

**Proposed TA Subproject: Asian Development Outlook 2016-2018 - Asian Development Outlook 2016 (Subproject 1)**

**Under the Cluster Regional RDTA 0018  
“Asian Development Outlook 2016–2018”**

**A. Background**

1. The proposed subproject is part of the cluster regional research and development technical assistance that will support the preparation of the flagship publication—the Asian Development Outlook (ADO)—for the next 3 years. This publication includes staff analyses of the macroeconomic prospects for all of Asian Development Bank’s (ADB) 45 developing member countries (DMCs), referred to collectively as developing Asia, and provides insights into the current economic issues the region faces. Its content provides vital intelligence to policy makers in DMCs, ADB Management and shareholders, and researchers globally, and underpins ADB operational decisions. The ADO showcases ADB’s knowledge and expertise about the region.

**B. Rationale**

2. ADB’s Midterm Review of Strategy 2020 identified poverty reduction and inclusive growth among the strategic priorities that will guide ADB’s work through 2020.<sup>1</sup> The ability to understand the key drivers of, and constraints on, economic growth is a critical element of inclusive growth. With its comprehensive analysis of evolving macroeconomic developments, the ADO plays an important role in fostering this understanding, a role recognized by the TA Strategic Forum in 2008. Under ADB’s streamlined business processes, the ADO is one of the main references for the economic assessment and outlook section of country partnership strategies.

3. In line with the 2015 staff guidelines to improve mainstreaming of inclusive growth into country partnership strategies,<sup>2</sup> the ADO country chapters support the analysis of key obstacles to inclusive economic growth: (i) factors preventing productive employment generation, (ii) human development constraints, (iii) gender and other socioeconomic barriers, (iv) spatial and geographical limitations, (v) institutional and policy weaknesses, and (vi) factors preventing expansion of social protection programs. The theme chapters tackle important development challenges for a transforming Asia and the Pacific. Recent themes have included confronting rising inequality in Asia; improving weak governance and institutional capacity; safeguarding financial stability; and addressing persistent gender disparities. The ADO can also contribute to informed debate in other topical areas, such as avoiding the middle-income trap; and coping with environmental pressures.

**C. Impact and Outcome**

4. The impact of the subproject will be enhanced debate and policy research on the development challenges faced by Asia and the Pacific and an improved environment for policy formulation in DMCs. The outcome will be increased reference to the ADO by the media and by economic researchers, both within ADB and beyond. The design and monitoring framework is in Appendix 1.

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<sup>1</sup> ADB. 2014. *Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific*. Manila.

<sup>2</sup> ADB. 2015. *Revised Guidelines on Inclusive Economic Growth in Country Partnership Strategy*. Manila.

## **D. Methodology and Key Activities**

5. The first subproject of the cluster TA will cover the ADO 2016 cycle and will produce the ADO 2016, ADO 2016 Update, ADO supplements, and background papers as outputs. The subproject will support the following activities: (i) preparing background analytical papers following the 2-year rolling research plan, (ii) further developing and refining analytical methods, (iii) drafting of ADO content, (iv) editing economic content and manuscripts, (v) preparing and laying out of materials for publication, and (vi) disseminating key results and policy messages. In parallel, the cluster TA will support initiatives to build capacity for macroeconomic modelling and for generating growth projections and monitoring markets. To provide a solid empirical and analytical foundation for the content of ADO, the subproject will commission background research papers that will supplement ERMR research on the selected theme topics by analyzing issues and policy implications for developing Asia. These papers will be consolidated in edited research volumes to provide researchers with more extensive analyses related to the theme topics. The research volumes may be copublished with a reputable publishing house, which would likely entail a buyback arrangement.

