

Asian Development Outlook 2004**Developing Asia
to Outperform
World Economy**

Expanding intraregional trade and strong consumer demand will push economic growth in developing Asia to 6.8% in 2004, making the region the most dynamic growth area in the world, says the *Asian Development Outlook 2004* of the Asian Development Bank (ADB). The ADO analyzes and forecasts economic trends for 41 developing economies in the Asia and Pacific region.

The ADO, ADB's flagship annual economic publication, was launched at a press conference in Seoul on 28 April. Presentations on the economic outlook for Asia were also made by Jean-Pierre Verbiest, ADB Assistant Chief Economist, in Amsterdam (3 May), Rome (4 May), Barcelona (6 May), and Frankfurt (7 May).

Developing Asia's growth in 2003 was better than expected, according to the ADO, reaching 6.3% despite uncertainties about the Iraq conflict, high oil prices, outbreak of the severe acute respiratory syndrome (SARS), and a slow recovery in major industrial countries during the first half of the year.

"Rapid growth in the People's Republic of China (PRC) is the driving force behind expanding intraregional trade," said Ifzal Ali, ADB Chief Economist. "The economies of East and Southeast Asia have benefited greatly from the rise in Chinese imports and although PRC growth

will likely settle to more sustainable rates in 2004, intraregional trade will continue to boost growth in developing Asia over the next two years."

Besides expanding intraregional trade, the second driver of Asian growth is consumer demand. Consumer spending in 2003 was an important boost for many economies in East and Southeast Asia, particularly in PRC, Indonesia, Malaysia, Philippines and Thailand.

Similar developments are occurring in South Asia, particularly in India. "The increasing importance of consumer demand in GDP growth has been supported in most countries by expansionary fiscal policies, and a low interest rate environment associated with accommoda-

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EUROPEAN LAUNCH Jean-Pierre Verbiest (left), ADB Assistant Chief Economist, presents the economic forecast for Asia and the Pacific from the *Asian Development Outlook 2004* during a seminar in Amsterdam, co-hosted by Asia House, Amsterdam Chamber of Commerce, and ADB. Others at the table are Henk van Appeldoorn (center), Chairman, Asia House; and Carola Molitor, Deputy Director, ADB European Representative Office.

Growth Rate of GDP (% per year)

	2003	2004	2005		2003	2004	2005
East Asia	6.5	6.9	6.8	South Asia	6.9	7.0	7.2
China, People's Rep. of	9.1	8.3	8.2	Bangladesh	5.3	5.7	6.0
Hong Kong, China	3.3	6.0	5.0	Bhutan	6.5	7.0	8.0
Korea, Rep. of	3.1	4.8	5.2	India	7.3	7.4	7.6
Mongolia	5.5	5.8	6.0	Maldives	8.4	5.5	5.0
Taipei, China	3.2	5.4	4.7	Nepal	2.6	4.0	5.0
				Pakistan	5.1	5.5	5.8
Southeast Asia	4.6	5.7	5.4	Sri Lanka	5.5	5.0	5.5
Cambodia	5.0	5.4	5.4				
Indonesia	4.1	4.5	4.5	Central Asia	8.4	8.1	8.4
Lao PDR	5.9	6.0	6.2	Azerbaijan	11.4	9.0	12.5
Malaysia	5.2	5.8	5.6	Kazakhstan	9.2	9.5	9.5
Philippines	4.5	5.0	5.0	Kyrgyz Republic	6.7	4.1	4.5
Singapore	1.1	5.6	4.8	Tajikistan	10.2	8.0	5.0
Thailand	6.7	7.2	6.2	Turkmenistan	10.0	10.0	10.0
Viet Nam	7.1	7.5	7.6	Uzbekistan	4.4	4.5	4.0

Source: ADB, *Asian Development Outlook 2004*

ADO 2004

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tive monetary policies," said Mr. Ali.

"An expanding urban middle class and the relatively young age structure of populations are fundamentally changing consumption behavior throughout developing Asia," said Mr. Ali. "Confidence is high in the economic outlook for the region."

