



BUSINESS OPPORTUNITIES FAIR



Asian Development Bank Headquarters, Manila, Philippines

8th ADB Business Opportunities Fair

Overview of Public Sector Management, Governance & Capacity Development – SDCC

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Good Governance, Better Results

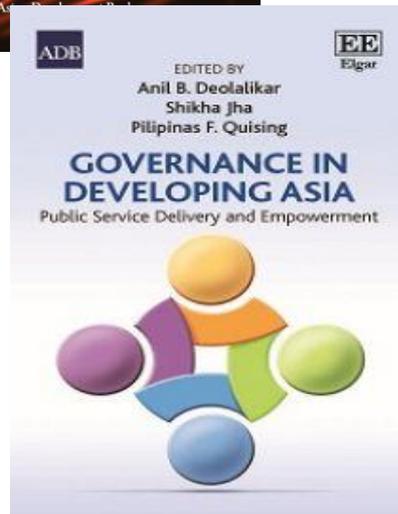
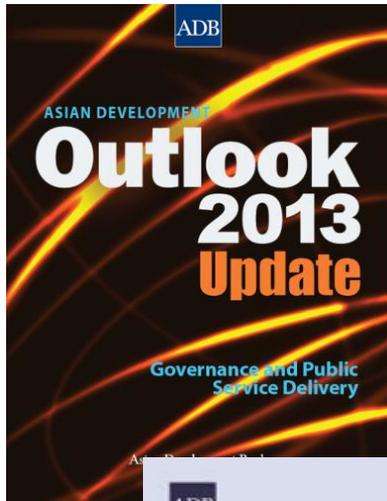
GOVERNANCE
THEMATIC GROUP

Contents

- 1) Why PSM and institutions matter
- 2) ADB policies, strategies and approaches
- 3) Operational trends and pipeline
- 4) General business opportunities

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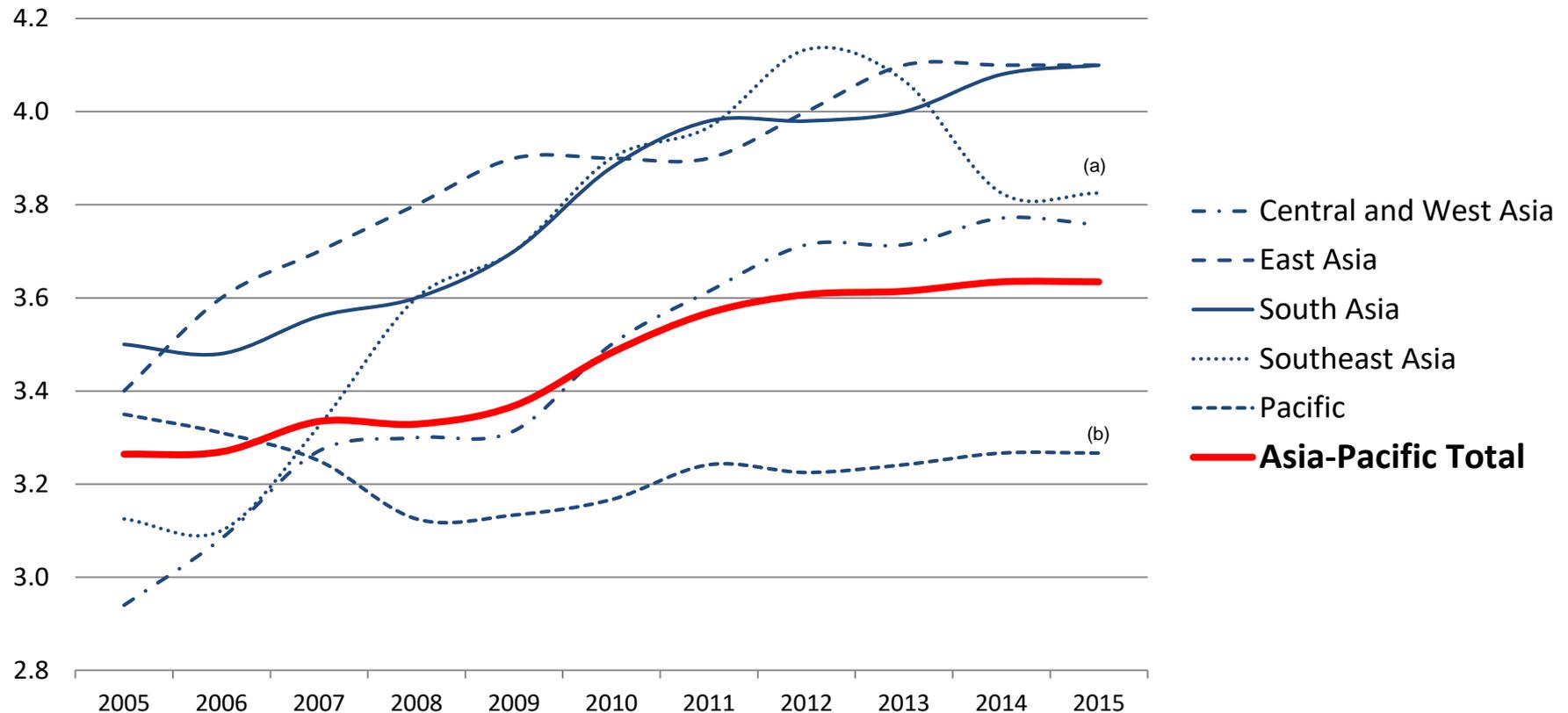
Good governance leads to better development results



