



7th ADB Business Opportunities Fair

Overview of Public Sector Management, Governance and Capacity Development

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Sector and Thematic Approach

- Two ways ADB approaches “governance”:
 - i. **Public sector management as a sector** through public sector management operations and knowledge work
 - ii. **“Governance and capacity development” as over-arching theme** through mainstreaming a risk-based approach and institutional strengthening
- Why is governance important?
 - Governance in Asia and the Pacific has lagged economic progress
 - In ADB stakeholder surveys corruption and poor governance are seen as the greatest threats to development in the region

ADB's Policies and Strategies for Governance

- 1995: Governance Policy – equated governance with sound development management and identified fundamental elements of governance (accountability, participation, predictability and transparency)
- 1998: Anticorruption Policy – viewed anticorruption as part of broader effort to advance governance and capacity development; reviewed in 2013
- 2006: ADB's Second Governance and Anticorruption Action Plan (GACAP II). Focuses on risk assessments and mitigation
- 2007: Capacity Development Framework and Action Plan— focuses on targeted support to leadership development, institutional and organizational strengthening and multi-stakeholder engagement – recently reviewed
- New overarching strategic document for governance needed?

2014 Internal Evaluation Department Study

ADB Support for Enhancing Governance in Public Sector Operations/Key recommendations

- Clarify direction and strengthen guidance on PSM operations at the corporate level
- Improve governance and capacity development analytics in country and sector programs
- Strengthen GACAP II implementation at the project level

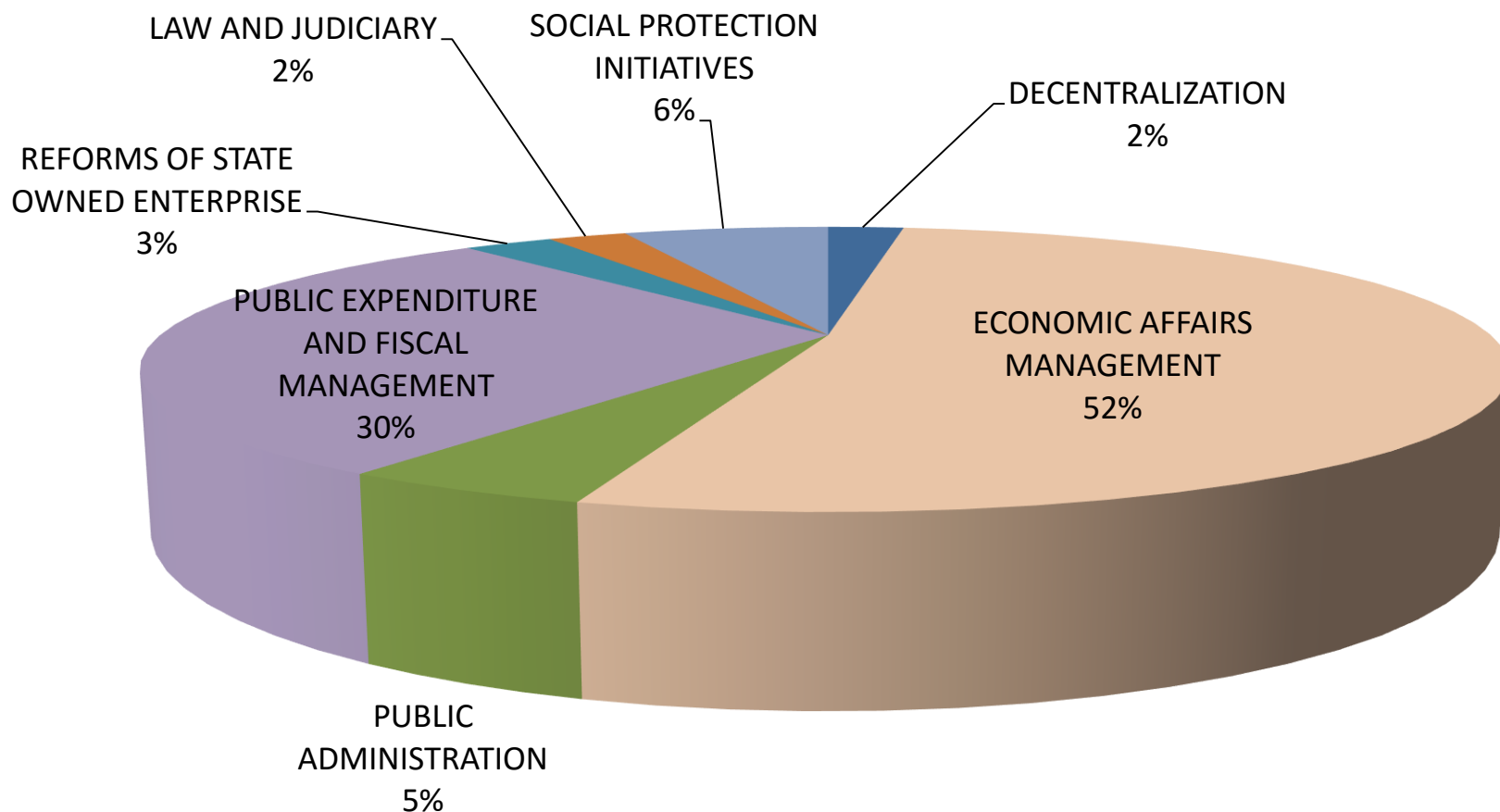
PSM: Volume of ADB Assistance

Loan, Grant and TA Approvals, 2010-2015 (in US\$ million)

Year	GCD THEMED LOANS			PSM GRANTS	PSM TAs
	PSM LOANS	(other sectors)	TOTAL		
2010	943.00	8,267.65	9,210.65	89.30	49.93
2011	529.80	6,922.77	7,452.57	66.00	55.16
2012	1,441.59	5,075.76	5,617.35	67.35	62.12
2013	1,519.69	6,668.03	8,187.72	47.61	83.96
2014	1,559.00	7,030.60	8,589.60	31.00	55.85
2015	1,551.70	9,197.68	10,749.38	118.75	54.82

Public Sector Management Loans

by Subsector (2009–2015)



Governance and CD Thematic Mainstreaming

	Baseline	2014	2015
ADB Operations	57%	60%	65%
ADF Operations	68%	74%	78%

Source: DEFR: Operations Supporting Governance and CD

Key Partnerships

ADB/OECD Anticorruption Initiative for Asia and the Pacific

- Established in 1999 under the joint leadership of ADB and OECD, which support its Secretariat
- A regional forum for supporting national and multilateral efforts to address corruption in Asia and the Pacific
- Focus is support to members' implementation of UNCAC
- Network has 31 member jurisdictions
- Advisors include the World Bank, UNDP, Transparency International, the American Bar Association, SIDA, GIZ, and UN Office on Drugs and Crime

Key Partnerships, cont.

Open Government Partnership

- Multilateral initiative that aims to secure concrete commitments from governments to promote transparency, empower citizens, fight corruption and harness new technologies to strengthen governance
- Founded in 2011, ADB members since 2014
- 8 DMCs are members
- Support to events and capacity development
- Regional TA under preparation

GovTG Knowledge Products

- Governance Brief
- Knowledge Showcases
- GovTG Seminar Series
- Gov TG Events
- GovTG website
- Internal GovTG newsletter

TA's managed by the GovTG Secretariat

- Enhancing Transparency and Exchange of Information for Tax Purposes – USD 820,000
- Enhancing Governance and Capacity Development as Driver of Change – USD 1,500,000
- Unlocking Innovation for Development: Consolidating and Replicating Innovative Service Delivery Practices in Districts in Indonesia – USD 1,000,000.

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