PEOPLE'S REPUBLIC OF CHINA POVERTY REDUCTION AND REGIONAL COOPERATION FUND ANNUAL REPORT 2019

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POVERTY REDUCTION AND
REGIONAL COOPERATION FUND
ANNUAL REPORT 2019**

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Notes:

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Abbreviations

ADB	Asian Development Bank
AMF	Accountability Mechanism Framework
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ASEAN+3	ASEAN plus Japan, the People's Republic of China, and the Republic of Korea
BIMP-EAGA	Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area
BRI	Belt and Road Initiative
CAREC	Central Asia Regional Economic Cooperation
CTTDF	CAREC Think Tanks Development Forum
CWRD	Central and West Asia Department
DMC	developing member country
EARD	East Asia Department
ECD	economic corridor development
ERCD	Economic Research and Regional Cooperation Department
GMS	Greater Mekong Subregion
IED	Independent Evaluation Department
IMT-GT	Indonesia–Malaysia–Thailand Growth Triangle
Lao PDR	Lao People's Democratic Republic
MOF	Ministry of Finance, PRC
NPL	nonperforming loan
OCO	Office of Cofinancing Operations
OCR	Office of the Compliance Review Panel
PARD	Pacific Department
PRC	People's Republic of China
PRC Fund	People's Republic of China Poverty Reduction and Regional Cooperation Fund
RCI	regional cooperation and integration
RKSI	(ADB–PRC) Regional Knowledge Sharing Initiative
SARD	South Asia Department
SDCC	Sustainable Development and Climate Change Department
SDPF	Partner Funds Division, SDCC
SERD	Southeast Asia Department
SEZ	special economic zone
SPS	sanitary and phytosanitary
TA	technical assistance
TCR	technical assistance completion report
TRTA	transaction technical assistance
WTO	World Trade Organization

Executive Summary

The People's Republic of China Poverty Reduction and Regional Cooperation Fund (PRC Fund) is the first trust fund established by an Asian Development Bank (ADB) developing member country (DMC). After an initial contribution of \$20.0 million from the Government of the PRC in 2005, the Fund was replenished with \$20.0 million in March 2012 and \$50.0 million in July 2017, increasing the PRC's total contribution to \$90.0 million. The Fund is aimed at supporting poverty reduction, regional cooperation and integration (RCI), and knowledge sharing through technical assistance (TA) and grants that explore and benefit from synergies among the Belt and Road Initiative (BRI), Central Asia Regional Economic Cooperation (CAREC), and the Greater Mekong Subregion (GMS) programs, and other RCI initiatives. Within ADB, the Sustainable Development and Climate Change Department (SDCC) manages the Fund.

Since its inception in March 2005, the PRC Fund has approved 115 applications representing 106 TA and grants with a total cost of \$58.14 million. Of the 115 approved applications, 112 totaling \$56.39 million were approved between 2005 and 2019 by the PRC Ministry of Finance (MOF) and 3 others worth \$1.75 million were approved in the first 3 months of 2020.* Public sector management, industry and trade, energy, and water and other urban infrastructure and services have been among the sectors covered.

In 2019, 10 projects totaling \$7.3 million were approved: three transaction technical assistance (TRTA) totaling \$4.1 million, one grant worth \$0.75 million, and six knowledge and support TA projects worth \$2.45 million. These involve the provision of policy advice and capacity-building services in energy; transport; industry and trade; water and other urban infrastructure and services; public sector management; agriculture, natural resources, and rural development; and finance in ADB DMCs. The volume of approved applications in 2019 marked another high point in annual approvals representing continuous growth since the Fund's establishment.

As of 31 December 2019, ADB had approved 103 projects after the PRC MOF's approval. Of this total, 66 projects (64%) have financially closed, 35 (34%) remain active, and 2 have elapsed. Fifty-eight of the 66 completed projects have TA completion ratings of *highly successful* (16%) or *successful* (72%), for an overall success rate of 88%.

In 2019, the PRC Fund prioritized support for TRTA, particularly project preparation to better meet the requirements of ADB's Strategy 2030 and establish closer links with ADB's main operations. In fact, the PRC MOF has approved three TRTA projects totaling \$4.1 million to support sectors such as water and other urban infrastructure and services, and energy.

* The three projects approved by the PRC MOF in 2020 were under the 2019 Batch 3 application. Note that the number of projects and corresponding amount refer to applications approved by the PRC MOF within the specified year.

PRC Fund at a Glance

1st TRUST FUND
Established by an
ADB DMC

2 TYPES OF SUPPORT
Technical assistance
Grant

3 PILLARS
Poverty reduction
Regional cooperation
Knowledge sharing

\$90 million
Total Contribution

15
Years of Support

115
Approved
Applications

ADB = Asian Development Bank, DMC = developing member country, PRC Fund = People's Republic of China Poverty Reduction and Regional Cooperation Fund.
Source: ADB database.

Operational Highlights, 2015–2019 (\$ million)

Note: The number of projects and corresponding amounts refer to applications approved by the People's Republic of China Ministry of Finance within the specified year.
Source: ADB database.

2019 Approvals

Approved Applications	Transaction Technical Assistance	Knowledge and Support Technical Assistance	Grant
10	\$4.1 million	\$2.45 million	\$0.75 million

49% REGIONAL

- 29% CAREC**
\$2.1 million
- 13% Other**
\$1.0 million
- 7% GMS**
\$0.5 million

51% COUNTRY-SPECIFIC

- 21% Pakistan**
\$1.5 million
- 14% Uzbekistan**
\$1.0 million
- 10% Bangladesh**
\$0.8 million
- 7% Mongolia**
\$0.5 million

- 39% Energy**
\$2.9 million
- 34% Water and Other Urban Infrastructure and Services**
\$2.5 million
- 7% Industry and Trade**
\$0.5 million
- 7% Transport**
\$0.5 million
- 7% Public Sector Management**
\$0.5 million
- 3% Agriculture, Natural Resources, and Rural Development**
\$0.2 million
- 3% Finance**
\$0.2 million

- 56% CWRD**
\$4.1 million
- 17% EARD**
\$1.2 million
- 10% SARD**
\$0.8 million
- 7% SERD**
\$0.5 million
- 7% SDCC**
\$0.5 million
- 3% OCRP**
\$0.2 million

ADB = Asian Development Bank; CAREC = Central Asia Regional Economic Cooperation; CWRD = Central and West Asia Department; EARD = East Asia Department; GMS = Greater Mekong Subregion; OCRP = Office of the Compliance Review Panel, ADB; SARD = South Asia Department; SDCC = Sustainable Development and Climate Change Department; SERD = Southeast Asia Department.

Notes: 1. "Other" refers to projects that involve countries in only one region or from two or more regions.

2. Percentages may not total 100% because of rounding.

Source: ADB database.

ADB's Strategy 2030: Seven Operational Priorities

The seven approved applications in 2019 are closely aligned with ADB's seven operational priorities, as stated in Strategy 2030.

2019 Approvals		Strategy 2030: Seven Operational Priorities						
Project Number	Project Title
Grant 0675-BAN	Dhaka and Western Zone Transmission Grid Expansion Project		✓	✓	✓		✓	✓
TA 9718-REG	Developing an Accountability Mechanism Framework for Financial Intermediaries						✓	✓
TA 9824-REG	Better Customs for Better Client Services in Central Asia Regional Economic Cooperation Countries		✓				✓	✓
TA 9938-MON	Methane Gas Supply Chain Development Master Plan	✓					✓	
TA 9715-UZB	Preparing Urban Development and Improvement Projects	✓	✓	✓	✓		✓	
TA 9792-REG	Preparing Sustainable Energy Projects In Central Asia	✓		✓			✓	
TA 9839-PAK	Preparing Urban Development Projects	✓	✓	✓	✓		✓	✓
TA 9791-REG	Strengthening Fiscal Governance and Sustainability in Public-Private Partnerships	✓		✓	✓		✓	
TA 9918-REG	Connecting the Railways of the Greater Mekong Subregion (Phase 2)						✓	✓
TA 9846-REG	Developing Partnerships for Knowledge Sharing on Natural Capital Investment in the Yangtze River Economic Belt	✓		✓		✓	✓	

ADB = Asian Development Bank, BAN = Bangladesh, MON = Mongolia, PAK = Pakistan, REG = regional, TA = technical assistance, UZB = Uzbekistan.

Sources: ADB database; ADB Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific.

Strategy 2030's Seven Operational Priorities

Addressing remaining poverty and reducing inequalities

Accelerating progress in gender equality

Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability

Making cities more livable

Promoting rural development and food security

Strengthening governance and institutional capacity

Fostering regional cooperation and integration

Cumulative Portfolio, 2005–2019

Approved Applications

115

Technical Assistance

\$58.14 million

Note: Of the 115 approved applications, 112 totaling \$56.39 million were approved between 2005 and 2019 by the People's Republic of China Ministry of Finance and 3 others worth \$1.75 million were approved in January 2020.

ADB = Asian Development Bank; CAREC = Central Asia Regional Economic Cooperation; CWRD = Central and West Asia Department; EARD = East Asia Department; ERCD = Economic Research and Regional Cooperation Department; GMS = Greater Mekong Subregion; IED = Independent Evaluation Department; OCRP = Office of the Compliance Review Panel; OPPP = Office of Public-Private Partnership; PARD = Pacific Department; PPFD = Procurement, Portfolio and Financial Management Department; SARD = South Asia Department, ADB; SDCC = Sustainable Development and Climate Change Department; SERD = Southeast Asia Department.

Notes: 1. "Other" refers to projects that involve countries in only one region or from two or more regions.

2. Percentages may not total 100% because of rounding.

Source: ADB database.

Chapter 1

Background

Overview

This annual report of the People's Republic of China Poverty Reduction and Regional Cooperation Fund (PRC Fund) for 2019 covers the period from 1 January to 31 December. It presents the background and objectives, project activities, and achievements of the Fund. Established in March 2005, the PRC Fund provides technical assistance (TA) and grants to developing member countries (DMCs)¹ of the Asian Development Bank (ADB) for economic and social development.

Objectives

The PRC Fund aims to contribute to poverty reduction, regional cooperation and knowledge sharing, and economic and social development in ADB's DMCs in an accelerated manner and with tangible results. It does so by providing TA and grants that promote ADB's overarching goal of poverty reduction, as well as its Strategy 2030,² regional cooperation and integration (RCI) strategy,³ and knowledge management directions and action plan.⁴

Eligibility

The Fund supports six types of activities: (i) transaction technical assistance (TRTA), particularly project preparation support; (ii) DMC institutional development and capacity building; (iii) innovative and demonstrative programs and projects; (iv) knowledge sharing, including knowledge products and human resources development; (v) South–South knowledge exchange and dissemination activities between the PRC and other DMCs; and (vi) grants contributing to regional connectivity.

The Fund supports both regional and country-specific activities. For the regional component, efforts to harness synergies between the Belt and Road Initiative (BRI), Greater Mekong Subregion (GMS),⁵ and Central Asia Regional Economic Cooperation (CAREC)⁶ programs and ADB's RCI strategies and operations have priority. The PRC is not eligible as a sole beneficiary, but it can participate in regional activities supported by the Fund.

¹ ADB. Members. <http://www.adb.org/about/members>.

² ADB. 2018. *Strategy 2030*. Manila.

³ ADB. 2006. *Regional Cooperation and Integration Strategy*. Manila.

⁴ ADB. 2013. *Knowledge Management Directions and Action Plan (2013–2015): Supporting “Finance ++” at the Asian Development Bank*. Manila.

⁵ The Greater Mekong Subregion consists of Cambodia, the Lao People's Democratic Republic (Lao PDR), Myanmar, the People's Republic of China (PRC, specifically Yunnan Province and Guangxi Zhuang Autonomous Region), Thailand, and Viet Nam.

⁶ The CAREC Program is a partnership of 11 countries (Afghanistan, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, the People's Republic of China, Tajikistan, Turkmenistan, and Uzbekistan), supported by six multilateral institutions, working together to promote development through cooperation, leading to accelerated growth and poverty reduction.