Countries with sound policies and regulations, an effective public service, and able to control corruption have grown more quickly than others

Weblink: www.adb.org/publications/asian-development-outlook-2013-update-governance-and-public-service-delivery

Governance performance in Asia-Pacific gradually improving

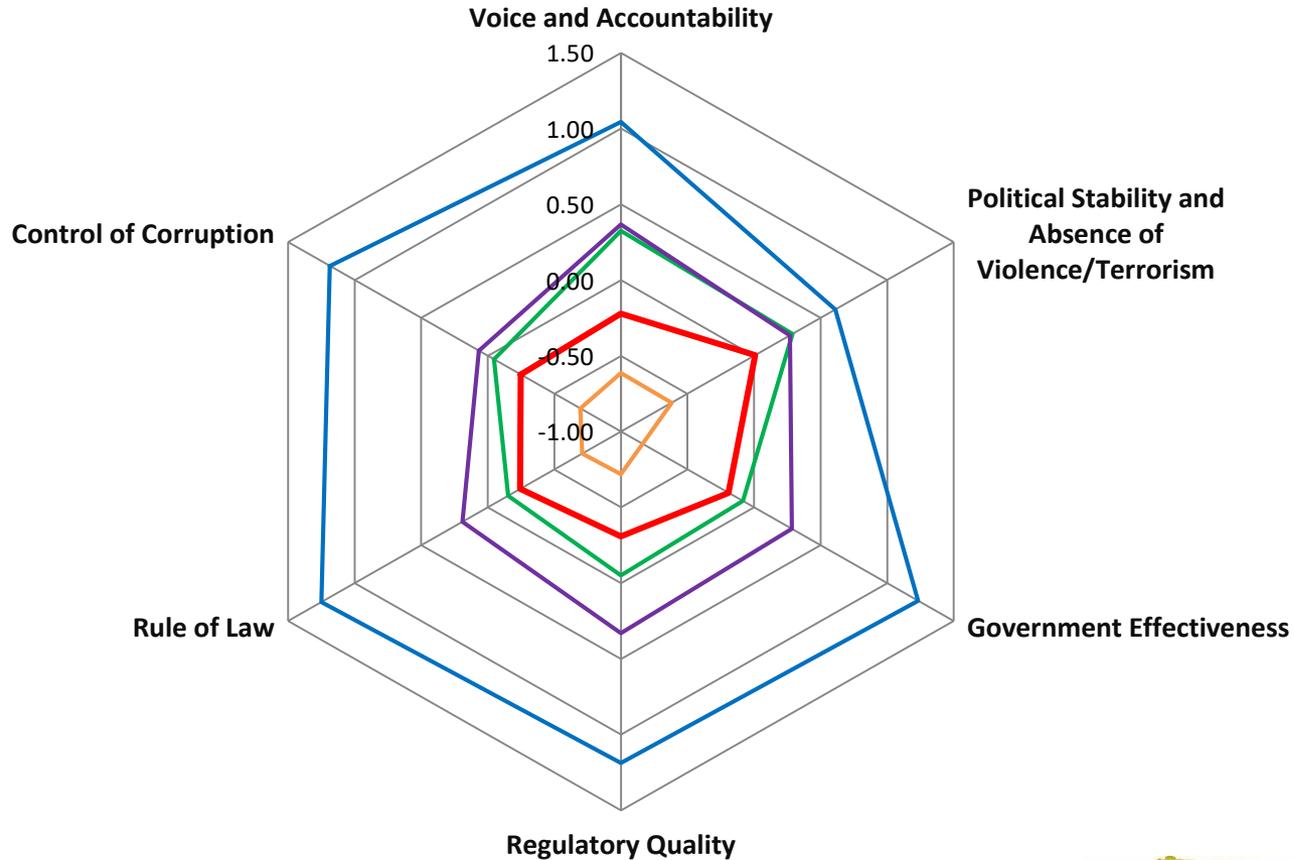


ADB's PSM and Institutions Ratings, 2005–2015

Notes: Indicators range from 1 to 6 with higher values denoting better performance; subregional ratings are the simple average of the relative country ratings; a) Myanmar was included in 2014, which lowered Southeast Asia average rating; b) Cook Islands was excluded after 2007, which lowered the Pacific average rating.

But governance in Asia-Pacific still lags most other regions

— Developing Asia — Latin America & Caribbean — Non-OECD Europe — OECD — Sub-Saharan Africa



Worldwide Governance Indicators, 2016 Update

Notes: Scores range from 2.5 to -2.5 with higher values denoting better governance quality; regional score is the simple average of the country scores.



