

ADB

BUSINESS
OPPORTUNITIES
FAIR



Asian Development Bank Headquarters, Manila, Philippines

9th ADB Business Opportunities Fair

Overview of Public Sector Management, Governance & Capacity Development

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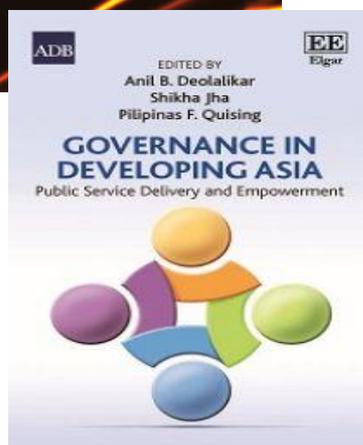
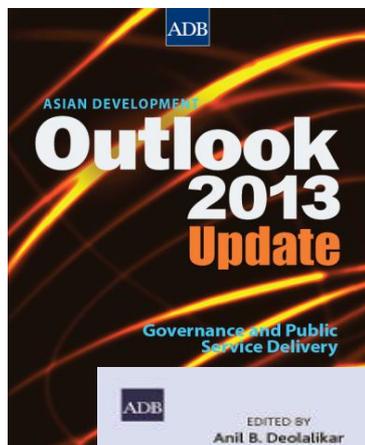
14 March 2018

ADB

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- 1) Why PSM and institutions matter
- 2) Trends in the region
- 3) ADB policies, strategies and approaches
- 4) Operational trends and pipeline
- 5) Business opportunities

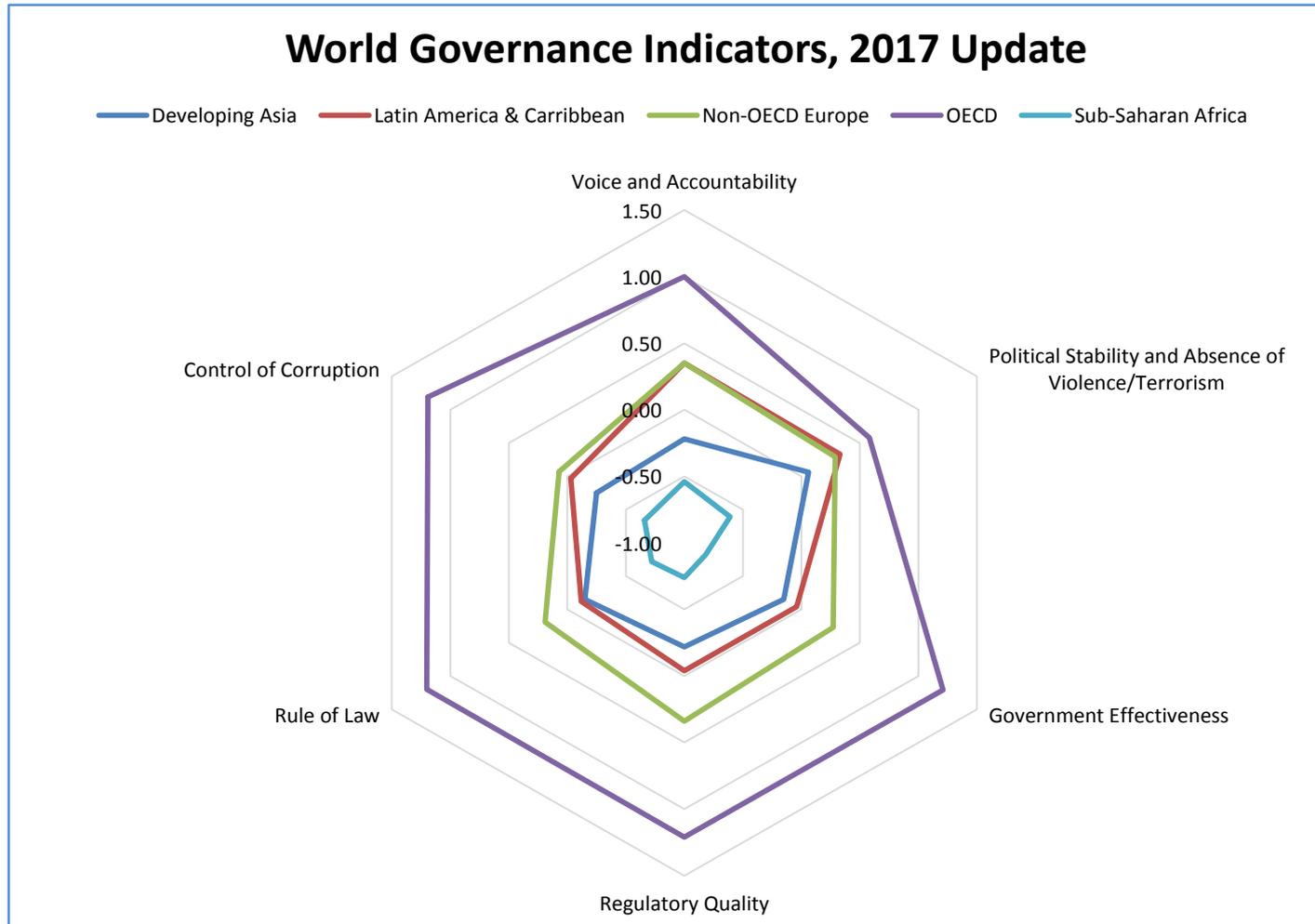
Good governance leads to better development results



