

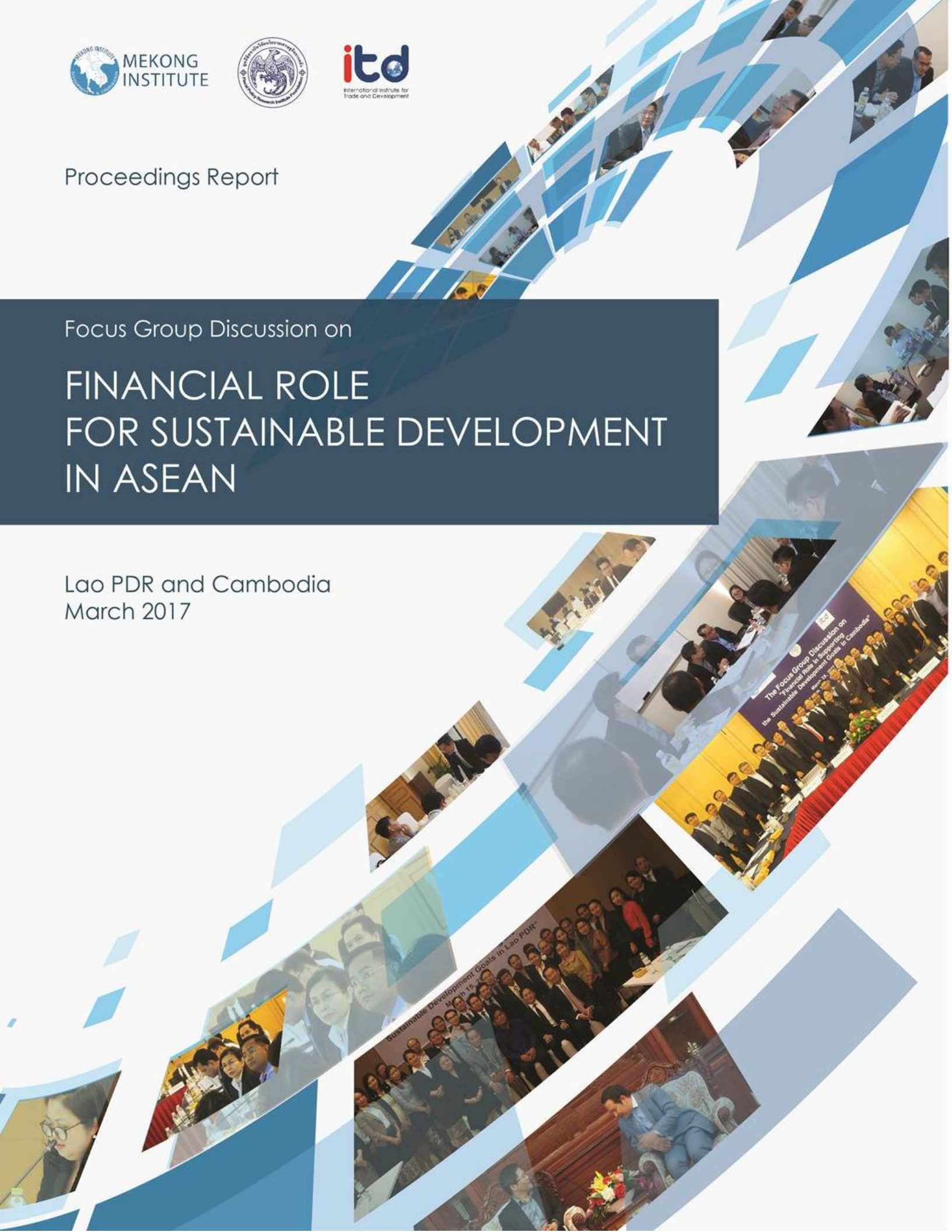


Proceedings Report

Focus Group Discussion on

FINANCIAL ROLE FOR SUSTAINABLE DEVELOPMENT IN ASEAN

Lao PDR and Cambodia
March 2017



ACKNOWLEDGEMENTS

We express our gratitude to the participants, representing private and government officials from various Departments, Chamber of Commerce and SME banking professionals, from Lao PDR and Cambodia, for contributing to the success of Focus Group Discussion.

We sincerely thank Fiscal Policy Research Institute Foundation (FPRI) and International Institute for Trade and Development (ITD) for their technical cooperation and financial support.

Our sincere appreciation also goes to Mekong Institute Coordinating Agencies (CA), namely Economic Affairs Department, Ministry of Foreign Affairs, Lao PDR; and Ministry of Planning, Cambodia for coordinating and sharing experience and expertise on the subject matters and for their overall facilitation during the focus group discussion at Vientiane, Lao PDR and Phnom Penh, Cambodia, respectively.

Lastly, we are also thankful to the organizing team and all MI staffs for their assistance to ensure successful completion of the program.

The Mekong Institute
Khon Kaen, Thailand
May, 2017

EXECUTIVE SUMMARY

The Focus Group Discussion is part of a research study on financial role in supporting the Sustainable Development Goals (SDGs) in ASEAN using the framework “The Addis Ababa Action Agenda” (the Addis Agenda) approved by the member states of the United Nations. The focus groups aimed to collect information, present and validate the preliminary findings of the study. It also aimed to share experiences with Lao PDR and Cambodia’s government agencies and other stakeholders to gather comments on the study and obtain suggestions on the measures to efficiently facilitate sustainable development financing for Lao PDR, Cambodia and ASEAN as a whole. To this end, the focus group discussion in Lao PDR and Cambodia obtained a deeper qualitative understanding of the perspectives and insights of financial role in supporting the Sustainable Development Goals (SDGs) from the participants and stakeholders at the national level.

The Focus Group Discussions were conducted on March 15-16, 2017 at Vientiane, Lao PDR; and March 28-29, 2017 at Phnom Penh, Cambodia, respectively. On the first day of discussion, each focus group were implemented and divided into (i) government agencies, (ii) private sectors, and (iii) international organization and follow with one-on-one interview (in-depth interview) on the second day.

In Lao PDR, a total of thirty-two (32) participants joined the Focus Group Discussion on “Financial Role in Supporting the Sustainable Development Goals in Lao PDR”. The representatives were from 1) Government Agencies namely Departments of Economic Affairs, Fiscal Policy, International Cooperation, SME Promotion, Lao Securities Commission Office, Securities and Exchange Commission Office and Bank of Lao PDR, 2) International Organizations: International Finance Corporation, GIZ, Lao-India Entrepreneurship Development Center, and 3) Private Sectors comprising of LNCCI, Banking Institute, Lao Development Bank, Lao Microfinance Association, Phongsavanh Bank, and ACLEDA Bank.

In Cambodia, a total of twenty-five (25) participants joined the Focus Group Discussion on “Financial Role in Supporting the Sustainable Development Goals in Cambodia”. The representatives were from 1) Government Agencies namely Ministry of Economy and Finance, Ministry of Planning, Ministry of Commerce, International Cooperation, SME Promotion, Cambodia Securities Exchange, National Institute of Statistics and National Bank of Cambodia, 2) International Organizations: UNFPA and Plan International, and 3) Private Sectors comprising of The Cambodian Sustainable Finance Initiative (CSFI) of ABC, Banking Institute, Cambodia Microfinance Association, CANADIA BANK, Chief (Cambodia) Specialist Bank PC, and ACLEDA Bank.

Through the Focus Group Discussions, the participants shared knowledge and experiences and facilitated by in-house resource persons and experts from MI, FPRI and ITD. The following results were gotten from the participants at the discussions in Laos and Cambodia. Consequently, the outcomes will be presented in 3 perspectives as follows;

1. Government Agencies

- a. Lao PDR and Cambodia have their own national development plan (5 years) and they are implementing in line with Sustainable Development Goals (SDGs).
- b. Lao PDR and Cambodia first priorities are poverty reduction. Cambodia has already graduated from Low-income country to Lower-Middle income country.
- c. Microfinance in Lao PDR is quite successful (Supported by UN). Therefore, it causes the loan sharks decrease recently.
- d. In Lao PDR, if the financial for sustainable development in SME sector is successful, it will also sustain the whole country.
- e. The capital market in Laos and Cambodia are small & limited role. Therefore, the governments should try to promote and encourage it to attract FDI.
- f. In order to write the project proposal for the fund or ODAs from the World Bank, Laos Government officials also lack the ability to write project plan.

