



BUSINESS OPPORTUNITIES FAIR



Asian Development Bank Headquarters, Manila, Philippines

9th ADB Business Opportunities Fair

Public Management, Financial Sector, and
Regional Cooperation, East Asia Department

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Region/Country Strategy

- EARD operates in two countries:
 - Mongolia
 - the People's Republic of China
- EAPF also covers CAREC trade facilitation Program
- PRC CPS 2016-2020
- MON CPS 2017-2020
- RCI Operational Plan (approved in 2016)

EAPF Portfolio

- Currently administering
 - 24 technical assistance projects valued at \$19.550 million
 - 9 in Mongolia
 - 10 in the PRC
 - 5 Regional
 - 6 Loans (2 in PRC and 4 in Mongolia) for \$475 million

Priority Areas – Public Management

Ongoing Work	Future Opportunities
Fiscal reforms <ul style="list-style-type: none">– supports in budget, taxes, debt, treasury, (local) government bond, and fiscal policies, etc.	<ul style="list-style-type: none">– medium budgetary framework– local government financing– Implementing property tax– local/central fiscal relationship
Governance <ul style="list-style-type: none">– procurement of services– competition policy,– corporate governance, CSR	<ul style="list-style-type: none">– governance and sector risk assessments– country systems– accounting, audit, result management– market to play decisive role
Social protection <ul style="list-style-type: none">– Unification of urban and rural social protection– Legal system reforms	<ul style="list-style-type: none">– Aging and financial sustainability– national pooling and integration of urban and rural social assistances– Strengthening pension fund management– elderly care schemes and financing
Public private partnership (PPP) <ul style="list-style-type: none">– innovation in PPP financing– better project preparation– strengthening of the enabling environment	<ul style="list-style-type: none">– non-sovereign support for SOEs in PPPs– PPP funds and guarantee schemes– project development facilities– green PPPs (budget neutral PPPs)

Priority Areas – Financial Sector

Ongoing Work	Future Opportunities
Financial inclusion <ul style="list-style-type: none"> – microfinance and microinsurance – SME finance – rural commercial banks – financial literacy 	<ul style="list-style-type: none"> – private sector's participation in financial services – multi-tiered supervisory approach – Policy and regulatory oversight for “over the tops” – Structured finance solutions
Financial market infrastructure <ul style="list-style-type: none"> – Deposit insurance – Financial consumer protection – Antimoney laundering 	<ul style="list-style-type: none"> – Asset backed securitization – Payment and settlement system – Cross border financial services
Financial stability <ul style="list-style-type: none"> – legal and regulatory framework – stress texting 	<ul style="list-style-type: none"> – legal, regulatory and supervisory – key reform measures (e.g., interest rate liberalization, and capital account convertibility) – Basel III, macro-prudential, financial conglomerates – Regional cooperation (G20, APEC, ABMI, etc.)
Green finance <ul style="list-style-type: none"> – energy efficiency financing – national emission trading schemes – financial mechanisms for climate change adaptation 	<ul style="list-style-type: none"> – strategic framework for green finance (products and institutions) – financial and institutional sustainability – disaster risk financing

Priority Areas – Regional Cooperation

Ongoing Work

- Supporting PRC and MON participation in regional cooperation programs

Trade facilitation, trade and investment

- customs cooperation
- integrated trade facilitation (SW, SPS)
- contribution of private sector

Country-level project intervention

- PRC Guangxi RCI MFF(Tranche 1+2)
- CBEZ RETA (TA 9293)
- MON RIBS & SPS Upgrading

Future Opportunities

- Mainstreaming regional cooperation and integration (RCI) in ADB portfolio
- institution and capacity development
- Regional investment projects
- strengthening PRC contribution in priority areas of CAREC and GMS
- local governments' participation
- Global/regional public goods

- Participation in regional trade facilitation projects (RIBS, RUST, etc.)
- Integrated trade facilitation for economic corridors development
- E-commerce

- RCI project for Xinjiang and IMAR
- RCI project for Guangxi (Tranche 3)
- RCI projects for PRC's inland provinces
- RCI projects for MON (RIBS & BEZ)
- Ensuring regional benefits

Lending Pipeline, 2018-2020 (\$ million)

MON	Strengthening ICT Systems for Efficient and Transparent Public Investment and Tax Admin	2018	25.0
MON	Regional Improvement of Border Services (Additional Financing)	2019	15.0
MON	Financial Sector Reform Program (PBL)	2019	120.0
MON	Green Financing	2019	50.0
MON	Development of Border Economic Zones	2020	30.0
MON	Improving Fiscal Management (PBL)	2020	100.0
PRC	Guangxi RCI Promotion Investment Program (MFF) — Tranche 2 & 3	2018/2019	320.0
PRC	Xinjiang RCI Promotion Investment Program (MFF)	2019/2020	320.0
PRC	Inner Mongolia RCI Promotion Investment Program (MFF)	2019/2020	420.0

Note: Projects are indicative, pending ADB Management and Board approval, and approval timelines are subject to change.

