

ADB Helps Rebuild Lives in Tsunami-Affected Countries

In the days immediately following the disaster, which struck on 26 December 2004, international organizations and multilateral institutions pledged to help tsunami-hit countries recover. The Asian Development Bank (ADB), allocated \$775 million in initial support for India, Indonesia, Maldives, and Sri Lanka. This includes grants and highly concessional funds of up to \$600 million, in addition to \$175 million reallocation from ongoing programs.

ADB said the resources are aimed to provide efficient and effective assistance in close cooperation with the governments in affected areas and development partners by undertaking joint assessments of the losses and prioritizing the use of funds.

Besides that, ADB pledged new commitments for Indonesia in 2005 of up to \$800 million for projects in a range of sectors to support ongoing economic development and poverty reduction efforts. It will support operations focused on infrastructure, local government finance, water resources, agriculture productivity, education, and nutrition. ADB also offered initial new assistance of \$20 million in grants to help the Maldives' post-tsunami reconstruction and rehabilitation efforts.

In cooperation with the Japan Bank for International Cooperation and the World Bank, ADB conducted a preliminary study of damage and needs in Sri Lanka, concluding that \$1.5 billion is needed to effectively implement a recovery and reconstruction strategy.

ADB and the World Bank received a request from the Government of India for assistance for reconstruction and rehabilitation work in the wake of the tsunami. The two agencies are organizing with the Government a needs assessment, and on that basis will develop a program to rebuild the lives of thousands affected by the disaster.



TSUNAMI DAMAGE Ruined Galle bus terminal in Sri Lanka

On 28 January, ADB announced its plan to establish a \$600 million multidonor Asian Tsunami Fund to serve as a vehicle to mobilize additional funding from the many donors that have already expressed a desire to assist, including countries, foundations, individuals, or others. Available sectors would include public services such as water supply and sanitation, electricity, and communications; infrastructure such as roads, railways, and ports; health and education services; agriculture and fisheries; housing; restoring livelihoods; and containing environmental damage.

ADB's Asian Tsunami Fund is both a \$600 million pool of readily available funds, as well as a means to mobilize additional contributions from other donors who wish to join with the Bank to finance urgently needed work.

ADB's priority is to ensure that assistance is provided quickly, effectively, and to those most in need. ADB also offered to fund \$1 million study to develop a tsunami early warning system for the Indian Ocean, which could be linked to other regional and global warning

systems. While shifting from the relief phase to the reconstruction and rehabilitation phase, ADB will host a high-level

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In this publication, \$ refers to US dollars.

Kazakhstan's Aid for Tsunami Victims

The devastating tragedy in South Asia overwhelmed the world. Sympathies and pledges of assistance were expressed for tsunami-hit countries.

Kazakhstan was among the first countries to send immediate aid to Sri Lanka. Over 45 tons of canned food and medications were dispatched. In addition, the Government of Kazakhstan allocated \$10,000 to the United Nations Children's Fund (UNICEF) for relief operations in the affected countries.

Many government agencies donated salary for the victims, and civil society established special accounts for charitable contributions from the people of Kazakhstan. The ongoing collection for the construction of an orphanage house in Sri Lanka engages multiple organizations and private businesses. ■



BRIEFING In his first press conference as ADB President, Mr. Haruhiko Kuroda announces that ADB will host a high-level meeting on 18 March to coordinate assistance to tsunami-affected countries. Beside him is Ann Quon, Officer-in-Charge, Office of External Relations

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coordination meeting on assistance to tsunami-affected countries on 18 March in Manila, Philippines.

It aims to provide a forum for regional coordination and information sharing to ensure that recovery efforts are

effective and to avoid duplication and overlap over the short and medium terms, and to ensure effective delivery of rehabilitation programs. ■

For updates on the ADB tsunami relief efforts, go to www.adb.org/tsunami

ADB Confirms Help for Private Sector Development in Kazakhstan

Readying for private sector operations was a highlight in the annual year-end press conference held on 11 January that summarized activities of the Asian Development Bank (ADB) in Kazakhstan in 2004.

Kazuhiko Higuchi, Country Director of the Kazakhstan Resident Mission, advised of a planned visit by ADB's private sector specialists in February 2005.

ADB's quick response to help tsunami-affected countries was a special feature that attracted a high level of media attention.

ADB's support to Kazakhstan's leadership in regional cooperation through the Third Ministerial Conference on Central Asia Regional Economic Cooperation in Astana and then ADB President Chino's visit to Kazakhstan were also among the highlights. Mr. Higuchi stressed continued ADB partnership with Kazakhstan through policy implementation and institutional capacity building with knowledge transfer. ■



OVERVIEW (from left) Kazuhiko Higuchi, Country Director, ADB Kazakhstan Resident Mission (KARM), and Aliya Mukhamedyarova, KARM Economics/Programs Officer, outline major highlights of ADB activity in Kazakhstan in 2004

Private Sector Operations in Trade Financing

Private sector operations in Kazakhstan began through guarantee operations to help commercial banks provide trade finance services. The activities are part of the Asian Development Bank (ADB) Trade Finance Facilitation Program (TFFP), developed in collaboration with the European Bank for Reconstruction and Development and covering all ADB client countries.

