

## GLOSSARY

**advisory and operational technical assistance:** support to developing member countries, without condition of repayment, for institutional strengthening, sector and policy studies, nonproject-related human resource development, and operational purposes

**Asia Recovery Information Center (ARIC):** a clearinghouse for information relating to recovery from the Asian financial crisis

**Asian Currency Crisis Support Facility (ACCSF):** established in March 1999 as an independent component of the Japan Special Fund for countries in the region most affected by the Asian financial crisis; its modalities comprised interest payment assistance, technical assistance grants, and guarantees; terminated on 23 March 2002

**Asian Development Fund (ADF):** ADB's soft-lending window for developing member countries with low per capita gross national product and weak debt repayment capacity

**channel financing:** a mode of financing wherein funds are coursed through ADB by a cofinancier that prefers an indirect financial relationship with a developing member country

**civil society:** a wide array of nongovernment organizations that have a presence in public life, expressing the interests and values of their members, often exist outside of the state and the market

**cofinancing:** from ADB's perspective, financing mobilized from sources other than the borrower or project sponsors to fund ADB-assisted projects or programs; provided either jointly or in parallel with ADB's own direct assistance

**complementary financing scheme (CFS):** a credit enhancement arrangement under which ADB, in addition to a direct loan from its own resources, makes a complementary loan on market-based terms, funded entirely by market institutions (commercial lenders), without recourse to ADB for debt service

**contract award ratio:** the ratio of contracts awarded during the year over the value available for contract awards at the beginning of the year

**country office:** an external office in the country hosting the ADB headquarters, has the functions of a resident mission—government, civil society, and private sector relations; policy dialogue and support; country reporting; aid coordination; and external relations and information dissemination

**country strategy and program (CSP):** ADB's most important planning and programming document at the country level, prepared every 5 years to identify the country's development needs, priorities, and strategies

**credit line:** government-guaranteed loan provided to selected financial intermediaries in a developing member country for onlending to small- and medium-sized enterprises

**developing member country (DMC):** a member of ADB; does not imply any view on the part of ADB as to the member's sovereignty or independent status

**digital divide:** the gap between groups in terms of the ready access to computer knowledge and products

**disbursement ratio:** the ratio of total disbursements during the year over the net loan amount available at the beginning of the year plus the loan amounts of newly approved loans that have become effective during the year; excludes private sector loans

**empowerment:** the expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control, and hold accountable, institutions that affect their lives

**environmental assessment:** a generic term for a process of environmental analysis, management, and planning to address environmental impacts of development policies, strategies, programs, and projects; ADB requires an environmental assessment of all project loans, program loans, sector loans, sector development program loans, financial intermediation loans, and private sector investment operations

**extended mission:** a nonformal ADB presence in a DMC to address the specific needs of that country; consists of headquarters-based staff temporarily residing in the DMC to undertake specific assignments

**external offices:** ADB offices other than the headquarters; consists of resident and regional missions, representative offices, country office, liaison offices, and extended missions

**governance:** the manner in which power is exercised in managing a country's social and economic resources for development

**grant:** financing for a project or program made without expectation of goods or services in return

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**guarantee:** a written undertaking by a guarantor to pay a stated amount if the borrower fails to meet certain commitments, such as the payment of principal or interest; ADB offers two types of guarantees: a *partial credit guarantee*, and a *political risk guarantee* (each of which is described under separate headings in this *Glossary*)

**indigenous peoples:** people with a social or cultural identity distinct from the dominant or mainstream society, which makes them vulnerable to being disadvantaged in the development process; also ethnic minorities

**information:** data put into context; not the same as knowledge but often information and knowledge are used interchangeably because the process of converting information into knowledge is not readily apparent

**INTEGRA:** integrated financial management and human resource management information system; an integrated web-enabled information system

**Japan Fund for Information and Communication Technology (JFICT):** a trust fund established in July 2001 to help developing member countries reduce poverty by bridging the growing digital divide in Asia and the Pacific

