

# **5th ADB BUSINESS OPPORTUNITIES FAIR**

## **East Asia Department**

### **Public Management, Financial Sector, and Regional Cooperation (EAPF) Division**

**12 March 2014**

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# East Asia Department

## EAPF Division

### OUTLINE

- Country Coverage & Strategy
- Priority/Focus Areas
- Potential Opportunities (2014 Portfolio & 2014-2016 Project Pipeline details)
- Practical advice for suppliers, contractors, & consultants

# EARD Program

EARD operates in two countries:

- Mongolia
- People's Republic of China

EAPF is also responsible for Central  
Asia Regional Economic  
Cooperation Program Trade  
Facilitation initiatives

# Public Management

Achievement in 2013	Key Challenges	Sector Dialogue
<ul style="list-style-type: none"> <li>Fiscal reforms                             <ul style="list-style-type: none"> <li>Continued supports in budget, tax, debt, treasury, (local) government bond, accounting and audit, and fiscal policies , etc.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Results vary, most in studies less in policies</li> <li>Concerns over quality of TA implementation</li> </ul>	<ul style="list-style-type: none"> <li>Filling gaps</li> <li>Dissemination</li> <li>Broader and consistent approach</li> </ul>
<ul style="list-style-type: none"> <li>Public private partnership (PPP)                             <ul style="list-style-type: none"> <li>Knowledge sharing</li> <li>project preparation</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Innovation and mainstreaming are needed for PPP</li> </ul>	<ul style="list-style-type: none"> <li>Explore new financing and project modalities for PPP</li> </ul>
<ul style="list-style-type: none"> <li>Governance                             <ul style="list-style-type: none"> <li>NAO, corporate governance of SOEs, anti-monopoly, CSR, etc.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Sector risk assessment for next Country Partnership Strategies</li> </ul>	<ul style="list-style-type: none"> <li>engagement with line agencies and EAs on sector risks</li> </ul>
<ul style="list-style-type: none"> <li>Social security                             <ul style="list-style-type: none"> <li>SSS reforms, NSSF, pilots, rural pension, law system,</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Financial challenges despite rounds of reforms</li> </ul>	<ul style="list-style-type: none"> <li>National pooling of basic pension</li> </ul>

# Financial Sector

Achievement in 2013	Key Challenges	Sector Dialogue
<ul style="list-style-type: none"> <li>Financial inclusion                             <ul style="list-style-type: none"> <li>Reforms of RCCs, MCC pilots, regulatory and supervisory framework, legal framework, credit rating, wholesale mechanism, rural CDD, micro insurance, SME finance, etc.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Private sector's role</li> <li>Two-tier regulatory framework</li> <li>Inconsistent approaches</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen legal and regulatory framework</li> <li>Institutional strengthening and capital building</li> <li>Operational intervention</li> </ul>
<ul style="list-style-type: none"> <li>Innovative &amp; green finance                             <ul style="list-style-type: none"> <li>Carbon exchange, EE for SMEs, financing of ESCOs, Innovating financing workshop</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Inadequate legal framework</li> <li>Lack of know-how</li> </ul>	<ul style="list-style-type: none"> <li>Dissemination and replications</li> <li>Operational intervention</li> </ul>
<ul style="list-style-type: none"> <li>Financial stability &amp; regional integration                             <ul style="list-style-type: none"> <li>Reforms of SOCBs, AMCs, legal frameworks, deposit insurance, Basel III, macro-prudential, financial conglomerates, RMB regionalization, etc.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Innovation vs. stability</li> <li>Weak capacity at FI level</li> <li>Gaps in policy, legal and regulatory, and market mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>Support for implementation of reform measures</li> <li>Capacity development</li> <li>Coordination with regional efforts, such as ABMI</li> </ul>

# Regional Cooperation

Achievement in 2013	Key Challenges	Sector Dialogue
<ul style="list-style-type: none"> <li>• Subregional cooperation platforms                             <ul style="list-style-type: none"> <li>– PRC provinces participation in CAREC and GMS</li> <li>– Bilateral cooperation</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Inadequate local governments' participation</li> <li>• Lack of programming support (investment and TAs)</li> <li>• Capacity development</li> </ul>	<ul style="list-style-type: none"> <li>• Mainstreaming regional cooperation in economic development activities in PRC provinces</li> <li>• Regional projects</li> </ul>
<ul style="list-style-type: none"> <li>• Trade facilitation, trade &amp; investment                             <ul style="list-style-type: none"> <li>– Customs and integrated TF</li> <li>– Participation of private sector</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Mainstreaming of related work within ADB</li> <li>• Cross-sector institutional coordination</li> </ul>	<ul style="list-style-type: none"> <li>• Enhancing role of private sector</li> <li>• Cross agency coordination</li> <li>• PRC cofinancing of RCI Projects</li> </ul>

