

BUSINESS
OPPORTUNITIES
FAIR



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Public Management and Finance
East Asia

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ADB

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 leading trade facilitation initiatives of Central Asia Regional Economic Cooperation Program

Priority Areas - Public Management

Achievement in 2014	Key Challenges	Sector Dialogue
<ul style="list-style-type: none"> • Fiscal reforms <ul style="list-style-type: none"> – Continued supports in budget, tax, debt, treasury, (local) government bond, accounting and audit, and fiscal policies , etc. 	<ul style="list-style-type: none"> • Results vary, most in studies less in policies • Concerns over quality of TA implementation 	<ul style="list-style-type: none"> • Filling gaps • Dissemination • Broader and consistent approach
<ul style="list-style-type: none"> • Public private partnership (PPP) <ul style="list-style-type: none"> – Knowledge sharing – project preparation 	<ul style="list-style-type: none"> • Innovation and mainstreaming are needed for PPP 	<ul style="list-style-type: none"> • Explore new financing and project modalities for PPP
<ul style="list-style-type: none"> • Governance <ul style="list-style-type: none"> – NAO, corporate governance of SOEs, anti-monopoly, CSR, etc. 	<ul style="list-style-type: none"> • Sector risk assessment for next Country Partnership Strategies 	<ul style="list-style-type: none"> • engagement with line agencies and EAs on sector risks
<ul style="list-style-type: none"> • Social security <ul style="list-style-type: none"> – SSS reforms, NSSF, pilots, rural pension, law system, 	<ul style="list-style-type: none"> • Financial challenges despite rounds of reforms 	<ul style="list-style-type: none"> • National pooling of basic pension

Priority Areas - Financial Sector

Achievement in 2014	Key Challenges	Sector Dialogue
<ul style="list-style-type: none"> • Financial inclusion <ul style="list-style-type: none"> – Reforms of RCCs, MCC pilots, regulatory and supervisory framework, legal framework, credit rating, wholesale mechanism, rural CDD, micro insurance, SME finance, etc. 	<ul style="list-style-type: none"> • Private sector's role • Two-tier regulatory framework • Inconsistent approaches 	<ul style="list-style-type: none"> • Strengthen legal and regulatory framework • Institutional strengthening and capital building • Operational intervention
<ul style="list-style-type: none"> • Innovative & green finance <ul style="list-style-type: none"> – Carbon exchange, EE for SMEs, financing of ESCOs, Innovating financing workshop 	<ul style="list-style-type: none"> • Inadequate legal framework • Lack of know-how 	<ul style="list-style-type: none"> • Dissemination and replications • Operational intervention
<ul style="list-style-type: none"> • Financial stability & regional integration <ul style="list-style-type: none"> – Reforms of SOCBs, AMCs, legal frameworks, deposit insurance, Basel III, macro-prudential, financial conglomerates, RMB regionalization, etc. 	<ul style="list-style-type: none"> • Innovation vs. stability • Weak capacity at FI level • Gaps in policy, legal and regulatory, and market mechanisms 	<ul style="list-style-type: none"> • Support for implementation of reform measures • Capacity development • Coordination with regional efforts, such as ABMI

Priority Areas - Regional Cooperation

Achievement in 2014	Key Challenges	Sector Dialogue & Other Measures
<ul style="list-style-type: none"> • Supporting PRC and MON participation in regional cooperation programs 	<ul style="list-style-type: none"> • Lack of local government participation • Lack of programming support (esp. investments) • Weak capacity (esp. in MON) 	<ul style="list-style-type: none"> • Mainstreaming regional cooperation in development planning in PRC and MON, including provinces • Formulation of East Asia Regional Cooperation Strategy
<ul style="list-style-type: none"> • CAREC Customs cooperation <ul style="list-style-type: none"> – Customs procedures and best practices (RKC accession) – Joint customs control and coordinated border management – Development of regional transit 	<ul style="list-style-type: none"> • Slower than expected accession due to resistance to reform and vested interests • Difficulty in inter-agency coordination 	<ul style="list-style-type: none"> • Enhancing role of Customs Cooperation Committee • From pilot to replication
<ul style="list-style-type: none"> • Integrated trade facilitation and private sector participation <ul style="list-style-type: none"> – Single window development – SPS improvement 	<ul style="list-style-type: none"> • Moving beyond customs to ITF • Cross-sector institutional coordination 	<ul style="list-style-type: none"> • Development of regional projects (single window and SPS improvement) • Enhancing role of private sector • Cross agency coordination

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 of Liaoning North Yellow Sea	400.0	There is a certain degree of sensitivity in the region	2015

Other Possible Technical Assistance

Project Name	(\$'000)	Rationale	Year
Public Management			
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	
Financial Sector			
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	
Regional Cooperation			
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.	

EAPF Investment Projects

Project Name	(\$mln)	Rationale	Year
Regional improvement of border services (MON)	27	Improving movement of legitimate goods and people across CAREC borders through single window development and border crossing points improvement	2015
Regional upgrade of SPS measures (MON)	15	Improving MIS of General Agency for Specialized Inspection and SPS services in MON in general	2015
Promotion of regional cooperation (PRC)	300	Enhancing PRC's participation in GMS	2016
Support for credit guarantee system (MON)	60	Diversifying MON economy and generating employment	2015
Beijing-Tianjing-Hebei Blue Sky Initiative (PRC)	300	Using results based lending to support pollution reduction	2016
Kindergarten and School Concession Program	tbd	PPP	2016

Practical Advice for suppliers, contractors and consultants

- Unique, challenging and demanding countries
 - PRC with strong capacity and demanding; MON with frequent government changes and challenging
 - Experts with regional experience (incl. language)
 - Keep up with developments in the region
- Occasional weak planning, implementing capacity (MON)
 - 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

