STRATEGIES FOR DEVELOPING ASIA’S FUTURE
25 YEARS OF THE ASIAN DEVELOPMENT BANK INSTITUTE
Strategies for Developing Asia’s Future:
25 Years of the Asian Development Bank Institute
## Contents

Tables, Figures, and Boxes  iv  
Abbreviations  v  
Foreword  vi  
Acknowledgments  vii  
Overview  viii  

1 Founding of the Asian Development Bank Institute  1  
2 Further Responses to the Asian Financial Crisis  3  
3 Focusing on Inclusive Growth  10  
4 Responding to the Global Financial Crisis and Promoting Regional Integration  17  
5 Infrastructure Investment, Small and Medium-Sized Enterprise Finance, and Financial Literacy  28  
6 Responding to the COVID-19 Pandemic and Strengthening Research Methodology  39  
7 Research  50  
8 Capacity Building and Training  58  
9 Outreach  68  
10 Collaboration  78  
11 The Asian Development Bank Institute in the Next 25 Years  89
# Tables, Figures, and Boxes

## Tables
- ADBI Rankings in the Global Go To Think Tanks Index Survey xiv
- Research Outputs, 2021 and 2022 51
- Research Events, 2021 and 2022 52
- 1998–2021 New Initiatives: Regional Cooperation and Integration 60
- Selected ADBI Digital Outreach Performance Data, 2018–2022 72

## Figures
- Return on Infrastructure Investment 29
- Regional Breakdown of ADBI Books and Working Papers in 2022, % of Total 52
- ADBI Outreach Restructuring and Expanded Capacity, 2018–2022 69

## Boxes
- ADBI’s First Logo, Introduced in 1999 5
- Post-Crisis Development Paradigms in Asia (2003) 8
- The Asian Tsunami: Aid and Reconstruction After a Disaster (2010) 15
- Infrastructure for a Seamless Asia (2009) 22
- Financing Infrastructure in Asia and the Pacific: Capturing Impacts and New Sources (2018) 35
- COVID-19 Impacts and Policy Options: An Asian Perspective (2021) 46
- E-Procurement Helps Governments in Developing Nations Jump Start their Use of Information and Communication Technology 62
- Distance Learning Improves Capacity of Microfinance Practitioners 63
## Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>3YRWP</td>
<td>Three-Year Rolling Work Program</td>
</tr>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
</tr>
<tr>
<td>ADBI</td>
<td>Asian Development Bank Institute</td>
</tr>
<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
</tr>
<tr>
<td>CAREC</td>
<td>Central Asia Regional Economic Cooperation</td>
</tr>
<tr>
<td>CBT</td>
<td>capacity building and training</td>
</tr>
<tr>
<td>COVID-19</td>
<td>coronavirus disease</td>
</tr>
<tr>
<td>DAJA</td>
<td>Developing Asia Journalism Awards</td>
</tr>
<tr>
<td>DMC</td>
<td>developing member country</td>
</tr>
<tr>
<td>DRM</td>
<td>Disaster Risk Management</td>
</tr>
<tr>
<td>ERCD</td>
<td>Economic Research and Regional Cooperation Department</td>
</tr>
<tr>
<td>ERCI</td>
<td>Regional Cooperation and Integration Division</td>
</tr>
<tr>
<td>ESG</td>
<td>environmental, social, and governance</td>
</tr>
<tr>
<td>FDI</td>
<td>foreign direct investment</td>
</tr>
<tr>
<td>fintech</td>
<td>financial technology</td>
</tr>
<tr>
<td>FTA</td>
<td>free trade agreement</td>
</tr>
<tr>
<td>G20</td>
<td>Group of Twenty</td>
</tr>
<tr>
<td>GRIPS</td>
<td>Graduate Institute for Policy Studies</td>
</tr>
<tr>
<td>GVC</td>
<td>global value chain</td>
</tr>
<tr>
<td>HTHT</td>
<td>high-touch high-tech</td>
</tr>
<tr>
<td>HVP</td>
<td>high-value agricultural product</td>
</tr>
<tr>
<td>ICT</td>
<td>information and communication technology</td>
</tr>
<tr>
<td>MSME</td>
<td>micro-, small, and medium-sized enterprises</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>PPP</td>
<td>public–private partnership</td>
</tr>
<tr>
<td>PRC</td>
<td>People’s Republic of China</td>
</tr>
<tr>
<td>RCT</td>
<td>randomized control trial</td>
</tr>
<tr>
<td>SDGs</td>
<td>Sustainable Development Goals</td>
</tr>
<tr>
<td>SMEs</td>
<td>small and medium-sized enterprises</td>
</tr>
<tr>
<td>T20</td>
<td>Think 20</td>
</tr>
<tr>
<td>TTCSP</td>
<td>Think Tanks and Civil Societies Program</td>
</tr>
<tr>
<td>UNCDF</td>
<td>United Nations Capital Development Fund</td>
</tr>
<tr>
<td>US</td>
<td>United States</td>
</tr>
<tr>
<td>WFH</td>
<td>work-from-home</td>
</tr>
</tbody>
</table>
The Asia and the Pacific region achieved dramatic growth over the previous half century and has emerged as a center of global dynamism. Today, it accounts for over one-third of global gross domestic product and contributes to more than half the world’s economic growth. This strong performance has substantially raised living standards in the region. More than a billion people have been lifted out of extreme poverty since 1990.

The Asian financial crisis of 1997–1998 was a major inflection point in this growth trajectory. It raised many questions and challenges about how to maintain sustainable and inclusive growth while preserving financial stability and coping in a world of volatile capital flows. It led to substantial policy changes in a number of countries in varied areas including exchange rate policy, monetary policy, and competition policy. Founded in 1997, the Asian Development Bank Institute (ADBI) rapidly cut its teeth on issues related to responding to the crisis and developing a new growth paradigm in the changed environment.

Since then, a number of other major issues have emerged. Still, over 180 million people live in absolute poverty on less than $2.15 a day. Large infrastructure gaps constrain economic development and people’s welfare. Implementing the Sustainable Development Goals adopted by world leaders at the United Nations in 2015 is proving to be difficult. Climate change has brought attention to the key importance of both mitigation and adaption policies, along with the need to mobilize sufficient funds to carry out the needed transitions. This extends to issues involving both food security and energy security. International trade has evolved with the dramatic development of global value chains in the region, creating momentum for more comprehensive trade agreements and another set of policy changes. The coronavirus disease (COVID-19) pandemic posed additional challenges in the areas of health and education, as well as pushing millions back into poverty. Other challenges include urbanization, aging, and widening inequalities. ADBI has responded to these issues by diversifying its research and capacity building and training activities accordingly.

This book aims to review how ADBI over the past 25 years has responded to Asia’s multiple challenges given its unique regional perspective. It is very useful to know how ADBI has evolved in terms of its research and capacity building priorities and work, funding, staff, strategies, and succession of deans. At the same time, the book follows many of the major trends that Asia and the Pacific experienced over that period.

ADBI should continue to play an important role in identifying policies to address these challenges. In doing so, it will draw on its partnerships built over the past 25 years with think tanks and academia, officials of ADB developing member countries, multilateral and bilateral development agencies, civil society organizations, and the private sector, from within and outside the region. ADBI will make further efforts to assess how scalable this approach to bridging research and policy making proves to be.

I believe that it is the obligation of any institution, especially a public one, to keep a good, objective, and comprehensive record of its history, preferably in a book which is interesting to read. I hope this publication, edited by Peter Morgan, will serve that purpose, help us to understand the ways that ADBI has evolved to meet the needs of the region, and provide insights for us to consider how ADBI can best serve the region in the future.

Tetsushi Sonobe
Dean
Asian Development Bank Institute
Acknowledgments

This publication was a joint effort with numerous contributions. Aside from the named contributions in the text, Peter J. Morgan, Senior Consulting Economist and Advisor to the Dean, wrote the Overview, Chapter 1, Chapter 7, and the historical sections of other chapters, and was overall editor of the volume. Sayuri Shirai, Visiting Fellow and Professor of Economics under Keio University’s Faculty of Policy Management, wrote the introductory part of Chapter 2. Seungju Baek, Deputy Dean (Capacity Building and Training and Special Activities) wrote Chapter 8 together with Widya Alwarritzi, Results Management Coordinator for Capacity Building and Training. Widya Alwarritzi also organized interviews with former deans Peter McCawley, Masahiro Kawai, and Naoyuki Yoshino. David Hendrickson, Communications Specialist, wrote Chapter 9. Tetsushi Sonobe, Dean, gave valuable comments on the overall draft. We are very grateful for substantial contributions from former Deans Peter McCawley, Masahiro Kawai and Naoyuki Yoshino, and also Cyn-Young Park.

Ainslie Smith provided careful text editing and Adam Majoe, Publications and Brand Consultant, was in charge of production.
Overview

Introduction

Strategies for Developing Asia’s Future details the evolution of the Asian Development Bank Institute (ADBI) since its founding as the Asian Development Bank’s Tokyo-based think tank in 1997 and its efforts to provide the region’s governments and stakeholders with policy knowledge to effectively address sustainable development challenges and opportunities.


Strategies for Developing Asia’s Future also details the development of ADBI’s policy research, capacity building and training, and outreach activities and the institute’s collaboration with the Asian Development Bank and other knowledge partners. The book concludes by discussing how ADBI can maintain its relevance to its stakeholders over the next 25 years.

It has been an extraordinary journey to navigate these varied shocks, priorities, and changes. In doing so, ADBI has developed from its modest start in 1998 to become a world-recognized think tank. For example, in 2019 it was named as one of the two lead institutions of the Think 20 (T20) process, an engagement group for the Group of Twenty (G20). Also, according to the University of Pennsylvania’s Think Tanks and Civil Societies Program’s 2020 Global Go To Think Tank Index Report, ADBI was ranked as the top government-affiliated think tank in the world for the second year in a row. It was also ranked sixth in the International Development Policy Think Tank category and eleventh in the International Economics Policy Think Tank category (McGann 2021).

Establishment and Objectives

At ADB’s 29th annual meeting in Manila in May 1996, Japan announced an initiative to support ADB’s efforts to strengthen the capacity of public and other development institutions in its developing member countries (DMCs). The Japanese government offered to cover the cost of operating and establishing an ADB Institute to address
the needs of DMCs for development management training and intellectual exchange on policy issues. In 1996, ADB’s Board of Directors approved the establishment of ADBI as a subsidiary body of ADB in Tokyo as a think tank to carry out research and capacity building and training (CBT) to support ADB’s programs in Asia and the Pacific. Thus, although the founding of ADBI is sometimes regarded as a response to the Asian financial crisis, the original impetus came before the crisis. Nevertheless, the crisis guided much of ADBI’s early work.

According to the ADBI Statute (ADBI 2018, p.5), ADBI’s objectives are to “…identify effective development strategies and to improve the capacity for sound development among the agencies and organizations…” in ADB’s DMCs. It was to achieve these objectives by the following activities:

(a) organization and conduct of training programs, seminars, conferences and lectures in development policy and management for middle to top level policymakers and officials of public, private and other entities engaged in development work in the DMCs of the Bank;
(b) conduct of research on development issues with strategic implications for development thinking and policy formulation, including identification and distillation of best practices, and production of learning methods and materials related thereto;
(c) dissemination of the results of such research, training, seminars and conferences through various types of media and publications;
(d) provision of assistance to the staff of the Bank, as may be requested, on such matters related to development policy and management, capacity building and good governance; and
(e) such other functions which advance the objectives of the Institute as may be approved from time to time by the Board of Directors of the Bank.” (ADBI 2018, p.6)

The first activity relates primarily to CBT, while the second relates to research, and the third relates to outreach activities. In order to carry out these functions, ADBI has three departments: Capacity Building and Training; Research; and Administration, Management and Coordination. ADBI’s outreach activities are contained within the Administration, Management and Coordination department, and embrace an increasing number of channels for disseminating ADBI’s knowledge products, including books, working papers, policy briefs, podcasts, and e-learning courses. The activities of the CBT and research departments and the outreach team are described in more detail in chapters 7 to 9, respectively.

Vision

ADBI’s vision is to be an innovative center of excellence for the creation and dissemination of timely, innovative, evidence-based knowledge to support policy design and implementation by developing and emerging economies, contributing to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific. ADBI does this through the seamless integration of research, CBT, and outreach.
focused on regional stakeholders. In the spirit of “One ADB,” ADBI also contributes to ADB’s overall mission and to the operational priorities of Strategy 2030. This vision is expected to promote ADBI’s reputation as a leading regional and global think tank.

Financing

The ADBI Statute notes that “[t]he budget of the Institute shall be independent from that of the Bank and the Bank shall not be liable for the obligations of the Institute, except as the Bank, with the approval of the Board of Directors, may otherwise agree” (ADBI 2018, p.12). In other words, ADBI must obtain funding from outside sources. Initially, ADBI’s operations were funded only by the Government of Japan, but later other countries—Australia, the People’s Republic of China (PRC), Indonesia, and the Republic of Korea—also contributed to the budget. In recent years, ADBI has also received funding from private sources, most notably the Bill and Melinda Gates Foundation. However, funding from Japan remains the primary source.

Advisory Council

From the beginning, the ADBI Statute specifies the role of the Advisory Council, whose role is to “...provide advice and recommendations on the strategic directions of the Institute; and review and comment on the Strategy and Work Program of the Institute” (ADBI 2018a, p.7). The Advisory Council is composed of seven or more members appointed by ADB’s President, with one from the senior staff of ADB and the other members are distinguished practitioners or scholars in the field of development or management from ADB’s member countries on a broad geographical basis. The Advisory Council often recommends new and emerging areas where ADBI should focus its research and CBT activities.

Relationship to the Asian Development Bank

As noted above, ADBI is a subsidiary body of ADB. It is regarded as one of the “knowledge departments” of ADB, along with the Economic Research and Regional Cooperation Department and the Sustainable Development and Climate Change Department, and as such comes under the direction of the Vice President for Knowledge Management. ADB’s Board of Directors exercises the same oversight responsibilities over ADBI as for the rest of ADB, including approving its work program and budget.

ADBI’s relationship with the other ADB knowledge departments has evolved over time. In early years, there was no clear distinction of focus between ADBI and ADB headquarters. When ADBI was established, ADB had limited research and training functions in the then Economics and Development Research Center. However, as the research and training activities of ADB’s knowledge departments increased, the rationale for ADBI to conduct research and CBT changed. In 2006, ADBI and ADB knowledge departments introduced a formal process to coordinate their activities, including engaging in joint undertakings. In this context, ADBI decided to conduct research and CBT activities that contribute to ADB’s overarching goal of poverty reduction by applying cutting-edge research knowledge to the Asia-specific context and focusing on the region’s medium- and long-term development issues of strategic importance (ADBI 2011).
ADBI’s main comparative advantage relative to ADB’s knowledge departments lies in its flexibility and nimbleness. Although its budget and staff size are far smaller than those of the other knowledge departments, its budget process is faster, allowing it to rapidly fund projects in new areas. In contrast, ADB’s knowledge-related activities are mainly funded through knowledge support technical assistance. These typically have large budgets, but take a long time to approve, and are relatively inflexible in terms of the activities that they can cover. ADBI staff are also relatively free of “overhead” projects such as ADB’s Asian Economic Outlook document and requests from ADB operational departments that can consume a large share of staff time.

Priorities for Research and CBT Activities

The selection of research and CBT programs in recent years has been guided by (i) the relevance of policy issues to ADB’s operational priorities; (ii) the needs of DMCs as gathered through ADBI’s own surveys; (iii) suggestions made by ADB’s Budget Review Committee, Board of Directors, Management, and high-ranking policy makers and think tank heads in Asia and the Pacific; (iv) advice provided by members of ADBI’s Advisory Council; and (v) consultations with ADB’s knowledge and regional departments and country offices to avoid duplication and foster knowledge partnerships (ADB 2021). These selection criteria have evolved over time in response to changes in ADB’s priorities, changes in the perception of the needs of ADB’s DMCs, and outside events such as various crises.

An early document (ADBI 2003) advised that ADBI’s work should focus on four “niche” areas: (i) poverty reduction, (ii) regional cooperation, (iii) private sector development, and (iv) governance. These thematic areas have been maintained consistently since then, but, as will be seen, various new priorities have been added over time.

A 2003 planning document advised that ADBI’s work should focus on four “niche” areas: (i) poverty reduction, (ii) regional cooperation, (iii) private sector development, and (iv) governance.

During 2007–2009, in addition to the above-mentioned four research priorities, ADBI adopted “Infrastructure for Regional Cooperation” as a cross-cutting theme. This theme generated a number of projects, most notably the book *Infrastructure for a Seamless Asia* (ADB and ADBI 2009), which attracted widespread attention, becoming ADBI’s most downloaded book for a number of years.

In 2008, ADBI aligned its work program with ADB’s new long-term strategic framework *Strategy 2020: Working for an Asia and Pacific Free of Poverty* (ADB 2008). Under the overarching goal of poverty reduction, ADBI’s three strategic priority themes became inclusive and sustainable growth, regional cooperation and integration, and governance for policies and institutions. Private sector issues cut across these three strategic themes due to the private sector’s important role as a driver of change (ADBI 2008). Notably, the themes of inclusive growth and environmental sustainability were added to the priorities for the first time. Regarding its orientation, it was specified that ADBI should be “…looking ahead to the next 10–20 years and focusing on the region’s medium- to long-term development issues of strategic importance” (ADBI 2008, pp.1–2).
Under the theme of inclusive and sustainable growth, ADBI focused on three areas: infrastructure, financial sector development, and the environment and climate change. This marked the first time that climate change was included in ADBI’s priority areas. Under regional cooperation and integration, ADBI focused on cooperation on environmental issues, monetary and financial issues, and trade and investment issues. Under governance for policies and institutions, ADBI focused on economic policy management and public sector reform (ADBI 2008). Although ADB’s Strategy 2020 mentioned gender equity, this was not explicitly picked up as a theme by ADBI until 2014.

The 2008–2009 global financial crisis soon became a major focus of ADBI’s attention and generated a number of research projects and CBT events. Unlike the Asian financial crisis, it was an external shock to the region, but raised major concerns about its impacts on growth, poverty, and financial stability.

In 2014, ADBI’s institutional strategic focus was aligned with ADB’s Midterm Review of Strategy 2020 which was approved by ADB’s Board of Directors on 23 April 2014 (ADB 2014). The following six priority thematic areas were adopted: (i) poverty reduction and inclusive economic growth, (ii) environment and climate change, (iii) regional cooperation and integration, (iv) infrastructure development, (v) support for middle-income countries, and (vi) private sector development and operations. The main innovation was the introduction of support for middle-income countries, reflecting concerns about factors that might cause countries to fall into a “middle-income trap.”

In 2018, ADBI’s institutional strategic focus was re-oriented to the operational priorities in ADB’s Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific (ADB 2018), which was approved by ADB’s Board of Directors on 26 July 2018. These operational priorities are (i) addressing remaining poverty and reducing inequality; (ii) accelerating progress in gender equality; (iii) tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability; (iv) making cities more livable; (v) promoting rural development and food security; (vi) strengthening governance and institutional capacity; and (vii) fostering regional cooperation and integration. Thus, inequality, urban development, and food security issues were added to earlier priorities. Following the eruption of the COVID-19 pandemic in 2020, the topic of “COVID-19 pandemic impacts and policies” was added as an eighth priority area.

Think Tank Network

ADBI has always considered developing collaborative arrangements with other think tanks and research institutions, both within and outside the region, to be an important task. ADBI (2003) already noted that an important niche for ADBI is as a development network institution, i.e., it should leverage its good connections with DMC governments and strong financing to develop its connections with other research institutions in the region.
In 2013, ADBI enhanced its regional leadership role as it joined with the Think Tanks and Civil Societies Program (TTCSP) of the University of Pennsylvania to establish the Asia Think Tanks Secretariat. It created and maintains the “Think Asia” online portal, which provides an open access database of over 13,000 publications from top regional think tanks. Together with the TTCSP, it also organizes the Annual Asia Think Tank Summit, which was first held in 2013. The annual events enable think tank heads and senior officials to discuss and take action on how think tanks can develop and provide policy-oriented research and analysis to government policy makers and the public.

In 2019, the year of Japan’s G20 Presidency, ADBI took on a global role by being a co-lead institution of the T20, an engagement group of the G20 process made up of think tanks from all over the world. It has continued to play an important role in the subsequent T20 processes organized by Saudi Arabia, Italy, and Indonesia. This effort contributed to ADBI being ranked as the world-wide number-one government-affiliated think tank in the 2020 think tank survey of the TTCSP (McGann 2021). Chapter 10 provides more details on ADBI’s think tank collaboration work.

Collaboration with International Institutions

ADBI has collaborated with other international institutions since its earliest days. In response to issues raised by the Asian financial crisis, ADBI and the Organisation for Economic Co-operation and Development organized the first Roundtable on Capital Markets and Financial Markets in 1999, and this has been ADBI’s longest running annual event. ADBI was also the implementing agency for the ADB–Inter-American Development Bank agreement on the Latin America/Caribbean and Asia/Pacific Economics and Business Association, which supported comparative research in the two regions (ADBI 2006). Chapter 10 provides a more detailed description of ADBI’s collaborative activities.

Rankings of ADBI in the Global Think Tank Survey

It is difficult to assess the performance of think tanks such as ADBI, but survey rankings can provide one type of measure. Since 2011, ADBI has been ranked in various categories by the Think Tank and Civil Societies Program of the Lauder Institute of the University of Pennsylvania. These rankings are summarized in the table. ADBI first appeared in the category of government-affiliated think tanks, when it was ranked 10th (McGann 2012). Since then, its ranking in this category rose steadily until it was ranked number 2 in 2014 and number 1 in 2019, an impressive achievement. The number of categories in which ADBI was ranked has gradually increased as well. Its ranking among top think tanks worldwide (United States (US) and non-US) rose from 32 in 2012 to 24 in 2019. Perhaps most notably, its ranking in the Top International Economics Policy Think Tanks rose dramatically from 59 in 2015 to 11 in 2020.

---

1 The survey reports can be found at https://repository.upenn.edu/think_tanks/. Unfortunately, Professor McGann passed away in 2021, so the future of the survey is uncertain at this point.
Unique Aspects of ADBI

ADBI has a number of unique features among think tanks in the region. Unlike most other think tanks, ADBI has a regional rather than a national focus. Second, its steady source of funding means that it does not need to rely on short-term project-related contracts. This reinforces the unbiased nature of ADBI’s research and CBT activities and the resulting policy recommendations. Third, its position as a subsidiary body of ADB gives it excellent access to member country government officials and international institutions.

Results Framework

ADBI’s Independent Evaluation Department conducted a special evaluation study of ADBI in 2011 (ADB 2011). This was the first evaluation of an ADB knowledge department by the Independent Evaluation Department. It gave an overall rating of successful to ADBI’s work but made a number of recommendations to improve its performance. Among others, the study recommended that ADBI develop a results framework to monitor its performance, “...taking into account its uniqueness and considering the intended outputs, outcomes, and impacts, with performance targets and indicators, given the availability of data sources, and reporting mechanisms” (ADBI 2011, p.42).

In response, ADBI produced and adopted its Results Framework in 2012 (ADBI 2012). The manual for the framework covers 15 quantitative and qualitative performance indicators in a high-level of detail and includes data collection instruments that ADBI can adapt to analyze performance data. The Results Framework is a critical tool in assessing ADBI’s ability to meet its objectives. Moreover, it was the first results framework within ADB to assess knowledge management and the first among multilateral development banks to cover the three areas of research, CBT, and outreach. Based in part on ADBI’s Results Framework, ADB adopted a Knowledge Solutions Results Framework on 31 July 2014 (ADBI 2014).
In practice, it has been easier to get quantitative information about ADBI’s outputs than qualitative evaluations of their quality and impact. The CBT department actively carries out post-event surveys, but such evaluation is intrinsically more difficult for research outputs, where the audience is harder to identify. To address this, in 2021 ADBI was included in the ADB Client Perceptions Survey (ADB 2021) of ADB stakeholders. Respondents included persons in government agencies and private sector entities in ADB’s DMCs that have taken part in ADB-financed operations, and academic and research institutions. Overall, the results were positive, as 69% of respondents familiar with ADBI (a sample of about 1,000) rated ADBI’s research webinars, seminars, workshops, and conferences as “extremely” or “very” relevant, and the combined share of these ratings for other ADBI outputs ranged from 46% to 66% (ADB 2021).

In 2022, ADBI for the first time conducted an online needs survey of its stakeholder groups, including member country government officials, academics, think tank researchers, and the media, using the same database as for the ADB Client Perceptions Survey.

Needs Survey

ADBI has always stressed that its selection of research and CBT projects should be driven primarily by the demands of ADB’s DMCs. To this end, ADBI carried out surveys of the needs of DMCs for research and CBT priorities. Respondents included key DMC agencies, think tanks, and knowledge departments of ADB. The first such survey was conducted in 2008 and was continued annually up to 2014. However, the survey was suspended between 2015 and 2021, partly reflecting difficulties in implementing it through ADB’s regional offices.

