



# Regional: Fiscal policy for green and inclusive development

Project Name	Fiscal policy for green and inclusive development	
Project Number	55130-001	
Country	Regional	
Project Status	Active	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 0051-REG: Fiscal policy for green and inclusive growth	
	Technical Assistance Special Fund	US\$ 1.30 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development	
Sector / Subsector	Public sector management - Public expenditure and fiscal management	
Gender Equity and Mainstreaming	Some gender elements	
Description	The knowledge and support technical assistance (TA) will advance knowledge and policy insights on fiscal policies to support green and inclusive growth, with a focus on strengthening domestic resource mobilization (DRM), in developing Asia. The TA will carry out research by the Economic Research and Regional Cooperation Department (ERCD) in collaboration with leading global and regional experts, and findings will be shared and disseminated to policymakers and other stakeholders.	
Project Rationale and Linkage to Country/Regional Strategy	Many DMCs generate inadequate tax revenues to fund public expenditure needed to meet the SDGs. While a generally prudent approach to fiscal policy has helped promote macroeconomic stability across the region, a weak tax base has hindered government spending on public goods and services needed to promote sustainable and inclusive growth. It has limited the scope for governments to reduce inequality through transfers, including adequate social assistance. Weak tax revenues also increase the reliance on less reliable and costly forms of finance and threatens debt sustainability. While some DMCs made progress lifting tax revenues prior to the COVID-19 pandemic, revenues were, on average, considerably lower compared to advanced economies and many developing country peers. Fiscal policy is one of the most politically challenging areas of public policy. Increasing taxes or reducing public spending is invariably unpopular and fiscal policy reforms that may be in the broader interests of society can be stymied by powerful vested interests who stand to lose. Successful fiscal policy reform therefore requires strong political buy in. Knowledge products that provide fresh evidence on the impact of fiscal policies can play an important role in supporting policy reform deliberations as well as mustering reform support.	
Impact	Fiscal policy for green and inclusive development better leveraged.	
<b>Project Outcome</b>		
Description of Outcome	Knowledge on strengthening revenue mobilization, public expenditure effectiveness, and fiscal management enhanced.	
<b>Progress Toward Outcome</b>		
<b>Implementation Progress</b>		
Description of Project Outputs	Research addressing priority areas on revenue mobilization strengthened. Research addressing priority areas on government expenditure and fiscal management enhanced. Online fiscal content enhanced, and AFM published Knowledge sharing on fiscal policy strengthened.	
Status of Implementation Progress (Outputs, Activities, and Issues)		
Geographical Location	Regional	
<b>Summary of Environmental and Social Aspects</b>		
Environmental Aspects		
Involuntary Resettlement		
Indigenous Peoples		
Stakeholder Communication, Participation, and Consultation		
During Project Design		
During Project Implementation		
Responsible ADB Officer	Hill, Samuel C.	

Responsible ADB Department	Economic Research and Regional Cooperation Department
Responsible ADB Division	Office of the Chief Economist, ERD
Executing Agencies	Asian Development Bank 6 ADB Avenue, Mandaluyong City 1550, Philippines

Timetable	
Concept Clearance	07 May 2021
Fact Finding	-
MRM	-
Approval	11 Jul 2021
Last Review Mission	-
Last PDS Update	11 Jul 2021

## TA 0051-REG

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
1,300,000.00	0.00	0.00	0.00	0.00	0.00	1,300,000.00	-	0.00

Project Page	<a href="https://www.adb.org/projects/55130-001/main">https://www.adb.org/projects/55130-001/main</a>
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