

# **Economics and Research Department**

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The logo for the Asian Development Bank (ADB), consisting of the letters 'ADB' in white serif font on a dark blue square background.

ADB

# Organizational Structure

Office of the Chief Economist  
IFZAL ALI  
Chief Economist

Macroeconomics and  
Finance Research  
Division

- Research on short- and medium-term economic prospects
- Research on long term growth

Economic Analysis and  
Operations Support  
Division

- Research and analytic work
- Operations advisory services
- Learning programs

Development Indicators  
and Policy Research  
Division

- Database development & capacity building;
- Public policy research

# Mission

- To advance the state of knowledge on development in a global context to enhance economic growth in DMCs, thereby supporting ADB as a proactive, responsive, and forward-looking institution dedicated to reducing poverty.

# Role

- To conduct research to support policy agenda of ADB's DMCs
- To disseminate research output to ADB's stakeholders and other clients

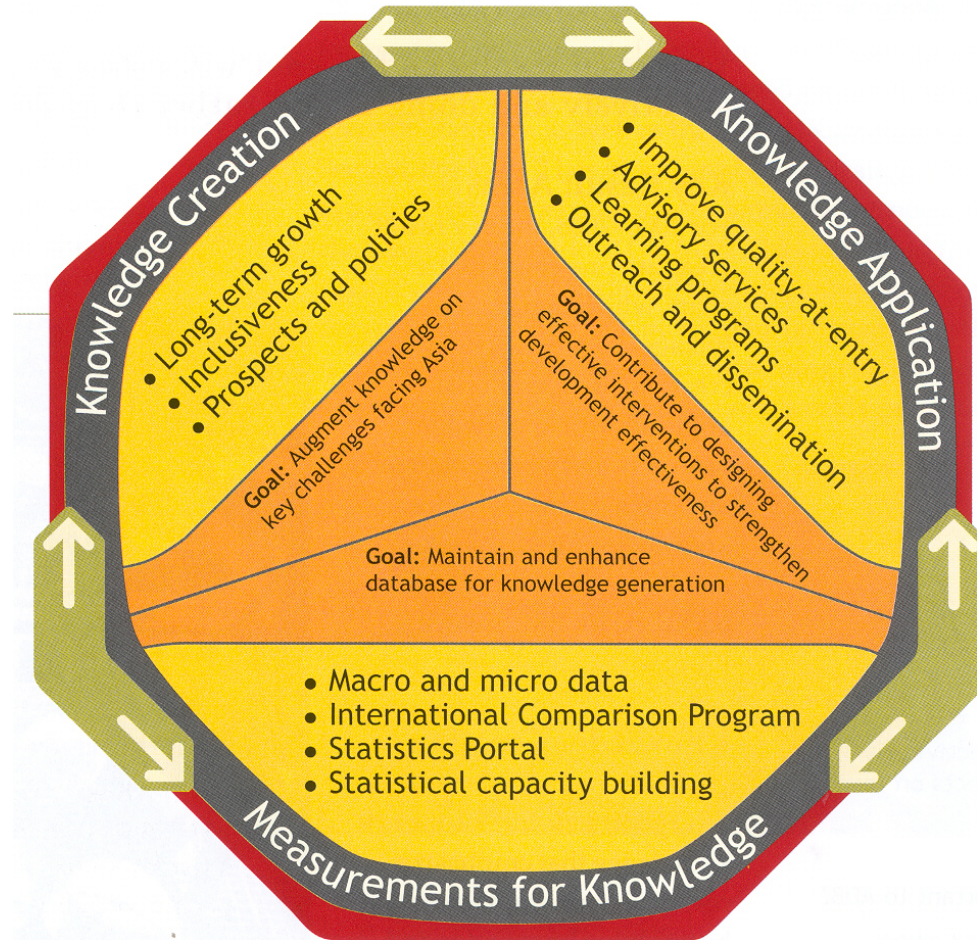
# The Changing Milieu for ERD

- Critical development challenges of developing Asia
  - Poverty and increasing inequality amidst impressive economic growth
- ADB's evolving strategies
  - Poverty reduction still the overarching objective but stepping up quest for greater development effectiveness

# Critical Tests

- Why is an issue important to ADB?
- Which parts of ADB and which stakeholders attach importance to this issue?
- What are the options available to address the issue?
- What are the expected outcomes of the research?

