

Corporate Planning and Support Activities

To achieve its strategic and operational objectives, and to ensure that its projects meet the needs of its developing member countries (DMCs), the Bank must be both a planning and a learning organization. Both facets of the organizational structure—corporate planning and the activities that support that planning—are discussed in this chapter.

Corporate planning

With the extensive and disruptive impact on the region of the Asian financial crisis, the need for corporate planning and learning—and the ability to readily translate both vision and lessons learned into operational programs—has been highlighted. In this light, the Bank's corporate planning process, which has proven instrumental in introducing change in the Bank, has become more flexible and adaptive in the formulation of country assistance plans for the medium term. The process focuses on crisis alleviation and economic recovery and on the continuity of long-term development programs.

The corporate planning process begins with the reassertion of the Bank's mission as incorporated in its five strategic development objectives: promoting economic growth, reducing poverty, supporting human development, improving the status of women, and protecting the environment. These long-term objectives are then carefully considered in the context of each DMC's own development priorities and constraints. Country-specific Bank assistance plans for three-year rolling periods are developed in close consultation with government planning and sectoral ministries, and increasingly with the participation of beneficiary groups and nongovernment organizations (NGOs) concerned. These country assistance plans (CAPs) establish how the Bank will support policy reform, capacity building, and regional/subregional cooperation, and the creation and strengthening of productive capacity, infrastructure, and services in each DMC, in both the public and private sectors. The CAPs also present the pipeline of loan and technical assistance projects designed to implement country assistance objectives. Unique to the Bank's planning process is a formal project classification system that links individual projects to the Bank's strategic development objectives. The individual CAPs are aggregated into an overall medium-term work plan for the Bank, and the priorities and corporate resource implications of each are discussed informally with the Bank's Board of Directors. Finally, each year, the work program and administrative budget for the coming year are considered formally.

Recently, the country focus in the Bank's work programs has become greater, taking into account the phase of development of each individual DMC. The country-focused operational strategies have led to greater selectivity in the sectors, programs, and projects in which the Bank is involved.

The Bank has a deep commitment to the participatory development process, not only in project and program design, but also in its country operational strategy and programming work, during which project identification and selection take place. The annual country programming mission involves extensive consultations with government and NGOs at various levels in the country and, normally, a project must be included in the CAP resulting from the mission for it to be considered by the Bank for assistance. With the objective of mainstreaming stakeholder participation in the Bank's business processes, planning began in 1998 for a regional workshop to be held in early 1999 that will involve participants from DMCs, NGOs, and the Bank. It is expected that participants will identify systematic participatory approaches, specifically in the preparation of Bank country operational strategies and programs, and in the design of projects.

Finally, an important planning exercise was initiated in 1998 to prepare a long-term strategic vision and framework that will set out the development impact objectives of the Bank through the first decade of the new millennium.

Support activities

While all its departments and offices support the Bank's priorities and objectives, some areas of the Bank give particular emphasis to strengthening the Bank's capacity to realize its development role.

Economics and Development Resource Center

Guided by the Bank's underlying strategic objectives, the Economics and Development Resource Center (EDRC) provides research support to the Bank's management and operations, and disseminates knowledge and information on development issues to the Bank's DMCs and the international community. Its operational strategy focuses on (i) undertaking research in development policy issues and disseminating the findings to DMCs; (ii) extending support to Bank operations by reviewing the quality of project economic evaluations, country operational strategies, economic reports, and sector work, and undertaking studies in methodology development for economic analysis of projects and policies; (iii) providing information and advice to Management and other staff on economic events and development policy issues; (iv) providing statistical information and assistance to DMCs and other offices within the Bank; and (v) engaging in institutional strengthening and capacity-building activities for DMCs.

