



Technical Assistance Subproject Report

PUBLIC

Project Number: 55278-003
Knowledge and Support Technical Assistance (C-KSTA)
November 2022

Asian Development Outlook 2022–2024 Subproject 2: Asian Development Outlook 2023

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Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
ADO	–	<i>Asian Development Outlook</i>
COVID-19	–	coronavirus disease
DOC	–	Department of Communications
ERCD	–	Economic Research and Regional Cooperation Department
ERMR	–	Macroeconomics Research Division
ICT	–	information and communication technology
TA	–	technical assistance

NOTE

In this report, "\$" refers to United States dollars

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KNOWLEDGE AND SUPPORT TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 55278-003	
Project Name	Asian Development Outlook 2023	Department/Division	ERCD/ERMR
Nature of Activity	Research and Development	Executing Agency	Asian Development Bank
Modality	Subproject		
Country	REG (All DMCs)		
2. Sector		ADB Financing (\$ million)	
✓ Multisector	ADB's corporate management, policy and strategy development		1.000
		Total	1.000
3. Operational Priorities		Climate Change Information	
✓ OP2: Accelerating progress in gender equality		GHG Reductions (tons per annum)	0
✓ OP3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability		Climate Change impact on the Project	Medium
✓ OP6: Strengthening governance and institutional capacity		ADB Financing	
		Adaptation (\$ million)	0.000
		Mitigation (\$ million)	0.000
		Cofinancing	
		Adaptation (\$ million)	0.000
		Mitigation (\$ million)	0.000
Sustainable Development Goals		Gender Equity and Mainstreaming	
SDG 1.5, 1.b		Some gender elements (SGE)	✓
SDG 5.c			
SDG 8.4		Poverty Targeting	
SDG 10.2		General Intervention on Poverty	✓
SDG 17.4			
4. Risk Categorization		Risk Categorization does not apply	
5. Safeguard Categorization		Safeguard Policy Statement does not apply	
6. Financing			
Modality and Sources		Amount (\$ million)	
ADB		1.000	
Knowledge and Support technical assistance: Technical Assistance Special Fund		1.000	
Cofinancing		0.000	
None		0.000	
Counterpart		0.000	
None		0.000	
Total		1.000	
Currency of ADB Financing: US Dollar			

I. THE TECHNICAL ASSISTANCE SUBPROJECT

A. Overall Progress of the Technical Assistance Cluster

1. The knowledge and support technical assistance (TA) cluster Asian Development Outlook (ADO) 2022–2024 was approved by the President on 19 November 2021 to support the preparation of the flagship publication—the ADO—for 3 years. The TA cluster has three subprojects and is financed by the Asian Development Bank (ADB), on a grant basis, from its TA funding program. It was identified as one of the Economic Research and Regional Cooperation Department's (ERCD) corporate priority TAs. The first subproject was approved on 25 November 2021 and is scheduled for completion on 31 December 2023. Most of the activities under subproject 1 have been completed including the successful launch and dissemination of *ADO 2022*, *ADO 2022 Update*, and the July 2022 issue of the *ADO Supplement*. The outreach activities to disseminate the key messages of the *ADO 2022*, *ADO Supplement*, *July 2022*, and *ADO 2019 Update* were well-covered in top tier international media and carried on international newswires. The subproject has also financed initial activities for the next ADO cycle. As of 10 October 2022, about 62% of the subproject's funds have been committed and 41% disbursed.¹

B. Subproject Outcome

2. The TA will have the following outcome: ADO content informs policy discussions by ADB and officials from developing member economies, views of the public, and analysis of researchers.² The subproject will contribute to the outcome of the overall TA cluster by producing flagship knowledge products that provide views on the macroeconomic prospects for all the 46 developing member economies and insights into the economic issues these economies face. The subproject will produce these outputs to guide ADB operational decisions and provide timely and relevant insights to policymakers, ADB staff and shareholders, and researchers.