In 2022, ADBI for the first time conducted an online needs survey of its stakeholder groups, including member country government officials, academics, think tank researchers, and the media, using the same database as for the ADB Client Perceptions Survey. The survey was detailed in terms of the range of topic areas covered and should provide a useful guide to setting priorities for research and CBT projects in the next few years. It surveyed 713 stakeholders from 40 countries in five languages on policy challenges, priorities, and research, CBT, and outreach needs, and covered ADB’s seven Strategy 2030 operational priorities plus COVID-19. Also, ADBI’s Dean and Deputy Dean conducted in-depth interviews with nine senior officials for more detail on the needs of DMCs.
References


1

Founding of the Asian Development Bank Institute

Jesus Estanislao was appointed as the Asian Development Bank Institute’s (ADBI) first Dean in December 1997 and served until January 1999. In 1986 he became chair of the Development Bank of the Philippines, which he rehabilitated. Then he was appointed to the Cabinet of President Corazon Aquino, where he served as secretary of economic planning and director general of the National and Economic Development Authority (1989), and later as Secretary of Finance (1990–1992). As the Philippines’ chief economic officer, he oversaw the economic recovery and reform program of a newly reinstalled democracy. He also served as the founding president (1992–1997) of the University of Asia and the Pacific, which grew out of the Center for Research and Communication, of which he was the founding executive director (1969–1981). Estanislao graduated from the University of San Carlos, obtained his MA in economics from Fordham University, and received his PhD in economics from Harvard University.

The Asian financial crisis of 1997–1998 was the key formative influence for ADBI in its early days. ADBI was officially inaugurated on 10 December 1997 with a conference titled “The Currency Crisis and Beyond.” In addition, a high-level roundtable series on the Asian financial crisis was held in Tokyo, Manila, Singapore, and San Francisco—with subsequent seminars to promote the findings. These findings were published in ADBI’s first book Asia: Responding to Crisis.

During its first full year of operation in 1998, ADBI’s core program achievement was the preparation of the initial Strategic Directions paper, which identified the main areas of the research and capacity building and training agendas: (i) development paradigms for Asia, (ii) reform and strengthening of financial systems, (iii) education and social development, and (iv) strategic perspectives for development management. These directions were discussed by ADB’s Board of Directors and at the inaugural meeting of ADBI’s Advisory Council.

Start-up capacity building and training activities were conducted mainly in collaboration with ADB and the Organisation for Economic Co-operation and
Start-up capacity building and training activities were conducted mainly in collaboration with ADB and the Organisation for Economic Co-operation and Development.

Development (OECD). Joint ADBI and ADB capacity building and training seminars were held in the fields of municipal management, taxation policy, and international finance. Together with the OECD, ADBI organized an international symposium on securities market regulatory systems. Seminars on lessons learned and policy responses to the financial crisis were also held (ADBI 1999).

The professional staff (16 established posts, of which 13 were filled) were augmented by one visiting scholar, seven contractual researchers, two research associates, and three program consultants.

Reference

Further Responses to the Asian Financial Crisis

Masaru Yoshitomi was appointed as Dean of the Asian Development Bank Institute (ADBI) in January 1999 and served until January 2003. After receiving his PhD in economics from the University of Tokyo in 1962 he joined the Economic Planning Agency of the Government of Japan, and by 1987 rose to director-general. In 1992 he became the vice-chair of Japan’s Long-term Credit Bank Research Institute, Inc., and in 1993 to 1998 he was visiting executive professor at The Wharton School, The University of Pennsylvania.

Lessons from the Asian Financial Crisis

By 1999, the 1997–1998 Asian financial crisis had subsided, and confidence had largely returned. While progress in some countries was halted for a while by the crisis, most of the region recovered relatively strongly. On the other hand, several countries in the region were severely affected by the crisis, primarily because of a lack of institutional capacity to regulate and monitor financial market performance. Most of ADBI’s research and capacity building and training (CBT) activities in this period were focused on how to strengthen financial market structures in postcrisis Asia.

The crisis, triggered especially by five countries—Indonesia, the Republic of Korea, Malaysia, the Philippines, and Thailand—was a very challenging period. The crisis taught a lot of lessons, where the region was faced with poverty and unemployment combined with a loss of around 30% of gross domestic product. The crisis was characterized by twin crises: currency (external) and banking (internal). It was a capital-account crisis combined with domestic credit contraction, as distinct from the traditional current-account crisis.

Externally, in developing economies, a “capital-account crisis” (Yoshitomi and Ohno 1999) was driven by growth momentum, where net private capital inflows exceeded underlying current-account deficits and was further worsened by their high share of short-term, foreign-currency-denominated loans. After several years,
the unsustainable lending boom came to an end as asset bubbles burst, excess capacity emerged, and capital flows reversed, leading to currency attacks that imposed wrenching adjustments on the macroeconomy. Internally, the crisis was associated with a banking crisis and credit contraction. “Exacerbated by inappropriate policy responses, initial currency and banking crises turn into an even more abrupt financial disintermediation in the banking sector, bringing production and investment to a halt” (Yoshitomi and Ohno 1999, p.8).

ADBI conducted research and discussions to examine what led to this crisis and how this crisis was different from a conventional current-account crisis. It examined the nature of this capital-account-type crisis and found out that these Asian countries were highly dependent on the banking systems. At the same time, their banking systems were not well monitored. It was concluded that developing countries should introduce appropriate macroprudential and microprudential regulations and diversify their financial and market systems. Many Asian countries worked hard to develop their local currency bond markets and these efforts were successful.

---

The Asian financial crisis demonstrated to policy makers that they should not rely solely on bank loans, but also needed to strengthen their policies and institutions.

---

The Asian financial crisis demonstrated to policy makers that they should not rely solely on bank loans, but also needed to strengthen their policies and institutions. At the same time, ADBI emphasized the importance of diversifying firms’ sources of financing by developing domestic corporate bond markets. ADBI recommended eliminating all possible impediments as it takes time to establish sound corporate bond markets. Corporate bonds are important compared to bank loans, because bank loans tend to have shorter maturities—less than 10 years—but corporate bonds can have much longer maturities. The longer maturity means that firms can get more stable financing, which is better for economic growth.

Sayuri Shirai, Visiting Fellow, ADBI

1999

Research

Research results were disseminated through ADBI’s new Working Paper series, in both print and electronic versions. ADBI’s first working paper “Exchange Rate Management in Developing Asia Reassessment of the Pre-Crisis Soft Dollar Zone” by Kenichi Ohno was published in January 1999.

Capacity Building and Training

ADBI initiated the “Roundtable on Capital Market and Financial Reform,” jointly organized with the Organisation for Economic Co-operation and Development (OECD), to discuss more about how to develop corporate bond markets in Asia. It was also clear that developing countries must improve their sovereign bond markets because government bonds serve as the benchmark for corporate bond prices. In those days Japan and the developed economies in Europe already had well-developed government bond markets. Based on Japan’s example, ADBI gave various proposals about how
Further Responses to the Asian Financial Crisis

To improve the functioning of government bond markets. Today, many Asian countries have well-developed government bond markets, and therefore can borrow quite a lot from foreign investors.

Under the auspices of ADBI, central bankers and senior regulators from crisis-hit Asian economies met for the first time with their counterparts from Japan, the United Kingdom, and the United States to review recent experiences of changing banking regulations and measures to prevent future crises.

ADBI sponsored a new Asian Policy Forum for dialogue with Asian intellectual leaders and representatives of influential policy-oriented research institutions. The forum was aimed at encouraging intellectual leadership to develop concrete policy recommendations on urgent topics. The 15 initial collaborating institutions began their work by addressing issues of regional financial cooperation.

In December 1999, on ADBI’s second anniversary, a high-profile dialogue on development paradigms was held. The event brought together world-renowned economists and key figures working on economic development in Asia and the Pacific, including Japan’s Finance Minister, current and former ADB Presidents, and ADBI’s Advisory Council and Board of Directors.

CBT proceedings and materials were circulated through the Executive Summary series and Policy Paper series from selected workshops. ADBI also launched a newsletter and public affairs abstracts.

At the end of 1999, ADBI had a staff of 27, comprising 13 professional staff members and 14 supporting staff members. In 1999 six visiting scholars attended intermittently and were supported by 11 research associates. Combined, these personnel come from 18 of the Asian Development Bank’s (ADB) 58 members (ADBI 1999, 2000). ADBI’s first logo was designed (Box 2.1).

Box 2.1: ADBI’s First Logo, Introduced in 1999

2000

Research

ADBI continued to explore postcrisis development paradigms for Asia through an overarching paradigm-organizing matrix that covered four broad areas: development paradigms for Asia, strengthening financial and foreign exchange markets, sustaining Asian competitiveness, and new challenges for the public sector.

ADBI’s third anniversary symposium on development paradigms and poverty reduction identified new issues and helped determine ADBI’s thrust in the area of poverty research.
Capacity Building and Training

The “Capital Markets Roundtable” was the second in a series of meetings to discuss future initiatives in capital market reforms in Asia, attended by senior executives of Asian economic regulatory organizations, who are members of the International Organization of Securities Commissions; their colleagues from the OECD and ADB member countries; and experts in the field of capital markets. Based on the success of the first forum, on 11 September 2000 ADBI launched a second forum on how to develop corporate bond markets.

In May, ADBI and the Wharton School of the University of Pennsylvania held a high-level workshop on the development of financial markets in Asia and sponsored a successful dialogue between policy makers and academic researchers on this theme.

In 2000, 19 CBT activities were completed, benefiting nearly 860 participants (about one-fifth were women) from 45 developed and developing countries. ADBI achieved nearly 4,500 participant-days of completed activities, compared with the 3,000 originally envisaged.

As of 1 January 2001, ADBI had a staff of 32, comprising 16 professional staff members and 16 in support functions. There were 11 visiting scholars and 13 research associates throughout the year.

In 2000, 19 CBT activities were completed, benefiting nearly 860 participants (about one-fifth were women) from 45 developed and developing countries.

2001
Research

ADBI’s research focused on understanding the dynamics of development in Asia and the Pacific for formulating long-term strategies for sustainable social and economic development in the region. Four basic questions were examined under the overarching research theme of development paradigms for Asia: (i) what was the pre-Asian financial crisis paradigm? (ii) what went right with it (the “miracle”) and what went wrong with it (the “crisis”)? (iii) what are the new challenges? and (iv) what new paradigms will be more efficient for future development?

Under the general heading of development paradigms, ADBI conducted (i) a major survey of the current thinking on poverty in the development literature; (ii) an analysis of the impact of different types of growth on poverty reduction; (iii) an analysis of the links between information and communication technology (ICT) and poverty in Asia; (iv) an examination of the relationship between public governance and poverty; and (v) a study on policy failures in the name of poverty reduction. Other important areas for research continued to be corporate governance and aspects of international competitiveness. Under corporate governance, a number of studies on the Republic of Korea were completed and a study was initiated on state-owned enterprises in the People’s Republic of China (PRC).
In 2001 the Capital Markets Roundtable focused on the problem of developing new and balanced financial market structures in post-crisis Asia, with a special emphasis on the corporate bond market.

Capacity Building and Training

ADBI completed nearly 30 capacity building and training activities with wide thematic coverage including rural and urban poverty reduction, social protection, and pension funds; public and private sector governance, public administration, and public expenditure management; public–private partnerships in the social sector; ICT strategies for developing countries, and the potential for partnerships in ICT and education; and international finance and securities market regulation.

In 2001 the “Capital Markets Roundtable” focused on the problem of developing new and balanced financial market structures in post-crisis Asia, with a special emphasis on the corporate bond market. A major study commenced on the question of the appropriate sequencing of measures for capital account liberalization in Asia, taking the PRC and India as case studies.

2002

Research

ADBI undertook two cycles of Asian Policy Forum activity. Both focused on policy issues in the PRC with a view to applying the stock of knowledge developed by ADBI in its earlier work to the specific case of the PRC. One covered sequencing of domestic and external financial liberalization in the PRC. The other study, performed by a team at the Chinese Academy of Social Sciences, focused on corporate governance of the banks in the PRC.

In the area of poverty reduction, ADBI’s research covered work on (i) the theory of famines as applied to India, the PRC, and the Democratic People’s Republic of Korea; (ii) a reexamination of the causes of the East Asian miracle and its consequences for poverty reduction; (iii) a macroeconomic modeling study of the financial crisis in Indonesia and its impact on poverty; and (iv) an analysis of the efficiency and poverty impact of policy interventions introduced to achieve antipoverty objectives. Other published studies related to pension reform in Singapore, the degree of exchange rate co-movements and business cycle synchronization between the Republic of Korea and Japan, and export competitiveness in several countries of the region in the immediate pre-crisis period.

ADBI completed a major study of post-crisis economic development paradigms that was published in 2003 (Box 2.2).

During 2002, new administrative arrangements affecting ADBI came into operation as part of ADB’s adoption of a Knowledge Management Framework.
Box 2.2: Post-Crisis Development Paradigms in Asia (2003)

This book synthesizes all of ADBI's papers up to 2003, with the help of the relevant research of others. Since this theme is vast, it does not attempt to cover every aspect of the Asian development paradigms but only certain key areas. Given the analysis of the crisis as well as the "miracle," it focuses on the challenges of (i) banking sector restructuring, (ii) corporate governance of family business groups and of banks themselves, and (iii) opportunities and challenges posed by the opening up of the People's Republic of China (PRC).

After having analyzed the miracle mechanisms, the Asian capital account crisis, and these three challenges, the book identifies three major ingredients of the new paradigms: (i) a more balanced intermediate financial market structure lying between bank dominant and fully developed capital market-based system, (ii) regional free trade arrangements, such as Association of Southeast Asian Nations (ASEAN)+3 (PRC, Japan, and the Republic of Korea), and (iii) regional financial arrangements, including a midway exchange rate regime between a free float and a hard peg and a regional lender of last resort to prevent and manage possible future capital account crises.


Capacity Building and Training

CBT activities covered poverty reduction and governance, the strengthening of the financial and exchange rate systems, the sustainability of Asian competitiveness, and new challenges for the public sector. ADBI completed 16 CBT activities in 2002. Progress was made on a pilot project for interactive online and CD-ROM e-learning modules. Approximately 10 executive summaries of CBT proceedings were produced.
References


3
Focusing on Inclusive Growth

Peter McCawley was appointed Dean of the Asian Development Bank Institute (ADBI) in January 2003 and served until January 2007. McCawley has a PhD in economics from the Australian National University (ANU) (1972). He is an honorary associate professor in the Indonesia Project in the Crawford School at the ANU and is principal author of the book, Banking on the Future of Asia and the Pacific: 50 Years of the Asian Development Bank. Other recent publications include a book about one of Indonesia’s leading think tanks, 50 Years of CSIS: Ideas and Policy in Indonesia. He has written numerous articles about the Indonesian economy and other aspects of Asian economic development.

Moving Beyond the Asian Financial Crisis

In early 2003, developing countries across Asia were both reviewing the lessons from the Asian financial crisis of 1997–1998 and looking ahead to promote further growth. Considerable speculation in much of the international media at the time was inclined to the view that the Asian financial crisis had shown that the “Asian miracle,” which had attracted global attention during the 1990s was a mirage. But this was not the view of policy makers in Asia. The crisis did not diminish the drive in Asia for sustained growth—rather, as confidence returned, the region began to recover strongly.

Nevertheless, the financial crisis offered some valuable lessons:

• Large and complex financial crises required a response involving effective coordination across numerous national and international institutions.
• Adoption of prudent macroeconomic policies would help strengthen countries against the impact of a financial crisis; these policies included sound fiscal policies and careful monetary policies that involved central banks and the close monitoring of capital accounts.
• Poverty was still a major problem in many Asian countries because the crisis exposed the reality that many millions still lived in very precarious conditions and that stronger social protection policies were needed for the poor.
• There was a need for expanded regional cooperation—especially financial cooperation—to improve the monitoring of financial systems and build wider and deeper financial markets across the region.

The crisis did not diminish the drive in Asia for sustained growth—rather, as confidence returned, the region began to recover strongly.
These lessons guided the program of ADB across developing Asia over the following 5 years and influenced the priorities of ADBI from 2003 to 2007.

**ADBI’s Innovative Responses—Focusing on More Inclusive Growth**

In response to these lessons from the crisis, the work of ADBI for the first several years after 2003 focused on the three priority areas of poverty reduction, private sector development, and governance.

Research priorities in ADBI, supported by the work of John Weiss, director of research at the time, focused on poverty targeting and poverty strategies across Asia. One major initiative was the launch of country studies on the effectiveness of poverty targeting in five major countries—India, Indonesia, the People’s Republic of China (PRC), the Philippines, and Thailand. Senior scholars with country expertise were recruited to prepare studies for each of these countries. The result of the effort led to the preparation of a book, published internationally through Edward Elgar Publishing in 2005, *Poverty Targeting in Asia* (Weiss, ed. 2005). Shortly afterward, Weiss and United States-based development scholar Haider A. Khan edited a series of studies to consider what a “growth plus” approach might mean for development policies in Asia. These studies, which were published as *Poverty Strategies in Asia: A Growth Plus Approach* in 2005 (Weiss and Khan, eds. 2005) (Box 3.1), built on the views that were expressed by ADB President Haruhiko Kuroda at ADB’s Annual Meeting in May 2005:

> … we reaffirm our shared vision of an Asia and Pacific free of poverty … Sustained, rapid growth is fundamental to achieving our vision … But growth alone is not enough. To fully realize our vision, I see us moving into a new era of development—more interdependent, more integrated, and more inclusive (ADB 2005).

**ADBI’s work was designed to consider what steps could be taken to ensure that growth in developing countries was pro-poor.**

ADBI’s work was designed to consider what steps could be taken to ensure that growth in developing countries was pro-poor. The broad lesson that emerged was that there was a wide range of practical interventions that could be implemented to improve the inclusiveness of economic growth.

*Peter McCawley, Former Dean, ADBI*

**2003**

*Research*

To support an increased focus on the private sector, ADBI began a project to examine whether foreign direct investment (FDI) flows to the PRC were at the expense of other countries in the region. This project built on extensive existing studies by ADB in Manila and others on the role of FDI as a driver of growth in the region. Some of the results of this work were discussed at a conference in July 2003 in Beijing.
To promote attention to small and micro-sized firms in the private sector, ADBI staff carried out several studies on microfinance in Pakistan and other countries. The study in Pakistan indicated that participation in microfinance programs yielded the most impact for urban households running microenterprises, but that very poor borrowers in agriculture also benefited.

Governance issues were seen as a key issue following the Asian financial crisis, so ADBI looked for opportunities to explore the complicated problems that are involved in better governance, both at national levels and in the private sector. ADBI was the implementing agency for the ADB–Inter-American Development Bank agreement on the Latin America/Caribbean and Asia/Pacific Economic and Business Association so when the Inter-American Development Bank produced a major report on The Politics of Policies: Economic and Social Progress in Latin America in 2006, ADBI supported a conference in Tokyo to discuss lessons that might be relevant for Asia.

**Capacity Building and Training**

The first half of 2003 proved to be a difficult period for ADBI because of a lack of professional staff and the outbreak of the severe acute respiratory syndrome (SARS) in Asia. Several of ADBI’s planned capacity building and training (CBT) activities were affected and some workshops were cancelled or postponed. Nevertheless, seven CBT activities were arranged in 2003 and all were conducted in close cooperation with regional departments in ADB headquarters and ADB resident missions. In 2004, CBT activities bounced back with 16 courses and workshops held on topics such as poverty reduction, regional cooperation, private sector development, and governance. Nearly 600 participants took part in these activities, and women made up 24% of the participants.

At the end of 2003, ADBI announced a new series of journalism awards at a launch event at the Foreign Correspondents’ Club of Japan. The Developing Asia Journalism Awards (DAJA) were designed to strengthen links with media organizations across Asia and to promote better discussion about public policy issues in ADB’s developing member countries. During the inaugural year, the DAJA program acknowledged print journalists from Asia and the Pacific who covered development trends and the impact these had on the countries and peoples of the region. To ensure high-quality peer review, prizes in 10 categories were judged by an independent panel and were awarded at a ceremony in Tokyo on 7 April 2004. The first collection of winning articles was published as a monograph, and in later years ADBI continued to support DAJA activities.

**2004—Tsunami and Disaster Risk Reduction**

At the end of 2004, on 26 December, the great “Boxing Day” tsunami struck Aceh province in northern Indonesia and quickly spread outward to Thailand, South Asia, and eventually even to Africa. Around 230,000 people died and well over 1 million people were displaced. The tsunami dramatically
highlighted the need for the international development community, including ADBI, to give more attention to disaster risk reduction programs across Asia at the national and local level.

Research

ADBI launched a study on the reconstruction efforts following the tsunami, drawing on the expertise of local researchers in several of the disaster-affected countries. Research teams from Indonesia, Thailand, and Sri Lanka conducted local surveys of the effectiveness of reconstruction and recovery programs.

In 2004, ADBI’s annual conference was organized around the theme of “Infrastructure and Development: Poverty, Private Investment and Regulation.” This marked a period when ADBI gave increasing attention to infrastructure issues across developing Asian countries.

Capacity Building and Training

The CBT team responded to the growing demand for tailor-made training programs by initiating country-specific training programs in the PRC, India, and Indonesia, all of which were conducted in local languages. These programs were in addition to a separate program for Viet Nam and other transition countries that was supported by the Japan Fund for Public Policy and Training and administered by ADBI.

The CBT team responded to the growing demand for tailor-made training programs by initiating country-specific programs in the PRC, India, and Indonesia, which were conducted in local languages.

2005

In 2005, “Infrastructure for Regional Cooperation” was chosen as a theme for special emphasis. This new area of specialization was intended to complement ADBI’s continued activities in other areas, and also to support ADB’s attention to infrastructure investments and regional cooperation across Asia.

Research

A major output under the poverty reduction theme was the completion of country studies on the effectiveness of poverty targeting in the PRC, India, Indonesia, the Philippines, and Thailand. These were included in the major book Poverty Strategies in Asia: A Growth Plus Approach (Weiss and Khan 2005) (Box 3.1). The main output under regional cooperation was the publication of a study (in English and Khmer) on Lessons from Cambodia’s Entry into the World Trade Organization (Siphana 2005), which contained lessons for other least developed countries.

Reflecting the dynamic role of the private sector in the PRC, much of the research work on private sector development prioritized business, finance, and corporate issues in that country. Ongoing work covered aspects of the revitalization of the northeast of the PRC, focusing on trade with Japan and the Republic of Korea, enterprise performance, and technological capability. Preliminary results were discussed at a seminar in Beijing in November 2005.

The essential idea underpinning the growth plus approach is that, while rapid growth is fundamental to overcoming poverty, growth alone is not enough. Too often, policies of rapid economic growth have bypassed the poor. Too often, sensible policies that would have helped ensure that overall national growth was inclusive of the poor have not been adopted. The result is that in some developing countries in the Asia and Pacific region, income gaps have widened markedly.

The articles in this book draw on research conducted by ADBI and elsewhere to examine a range of specific aspects of policy strategies designed to reduce poverty in Asia. The broad lesson that emerges is that there is a wide range of practical interventions that can be implemented to help improve the inclusiveness of economic growth. The effectiveness of these strategies can be expected to vary depending on local circumstances in different countries but overall, for governments that are committed to poverty reduction, the lessons from various programs across the Asia and Pacific region are encouraging.


Capacity Building and Training

The CBT team conducted nine courses on governance, five on poverty reduction, four on private sector development, and four on regional cooperation. Six of the courses were related directly to information and communication technology and other technology-related topics.

2006

Research

During 2006, the “Infrastructure for Regional Cooperation” theme continued to be a priority, and accounted for around 30% to 40% of ADBI’s research activities:

• One research project examined the role of infrastructure in reducing trade costs.
• Another project focused on infrastructure development, transport costs, and income distribution in the Greater Mekong Subregion.
• A third project used data from the ADB Agrarian Reform Community Project to (i) assess the impact of rural roads on income distribution, (ii) identify winners and losers following the construction of new roads, and (iii) provide recommendations for further inclusion of the poor.

Research on regional cooperation explored progress in the Greater Mekong Subregion. One study examined cross-border infrastructure, the trade–FDI nexus, and benefit distribution in the subregion. Another study concentrated on FDI in the subregion. A study launched in 2006 explored the impact of growth of the PRC on its neighbors’ terms of trade.
ADBI also launched a study on the reconstruction efforts following the Asian tsunami, which struck in December 2004 (Box 3.2). One project reflecting attention to poverty reduction and regional cooperation focused on studying the delivery of over $10 billion of foreign and local assistance promised to people in Asia. Research teams from Indonesia, Thailand, and Sri Lanka conducted local surveys of recovery.

