

TECHNICAL ASSISTANCE COMPLETION REPORT

Division : ERMF

TA No., Country and Name		Amount Approved: US\$1,000,000	
TA 7859-REG: Asian Development Outlook 2012		Revised Amount: US\$1,022,000	
Executing Agency: ADB	Source of Funding : TASF-IV	Amount Undisbursed: US\$ 88,734.97	Amount Utilized: US\$ 933,265.03
TA Approval Date: 8 Sep 2011	TA Signing Date: 8 Sep 2011	Fielding of First Consultants: 4 Oct 2011	TA Completion Date Original: 31 Mar 2013 Actual: 30 June 2014 Account Closing Date Original: 31 Mar 2013 Actual: 7 July 2014
<p>Description</p> <p>The <i>Asian Development Outlook (ADO)</i>, a flagship publication of the Asian Development Bank (ADB), showcases ADB's knowledge and expertise about Asia and the Pacific region. Its analysis of global, regional, and developing member country (DMC) macroeconomic issues informs ADB Management of the region's macroeconomic prospects and thus supports institutional decision making. The report also provides in-depth analysis of important medium-term development issues and recommends policy responses. The main report under this technical assistance (TA), <i>ADO 2012</i> (released in April) focused on the rising inequality in Asia, while the <i>ADO 2012 Update</i> (released in October), discussed the development of the services sector in the region. TA funding has regularly supported the preparation, publication, and dissemination of the <i>ADO</i>. The TA finances activities contributing to better understanding of the region's macroeconomic environment, which helps maintain the usefulness and relevance of the <i>ADO</i> for policy dialogue with DMC officials.</p> <p>Expected Impact, Outcome and Outputs</p> <p>The TA was expected to influence the intellectual environment within which policy formulation occurs and promote ADB's reputation as a credible and authoritative source of knowledge about the region. The expected outcome was improved content and quality of <i>ADO 2012</i> and its <i>Update</i>. The high quality analyses presented in the reports were also expected to strengthen the economic underpinnings of ADB's country programs and strategies. The expected outputs under the TA were two flagship publications—the <i>ADO 2012</i> and <i>ADO 2012 Update</i>—including online versions with links to contents and data, and translated summaries. The TA design was flexible enough to accommodate necessary changes during TA implementation.</p> <p>Delivery of Inputs and Conduct of Activities</p> <p>The Terms of Reference of the consultants provided adequate indicators and operational guidelines for the implementation of the TA. The TA engaged individual consultants in accordance with the guidelines on consulting services. The performance of the consultants (a total of about 45 person-months of international consulting and about 8 months of local consulting) was generally satisfactory despite tight delivery schedules and rigorous quality standards. Thorough review and editing of the country chapters were performed to ensure high quality. Thirteen economic consultants (about 18 person-months of international consulting) were engaged to provide background papers on the theme topics to strengthen the analysis of the <i>ADO</i> and its <i>Update</i>.</p> <p>A writers' workshop was conducted to guide the authors and help improve the content and quality of the country chapters. Two theme chapter workshops were also arranged where the background papers for the reports' theme chapters were presented and discussed. The final background papers were published as a book volume which required the engagement of analysts and statisticians to process and analyze data, and additional editors and typesetters. Thus, a minor change in the TA's implementation was requested and approved on 5 July 2012. This entailed an increase in the TA amount from \$1,000,000 to \$1,022,000 and a change in the TA's completion date from 31 March 2013 to 30 June 2014. However, due to cost-saving measures subsequently introduced, the supplemental amount was not fully utilized. Overall, ADB's performance as the executing agency was satisfactory.</p> <p>Evaluation of Outputs and Achievement of Outcome</p> <p>The TA generated the two flagship publications that provided comprehensive assessments of DMC's macroeconomic performance and the region as a whole. The reports also offered projections on key macroeconomic indicators for the years 2012 and 2013. In addition, the publications featured timely topics that have important implications for developing Asia's sustained growth. The theme chapter of the <i>ADO</i> focused on rising inequality in Asia. The report showed that despite the region's impressive performance in reducing poverty, income disparities widened in the 11 economies that account for more than four-fifths of the region's population. The report discussed that the primary drivers of the region's rapid growth, such as technological progress and globalization, were also increasing the gap between the incomes of the rich and the poor. Thus, policy makers need to meet the challenge of</p>			