Pamela Bracey, Structured Finance

Specialist; Michael Chen, Head of the Risk Management Unit; David Hilditch, Consultant, ADB Private Sector Operations Department; and Aliya Mukhamedyarova, Economics/Programs Officer, ADB Kazakhstan Resident Mission, were in Almaty from 7 to 12 February to conduct due diligence of participating commercial banks.

ADB also consulted the National Bank of Kazakhstan and the Financial

Supervision Agency. Kazakhstan was the first country to be covered in this program in Central Asia. The program will support international trade in the region by enhancing the capacity of local banks in providing trade finance services to private sector importing and exporting clients. TFFP has two components: a partial credit guarantee facility and a revolving credit facility both without sovereign counterguarantee. ■

Haruhiko Kuroda Assumes Office as ADB President

Haruhiko Kuroda assumed office as the President of the Asian Development Bank (ADB) on 1 February. He took the reins from Tadao Chino, seventh ADB President. At the meeting with ADB staff, Mr. Kuroda outlined the major tasks to be addressed in the coming years, and singled out poverty as the primary challenge for Asia and the Pacific. He also noted that the most vulnerable people in society should never be forgotten in the race to greater economic growth. Mr. Kuroda named rapid achievement of the Millennium Development Goals, promotion of integration initiatives, immediate assistance to tsunami-hit countries, and fostering foreign direct investment for ADB developing member countries, among the critical objectives of the institution.

He also highlighted that foreign direct investment is vital to economic growth and poverty reduction, and said that ADB is committed to helping build healthy business environments in the region. "It is imperative to foster institutions and policies attractive to private funds and businesses," he said.

Mr. Kuroda mentioned ADB's role in building physical infrastructure by ensuring that environmental and social safeguards are maintained. Another important aspect of economic growth in Asia will be the promotion of alliances among its members. ■

Consultations on CAREC Strategic Issues

Broader consultations of Central Asia Regional Economic Cooperation (CAREC) members—Azerbaijan, People's Republic of China, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan—began with discussions with key government officials of Kazakhstan.

On 14 January, Craig Steffensen, Head of CAREC Unit, met with concerned senior officials of the Government in Astana to discuss strategic issues. Consultations will continue for all CAREC members. ■

Regional Forum on Electricity Discussed

Consultations on the regional electricity initiative, agreed on during the Senior Officials Meeting in Almaty last year, have started. The Asian Development Bank (ADB) is now working on the Diagnostic Review of Electricity Regulatory Approaches and Challenges (DRRAC) in the CAREC participating countries to ensure establishment of the CAREC Members Electricity Regulators Forum (CMERF).

Aashish Mehta, Economist, and David Butcher, Consultant, ADB East and Central Asia Department, visited Kazakhstan on 10–16 February to draft a memorandum of understanding on CMERF establishment. In Astana, they met with the representatives of the Ministry of Energy and Mineral Resources, Agency for Regulation of Natural Monopolies, and Kazakhstan Electricity Grid Operation Company. ■

Regional News

Sustaining Food Fortification

An assurance letter, enabling implementation of the Sustainable Food Fortification Program, was signed on 21 February by Erbolat Dossayev, Minister of Health, on behalf of the Government.

The grant assistance from the Japan Fund for Poverty Reduction (JFPR) totaled \$2 million for Kazakhstan, Kyrgyz Republic, Mongolia, and Tajikistan. The grant is aimed at reinforcing and sustaining the reduction of iodine deficiency disorder and iron deficiency anemia, which was achieved during the implementation of a JFPR project on improving nutrition for poor mothers and children in Asian countries in transition. ■

Gender Discussed

Priority gender equality issues were discussed during the visit of the Asian Development Bank (ADB) consultants on 17 January–11 February.

Helen Thomas, international consultant, Gender and Poverty Reduction Specialist, and Dina Mukhamedkhan, local consultant, met with several government agencies to discuss policy and programming under the regional technical assistance project on Mainstreaming Gender into Poverty Reduction Strategies in Four Central Asian Republics. They also met with stakeholders, and international and nongovernment organizations to ensure data collection and verify priority issues. ADB specialists drafted the Country Gender Assessment and ADB Country Gender Strategy for Kazakhstan. ■

Regional Consultations on Global Public Goods

A series of Asian regional consultations on the work of the International Task Force on Global Public Goods was convened in Manila, Philippines, on 18 February to review and discuss the preliminary recommendations of the Task Force, and meet priority global challenges toward international cooperation that is in the national

interest. The consultations, organized with support of the Asian Development Bank (ADB), were attended by two officials from the Ministry of Finance (MOF) and Ministry of Foreign Affairs on behalf of the Kazakhstan Government.