Processing of Technical Assistance and Grant Applications

ADB administers the Fund in accordance with ADB's standard procedures for projects. Within ADB, the Sustainable Development and Climate Change Department (SDCC) acts as the fund manager,⁷ managing and coordinating the review and submission of applications and their approval by the PRC Ministry of Finance (MOF).

Project applications should (i) be aligned with ADB's country partnership strategy, country operations business plan (COBP), and regional cooperation partnership strategy; (ii) include discussions with key DMC stakeholders; (iii) disseminate and apply DMC expertise; (iv) encourage contributions, including in kind, from the beneficiary DMCs; and (v) use the Fund in the most cost-effective way.

Project applications are submitted to SDCC three times a year.⁸ SDCC does a preliminary review of the applications to ensure compliance with the implementing guidelines and eligibility criteria of the Fund, and prioritizes applications to be submitted to the PRC MOF for funding consideration. The PRC MOF confirms funding decisions on applications. After funding approval, the projects are to be processed following ADB's standard policies, procedures, and guidelines for project approval. Project implementation, supervision, and monitoring are handled by concerned departments and offices following ADB's standard policies and procedures, including consulting services and procurement, social and environmental safeguards, financial management and reporting, anticorruption and governance (Figure 1). To fulfill ADB's fiduciary responsibilities, SDCC coordinates with the related departments and offices in the submission of annual progress reports, a project completion report assessing the performance of completed projects, an evaluation report on the Fund's performance, and the Fund's annual audited financial report.

Figure 1: Approval Process for PRC Fund Technical Assistance and Grant Proposals

ADB = Asian Development Bank, CoMS = cofinance management system, PRC = People's Republic of China, PRC Fund = People's Republic of China Poverty Reduction and Regional Cooperation Fund, SDCC = Sustainable Development and Climate Change Department.

⁷ Following its realignment in April 2019, the Office of Cofinancing Operations (OCO) ceased to exist. The administration of the PRC Fund was transferred to a new Partner Funds Division (SDPF) under SDCC.

⁸ This process started in January 2018. The deadline set for applications is the end of April for the first batch, the end of July for the second, and the end of November for the third batch. Applications submitted in November are approved the following year.

Contributions of the Government of the People's Republic of China

The Government of the People's Republic of China made an initial contribution of \$20.0 million in March 2005. The first replenishment, amounting to \$20.0 million, followed in March 2012, and \$50.0 million more was added in July 2017, increasing the PRC's total contribution to \$90.0 million.

Financial Status

As of 31 December 2019, the PRC MOF had approved a total of \$53.84 million for 100 TA projects and \$2.55 million for three grant projects. The Fund has a balance of \$36.27 million, available for future allocation.

Overview of Fund Operations, 2019

Approvals and Highlights

Ten applications totaling \$7.3 million were approved by the PRC MOF in 2019—the highest annual approval volume since the Fund’s establishment. Of the 10 approved applications, three are transaction technical assistance (TRTA) totaling \$4.1 million, one grant worth \$0.75 million, and six knowledge and support TA projects worth \$2.45 million. The approved projects were in energy; water and other urban infrastructure and services; industry and trade; transport; public sector management; agriculture, natural resources, and rural development; and finance. Brief summaries of these projects can be found in Figure 2 and Appendix 1.

In October 2018, the PRC MOF broadened the Fund’s support to include TRTA, in particular project preparation support to link the Fund more closely with ADB’s main operations and deliver tangible results to ADB’s DMCs.

Geographic distribution. Country-specific projects received the majority of the funding in 2019, with Central Asian countries getting 35% (Pakistan – 21%, Uzbekistan – 14%), followed by Bangladesh (10%) and Mongolia (7%) (Figure 3). Regional⁹ projects made up 49% of the total, with CAREC getting 29%, followed by other regional projects (13%) and the GMS (7%).

Sector distribution. The Fund approved support for seven sectors in 2019. Among the sectors, energy (39%) had the largest share, followed by water and other urban infrastructure and services (34%); industry and trade, transport, and public sector management (7% each); and agriculture, natural resources, and rural development (3%) and finance (3%) (Figure 4).

ADB department distribution. The regional departments received \$6.6 million, or around 90% of total Fund approvals in 2019. The most sizable funding support—\$4.1 million (56%)—went to the Central and West Asia Department (CWRD). The East Asia Department (EARD) obtained 17%; the South Asia Department (SARD), 10%; and the Southeast Asia Department (SERD), 7%. SDCC received \$0.5 million and the Office of the Compliance Review Panel (OCRP) received \$0.2 million, or around 10% of total Fund approvals in 2019 (Figure 5).

⁹ Regional projects are projects that fall exclusively under CAREC or the GMS, or under a mix of various regions and subregional programs (e.g., CAREC and Asia-Pacific Economic Cooperation, or APEC; The GMS and the Association of Southeast Asian Nations plus Japan, the People’s Republic of China, and the Republic of Korea [ASEAN+3]).

Figure 2: Approved Projects in 2019 and Their Alignment with Strategy 2030 Operational Priorities

2019 Approvals		Strategy 2030: Seven Operational Priorities						
Project Number	Project Title
Grant 0675-BAN	Dhaka and Western Zone Transmission Grid Expansion Project	✓	✓	✓			✓	✓
TA 9718-REG	Developing an Accountability Mechanism Framework for Financial Intermediaries						✓	✓
TA 9824-REG	Better Customs for Better Client Services in Central Asia Regional Economic Cooperation Countries		✓				✓	✓
TA 9938-MON	Methane Gas Supply Chain Development Master Plan	✓					✓	
TA 9715-UZB	Preparing Urban Development and Improvement Projects	✓	✓	✓	✓		✓	
TA 9792-REG	Preparing Sustainable Energy Projects In Central Asia	✓		✓			✓	
TA 9839-PAK	Preparing Urban Development Projects	✓	✓	✓	✓		✓	✓
TA 9791-REG	Strengthening Fiscal Governance and Sustainability in Public-Private Partnerships	✓		✓	✓		✓	
TA 9918-REG	Connecting the Railways of the Greater Mekong Subregion (Phase 2)						✓	✓
TA 9846-REG	Developing Partnerships for Knowledge Sharing on Natural Capital Investment in the Yangtze River Economic Belt	✓		✓		✓	✓	

ADB = Asian Development Bank, BAN = Bangladesh, MON = Mongolia, PAK = Pakistan, REG = regional, TA = technical assistance, UZB = Uzbekistan.

Sources: ADB database; ADB Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific.

Strategy 2030's Seven Operational Priorities

Addressing remaining poverty and reducing inequalities

Accelerating progress in gender equality

Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability

Making cities more livable

Promoting rural development and food security

Strengthening governance and institutional capacity

Fostering regional cooperation and integration

Figure 3: Geographic Distribution, 2019
(% share of total amount)

CAREC = Central Asia Regional Economic Cooperation,
GMS = Greater Mekong Subregion.

Notes:

1. "Other" refers to projects that involve countries in only one region or from two or more regions.

2. Percentages may not total 100% because of rounding.
Source: ADB database.

Figure 4: Sector Distribution, 2019
(% share of total amount)

Source: ADB database.

Figure 5: ADB Department Distribution, 2019
(% share of total amount)

ADB = Asian Development Bank, CWRD = Central and West Asia Department, EARD = East Asia Department, OCRP = Office of the Compliance Review Panel, SARD = South Asia Department, SDCC = Sustainable Development and Climate Change Department, SERD = Southeast Asia Department.
Source: ADB database.

Project Activities in 2019

This section summarizes project-related activities implemented in 2019 under eight selected active projects supported by the Fund.

1 Poverty Reduction

Regional: Modernizing Sanitary and Phytosanitary Measures to Facilitate Trade

Sector: Industry and Trade

Amount: \$0.8 million

The regional TA¹⁰ assists Central Asia Regional Economic Cooperation (CAREC) countries in implementing the World Trade Organization (WTO) Agreement on Sanitary and Phytosanitary Measures (SPS) and the CAREC Common Agenda for Modernization of SPS Measures for Trade, which is now part of the CAREC Integrated Trade Agenda 2030. In the second year of its implementation, the TA focused on (i) institutional strengthening for SPS agencies, (ii) regional dialogues to deepen cooperation while promoting coordinated approach to facilitate trade and help countries integrate into regional and global value chains, and (iii) knowledge products.

With TA support, the CAREC SPS Regional Working Group, was established in June 2019 to spearhead policy dialogues and regional cooperation initiatives toward alignment with international standards and good practices on SPS. At the *Policy Dialogue on Regional Pest Surveillance Program* in March 2019, participants agreed on the need to adopt International Plant Protection Convention principles and coordinate pest surveillance and information exchange to reduce trade risks. Participants were also shown how joint quarantine and inspection services are conducted at the border inspection post in Red Bridge between Azerbaijan and Georgia. At the *Policy Dialogue on Regional Program for Control and Prevention of Transboundary Animal Disease* in April 2019, participants agreed on a regional framework to improve animal health situation, and promote international harmonization and coordination to facilitate international trade. Around 93% of the respondents to the post-evaluation surveys reported that the dialogues have improved their understanding of SPS measures, with 100% confirming relevance to their work.

SPS national working groups were also established in 11 CAREC countries to lead SPS modernization through national SPS strategies and action plans. In Turkmenistan, a food safety pilot project was launched in September 2019 to demonstrate the implementation of cost-effective, simplified, risk-based food safety management and inspection systems. It builds capacities in hazard analysis critical control points through trainers' training for inspectors and specialists of the Ministry of Health and Medical Industry and food business operators from dairy, sausage, and confectionery producers and catering services. All the participants reported improvement of their understanding of SPS measures, in general, and that the topics are relevant to their work.

¹⁰ ADB. Regional: Modernizing Sanitary and Phytosanitary Measures to Facilitate Trade.

The report *Modernizing Sanitary and Phytosanitary Measures in CAREC: An Assessment and the Way Forward*¹¹ was published in English and Russian in 2019. The study finds that (i) compliance to the WTO SPS Agreement varies across countries and secondary legislation is inadequate; (ii) laboratory facility upgrading and capacity building needs must be addressed; and (iii) SPS border procedures are characterized by unnecessary inspections, causing delays. The report is used as a reference and guide for policy reforms and ongoing research. It offers insights to strengthen risk-based procedures at borders to facilitate movement of agriculture products, which is relevant to ensuring food security in the time of coronavirus disease 2019 (COVID-19). In 2019, advisory and training was provided to Mongolia on risk management to complement the ongoing Regional Upgrades for SPS Measures for Trade project.

- **Training in food safety management and inspection systems.** Inspectors of the State Sanitary and Epidemiological Service of the Ministry of Health undergo practical training in food safety management and inspection systems during the trainers' training in Ashgabat, Turkmenistan in September 2019.

- **CAREC Policy Dialogue on Regional Pest Surveillance Program.** CAREC countries' phytosanitary specialists and inspectors learn international best practices in border inspection and quarantine at the Red Bridge border crossing point between Azerbaijan and Georgia during the program in Tbilisi, Georgia in March 2019.

- **Inaugural meeting of the CAREC Regional Working Group for Sanitary and Phytosanitary Measures.** The CAREC SPS Regional Working Group endorsed activities for 2019–2021 and launched the new publication *Modernizing Sanitary and Phytosanitary Measures in CAREC: An Assessment and the Way Forward* at its first meeting in Tashkent, Uzbekistan in June 2019. The assessment covers SPS laws and procedures, laboratory infrastructure, and border services management.

- **CAREC Policy Dialogue on Regional Pest Surveillance Program.** CAREC countries' phytosanitary specialists learn new technologies from a commercial greenhouse producing variety of tomatoes and cucumber in Tbilisi, during the program in Tbilisi, Georgia in March 2019.

¹¹ ADB. 2019. *Modernizing Sanitary and Phytosanitary Measures in CAREC: An Assessment and the Way Forward*. Manila. <https://www.adb.org/publications/modernizing-sanitary-phytosanitary-measures-carec>.