Work relating to the Asian financial crisis featured strongly in EDRC's 1998 activities. A major in-depth study of financial markets in selected DMCs was undertaken, which included institutional strengthening and policy development issues relating to macroeconomic management, and banking subsector and capital market development. With the objective of discussing with senior policymakers its key findings and the policy implications for

rebuilding the financial sector in the region, EDRC began planning and preparing for a regional workshop to be held in 1999. Other financial sector-related studies undertaken in 1998 included mortgage-backed securities markets, a review of deposit insurance schemes, social impact of the financial crisis, and corporate governance and financing.

To discuss emerging issues and exchange views on the financial crisis, EDRC organized a number of seminars and workshops, including the Asian Development Forum–East Asia, The Unfinished Agenda; Senior Policy Seminar on Managing Global Financial Integration in Asia (held in collaboration with the World Bank); Financial Sector and Liberalization in Asia (jointly with the International Monetary Fund [IMF], the World Bank, and the Economic and Social Commission for Asia and the Pacific); Meetings of Heads of National Statistics Offices of the Countries in Crisis; and an inception workshop on the study of the Social Impact of the Financial Crisis. Also, Bank staff were keynote speakers in many international conferences.

The Bank also undertook regional studies in other areas, including Asian Exports: Trends and Prospects, and hosted the inception meetings on the study of Foreign Direct Investment and Technology Transfers in Asian Developing Countries. The Eleventh Workshop on the Asian Economic Outlook, a preparatory activity for the Bank's publication *Asian Development Outlook 1999*, was held in November 1998. Other conferences held during the year included the Joint ADB-Organisation for Economic Co-operation and Development (OECD) International Forum on Asian Perspectives and the Joint ADB-World Trade Organization Seminar on Asia and the Challenge of Globalization.

The Bank undertook several measures in the area of improving economic evaluation to ensure project quality prior to loan approval. For example, guidelines for the economic analysis of water supply projects and a handbook for economic analysis of subregional projects were completed; and similar work on build-own-operate-transfer projects was substantively completed. Further initiatives in 1998 included preparation of a handbook for the economic analysis of health sector projects, good practice examples in economic analysis, a study on the estimation of economic benefits of program loans, and a study on severe policy distortions and lack of competitive markets in the transitional economies of Central Asia.

In the area of its statistical services, the statistical database system and its Internet linkages were strengthened. The Bank also implemented technical assistance projects for statistical capacity building in its DMCs. Work on environment statistics neared completion. As part of the Bank's editing services, and with a view to achieving consistency in the presentation of Bank reports, the *Handbook of Style and Usage* was revised and published.

As part of its development resource center activities, the Bank produced and distributed numerous publications: *Asian Development Outlook 1998*, *Key Indicators of Developing Asian and Pacific Countries 1998*, and *ADB Research Bulletin*. The 1998 *Monograph Series* included, among other titles, "Challenges for Asia's Trade and Environment" and "Adjustment and Distribution, The Indian Experience." Other notable publications included *Social Sector Issues in Transitional Economies of Asia* and *The Future of Asia in the World Economy* (Proceedings of the Joint ADB-OECD Conference–Third International Forum on Asian Perspectives). Work on the manuscript "Fiscal Transition in Kazakhstan" was substantially completed. In addition, EDRC initiated a new

serial *Briefing Notes* on current economic issues; six *Briefing Notes* covering the major areas of financial crisis were produced and distributed.

Other development resource center activities included the conduct of conferences and workshops for government officials and policymakers. EDRC initiated collaborative activities such as a tax conference and a seminar on international finance with the ADB Institute, which was established by the Bank in 1997. As part of its capacity-building activities for DMCs, EDRC implemented training workshops on economic analysis of projects. A training course on macroeconomic and structural policies for government officials from Kazakhstan, Kyrgyz Republic, and Uzbekistan was also conducted, jointly with the IMF Institute.

The Bank also supported the Colombo Plan Secretariat, the East Asian Economic Association, and the American Committee on Asian Economic Studies in their research and capacity-building activities for DMCs, and served as a resource center on Asian economic issues for many external organizations from the public and private sectors.

