



Technical Assistance Report

Project Number: 40165
Research and Development Technical Assistance (RDТА)
November 2009

Asian Development Outlook 2010

Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
ADO	–	Asian Development Outlook
DER	–	Department of External Relations
DMC	–	developing member country
ERD	–	Economics and Research Department
ERMF	–	Macroeconomics and Finance Research Division
TA	–	technical assistance

TECHNICAL ASSISTANCE CLASSIFICATION

Type	–	Research and development technical assistance (RDTA)
Targeting classification	–	General intervention
Sector (subsector)	–	Public sector management (economic and public affairs management)
Themes (subthemes)	–	Economic growth (promoting macroeconomic stability, promoting economic efficiency and enabling business environment); regional cooperation and integration (trade and investments, money and finance); governance (economic and financial governance)
Location impact	–	Regional (high), national (high)

NOTE

In this report, "\$" refers to US dollars.

Vice-President	U. Schäfer-Preuss, Knowledge Management and Sustainable Development
Chief Economist	J. W. Lee, Economics and Research Department (ERD)
Assistant Chief Economist	J. E. Zveglic, Jr., Macroeconomics and Finance Research Division, ERD
Team leader	W. James, Principal Economist, ERD
Team member	E. Laviña, Economics Officer, ERD

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

I. INTRODUCTION

1. The *Asian Development Outlook (ADO)* has been a flagship publication of the Asian Development Bank (ADB) since 1989. By regularly monitoring and providing comprehensive analysis on the evolving developments in ADB's developing member countries (DMCs), the publication has become one of ADB's main vehicles for enhancing its reputation as a credible and authoritative source of knowledge about the region. The *ADO* also contributes to the intellectual environment in which policy formulation occurs. Its content informs ADB Management opinion and guides institutional views about prospective developments and other important issues. The production of the *ADO* has been regularly supported by technical assistance (TA) funding. The objectives, scope, and activities to be covered by the regional TA¹ are in Appendix 1.

II. ISSUES

2. Efforts to improve the quality of the *ADO* have intensified in recent years in response to clients' feedback and the rapidly changing marketplace for economic information and analysis. These efforts have focused on providing stronger analytical content and ensuring better cohesion and balance among its parts. If the *ADO* is to remain competitive and relevant as an independent and credible source of knowledge and information about the region, continuous work must be done to further improve the quality of its analysis. Activities will include the commissioning of relevant applied and policy research at a country and regional level, the development of new sources of information, and strengthened peer review. High-quality editing services are crucial to ensure that the *ADO's* key messages are communicated clearly and effectively. To increase the *ADO's* regional and international reach, the Economics and Research Department (ERD) will continue to collaborate with the Department of External Relations (DER) on further promoting the *ADO*.

3. The *ADO* is one of the most frequently downloaded publications from ADB's website.² It is directly or indirectly the source of much international and national news commentary that features analysis, views, and opinions from ADB. Thus, a concerted effort, not just to come up with a high-quality publication, but also to disseminate *ADO* content, is essential to elevate the publication's profile.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

4. The TA will support activities that will contribute to high-quality and comprehensive economic analysis of the region and help ensure the usefulness and relevance of the *ADO* to policy dialogue and formulation in DMCs. The improved content and structure of *ADO 2010* and its update is expected to provide in-depth, relevant, and timely assessment of the region's economy. Appendix 2 contains the draft contents pages of *ADO 2010* and *ADO 2010 Update*.

¹ The TA first appeared in the business opportunities section of ADB's website on 26 February 2009.

² In the last 3 years, the *ADO* and its *Update* have consistently ranked among the top ADB downloads from the month of launch until the following year. For instance, *ADO 2007* topped the chart at number one during its March 2007 launch and remained in the top 5 for the remainder of the year; in 2008, it ranked between 5th and 22nd until that year's *ADO* was launched. On average, the whole publication has been downloaded around 200,000 times per year in the last three years. At the time of their launches, the *ADO* and its *update* have continued to generate significant coverage from both global and regional top-tier media, such as the Financial Times, Asian Wall Street Journal, and International Herald Tribune.