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

But governance in Asia-Pacific Still lags most other countries

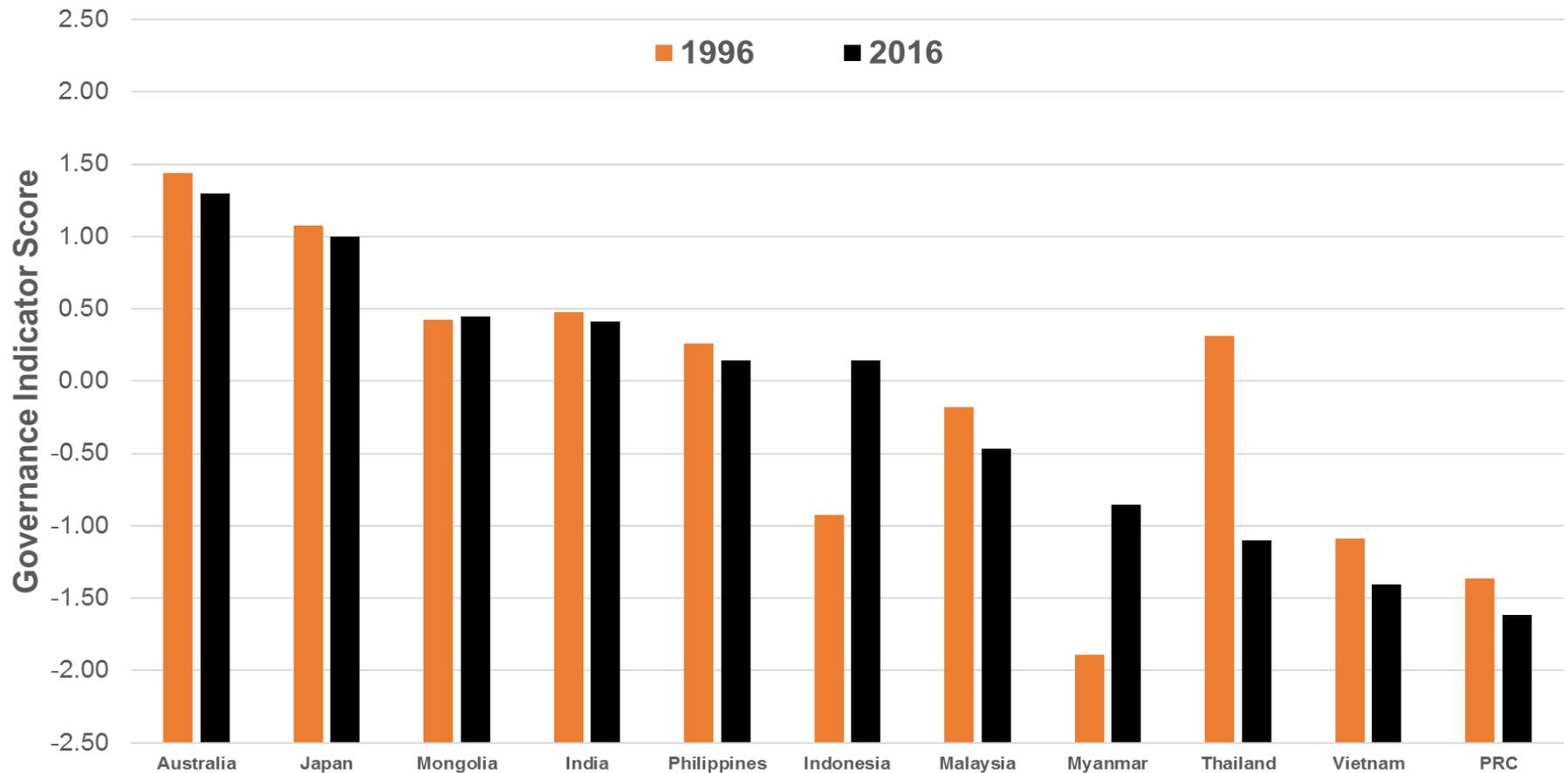


Worldwide Governance Indicators, 2017 Update

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.