Information systems and technology

In 1998, the Bank completed the Information Systems and Technology Strategy (ISTS), which sets the general directions for its information systems and technology infrastructure from 1998 to 2002. Following approval of the strategy and the related capital expenditure in October 1998, steps were initiated for implementing the strategy.

The Bank also completed the modifications to its computer programs which were required for year 2000 (Y2K) compliance and successfully carried out integrated simulation tests (*see box*). Vendors of software and hardware were also required to certify Y2K compliance of their goods and services.

Systems affected by the introduction of the euro on 1 January 1999 were enhanced to ensure compliance with euro requirements.

The Bank carried out modifications and enhancements on various mainframe and client/server systems during the year, including the loan financial information system, technical assistance information system, project administration system, and resident/regional missions accounting system. The project processing information system was redeveloped on a client/server platform to provide expanded functionality, including the automatic publication of project profiles and *ADB Business Opportunities* on the Bank's web site. The consultant data systems—data on consulting firms (DACON) and data on individual consultants (DICON)—were also converted from the mainframe to a client/server system with an Internet interface. The new investment portfolio accounting and management system software package was implemented at the start of 1998.

Various document management systems were enhanced and implemented. An environment network directory was established and a similar directory for social development expertise was also developed.

A new enterprise server with a new disk array subsystem and a new Y2K compliant operating system replaced the old mainframe system and now runs the Bank's legacy applications. The network facilities in some resident missions were upgraded; the other missions' network infrastructure will be upgraded in 1999 as part of the ISTS. The Bank's web site was rehosted in the US

to provide faster access to Internet users from Europe and the US. In addition, the bandwidth capacity for the Bank's Internet facility was expanded to 512 kilobits per second to provide faster access and response times.

Year 2000 Compliance Activities

The Bank was dealing with the year 2000 computer problem (also known as the "millennium bug" or "Y2K") and the potential impact in its DMCs and in its internal information systems well before 1998; but this past year, work was intensified.

The Y2K problem arises because some computer equipment rely on microprocessors (so-called "embedded chips") that may



not handle the transition to the year 2000 correctly (i.e., they are not Y2K compliant). The problem exists in computer hardware, operating systems, networks, and software. The risk is significant in that about 70 percent of computer applications make use of dates and must be assumed likely to fail unless made Y2K compliant. In addition, most modern equipment (e.g., medical, power generation, telecommunications) use embedded chips, of which a small, but significant proportion, is likely to fail.

Failure may be dramatic (e.g., complete failure of systems to operate at the end of 1999) or may be progressive (e.g.,

corruption of data over a period of time until it is detected). Either has the potential to lead to significant disruption, especially if a series of such problems occurs in parallel. The failure of noncompliant systems may result in administrative chaos, financial losses, danger to public safety, adverse public reaction, or other as yet unidentified consequences. At a macro-economic level, the consequent poor performance and organizational failure may impact upon the national financial position.

Resolving Y2K problems is not difficult technically. The problem is primarily a managerial and resources issue relating to having to address multiple systems in parallel. This is compounded by the very limited time before year 2000. In addition, the computer industry has a poor track record of delivering systems and upgrades on schedule.

There is a significant risk of socially dysfunctional behavior relating to Y2K, e.g., hoarding, especially of cash. This risk is likely to be greater in wealthier countries, where there has been more media exposure, but may still be a significant risk in the Bank's larger developing member countries (DMCs). Consideration needs to be given to printing extra notes and to developing steps to avoid hoarding.

The estimated costs for rectifying the Y2K problem globally range anywhere from \$600 billion to \$1.5 trillion.¹ The US Government's current estimate of its own requirement is \$6.9 billion.