2. Private Sectors

- a. The Banks should provide knowledge in financial management to the public in order to maximize the benefits to investors.
- b. Decision criteria to invest are Legal Framework, Return on Equity, Risk Management, Tax incentives and subsidies, Good Governance (transparency of the country business environment) and Factors of Production (land, labor, capital, etc.).
- c. The investors expected to receive support from the government are Tax incentives for Export/Import, skilled labor force, support infrastructure, stable policies, efficient single window, and independent judiciary system.
- d. Long term and short term investments are interested for investors but profitable projects are almost the long term project.
- e. In order to implement the long term project, the investors should have a good relationship with local partners (CSR Project).
- f. It is hard to balance 4 elements; Economic Growth, Corporate Profit, Environment Protection and Inclusive Society. If the investors focus too much on these 4 factors, the cost will be increased. Therefore, the proper Environmental Impact Assessment (EIA) is important.

3. International Organizations

- a. ODAs are not enough for Laos and Cambodia and available only in agriculture sector with high competition.
- b. Most of the organizations provided ODAs, should not only provide on funding but also technical assistant to build up capacities and ensure sustainable development.
- c. Access to information about the fund availability is poor. The application for ODAs is complicated with strict criteria.
- d. Funding supports in Cambodia are reduced so the government has to provide more contributions on project implementations.

TABLE OF CONTENT

ACKNOWLEDGEMENTS	I
EXECUTIVE SUMMARY	II
LIST OF ACRONYMS.....	V
I. Introduction	1
II. Objectives.....	2
III. Anticipated Outputs.....	2
IV. Discussion Structure	2
V. The study of Financing Roles and Resources Allocation for Sustainable Development.....	3
VI. The Focus Group Discussion on “Financial Role in Supporting the Sustainable Development Goals in Lao PDR”	4
6.1 Inauguration Session.....	4
6.2 Participants	6
6.3 Summary and Conclusions	7
VII. The Focus Group Discussion on “Financial Role in Supporting the Sustainable Development Goals in Cambodia”	15
7.1 Inauguration Session.....	15
7.2 Participants	17
7.3 Summary and Conclusions	18
VIII. Appendixes	27
Appendix I: Discussion Schedules	27
Appendix II: Logistics Arrangement	29
Appendix III: Participants and Contacts	30

LIST OF ACRONYMS

5Ps	people, planet, peace, prosperity and partnership
AAAA	The Addis Ababa Action Agenda
ABC	Association of Banks in Cambodia
ASEAN	The Association of Southeast Asian Nations
BCEL	Banque Pour Le Commerce Exterieur Lao Public
BOL	Bank of Lao PDR
CSFI	Cambodian Sustainable Finance Initiative
DOSMEP	Department of Small and Medium Enterprise Promotion
ERIT	Economic Research Institute for Trade
FDI	Foreign Direct Investment
FPRI	Fiscal Policy Research Institute Foundation
FTA	Free Trade Agreement
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit, GmbH
ICD	Internal Control Division
IFC	International Finance Corporation
IPD	Investment Promotion Department
ITD	International Institute for Trade and Development
LDC	Less Developed Country
LIEDC	Lao-India Entrepreneurship Development Center
LNCCI	Lao National Chamber of Commerce and Industry
LMFA	Laos Microfinance Association
LSCO	Lao Securities Commission Office
MI	Mekong Institute
MDGs	Millennium Development Goals
MPI	Ministry of Planning
NPL	Non-performing Loan
NPO	National Productivity Organization
NSDG	National Sustainable Development Goals
ODA	Official Development Assistance
PSVB	Phongsavanh Bank
SDGs	Sustainable Development Goals
SME	Small and Medium Sized Enterprises
SMEPDC	Small and Medium-sized Enterprise and Productivity Promotion and Development Committee
SMEPDO	Small and Medium-sized Enterprise Promotion and Development Office
TICA	Thailand International Cooperation Agency
TIF	Trade and Investment Facilitation Department
UNFPA	United Nations Population Fund

I. Introduction

Financial sector has been a key driving force in supporting sustainable growth. It is essentially a tool facilitating socioeconomic condition to be on track of targeted development of a country, including the fulfillment of suitable level of economic growth that is aligned with balanced development of manufacturing, agriculture, and service sectors. Efficient allocation of financial resources may galvanize economic activity -stabilizing investment in such the way that the overall employment and domestic income would decently be enhanced, while the citizen's quality of life and socioeconomic equality are also improved. This ultimate goal is actually in line with a universal set of 17 Sustainable Development Goals (SDGs) proposed by the General Assembly meetings of United Nations in September 2015. The SDGs highlight five main goals of development, including People, Planet, Peace, Prosperity and Partnership.

Moreover, in July 2015 the representatives from member states of the United Nations approved the action plan, known as "The Addis Ababa Action Agenda" (the Addis Agenda), which addressed international cooperation on the sustainable financing for development in order to improve the quality of life in accordance with SDGs. However, domestic saving, which is considered the most important source of fund in many developing countries and least developed countries, exhibits deficiency, resulting in an increase in investment-saving gap. Consequently, in order to minimize this gap these countries inevitably need to seek funds from abroad in various forms, such as Foreign Direct Investment (FDI), Official Development Assistance (ODA), and other capital inflows in the forms of investment in the capital markets, and international loans from financial institutions.

In ASEAN, the financial sectors of many member states are expanding rapidly as a result of international trade and investment expansion, including gradual financial liberalization. This emphasizes a significant role of the financial system in the region in supporting trade, investment and economic growth by mobilizing domestic and foreign funds both in the short and long runs so as to channel to various sectors of the economy. ASEAN countries has recently focused on enhancing regional financial architecture by accepting the "ASEAN Financial Integration Framework" at the meeting of central banks in 2011, signifying the beginning of financial and capital market co-development among member countries.

Furthermore, accomplishment of all the targeted of SDGs by the year 2030 requires the financial sector to act in the role of financial intermediaries to allocate financial resources properly to ensure adequate funds for investment in sustainable development. This global process requires the supervision of appropriate policies from government entities, including mandatory regulations, incentives, voluntary measures, financial landscape development, financial institution alternatives and citizens' advocacy and campaign.

International Institute for Trade and Development (ITD) of Thailand and Fiscal Policy Research Institute Foundation (FPRI) of Thailand realize the need for a study on financial role in supporting the sustainable development goals in ASEAN countries and has conducted a research together. As such, ITD and FPRI in collaboration with Mekong Institute (MI) jointly organized the Focus Group Discussions (FGD) on "Financial Role for Sustainable Development in ASEAN" on March 15-16, 2017, Vientiane, Lao PDR, and March 28-29, 2017 at Phnom Penh, Cambodia, respectively. ¹

¹ Concept Note of the Focus Group Discussion on "Financial Role in Supporting the Sustainable Development Goals in ASEAN" 2017

II. Objectives

The focus group discussion (FGD) aimed to present and validate the preliminary findings of the study and to share experiences with stakeholders to gather comments and suggestions. Specific objectives of the discussion were to:

- Present the preliminary findings of the study and verify the study findings;
- Share experiences in this regard with Laos and Cambodia’s government agencies and other stakeholders;
- Gather comments on the study and suggestions on the measures to efficiently facilitate sustainable development financing for Lao PDR and for ASEAN as a whole.

III. Anticipated Outputs

The expected outputs are subject to the comments on the study and suggestions on the measures to efficiently facilitate sustainable development financing for Lao PDR and Cambodia. To this end, the expected outputs of the FGD include:

- Sharing highlighted SDGs issues on People, Planet, Peace, Prosperity and Partnership related to financial sustainable development in targeted countries,
- Providing practical measures and solutions to better facilitate sustainable development financing including policy and procedure at the national and ASEAN levels,
- Understanding role of financial intermediaries to allocate financial resources for investment in sustainable development,
- Understanding channel of ODA utilization for sustainable development in targeted country, and
- Providing comments and recommendations on capacity building activities for involved stakeholders.

IV. Discussion Structure

The Focus Group Discussion on “Financial Role for Sustainable Development in ASEAN” was structured in two parts; 1) Focus Group Discussion, and 2) One - on – One Interview.

Part 1 is the focus group discussions where critical issues are shared and discussed. Experts and professionals involved in the financial for sustainable development will discuss challenges and emerging issues. The focus group discussions divided into 3 groups:

- ✓ Government Agencies
- ✓ Private Sectors
- ✓ International Organizations



Part 2 is the One - on - One Discussions (in-Depth Interview) where the study team interview the interviewees from different organizations individually in order to gain insight information.

V. The study of Financing Roles and Resources Allocation for Sustainable Development



An important part of the discussions in Lao PDR and Cambodia was the overview of Financing Role & Resources allocation for Sustainable Development Study addressed by Dr. Anantachoke Osangthammanont, Team Manager, and Dr. Kaveepot Satawatananon, Senior Researcher from Fiscal Policy Research Institute Foundation (FPRI).

