Toward a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific

Waseda University
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Presentation by Harumi Kodama
Representative
Japan Representative Office, ADB
### Poverty in ADB’s Developing Member Countries

(As of March 2020)

<table>
<thead>
<tr>
<th>Year</th>
<th>Population (million) (% of world population)*</th>
<th>$1.9/day (2011 PPP)</th>
<th>$3.2/day (2011 PPP)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Poor (million)</td>
<td>Poverty Rate (%)</td>
<td>Share of Developing World Poor (%)</td>
</tr>
<tr>
<td>1990</td>
<td>2759 (52%)</td>
<td>1,505</td>
<td>54.5</td>
</tr>
<tr>
<td>1999</td>
<td>3172 (53%)</td>
<td>1,228</td>
<td>38.6</td>
</tr>
<tr>
<td>2005</td>
<td>3417 (53%)</td>
<td>870</td>
<td>25.4</td>
</tr>
<tr>
<td>2011</td>
<td>3644 (52%)</td>
<td>499</td>
<td>13.7</td>
</tr>
<tr>
<td>2013</td>
<td>3718 (52%)</td>
<td>348</td>
<td>9.3</td>
</tr>
<tr>
<td>2015</td>
<td>3791 (52%)</td>
<td>263</td>
<td>6.9</td>
</tr>
</tbody>
</table>

- Around 30% of children below the age of 5 are stunted due to a lack of nutrition.
- 350 million people are without access to safe water.
- 1.5 billion people are without a toilet.
- 200 million people are without access to electricity.
Multilateral Development Banks (MDBs)

- THE WORLD BANK (IBRD • IDA) • WORLD BANK GROUP: 1944
- Asian Development Bank (ADB): 1966
- Inter-American Development Bank (IDB): 1959
- African Development Bank Group: 1964
- Islamic Development Bank: 1974
- European Bank for Reconstruction and Development: 1991
- AIIB: 2015
MDBs vs. commercial banks

- Grants and loans to developing country governments
- Low interest rates, long-term lending
- Even when investing in the private sector, focuses on development impact, value-added

MDBs vs. UN agencies

- Raises funds by issuing bonds in capital markets (vs. voluntary contributions)
- Stable income
- More loans than grants
- Large projects, policy advice

MDBs vs. bilateral aid agencies

- Impartiality, role of an honest broker
- Promotion of global public goods
Founded in 1966

Headquartered in Manila, Philippines

Over 50 years, from poverty towards prosperity

Total financing since 1966: $300+ billion

President Ferdinand Marcos

UN ECAFE meeting
ADB’s Regional Members (49 economies)

Main objectives of ADB
(i) Provision of financing and knowledge
(ii) Promotion of good policies
(iii) Regional cooperation

Nonregional Members (19 countries)
Austria, Belgium, Canada, Denmark, Finland, France, Germany*, Ireland, Italy, Luxembourg, The Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States*

- Advanced economies and/or graduated developing members.
- Field Office

As of January 2020
Governance

- ADB Charter (1965)
- Owned by 68 members/shareholders
- Voting rights based on shareholding
- Board of Governors, Board of Directors, and Management
- Over 3,500 staff members (with close to 1,300 international staff)
- Role of Japan

ADB headquarters

President Asakawa
ADB Operations in 2019

Total commitments in 2019: $21.6 billion
Bracketed numbers are from 2018.

