

Asian Development Bank

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ADB's fundamental goal is to reduce poverty in the Asian and Pacific region. To this end, it fosters economic growth, supports human development, improves the status of women, and protects the environment. ADB's principal assistance for developing member countries comprises loans and technical assistance. While a large portion of the assistance is used in public projects and programmes, ADB also pays special attention to private sector development.

ADB headquarters is in Manila, Philippines. The Bank has resident missions in 13 Asian countries, a regional mission for the Pacific, and three representative offices in Frankfurt, Tokyo, and Washington, D.C. ADB's staff numbers 2 000 employees from nearly 50 countries.

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OECD Development Centre

The Development Centre of the Organisation for Economic Co-operation and Development was established by decision of the OECD Council on 23rd October 1962 and comprises twenty-three Member countries of the OECD: Austria, Belgium, Canada, the Czech Republic, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, Norway, Poland, Portugal, Spain, Sweden and Switzerland, as well as Argentina and Brazil from March 1994, and Chile since November 1998. The Commission of the European Communities also takes part in the Centre's Advisory Board.

The purpose of the Centre is to bring together the knowledge and experience available in Member countries of both economic development and the formulation and execution of general economic policies; to adapt such knowledge and experience to the actual needs of countries or regions in the process of development and to put the results at the disposal of the countries by appropriate means.

The Centre has a special and autonomous position within the OECD which enables it to enjoy scientific independence in the execution of its task. Nevertheless, the Centre can draw upon the experience and knowledge available in the OECD in the development field.

Foreword

This publication was undertaken in the context of the International Forum on Asian Perspectives, jointly organised by the Asian Development Bank and the OECD Development Centre. It forms part of the Centre's research programme on *Capital Flows, Financial Crises and Development*, and the Centre's External Co-operation activities. The Forum held its sixth meeting in Paris on 3 and 4 July 2000 on the theme "Development Resource Mobilisation in the Post-Crisis Period". Contributions to that meeting are included in this volume.

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Preface

The Sixth International Forum on Asian Perspectives met in early July 2000 to discuss ways in which fresh and sustainable financing could be found in the wake of Asia's economic crisis specifically for development projects. The Forum, founded in 1995 by the Asian Development Bank and the OECD Development Centre, provides a venue for the discussion of contemporary Asian economic problems by experts and other concerned individuals from the political, business, academic and media communities.

The causes of the financial crisis of the late 1990s will remain a matter for discussion for many years, but there is no doubt that a major element was the volatility of financial flows. Fast-developing East Asia built its growth largely on domestic savings, but it *also* benefitted much from foreign inflows; when these flows were reversed, the economies faltered. This had important implications for public resources, causing revenues to shrink even as demands on the budget soared. It also revealed the inadequacy of the public sector to pay for development projects.

The supply of public services and infrastructures has increasingly become dependent on input from the private sector. This input can consist of partnerships in service delivery, or the privatisation of parts of the economy formerly assumed to be the state domain. For the private sector to become — and to stay — involved in the provision of public goods and services, sound sources of financing need to be found and a business environment conducive to long-term investment has to be created.

The broad conclusions of the Sixth International Forum on Asian Perspectives point to the imperative of finding innovative solutions to the problem of development funding. At the same time, the Forum reinforced the view that, beyond growth, economic development depends upon reducing poverty and providing employment. We hope that this book will also contribute to the adoption of appropriate poverty-reduction strategies throughout the region.

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List of Abbreviations and Acronyms

ADB	Asian Development Bank
BLS	Bank-led Governance System
BOOT	Build-own-operate-transfer
BOT	Build-operate-transfer
CPI	Consumer Price Index
CSD	Central Securities Depository
DVP	Delivery versus Payment
EFB	Exchange Fund Bill
EFN	Exchange Fund Note
EFP	Exchange Fund Paper
EMBI	Emerging Market Bond Index
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
IMF	International Monetary Fund
LIBOR	London Interbank Offered Rate
LOI	Letter of Intent
MLE	Medium and Large Enterprise
MSE	Micro and Small Enterprise
MTN	Medium-term Notes
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OIO	Office of the Investment Ombudsman
PPP	Purchasing Power Parity
PSP	Private Sector Participation
SDDS	Special Data Dissemination Standards
SOE	State-owned Enterprise
S&P	Standard & Poor's

Special Note: Country Nomenclature

- a. China refers to the People's Republic of China (PRC).
- b. Hong Kong, Hong Kong, China (ADB convention) and Hong Kong (China) (OECD convention) are interchangeably used.
- c. The Republic of Korea is usually called Korea throughout.
- d. Taipei, China (ADB convention) and Chinese Taipei (OECD convention) are interchangeably used.