C. Subproject Outputs, Methods, and Activities

3. **Output 1: ADO reports disseminated in 2023.** ERCD produces four issues of ADO per year—one in April, another in September, and two short supplements in July and December. The TA subproject will support the production of these reports in 2023 through 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. The publications will be widely disseminated in collaboration with ADB's Department of Communications (DOC) and participating resident missions. Lessons learned from the implementation of the previous TA cluster—such as further coordination with DOC to include better metrics for measuring the impact and reach of ADO, improving the dissemination of the ADO, and other lessons—will be considered during the implementation of the subproject. The TA will continue to use online platforms for disseminating ADO reports, as the previous TA cluster has found online means effective in reaching a wider audience that includes policymakers. This will complement in-person international launches, as well as presentations cohosted by ADB development partners within and outside developing Asia, which has resumed in 2022. Outreach will include discussions of the issues in partnership with

¹ The TA first appeared in the business opportunities section of ADB's website on 5 October 2022.

² The design and monitoring framework is in Appendix 1.

academic institutions and think tanks. The ADO publications will be disseminated as electronic files on the ADB website³ and sent via DOC's targeted mailing list. However, as printed copies are still in demand from Management and outside researchers, ERCD will print a limited number (about 100) in compliance with the Administrative Order on Energy, Environment, Health, and Safety Management System.⁴ Printing of the ADO switched to print on demand in 2017. The TA subproject will support Output 1 of the overall TA cluster.

4. With its comprehensive analysis of evolving macroeconomic advances and emerging development challenges in the region, the ADO plays an important part in supporting ADB in strengthening its role as a knowledge institution. The ADO supports the knowledge and operational work of the regional departments. As ADB President Asakawa noted in his closing remarks at the June 2022 Board-Management Retreat, "ADB needs to strengthen macroeconomic surveillance and diagnostics including scenario analysis to become the region's knowledge leader." Country chapters monitor the latest economic developments and near-term outlook toward developing appropriate policy recommendations for ensuring macroeconomic stability. The country chapters and the regional outlook section of the ADO 2023 will provide a general discussion of issues including the coronavirus disease's (COVID-19) continuing impact and the challenges in fostering post-COVID recoveries, the Russian invasion of Ukraine and its spillovers on global commodity prices, impacts of the more aggressive tightening by the US Federal Reserve and other central banks, and implications of the zero-COVID policy of the People's Republic of China on the region. Further, the chapters' policy challenge sections will include analysis of key obstacles to inclusive economic growth such as (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 thematic chapters will tackle important development challenges facing developing Asia.

5. Developing Asia is vulnerable to climate change and is accelerating its transition towards net zero emissions. The transition to net zero calls for a profound transformation of economic systems; emitting sectors play a large role in Asia's economy. Asia also faces increasing demand for infrastructure, energy, and goods as the region continues to move up the income ladder. The theme chapter will conceptually outline the socioeconomic impacts of developing Asia's mitigation policies, and simulate associated economic and social benefits and costs under different transition scenarios. The chapter will present evidence and case studies to show growth opportunities in investment, consumption, and trade, social co-benefits, as well as challenges during the net zero transition. To ensure the transition is timely as well as economically and socially friendly, this chapter reviews existing mitigation policies and proposes policy advice to facilitate a timely and just transition in developing Asia.

6. The ADO 2023 Update theme chapter will discuss Asia's preparedness to deal with public health emergencies—health situations where the scale and timing can potentially overwhelm capabilities to address them. The COVID-19 pandemic has highlighted the limitations of healthcare infrastructure to adequately cushion the impact of public health emergencies on health and economic outcomes. Investment in health emergency and disaster risk management preparedness, which includes a full range of prevention, mitigation, and recovery protocols to avoid spending heavily when a crisis hits, is therefore required. The chapter will delve into how

³ The ADO will be disseminated in coordination with DOC and will be done via ADB's official webpage and ADB's official social media accounts. As such, maintaining a website and social media accounts after the TA is completed will not be an issue.

⁴ ADB. 2016. Energy, Environment, Health, and Safety Management System. *Administrative Orders*. AO 4.13. Manila.

adequate the region’s public health infrastructure and delivery systems have been to deal with health emergencies, and explore ways to improve the systems’ capabilities to handle such emergencies. It will provide a comparative study on existing states of public health infrastructure and healthcare delivery systems in the region and explore workable designs to reform them.

