



Technical Assistance Subproject Report

Project Number: 52216-004
Knowledge and Support Technical Assistance (C-KSTA)
November 2020

Asian Development Outlook 2019–2021 Subproject 3: Asian Development Outlook 2021

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Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
ADO	–	Asian Development Outlook
DME	–	developing member economy
ERCD	–	Economic Research and Regional Cooperation Department
ERMR	–	Macroeconomics Research Division
KPA	–	knowledge partnership agreement
TA	–	technical assistance

NOTE

- (i) In this report, "\$" refers to United States dollars.

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KNOWLEDGE AND SUPPORT TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 52216-004	
Project Name	Asian Development Outlook 2019-2021 - Asian Development Outlook 2021 (Subproject 3)	Department/Division	ERCD/ERMR
Nature of Activity	Research and Development	Executing Agency	Asian Development Bank
Modality	Subproject		
Country	REG (All DMCs)		
2. Sector		Subsector(s)	
✓ Multisector	ADB's corporate management, policy and strategy development		ADB Financing (\$ million)
			1.00
		Total	1.00
3. Operational Priorities		Climate Change Information	
✓ Addressing remaining poverty and reducing inequalities	GHG Reductions (tons per annum)		0
✓ Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability	Climate Change impact on the Project		Low
✓ Strengthening governance and institutional capacity			
✓ Fostering regional cooperation and integration			
		ADB Financing	
		Adaptation (\$ million)	0.00
		Mitigation (\$ million)	0.00
		Cofinancing	
		Adaptation (\$ million)	0.00
		Mitigation (\$ million)	0.00
Sustainable Development Goals		Gender Equity and Mainstreaming	
SDG 1.5, 1.b	No gender elements (NGE)		✓
SDG 8.1, 8.2			
SDG 10.2			
SDG 17.4			
		Poverty Targeting	
		Geographic Targeting	✓
4. Risk Categorization Risk Categorization does not apply			
5. Safeguard Categorization Safeguard Policy Statement does not apply			
6. Financing			
Modality and Sources		Amount (\$ million)	
ADB		1.00	
Knowledge and Support technical assistance: Technical Assistance		1.00	
Special Fund			
Cofinancing		0.00	
None		0.00	
Counterpart		0.00	
None		0.00	
Total		1.00	
Currency of ADB Financing: US Dollar			

I. THE TECHNICAL ASSISTANCE SUBPROJECT

A. Overall Progress of the Technical Assistance Cluster

8. The KSTA cluster Asian Development Outlook (ADO) 2019–2021 was approved by the President on 31 October 2018 to support the preparation of the flagship publication—the ADO—for 3 years. The KSTA cluster has three subprojects and is financed by ADB, on a grant basis, from the ADB's TA funding program (TASF). It was identified as one of ERCD's corporate priority TAs. The first subproject, which supported the production of ADO 2019, ADO 2019 Update, and the July and December issues of the ADO Supplement, was approved on 5 November 2018 and is scheduled for completion on 31 December 2020. The second subproject, which supported the ADO 2020 cycle was approved on 8 November 2019 and is scheduled for completion on 31 December 2021. Most of the activities under subprojects 1 and 2 have been completed including the successful launch and dissemination of *ADO 2019*, *ADO 2019 Update*, the July and December 2019 issues of the *ADO Supplement*, *ADO 2020*, *ADO 2020 Update*, and the June 2020 issue of the *ADO Supplement*. The outreach activities to disseminate the key messages of these reports were well-covered in top tier national and international media and carried on international newswires, and have influenced policy discussions in member countries (e.g., the *ADO 2019 Update* theme chapter on urbanization stimulating debates on how to address congestion in Asia's cities). Both subprojects have also financed initial activities for the next ADO cycles. To date, about 99% of subproject 1 funds have been committed and 95% disbursed; while for subproject 2, 83% has been committed and 60% disbursed. By end 2020, it is expected that around 90% of subproject 2 funds will be committed and 70% disbursed.

B. Subproject Outcome

9. The TA will have the following outcome: reference to the ADO by the media, economic researchers, and DME officials maintained or increased.¹ The subproject outcome will support the outcome of the overall TA cluster.

