

# ADB Tsunami Response: Helping Rebuild Lives

**T**he Asian Development Bank (ADB) has responded rapidly to countries most affected by the tsunami disaster. It has established a \$600 million multi-donor Asian Tsunami Fund and identified \$175 million in funding that can be redirected from ongoing projects and programs, bringing ADB's total financial commitment to \$775 million.

ADB has also committed \$1 million for developing an early warning system for the Indian Ocean, which could be linked to other regional and global warning systems.

India, Indonesia, Maldives, and Sri Lanka have requested ADB's assistance for rehabilitation and reconstruction.

In Indonesia, ADB pledged new commitments of up to \$800 million for projects focused on infrastructure, local government finance, water resources, agriculture productivity, education, and nutrition. An ADB team has been working closely with the Indonesian Government, nongovernment organizations (NGOs), and other development agencies in assessing damage and needs, and developing a medium-term rehabilitation and reconstruction strategy for affected areas. The initial assessment has been completed.

In the Maldives, ADB, World Bank, and United Nations Development Programme conducted a preliminary needs assessment. The preliminary report in mid-February identified \$304 million needed to effectively carry out a reconstruction strategy in the country. ADB has proposed initial new assistance of \$20 million in grants to help the reconstruction and rehabilitation efforts in the Maldives.

In Sri Lanka, ADB, in close cooperation with the Government, worked with the

Japan Bank for International Cooperation and the World Bank to complete a preliminary joint damage and needs assessment.

In India, ADB participated in a high-level consultation with the World Bank and the Government on 19 January. Following

the meeting, a joint ADB–World Bank needs assessment started in the third week of February. This assessment is expected to complement the Government's evaluation for the medium- and longer-term rehabilitation and reconstruction needs. ■



**REBUILDING LIVES** Tented camp at Kolhufushi, Maldives



**HELPING THE HOMELESS** Temporary shelter at Trincomalee, Sri Lanka

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*In this publication, \$ refers to US dollars.*

# Haruhiko Kuroda

## New ADB President

**H**aruhiko Kuroda took the reins of the Asian Development Bank (ADB) as its eighth President on 1 February 2005, succeeding Tadao Chino, who announced his resignation in August 2004.

ADB's Board of Directors unanimously elected Mr. Kuroda as the next president on 18 November 2004. He was Special Advisor to the Cabinet of Japanese Prime Minister Junichiro Koizumi and a Professor at the graduate school of economics at Hitotsubashi University, Tokyo.

In a career spanning nearly 4 decades, Mr. Kuroda has represented Japan's Ministry of Finance at international monetary conferences as Vice Minister of Finance for International Affairs.

During his terms as Director-General of the International Bureau and as Vice Minister of Finance between 1997 and 2003, Mr. Kuroda helped design and implement the \$30 billion Miyazawa Initiative—Japan's response to Asian economies hit by the 1997-1998 financial crisis. Under his leadership, Japan helped Asian nations establish a network of currency swap agreements, to avert another crisis.

Born in 1944, Mr. Kuroda holds a BA in Law from the University of Tokyo and a Masters of Philosophy in Economics from the University of Oxford. He joined the Ministry of Finance in 1967. Eight years later, he was seconded to the International Monetary Fund. After returning to the Ministry, Mr. Kuroda assumed senior posts in the Ministry's international finance and taxation bureaus. While Deputy Director-General of the International Finance Bureau, he was responsible for Japan's official development assistance as well as relations with multilateral development financial institutions, including ADB.

Mr. Kuroda served as President of the Ministry's research arm, the Institute of Fiscal and Monetary Policy for 1 year before returning to the International Bureau as Director-General. Two years later, he was promoted to Vice Minister of Finance for International Affairs, responsible for policy planning, international coordination, and external representation.

After retiring from the Ministry in 2003, Mr. Kuroda was appointed Special



Advisor to the Cabinet of Prime Minister Koizumi to advise the premier on international monetary issues. He has authored several books on monetary policy, exchange rate, international finance policy coordination, international taxation, and international negotiations.