**Box 3.2: The Asian Tsunami: Aid and Reconstruction After a Disaster (2010)**

The death toll following the 2004 Asian tsunami—close to 230,000 people—was stunning. The devastation caused by the tsunami highlights the need to strengthen approaches to disaster risk reduction activities across Asia. Work on this book analyzing the impacts of the tsunami was begun in 2006, and the book was published in 2010. Summarizing hundreds of reports and articles about the disaster, this book underlines the fact that global disaster risks are highly concentrated in poor countries. Within those countries, it is usually poorer communities who are especially hard-hit when disasters strike. This a unique and important resource for the forward planning of analysts and administrators involved in disaster response activities from international organizations, nongovernment organizations, and national governments. The book is an invaluable tool for academics and students studying disaster management and human security, international aid policy, international relations, and Asian economic issues.


**Capacity Building and Training**

Twenty CBT courses were conducted: six in poverty reduction, five in regional cooperation, four in private sector development, and five in governance. For the first time, three distance learning courses were offered as a part of ADBI’s CBT activities. As of October 2006, more than 1,600 participants had taken part in courses. In addition, 168 resource speakers were mobilized to conduct the courses, and also produce learning products and update their knowledge and skills through the training of trainers. About 30% of course participants were women.
References


Responding to the Global Financial Crisis and Promoting Regional Integration

Masahiro Kawai was appointed as the Asian Development Bank Institute’s (ADBI) Dean in January 2007 and served up to March 2014. Kawai holds a BA in economics from the University of Tokyo and an MS in statistics and a PhD in economics from Stanford University. He began his professional career as a research fellow at the Brookings Institute, Washington, DC. He then taught as an associate professor in the Department of Political Economy at Johns Hopkins University, and as a professor of economics at the Institute of Social Science of the University of Tokyo. He also served as chief economist for the World Bank’s East Asia and the Pacific Region; deputy vice minister of finance for International Affairs of Japan’s Ministry of Finance; president of the Policy Research Institute of Japan’s Finance Ministry; and special advisor to the Asian Development Bank (ADB) president in charge of regional economic cooperation and integration. Kawai assumed his current position of visiting professor, Graduate School of Public Policy, University of Tokyo in April 2014 and as representative director and director-general at the Economic Research Institute of Northeast Asia in April 2016. In addition, Kawai is also a councilor of the Bank of Japan, a senior fellow at the Policy Research Institute of Japan’s Ministry of Finance, and vice president of the Council on East Asian Community.

Responding to the Global Financial Crisis and Promoting Regional Integration

When I joined ADBI in January 2007 the Asian economy was booming, reflecting the fact that the global economy was doing well, the global commodity market was strong, and commodity prices continued to increase in the first half of 2008. But suddenly in September 2008, the Lehman Brothers’ collapse took place in the United States (US), which caused a tremendous liquidity shortage in the US and global financial markets. Initially, the consequences of the Lehman shock were not known, but it turned out that it was a sign that a full-blown global financial crisis was taking place. The global economy was very seriously affected, starting in the fall of 2008 and

Initially, the consequences of the Lehman Brothers’ collapse were not known, but it turned out that it was a sign that a full-blown global financial crisis was taking place.
continuing in 2009. Many countries in Asia were affected because they were highly export oriented and were exporting a lot to the US and Europe, which also was affected by the global financial crisis. Europe also had its own financial crisis because of the Greek debt problem. Before the Greek debt problem, some European countries were affected by the Lehman shock and the subsequent capital outflow pressure for those countries.

Fortunately, in Asia not many countries were affected by significant capital outflows, so we did not see a repeat of the Asian financial crisis, but some countries had some financial problems, like the Republic of Korea and, to some extent, Indonesia and a few other Association of Southeast Asian Nations’ (ASEAN) member countries. However, the impact was mainly an economic shock through trade. Therefore, ADBI naturally focused on the issue of the global financial crisis and, given that the origin of the crisis was mismanagement of the US financial market, particularly the subprime market and securitization and the use of very advanced financial technologies, financial regulatory problems became an important focus. Asian countries wanted to learn from the global financial crisis in order not to repeat another Asian financial crisis. The focus was on how to recover from a global financial crisis while strengthening financial systems and reducing export dependence on the advanced economies of the US and Europe. Therefore, regional financial and economic cooperation became a critical issue once again, because after the Asian financial crisis we knew that regional financial cooperation is necessary to strengthen regional financial markets, to reduce double mismatches, and overdependence on short-term capital inflows. Together Asian countries wanted to develop local currency bond markets. ADBI before me had focused on the Asian financial crisis problems and regional financial cooperation, and, after the global financial crisis, regional financial and economic cooperation became a key focus. That was a very important point during my deanship. We also conducted a lot of work on capital flow management and macroprudential policy.

ADBII held joint events, conferences, symposia, and seminars with the Organisation for Economic Co-operation and Development (OECD) and other think tanks like Bruegel, the Asia–Europe Economic Forum, Chatham House, the Peterson Institute for International Economics, and the Brookings Institute. We held conferences in Asia with the Chinese Academy of Social Sciences, the Korea Development Institute, and the Korea Institute for Economic Policy. In the early period of my deanship, we held conferences with the Institute of Southeast Asian Studies, the Thailand Development Research Institute, and other regional think tanks. For example, we held a joint policy dialogue with the government of Indonesia and several other ministries. I want to believe that this is something ADBI continues to do.

Then, the Great East Japan earthquake and tsunami, and nuclear power plant failure in March 2011 created a tremendous problem for Japan and had implications for Asia because of the importance of disaster risk management policies. Because of the earthquake and tsunami, supply chain disruptions took place in Japan, especially in the affected areas in the northeast of Japan. Then in December of the same year, Thailand had major floods, which created problems for Thai supply chains and affected global production networks. There are several implications of this. Regional economic cooperation was an important policy implication to jointly address supply chain problems. One country’s disaster can affect the entire region through supply chain disruptions. Therefore, ADBI also focused on that issue.
In December 2012, Japanese Prime Minister Abe assumed office and launched the so called “Abenomics” policies with the “three arrows” of easy monetary policy, flexible fiscal policy, and structural reform. We thought that might have some implications for Asian countries, because the monetary policy changes in the US had had some impacts on emerging economies, including Asian emerging economies—three rounds of quantitative easing policy and then the reversal, which was indicated in the May 2013 “taper tantrum”. As a result, studies of macroeconomic spillover effects also became important.

After the global financial crisis, the People’s Republic of China (PRC) supported its economy in 2009 with a CNY4 trillion stimulus package. Initially the PRC played a crucial positive role, but then it was found that the stimulus package was excessive, creating indebtedness problems for local governments and many resource-oriented state-owned enterprises and other enterprises. The management of the PRC’s economy became a critical issue for the global economy and the Asian economy. In this context, the Group of 20 (G20) was created in response to the global financial crisis. The first meeting was held toward the end of 2008, and G20 became the premier forum of international cooperation. ADBI wanted to support the G20 process to promote not only global economic cooperation but also Asian regional economic cooperation. In this context the PRC’s role became increasingly important. For example, the PRC started its currency internationalization process, and ADBI conducted studies on the renminbi’s internationalization.

As part of Asia’s regional economic cooperation, regional integration through free trade agreements (FTAs) became a crucial issue. The discussions of the ASEAN+3 FTA or ASEAN+6 FTA eventually led to the negotiation of the Regional Comprehensive Economic Partnership (entered into force on 1 January 2022) and the Trans-Pacific Partnership. There were so many important issues that we wanted to tackle during my deanship.

Masahiro Kawai, Former Dean, ADBI

2007

Research

ADBI’s research strategy in 2007 incorporated two new features. First, it put more emphasis on research and capacity building and training (CBT) projects that cut across the four priority themes of (i) poverty reduction, (ii) regional cooperation, (iii) private sector development, and (iv) governance. One such activity was the flagship study on Infrastructure and Regional Cooperation, which examined the key issues and challenges facing infrastructure in Asia in the region’s ongoing effort to support regional cooperation. Second, ADBI promoted collaboration with think tanks in the region to increase synergy and policy impact.

ADBI launched a project to develop a policy framework for managing capital flows that can be used as a basis for formulating (i) developing member countries’ (DMCs) national policy responses to surges in capital inflows consistent with the goals of macroeconomic stability, (ii) Asian regional cooperation initiatives in support of national efforts to manage capital flows, and (iii) proposals for reforming the international financial architecture that can support DMCs’ efforts to manage capital flows. This resulted in the 2010 book Managing Capital Flows: Search for a Framework (Box 4.2).

ADBI launched the Distinguished Speaker Seminar Series, which brought eminent persons to ADBI to encourage debate among policy makers, researchers, academics, think tanks, and other audiences.
Capacity Building and Training

Thirteen workshops or seminars and three distance learning/online courses were conducted: six on poverty reduction, three on regional cooperation, one on private sector development, and six on governance. A total of 1,181 participants participated in the distance learning/online courses while 461 participants attended CBT workshops and seminars.

A workshop on “Asian Think Tanks: Strengthening Knowledge Management and Knowledge Sharing” was organized in close coordination with ADBI’s Research Department and ADB’s Regional Sustainable Development Department. The workshop brought together 32 directors and senior managers of the leading knowledge institutions from almost 20 ADB member countries.

2008

ADB adopted a new long-term strategic framework for 2008–2020, called Strategy 2020: Working for an Asia and Pacific Free of Poverty (ADB 2008), which served as ADB’s corporate-wide planning document. ADBI aligned its strategies with Strategy 2020 by adopting three new priority themes under the overarching goal of poverty reduction: inclusive and sustainable growth, regional cooperation and integration, and governance for policies and institutions. Additionally, private sector issues cut across these three strategic themes due to the private sector’s role as a driver of change. Thus, while ADBI retained its four priority pillars of (i) poverty reduction, (ii) regional cooperation, (iii) private sector development, and (iv) governance—it adjusted its strategic focus, taking into account ADB’s new strategic priority themes.

Research

ADBI took a lead role in the study on Asia’s responses to the global financial crisis of 2008–2009. It began a research project on the implications of the crisis for Asia, with conferences on “The Global Financial Turmoil and its Impact on Asia,” jointly organized with ADB’s Japanese Representative Office, and “Asia’s Response to the Global Financial Crisis.”

ADBI took a lead role in the study on Asia’s responses to the global financial crisis.
**Capacity Building and Training**

ADBI conducted 21 CBT courses and workshops that were attended by over 1,000 participants, about 70% of whom were officials from ADB’s DMCs. The “Roundtable on Capital Market Reform in Asia, Ten Years after the Financial Crisis: Prospects Towards the Future” discussed the recent development of Asian capital markets, best practices for capital market regulation and corporate governance, the progress of regional initiatives on capital market development and integration, the roles of capital markets in supporting public–private partnerships in infrastructure investment, and challenges to mitigate financial market turbulences. Fifty-five participants representing capital market authorities, ministries of finance, central banks, and the private sector from OECD and East Asian countries attended the event.

**2009**

**Research**

Early in 2009, ADBI responded quickly to the global financial crisis by adjusting its work program to include an extensive project on the crisis. It conducted more than 20 conferences, workshops, and seminars with experts from Asian think tanks, regional policy-making agencies, ADB headquarters, other international organizations, prominent academics, researchers, and experts. These events analyzed the impacts of the crisis on the region, examined its medium-term implications for Asian economies, and made policy measure recommendations for the ways to address the crisis in the short-term and to set the stage for a normalization of financial market conditions and balanced, broad-based, and sustainable economic growth. Results of the project were published in a series of books.

---

**ADBI responded quickly to the global financial crisis by adjusting its work program to include an extensive project on the crisis.**

---

**Capacity Building and Training**

CBT conducted 30 courses and workshops under ADBI’s three priority themes. About 1,600 participants attended these events. About 62% of the participants were government officials, half of whom held senior positions (director and above). Efforts were made to incorporate discussion of the impacts of the global financial crisis on the Asia and Pacific region, country responses, and postcrisis development policies into CBT’s program where applicable and appropriate.

The “10th Roundtable on Capital Market Reform in Asia” brought together more than 100 policy makers and experts from Asia, the Americas, and Europe to discuss the causes of the global financial crisis and the impact on and implications for capital market development in Asia.
2010

Research

ADBI organized 25 events in 2010 under the global financial crisis project. The five major themes were (i) macroeconomic impacts and policy responses, (ii) real economy (sector) impacts, (iii) financial sector reform and regulation, (iv) social and environmental impacts, and (v) regional cooperation and architecture. The analyses and insights of this project were distilled into an ADB and ADBI joint study, *Rebalancing for Sustainable Growth: Asia’s Postcrisis Challenge*. The book was launched at ADB’s 43rd Annual Meeting. Key issues addressed in the book included ways to strengthen Asian policy frameworks to enhance economic and financial stability in an environment of volatile capital flows; reorient the supply side of the economy so it is more consistent with balanced growth, including investment, trade, the service sector, and green growth; strengthen social safety nets and investment to enhance the inclusiveness and sustainability of growth; make Asian financial systems more stable and deeper so that they can play a greater role in financing regional development and promoting financial inclusion; and ensure that regional cooperation and financial architecture can contribute to the above goals.

ADBI and ADBI began a new flagship project “Climate Change and Green Asia.” This project examined how emerging economies of Asia can respond to growing demand for low-carbon development and proactive policies that would strengthen green growth practices.

Capacity Building and Training

More than 2,000 participants attended 29 CBT courses and workshops conducted under ADBI’s three priority themes. The main focus of CBT activities was Asia’s response to the global financial crisis, particularly the need to rebalance its growth toward regional and domestic demand.

A workshop to follow up the ADBI and the Asia-Pacific Economic Cooperation (APEC) Business Advisory Council (ABAC) 2009 workshop on “Promoting Financial Inclusion through Innovative Policies” was organized in collaboration with the Asia Pacific Finance and Development Centre and
ABAC in Shanghai to further explore the contribution of financial inclusion to rebalancing growth, risk mitigation, green growth and promoting small, micro, and medium-sized enterprise development.

2011

ADBI’s activities during 2011 had to be adjusted because of the Great East Japan tsunami and earthquake on 11 March. Several major events planned in Tokyo during March–June were cancelled, relocated to other parts of Asia, or postponed until later in the year. Nonetheless, ADBI returned to its normal operations soon after the disaster.

Research

In light of the global financial crisis and the eurozone sovereign debt and banking crisis, four events were held for the “International Monetary and Financial System—Asian Perspective” project, which focused on reform of the international monetary and financial system. ADBI launched a new “Disaster Risk Management” (DRM) project to identify a comprehensive set of strategies for all aspects of disaster management. The study aimed to help developing member country governments integrate DRM into their national development strategies, encourage regional cooperation for DRM, identify priorities and provide policy recommendations, and address issues in the design, implementation, and financing of effective DRM programs. This study was jointly coordinated by ADBI and ADB’s Regional and Sustainable Development Department.


This book reflects the fruit of ADBI’s analyses of the causes of the Asian financial crisis and the policies needed to prevent another such crisis. It provides analyses that can help policy makers develop a framework for managing capital flows that is consistent with prudent macroeconomic and financial sector stability. While capital inflows can provide emerging market economies with invaluable benefits in pursuing economic development and growth, they can also pose serious policy challenges for macroeconomic management and financial sector supervision. The expert contributors covered a wide range of issues related to managing capital flows and analyze the experience of emerging Asian economies in dealing with surges in capital inflows. They also discussed possible policy measures to manage capital flows while remaining consistent with the goals of macroeconomic and financial sector stability. Building on this analysis, the book presented options for workable national policies and regional policy cooperation, particularly in exchange rate management.

Two new study projects with crosscutting themes were begun. “ASEAN 2030: Toward a Borderless Economic Community” aimed to define the vision of an ASEAN that is resilient, inclusive, competitive, and harmonious. In line with this vision, the study offered a comprehensive view of the challenges ASEAN economies are likely to face as they strive to reach fully developed status by 2030. The objective of the “Pacific 2030” study was to provide strategic directions to Pacific Island countries, their governments, civil society, and business communities on approaches to development by promoting inclusive and environmentally sustainable policies. The study offered policy proposals on spurring growth by increasing regional integration and cooperation in the Pacific.

**Capacity Building and Training**

More than 2,100 participants attended 29 CBT courses and workshops conducted under ADBI’s three priority themes of inclusive and sustainable growth, regional cooperation and integration, and governance for policies and institutions. Special attention was paid to discussions of Asia’s response to global climate change and climate adaptation.

ADBI and the OECD organized the first roundtable on “Labor Migration in Asia: Recent Trends and Prospects in the Post-Crisis Context,” which became an annual event. The roundtable reviewed recent trends in labor migration and examined approaches to migration policy issues including how to optimize the benefits of remittances for economic and social development, implications for Asian economies of growing migration of highly-skilled workers and the globalization of higher education, and international mobility of health workers. More than 60 policy makers and international experts concerned with migration policy from developing Asia, OECD countries, the International Organization for Migration, and the International Labor Organization participated.

ADBI also hosted the “Asia-Pacific Financial Inclusion Forum” for the first time. It brought together more than 100 participants and created a venue for policy dialogue on expanding new channels to serve the financial needs of the unbanked, and how Asia and the Pacific can harness regional public–private cooperation to promote the sustainability and expansion of these new channels.

---

**The roundtable reviewed recent trends in labor migration and examined approaches to migration policy issues including how to optimize the benefits of remittances for economic and social development, implications for Asian economies of growing migration of highly-skilled workers and the globalization of higher education, and international mobility of health workers.**

---

**2012**

ADBI was ranked 10th by the Think Tank and Civil Societies Program of the Lauder Institute of the University of Pennsylvania in the category of government-affiliated think tanks, the first time it appeared in the survey (McGann 2012).
Research

The flagship study “Connecting South Asia and Southeast Asia,” analyzed how closer regional connectivity and economic integration between South Asia and Southeast Asia can benefit both subregions. The study “Future of the World Trading System: Asian Perspectives” was launched to undertake a broad and comprehensive examination of key changes occurring in the world trading system and their policy implications for Asia.

Capacity Building and Training

CBT conducted 23 policy dialogues, six course-based training programs, and one e-learning course: 18 on inclusive and sustainable growth, eight on regional cooperation and integration, and four on governance for policies and institutions. More than 7,500 participants from DMCs attended the e-learning course “Microfinance: Training the Trainers”, while 1,471 participants attended CBT courses, workshops, and policy dialogues in person.

2013

ADBI organized the first Asia Think Tank Summit in collaboration with the Think Tank and Civil Societies Program of the Lauder Institute of the University of Pennsylvania. This event was jointly organized by the CBT and research departments together with the outreach unit. It brought together over 40 leading think tanks from 23 countries in Asia and the Pacific to discuss the role of think tanks in realizing a new Asian century.

ADBI organized the first Asia Think Tank Summit in collaboration with the Think Tank and Civil Societies Program of the Lauder Institute of the University of Pennsylvania.
ADBI was ranked the sixth best government affiliated think tank, up from tenth place the previous year (McGann 2012).

Research

A joint ADBI–ADB flagship study on “Low-Carbon Green Growth” was completed with publication of a major book Low-Carbon Green Growth in Asia: Policies and Practices. Noting Asia’s high population, rising share of greenhouse gas emissions, and high vulnerability to climate change, the book reviewed low-carbon policy initiatives taken by Asian countries and assessed achievements, identified gaps, and examined new opportunities for greener growth.

The project “Currency Internationalization: Lessons and Prospects for the Renminbi” focused on the extent and pace of renminbi internationalization and how the experiences of other important international currencies can provide guidance and lessons on its likely path and prospects. The study examined the implications of a greater role for the renminbi in international trade, investment, and financial transactions for the PRC economy, its neighboring and distant economies, and the global configuration of major reserve currencies, particularly the renminbi’s potential challenge to the supremacy of the US dollar in the international monetary system.

The ADB–ADBI study on “Central Asia in Global and Regional Integration” analyzed the economic performance of the Central Asian republics, the role of factor movements and institutions, and potential ways to improve connectivity between Central Asia and major economic centers in the next decade. The study’s research results were presented at a seminar at the ADB Annual Meeting in Astana, Kazakhstan.

Capacity Building and Training

References


Naoyuki Yoshino was appointed Dean of the Asian Development Bank Institute (ADBI) starting in April 2014 and served up to March 2020. He obtained his PhD from Johns Hopkins University (United States) in 1979 where his thesis supervisor was Sir Alan Walters, economic adviser to former British Prime Minister Margaret Thatcher. Yoshino was a visiting scholar at the Massachusetts Institute of Technology (United States) and a visiting professor at various universities including the University of New South Wales (Australia), Fondation Nationale des Sciences Politiques (France), and the University of Gothenburg (Sweden). He was also assistant professor at the State University of New York at Buffalo and economics professor at Keio University. He was named director of the Japan Financial Services Agency’s Financial Research Center in 2004 and is now chief advisor. He was appointed as chairperson of the Financial Planning Standards Board in 2007. He has served as chairperson of Japan’s Ministry of Finance’s Council on Foreign Exchange as well as its Fiscal System Council (Fiscal Investment and Loan Program Section). Additionally, he has been a board member of the Deposit Insurance Corporation of Japan and president of the Financial System Council of the Government of Japan. He also served as the Think 20 (T20) Japan Supporting co-chair during Japan’s Presidency of the 2019 Group of 20 (G20) meetings. He is now professor emeritus at Keio University and adjunct professor at the University of Tokyo.

Spillover Tax Revenues for Infrastructure Financing

Yoshino, when Dean of ADBI, brought in new focuses on infrastructure finance, small and medium-sized enterprise (SME) finance, financial literacy, and financial education. Infrastructure investment—an important subject in many Asian member countries—brings employment and encourages businesses in the region and helps to reduce income disparities. Yet private sector financing is progressing slowly and institutional investors in the region have to be developed. Historically, the main reason for the failure of many public–private partnership (PPPs) projects was

*Infrastructure investment brings employment and encourages businesses in the region and helps to reduce income disparities.*
insufficient revenue. The revenue from infrastructure projects such as railways, water supply, and electricity, normally comes from user charges or user fees. Users of infrastructure prefer low fees, but private investors want high rates of return from infrastructure investments, which leads to conflicts between users and private investors.

**ADBI promoted the idea of transferring spillover tax revenues in addition to user charges to infrastructure operators and investors to increase the rate of return on infrastructure projects.**

ADBI promoted the idea of transferring spillover tax revenues in addition to user charges to infrastructure operators and investors to increase the rate of return on infrastructure projects. Spillover tax revenues created by infrastructure will be good sources of revenue in addition to user charges. Good-quality infrastructure creates a huge positive spillover effect in a region, for instance, clean water supply can bring new residential districts, shopping malls, restaurants, factories, and businesses. As a result, the amount of tax collected from property, corporate and individual income, and sales will inevitably rise, and these can supplement income from user charges if a certain percentage of the increase in tax revenues is returned to investors (Figure 5.1).

**Figure 5.1: Return on Infrastructure Investment**

![Graph showing the return on infrastructure investment with user charges, spillover tax revenue, and amount transferred to investor.](image)


**Alternative Finance for Small and Medium-Sized Enterprises**

Financing for start-up businesses and SMEs has to go together with infrastructure investments. However, banks and financial institutions are often reluctant to lend money to SMEs and start-up businesses due to the high risks attached. Hometown crowdfunding and internet advertisements of products could fill these gaps. About 20 years ago, Japan created such funds and that is how Japan created a new generation of entrepreneurs. Communities in the region contributed $10 and 250 people in that same town contributed a certain amount of money for their start-up businesses.
Then later, they produced their own products and advertised those products through the internet. These funds had two primary objectives: one, to provide money for start-ups—especially for women who wanted to start their own businesses such as restaurants and shops. The second was to start internet-based selling portals where villagers could sell their products to markets outside their villages.

**Importance of Financial Education for Future Entrepreneurs**

Financial education to promote domestic savings to insurance and pension funds etc., must be encouraged to provide funds to long-term large infrastructure projects. ADBI and the Organisation for Economic Co-operation and Development (OECD) worked together with central banks to promote the importance of financial education in various countries in Asia. There are two important aspects of financial education: one is asset management and another is the borrowing side.

*Naoyuki Yoshino, Former Dean, ADBI*

**2014**

ADBI was ranked fifth among the world’s government-affiliated think tanks in 2014 by the University of Pennsylvania’s Think Tanks and Civil Societies Program, up from sixth in 2013.

**Research**

The project “Pacific Economies: Leveraging the Benefits of Asia’s Growth and Integration” analyzed the benefits from growth opportunities available to Pacific developing countries by regional integration in Asia. It examined economic links between East Asia and Southeast Asia and the Pacific (e.g., trade and investment), new economic opportunities, and key impediments (e.g., infrastructure, skills, and institutions). The study was jointly conducted with the Asian Development Bank’s (ADB) Pacific Department.

**Capacity Building and Training**

Following the completion of a flagship study on disaster risk management (DRM) in Asia, ADBI held a joint policy dialogue titled “Building Strong DRM Systems in Asia” with the Institute on Disaster Management and Reconstruction, Sichuan University, Chengdu, the People’s Republic of China (PRC) on 10–12 June 2014. To deepen the understanding of DRM and the new challenges resulting from climate change as well as to promote best practices in DRM, the program examined case studies of major natural disasters that have recently affected Asia, as well as effective reconstruction and disaster risk mitigation programs (PRC and India).