As in the previous issues, the publication will be presenting original work on current and relevant themes of interest within developing Asia and the Pacific.

5. The TA will further develop and refine analytical methods to support ADB's short- and medium-term country economic monitoring and reporting. The methods will also strengthen the economic underpinnings of country programs and strategies for the DMCs covered.

B. Methodology and Key Activities

6. The main outputs from the TA will be *ADO 2010* and *ADO 2010 Update*. The TA will support the following key activities: preparation of background analytical papers, further development and refinement of analytical methods, drafting of *ADO* content, economic and copy editing, and preparation and layout of materials for publication. The objective of the papers will be to provide a solid empirical and analytical foundation for *ADO* content. The papers will supplement the research work of ADB's Macroeconomics and Finance Research Division (ERMF) on the selected topics, and will contain analysis of issues and policy implications for the DMCs covered using a review of existing literature, analyses of survey and macroeconomic data, and modeling under different scenarios. Activities for the preparation of *ADO 2011* will also be supported under the TA.

7. To ensure accuracy, coherence, and consistency in approach across the different parts of the *ADO*, high-quality editing services are required. Economic and copy editing activities will be provided by international consultants working under the direction of the assistant chief economist, ERMF.

8. Workshops and training directly relevant to the preparation and strengthening of *ADO* content will also be supported by the TA. The focus will be on macroeconomic analysis, growth accounting, economic projections, and effective writing skills, which will target economists in regional departments, national officers in resident missions, and, as appropriate, government officials and other client groups. The objective of the training is to equip writers with the skills and the tools needed to craft high-quality country chapters. The training will also impart skills that are of broader relevance for economic and sector work, which underpins country strategies.

C. Cost and Financing

9. The total cost of the TA is estimated at \$500,000 (Appendix 3). The TA will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF—other sources).

D. Implementation Arrangements

10. ADB will be the executing agency responsible for implementing and monitoring the TA. In particular, ERMF will implement the TA in close coordination with regional departments and resident missions. The assistant chief economist of ERMF, reporting to the chief economist of ERD, will be responsible for implementation. Given the high institutional profile of the *ADO*, ERD will report to the vice-president for Knowledge Management and Sustainable Development, the managing director general, and the President at critical points in its preparation.

11. The development of analytical tools and approaches to support high-quality *ADO* content will be a joint effort of ERMF economists, country economists of the regional departments and resident missions, national experts, international consultants, and economics editors. The TA will finance the procurement of information and knowledge services as may be required to

12. ADO workshops are tentatively scheduled for January–February 2011 at ADB headquarters. The workshops will present and discuss issues and directions on several topics for consideration and inclusion in the subsequent year's ADO. The TA will cover the travel expenses of selected resident mission staff who will be participating in the workshops. Contents of country chapters and other issues will also be discussed during the workshops.

13. An estimated 15 person-months (about six consultants) of international consultants' time will be required for economic and technical editing of ADO manuscripts before final publication of *ADO 2010* and *ADO 2010 Update*. ADO will also require 3 person-months (about three consultants) of international consultancy resources for preparing background papers. Another 5 person-months (about two consultants) of national economic consultants' time will be required to assist in preparing country chapters and data sheets. The outline terms of reference for the consultants and resource persons are in Appendix 4. The consultants will be hired as individuals.³ Resource persons will also be engaged to conduct training workshops and prepare background papers on economic trends and prospects of selected DMCs. Consultants and resource persons will be engaged in accordance with ADB's *Guidelines on the Use of Consultants* (2007, as amended from time to time). Disbursements under the TA will be made in accordance with the *ADB Technical Assistance Disbursement Handbook*.⁴

14. The major results of *ADO 2010* and *ADO 2010 Update* will be disseminated to the media, DMC policy makers, and civil society. The media launch and subsequent roadshows will be undertaken by ERMF in coordination with DER, while separate launches will be undertaken by resident missions in selected DMCs. Roundtable discussions and workshops in different academic and economic institutions will also be conducted to reach a wider audience. Both *ADO 2010* and *ADO 2010 Update* will be featured on the ADB website, and printed copies will be distributed worldwide. In countries where there is limited broadband access, CD-ROMs will be made available through the resident missions. The TA may support translation of ADO into other languages, as may be required, to extend its audience in selected DMCs. This will be arranged by regional departments in consultation with the resident missions concerned and DER. ERMF will work with DER to attempt to capture broad and valuable client feedback.