The Year 2000 Problem in DMCs

The pervasiveness of computers in DMCs—even very small countries—is greater than

generally realized. They are used, for example, in power generation and telecommunications; often for paying government salaries, budgeting, and accounting; and by large businesses such as financial institutions or extractive industries. Although the scale of disruption in some countries may be less than others, those with a limited resource base are likely to experience more disruptive failures. Investing resources in Y2K compliance will divert DMC resources from other high-priority areas, but failing to address the problem may have even greater costs.

It is generally expected that the losses resulting from the Y2K problem may be about 1–2 percent of GDP. This amounts to a minimum of \$90 billion for the Asian DMCs altogether. Hence, the Y2K problem must be addressed at a national level. The Asian financial crisis has, in many DMCs, diverted attention from addressing the Y2K problem. In fact, Y2K problems may delay economic recovery from the crisis.

The Bank has a particular concern where its funds have been used to acquire equipment that uses embedded chips. Although more recently acquired systems and equipment are likely to be Y2K compliant, this cannot be safely assumed. In 1998, for example, computers and software which were not Y2K compliant were being sold. The benefits of the Bank's lending could potentially be negated by failures in acquired systems and equipment that are not Y2K compliant.

With regard to assisting its DMCs, the Bank first conducted a survey beginning in March 1998 to assess the level of awareness

(continued on page 160)

¹ Report prepared by the Cutter Consortium for the International Finance Corporation, May 1998.

(Year 2000 Compliance, continued)

of the governments about Y2K compliance and the measures already taken to monitor and coordinate remedial actions in the public and private sectors. The survey looked for measures such as the establishment of national coordinating mechanisms, identification of Y2K focal points or institutions, and conduct of public awareness campaigns.

A Task Force—established to coordinate ADB's response to the Y2K problem—determined that priority should be given first to Bank-financed projects, particularly to assessing the extent of risk exposure of each project to Y2K, and the preparedness of the project authorities to resolving the problem or minimizing the risk. In addition, the Bank is assessing and monitoring the readiness of individual DMCs, and taking steps to raise awareness among them about Y2K and available solutions. Because of the short time remaining to implement solutions, the Bank is also stressing the need to develop contingency plans in the event that critical systems fail to work properly in the year 2000.

To date, only a small number of DMCs have requested a modest level of assistance to address the Y2K problem, which is being provided, typically, through reallocation of resources under existing projects.

ADB is also collaborating closely with the World Bank's InfoDev (Information for Development) program regarding assistance to DMCs on Y2K. InfoDev has

launched national and regional Y2K awareness seminars globally, including in several Asian DMCs. The World Bank is also providing grants and loans to DMCs for Y2K remedial measures.

Links to a number of web sites providing useful information on the nature of Y2K and the status of the national action programs of various DMCs may be found on ADB's web site at <http://www.adb.org>.

Internal Systems

In early 1996, the Bank inventoried all systems, programs, databases, and facilities that would require a Y2K compliance review. Based on the inventory, it was concluded that the Y2K resolution activities would be sufficiently manageable and be completed by end-1998, provided the activities were undertaken as a priority task under the Bank's annual work program.

In early 1997, the Bank assigned a team of programmers to apply and test Y2K program fixes in all its internal application systems. The repaired programs were tested in the current environment at the systems level and immediately turned over to production. A formal monitoring system was put in place to ascertain that all programs had been reviewed and that no slippage would occur. This remediation effort was completed in July 1998.

During the third quarter of 1998, the Bank conducted integrated simulation tests of high-volume, date-sensitive processes of

critical systems to ascertain that the Y2K program fixes, tested at the systems level in 1997–1998, would continue to function properly in 2000 in an integrated application environment. The tests involved simulations of processes such as account closing, loan billing, payroll, and the execution of banking transactions for key dates between November 1999 and March 2000. Processing as of 29 February 2000 was also tested to address the issue of a leap year.

A contingency plan will be prepared in 1999, in coordination with users of the respective systems, to prepare for any unexpected problems associated with the Bank's internal systems that might arise during the millennium changeover period.

