

 Early Warning System

ADB-55130-001

Fiscal policy for green and inclusive development



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## Quick Facts

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| <b>Financial Institutions</b>  | Asian Development Bank (ADB)                |
| <b>Status</b>                  | Approved                                    |
| <b>Bank Risk Rating</b>        | U   |
| <b>Voting Date</b>             | 2021-07-11                                  |
| <b>Sectors</b>                 | Climate and Environment, Law and Government |
| <b>Investment Type(s)</b>      | Advisory Services                           |
| <b>Investment Amount (USD)</b> | \$ 1.30 million                             |



### Project Description

According to ADB documents, 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.



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**Investment Description**

- Asian Development Bank (ADB)



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## 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>.



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**Bank Documents**

- [Fiscal Policy for Green and Inclusive Development: Technical Assistance Report](#) [Original Source]
- [Project Disclosure PDF](#) [Original Source]



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**Other Related Projects**

- ADB-55130-002 Fiscal Policy for Green and Inclusive Development Subproject 1: Revenue Mobilization for Green and Inclusive Development
- ADB-55130-003 Fiscal Policy for Green and Inclusive Development Subproject 2: Expenditure Policies and Fiscal Management for Green and Inclusive Development