

Corporate Planning and Support Activities

Corporate planning

THE BANK recognizes that to achieve its ambitious medium-term objectives effectively and efficiently, it must be both a planning and a learning organization. Accordingly, it follows a rolling three-year planning cycle that is updated each year. In this planning cycle, the coming year's work program is firmed up and budgeted in light of the current year's results, and the ensuing two years' work plans and priorities are mapped out and sharpened. Specifically, each year (i) individual country assistance plans covering the next three years are developed or updated in close consultation with government planning and sectoral ministries; (ii) these are translated into departmental work programs within the Bank and aggregated into an overall work plan and budget framework on which informal Board feedback is sought; and (iii) the administrative budget for the coming year is proposed. The Bank's planning and programming process is designed to retain the flexibility required to respond efficiently and adequately to unanticipated development assistance needs in the region. Such flexibility was successfully exercised in 1997 in responding to the currency and financial crises that hit several Asian countries; despite significant new Bank commitments to the Republic of Korea and Thailand, the core assistance program of the Bank was maintained.

As an essential part of its planning process, the Bank continuously reviews its business practices to increase operational efficiency and development impact. This year, not only operational planning and project preparation and appraisal, but also financial management and administrative processes, including the Bank's accounting systems, have been scrutinized for streamlining and strengthening opportunities. At the same time, both a stronger performance management system and an accompanying management information system are being introduced in phases, to enable more systematic performance assessment and improvement, both at the corporate and individual project levels. This will be supported by the Bank's Information Systems Strategy (ISS), which was updated in 1997 and will be implemented at the Bank's Headquarters and at the resident and regional missions and representative offices.

These strategic planning and learning processes, most of which are undertaken by interdepartmental work teams and task forces, continue to guide gradual changes in staffing plans and organization. An effective organization structure and a robust but flexible staff-skills mix are considered by Management to be critical success factors for the Bank's business processes and objectives. Most recently, a business process redesign has enabled the planning and phased implementation of organizational

realignments in the finance and administration area of the Bank. The overall medium-term human resource strategy has been approved on the basis of how it will effectively support the Bank's operational strategies.

Economics and Development Resource Center

The Bank's Economics and Development Resource Center (EDRC) undertakes and promotes research on key development issues and strengthens analytical awareness of matters of economic relevance to Bank operations. This primarily translates into (i) undertaking research and analysis on development policy issues and disseminating the findings for the use of developing member countries (DMCs); (ii) extending operational support by reviewing the quality of project evaluation and sector work; (iii) providing information and advice to Management and other Bank staff on economic events, studies, statistics, and policy debates in the field of development; (iv) providing statistical information and assistance to DMCs and other parts of the Bank; and (v) engaging in other resource center activities, such as the provision of training to DMCs or assistance to other research organizations.

The *Emerging Asia Study* was published in the first quarter of the year. The results of this major study were disseminated in Frankfurt, Manila, New Delhi, and Washington, DC. Other studies completed during the year include the studies on the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area, and the Emerging Trading Environment. Topics studied during the year included financial flows and policy issues in DMCs, foreign direct investment and technology transfers in Asian developing countries, and past trends and future prospects for Asian exports. Toward the end of the year, a major study on financial markets was initiated. The objective of this study is to improve understanding of the sources of the recent financial crisis to promote the design of effective preventive measures. Approval was also obtained for a study on new trade policy initiatives and their impact on DMCs, to be implemented jointly with the Economic and Social Commission for Asia and the Pacific and the United Nations Conference on Trade and Development.

Conferences and seminars were held on various economic issues. These included a panel seminar on "Asia: The Next Thirty Years" held at the 30th Annual Meeting of the ADB Board of Governors, and the "Tenth Workshop on Asian Economic Outlook" which examined regional economic growth. A conference on "The Future of Asia in the World Economy" was held jointly with the Organisation for Economic Co-operation and Development (OECD) in Paris. An Inaugural Symposium for the ADB Institute discussed "The Currency Crisis and Beyond."

In the area of improving economic evaluation and project quality prior to loan approval, several measures were undertaken. The first biennial review of economic analysis for the following sectors was completed: education, health, water supply, urban development, agriculture and rural development, transport and communications, and power. Revised *Guidelines for the Economic Analysis of Projects* were approved and distributed, and new *Guidelines for Economic Analysis of Telecommunications*

Projects were also approved. An issues paper on the “Economic Analysis of Health Sector Projects” was completed. Work began on the *Guidelines for Economic Analysis of Subregional Projects*, jointly with Programs Department (West), and on the *Guidelines for the Economic Analysis of Urban Development Projects*. Under a regional technical assistance, training workshops for DMC government officials were conducted in Almaty, Kazakhstan; Manila, Philippines; and Hanoi, Viet Nam.