The ongoing study on investigation of the sources and uses of fund for financing sustainable development in ASEAN was introduced to the groups of participants with the initial study findings from which feedback and recommendations were requested. History of Sustainable Development and Financing for Development was presented with reference to relevant examples and best practices from Netherlands and Japan. The study also evaluated the role of financial sector in supporting sustainable development in ASEAN member states under the framework of the Addis Agenda. The Sustainable Development in ASEAN at the Starting Point (2015) is as follows;

- Only Malaysia, Singapore and Thailand have already achieved sustainable goals at least one goal. All of these three countries have eradicated poverty, but they still face many challenges in environment and peace.
- For people-related SDGs, education and poverty reduction seems to be the areas that are more advanced in most countries.
- In the areas of prosperity-related SDGs, the level of progress is highly correlated with per capita incomes. Malaysia and Singapore have achieved at least one economic SDGs and Singapore is the most advanced.
- Environment protection remains a pressing issue in ASEAN. None have achieved environment oriented SDGs.

Also, the updated report in current situation of SDGs in Lao PDR and Cambodia shows that;

- Lao PDR has a relatively good start in reduced inequality, climate action and partnership for the goals.
- Cambodia has a good start in poverty eradication, education promotion, inequality reduction, sustainable cities and communities and partnership for development. However, there remain many challenges in other areas. Therefore, financing for development has become a central issue in moving toward SDGs.

In addition, the financial role in supporting the sustainable development goals in ASEAN countries has different scale of financial sources as follows;

- Lower-middle Income countries (Cambodia, Laos, Myanmar, and Vietnam): Government budget has high role. Secondly, commercial banks and FDI respectively
- Upper-middle Income countries (Malaysia, Thailand, Philippines, and Indonesia): Government budget has high role. Secondly, Listed Company and commercial banks respectively.

- Singapore: FDI has high role. Secondly, Listed Company and commercial banks respectively.
- Brunei: Government budget has high role. Secondly, FDI and commercial banks respectively.

VI. The Focus Group Discussion on “Financial Role in Supporting the Sustainable Development Goals in Lao PDR”

March 15-16, 2017, Vientiane, Lao PDR

6.1 Inauguration Session



6.1.1 Welcome Remark



Dr. Watcharas Leelawath
Executive Director
Mekong Institute (MI)

In his welcome remarks, Dr. Watcharas Leelawath welcomed the participants and said this focus group discussion is jointly organized by MI, FPRI and ITD.

Dr. Watcharas stated the importance of SDGs that continued from MDGs since 2000-2015, and this study mainly focused on 5Ps (people, planet, peace, prosperity and partnership). He continued informing the purposes the FGD that aimed to present the preliminary findings of the study and verify the study findings and to gather inputs from the participants for the right policy recommendation. He also recommended that the study team update financial role in supporting the sustainable development goals in Lao PDR. Dr. Watcharas concluded by congratulating all participants.

6.1.2 Opening Remarks

Dr. Piyaporn Aeimtitawat
Deputy Executive Director
International Institute for Trade and Development (ITD)



The focus group was opened by Dr. Piyaporn Aeimtitawat, Deputy Executive Director of International Institute for Trade and Development (ITD). She advised that this project was initiated by ITD with the recognition of the importance of financial roles, especially in funding arrangements. ASEAN countries have expanded rapidly as a result of the expansion of trade and investment liberalization. The financial system plays a significant role in supporting trade, investment and economic growth of ASEAN.

Dr. Piyaporn added that attending this focus group discussion, the participants would have a chance to know more about the preliminary findings of the research, to share experiences, and to provide feedback and suggestions that are mutually beneficial.

She ended the opening remarks with thanks to the agencies involved in this event and to all attendees for their valuable time and contributed to promoting the goal of sustainable development in ASEAN.

6.1.3 Special Remarks



Mr. Kingxay CHOUNLAMOUNTRY
Director
SME Fund Management Division,
Department of Small and Medium Enterprise Promotion (DOSMEP),
Ministry of Industry and Commerce

Mr. Kingxay welcomed the participants and declared that the Department of Small and Medium Enterprise Promotion, Ministry of Industry and Commerce (DOSMEP) support the sustainable development in Lao PDR. He introduced DOSMEP as the Secretariat of the SME and Productivity Promotion and Development Committee (SMEPDC) and serves as the National Productivity Organization (NPO) of Lao PDR under Decree No. 66/PM of the Prime Minister's Office dated 5 February 2007.

DOSMEP has Technical Administrative and Department-equivalent status under the purview and management of the Ministry of Industry and Commerce (MoIC). At present, DOSMEP/LNPO consists of six divisions and has 34 staffs. In addition, DOSMEP/LNPO has a network linked to the provincial level to provide services when needed.

DOSMEP engages in SME promotion of Lao PDR, especially in; 1) Financial Support, and 2) Non- financial Support, such as knowledge providing to strengthen SME in Lao PDR and regarding the importance of supporting SMEs in Lao PDR, Mr. Kingxay described the meaning of SMEs is the Small and medium-sized enterprises as non-subsidiary and independent firms. At present there are three sizes of SME: 1) Micro-enterprises with less than 5 employees, 2) Small enterprises with the labor force of 6 - 50 employees, and 3) Medium-sized enterprises with 50-99 employees. Therefore, the scope of DOSMEP's SME

promotion is that businesses with less than 99 employees. DOSMEP operates under the national law and the plan to promote SMEs which will be updated every five years (currently 2011-2015).

In 2010, the government appointed the revolving fund to support SMEs, and in late 2013 the World Bank financed the project on access to finance for SMEs (\$ 20 million) and 3 banks in Lao PDR was selected to provide lending to SMEs across the country under the project framework.

As for the research and FGD, Mr. Kingxay noted that it is considered beneficial to Lao PDR, especially in SME sector. In Lao PDR, the number of SMEs reached 99.8% of all business operators. Therefore, if the financial for sustainable development in SME sector is successful, it will also sustain the whole country because SME is the main driver of employment, income distribution, and government taxation contribution.

Mr. Kingxay also emphasized that the problem of access to finance in Lao PDR is still remaining. Therefore the government and commercial banks are trying to develop strategies to solve such problem, covering 1) Technology Development Fund, 2) Microfinance Fund, 3) Credit Guarantee Project, 4) Promoting on Access to Advisory Services, 5) Policies to promote access to domestic and international markets, 6) Creating new entrepreneurs, and 7) Improving of business environment.

He ended with 5 issues for the group discussions to be discussed; 1) Strengthening human resources for sustainable economic development, 2) Finding clear measures or policies to facilitate and support sustainable development, 3) Development of the Lao PDR financial system for trade and investment facilitation, 4) Strategies to attract FDI, and 5) Measures for sustainable development cooperation.

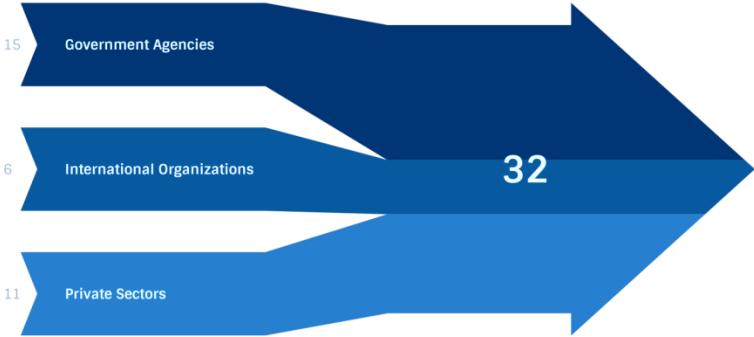
6.2 Participants



A total of thirty-two (32) participants attended the Focus Group Discussion on “Financial Role in Supporting the Sustainable Development Goals in Lao PDR”. The representatives were from 1) Government Agencies namely Departments of Economic Affairs, Fiscal Policy, International Cooperation, SME Promotion, Lao Securities Commission Office, Securities and Exchange Commission Office and Bank

of Lao PDR, 2) International Organizations: International Finance Corporation, GIZ, Lao-India Entrepreneurship Development Center, and 3) Private Sectors comprising of LNCCI, Banking Institute, Lao Development Bank, Lao Microfinance Association, Phongsavanh Bank, and ACLEDA Bank. The participants actively participated in the discussion. Among them, seven (13) participants were females and twenty-three (19) were males.

Participants by Sectors



Participants by Gender



6.3 Summary and Conclusions

The discussion consisted of 2 parts, a focus group discussion and one on one discussion.

6.3.1 The Focus Group Discussion

Venue: Crowne Plaza, Vientiane, Lao PDR
 Date: March 15, 2017
 Time: 08.00 PM. – 17.00 PM.

The participants were divided into 3 groups to discuss on financing for sustainable development. Each group provided key Issues for discussion. The discussion results were summarized for presentation by a group representative for 10-15 minutes.