The ADO says developing Asia will achieve aggregate GDP growth of 6.7% in 2005. The major economies of PRC, India, Thailand, and Viet Nam will continue to lead the region's growth.

"This dynamic growth will create unique opportunities for developing Asia to expand its fight against poverty, to reduce economic inequality and to implement policy reforms that will attract business investment to help make this growth sustainable," said Mr. Ali.

Potential risks to Asia's bright economic outlook include the threat of terrorism, epidemics such as SARS and avian flu, and imbalances in the recoveries in industrial countries, according to the ADO.

Regional risks include an abrupt slowdown in the PRC to contain overheating of investment which could impact negatively on the pace of growth of intraregional trade. In addition, the rapid accumulation of international reserves in the region could lead to unbridled liquidity expansion. This could create conditions to trigger a new financial crisis.

Intraregional trade and strong consumer demand, accompanied by a pick up in business investment will define the outlook in 2004–2005, the report says.

Economic performance in the next two years is expected to improve in East Asia, Southeast Asia, and South Asia, while it is forecast to remain somewhat level in Central Asia and the Pacific. ■

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In this publication, \$ refers to US dollars.

ADB Co-Hosts Meeting on Afghanistan Private Sector in Berlin

The Asian Development Bank (ADB) co-hosted the International Private Sector Meeting on Trade and Investment in Afghanistan on 30 March in Berlin to increase private sector participation in the country's development.

The conference was opened by Hamid Karzai, President of Afghanistan; and Heidemarie Wieczorek-Zeul, German Federal Minister for Economic Cooperation and Development.

The Afghan Government appealed to foreign companies to invest in Afghanistan, stressing that the private sector has a major role to play in Afghanistan's reconstruction.

About 250 participants from 20 countries, composed of representatives from the banking community, business, politics, and media attended. From ADB, Frank Polman, Senior Adviser for Afghanistan, South Asia Department; and Michael Barrow, Senior Structured Finance Specialist, Private Sector Operations Department,

participated in the briefing session on "Afghanistan's Action Plan for Private Sector-Led Development."

Mr. Polman gave a presentation on "Afghanistan Postconflict Reconstruction and ADB's Assistance Program" and Mr. Barrow focused on the role of ADB in private sector development in Afghanistan.

"Private sector development is the key to security and prosperity. ADB's private sector operations in Afghanistan complement public sector capacity building and allow business to focus on 'business'," said Mr. Barrow.

Co-organizers of the meeting included the North Africa Middle East Initiative of German Business, World Bank, Afghan Investment Support Agency, German Federal Ministry for Economic Cooperation and Development, United States Agency for International Development, and Federation of German Industries. The meeting was expected to set the stage for an international investor conference to be held in Kabul in 2005. ■



PLANNING AFGHANISTAN'S PRIVATE SECTOR-LED DEVELOPMENT Representatives of development agencies discuss ways to involve the private sector in Afghanistan's reconstruction. They are (from left) Monique Koning, World Bank/Multilateral Investment Guarantee Agency; Michael Barrow, ADB; Alastair McKechnie, World Bank; Uwe Ohls, Kreditanstalt für Wiederaufbau (KfW); Don Jacobson, US Agency for International Development; and Christoph Beier (not in photo), Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ).

Afghanistan Donor Conference in Berlin

ADB Plans \$1 Billion Assistance to Afghanistan

The Asian Development Bank (ADB) will provide about \$1 billion in assistance to Afghanistan for 2005–2008, ADB President Tadao Chino announced at a conference on "Afghanistan and the International Community—a Partnership for the Future" held 31 March to 1 April in Berlin.

"The challenges facing Afghanistan today are large and complex. Clearly, the country requires longer-term commitments and significant amounts of technical and financial support for its new policies and development programs from the international community," Mr. Chino told the conference's 65 high-level delegations.

"I am pleased to announce that the Asian Development Bank will consider assistance to Afghanistan in the order of \$800 million in the form of highly concessional Asian Development Fund (ADF) loans and grants during 2005–2008, subject, of course, to the outcome of ongoing ADF negotiations and the future availability of ADF," he said.