Governance central to achieving Sustainable Development Goals (SDGs)

16 PEACE AND JUSTICE
STRONG INSTITUTIONS



17 PARTNERSHIPS
FOR THE GOALS



Key Targets:

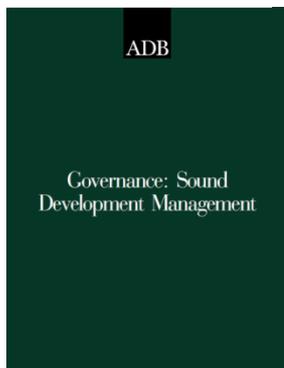
- 16.3 Promote rule of law and access to justice
- 16.4 Reduce illicit financial flows, and recover and return stolen assets
- 16.5 Reduce all forms of corruption and bribery
- 16.6 Develop effective, accountable and transparent institutions at all levels
- 16.7 Ensure responsive, inclusive, participatory and representative decision-making
- 16.10 Ensure public access to information
- 17.1 Strengthen domestic resource mobilization, including tax and other revenue
- 17.6 Enhance access to technology and innovation, and knowledge sharing
- 17.9 Enhance effective and targeted capacity-building in developing countries

ADB's PSM and Institutional Support to DMCs

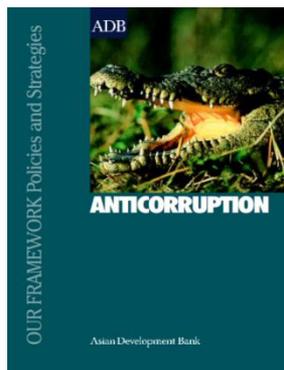


Effective management of economic and social resources—4 elements: accountability, participation, predictability, and transparency