No.	Name	Position	Company/ Organization
1	Mr. Phetanong INSARN	Deputy Director of Division	DOSMEP
2	Ms. Thavichanh THIENGTHEPVONGSA	Deputy Director General	MPI/IPD
3	Mr. Vanh Souksakoar	Head of Faculty	Banking Institute
4	Mr. Songkane Luangmuninthone	Director General	Economic Affairs Department, Ministry of Foreign Affairs
5	Mr. Khamla CHANDALA	Deputy Director	Ministry of Finance
6	Mr. Vieng Vilouy		BOL
7	Ms. Dalina VORACHITH	Technical Officer	DOSMEP
8	Mr. Kingxay Chounla	Head of Division	DOSMEP
9	Ms. Vadsana KHAMPHANITH	Research Officer	ICD, Ministry of Finance
10	Ms. Alounpher	Director	Lao Securities Exchange
11	Ms. Thongmala laola	Technical	Department of Trade Promotion, Ministry of Industry and Commerce
12	Mr. Siosavath Thirakul	Deputy Director	LSCO
13	Mr. Sithsamone	Officer	Ministry of Foreign Affairs
14	Ms. Soutsada	Officer	LSCO
15	Mr. Chittakone	Deputy Director of Division	Ministry of Finance
16	Dr. Nittana Southiseng	SME Development Adviser	Deutsche Gesellschaft für Internationale usammenarbeit (GIZ) GmbH
17	Mr. PHONGSAVANH PHOMKONG	Head of Office, Lao PDR	International Finance Corporation (IFC)
18	MS. ATHILAKA SISOUPHANH	Head of Administration Section	Lao-India Entrepreneurship Development Center (LIEDC)

19	Mr. Dethsoulkhit SYTHALA	Head of Curriculum & Textbook Development Section	Lao-India Entrepreneurship Development Center
20	Mr. Dennis Fischer	Advisor	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
21	Mr. Xaysomphet Norasigh	Deputy Director General	ERIT
22	Ms. Pamouane Phetthany Mouan	Executive Director	Lao Microfinance Association
23	Ms. Sengdavone Bangonesengdet	Secretary General	Lao Bankers' Association
24	Mr. Soulixay THIPVONGXAY	Deputy Head of Treasury & International Banking Dept	LAO DEVELOPMENT BANK
25	Dr. Narin PHON	Managing Director & CEO	ACLEDA Bank Lao Ltd.
26	Mr. Bouavanh SYMALYVONG	Deputy Managing Director of BCEL	Banque Pour Le Commerce Exterieur Lao Public
27	Ms. Boupamany Chounramany	Marketing and PR Manager	Krungsri Bank
28	Ms. Phonenaly	Deputy of Division	LNCCI
29	Mr. Southideth	Deputy Managing Director	PSVB
30	Ms. Savana Phothilath	CB & Advocacy Officer	LMFA
31	Mr. Lamphan Insoulivong	Head of Administration Department	ACLEDA Bank
32	Mr. Phouxay	Secretary General	LNCCI

6.3.2 One-on-One Interview

Venue: Vientiane, Lao PDR

Date: March 29, 2017

Time: 09.00 PM. – 16.00 PM.

The study team visited to interview the interviewees from different organizations individually in order to gain insight information of financial for sustainable development in Lao PDR.



No.	Time	Name	Venue
1	9.00 – 10.00	Mr. Bounleua SINXAYVORAVONG Director General	Fiscal Policy Department, Ministry of Finance (MOF) 23 Singha Road, P.O.Box: 46, Vientiane, Lao PDR
2	11.00 – 12.00	Mr. Phanomphone KEOVONGVICHITH Director	International Economic Integration Division International Cooperation Department, Ministry of Finance (MOF) 23 Singha Road, P.O.Box: 46, Vientiane, Lao PDR
3	13.00 – 14.00	Mr. Siosavath THIRAKUL Deputy Secretary General	Lao Securities Commission Office (LSCO) P.O.Box 19, Unit 16, Piawat Village, Sisattanak District, Vientiane Capital, Lao PDR
4	15.00 – 16.00	Mr. Phetsathaphone KEOVONGVICHITH Director General (Chef de Cabinet) & Board Chairman of Lao Securities Exchange	The bank of Lao PDR (BOL) Yonnet Road, P.O.Box 19 Vientiane, Lao PDR

6.3.3 Summary of discussion results in Vientiane, Lao PDR

A. Government Agencies

National Development Plan and SDGs integrating

The Lao government has established the 8th Five-Year Socio-Economic Development Plan 2016-2020 (This can be downloaded on the website.) and it is implemented in line with SDGs.

What should be done urgently is to unplug the country out of the underdeveloped country, by having HRD and in parallel with community and environment development.

Government sources of funds and future plan to improve their financing

1. Taxation
2. Sale of banknotes to the banks and the securities market (most of the customers are Commercial Banks)
3. Smart Tax: The mobile application
4. There are some new Tax and Duties that the government has to collect such as Environmental Taxation and the new tax restructuring, change from payroll tax to income tax and duties of property.

Government policies for financial support	<ul style="list-style-type: none"> - The Microfinance Project (BOL Project) supported by UN is now developing and will be easy to access. Example: Microfinance project in the village, if that village is strong enough, they don't have to register with BOL until they have their member account. - Ministry of Industries and Commerce has announced the new policy to support SME especially "Start Up" in order to help them build the business plans. - World Bank supported for 120 M. USD - Bank of Lao PDR has announced the project of Credit Guarantee to support SMEs to approach to funding sources easier (Expected to be conducted this year)
Difficulties and area to improve	<ul style="list-style-type: none"> - Lack of technical knowledge - Lack of personnel with knowledge and ability in writing the plan or improve the financing plan. - In order to write the project proposal for the fund or ODAs from the World Bank, the Government officials also lack the ability to write project plan.
Monitoring and supervising of the regulators	<ul style="list-style-type: none"> • Stock Market <ul style="list-style-type: none"> - The Lao securities market opened for only 7 years and only 5 companies were registered so it has restrictions on the operations. - Green Bond and MAI is their new product in order to attract SMEs to trade in the market. • Bank of Lao PDR (BOL) <ul style="list-style-type: none"> - Operates with the principles of international standard. - If the NPL is high, there will be subsidized by BOL for BCEL and LDB (Government Bank) - Currently there are 43 International Banks in Lao PDR where the quota is already full.
Integrating sustainable development in to the work	<ul style="list-style-type: none"> - World Bank supported fund for 20 M \$ for SMEs through 3 Banks of Lao PDR. The first 2 customers from each bank have to be reviewed and considered by World Bank. (Provided to the business that does not adversely affect the environment and society.)
Supported ODAs in Laos	ADB will support on Proposal Writing and focus on irrigation, rural empowerment, and electric utilities.

	EU assistance is provided through the World Bank and has round table process/meeting.
--	---------------------------------------------------------------------------------------

Others	Loan shark is now decreasing because Microfinance is easy to access.
--------	----------------------------------------------------------------------

B. Private Sector

Investors vs. Banks	<p>The perspective of investors -the investors need to consider the following issues.</p> <ol style="list-style-type: none">1. Collateral required2. The quality of the investment plan must be clear.3. To use as intended.4. The estimation is low and not enough to do the business. <p>- The perspective of the Banks</p> <ol style="list-style-type: none">1. Repayment ability of the investors (most important)2. The personality and character of the investor.3. Property capital in business.4. The collateral of the investor5. Terms of Loans
---------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Regularly problems	It is regularly found that the business plans from the investors are not clear. The copies of business plans from others make themselves not understand their own business plan.
--------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

The interest rate and payment term.	Each bank must release the interest according to the regulations of the Central Bank (not to exceed the 4% difference of the interest rates of deposits-weighted)
-------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------

Capacities Building and Supports	<ul style="list-style-type: none">- The Banks and Government should provide knowledge in financial management to the public in order to maximize the benefits to investors.- Credit Guarantee Project- Support on tax deduction for some projects such as economic and social development projects to generate income and labor in the remote area.- The fee for the registration of documents on the land is too expensive (0.2 percent of total loans).- Source of funding coming from deposits of the public and various international organizations.
----------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

-
- What do you have to know if you want to invest in Lao PDR?
- Workers with Skills
 - The policy to pay duties and taxes
 - If there is a breach of contract occurred, where to sue?
 - Hospital
 - Can I transfer money back to my country? How many the proportions?

