

PREFACE

Asian Environment Outlook (AEO), a report by the Asian Development Bank (ADB), provides in-depth policy analyses of salient environmental issues common to many of ADB's developing member countries (DMCs). Specifically, AEO is a series of reports that will provide periodic review of DMC's environmental and developmental policies, tools, and opportunities for ADB to help DMCs achieve their stated environmental objectives.

AEO 2001 report is the first publication of the AEO Series. It presents the results of analyses of past economic development policies and their impacts on the environment and provides a set of entry points as a framework to improve the environmental performance and help reduce poverty in the Asia and Pacific region. It is expected that the AEO Series will become a biennial ADB publication in the future. DMC government decision makers, planners, and environmental executives and specialists from international assistance agencies are expected to use the information presented in the AEO Series as a basis for formulating environmentally sound development policies and programs. AEO 2001 recommends specific actions to policy makers for achieving environmentally sustainable development.

The AEO 2001 is a work in progress. It includes this report, a number of cross-sectoral and sector-specific reports, and eight country-specific policy analysis reports. The preparation of AEO 2001 has provided ADB a unique opportunity to gather a diverse group of DMC officials, staff from ADB and other international assistance agencies, representatives of nongovernment organizations (NGO) and research institutions, and private sector representatives to discuss what has and has not worked over the last two decades and identify new approaches to tackling environmental problems in the region. The preparation process included a series of workshops in eight DMCs. During these workshops, sector development policy agenda was reviewed by national experts to identify policies that are actually causing environmental problems or inhibiting remediation progress.

Earlier drafts of the AEO 2001 report have been the subject of a number of dialogues and consultations, including discussion at (i) the Environment Seminar in conjunction with ADB's 33rd Annual Meeting of the Board of Governors in Chiang Mai, Thailand in May 2000 and (ii) a two-day consultation session with a selected panel of experts at ADB, Manila in August 2000. The results of such dialogues and consultations were fine-tuned and synthesized during workshops held at the Rocky Mountain Institute in Aspen, Colorado and at the ADB Institute in Tokyo, Japan in September 2000.

The report provides insight into the state of the environment in the Asia and Pacific region: rapid environmental degradation, associated poverty issues, and lack of political will to remedy environmental issues are of continuing serious concern. It describes a situation of continuing environmental degradation, unhealthy air and water condition, escalating demands for energy and other resource inputs, and increasing certainty that climate change and other global environmental problems will have substantial negative impacts upon the region. It also examines the driving forces that underlie this pattern of environmental decline

and identifies opportunities within the region to shift the trajectory of economic development to a pathway that is more environmentally sustainable. The report concludes with a call to action for DMCs and identifies initiatives that policy makers can take to jointly pursue the goals of reducing poverty and improving environmental quality in the region.

The AEO 2001 is being published at a time when ADB is increasing its emphasis on policy-based lending. These policy-based interventions in various sectors will provide a range of opportunities for integrating environmental and developmental policies and for implementing the vision of sustainable development in the region. ADB is also focusing on performance-based lending; therefore, the recommendation that environmental concerns be incorporated into the set of performance criteria to be used in evaluating lending outcomes is especially welcome. ADB already incorporates environmental protection into all of its programs and projects. The preparation of this AEO report has provided the opportunity to examine how best to enhance and strengthen these procedures.

ADB invites you to consider the challenges and opportunities discussed in AEO 2001 and join us in mapping out the pathways to an economically secure and sustainable future for all people in the region. We seek your insight and input for future reports within the AEO Series. We also seek general inputs on the work of ADB in supporting the efforts of DMCs to reduce poverty and improve the environment for current and future generations. Log on to the AEO website <<http://www.adb.org/environment/aeo>> for an opportunity to review and comment on the AEO Series through the website's interactive features.

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