In his first day in office, Mr. Kuroda immediately called on the institution to reinvigorate itself to meet the challenges of operating in the world's most dynamic region and outlined the vision of a bank that works in close consultation with the nations of Asia to provide effective development assistance. The new President singled out poverty as the primary challenge. The Millennium Development Goals continue to be the major guideposts of progress in poverty reduction, Mr. Kuroda said. But the goals should be adapted to local circumstances and priorities. He also noted that the most vulnerable people in society should never be forgotten in the race to greater economic growth.

Mr. Kuroda noted that foreign direct investment is vital to economic growth and poverty reduction, saying that ADB is committed to helping build healthy business environments in the region. Another important aspect of economic growth in Asia will be the promotion of alliances among its countries. He called regional integration initiatives "a special and unique mission of a regional development bank."

Mr. Kuroda said ADB would continue to pursue the Reform Agenda to make it a more effective development organization. He said ADB needs to be more client-oriented and streamline its procedures.

## Integrating ICT into Basic Education in Uzbekistan

**T**he Asian Development Bank (ADB) is helping prepare a project to integrate information and communication technology (ICT) into basic education in Uzbekistan through a \$600,000 technical assistance (TA) grant. The TA will prepare an ICT development strategy for basic education and a feasibility study for a project that will introduce an ICT-based approach to teaching and learning.

International experience shows that the appropriate use of ICT helps students score high on achievement tests, learn more in less time, and develop positive attitudes toward their classes and learning. ICT also has an important role in ensuring access to education for students in remote rural areas. While Uzbekistan scores high on education-related Millennium Development Goals, with a net enrollment rate at 99%, basic education often could be of higher quality and relevance.

A recent United Nations Development Programme report shows that Uzbekistan is still at a very early stage of ICT development. More than 80% of equipment is outdated, and computers are inadequate to allow broader integration of ICT into the curriculum. Only half of all schools offer computer classes, and many have no access to computer equipment.

The TA will take a participatory approach to build consensus among stakeholders on key challenges facing ICT development in basic education, and focus on developing targeted policies and mechanisms to help bridge the internal digital divide between urban and rural areas.

It will also explore ways to promote public and private sector partnerships in ICT development. The Government will contribute \$150,000 equivalent toward the TA total cost of \$750,000. ■

# ADB Launches the Amu Zang Irrigation Rehabilitation Project

**T**he Asian Development Bank's (ADB's) Amu Zang Irrigation Rehabilitation Project in Uzbekistan presents an opportunity for the Government to push ahead with its reform program in the agriculture sector, according to a recent workshop.

ADB organized an inception workshop for the Amu Zang Irrigation Rehabilitation Project in Termez, Uzbekistan, on 23 March to discuss and reaffirm the project scope and major activities, explain implementation arrangements to counterparts in the project province, and assess the progress of the Government's ongoing reforms in the agriculture and water sectors.

An ADB loan for \$73.2 million was approved in December 2003 for the project, which will help rehabilitate the nearly 30-year-old Amu Zang irrigation system. The system services five districts covering 100,000 hectares in Surkhandarya Province with population of about 400,000. Besides physical repair works, the project includes support to improved management of the irrigation system and the development of private farming systems.

In opening remarks, Kh. Eshmuradov, Governor of Surkhandarya province, thanked ADB for providing assistance for the rehabilitation of the largest irrigation system in the province. In an opening statement, R. Khamrayev, Deputy Minister of Agriculture and Water Resources, acknowledged ADB's contribution in implementing the ongoing water sector reforms in Uzbekistan.

Sean O'Sullivan, Country Director, ADB Uzbekistan Resident Mission, said the project gives an opportunity for the Government to implement its agriculture sector reform program. He said the project's success will depend on the full support by the provincial Government and beneficiaries.

Some 120 participants representing the

Ministry of Agriculture and Water Resources, provincial and district governments, farmers, and procurement agencies attended.

The URM and the Project Management Office presented key aspects of the project design and its implementation arrangements, highlighting that the proposed policy reforms are aimed at enhancing farmers' incentives, improving water use efficiency, and promoting sustainable operation and maintenance practices within and beyond the project area.

The main rationale, implementation arrangements, and policy reforms proposed under the project—i.e., reduction of cotton and wheat quotas, introduction of water delivery fees, promotion of WUAs, and support to private farms—were explained to the participants.