**Japan Fund for Poverty Reduction (JFPR):** a trust fund established in May 2000 to support poverty reduction and social development activities that can add substantive value to ADB-financed projects

**Japan Scholarship Program (JSP):** established in 1988 to provide an opportunity for well-qualified citizens of ADB's developing member countries to undertake postgraduate studies in economics, management, science and technology, and other development-related fields at selected educational institutions in Asia and the Pacific

**Japan Special Fund (JSF):** established in March 1988 and administered by ADB to help developing member countries restructure their economies and broaden the scope for new investments

**just-in-time training:** providing staff training when, where, and how it is needed; responds to the specific area of skills development and knowledge needed, and is delivered as soon as possible after the need has been identified

**knowledge:** understanding the why, what, how, who, when, and where relative to taking some action; applies reasoning to information; knowledge is held by people (tacit knowledge) but some can be converted and made accessible to others through documentation, presentations, computer systems, decision rules, training, and mentoring (explicit knowledge)

**knowledge products and services (KPS):** analytical work, project preparation, capacity building, and institutional development, irrespective of funding source

**liaison office:** an external office to coordinate ADB operations in a country or subregion

**loan:** type of financing of investment projects and programs bearing interest rates, commitment charges over a maturity period, and repayment terms depending on the source of funding, i.e. ordinary capital resources or the Asian Development Fund

**Long-Term Strategic Framework (LTSF):** provides an agenda for ADB's poverty reduction and growth-financing activities to 2015; implemented through medium-term strategies, each covering a 5-year period; core areas of the long-term intervention include sustainable economic growth, inclusive social development, and governance for effective policies and institutions

**Medium-Term Strategy (MTS):** the bridge between the Long-Term Strategic Framework and the activities that ADB undertakes in its developing member countries; a plan to help ADB achieve its vision of an Asia and Pacific region free of poverty; an integral part of ADB's operational planning framework; geared to the most immediate and pressing development needs of the region

**Millennium Development Goals (MDGs):** a set of significant, measurable objectives that would indicate an improvement in people's lives; a result of the Millennium Declaration, adopted by 147 heads of state and government during the Millennium Summit in September 2000, reaffirming their commitment toward sustaining development and eliminating poverty; at the Monterrey Conference in March 2002, multilateral development banks, including ADB, reached a consensus to relate their long-term strategic frameworks to the MDGs

**nongovernment organization (NGO):** a special interest group

**ordinary capital resources (OCR):** the interest-bearing window for ADB's ordinary lending operations

**others:** the term "Others" in sector tables on loans and technical assistance grants includes projects outside ADB's economic sector classification system; these projects pertain to, among others, central government administration, operation and regulation, customs operations, public sector reform programs, judicial and legislative operations, public finance management, fiscal reforms, environment projects, gender, governance, and tourism

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**partial credit guarantee (PCG):** a credit enhancement product used to facilitate commercial cofinancing by providing lenders to ADB-assisted projects with comprehensive coverage against all commercial and political risks for a specified portion of a borrower's debt service obligation

**participatory development:** a process through which stakeholders can influence and share control over development initiatives and decisions, and resources that affect their lives

**participatory poverty assessment:** a product of consultations with the poor to understand the nature of poverty and help formulate poverty reduction programs

**performance-based allocation (PBA):** a system of earmarking a loan depending on the use of previous loans and a country's capacity to pay

**political risk guarantee (PRG):** a credit enhancement product used to facilitate commercial cofinancing by providing lenders to ADB-assisted projects with cover against specifically defined political risks

**postconflict:** the period when hostilities have ceased in large parts of a country, a central authority is in place to deal with governance issues and enter into contracts with international donors and others, relief activities are gaining momentum, and rehabilitation activities have been initiated as displaced persons begin to return home

**poverty partnership agreement (PPA):** an agreement signed between ADB and governments of its developing member countries that specifies targets and measures for reducing poverty, and ADB's support toward achieving these objectives

**Poverty Reduction Cooperation Fund (PRF):** a grant facility from the Department for International Development of the Government of the United Kingdom to help ADB reduce structural poverty in its developing member countries