Regional: Strengthening Institutions for Localizing Agenda 2030 for Sustainable Development

Sector: Public Sector Management

Amount: \$0.5 million

The achievement of the 2030 Agenda and its 17 Sustainable Development Goals (SDGs) will not be possible without the involvement and commitment of the private sector. The 8th National Socio-Economic Development Plan of the Lao People's Democratic Republic (Lao PDR) recognizes this and provides a framework for improving the business friendliness of public policies. The Provincial Facilitation of Investment and Trade Index (ProFIT) gives a voice to the private sector on local economic governance and forges public-private partnership in policy formulation and implementation at the subnational level.

Undertaken since 2018 in collaboration with the Lao National Chamber of Commerce and Industry (LCNNI), ProFIT enables Lao small and medium-sized enterprises (SMEs) to rate their provincial governments on local economic governance issues. Results of the survey are presented and discussed in provincial-level consultations that bring together the business community, subnational governments, and national representatives.

The consultations provide an opportunity for business representatives to engage with government representatives on ways business regulations can be modified to remove unnecessary restrictions, speed up the process of obtaining permits and licenses, and create a business-friendly climate in each province.

Since late 2019, the subproject has supported LCNNI in conducting consultation and survey workshops in 17 provinces in the Lao PDR; this enabled 1,358 Lao SMEs to share their perspectives and complete the survey questionnaire. After compiling the survey results and ranking the provinces according to the perceptions of local business, the subproject will roll out presentations and follow-up consultations in each province.

In 2012, the so-called Sam Sang Directive (or “Three Builds” Directive) requested 15 ministries to delegate more responsibilities, functions, and resources to local administrations, particularly at

➤ **Consultation meeting and survey workshops in provinces in the Lao People's Democratic Republic.** President of the Lao National Chamber of Commerce and Industry chairs the consultation meeting in the provinces during the data collection process.

district level. Functions to be delegated included public health planning and administration. Health care utilization is low in the Lao PDR, and health-related SDGs remain unfulfilled due to poor quality. Currently, health human resource and facility management give little consideration to quality and performance as policies on quality of health care are fragmented, and quality standards and indicators have not been finalized and implemented widely. The overall governance structure for quality management at the central level, and the respective roles of subnational levels are still not clearly defined and remain patchy.

In this context, the TA¹² supports efforts to strengthen local governance for improving the quality of health care at the subnational level by (i) assisting in the improved implementation of quality of health care standards, (ii) increasing the availability of information on health care quality, and (iii) building local capacity for health care quality. The subproject works with the Ministry of Health, subnational health agencies, and health care facilities.

The subproject has helped to produce draft policy papers, including terms of reference (TORs) for quality committees, governance mechanisms for health care quality, a “5 Goods 1 Satisfaction” Quality Standard Framework, the “Dok Champa” Health Facility Accreditation Framework, a patient feedback mechanism, and various training materials targeting health officials and other stakeholders in the sector. The subproject organized a national conference to disseminate and discuss the draft knowledge products; it plans to conduct a series of regional training-of-trainers in 2021.

➤ **Launch meeting of the Quality Healthcare Committee.** Participants during the organized national conference to disseminate and discuss the draft knowledge products of the subproject.

¹² ADB. Regional: Strengthening Institutions for Localizing Agenda 2030 for Sustainable Development.

2

Regional Cooperation

Regional: Assessing Economic Corridor Development Potential among Kazakhstan, Uzbekistan, and Tajikistan

Sector: Industry and Trade

Amount: \$0.8 million

Central Asia is undergoing positive regional dynamics with the opening of Uzbekistan. Under the new circumstances, Central Asian countries—particularly Uzbekistan and neighboring Kazakhstan and Tajikistan—are keen to harness the potential of regional cooperation and integration (RCI) to promote growth, create jobs, and improve the quality of life of their citizens. Trade has been identified in these countries as an enabling driver in diversifying economies from a narrow base (overreliance on natural resources) into a more broad-based and sustainable growth model, for enhanced export competitiveness. Further, the growing trend of regional and global production networks, value chains, and new technologies, coupled with improved information and communication technology, create necessary conditions for Central Asia and CAREC member countries to increase participation in regional and global trade. Economic corridor development (ECD) provides an effective tool to promote trade integration among the three countries and realize economic benefits.

Challenges in developing the trilateral economic corridor include: weak performance of border crossing points, including substandard physical facilities and uncoordinated procedures, which weaken cross-border trade flows. Unharmonized trade policies and regulations add additional costs for non-Eurasian Economic Union (EAEU) firms in complying with EAEU requirements. Private sector participation in cross-border activities remains limited due to information asymmetry, weak incentives and insufficient conditions for investment, poor access to financing, and lack of effective dialogue with public sector stakeholders. These constraints must be eased to improve the environment for cross-border investment along the envisaged economic corridor. The ECD concept is not yet widely known to the CAREC countries. Thus, wider diffusion to the various communities and societies will help their understanding of the connections between ECD and growth, particularly the core concepts and key conditions for economic planning and development under a regional context.

The TA¹³ supports scoping and prefeasibility studies to explore the ECD potentials of Shymkent–Tashkent–Khujand cities and surrounding Turkestan–Tashkent–Sughd oblasts. The TA will identify major constraints, gaps, and weak links—in terms of physical infrastructure connectivity and policy environment, including investment needed—in fully exploiting economic complementarities through an envisaged ECD. The TA will also support workshops and seminars that promote ECD-related knowledge sharing and awareness raising to enhance understanding and knowledge of ECD in the CAREC region. The benefits of the TA will be deepened economic cooperation and integration among the three countries through the trilateral economic corridor development, which will improve trade, create job opportunities (including for women by participating in cross-border activities such

¹³ ADB. Regional: Assessing Economic Corridor Development Potential Among Kazakhstan, Uzbekistan, and Tajikistan.

as tourism and trade), and promote entrepreneurship and private sector investment among the three countries. Key activities include an inception workshop in each of the three countries and multistakeholder consultation, and field work in May–August 2019, which identified priority sectors and areas for the trilateral economic corridor development. A first regional workshop in December 2019 discussed the vision and actions needed for the economic corridor development.

➤ **Technical assistance inception workshop in Kazakhstan and Tajikistan.** In the workshop, participants discussed regional economic corridor development potentials and challenges among Shymkent (Kazakhstan), Tashkent (Uzbekistan), and Khujand (Tajikistan) cities and their surrounding regions.

➤ **Technical assistance inception workshop in Uzbekistan.** In the workshop, participants discussed regional economic corridor development potentials and challenges among Shymkent (Kazakhstan), Tashkent (Uzbekistan), and Khujand (Tajikistan) cities and their surrounding regions.

➤ **Site visits in Kazakhstan, Tajikistan, and Uzbekistan.** Participants visited several production sites in Kazakhstan, Tajikistan, and Uzbekistan, which aim to help identify priority sectors and areas for the trilateral economic corridor development.

Regional: Strengthening Asia's Financial Safety Nets and Resolution Mechanisms

Sector: Public Sector Management

Amount: \$125,000

Increases in levels in nonperforming loans (NPLs) in some economies in the region alarm policy makers and market players alike, as these may lead to financial vulnerabilities, contagion, and systemic risks. Thus, NPL management and resolution remain the focus of discussions on safeguarding financial stability.

Identifying and developing strategies for national NPL resolution mechanisms and the development of NPL or distressed asset markets in emerging Asia would strengthen financial stability and resilience in Asia. Developing markets for distressed assets is a challenge that requires policy efforts to build necessary financial market infrastructure, address legal and institutional weaknesses, and review and revise supervisory guidelines and regulatory standards to facilitate NPL write-offs. Each economy faces different conditions that must be considered in developing a distressed asset market—including legal, regulatory, and institutional frameworks; financial market and infrastructure development; and fiscal situation. Hence, each development experience offers valuable lessons applicable to the region.

The TA¹⁴ aims to address the issue of NPLs in the Asia and Pacific region by supporting the development of a national strategy and a market for NPLs or distressed assets through research and capacity building. This will be coupled with knowledge sharing through Annual Summit Meetings and Conferences of the International Public Asset Management Company Forum (IPAF), as well as training workshops to build the capacity of public asset management companies, deposit insurance institutions, and other invited regional participants to manage distressed assets.

Since the start of TA implementation, the following main activities have been implemented:

1. **4th IPAF Summit and Conference**, 15–16 November 2018, Ha Noi, Viet Nam. ERCD and Viet Nam Debt and Asset Trading Corporation co-organized the summit and conference that focused on Asia’s latest economic and financial trends, financial safety nets, and strategies of NPL market development. The events were also joined by the Republic of Korea Financial Services Commission, the World Bank, the European Central Bank, the Central Bank of Bangladesh, and the Central Bank of Mongolia.
2. **6th Training Seminar: Effective Legal and Operational Frameworks for NPL Resolution**, 27–28 May 2019, Ha Noi, Viet Nam. ERCD, together with Viet Nam Debt and Asset Trading Corporation and Viet Nam Asset Management Corporation, organized this training seminar which focused on the systemic role of NPLs through case studies and comparative analyses on operational and legal challenges for NPL resolution and NPL market development in Asia and Europe. The seminar was attended by more than 70 participants, including the academia, legal experts, financial institutions from the People’s Republic of China, the Republic of Korea, Kazakhstan, the European Central Bank, the Bank of Thailand; and 10 government officials from the Ministry of Finance, the State Bank of Vietnam, and the National Financial Supervisory Commission.
3. **5th IPAF Summit and Conference**, 25–26 September 2019, Seoul, Republic of Korea. These events focused on harnessing IPAF for promoting Asian NPL markets. The role of IPAF was highlighted as the forum to serve as a useful platform for identifying strategies to develop national and regional NPL markets. The conference stressed the need for Asia to swiftly and effectively manage and respond to a buildup of financial instability; strengthen development of NPL markets under financial market development plans; and work collectively in risk identification, mitigation, and response.

¹⁴ ADB. Regional: Strengthening Asia’s Financial Safety Nets and Resolution Mechanisms.

4. Publication of ***Strengthening Asia's Financial Safety Net***¹⁵ in December 2019. This report provides a useful synthesis of the elements comprising Asia's financial safety net, examines the evolution and the tool kits of regional financing arrangements, and assesses the complementary role of ADB in providing crisis response mechanisms through its policy-based lending facilities.
5. The following reports are being finalized for publication soon: (i) Strategies for Developing Asia's NPL Markets and Resolution Mechanisms; and (ii) Country Case Studies on Resolving Problem Loans in Europe: Crises, Policies, and Institutions. These will also be part of the edited volume on Non-Performing Loans in Asia and Europe: Causes, Impacts, and Resolution Strategies, expected to be published by the end of 2020.

➤ **6th International Public Asset Management Company Forum Training Seminar.** Over 70 officials from public asset management corporations, deposit insurance corporations, private financial institutions, and government offices participated in the seminar on 27–28 May 2019 in Ha Noi.

➤ **4th International Public Asset Management Company Forum International Conference.** Representatives from IPAF members, other asset management companies, banks, Viet Nam government agencies, development partners, the academia, private sector, and media attended the conference with the theme “A Road to Strengthening Asia's Financial Safety Nets and Resolution Mechanisms” on 15 November 2018 in Ha Noi.

➤ **5th International Public Asset Management Company Forum International Conference.** Representatives from IPAF members, other asset management companies, banks, Republic of Korea government agencies, the academia, private sector, and media attended the conference with the theme “Harnessing IPAF for Promoting Asian NPL Markets” on 26 September 2019 in Seoul.

¹⁵ ADB. 2019. *Strengthening Asia's Financial Safety Net*. Manila. <https://www.adb.org/publications/strengthening-asia-financial-safety-net>.

3

Knowledge Sharing

Regional: Enhancing Regional Knowledge Sharing Partnerships**Sector:** Public Sector Management**Amount:** \$0.75 million

The TA¹⁶ approved in June 2018 supports the activities of the ADB–PRC Regional Knowledge Sharing Initiative (RKSI).¹⁷ RKSI is a knowledge sharing platform that aims to share development lessons among ADB’s developing member countries (DMCs), in particular, the experience of the PRC in supporting rapid economic growth over the past 40 years. Since its inception in 2012, the PRC Fund has funded RKSI’s activities focusing on five themes, two of which are the key pillars of the PRC Fund, while the others are economic transformation, climate change and environmental management, and urban development.

