

# ADB

# NARO

# NEWS

Second Quarter 2001

Address:

Asian Development Bank  
North American Representative  
Office

815 Connecticut Avenue, NW  
Suite 325  
Washington, DC 20006  
USA

Tel: 202.728.1500  
Fax: 202.728.1505  
Email: [adbnaro@adb.org](mailto:adbnaro@adb.org)  
ADB Web site: [www.adb.org](http://www.adb.org)

Countries Covered:  
Canada and United States

Regional Representative:  
Karti Sandilya

Senior Liaison Officer:  
Patricia Moser

External Relations Officers:  
Sherry Kennedy  
Sara Koester

## Annual Meeting Highlights Poverty Reduction and Internal Governance

The 34<sup>th</sup> Annual Meeting of the Board of Governors of the Asian Development Bank (ADB) was held from 9-11 May at Honolulu, Hawaii, where finance ministers from ADB's 59 member nations endorsed President Tadao Chino's strategy of focusing all activities on the goal of reducing poverty.

The Governors noted the encouraging economic recovery of the Asia-Pacific region, but underscored the importance of equitable and sustainable economic growth in meeting the International Development Goal of halving extreme poverty by 2015. They expressed satisfaction at the progress made so far in implementing the Poverty Reduction Strategy, which comprises pro-poor and sustainable economic growth, social development, and good governance.

In a message to participants, US President George W. Bush pledged his strong commitment to ADB. US Treasury Secretary Paul O'Neill, who chaired the Board of Governors at this annual meeting, said the ADB had a critical role in promoting economic development in the Asia-Pacific region. He called for the ADB to accelerate its efforts to raise income levels through higher productivity growth.

Mr. O'Neill was joined by Larry Bagnell, head of the Canadian delegation, and other Governors in urging the ADB to pursue internal governance reforms and strive for the highest standards of accountability. President Chino assured participants that ADB's internal governance would be further enhanced by the recently established Development Ef-

fectiveness Committee and the ongoing efforts to strengthen the inspection function.

The meeting also featured a program of seminars on development-related issues and country presenta-

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*President Tadao Chino (left) talks with US Treasury Secretary Paul O'Neill during the Annual Meeting*

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[www.adb.org/naro](http://www.adb.org/naro)

# ADB Launches 15-Year Plan for All-Out Assault on Poverty

**A**DB recently launched its new long-term strategy to help the developing nations of Asia and the Pacific eradicate extreme poverty by 2015. The new strategy continues ADB'S major reassessment of goals and policies which began with the poverty reduction strategy in November 1999. Keeping poverty reduction as the overarching goal of all ADB activities, the long-term strategy sets an agenda for the next 15 years.

Integrated with the International Development Goals for worldwide poverty reduction, ADB's long-term strategic framework (LTSF) recognizes three core areas of intervention:

- **Sustainable economic growth:** broad-based, growth-promoting activities that promote socially

and environmentally responsible development;

- **Inclusive social development:** investments in social support programs as well as for equity and empowerment, especially for women and disadvantaged groups; and

- **Governance for effective policies and institutions:** support for public sector management; legal and judicial reform; public accountability, and procedures to give stakeholders more effective participation in decision-making.

These three core areas are complemented by three crosscutting themes to broaden and deepen the impact of the core poverty reduction interventions:

- Promoting the role of the private sector in development;
- Supporting regional coopera-

tion and integration for development; and

- Addressing environmental sustainability

"The development challenges of the region are far beyond the capacities of any one institution," says Shoji Nishimoto, Director of ADB's Strategy and Policy Department. "The LTSF will enable us to be selective in our investments and to take a long-term approach: to focus our resources on the things we do best, and to be more efficient in our operations." Greater selectivity in operations will be accompanied by a much stronger country and client focus, and this will be achieved through stronger country leadership and ownership of the development agenda.

Read or download the strategy from <http://www.adb.org/documents/policies/ltsf> ■

## NARO Hosts Consultation Workshop on Draft Environment Policy

**O**n 19 June, a consultation workshop was held in Washington DC on ADB's draft environment policy in Washington, DC. The workshop was designed to solicit opinions from ADB's stakeholders on the priorities and directions proposed in the draft environment policy. Present at the consultation were 22 participants, representing institutions such as World Wildlife Fund, Consumer's Choice Council, the Nature Conservancy, US Treasury, the US Department of State, and Development Alternatives, Inc.

