



## Myanmar Financial Sector Development Project (P154389)

EAST ASIA AND PACIFIC | Myanmar | Finance, Competitiveness and Innovation Global Practice |  
IBRD/IDA | Investment Project Financing | FY 2017 | Seq No: 2 | ARCHIVED on 29-Jan-2018 | ISR31098 |

Implementing Agencies: Ministry of Planning and Finance, Central Bank of Myanmar, Ministry of Planning and Finance

### Key Dates

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Bank Approval Date:20-Dec-2016

Effectiveness Date:27-Jun-2017

Planned Mid Term Review Date:03-Dec-2018

Actual Mid-Term Review Date:--

Original Closing Date:30-Jun-2021

Revised Closing Date:30-Jun-2021

### Project Development Objectives

Project Development Objective (from Project Appraisal Document)

To expand access to finance in Myanmar and, in the event of an Eligible Crisis or Emergency, to provide immediate and effective response to such Eligible Crisis or Emergency.

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

No

### Components

Name

Reform of state-owned banks:(Cost \$37.00 M)

Upgrading of the financial sector legal, regulatory, and supervisory framework:(Cost \$37.00 M)

Modernization of the CBM and financial infrastructure:(Cost \$24.00 M)

Project coordination and monitoring:(Cost \$2.00 M)

Contingent emergency response

### Overall Ratings

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



## Implementation Status and Key Decisions

### Project Effectiveness and disbursement progress

The project became effective on June 27, 2017 and within one month of effectiveness, the Financial Regulatory Department (FRD), which is under the MOPF, opened its two designated accounts and requisite trainings were held for PIU staffs of MOPF and CBM.

In collaboration with CBM, MOPF finalized their six months work plans, cash forecasts, budget templates, and withdrawal applications. Initial fund transfers USD 2.33 million to FRD were completed and disbursed on December 7, 2017.

The task team has been providing constant implementation support with three missions conducted in July, September and December, 2017. The main objectives of those missions were (i) to expedite the special diagnostic of SOBs; ii) to continue the various TA activities under the KTF and DFID Trust Fund on financial sector development; iii) to support MFSDP-IDA project implementation. In addition, the Project Coordinating Units (PCUs) have received continuous support from staff based in Yangon on technical, procurement, and FM matters. The project has supported the MOPF and CBM in undertaking significant accomplishments across various components.

Procurement delay is a key issue with the project along with DLI fulfillment. The delay in adoption of the governance policy for the State owned banks and the delay in the issuance of the directives by CBM on governance including fit and proper, related parties, external auditors has resulted in non fulfillment of DLI 1.1 and 1.2.

The PCU along with WB team will work closely to expedite the procurement process and ensure DLI fulfillment along with implementation of the various activities of the project.

## 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	● Low	● Low	● Low
Technical Design of Project or Program	● Moderate	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	● High	● High	● High
Fiduciary	● High	● High	● High
Environment and Social	● Low	● Low	● Low
Stakeholders	● Low	● Low	● Low
Other	--	--	--
Overall	● High	● High	● High

## Results

### Project Development Objective Indicators



► Adults with active transaction accounts (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	22.80	22.80	22.80	32.00
Date	31-Dec-2014	01-Apr-2017	01-Apr-2017	31-Dec-2020

► Adults in the poorest 40% with accounts at a financial institution (%) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	16.10	16.10	16.10	20.00
Date	31-Dec-2014	01-Apr-2017	01-Apr-2017	31-Dec-2020

► Loans from commercial banks (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	8.00	8.00	8.00	15.00
Date	31-Dec-2014	01-Apr-2017	01-Apr-2017	31-Dec-2020

Overall Comments

**Intermediate Results Indicators**

► Improved transparency of state-owned banks (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	1.00
Date	02-Jan-2017	01-Apr-2017	29-Dec-2017	20-Jun-2018



► Improved soundness and transparency of financial institutions (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	15.00	50.00
Date	02-Jan-2017	01-Apr-2017	29-Dec-2017	31-Dec-2020

► Upgrading of NBF supervisory capacity (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	1.00	3.00
Date	02-Jan-2017	01-Apr-2017	29-Dec-2017	31-Dec-2020

► Banks connected to CBM (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	20.00	80.00
Date	29-Nov-2016	01-Apr-2017	29-Dec-2017	30-Dec-2020

► Capacity building for citizen engagement and activities empowering citizens (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	1.00
Date	29-Nov-2016	--	01-Apr-2017	30-Dec-2020

**Overall Comments**

The baseline survey for consumer protection is yet to be finalized to enable the launch of consumer protection capacity building within and outside CBM.