7. **Output 2: Background papers disseminated.** To provide a solid empirical and analytical foundation for ADO content, the subproject will commission background research papers to supplement Macroeconomics Research Division (ERM) research on selected thematic topics by analyzing issues and policy implications for developing Asia. The TA team will organize workshops and seminars focusing on the thematic chapters to strengthen ADO content, and will invite distinguished researchers to discuss initial drafts of the background papers to improve the analytical rigor and policy relevance of the thematic chapters. These will be posted as background papers when the ADO reports are launched, and may be consolidated in edited research volumes to provide researchers with more extensive analyses related to the thematic topics. The research volumes may be co-published with a reputable publishing house, which could entail a buyback arrangement. Background papers will also be published on the ADB website. The papers may also be published as working papers or journal articles, as appropriate. The TA subproject will support Output 2 of the overall TA cluster.

D. Subproject Cost and Financing

8. The TA subproject financing amount is \$1,000,000 which will be financed on a grant basis by ADB’s Technical Assistance Special Fund (TASF-7 for \$500,000 and TASF-other sources for \$500,000). The key expenditure items are listed in Appendix 2.

E. Subproject Implementation Arrangements

9. ADB will administer the TA. ERM will directly handle TA subproject administration and supervision, management of consultants, procurement, and accomplishment of outputs. Adopting the One ADB approach in knowledge solutions, ERM will continue to collaborate with regional departments, including resident missions; other knowledge departments; and relevant sector and thematic groups on subproject activities. To ensure continuous support to the 2-year rolling research plan which will enhance the quality of ADB’s flagship publications, the subproject may finance engagement of experts and activities for the succeeding ADOs.

10. Implementation arrangements are summarized in the table.

Subproject Implementation Arrangements

Aspects	Arrangements		
Indicative implementation period	November 2022–December 2024		
Executing agency	Asian Development Bank (Macroeconomics Research Division)		
Implementing agencies	Asian Development Bank (Macroeconomics Research Division)		
Consultants	To be selected and engaged by ADB		
	Individual: Framework agreement or individual selection	International expertise (19 person-months)	\$514,000
	Individual: Individual selection	National expertise (30 person-months)	\$50,000
	Individual (resource persons)	12 person-months	\$180,000
Procurement ^a	To be procured by ADB		
	Request for quotation	5-6 contracts	\$73,000

Aspects	Arrangements
Disbursement	Disbursement of TA resources will follow ADB's <i>Technical Assistance Disbursement Handbook (2020, as amended from time to time)</i> .
Asset turnover or disposal arrangement upon TA completion	After TA cluster completion, any procured equipment will be disposed of in accordance with Administering Grant-Financed Technical Assistance Projects in the Project Administration Instructions.

ADB = Asian Development Bank, TA = technical assistance.

^a Procurement Plan (accessible from the list of linked documents in Appendix 3).

Source: Asian Development Bank.

11. **Consulting services.** Individual consultants and resource persons will be recruited through individual consultant selection or framework agreements wherein shortlisted consultants may be hired as needed for the duration of the agreement (as may be appropriate) to provide international and national consulting. The TA subproject will require international consultancy from economists and sector specialists who will prepare background papers and analyses supporting the thematic chapters or topics related to the outlook. International economic advisory and editing consultants will be required for the economic and technical editing of ADO manuscripts before final publication. National economics consultants and research assistants will be required to assist with data management and to conduct research on a particular topic. ADB will engage resource persons for a maximum of 33 working days to conduct training on macroeconomics and economic forecasting, serve as discussants during workshops, peer review papers, and serve as technical experts on short-term assignments. Contracts for consulting services will consist of output-based, lump-sum, time-based or framework contracts, as appropriate. ADB will engage consultants and resource persons as individuals to ensure that individuals with the requisite experience and qualifications are recruited. The ADO covers a wide range of topics, and highly qualified consultants with expertise relevant to ADO requirements will most likely be associated with various research institutions, think tanks, and universities. Further, the TA subproject will require rapid mobilization of the editorial consultants. The consultants will be engaged following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions.

12. **ADB's procurement.** ERCD will procure ICT-related equipment and/or supplies, subscriptions to third-party databases, and statistical software under the TA as needed and in coordination with the Information Technology Department and Corporate Services Department. Procurement will follow the ADB Procurement Policy (2017, as amended from time to time).⁵ Procurement Plan is accessible from the list of linked documents in Appendix 3. Disbursements under the TA will be made in accordance with ADB's Technical Assistance Disbursement Handbook (2020, as amended from time to time).

⁵ Any procured equipment is disposed in line with ADB. 2013. Administering Grant-Financed Technical Assistance Projects. Project Administration Instructions. PAI 5.09. Manila.