In 2019, RKSI successfully, among others: (i) designed, funded, and implemented 36 knowledge sharing events (conferences, workshops, and seminars) with 14 external partners benefiting over 2,800 participants; and (ii) co-organized and contributed to the first (and now the ongoing second) global solicitation of best poverty reduction case studies. Of the 36 events, 8 focused primarily on poverty reduction and regional cooperation involving over 900 participants. With the International Poverty Reduction Center in China and other partners, RKSI organized five poverty reduction events, three of which were regular RKSI supported events: the *8th ASEAN+3 Village Leaders Exchange Programme*, *13th ASEAN–China Forum on Social Development and Poverty Reduction*, and *China Poverty Reduction International Forum*.

The Village Leaders Exchange Program focused on building capacity of village leaders, while the ASEAN–China Forum targeted knowledge sharing at the official level. Both aimed to share good practices and innovative ideas on poverty reduction between the PRC and Association of Southeast Asian Nations (ASEAN), and discuss ways to enhance poverty reduction partnerships. A unique benefit of the Village Leaders Exchange Program was the homestay at a village transformed out of poverty for participants to witness firsthand the new daily life of villagers. Meanwhile, the China Poverty Reduction International Forum is the PRC’s premier knowledge sharing event on poverty reduction with the rest of the world. Last year’s highlight was the announcement of 110 best poverty reduction practices from around the world. These cases, covering a diverse range of successful poverty reduction initiatives, would benefit policy makers and researchers who are interested to learn and apply them in their respective countries. RKSI’s contributed two cases from the PRC and coordinated the submission of seven cases from ADB, which were all awarded as best practices. These cases also came out as an ADB publication titled *Effective Approaches to Poverty Reduction: Selected Cases from the Asian Development Bank*.¹⁸

¹⁶ ADB. Regional: Enhancing Regional Knowledge Sharing Partnerships.

¹⁷ ADB–PRC Regional Knowledge Sharing Initiative (RKSI). <http://rkisi.org/>.

¹⁸ ADB. 2019. *Effective Approaches to Poverty Reduction: Selected Cases from the Asian Development Bank*. Manila. <https://www.adb.org/publications/approaches-poverty-reduction-cases-adb>.

On regional cooperation, RKSI continued to support the Central Asia Regional Economic Cooperation (CAREC) Institute in its flagship *CAREC Think Tank Development Forum*, which promotes the networking and exchange of views and knowledge on evolving regional and global policy challenges among countries in Central and West Asia. Last year's forum on *Trading for Shared Prosperity* identified and discussed main challenges to trade within the region, among which were economic implications of the burgeoning trade conflicts among major global trading partners.

Separately, RKSI also supported *Inter-Subregional Knowledge-Sharing Forum: Trade Facilitation and Customs Modernization for the CAREC and South Asia Subregional Economic Cooperation (SASEC) Programs*. Customs representatives from the two regions who attended benefited from the sharing of knowledge, experience, and best practices on trade facilitation reforms and modernization efforts on overland trade facing their customs administrations. This exchange was expected to be a step toward improving trade flows, resource allocations, and regional cooperation between the two regions.

- **8th ASEAN+3 Village Leaders Exchange Programme**, Participants attended program held in Xishuangbanna, Yunnan, the PRC on 5–11 May 2019, where they shared good practices and innovative ideas on poverty reduction and discussed ways to enhance poverty reduction partnerships.

- **China Poverty Reduction International Forum**. The event in Beijing, the People's Republic of China on 17 October 2019 highlighted the launch of the Second Global Solicitation on Best Practice in Poverty Reduction, where 110 best poverty reduction practices that cover a diverse range of successful poverty reduction initiatives were identified.

> **4th CAREC Think Tanks Development Forum.** A representative from China Logistics Association introduced the transportation and logistics standards along the Silk Road in Xian, the People's Republic of China on 27–28 August 2019.

Regional: Developing an Accountability Mechanism Framework for Financial Intermediaries

Sector: Finance

Amount: \$225,000

The activities in this TA¹⁹ addressed the need to increase the social accountability of financial intermediaries (FIs) that are on-lending funds from international financial institutions. Through the TA, establishing an independent and accessible complaint redress mechanism at the regional, national, and institutional levels was elevated as a business imperative and not just a corporate social responsibility.

Through this TA, a regional workshop was held in Shanghai, PRC in May 2019 where the draft regional Accountability Mechanism Framework (AMF) developed by the TA international consultant was presented. The participants from 16 DMCs exchanged views and gave comments to improve the draft. The workshop attracted keen interest from the PRC's government agencies to develop their own national AMF, which led to a change in TA scope to support this initiative. The TA national consultant assisted in the preparation of the national AMF for PRC and organized a focused consultative workshop in Beijing in July 2019 to enrich this national AMF.

In parallel, the ADB Office of the Compliance Review Panel (OCRP) coordinated with the participants from Indonesia and India to gauge their interest in pursuing the development of their country- or institution-specific AMFs and offered support should they decide to work on those further. While these participants were keen to improve their social and environmental compliance and monitoring framework and their complaint handling system, they believed that, at that time, they could not pursue a more active involvement in shaping an AMF (similar to the AMF that was presented in the Shanghai workshop) for their institutions or for their country since they were from the private sector.

¹⁹ ADB. Regional: Central Asia Regional Economic Cooperation: Supporting Capacity Development Needs of CAREC 2020.

A wrap-up workshop was held in Manila on October 2019 to present the regional AMF: *Safeguard Compliance and Accountability Framework for Investments Supported by Financial Intermediaries*,²⁰ and the PRC national AMF: *Policy Framework for Environmental and Social Safeguard Compliance and the Grievance Redress Mechanism of Overseas Investment and Financing Projects by Chinese Financial Institutions*.²¹ The workshop also highlighted current initiatives by India and Indonesia at improving their systems toward adopting an AMF in the future. The wrap-up workshop, which included selected ADB staff as participants, identified the critical need for government support in establishing national and institutional AMFs to ensure greater accountability to persons adversely affected by projects whose funds are on-lent by FIs. For this, partnerships with ADB and key FIs are needed, particularly in supporting policy dialogues with relevant government agencies and financial support for capacity building of these agencies.

> **The ADB Office of the Compliance Review Panel regional workshop.** Participants from state-owned banks and other financial intermediaries, and representatives from multilateral development banks, the Government of the People's Republic of China, research institutes, nongovernment organizations or civil society organizations, and other developing member countries during the workshop.

> **Seminar on Environmental and Social Safeguard Compliance and Accountability Mechanism Framework for Financial Intermediaries.** Participants discussed the draft National Framework on the Accountability Mechanism for the People's Republic of China's financial intermediaries developed by the ADB Office of the Compliance Review Panel.

> **Workshop on developing an accountability mechanism framework for financial intermediaries.** The 1-day workshop presented and discussed the draft regional and People's Republic of China's national accountability mechanism frameworks, along with representatives from the PRC, India, and Indonesia with the view of enhancing the technical assistance outputs.

²⁰ ADB. 2019. *Safeguard Compliance and Accountability Framework for Investments Supported by Financial Intermediaries*. <https://www.adb.org/projects/documents/reg-53140-001-tacr-0>.

²¹ ADB. 2019. *Policy Framework for Environmental and Social Safeguard Compliance and the Grievance Redress Mechanism of Overseas Investment and Financing Projects by Chinese Financial Institutions*. <https://www.adb.org/projects/documents/reg-53140-001-tacr>.

Regional: Central Asia Regional Economic Cooperation: Supporting Capacity Development Needs of CAREC 2020

Sector: Industry and Trade

Amount: \$0.9 million

The TA²² supports the effective and efficient implementation of priority CAREC projects with regional dimension and mutual benefits for CAREC countries. The PRC Fund funding was used to push for improvement of the capacity of CAREC member countries to plan, manage, and implement projects that contribute to the goals and objectives of CAREC 2020. In close collaboration with the CAREC Institute (CI), the PRC Fund supported capacity-building and knowledge sharing activities to achieve the project outcome of improving the capacity of CAREC countries to plan, manage, and implement projects and activities that contribute to the goals of CAREC 2020. In 2019, the PRC Fund supported nine events of the CI. Among these, a major event, *4th CAREC Think Tanks Development Forum (CTTDF)*,²³ was organized with the topic of “Trading for Shared Prosperity” on 28–29 August 2019 in Xian, Shaanxi province, PRC. About 130 participants representing governments, think tanks, research institutions, and development partners from 20 countries attended the event.

Through the project, CAREC 2020 called on the CI to strengthen capacities of various stakeholders to support the achievement of CAREC’s strategic goals. The conduct of high-level forums, seminars, and dialogues involving internationally renowned experts on CAREC priority and cross-sector concerns is part of the TA’s deliverables and support for the 4th CTTDF is in line with the PRC Fund’s third pillar of knowledge sharing. In addition, the forum was widely disseminated and broadcasted through various communication channels. The knowledge generated from the said events provided solutions for CAREC member countries on respective cross-sector concerns.

The 4th CTTDF became a venue for strong collaboration for think tanks, the academia, and governments from the CAREC region to exchange views and knowledge on evolving regional and global policy challenges. The 4th CTTDF discussed regional integration, ongoing trade disputes, standardizing logistics along the Silk Road, technological interventions, e-commerce and its impacts on the regional economy, and preliminary findings of the CAREC Think Tanks Network (CTTN) research grants program. Trade expansion from increased market access and greater diversification under the CAREC Integrated Trade Agenda (CITA) 2030 was also discussed. This forum benefited CAREC member countries on trade prosperity.

The CTTDF is organized annually by CI under the auspices of the CAREC Think Tanks Network (CTTN). The CTTN promotes regional economic cooperation by enhancing systemic regional knowledge sharing and integration; fostering policy research and knowledge solutions to support governments; enabling better policy advice; reducing gaps between research and policy; and enhancing collective intelligence to consolidate development resources for effective cooperation, better services, and improved performance. The CTTDF has become an attractive destination for think tanks, the academia, and governments from the CAREC region and beyond to exchange views and knowledge on evolving regional and global policy challenges. ADB plans to support the 5th CTTDF to be organized in 2021.

²² ADB. Regional: Central Asia Regional Economic Cooperation: Supporting Capacity Development Needs of CAREC 2020.

²³ CAREC Institute. <https://www.carecinstitute.com/news/the-4th-carec-think-tanks-forum-concludes>.

➤ **4th CAREC Think Tanks Development Forum in Xian, Shaanxi province, People's Republic of China.**

The 4th CTTDF convened over 130 participants from over 20 countries coming from think tanks, the academia, the private sector, and governments to deliberate on trade expansion from increased market access, greater diversification, and stronger institutions for trade under the CAREC Integrated Trade Agenda 2030.

A representative from the International Economics and Finance Institute at the Ministry of Finance of the PRC spoke about five ongoing global trade conflicts which have an impact on the Asian economy: United States (US)–PRC, US–Japan, US–European Union, US–Mexico, and Japan–Republic of Korea.

Transaction Technical Assistance Projects Supported by PRC Fund

ADB provides technical assistance (TA) for the preparation, financing, and execution of development projects and programs, including the formulation of specific project proposals. It may also provide TA to assist members in the coordination of their development policies and plans. TA facilitates the channeling of ADB's financial assistance to the developing member countries (DMCs). It also improves the capacity of DMCs to absorb external assistance and further their economic development.

One type of TA, transaction technical assistance (TRTA) directly benefits an ongoing project being supported by ADB or a project being processed for ADB financing. TRTA covers: (i) project preparation, (ii) project implementation capacity support, (iii) policy advice toward policy-based operations, or (iii) development of a public–private partnership under transaction advisory services.