By Country

- India 19% (16%)
- Philippines 12% (6%)
- Pakistan 10% (5%)
- PRC 10% (12%)
- Indonesia 8% (10%)
- Bangladesh 6% (10%)
- Uzbekistan 5% (5%)
- Myanmar 4% (3%)
- Sri Lanka 4% (3%)
- Others 22% (30%)

By Sector

- Transport 34% (23%)
- Public Sector Management 14% (10%)
- Energy 12% (24%)
- Agriculture 10% (11%)
- Finance 10% (9%)
- Water & Urban 6% (10%)
- ICT 3% (0.3%)
- Health 3% (2%)
- Education 5% (8%)
- Industry and Trade 3% (3%)
- Others 22% (30%)

PRC = People's Republic of China.
Strategy 2030: Seven Operational Priorities

- Addressing remaining poverty and reducing inequalities
- Promoting rural development and food security
- Accelerating progress in gender equality
- Strengthening governance and institutional capacity
- Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability
- Making cities more livable
- Fostering regional cooperation and integration

Key Approaches

- Expanding private sector operations
  - 1/3 of number of ADB committed operations by 2024
- Catalyzing and mobilizing financial resources for development
  - $1 in private sector operations financing matched by $2.50 of cofinancing
- Strengthening knowledge services
  - At least 75% of number of ADB committed operations by 2030, total of $80 billion from ADB’s own resources from 2019 to 2030
Seven Operational Priorities Mapped to SDGs

OP1: ADDRESSING REMAINING POVERTY AND REDUCING INEQUALITIES
OP2: ACCELERATING PROGRESS IN GENDER EQUALITY
OP3: TACKLING CLIMATE CHANGE, BUILDING CLIMATE AND DISASTER RESILIENCE, AND ENHANCING ENVIRONMENTAL SUSTAINABILITY
OP4: MAKING CITIES MORE LIVABLE
OP5: PROMOTING RURAL DEVELOPMENT AND FOOD SECURITY
OP6: STRENGTHENING GOVERNANCE AND INSTITUTIONAL CAPACITY
OP7: FOSTERING REGIONAL COOPERATION AND INTEGRATION

Cutting across all operational priorities

2030 Operational Priorities

The Global Goals
Projects link to the SDGs (first MDB to track the links)
Country Partnership Strategies reflect national SDG priorities
S2030/SDG-aligned Corporate Results Framework and annual Development Effectiveness Review report
Knowledge Generation, Dialogue, and Capacity Building on SDGs

- Technical assistance programs to help countries advance the SDGs (e.g., improving data collection and monitoring, deepening social protection financing, supporting localization of the SDGs at the sub-national and city level, addressing environmental goals)

- A joint ADB/UNDP/UNESCAP report on regional progress towards the SDGs produced every year; a joint SDG data portal

- Regional and global policy dialogues supporting progress on the SDGs (e.g., Asia Pacific Forum on Sustainable Development, High-Level Political Forum on the SDGs)

- First joint MDB report on contributions to the SDGs
Asia and the Pacific was off track to achieve the SDGs before COVID-19

The pandemic makes a challenging outlook worse

Poverty and inequality reducing but persistent
1.1 billion (29% of the population)
People living under $3.2 per day

263 million
People living under $1.9 per day

47% Social Assistance Coverage

Environmental and service delivery challenges in urban hubs
Pollution deteriorated to PM 2.5 of 60.65 mg per m3
Region hosts 90 of the world’s 100 most polluted cities

Improving women’s economic empowerment is vital
50% of women participate in the labor force vs. 82% of men
3 times as many women not in education, employment or training as men
66% of women with access to financial services compared with 73% of men

Climate change and disaster risk are severe issues
CO2 Emissions Intensity decreased from 1.0 kg/$GDP to 0.9 kg/$ GDP
4,815 deaths from natural hazards

Rural areas lag and food insecurity results in poor health outcomes
20% of children stunted

WATER 97%
SANITATION 86%
ELECTRICITY 89%
**Economic Outlook for Developing Asia**

- GDP growth rate for developing Asia is forecast to be -0.70% in 2020 (first contraction in 6 decades).
- It will rebound to 6.8% in 2021 but it is not a V-shaped recovery.