SUBPROJECT DESIGN AND MONITORING FRAMEWORK

Impact the TA is Aligned with Policy discussions and research on challenges facing developing Asia deepened. ^a			
Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
<p>Outcome ADO content informs policy discussions by ADB and officials, views of the public, and analysis of researchers</p>	<p>By 2024</p> <p>a. Maintain 70% coverage of ADO in target newspapers, television reports, and publications^b (2021 baseline^c: 70% target media coverage)</p> <p>b. Maintain substantial social media presence by recording at least 500,000 impressions in social media platforms^d (2021 baseline: 470,000 impressions)</p> <p>c. Maintain substantial use of ADO content in ADO operations, by recording use in at least 26 ADB documents (2016–2018 baseline: average of 26 ADB documents per year)</p> <p>d. Continued references to ADO made by external researchers in an average of 67 papers or journals (2016–2018 baseline: average of 67 citations per year)</p> <p>e. Maintain 800 total opens^e of the targeted mailouts containing links to the ADO to officials (2021 baseline: 778)</p>	<p>a.–b. DOC media monitoring reports</p> <p>c. Search through country partnership strategies, background paper for ADF replenishment reports, WPBF reports; 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. DOC reports</p>	<p>R: (1) Interest in the macroeconomic outlook waxes and wanes with developments; the 2021 baselines are likely higher than normal because COVID-19 has raised macroeconomic uncertainty. (2) Metrics used as performance indicators may be affected by evolving communication and social media patterns. (3) Use of and references to ADO by officials cannot be fully tracked.</p> <p>A: Potential audience (policymakers, researchers, and the public) are aware of the outputs.</p>
<p>Outputs 1. ADO reports disseminated in 2023</p>	<p>By 2024</p> <p>1a. Electronic files of ADO reports posted on the ADB website and distributed through DOC's targeted mailing list (2022 baseline: 4 issues per year)</p>	<p>1a. ADB website; DOC reports</p>	<p>R: Unforeseen circumstances may compromise the production schedule. Metrics used as performance indicators may be affected by</p>

Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
2. Background papers disseminated	<p>1b. 25,000 page views of the ADO main landing page achieved (2021 baseline: 25,000 page views)</p> <p>2a. By 2024, 100% of background papers^f are disseminated either through the ADB website or published as working papers, journal articles, or edited research volumes. (2022 baseline: 100% disseminated)</p> <p>2b. 2,000 page views of the ADO background papers page achieved (2021 baseline: 1,900 page views)</p>	<p>1b. DOC reports</p> <p>2a. Number of publications produced</p> <p>2b. DOC reports</p>	<p>evolving communication and social media patterns (e.g., downloads of the electronic report may decline if DOC is effective in using multimedia to disseminate ADO's key messages).</p> <p>R: Unexpected circumstances, such as delays in peer review, derail the publication schedule.</p>
<p>Key Activities with Milestones</p> <p>1. ADO reports disseminated in 2023</p> <p>1.1 Conduct workshops (December 2022, February 2023, May 2023, and July 2023)</p> <p>1.2 Draft background papers (November 2022–January 2023 and January–June 2023)</p> <p>1.3 Macroeconomic modeling and surveillance in support of generating forecasts and monitoring markets (December 2022–December 2023)</p> <p>1.4 Draft, review, and edit ADO contents (November 2022–March 2023 and May–September 2023)</p> <p>1.5 Finalize and disseminate publications (April 2023, July 2023, September 2023, and December 2023)</p> <p>2. Background papers disseminated</p> <p>2.1 Edit background papers (March–April 2023 and August–September 2023)</p> <p>2.2 Post background papers on ADB website (April 2023 and September 2023)</p> <p>2.3 Publish as edited research volumes or submit to reputable peer-reviewed academic journals, as applicable (December 2023 and June 2024)</p>			
<p>TA Management Activities</p> <p>Hiring of consultants (November–December 2022, May 2023)</p> <p>Procurement of information technology equipment and information and knowledge services (as needed, schedule to be determined)</p> <p>Results monitoring and evaluation activities (April 2023 and September 2023)</p>			
<p>Inputs</p> <p>ADB: \$1,000,000 (TASF 7 \$500,000; TASF-other sources \$500,000)</p>			

A = assumption, ADB = Asian Development Bank, ADF = Asian Development Fund, ADO = *Asian Development Outlook*, COVID-19= coronavirus disease, DOC = Department of Communications, R = risk, TA = technical assistance, WPBF-Work Program and Budget Framework.