6. In addition to the country-by-country and regional economic analyses, ADO 2016 will feature a section on developing Asia's potential growth and structural transformation. Asia's newly industrialized economies successfully made the transition from low-income to high-income economies. However, the path that these economies took to transform themselves may not be feasible in the current global economic landscape. The theme chapter will use the estimates of potential growth drivers—determined by structural transformation considerations—to map out scenarios for the future path of the region's income. Building on the work by the Economic Analysis and Operational Support Division on low-carbon growth, the ADO 2016 Update theme topic will tackle the green growth challenge for Asia. Using a top-down global computable general equilibrium model and the global energy selection optimization model, the theme chapter will look at both the cost of no action and cost of moving towards a low carbon growth path in developing Asia. It will also delve into the constraints and bottlenecks that impede its shift to green growth and propose policy actions to overcome them. ERCD will explore the possibility of collaborating with a partner center of excellence, for instance, the Global Green Growth Institute. Initial activities for the preparation of the ADO 2017 may also be supported under the subproject.

7. The subproject will also support the development and refinement of analytical methods to supplement ADB's short- and medium-term country economic monitoring and reporting. This will strengthen the economic underpinnings of country programs and strategies for the DMCs, thereby making economic policies better informed and designed, and enhancing ADB's country assistance. As part of the preparation to strengthen the ADO content, the TA team will organize conferences and workshops. The writers' workshop, which will be co-organized with the Human Resource Policy and Programs Division, will focus on macroeconomic analysis of current issues, growth accounting, economic projections and macroeconomic modeling, and effective writing skills. The workshop will target selected economists and national staff in ADB's regional departments and resident missions that are responsible for writing the country chapters. The conferences will focus on the reports' theme chapters. Distinguished economists in the region will be invited to discuss initial drafts of the background papers to improve the analytical rigor and policy relevance of the theme chapters.

8. To ensure accuracy, coherence, and consistency in approach across the ADO and the edited volume of background research papers, international consultants will provide high-quality editing services.

9. The publications will be widely disseminated in collaboration with ADB's Department of External Relations (DER) and participating resident missions. The international launch will be followed by presentations cohosted by ADB development partners within and outside Asia and the Pacific. Outreach will include analytical discussions of the issues in partnership with academic institutions, think tanks, and government officials from member countries. The subproject will also undertake activities to evaluate the effectiveness of ADO outreach. ERMR will work with DER to attempt to capture broader and more useful client feedback.

## **E. Cost and Financing**

10. The subproject is estimated to cost \$1,200,000, which will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-V). The cost estimates and financing plan are in Appendix 2.

## **F. Implementation Arrangements**

11. ADB will be the executing agency, while its Macroeconomics Research Division (ERMR) of ERCD will be the implementing division. Adopting the "One ADB" approach in knowledge solutions, ERMR will continue to collaborate with regional departments and resident missions in preparing the country chapters. To ensure that ADO knowledge work is operationally relevant, ERMR will work closely with regional departments and sector and thematic groups in the identification and preparation of ADO theme chapters. ERMR will also seek to collaborate with a reputable center of excellence during TA implementation. The subproject will be implemented from November 2015 to December 2017.

12. The production of a high-quality ADO will be a joint effort of ERCD economists, country economists of the regional departments, other experts within ADB, and consultants. The ADO will require international consultancy from economists who will prepare the background papers and analyses on issues pertaining to the theme topic. International economic advisory and editing consultants will be required for the economic and technical editing of ADO manuscripts before final publication. An international expert on communication strategy will also be engaged to evaluate the effectiveness of ADO dissemination. National economics consultants and research assistants will be required to assist with data management and to conduct research on issues related to macroeconomic development, growth, trade and investment, human capital development, and long-term employment generation in the Asia and Pacific region. National consultants will be needed to perform the desktop publishing and graphic design of the publication. Resource persons will be engaged for a maximum of 10 working days to conduct training on macroeconomics and economic forecasting and also serve as discussants during workshops. The consultants and resource persons will be recruited as individuals as the TA will require rapid mobilization of the editorial consultants and will involve independent studies where the consultant's experience and qualifications are the primary consideration. This will be done in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). Workshops will be conducted to review and discuss the initial country chapters and background papers prepared for the ADO. The TA may cover travel expenses of selected resident mission staff participating in the workshops as resource persons.

