

Regional Technical Assistance, First Quarter 2001

	US\$'000	Date Approved
Promotion of Renewable Energy, Energy Efficiency, and Greenhouse Gas Abatement Projects	5,000.00	4 Jan
Multilateral Financial Institutions Environmental Group Meeting	25.00	5 Feb
Coastal and Marine Resources Management and Poverty Reduction in South Asia	600.00 ^a	6 Mar
Promoting Regional Cooperation in the Development of the Insolvency Law Reforms	1,500.00	5 Mar
Development of a Regional Technical Assistance Home Page, Phase II	98.00	13 Mar
Second Asia-Europe Meeting Seminar on Simplification and Harmonization of Customs Procedures	150.00 ^a	13 Mar
Governance and Poverty Forums	250.00	15 Mar
Impact and Special Evaluation Studies of ADB Operations in Developing Member Countries (DMCs)	1,600.00	15 Mar
Diagnostic Study on Accounting and Auditing Practices in Selected DMCs	230.00	20 Mar
Asia Recovery Information Center, Phase II	930.00	30 Mar
Support to the Sixth International Congress on AIDS in Asia and the Pacific	150.00	30 Mar
TOTAL	10,533.00	

a Financed from the Japan Special Fund.

ADB Adopts New Water Policy to Help Avert Crisis

The Asian Development Bank (ADB) approved in January 2001 a Water Policy, which stresses the need for an integrated water resource management approach to conserve an increasingly scarce resource.

With rapidly rising demand for water—and depleting resources—ADB notes that reallocating water among competing uses is an increasing challenge. This impacts on the poor who are not sufficiently empowered to claim water rights. ADB is encouraging its developing member countries (DMCs) to adopt a participatory and negotiated approach to water allocation.

The region's water shortage is serious. Asia has the lowest per capita availability of freshwater resources among the world's continents. Due largely to population increases, per capita water availability dropped by 70 percent in South and Central Asia, 60 percent in North Asia and 55 percent in Southeast Asia over the last 50 years.

Moreover, the outlook is alarming. Demand for domestic and industrial water is growing rapidly. As a result, water availability per capita is projected to fall further by 2025. To meet the top priority of providing drinking water and sanitation, the use of irrigation water for food production needs to be much more efficient. In some countries, up to 90 percent of water is used for irrigation. Pakistan, Sri Lanka, and Thailand are examples of countries under high water stress and likely to suffer further.

"Twenty years ago, people were talking about food security. Today, they talk of water security," says Arjun Thapan, coauthor of the water policy report and manager of ADB's Water Supply, Urban Development and Housing Division West. "In face of competing demands for water, we have to use it wisely. This means using an integrated water resource management approach. We should also follow nature in basing such an approach on a river basin context."

Within the next quarter century, half of Asia's estimated population of 4.2 billion are expected to live in urban centers. Increasing urbanization, industrialization and wastage will put more pressure on water availability. While cities are reaching out ever further for water, rural areas also suffer from water shortages. In many countries, women and children have to walk long distances to fetch water, sacrificing a large part of their lives—and education—to sustain others.

ADB's water policy stresses the need for integrated cross-sectoral approaches to water management and

development. It emphasizes that water is a socially vital economic good that needs careful management to sustain equitable economic growth and reduce poverty. Conserving and protecting water resources through a participatory approach are at the heart of the policy. The water policy aims to

- promote a national focus on water sector reform. DMCs will be helped to adopt effective national water policies and laws, improve institutional capacities and information management, and develop a national action agenda for water. The needs of the poor will be factored into legal, institutional and administrative frameworks.
- foster the integrated management of water resources. This will be based on comprehensive water resource assessments and concentrating interlinked water investments in river basins.
- improve and expand delivery of water services, mainly water supply and sanitation (urban and rural), irrigation and drainage. Support will be provided for autonomous and accountable service providers, private sector participation, and public-private partnerships. Equity of access to water for the poor and underserved will be emphasized.
- encourage water conservation and system efficiencies. Support will be given for packages that combine water use and resource management charges to recover costs, improved regulation and increased public awareness, and provisions to ensure the poor are not excluded.
- promote regional cooperation and the benefits of shared water resources within and between countries. This will focus on the exchange of information and experiences.
- facilitate stakeholder participation through the exchange of water sector information. This will be achieved largely through public-private-community-nongovernment organization (NGO) partnerships.
- improve governance. This will be accomplished by supporting decentralization, building capacity, and strengthening monitoring, evaluation, research and learning at all levels.

In implementing the policy, ADB will focus on policy discussions and water sector assessments to reach agreement with development partners on national water sector reforms. ADB also will selectively support programs based on a country's water action agenda, which reflect integrated water resource management. Projects in the pipeline will be reviewed and supported if they conform to ADB's broad policy principles. ■

ADB to Borrow US\$18.9 Billion from 2001-2003

The Asian Development Bank (ADB) is expected to borrow a total of US\$18.9 billion during the years 2001–2003. The size of this program will enable ADB to tap the major capital markets regularly in the future and to utilize the region's capital markets. In addition, the size of ADB's issues can be increased to enhance the secondary market liquidity of ADB's bonds. Furthermore, ADB remains committed to supporting the development of the region's domestic bond markets with a view to improving their efficiency, transparency, liquidity, and accessibility.

In 2000, ADB raised a total of US\$1.7 billion. The average life of the borrowings undertaken in 2000, assuming the put option in one borrowing is exercised, was about 5.6 years. After swaps, US\$1.6 billion of the borrowings were in US dollar fixed-rate liabilities, with an average all-in cost of 7.5 percent per annum and an average life of 5 years. The remainder was a US dollar floating-rate liability with a life of 15 years. In addition, ADB raised US\$250 million in short-term funds through issuance of ECP. Such ECP was refinanced by a long-term borrowing in June 2000. ■

Senior Staff Movements

(from 21 March to 15 May 2001)

- **Karti Sandilya**—assumed office as Regional Representative, North American Representative Office on 19 March 2001;
- **Khalid I. Rahman**—Manager, Energy Division West, Infrastructure, Energy and Financial Sectors Department (West), promotion effective 31 March 2001;
- **Phiphit Suphaphiphat**—promotion from Resident Representative to Director, Bangladesh Resident Mission effective 1 April 2001;
- **Christian E. Perez**—Assistant Chief, Office of Information Systems and Technology, promotion effective 7 April 2001;
- **Peter C. Darjes**—assumed office as Resident Representative, Uzbekistan Resident Mission on 10 April 2001;
- **Ferdinand P. Mesch**—transfer and redesignation from Assistant Secretary, Office of the Secretary to Manager, Project Coordination and Procurement Division, Central Operations Services Office effective 16 April 2001;
- **Amarjit Singh Wasan**—transfer and redesignation from Manager, Compensation and Benefits Division, Budget, Personnel and Management Systems Department to Assistant Secretary, Office of the Secretary effective 16 April 2001;
- **David Edwards**—transfer and redesignation from Assistant Chief Economist, Project Economic Evaluation Division, Economics and Development Resource Center to Manager, Operations Evaluation Division (East), Operations Evaluation Department effective 16 April 2001;
- **Cedric Saldanha**—promotion from Manager, Pacific Operations Division (Area B), Office of Pacific Operations to Senior Manager, Poverty Reduction Unit, Strategy and Policy Department effective 16 April 2001;
- **K. H. Moinuddin**—assignment as Director, Infrastructure, Energy and Financial Sectors Department (East) effective 15 May 2001; and
- **Rajat M. Nag**—Deputy Director, Programs Department (West), promotion effective 29 May 2001. ■