He said that in addition to the \$800 million, ADB has identified loans and equity investments of up to \$100 million in partnership with local and foreign investors, and guarantees of about \$100 million to catalyze private sector investments in Afghanistan.

ADB will also seek cofinancing in support of its programs and projects, he said. Furthermore, ADB will continue to provide technical assistance to the Central and South Asia Trade and Transit Forum, where issues on subregional trade and transport may be discussed.

At the conference, delegates reviewed plans contained in the Afghan Government report, "Securing Afghanistan's Future." The report, prepared in collaboration with ADB, International Monetary Fund, United Nations Development Programme,



HEADS OF DELEGATIONS Afghanistan President Hamid Karzai (first row, second from right) with development partners at the Afghanistan Donor Conference

United Nations Assistance Mission for Afghanistan, and World Bank, sets out a comprehensive framework for the country's reconstruction and development.

Afghanistan President Hamid Karzai and international delegates also examined the security and political progress of the country, which is emerging from decades of conflict and civil strife.

Mr. Chino praised the Government's strong commitment to political, economic, and social reforms, and solid progress in tackling difficult issues of governance.

He said, "Afghanistan has made good use of aid provided. For instance, Government compliance with the terms and conditions of the ADB-financed \$150 million Postconflict Multisector Program approved in 2002 was exemplary."

ADB has fully translated its pledge of \$500 million at the Tokyo Conference in 2002 into a comprehensive assistance portfolio of loans and grants addressing priority reconstruction needs, including

those to be approved in 2004. ADB has followed three basic principles in its support for Afghanistan's reconstruction: build capacity, establish appropriate policy and institutional frameworks, and rehabilitate essential infrastructure.

At the Government's request, ADB has focused its operations on the transport, energy, natural resource management, governance, and financial sectors.

New ADB office in Kabul

ADB also renewed its commitment to work with Afghanistan in its rebuilding efforts with the opening of a new resident mission office in Kabul on 16 March.

ADB operations in Afghanistan, one of ADB's founding members resumed in 2002, after 23 years. ADB established a liaison office in Kabul in January 2002 that was upgraded to a resident mission one year later.

The mission is headed by a Country Director and has 20 staff, including 16 Afghan nationals. ■

New Trade Finance Facilitation Program Presented in Asia Forum

An Asia Forum, hosted by the European Representative Office (ERO) of the Asian Development Bank (ADB), was held on 29 January in Frankfurt to discuss ADB's new Trade Finance Facilitation Program (TFFP).

In her opening address, Madame Yuejiao Zhang, ERO Resident Director General, welcomed the TFFP initiative and highlighted that "facilitating trade and finance is of great importance for all countries, but for the less developed countries it is absolutely crucial. International trade is an engine for economic growth which leads to reduced poverty."

Werner Liepach, Director of ADB's Office of Cofinancing Operations, and Martin Endelman, Senior Cofinancing Specialist (Commercial Cofinancing), presented the TFFP to members of the banking and business communities.

Mr. Endelman said the TFFP was designed to help new and less-known local banks in ADB's developing member countries (DMCs) to establish track records with international banks, to encourage international and regional banks to expand their existing business with local banks, and to support exporters to do more business in DMCs. The program is

also aimed at providing liquidity to the international trade finance system, especially during periods of crisis, and supporting and developing intra- and inter-regional trade. "The program took advantage of experiences gained by ADB and other multilateral banks. ADB's TFFP was also modeled on the Trade Facilitation Program (TFP) of the European Bank for Reconstruction and Development (EBRD) and designed in close collaboration with EBRD. "It is a targeted instrument to open new markets and new countries," said Mr. Endelman.