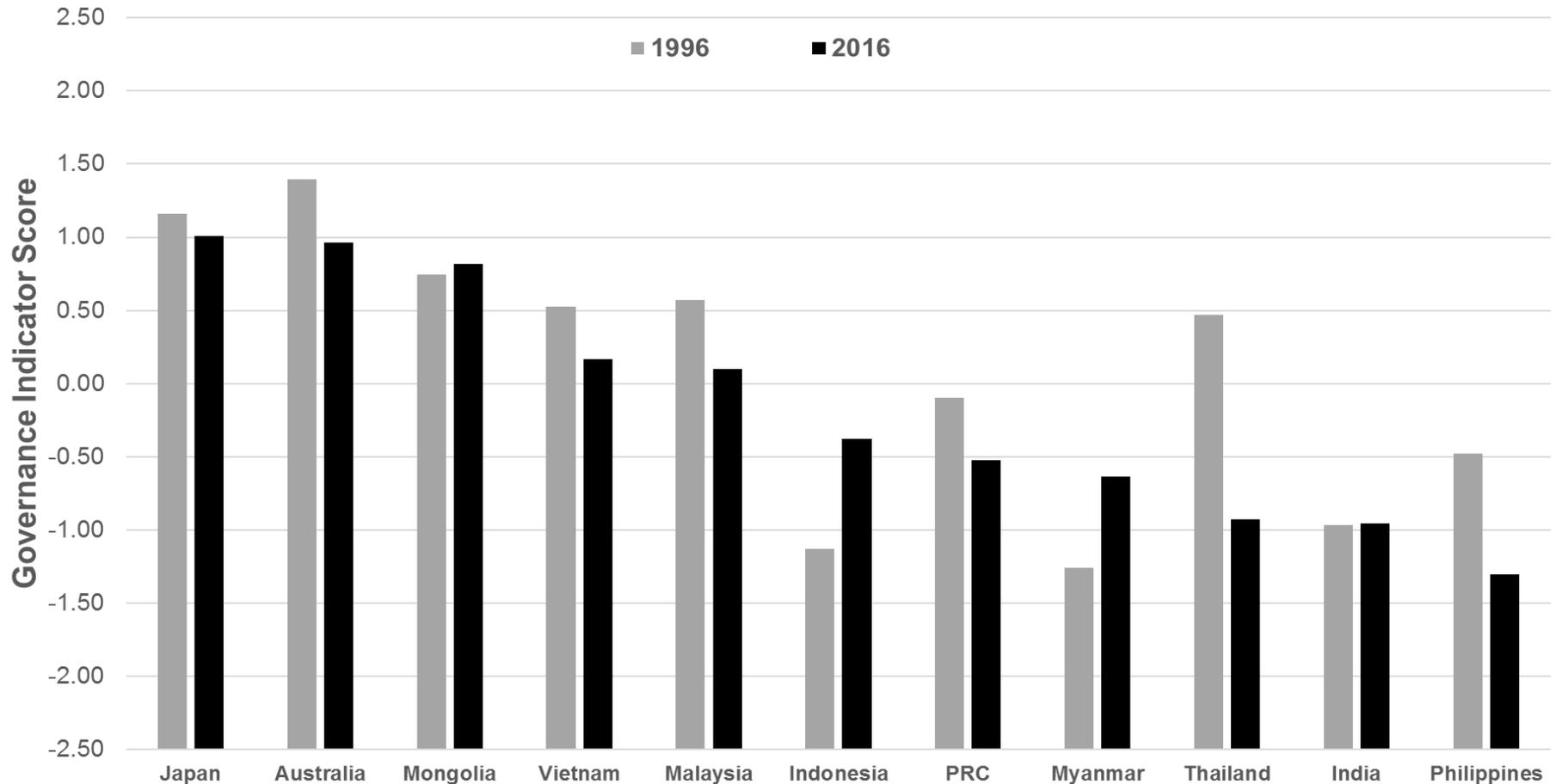


Voice & Accountability Trends: Select Countries



Source: Worldwide Governance Indicators (www.govindicators.org)

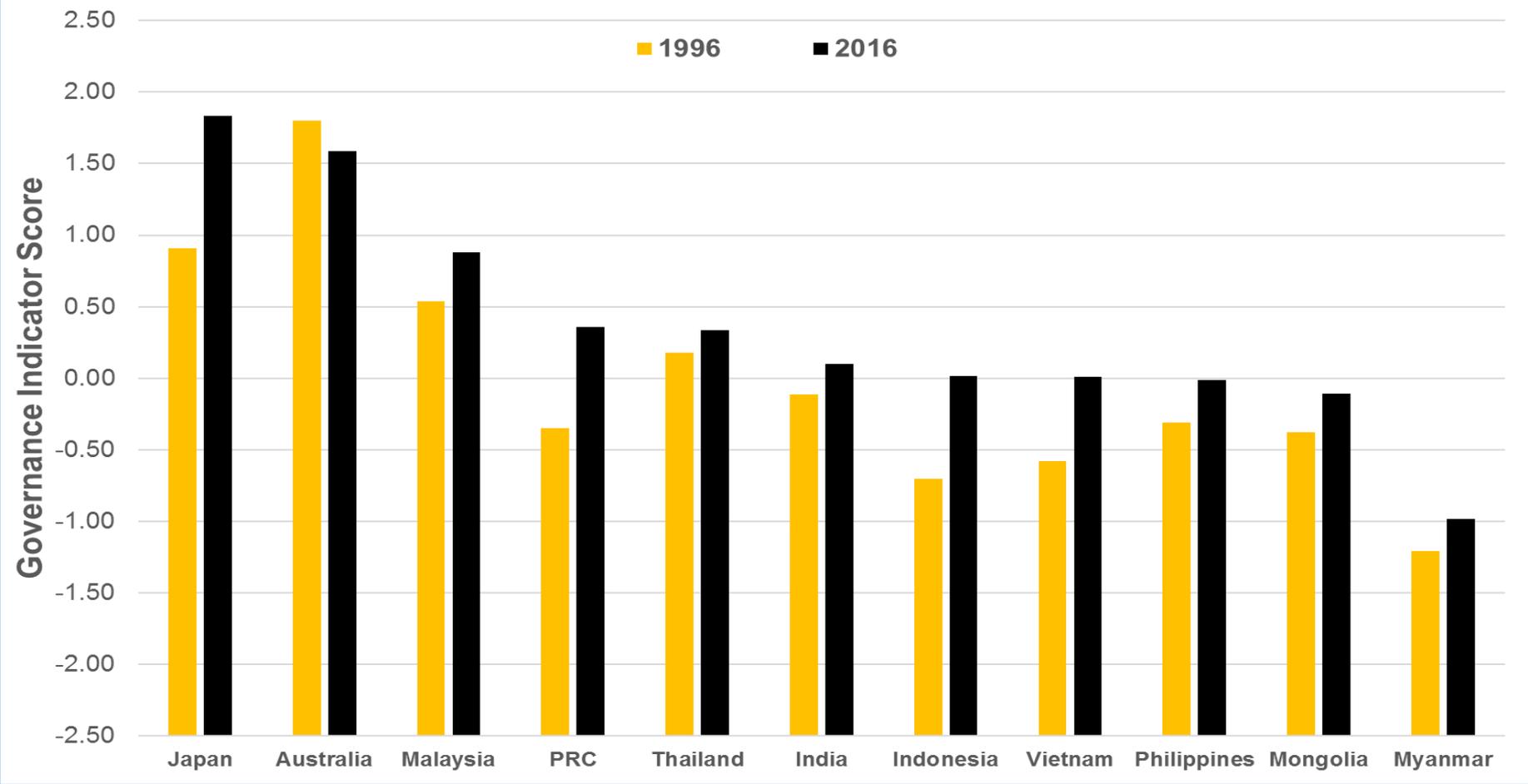
Political Stability/Absence of Violence Trends: Select Countries