In 2019, the PRC Fund prioritized support for TRTA, particularly project preparation to better meet the requirements of ADB's Strategy 2030 and establish closer links with ADB's main operations. In fact, the PRC Ministry of Finance (MOF) has approved three TRTA projects totaling \$4.1 million to support sectors such as water and other urban infrastructure and services, and energy (Boxes 1–3).

Box 1: Regional: Preparing Sustainable Energy Projects in Central Asia

Sector: Energy

Amount: \$1.6 million

The regional transaction technical assistance (TRTA) facility will provide project preparation support to a series of ensuing projects in Central Asia, comprising: (i) Power Distribution Enhancement, Renewable Energy and Energy Efficiency Projects in the Kyrgyz Republic; and (ii) Power Sector Development Program in the Republic of Tajikistan. In addition, the TRTA facility will provide high-level screening, due diligence, and formulation of the components for the Sector Development Project in Kazakhstan.

The electricity sector of Central Asia, developed during the time of the former Soviet Union, was primarily designed to optimize the use of water resources, with electricity being a secondary product. Power plants and transmission lines were built without consideration of the administrative boundaries, which later became national borders. After the collapse of the Soviet Union in 1991, the energy ministers of the Central Asian states faced a new challenge of autonomously operating national power grids that were not designed to operate as such. In addition to technical complexities, the energy sector in these countries followed different development paths.

The proposed ADB intervention intends to address various sector issues, including refurbishment of the power generators, construction of new transmission assets, energy efficiency, renewable energy generation, and introduction of modern technologies.

The People's Republic of China Poverty Reduction and Regional Cooperation Fund (PRC Fund) supports key preparatory activities such as procurement capacity assessment; technical, financial, economic, and safeguards due diligence; financial management assessment; risk assessment; as well as knowledge sharing activities such as training programs, workshops, and seminars.

Source: ADB. Regional: Preparing Sustainable Energy Projects in Central Asia.

Box 2: Uzbekistan: Preparing Urban Development and Improvement Projects

Sector: Water and Other Urban Infrastructure and Services

Amount: \$1.0 million

ADB will apply a comprehensive and programmatic approach to develop more integrated urban development solutions. The transaction technical assistance (TRTA) facility will provide project preparation support to a series of ensuing projects, comprising: (i) Tashkent Province Sewerage Improvement Project (\$160 million), (ii) Uzbekistan Water Supply and Sanitation Development Program (\$200 million), (iii) Uzbekistan Integrated Urban Development Project (\$200 million), and (iv) Uzbekistan Solid Waste Management Development Project (\$150 million). The TRTA facility will support improvement of water supply and sanitation and other public services through technical, policy, and capacity development in both urban and rural areas. Uzbekistan now has stronger country systems and capacity and using the principle-based sector program approach, will give the country a greater sense of ownership. An integrated approach will be applied to the development of economic growth clusters with stronger urban rural linkages. Support in these areas, including tourism development, will cover urban planning and management, urban rural linkages and provision of public services, cultural heritage protection, information and communication technology, public-private partnership arrangements, and small and medium-sized enterprises and women business enterprise development.

The People's Republic of China Poverty Reduction and Regional Cooperation Fund (PRC Fund) supports project activities for capacity building and technical outputs, including: (i) development of integrated urban master plans for selected cities and towns through participatory and inclusive processes and geographic information system spatial mapping; (ii) preparation of an urbanization policy, road map, and framework for selected towns; (iii) supporting study visits and establishing peer-to-peer learning (twinning) programs for high-level policy makers and technical staff to relevant countries; and (iv) a workshop to share knowledge on good practices in strategic and planned urban growth, including examples from the PRC and other countries.

Source: ADB. Uzbekistan: Preparing Urban Development and Improvement Projects.

Box 3: Pakistan: Preparing Urban Development Projects

Sector: Water and Other Urban Infrastructure and Services

Amount: \$1.5 million

The transaction technical assistance (TRTA) facility will support urban sector analyses, project preparation and capacity development, and project due diligence during 2019–2021 in a series of urban development investment projects. These projects will comprise the subsectors of: (i) urban transport; (ii) urban water, sanitation, and flood control; (iii) solid waste management; (iv) low-income housing; (v) cultural heritage restoration; (vi) tourism development; and (vii) information and communication technology. To develop these projects, preparatory work in the form of feasibility studies, environmental and social safeguards work, financial management assessments, and economic analyses will be required. The TA facility is included in the current Country Operations Business Plan (COBP), 2019–2021 for Pakistan.

The People's Republic of China Poverty Reduction and Regional Cooperation Fund (PRC Fund) supports project preparatory work and capacity building activities covering the following components: (i) project feasibility studies, (ii) deepening of due diligence and safeguards work for the investment projects, and (iii) additional project preparatory studies and capacity development for the investment project.

Source: ADB. Pakistan: Preparing Urban Development Projects.

Overview of Fund Operations, 2005–2019

Cumulative Approvals

A total of 112 applications amounting to \$56.39 million were approved between March 2005 and December 2019.²⁴ These included seven approvals of supplementary funding and two applications combined with prior approvals. The 112 approved applications represented 103 projects, of which 100 are technical assistance totaling \$53.84 million and 3 are grant projects totaling \$2.55 million. Of the 103 approved projects, 66 (64%) have financially closed and 35 (34%) remain active; in the case of 2 other projects, the period for ADB approval, under Fund Implementation Guidelines, has elapsed and the funding allocation has been returned to the Fund pool. Appendix 2 provides a detailed list of all approved project applications from 2005 to 2019.

Cumulative Project Performance

As of 31 December 2019, 58 of the 66 completed projects had technical assistance completion report (TCR) ratings.²⁵ Of the 58 projects supported by the Fund, 51 were rated *highly successful* (16%) or *successful* (72%), with a combined success rate of 88%. The combined success rate of 88% matches the 86% 3-year success rate reported in the latest Development Effectiveness Report.²⁶

Cumulative Portfolio Distribution

Geographic distribution. Regional²⁷ projects received the largest share (82%). Of this, 23% went to CAREC²⁸ and 21% to the GMS,²⁹ indicating the priority assigned to these regions in line with fund objectives. The rest (37%) went to other regional projects, including ASEAN+3 projects and projects

²⁴ Of the 115 approved applications, 112 totaling \$56.39 million were approved between 2005 and 2019 by the PRC Ministry of Finance (MOF) and 3 others worth \$1.75 million were approved in the first 3 months of 2020.

²⁵ The TCR ratings for the main project and the supplementary project were counted as one.

²⁶ ADB. 2020. *Development Effectiveness Review 2019*. Manila.

²⁷ Regional projects are projects that fall exclusively under CAREC or the GMS, or under (i) a mix of various regions and subregional programs (e.g., CAREC and APEC, the GMS and ASEAN+3) and (ii) a mix of various countries in only one region (e.g., Central Asia, Southeast Asia, East Asia).

²⁸ The CAREC Program is a partnership of 11 countries (Afghanistan, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, the People's Republic of China, Tajikistan, Turkmenistan, and Uzbekistan), supported by six multilateral institutions, and working together to promote development through cooperation, leading to accelerated growth and poverty reduction.

²⁹ The Greater Mekong Subregion consists of Cambodia, the Lao People's Democratic Republic (Lao PDR), Myanmar, the People's Republic of China (PRC, specifically Yunnan Province and Guangxi Zhuang Autonomous Region), Thailand, and Viet Nam.

in Asia-Pacific Economic Cooperation (APEC)³⁰ member economies. Country-specific projects accounted for 18% of fund support, distributed among countries in Central Asia (9%), South Asia (4%), Southeast Asia (2%), East Asia (2%), and the Pacific (1%) (Figure 6).

Sector distribution. Public sector management (28%), energy (16%), industry and trade (16%), and water and other urban infrastructure and services (11%) made up more than half of Fund approvals. The rest was distributed among agriculture, natural resources, and rural development (8%); multisector (7%); and the finance, transport, education, health, and information and communication technology sectors (14%) (Figure 7).

ADB department distribution. The regional departments received 73% of the total Fund support. This went mainly to CWRD (27%) and SERD (25%), reflecting the prominence of assistance to the CAREC and the GMS regions. The rest of the Fund was distributed among EARD (16%), SARD (4%), and Pacific Department (PARC) (1%). Funding for knowledge and capacity development projects (20%) was distributed between SDCC (12%) and the Economic Research and Regional Cooperation Department (ERCD) (8%). The remaining 6% financed the activities of various departments and offices, including results-based monitoring and evaluation by the Independent Evaluation Department (IED) (3%). The Office of Public–Private Partnership (OPPP), Procurement, Portfolio and Financial Management Department (PPFD), and the Office of the Compliance Review Panel (OCRP) each received 1% of the Fund (Figure 8).

Figure 6: Geographic Distribution, 2015–2019
(% share of total amount)

³⁰ APEC comprises 21 member economies: Australia; Brunei Darussalam; Canada; Chile; Hong Kong, China; Indonesia; Japan; Malaysia; Mexico; New Zealand; Papua New Guinea; the People's Republic of China; Peru; the Philippines; the Republic of Korea; the Russian Federation; Singapore; Taipei, China; Thailand; the United States; and Viet Nam.

Figure 7: Sector Distribution, 2005–2019
(% share of total amount)

Source: ADB database.

Figure 8: ADB Department Distribution, 2019
(% share of total amount)

ADB = Asian Development Bank, CWRD = Central and West Asia Department, EARD = East Asia Department, ERCD = Economic Research and Regional Cooperation Department, IED = Independent Evaluation Department, OCRP = Office of the Compliance Review Panel, OPPP = Office of Public–Private Partnership, PARD = Pacific Department, PPFD = Procurement, Portfolio and Financial Management Department, SARD = South Asia Department, SDCC = Sustainable Development and Climate Change Department, SERD = Southeast Asia Department.
Source: ADB database.

Partnering: The Way Forward

In 2019, the Fund approved 10 projects supporting ADB's efforts in fighting poverty and promoting regional cooperation and integration through enhanced linkage with the Belt and Road Initiative (BRI), the CAREC Program, and the GMS in Asia and the Pacific.

With its uncommitted balance of \$36.27 million as of 31 December 2019 for future allocations,³¹ the Fund will continue to strengthen its support for ADB's seven operational priorities under Strategy 2030 and encourage synergies across various regional cooperation initiatives, particularly BRI, CAREC, and the GMS, and further improve its services to ADB and its DMC clients for their economic and social development.

³¹ Allocations refer to new projects and administrative cost; available balance includes contribution receivables coming in 2019 and 2020 (the 2019 installment was delivered in April 2019), and is net of allocations approved by the PRC MOF and awaiting ADB approval.

Brief Summaries of PRC Fund Projects Approved in 2019

Energy Sector

	Impact	Outcome	Outputs
Grant 0675-BAN: Dhaka and Western Zone Transmission Grid Expansion Project^a Amount: \$750,000	National target of electricity for all achieved by 2021 (Perspective Plan of Bangladesh, 2010–2021: Making Vision 2021 a Reality).	Reliability and efficiency of electricity supply in Greater Dhaka and western zone of Bangladesh improved.	<ol style="list-style-type: none"> 1. Transmission system in Greater Dhaka expanded. 2. Transmission system in western zone expanded. 3. Institutional capacity of Power Grid Company of Bangladesh Limited strengthened.
TA 9938-MON: Methane Gas Supply Chain Development Master Plan^b Amount: \$500,000	<ol style="list-style-type: none"> 1. Air quality improved (National Program on Reduction of Air and Environmental Pollution). 2. Reliable and cleaner energy supply secured (Implementation Plan for the Government Action Plan, 2016–2020). 	Readiness for investments in methane gas supply infrastructure increased.	<ol style="list-style-type: none"> 1. Methane gas supply chain development strategy paper prepared. 2. Prefeasibility study report on prioritized methane gas infrastructure projects prepared. 3. Capacity in methane gas supply infrastructure enhanced.
TA 9792-REG: Preparing Sustainable Energy Projects in Central Asia^c Amount: \$1,600,000	The regional transaction TA facility will provide project preparation support to a series of ensuing projects in Central Asia, comprising: (i) Power Distribution Enhancement, Renewable Energy and Energy Efficiency Projects in the Kyrgyz Republic; and (ii) Power Sector Development Program in the Republic of Tajikistan. In addition, the TA facility will provide high-level screening, due diligence, and formulation of the components for the Sector Development Project in Kazakhstan. All ensuing projects are in the energy sector and require a similar set of safeguards, financial management, or economic assessments.		<ol style="list-style-type: none"> 1. Power Distribution Enhancement, Renewable Energy and Energy Efficiency Projects in the Kyrgyz Republic prepared. 2. Power Sector Development Program in the Republic of Tajikistan prepared. 3. High-level screening and preliminary assessment of potential energy projects for Energy Sector Development Program or a new project in Kazakhstan prepared.