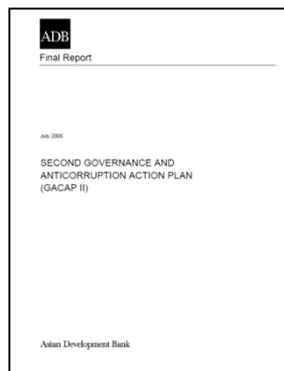
1995 Governance Policy



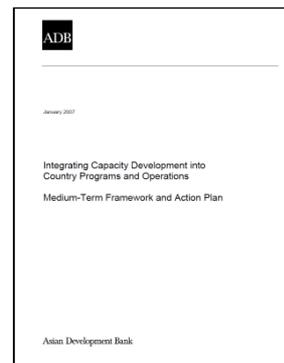
1998 Anticorruption Policy



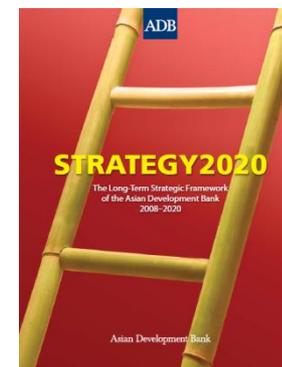
2006 Second Governance and Anticorruption Action Plan (GACAP II)



2007 Capacity Development Framework and Action Plan



2008 Strategy 2020



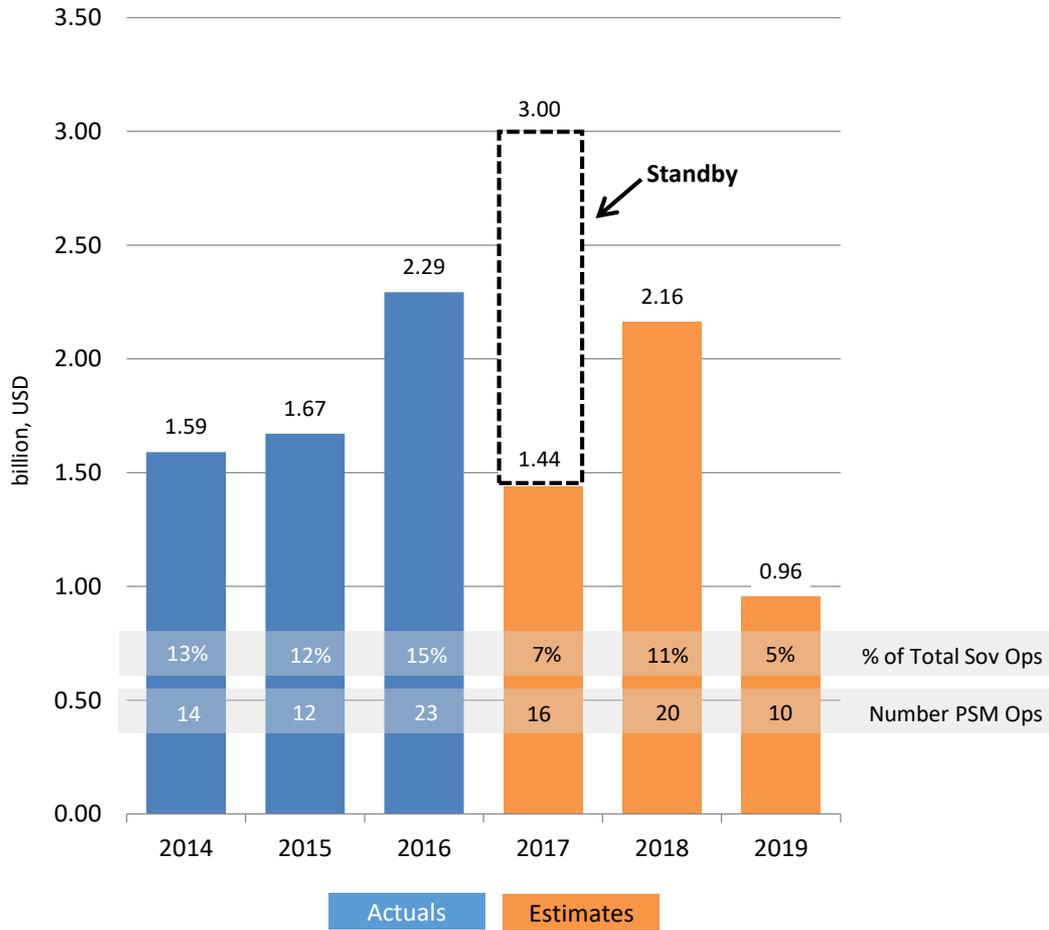
2016

