



ASIAN DEVELOPMENT BANK

Bangladesh: Second Capital Market Development Program

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| Project Name | Second Capital Market Development Program |
| Project Number | 43477-013 |
| Country | Bangladesh |
| Project Status | Approved |
| Project Type / Modality of Assistance | Loan Technical Assistance |
| Source of Funding / Amount | Loan 2951-BAN: Second Capital Market Development Program Ordinary capital resources US\$ 95.00 million Loan 2952-BAN: Second Capital Market Development Program Asian Development Fund US\$ 155.00 million Loan 2953-BAN: Second Capital Market Development Program (ADF Hard Term) Asian Development Fund US\$ 50.00 million TA 8228-BAN: Enhancing Efficiency of the Capital Market Japan Fund for Poverty Reduction US\$ 750,000.00 |
| Strategic Agendas | Inclusive economic growth |
| Drivers of Change | Governance and capacity development Private sector development |
| Sector / Subsector | Finance - Money and capital markets |
| Gender Equity and Mainstreaming | No gender elements |
| Description | The program's impact will be a well functioning financial system that supports basic capital and investment needs, as well as Bangladesh's longer-term economic objectives. The program's outcome will be a deeper and more stable capital market. The program components include (i) strengthened market stability by enhancing SEC's role to develop the market, promoting financial stability through joint supervision of the financial system, strengthening regulatory measures, and developing a market surveillance system; (ii) enhanced market facilitation by developing a long-term vision for capital markets, upgrading accounting and auditing standards, expediting adjudication of enforcement actions, improving governance of listed companies, and pursuing demutualization of the stock exchanges; (iii) enhanced supply of equities and bonds; and (iv) enhanced demand for equity and debt securities. |
| Project Rationale and Linkage to Country/Regional Strategy | ADB's financial sector strategy for Bangladesh, which is included in the new country partnership strategy and the new country operations business plan, is based on the Sixth Five-Year Plan, lessons from ADB's previous financial sector interventions, and coordination with other development partners. In line with the Sixth Five-Year Plan and ADB's Strategy 2020 priorities, capital market development and bond market development focusing on the provision of long-term infrastructure is one of ADB's focus areas in its Bangladesh public sector operations. Strategy 2020 includes support for capital market development as one of ADB's core operational priorities because it can facilitate private sector development and infrastructure development, which rely on the availability of long-term local currency funds for viable financial structures. The proposed program is fully aligned with the government's Sixth Five-Year Plan, ADB's Strategy 2020, and ADB's country partnership strategy with Bangladesh. ADB will provide assistance for capital market development in 2012 to complement and support the government's commitment to meaningful capital market reform. |
| Impact | A well-functioning financial system that supports basic capital and investment needs as well as Bangladesh's longer-term economic objectives |

Project Outcome

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|------------------------|---|
| Description of Outcome | A deeper and more stable capital market |
|------------------------|---|

Progress Toward Outcome

Implementation Progress

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| Description of Project Outputs | Strengthened market stability Enhanced market facilitation Enhanced supply measures Enhanced demand measures |
| Status of Implementation Progress (Outputs, Activities, and Issues) | Loan 2951-BAN has been closed with effect since 5 April 2013 as this loan was fully disbursed in 2012. The 2nd tranche disbursements of Loans 2952-BAN and 2953-BAN were released on 16 December 2014. These 2 loans were closed with effect from 18 December 2014. |
| Geographical Location | |

Safeguard Categories

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|--------------------------|---|
| Environment | C |
| Involuntary Resettlement | C |
| Indigenous Peoples | C |

Summary of Environmental and Social Aspects

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|--------------------------|
| Environmental Aspects |
| Involuntary Resettlement |
| Indigenous Peoples |

Stakeholder Communication, Participation, and Consultation

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| During Project Design |
| During Project Implementation |

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|----------------------------|---|
| Responsible ADB Officer | Vivek Rao |
| Responsible ADB Department | South Asia Department |
| Responsible ADB Division | Public Management, Financial Sector and Trade Division, SARD |
| Executing Agencies | <i>Bank and Financial Institutions Division-MOFARJIT@FINANCE.GOV.BDBangladesh Secretariat Dhaka-1000 Bangladesh</i> |