Participants made comprehensive comments and suggestions on

the draft policy. Issues raised in the discussion ranged from implementation of the environment policy, procurement issues, and policy integration to Strategic Environmental Assessment and mandatory NGO assessment and involvement. Warren Evans, Manager of ADB's Environment Division, and Patricia Moser, Senior Liaison Officer in the North American Representative Office, took note of participants' comments and responded to questions.

ADB is actively seeking participation from a diverse group of stakeholders to ensure that they have the opportunity to comment and provide

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## Annual Meeting cont'd

tions that facilitated the interactions among delegates of member governments, ADB staff, non-government organizations (NGOs), media, representatives from observer countries, international organizations, academia and the private sector.

A hub of cultural exchanges between the East and the West, Honolulu served as an excellent venue for this meeting, which, in return, moved the city towards the spotlight in the international meetings arena. For more information about the meeting in Honolulu, visit <http://www.adb.org/AnnualMeeting/2001/index.html> ■

# AEO Urges New Approach to Halt Environmental Decline

**E**conomic productivity and environmental improvement are not mutually exclusive, but can go hand-in-hand, and significant improvements can be achieved at low cost, the ADB suggests in its newly released Asian Environment Outlook 2001 (AEO).

The first publication in a biennial series, AEO 2001 provides in-depth analyses of the environmental issues facing the Asia-Pacific region and presents a workable framework to make environmental improvement, economic productivity, and poverty reduction work together.

According to AEO, Asia's economic development over the past few decades has come at a high environmental cost, resulting in destruction of wildlife habitats, rising incidence of drought and desertification, degraded lands, and loss of biodiversity. As Warren Evans, Manager of ADB's Environment Division, said at the AEO launch in Washington, Asia's "grow now, clean up later approach" is "neither a necessary nor a desirable approach to managing the economy-environment relationship."

The AEO identifies three core elements of a new approach to shift from environmental decline to environmental vigor. These are:

- Environmental and development policies that are integrated at national and regional levels. Currently, a stand-alone agency is usually responsible for environmental protection but often lacks the authority to put environmental concerns high on policy agendas.

implies a minimum level of environmental compliance, adequate budget and human resources, access to information and public participation, as well as elimination of subsidies that aggravate resource degradation.

"As the region's capacity to support human activity becomes increasingly stressed, policy makers and leaders will discover that integrated solutions that transcend traditional disciplines and approaches are clearly more effective than parochial solutions that divide regions, institutions, infrastructure, and

*Economic productivity and environmental improvement are mutually exclusive, but can go hand-in-hand. AEO 2001 provides in-depth analyses of the environmental issues facing the Asia-Pacific region and presents a workable framework to make environmental improvement, economic productivity, and poverty reduction work together.*



- Development that guides sustainable development. This means urban and industrial development according to publicly accepted and integrated environmental and economic development plans.
- A strong political will that is essential to translate environmental rhetoric into action. This

substitute for Sustainable Development in Winnipeg, Manitoba. AEO 2001 will be followed by background reports on various environmental themes and reports on issues facing individual countries. The report and its highlights can be downloaded from ADB's website at [www.adb.org/documents/books/aeo/2001/default.asp](http://www.adb.org/documents/books/aeo/2001/default.asp) ■

# NGO Network to Strengthen ADB's Relations with Civil Society

**M**ore than 80 representatives of non-government organizations (NGOs) participated in the 34<sup>th</sup> Annual Meeting of Asian Development Bank. ADB's new NGO Center organized an extensive program of structured consultations with accredited NGOs to take stock of ADB-NGO relations, and to consider priority issues for civil society. In addition to a meeting with the ADB President and the traditional "Open Forum" discussion, the Center also organized a series of subject-specific forums addressing issues of greatest concern to NGOs. The topics ranged from ADB policies on anticorruption, environment, and indigenous peoples to poverty reduction, privatization, and accountability in ADB operations. A record of the discussions held at each forum has been distributed to participants and posted on ADB's web site.