In addition to evaluating its internal systems, the Bank evaluated the Y2K compliance of the application software packages and information and data services of its vendors. It was confirmed that all application packages used in the Bank are Y2K compliant or will be compliant by the first half of 1999. Tests of the most critical processes supported by packages were carried out.

In parallel with the remediation effort for application software, a review of all equipment and systems software (including operating systems and database management systems) was conducted in 1997 and 1998, and many pieces of equipment and systems software were replaced or upgraded. With the exception of some network components, which will be replaced in 1999 as part of a planned overall network upgrade, all equipment and systems software currently in use have been certified as Y2K compliant by the suppliers.

Bank Management is attentive to the progress of Y2K problem resolution activities. In early 1998, the Bank's internal audit function conducted an audit of the overall action plan for Y2K problem resolution, including the procedures and approaches taken for problem resolution activities, and reported its findings to Management. Since then, the internal audit function has been monitoring Y2K activities on a continuing basis.



Almost all facets of life relying on computer equipment, including air transportation, will be affected by the millennium bug unless remedial action is taken before the transition to 2000. The Bank has taken steps to ensure that its internal systems are Y2K compliant and is helping its DMCs to do likewise.

Resident and regional missions and representative offices

Through its resident and regional missions and representative offices, the Bank achieves strengthened representation in its donor and developing member countries, and broader and more direct access to its constituencies.

Resident missions: The Bank has 10 resident missions, one each in Bangladesh, Cambodia, India, Indonesia, Kazakhstan, Nepal, Pakistan, Sri Lanka, Uzbekistan, and Viet Nam. The Kazakhstan and Uzbekistan resident missions began operations in 1998. The Sri Lanka Resident Mission, which commenced operations in Colombo in October 1997, was opened officially by the Bank's President in 1998.

The resident missions were established to (i) improve the Bank's coordination with the governments and funding agencies; (ii) assist with activities related to country programming and processing of new loan and technical assistance projects; and (iii) help ensure project quality by directly administering the implementation of select projects. Mission staff initiate and maintain dialogue with the governments on policy and other issues; and strengthen the work relationship between the Bank and government authorities in processing and implementing technical assistance and loan projects and programs, in coordination with representatives of bilateral and multilateral funding agencies. Because of their important role in improving implementation performance, the resident missions are being delegated more responsibility and accountability for portfolio management.

The resident missions develop their individual work programs to the country's particular needs. For example, in 1998, the Bangladesh Resident Mission assisted the Bank in its strategic objectives by arranging an in-country poverty consultation workshop, and was extensively involved in the flood damage assessment in preparation for the Flood Damage Rehabilitation Project approved by the Board in December 1998. The financial crisis and related political and social changes in Indonesia led to an increased need for the Bank to interact and coordinate with stakeholders with respect to Bank projects; the Indonesia Resident Mission assisted in this process. The Pakistan Resident Mission took a successful lead role in the spring-cleaning exercise and the campaign to accelerate disbursements, and interacted with government agencies and the Bank to ensure that Pakistan's loan service payments resumed toward the end of the year.

With regard to their external relations activities, in 1998, the India Resident Mission published and distributed a quarterly newsletter, and the Viet Nam Resident Mission launched its web site, which focuses on the Bank's program in Viet Nam. Two missions (India and Nepal) updated or developed new publicity brochures as part of the Bank's *Partners in Development* series.

Regional mission: The South Pacific Regional Mission (SPRM) in Port Vila, Vanuatu is the Bank's liaison to the eight member nations in the South Pacific: Cook Islands, Fiji, Kiribati, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. SPRM assists in the administration of loan and technical assistance projects in the South Pacific; provides economic and other inputs for the Bank's policy, project, and institutional development work; disseminates information about ADB activities; and promotes private sector development.



With the help of its resident missions, the Bank is able to improve project quality. Interaction with governments, stakeholders, and project beneficiaries is enhanced to ensure better project implementation.