During the discussion, participants supported the project activities and expressed their keen interest to participate.

They also confirmed that the reductions in government quotas for cotton and wheat would significantly improve farmers' financial conditions and would strengthen their economic incentives.

The URM also held discussions with the governors of participating districts about the progress of ongoing farm restructuring process in the project areas and the challenges they have encountered.

The governors reported that farm reorganization has been significantly accelerated in the past 2 years and is expected to be completed by the end of 2007.

"The workshop helped in raising the stakeholders' awareness on physical and policy reforms under the project, its implementation arrangements, and follow-up actions by the local authorities," said Mr. O'Sullivan. "It confirmed strong support of all stakeholders to the project." ■



**PROJECT LAUNCHING** Kh. Eshmuradov, Governor of Surkhandarya Province, addresses the inception workshop for the Amu Zang Irrigation Rehabilitation Project



# ADB Grant to Promote Effective Water Management in Asian Region

**T**he Asian Development Bank (ADB) has approved a technical assistance grant of \$5.6 million for the fourth phase of its work to promote effective water management policies and practices at regional, subregional, and country levels in the region.

The grant is financed from the Cooperation Fund for the Water Sector, administered by ADB. Activities under the fund are aimed at increasing synergy in ADB's water sector operations through better awareness, knowledge management, capacity building to support reforms, pilot demonstration, water partnerships, regional cooperation, monitoring, and coordination.

The program activities are targeted at policy makers, planners, water service providers and resource managers, civil society organizations, media, public, and development partners. It will also build synergies on water projects within ADB among staff and its decision makers. The Millennium Development Goals, adopted at the World Summit on Sustainable Development in Johannesburg in 2002, underscored the urgency of helping improve water security

of the poor through safe drinking water, improved sanitation, water for production and income generation, sustainable environmental management, and reduced vulnerability to water-related disasters.

A key activity under Phase 4 will be the continuation of ADB's Water Awareness Program (WAP), launched in 2002, to disseminate ADB's water policy and key development messages in the water sector, advocate priority water reforms to policy and decision makers, improve media coverage and networking on water issues, educate the youth about the water crisis, and support community water education pilot activities.

Another area of support will be innovative and highly replicable pilot and demonstration activities. Most support will go to water project teams in ADB's regional departments and will strengthen core operations. The TA will support field-based applied research by local stakeholders, including nongovernment organizations and national and subregional water partnerships.

The TA will also work on initiating or

strengthening national and subregional water partnerships such as Water for the Poor-Partnerships for Action, Gender in Water Partnership, Network of Asian River Basin Organizations, and Water for Asian Cities Program.

Other key activities include knowledge base and capacity building, which will enhance core competencies in developing countries and ADB; regional events such as workshops, forums, dialogues, and exchange visits; and program coordination, monitoring, and evaluation.

The Cooperation Fund for the Water Sector was established in 2001 as a multi-donor facility that would finance a program of activities designed to add value to the water projects carried out by ADB.

Participation in the TA is open to all ADB developing member countries. Each participating country will designate its water sector apex body as the national counterpart TA agency. The agency will coordinate the activities of water stakeholders, including those from central and provincial agencies, river basins, private sector, and nongovernment organizations. ■

# Paving the Way for New Trade Routes Across Central and South Asia

**NEW TRADE ROUTES** Promoting subregional cooperation in transport and trade will provide new opportunities for landlocked Central Asian countries

**M**inisters and representatives of international development agencies met for a 2-day conference at the Asian Development Bank (ADB) headquarters in Manila on 3 March to boost trade and transport cooperation within and between Central and South Asia.

The Second Ministerial Conference reviewed progress in the subregion since the first conference in July 2003 and endorsed the establishment of a Central and South Asia Transport and Trade Forum (CSATTF), involving several countries from the subregions.

Delegates reviewed the status of cross-border infrastructure development and recommendations on the prevention of human and drug trafficking and money laundering. The conference also recommended future directions for transport and trade cooperation in the subregions.