Organizing the consultations in Honolulu was one of the first big tasks of the fledgling NGO Center. Launched in February 2001, the Center coordinates ADB's NGO Network while serving as the focal point for the Bank's contact with non-government organizations. The NGO Network is an institution-wide system set up to engage civil society on policy dialogue, programs and project operations. It comprises designated NGO liaisons ("anchors") in ADB's projects and programs departments, Resident Missions and Representative Offices, as well as the staff of the NGO Center. Patricia Moser serves as the NGO Liaison in the North American Representative Office, and can be reached at tel: (202) 728-1500, or via e-mail at [pmoser@adb.org](mailto:pmoser@adb.org).

ADB's cooperation with NGOs has steadily increased over the years, as NGOs have become key players in the development process. ADB undertook its first cooperation with NGOs in a development project in 1987. Today, over half of all ADB projects involve NGOs in some significant way. While recognizing the advocacy role of NGOs, ADB also perceives an important operational role for civil society actors.

"The community of NGOs involved in development operations and service delivery is large and diverse," observes ADB's NGO Network head Bob Dobias. "Their efforts address the entire spectrum of human development needs. It is for these reasons that ADB aims to enhance partnerships and synergy with civil society actors toward the common goal of

poverty reduction," he adds.

With the conclusion of the 34<sup>th</sup> Annual Meeting, the NGO Center is following up on the issues raised in Honolulu, and considering improvements to the ongoing process through which ADB consults and partners with NGOs. As a start, the Center's staff members are conferring with NGOs active in Asia and the Pacific at regional events to learn more about their concerns, seek ways in which ADB can support their efforts, and identify modes of future collaboration in ADB's developing member countries.

*This article was contributed by Bart W. Édes, NGO Liaison in ADB's Office of External Relations. For more information on the NGO Center and Network, please contact Bob Dobias at [ngocoordinator@adb.org](mailto:ngocoordinator@adb.org), or consult the NGO pages of the ADB website: <http://www.adb.org/NGOs/default.asp>. ■*

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## ADB and IFPRI Collaborate in Rural Asia Study

**T**he ADB and the Washington-based International Food Policy Research Institute (IFPRI) have often worked together, notably in the context of the Rural Asia Study. Recently the cooperation between the two institutions bore further fruit. *Transforming the Rural Asian Economy: The Unfinished Revolution* describes the dramatic, but unfinished transformation taking place in the Asian countryside. Authored by Mark Rosegrant and Peter Hazell of IFPRI, the book is the result of successful teamwork between ADB and IFPRI staff.

The book is one of five background reports of ADB's Rural Asia Study, which identifies policy and investment priorities that will promote sustainable development and improve economic and social conditions in the rural sector. The other four reports are: *The Growth and Sustainability of Agriculture in Asia*; *Rural Financial Markets in Asia: Policies, Paradigms, and Performance*; *the Quality of Life in Rural Asia*; and *the Evolving Roles of State, Private, and Local Actors in Rural Asia*. These books can be purchased through [www.adb.org/publications](http://www.adb.org/publications) or [www.amazon.com](http://www.amazon.com) ■

## Asia Recovery Report 2001 Updated

The June Update of the Asia Recovery Report (ARR) 2001 has been posted on the Asia Recovery Information Center (ARIC) web site. The updated report highlights the increased downside risks to the region's recovery since the release of the March 2001 ARR. The belief that the global economic slowdown would be shallow and short-lived is now beginning to dissipate.

Domestic risks to recovery in East Asia are also increasing. These heightened risks further dampen economic prospects this year.

The London-based Consensus Economics, Inc. has now scaled down 2001 average growth projections in the five

crisis-affected countries from 3.9 percent, when the March ARR was released, to 3.4 percent. This 0.5 percentage point reduction comes on top of a substantial revision that was made only three months ago. Similarly, the 2001 growth forecast for the East Asian region has been scaled down from 5.6 percent to 5.1 percent.

However, there is growing consensus that global growth will pick up in the early part of 2002, if not later this year. Therefore, most East Asian countries are expected to post higher growth rates in 2002 compared to 2001.