13. The TA subproject will finance procurement of information technology equipment and software, and information and knowledge services such as subscription to macroeconomic data

providers as may be required to inform relevant up-to-date content. All procurement to be financed under the TA will be carried out in accordance with ADB's Procurement Guidelines (2015, as amended from time to time). Procurement of information technology equipment and software will be done in coordination with ADB's Office of Information Systems and Technology and Office of Administrative Services. After the TA, any procured equipment will be disposed of in accordance with ADB's Project Administration Instructions.<sup>3</sup> Disbursements under the TA will be done in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

14. As team leader, the director, ERMR will monitor the work under the TA to ensure its effective implementation. ERCD researchers will review the work of consultants engaged to verify that tasks are completed in accordance with the terms of reference, and that draft reports are delivered on time, with the director, ERMR managing the combined outputs of the consultants. Dissemination activities will be conducted in cooperation with ADB's DER and resident missions.

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<sup>3</sup> ADB. 2013. Administering Grant-Financed Technical Assistance Projects. *Project Administration Instructions*. PAI 5.09. Manila.

## DESIGN AND MONITORING FRAMEWORK

<b>Impacts the Technical Assistance Project is Aligned with</b>			
Understanding among ADB DMCs of current macroeconomic issues and important development challenges facing the Asia and Pacific region increased. (defined by project).			
<b>Results Chain</b>	<b>Performance Indicators with Targets and Baselines</b>	<b>Data Sources and Reporting</b>	<b>Risks</b>
<p><b>Outcome</b></p> <p>Reference to the ADO by the media, by economic researchers, both within ADB and beyond, and by DMC officials increased.</p>	<p>By 2019</p> <p>a. 1,870 media citations of ADO made in target newspapers, television reports, and publications Baseline 2015: 1,780 citations</p> <p>b. ADO content used in 53 ADB Management speeches, talking points, and briefing notes Baseline 2015: 50 speeches</p> <p>c. ADO content used in four ADB documents Baseline 2015: 3 ADB documents</p> <p>d. 53 references to ADO made by external researchers Baseline 2015: 50 citations</p> <p>e. Five references to ADO made by DMC officials in government documents or high-level meetings Baseline 2015: 3 citations</p>	<p>a. DER media monitoring reports</p> <p>b. ADB Management speeches, talking points, and briefing notes</p> <p>c. Country partnership strategies, paper for ADF replenishment, reports and recommendations of the President, and other ADB documents</p> <p>d. Web search engine that indexes the full text or metadata of scholarly literature across an array of publishing formats and disciplines (e.g., Google Scholar)</p> <p>e. Reports from resident missions and local newspapers</p>	<p>Unforeseen changes in the global or regional political and economic environment undermine the relevance of ADO messages.</p>

<b>Outputs</b>			
1. ADO 2016, ADO 2016 Update and ADO supplements published	1a. 350 copies each of ADO and ADO Update printed and distributed Baseline 2015: 350 copies  1b. PDF versions of ADO and its Update, and ADO supplements posted in the ADB website garnering around 60,000 web downloads Baseline 2014: 55,000 downloads	1a. ERCD reports  1b. DER web download statistics	1a. Lack of priority from other departments in providing ADO inputs.
2. Background papers published	2a. By 2017, at least 90% of background papers published in journals or edited research volumes. Baseline 2015: 80%	2a. ERCD reports	
3. ADO 2016, ADO 2016 Update, and ADO supplements disseminated	3a. 45 dissemination activities (e.g. presentations) within and outside Asia and the Pacific conducted Baseline 2015: 40	3a. DER monitoring report; back-to-office reports	

### **Key Activities with Milestones**

#### **Output 1. ADO 2016, ADO 2016 Update and ADO supplements published**

- 1.1 Conduct workshops (November-December 2015, January-February 2016, May 2016, and July 2016).
- 1.2 Draft background papers (November 2015–January 2016 and October 2016–June 2017) and publish as edited research volumes or submit to reputable peer-reviewed academic journals (December 2016 and June 2017).
- 1.3 Draft, review, and edit ADO contents (November 2015–March 2016, July 2016, May–September 2016, and November-December 2016).
- 1.4 Finalize and publish ADO 2016, ADO 2016 Update, 2 ADO supplements (April 2016, July 2016, October 2016, and December 2016).

