



Regional: Research on Economic Resilience

Project Name	Research on Economic Resilience				
Project Number	55256-002				
Country / Economy	Regional				
Project Status	Active				
Project Type / Modality of Assistance	Technical Assistance				
Source of Funding / Amount	<table border="1"> <tr> <td>TA 6964-REG: Research on Economic Resilience</td> <td></td> </tr> <tr> <td>Technical Assistance Special Fund</td> <td>US\$ 120,000.00</td> </tr> </table>	TA 6964-REG: Research on Economic Resilience		Technical Assistance Special Fund	US\$ 120,000.00
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Technical Assistance Special Fund	US\$ 120,000.00				
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth				
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development Knowledge solutions Private sector development				
Sector / Subsector	Finance / Finance sector development				
Gender Equity and Mainstreaming	Some gender elements				
Description	The proposed TA will conduct research studies to understand how economies can better achieve economic resilience. Building on the analytical framework of Park, Ramayandi, and Shin (2015), it will explore the determinants of economic resilience at the country level and identify those factors that have the biggest role in resilience in the face of shocks. It will uncover why some economies are more resilient than others. It is also important to understand if the determinants of resilience differ for various types of shocks. For instance, do they differ for financial shocks, real sector shocks, and pandemics? In addition, there are major shocks that affect many developing member countries (DMCs) emanating from natural disasters, especially those due to climate change, and the resilience of economies is expected to vary for such type of shocks. It is therefore necessary to include an analysis of these shocks under the TA. At the firm level, there is a need to examine why some businesses are able to withstand shocks better than others, and why some firms even thrive during shocks while others struggle to keep afloat. There are also economic shocks that have occurred due to dependence on foreign sources for supply, and this particularly applies to energy. For example, the Russian invasion of Ukraine adversely affected energy supplies, thus raising the costs of imported energy and triggering inflationary pressures. The TA will also include an analysis of the key drivers of energy efficiency and renewable energy investment, which can help reduce vulnerability to shocks from reliance to external sources. Overall, government policies have a key role to play in building resilience against shocks. There is a need to identify concrete macroeconomic policies, financial-sector policies, and structural policies that governments can put in place to boost resilience.				
Project Rationale and Linkage to Country/Regional Strategy	Economic resilience consists of three dimensions(1) the ability to recover quickly from a shock, (2) the ability to withstand a shock, and (3) the ability to avoid the shock altogether. The coronavirus disease (COVID-19) pandemic highlighted the importance of economic resilience, especially the first two dimensions, which are the focus of this study. The two are closely related since economies that are hit harder by a shock tend to bounce back more slowly. The third dimension also matters but many shocks are impossible to predict or avoid.e.g. COVID-19 and natural disasters. Even financial crises are often difficult to foresee. Although a lot of economic research has centered on early warning systems and preventing shocks, a more fruitful avenue of research may look instead at withstanding and recovering from a shock. In this context, some economies have recovered relatively quickly from COVID-19 while others are still struggling to find their feet. In particular, advanced economies have shown greater resilience than developing economies. Even among developing economies, some have been much more resilient than others. Lack of economic resilience is more than a passing interest because it may inflict long-lasting economic and social damage.				
Impact	Improved resilience of ADB developing member countries (DMCs) to economic shocks				
Project Outcome					
Description of Outcome	Knowledge and capacity for developing economic resilience in DMCs strengthened				
Progress Toward Outcome					
Implementation Progress					
Description of Project Outputs	1. Disseminated research papers on: (i) factors that determine the severity of shocks and the recovery from shocks; (ii) country cases that demonstrate successful resilience episodes; (iii) firm-level economic resilience; and (iv) drivers of renewable energy investment that promote resilience by reducing dependence on foreign sources.				
Status of Implementation Progress (Outputs, Activities, and Issues)					
Geographical Location	Regional				
Summary of Environmental and Social Aspects					
Environmental Aspects					
Involuntary Resettlement					
Indigenous Peoples					
Stakeholder Communication, Participation, and Consultation					
During Project Design					

During Project Implementation

Responsible ADB Officer	Park, Donghyun
Responsible ADB Department	Economic Research and Regional Cooperation Department
Responsible ADB Division	Office of the Chief Economist, ERD
Executing Agencies	Asian Development Bank

Timetable	
Concept Clearance	-
Fact Finding	08 Sep 2022 to 08 Sep 2022
MRM	-
Approval	28 Sep 2022
Last Review Mission	-
Last PDS Update	30 Sep 2022

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Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
120,000.00	0.00	0.00	0.00	0.00	0.00	120,000.00	-	0.00

Project Page	https://www.adb.org/projects/55256-002/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=55256-002
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