Fighting COVID-19 Together with ASEAN+3

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ADB’s Response to COVID 19 Pandemic

- ADB announced $20 billion comprehensive COVID 19 response package in April
- As of mid-September, ADB committed about $11.2 billion to support DMCs and private sector
- ADB mobilized about $7.2 billion through cofinancing from development partners

**Committed CPROs:**
(Consortium for Pandemic Response and Other Options)

1. Indonesia $1.5 billion
2. Philippines $1.5 billion
3. India $1.5 billion
4. Kyrgyz Republic $50 million
5. Bhutan $20 million
6. Bangladesh $500 million
7. Mongolia $100 million
8. Nepal $250 million
9. Georgia $100 million
10. Pakistan $500 million
11. Tajikistan $50 million
12. Maldives $50 million
13. Solomon Islands $20 million
14. Cambodia $250 million
15. Uzbekistan $500 million
16. Palau $20 million
17. Samoa $20 million
18. Kazakhstan $1.0 billion
19. Myanmar $250 million

**Total: $8.2 billion**

**Technical Assistance and Grant**
- First response on January 27, followed by in total $145 million in technical assistance and quick-disbursing grants to 41 DMCs to address their most urgent needs e.g., purchase of personal protective equipment, strengthening of health systems, and support for food distribution program.
- ADB worked closely with the World Bank and the United Nations agencies such as WHO and UNICEF including in the procurement and delivery of essential medical supplies and equipment.

**Private Sector Support**
- About direct lending $123.5 million has been provided to the private sector including a medical equipment logistics firm in Wuhan, PRC.
- About $1.6 billion has been provided through short-term financing program to support trade/supply chain finance and micro-finance.
Key Policy Issues

- **Continue strengthening regional cooperation and integration** to deepen trade, supply chains, and investment—as well as build resilience.

- **Address worsening income inequality and absolute poverty**, with further investments in education, health, and social protection.

- **Invest in quality infrastructure** to rebuild smartly and get back on track to achieve the Sustainable Development Goals.

- **Harness IT and Big Data** for health, education, financial inclusion.

- **Enhance domestic resource mobilization** once there are signs that recovery is taking hold.
Strengthen regional cooperation and integration to deepen trade and supply chains and build resilience

**Priority 1: Open regionalism to bolster more inclusive and sustainable globalization**
- Building capacity in small and medium-sized enterprises to access regional and international markets
- Move towards more digital transactions through automation, electronic payments, and the acceptance of digital copies exchanged across countries
- Support especially hard-hit sectors like tourism and logistics

**Priority 2: Make trade more inclusive to prevent a backlash to integration**
- Support more openness in trade, especially in services; reduce non-tariff measures; and e-commerce/digital trade;
- Increase trade and supply chain finance in underserved countries.

**Priority 3: Regional cooperation to reduce health and climate vulnerabilities**
- Enhance the health resilience of connectivity infrastructure for airports/ports/transport corridors
- Invest in improving regional health infrastructure and human, animal, and plant disease surveillance capacities
- Build regional disaster risk resilience
- Harmonize regional safety and hygiene protocols
Address worsening income inequality and absolute poverty

COVID-19 threatens to reverse the gains in poverty reduction

Step up investments in education, health, nutrition, and social protection with targeted support to the poor and the vulnerable, including women and marginalized populations

Notes: Developing Asia refers to the average of 34 DMCs. For 2018, India’s estimates were based on extrapolations using World Bank’s model-based mean per capita expenditure in 2015, GDP per capita growth rates between 2015 and 2018, and distribution based on the 2011/2012 household consumption survey. Long containment scenario is based on Global Trade Analysis Project estimates.

Invest in quality infrastructure to rebuild smartly and achieve the Sustainable Development Goals

ADB promotes accelerated investment in Quality Infrastructure in Asia and the Pacific
- Providing knowledge, capacity, digitalization to support practical implementation of the G-20 Principles for Quality Infrastructure Investment
- Helping to build an early stage pipeline for a variety of sectors
- Contributing to the post-COVID economic recovery and enhancing resilience against future crises

ADB examples

| The Path to Recovery through climate finance supporting renewable and clean energy |
| Creating opportunities for safer and efficient public transport in the post-pandemic new normal |
| Action Plan for Healthy Oceans and Sustainable Blue Economies |

Mobilizing domestic and private sector resources is crucial to accelerate investment and increase impact
Harness IT and Big Data for health, education, financial inclusion

♦ **Access to ICT**: Enhance affordability of and access to ICT

♦ **Health**: Introduce digital health and transform health services delivery

♦ **Education and Training**: Improve digital skills and competence, the use of ICT devices and learning environment, and enhance digital teaching platforms

♦ **Payment options**: Broaden the e-payment availability and options

♦ **Regulation**:
  - Protect consumers against cyber-crimes and fraud
  - Prevent illegal activities (e.g., money laundering)
  - Enhance cyber security to prevent cyber attacks
  - Protect personal data and privacy
Enhance domestic resource mobilization

- Once **visible signs of economic recovery are confirmed**, governments should cautiously and incrementally begin to shift gears and strengthen domestic resource mobilization to sustain strong recovery from COVID-19.

- **Tax policy measures** perform a vital role:
  1. adopt a more progressive **tax system** and implement **transfer measures for redistribution of income and wealth** to address the income gap widened by COVID-19;
  2. **close tax loopholes** and capture profits generated by the digital economy; and
  3. introduce **proper tax incentive** to economic activities toward achieving SDGs **with measures such as carbon taxes**.