# Key Result Areas



# Knowledge Creation

- Two major areas of ERD research
  - Constraints to long-term economic growth and inclusiveness in developing Asia
  - Short-and medium term economic prospects at the regional and country level

# *Long-term Economic Growth and Inclusiveness*

- Cross-country comparative analysis and country-specific case studies
- Increased emphasis on microeconomic level analysis
- Policy relevance

# *Long-term Econ Growth...*

- Labor Markets in Asia: Promoting Full, Productive, and Decent Employment
- Poverty in Asia: Measurement, Estimates, and Prospects
- Measuring Policy Effectiveness in Health and Education
- Route's for Asia's Trade
- Infrastructure and growth
- Asia's New Growth Patterns – *work in progress*

# *Short-and Medium Economic Prospects, ADO*

- Monitoring of global, regional, and national macroeconomic developments:  
The Asian Development Outlook
  - Released in April of each year and updated September of the same year
  - Gradual repositioning– from country specific to thematic, subregional, and comparative in focus

# *Short- and medium-term analysis...*

- Examples:
  - Assessing the Impact and Cost of SARS
  - The impact of a slowdown in the PRC
  - Higher Global Oil Prices
  - Textiles and clothing in post-quota era: The outlook for Asian suppliers
  - The Doha Development Agenda
  - International Payments Imbalances
  - Economic models