IV. THE PRESIDENT'S DECISION

15. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$500,000 on a grant basis for the *Asian Development Outlook 2010*, and hereby reports this action to the Board.

³ The TA will involve independent studies and require rapid mobilization of the editorial consultants to ensure that there are no delays in the tight production schedule of the publications. In addition, the experience and qualifications of the individual consultants will be a primary consideration. Thus, the consultants will be hired on an individual basis.

⁴ ADB. 2008. *Technical Assistance Disbursement Handbook*. Manila.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions And Risks
<p>Impact Influence the intellectual environment within which policy formulation occurs and promote ADB's reputation as an authoritative and independent source of knowledge about the region.</p> <p>Better-informed and better-designed policies</p>	<p>Regional and international reach of <i>ADO</i></p> <p>Media coverage and readership</p> <p>Web downloads</p> <p><i>ADO</i> citations in major newspapers and publications</p>	<p>DER web download statistics</p> <p>Publicly available citation data</p> <p>ERMF and regional department consultations with clients in country</p> <p>External review</p>	<p>Assumptions Key messages of <i>ADO</i> are communicated effectively.</p> <p><i>ADO</i> reaches target audience in the policy and development community.</p> <p>There is a significant degree of interest in DMC outlook.</p>
<p>Outcome Improved content and quality of <i>ADO 2010</i> and <i>ADO 2010 Update</i> providing in-depth, relevant, and timely assessments of the regional economy of Asia and the Pacific, and individual DMC economies, which could strengthen the economic underpinnings of the country programs and strategies of DMCs</p>	<p>Stronger analytical content of <i>ADO</i> and better analysis of economic prospects</p> <p>High-quality thematic <i>ADO</i> content</p> <p>Better cohesion and balance among different parts of <i>ADO 2010</i> and <i>ADO 2010 Update</i>.</p> <p>Use of <i>ADO</i> content in the preparation of country partnership strategies and economic sector work</p>	<p>ADB Management review and guidance</p> <p>Regional department review and inputs</p> <p>Peer review of content.</p>	<p>Assumption Accurate and up-to- date information is available for DMCs.</p> <p>Risks Economic or other shocks that derail baseline assumptions, analysis, and projections</p> <p>Staff shortages or skill deficits</p>
<p>Outputs</p> <ol style="list-style-type: none"> 1. <i>ADO 2010</i> and <i>ADO 2010 Update</i> 2. Online links to content and data 3. Translated summaries 	<p>News releases; Ten advance copies of <i>ADO 2010</i> and <i>ADO 2010 Update</i>; publication highlights; PowerPoint presentations and materials for web upload are produced for the launch.</p> <p><i>ADO 2010</i> and <i>ADO 2010 Update</i> are launched in selected resident missions and main venues (to be determined) by April</p>	<p>Data from statistical agencies of DMCs</p> <p>Other information sources</p> <p>Staff estimates and calculations</p>	<p>Risk Unforeseen circumstances compromise the production schedule.</p>