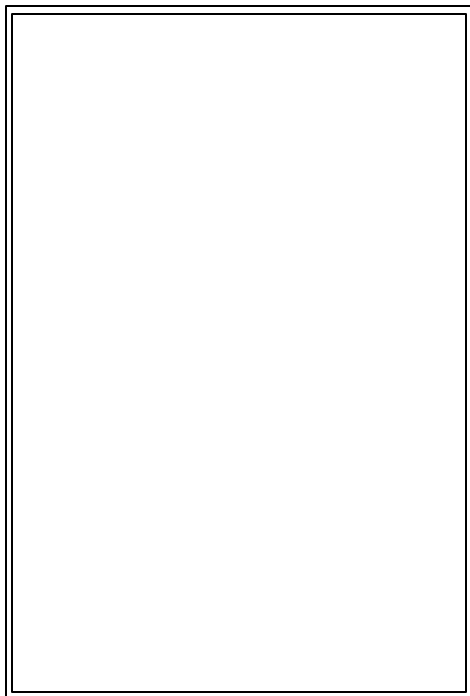
During the year, emphasis was given to strengthening coordination in data collection and improving data provision to Bank staff and outside users. More applications to the central statistical database system (SDBS) were developed. SDBS was made accessible to all Bank staff, including those in the resident missions. The Bank continued to help strengthen the statistical capacities of its DMCs. New statistical capacity-building technical assistance projects were started in Bhutan, Nepal, and Philippines.

As part of its efforts to strengthen institutions and human development in DMCs, the Bank continued to produce and distribute numerous publications including the *Asian Development Outlook*, *Asian Development Review*, *Key Indicators of Developing Asian and Pacific Countries*, *ADB Research Bulletin*, and the Monograph Series. Issues addressed under the Monograph Series included, among others, total factor productivity growth in the newly industrialized economies (NIEs) and Southeast Asian countries; aspects of urban water and sanitation in developing Asia; challenges for Asia’s trade and environment; the rural-urban transition in Viet Nam; the experience on adjustment and distribution in India; and some methodological problems with recent analyses of the “Asian miracle.” Other notable publications during the year included *The Global Trading System and Developing Asia*; *East ASEAN Growth Area: Brunei Darussalam, Indonesia, Malaysia, Philippines*; *The Bangladesh Economy in Transition*; and *Investing in Asia* (Proceedings of the Joint ADB-OECD Conference: Second International Forum on Asian Perspectives). The Russian language version of *Fiscal Transition in Kazakhstan* was published.

The Bank also implemented training programs on taxation and international finance for policymakers. The Bank collaborated with the International Monetary Fund (IMF) on a training program for government officials from South Asia and supported other organizations such as the Association of Development Research and Training Institutes of Asia and the Pacific, and the Colombo Plan. The Bank also served as a resource center on Asian economic issues for many external organizations from both the public and private sectors.

Information systems

To set new directions for the Bank’s information systems, formulation of the Information Systems Strategy (ISS) is near completion. The proposed ISS acknowledges the importance of the Bank’s knowledge assets (its intellectual capital), and the pivotal role that technology plays in the management of these assets. The ISS (i) recognizes the expanded role of technology through the entire information management cycle; (ii) acknowledges that the Bank’s future success is linked to its ability to



The Bank maintains 117 depository libraries worldwide to disseminate its studies, research, and publications.

become a full participant in the information age; (iii) encourages incorporation of effective information management as a priority for mainstreaming Bank thinking and operations; and (iv) anticipates continued evolution of the external business and information technology environment.

The technical design and implementation of the ADB Institute infrastructure were initiated and completed within the year. The infrastructure includes fast networking, PABX with computer telephony, remote computing, high-speed and color printing, multimedia, and audiovisual facilities, such as video conferencing, and standardized hardware and software.

The mainframe hardware was successfully replaced with a smaller, more powerful, and efficient enterprise server. The installation of the new enterprise server generated savings of about \$40,000 in 1997 and is expected to provide a further cost saving of \$170,000 annually for the next three years due to lower maintenance, power, and cooling costs. Modifications have been ongoing to revise mainframe system applications for century compliance (year 2000). Testing of the Bank's microcomputers for year 2000 problems was also completed, and they were determined to be compliant with the standard workstation software.

The client/server Resident Mission Accounting System was extended to the Bangladesh and Pakistan resident missions to streamline the existing manual accounting system process. Project Administration Committee Notes were extended to the resident missions using groupware, and software packages were implemented for the investment back-office system, on-line bank account reconciliation, and digital feed-based financial information distribution system.

The new Banking Transaction Processing System was implemented in 1997, introducing a major reengineering of the payment processes in the Bank's Treasury Services Division. New client/server platform systems continued to be developed to streamline targeted administrative functions. On the mainframe, a new system was developed to automate the processing and disbursements of a new support scheme for housing, and the Individual Consultant System (DICON) was redeveloped in groupware.