- ^a Defined by TA.
- ^b Target media are the 70-80 top-tier and regional media identified by DOC. These include the Financial Times, Wall Street Journal, New York Times, Associated Press, Reuters, Xinhua, Nikkei, South China Morning Post, Bangkok Post, and similar international, regional, and national media outlets. The indicator is measured one month after the launch of the ADO and ADO Update as indicated in DOC's media monitoring report provided to ERCDC.
- ^c Baseline values of metrics based on DOC reports are still as of 2021 as the report for ADO 2022 Update is not yet available at the time this TA subproject report was written.
- ^d This refers to the number of times the content related to ADO was displayed on social media feeds on platforms such as Twitter, Facebook, LinkedIn, and Instagram. The performance against this indicator will be measured one month after the launch of the ADO and ADO Update as indicated in DOC's media monitoring reports.
- ^e This refers to the number of recipient opens of email from the ADB chief economist containing links to the ADO. This indicator only considers the policymaker segment and often far exceeds the number of deliveries, as the direct recipients tend to share the ADO email further to their own contact list, which in turn is opened by many others. It is measured one month after the launch of the ADO and ADO Update as indicated in DOC's publications marketing report.
- ^f From 2019 to 2022, the number of background papers produced for the ADO and ADO Update theme chapters ranged from 7 to 15.

Contribution to Strategy 2030 Operational Priorities:

This corporate TA is intended to support the production of ADB flagship knowledge products and services. Although the TA is mapped to 3 Strategy 2030 Operational Priorities (OP), OP tagging is not applicable, as agreed with the Strategy, Policy and Partnerships Department, since the results of the TA will not contribute directly to any of the corporate results framework indicators of the Strategy 2030 Operational Priorities.

Source: Asian Development Bank.

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

Item	Amount
A. Asian Development Bank^a	
1. Consultants ^b	
a. Remuneration and per diem	
i. International consultants ^c	694.0
ii. National consultants	50.0
b. Out-of-pocket expenditures	
i. International and local travel	48.0
2. Printed external publications ^d	5.0
3. Goods (rental or purchase) ^e	3.0
4. Training, seminars, workshops, forum and conferences ^f	55.0
5. Miscellaneous administration and support costs ^g	70.0
6. Contingencies	75.0
Total	1,000.0

Note: The technical assistance (TA) is estimated to cost \$1,000,000, of which contributions from the Asian Development Bank are presented in the table above.

^a Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF-7 for \$500,000 and TASF-other sources for \$500,000).

^b Lump-sum payments, output-based, and time-based contracts will be considered for engaging consulting services.

^c Includes honorarium of resource persons hired as experts for short-term assignments.

^d The ADOs are disseminated as electronic files in the ADB website. However, there is still demand for printed copies from Management and outside researchers. In compliance with the administrative order on environment, health, and safety management system, ERCD will print limited copies (around 300) of the publications. Includes buy-back arrangements, if any.

^e Includes information technology and software, such as laptop, etc. The procurement of goods will be done in accordance with ADB's Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time). Any procured equipment is disposed in line with ADB. 2013. Administering Grant-Financed Technical Assistance Projects. Project Administration Instructions. PAI 5.09. Manila.

^f Includes (i) travel expenses and per diem of ADB staff as resource persons in dissemination activities or speakers in international conferences and/or forums to present technical assistance results; (ii) travel expenses and per diem of ADB staff to provide support services in implementing and administering workshops; (iii) honoraria, per diem, and other travel-related expenses of resource persons; (iv) venue rental and related facilities; (v) relevant costs including representation expenses; (vi) costs of meals and snacks served during training sessions, workshops, or conferences for all participants, including ADB staff participants; and (vii) other related costs

^g Includes data support and purchase of survey or study data, subscription to data and information services such as Bloomberg, CEIC Data Ltd., Focus Economics, Oxford Economics, etc., and other expenditures that may arise in the course of the TA implementation that the other cost categories in the financing plan do not cover, e.g., mailing and shipping of documents, bank charges, and translation costs.

Source: Asian Development Bank estimates.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/LinkedDocs/?id=55278-003-TAReport>

1. Terms of Reference for Consultants
2. Procurement Plan