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions And Risks
	<p>2010 (for <i>ADO 2010</i>) and September 2010 (for <i>ADO 2010 Update</i>).</p> <p>1,500 copies of <i>ADO 2010</i> and 1,200 copies of <i>ADO 2010 Update</i> are printed and disseminated or sold by May 2010 (<i>ADO 2010</i>) and October 2010 (<i>ADO 2010 Update</i>).</p> <p>CD-ROMs are made available.</p> <p>Dissemination and client uptake (internally and externally) of analytical tools.</p>		
<p>Activities with Milestones</p> <p>1.1 Conduct background analytical and empirical research and prepare papers. 1.2 Hold <i>ADO</i> workshops/training. 1.3 Brief Management on <i>ADO 2010</i> and <i>ADO 2010 Update</i> directions, content, timetable, and dissemination plan. 1.4 Update <i>ADO</i> data sheets and other information. 1.5 Prepare drafts of the different parts of <i>ADO 2010</i> and <i>ADO 2010 Update</i>. 1.6 Review and edit the publication. 1.7 Prepare the publication; upload files on the web; provide translation services. 1.8 Prepare the media materials. 1.9 Carry out dissemination activities. 1.10 Distribute the publications through DER.</p> <p>2.1 Post <i>ADO 2010</i> and <i>ADO 2010 Update</i> on ADB website.</p> <p>3.1 Coordinate with DER and resident missions on the translations.</p>			<p>Inputs</p> <p>ADB \$500,000</p> <p>5 person-months of national economics consultants Cost: \$10,000</p> <p>3 person-months of international economics consultants Cost: \$95,000</p> <p>15 person-months of international editing consultants Cost: \$275,000</p> <p>Resource persons Cost: \$20,000</p> <p>Financing for workshops and conferences Cost: \$25,000</p> <p>Financing for equipment, data support, software acquisition, administrative costs and contingency Cost: \$75,000</p>

ADB = Asian Development Bank, *ADO* = *Asian Development Outlook*, DER = Department of External Relations, DMC = developing member country, ERMF = Macroeconomics and Finance Research Division.

**DRAFT CONTENTS OF ASIAN DEVELOPMENT OUTLOOK 2010
AND ASIAN DEVELOPMENT OUTLOOK 2010 UPDATE**

A. *Asian Development Outlook 2010*

Part 1: Developing Asia and the world

Part 2: Theme chapter on current and relevant issues in developing Asia (to be decided)

Part 3: Economic trends and prospects in developing Asia

Central Asia

- Armenia
- Azerbaijan
- Georgia
- Kazakhstan
- Kyrgyz Republic
- Tajikistan
- Turkmenistan
- Uzbekistan

East Asia

- People's Republic of China
- Hong Kong, China
- Republic of Korea
- Mongolia
- Taipei, China

South Asia

- Afghanistan
- Bangladesh
- Bhutan
- India
- Maldives
- Nepal
- Pakistan
- Sri Lanka

Southeast Asia

- Brunei Darussalam
- Cambodia
- Indonesia
- Lao People's Democratic Republic
- Malaysia
- Myanmar
- Philippines
- Singapore
- Thailand
- Viet Nam

The Pacific

- Fiji Islands
- Papua New Guinea
- Timor-Leste

Small Pacific countries

Statistical appendix

B. *Asian Development Outlook 2010 Update*

Part 1: Developing Asia and the world

Part 2: Current issues (to be decided)

Part 3: Economic trends and prospects in developing Asia

Subregional summaries

Bangladesh

People's Republic of China

India

Indonesia

Malaysia

Pakistan

Philippines

Thailand

Viet Nam

Statistical appendix

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Total Cost
Asian Development Bank (ADB) Financing ^a	
1. Consultants and Resource Persons	
a. Remuneration, Honorarium, and Per Diem	
i. National Consultants	10.0
ii. International Consultants	320.0
iii. Resource Persons	20.0
b. International and Local Travel	50.0
2. Equipment	5.0
3. Workshops and Conferences ^b	25.0
4. Miscellaneous Administration and Support Costs ^c	30.0
5. Contingencies	40.0
Total	500.0

^a Financed by the ADB's Technical Assistance Special Fund (TASF—other sources).

^b Includes provision for trainer's service fees.

^c Includes data support, subscription, and software acquisition costs.

Source: ADB estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. International Economics Consultants (3 person-months, three consultants)

1. The consultants should have excellent working experience in general macroeconomics and a good knowledge of the developing member country (DMC) economies. Under the direct supervision of the technical assistance (TA) supervising unit officer, the consultants will
 - (i) prepare essays on current issues and country reports as may be assigned;
 - (ii) work with the economics editor to ensure consistency and coherence of the *Asian Development Outlook (ADO)*; and
 - (iii) perform all other functions and responsibilities as may be assigned by the assistant chief economist, Macroeconomics and Finance Research Division (ERMF).