Water and Other Urban Infrastructure and Services Sector

	Impact	Outcome	Outputs
TA 9715-UZB: Preparing Urban Development and Improvement Projects (Supplementary)^d Amount: \$1,000,000	<p>The transaction TA facility will help to prepare interrelated projects and TA. It will ensure a consistent approach to urban development, address cross-sector themes, develop local capacity for improved project implementation, enhance project readiness, and strengthen overall coordination and cooperation for the country's sustainable urban development. The design of the transaction TA facility follows ADB's sector and thematic operational plans, namely the Water Operational Plan 2011–2020, Urban Operational Plan 2012–2020, and the Environmental</p> <p>Operational Directions 2013–2020 and will contribute to key operation priorities such as livable cities, governance and institutional capacity improvement, and environmental sustainability enhancement under Strategy 2030.</p>	Investment and TA projects suitable for ADB financing prepared.	<ol style="list-style-type: none"> 1. Technical feasibility assessments conducted and technical specifications prepared. 2. Safeguard due diligence of the ensuing projects and documentation completed. 3. Investment plans and procurement packages prepared. 4. Sustainable business model and institutional capacity developed.
TA 9839-PAK: Preparing Urban Development Projects^e Amount: \$1,500,000	<p>The COBP 2019–2021 for Pakistan includes investments to promote at least three operational priorities of ADB Strategy 2030: (i) promote the creation of more livable cities using integrated solutions; (ii) incorporate climate resilience, integrated environmental management, and gender mainstreaming into city planning processes; and (iii) strengthen governance and institutional capacity for financial sustainability. The TA facility will support preparatory activities for ensuing projects and innovative aspects of ongoing projects in need of further preparatory activities.</p>	Investment projects suitable for ADB financing prepared.	<ol style="list-style-type: none"> 1. Feasibility studies and investment plans prepared. 2. Due diligence for ensuing projects completed. 3. Project management and urban service delivery capacity strengthened.

Transport Sector

	Impact	Outcome	Outputs
TA 9918-REG: Connecting the Railways of the Greater Mekong Subregion, (Phase 2)^f Amount: \$500,000	<p>Greater railway connectivity in the GMS provided (Greater Mekong Subregion Economic Cooperation Program Strategic Framework, 2012–2022)^a</p>	GMRA functioning with adequate capacity and funding	<ol style="list-style-type: none"> 1. Organizational structure of the GMRA improved. 2. Operational readiness plan for the GMRA developed. 3. GMS railway network development strategy updated. 4. Updated the GMS transport demand model prepared. 5. Bankable railway projects identified in the GMS countries.

Agriculture, Natural Resources, and Rural Development Sector

	Impact	Outcome	Outputs
TA 9846-REG: Developing Partnerships for Knowledge Sharing on Natural Capital Investment in the Yangtze River Economic Belt^g Amount: \$225,000	<p>More DMCs benefited from the YREB knowledge sharing with the partnership initiative established by the TA (YREB Development Plan, 2016–2030)^a</p>	International partnership initiative for the YREB knowledge sharing established	<ol style="list-style-type: none"> 1. International partnership initiative for knowledge sharing on natural capital investment in the YREB developed. 2. Workshops to develop the partnership and consultation on the initiative organized. 3. Partnership initiative officially launched.

Public and Management Sector

	Impact	Outcome	Outputs
TA 9791-REG: Strengthening Fiscal Governance and Sustainability in Public-Private Partnerships (Supplementary)^h Amount: \$500,000	Fiscal sustainability of PPP investments in infrastructure projects promoted in DMCs (ADB Strategy 2030). ^a	Capacity to integrate fiscally sustainable PPPs improved in selected DMCs.	<ol style="list-style-type: none"> 1. Policy, legal, regulatory, and institutional frameworks for PPP development and management strengthened in DMCs. 2. PFM and fiscal risk management for legacy and new PPPs strengthened in DMCs. 3. Policy experience on creating fiscally sustainable PPPs disseminated to DMCs.

Industry and Trade Sector

	Impact	Outcome	Outputs
TA 9824-REG: Better Customs for Better Client Services in Central Asia Regional Economic Cooperation Countriesⁱ Amount: \$500,000	<ol style="list-style-type: none"> 1. Trade and smooth flow of goods and people across the CAREC region increased (CAREC 2030).^a 2. Trade from increased market access expanded (CAREC Integrated Trade Agenda [CITA] 2030).^b 	CAREC customs agencies and the Customs Cooperation Committee providing better services to their clients.	<ol style="list-style-type: none"> 1. Scoping studies with actionable recommendations in customs infrastructure, facilities, use of technology, and logistics support prepared. 2. Initiatives in modern customs technologies and best practice supported. 3. Customs capacity improved.

Finance Sector

	Impact	Outcome	Outputs
TA 9718-REG: Developing an Accountability Mechanism Framework for Financial Intermediaries^j Amount: \$225,000	Development effectiveness and accountability to project affected persons improved.	Safeguard compliance supervision and accountability to project affected persons improved by financial intermediaries (FIs).	Draft Accountability Mechanism Framework (AMF) for FIs developed.

ADB = Asian Development Bank, BAN = Bangladesh, CAM = Cambodia, CAREC = Central Asia Regional Economic Cooperation, COBP = country operations business plan, DMC = developing member country, GMRA = Greater Mekong Railway Association, GMS = Greater Mekong Subregion, MON = Mongolia, MYA = Myanmar, NEP = Nepal, PAK = Pakistan, PFM = public financial management, PPP = public-private partnership, PRC Fund = People's Republic of China Poverty Reduction and Regional Cooperation Fund, REG = regional, TA = technical assistance, UZB = Uzbekistan, YREB = Yangtze River Economic Belt.

^a ADB. 2019. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Administration of Grant and Loan People's Republic of Bangladesh: Dhaka and Western Zone Transmission Grid Expansion Project*. Manila.

^b ADB. 2019. *Technical Assistance to Mongolia for Methane Gas Supply Chain Development Master Plan*. Manila.

^c ADB. 2019. *Technical Assistance for Preparing Sustainable Energy Projects in Central Asia*. Manila.

^d ADB. 2019. *Technical Assistance to the Republic of Uzbekistan for Preparing Urban Development and Improvement Projects*. Manila.

^e ADB. 2019. *Technical Assistance to the Islamic Republic of Pakistan for Preparing Urban Development Projects*. Manila.

^f ADB. 2019. *Technical Assistance for Connecting the Railways of the Greater Mekong Subregion (Phase 2)*. Manila.

^g ADB. 2019. *Regional: Developing Partnerships for Knowledge Sharing on Natural Capital Investment in the Yangtze River Economic Belt*.

^h ADB. 2019. *Technical Assistance for Strengthening Fiscal Governance and Sustainability in Public-Private Partnerships (Supplementary)*. Manila.

ⁱ ADB. 2019. *Technical Assistance for Better Customs for Better Client Services in Central Asia Regional Economic Cooperation Countries*. Manila.

^j ADB. 2019. *Technical Assistance for Developing an Accountability Mechanism Framework for Financial Intermediaries*. Manila.

Source: ADB database.

Appendix 2

Projects Funded by PRC Fund, 2005–2019

	Project Title	Project Number ^a	Dept	PRC Fund Approved Amount (\$'000)	MOF PRC Approval Date	TA/Grant Approval Date ^b	Completion/ Expected Completion Date	Status	TCR Rating
2005 Approvals				4,100					
Batch 1				2,300					
1	Support to Trade Facilitation and Capacity Building in the GMS	6328-REG	SERD	400	3-Jun-05	19-Jul-06	31-Dec-10	Closed	S
2	Development Study of the GMS Economic Corridors	6310-REG	SERD	400	3-Jun-05	20-Mar-06	14-Nov-12	Closed	S
3	Implementation of the Greater Mekong Subregion Cross-Border Transport Agreement	6307-REG	SERD	400	3-Jun-05	6-Mar-06	28-Apr-12	Closed	S
4	Enhancing the Business Environment in the GMS	6266-REG	SERD	200	3-Jun-05	31-Oct-05	28-Nov-08	Closed	U
5	Greater Mekong Subregion Phnom Penh Plan for Development Management Phase II (supplementary)	6237-REG	SERD	500	3-Jun-05	27-Jul-05	30-Apr-09	Closed	S
6	Capacity Building for Regional Cooperation in Central Asia	6288-REG	CWRD	400	3-Jun-05	16-Dec-05	28-Feb-09	Closed	S
Batch 2				1,800					
7	Partnership on Persistent Organic Pollutants Pesticides Management for Agricultural Production in Central Asian Countries	6339-REG	CWRD	400	22-Dec-05	25-Aug-06	16-Oct-08	Closed	PS
8	Technical Training and Capacity Building for Selected ASEAN+3 Countries on Regional Economic and Financial Monitoring	6342-REG	ERCD	500	22-Dec-05	21-Sep-06	31-Mar-11	Closed	S
9	Strengthening Carbon Financing for Regional Grassland Management in Northeast Asia	7534-REG	EARD	400	22-Dec-05	17-May-10	30-Sep-14	Closed	S
10	Expansion of Subregional Cooperation in Agriculture in the Greater Mekong Subregion	6324-REG	SERD	250	22-Dec-05	23-Jun-06	12-Oct-10	Closed	S
11	Support to Trade Facilitation and Capacity Building in the GMS ^c	6328-REG	SERD	250	22-Dec-05	19-Jul-06	31-Dec-10	Closed	S

Project Title		Project Number ^a	Dept	PRC Fund Approved Amount (\$'000)	MOF PRC Approval Date	TA/Grant Approval Date ^b	Completion/Expected Completion Date	Status	TCR Rating
2006 Approvals				2,970					
Batch 1				1,670					
12	Support Preparations for the CAREC Business Development Forum	6340-REG	CWRD	200	13-Jun-06	25-Aug-06	30-Apr-07	Closed	S
13	Enhancement of Subregional Cooperation in BIMP-EAGA and IMT-GT	6352-REG	SERD	250	13-Jun-06	7-Nov-06	30-Nov-09	Closed	S
14	Expansion of Subregional Cooperation in Agriculture in the Greater Mekong Subregion ^d	6324-REG	SERD	350	13-Jun-06	23-Jun-06	12-Oct-10	Closed	S
15	Capacity Building for Designing, Negotiating and Implementing Free Trade Agreements in Selected Asian Developing Member Countries	6345-REG	ERCD	500	13-Jun-06	2-Oct-06	20-Sep-12	Closed	S
16	ASEAN+3 Regional Guarantee and Investment Mechanism - Phase 2	6373-REG	ERCD	300	13-Jun-06	17-Dec-06	27-Jun-11	Closed	HS
17	Second ASEAN+3 Seminar on Poverty Reduction	6382-REG	EARD	70	13-Jun-06	15-Sep-06	30-Mar-07	Closed	NR
Batch 2				1,300					
18	Central Asia Regional Economic Cooperation: Capacity Development for Regional Cooperation in CAREC Participating Countries, Phase I	6375-REG	CWRD	500	1-Dec-06	18-Dec-06	30-Nov-10	Closed	S
19	Transboundary Animal Disease Control for Poverty Reduction in the Greater Mekong Subregion	6390-REG	SERD	300	1-Dec-06	27-Mar-07	11-Oct-16	Closed	PS
20	CAREC Members Electricity Regulators Forum	6389-REG	CWRD	500	1-Dec-06	26-Marc-07	17-Dec-09	Closed	S
2007 Approvals				4,022					
Batch 1				2,522					
21	Strengthening Central Asia Regional Economic Cooperation, 2007–2011	6409-REG	CWRD	500	2-Jul-07	27-Aug-07	31-Aug-13	Closed	S
22	Capacity Building and Institutional Strengthening of the ASEAN Free Trade Area Units of Selected ASEAN Member Countries (Phase 1)	6451-REG	ERCD	500	2-Jul-07	28-Mar-08	30-Sep-14	Closed	S
23	Enhancing the Development Effectiveness of the GMS Economic Cooperation Program (supplementary)	6262-REG	SERD	500	2-Jul-07	18-Sep-07	30-Jun-12	Closed	S
24	GMS Core Environment Program and Biodiversity Conservation Corridors Initiative (Phase 1, supplementary)	6289-REG	SERD	500	2-Jul-07	11-Feb-08	31-Jan-16	Closed	S
25	GMS Public Health Forum on Regional Cooperation in Communicable Disease Control and Health Systems Development (supplementary)	6413-REG	SERD	22	2-Jul-07	7-Nov-07	30-Apr-10	Closed	HS