rising inequality without hampering future growth by putting efficient fiscal policies in place, promoting regional balance (e.g. by improving transport and communication networks between developed and poor regions), and making growth more employment friendly. The *ADO Update* theme discussed the service sector in Asia. Over the years, this sector has become a significant contributor to the region's growth, but it remains trapped in low productivity traditional services and faces major bottlenecks preventing the development of high-productivity modern services. The *Update* recommends policies such as regulatory reform, investments in service-related infrastructure, education reform, and dismantling regulatory barriers to foster a more competitive and dynamic service industry that can boost overall productivity to support the region's future growth.

Both publications were successfully finished in time for their launches. The *ADO 2012* and *ADO 2012 Update* were launched in Hong Kong, China on 11 April 2012 and 3 October 2012, respectively. Moreover, several resident missions held simultaneous conferences to launch the report in their countries. Dissemination activities were also conducted in Japan, North America, Europe, and Australia to expand the reach of the *ADO* and its *Update*. The activities included panel discussions and seminars with academic institutions and think-tanks to disseminate the results and key messages of the publications. Presentations were also held in various government and non-government offices, such as the Ministry of Strategy and Finance in Seoul, the Hong Kong Monetary Authority, and the Hong Kong Chamber of Commerce. The launches of these flagship publications continued to generate significant coverage from both global and regional top-tier media. DER monitored around 450 news articles covering the *ADO*—both in traditional press and news websites. This included major print media like International Herald Tribune, Financial Times, and the Wall Street Journal. In 2012, *ADO 2012* was the number one publication accessed in the ADB website with 38,763 pageviews and 23,199 downloads. *ADO 2012 Update* is in close third with 24,972 pageviews and 11,022 downloads.

In addition to the two flagship publications, the TA also produced the book entitled *Inequality in Asia and the Pacific: Trends, Drivers, and Policy Implications*, which was co-published with Routledge, an international publisher of academic books and journals. It contained the background papers of the *ADO 2012* theme chapter provide a more detailed and comprehensive discussion of inequality in the region than available in the theme chapter.

The *ADO* and its *Update* have been used within ADB as a source of information in analyzing the economies of its DMCs. *ADO 2012* was also an important source of information for the ADB Annual Meeting country briefs and the Basic Statistics. The information and analysis drawn from these publications have also informed ADB Management, guided institutional views about prospective developments in the region, and have been used in the preparation of Management briefing notes and speeches. The *ADO 2012* chapter on inequality has also been used as a reference material in the recent Mid-Term Review of Strategy 2020.

Overall Assessment and Rating

The overall rating of the TA was successful. These flagship publications have continuously promoted ADB's visibility as a reputable knowledge institution in the region, providing in-depth, significant, and timely assessments of the economies in Asia and the Pacific.

Major Lessons

(1) The recommended change in the process of reviewing the country chapters was somewhat effective in easing production bottlenecks. Having more economic editorial advisors shortened the turnaround time for the review of chapters. The collaborative process also improved communication between the editors and the authors (2) The writers' workshop can be improved to provide better guidance in the preparation of the *ADO* chapters. (3) The design and monitoring framework of succeeding *ADO* TAs can be improved.

Recommendations and Follow-Up Actions

(1) Continuous review of the process to identify bottlenecks is recommended. (2) Consult with country authors on the topics to be covered in the *ADO* writers' workshops to make it more useful in drafting the development challenges section of the chapters. (3) Review of the design and monitoring framework is recommended.

Prepared by: Editha Laviña / Maria Susan Torres

Designation: Senior Economics Officer / Publication Officer

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