Paper on ADB's future PSM and institutional approaches

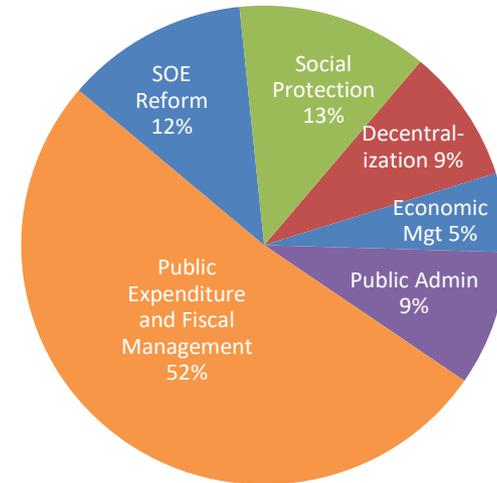


Weblink: www.adb.org/sectors/governance/main

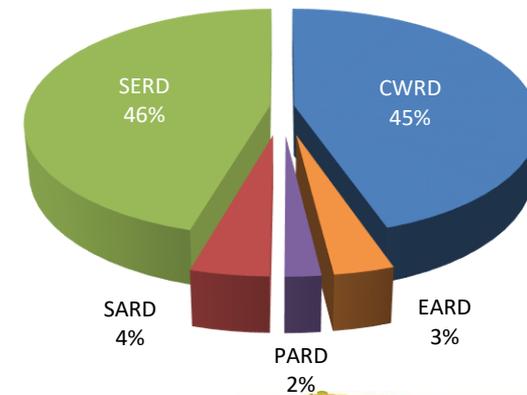
PSM Operations, 2014–2019 (in \$ bn)



PSM by Subsector, 2014–2016 (%)



PSM by Department, 2014–2016 (%)



Source: ADB Work Program and Budget Framework (WPBF) 2017–2019 (for estimates)