C. International Organization

Availability of ODA

Recipients' perspective

- ODA is still limited and not enough
- Available only in agriculture sector
- High competitive to access ODA

Development partners' perspective

- ODA is still not stable, there are some ODA withdraw from system. Therefore, In order to implement the development goal, it is not good to rely on ODA.
-

Major sources of ODA

- Bilateral cooperative frameworks: Japan, Australia, Switzerland, EU, GIZ
 - Emerging donors, PRC, Korea
 - US assistance is still small compared with other development partners; Barack Obama contributed 100 M. to Lao PDR (During an address to the Lao people in the country's capital, Obama pledged \$90 million in a joint three-year project with the country's government to clear tens of millions of unexploded US bombs.)
-

Achievements of ODA

- Because of ODA, Laos is on track to graduate from LDC by 2020.
 - The accession to WTO---Lao PDR became a member of WTO in 2012. This is because of the assistance from several development partners.
 - Education---Development partners have been providing scholarship to Lao students to study aboard (Australia/ Japan). Laos's students improve their knowledge and abilities to access the scholarships.
-

Role of national and regional development banks

- IFC, ADB, KFW, World Bank group, etc; not only provide on funding, but also technical assistant to build up capacities and ensure sustainable development.
-

	<ul style="list-style-type: none"> - National and Regional Development banks criteria for ODAs are too strict but it helps Laos to be more confident and more professional. - AIIF---ASEAN funds for infrastructure improvement: This project is open for ASEAN countries but now only 7 projects were approved. (So far none from Lao PDR)
--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>Major impediments</p>	<p>The ODAs are not distributed equitably among sectors.</p> <ul style="list-style-type: none"> - Capacity to link with the sources of funds—It is very competitive to receive the funds. - Poor access on information about the fund availability. - The application process is complicated. The requirements and criteria are very strict. - SMEs: Insufficient capacity on accounting is the big problem. - Limited capacity for project implementation - Not much ownership and commitments
--------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>Suggestions for ODA improvement</p>	<ul style="list-style-type: none"> - Clear strategic vision from government (ODAs/ Development partner must be in line with the government’s development strategies—The 8th National Development Plan of Lao PDR) - Improve donors’ coordination to ensure efficiency and effectiveness, and to prevent work duplication. - Improve absorption capacity of the country—this is to alleviate the ODA disbursement problem. - Capacity building to implement the projects/ improve ownership and commitments - Capacity building for private enterprises: Train to be ‘Better Borrowers’
----------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

VII. The Focus Group Discussion on “Financial Role in Supporting the Sustainable Development Goals in Cambodia”

March 28-29, 2017, Phnom Penh, Cambodia

7.1 Inauguration Session



7.1.1 Welcome Remark



Dr. Watcharas Leelawath
Executive Director
Mekong Institute (MI)

Dr. Watcharas welcomed all participants and informed the main objective of this group discussion is to gather the information about the financial role in supporting the SDGs and this project is the continuing project from ITD since 2007. He also stated that ITD in collaboration with UNDP use to conduct the project on the assessment on the MDG (2000-2015).

He ended with special thanks to the keynote speaker, HE. Sok Siphana for participating in this event and also thanks to ITD, FPRI and MI team for organizing this event.

7.1.2 Opening Remarks

Dr. Piyaporn Aeimtitawat
Deputy Executive Director
International Institute for Trade and Development (ITD)



In her opening remarks, Dr. Piyaporn stated that it was her great pleasure to be here in the focus group discussion on financial role in supporting the SDGs in Cambodia which was jointly organized by ITD, FPRI and MI.

She further pointed out that financial sector has been a key driver in supporting sustainable growth, partially in the universal set of 17 sustainable development goals or SDGs proposed by the UN since September 2015. She emphasized that ASEAN countries are consider a group of nations where their financial are expansion rapidly resulting from the expansion of international trade and investment including graduate financial liberalization therefore ITD need to study on financial role in supporting SDGs in ASEAN countries.

Dr. Piyaporn ended by informing the proposes of this focus group discussion are to present the preliminary finding and verifying the study finding, secondly is to share the experiences in this regards with Cambodia Governmental agencies and other stakeholders, and lastly is to gather comments on the study and suggestions on the major to officially facilitate sustainable financial for Cambodia and for ASEAN as a whole.

7.1.3 Special Remarks



H.E Dr. Sok Siphana,
Advisor to the Royal Government of Cambodia and to the Council for the
Development of Cambodia
Ministry of Foreign Affairs and International Cooperation

H.E. Dr. Sok Siphana welcomed the organizing team to Phnom Penh. He observed that while he received the invitation, he thought that it was a bit difficult because when we talk about MDGs or SDGs, it is so micro and so broad and how to bring it down to the local reality of each particular countries.

H.E. Sok Siphana disclosed that Cambodia did quite well for the SDGs as they brought the poverty down to 14%, also Cambodia have their own SDGs which is on demanding and did it very well. Looking as a whole, the way he see the financial sector in the case of Cambodia, they have brought quite a lot of prosperity. Also, the private sector itself have been very instrumental in bringing down people effect that have direct impact on poverty reduction not just in Phnom Penh but also in the rural area. Cambodia is so much dramatic changes of the society from the last 4-5 years especially in property business.

Regarding the importance of financial role for sustainable development, H.E. Sok Siphana stated that the banking system in Cambodia is quite interesting; a lot of commercial banks and microfinance are operating in Cambodia, and Cash Economy might be one of the reasons that attract the banks. The stock exchange in Cambodia established since 2011, but now only 4 listed companies and few more are in

cooperation. He also shared his experiences about young entrepreneurs in Cambodia that they maybe young but they are not new in the business because they are inherited from their parents. When they comeback after many years of studying abroad, they take over their family business and formalize it with the clear business model and they want to be tax applied legally and corporate governance in the proper way.

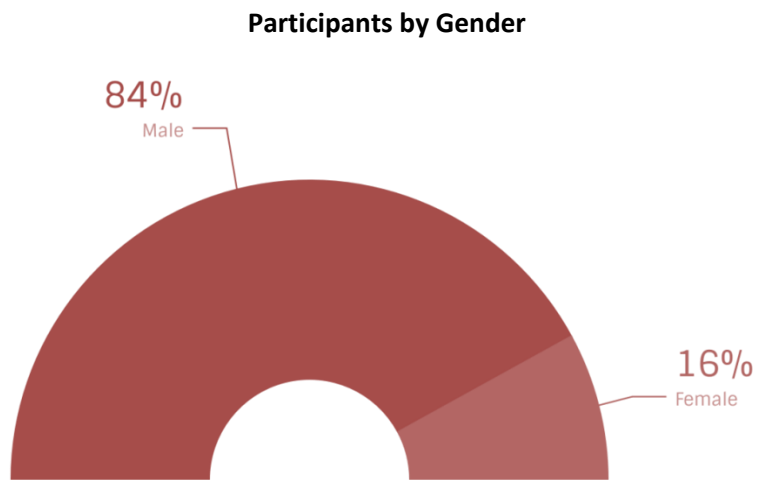
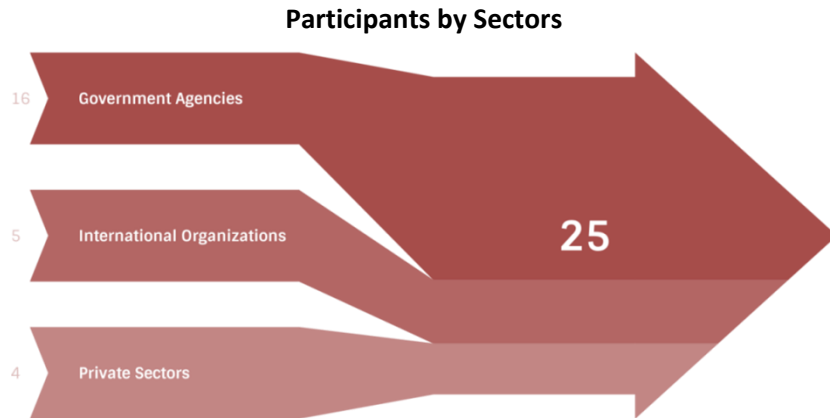
He added that the way of financial sector in Cambodia is very much spontaneous. It's been growing because the market dynamics but the institutional and the regal structure in Cambodia are very ad hoc. So it is important to have the system to mitigate this ad hoc.

He hoped to use the outcomes of this study to inform the deliberations at important national conferences. H.E. Sok Siphana concluded by telling the participants that this project will strengthen collaboration at the regional level and enhances the transfer of knowledge to countries in ASEAN.

7.2 Participants



A total of twenty-five (25) participants joined the Focus Group Discussion on “Financial Role in Supporting the Sustainable Development Goals in Cambodia”. The representatives were from 1) Government Agencies namely Ministry of Economy and Finance, Ministry of Planning, Ministry of Commerce, International Cooperation, SME Promotion, Cambodia Securities Exchange, National Institute of Statistics and National Bank of Cambodia, 2) International Organizations: UNFPA and Plan International, and 3) Private Sectors comprising of The Cambodian Sustainable Finance Initiative (CSFI) of ABC, Banking Institute, Cambodia Microfinance Association, CANADIA BANK, Chief (Cambodia) Specialist Bank PC, and ACLEDA Bank. The participants actively participated in the discussion. Among them, seven (4) participants were females and twenty-three (21) were males.