A 5-day training course on “Public–Private Partnerships in Infrastructure Development” was held to strengthen the capacity of officials in understanding and making decisions on the role of PPPs in infrastructure development. The event was organized in collaboration with the Center for Financial, Economic and Banking Studies of the Agence Française de Développement and ADB.
2015

ADBI was ranked second among the world’s government-affiliated think tanks in 2015 by the University of Pennsylvania’s Think Tanks and Civil Societies Program, up from fifth in the previous year.

Research

For its flagship study “Financial Inclusion, Regulation, and Education,” ADBI co-organized the “High-Level Global Symposium: Promoting Better Lifetime Planning through Financial Education” in January with the Bank of Japan, the Japan Financial Services Agency, and the OECD. Two policy dialogues were also held toward the end of 2015—one in Manila in September and another in Jakarta in November. Participants considered policy options for expanding financial inclusion while maintaining financial stability and examined ways for increasing financial education to contribute to financial inclusion.

The conference “Central and Local Government Relations: Fiscal Sustainability,” held in Wuhan, the PRC, in October and organized with the Zhongnan University of Economics and Law, gathered well-known scholars and experts on fiscal systems and fiscal policies to analyze issues related to fiscal sustainability at different levels of government.

The conference “Escaping the Middle-Income Trap: Urbanization, Structural Change, and Sustainable Development in Asia,” organized with the National Natural Science Foundation of the PRC, addressed the question of how emerging Asian economies can achieve high-income status and avoid falling into the middle-income trap. The participating scholars analyzed the roles of urbanization, industrial structure, innovation, and the financial system in promoting economic development to become a high-income economy.

Capacity Building and Training

CBT initiated a new series of policy briefs that was designed to disseminate widely the policy issues discussed at CBT events and to reach out to policy makers across Asia.

2016

Research

The conference “The Middle-Income Trap in Asia and the PRC’s New Economic Normal” was organized with the China & World Economy journal to address questions of how emerging Asian economies can achieve high-income status and avoid falling into the middle-income trap. The event also explored factors that determine the long-term growth rate of the PRC. Some of the papers from the conference were included in a special issue of the Journal of the Asia Pacific Economy.

In collaboration with the Rajaratnam School of International Studies at Nanyang Technological University of Singapore, the conference “Global Shocks and the New Global and Regional Financial
Architecture gathered policy makers and academics to examine the preparedness of national and regional institutions for economic and financial supervision to handle external shocks.

The project “Development of Micro-, Small-, and Medium-Sized Enterprises Credit Databases and Credit Scoring” focused on how the development of comprehensive and integrated SME credit databases could enable financial institutions to reliably score credit risk, thereby reducing information asymmetry. This study had three main components: (i) examining the feasibility of developing large-scale integrated SME credit databases in Asia and the Pacific; (ii) conducting country studies to design and implement such databases, e.g., in the PRC and Thailand; and (iii) evaluating credit scoring models based on available SME credit data and their applicability to other economies.

The project “Macroeconomic Shocks and Economic Growth in Asia” examined the expected implications of the normalization of US monetary policy. It considered macroeconomic shocks arising from recent unconventional monetary policies in developed economies as well as the uneven recovery pattern that created significant uncertainties for developing Asia. The project covered the analysis of: (i) macroeconomic shocks and their impacts on the real economy of Asia; (ii) spillover effects of monetary policy in developed countries on financial markets and capital flows in Asia; and (iii) macroeconomic shocks and the effectiveness of Asia’s macroprudential and exchange rate policies.

The project “Obesity in Asia and the Pacific: Causes, Costs, and Consequences” marked a new area of research for ADBI. The objectives of this study were to (i) better understand the determinants of the growth of overweight and obesity (including the relationship to nutrition transition) across countries in Asia and the Pacific and different stratifications (age, gender, education, income, and rural/urban) within countries; (ii) evaluate the economic costs (negative impact on productivity, etc.), the costs for health systems (including the higher risk of contracting non-communicable diseases), as well as the budgetary burden (current and future costs); and (iii) develop policy recommendations to lower the incidence of overweight and obesity using market-based mechanisms such as taxes or incentives by insurance schemes, as well as to design adaptation strategies for health systems to improve their preparedness.

**Capacity Building and Training**

The “Financial Inclusion in the Digital Economy” conference was held at ADB headquarters in May. It was organized in collaboration with the Consultative Group to Assist the Poor and ADB. Participants discussed topics such as the “customer-centricity” approach, financial inclusion, the supervision and regulation of digital financial services and consumer protection, and emerging risks in digital finance.

The first Tokyo Fiscal Forum on “Fiscal Policy for Long-Term Growth and Sustainability in Aging Societies” was organized by ADBI’s CBT team with the Fiscal Affairs Department of the International Monetary Fund and the Policy Research Institute of the Ministry of Finance of Japan. Policy makers from over 20 Asian countries presented on current and future fiscal policy challenges and possible remedies in the context of aging societies. The forum was attended by over 70 high-level policy makers, experts, and stakeholders from the United States, Europe, and Asia.

---

**Policy makers from over 20 Asian countries presented on current and future fiscal policy challenges and possible remedies in the context of aging societies.**
In partnership with the OECD and the government of Viet Nam, the CBT team organized the workshop “Financing Quality and Green Infrastructure in Asia” held in Ha Noi. Participants discussed the impacts of infrastructure and explored new approaches to enhancing financial support for quality and green infrastructure.

2017

Research

The project “Financial Inclusion, Regulation, Literacy, and Education in Central Asia and the South Caucasus” assessed the current situation of financial inclusion, regulation, financial literacy, and education in seven countries in the Central Asian and South Caucasus regions, and identified promising policies for promoting greater financial inclusion, financial development, and financial literacy in the region. Collaborators included the Central Asia Regional Economic Cooperation (CAREC) Institute, regional think tanks, and universities.

The workshop on “Catalyzing Financial Inclusion in Asia through Financial Literacy and Consumer Protection” was organized with the State Bank of Viet Nam in Ha Noi. It brought together government officials from developing Asian countries and experts involved in formulating financial inclusion policies and strategies in their respective countries. The objective was to build the capacity of officials in financial literacy and consumer protection and how these can be promoted to support financial inclusion and economic development in developing Asia.

The project “Financing Infrastructure in Asia” applied ADBI’s proposed use of spillover tax revenues to increase the rate of return of infrastructure projects. The main components of this study were (i) introducing the basic idea of returning positive spillovers to the investors, (ii) identifying implementation strategies and developing various modalities, and (iii) listing examples of the successful implementation of this principle. Collaborators included ADB.

At ADBI’s annual conference in Tokyo, results of selected research on managing private and local government debt were shared with policy makers, the public, and media. Case studies from the PRC, Japan, India, Indonesia, the Republic of Korea, and Thailand were presented. The event was attended by about 100 participants, including leading scholars and experts from well-known research institutions, think tanks, and universities in Asia and Europe.

At ADBI’s annual conference in Tokyo, results of selected research on managing private and local government debt were shared with policy makers, the public, and the media.

Capacity Building and Training

At the workshop “Policies and Governance for Gender Equality and Competitive Female Labor in Asia” in Seoul in June, 38 policy makers discussed policies on gender equality and women’s empowerment. They were also trained in the theoretical and empirical framework of labor and social policy.

The “APEC Financial Inclusion Forum” was held in Hoi An, Viet Nam, to discuss issues related to financial literacy and consumer protection and how they can be promoted to support financial
 inclusion and economic development in developing Asia. Some 24 officials from seven developing member countries attended.

**Outreach**

ADBI launched ADBI Press, its scholarly publishing arm, and introduced its podcast, Asia’s Developing Future, which shortens and simplifies ADBI’s work for those without an economics background.

---

**ADBI launched ADBI Press, its scholarly publishing arm, and introduced its podcast, Asia’s Developing Future.**

---

**2018**

**Think20**

ADBI assumed the role as lead coordinator of Think20 (T20) Japan, the G20’s research and policy advice network under Japan’s 2019 G20 presidency, at the inception conference in Tokyo on 4–5 December, that also served as ADBI’s Annual Conference. Chaired by Dean Yoshino and supported by the Japan Institute of International Affairs and Institute for International Monetary Affairs, T20 Japan introduced 10 task forces to develop policy recommendations for the G20 member countries.

---

**ADBI assumed the role as lead coordinator of Think20 Japan, the G20’s research and policy advice network under Japan’s 2019 G20 presidency.**

---

Former Dean Naoyuki Yoshino discusses with policy experts during the 2019 T20 Summit in Tokyo.
Research

The project “Fintech and Financial Inclusion” developed original survey data on the use of financial technology (fintech) in Asia and its role in financial inclusion through surveys of fintech companies and fintech users. Surveys were carried out in Cambodia, the PRC, and Viet Nam.

The project “Infrastructure Development and Finance in CAREC Countries” assessed the capacity of CAREC member countries to finance infrastructure and pursue new avenues for tackling infrastructure investment gaps. Examples included PPPs, infrastructure bonds, and land-value capture schemes. These studies were included in the book Financing Infrastructure in Asia and the Pacific: Capturing Impacts and New Sources (Box 5.1).

The project “Leveraging SME Finance through Global Value Chains (GVCs) in Landlocked CAREC Countries” investigated challenges faced by SMEs obtaining access to finance in landlocked CAREC countries. It assessed opportunities to link SMEs with GVCs and how they could impact SME financing, as well as policies for improving SME access to finance and trade finance, especially in the agri-business sector.

The project “Fintech and Financial Stability” addressed advances in fintech such as digital currencies, artificial intelligence, and big data analysis, the implications for the traditional financial sector, regulation and financial stability, and policy next steps.

Box 5.1: Financing Infrastructure in Asia and the Pacific: Capturing Impacts and New Sources (2018)

Governments throughout the Asia and Pacific region recognize the catalyzing role of infrastructure investment for sustainable growth. Yet, they are faced with the problem of financing new infrastructure. This book provides the latest evidence on the impact of infrastructure investment on economic and social indicators. Presenting several country studies, the book explains how infrastructure investment can increase output, taxes, trade, and firm productivity. Based on this evidence, the book proposes innovative modes of infrastructure financing. Written by leading international experts in economic analysis of infrastructure, the book is an invaluable source for policy makers to better design infrastructure projects.


Capacity Building and Training

The course-based training workshop on “Strategies for Financing Social Protection to Achieve the Sustainable Development Goals” was held in cooperation with ADB. Fifty-six officials discussed the findings of a study on financing social protection to achieve the Sustainable Development Goals (SDGs). They shared policy experiences and analyzed ways social protection schemes can be modified to help countries realize the SDGs.

The course-based training workshop on “Overweight and Obesity in Asia and the Pacific” was held in partnership with ADB and the World Health Organization and as part of a larger conference on smart health system actions against non-communicable diseases. Together, 23 officials addressed innovations and funding options for curbing non-communicable diseases such as overweight and obesity.
The “Roundtable on Insurance and Retirement Savings in Asia” was held in partnership with the OECD and the Japan Financial Services Agency. It convened 58 officials, as well as private sector representatives, to share best practices in insurance and private pension market development in Asia as populations age and birth rates decline.

2019

T20

The policy challenges and solutions detailed in T20 Japan policy briefs were spotlighted during the successful T20 Summit held in Tokyo on 26–27 May 2019. The summit was attended by more than 600 participants, including top policy makers and experts from think tanks and other organizations in 50 countries. The program featured keynote speeches by Haruhiko Kuroda, Governor of the Bank of Japan and former ADB President; Robert Engle, New York University professor and Nobel laureate; and Amina Mohamed, cabinet secretary of Kenya. ADB Vice-President Bambang Susantono addressed a panel session on infrastructure finance, while ADB chief economist Yasuyuki Sawada spoke at separate panel sessions on infrastructure development. The T20 Communiqué presenting key T20 policy recommendations for consideration by the G20 leaders was presented by ADBI Dean Yoshino to Japan’s Foreign Affairs Minister Taro Kono at the conclusion of the T20 Summit, and to Japan’s Prime Minister Shinzo Abe just after the T20 Summit.

Dean Yoshino, as the chair of T20 Japan, promoted T20 policy solutions during several speaking engagements alongside the G20 Osaka Summit in June 2019. He was also interviewed by leading media and held a press briefing in Osaka. These follow-up outreach activities significantly contributed to building ADBI’s presence as a leading regional and global think tank, leveraging ADBI’s lead role in T20.

Research

The project “How Digital Innovation Can Increase Small Business Access to Finance in Asia” examined ways that fintech can increase SME access to finance, such as through credit assessment, trade finance, money transfers, and internet-based funding platforms. The project examined (i) how digital innovation affects the quality of financial data and the credit-scoring system for SMEs; (ii) how big data and artificial intelligence change the credit assessment of financial institutions and the implications for SME finance; (iii) how new technologies, including blockchain, are reshaping trade finance, money transfer, and other activities of SMEs; (iv) how to leverage alternative funding tools; and (v) how to leverage digital innovation for the existing policy framework. Collaborators included the Thailand National Credit Bureau and Asian think tanks.

The project “Environmental, Social, and Governance (ESG) Investment: Opportunities and Risks for Asia” examined the potential of ESG investment to contribute to the realization of the SDGs. The main components of this project included (i) examining the extent to which ESG factors affect government funding costs, foreign direct investment, and economic growth in Asian countries; (ii) exploring ESG investment trends; (iii) encouraging discussions between policy makers on how to leverage ESG investment for sound development in the region; and (iv) identifying policies to maximize the impact of ESG investment. Collaborators included ADB, Asian central banks and finance ministries, Asian stock exchanges, the ASEAN–Japan Centre, the Financial Times Stock Exchange, MSCI Inc., and the Japan Exchange Group.

The project “Climate Risk and Sovereign Risk in Southeast Asia” examined how countries facing climate change risks may bear additional fiscal costs that could undermine their sovereign credit rating.
Major components of this project included (i) identifying channels through which climate-related risks affect sovereign risk as well as the scale of the impacts in Southeast Asia; and (ii) examining the monetary policy, regulatory, and supervisory implications for financial supervisors and central banks in the region. Collaborators include the SOAS Centre for Sustainable Finance at University College London; the World Wildlife Fund for Nature Asia Sustainable Finance Initiative team; Four Twenty Seven Inc; Singapore Exchange Limited; ClimateWorks Foundation; and the International Network for Sustainable Financial Policy Insights, Research, and Exchange.

The project “Land Management and the Sustainable Development Goals” examined new ways to obtain land for infrastructure in developing economies without creating social disruptions and other problems. The project components included (i) case studies of India and Indonesia on land acquisition for infrastructure investment, (ii) discussion of necessary laws for land lease and land trust to facilitate land transfer, and (iii) designing policy frameworks to ensure more productive use of land in Asian countries. Collaborators included ADB and think tanks from ADB’s member countries.

ADBI’s work on green finance was highlighted in the book *Handbook of Green Finance: Energy Security and Sustainable Development* (Box 5.2).

---

**Box 5.2: Handbook of Green Finance: Energy Security and Sustainable Development (2019)**

Global investment in renewable energy and energy efficiency has declined in recent times, and there is a risk that it will slow further. Clearly, fossil fuels still dominate energy investments. This trend could threaten the expansion of green energy needed to meet energy security, climate, and clean-air goals. Several developed and developing economies are still following pro-coal energy policies. The extra carbon dioxide generated from new coal-fired power plants could more than eliminate any reductions in emissions made by other nations. Finance is the engine of development of infrastructure projects, including energy projects. In several thematic and country chapters, this handbook explains that if we plan to achieve sustainable development goals, we need to create opportunities for new green projects and scale up the financing of investments that furnish environmental benefits. New financial instruments and policies such as green bonds, green banks, carbon market instruments, fiscal policy, green central banking, fintech, and community-based green funds are among the chief components that make up green finance.


---

**Capacity Building and Training**

The “Regional Workshop on Blue Economy, Disaster Risk Financing, and Ocean Infrastructure” was held in Nadi, Fiji. ADBI Dean Yoshino presented on the economic effects of ocean infrastructure and the measurement of disaster risk.

The course-based training workshop “ADBI–Stanford Leadership Academy for Development: The Role of Public Policy in Infrastructure Development” was held at ADBI in collaboration with Stanford University’s Leadership Academy for Development. It was led by Francis Fukuyama, Olivier Nomellini
Senior Fellow at the Freeman Spogli Institute for International Studies and Director of the Ford Dorsey Master’s in International Policy at Stanford University, and featured interactive lectures, case studies, and group exercises. The workshop helped mid-level government officials develop their critical thinking, problem-solving, and leadership skills to deal with challenging development issues essential to achieving policy reforms, particularly under unfavorable economic, financial, political, and cultural conditions.

Together with Cambridge University’s Cambridge Centre for Alternative Finance and the Cambridge Judge Business School Executive Education Limited, ADBI launched the “ADBI–Cambridge University Online Course on Fintech and Regulatory Innovation.” ADBI sponsored and awarded scholarships to 80 developing member country’ officials to join this structured and interactive online course facilitated by Cambridge University and fintech professionals. The first cohort of this course started in October.
Responding to the COVID-19 Pandemic and Strengthening Research Methodology

Tetsushi Sonobe became Dean of the Asian Development Bank Institute (ADBI) in April 2020. He obtained his PhD in economics from Yale University and BA in economics from the University of Tokyo. His research interests are centered on the empirics of economic development, particularly the roles of industrial clusters, human capital, social capital, management practices, and market competition in industrial development in developing Asia and other regions. Before joining ADBI, Dean Sonobe served for 6 years as a vice president of the National Graduate Institute for Policy Studies (GRIPS) in Tokyo and taught economics for 30 years at the Tokyo Metropolitan University and GRIPS. Dean Sonobe is a recipient of the Nikkei Book Publication Prize and the Masayoshi Ohira Memorial Prize, and a founding board member of the Japanese Association for Development Economics.

Response to COVID-19

Crises have frequently stimulated ADBI’s priorities for research and capacity building and training (CBT) activities, and the coronavirus disease (COVID-19) pandemic was no exception. However, unlike previous crises, it also directly affected the nature of ADBI’s operations, most notably the need to switch to virtual events because of restrictions on travel and to move to work-from-home (WFH) arrangements due to the need for social distancing. When Dean Sonobe assumed office in April 2020, the pandemic was already in full swing, as were ADBI’s responses. The pandemic was the most important determinant of ADBI’s research and CBT priorities during 2020 and 2021, although not the only one. ADBI’s activities during this period also featured an increased focus on the development of primary data, including the introduction of randomized control trial (RCT) studies, education, climate change, food security and agricultural sustainability, the development of online databases, and gender issues.

_Crises have stimulated ADBI’s priorities for research and capacity building and training activities, and the COVID-19 pandemic was no exception._
Regarding events, ADBI introduced guidelines for attendees of ADBI’s live events in early February 2020 to reduce the risk of infection. As the situation worsened, ADBI stopped holding live events at its office after 7 February and held no more overseas live events after 26 February. In the meantime, efforts were made to install the necessary software and facilities and carry out required training to hold online events. The first online event, held on 27–29 May was a conference on “Energy Supply and Transport Infrastructure Connecting Asia and Europe.” All events since then were online until late 2022, when ADBI started conducting hybrid events. The implementation of online events has been successful. One unforeseen benefit of online events is that each event can include many more participants.

ADBI introduced voluntary WFH arrangements for its staff (professional staff, supporting staff, consultants, and temporary staff) from Wednesday 4 March 2020. The office was still open, and staff were still expected to come to the office 1 in every 4 days. However, reflecting the Japanese government’s announcement of a state of emergency in Tokyo, Osaka, Hyogo, and Kyoto starting on 25 April, ADBI switched to “mandatory” WFH arrangements, where visits to the office required prior permission. This was further modified in November 2021 to a “voluntary” WFH arrangement, where staff attendance at the office was limited to no more than 50% in each department. Overall, the arrangements seem to have been successful, as there were no signs of a fall-off in productivity or morale.

In addition to the seven operational priorities of the Asian Development Bank’s (ADB) Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific (ADB 2018), ADBI added a new priority area on COVID-19 pandemic impacts and policies.
Introduction of Randomized Control Trial Studies

For the first time, ADBI’s research department has commissioned projects featuring RCT structures to strengthen the evidence-based nature of its findings about the effects of policy interventions. ADBI also introduced “calls for proposals” to support this kind of research.

ADBI’s first such RCT study is the “Pilot Experiment on ‘High-Tech High-Touch’ Education in Indonesia.” COVID-19 has severely impacted education systems worldwide, compounding online learning’s many pre-existing limitations. Artificial-intelligence-based high-touch high-tech (HTHT) education is being developed to promote personalized learning online. “High tech” refers to computer-delivered education to students, while “high touch” refers to the extra time that teachers have to deliver personalized learning to their students. This project aims to provide stronger evidence of the benefits of HTHT education by means of a randomized controlled trial at a large number of schools in Indonesia. The focus will be on mathematics education for 7th grade students. ADBI is collaborating with ADB and the Indonesian government on this study.

Food Security and Sustainable Agriculture

Dil Rahut, senior research fellow and vice-chair of research, is driving ADBI’s activities in the areas of food security and sustainable agriculture. Two examples are:

“Transforming Farmers and Agro-processors into Entrepreneurs.” The demand for high-value agricultural products (HVPs)—such as vegetables, fruit, and dairy products with high quality traits including freshness, low pesticide residue levels, low arsenic content, and traceability for quality input use—has been increasing in developing Asia. The COVID-19 pandemic has accentuated the need for HVP value chain development to drive new income and employment opportunities in rural areas. However, the HVP development constraints in the region and strategies to address them remain unclear. This project examines Pakistan’s untapped HVP potential, which has been the subject of preliminary studies conducted by its government.

“Double Burden of Nutrition.” Sedentary lifestyles and replacement of traditional diets with energy-dense diets are leading to overnutrition, which in turn leads to an increase in overweight, obesity, and nutrition-related noncommunicable diseases. A rapid shift to energy-dense diets in developing Asia is happening as many countries continue to experience high levels of undernutrition and are thus unprepared to face the burden of overnutrition. This is known as the double burden of malnutrition—i.e., the coexistence of undernutrition and overnutrition. This project will (i) examine the existing undernutrition problem and the dietary pattern changes that are lending to increasing overnutrition and an increase in overweight and obesity, and (ii) identify the factors driving the double burden of malnutrition. ADBI will collaborate with a partner to be determined.
Increased Focus on Gender Issues

ADBI has increased its focus on gender-related issues, including projects specifically on gender-related topics and looking at all projects through a gender lens. Two examples of such projects are described below.

“Promoting Participation of Women in E-commerce.” E-commerce is an increasingly important driver of competitiveness and economic integration, with profound implications for businesses and society. This project will identify ways of enabling women to participate more fully in e-commerce to help reduce gender inequalities and promote inclusive growth. The main components are (i) identifying barriers to women’s participation in e-commerce, (ii) analyzing policies aimed at promoting women’s participation in e-commerce, and (iii) analyzing policies aimed at promoting women’s digital literacy. ADBI is collaborating with ADB and think tanks in Asia and the Pacific.

“Inclusive Economic Empowerment.” This study will examine whether women benefit equally from economic growth in general—and economic recovery from the COVID-19 crisis in particular—and will identify policies and practices that ensure that economic growth and recovery are inclusive toward women. The main components are to (i) analyze to what extent economic growth benefits women, (ii) evaluate the impact of COVID-19 economic recovery policies on women’s economic outcomes, and (iii) evaluate the impact of women-focused economic policies and interventions. The study will examine women of diverse groups, including women from advantaged and disadvantaged groups. ADBI will collaborate with the Yale University Economic Growth Center.

The inaugural ADBI Annual Forum on “Expanding Women’s Participation in the Asian Economy: Securing Livelihoods for an Inclusive Recovery” highlighted priorities for achieving a gender-inclusive pandemic recovery in Asia and the Pacific, with a focus on policy adjustments that could help ensure and build upon progress toward expanding women’s education, employment, and entrepreneurship. Speakers included the chief economist of Australia’s Department of Foreign Affairs and Trade, and the director for South Asia economics research at Yale University’s MacMillan Center. The session examined women’s role in the Asian economy, household data on the effects of COVID-19 on women, prospects for addressing employment disruptions for female entrepreneurs, and women’s participation in the online marketplace.

Databases for Development

ADBI is devoting more effort to developing proprietary databases. The first venture in this area is the ADB–ADBI Innovation and Structural Information Database (https://innovatransformation.adbi.org/). This project has developed an interactive online database with indicators of innovation and structural transformation. The project is based on a view of development as (i) a transformative process, driven by multiple actors including governments and other policy makers; and (ii) one that takes place in a global context, where the international movement of goods, services, and production factors (capital...
plays an important role in creating opportunities for, or barriers against, development of the poorest economies. The project defined, documented, and created a set of indicators of global value chain performance, innovation–4th-industrial-revolution capabilities, and structural transformation at the country and sector levels; and then created a website for the dissemination of the database. ADBI collaborated on this project with ADB’s Economic Research and Regional Cooperation Department.