C. Subproject Outputs, Methods, and Activities

3. **Output 1: ADO 2021, ADO 2021 Update, and ADO supplements produced and disseminated.** The TA subproject will support the production of the *ADO 2021*, one of ADB's flagship publications. It will support the following activities: (i) preparing background analytical papers following the 2-year rolling research plan, (ii) further developing and refining analytical methods, (iii) drafting of ADO content, (iv) editing economic content and manuscripts, (v) preparing and laying out of materials for publication, and (vi) disseminating key results and policy messages. The publications will be widely disseminated in collaboration with ADB's Department of Communications and participating resident missions. The international launch will be followed by presentations co-hosted by ADB development partners within and outside Asia and the Pacific. Outreach will include analytical discussions of the issues in collaboration with development partners, academic institutions, and think tanks. Webinars and other similar online platforms will be used should COVID-19 travel and gathering restrictions still prevail during scheduled launches of the reports in 2021. The ADOs will be disseminated as electronic files on the ADB website² and sent via DOC's targeted mailing list, but because there is still demand for printed copies from

¹ The design and monitoring framework is in Appendix 1.

² The ADO will be disseminated in coordination with the Department of Communications and will be done via ADB's official webpage and ADB's official social media accounts. As such, maintaining a website and social media accounts after the TA subproject is completed will not be an issue.

Management and outside researchers, the Economic Research and Regional Cooperation Department (ERCD) will print limited copies (about 300) in compliance with the Administrative Order on Energy, Environment, Health, and Safety Management System.³ Printing of the ADO switched to print-on-demand in 2017. The TA subproject will support Output 1 of the overall TA cluster.

4. With its comprehensive analysis of evolving macroeconomic advances and emerging development challenges in the region, the ADO plays an important part in supporting ADB in strengthening its role as a knowledge institution. The ADO supports the knowledge and operational work of the regional departments. Country chapters monitor the latest economic developments and near-term outlook toward developing appropriate policy recommendations for ensuring macroeconomic stability. The country chapters and the regional outlook section of the ADO 2021 will provide general discussion of COVID-19's impact and challenges. Further, the chapters' policy challenge sections will include analysis of key obstacles to inclusive economic growth such as (i) factors preventing productive employment generation, (ii) human development constraints, (iii) gender and other socioeconomic barriers, (iv) spatial and geographical limitations, (v) institutional and policy weaknesses, and (vi) factors preventing expansion of social protection programs. The thematic chapters will tackle important development challenges for a transforming Asia and the Pacific.

5. In 2021, thematic chapters of the ADO will deal with issues and challenges identified in Strategy 2030.⁴ As discussed with the President, the ADO 2021 thematic chapter will be on the use of green and social finance to support a green and inclusive recovery. Developing Asia has experienced rapid economic development but now faces large environmental and social challenges. The COVID-19 pandemic has made things worse, hitting poor and vulnerable groups the hardest and limiting resources available for needed green investments (e.g., clean energy, climate-resilient infrastructure) and other social investments (e.g., affordable housing, education). This chapter will document the state of green and social finance in developing Asia, both public and private, and the prospects for and challenges to its expansion. Most existing reports on green and social finance document global trends and focus on advanced economies.⁵ This will be the first on green and social finance in developing Asia. It will address the following research questions: (i) what is the current state of green and social finance globally and in developing Asia? (ii) what resources are available, both from the public sector and the private sector? (iii) how can green and social finance benefit various stakeholders, including businesses, investors, the community, financial market, governments and the economy? (iv) what are the constraints to expanding green and social finance in the region? and (v) how can policy makers develop green and social finance to support green and social investments?

6. The ADO 2021 Update will explore current issues in Asian agriculture. Asia's food consumption patterns have changed substantially over the past few decades due to rising incomes, changing food prices, and urbanization. Consumer preferences are shifting away from starchy staples, reflecting a desire for dietary diversity. But while Asia has increased and diversified its agricultural production, productivity growth has slowed in the past decades. Urban migration has been moving young and productive people away from agriculture, leaving agricultural production to an aging population. The incidence of extreme weather events, such as

³ ADB. 2016. Energy, Environment, Health, and Safety Management System. *Administrative Orders*. AO 4.13. Manila.