ADB's overall exposure limit will be \$150 million under the program, which will offer three facilities without sovereign guarantees:

- a revolving partial credit guarantee facility, which will guarantee payment to participating regional and international confirming banks if an issuing bank fails to pay under a letter of credit or other trade finance instrument;
- a risk sharing agreement, which will allow ADB to participate in EBRD's TFP, in common member countries; and
- a revolving credit facility, which will provide short-term loans directly to issuing banks and to help fund hard currency working capital needs to their private sector importer and exporter clients. ■



Launch of the Greater Mekong Subregion Atlas of the Environment

Madame Yuejiao Zhang, Resident Director General, European Representative Office (ERO), launched the *Greater Mekong Subregion Atlas on the Environment* on 19 April at ERO in Frankfurt.

The Atlas, jointly published by ADB and United Nations Environment Programme, shows not only the wealth of the subregion's natural resources but also the magnitude of environment degradation and the challenges ahead. The Atlas is the first book of its kind dedicated to the GMS.

ERO hosts Procurement Harmonization Meeting

The Working Group (WG) for the harmonization of bidding documents met in Frankfurt at the European Representative Office (ERO) from 3 to 7 May to tackle bidding documents for turnkey contracts.

This second procurement harmonization meeting for goods and works was attended by representatives of the Inter-American Development Bank, European Bank for Reconstruction and Development, African Development Bank, World Bank, and Asian Development Bank (ADB).

"Since the late 1990s, multilateral development banks (MDB) and international financial institutions have rec-

ognized the need for harmonization of bidding documents used in the procurement of goods and services. Best practice, transparency, and efficiency were requested from MDB member countries, executing agencies and bidders," said Jean-Jacques Raoul, World Bank's Procurement Consultant.

Bernhard Zentgraf, Senior Procurement Specialist of ADB's Central Operations Services Office, said, "We have achieved a very high degree of harmonization so far and we strongly improved procurement capacity and training by creating synergies. This harmonization is facilitating procurement procedures for all interested parties." ■

Denmark Contributes \$1.35 Million for Governance

The Government of Denmark has contributed 9 million Danish kroner (about \$1.35 million) to ADB's Governance Cooperation Fund. The Fund, established in November 2001, finances technical assistance grants for policy advice, project preparation, training, capacity building, and institutional support to promote good governance. It is packaged as a multidonor umbrella facility, which allows other donors to join in as the Fund progresses.

An initial contribution was provided by the Government of Canada of \$1.6 million equivalent, later followed by the Government of Norway, with a grant contribution of \$2 million equivalent. ■

Pioneering Approach to Improving Primary Education in Bangladesh

Four European countries and the European Union participate in sector-wide program

The Asian Development Bank (ADB) is leading the Second Primary Education Development Program (PEDP II), a \$1.8 billion sector-wide program to bring quality primary education to children in Bangladesh.

ADB approved a package that includes a \$100 million loan and \$389 million grant from six development partners. The United Kingdom's Department for International Development (DFID) will provide grants amounting to \$150 million, European Commission \$100 million, Government of the Netherlands \$50 million, Norwegian Agency for Development Cooperation \$40 million, Swedish International Development Cooperation Agency \$20 million, and Canadian International Development Agency \$20 million.

The consortium of development partners also includes World Bank, Japan International Cooperation Agency, Australian Agency for International Cooperation, and United Nations Children's Fund. The Bangladesh Government will contribute about \$1.2 billion, or 64% for the program, including a stipend program for the poor pupils in primary education.

The PEDP II represents a pioneering approach to development in Bangladesh by bringing the Government and development partners together under one coherent program to create an environment nationwide for improving primary education. Bangladesh has a strong national commitment to education and has one of the largest primary education systems in the world.

"The development partners are working together to support a holistic sector approach to education," said Jouko Sarvi, ADB Senior Education Specialist. "This will promote harmonization of assistance and achieve greater efficiencies in administration."

Neil Squires, DFID First Secretary for Human Development, whose country is the largest European donor of the program, said, "DFID is excited about the potential of PEDP II to bring about a significant transformation in primary



EAGER LEARNERS Poor Bangladeshi primary school children will benefit from the Program

education in Bangladesh. Reviews of previous project support to primary education under PEDP I noted some success, with useful models being developed, but concluded that in a country the size of Bangladesh, a coordinated and coherent approach to primary education is the only way of bringing about much needed improvement in access to and quality of primary education."