	Project Title	Project Number ^a	Dept	PRC Fund Approved Amount (\$'000)	MOF PRC Approval Date	TA/Grant Approval Date ^b	Completion/ Expected Completion Date	Status	TCR Rating
26	Capacity Building for Monitoring and Evaluation in Participating Countries	6410-REG	IED	500	2-Jul-07	3-Sep-07	25-Nov-11	Closed	S
	Batch 2			1,500					
27	Phnom Penh Plan for Development Management Phase III (supplementary)	6407-REG	SERD	500	16-Nov-07	7-Mar-08	31-Jan-12	Closed	HS
28	Central Asia Regional Economic Cooperation Institute 2009–2012	6488-REG	CWRD	500	16-Nov-07	24-Sep-08	25-Sep-15	Closed	S
29	Supporting Boao Forum for Asia	6444-REG	ERCD	500	16-Nov-07	13-Feb-08	8-Mar-11	Closed	S
	2008 Approvals			4,250					
	Batch 1			2,250					
30	Enhancing Transport and Trade Facilitation in the Greater Mekong Subregion	6450-REG	SERD	500	24-Jun-08	28-Mar-08	22-Dec-14	Closed	S
31	Transboundary Animal Disease Control for Poverty Reduction in the Greater Mekong Subregion (supplementary) ^e	6390-REG	SERD	200	24-Jun-08	27-Feb-09	11-Oct-16	Closed	PS
32	Small-scale Technical Assistance for Developing a Computable General Equilibrium Modeling Framework for Analyzing the Impacts of Power Trading Between Mongolia and the People's Republic of China	6494-REG	EARD	150	24-Jun-08	16-Oct-18	14-Sep-11	Closed	S
33	Development Study of the GMS Economic Corridors (supplementary) ^f	6310-REG	SERD	400	24-Jun-08	7-July-08	14-Nov-12	Closed	S
34	Regional Knowledge and Partnership Networks for Poverty Reduction and Inclusive Growth	6502-REG	SDCC	500	24-Jun-08	14-Nov-08	28-Oct-16	Closed	PS
35	Capacity Development for National Economic Policy Analysis and Development Management, Phase III	7226-CAM	SERD	500	24-June-08	12-Jan-09	27-Nov-13	Closed	S
	Batch 2			2,000					
36	Capacity Development for Monitoring and Evaluation	7348-REG	IED	500	17-Dec-08	17-Sep-09	31-Mar-06	Closed	NR
37	Implementing the Greater Mekong Subregion Human Resource Development Strategy Framework and Action Plan 2009–2011	7275-REG	SERD	500	17-Dec-08	29-Apr-09	12-Feb-14	Closed	S
38	Accelerating the Implementation of the Core Agriculture Support Program	6521-REG	SERD	500	17-Dec-08	23-Dec-08	5-Jul-16	Closed	S
39	Deposit Insurance Establishment	7337-REG	EARD	500	17-Dec-08	27-Aug-09	18-Mar-13	Closed	S
	2009 Approvals			2,000					
	Batch 1			1,000					
40	Central Asia Regional Economic Cooperation: Working with the Private Sector in Trade Facilitation	7353-REG	EARD	500	31-May-09	25-Sep-09	31-Dec-15	Closed	PS

	Project Title	Project Number ^a	Dept	PRC Fund Approved Amount (\$'000)	MOF PRC Approval Date	TA/Grant Approval Date ^b	Completion/ Expected Completion Date	Status	TCR Rating
41	Asia Pacific Procurement Partnership Initiative	7437-REG	PPFD	500	31-May-09	11-Dec-09	25-Jul-17	Closed	S
	Batch 2			1,000					
42	Strengthening Central Asia Regional Economic Cooperation, 2007–2011 (supplementary) ^g	6409-REG	CWRD	500	9-Dec-09	22-Feb-10	31-Aug-13	Closed	S
43	GMS Phnom Penh Plan (PPP) for Development Management, Phase IV (supplementary)	7431-REG	SERD	500	9-Dec-09	5-Feb-10	31-Jul-13	Closed	S
	2010 Approvals			1,000					
	Special Batch			1,000					
44	Supporting the Boao Forum for Asia in Regional Economic Integration and Partnership Dialogues	7651-REG	OCO ^h	500	6-May-10	22-Nov-10	30-Oct-15	Closed	S
45	Strengthening the Coordination of the GMS Program	7561-REG	SERD	500	6-May-10	15-Jul-10	30-Apr-18	Closed	S
	2011 Approvals			1,300					
	Batch 1			500					
46	Regional Program for Research and Capacity Development on Water Security	7845-REG	SDCC	500	15-Apr-11	12-Aug-11	20-Jan-16	Closed	S
	Batch 2			800					
47	Poverty Reduction and Inclusive Growth Network in Asia Pacific (supplementary) ⁱ	6502-REG	SDCC	400	20-Nov-12	29-Apr-13	28-Oct-16	Closed	PS
48	Support for Pan–Beibu Gulf Economic Cooperation ^j	8017-REG	EARD	400	20-Nov-12	13-Dec-11	31-Mar-16	Closed	S
	2012 Approvals			2,600					
	Batch 1			1,400					
49	Provision of Knowledge Products and Services to DMCs through Systematic Knowledge	8392-REG	ERCD	500	20-Nov-12	30-May-13	1-Feb-19	Closed	S
50	GMS Phnom Penh Plan for Development Management, Phase V (supplementary)	8225-REG	SERD	500	20-Nov-12	22-Jan-13	30-Oct-15	Closed	HS
51	Supporting Capacity Development Needs of CAREC 2020	8301-REG	CWRD	400	20-Nov-12	17-Dec-12	30-Jun-20	Active	
	Batch 2			1,200					
52	Prevention and Control of HIV/AIDS and Other Communicable Diseases in Central Asia Regional Economic Cooperation Countries	8367-REG	CWRD	300	1-Mar-13	9-May-13	31-Dec-15	Cancelled ^k	U
53	CAREC Trade Facilitation Program: Promoting Cooperation in Sanitary and Phytosanitary Measures	8386-REG	EARD	500	1-Marc-13	30-Jun-13	17-Dec-15	Closed	HS

	Project Title	Project Number ^a	Dept	PRC Fund Approved Amount (\$'000)	MOF PRC Approval Date	TA/Grant Approval Date ^b	Completion/ Expected Completion Date	Status	TCR Rating
54	Technical Training and Capacity Building for Selected Asian Countries on Regional Economic and Financial Monitoring - Phase II	8433-REG	ERCD	400	1-Mar-13	16-Aug-13	19-Feb-16	Closed	S
2013 Approvals				3,325					
Batch 1				2,100					
55	South Asia Subregional Economic Cooperation Power System Expansion	8412-NEP	SARD	500	20-Jun-13	30-Jul-13	1-July-17	Closed	NR
56	Second the GMS Corridor Towns Development Project	8425-REG	SERD	500	20-Jun-13	13-Aug-13	2-Nov-17	Closed	NR
57	Promoting Regional Knowledge Sharing Partnerships	8430-REG	EARD	600	20-Jun-13	16-Aug-13	2-Apr-19	Closed	S
58	Design of e-Governance Master Plan and Review of ICT Capacity in Academic Institutions	8398-MYA	SDCC	500	20-Jun-13	4-July-13	28-Dec-15	Closed	HS
Batch 2				1,225					
59	Developing Local Currency Bonds for Infrastructure Finance in ASEAN+3	8510-REG	SDCC	225	13-Nov-13	21-Nov-13	29-Feb-16	Closed	HS
60	Implementing the Greater Mekong Subregion Human Resource Development Strategy Framework and Action Plan Phase II	8549-REG	SERD	500	13-Nov-13	9-Dec-13	28-Sep-18	Closed	PS
61	Asia-Pacific Community of Practice on Managing for Development Results - Strengthening Knowledge Partnerships on MfDR	8636-REG	SDCC	500	13-Nov-13	8-May-14	27-Jan-16	Closed	S
2014 Approvals				3,800					
Batch 1				1,500					
62	Core Environment Program and Biodiversity Conservation Corridors Initiative in the GMS, Phase 2 (supplementary)	7987-REG	SERD	500	23-Jun-14	12-Dec-14	30-Jun-18	Elapsed ^d	
63	Study for a Power Sector Financing Road Map within CAREC	8727-REG	CWRD	500	23-Jun-14	26-Sep-14	29-Mar-17	Closed	S
64	CAREC: Working with the Private Sector in Trade Facilitation (Phase 2)	8746-REG	EARD	500	23-Jun-14	30-Oct-14	20-Oct-19	Closed	NR
Batch 2				2,300					
65	CAREC Knowledge Sharing and Services in Transport and Transport Facilitation	8789-REG	CWRD	400	10-Dec-14	12-Dec-14	31-Jul-19	Closed	NR
66	Harmonizing the GMS Power Systems to Facilitate Regional Power Trade	8830-REG	SERD	500	10-Dec-14	16-Dec-14	31-Dec-19	Active	
67	Infrastructure Public-Private Partnership Pipeline Development Support	8908-REG	OPPP	750	10-Dec-14	23-Jun-15	1-Aug-19	Active	

	Project Title	Project Number ^a	Dept	PRC Fund Approved Amount (\$'000)	MOF PRC Approval Date	TA/Grant Approval Date ^b	Completion/ Expected Completion Date	Status	TCR Rating
68	Building Capacity for Enhanced Connectivity in Southeast Asia (supplementary)	8836-REG	SERD	250	10-Dec-14	28-May-15	29-Mar-19	Closed	HS
69	Greater Mekong Subregion: Capacity Development for Economic Zones in Border Areas	8989-REG	SERD	400	10-Dec-14	12-Nov-15	4-Apr-19	Closed	S
2015 Approvals				4,025					
Batch 1				1,225					
70	Strategy for Northeast Asia Power System Interconnection	9001-MON	EARD	500	23-Jul-15	27-Nov-15	15-Aug-19	Active	
71	Supporting the Asian Exim Banks Forum	8973-REG	OCO ^m	500	23-Jul-15	5-Oct-15	4-Oct-20	Active	
72	Provision of Knowledge Products and Services to Developing Member Countries through Systematic Knowledge Sharing (supplementary) ⁿ	8392-REG	ERCD	225	23-Jul-15	3-Nov-15	1-Feb-19	Closed	S
Batch 2				2,800					
73	Universal Health Coverage for Inclusive Growth: Supporting the Implementation of the Operational Plan for Health 2015–2020 (supplementary)	8983-REG	SDCC	500	6-Jan-16	31-Aug-16	31-Dec-20	Active	
74	Capturing the Opportunities and Addressing the Risks (supplementary)	8978-KGZ	CWRD	200	6-Jan-16	17-Nov-16	31-Dec-19	Active	
75	Promoting Regional Knowledge Sharing Partnerships (supplementary) ^o	8430-REG	EARD	500	6-Jan-16	21-Nov-16	31-Dec-18	Closed	S
76	Regional Evaluation Capacity Development II	9118-REG	IED	500	6-Jan-16	18-May-16	31-Dec-19	Active	
77	Connecting the Railways of the Greater Mekong Subregion	9123-REG	SERD	500	6-Jan-16	21-Jun-16	12-Dec-18	Closed	S
78	Support for Project Implementation of the Nepal Earthquake Rehabilitation and Reconstruction Program (supplementary)	8910-NEP	SARD	600	6-Jan-16	4-Mar-16	31-Dec-19	Active	
2016 Approvals				4,950					
Batch 1				3,750					
79	Strengthening Water Security in the Aral Sea Basin	TBD	CWRD	500	11-Jul-16	TBD	TBD	Elapsed ^p	
80	Policy Coordination and Planning of Border Economic Zones of the PRC and Viet Nam	9293-REG	EARD	400	11-Jul-16	10-Jan-17	29-Mar-019	Closed	NR
81	Energy Supply Improvement Investment Program (Tranche 2)	0523-AFG	CWRD	1,000	11-Jul-16	16-Dec-16	30-Jun-23	Active	
82	Strengthening Knowledge Management in Central and West Asia (supplementary)	8936-REG	CWRD	650	11-Jul-16	18-Nov-16	15-Mar-19	Closed	NR