2020

Research

Early research responses to the pandemic were devoted to carrying out surveys of households and micro-, small, and medium-sized enterprises (MSMEs) to identify the impacts of COVID-19 in ADB’s developing member countries. Naturally the pandemic made face-to-face interviews impractical, so a variety of alternative interview processes were used, including computer-assisted telephone interviews and online surveys. One study focused on the impacts on households in eight Association of Southeast Asian Nations’ member countries (Cambodia, Indonesia, the Lao People’s Democratic Republic, Malaysia, Myanmar, Philippines, Thailand, and Viet Nam). Of particular interest was the results on children’s education during a period of online learning, where it was found that many children in low-income households were not able to take full advantage of online learning because of the lack of hardware (tablets or personal computers) and/or inadequate internet connectivity. Two waves of the survey were carried out, and a third wave is under way. A similar household survey was later carried out in the following Central Asia Regional Economic Cooperation member countries: Afghanistan, Azerbaijan, Georgia, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan.

Another survey focused on the impacts of COVID-19 on small and medium-sized enterprises in Bangladesh, India, Indonesia, the Lao People’s Democratic Republic, Malaysia, Mongolia, Pakistan, and Viet Nam in collaboration with the national productivity organizations in those countries. The aim was to collect data on the impacts on output, profits, and employment; examine the effects of government policies; and develop lessons for future policies. A third survey project focused on the experiences of farmers in Bangladesh.

The project “Macroeconomic Impacts of the COVID-19 Pandemic and the Policy Implications” aimed to obtain new data on the extent of these impacts to assess policies and develop policy recommendations. The main components included (i) collecting data on the macroeconomy; (ii) collecting data on the impacts on households and MSMEs; (iii) examining the wider effects in the digital age, such as the increased adoption of financial technology (fintech); and (iv) assessing the implications of the COVID-19 pandemic for the achievement of the Sustainable Development Goals (SDGs). The aim was to gain an understanding of the economic and wider implications of the pandemic in the digital age to devise appropriate policy responses and gain lessons for the future.

ADBI, in collaboration with the Asia-Pacific Applied Economics Association, Bank Indonesia, and the Central Bank of Sri Lanka, held two virtual workshops on “Monetary Policy, Banking and Finance,
Strategies for Developing Asia’s Future: 25 Years of the Asian Development Bank Institute

and Central Banking.” The workshops focused on improving the effectiveness of monetary policy in response to the COVID-19 crisis, and also aimed to develop papers by central bank researchers for publication in journals.

ADBI’s Annual Conference in 2020, in partnership with ADB, built on the results of its surveys of households and SMEs as well as other research, and had the theme of “Impacts of the COVID-19 Pandemic and its Policy Implications.” The conference highlighted survey findings about the impacts of the COVID-19 pandemic on Asian economies and the effects of policies to ameliorate those impacts and drew policy recommendations from them.

**Capacity Building and Training**

The CBT department began its work related to the pandemic with a three-part webinar series on policy recommendations for government officials grappling with the development and expansion of social safety nets. It continued with webinars related to COVID-19 and the SDGs, the digital economy, and climate change.

ADBI, together with the World Conference on Transport Research Society, Chubu University, and Purdue University, held webinars on the impact of transport and non-pharmaceutical interventions on the spread COVID-19.

The webinar “Casting Wider Safety Nets Webinar Series: Women’s Livelihoods at Risk and Safety Nets Beyond the COVID-19 Crisis” looked at how the pandemic affected women, a group disproportionately represented in the hardest-hit sectors and impacted by significantly increased family care burdens. As a part of the webinar series, in June 2020 ADBI distributed a questionnaire to government officials about the scale of the pandemic in their respective economies, its economic impact, the most vulnerable segments of the population, and implementation obstacles they may be facing.

ADBI and Chiang Mai University (Thailand) co-hosted the “9th International Conference on Asian Economic Development—Toward Sustainable Development Goals: Poverty Eradication and Inclusive Sustainable Growth”, which examined ways to reduce poverty and achieve the SDGs amid the COVID-19 pandemic, with participants including government officials and academic fellows from the region. The discussion at the conference focused on prompt fiscal stimulus, boosting economic equality, protecting vulnerable groups, reaffirming the importance of open economic systems, and the role of digitalization in advancing financial inclusion and adaptation to post-COVID19 conditions.

ADBI and the Central Asia Regional Economic Cooperation (CAREC) Institute co-hosted the “Climate Change Regional Policy Dialogue: Learning from the COVID-19 Pandemic.” The dialogue assessed the impacts of the COVID-19 pandemic on climate change policy priorities, green finance, and potential ways forward for developing economies in Asia and the Pacific. The focus was on country experiences and recommendations about climate insurance, infrastructure, and innovative schemes to promote private sector financing for climate change mitigation efforts.

**2021**

**Research**

The COVID-19 pandemic has led to sharp increases in government spending and government debt. ADBI’s research and CBT departments collaborated with ADB and the Korea Development Institute in the project “Effective Public Debt Management and Fiscal Sustainability in the post-COVID-19 Era” to (i) explore fiscal policy options that would minimize short-term and long-term debt vulnerability and maintain fiscal sustainability given higher public debts and interest rates, (ii) contribute to the formulation of effective strategies in both public debt management and fiscal sustainability from
The COVID-19 pandemic has accelerated the development and use of fintech in Asia and the Pacific. Fintech has also facilitated the rollout of government aid to support economic activity during the pandemic. The aims of the project “Financial Technology and COVID-19” were to (i) analyze fintech’s impact on households and on micro, small, and medium-sized enterprises during the COVID-19 pandemic; (ii) study fintech credit growth and sustainable development; and (iii) provide support to central banks, financial regulators, and fintech during COVID-19. Collaborators included ADB and Cambridge University’s Cambridge Centre for Alternative Finance. The papers were included in the book *Fintech and Covid-19: Impacts, Challenges, and Policy Priorities for Asia*, edited by John Beirne, James Villafuerte, and Bryan Zhang, which was published in 2022.

The project “Strengthening Environmental, Social, and Governance (ESG) Investment/Sustainable Investment Under the COVID-19 Crisis” explored the effects of ESG policies on firm performance and social welfare. It investigated the potential benefits and risks of ESG investment, based on data and other evidence, and also examined how to leverage ESG investment to promote the sound social and environmental development of countries in Asia and the Pacific. The findings were published in the book *Strengthening Environmental, Social, and Governance Investment Under COVID-19*, edited by Naoko Nemoto and Lian Liu, which appeared in 2022.

ADBI continued its work of surveying households and SMEs to identify the impact on them of the COVID-19 pandemic and their responses to it. These studies were included along with others in the book *COVID-19 Impacts and Policy Options: An Asian Perspective*, edited by John Beirne, Peter Morgan, and Tetsushi Sonobe, and published in 2021 (Box 6.1).

The theme of the 2021 ADBI Annual Conference was “Climate Change Mitigation and Green Finance.” It gathered leading academics and policy makers to discuss climate change mitigation and financing across sectors and subsectors including energy, transport, buildings, agriculture, forestry,
and land use. Other themes included carbon pricing and regional cooperation. Policy implications drawn from the conference studies related to (i) climate change mitigation options for energy, transport, buildings, agriculture, forestry, and land use; (ii) opportunities for regional cooperation for cross-border energy trade; and (iii) green finance for climate change mitigation.

**Capacity Building and Training**

The “9th Annual Asia Smart City Conference” was conducted under the theme of building smart cities aiming for carbon neutrality through city-to-city collaboration under the influence of COVID-19. Officials from Asian city and national governments, international organizations, academic institutions, and private companies attended. The conference emphasized the importance of public and private sector partnerships in promoting quality of life for citizens through well-balanced sustainable development that makes use of diverse and innovative technologies. In parallel, the conference offered a platform for businesses and government authorities from developing member countries to discuss innovative smart city solutions.

The virtual policy dialogue on “Post-COVID-19 Fiscal Instruments and Green Development” explored how COVID-19-responsive fiscal instruments and green development can boost finance opportunities and policy strategies on the realization of national determined contributions under the Paris Agreement. Co-hosted with Indonesia’s Ministry of Finance and the University of Indonesia, this policy dialogue discussed sustainable investment challenges and opportunities for promoting COVID-19 recovery and the SDGs.

The virtual policy dialogue on “Social Safety Nets Beyond the COVID-19 Crisis” featured a presentation by Sania Nishtar, Pakistan’s federal minister of poverty alleviation and social safety and a panel of experts highlighted keys to successful COVID-19 social protection program expansion and resilience. Minister Nishtar stressed the importance of strong political leadership and governance,
backed by holistic domestic systems and technology such as identification systems and biometric data that can help deliver assistance to the poor. Drawing on policy lessons, the panel also discussed how to design innovative, agile, and viable post-pandemic safety nets for Asia.

The virtual conference on “Circular Economy in Emerging Markets: Unlocking the Potential for Green Recovery in Developing Asia” was co-organized by ADBI, the Finnish Innovation Fund (Sitra), and the Institute of Strategy and Policy on Natural Resources and Environment (Viet Nam). This side event of the World Circular Economy Forum examined case studies on the successful implementation of circular economy principles and related recommendations, focusing on a green recovery and economic growth in the post-COVID-19 era. Specific topics of discussion included regulatory and legal frameworks, regional and country policies, opportunities for the private sector, and innovation in cities that could help unlock the potential of a circular economy approach.

2022

Research

ADBI continued its work of surveying households and SMEs in Asia to identify the impacts on them of the COVID-19 pandemic, their coping strategies, and outcomes. The surveys were extended to 11 economies in the Central Asia Regional Economic Cooperation (CAREC) region for the first time. This significantly extended the breadth of the database in this area.

ADBI extended its work in the area of education by carrying out two projects on improving education systems in Southeast Asia. The first project seeks ways to improve the effectiveness of Indonesia’s primary and secondary education. The main components are to (i) conduct school, teacher, student, and parent surveys on improving systems of education; (ii) use the survey data to answer research questions posed by the studies; and (iii) prepare reports and develop policy recommendations for policies that could lead to improvements in student learning outcomes in Indonesia. Collaborators include the Social Monitoring and Early Response Unit Institute. The second project focuses on identifying ways to improve the quality of basic education in Southeast Asia. The main components are to (i) analyze the constraints facing basic education in Southeast Asia, (ii) evaluate the impact of policies or practices aimed at improving the quality of basic education, and (iii) analyze the impact of COVID-19 on learning outcomes. Collaborators include ADB and the ISEAS – Yusof Ishak Institute.

In the area of climate change and green finance, one project focuses on policies for greenhouse gas emissions. In many countries, the effectiveness of emissions policies in reducing fossil fuel
consumption and greenhouse gas emissions is challenged by factors including policy design, energy prices, and, more recently, COVID-19. Economy-wide assessments of the effectiveness of emissions reduction policies could help produce recommendations for effective policies. The main components of the project are to (i) analyze the effectiveness of emissions reduction policies in developing Asia, (ii) identify factors that impact the effectiveness of emissions reduction policies; and (iii) produce thematic studies or case studies of effective emissions reduction policies. The project will produce policy recommendations for ADB developing member countries to adopt effective emissions reduction policies. ADBI is collaborating with the International Association for Energy Economics.

The 2022 ADBI Annual Conference highlights the theme of “Fostering Resilient Global Supply Chains Amid Risk and Uncertainty.” The conference will bring together leading academics and policy makers to discuss how to enhance the resilience of global supply chains across a variety of dimensions including trade, infrastructure, finance, climate, food and energy. Other cross-cutting themes include the role of digitalization and multi-lateral cooperation.

**The 2022 ADBI Annual Conference highlights the theme of “Fostering Resilient Global Supply Chains Amid Risk and Uncertainty.”**

**Capacity Building and Training**

CBT activities in 2022 addressed the CBT department’s seven priority themes aligned with ADB’s Strategy 2030, through policy dialogues, training workshops, and e-learning programs. These programs were organized in collaboration with national, regional, and international partner organizations. As of August 2022, 37 CBT events had been held with 4,221 participants.

The CBT department published books to disseminate policy knowledge emanating from CBT events, and to bridge the knowledge-sharing gap between the scholarly and policy communities. As of August 2022, titles included Prospects for Transitioning from a Linear to Circular Economy in Developing Asia; Labor Migration in Asia: COVID-19 Impacts, Challenges, and Policy Responses, published with the International Labour Organization and the Organisation for Economic Co-operation and Development; and Creative Economy 2030: Imagining and Delivering a Robust, Creative, Inclusive, and Sustainable Recovery, published with the ASEAN Secretariat.

The 2nd Annual ADBI Forum on “Expanding Women’s Participation in the Asian Economy: Promoting Equitable Opportunities for Women in Agriculture” explored how advancing equal participation in agriculture can unlock women’s potential to boost agricultural production, food security, and sustainable development. Key stakeholders and experts from international organizations and academia identified policy recommendations for empowering women to participate in agriculture on a level playing field, with equitable opportunities for decent work and livelihoods.

ADBI and Indonesia’s T20 chair co-hosted the T20-associated webinar on “Rethinking Social Protection Reform in the Post-Pandemic Recovery.” It identified important measures that must be taken into account for comprehensive reforms of social protection systems and policy solutions to address the key challenges facing developed and developing countries, particularly disabilities, longevity poverty, gender equality, and non-traditional workers. Some of the webinar’s outcomes were used to develop policy recommendations for the G20 member countries for social reforms in the post-pandemic recovery.
CBT activities in 2022 addressed the CBT department’s seven priority themes aligned with ADB’s Strategy 2030, through policy dialogues, training workshops, and e-learning programs.

The CBT department co-organized with the Digital Agri Hub, in cooperation with the Indonesia Commodity and Derivatives Exchange and the Dgroups Foundation the policy dialogue on “Digitalization for Agriculture in Asia: Regional and Country Policies and Pathways.” The policy dialogue examined digitalization for agriculture prospects in Asia and the Pacific. Discussions focused on digitalization for agriculture policy and regulatory frameworks, technical and human capital, and the infrastructure and business environment for digital agriculture transformation.

Reference

Objectives

The objectives of the Asian Development Bank Institute’s (ADBI) research department are to:

- Be an innovative center of excellence for the creation of timely, relevant, evidence-based knowledge that can be implemented as new actionable policies by developing and emerging economies so as to further contribute to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific.
- Emphasize demand-driven policy research that addresses the evolving and increasingly knowledge-based development needs of countries in Asia and the Pacific, taking into account the varying stages of development across the Asian Development Bank’s (ADB) developing member countries (DMCs) and incorporating inputs from DMC governments and other institutions on topics of interest.
- Contribute to ADB’s overall mission and operational priorities in line with ADB’s Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific and “One ADB.”
- Collaborate with think tanks in the Asia and the Pacific to help build capacity in the region.

Research Areas and Priorities

The research department has always been small, with the professional staff consisting of the department head(s) and two to four research fellows. They are supported by consultants, visiting fellows, research associates (normally PhD students or recent PhD graduates), and support staff. Given the small size and limited resources, determining research priorities has always been a key concern. These priorities have evolved over time, reflecting external factors such as crises, natural disasters and the imperatives of climate change; changes in ADB strategy; and the evolving needs of ADB’s DMCs, partly in response to the very success of their economic development. ADBI’s current research priorities are guided by the operational priorities of ADB’s Strategy 2030:

(i) addressing remaining poverty and reducing inequality;
(ii) accelerating progress in gender equality;
(iii) tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability;
(iv) making cities more livable;
(v) promoting rural development and food security;
(vi) strengthening governance and institutional capacity; and
(vii) fostering regional cooperation and integration (ADB 2018).
ADBI’s additional new priorities are the impacts and policy implications of the COVID-19 pandemic. (See the overview chapter for a description of the evolution of research and capacity building and training priorities.)

An early document (ADBI 2003) noted that ADBI is not a pure research institution aiming to establish an international reputation through the publication of academic books and articles in the best journals. Rather, its research work is of an applied nature, reflecting the interests and priorities of DMCs in the Asia and Pacific region. In practice there is a need to strike a balance between more academic research, which establishes the credibility of ADBI’s research products, and more applied research which is accessible to policy makers.

Most projects are suggested by ADBI professional staff, but some suggestions also come from ADBI’s Advisory Council, ADB staff, DMC government officials, and international organizations.

There is a need to strike a balance between more academic research, which establishes the credibility of ADBI’s research products, and more applied research which is accessible to policy makers.

Research Products

Research outputs include working papers, books, journal special issues, and policy briefs. Research outputs typically appear first as working papers, and then more refined versions of the papers are published in books or academic journals. ADBI’s first journal special issue appeared in 2015 on the subject of the People’s Republic of China’s economic slowdown and its implications for the world, but now ADBI produces two or three such issues each year.

Table 7.1 summarizes the mix of research outputs in 2021 and 2022. Staff are encouraged to publish their research in economic journals, and such publication has reached a high level in recent years. Figure 7.1 shows the geographical breakdown of the subjects of ADBI’s working papers and books in 2022. Reports on Southeast Asia have the largest share, but the shares of South Asia, Central and West Asia, and the Pacific have been rising over time, reflecting efforts to achieve greater regional diversity of ADBI’s research projects.

### Table 7.1: Research Outputs, 2021 and 2022

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Results</th>
<th>Collection Methods and Data Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of high-quality knowledge products by type</td>
<td>2021</td>
<td>2022*</td>
</tr>
<tr>
<td>Working papers</td>
<td>87</td>
<td>41</td>
</tr>
<tr>
<td>Books</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Special journal issues</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Journal articles by staff</td>
<td>31</td>
<td>38</td>
</tr>
</tbody>
</table>

* As of 31 August 2022.
Source: ADBI.
Table 7.2 shows the number of research events held in 2021 and 2022, together with the total number of participants and their gender breakdown. Notably, the shift to online events has greatly increased the number of participants that can join an event compared with a live event. Also, we have seen progress in the increasing share of women participants.

*The shift to online events has greatly increased the number of participants that can join an event compared with a live event.*

Table 7.2: Research Events, 2021 and 2022

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Results</th>
<th>Collection Methods and Data Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Research event monitoring</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Number of research events</td>
<td>2021: 31</td>
<td>Provided by staff</td>
</tr>
<tr>
<td></td>
<td>2022: 38</td>
<td></td>
</tr>
<tr>
<td>(b) Number of participants</td>
<td>2021: 5,400 (est.)</td>
<td>Provided by staff</td>
</tr>
<tr>
<td></td>
<td>2022: 2,920 (est.)</td>
<td></td>
</tr>
<tr>
<td>(c) Gender breakdown</td>
<td>2021: Men, 56%; Women, 44%</td>
<td>Provided by staff</td>
</tr>
<tr>
<td></td>
<td>2022: Men, 54%; Women, 46%</td>
<td></td>
</tr>
</tbody>
</table>

*2022: January to August 2022.*

Source: ADBI.
A typical research project is based on a particular theme and may involve 8 to 12 papers related to that theme. The papers may either be commissioned or accepted through a competitive call-for-papers process. ADBI typically runs 30 to 40 research projects during a year. Recent projects have been in the following areas: trade, global value chains, and SMEs; infrastructure finance and impacts; green finance, renewable and green energy, and climate change; urban development, high-speed rail, land management; regional integration, transport; financial inclusion, fintech, financial literacy and financial education; COVID-19 impacts and policies; sustainable agriculture; education; gender-related issues; and sanitation and development.

To contribute further to the theoretical and empirical literature in project areas, for the project “Central and Local Government Relations: Fiscal Sustainability in 2015,” ADBI for the first time organized a competitive call for papers, the outcome of which appeared as ADBI working papers and in an edited volume. This significantly expanded the pool of authors for ADBI projects.

Most ADBI research papers have been based on using secondary sources and publicly available data. However, beginning in 2016, ADBI recognizes the value of collecting primary data through fieldwork and developing its own proprietary databases. The first such project was the implementation of the adult financial literacy survey of the Organisation for Economic Co-operation and Development and the International Network for Financial Education (OECD/INFE 2015) in Cambodia and Viet Nam, the first time this survey was conducted in Cambodia, the Lao People’s Democratic Republic, Myanmar, and Viet Nam (Morgan and Trinh 2017). The project was successful and led to a number of other survey-based studies on the relationship between financial inclusion, financial literacy, and financial technology (fintech).

This experience proved useful following the outbreak of the COVID-19 pandemic in 2020, as ADBI was able to mobilize rapidly to conduct surveys of the impacts of the pandemic on households and small and medium-sized enterprises in a number of ADB member countries in Southeast Asia, South Asia, and Central Asia. Some of these surveys were conducted in multiple waves, which enabled panel datasets to be assembled. The analyses of these data produced a number
Strategies for Developing Asia’s Future: 25 Years of the Asian Development Bank Institute

of influential papers and were included in major events such as ADB’s Annual Meeting and ADBI’s Annual Conference in 2020.

Dean Tetsushi Sonobe pushed ADBI’s fieldwork activities further by introducing randomized control trials to provide a stronger basis for ADBI’s policy recommendations. The first such project is a major ongoing study of the implementation of a “High-Touch High-Tech” (HTHT) learning program for 7th grade mathematics in over 100 Indonesian high schools. The HTHT process uses artificial intelligence in computer programs to raise the foundational level of mathematics learning of students, while freeing up teachers to give more individualized instruction. Another randomized control trial project involves an evaluation of the Soil Health Card System in India, which is a scheme to document soil health and train farmers. The main project components are a baseline survey, soil health card and training of farmers, a midline survey, and an end-line survey.

Although calls for papers have the advantage of employing a competitive process to select papers and introducing new authors to ADBI, their value is limited because ADBI cannot control the content in advance. To address this issue, in 2020 ADBI introduced “calls for proposals.” The aims were to have more direct control over the content of the proposed papers, and to provide support for fieldwork by the paper authors.

Research Databases

ADBI aims to develop online databases on key development topics which can be used by outside researchers. The first such project was the ADB–ADBI Database for Innovation and Structural Change, which was launched in February 2022.¹ The project is based on a view of development as a transformative process, driven by multiple actors, including governments and other policy makers. Also, development takes place in a global context, where the international movement of goods, services, and production factors (capital) play an important role in creating opportunities for, or barriers against, development of the poorest economies. It includes indicators of global value chain performance, innovation–4th-industrial-revolution capabilities, and structural transformation, at the country and sector levels.

ADBI also collaborated with the Cambridge Centre for Alternative Finance of the Judge Business School of Cambridge University to implement the Global FinTech Ecosystem Atlas, an online database on global fintech-related entities, activities, and markets.² The database will be augmented annually with new survey results.

Quality Control Mechanisms

Recognizing the importance of ensuring both production quantity and quality, ADBI has set up quality-control mechanisms at each stage of its research process. Draft papers are presented at conferences and receive comments from designated discussants and other conference participants. The revised papers must also be approved by the project task manager and research department head before they appear as ADBI working papers. Papers submitted to journals must undergo a further external peer review process. Book proposals must be reviewed by the Publications Committee, and monograph-type books also go through external peer reviews. ADBI also established a new series on

¹ https://innovatransformation.adbi.org/
² https://ccaf.io/atlas/visualisation/graph
Recognizing the importance of ensuring both production quantity and quality, ADBI has set up quality-control mechanisms at each stage of its research process.

“Asian and Pacific Sustainable Development” to facilitate the indexing of ADBI books and help attract renowned authors. The series editors are Dean Sonobe and Professor Rohini Pande of Yale University.

Collaboration with Capacity Building and Training

The research department organizes a number of projects and events with the CBT department every year. Some notable regular ones include the Asia-Pacific Financial Inclusion Forum. Research staff also make presentations at CBT events and deliver E-learning lectures. Research papers may also be incorporated into CBT educational materials.

Collaboration with ADB’s Knowledge Departments

The relationship of ADBI’s research activities with those of ADB’s knowledge departments has evolved over time. The early stance was that ADBI’s research activities should not overlap with those of ADB. Broad understandings were reached with the knowledge departments in ADB headquarters (HQ) to avoid duplication of activities (ADBI 2006).

However, in 2007, Dean Kawai formulated new strategic directives with the aim of enabling ADBI to become a leading center for the creation and sharing of knowledge in Asia and the Pacific. Under these directives, ADBI would actively pursue opportunities for coordinated knowledge management and dissemination between ADB HQ and ADBI to enhance the synergies with the three other knowledge departments of ADB at the time (Economics Research Department, Office of Regional Economic Integration, and Regional Sustainable Development Department) (ADBI 2007). In particular, the collaborative framework used by the ADBI-led flagship project that involved ADB management and staff was viewed as model for major research projects in the future (ADBI 2007).

Dean Kawai formulated new strategic directives with the aim of enabling ADBI to become a leading center for the creation and sharing of knowledge in Asia and the Pacific.

Based on the advice of ADBI’s Advisory Council, ADBI’s work beginning in 2008 was to be guided by the following considerations:

(i) ADBI should complement the main activities of ADB HQ.
(ii) ADBI should focus on medium- and long-term issues that cannot be easily addressed by ADB HQ.
(iii) ADBI should look 10–20 years ahead and lead ADB in terms of new ideas and strategies.
(iv) Policy impacts need to be built into the ADBI research work program (ADBI 2007).