#### **Output 2. Background papers published**

- 2.1 Conduct workshops to discuss ADO background papers (December 2015 and May 2016).
- 2.2 Draft background papers (November 2015–January 2016 and October 2016–June 2017).
- 2.3 Review and edit background papers (June-November 2016 and January-May 2017).
- 2.4 Publish papers or submit to reputable peer-reviewed academic journals (December 2016 and June 2017).

#### **Output 3. ADO 2016, ADO 2016 Update, and ADO supplements disseminated**

- 3.1 Draft dissemination materials (March 2016 and September 2016).
- 3.2. Conduct the main launch, roadshows, launches by the resident missions of ADO 2016 and ADO 2016 Update (March 2016 and September 2016).
- 3.3. Release ADO Supplements in the ADB website (July 2016 and December 2016).
- 3.4. Conduct other ADO dissemination activities (March- April 2016 and September-October 2016)

<b>Project Management Activities</b> Hiring of consultants (September–December 2015, January-March 2016) Procurement of information technology equipment, information and knowledge services (schedule to be determined)
<b>Inputs</b> ADB: \$1,200,000
<b>Assumptions for Partner Financing</b> Not applicable.

ADB = Asian Development Bank, ADO = Asian Development Outlook, DER = Department of External Relations, DMC = developing member country, TA sub = TA subproject.  
Source: Asian Development Bank.

**COST ESTIMATES AND FINANCING PLAN**  
(\$'000)

<b>Item</b>	<b>Amount</b>
<b>Asian Development Bank<sup>a</sup></b>	
1. Consultants	
a. Remuneration and per diem	
i. National consultants	42.0
ii. International consultants	788.0
b. International and local travel	149.0
2. Equipment <sup>b</sup>	5.0
3. Workshops, training, seminars, and conferences <sup>c</sup>	90.0
4. Miscellaneous administration and support costs <sup>d</sup>	35.0
5. Contingencies	91.0
<b>Total</b>	<b>1,200.0</b>

<sup>a</sup> The technical assistance (TA) subproject will be financed by the Technical Assistance Special Fund (TASF-V) of the Asian Development Bank (ADB).

<sup>b</sup> Includes information technology equipment and software.

<sup>c</sup> Includes cost of resource persons for workshops and conferences, including travel expenses of ADB's Economic Research and Regional Cooperation Department and Department of External Relations staff serving as resource persons in the dissemination activities. It may also include cost of meals and snacks served during workshops and conferences.

<sup>d</sup> Includes data support and purchase of survey or study data, subscription to data and information services, publications-related costs, buy-back arrangements, mailing and shipping of documents, and translation costs.

Source: Asian Development Bank estimates.



## OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

### A. **Economics Consultants** (international, 20 person-months, 18 consultants)

1. The consultants should have excellent working experience in general macroeconomics or specializing in environment economics, and good knowledge of developing member country economies. Under the direct supervision of Macroeconomics Research Division (ERM) staff, the consultants will

- (i) prepare analysis essays on assigned topic, as well as country case reports as may be assigned;
- (ii) participate in Asian Development Outlook (ADO) workshops as may be required;
- (iii) work with the economic editor to ensure consistency and coherence in the ADO;
- (iv) deliver the following outputs: draft, revised, and final background papers; and
- (v) perform all other functions and responsibilities as may be assigned by the director, ERM.

### B. **Editorial Economic Advisors** (international, 17 person-months, 5 consultants)

2. Under the direct supervision of director, ERM and in coordination with other Asian Development Bank (ADB) staff involved in preparing the country chapters of the ADO and its update, the advisors will collaborate with country chapter authors to develop country chapter write-ups and review the draft chapters for economic content and consistency with economic theory. The advisors will draft the subregional highlights of the publication and ensure that all the data in the publication are based on the most recent information available as of the specified cutoff date. The advisors will act as resource persons in the ADO writers' workshop to be held at ADB headquarters, working with authors to develop the chapter storylines and indicative key messages. In particular, the advisors will