Major enhancements were made to the following mainframe-based system applications: Loan Accounting System to segregate ordinary capital resources and Asian Development Fund processing; Credit Risk Management System to consolidate and monitor the total risk of the Bank arising from investments, borrowings, and foreign exchange, and incorporation of the revisions of the Bank's risk-management guidelines; and Multicurrency Payment Option for payment of a predetermined portion of staff salary/retirement in home currency. The Technical Assistance Information System and Staff Consultant System were enhanced to process automatic payment vouchers. The Private Sector System was improved to generate Private Sector Investment Management notes in groupware. The Property and Materials Management System was enhanced to enable automatic issuance and receipt of standard office supplies by individual Bank units.

Groupware applications continued to be developed for Bankwide and department-specific needs. The system for tracking documents was extended to additional departments. Databases were created for the Office of the General Auditor to store and track past and present audits, for

EDRC to store the Economic Analysis of Projects manual, for the Compensation and Benefits Division to store housing information, and for the Controller's Department to store the *Loan Disbursement Handbook*. A new optical character recognition system was implemented for the Office of the General Counsel.

Resource activities

Library

The Bank's Library, with a collection of more than 200,000 volumes, serves as the Bank's central repository for published information, in print and electronic format.

The Bank's operational staff working in 37 DMCs are supported through a full range of library services. In addition, educational institutions and individual researchers from around the world make regular use of the Library's collections and services, through in-person visits or queries over the *Internet*. More than 2,800 external visitors were served in 1997.

The Library sponsors an active donation program, extending the shelf life of items no longer needed by the Bank. More than 2,000 books, documents, and periodicals were granted to 17 institutions in the Philippines in 1997. These materials are now helping rebuild libraries destroyed by Mount Pinatubo's lahar flow, stock library shelves in the country's Mindanao region, and serve government agencies.

In 1997, the Library's outreach initiatives broadened with the introduction of an ADB Sourcebook Series and a cross-sectoral exhibit addressing the environmental issues facing Asian megacities.

Public Information Center

The Bank's Public Information Center (PIC), established in 1996 in line with the Bank's Information Policy and Strategy, makes available — either free of charge or for purchase, depending on the publication — to the public ADB publications, including information brochures, videos, and documents covered by the Bank's Policy on Confidentiality and Disclosure of Information. The PIC is often the public's first point of contact with the Bank. In addition, the PIC is the dispatch point for the Bank's Depository Library Program, a worldwide network of 106 libraries where the public has free access to Bank documents and publications.

During 1997, over 3,500 visitors sought the services of the PIC either in person or through mail, phone, or electronic requests; an estimated 6,500 books and 350 videos were sold; and 1,500 documents were dispatched. In addition, the PIC is the dispatch point for the Bank's subscription publications, *Business Opportunities* and *Asian Development Review (ADR)*. During the year, about 2,500 people maintained subscriptions of *Business Opportunities* and nearly 400 maintained subscriptions of ADR. To serve an even wider audience, *Business Opportunities* and updated information about the Bank are included on the ADB web site at <http://www.adb.org>.

Asian Development Bank Institute

On 10 December 1997, the Bank inaugurated the Asian Development Bank Institute in Tokyo, with a symposium entitled "The Currency Crisis and Beyond." The Institute is a subsidiary body of the Bank, established to pursue the following objectives. First, through research, it will help DMCs identify development strategies suited to their particular social and economic circumstances. Second, through capacity-building and training activities, it will help improve the management capacity of agencies and organizations in DMCs engaged in development work.

The Institute is expected to carry out two types of activities: research and capacity building. The first will consist of research on issues with longer-term and broader development implications and applied research for identification and distillation of best practices and lessons. In addition to research projects to be implemented by its research staff, the Institute will invite external scholars to stay at the Institute, usually for one year or less, to carry out research projects (Visiting Scholars Program). The second, capacity-building activities of the Institute, are expected to consist of a customized capacity-building program and a regular training program. The customized capacity-building program would help countries address specific development issues and needs (for example, reforms in the financial sector and restructuring of public enterprises) through applied research, conferences, workshops, study tours, and training. The regular training program would provide a generic set of courses required by development managers to enhance analytical and management skills.

The Institute will endeavor to reach a broad audience through dissemination of research outcomes, best practices, and lessons, with the effective use of media and information technology. It will collaborate closely with other research and training institutes to bring collective experience and expertise to bear upon a particular issue or subject, or to expand dissemination of lessons or skills. It will also help national and regional institutes in the Asian and Pacific region strengthen their capacity.

The Institute is headed by a Dean and will have about 15 international staff recruited from the Bank's members, to be supported by about the same number of locally recruited staff. The Dean and core staff members have been appointed and further recruitment is under way. The Institute's Statute stipulates that a seven-member Advisory Council will be formed to provide guidance on the Institute's strategic directions. The Bank's Board of Directors will exercise the same oversight powers and functions vis-à-vis the Institute as it does for the Bank, and approve the Institute's strategies, policies, work program, budget, and annual report.

The costs for the setup and operations of the Institute are financed by the ADB Institute Special Fund.