Source: Worldwide Governance Indicators (www.govindicators.org)



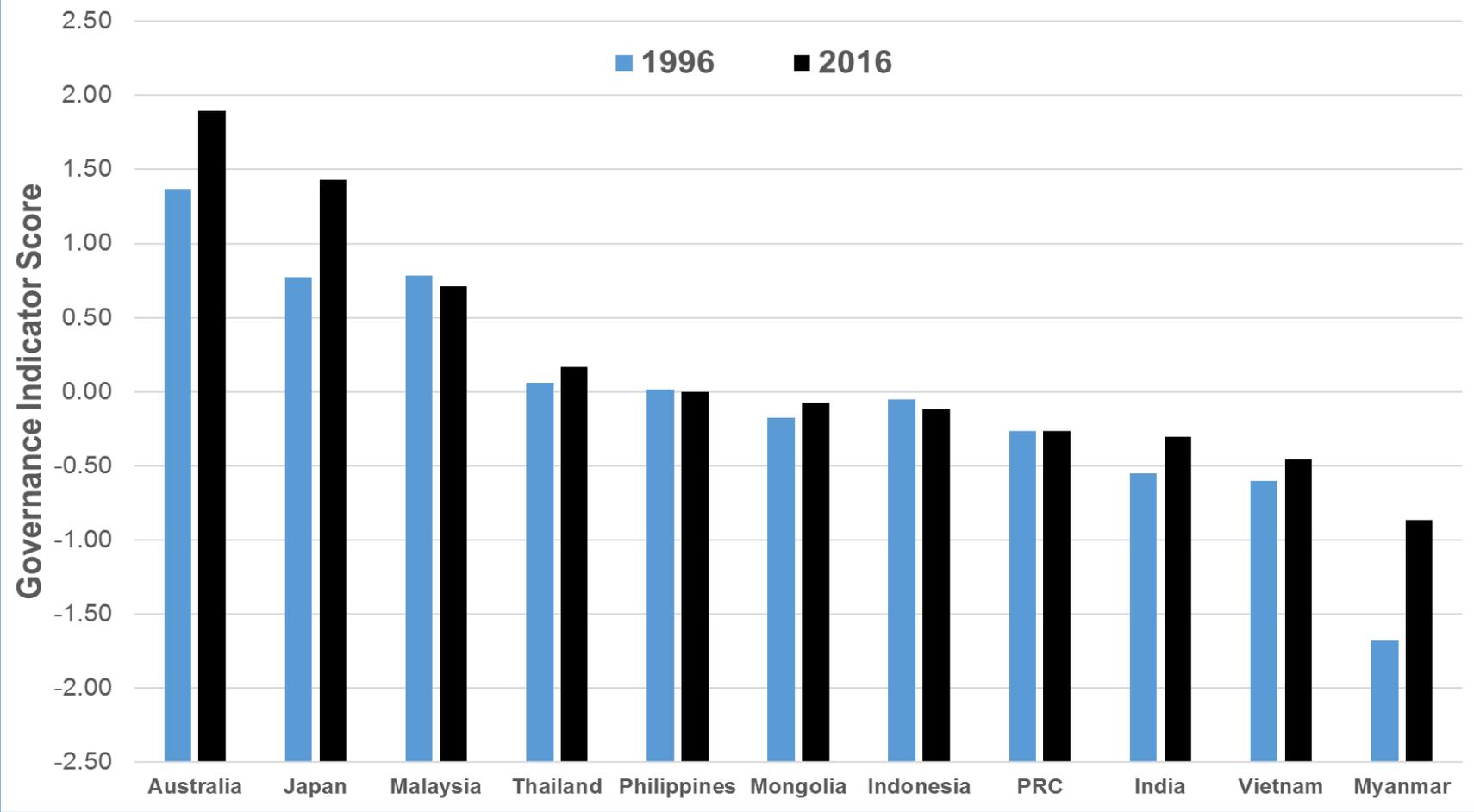
Government Effectiveness Trends: Select Countries



Source: Worldwide Governance Indicators (www.govindicators.org)

