

 Early Warning System

ADB-57234-001

Enhanced Diagnostics for Private Sector Development and Public-Private Partnerships



Quick Facts

Countries	Cambodia, Georgia, Indonesia, Maldives, Mongolia, Nepal
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	U
Voting Date	2023-12-15
Borrower	Regional
Sectors	Law and Government, Technical Cooperation
Investment Type(s)	Grant
Investment Amount (USD)	\$ 0.50 million
Project Cost (USD)	\$ 0.50 million



Project Description

According to the Bank's website, the regional technical assistance (TA) facility will help developing member countries (DMCs) of the Asian Development Bank (ADB) mobilize private sector participation (PSP) by identifying and removing the barriers to PSP and creating upstream conditions that allow the private sector to prosper. The TA will continue the knowledge work currently supported by the expiring TA for Knowledge Sharing on Infrastructure Public-Private Partnerships in Asia, i.e., an assessment of DMCs' public-private partnership (PPP) readiness via the PPP Monitor and the PPP road map and will expand the scope to look at the full private sector spectrum, i.e., undertake a private sector assessment (PSA) and, where applicable, sector-specific PSAs. Those knowledge products will clarify how ADB (through sovereign, advisory, nonsovereign, and knowledge activities) can add value to the development of a DMC's private sector and help remove the constraints and barriers faced by the private sector. The country partnership strategy (CPS) between ADB and a DMC will be the key avenue for discussing and committing to delivering those recommendations and solutions for the targeted DMCs. The DMCs that will benefit from this TA may include Cambodia, Georgia, Indonesia, Maldives, Mongolia, and Nepal.

The monitor. The PPP Monitor is a flagship knowledge product of ADB, published on the ADB website and the interactive website pppmonitor.adb.org. It provides knowledge support to DMCs on PPPs. It tracks the development of the PPP business environment as well as the challenges of using PPPs in each country covered. The PPP Monitor has more than 500 qualitative and quantitative indicators to profile the national PPP environment, the sector-specific PPP landscape (for eight identified infrastructure sectors), and the PPP landscape for local government projects. It currently covers six countries: Bangladesh, Indonesia, Kazakhstan, Pakistan, Papua New Guinea and the Philippines. The TA will expand the PPP Monitor publication to also cover Cambodia, Georgia, and Mongolia. The PPP Monitor for Indonesia will be updated.

The road map. The PPP road map defines a possible PPP strategy between ADB and a DMC. It identifies roadblocks to PPPs in that country; provides policy advice; recommends ADB's upstream support (advocacy, capacity building, and developing an enabling environment); and determines a pipeline of projects for which ADB's transaction advisory services and financing (both sovereign and nonsovereign) could be considered. The TA will fund the preparation of the PPP road map for Indonesia, Maldives, Mongolia, and Nepal.

Private sector assessment and sector-specific assessments. The PSA is a diagnostic document that informs the strategy between ADB and the DMC. It analyzes the nature and status of the private sector, as well as the constraints and barriers to PSP in the DMC's economy relating for instance, but not only, to infrastructure; financial services; agriculture, including climate adaptation and agribusiness; health; and education. The PSA shows where ADB's sovereign, advisory, nonsovereign, and knowledge activities can add value and minimize constraints. The sector-specific PSA will allow for a deeper review of a particular economic area in a DMC and provide recommendations. The TA may fund the PSA and sector PSAs for Georgia, Indonesia, Maldives, Mongolia, and Nepal.

PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

Developing Asia will need to invest \$13.8 trillion or \$1.7 trillion annually from 2023 to 2030 to sustain economic growth, reduce poverty, and respond to climate change (climate-adjusted estimate). However, only about \$880 billion per year is being invested in infrastructure. The gap in investment not only makes it difficult to maintain the region's growth momentum, eradicate poverty, and respond to climate change but is also exacerbated by the effects of the coronavirus disease (COVID-19) pandemic. A 2020 ADB brief estimated that the potential economic impact of COVID-19 on Asia and the Pacific could range from \$1.7 trillion to \$2.5 trillion (across different containment scenarios).

Limited public funds are available to provide new infrastructure and maintain the existing one. It is therefore clear that traditional sources of funding will no longer suffice to sustain infrastructure development. This highlights a pressing need to accelerate PSP in the region's economies and bridge the widening deficit between the funding required and the capital



Investment Description

- Asian Development Bank (ADB)

The TA financing amount is \$500,000, which will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF 7).



Contact Information

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ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.adb.org/forms/request-information-form>

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: <https://www.adb.org/site/disclosure/appeals>

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>.



Bank Documents

- [Enhanced Diagnostics for Private Sector Development and Public-Private Partnerships: Technical Assis](#)
- [Project Disclosure PDF](#)