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# Sectors Group: Public Sector Management and Governance Sector Office

Dai Chang Song

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### Sector Vision

Good governance and improved macro-fiscal management for sustainable social and economic development.

### **Sector Overview**

Achieving ADB's Strategy 2030 objectives requires effective governance and improved institutional capacity in ADB's developing member countries - the core area of PSMG sector's operations. PSMG's role has become more relevant now when the Asia Pacific region faces complex challenges, which include global financial tightening, a slowdown in external demand, global food and energy shocks and rising inflation, rising public debt levels, and climate change.





# Lending Pipeline, 2023

| DMC | Project Title  | Type /<br>Modality | Amount<br>(\$ million) |
|-----|--|--------------------|------------------------|
| CAM | Second Decentralized Public Service and Financial Management Sector Development Program, SP2 | PBL                | 40.0                   |
| CAM | Strengthening Public Financial Management Program, SP2                                       | PBL                | 50.0                   |
| INO | Competitiveness, Industrial Modernization, and Trade Acceleration Program, SP2               | PBL                | 500.0                  |
| INO | Boosting Productivity through Human Capital Development Program, SP2                         | PBL                | 500.0                  |
| PHI | Domestic Resource Mobilization Program, SP1  | PBL                | 400.0                  |
| IND | Industrial Corridor Development Program, SP2   | PBL                | 250.0                  |
| IND | Promoting Research and Innovation through Development of Fintech Institute at GIFT           | Project            | 70.0                   |
| IND | Maharashtra Tertiary Care and Medical Education Sector Development Program                   | SDP                | 500.0                  |
| BAN | Sustainable Economic Recovery Program, SP2   | PBL                | 400.0                  |
| BAN | Promoting Climate Resilient Development, SP1   | PBL                | 400.0                  |
| MLD | Strengthening Fiscal Management and Sustainability Program                                   | PBL                | 18.7                   |





# Lending Pipeline, 2023

| DMC                      | Project Title   | Type /<br>Modality | Amount<br>(\$ million) |
|--------------------------|---|--------------------|------------------------|
| NEP                      | Strengthening Public Financial Management and Devolved Service Delivery Program, SP1    | PBL                | 100.0                  |
| NEP                      | SASEC Customs and Logistics Reforms Program, SP1  | PBL                | 50.0                   |
| SRI                      | Economic Stabilization Program  | SPBL               | 350.0                  |
| KAZ                      | Fiscal Management and Economic Efficiency Program, SP1                                  | PBL                | 350.0                  |
| UZB                      | Economic Management Improvement Program, Phase 2, SP1                                   | РВ                 | 150.0                  |
| PAK                      | Improved Resource Mobilization & Utilization Reform Program                             | PBL                | 300.0                  |
| PAK                      | Social Protection Development Program (Additional Financing)                            | PBL                | 5.0                    |
| MON                      | Strengthening Fiscal, Financial and Economic Resilience, SP1                            | PBL                | 100.0                  |
| PRC                      | Inner Mongolia Sustainable Cross Border Development Investment Program (MFF, Tranche 2) | MFF-Tranche        | 174.3                  |
| KIR                      | Sustainable and Inclusive Economic Recovery Program, SP1                                | PBL                | 5.0                    |
| TON                      | Improving Economic Management, SP1  | PBL                | 10.0                   |
| KIR/<br>SAM/<br>SOL/ TON | REG: Pacific Disaster Resilience Program, Phase 4                                       | CDF                | 40.0                   |





# Lending Pipeline, 2024

| DMC | Project Title   | Type /<br>Modality                    | Amount<br>(\$ million) | Subsector     |
|-----|---|---------------------------------------|------------------------|---------------|
| GEO | Economic Resilience Support Program, Subprogram 1   | PBL - Standalone Policy-Based Lending | 50.00                  | PSM           |
| FIJ | Sustainable and Resilient Growth Program, Subprogram 1  | PBL - Programmatic Approach           | 70.00                  | PSM, Not      |
| PAL | Sustainable Oceans And Resilience Strengthening Program   | PBL - Programmatic Approach           | 25.00                  | PSM           |
| SOL | Supporting Fiscal and Economic Recovery Program, Subprogram 2                                     | PBL - Programmatic Approach           | 10.00                  | PSM, FIN, Not |
| IND | Infrastructure Development of Industrial Estate under TIDC Ltd (Tripura)                          | Project Loan                          | 125.00                 | PSM           |
| ARM | Fiscal Sustainability and Financial Markets Development Program Subprogram 2                      | PBL - Programmatic Approach           | 50.00                  | PSM           |
| AZE | Second Improving Governance and Public Sector Efficiency Program (Subprogram 1)                   | PBL - Programmatic Approach           | 300.00                 | PSM           |
| KGZ | Sustainable Green and Fiscal Management Program Subprogram 1                                      | PBL - Programmatic Approach           | 50.00                  | PSM           |
| PAK | Domestic Resource Mobilization Reform Program, Subprogram 2                                       | PBL - Programmatic Approach           | 300.00                 | PSM           |
| UZB | Small and Medium-Sized Enterprises Development Program Subprogram 1                               | PBL - Programmatic Approach           | 100.00                 | PSM           |
| BAN | Strengthening Bangladesh Infrastructure Finance Fund Limited Project-Additional Financing         | Project Loan                          | 50.00                  | PSM           |
| CAM | Strengthening the National System for Addressing and Preventing Gender-based Violence in Cambodia | Project Grant                         | 6.70                   | PSM           |
| MON | Climate Change Support Program  | PBL - Programmatic Approach           | 100.00                 | PSM, ANR, ENE |
| coo | Green, Resilient Economic Growth Program, Subprogram 1  | PBL - Programmatic Approach           | 30.00                  | PSM           |
| RMI | Public Financial Management Project, Phase 2  | Project Grant                         | 2.00                   | PSM           |
| SAM | Strengthening Macroeconomic Resilience Program, Subprogram 2                                      | PBL - Programmatic Approach           | 7.50                   | PSM, FIN      |
| BHU | Fiscal Sustainability and Recovery Program Subprogram 2   | PBL - Programmatic Approach           | 37.70                  | PSM           |
| RMI | Youth Skills Development and Employment Project   | Project Grant                         | 17.50                  | PSM, EDU, Not |
| BAN | Second Strengthening Social Resilience Program (Subprogram 1)                                     | PBL - Programmatic Approach           | 250.00                 | PSM           |
| LAO | Building Resilience and Reducing Rural Poverty Project  | Project Loan                          | 26.00                  | PSM           |