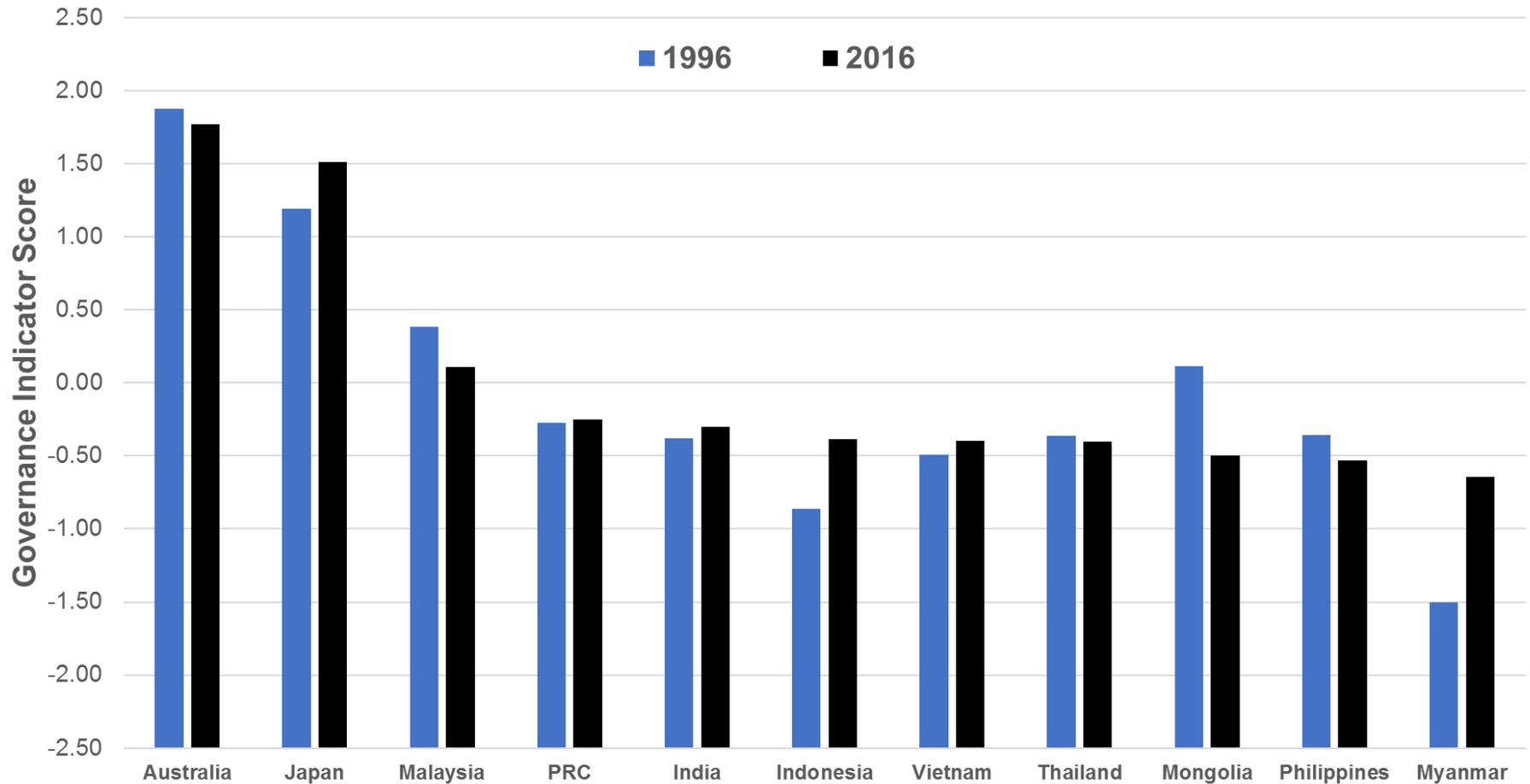


Regulatory Quality Trends: Select Countries



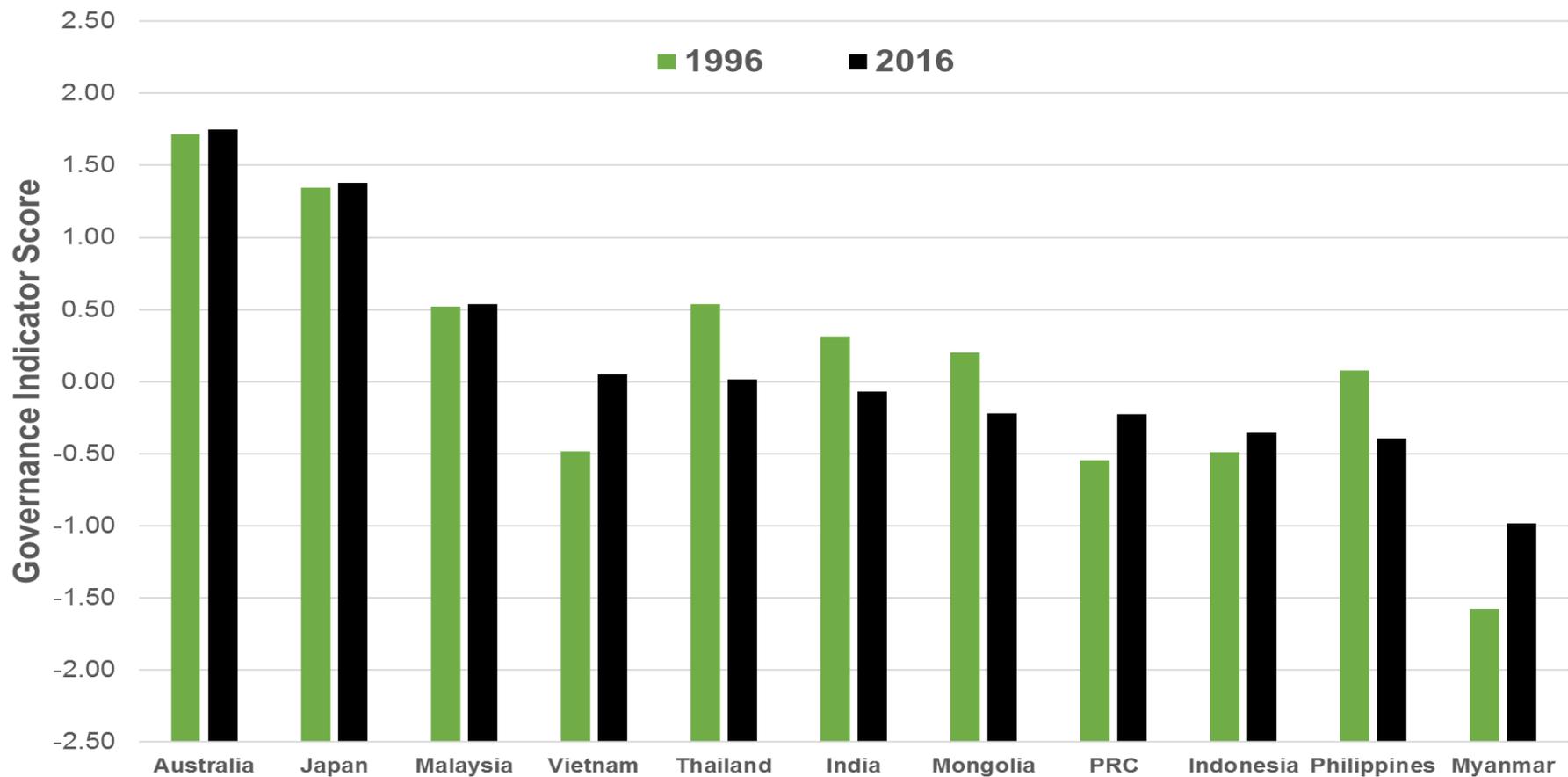
Source: Worldwide Governance Indicators (www.govindicators.org)