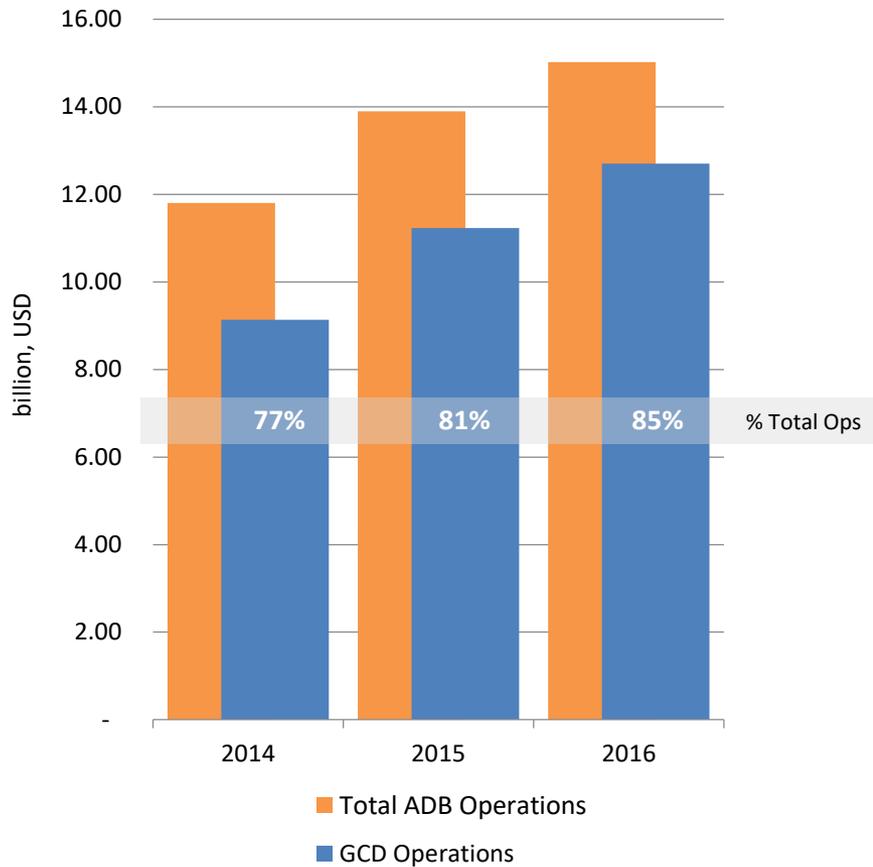
PSM operations by subsector in 2017

Subsector	Firm (\$m)	Standby (\$m)	Total (\$m)	Percent
Public Expenditure and Fiscal Management	1,047	877	1,924	64%
Public Administration	212	230	442	15%
Economic Affairs Management	122	255	377	13%
Reforms of State-Owned Enterprises	2	200	202	7%
Social Protection	55	-	55	2%
Total	1,438	1,562	3,000	100%

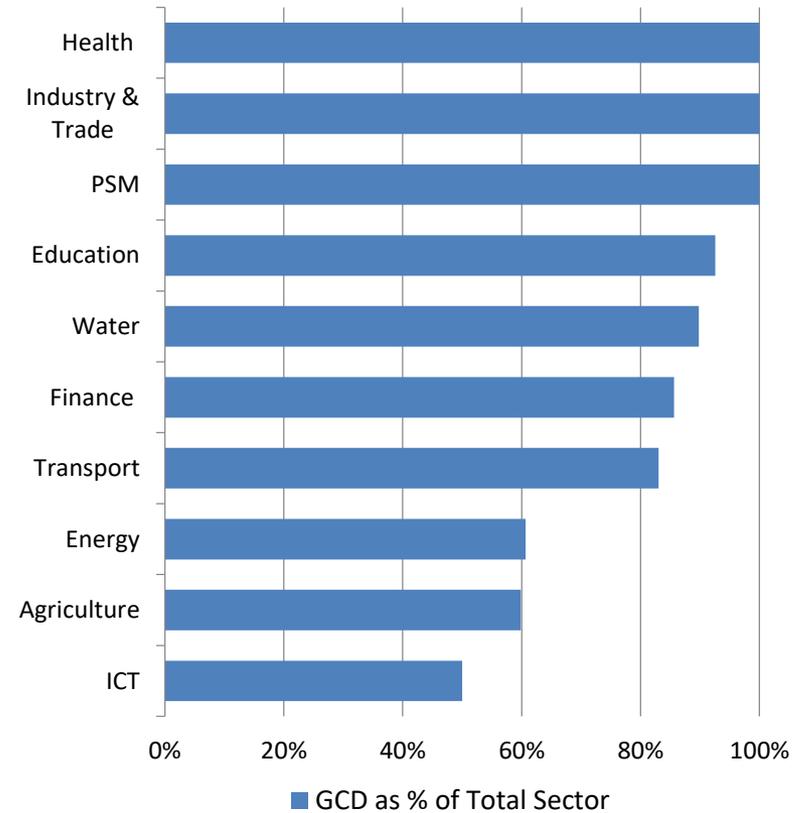
Source: ADB Work Program and Budget Framework (WPBF) 2017–2019

Governance and capacity development (GCD) support in operations

GCD in Sovereign Operations, 2014–2016 (\$bn)



GCD in Sector Operations, 2014-2016 (%)



PSM focus areas:



Domestic resource mobilization



Public expenditure & financial management



Reform of state-owned enterprises



Decentralization & subnational governance

Cross-cutting areas:

- Private sector development
- Public-private partnerships
- Information and communication technology
- Anticorruption

GCD work:

- Diagnostics (e.g. program impact assessments, governance risk assessments)
- Capacity development, incl. organizational development
- Knowledge products

Investment types:

- Policy-based lending
- Results-based lending
- Investment projects
- Technical assistance

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