<table>
<thead>
<tr>
<th>Region</th>
<th>2019 Actual</th>
<th>2020 Forecast</th>
<th>2021 Forecast</th>
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<tbody>
<tr>
<td><strong>East Asia</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hong Kong, China</td>
<td>-1.2</td>
<td>-6.5</td>
<td>5.1</td>
</tr>
<tr>
<td>People’s Republic of China</td>
<td>6.1</td>
<td>1.8</td>
<td>7.7</td>
</tr>
<tr>
<td>Korea</td>
<td>2.0</td>
<td>-1.0</td>
<td>3.3</td>
</tr>
<tr>
<td>Taipei, China</td>
<td>2.7</td>
<td>0.8</td>
<td>3.5</td>
</tr>
<tr>
<td><strong>South Asia</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bangladesh</td>
<td>8.2</td>
<td>5.2</td>
<td>6.8</td>
</tr>
<tr>
<td>India</td>
<td>4.2</td>
<td>-9.0</td>
<td>8.0</td>
</tr>
<tr>
<td>Pakistan</td>
<td>1.9</td>
<td>-0.4</td>
<td>2.0</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>2.3</td>
<td>-5.5</td>
<td>4.1</td>
</tr>
<tr>
<td><strong>Central Asia</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>2.2</td>
<td>-4.3</td>
<td>1.2</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>4.5</td>
<td>-3.2</td>
<td>2.8</td>
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<tr>
<td><strong>Pacific</strong></td>
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<tr>
<td>Fiji</td>
<td>0.5</td>
<td>-19.8</td>
<td>1.0</td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>4.8</td>
<td>-2.9</td>
<td>2.5</td>
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<tr>
<td><strong>Developing Asia</strong></td>
<td></td>
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<tr>
<td>excluding the NIES</td>
<td>5.6</td>
<td>-0.5</td>
<td>7.2</td>
</tr>
</tbody>
</table>

ADB’s $20 billion COVID-19 Response Package

Public sector $18.2 billion
- $13 billion: COVID-19 Pandemic Response Option—budget support, countercyclical funding
- $170 million: grants and technical assistance
- $5 billion: Reallocation of ongoing project loans, emergency assistance loans, etc.

Private sector $1.8 billion
- $800 million: Trade Finance Program
- $200 million: Supply Chain Finance Program
- $240 million: microfinance, etc.
- $560 million: others

Short-term emergency needs
- Protective equipment
- Health supplies
- Testing
- Communication
- Entry screening

Medium- to long-term needs
Help DMCs counter the socioeconomic impacts of the COVID-19 pandemic
Status of ADB’s COVID-19 Response

Total commitment of $12.8 billion (as of 13 Nov 2020)

Examples of new sovereign commitments:
- Indonesia ($2 billion)
- Philippines ($2.3 billion)
- India ($1.5 billion)
- Kazakhstan ($1 billion)
- Uzbekistan ($500 million)
- Bangladesh ($700 million)
- Pakistan ($800 million)
- Nepal ($250 million)
- Cambodia ($250 million)

Assistance focused on the poor, the vulnerable, and women
Provision of cash and essential supplies to the poor; support for women working in health and service sectors and women-led small and medium-sized enterprises

Swift and flexible response to an unprecedented crisis
Lower interest rates; fast-track processing of projects; use of disaster response funds for health emergencies; procurement of equipment/supplies from non-member countries; strengthened collaboration with other international organizations and donor countries
Post-COVID World and ADB

- The **new normal** (remote work, online meetings, distance learning, telemedicine, use of big data, etc.)
- Irreversible change vs. temporary phenomena (restrictions to the cross-border movement of goods, services, money, and people)
- Need for increased assistance in health and education
- Build back better, green recovery, and addressing inequality
- ADB’s role during and post-COVID-19 (increased use of local talent/CSOs/consultants, use of drones and other technologies, country situation analysis and information sharing, support for enhanced vaccine access)
- Need for stronger collaboration with the private sector and nontraditional partners (e.g., use of private sector technologies, SDG/ESG investments in ADB’s thematic bonds)

**SDGs are more relevant than ever!**