Control of Corruption Trends: Select Countries



Source: Worldwide Governance Indicators (www.govindicators.org)

Rule of Law Trends: Select Countries

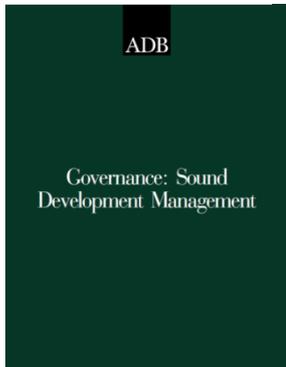


Source: Worldwide Governance Indicators (www.govindicators.org)

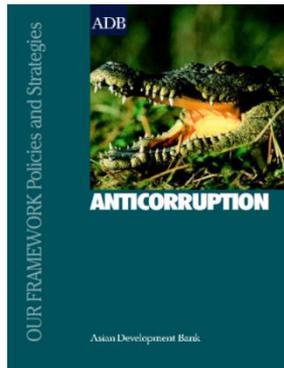
ADB's Policies, Strategies And Approaches

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

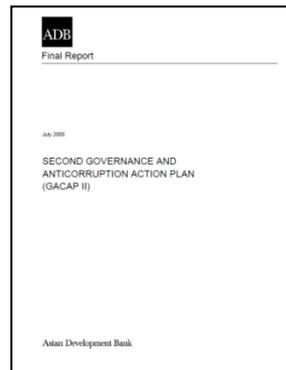
1995 Governance Policy



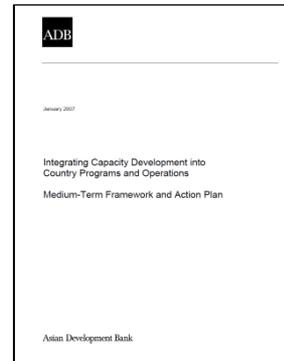
1998 Anticorruption Policy



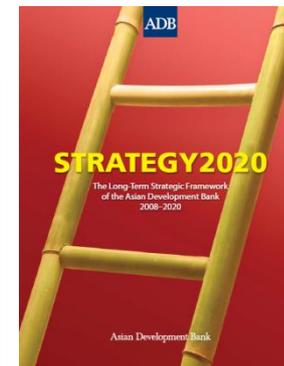
2006 Second Governance and Anticorruption Action Plan (GACAP II)



2007 Capacity Development Framework and Action Plan



2008 Strategy 2020



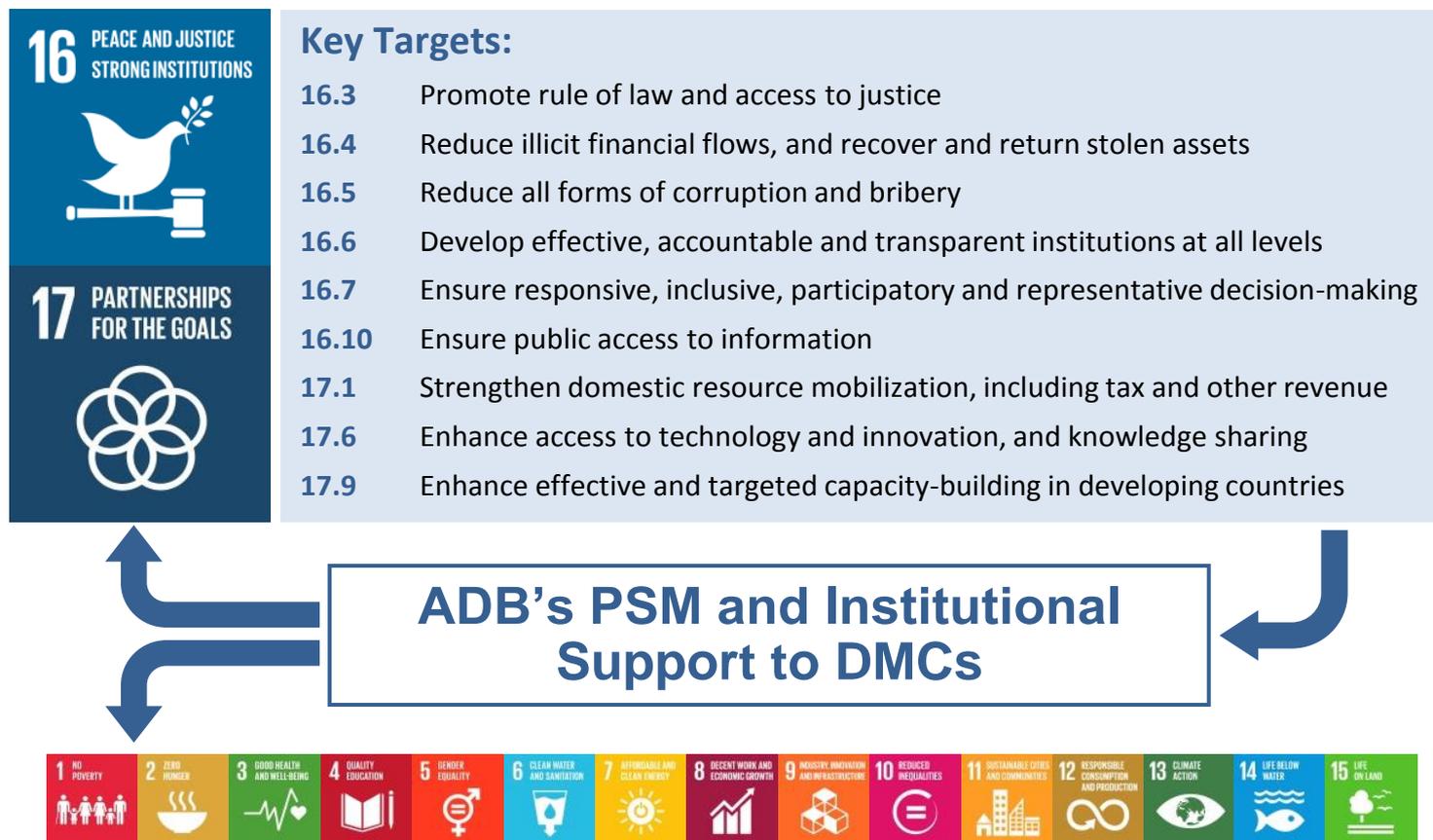
2016 Paper on ADB's future PSM and institutional approaches