7.3 Summary and Conclusions

The discussion consisted of 2 parts, a focus group discussion and one on one discussion.

7.3.1 The Focus Group Discussion

Venue: Hotel Cambodiana, Phnom Penh, Cambodia

Date: March 28, 2017

Time: 08.00 PM. – 17.00 PM.

The participants were divided into 3 groups to discuss on financing for sustainable development. Each group provided key Issues for discussion. The discussion results were summarized for presentation by a group representative for 10-15 minutes.



No.	Name	Position	Company/ Organization
1	Mr. Mew Mana	Officer	Ministry of Economy and Finance
2	Mr. Yi Soktha	PO	UNFPA
3	Mr. Sanphas Khien	Economic Officer	ADB
4	Mr. Jan Jaap Kleinrensink	Director	Plan International
5	Mr. Chantum Chea	Secretary General	MOP / Cambodia
6	H.E. Mr. Sok Dara	Deputy Director General	SECC
7	Mr. You MAB	DDG	Ministry of Commerce
8	Mr. Chan Samrit	Deputy Director Dep	NIS, MOP
9	Ms. Mon Rady	Head of Division	SECC
10	Mr. Kim Phalla	Deputy Director General	Ministry of Economic and Finance
11	Mr. Sam Vongsy	Deputy CEO	Rural Development Bank
12	Mr. Suon Sophal	Director	The Council for the Development of Cambodia (CDC)
13	Mr. TRY Soheat	Director Dept	Ministry of Planning
14	Mr. Khin Sovorlak	Deputy Director General	National Institute of Statistics
15	Ms. PONN DALYN	Deputy Director	National Bank of Cambodia
16	Mr. NGEI SOVANNARITH	Deputy Director General	National Bank of Cambodia
17	Mr. Ouch Botkhemra	Deputy Section Chief	National Bank of Cambodia
18	H.E. Mr. Poch Sovannady	Deputy Director General	Ministry of Planning
19	Mr. Tong Pagnavoin	Deputy Director	Ministry of Planning
20	Dr. Soeung Morabith	GM	Chief (Cambodia) Specialist Bank PC
21	MR. CHEA BUNHEAN	Head	CANADIA BANK
22	Ms. Kan Sanubaddh	Sustainable Finance Manager	The Cambodian Sustainable Finance Initiative (CSFI) of ABC
23	Mr. LEE Ihnsod	CEO & Vice Chairman	Cambodia Securities Exchange
24	Yun SOVANNA	GS	Cambodia Microfinance Association
25	SO PHONNARY	Executive Vice President	ACLEDA BANK

7.3.2 One-on-One Interview

Venue: Phnom Penh, Cambodia

Date: March 29, 2017

Time: 09.00 PM. – 15.00 PM.

The study team visited to interview the interviewees from different organizations individually in order to gain insight information.



No.	Time	Name	Venue
1	9.00 – 10.00	H.E. Chea Chantum General Secretariat for Population and Development	Ministry of Planning Building B, # 386 Monivong Blvd., Boeung Keng Kong 1, Chamkarmorn Phnom Penh, Cambodia
2	11.00 – 12.00	MR. NGEI SOVANNARITH Deputy Director General	Department of Economic and Public Finance Policy, Ministry of Economy and Finance St.92, Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh, Cambodia
3	14.00 – 15.00	Mr. Sam Vongsy Deputy CEO	Rural Development Bank 9-13, St 7, Sangkat Chaktomuk, Phnom Penh, Cambodia

7.3.3 Summary of discussion results in Phnom Penh, Cambodia

A. Government Agencies

- | | |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| National Development Plan and SDGs integrating | <ul style="list-style-type: none"> - Rectangular strategy III - 5 year plan of NSDG - Sector Plans i.e. education, healthcare, (+20 sectors) - 17 goals + 1 demining = 18 Cambodia Sustainable Development Goals (CSDGs) |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Cambodia's first priorities

Poverty reduction

- | | |
|----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> - Bridging the financial gap ,the Government sources of funds and Future plan. | <ul style="list-style-type: none"> - Starting with NSDG - MOF - conduct 3-year budget plan - Revenue - 18% of GDP targeted. - Expenditure: Education, Health, Infra. (Gov. try to manage it properly. – i.e. prepare in advance for 1 fiscal year.) - Fiscal deficit 1% of GDP per year, Overall deficit : -3% ; Gov. saving = 4% of GDP and financed by Gov. revenue, loan, development partners SDRs - Plan on issuing innovative bonds to finance PPPs. - Improve efficiency of taxation/tax rate - Incentives for informal sectors: 50% tax redemption for 3 years for listed companies. (Expectation that in the L-R, SMEs will increase) - Gov. provides tax incentive for SMEs. |
|----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Government's role in financing for sustainable development

Weakness 1: Capital market in Cambodia is small & limited role.

- ✓ Government should promote/encourage it, and raise more long-term capital from private sector and utilize it. (less costly to finance via capital market)
- ✓ More PPPs to mobilize funds.
- ✓ Government wants to attract FDI, so Government should develop skilled labor via education.
- ✓ Use of foreign funds via commercial banks. (CBs need to be stronger and sound in financial performance.)

Weakness 2: Lack of financing on infrastructure. (can not finance long term projects.) Chinese, Japanese finance are readily available to help funding.

- ✓ More room to mobilize saving via stock market

.....
- Strength 1: Macroeconomic and financial stability is strong

	<p>point.</p> <ul style="list-style-type: none"> - Strength 2: Micro finance is profitable but still need to find balance: profit vs SDGs. - Strength 3: 60-70% of commercial banks have foreign shareholders. - Opportunity: low interest rate globally. - Threat: Cambodia is small, opened economy, so affected by fallen price of commodities, and technology. - need to adapt. - Data and statistics capacity/system. Increase more budgets to data standardization/collection. - need Government support. (to monitoring/getting evidence of SDGs) - +200 indicators for SDGs; should set priority, because Government cannot fulfill all needs at once.
(REG:) Integrating sustainable development in to the work	<ul style="list-style-type: none"> - NBC: Balancing financial stability and financial inclusion. - Access to finance, financial literacy, customer protection collaboration of 3 REG: NBC, SECC, MEF insurance. More work to be done. - Ministry of justice, Leasing business (tax issue) - National strategies
Role of the Government on Providing Incentive for private sector	<ul style="list-style-type: none"> - Government should focus on 3 areas: Social, Econ., Environment - Social enterprises (a way private sector responses to SDGs) - Strategies to protect domestic industries (SMEs) to survive.
2 main sources of funds for SDGs.	<ul style="list-style-type: none"> - Government source and ODA are the main sources. - Success stories: - Social economic survey (every year) government supports this data collection activity. - Poverty reduction (MDGs) 100% funded by Government (19.5% targeted; but now actual rate is 13.5%) - "ID Poor" project: partly funded by development partners & Government shared. - Equity Fund: (World Bank) to support healthcare (Poor#1, Poor#2) started in 2006 (pilot); 2017 (national) - Operation 100% owned by Government, development partners provide Technical Assistance.

B. Private Sector

Decision criteria to invest

1. Legal Framework
2. Profitability of the project; Return on Equity
3. Internal rate of Return
4. Risk Management; what are the possibly risk and how do we do to reduce the risk.
5. Incentives; Tax incentives and subsidies from the government which can help to reduce the cost or increase the revenues.
6. Good Governance; Cooperate, Public, Independent Court, Integrity/ transparency of the country business environment.
7. Factors of Production (land, labor, capital, etc.)
8. Financial Technology or Fintech in order to overcome some of the obstacles.

Expectations of government support

- What the government should do in order to attract the investors.
1. Low energy cost; a lot of investment in Cambodia is related to production so the electricity and other energy are the large cost component of the investment.
 2. Tax incentives for Export/Import
 3. Skilled labor force
 4. Support infrastructure
 5. Fiscal and Monetary Policy, stable policies are preferred for investors.
 6. Efficient Single Window
 7. Independent Judiciary System

Short-term and Long-term Investment

1. Short term and Long term investment are interested.
 - The profitable projects are almost the long term project.
 - Depend on the project nature, some are short and some are long, especially the long term project (equity based) eg. Real estate.
2. Long term investment + community; to have partnership with the local community is good for the long term project.
 - Reduce risk (with community)
 - Good Public Relation (PR)
 - Entrance cooperate image

Economic Growth, Corporate Profit, Environment Protection and Inclusive Society

1. Difficult to balance because all the elements can be conflicted for each other. If the investor think too much about all the factors, the cost will increase; effective law enforcement can help.
 2. Proper Environmental Impact Assessment (EIA)
 3. Cost will pass onto consumer
-

Government on supporting to balance the 4 elements (Economic Growth, Corporate Profit, Environment Protection and Inclusive Society)

1. Good government
 2. Improved Public Services
 3. Investment Security
 4. Improved Judiciary System and Delivery
 5. Recognition Program
 6. Awareness
-

2 main sources of fund for sustainable project in Cambodia

1. Climate fund
 2. World Bank Carbon Fund
- Deforestation (activity)
-

Activities for project's proponents / implementing agency to improve their capacity before, during and after the ODA.