ADB’s Strategy 2030, adopted in 2018, explicitly articulated a “One ADB” approach as being critical to deliver on the directions set in the strategy. Specifically, a One ADB approach is defined as “bringing together expertise and knowledge in a range of areas across the institution” (ADB 2018, p.28). The report notes that “… ADB’s research function and the ADB Institute will continue providing the analytical base for ADB operations and policy advice” (ADB 2018, p.24). Chapter 10 has more details on One ADB.

This arrangement has continued largely unchanged. Roughly one-fifth of ADBI’s research projects in recent years have involved collaboration with ADB departments. Collaboration with the Economic Research and Regional Cooperation Department has been most frequent, including involvement each year in the production of background papers for ADB’s annual Asian Economic Integration Reports.
**References**


Capacity Building and Training

Vision and Mission

At the macroeconomic level, the Asian Development Bank Institute’s (ADBI) capacity building and training (CBT) program envisions an Asia and Pacific region with informed policy making, underpinned by comprehensive capacity building. CBT aims to contribute to this vision through its mission of building a learning platform for effective knowledge sharing. To fulfill its mission, CBT pursues two main objectives:

- Improve the capacity of government officials of ADB’s developing member countries.
- Promote consensus and mutual understanding on the regional development agenda.

ADBI’s CBT work is guided by five key strategies: demand driven, inclusive participant selection, broad regional coverage, innovation, and a collaborative approach. ADBI uses five main delivery modes: policy dialogue, training for government officials, graduate courses in Japanese universities such as the University of Tokyo, e-learning courses, and various types of publications.

Capacity Building and Training in Numbers

The number of events since the establishment of CBT activities in 1998: over 642 in more than 20 cities in the Asia and Pacific region and beyond

Total participants: more than 40,000, more than 50 nationalities

Female participation: more than doubled over the years from 20% in 1998 to 43% in 2022

Government official representation: 30% from ADB developing member countries (2014–2022 data)

ADBI’s CBT work is guided by five key strategies: demand driven, inclusive participant selection, broad regional coverage, innovation, and a collaborative approach.
Key Achievements and Innovation


From 1998 to 2000 capacity building and training focused mostly on the post-Asian financial crisis and future initiatives in capital market reforms, banking regulation, and financial markets in Asia. Example of such events include the flagship event “ADBI–OECD Tokyo Roundtables on Capital Market and Financial Reform in Asia”; “High-Level Policy Seminar on Lessons from the Asian Crisis and Its Implications for Cambodia” organized jointly with the Asian Development Bank’s (ADB) Cambodia Resident Mission; and a workshop on “Regional Arrangements for Strengthening Financial Architecture for Asia” under the Asia Development Forum, organized jointly with ADB, the World Bank Institute, the Institute of Southeast Asian Studies, and the Government of Singapore in 2000. Additionally, in this period ADBI strived to consolidate research and capacity building and training activities and expanded a new poverty reduction priority theme. Under Dean Masaru Yoshitomi, a framework matrix was developed to systematize ongoing and future projects and to incorporate ADB’s overarching goal of poverty reduction (ADBI 1999, 2000, 2001).

2001–2021 Emergence and Application of Innovative Capacity Building and Training and Digital Courses

ADBI established several types of programs for different target audiences such as high-level policy dialogues, seminars, and conferences for academic debate from 1998 to 2021 (Table 8.1). Thriving through socioeconomic transition and digital transformation, ADBI has adopted new and innovative approaches to improve the delivery of its capacity building programs.
Table 8.1: 1998–2021 New Initiatives: Regional Cooperation and Integration

<table>
<thead>
<tr>
<th>Year</th>
<th>Remarks</th>
</tr>
</thead>
</table>
| 1999 | • Consolidated research and capacity building activities and expanding into new poverty reduction initiatives.  
       • Developed a framework matrix to systematize ongoing and future projects and to incorporate ADB’s overarching goal of poverty reduction. |
| 2000 | Published two books (executive summaries of workshops)– *Partnerships for Better Municipal Management and Public–Private Partnerships in the Social Sector: Issues and Country Experiences in Asia and the Pacific* |
| 2001 | Established several types of programs for different target audiences. For high level policy makers, ADBI conducted half-day seminars and 1- to 2-day conferences to disseminate its research findings, and 3- to 4-day forums to discuss and exchange views on contemporary issues |
| 2002 | Made progress on a pilot project for interactive online and CD-ROM e-learning modules |
| 2003 | Announced a new series of journalism awards “Developing Asia Journalism Awards” at the Foreign Correspondents’ Club of Japan on 3 December. The theme of the series in its inaugural year was focused on development trends and the impact these have on the countries and people of the region.  

Launched CD-ROM review project on website: Seminar on ICT and Public Administration Reform and Course on Increasing Stakeholder Participation using ICT in Thailand |
| 2004 | Held anti-poverty seminars for Uzbekistan and Kazakhstan, in collaboration with UNDP |
| 2005 | Promoted DVD-based distance learning courses with emphasis on the use of ICT in improving public sector performance: e-procurement and e-government for the poor |
| 2006 | Piloted distance learning for ADB’s DMC government officials: National Course on E-learning and Computer Courseware Development. The program was offered as a self-paced blended course with interactive online discussion. The course had 1,600 participants from ADB’s DMCs and 30% female participation |
| 2007 | Developed workshop on Strengthening Private Sector Participation and Investment in Physical Infrastructure in close collaboration with ADB headquarters and development partners—the Commonwealth Fund for Technical Cooperation, the Public Private Infrastructure Advisory Facility, UNESCAP, and the World Bank |
| 2008 | Inaugurated young journalist-related competitions: Development Journalist of the Year and Young Development Journalist of the Year  

Began to vigorously seek financial support of ADB member countries in addition to the existing support provided by the Government of Japan. Such support is made by voluntary contributions to ADBI’s special fund, setting up a trust fund with ADBI, or co-sponsoring ADBI programs |
| 2009 | Held flagship ADBI–APEC Business Advisory Council event on Promoting Financial Inclusion through Innovative Policies. The primary objectives were to rebalance growth, risk mitigation, green growth, and promote small, micro, and medium-sized enterprise development |
| 2010 | Promoted ASEAN 2030: Toward a Borderless Economic Community project. The groundwork was laid for an associated study and capacity building that focused on the needs of the ASEAN transitional economies—Cambodia, the Lao People’s Democratic Republic, Myanmar, and Viet Nam |
| 2012 | Worked with ADB headquarters and ADB’s ERCD Department to formulate ADBI’s Results Framework (major studies focused on the pillars of regional cooperation and integration connecting Southeast Asia and East Asia, financial and capital market reform, and climate change, and low-carbon green growth policy) |
| 2013 | Conducted two policy dialogue events with the main objective to achieve an integrated market: Trade Facilitation at the Border and Behind the Border: Reforms and Implementation, and Enhancing the Investment Environment in APEC and ASEAN Countries |
| 2014–2015 | • Expanded the sectoral range and geographic reach of activities and addressed ADBI’s priority themes through policy dialogue events and training workshops  
       • Initiated a new series of policy briefs to widely disseminate policy issues discussed at CBT events and to reach out to policy makers across Asia |

continued on next page
### Table 8.1 continued

<table>
<thead>
<tr>
<th>Year</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>Established 16 new partnerships in 2016, including with think tanks such as the Research and Information System for Developing Countries in India; government agencies such as the Ministry of Energy, Kazakhstan; and academic institutions such as the Korea Women’s Development Institute</td>
</tr>
<tr>
<td>2017</td>
<td>Launched the partnership with the Bill and Melinda Gates Foundation to support regional sanitation breakthroughs by facilitating policy data and information-sharing, policy dialogues, and best practice deployment via training and case studies on the spillover effects of citywide inclusive sanitation and institutional sanitation arrangements</td>
</tr>
<tr>
<td>2018</td>
<td>• Developed activities focused on demand-driven policy issues, in line with ADB’s Strategy 2030 and the spirit of One ADB. Robust collaboration led to 32 research and CBT events with ADB • Established new research and CBT partnerships with governments, think tanks, and universities. These included the Central Bank of Mongolia, the Human Resources Development Service of the Republic of Korea, Cambridge University, Cornell University, McGill University, and Zhejiang University, and the German Agency for International Cooperation • Supported the Think20 Japan presidency</td>
</tr>
<tr>
<td>2019</td>
<td>• Took a leading role in the task forces under Think20 Japan, published two outputs on Aging Society and Infrastructure Financing • Signed a memorandum of understanding (MOU) with Stanford University’s Leadership Academy for Development • Signed an MOU with Cambridge University Cambridge Centre for Alternative Finance, and the Cambridge Judge Business School Executive Education Limited • Launched ADBI e-learning on website, with five online lecture series on financial inclusion and infrastructure development</td>
</tr>
<tr>
<td>2020</td>
<td>• Transformed physical to online format policy dialogue and other CBT events amid the COVID-19 outbreak, attended by more than 7,000 participants • Initiated new course formats: a self-paced online course with Stanford University and Cambridge University, a webinar series, and policy maker e-training • Signed a new MoU with Stanford University’s Program on Energy and Sustainable Development (PMET) • Reached out to more than 20,000 ADBI e-learning subscribers, produced more courses with 11 online lecture series, and piloted one PMET on financial inclusion in Asia and the Pacific with mid- and senior level government officials from South Asia, Central Asia, Southeast Asia, and the Pacific</td>
</tr>
<tr>
<td>2021</td>
<td>• Conducted new research and capacity building on public debt, procurement innovation, green development, and digitalization • Expanded new CBT events with gender-based topics • Published more than 37 knowledge products: policy reports, development case studies, books, journal articles, blogs, etc.</td>
</tr>
</tbody>
</table>

### Closing the Digital Gap for Inclusive Recovery and Better Response in Future Crises

When COVID-19 hit the headlines in early 2020, much of the world’s population moved online, and at an accelerated pace. Children with internet access at home moved to online learning, many employees began telecommuting, and universities offered classes remotely. They have adopted digital business models to sustain their operations and retain a portion of their revenue. On the other hand, mobile...
applications have been developed to “track” pandemic outbreaks, and researchers used artificial intelligence to explore the virus and accelerate the search for vaccines in some countries. Internet traffic increased by up to 60% immediately after the outbreak (OECD 2020), underscoring the digital acceleration caused by the pandemic.

While these activities demonstrate the tremendous potential of the digital transformation, the digital divide is still uneven—especially the gap on distribution of information access through the internet and digital technology—leading to wider inequality and hindering sustainable recovery. It therefore calls for coordinated actions on multiple roles and best practices to align the digital acceleration with policies and promote digital literacy, ensuring no one is left behind in the COVID-19-induced digital transformation.

Fostering digital transformation must be balanced with robust policies and regulatory frameworks to transition to a greater digital provision of social services safely and equitably. A rapid digitalization shift poses risks for those with low digital literacy to scams and other crimes. Additionally, although digital services may provide promising solutions, risks regarding data protection and privacy should be considered when formulating the right policy framework.

ADBI’s CBT department has committed to promote digitalization and ICT-related topics, and other cross cutting-edge “e-topics” since 2004 (Boxes 8.1 and 8.2), where the use of digital technology was crucial to the success of CBT’s strategic focus on infrastructure for regional cooperation and poverty reduction. CBT will continue to equip policy makers to better understand the digital transformation that is underway and to provide appropriate policy recommendations to help shape a positive digital future toward sustainable and inclusive post-pandemic recovery in Asia and the Pacific. The following section highlights some examples of CBT events in accelerating the use of digitalization.

Box 8.1: E-Procurement Helps Governments in Developing Nations Jump Start their Use of Information and Communication Technology

The economies of the Asia and Pacific region have increasingly adopted information and communication technology (ICT) to enhance government services and business transactions. An ICT-enabled procurement system and government adoption of e-commerce can transform business processes between suppliers in the private sector and government. E-procurement promotes greater accountability by the government, increases efficiency and cost-effectiveness, and enables equal access to the public sector market. ADBI convened an International Conference on E-Procurement from 20–25 June 2005 in Seoul. The conference was organized in collaboration with the Public Procurement Service of the Republic of Korea and the United Nations Economic and Social Commission for Asia and the Pacific. The conference was supported by ADB, the Korea IT Industry Promotion Agency, the Korea Information Strategy Development Institute, IBM, Microsoft, and Samsung SDS. The objectives of the conference were to review new initiatives in e-procurement and to discuss ways to integrate them into an overall e-government and e-commerce system. Attendees included policy makers who were planning to introduce e-procurement in their countries and private sector companies that were supplying their goods and services to governments. With the assistance of experts from the public and private sectors, as well as staff from international organizations, the 90 participants from 23 countries gained a better understanding of e-procurement and e-government and build capacity for the planning and implementing of an e-procurement system. Countries were able to share their experiences and discuss issues and options for implementation. Some of the topics addressed at this conference included: re-engineering internal processes of government and/or public administration, factors critical to the successful implementation of e-procurement including e-training of government officials, stakeholder participation in e-government projects, building community and government leadership, and security and privacy issues in e-procurement.
Public procurement is commonly used by governments in developed countries to promote innovation and socioeconomic policy objectives, including small and medium-sized enterprise development and green growth. However, the strategic use of public procurement as a public policy instrument for innovation is still uncommon in developing Asia and requires a strong enabling environment to overcome associated challenges. Cohosted by ADBI, the Public Procurement Service (PPS) of the Republic of Korea, and the Organisation for Economic Co-operation and Development (OECD) on 17 February 2022, the “ADBI, PPS, and OECD Procurement and Innovation” workshop examined keys to building innovation-boosting public procurement systems. The workshop discussed a comprehensive online system that performs the overall management of government procurement business, including bidding, contract-signing, and payment regarding commodities, services, and construction as needed by central and local governments and public institutions.

**ADBI, PPS, and OECD Procurement and Innovation**

A 2002 workshop examined keys to building innovation-boosting public procurement systems.

### Enhancing MSMEs’ Innovation and Competitiveness: The Role of Finance and Digital Technology

Conducted on 23 February 2022 by ADBI, the University of Indonesia’s Institute for Economic and Social Research, and the University of Tokyo’s Graduate School of Public Policy, with support from the Toshiba International Foundation, the forum “Enhancing MSMEs’ Innovation and Competitiveness:
The Role of Finance and Digital Technology explored ways to build the innovation capacity and competitiveness of COVID-19 pandemic-hit micro, small, and medium-sized enterprises (MSMEs) in Asia via digital technology and financing. The key lessons learned from this policy dialogue include the following points. First, the importance of a greater quantity and diversity of financing to improve the quality and inclusiveness of social infrastructure must be well-considered and part of a long-term strategy. Second, in the context of increasing financial constraints (from the pandemic), policy makers must make careful decisions on how to invest public funds and quality of the investment. Third, good policy design and decision-making require good data, therefore, governments should improve their data collection, safety, and analysis, and more efforts should be made in gathering data from MSMEs, private education services, and health services. And most important is the development of digital literacy.

Inclusive Digital Economies and Gender Equality Playbook


COVID-19 has exacerbated the challenges for women and the progress that women have made previously and pushed many into poverty. The course also emphasizes the practical solutions for narrowing digital and financial gender divides and boosting economic participation in developing markets. It includes three important aspects to be considered: accelerating affordable smartphone ownership in emerging markets, creating an asset financing option for women to access the smartphones, and increasing the availability of pay-as-you-go phone payment plans. Narrowing and accelerating the digital and financial gender gap can be achieved with gender responsive policy and regulation, increasing the representation of females in the decision-making process, and supporting digital financial services with a gender lens to empower and encourage women’s participation in digital banking.

CAREC Virtual Policy Dialogue: Analysis of the Regional Digital Gap

Compared to other parts of developing Asia, digitalization in Central and West Asia lags due to outdated regulations, uncompetitive investment policies, uneven digital infrastructure, heavy reliance on primary industries, and fragmented governance structures. Addressing these challenges could close the digital gap needed to boost income equality, social cohesion, competitiveness, and sustainable growth in the region.
ADBI and the Central Asia Regional Economic Cooperation (CAREC) Institute virtual policy dialogue explored digital development and related challenges in Central and West Asia. The event also highlighted policy measures for enhancing digitalization in the region, expert views on their feasibility, and possible ways forward.

Flagship Activities to Further Strengthen CBT’s Impact and Cooperation

To enhance sharing with external partners, ADBI will continue to set up flagship events in the model that already exists such as the “ADBI–OECD–ILO Roundtables on Labor Migration in Asia”, the “ADBI–IMF Tokyo Fiscal Forum”, the “Asia Pacific Financial Inclusion Forum”, and the “ADBI–OECD Tokyo Roundtables on Capital Market and Financial Reform in Asia”. Recurring events have the advantage of establishing institutional links, an important step beyond the personal links that also form the basis for strong ties between ADBI and prominent organizations. ADBI’s CBT department continues to strengthen institutional policy impacts and address the priority issues through our flagship activities co-organized with external partners.

Partnerships with think tanks deserve a special mention as a key part of ADBI’s knowledge management strategy. The CBT department can collaborate with other think tanks or organizations in three ways. First, producing research outputs and hosting policy dialogue together with government officials from ADB’s DMCs, CBT can provide and exchange more informed views of development.
challenges. Second, CBT can act as a forum for think tanks and researchers and set up institutional links, opening up the possibility for knowledge sharing that can go far beyond what ADBI can facilitate directly. Third, exposure to ADBI can provide think tank platforms for their research to make a bigger impact. This exposure can come from presenting at policy dialogues, publishing their research in policy briefs, reports and books, and producing lectures as online lecture series on the ADBI e-learning platform.

Flagship Activities

ADBI, the OECD, and the International Labour Organization (ILO) have been collaborating to organize the Annual Roundtables on Labor Migration in Asia since 2011. As a labor exporting region, developing Asia is sensitive to changes in the global economic landscape, and many migrants had been hit hard by the global economic crisis during that time. More than 60 policy makers and international experts concerned with migration policy from developing Asia, OECD countries, the International Organization for Migration, and ILO joined the first roundtable on “Labor Migration in Asia: Recent Trends and Prospects in the Post-crisis Context.”

The roundtables continue their effort to review recent trends in labor migration and examine approaches to migration management and policy issues including how to optimize the benefits of remittances for economic and social development, implications for Asian economies of growing migration trends of highly-skilled workers, the globalization of higher education, and international mobility of health workers. ADBI, the OECD, and ILO also jointly publish publications, including major outcomes from the roundtables, remittance trends, and future labor migration trends in Asia.
References


Outreach

Optimizing ADBI Outreach

For over a quarter century, the Asian Development Bank Institute’s (ADBI) demand-driven policy research and capacity building and training (CBT) have provided Asian Development Bank (ADB) developing member countries and partners crucial insights into the drivers of Asia and the Pacific’s rapid growth and socioeconomic change, associated challenges, and timely and innovative policy solutions. Maximizing the potential for these ideas to foster more sustainable and inclusive economies has increasingly hinged on raising awareness, understanding, and uptake of them among policy makers and stakeholders through robust, digitally driven, and targeted outreach.

Outreach Elevated

In recognition of these imperatives and their importance for advancing ADBI’s mission, the institute has taken steps to amplify its outreach activities and make them a more integral part of ADBI’s strategic direction and operations. The goals: strengthening internal communications critical to operations while boosting the production and visibility of ADBI’s research and CBT output among external stakeholders, encouraging governments in the region and partners to consider the institute’s policy recommendations, and building ADBI’s reputation as a top think tank.

The institute has taken steps to amplify its outreach activities and make them a more integral part of ADBI’s strategic direction and operations.
The implications of strong outreach are apparent in changing perceptions of ADBI. The institute’s outreach prioritization has been accompanied by its steady rise in the think tank rankings in the University of Pennsylvania’s *Global Go to Index Report*. This includes being named the world’s top government-affiliated think tank for the first time in 2019 and again in 2020, the report’s most recent edition, as well as the sixth-ranked development think tank and 24th globally overall in 2020.

Leveraging communications expertise within ADBI has been a cornerstone of its outreach development and pursuit of new breakthroughs. Notably, ADBI shifted from reliance on a large and fractured group of part-timers, freelancers, and outsourcing arrangements to the re-establishment of a communications and outreach team over the last 4 years consisting of an externally recruited communications specialist and a small number of other in-house professionals from the sector (Figure 9.1).

![Figure 9.1: ADBI Outreach Restructuring and Expanded Capacity, 2018–2022](image)

This change has streamlined ADBI’s outreach structure while maintaining steady operations, including core institutional functions, such as facilitating the ADBI 3-year rolling work and budget reporting process with ADB, engagement with ADBI Advisory Council members and ADB Board members, and ADBI’s ADB annual report submissions. It has also provided experience, know-how, and continuity vital to enhancing broader outreach capacity and impact.

A focus of the outreach team has been coordination with ADBI colleagues to improve the quality of the institute’s knowledge products. A key example is ongoing work to strengthen ADBI publications. These encompass around 10–12 books and over 100 working papers, policy briefs, and case studies produced in-house annually, managed with the support of a dedicated publications and brand development expert.

---

*A focus of the outreach team has been coordination with ADBI colleagues to improve the quality of the institute’s knowledge products.*

Recent quality enhancement measures have included revitalizing the ADBI Publications Committee to review and guide project proposals, circulating calls for papers on key third-party research networks to attract more effective author submissions, and requiring external peer reviews for all research books produced under the institute’s publishing brand, ADBI Press.
The ADBI Series on Asian and Pacific Sustainable Development and an associated editorial panel of high-level scholars and policy makers, coedited by ADBI Dean Tetsushi Sonobe and esteemed Yale University development economics professor Rohini Pande, was also launched in 2021. Spotlighting book titles on priority topics, such as coronavirus disease (COVID-19) impacts and policy options and climate change mitigation, the series aims to facilitate Scopus indexing, bolster perceptions of ADBI Press publications, and encourage distinguished authors to join future ADBI projects.

To help differentiate publications and better tailor them to priority audiences, ADBI has meanwhile introduced new types of publications. Examples include a line of case study publications to expand policy maker and stakeholder learning on water and sanitation development that is central to the institute’s multiyear CBT partnership with the Bill & Melinda Gates Foundation. ADBI is also phasing in new CBT report-style publications that are quicker to produce and respond to changing policy interests and implementation needs relative to ADBI’s traditional in-depth policy research books.

Complementing ADBI’s in-house publications development has been a recent move by ADBI experts to publish more in academic outlets. Correspondingly, the number of ADBI’s journal articles jumped from 17 in 2018, to 31 in 2021, and up to 38 in 2022 while the number of special journal issues increased from one to three to seven during this same period. This trend further underscores ADBI’s commitment to heightening its knowledge product quality and, with it, the institute’s reputation as a center of research-based policy excellence.
Harnessing Digitalization, Overcoming Tragedy

At the same time, ADBI has taken steps to lift its outreach operations and audience reach by harnessing digitalization accelerated by the COVID-19 pandemic. Prior to the COVID-19 crisis, in November 2019, the institute’s CBT department and outreach team jointly launched the ADBI E-Learning website, providing free video-based courses on emerging development topics to general learners.

As of the end of August 2022, 21 courses examining areas such as green finance, demographic transition, and quality infrastructure growth were available on the ADBI E-Learning site, which had more than 76,000 registered users and issued around 90,000 course completion certificates. A new Policy Maker E-Training track was also introduced for advanced learners.

The pandemic helped ignite ADBI’s E-Learning growth as well as opened opportunities to promote newly offered online events to a broad audience, drive exponentially higher attendance than physical events, and recirculate them as webinar recordings. It also allowed ADBI to identify participants interested in receiving more information about the institute’s activities and help propel its online news subscriber growth, climbing from about 2,800 at the end of 2018 to around 24,000 at the end of 2019, and over 46,000 by the end of August 2022.
The development of ADBI’s social media presence has provided critical parallel channels to deliver knowledge products ... to more people.

The development of ADBI’s social media presence has provided critical parallel channels to deliver knowledge products such as e-publications, e-learning, events, Asia Pathways blogs, and Asia’s Developing Future podcasts to more people. Driven by a dedicated social media and digital content expert, measures have included rebranding the institute’s social media channel profiles with consistent visual identity, more strategic and diverse posting approaches, improved promotional video and graphic production, and the introduction of paid amplification of posts.

These actions have together helped to increase ADBI’s total social media followers across Facebook, LinkedIn, and Twitter from about 31,000 in 2018 to over 115,000 by the end of August 2022. They have also exponentially increased views of ADBI knowledge product preview videos and other videos on key ADBI activities on YouTube during this same period.

These achievements have also contributed to high growth in user traffic on ADBI’s website, with ADBI news subscribers and social media followers being redirected to the site to view and consume content. Total page views annually have nearly doubled over the last few years, increasing from 577,446 in 2018 to over 1.1 million in 2021 (Table 9.1). What is more, according to sessions data by country, 7 of the top 10 user bases of the ADBI site are ADB developing member countries when weighed by population—ADBI’s primary audience.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>1 Jan–31 Aug 2022*</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADBI website page views</td>
<td>577,446</td>
<td>565,767</td>
<td>909,332</td>
<td>1,101,924</td>
<td>578,840</td>
</tr>
<tr>
<td>Total social media followers</td>
<td>31,137</td>
<td>37,940</td>
<td>94,144</td>
<td>107,631</td>
<td>115,042</td>
</tr>
<tr>
<td>ADBI E-Learning site users</td>
<td>-</td>
<td>314</td>
<td>38,961</td>
<td>60,000+</td>
<td>76,433</td>
</tr>
<tr>
<td>Online news subscribers</td>
<td>2,776</td>
<td>23,938</td>
<td>25,165</td>
<td>45,242</td>
<td>46,147</td>
</tr>
</tbody>
</table>

* Typically, outreach data is strong in the final months of the year. Source: ADBI data.