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



Governance central to achieving Sustainable Development Goals (SDGs)



General Business Opportunities

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:

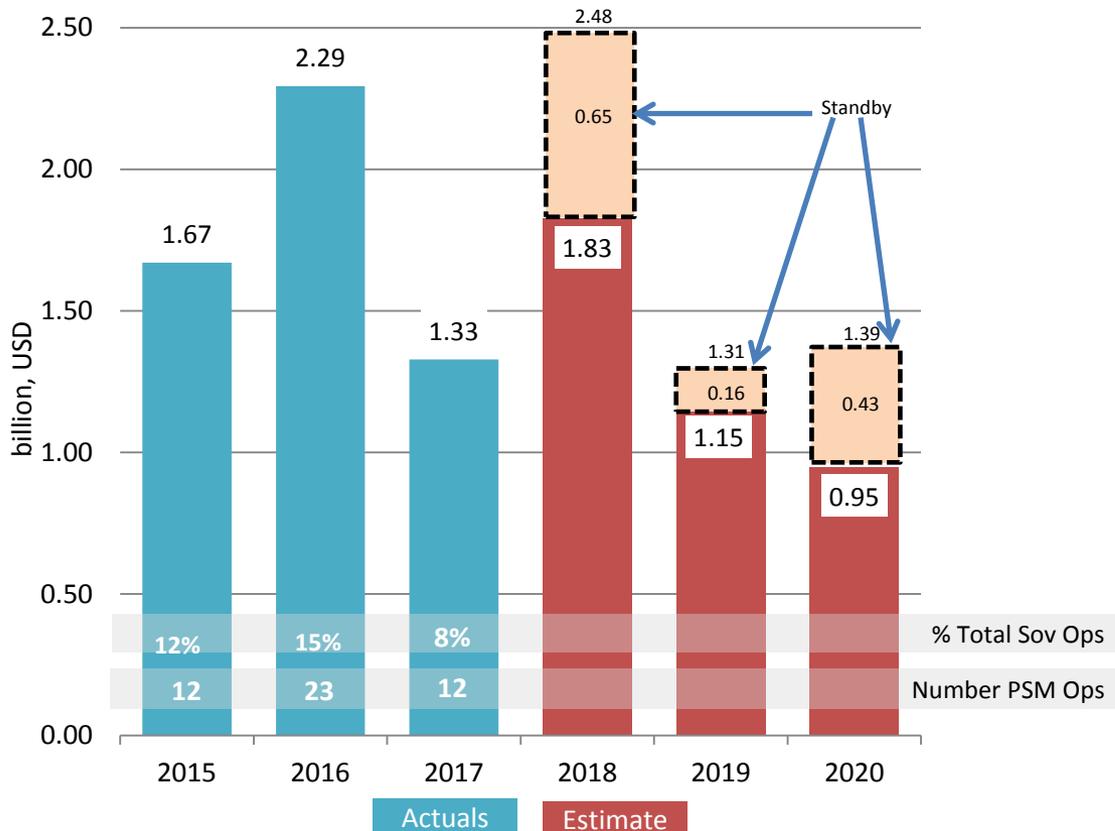
- Diagnostics (e.g. program impact assessments, governance risk assessments)
- Capacity development, incl. organizational development
- Knowledge products

Investment types:

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

Public Sector Management Operations

PSM Operations, 2015–2020 (in \$ bn)



Progress in delivery of PSM

2017 Target: \$1.44b
 2017 Actual: \$1.33b
 2018 Target: \$1.83b

PSM Financing by Subsector, 2015-2017

Sub-Sector of PSM	Share of total PSM financing
Public Expenditure & Fiscal Management	51%
Social Protection	16%
SOE Reforms	12%
Public Administration	10%
Economic Affairs Management	7%
Decentralization	5%

PSM by Department, 2015–2017 (%)

Region	Share of total PSM financing
CWRD	54%
SERD	31%
SARD	6%
EARD	6%
PARD	3%



Sovereign Operations Pipeline – PSM Projected Commitments by Subsector (2018 – 2019)