Commitment to education

The PEDP II incorporates lessons learned from various donor-funded projects implemented under the First Primary Education Development Program

tium of development partners that pool their funds. To enhance the process, the Netherlands has been the Chair of the Consortium since January 2003. "PEDP II presented an opportunity for the Netherlands to cooperate with several other European countries, and also with the European Commission," said Cornelius Hacking, First Secretary (Education) of the Royal Netherlands Embassy in Bangladesh.

Up to three quarters of the PEDP II expenditure will target the poor. The enrollment of poor children is expected to increase by 3.2 million, bringing a total of 11.7 million poor children into primary education.

Mr. Squires said, "DFID has been impressed by the leadership shown by the ADB, and the idea of a lead donor being necessary to bring about effective coordination is an important aspect of PEDP II."

"ADB has also shown flexibility, and this is important if we want to achieve harmonization. We all know that working together towards a common goal is far more effective than pursuing separate policy objectives, and although it has taken time and negotiation to get to this point, for DFID, this program marks a major milestone in supporting Bangladesh in making progress towards universal primary education and achieving education for all," he added. ■

Working together towards a common goal is far more effective. – Neil Squires, DFID

approved in 1997. Gains in expanding access have been impressive during the last decade. As a result, gross enrollment ratio is currently at 98% in primary education. Substantial gains have been achieved in primary education also in enhancing equity of access. But while there has been a rapid growth in enrollments and strong overall growth in the primary education system, quality has stagnated.

The Netherlands has decided to support PEDP II because it is a unique chance to participate in a large consor-

Water Week on Water for the Poor

The Asian Development Bank (ADB) celebrated the Second Water Week from 26–30 January with the theme "Water for the Poor: Setting the Rules and Finding the Money." At the end of the sessions, the participants agreed that the main message from the Water Week should instead be—simplify the rules, decentralize the money.

About 350 water experts from across Asia and the Pacific attended the celebration, held at ADB's headquarters in Manila. Water specialists from governments, civil society, nongovernment organizations, private sector, and media explored themes including "Understanding Why the Poor Don't get What they Want," "Making Watershed Changes in Governance and Financing for the Poor," and "Deciding on Water for the Poor: Conclusions on Better Practices."

In his keynote speech, Michel Camdessus, former Managing Director of the International Monetary Fund (IMF) and Chairman of the World Panel on Financing Water Infrastructure, cited "the good start" made in implementing the report on Financing Water Infrastructure and emphasized that the dream of pure water for all can be attained.

He stressed that "commitment and determination" were most important in achieving this goal, and that all parties should dramatically increase their efforts in tackling the water crisis, "one of the world's worst injustices, perhaps because it is above all an injustice to women." He highlighted the essential role of the international financial institutions, including ADB, in stimulating financial flows.

Mr. Camdessus cited ADB efforts to catalyze water financing for the rural poor under its Partnerships for Action program launched at the 3rd World Water Forum and now piloted in rural water projects in Viet Nam. He said, "When so much is at stake, and when the world can rely on solid multilateral institutions to take the lead, to innovate, to create the proper



instruments and to actively catalyze reforms, the hope remains that these major undertakings of the world community have a reasonable chance of being fulfilled."

ADB President Tadao Chino reported on the future thrusts of ADB in the water sector. "At ADB, we look forward to improving and expanding water financing in collaboration with our developing member countries, development partners, and stakeholders," he said. ADB will work closely with its DMCs in "advocating innovation, synergies and partnerships to enhance the flow of financing for water infrastructure and management," President Chino added.

Ravi Narayanan, WaterAid Director, said government, civil society, and financiers are taking steps to solve common problems "but we should not expect magic solutions."

Wouter Lincklaen Arriens, ADB Lead Water Resources Specialist, said, "Creativity and innovation in water sector policy making is urgently needed if we are to achieve the Millennium Development Goals of halving by 2015, the proportion of people without safe drinking water and basic sanitation." ■

ADB 2004 Water Prize

At the opening ceremony of Second Water Week, the Phnom Penh Water Supply Authority (PPWSA) in Cambodia was awarded ADB's 2004 Water Prize for improving Phnom Penh's water supply over the last 12 years.