⁴ ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

⁵ UN. 2019. *Sustainable Finance Progress Report 2018*. http://unepinquiry.org/wp-content/uploads/2019/03/Sustainable_Finance_Progress_Report_2018.pdf; Global Sustainable Investment Alliance. 2018. *2018 Global Sustainable Investment Review*. <http://www.gsi-alliance.org/trends-report-2018>.

floods and drought, is expected to increase due to climate change.⁶ And the COVID-19 pandemic has disrupted food supply chains and trade, raising concerns over food security. There is thus an urgent need to examine and document the future demand for and supply of food in Asia, both in quantity and quality. Existing agricultural technologies and emerging opportunities and risks need to be reviewed; changes in employment, farm income and wages, and rural poverty must be examined; and innovations in food supply-chain networks need to be explored. This theme chapter will explore the following issues: (i) can Asian agriculture respond to growing demand for diversified food products in the region? (ii) how can Asian agriculture benefit from emerging opportunities and advanced technologies? and (iii) how will emerging agricultural technologies and recent urbanization trends affect rural poverty and the income and wage earnings of farmers?

7. **Output 2: Background papers disseminated.** To provide a solid empirical and analytical foundation for the content of ADO, the TA subproject will commission background research papers that will supplement ERCD research analyzing issues and policy implications of selected theme topics such as green and social finance, Asian agriculture, domestic resource mobilization, the socioeconomic impact of disasters in Asia, and other topics that will be identified for the next ADO cycles. Workshops and seminars focusing on the thematic chapters will be organized to strengthen ADO content, and subject experts will be invited to discuss initial drafts of the background papers to improve the analytical rigor and policy relevance of the thematic chapters. These papers may be consolidated in edited research volumes to provide researchers with more extensive analyses related to the thematic topics. The research volumes may be co-published with a reputable publishing house, which could entail a buy-back arrangement. Background papers will also be published on the ADB website, or as working papers or journal publications, as appropriate. The TA subproject will support Output 2 of the overall TA cluster.

D. Subproject Cost and Financing

8. The TA subproject is estimated to cost \$1,000,000 which will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-6 and TASF-others). The key expenditure items are listed in Appendix 2.

E. Subproject Implementation Arrangements

9. ADB will administer the TA. The Macroeconomics Research Division of ERCD will be directly responsible for the TA subproject administration and supervision, management of consultants, procurement, and accomplishment of outputs. Adopting the "One ADB" approach in knowledge solutions, ERMR will continue to collaborate with regional departments, including resident missions; other knowledge departments; and relevant sector and thematic groups on subproject activities. Lessons learned from the implementation of the previous 2 subprojects—such as further coordination with DOC to include better metrics in measuring the impact and reach of ADO and on how to better disseminate the ADO and other lessons—will be taken into account during the implementation of TA subproject 3. To ensure continuous support to the 2-year rolling research plan which will enhance the quality of ADB's flagship publications, the subproject may finance engagement of experts and activities for the succeeding ADOs.

10. Implementation arrangements are summarized in the table.

⁶ ADB. 2019. *Asian Development Outlook 2019: Strengthening Disaster Resilience*. Manila.

Subproject Implementation Arrangements

Aspects	Arrangements		
Indicative implementation period	November 2020–December 2022		
Executing agency	Asian Development Bank		
Implementing agency	Macroeconomics Research Division		
Consultants	To be selected and engaged by ADB		
	Individual consultant selection ^a	International expertise (49 person-months)	\$805,000
	Individual consultant selection	National expertise (29 person-months)	\$50,000
Procurement ^b	To be procured by ADB		
	Request for quotation	1 contract	\$3,000
Disbursement	Disbursement of TA resources will follow ADB's <i>Technical Assistance Disbursement Handbook</i> (2020, as amended from time to time).		
Asset turnover or disposal arrangement upon TA completion	After TA completion, any procured equipment will be disposed of in accordance with Project Administration Instructions 5.09.		

ADB = Asian Development Bank, TA = technical assistance.

^a Depending on the TOR requirements, framework agreements/contracts will be an option. Output-based, lump-sum, or time-based contracts will be used as appropriate.

^b ADB Procurement Policy (2017, as amended from time to time).

Source: Asian Development Bank estimates.