## Regional Highlights: Southeast Asia



#### \$3.8 billion, 11 projects (2021–2023)

- Supporting domestic resource mobilization reforms, particularly in the areas of tax policy, tax administration and digital transformation, as well as international tax cooperation (Indonesia, Philippines, Cambodia, Lao People's Democratic Republic, Thailand, and Viet Nam)
- Strengthening local governance through more efficient public service delivery, shoring up own-source revenues, building institutional capacity, and financing mechanisms for small public infrastructure development (Cambodia and the Philippines)
- Improving efficiency, resilience, and corporate governance framework of state-owned enterprises (Indonesia)
- Strengthening infrastructure for e-government (Timor-Leste)
- Creating an enabling environment for private sector development through key reforms in investment policies; business registration; micro, small, and medium-sized enterprises development; and trade measures
- Building institutional capacity to implement competition policies (Cambodia and Indonesia)
- Boosting productivity through human capital development by ensuring adequate financing for Sustainable Development Goals, supporting skills development, and expanding social assistance (Indonesia)
- Strengthening disaster resilience by providing rapid access to financing to initiate disaster response to natural hazards and health emergencies and supporting reforms on policies and institutional arrangements for disaster risk management, resilience of infrastructure assets to disaster and climate risks, and mechanisms for disaster risk financing (Indonesia and the Philippines)
- Advisory support on public debt management and local government finance (Lao People's Democratic Republic)
- Readiness to provide countercyclical budget support to address economic shocks

### Regional Highlights: South Asia



#### \$3.4 billion, 16 Projects (2021-2023)

- Improving public financial management, including revenue mobilization, expenditure management and gender-based budgeting, and public investment management at the national and subnational levels (Nepal, Bhutan, Sri Lanka, Maldives)
- Debt management and sustainability (Nepal, Bhutan, and Sri Lanka)
- Structural transformation of state-owned enterprises; economic diversification; development of industrial policies; and private sector development for economic competitiveness, improved productivity, and job creation (Bhutan, Sri Lanka, India, Maldives, snd Bangladesh)
- Graduation of least developed countries (LDCs); establishment of economic and industrial corridors; logistics management; and facilitation of regional cooperation to boost trade, investment, and competitiveness (Nepal, Bhutan, Bangladesh, Sri Lanka, and India)
- Supporting green and resilient economic growth with assessment of climate change risks in fiscal management and integrating resilience measures in policy and institutional reforms (Nepal, Maldives, Bangladesh, and India)
- Promoting social and economic inclusion through reform measures in the areas of social protection, health care, and promotion of micro, small, and medium enterprises (MSMEs) (India and Bangladesh)
- Mainstreaming institutional strengthening, good governance, and digitalization of systems and processes in all operations

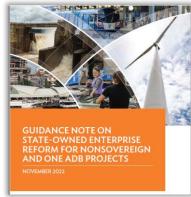


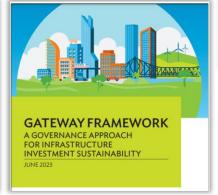
## Knowledge Solutions (2020-2023)



Knowledge Products













54 Knowledge Events CWPF Learning Session
Webinar: Climate Related Fiscal Risks

28 March 2023, Tuesday | 7:00 - 8:15pm Manila time
REGISTRATION bit.ly/cwpflearningsession











## Private Sector Development Shift

- The PSM sector has traditionally supported private sector development and economic diversification in its programs with focus on downstream development opportunities for private sector counterparts in ADB.
- \*The PSD shift has got further boost under the new operating model and PSMG will be keen to explore One ADB opportunities with colleagues from Markets Development and Public Private Partnerships, Office of (OMDP), and Private Sector Operations Department (PSOD).



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



## Climate Change Shift

- The PSMG sector has a critical role to play in enhancing climate-resilient and low-carbon development.
- The sector provides policy, regulatory and institutional basis for driving transformative change and ensuring a sustainable and climate-resilient future for the Asia-Pacific region.

- Key climate entry points in PSM programs
  - development of policies for pricing of carbon emissions
  - fiscal policies that promote clean technology
  - design of climate-sensitive eco-fiscal transfer systems
  - development of climate smart fiscal rules
  - green public investment management
  - develop green taxonomies
  - defining climate-related financial metrics, certification labels, and disclosure standards
  - climate-sensitive budget tracking systems
  - sector-specific regulations related to climate
  - integrating climate risks into fiscal risk and debt management systems
  - incorporating climate considerations into asset purchase programs of central banks
  - green procurement





## Thank You!

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