**program loan:** a loan that supports policy and institutional reform in a developing member country to enhance economic efficiency in a sector

**project loan:** loan provided to finance a specific project

**project completion report (PCR):** a concise history of a project from identification to completion, evaluates the thoroughness and adequacy of project design, reviews implementation factors affecting project performance, suggests follow-up actions required during operations, and makes recommendations to improve operations, policies, and procedures; usually prepared within 12–24 months of project completion

**project preparatory technical assistance (PPTA):** a grant assistance for analyzing sector and thematic issues; assessing feasibility; and designing investment, reform, or sector development activities

**project/program performance audit report (PPAR):** a study that evaluates the effectiveness of the project in achieving its intended objectives; includes an analytical commentary and an audit of the adequacy and integrity of the completion report; focuses on specific issues meriting close attention; and analyzes the causes of deviations from appraisal designs and assesses their significance; generally prepared 3 years after project completion to ensure the availability of adequate data relating to the benefits and costs including operation and maintenance costs

**public good:** a good which, when consumed by an individual, does not detract from the consumption by another, and which is impossible or at least very difficult to exclude anybody from consuming

**real economy or sector (economics):** activities in the economy that produce goods and services, excluding financial and monetary activities

**Regional Economic Monitoring Unit (REMU):** established in 1999 to support the Association of Southeast Asian Nations in its surveillance of economic developments; provides inputs relating to the Asian financial crisis through the Asia Recovery Information Center

**regional mission:** an external office of ADB that is responsible for a group of countries in a subregion with functions similar to that of a resident mission—government, civil society, and private sector relations; policy dialogue and support; country reporting; aid coordination; and external relations and information dissemination

**regional technical assistance:** a grant given to address issues of interest to the region, a subregion, or a group of individual DMCS; regional activities include conferences, research, studies, training, and other development-related activities

**representative office:** an external office of ADB in a nonborrowing member country that is involved in resource mobilization; liaises with other multilateral and bilateral development agencies and other organizations, both intergovernment and nongovernment

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**resident mission:** an external office of ADB in a developing member country with standard functions—government, civil society, and private sector relations; policy dialogue and support; country reporting; aid coordination; and external relations and information dissemination, and certain specific functions as delegated by ADB headquarters

**safeguard policy compliance:** a process to ensure that standards stipulated in contract documents are met for improved project quality

**sector development program loan:** a combination of an investment (project or sector) and a policy-based (program) loan, as well as, where appropriate, an accompanying technical assistance, to meet sector needs in a comprehensive and integrated manner; not a separate lending modality, but represents the combination, under appropriate circumstances, of policy and investment-based assistance

**sector loan:** a loan provided to develop a specific sector or subsector; finances a large number of subprojects in a single sector or subsector

**special funds:** funds administered by ADB such as the concessional Asian Development Fund, Technical Assistance Special Fund, Japan Special Fund (including the Asian Currency Crisis Support Facility), and the ADB Institute Special Fund

**special office:** an external office to facilitate coordination with other donors in a developing economy or to provide urgent development assistance to a DMC whose work program with ADB has yet to be formalized

**technical assistance:** resources given to a developing member country to help them identify, formulate, and implement development projects, enhance institutional capabilities, formulate and undertake development plans and strategies, foster regional cooperation, and promote the consideration of vital development policy issues. Technical assistance operations are funded either by a loan or by a grant, or by a combination of the two. The three types of technical assistance are project preparatory technical assistance (to identify, formulate, and implement projects); advisory and operational technical assistance (to improve institutional capabilities, formulate development strategies, and promote technology transfer); and regional technical assistance (to foster regional cooperation)

**Technical Assistance Special Fund (TASF):** a consolidated account under ADB's Special Funds resources to finance its grant-financed technical assistance operations and related activities

**trust funds:** funds that are managed and administered by ADB but are not part of ADB's own resources, such as the Japan Fund for Information and Communication Technology, Japan Fund for Poverty Reduction, Japan Scholarship Program, and channel financing of grants provided by bilateral donors to support technical assistance and soft components of loans