Ek Sonn Chan, PPWSA General Manager, received the prize from ADB President Tadao Chino. Since 1993, the PPWSA has increased the coverage of its service distribution network from 40% to over 80%. Non-revenue water has been reduced to 22% from 72%.

Norway and the Netherlands Contribute to Water Cooperation Fund

The governments of Norway and of the Netherlands have contributed an additional \$2 million and \$5 million, respectively, to the Asian Development Bank (ADB) Cooperation Fund for the Water Sector.

The Fund was established in December 2001, with an initial contribution of \$16 million equivalent from the Government of the Netherlands. As of July 2003, ADB has generated more than \$18 million in donor commitments for the Fund, and received about \$8 million.

The ADB Water Cooperation Fund is a 5-year multidonor facility to finance technical assistance projects to promote effective water management policies and practices and implement ADB's Water Policy in the Asia and Pacific Region.

The Fund supports the activities of the six program categories identified as priority water-related needs of ADB's developing member countries: promotion and public awareness; knowledge base and capacity building; pilot and demonstration activities; water partnerships; regional events and initiatives; and program coordination, monitoring, and evaluation. ■

Donors Agree to Replenish Asian Development Fund

Twenty-eight donor members of the Asian Development Bank (ADB) have agreed on a \$7 billion total replenishment of the Asian Development Fund (ADF), which includes the introduction of grants. This was announced after the fourth and final donors' meeting in Seoul, Republic of Korea, on 12 May.

The ADF IX, as the replenishment is called, will cover the 4-year period from 2005 to 2008. The replenishment amount is significantly higher than the \$5.65 billion agreed at the conclusion of ADF VIII, the last replenishment negotiation covering the period from 2001 to 2004.

ADF loans provide concessional terms to ADB's poorer developing member countries with limited debt repayment capacity. They support poverty reduction through pro-poor sustainable economic growth, provision of social development such as education and health care, and the promotion of good governance. They typically carry minimal rates of interest over long repayment periods.

The donors have agreed to establish grants under ADF IX to take into account the burden of development finance in the poorest countries, and assist countries in transition from postconflict situations to peace and stability, combat HIV/AIDS

and other communicable diseases, and support capacity building. Grants will represent 21% of total ADF funding.

Under the new \$7 billion ADF IX replenishment, donors pledged new contributions on a burden shared basis of \$3.2 billion, plus some additional voluntary contributions. The balance is expected to be met by additional contributions and/or internal resources.

Japan remains the largest ADF contributor with \$1.18 billion, followed by the United States with \$461 million, Australia \$218 million, and United Kingdom \$202 million. Contributions from the Asia and Pacific region accounted for almost half of the total replenishment with the Republic of Korea's contribution increased to \$113 million. The People's Republic of China is a first time contributor with \$30 million, while Malaysia has made its first contribution since the ADF VII replenishment.

Donors agreed that reducing poverty in the region will require continued focus on sustainable economic growth, inclusive social development, and good governance. This will be supported by greater support for gender equality, improving the environment, assisting countries affected by security threats and conflicts, and supporting cooperation to address regional issues. ■

Spain Gives Additional \$3 Million to ADB Cooperation Fund

The Government of Spain contributed an extra \$3 million to the Spanish Cooperation Fund for Technical Assistance, administered by the Asian Development Bank (ADB). The Fund was established in July 2001 with an initial contribution of \$2 million. All developing member countries of ADB are eligible for assistance under the Fund. However, preference is given to

Afghanistan, People's Republic of China, Indonesia, Pakistan, Philippines, Mongolia, Uzbekistan, and Viet Nam.