Central and South Asian countries face several constraints in expanding trade and

accelerating economic growth. These include customs issues, trade policies, preferential trading arrangements, vehicle standards, visa regulations, and unofficial charges.

“Afghanistan’s opening of its borders has provided new opportunities for landlocked countries in Central Asia to take advantage of the transit corridors to access the Arabian Sea and Persian Gulf through Iranian and Pakistan ports,” said Hyunjung Lee, ADB economist. However, road links, ports, and border crossings need to be improved, while management and operation of facilities call for better efficiency. Border security and in-country security issues are also serious. Instability is still part of life in the region.

In the first conference on transport and trade hosted by ADB in July 2003, all participating ministers confirmed their interest in subregional economic cooperation by promoting the new transport and trade corridors.

Government ministers from CSATTF countries attended the meeting, including Afghanistan, Iran, Pakistan, Tajikistan, and Uzbekistan. Turkmenistan is also a member, but was not represented. Uzbekistan’s delegation was led U. Rozukulov, Head of Information and Analytical Department on External Relations of the Cabinet of Ministers of Uzbekistan, and representatives of the Agency for Foreign Economic Relations, Association of Transport and Transport Communications, and State Customs Committee of Uzbekistan. Observer delegations from other countries also attended, including the People’s Republic of China, Kazakhstan, and Kyrgyz Republic.

Besides ADB, participating and observer institutions included the United Nations (UN) Conference on Trade and Development, World Bank, Organisation for Economic Co-operation and Development, European Commission, Japan Bank for International Cooperation, and the UN Office on Drugs and Crime. ■

## Project Activities in Uzbekistan January–March 2005

### January

18–24	Country Assistance Evaluation Mission
19–22	Consultation Mission, Central Asia Regional Economic Cooperation (CAREC)
20 Jan– 2 Feb	Project Completion Review Mission, Basic Education Textbook Project Inception Mission, Second Textbook Development Project
21 Jan–26 Feb	Poverty Analysis for the Country Strategy and Program
26–28	Administration Mission, Power Trade Relations Agreement
27 Jan–5 Feb	Country Contact/Consultation Mission, World Bank Interim Poverty Reduction Strategy Paper Meeting

### February

4–15	Inception Mission, Land Improvement Project Administration Mission, Amu Zang Irrigation Rehabilitation Project
4–10	Consultation Mission for Preparatory Works, CAREC Members Electricity Regulators Forum
15 Feb–15 Mar	Evaluation Mission, Country Assistance Program

### March

1–10	Loan Inception and Handover Mission, Grain Productivity Improvement Project
8–17	Inception Mission, Project Preparatory Technical Assistance, Information and Communication Technology in Basic Education
9–12	Consultation Mission, Regional Railway Rehabilitation Project
15–25	Inception Mission, Amu Zang Irrigation Rehabilitation Project
18 Mar–6Apr	Inception Mission, Woman and Child Health Development Project
20 Mar–2 Apr	Consultation Mission, Country Strategy and Program Preparation
28–31	Private Sector Assessment Workshop

## New URM Staff Assigned to Portfolio Management

**O**n 27 January 2005, Donneth A. Walton joined the Uzbekistan Resident Mission (URM), succeeding Manuel Perlas, who was reassigned to the Asian Development Bank (ADB) headquarters in Manila in November 2004.

Ms. Walton, a national of the United States (US), joined ADB in 1998 where she worked on agriculture, natural resources, and rural development issues. She processed and administered loans and technical assistance initiatives in Afghanistan, Bangladesh, Nepal, Pakistan, Sri Lanka, and Viet Nam; represented ADB's South Asia Department on the Poverty Committee, the Gender and Development Fund Steering Committee, and the Poverty and Environment Fund Steering Committee; and was the principal sector representative on the Pakistan country team.

Before joining ADB, Ms. Walton worked in public and private sector project finance and program management in the US, Africa, Asia, and the Caribbean. She has an undergraduate degree from Vassar College and a graduate degree from Columbia University.

Ms. Walton is responsible for ADB's loan and technical assistance portfolio implementation in Uzbekistan and managing the portfolio management team of URM. She is also involved in government liaison activities, and donor and civil society coordination. ■

### NEWS FROM

## Uzbekistan

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

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