Maksat Mamashev of the Methodology, Auditing and Accounting Department, MOF, met with Adrian Ruthenberg,

Director of Operations Coordination Division, and senior staff of ADB East and Central Asia Department to discuss various aspects of Kazakhstan development.

Mr. Mamashev expressed the Government's commitment to expand and deepen partnership with ADB through knowledge transfer and by sharing best practices. ■

News in Brief

Combating Terrorism

The Fourth Special Meeting of the United Nations Counter-Terrorism Committee (CTC) was held in Almaty 26–27 January. Aliya Mukhamedyarova, Kazakhstan Resident Mission of the Asian Development Bank (KARM), participated among representatives of 60 other international, regional, and subregional organizations.

Participants discussed combating the financing of terrorism, modalities of international antiterrorism cooperation, and border control issues. The major outcome of the meeting was outlining prospects for enhancing dialogue between CTC and international organizations in combating terrorism.

Exploring Customs Practices

Berdybek Saparbayev, Chairman of Customs Control Committee and Vice Minister of Finance, participated in the Forum on Trade Facilitation and Customs Cooperation convened in Singapore on 26–28 January. The event was cosponsored by the Asian Development Bank (ADB) and International Enterprise Singapore.

The forum supported broadening the learning experiences and leveraging private sector development to accelerate customs modernization. It also focused on effective maintenance of an automated information system and the adoption of modern customs practices. Mr. Saparbayev visited some customs and frontier posts of Singapore.

Strategic Planning in the Education Sector

The Ministry of Education and Science held a development partner coordination meeting on 1 February.

Azamat Abdymomunov, Vice Minister of Education and Science, and representatives of development partners, including ADB, British Council, United Nations Development Programme (UNDP), United Nations Educational, Scientific and Cultural Organization (UNESCO), United Nations Children's Fund (UNICEF), and World Bank, discussed collaboration in support for the State Education Development Program for 2005–2010. Participants identified areas of possible collaboration in the education sector.

Promoting Business Opportunities with ADB

Over 100 United States (US) businesses and local representatives of US goods and services were briefed on business opportunities by ADB in an event organized by Business Information Service for the Newly Independent States of the US Department of Commerce on 7 February in Almaty. Kazuhiko Higuchi, Country Director, KARM, made a presentation to advise on access to ADB information and held individual consultations with interested business representatives, who also met with visiting private sector specialists from ADB headquarters for further specific discussions.

CACO Meeting of Experts

Mr. Higuchi participated in the Central Asia Cooperation Organization Meeting of Experts on 10–11 February in Almaty.

The meeting focused on the establishment of international consortia on water and energy, transport, and food. Discussions will continue in the next session. ■

ADB Staff in Country Projects

Jurgen Conrad

Financial Economist, Governance, Finance and Trade Division, East and Central Asia Department

Since 1988, Mr. Conrad has covered Kazakhstan, including working 2 years for a German Institute for Economic



Research, Munich, 7 years for Deutsche Bank, and 3 years for the Asian Development Bank (ADB). His current focus is Kazakhstan's

financial sector and industry with direct responsibility for many development projects within Central Asia. These projects are supporting the Government's efforts to further develop important sectors of the economy. He also participates in consultations on developing ADB's country strategy and program for Kazakhstan. In 2005, Mr. Conrad will continue working for the technical assistance on Financial Sector Governance in Kazakhstan.

Mr. Conrad studied economics and finance at Johann-Wolfgang Goethe University, Frankfurt-am-Main, Germany, and at Lenin University, Minsk, Soviet Union.

Hasan Masood

Senior Transport Specialist, Transport and Communications Division, East and Central Asia Department

Mr. Masood has 27 years' experience in development. He worked for the United States Agency for International Development in Pakistan for over 13 years on infrastructure development projects related to health, education, water, transport, and rural development sectors.

In the past 15 years at ADB, he has worked on the transport sector in Afghanistan, Bhutan, Lao People's Democratic Republic, Nepal, Pakistan,



Thailand, and Viet Nam. He has extensive experience in preparing and implementing transport sector projects comprising (i) feasibility

studies, (ii) detailed engineering, (iii) procurement, and (iii) administering civil work contracts. He has also worked on transport sector strategies, policy dialogue, institutional reforms and capacity development.

Mr. Masood is currently responsible for a technical assistance project for the Formulation of State Roads Development Plan and a loan project for the Almaty-Bishkek Road Rehabilitation.

NEWS FROM

Kazakhstan

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

Kazakhstan Resident Mission
12 Samal, Astana Tower, 10th Floor
Astana 010000, Kazakhstan
Tel.: +7 3172 325 053 / 325 054
Fax: +7 3172 328 343
adbkarm@adb.org

Office in Almaty
Arai Building 4th Floor
20/A Kazibek Bi Street
Almaty 050000, Kazakhstan
Tel.: +7 3272 582 223 / 917 344
Fax: +7 3272 918 670