Timetable

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|---------------------|----------------------------|
| Concept Clearance | 17 May 2011 |
| Fact Finding | 24 Jun 2012 to 02 Jul 2012 |
| MRM | 09 Aug 2012 |
| Approval | 28 Nov 2012 |
| Last Review Mission | - |
| Last PDS Update | 09 Mar 2015 |

Loan 2951-BAN

| Milestones | | | | | |
|-------------|--------------|------------------|-------------|---------|-------------|
| Approval | Signing Date | Effectivity Date | Closing | | |
| | | | Original | Revised | Actual |
| 28 Nov 2012 | 29 Nov 2012 | 17 Dec 2012 | 30 Jun 2014 | - | 05 Apr 2013 |

| Financing Plan | | Loan Utilization | | | |
|----------------|--------------------------------|----------------------------|-------|--------|----------------|
| | Total (Amount in US\$ million) | Date | ADB | Others | Net Percentage |
| Project Cost | 95.00 | Cumulative Contract Awards | | | |
| ADB | 95.00 | 28 Nov 2012 | 95.00 | 0.00 | 100% |

| | | | | | |
|-------------|------|--------------------------|-------|------|------|
| Counterpart | 0.00 | Cumulative Disbursements | | | |
| Cofinancing | 0.00 | 28 Nov 2012 | 95.00 | 0.00 | 100% |

Loan 2952-BAN

| Milestones | | | | | |
|-------------|--------------|------------------|-------------|-------------|-------------|
| Approval | Signing Date | Effectivity Date | Closing | | |
| | | | Original | Revised | Actual |
| 28 Nov 2012 | 29 Nov 2012 | 17 Dec 2012 | 30 Jun 2014 | 31 Mar 2015 | 18 Dec 2014 |

| Financing Plan | | Loan Utilization | | | |
|----------------|--------------------------------|----------------------------|--------|--------|----------------|
| | Total (Amount in US\$ million) | Date | ADB | Others | Net Percentage |
| Project Cost | 155.00 | Cumulative Contract Awards | | | |
| ADB | 155.00 | 28 Nov 2012 | 150.25 | 0.00 | 100% |
| Counterpart | 0.00 | Cumulative Disbursements | | | |
| Cofinancing | 0.00 | 28 Nov 2012 | 150.25 | 0.00 | 100% |

Loan 2953-BAN

| Milestones | | | | | |
|-------------|--------------|------------------|-------------|-------------|-------------|
| Approval | Signing Date | Effectivity Date | Closing | | |
| | | | Original | Revised | Actual |
| 28 Nov 2012 | 29 Nov 2012 | 17 Dec 2012 | 30 Jun 2014 | 31 Mar 2015 | 18 Dec 2014 |

| Financing Plan | | Loan Utilization | | | |
|----------------|--------------------------------|----------------------------|-------|--------|----------------|
| | Total (Amount in US\$ million) | Date | ADB | Others | Net Percentage |
| Project Cost | 50.00 | Cumulative Contract Awards | | | |
| ADB | 50.00 | 28 Nov 2012 | 49.53 | 0.00 | 100% |
| Counterpart | 0.00 | Cumulative Disbursements | | | |
| Cofinancing | 0.00 | 28 Nov 2012 | 49.53 | 0.00 | 100% |

TA 8228-BAN

| Milestones | | | | | |
|-------------|--------------|------------------|-------------|-------------|--------|
| Approval | Signing Date | Effectivity Date | Closing | | |
| | | | Original | Revised | Actual |
| 28 Nov 2012 | 06 Mar 2013 | 06 Mar 2013 | 31 Dec 2014 | 24 Jun 2015 | - |

| Financing Plan/TA Utilization | | | | | | | Cumulative Disbursements | |
|-------------------------------|-------------|-------------|---------------|-----------------|--------|------------|--------------------------|------------|
| ADB | Cofinancing | Counterpart | | | | Total | Date | Amount |
| | | Gov | Beneficiaries | Project Sponsor | Others | | | |
| 0.00 | 750,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 750,000.00 | 28 Nov 2012 | 617,299.95 |

Project Page <http://www.adb.org/projects/43477-013/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=43477-013>

Date Generated 22 August 2015

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