Nonlending Pipeline, 2018-2020 (\$'000)

Mongolia (MON)

MON	Pension System Reform to Strengthen Sustainability and Protection	2018	500
MON	Stabilization Fund and Deposit Insurance	2018	400
MON	Cross-border Economic Zones	2018	500
MON	Green Finance Policy Framework	2018	500
MON	Improving Efficiency in Public Investment and Monitoring	2019	500
MON	Support to Financial Sector Reform	2019	500
MON	SME Business Development Service and Incubation Support	2020	400
MON	Integrated Trade Facilitation Support	2020	800
MON	Improving Fiscal Management	2020	500

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Nonlending Pipeline, 2018-2020 (\$'000)

The People's Republic of China (PRC)

PRC	Pilot Implementation of Public-Private Funding Mechanisms for Chishui Watershed Protection	2018	800
PRC	Research on Improvement of the Design of PRC's Carbon Emissions Trade System	2018	400
PRC	Legislation Research on Public-Private Partnership from the Perspective of National Fiscal Management	2018	400
PRC	Study on Diversification of China Local Government Bond Investors	2018	400
PRC	Pilot Study and Capacity Building for Elderly Care	2018	400
PRC	Study on Characteristic Tourism along OBOR in Five Northwestern Provinces	2018	500
PRC	Study on Comprehensive Eco-Compensation Mechanism	2018	400

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Nonlending Pipeline, 2018-2020 (\$'000)

The People's Republic of China (PRC) – Cnt'd

PRC	Shanxi Changzhi Industrial Transformation and Economic Upgrading	2019	400
PRC	Green Financing in Supporting the Green Transformation of the Economy: Policies and Practices	2019	400
PRC	Green Finance and Climate Change Bond	2019	400
PRC	Research on Treasury Cash Management and Control System	2019	400

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Nonlending Pipeline, 2018-2020 (\$000)

Regional TAs (REG)

REG	Modernizing Sanitary and Phytosanitary (SPS) Measures to Facilitate Trade	2018	1,550
REG	PRC-MON RCI Promotion	2018	1,000
REG	CAREC Trade Strategic Framework and WTO TFA Support	2018	1,500
REG	Xinjiang and Central Asia Investment Facilitation	2018	100
REG	Research on International Coordination Mechanism of Fiscal and Monetary Policy Making by Countries along “Belt and Road”	2019	
REG	Research on PRC-Mongolia-Russia Economic Corridor Development	2019	

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Issues for Consideration

- Unique, challenging and demanding countries
 - PRC: with strong capacity but facing developmental challenges
 - MON: slowing of the economy, widening fiscal deficit, weak planning and implementing capacity, dynamic political situations
- Needs
 - Practical experience
 - Comprehensive support required to “localize”
 - Need to be flexible
 - Experts with regional experience (incl. language)
 - Up to date on developments in the region

Contact person:

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2017 Projects – Lending (\$ million)

MON	Social Welfare Support Program Phase II (Program Loan L3532)	May 2017	150.0
MON	Banking Sector Rehabilitation and Financial Stability Strengthening Program Loan (Program Loan L3533)	May 2017	100.0
MON	Supporting the Credit Guarantee Systems for Economic Diversification and Employment (Project Loan L3338)	Nov 2017	60.0

2017 Project - Nonlending (\$ million)

The People's Republic of China (PRC)

Preparing Regional Cooperation and Integration Projects (TA 9373)	Sep 2017	1.00
Establishing a Market Conduct Supervision Mechanism for Financial Consumer Protection (TA 9377)	Sep 2017	.400
Green Finance Catalyzing Facility (TA 9398)	Oct 2017	.450
Strengthening the Role of E-commerce in Poverty Reduction in Southwestern Mountainous Areas in Chongqing (TA 9484)	Dec 2017	.400

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2017 Project - Nonlending (\$ million)

Mongolia (MON)

Banking Sector Rehabilitation and Financial Stability Strengthening (TA 9320)	May 2017	1.500
Establishing Sovereign Wealth Fund (TA 9338)	July 2017	.500
Strengthening ICT Systems for Efficient and Transparent Public Financial Management and Taxation (TA 9359)	Aug 2017	.450
Strengthening ICT Systems for Efficient and Transparent Public Investment and Tax Administration (TA 9448)	Nov 2017	.400

Regional

Policy Coordination and Planning on Cross-Border Economic Zones between the PRC and Viet Nam (TA 9293)	Jan 2017	.400
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