The full report can now be viewed or downloaded at [http://aric.adb.org/external/arr2001/arr\\_jun.htm](http://aric.adb.org/external/arr2001/arr_jun.htm) ■

## NARO on the Road: Ottawa

Karti Sandilya, NARO's new Regional Representative, spoke at the International Cooperation Days conference in Ottawa. The conference, held in late June, was hosted by the Canadian International Development Agency (CIDA). In a panel discussion on "Bridging the Global Divide: Can the Poor Share in Growth?", Mr. Sandilya spoke about the prospects of achieving the International Development Targets in Asia and the Pacific region. He also discussed sustainable pro-poor growth and detailed ADB's strategy in promoting this type of growth. While in Ottawa, Mr. Sandilya met with Canadian government officials and leading representatives from Canada's development community. ■

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## Environment Consultation cont'd

suggestions on the proposed environment policy. This was the 13<sup>th</sup> consultative meeting to discuss the draft environment policy. Similar workshop consultations have been undertaken or are planned in Bangladesh, Bhutan, People's Republic of China, India, Indonesia, the Central Asian Republics, Lao PDR, Pakistan, Philippines, Sri Lanka, Thailand, and Vietnam. ADB will also solicit feedback from stakeholders in Europe and Japan.

The results of each consultation meeting will be synthesized, uploaded to the web and compiled into a small publication. Comments received during the entire consultation process will be incorporated into the Environment Policy Working Paper to be discussed by ADB's Board of Directors in Fall 2001. ■

## What's online at adb.org?

Visit "Development Topics" on ADB's web site at <http://www.adb.org/Development/default.asp> to view the following items:

- **Bank Policy on Anticorruption** provides information on ADB's strategy for combating corruption and operational modalities for addressing corruption in ADB-assisted projects.
- **ADB's Inspection Policy: A Guidebook** provides an explanation of the formal channel for local groups in ADB's borrowing member countries to raise concerns about ADB's involvement in certain development projects.
- **Policy on Confidentiality and Disclosure of Information: A Guidebook** highlights salient features of ADB's information

disclosure policy to assist the public in accessing specific ADB documents of interest.

- **Cooperation between ADB and NGOs** outlines NGO cooperation in ADB operations and defines specific initiatives to be pursued. The Policy recognizes the competencies of NGOs and identifies areas of common interest with ADB.
- **Gender and Development** highlights ADB's work on improving the status of women in the Asian and Pacific region as a means of achieving sustainable development.
- **Poverty Reduction** details ADB's goal of reducing poverty in the region and outlines how ADB is working to make this goal a reality. ■

## New ADB Publications Available at NARO

The following is a sample of the new publications available at NARO. To purchase a copy, please contact our office by phone at (202) 728-1500 or by email at [adbnaro@adb.org](mailto:adbnaro@adb.org). To view a full listing of ADB's publications, please visit the web site at [www.adb.org/Publications/default.asp](http://www.adb.org/Publications/default.asp)

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### **Immunization Financing in Developing Countries and the International Vaccine Market: Trends and Issues**

\$10.00 per copy (paperback)

This report is the first in a series of reports to be published under ADB's Asian Vaccine Initiative. It gives an overview of critical issues in immunization financing in developing countries and the international vaccine markets, and docu-

ments financing and procurement mechanisms that have succeeded. 53 pages.

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### **Corporate Governance and Finance in East Asia: A Study of Indonesia, Republic of Korea, Malaysia, Philippines and Thailand (Volume Two)**

\$15.00 per copy (paperback)

*Corporate Governance and Finance in East Asia* presents the findings of a regional study of corporate governance and finance in selected countries. This study identified weaknesses in corporate governance and finance in countries most affected by the Asian Currency crisis and recommends policy and reform measures to address these weaknesses. 277 pages.

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### **Bangladesh: Toward an Environment Strategy**

\$10.00 per copy (paperback)

ADB's history of providing environmental assistance to Bangladesh spans 20 years, with financing going to projects in the country directly or indirectly related to the environment. This publication takes stock of the new and continuing environmental issues facing the country. 95 pages.

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### **Annual Report 2000**

Free of charge (paperback or CD-ROM)

Released in conjunction with the Annual Meeting, this year's report features a special section on issues facing children in Asia and the Pacific region. 296 pages. ■

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North American Representative Office  
815 Connecticut Avenue, NW  
Suite 325  
Washington, DC 20006  
USA