- (i) work with the country chapter authors during the ADO workshop to develop chapter outlines, key messages, and storylines of country chapters;
- (ii) work with the country authors in drafting, revising, and finalizing the texts; reviewing them; conducting one-on-one and group discussions with the authors; and advising on areas that can be strengthened and improved;
- (iii) draft subregional highlights and/or summaries, as well as related key messages;
- (iv) review the validity and accuracy of information, tables, and charts included in the write-up;
- (v) work with the manuscript editor to finalize the text of the country chapters in consultation with the authors;
- (vi) review press releases and related materials for the ADO;
- (vii) deliver the following outputs: edited country chapters and highlights; and
- (viii) perform all other functions and responsibilities as may be assigned by the director, ERM.

### C. **Economic Editors** (international, 3 person-months, 2 consultants)

3. Under the direct supervision of the director, ERM and in consultation with other ADB staff in the Economic Research and Regional Cooperation Department (ERCD) involved in preparing and reviewing the theme chapters, the economics editor will edit the theme chapter for consistency and economic content. In particular, the economic editor(s) will

- (i) edit the theme chapter for consistency with economic theory as well as empirical evidence, which will include some redrafting of the text along the following lines:
  - (a) rewrite, reorganize, or shorten the text to improve its logical structure;
  - (b) suggest different ways to present material; for example, suggest deleting or adding tables, figures, or text boxes to make the author's case more forcefully;
  - (c) simplify technical language, eliminate jargon, and introduce definitions so that the chapter can be understood by an educated non-specialist;
- (ii) perform general editing, including:
  - (a) simplifying long, complicated sentences;

- (b) breaking up accretions of nouns as adjectives, e.g., "farm-household cash flow management" would be changed to "management of cash flow in farm households";
- (c) editing tables and figures so that they prove their point and make the presentation of similar data consistent;
- (d) eliminating excess words that do not further the argument;
- (e) eliminating redundancy;
- (iii) ensure consistency of the theme chapter with the other parts of the ADO;
- (iv) review the validity and accuracy of information, tables, and charts included in the theme chapter;
- (v) confer with ERCD staff regarding gaps in the write-up, important questions, and needed revisions;
- (vi) assist in preparing the publication highlights (for Part 2);
- (vii) help prepare the key messages and review press releases for the theme chapter of the ADO;
- (viii) deliver the following outputs: edited theme chapters and highlights; and
- (ix) perform all other functions and responsibilities as may be assigned by the director, ERMR.

**D. Manuscript Editors** (international, 8 person-months, 4 consultants)

4. Under the direct supervision of the director, ERMR, and in coordination with the relevant ERMR staff, the manuscript editors will

- (i) edit the ADO, including (a) rewriting, reorganizing, or shortening the text to improve its logical structure and sharpen the arguments; (b) simplifying technical language, eliminating jargon, and introducing definitions so that the chapters can be understood by educated non-specialists; (c) coordinating with the authors and economic editors to make connections among ideas explicit and to illustrate complex concepts; (d) cutting or editing redundant passages and simplifying overly long, complicated sentences; (e) smoothing or writing transitions between paragraphs and sections; and (f) suggesting additional materials (e.g., boxes, tables, and figures) that would make the publication more reader-friendly;
- (ii) check the manuscript for consistency and accuracy, including checking for factual errors (e.g., ensuring that the correct names of institutions and other entities are used and checking major statements of fact on leading websites, where practical), and highlighting data inconsistencies (e.g., alerting ERMR national officers to discrepancies in data among text, tables, and charts for their chapters, ensuring that queries are addressed, and ensuring that benchmarks are referred to coherently in the publication);
- (iii) copyedit all parts of the reports in conformity with ADB editorial style and usage;
- (iv) smooth out the entire structure of the publications to make them readable with a consistent logical flow;
- (v) ensure, to the degree possible, consistency of language style in all parts of the publication;
- (vi) edit tables and figures;
- (vii) ensure that subheads are consistent and logical;
- (viii) check references to tables, figures, appendixes, bibliographies, and parts of the text;
- (ix) edit notes to make sure that the text references are correct;
- (x) supervise the encoding of corrections as well as the incorporation of tables, charts, and boxes;
- (xi) prepare the table of contents, definition of terms, and list of abbreviations;
- (xii) edit all dissemination materials including press releases, speeches, questions and answers, key messages, and presentation slides;
- (xiii) liaise with the typesetter designated by ERMR to ensure that all editorial marks and comments, as well as tables, charts, and boxes, are incorporated in the typeset manuscript, and that the manuscript is ready for submission for final printing;
- (xiv) deliver the following output: edited manuscript; and

- (xv) perform all other functions as may be assigned by the director, ERMR.