	Project Title	Project Number ^a	Dept	PRC Fund Approved Amount (\$'000)	MOF PRC Approval Date	TA/Grant Approval Date ^b	Completion/ Expected Completion Date	Status	TCR Rating
83	Advancing RCI through BIMP-EAGA and IMT-GT (supplementary)	8814-REG	SERD	700	11-Jul-16	31-Aug-16	6-Feb-19	Closed	S
84	Central Asia Regional Economic Cooperation: Supporting Capacity Development Needs of CAREC 2020 (supplementary) ^a	8301-REG	CWRD	500	25-Oct-16	8-Dec-16	30-Jun-20	Active	
Batch 2				1,200					
85	Promoting Green Local Currency Denominated Bonds for Infrastructure Development ASEAN+3	9294-REG	ERCD	500	27-Dec-16	24-Jan-17	30-Jun-19	Closed	HS
86	Promoting Low Carbon Development in CAREC Program Cities	9308-REG	EARD	700	27-Dec-16	6-Apr-17	31-Dec-19	Active	
2017 Approvals				5,150					
Batch 1				5,150					
87	Revitalizing the Ecosystem of Ravi River Basin	9463-PAK	CWRD	550	8-Dec-17	12-Dec-17	30-Sep-19	Active	
88	Water and Sanitation Strategy Development and Capacity Building	9481-UZB	CWRD	800	8-Dec-17	21-Dec-17	28-Feb-21	Active	
89	Enhancing Regional Knowledge Sharing Partnership	9531-REG	EARD	750	8-Dec-17	15-Jun-18	31-Jul-21	Active	
90	Modernizing Sanitary and Phytosanitary Measures to Facilitate Trade	9500-REG	EARD	800	8-Dec-17	13-Feb-18	30-Sep-20	Active	
91	Capacity Building Support for Asia-Pacific Economic Cooperation Financial Regulators Training	9501-REG	ERCD	600	8-Dec-17	12-Feb-18	31-Dec-19	Active	
92	Strengthening Asia's Financial Safety Nets and Resolution Mechanisms	9497-REG	ERCD	125	8-Dec-17	29-Jan-18	31-Dec-20	Active	
93	Strengthening Compliance Review and Accountability to Project Affected Persons of Financial Intermediaries	9466-REG	OCRCP	225	8-Dec-17	14-Dec-17	4-Feb-19	Closed	S
94	Water Supply Scheme for Tete Settlement	0638-PNG	PARD	800	8-Dec-17	21-Feb-19	30-Jun-21	Active	
95	Strengthening Institutions for Localizing Agenda 2030 for Sustainable Development (supplementary)	9387-REG	SDCC	500	8-Dec-17	23-Mar-18	31-Dec-20	Active	
2018 Approvals				6,575					
Batch 1				2,800					
96	Enhancing Effectiveness of Subregional Programs to Advance Regional Cooperation and Integration in Southeast Asia	9572-REG	SERD	700	28-Jun-18	22-Aug-18	31-Dec-20	Active	
97	Knowledge Solutions for Inclusive and Sustainable Development	9602-BAN	SARD	500	28-Jun-18	1-Oct-18	31-Aug-21	Active	

	Project Title	Project Number ^a	Dept	PRC Fund Approved Amount (\$'000)	MOF PRC Approval Date	TA/Grant Approval Date ^b	Completion/ Expected Completion Date	Status	TCR Rating
98	Strengthening Knowledge and Actions for Air Quality Improvement	9608-REG	SDCC	800	28-Jun-18	5-Oct-18	30-Sep-21	Active	
99	Implementing Integrated Trade Agenda in Central Asia Regional Economic Cooperation Program	9712-REG	EARD	800	28-Jun-18	15-Feb-19	30-Jun-21	Active	
Batch 2				2,800					
100	Assessing Economic Corridor Development Potential Among Kazakhstan, Uzbekistan, and Tajikistan	9630-REG	CWRD	800	9-Oct-18	31-Oct-18	31-Dec-20	Active	
101	Railway Sector Development in Central Asian Regional Economic Cooperation Countries	9641-REG	CWRD	1,000	9-Oct-18	14-Nov-18	31-Dec-22	Active	
102	Integrated High Impact Innovation in Sustainable Energy Technology	9690-REG	SDCC	1,000	9-Oct-18	13-Dec-18	30-Sep-23	Active	
Batch 3				975					
103	Developing an Accountability Mechanism Framework for Financial Intermediaries ^c	9718-REG	OCRP	225	4-Mar-16	7-Mar-16	8-Feb-20	Closed	S
104	Dhaka and Western Zone Transmission Grid Expansion Project ^c	0675-BAN	SARD	750	1-Mar-19	11-Dec-19	31-Dec-24	Active	
2019 Approvals				8,075					
Batch 1				3,600					
105	Better Customs for Better Client Services in Central Asia Regional Economic Cooperation Countries	9824-REG	EARD	500	8-Jul-19	14-Oct-19	30-Sep-21	Active	
106	Methane Gas Supply Chain Development Master Plan	9938-MON	EARD	500	8-Jul-19	25-Jan-20	31-Jan-22	Active	
107	Preparing Urban Development and Improvement Projects	9715-UZB	CWRD	1,000	8-Jul-19	31-Oct-19	31-Dec-23	Active	
108	Preparing Sustainable Energy Projects in Central Asia	9792-REG	CWRD	1,600	8-Jul-19	8-Aug-19	31-Dec-20	Active	
Batch 2				2,725					
109	Preparing Urban Development Projects	9839-PAK	CWRD	1,500	13-Oct-19	TBD	31-Dec-21	Active	
110	Strengthening Fiscal Governance and Sustainability in Public-Private Partnerships	9791-REG	SDCC	500	13-Oct-19	12-Nov-19	31-Dec-22	Active	
111	Connecting the Railways of the Greater Mekong Subregion (Phase 2)	9918-REG	SERD	500	13-Oct-19	19-Dec-19	31-Dec-21	Active	
112	Developing Partnerships for Knowledge Sharing on Natural Capital Investment in the Yangtze River Economic Belt	9846-REG	EARD	225	13-Oct-19	15-Oct-19	31-Dec-20	Active	

	Project Title	Project Number ^a	Dept	PRC Fund Approved Amount (\$'000)	MOF PRC Approval Date	TA/Grant Approval Date ^b	Completion/ Expected Completion Date	Status	TCR Rating
Batch 3				1,750					
113	Greater Mekong Subregion Sustainable Agriculture and Food Security Program	9916-REG	SERD	750	9-Jan-20	18-Dec-19	31-Mar-25	Active	
114	Creating Ecosystems for Green Local Currency Bonds for Infrastructure Development in ASEAN+3	9953-REG	ERCD	500	9-Jan-20	4-Mar-20	28-Feb-22	Active	
115	Strengthening Social Protection in the Pacific	9963-REG	PARD	500	9-Jan-20	15-Apr-20	31-Mar-25	Active	
Total Committed Funds				58,142					
Total PRC Commitment^c				76,000					
Balance				17,858					

ADB = Asian Development Bank; ASEAN = Association of Southeast Asian Nations; ASEAN+3 = ASEAN plus Japan, People's Republic of China, and Republic of Korea; BAN = Bangladesh; BIMP- EAGA = Brunei Darussalam–Indonesia–Malaysia–Philippines–East Asian Growth Area; CAREC = Central Asia Regional Economic Cooperation; CWRD = Central and West Asia Department; CAM = Cambodia; Dept = department; DMC = developing member country; EARD = East Asia Department; ERCD = Economic Research and Regional Cooperation Department; FP = for processing; GMS = Greater Mekong Subregion; HS = highly successful; ICT = information and communication technology; IED = Independent Evaluation Department; IMT-GT = Indonesia–Malaysia Third Growth Triangle; MfDR = Managing for Development Results; MOF = Ministry of Finance, PRC; MON = Mongolia; MYA = Myanmar; NEP = Nepal; PAK = Pakistan; PARD = Pacific Department; PPF = Procurement, Portfolio and Financial Management Department; PPP = public–private partnership, PRC = People's Republic of China; PRC Fund = People's Republic of China Poverty Reduction and Regional Cooperation Fund; RCI = regional cooperation and integration; REG = regional; S = successful; SARD = South Asia Department; SDCC = Sustainable Development and Climate Change Department; SERD = Southeast Asia Department; TA = technical assistance; TBD = to be determined; TCR = technical assistance completion report; U = unsuccessful; UZB = Uzbekistan.

^a Project numbers in italics denote projects cofinanced either by ADB or other partners.

^b The TA approval date and the expected completion date were updated on 31 March 2019 with information from the ADB database.

^c Additional funding before ADB project approval for TA 6328-REG.

^d Additional funding before ADB project approval for TA 6324-REG.

^e Additional funding approval for TA 6390-REG.

^f Additional funding approval for TA 6310-REG.

^g Additional funding approval for TA 6409-REG.

^h Following its realignment in April 2019, the Office of Cofinancing Operations (OCO) ceased to exist. The administration of the PRC Fund was transferred to a new Partner Funds Division (SDPF) under SDCC.

ⁱ Additional funding approval for TA 6502-REG.

^j Includes partial cancellation of \$100,000 made on 4 July 2014.

^k Funding allocation was returned to the fund pool as the TA was cancelled due to consultant recruitment issues and was closed in September 2014.

^l Funding allocation was returned to the fund pool as the 6-month period for ADB approval after PRC MOF had elapsed, as stated in Fund Implementation Guidelines (Section 6).

^m Following the realignment of the Office of Cofinancing Operations (OCO) in April 2019, OCO ceased to exist. The administration of the PRC Fund was transferred to a new Partner Funds Division (SDPF) under SDCC.

ⁿ Additional funding approval for TA 8392-REG.

^o Additional funding approval for TA 8430-REG.

^p Funding allocation was returned to the fund pool as the 6-month period for ADB approval after PRC MOF had elapsed, as stated in Fund Implementation Guidelines (Section 6). The TA did not proceed to ADB approval.

^q Additional funding approval for TA 8301-REG.

^r Approved by PRC MOF in March 2019.

^s Excludes the \$1 million provided to the ADB Institute.

Source: ADB database.

People's Republic of China Poverty Reduction and Regional Cooperation Fund

Annual Report 2019

This report provides information about the technical assistance and grants provided through the People's Republic of China Poverty Reduction and Regional Cooperation Fund (PRC Fund) during 2019. It includes details on the operational performance of this support. An overview of the PRC Fund—covering the background and rationale, objectives, operating principles and arrangements, and achievements—is also presented. Administered by the Asian Development Bank (ADB), the PRC Fund was established in March 2005 to support poverty reduction, regional cooperation, and knowledge sharing among ADB's developing member countries.

About the Asian Development Bank

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 68 members—49 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

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