# Public Management – Technical Assistance

Project Name	(\$'000)	Rationale	Year
Improving Efficiency in Public Service Procurement, Delivery, and Financing (formerly Research on government procurement of service; International experience on property tax and its implication to the PRC; To improve the urban and rural Dibao system Financial policy choice based on cost analysis)	800.0	Continued engagement in fiscal reforms is important.	2014
Concession Law for Infrastructure and Public Services	400.0		2014
The study on public finance system to promote main functional region construction -- a case study on Henan province	400.0	Part of a series of public finance related TAs for Henan currently being implemented.	2014
Strategic research on old-age care industry development in Yichang	350.0		2014
Coordinating urban-rural Development, Promoting Balanced regional development in Guangdong	350.0	Similar studies were conducted in other provinces (from which Guangdong can learn).	2014
Comparative study on public sector salary and benefits; International experience on income tax study	700.0	This is one of the areas of the new reform package prepared by DRC	2015

# Financial Sector – Technical Assistance

Project Name	(\$'000)	Rationale	Year
Research on local finance development and supervisory framework	400.0	This is a continuation of the financial inclusion work.	2014
Research on financial law of China	300.0	Assistance to upgrade the legal and supervisory framework for the securities' and futures' markets.	2014
Commercialization of Social Services in Central Plain Economic Zone (formerly Monographic study of the financial reform in rural area of central plains economy region)	400.0		2014
A pilot program for establishing a support framework for sustainable village community funds in China	300.0	This too is part of the financial inclusion work.	2015

# Regional Cooperation – Technical Assistance

Project Name	(\$'000)	Rationale	Year
CAREC Trade Facilitation:			2013
i. Coordinated Border Management for Results	1,250.0	Improved movement of legitimate goods and people across CAREC borders through enhanced coordination and cooperation between border control authorities.	
ii. Aligning Customs Trade Facilitation Measures with Best Practices	1,250.0	Simplified and harmonized customs clearance procedures that align customs trade facilitation measures with international best practices and increase international trade flows.	
iii. Facilitation of Regional Transit Trade	1,500.0	Enhanced cross-border transit and improvement of regional cooperation in customs transit for intraregional trade along CAREC corridors.	
Study on urban-rural regional development in Xinjiang	300.0	Focus is on expanding trade via Xinjiang with CAREC and Europe.	2014
Development strategy study of Liaoning north yellow sea	400.0	There is a certain degree of sensitivity in the region	2014

# Other Possible Technical Assistance

Project Name	(\$'000)	Rationale	Year
<b>Public Management</b>			
Research on equalizing public service in Anhui Province	550.0	Expenditure in social services has been identified as the one of the next focal areas of public management work of EAPF	
<b>Financial Sector</b>			
Consumer finance research and long-term mechanism study	600.0	This is a continuation of the financial consumer protection work that EAPF is working on with PBC under its financial inclusion agenda	
<b>Regional Cooperation</b>			
Research on strategic framework of Bangladesh-China-India-Myanmar economic corridor in light of GMS experience	500.0	ADB is well suited to contribute given its ongoing programs in SASEC, GMS and East Asia.	
Strategic Study of Building Landlocked Xi'an into an Opening Highlighted City	400.0	The TA can help extend the benefit of RCI from border provinces to inland provinces. Similar cities also including Chongqing, Chengdu, etc.	

# **Practical Advice for suppliers, contractors and consultants**

Unique, challenging countries

- Experts with regional experience (incl. language)
- Keep up with developments in the region

Occasional weak planning, implementing capacity

- Project preparation at times start from scratch
- Comprehensive support required
- Need to be flexible

Diverse needs and dynamic changes

- Keep in touch with project officers
- Check CSRN and update CMS profile

# **Thank you**

**For more information:**

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