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Sectors Group: Public Sector Management and Governance Sector Office

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11TH BUSINESS OPPORTUNITIES FAIR 2023

4 - 5 OCTOBER 2023 | 9:00AM - 5:00PM | MANILA

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 / Modality	Amount (\$ 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 / Modality	Amount (\$ 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	PB	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/ SAM/ SOL/ TON	REG: Pacific Disaster Resilience Program, Phase 4	CDF	40.0



Lending Pipeline, 2024

DMC	Project Title	Type / Modality	Amount (\$ 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, and 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)

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Knowledge Products

A COMPREHENSIVE ASSESSMENT OF TAX CAPACITY IN SOUTHEAST ASIA
Adapted Chongthaisri and Ananta Chooi
SEPTEMBER 2021

GUIDANCE NOTE ON STATE-OWNED ENTERPRISE REFORM FOR NONSOVEREIGN AND ONE ADB PROJECTS
NOVEMBER 2022

GATEWAY FRAMEWORK
A GOVERNANCE APPROACH FOR INFRASTRUCTURE INVESTMENT SUSTAINABILITY
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28 March 2023, Tuesday | 7:00 - 8:15pm Manila time

REGISTRATION bit.ly/cwpflearningsession

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ADB-OECD Joint Workshop on ISORA 2023
4-6 July 2023, Seoul Korea

Domestic Resource Mobilization Trust Fund ADB OECD Tax Programme OECD Korea Policy Centre

IGF INTERGOVERNMENTAL FORUM on Mining, Minerals, Metals and Sustainable Development

OECD BETTER POLICIES FOR BETTER LIVES

ADB Domestic Resource Mobilization Trust Fund

2023 HYBRID TRAINING WORKSHOP
International Taxation and the Extractive Sector
May 22-26, 2023 | Manila, Philippines and virtual

Carbon Pricing and Fossil Fuel Subsidies Reduction

Webinar | 3 March 2023 | 11:00 a.m. Manila Time (GMT+8)

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).



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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