This brochure summarizes the Digital Technology for Development Directional Guide, which details how the Asian Development Bank (ADB) will help developing member countries (DMCs) use digital technologies effectively—to overcome development challenges and to help achieve Sustainable Development Goals and reach Paris Agreement targets.

The guide aligns with ADB’s Strategy 2030 and its seven operational priorities and aims to help achieve the vision of an inclusive digital transformation for Asia and the Pacific.
Where We Are

Digital technologies are transforming global economies and societies at unprecedented speed, and are at the forefront of the radical transformation of products, services, business models, and even entire industries. Digital technologies also have considerable potential for advancing the development agenda, accelerating climate action, and transitioning to a knowledge economy.

While Asia and the Pacific has made substantial progress in digital access and affordability, the digital divide still affects more than half of the population in the region with significant variations in the coverage, usage, and quality of connectivity. Many DMCs also face challenges in developing digital skills to leverage such technologies for socioeconomic growth, and to manage rising online security risks.

What We Do

Over the past decade, ADB has been championing digital connectivity development by investing in subsea cables, coordinating regional digital connectivity projects, providing financing to mobile operators, and promoting a “dig-once” approach. ADB also engages with various satellite operators and governments to assess the connectivity gaps in various DMCs and the complementary role of satellites.

In addition, ADB supports DMCs in digital policies, strategies, and regulations, as well as in digital skills development, including online services and applications. ADB provides longstanding support to DMCs in implementing e-governance reform strategies and systems. More recently, ADB is fostering the tech startup ecosystem by addressing regulatory and infrastructure barriers, improving startups’ access to finance, and helping to incubate, accelerate, and scale new ventures. ADB is directly investing in startups through its first venture investment platform, ADB Ventures.

Furthermore, ADB is supporting the adoption of digital technologies across development sectors. This includes expanding access to energy, water, and transport in underserved areas, as well as promoting renewable and clean energy. The development of smart cities is helping cities become more livable and sustainable. The pandemic has accelerated demands and opportunities for incorporating digital technologies in ADB education, health and social protection projects. ADB’s finance operations deploy digital technologies, including mobile payment and other fintech, to promote the financial inclusion of vulnerable groups.

What We Will Do

The demand for integrating digital technology components in ADB operations has grown over the past decade. With accelerated digitalization of economies and societies, spurred by the global coronavirus pandemic, ADB will strategically support DMCs in their digital transformation and in navigating both the opportunities and risks of digital development.
Guiding Principles

ADB’s approach to digital development actions is based on six guiding principles that will help operations achieve results and outcomes.

Value digital technology as an engine for economic growth. Entrepreneurs and startups play a vital role in transforming the traditional economy to a digital economy by innovating the way of doing business, and creating new markets and jobs. ADB will support the development of tech startup ecosystems and digital common goods, and create regional assets through interventions such as regulatory sandboxing, skills development, academia-industry collaboration, incubation, and financing programs.

Apply an integrated, holistic approach to digital development. Stronger responses to the complex challenges of ADB’s Strategy 2030 will be achieved through internal and external collaborations, harmonising efforts and nurturing synergies across sectors to advance the bank’s seven operational priorities.

Support the creation of strong foundations to enable the development and delivery of digital services and products across sectors. To realize the potential gains from developing a digital economy, DMCs will need to build foundational digital connectivity infrastructure and platforms, and develop an enabling regulatory and policy environment. ADB will help DMCs adopt a holistic view of digital technologies, along with the necessary considerations in selecting digital technologies to achieve development objectives while understanding their relative merits, costs, and limitations.

Promote inclusive digital development. With about half of the region still digitally excluded, ADB will invest in digital transformation that leaves no one behind. This involves accelerating equitable access to digital infrastructures and technologies, resolving any barriers, and promoting the innovative use of digital tools to meet the needs of everyone—especially underserved people such as those on low incomes, women, youth, ethnic and religious minorities, and people with disabilities.

Improve digital safeguards. With infrastructure and systems across sectors and nations becoming increasingly interconnected and dependent on digital technologies and systems, this has exposed economic and social systems to a myriad of cyber security and privacy risks. ADB will work with governments, civil society, the private sector, and local stakeholders in DMCs to adopt cyber security best practices, protect and use data responsibly, and safeguard the privacy rights and safety of all users of digital technologies, particularly vulnerable groups.

Take differentiated approaches, based on DMCs’ development priorities and needs, and their digital readiness. For example, ADB’s support to fragile and conflict-affected situations and small island developing states in the Pacific will build on the bank’s experience of submarine cable investment and international digital connectivity—to boost digital transformation of the public sector, including health and education, as well as labor market efficiency. Support for middle-income countries with higher levels of digital readiness can implement more complex digital initiatives such as national e-governance platforms, integrated social services delivery systems, smart city programs, and new economic sectors driven by digital development (e.g., the economy in the metaverse).
**Focal Areas**

ADB provides an extensive range of services and solutions to ensure DMCs can harness the power of digital technologies for development. The priority focal areas in the medium term for the implementation of Strategy 2030 include the following:

- **Integrate digital strategies for development in operations**
  - Develop digital strategies in line with the operational plans of Strategy 2030.
  - Undertake country-level digital development readiness assessments to identify and develop robust pipelines for digital interventions in operations.

- **Improve the quality of digital development interventions**
  - Develop the institutional and human capacities of DMCs to maximize the benefits of digital technologies and achieve development goals.
  - Promote knowledge sharing on digital technology trends, options, projects, and policies to enhance DMCs’ readiness for digital development.
  - Explore innovative options to mobilize public and private resources in expanding the digital infrastructure to rural and remote areas and providing essential digital services.

- **Enhance ADB’s institutional capacity for digital development actions**
  - Establish multistakeholder groups to gain new insights and advice.
  - Ensure operational relevance and effectiveness to maximize development impact through the Digital Technology for Development Committee.
  - Optimize internal and cross-sector coordination under the One ADB principle.

The directional guide implementation period is from 2022 to 2030, which aligns with ADB’s Strategy 2030. The directional guide is designed to be a living document, to be updated as required to remain relevant to the dynamic context of Asia and the Pacific.

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On the cover: Bridging the Digital Divide in Asia and the Pacific.  
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