Staff from the resident missions and representative offices assist the Bank in its external relations activities; shown here at the 1998 Frankfurt Book Fair.

Representative offices: The Bank's representative offices in Europe (Frankfurt), Japan (Tokyo), and North America (Washington, DC) strengthen its representation in donor members and assist in its resource mobilization efforts by promoting cofinancing with official and commercial sources. Through the representative offices, the Bank is able to interact regularly with key decision makers to inform them about the Bank's activities. The representative offices also help raise the profile of the Bank with key interest groups and with the public at large. They enable the Bank to communicate better and in a more timely manner with the development community, businesses, academics, and NGOs. Other important functions are information dissemination and public relations. In this regard, the Japanese Representative Office assisted in the translation of a number of Bank publications into the Japanese language.

Archives

The Bank's Archives was established to preserve and make available records of permanent value on the history of the Bank. The Archives maintains a repository that conforms to international standards on archival storage. A microfilm program is incorporated within the Records Center operations. The Bank uses off-site storage for vital records.

The Archives currently holds approximately 14,000 textual records; 33,000 photographs, slides, and negatives; and 600 audiovisual items. Holdings include records on the establishment, organization, structure, policies, programs, and projects of the Bank. The photographs held in the Archives provide visual documentation of the various projects and activities of the Bank. The Archives maintains a database of its collection called the Bank Archives Information System. The Bank's Archives is listed in the *Guide to the Archives of International Organizations*, a publication of the United Nations Educational, Scientific and Cultural Organization.

In 1998, staff carried out an active program to acquire historical Bank documents to be added to the existing collection.

Library

The Library, with a collection of approximately 200,000 volumes, is the Bank's knowledge resource center for information in print and electronic formats. It provides research assistance in all disciplines related to the Bank's strategic objectives, programs, and projects. The collection specializes in development economics, key economic sectors, and the countries of the Asian and Pacific region. Sectoral emphasis includes agriculture, energy, finance, environment, law, transport and communications, and social infrastructure.

A full range of library services supports the Bank's staff in headquarters and in the DMCs. In addition, educational institutions and individual researchers from around the world make regular use of the Library's collections and services via Internet, telephone or fax inquiries, or in-person visits. The Library received close to 3,000 inquiries from more than 2,500 external visitors in 1998. This number is lower than last year's high of 2,800 visitors because the Library was closed to external visitors for several months because of inventory taking.

The Library sponsors an active donation program, extending the shelf life of materials no longer needed by the Bank. For example, in 1998, nine

institutions in the Philippines received more than 3,000 titles from the Library to assist them in building their collections.

The Library continued to broaden its outreach activities with an exhibit in March 1998 on gender and development to create awareness and assist in mainstreaming the consideration of gender into Bank operations and programs. Three other exhibits held in previous years focused on acquired immunodeficiency syndrome (AIDS), Asia-Pacific Economic Cooperation, and environmental issues facing Asia's megacities. The Library also updated its bibliography, "Publications On and About the Asian Development Bank, 1987–1997."

The Library's long-term strategy as the Bank's knowledge resource center is to increase the amount and the quality of information available at the desktops of Bank staff. In keeping with this strategy, the Library enhanced its electronic and Internet-based services to augment the coverage and sources available, increased and streamlined desktop access for Bank staff, and developed a home page for the Bank's internal use.

Public Information Center

One of the Bank's operational strategies is to increase awareness and understanding of its activities, strategies, and objectives among the public and policymakers in its DMCs and donor member countries. In addition, its Information Policy and Strategy, and Policy on Confidentiality and Disclosure of Information—both approved by the Board in 1994—provide for the greatest possible degree of transparency and disclosure in all areas of the Bank's operations, with few exceptions. To this end, the Bank established the Public Information Center (PIC) in 1996 to make available to the public—either free of charge or for purchase, depending on the publication—ADB publications, information brochures, videos, and documents.