ADBI’s longtime webmaster, Fernando “Andy” Ildefonso, was instrumental to the institute’s web growth and development from the start of his service for the institute in 2007 until his tragic passing due to COVID-19 on 16 September 2021. Based in Manila, the Philippines, Ildefonso guided the migration of ADBI’s previously independently hosted website under the ADB web system to strengthen ADBI website security and alignment with ADB. He also built ADBI’s successful satellite websites, including the Asia Pathways blog site, the site of Think20 (T20) Japan hosted by ADBI in 2019, and the ADBI E-Learning site.
These digitalization inroads have provided ADBI with an important outreach boost and are guiding the institute’s efforts to develop new ways to leverage digital tools and opportunities with expanded in-house web development and web project expertise. As a next step, for example, ADBI is constructing a new mobile-friendly development policy platform that will seek to improve information sharing and collaboration between ADBI and policy makers, experts, media, and other relevant stakeholders.

The development policy platform will also absorb elements of the existing Think-Asia.org knowledge repository of selected top Asian think tanks managed by ADBI and help the institute further expand its audience reach and needs assessment capability. The platform is expected to be completed in 2023, opening new possibilities for mobile engagement.

Building ADBI’s Public Profile in Changing Conditions

As ADBI’s online footprint has grown, so too has its broader public profile. The institute’s hosting of the Group of 20’s (G20) official think tank engagement group, T20, as part of Japan’s 2019 G20 presidency created new and valuable “earned media” opportunities. Throughout its hosting of T20 Japan 2019, the institute held large numbers of media interviews, briefings, and roundtable discussions to build awareness of T20 priority topics and research-based recommendations for G20 countries and partners.

This media push culminated at the G20 leaders’ summit in Osaka in June 2019, where ADBI Dean Naoyuki Yoshino participated in 36 media interviews. Among these were 19 TV interviews, 8 of them live, with outlets such as Al Jazeera, Bloomberg, CCTV, CNBC, CNN, Deutsche Welle, and NHK.
They also included interviews with print media like AFP, Associated Press, Indian Express, Politico, and Xinhua, and a media briefing at the G20 summit venue attended by a cross-section of foreign and domestic media.

ADBI's media momentum was significantly affected by the COVID-19 pandemic starting in early 2020, which closed off chances for traditional in-person media events and interviews. To help fill the void and promote ADBI's work and public profile, the outreach team prioritized the significant expansion of in-house coverage of ADBI initiatives.

Guided by a dedicated ADBI media expert who joined at the beginning of 2020, the institute now produces hundreds of blurbs, news releases, and monthly newsletters annually spotlighting most ADBI and external activities by the Dean and research and CBT experts. This is substantially higher than in-house news coverage in previous years and has also been accompanied by greatly expanded archiving of news and information on the ADBI website.

During this time, the broader outreach team also provided production support and actively promoted launch webinars of new ADBI books and reports. It expanded efforts to build the brand of flagship events, such as the ADBI annual conference, in virtual format. It also helped rebrand, reformat, and, in many cases, produce ADBI's flagship speaker series events, working with ADBI research and CBT colleagues to transform them from smaller scale, exclusively physical seminars into much more accessible and highly attended ADBI Featured Speaker webinars.
With outreach assistance, ADBI has also diversified the types of speakers joining ADBI Featured Speaker webinars. They continue to include notable academics as well as high-level policy makers, such as Indonesia’s Finance Minister Sri Mulyani Indrawati, the Philippines’ Bangko Sentral ng Pilipinas Governor turned Finance Secretary Benjamin Diokno, and esteemed Stanford University political scientist Francis Fukuyama.

Speakers such as these have helped ADBI direct greater public attention to its priority topics, while the easing of the COVID-19 pandemic in 2022 has again opened the door to a greater number of media opportunities for ADBI to deliver key messages. These have included frequent television and print media interviews by ADBI’s new vice-chairs of research and other experts on outlets such as Al Jazeera, Arirang, BBC, China Daily, CNBC, and Radio Television Hong Kong.

Next Steps for Partnership Development

To further expand the reach of ADBI’s research and CBT knowledge products, enhance the sophistication of ADBI’s policy ideas, and support the uptake of them, the institute is now exploring avenues to deepen communication and partnership development with regional and global organizations and forums. The centerpiece of this effort is ADBI’s hosting of the Group of 7’s (G7) official think tank engagement group, Think7 (T7), as part of Japan’s 2023 G7 presidency.

As a new initiative started during Germany’s G7 presidency in 2022, T7 hosting presents a new set of hurdles and opportunities for ADBI. Unlike T20, which has built a wide base of participation and support over more than a decade, T7 is not well-known or established. As such, ADBI’s partnership and outreach strategy aims to raise awareness of T7, encourage open participation by experts from both G7 and non-G7 countries, bring attention to Global South issues to address shared challenges, optimize T7-T20 dynamics, build support for T7, and promote engagement with the G7.

As a new initiative started during Germany’s G7 presidency in 2022, T7 hosting presents a new set of hurdles and opportunities for ADBI.
Extensive coordination with Japanese ministries, think tank leaders, and partners, and hosting events such as a T7 townhall at the T20 Summit in Bali, Indonesia, in September 2022 and a virtual T7 handover event with T7 Germany a month later helped ADBI lay a foundation for advancing its T7 host objectives. This set the stage for the development of research-based T7 policy proposals for G7 countries and partners, to be spotlighted during the T7 Summit in Tokyo in April 2023, ahead of the G7 Summit in Hiroshima in May, and beyond.

ADBI is also promoting its engagement with, and support for, T20 under India’s 2023 G20 presidency and, more broadly, will seek to raise greater awareness and buy-in of ADBI’s T7, T20, and other proposals among leaders, ministers, and working-level officials. A key part of this will be increasing the engagement of leader summits, ministerial meetings, working groups, and secretariats, as well as pursuing opportunities for ADBI experts to present before, meet with, and seek feedback from officials in key regional and global forums, such as the G7, G20, Association of Southeast Asian Nations, Asia-Pacific Economic Cooperation, and Central Asia Regional Economic Cooperation.
ADBI will continue to build partnerships with think tanks and universities across Asia and the Pacific and globally and explore opportunities for further collaboration with ADB on related activities.

ADBI will continue to build partnerships with think tanks and universities across Asia and the Pacific and globally and explore opportunities for further collaboration with ADB on related activities. As ADBI has shown over the past 25 years, joining hands can magnify the institute’s relatively small resources considerably in terms of output. Moving forward, ADBI’s outreach will play a central role in bringing its experts and stakeholders together with equally outsized downstream results in mind.
The Asian Development Bank Institute (ADBI) has always emphasized the need for collaboration to produce high quality research and capacity building and training (CBT) outputs. Collaboration can be divided into three broad areas: with Asian Development Bank (ADB) departments under the “One-ADB” framework, with think tanks and universities, and with international organizations. Collaboration with think tanks moved to the global level with ADBI taking a leadership role in the Think20 (T20) process in 2019 during Japan’s Group of Twenty (G20) presidency. This chapter describes all three kinds of collaboration efforts.

ADBI has always emphasized the need for collaboration to produce high quality research and capacity building and training outputs.

Reflections on ADBI and ERCD Collaboration Under “One ADB”

I have the honor and pleasure to have worked closely with ADBI in the past. Doing so, I have witnessed strong contributions made by ADBI in advancing our understanding of important development issues in Asia and the Pacific. We at ADB’s Economic Research and Regional Cooperation Department (ERCD) have forged strong collaboration ties with ADBI under the One ADB approach. Many knowledge events and major conferences have been held jointly by ADBI and ADB on emerging themes in development, including financial regulation, aging and technology, digital platforms and economic development, and climate change.

Under ADB and ADBI’s joint flagship study on infrastructure and regional cooperation, a prepublication version of the book *Infrastructure for a Seamless Asia* was launched at ADB’s 42nd Annual Meeting in May 2009 and the final version was released in September that year.

In 2011 the ADBI flagship project “Climate Change and Green Asia” was carried out jointly with ADB, with ADB’s Regional and Sustainable Development Department taking the lead.

The January 2017 conference on “Financial Regulations: Intermediation, Stability, and Productivity”, for example, brought together experts from European and Singaporean central banks, alongside many experts in the field, to discuss the implications of financial regulations. In March 2018, another conference examined experimental and behavioral economics, presenting research on experimental design in development.
Technological innovations were also explored for their potential benefits in development. The joint ADBI–ADB conference on “Aging and Technology” in June 2019 looked at how countries can best tap technological innovation to turn the pressing demographic challenge of aging in Asia’s economies into opportunity. Similarly, the “Making Digital Platforms Work for Asia” conference in June 2021 looked at the uses of technological developments in advancing productivity, employment, social welfare, and taxation in the region. While technological innovations can threaten these areas, digital platforms can also be harnessed to support inclusive and sustainable growth.

Cooperation between the organizations in 2021 naturally focused on the challenges related to the novel coronavirus disease (COVID-19) pandemic. The “11th Asia-Pacific Financial Inclusion Forum: Emerging Priorities in the COVID-19 Era” identified concrete actions policy makers and regulators could take to expand the reach of financial services to the underserved. This expansion of financial services has been given a strong boost by digitalization. In June–July, the “Digital Services Trade: Opportunities and Risks for Developing Asia” conference examined the implications of rapid digitalization unleashed by COVID-19.

As countries urgently sought ways to overcome the challenges of the viral outbreak through digitalization, it accelerated these trends and brought down barriers to services trade. This has introduced new competition into the services trade that promises to challenge developed economy dominance of the trade and present new prospects to developing countries.

This extensive cooperation to explore the important themes that are driving development in Asia will continue. These efforts are advancing the One ADB efforts to achieve the goals of ADB’s Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific for a prosperous, inclusive, resilient, and sustainable Asia and the Pacific (ADB 2018).

Prioritizing Joint ADB–ADBI Research and Capacity Building and Training

ADBI shares its Three-Year Rolling Work Program (3YRWP) with ADB every year. While this process is helpful for feeding ongoing cooperation, by revealing areas of mutual interest for research and capacity building that can lead to collaboration, there is room for improvement. Currently, it functions more as a reporting mechanism to the ADB Board of Directors and management, rather than serving as a practical platform to share ideas and build collaboration. I believe that ERCD, and particularly the Regional Cooperation and Integration Division (ERCI), account for a major part of collaborative activities between ADB and ADBI, but so far ERCD has not been involved in the selection of research priorities and projects for the 3YRWP. This is an area for potential improvement.

ADBI can also look for ways to strengthen collaboration with ERCD directly, and not only among management, but also to development networks among working level staff in ERCD and ADBI. ADBI inputs into ADB’s knowledge products and services may be useful for ADB’s operational departments, but this also needs to course through the Indicative Country Pipeline and Monitoring Report process within ADB. These efforts fall under options for expanding an ADBI focal role in ERCD that aim to build work programs in consultation with diverse teams and to better recognize successful collaboration and thus encourage it. These efforts could uncover more regular opportunities for research and for capacity building.
Indeed, ERCD/ERCi has contributed extensively to ADBI research through ADBI’s working paper series and other publications. Collaborative work in 2021 included the:

- Trade Impact of Reducing Time and Costs at Borders in the Central Asia Regional Economic Cooperation Region: chapter contribution to *Economic Integration in Asia and Europe: Lessons and Policies*.
- An Integrated and Smart ASEAN: Overcoming Adversities and Achieving Sustainable and Inclusive Growth.
- Bilateral Remittance Inflows to Asia and the Pacific: Countercyclicality and Motivations to Remit.

On capacity building and training, in 2013 ADB formed the ADB–Asian Think Tanks Network to enhance systematic knowledge sharing among member think tanks, specifically on development experiences and policy lessons. The network aims to build capacity in think tanks to generate knowledge or provide policy advice, and in so doing to raise the region’s voice in the international arena on issues related to economic growth and inclusive development. As ADB’s think tank, ADBI has keen interest in the network, and it has plans to strengthen collaboration with ERCD and ERCi on how to mutually deliver services to think tanks in Asia through its programs.

---

**In 2013 ADB formed the ADB–Asian Think Tanks Network to enhance systematic knowledge sharing among member think tanks, specifically on development experiences and policy lessons.**

---

Since its inception, the think tank network has explored topics including innovation and inclusion, urbanization, and technology, and human capital development through eight ADB–Asian Think Tank Development forums. The most recent forum—“Unlocking the Economic Potential of the Tourism Industry Post-COVID-19” held in November 2021 looked at ways to mitigate the big slump in that industry caused by lockdowns to control the coronavirus outbreak. ADBI conducted a session on capacity building with think tanks.

**Staying Relevant to “One ADB” and Looking Ahead**

As noted, the ADBI rolling work programs reveal opportunities for cooperation, but design and implementation leave room for improvement. The Three-Year Rolling Work Program 2022–2024 states that ADBI will contribute to ADB’s *Strategy 2030*, which sets the course for the organization’s efforts to respond to the Asia and Pacific region’s changing needs. One ADB aims to coordinate organizational efforts to better serve the goals of *Strategy 2030*.

*Cyn-Young Park*, Director, *Regional Cooperation and Integration Division, Economic Research and Regional Cooperation Department, Asian Development Bank*
ADBI has always focused on using its network with think tanks in Asia and around the world to provide inputs for its research and CBT activities as well as a channel for raising capacity in the region.

Think Tanks, T20, and T7

ADBI has always focused on using its network with think tanks in Asia and around the world to provide inputs for its research and CBT activities as well as a channel for raising capacity in the region. Some notable examples of such collaboration include:

2002

The fourth Asian Policy Forum cycle going into 2003 was on “Corporate Governance in the People’s Republic of China (PRC), with Particular Reference to Banks”. As part of this work, a major research study was commissioned from a team at the Chinese Academy of Social Sciences on the corporate governance of the PRC’s banks.

2005

ADBI established informal links with two important research institutes in the region: the Philippines Institute for Development Studies and the PRC’s Development Research Centre.

2007

The research department held a joint conference with the Policy Research Institute of Japan’s Ministry of Finance on “Ten Years After the Crisis: Evolving East Asian Financial System and Challenges Ahead.” Also, together with the Japan Fair Trade Commission and the Viet Nam Competition Administration Department in Viet Nam’s Ministry of Trade, it cosponsored the “Fourth East Asia Conference on Competition Law and Policy” and the “Third Top Level Officials’ Meeting on Competition Policy” in Ha Noi. On the CBT side, ADBI, the Tokyo Development Learning Center, and the United Nations Capital Development Fund jointly offered a distance learning course on microfinance that produced 133 certified microfinance trainers.

The workshop on “Asian Think Tanks: Strengthening Knowledge Management and Knowledge Sharing” was organized in close coordination with ADBI’s Research Department and ADB’s Regional Sustainable Development Department. The workshop brought together 32 directors and senior managers of the leading knowledge institutions from almost 20 ADB member countries.

2009

ADBI partnered with the Brookings Institute, Cornell University, and the Institute for Financial Management and Research Trust to organize a research conference on “Financial Sector Regulation and Reform in Emerging Markets.” The workshop on “Promoting Financial Inclusion through Innovative Policies” was organized by ADBI’s CBT department in collaboration with the Asia-Pacific Economic Cooperation (APEC) Business Advisory Council and Alliance for Financial Inclusion.
2010

The “Asia–Europe Economic Forum: Facing the Aftermath” was organized with Bruegel; the Chinese Academy of Social Sciences; Centre d’Etudes Prospectives et d’Informations Internationales; Kiel University; Keio University; Korea University; and Politics, Economics and Global Governance: The European Dimensions (PEGGED network). The conference on “Trans-Pacific Rebalancing” was organized with the Brookings Institute.

2011

The project “Realizing the ASEAN Economic Community” was organized with the Economic Research Institute for ASEAN and East Asia (ERIA). The “International Seminar on Financial Inclusion for Central Asia, the Caucasus, and South Asia” was organized with the Asia-Pacific Financial Development Center, Shanghai; and the APEC Business Advisory Council. The “Conference on Global Cooperation for Sustainable Growth and Development: Views from G-20 Countries” was organized with Chatham House, the United Kingdom; Indian Council for Research on International Economic Relations; Ministry of Finance, India; the International Monetary Fund; and Konrad-Adenauer-Stiftung, Germany.

2013

The Asia Think Tank Summit, organized by ADBI, brought together for the first time over 40 leading think tanks from 23 countries in Asia and the Pacific to discuss collectively the role of think tanks in realizing a new Asian century. The event generated constructive discussion on the ongoing economic crisis as well as regional and global developments in a changing world order.

The Asia Think Tank Summit, organized by ADBI, brought together for the first time over 40 leading think tanks from 23 countries in Asia and the Pacific.

2015

A training session on “Economic Corridor Development for Competitive and Inclusive Asia” was co-organized in Singapore with ADB, the S. Rajaratnam School of International Studies, and the Ministry of Foreign Affairs of Singapore in August. The event covered the importance of regional integration to growth, competitiveness, and sustainability. ADBI together with the Fiscal Affairs Department of the International Monetary Fund and the Policy Research Institute of the Ministry of Finance of Japan organized the “Tokyo Fiscal Forum: Fiscal Policy for Long-Term Growth and Sustainability in Aging Societies.”

2016

In collaboration with the Rajaratnam School of International Studies at Nanyang Technological University of Singapore, the conference “Global Shocks and the New Global and Regional Financial Architecture” gathered policy makers and academics to examine how prepared national and regional institutions for economic and financial supervision in the region are to handle external shocks. ADBI partnered with the Asian Growth Research Institute on “Aging in Asia”, a conference that examined issues related to the aging of populations in Asia.
2018

The research project on “Infrastructure Development and Finance in Central Asia Regional Economic Cooperation (CAREC) Countries”, jointly organized with the CAREC Institute, assessed the capacity of CAREC member countries to finance infrastructure and pursue new avenues for tackling infrastructure investment gaps.

2019

In conjunction with Japan’s 2019 G20 presidency, ADBI Dean Yoshino acted as the chair of the Think20 (T20) Japan process. ADBI led the coordination of the T20 process jointly with other partner think tanks in Japan and organized the T20 Japan secretariat team.

2022

In conjunction with Japan’s 2023 G7 presidency, ADBI stepped forward to lead the Think7 (T7) Japan process in that year.
Universities

2000

In May 2000, ADBI and the Wharton School of the University of Pennsylvania held a high-level workshop on the development of financial markets in Asia and sponsored a successful dialogue between policy makers and academic researchers on this theme.

2002

ADBI organized a conference on “Aging and International Capital Flows” with Hitotsubashi University and a conference on “How to Strengthen Banks and Develop Capital Markets in Post-Crisis Asia” with Keio University.

2003

The CBT department organized a course on “Development Management: Participation in Government and Civil Society” with the Asia Institute of Technology, Thailand.

2005

The ADBI Visiting Researcher Program enabled five researchers from the region to spend 6 months each at ADBI working on topics of mutual interest. Four more senior visiting fellows spent extended periods at ADBI, in addition to 10 research scholars who worked with ADBI from their home bases.

2008

The high-level conference on “Multilateralizing Asian Regionalism” was organized with the Centre for Trade and Economic Integration of the Geneva-based Graduate Institute of International and Development Studies. High-level representatives from the United States and Japan, and the European Union and ASEAN+6 countries were present. ADBI, the International Organization for Migration, and Chulalongkorn University co-sponsored the “Subregional Conference on Services Trade Liberalization and Labor Migration Policies: Towards ASEAN Economic Community” to explore ways that the ASEAN community can best consolidate and harmonize commitments to services trade liberalization and labor migration policies.

2009

ADBI, the East–West Center, the Asia–Pacific Center at Brandeis University, and Nihon University cooperated to organize the “The People’s Republic of China, Japan, and the United States: Deeper Integration Workshop.”
The research project “Digitalization and Sustainable Economic Development” examined how developments in fintech have the potential to increase firms’ access to finance, such as through credit assessment, trade finance, money transfers, and internet-based funding platforms.
International Organizations

1999

Capacity building programs in 1999 attracted co-sponsorship from 10 agencies, including the Colombo Plan Secretariat, the OECD, the United Nations Development Programme, and the United Nations Children’s Fund.

2000

A roundtable in April 2000 was the second in a series of meetings to discuss future initiatives in capital market reforms in Asia. It was attended by senior executives of Asian economic regulatory organizations, who are members of the International Organization of Securities Commissions; their colleagues from the OECD and ADB member countries; and experts in the field of capital markets.

2002–2004

Under a joint cooperation agreement with the Inter-American Development Bank, ADBI worked with the Latin America/Caribbean and Asia Pacific Economics & Business Association. As part of this work, in 2003 ADBI organized and hosted conferences on the theme of the comparative development of Asia and Latin America and supported networking by researchers with an interest in this area. Further conferences were held in 2004.

2005

The CBT team organized two activities with the United Nations Scientific Educational and Cultural Organization: “Managing Sustainable E-Community Centers” (in partnership with the International Rice Research Institute) and “Mobile Learning for Expanding Educational Opportunities”. An ADBI workshop on e-procurement was organized with the United Nations Economic and Social Commission for Asia and the Pacific.

2008

The research conference on “International Linkages” was organized by ADBI with ADB and the European Central Bank to address ADBI’s strategic priority of regional cooperation. The objective of the conference was to examine recent business synchronization and international linkages. ADBI co-hosted with the World Bank Institute the “Public–Private Partnership in Infrastructure Days and Capacity Building Events” in Washington, DC. The second thematic workshop on “Water-Related Disaster and its Management in Asian Countries”, an important activity of the Network of Asian River Basin Organizations, was jointly hosted by ADB, ADBI, and the Japan Water Agency. Twenty officials from the Association of Southeast Asian Nations (ASEAN) countries and the ASEAN Secretariat participated in the “Training Workshop on Setting up an Effective Competition Agency,” which was jointly organized by ADBI, the Japan Fair Trade Commission, and the ASEAN Secretariat.
2010
The CBT event on “Postcrisis Employment and Social Policies in Developing Asia” was organized with the International Institute for Labor Studies of the International Labour Organization (ILO). The CBT event on “Millennium Development Goals for East and Southeast Asia” was organized with United Nations Economic and Social Commission for the Asia Pacific, United Nations Development Programme, and Shanghai Jiao Tong University, the PRC.

2011
The International Organization for Migration, and the International Labor Organization joined a roundtable on “Labor Migration in Asia: Recent Trends and Prospects in the Post-crisis Context” organized by ADBI and the OECD. The roundtable reviewed recent trends in labor migration and examined approaches to migration policy issues including how to optimize the benefits of remittances for economic and social development.

2016
ADBI for the first time participated in the 5th OECD–ASEAN+3 Macroeconomic Research Office (AMRO)–ADB–ADBI–ERIA event “Asian Regional Roundtable on Macroeconomic and Structural Policy Challenges”, which raised the need for macroeconomic and structural policy action to meet challenges from the so-called new normal.

2018
The CBT course-based training workshop on “Overweight and Obesity in Asia and the Pacific,” held in partnership with ADB and the World Health Organization, addressed innovations and funding options for curbing noncommunicable diseases such as overweight and obesity. The “Policy Dialogue Toward Gender-Focused Governance Reforms”, held in partnership with UN Women, examined the development of policies for strengthening gender equality and women’s empowerment in the labor market.

The course-based training workshop on “Overweight and Obesity in Asia and the Pacific,” held in partnership with ADB and the World Health Organization, addressed innovations and funding options for curbing noncommunicable diseases such as overweight and obesity.

2019
The “Subregional Capacity Building Workshop on Improving Access to Universal Health Coverage: Role of Foreign Investment and Technology Transfer in the Pharmaceutical Sector” was organized with the International Health Policy Program of the Thailand Ministry of Public Health and the United Nations Conference on Trade and Development.

2020
Two CBT events on “Virtual Session on City-Wide Inclusive Sanitation” were held jointly with the Bill and Melinda Gates Foundation.
Reference

The development priorities of Asia and Pacific economies will continue to evolve over the next 25 years, and the Asian Development Bank Institute (ADBI) must adapt to these changes if it is to maintain its relevance to the Asian Development Bank (ADB) and its member countries. Recent developments such as the novel coronavirus disease (COVID-19) pandemic and the Russian Federation–Ukraine war show that development challenges can spring from unexpected angles. Issues related to climate change, including the need for decarbonization and increasing scarcity of water in drought-stricken areas, as well as the need to fund large amounts of infrastructure investment, are likely to remain persistent themes.