B. International Economics Editor (9.5 person-months, four consultants)

2. Under the direct supervision of the assistant chief economist of ERMF and in consultation with other Asian Development Bank (ADB) staff in the Economics and Research Department (ERD) involved in preparing and reviewing the country chapters for *ADO 2010* and *ADO 2010 Update*, the economics editor will edit the manuscripts for consistency and economic content. The editor will assist in preparing the highlights (English version) of the publication. The editor will also ensure that all the data in the publication are based on the most recent information available as of the specified cutoff date.

3. In particular, the economics editor will
 - (i) edit the *ADO* for consistency with economic theory as well as empirical evidence;
 - (ii) edit the *ADO* for internal consistency;
 - (iii) edit the *ADO* for balanced coverage and degree of detail and precision;
 - (iv) check the report for structure, content, and format to ensure that it conforms to the prescribed requirements for the *ADO*;
 - (v) review the validity and accuracy of information, tables, and charts included in the write-up;
 - (vi) confer with ERMF staff regarding gaps in the write-up, important questions, and needed revisions;
 - (vii) assist in preparing the publication highlights;
 - (viii) help prepare the key messages and review press releases for the *ADO*; and
 - (ix) perform all other functions and responsibilities as may be assigned by the assistant chief economist, ERMF.

C. International Copy Editor-cum-Desktop Publishing Specialist (5.5 person-months, two consultants)

4. Under the direct supervision of the assistant chief economist of ERMF, and in consultation with the *ADO* production coordinator, the copy editor will (i) edit *ADO 2010* and *ADO 2010 Update* in accordance with ADB's editorial style; (ii) be responsible for typesetting and proofreading the text, tables, and charts from the preliminary draft to the final copy and filming the output before forwarding to the external printer; (iii) be responsible for data linking to ensure data integrity and consistency in the final manuscript; and (iv) be responsible for converting the desktop file into pdf and html files for uploading on the ADB website. The copy editor must have full working

knowledge of MS Office (MS Word and MS Excel), Adobe Pagemaker and InDesign, and Corel Draw and Illustrator.

5. In particular, the copy editor-cum-desktop publishing specialist will
 - (i) edit the *ADO* in conformity with ADB's editorial style and usage;
 - (ii) edit the *ADO* for consistency and accuracy;
 - (iii) edit the publication summary of the *ADO*;
 - (iv) supervise the encoding of corrections as well as incorporation of tables, charts, and boxes;
 - (v) edit the *ADO* for balance (in terms of layout);
 - (vi) review the final manuscript for digital printing (via pdf);
 - (vii) prepare the definition, glossary of terms, and list of references;
 - (viii) edit all dissemination materials, including press releases, speeches, questions, and answers, key messages, and presentation slides;
 - (ix) convert desktop files to PDF and HTML formats consistent with ADB website guidelines; and
 - (x) perform all other functions and responsibilities as may be assigned by the assistant chief economist, ERMF.

D. Resource Persons

6. The resource persons should have excellent working experience in macro-econometric modeling and economic projections. In particular, they will
 - (i) provide materials for the training, and
 - (ii) conduct training on macroeconomics and economic projections at ADB headquarters.
7. Resource persons from selected DMCs will also be engaged to act as discussants to the *ADO* background papers which will be presented during the workshops.

E. National Economics Consultants (5 person-months, two consultants)

8. The consultants should have excellent working experience in general economics. Under the direct supervision of the TA supervising unit officer, the consultants will assist in the economic research work of ERD and undertake general economic research. In particular, they will
 - (i) conduct research on issues related to macroeconomic development, growth, trade and investment, human capital development, and long-term employment generation in the Asia and Pacific region;
 - (ii) support country economic analyses;
 - (iii) contribute to the preparation of *ADO* and its update;
 - (iv) update the *ADO* data sheet; and
 - (v) undertake ad hoc research and other assignments as may be assigned by the assistant chief economist, ERMF.