1. During the ODA– Network Platform to bring together the stakeholders.
 2. Before the ODA – Awareness of Society inclusiveness and Environmental Protection
 3. After the ODA – Monitoring and Evaluation
-

C. International Organizations

Availability of ODA

Recipients' perspective

- Not enough
 - ODAs and Concession Loan have DOWNWARD TRENDS because Cambodia has already graduated from Low-income country to Lower-Middle income country.
 - ODAs have reduced so the government has to put more budgets on project implementations.
 - Same sectorial focus (Agriculture/ health/ education/ irrigation), but not really cater the needs of the sectors. Development partners want to focus on capacity building while the needs are on infrastructure investment.
-

Major sources of ODA

Both bilateral and multilateral cooperative frameworks:

- PRC-----Normally, China's ODA will come together with the FDI; no strict on the democracy and human right for their foundation.
 - Japan
 - Korea
 - ADB
 - USAID, DFIT, SIDA
 - UN system (DOWNWARD TRENDS - become lower)
 - EU---on education sector: EU is a part of Joint technical working group.
-

Achievements of ODA

Big achievements for Cambodia on ODAs

- Most of the activities got supports from ODAs until 2016.
 - ✓ National Strategic Development Plan --- UNDP/UNFPA
 - ✓ Economic Census----JICA
 - ✓ Population Census---UNFPA
 - ✓ Agricultural census in 2013---FAO
 - ✓ Infrastructures (Roads/Bridges/Highways)---JICA, PRC, Japan
- Population census 2019 from UNFPA was cut; therefore the Government tries to provide more funding for operation. Actually the Population census will be implemented in 2018 but the government has to postpone to 2019 due to some difficulties of financial support (now negotiating with PRC to support on this).
- Cambodia Inter-Censal Agricultural Survey 2018 (EU, USAID, FAO, DFIT) – The Survey period is every 10 years, so that Inter-censal will be conducted in the middle (5 years)

Role of national and regional development banks

Development Banks play active roles:

- ADB supported the formulation of National Development Plan (before 2010). Now ADB is active in providing loans for climate change.
- World Bank focuses on Capacity building on Poverty Analysis.
- Cambodia Central Bank: Promotes access to finance to fulfill 'financial inclusion', Promotes Microfinance System to create better environment for commercial banks to provide more loans at the same time. Few days ago, the prime minister makes the policy announcement to reduce the interest rate almost 50% (from 30% to 18% per year) for microfinance; this is pro-poor policy from the government.
- Rural Development Bank provides loans for agricultural sector.

Major impediments

- Criteria related to Human rights and Democracy
- ODAs are not widely distributed among all sectors
- Reduction of funding support---so that the government has to put more funding ---Now government has to provide more contributions on project implementations.

Suggestions for improvement of ODA

- Request Development partners to support more on Capacity

building; especially proposal writing.

- Harmonization of criteria and modalities to get supports from ODAs.
 - Development partners should continue to provide financial supports to the country. They should not stop immediately (the population census was cut from 100% to 0% in term of financial support but they still provide the technical assistant).
-

VIII. Appendixes

Appendix I: Discussion Schedules

A. The Focus Group Discussion on “Financial Role in Supporting the Sustainable Development Goals in Lao PDR”

Wednesday, March 15, 2017

Crowne Plaza, Vientiane, Lao PDR

- 9:00 - 9:30 Registration
9:30 - 9:40 Welcome address
by Dr. Watcharas Leelawath, Executive Director, Mekong Institute
9:40 - 9:50 Opening address
By Dr. Piyaporn Aeimtitiwat, Deputy Executive Director, International Institute for Trade and Development
9:50 - 10:10 Keynote address on “Sharing Experiences on Financing Sustainable Development in Lao PDR”
By Mr. Kingxay CHOUNLAMOUNTRY, Director, SME Fund Management Division, Ministry of Industry and Commerce

10:00 - 10:25 Group Photo and Coffee Break

- 10:25 - 11:40 Objectives of the Focus Group
by Dr. Anantachoke Osangthammanont, Team Manager Fiscal Policy Research Institute Foundation
Session I: “Financing Role & Resources allocation for Sustainable Development Study”
by Dr. Anantachoke Osangthammanont, Team Manager Fiscal Policy Research Institute Foundation, and
Dr. Kaveepot Satawatananon, Senior Researcher, Fiscal Policy Research Institute Foundation

- 11:40 – 11:55 Q&A

11:55 - 13:30 Lunch

- 13:30 - 15:00 **Session II: “Financing Role & Resources allocation for Sustainable Development Discussion”**

Facilitators:

Group 1: Government

Dr. Anantachoke Osangthammanont, Team Manager, Fiscal Policy Research Institute Foundation

Group 2: Private Sector

Mr. Sa-nga Sattanun, Program Manager of Trade and Investment Facilitation Department, Mekong Institute

Group 3: International Organization

Dr. Watcharas Leelawath, Executive Director, Mekong Institute

15:00 – 15:20 Coffee Break

- 15:20 – 15:40 Presentation of agreed outputs by Group 1: Government (15 Minutes)
Q&A (5 Minutes)
15:40 - 16:00 Presentation of agreed outputs by Group 2: Private Sector (15 Minutes)
Q&A (5 Minutes)
16:00 – 16:20 Presentation of agreed outputs by Group 3: International Cooperation (15 Minutes)
Q&A (5 Minutes)
16:20 – 16:30 Wrap up, way forward and closing
By Dr. Watcharas

17:00 – 19:00 Dinner and Networking

B. The Focus Group Discussion on
“Financial Role in Supporting the Sustainable Development Goals in Cambodia”

Tuesday, March 28th, 2017

Cambodiana Hotel, Phnom Penh, Cambodia

- 9:00 - 9:30 Registration
9:30 - 9:40 Welcome address
by Dr. Watcharas Leelawath, Executive Director, Mekong Institute
9:40 - 9:50 Opening address
By Dr. Piyaporn Aeimtitiwat, Deputy Executive Director, International Institute for Trade and Development
9:50 - 10:10 Keynote address on “Sharing Experiences on Financing Sustainable Development in Cambodia”
By H.E Dr. Sok Siphana, Advisor to the Royal Government of Cambodia and to the Council for the Development of Cambodia, Ministry of Foreign Affairs and International Cooperation

10:00 - 10:25 Group Photo and Coffee Break

- 10:25 - 11:40 Objectives of the Focus Group
by Dr. Anantachoke Osangthammanont, Team Manager Fiscal Policy Research Institute Foundation
Session I: “Financing Role & Resources allocation for Sustainable Development Study”
by Dr. Anantachoke Osangthammanont, Team Manager Fiscal Policy Research Institute Foundation, and
Dr. Kaveepot Satawatananon, Senior Researcher, Fiscal Policy Research Institute Foundation

- 11:40 – 11:55 Q&A

11:45 - 13:30 Lunch

- 13:30 - 15:00 **Session II: “Financing Role & Resources allocation for Sustainable Development Discussion”**
Facilitators:

Group 1: Government

Dr. Anantachoke Osangthammanont, Team Manager, Fiscal Policy Research Institute Foundation

Group 2: Private Sector

Mr. Madhurjya Kumar Dutta, Director of Trade and Investment Facilitation Department Mekong Institute

Group 3: International Organization

Dr. Watcharas Leelawath, Executive Director, Mekong Institute

15:00 – 15:20 Coffee Break

- 15:20 – 15:40 Presentation of agreed outputs by Group 1: Government (15 Minutes)
Q&A (5 Minutes)
15:40 - 16:00 Presentation of agreed outputs by Group 2: Private Sector (15 Minutes)
Q&A (5 Minutes)
16:00 – 16:20 Presentation of agreed outputs by Group 3: International Cooperation (15 Minutes)
Q&A (5 Minutes)
16:20 – 16:30 Wrap up, way forward and closing
By Dr. Watcharas

17:00 – 19:00 Dinner and Networking

Appendix II: Logistics Arrangement

A. Lao PDR

Venue: Crown Plaza

Accommodation: 110 USD/room/night

Date: March 15, 2017 (Focus Group Discussion)
March, 16, 2017 (One-on-One Interview)