Role of ADBI as a Think Tank

Naoyuki Yoshino

The application of research results in practical policy is another step for ADBI working together with ADB. Some practitioners regard research recommendations proposed by ADBI as only academic proposals and would not be easy to apply to real policy making. ADBI, together with ADB, has to work hard to implement research proposals into actual policy by discussing with policy makers in the region. Otherwise, research results made by ADBI would not be appreciated.
Masahiro Kawai

For a think tank to effectively support the region’s developing economies, we need to intensively communicate with policy makers of the regional economies and also with local think tanks. We worked very hard to strengthen our communications and dialogues with local policy makers and local think tank experts, I think that is very important.

In order to support the Group of Twenty process, during my term as Dean, we wanted to provide East Asian inputs, so we organized policy dialogues and meetings with think tank experts. Several policy makers also participated in those meetings. I thought that sort of process was essential and effective. Also, it was important to hold conversations with policy makers and experts from outside the region, as how they view Asia is important, so we organized seminars, conferences, and symposia with external organizations, think tanks, and government-related organizations like the European Union and the European Commission. Interacting with both regional experts and policy makers and outside experts, and then coming up with sensible policy recommendations for regional economies is important.

In terms of research innovations or achievements, we have made tremendous achievements. Regarding research innovations, we wanted to value quantitative research, empirical research, evidence-based research, and, at the same time, combine them with policy dialogues. Rather than simply drawing conclusions from empirical research, we combined empirical research with policy dialogues and developed realistic on-the-ground policy recommendations. I think that was a kind of policy or research innovation. ADBI is not a university research institute, it is a policy-oriented research institute. Just simply conducting empirical and quantitative studies was not enough, and, at the same time, simply holding policy dialogues and understanding policy environments, policy needs, and policy rationales was not enough. We wanted to combine the two, and I think we were able to do that very successfully.

Future Challenges and Directions for ADBI

Peter McCawley

Think Tank Collaboration for a More Inclusive and Sustainable Asia

Asia is facing ongoing and new challenges. Mass poverty in some countries remains a central challenge. In 2017, around 203 million people in Asia were estimated to live in absolute poverty (income of less than $1.90 a day) (ADB 2021). Large infrastructure gaps constrain economic development and people’s welfare. Implementing the Sustainable Development Goals adopted by world leaders at the United Nations in 2017 and the climate change actions agreed at the United Nations’ Conference of Parties (COP26) in Glasgow in November 2021 is a collective priority for Asian countries.

Development is a continuing journey—a transforming process—which emerging countries in Asia are currently embarked upon. It is a complex process that includes various aspects—economic, social, and political transformations—and is closely related to the governance of a country. The ADB book Asia’s Journey to Prosperity: Policy, Market, and Technology over 50 Years (ADB 2020), prepared under the close guidance of the then-ADB President, Takehiko Nakao, is an excellent survey of development and transformation across Asia since the late 1960s. The hope is that development in Asia will help transform life across the region and will make it possible to provide widespread supply of basic infrastructure such as better health facilities, access to electricity and clean water, and adequate educational facilities. Infrastructure of this kind would both
underpin stronger economic growth and also contribute to a widespread improvement in living standards.

But development must go beyond physical infrastructure. Any broad successful development program must be designed to improve human capital and promote widespread well-being so that communities can live peacefully equipped with an effective government system and regulation.

In order to support these efforts, ADBI as a regional think tank needs to strengthen its collaboration with other think tanks and organizations at the regional and local levels. ADBI should continue to look for ways to work together with these partners and strengthen two-way communication to share ideas about pathways to sustainable development in Asia. Many national and local think tanks in the region work to formulate their own ideas as part of a so-called contribution of “local knowledge” across Asia. Multilateral institutions like ADBI need to support the strengthening of local knowledge in each country and listen to discussions about local knowledge in order to learn what issues are important to local people in the region.

**ADBI should continue to look for ways to work with partners and strengthen two-way communication to share ideas about pathways to sustainable development in Asia.**

**The Impacts of the Digital Revolution**

The operating environment for think tanks, including those in Asia, has become increasingly challenging during the past decade. One key change is the rapidly growing role of social media which, in some cases, has encouraged the spread of misleading narratives about major global and regional issues. At a time when fake news has come to occupy a prominent place in the media landscape, the onus is on think tanks to communicate key facts clearly and challenge biased narratives. Think tanks can play a useful intermediate role between academia and journalism. In recent years a new generation of think tanks has emerged with the mission of bridging the gap that has emerged between thoughtful analysis of current events and the populist opinion pieces often carried by the very traditional media landscape. While the role of think tanks in advising policy makers is important, another important challenge for think tanks lies in strengthening their links and credibility with the public. In this regard, think tanks are undoubtedly benefiting from the huge “disruption” caused by the arrival of the new

**ADBI and think tanks must consider in their policy dialogues and recommendations how the region can close the digital technology gap and ensure that no one is left behind in gaining access to electricity for more inclusive development and recovery during the pandemic and beyond.**
digital transformation that has swept away the old monopoly that traditional media once held on news, comment, and analysis.

ADBI expanded its website in 2003–2004 with the aim of reaching out and building better links with other think tanks and developing member countries in Asia. ADBI looked for ways to use digital technology to share knowledge products in accelerating its vision and mission. However, electricity and internet infrastructure in Asia is not yet promoting development in Asia in the way that is needed. ADBI and think tanks in the region must consider in their policy dialogues and recommendations how the region can close the digital technology gap and ensure that no one is left behind in gaining access to electricity for more inclusive development and recovery during the pandemic and beyond.

Building Human Capital and Infrastructure in the Region Over the Next 25 Years

Looking ahead, the prospects for continuing strong development in Asia are encouraging. During the past 3 to 4 decades, the region has generated strong growth momentum that has been reflected in further poverty reduction due to more market-oriented approaches, open trade and investment regimes, investments in infrastructure and human capital, and more prudent macroeconomic policies, especially after the Asian financial crisis of 1997–1998.

Looking ahead over the next 10 years beyond the COVID-19 crisis, which hopefully will soon be overcome, two key factors that policy makers in the region need to pay attention to in order to promote growth are peace and stability, and the need for capital accumulation to support investment.

The first of these two factors, peace and stability, is a necessary condition for continued development. Across the world, wars and disruptions bring huge costs in terms of the impact on development progress. Fortunately, during the last 20 years, there has been a good deal of peace and stability across developing Asia. It is vital that this period of peace be sustained. Policy makers across the region should look to build institutions to support peace and stability beyond the context of military spending and military cooperation. Stronger regional cooperation in non-military areas as regional economic programs, humanitarian and disaster relief schemes, and technical and science cooperation, needs much more support. The important work of such regional institutions as the Association of Southeast Asian Nations, ADB, ADBI, and cooperation programs between ADB member countries has worked to strengthen regional cooperation and human security and needs to be expanded during the coming decade.

The second consideration is that, looking ahead over the next 10 to 20 years, the need for continuing large investments in physical and human capital is very great. Recent reports from the World Bank (2021) provide estimates of capital stock per capita by country and point to the huge gaps in capital stocks which still exist between wealthy countries and developing countries in Asia. In 2018, for example, the national capital stock per capita in India and the Philippines was only 3% and 4%, respectively of the level in the United States, indicating that development in these countries was held back by an extreme shortage of capital. The role of ADB and private investment will be particularly important for accelerating infrastructure development in Asia.

If policy makers across developing Asia can cooperate to provide effective governance in these two areas—the promotion of peace and stability, and support for continued programs of large-scale investment in both physical and human capital—the prospects for continued sustained development are good.
ADBI Should Remain “Asia Focused” to Stay Relevant and Effective

ADBI’s activities should remain focused on Asia to ensure that its operations and programs are responsive to the aspirations of the peoples of Asia. ADBI should therefore aim to avoid relying too much on engagement with United States or European institutions. ADBI should cooperate with Asian partners to strengthen Asian institutions and regional development. To support this, ADBI should develop cooperation programs with its partners and stakeholders across the region with the aim of promoting development across Asia.

Masahiro Kawai

What ADBI and other think tanks should do derives from what I have said: strengthen communications and policy dialogues with regional policy makers, because policy constraints, policy needs, and policy viability differ across countries a one-size-fits-all approach does not make sense. Holding intensive policy dialogues with local policy makers and think tank experts is key, while at the same time focusing on evidence and evidence-based research is very important. This evidence-based research has to be presented to policy makers in a way that they understand what the researchers are doing, and then we can provide realistic policy recommendations. At the same time, it is crucial to work with international policy makers and international think tanks.

ADBI has the strength of having access to various ministries, particularly finance ministries of the regional economies, and can use that leverage to hold policy dialogue processes.

Naoyuki Yoshino

In the next 25 years, environmental issues and mitigation of income disparities would be important topics together with infrastructure finance and the development of small and medium-sized enterprises, among others. To stay relevant, ADBI must listen to its stakeholders—developing member countries—about their development needs in order to produce good quality and relevant research and capacity building and training. Research projects on infrastructure, small and medium sized business,
To stay relevant, ADBI must listen to its stakeholders—developing member countries—about their development needs in order to produce good quality and relevant research and capacity building and training.

and financial education came originally from requests from member countries. I hope ADBI can keep on producing good research and policy recommendations based on evidence, economic theory, and data analysis in the future.

Sayuri Shirai

Region’s Changing Needs and Climate Change

The biggest issue for Asia and the Pacific is climate change. Many countries are aware of the need to commit to achieve the net-zero target for greenhouse gas emissions by 2050, but, unfortunately, they have not come up with credible comprehensive policy packages yet. Under current trends, global temperatures might rise 3°C relative to pre-industrial levels. This will create tremendous financial stability risks in Asia and the Pacific, because most regions, especially Southeast Asia, South Asia, and Pacific Island countries, are subject to natural disasters related to climate change, which can lead to high losses. We cannot avoid global warming altogether, but we can try to prevent the rapid pace of global warming.

Climate change is often accompanied by physical and transition risks. Physical risk includes risk of production declines, capital stock damage, and food shortages arising from severe natural disasters. Transition risk may arise from drastic inter-industry and intra-firm restructuring, stranded assets related to fossil fuels where returns on fixed investment cannot be collected fully and thus lead to corporate losses, general price increases caused by carbon pricing, and litigation against companies that violate strengthened environmental regulations, the process of implementing green, but risky investment in uncertain technology fields, and more. Regarding transition risk, Asian countries still depend on fossil fuels, and they need to build up more capacity to generate electricity to support their economic growth. The question is how to strike a balance between maintaining economic growth and making the economy more environmentally sustainable. This is a challenging question, as there is a wide discrepancy between developed economies and developing economies regarding their capacity to strike such a balance. Developed economies have already achieved high levels of social safety nets and security systems, infrastructure, and living standards. So, when a natural disaster happens, the impacts can be managed. However, developing and emerging economies have insufficient funds to cope with such disasters, and the losses will be relatively much bigger than in developed economies. Also, there might be trade-offs between economic growth and the costs of adapting to climate change, such as managing the shift to

Many countries are aware of the need to commit to achieve the net-zero target for greenhouse gas emissions by 2050, but they have not come up with credible comprehensive policy packages yet.
renewable energy. Again, developed economies are much more able to bear these costs than developing economies.

These two risks have an inverse relationship. If climate change policies stay as they are now, transition risks will remain low but physical risks will increase over time. As mentioned above, in a business-as-usual scenario the average global temperature will rise around 3°C by the end of the 21st century, and there may be a substantial increase in health hazards and areas where economic activity and living are difficult. Additionally, current financial market prices do not adequately reflect physical and transition risks because there is great uncertainty about projections of greenhouse gas emissions and their climate impacts due to varying methodologies used in climate science and insufficient data.

Many institutional investors engaged in environmental, social, and corporate governance (ESG) investing tend to expect reasonable returns from their investments within a few years due to fiduciary responsibility, etc. However, it may take a long time for companies to materialize returns from investing in new, environmental-related technology. Therefore, many corporations hesitate to invest massively in projects with high-risk environmental technologies and high-cost green capital spending.

**Pathway to Achieve Net-Zero 2050 and More Resilient Asia and the Pacific**

As mentioned earlier, private sector institutions face many risks and considerable challenges that hinder their potential ESG investment in developing and emerging economies, including insufficient data, and lack of comparability of ESG criteria and rating methodologies (OECD 2021). In addition, developing economies still lag behind the developed countries in term of the progress of macroeconomic fundamentals, health insurance, and social safety net structures.

Against this backdrop, ADBI can play a crucial role. First, ADBI can show how to achieve economic growth, while also making the economy more sustainable environmentally. From a research perspective, ADBI can find scenarios which could make this possible. To achieve these targets, Asian economies need more funds, most of all for infrastructure. But they need to build such infrastructure from the perspective of adaptation to climate change. Also, capacity for generating electricity needs to be sustainable. ADBI can do a lot of research in this area. Also, it can investigate how to encourage institutional investors such as insurance companies and pension funds in developed economies to invest in ESG in developing and emerging economies. Other important areas are social safety nets and macroeconomic policy, which are recognized as increasingly critical to reduce inequality and poverty.

In order to deal with the riskiness of investments in developing economies, it should be possible to develop a financial package, which would include various types of private investors, international organizations and government, and they can be allocated to several risk tranches, i.e., higher risk, lower risk, and medium-term risk. Governments and international organizations, because they can provide more concessional loans, can take greater risk. However, private sector investors, because they are subject to a lot of financial regulation, cannot take a lot of risk, and therefore can take on the lower risk components. So, this kind of risk sharing is essential. ADBI can undertake research along these lines, i.e., how to provide this kind of sustainable finance to generate economic growth, while also making the economy environmentally more sustainable.

Climate change has caused a growing number of natural disasters and extreme weather events, which means that adaptation actions and more resilient infrastructure are needed to meet the net zero target. In this regard, ADBI should provide policy recommendations to attract investment for green infrastructure development.
Achieving the net-zero target by 2050 requires further transition and deployment of available technologies and renewable energy. ADBI can do further research on hydrogen, renewable energy alternatives, and new technology, and how to shift from fossil fuel to green energy. Developed countries can do this, but in developing countries, it is difficult because they have not yet reached a high living standard. Therefore, they need to have a higher economic growth, there might be trade-offs between high economic growth and the costs related to coping with climate change.

Tetsushi Sonobe

The objectives of ADBI are to identify effective development strategies and improve the capacity for the sound development management of organizations engaged in development work in Asia and the Pacific. The concept of development has expanded substantially since the 2030 Agenda for Sustainable Development was adopted by all United Nations members in 2015. ADBI accordingly works on a wide variety of policy issues, ranging from carbon neutrality to financial inclusion, natural disaster resilience, city-wide inclusive sanitation, and rural development. In addition, more recently, it has paid close attention to a quadruple crisis in food security, energy security, foreign debt, and education due to the COVID-19 pandemic and the war in Ukraine. Since new policy challenges keep emerging, identifying effective development strategies is never-ending.

As mentioned in the overview chapter of this book, the Think Tank and Civil Societies Program ranked ADBI first among government-affiliated think tanks in the world and 24th among all think tanks in 2020. (McGann 2021). Although we do not know to what extent the ranking is evidence-based, we are sure that ADBI is highly productive in the sense that, for its small staff size, it produces a large quantity of knowledge products, such as books, papers, e-learning videos, conferences, workshops, policy briefs, and blogs that cover a wide range of policy issues. Moreover, ADBI’s knowledge products are relevant to the interests of its main stakeholders, that is, government officials in the developing countries in the region, researchers, and ADB colleagues. To maintain relevance, ADBI takes a demand-driven approach: it conducts needs surveys and analyzes the survey data to find out policy areas and topics in which its stakeholders are interested.

My colleagues and I, however, think that we can do a better job. Indeed, as my predecessor, Naoyuki Yoshino points out in this chapter, ADBI’s policy proposals are considered by some practitioners to be only academic and not readily applicable to real policy making. Thus, our demand-driven approach may not be sufficient even though it is obviously necessary. Against this backdrop, ADBI has begun making some new efforts to increase the relevance of its knowledge products. In what follows, I would like to introduce three of them. First, we are trying to respond to specific needs of policy makers that cannot be captured by the needs survey approach. Second, we are considerably strengthening data collection and analysis. Third, ADBI is trying to work more closely with researchers at universities and other think tanks; for, otherwise, the above two approaches would not succeed.

To see why the needs survey approach fails to capture specific needs of policy makers, it may be useful to consider the example of reputable restaurant guidebooks, like the Michelin Guide, which are based
on careful research. Although such restaurant guidebooks provide users with valuable information about gourmet restaurants, they are not almighty when it comes to satisfying very specific needs or preferences of individuals. When I look for a restaurant where I want to catch up with some old friends, for example, those guidebooks do not help me find the best restaurant for such a dinner. For that purpose, I would use an online review site’s interactive filter function and set various criteria, such as price range, occasion, the number of persons, dietary restrictions, and restaurant features.

ADBI’s knowledge products resemble restaurant guidebooks, not online review sites, in the following sense. The topics of ADBI’s knowledge products are selected based on its analysis of the needs survey data. Beyond the identification of topics, however, ADBI has rarely tried to learn more deeply from its stakeholders about their research and CBT needs. For example, it has rarely asked them whether they are developing or entertaining a policy idea or an idea about a solution to policy problem, and, if they are, what their ideas or plans are. Consider a policy maker who has developed or is developing a policy idea about, say, energy transition from fossil fuels to renewable energy or food labelling requirements that promote a nutritionally balanced diet. For such a policy maker, ADBI’s products are too general or academic, even though they provide generally relevant and useful knowledge, because they are not aimed specifically to refine their ideas.

To meet specific needs or interests of policy makers, the first thing that ADBI should do is to listen to policy makers and understand their plans or ideas. This should be followed by collaboration with them for improving the plan based on the available best evidence or, if possible, new evidence that can be quickly produced. ADBI is working on a few projects of this “specific-demand” approach. One of them is the “High-Tech High-Touch” education project mentioned in Chapter 7 of this e-book. The project aims to support the Indonesian education ministry’s policy of introducing education technology to public schools by developing knowledge from a randomized controlled experiment. Our task manager listened to policy makers in the ministry, developed this research project, and is undertaking it in close collaboration with the ministry, which has led to a recent invitation of the ministry to further collaboration.

Analysts also need to take the scalability of policy proposals more seriously. In February 2022, ADBI had the honor to invite John A. List, a prominent behavioral economist, to explain his recent book titled The Voltage Effect: How to Make Good Ideas Great and Great Ideas Scale. From his webinar and book, I learned that our specific-demand driven approach is akin to what he calls efforts to make “policy-based evidence”. He argues that “researchers must understand that the evidence-based mindset of two decades ago is woefully outdated”, and that “today we need to create policy-based evidence” (List 2022, p.233). Although freewheeling thinking is always important, it is also worthwhile to take a policy idea that has already been raised and make it better or recommend abandoning it by rigorously checking its viability and scalability by generating evidence. List emphasizes that if an idea seems supported by empirical evidence, the evidence may be not positive but just false-positive, and the scalability of the idea may be limited by a severe constraint that leads to a drastic voltage drop of its effectiveness. He also discusses how to make a good, scalable idea into a truly great one that will meaningfully change the world.

ADBI is now trying to implement this type of research project in a few countries in Asia and the Pacific. An example is the ongoing project called “Impact of Soil Health Card on Productivity and Income of Smallholder Farmers in East India”. It is being implemented in collaboration with the government of India and the National Institute of Technology Karnataka. The Soil Health Card is a printed report of the nutrient status of soil based on examination of soil samples collected 3 times a year. By 2019, the government issued more than 200 million Soil Health Cards and considerably strengthened the system of soil health laboratories. But sampling was on a grid basis, which is prone to ignore
heterogeneity of individual plots and discourage farmers from improving their own farm plots. To address this shortcoming, the government began a pilot study of alternative sampling schemes and advisory services for farmers. ADBI’s project is to provide knowledge support for these efforts by undertaking randomized controlled trials.

Since policy makers are at the frontline of policy thinking as well as implementing and trying to adopt good practices from other countries’ experiences, their policy ideas are likely to be good but not necessarily scalable and, hence, worth checking and refining. Researchers in universities and research institutes who conduct empirical studies may also develop potentially great policy ideas based on their first-hand observations and data analyses, and those researchers doing theoretical research may also obtain a potentially great policy idea from their freewheeling thinking outside the box. Think tanks should strengthen the capacities of both policy makers and researchers, pick up good, scalable ideas from either side or both sides, and coordinate the two sides to make them truly great.

It is part of ADBI’s mission to improve the capacity of policy makers in the region.

As mentioned above, it is part of ADBI’s mission to improve the capacity of policy makers in the region, and ADBI has been doing a good job in capacity building and training in my view. For the other part of the mission, that is, development strategy research, increasing research capabilities of the researchers inside and outside ADBI, my colleagues and I think that perhaps the best way would be to use ADBI’s resources to collect micro-level, granular data from households, farmers, schools, enterprises, and so on and make them available to the researchers in our network. There are two major reasons. One is that such data often play a crucially important role in developing strong evidence either supporting or refuting potential solutions to important policy problems and can be more valuable if they are used in combination with remote-sensing data or other types of big data. The other major reason is that academic researchers struggle to get sufficient research funds for collecting such data and in most cases give up the hope of data collection.

To collect and analyze such data, ADBI is currently partnering with some external researchers with whom it has close and trusted relationships. We are considering the introduction of open calls for designs of research involving data collection. This is not a funding program but rather a new scheme for collaboration where ADBI researchers will work with selected applicants to agree on the details, scale up the original plan, and, if necessary and possible, attract support from funding organizations. ADBI researchers will also join the selected applicants in data analysis.

ADBI is considering another new scheme for collaboration with external researchers to develop contingency plans that would enable us to collect useful data in a timely manner in case of natural disaster, health crisis, or economic crisis by subregion in Asia and the Pacific. This includes the development of questionnaires and the selection of data collecting organizations by subregion or country.

It may be asked why ADBI prefers collaboration with researchers on data collection and analysis to focusing on funding. There are a few reasons. First, ADBI and other think tanks have overlapping but somewhat different objectives from those of academic researchers. While academic researchers want to contribute to science, think tanks including ADBI are interested in public policy. Second, ADBI has more opportunities than academic researchers to know what policy makers need as well as a stronger motivation to do so. ADBI can bring policy-based evidence from one country to other countries and
is agile in the sense that it can start new projects in a relatively short amount of time, thanks to its funding and governance structures. Thus, collaboration will be mutually beneficial to ADBI and those researchers who want to do research with an impact on policy making. Third, academic researchers tend to segment a policy problem into smaller research questions that enable them to do more rigorous analysis and obtain more robust findings. The trouble is that they tend to leave the other parts untouched and hence fail to find a solution to the entire problem. Thus, ADBI should work closely with academic researchers to help offset this bias and obtain a holistic approach to the policy problem. Finally, ADBI is not a funding organization.

In conclusion, ADBI wants to better bridge research and policy making. It is trying to listen more carefully to policy makers and seek more support from external researchers than before. This includes experimenting with what may be called a specific-demand-driven approach or a policy-based evidence approach, and upgrading its efforts to collect micro-level, granular data in collaboration with external researchers on a wide variety of policy issues. These experiments and plans are not intended to replace ADBI’s conventional research and CBT programs but rather to supplement them. Nonetheless, we expect that they will have favorable, long-run effects on the impact of ADBI’s activities.

Cyn-Young Park

To remain connected with “One ADB”, ADBI needs to actively pursue its major research projects jointly with relevant ADB counterparts. It can be done with specific departments on each project by strengthening collaboration on knowledge work, capacity building and training, as described above. This will be consistent with ADB’s Knowledge Management Action Plan. Together we need to ensure that knowledge products and services are relevant and responsive to the developing countries of Asia and the Pacific.

One potentially urgent policy area for ADBI and ADB to focus collaboration would be how the region can steer the post-pandemic recovery and reinforce regional cooperation efforts to avoid scarring economic and social impacts of the COVID-19 pandemic. The pandemic has unleashed significant economic and social problems including inflation and high debt problems, trade and associated disruptions to global supply chains, long-term impacts of school closures, and noticeable increase in inequality and social vulnerabilities. Sustained economic recovery in the wake of COVID-19 requires stronger regional cooperation, for example, particularly through information sharing and other health-control measures to prevent flare-ups. Revamping socioeconomic infrastructure in areas such as health care, supply chains, and mitigation of climate change risks will also be priority agendas for an inclusive and sustainable recovery. In response to the consequences caused by COVID-19, ADBI and the think tank community should step up efforts to deliver high-quality knowledge solutions.

In response to the consequences caused by COVID-19, ADBI and the think tank community should step up efforts to deliver high-quality knowledge solutions.
References


Strategies for Developing Asia’s Future
25 Years of the Asian Development Bank Institute

Strategies for Developing Asia’s Future details the evolution of the Asian Development Bank Institute (ADBI) since its founding as the Asian Development Bank’s Tokyo-based think tank in 1997 and its efforts to provide the region’s governments and stakeholders with policy knowledge to effectively address sustainable development challenges and opportunities.


Strategies for Developing Asia’s Future also details the development of ADBI’s policy research, capacity building and training, and outreach activities and the institute’s collaboration with the Asian Development Bank and other knowledge partners. The book concludes by discussing how ADBI can maintain its relevance to its stakeholders over the next 25 years.