11. **Consulting services.** Individual consultants and resource persons will be recruited through individual consultant selection to provide international and national consulting. The TA subproject will require international consultancy from economists and sector specialists who will prepare background papers and analyses supporting the theme chapters or topics related to the outlook. International economic advisory and editing consultants will be required for the economic and technical editing of ADO manuscripts before final publication. National economics consultants and research assistants will be required to assist with data management and to conduct research on a particular topic. National consultants will be needed to perform the desktop publishing and graphic design of the publication. Resource persons will be engaged for a maximum of 15 working days to conduct training on macroeconomics and economic forecasting and also serve as discussants during workshops. Contracts for consulting services will consist of output-based, lump-sum, time-based or framework contracts, as appropriate, and the consultants and resource persons will be recruited as individuals to ensure individuals with the requisite experience and qualifications are recruited. The ADO covers a wide range of topics, and highly qualified consultants with expertise relevant to ADO requirements will most likely be associated with various research institutions, think tanks, and universities. Further, the TA will require rapid mobilization of the editorial consultants. The consultants will be engaged in accordance with the ADB Procurement Policy (2017, as amended from time to time) and the associated staff instructions.

12. **ADB's procurement.** The TA subproject will finance procurement of information technology equipment and software as needed. Procurement will follow the ADB Procurement Policy (2017, as amended from time to time) and the Procurement Regulations for ADB Borrowers (2017, as amended from time to time) and the associated staff instructions.

<p>2. Output 2 Background papers disseminated.</p> <p>2.1 Edit background papers (April–October 2021 and November 2021–May 2022)</p> <p>2.2 Publish as working papers and possibly as edited research volumes, and/or submit to reputable peer-reviewed academic journals (December 2021 and June 2022).</p> <p>TA Management Activities</p> <p>Consultant recruitment (November–December 2021, May 2022).</p> <p>Procurement of information technology equipment (as needed, schedule to be determined).</p> <p>Inputs</p> <p>ADB: \$1,000,000</p>
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A = assumption, ADB = Asian Development Bank, ADO = Asian Development Outlook, DME = developing member economies, DOC = Department of Communications, OP = operational priority, R = risk, TA = technical assistance.

^a Defined by TA.

^b Refer to the number of times the content related to ADO was displayed on social media news feeds.

Source: Asian Development Bank.

SUBPROJECT COST ESTIMATES AND FINANCING PLAN {(\$'000)}

Item	Amount
A. Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	645.0
ii. National consultants	50.0
b. Out-of-pocket expenditures	
i. International and local travel	160.0
2. Printed external publications ^b	10.0
3. Goods (rental or purchase) ^c	3.0
4. Training, seminars, workshops, forum and conferences ^d	35.0
5. Miscellaneous administration and support costs ^e	22.0
6. Contingencies	75.0
Total	1,000.0

Note: The technical assistance (TA) is estimated to cost \$1,000,000, of which contributions from the Asian Development Bank are presented in the table above.

^a Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF 6 and TASF others).

^b The ADOs are disseminated as electronic files in the ADB website. However, there is still demand for printed copies from Management and outside researchers. In compliance with the administrative order on environment, health, and safety management system, ERCD will print limited copies (around 300) of the publications. Includes buy-back arrangements, if any.

^c Includes information technology and software. The procurement of goods will be done in accordance with ADB's Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time).

^d Includes (i) travel expenses and per diem of ADB staff as resource persons in dissemination activities or speakers in international conferences and/or forums to present technical assistance results; (ii) travel expenses and per diem of ADB staff to provide support services in implementing and administering workshops; (iii) honoraria, per diem, and other travel-related expenses of resource persons; (iv) venue rental and related facilities; (v) relevant costs including representation expenses; (vi) costs of meals and snacks served during training sessions, workshops, or conferences for all participants, including ADB staff participants; and (vii) other related costs. Expenses will be incurred in accordance with ADB (Budget, Personnel, and Management Systems Department; and Strategy and Policy Department). 2013. *Use of Bank Resources: Regional Technical Assistance and Technical Assistance vs. Internal Administrative Expenses Budget. Memorandum*. 26 June (internal).

^e Includes data support and purchase of survey or study data, subscription to data and information services such as Bloomberg, CEIC Data Ltd., Focus Economics, Oxford Economics, etc., and other expenditures that may arise in the course of the TA implementation that the other cost categories in the financing plan do not cover, e.g. mailing and shipping of documents, bank charges, and translation costs.

Source: Asian Development Bank estimates.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/LinkedDocs/?id=52216-004-TARreport>

1. Terms of Reference for Consultants