## Data on Financial Performance

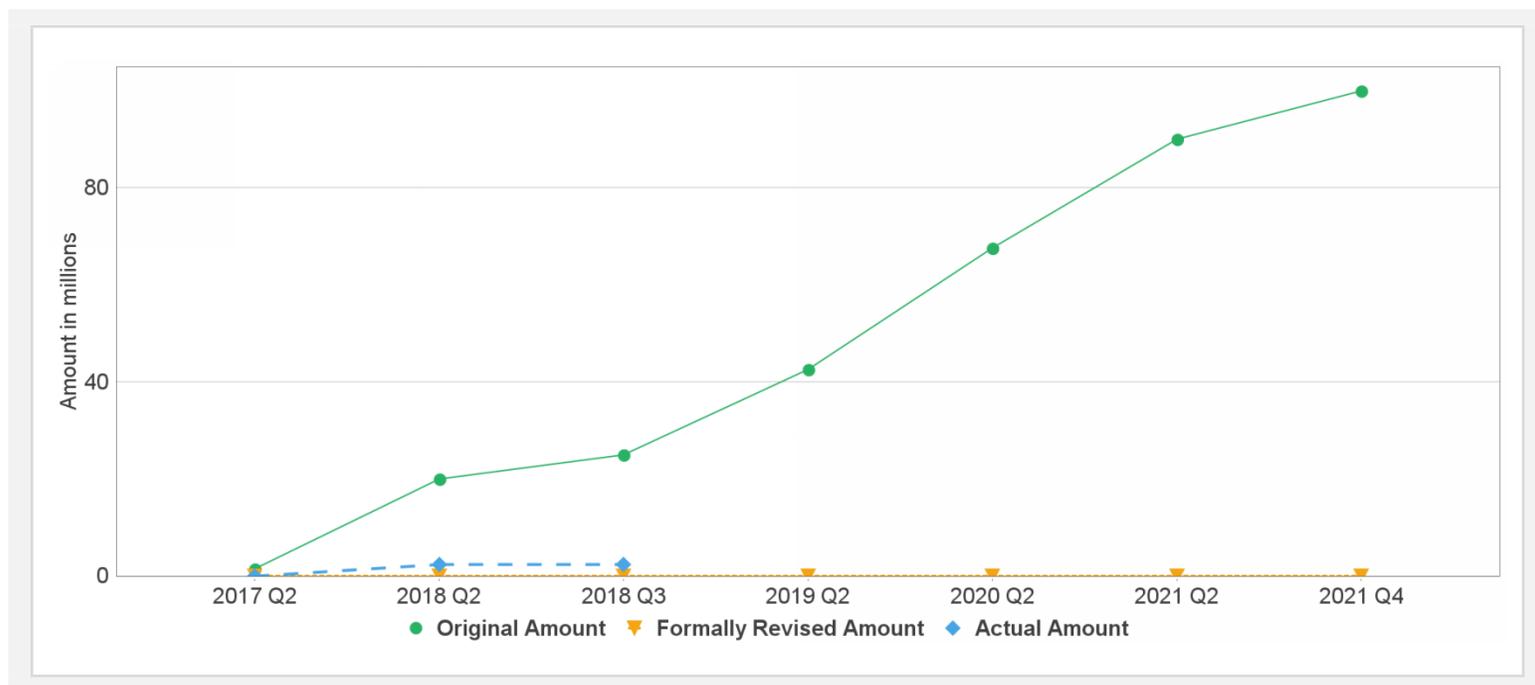
### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P154389	IDA-59300	Effective	USD	100.00	100.00	0.00	2.33	99.23	2.3%

### Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P154389	IDA-59300	Effective	20-Dec-2016	11-Apr-2017	27-Jun-2017	30-Jun-2021	30-Jun-2021

## Cumulative Disbursements



## Restructuring History

There has been no restructuring to date.

## Related Project(s)



There are no related projects.

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