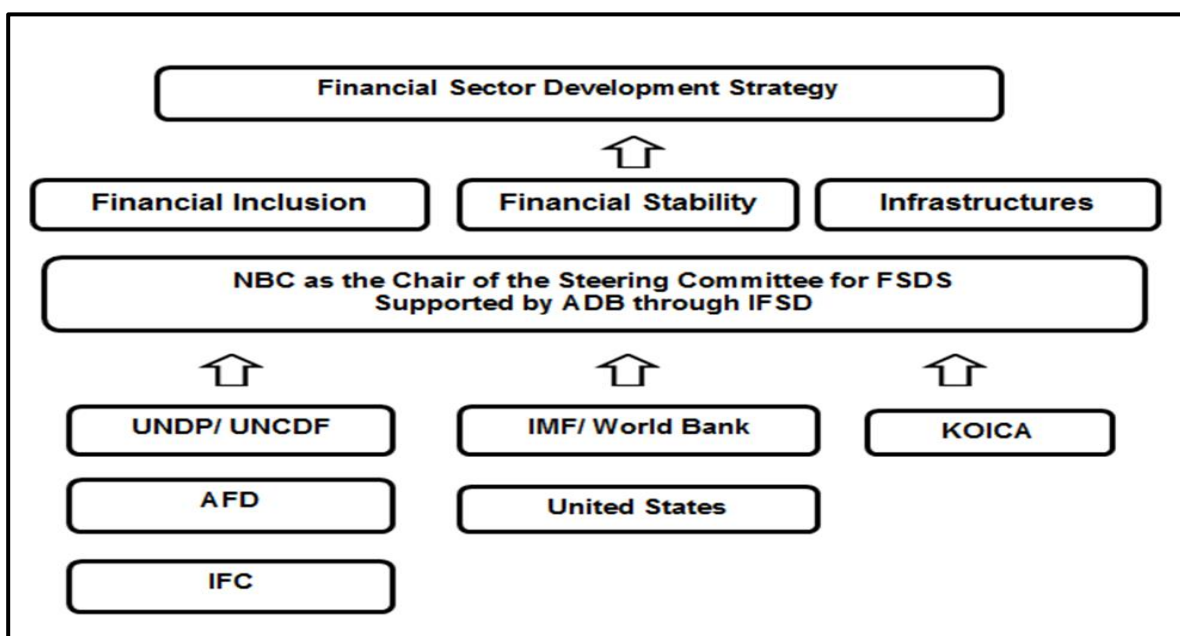
## C. Achievements and Issues

3. Currently, the financial sector development strategy, 2016–2025 is being updated with ADB support. Lack of coordination and agreements on some particular issues between the executing agency and the implementing agencies have been identified as a constraint on finalizing the draft strategy. Strengthened collaboration between all government agencies involved is necessary to effectively use the support and resources in the sector.

## D. Summary and Recommendations

4. As illustrated in Figure 1, ADB continues to be a lead player in the development of the financial sector in Cambodia. In supporting the government in developing a strong and vibrant financial sector, ADB will continue to work closely with the government agencies and further strengthen cooperation with other players.

**Figure 1: Development Coordination Overview**



Source: ADB Staff

ADB = Asian Development Bank, IFC = International Finance Corporation, IFSD = Inclusive Financial Sector Development, IMF = International Monetary Fund, KOICA = Korea International Cooperation Agency, UNCDF = United Nations Capital Development Fund, UNDP = United Nations Development Program