**E. Resource Persons** (0.5 person-months, 5 experts)

5. Resource persons will be engaged to (i) conduct training on macroeconomics and economic forecasting, and (ii) act as discussants during ADO theme conferences and workshops.

**F. Desktop Publishing Specialists and/or Graphic Designers** (national, 6 person-months, 2 consultants)

6. The consultants must be skilled in working with Adobe InDesign, Adobe Illustrator, Adobe Photoshop, Microsoft Word, and Microsoft Excel. The consultants will typeset and proofread the text, tables, charts, and all graphic elements of the publication from the preliminary draft to the final copy and produce the high-resolution PDF file before forwarding to the external printer (including refining its web version). The assignment will be at ADB headquarters. In particular, the consultant will

- (i) assist in designing the ADO cover;
- (ii) layout the ADO;
- (iii) reformat tables and charts of the ADO based on corrections received from ERMR staff and consultants;
- (iv) encode corrections in the main text based on corrections received from ERMR staff and consultants;
- (v) prepare final layout of the ADO;
- (vi) encode final text and graphical corrections;
- (vii) deliver the web-ready and quality-checked consolidated PDF of the publication;
- (viii) generate PDF files of the different parts of the book at certain points of the production process; preliminary and final source files (InDesign and Illustrator); the PDF file of the manuscript for launch, printing, and web-posting; and backup files of all of the above;
- (ix) in collaboration with ADB's Department of External Relations, generate other formats of the publication as may be seen necessary due to the changing nature of desktop publishing; and
- (x) perform other related tasks as may be assigned by the director, ERMR.

**G. Communication Strategy Expert** (international, 2 person-months, 1 consultant)

7. In consultation with ADB's ERCD, Department of External Relations, and staff from resident missions, the expert will evaluate the current communication strategy for the dissemination of the ADO. The expert will evaluate the (i) current target audiences, (ii) current communication methods for each target audience, and (iii) current monitoring and evaluation mechanism to effectively obtain client feedback; and suggest ways to improve them. Also, in light of the changing nature of desktop publishing in development organizations—where increasingly publications are being provided in new formats, with new readers engaged through mobile devices with the ability to manipulate data—the expert will also need to evaluate how this may change the way we measure the reach of the ADO and recommend methods to quantify this.

**H. Economics Consultants** (national, 10 person-months, 2 consultants)

8. The consultants should have excellent working experience in general economics. Under the direct supervision of ERMR staff, the consultants will assist economic research by ERCD and undertake general economic research. The assignment will be at ADB headquarters in Manila, Philippines. In particular, the consultants will

- (i) research issues related to macroeconomic development, growth, trade and investment, human capital development, and long-term employment generation in Asia and the Pacific;
- (ii) support country economic analyses;
- (iii) contribute to the preparation of the ADO and its update;
- (iv) update the ADO data sheet;

- (v) generate an updated database, charts, and tables, and draft and final reports as may be required; and
- (vi) undertake ad hoc research and other assignments as may be assigned by the director, ERMR.

**I. Research Assistants** (national, 18 person-months, 6 consultants, subprojects 1–3)

9. Under the direct supervision of ERMR staff, the consultants will provide data gathering and analysis support for the ADO and related activities. The assignment will be at ADB headquarters in Manila, Philippines. In particular, the consultants will

- (i) support the preparation of research studies under the technical assistance,
- (ii) assist in the preparation of the ADO for publication,
- (iii) undertake quantitative analysis, as required, and
- (iv) perform other tasks as may be assigned by the designated ERMR staff.