In 1998, the PIC catered to about 4,200 visitors who sought its services either in person or through mail, phone, or electronic requests. This represents an increase of 20 percent over the 1997 numbers. An estimated 6,700 books, 180 videos, and 40 CD-ROMs (computer disk-read only memory) were sold in 1998. More than 2,500 documents were dispatched in response to requests for reports covered by the Bank's Policy on Confidentiality and Disclosure of Information; about 1,025 of these documents were distributed free of charge, the bulk going to NGOs.

The PIC is the dispatch point for the Bank's Depository Library Program, a worldwide network of about 130 libraries, offering the public free access to Bank documents and publications. Each member library received 285 publications and documents in 1998.

In addition, the PIC is the dispatch point for the Bank's subscription publications, *ADB Business Opportunities* and *Asian Development Review (ADR)*. During the year, nearly 400 companies and individuals maintained subscriptions to *ADR* and about 2,100 maintained subscriptions to *Business Opportunities*. The decrease in *Business Opportunities* subscriptions from 2,500 in 1997 is attributed to its availability on the Bank's Internet web site at <http://www.adb.org>, a decision that the Bank made in 1995 to ensure that this publication would reach an even wider audience.

Asian Development Bank Institute

The ADB Institute was established in December 1997. Nineteen ninety-eight marked the start-up year during which research and capacity-building activities were initiated. The major activities in 1998 are summarized below.

During its first full year of operation, the Institute's core program achievement has been the preparation of the initial *Strategic Directions* paper, which identified the main areas of the research and capacity-building agenda: (i) Asian development paradigms, (ii) reform and strengthening of financial systems, (iii) education and social development, and (iv) strategic perspectives for development management. These directions were discussed by the Bank's Board of Directors and at the inaugural meeting of the Institute's Advisory Council.¹

A high-level roundtable series on the Asian financial crisis was held in Manila, San Francisco, Singapore, and Tokyo. Preliminary results were published in the Institute's first book disseminated at a public symposium held during the Bank's 31st Annual Meeting in Geneva. An executive summary series was also initiated for these and other conference proceedings in print and on-line (<http://www.adbi.org>).

Start-up capacity-building and training activities were conducted mainly in collaboration with the Bank or OECD. Joint Institute-Bank capacity-building and training seminars were held in the fields of municipal management, taxation policy, and international finance. Together with OECD, the Institute organized an international symposium on securities market regulatory systems. Seminars on lessons learned and policy responses to the financial crisis were also held, based on materials developed by the Institute's research roundtable workshops. These capacity-building activities reached around 165 participants from 27 countries with about 770 person-days of training.

Planning workshops in the areas of education, social development, public policy, and institutional reforms were also held throughout the year. An innovative book entitled *The Learning of Nations* is now on-line as an experiment in the effective use of media and information technology. The on-line site features an e-mail feedback mechanism that encourages comments and documentation of experiences from interested readers and stakeholders.

The seven members of the Advisory Council were selected from leading scholars and senior policymakers of Bank member countries, and their guidance has been relied upon in refining the work programs. The international and local staff have now been recruited and have commenced work in Tokyo.

The professional staff (16 established posts, of which 13 have been filled) have also been augmented by one visiting scholar, seven contractual researchers, two research associates, and three program consultants. Major research initiatives were partnered worldwide with leading academic and other institutes, including the Institute of Fiscal and Monetary Policy, the Institute of South East Asian Studies, and the Federal Reserve Bank of San Francisco.

In accordance with its statutory oversight responsibilities, the Board of Directors reviewed and approved the Institute's 1998 work program and budget.

¹ The Institute's Advisory Council consists of seven members: two from the Bank's DMCs (the People's Republic of China and Sri Lanka), two nonregional donor countries (Italy and the United States), two regional donor countries (Australia and Japan), and a representative of the Bank (Chief Economist) (see also Appendix 5).