Grant assistance under the Fund will be used to carry out technical assistance in the water supply and sanitation, transport, energy, private sector development, environment, public health, education, public administration reform, and agriculture and rural development sectors. ■



EUROPEAN VISIT ADB President Tadao Chino visited London on 15 March. He met with Gareth Thomas, Parliamentary Under Secretary of State, Department for International Development, and Alternate ADB Governor for the United Kingdom during his visit. They discussed further strengthening cooperation to fight poverty and to achieve the Millennium Development Goals in the

Second Frankfurt Asia-Pacific Finance Conference Held

The Second Asia-Pacific Finance Conference in Frankfurt, co-hosted by the European Representative Office (ERO) of the Asian Development Bank (ADB), discussed current trends in export and investment financing and the promotion of foreign trade in Asia and the Pacific.

Following the first successful conference in 2002, this year's event was attended by 250 participants from the business and banking community, chambers of commerce, and media. Keynote speakers were Michael Rogowski, President of Federation of German Industries (BDI); Alfred Tacke, State Secretary of the German Federal Ministry of Economics and Labour; and Hans W. Reich, Spokesperson for the Kreditanstalt für Wiederaufbau (KfW) Board.

Madame Yuejiao Zhang, ERO Resident Director General, participated in a workshop on "Infrastructure Financing in the Greater Mekong Subregion" and delivered a presentation on the development opportunities through economic cooperation focusing on ADB's transport projects. The conference was organized by BDI. Other co-hosts were World Bank and International Finance Corporation. ■

New ADB Vice-President



Pholsena was in charge of negotiating with foreign institutions, countries and international agencies with to further international economic relations and cooperation.

Ms. Khempheng Pholsena brings to her new position a diverse background that includes expertise in economic and financial management and resource mobilization.

She rose through the civil service to become Vice-President of the Commission for Economic, Scientific and Technical Cooperation with Socialist countries (1988); Vice-Minister of Trade and External Economic Relations (1989 to 1993); and Vice-President of the Committee for Planning and Cooperation and Secretary of the Official Development Assistance Management Committee (1993 to 1996).

In 1996, Ms. Khempheng Pholsena joined the Prime Minister's Office as Vice-Minister to help prepare for Lao PDR's accession to the ASEAN Free Trade Area. From 1997 to 2001, she was Vice-Minister, Prime Minister's Office, in charge of international cooperation.

Ms. Khempheng Pholsena, who speaks fluent French, English and Russian, is also Vice-President of the Lao-Luxembourg Partnership Commission, the Lao-Japan Friendship Association, and the Joint Commission for Cooperation with the Federation of Russia. ■

The Board of Directors of ADB - acting on the recommendation of ADB President Tadao Chino - has appointed Ms. Khempheng Pholsena as Vice-President (Finance and Administration) effective 5 April 2004. She is ADB's first female Vice-President.

Ms. Khempheng Pholsena, who was Lao PDR's Vice-Minister for Foreign Affairs, in charge of international cooperation, succeeds Vice-President John Lintjer, who retired from ADB on 17 January 2004.

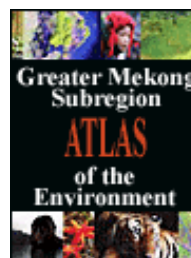
As a senior government official of the Government of Lao PDR, Ms. Khempheng

New Publications



ADB's Annual Report 2003

Includes the highlights of ADB's operations and status of financial resources in 2003



Greater Mekong Subregion Atlas of the Environment

Gives an overview of the state of the environment and challenges in the GMS



Asian Development Outlook 2004

Provides the economic forecast for 41 countries in Asia and the Pacific



ADB Review, April 2004

Focuses on projects financed by the Japan Fund for Poverty Reduction

NEWS FROM ADB ERO

The quarterly newsletter of the Asian Development Bank (ADB) European Representative Office (ERO) aims to enhance communications between ADB and its client groups. *News from ERO* disseminates information on ADB activities and provides a forum on development issues in Europe. Articles in the newsletter, however, do not necessarily reflect the official ADB view. We welcome readers' comments and suggestions.

**Asian Development Bank
European Representative Office**
Rahmhofstrasse 4
60313 Frankfurt, Germany

Tel: (69) 2193-6400
Fax: (69) 2193-6444
E-mail: adbero@adb.org
Web site: <http://www.adb.org/ERO>
Resident Director: Yuejiao Zhang

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