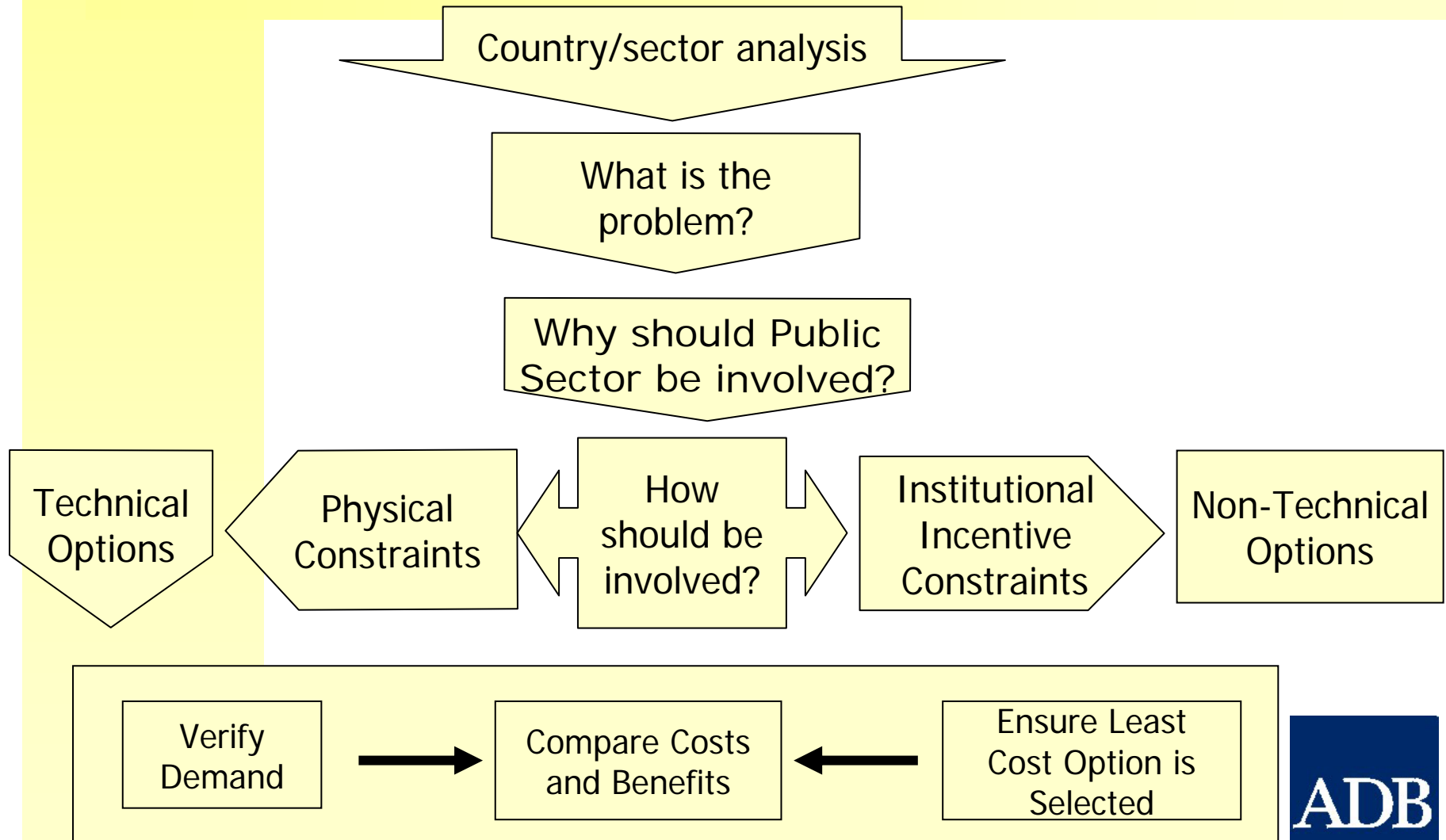
# Knowledge Application

- Development and improvement of methodologies to analyze projects and programs of ADB
- Partnering with other agencies to keep abreast of new evaluation techniques

# *Dimensions of Economic Analysis*

- Beyond estimating rates of return
- Economic tests:
  - Relevance: doing the right things
  - Responsiveness: doing them the right way
  - Economic viability: adding value

# *Economic Analysis is Relevant at all Stages of Project Cycle*



# *Applying Economic Analysis in ADB's Operations*

- Economic and Sector Work (ESW)
  - What are the problems?
  - What are the binding constraints?
  - Establishing relevance
- Country Strategy and Programs (CSP)
  - Establishes responsiveness
  - Should ADB be involved?
  - What instruments should and can ADB use?
- Project Development (PPTA)
  - Validates relevance and responsiveness
  - Ensures a particular operation is economically viable and adds value

# *Highlights of Economic Analysis Retrospectives*

- To assess how well economic analysis is applied in ADB's operations.
- To improve economic analysis
- To encourage and promote learning
- To provide a basis for ERD to set its priorities for research and advisory services

# Measurements for Knowledge

- Timely and reliable information is needed to make informed decisions.
- Severe data gaps and poor quality of data exists in various DMCs.
- ERD not only to serve as repository of statistical data but also an instrument to build capacity of national statistical offices to provide accurate and timely data

# *Statistical Services*

- Statistics Portal



- Provides easy access for all ADB staff to all statistical resources within ADB – electronic databases, meta-data of surveys, links to relevant websites, list of statistical contacts and other international organization, reference on statistical concepts and tools

# *Statistical Services*

- Statistical Database System (SDBS)
  - Statistical database system that contains social, economic and financial data of ADB member countries; available to all ADB staff; will be available to the public through the ADB Internet website by end of this year.

# *Statistical Services*

- Key Indicators of Developing Asia and Pacific Region
  - ADB's annual statistical publication that contains country tables with economic and financial data of ADB's 44 DMCs, 38 regional tables that compare these DMCs on MDGs and selected social, economic and financial data.
  - Includes special chapter on critical policy and measurement issues. For 2006, "Measuring Policy Effectiveness in Health and Education"

# *Statistical Services*

- Basic Statistics
  - a fold-out that contains the latest DMCs data on the MDGs and other key social, economic and financial indicators.  
Distributed during ADB's Annual Meeting.
- Technical Advice and Data Requests
  - On statistical methods including sample surveys, data compilation and estimation other than those in SDBS

# *Statistics Capacity Building*

- ERDI has a long history of providing technical assistance to national statistics offices of DMCs since 1974 -- more than 70 projects amounting to more than \$30 million.
  - Improving poverty statistics and the MDGs
  - Statistics Office management including enactment of Statistics Law
  - National accounts compilation
  - Household surveys/Training
  - Some 21 DMCs benefited from technical assistance on statistics capacity building

# *Statistics Capacity Building*

- A new approach focusing on weakly performing DMCs approved by the President earlier this year
- ADB will identify the national statistics offices with weak statistical capacity and work with them on a long-term basis
- Proposed trust fund

# *The International Comparison Program (ICP)*

- ADB taking a lead in implementing 2005 Round of ICP in Asia Pacific Region
- About 140 countries grouped into 6 regions participating in the ICP
- 21 DMCs in Asia Pacific participating in ICP

# ICP

- International Comparison Program (ICP) provides purchasing power parity (PPP) estimates of income, expenditure and poverty
- How expensive is my country compared to others?
  - How well off are people in my country with respect to others?
  - How poor are the people in my country compared to other countries?
  - How poor are the people in my country compared to other countries?

# Implementation through partnerships

- Cross-division collaboration within ERD to optimize available resources
- Partnerships with other ADB offices and regional departments
- Networking with external research organizations

**the end**