2018

Subsector	Firm (\$m)	Standby (\$m)	Total (\$m)	Percent
Public Expenditure and Fiscal Management	1,287.0	568.5	1,855.5	75%
Public Administration	134.4	5.0	139.4	6%
Economic Affairs Management	5.0	30.0	35.0	1%
Decentralization	-	50.0	50.0	2%
Social Protection initiatives	400.0	-	400.0	16%
Total	1,826.4	653.5	2,479.9	100%

Source: WPBF, 2018-2020

2019

Subsector	Firm (\$m)	Standby (\$m)	Total (\$m)	Percent
Public Expenditure and Fiscal Management	678.5	45.0	723.5	55%
Public Administration	7.5	-	7.5	1%
Economic Affairs Management	165.0	110.0	275.0	21%
Decentralization	300.0	-	300.0	23%
Total	1,151.0	155.0	1,306.0	100%

Source: WPBF, 2018-2020

List of PSM Projected Commitments (Firm), 2018

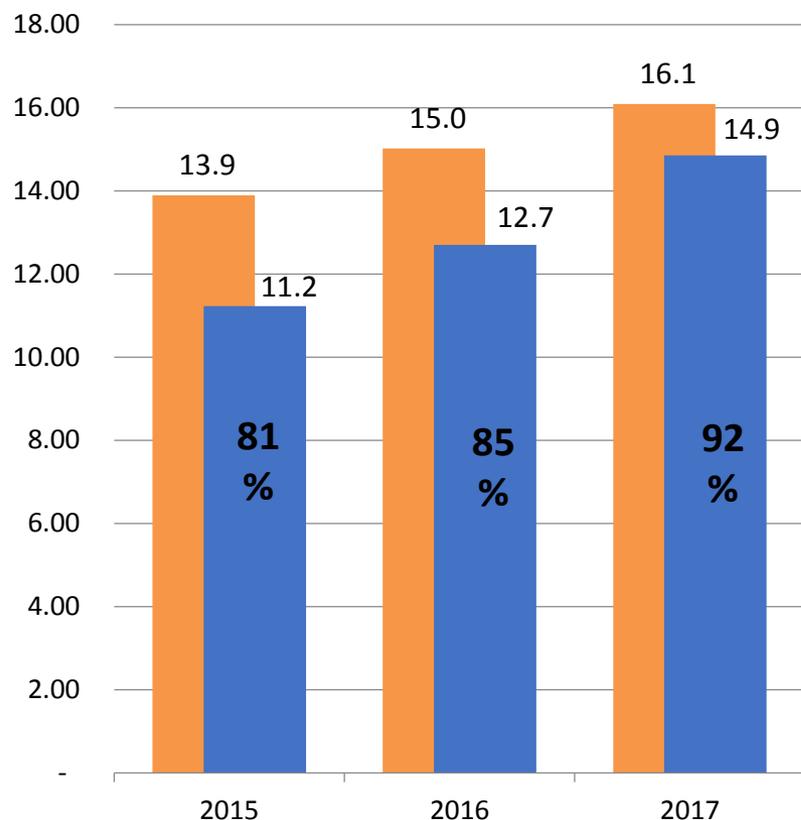
DMC	Project Title	Amount (\$m)	PSM Subsector
ARM	'Public Efficiency and Financial Markets Development Program, Subprogram 2	50.00	PEFM
UZB	Economic Management Improvement Program, Subprogram 1	250.00	PEFM
MON	Ulaanbaatar Air Quality Improvement Program	130.00	Public administration
FIJ	Sustained Private Sector-Led Reform Program, Subprogram 1	15.00	PEFM
PAL	Building Disaster Resilience Program (PBL)	10.00	PEFM
SOL	Economic and Financial Reform Program	5.00	Economic affairs management
TON	Building Macroeconomic Resilience Program, Subprogram 3	5.00	PEFM
PHI	Expanding Private Participation in Infra Program, Subprogram 2	300.00	PEFM
INO	Fiscal and Public Expenditure Management 2	400.00	Social protection initiatives
TAJ	Water Resources Management in the Pyanj River Basin (Addl Financing)	4.44	Public administration
SAM	Fiscal Resilience Improvement Program, Subprogram 2	5.00	PEFM
TUV	Public Sector Management Support Reform Program, Subprogram 1	2.00	PEFM
AZE	Improving Governance and Public Sector Efficiency Program, Subprogram 1	250.00	PEFM
INO	Stepping Up Investments for Growth Acceleration Subprogram 3	400.00	PEFM
	TOTAL	1,826.44	

List of PSM Projected Commitments (Standby), 2018

DMC	Project Title	Amount (\$m)	PSM Subsector
GEO	Second Domestic Resource Mobilization Program, Subprogram 1	100.00	PEFM
KGZ	Promoting Economic Diversification, Phase 1	30.00	Economic affairs management
AZE	Improving Governance and Public Sector Efficiency Program, Subprogram 2	366.00	PEFM
KIR	Strengthening Economic Management Reform Program, Subprogram 2	2.50	PEFM
NAU	Fiscal Sustainability Reform Program II	5.00	Public administration
NEP	Strengthening Subnational Public Management Program	50.00	Decentralization
SRI	Disaster Risk Financing Program	100.00	PEFM
	TOTAL	653.50	

ADB's sovereign operations overwhelmingly incorporate GCD

GCD in Sovereign Operations, 2015–2017 (in \$ bn)



Source: OSFMD, 2017
■ Total ADB Operations ■ GCD Operations

By total number of operations:

2015: 80% (of 129) **2016:** 89% (of 155) **2017:** 90% of 115

GCD in Sector Operations, 2014-2016, and 2015–2017 (%)

Sector	2014-2016	2015-2017
Public Sector Management	100	100
Industry & Trade	100	100
Health	100	100
Water	90	94
Education	93	92
Agriculture	60	89
Finance	86	87
Transport	83	85
Energy	61	73
ICT	50	62

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Thank you ...