Passengers: **Fiscal Policy Research Institute Foundation (FPRI)**

- 1) Dr. Anantachoke Osangthammanont
- 2) Dr. Kaveepot Satawatananon

International Institute for Trade and Development (ITD)

- 1) Dr. Piyaporn Aeimtitiwat
- 2) Mr. Wimon Punkong
- 3) Mr. Kongsak Boonarchatong

Date	From	To	Flight	ETD	ETA
March 14, 2017	Bangkok	Vientiane	TG 570	11:20 am	12:30 pm
March 16, 2017	Vientiane	Bangkok	TG 575	9:40 pm	10:35 pm

**Mekong Institute team will travel to Vientiane by Van

B. Cambodia

Venue: Cambodiana Hotel

Accommodation: 75USD/room/night

Date: March 27, 2017 (Focus Group Discussion)
March, 28, 2017 (One-on-One Interview)

Passengers: **Fiscal Policy Research Institute Foundation (FPRI)**

- 1) Dr. Anantachoke Osangthammanont
- 2) Dr. Kaveepot Satawatananon

International Institute for Trade and Development (ITD)

- 1) Dr. Piyaporn Aeimtitiwat
- 2) Mr. Wimon Punkong
- 3) Mr. Sadudee Vongkiattikachorn

Date	From	To	Flight	ETD	ETA
March 27, 2017	Bangkok	Phnom Penh	PG 933	13:30 am	14:40 pm
March 29, 2017	Phnom Penh	Bangkok	TG 585	8:55 pm	10:00 pm

**The schedule may be subject to change according to the status of the logistics arrangement.

Appendix III: Participants and Contacts

A. Lao PDR

No.	Name	Position	Company/ Organization	Contact No.	Email
1	Mr. Phetanong INSARN	Deputy Director of Division	DOSMEP	+85622236223	jo.phetanong@gmail.com
2	Ms. Thavichanh THIENGTHEPVONGSA	DDG	MPI/IPD	+85622227277	Greenworldmay2007@gmail.com
3	Mr. Vanh Souksakoar	Head of Faculty	Banking Institute	+85622220882	vanhssk@yahoo.com.sg
4	Mr. Songkane Luangmuninthone	Director- General	Economic Affairs Department	+85699733131	songkane@gmail.com
5	Mr. Khamla CHANDALA	Deputy Director	Ministry of Finance	+85658215555	khamlachandala@yahoo.com
6	Mr. Vieng Vilouy		BOL	+85655925150	viengs@yahoo.com
7	Ms. Dalina VORACHITH	Technical Officer	DOSMEP	+85655806192	dalinaal@hotmail.com
8	Mr. Xingxay CHOUNLAMOUNTRY	Head of Division	DOSMEP	+85655622629	kingxay@yahoo.com
9	Ms. Vadsana KHAMPHANITH	Research Officer	ICD, Ministry of Finance	+85655856663	vadsanakhamphanith@yahoo.com
10	Ms. Alounpher	Director	Lao Securities Exchange	+85622230360	Alounpher.vs@lsx.com.la
11	Ms. Thongmala laola	Technical	MOIC/DPT	+85677837373	Oi.sayavory@gmail.com
12	Mr. Siosavath Thirakul	Deputy Director	LSCO	+85655578952	sthirakul@yahoo.com
13	Mr. Sithsamone	Officer	MOFA	+85699930430	dsithsm@gmail.com
14	Ms. Soutsada	Officer	BOL(LSCO)	+85622223695	lantinthongsai@gmail.com
15	Mr. Chittakone	Deputy Director of Division	FPD, MOF	+856412408	Chit-sud@hotmail.com
16	Dr. Nittana Southiseng	SME Development Adviser	GIZ	+85621226000 Ext. 127	nittana.southiseng@giz.de
17	Mr. PHONGSAVANH PHOMKONG	Head of Office, Lao PDR	International Finance Corporation (IFC)	+856(21) 266 303	pphongsavanh@ifc.org
18	MS. ATHILAKA SISOUPHANH	Head of Administration Section	Lao-India Entrepreneurship Development Center (LIEDC)	+8562055699085, +85621813033	Athilaka.noy@gmail.com
19	Mr. Dethsoulikhit SYTHALA	Head of Curriculum & Textbook Development Section	Lao-India Entrepreneurship Development Center	+ 85620 77124119	deth_sythala@yahoo.com
20	Mr. Dennis Fischer	Advisor	GIZ	+8562056290569	Dennis.fischer@giz.de
21	Mr. Xaysomphet	DDG	ERIT	+85655919498	

	Norasigh				
22	Ms. Pamouane Phetthany Mouan	Executive Director	Lao Microfinance Association	+856 21 226018	pamouane@laomfa.org
23	Ms. Sengdavone Bangonesengdet	Secretary General	Lao Bankers' Association	+856 20 55719666	sengdaourvone@gmail.com
24	Mr. Soulixay THIPVONGXAY	Deputy Head	Treasury & International Banking Department, LAO DEVELOPMENT BANK	+8562022201543	
25	Dr. Narin PHON	Managing Director & CEO	ACLEDA Bank Lao Ltd.	+856 21 264 994	narin@acledabank.com.la
26	Mr. Bouavanh SYMALYVONG	Deputy Managing Director of BCEL	BCEL	+856 21 213200 ext 405	bcelhqv@bcel.com.la
27	Ms. Boupamany Chounramany	Marketing and PR Manager	Krungsri Bank	+856 21 218777 ext 1666	Boupamany.chounramany@krungsri.com
28	Ms. Phonenaly	Deputy of Division	LNCCI	+8562056513420	phonenalylncci@gmail.com
29	Mr. Southideth	Deputy M	PSUB	+8562022225329	
30	Ms. Savana Phothilath	CB & Advocacy Officer	LMFA	+8562054666456	savanna@laomfa.org
31	Mr. Lamphan Insoulivong	Head of Administration Department	ACLEDA Bank	+85658897873	lamphan@acledabank.com.la
32	Mr. Phouxay	Secretary General	LNCCI	+85655873681	phouxaylncci@gmail.com

B. Cambodia

No.	Name	Position	Company/ Organization	Contact No.	Email
1	Mew Mana	Officer	Ministry of	+85516374004	chantumch@gmail.com
2	Yi Soktha	PO	UNFPA	+85512809192	yi@unfpa.org
3	Sanphas Khien	Economic Officer	ADB	+85578838474	skhien@adb.org
4	Mr. Jan Jaap Kleinrensink	Director	Plan International	+85517333146	JanJaap.Kleinrensink@plan-international.org
5	Chantum Chea	Secretary General	MOP / Cambodia	+85512867867	chantumch@gmail.com
6	Sok Dara	Deputy Director General	SECC	+85542232488	sokdara@secc.gou.kh
7	You MAB	DDG	MOC	+85589767686	mabmoc@gmail.com
8	Chan Samrit	Deputy Director Dep	NIS, MOP	+85512672728	Samrith82@gmail.com
9	Mon Rady	Head of Division	SECC	+85566269999	M_rady@secc.gou.kh

10	Kim Phelle	Deputy Director General		+85512826431	kimphele@hotmail.com
11	Sam Vongsy	Deputy CEO	RDB	+85512977109	s.vongsy@rdb.com.kh
12	Suon Sophal	Director	CDC	+85517937788	sophalsuon@gmail.com
13	TRY Socheat	Director Dept	MOP	+85517779176	trysocheat@gmail.com
14	Khin Sovorlak	Deputy Director General	NIS	+85512449790	sovorlak@gmail.com
15	PONN DALYN	Deputy Director	NBC	+85512882973	pdalyn@nbc.org.kh
16	NGEI SOVANNARITH	Deputy Director General	NBC	+85597951115	ngeisovannarith@gmail.com
17	Ouch Botkhemra	Deputy Section Chief	NBC	+85512960620	botkhemra@gmail.com
18	Pooh Sovanndy	Dep DIG General	MOP	+85585328438	sovanndypooh@gmail.com
19	Tong Pagnavoin	Deputy Director Dep	Ministry of Planning	+85512386384	voinkhmor@yahoo.com
20	Dr Soeung Morabith	GM	Chief (Cambodia) Specialist Bank PC	+85512666664	Soeungmorarith@chiefholdings.com.kh
21	CHEA BUNHEAN	Head	CANADIA BANK	+85589955615	Bunhean.chea@canadiabank.com.kh
22	Kan Sanubaddh		CSFI/ABC	+85515458999	
23	LEE Ihnsod	COO&Vice Chairman	Cambodia Securities Exchange	+85586747456	ihnsod@ox.com.kh
24	Yun SOVANNA	GS	CMA	+85512667222	
25	SO PHONNARY	Executive Vice President	ACLEDA BANK	+85515900114	-