

III. ASIAN CURRENCY CRISIS SUPPORT FACILITY

A. Activities

27. The Asian Currency Crisis Support Facility (ACCSF) was established in March 1999 as an independent component of the JSF. It is entirely funded by the Government of Japan as part of its financial assistance under the New Miyazawa Initiative to ADB DMCs most affected by the recent financial crisis. The ACCSF provides assistance by helping to augment and enhance ADB financial support. ADB administers the ACCSF. The beneficiary countries include Indonesia, Republic of Korea,² Malaysia, Philippines, and Thailand. The ACCSF modalities comprise (i) interest payment assistance (IPA) and TA grants, and (ii) guarantees. Assistance with ACCSF financing must be approved during the three years following the establishment of the ACCSF or during such extended period as the Government of Japan and ADB may agree if the beneficiary countries have not fully recovered from the crisis.

28. In March 2000, the Government of Japan contributed ¥15.0 billion (\$136.6 million equivalent) for its third contribution to the ACCSF. At the end of 2000, Japan's cumulative contributions for the IPA and TA component of the ACCSF amounted to ¥27.5 billion (\$241.0 million equivalent). The uncommitted balance of funds for new approvals of IPA and TA was \$125.9 million as of 31 December 2000.

29. In 2000, ADB approved seven TA grants for ACCSF funding totaling to \$7.6 million.

30. ACCSF financing is targeted at activities that support policy dialogue, human resource development, institutional strengthening, and other relevant efforts focusing on bank restructuring and corporate debt restructuring; creation or development of sound financial monitoring, supervision, and regulation; enhancement of public sector and corporate governance; development of social safety nets; and protection of the environment. During 2000, the ACCSF financed seven advisory TAs as part of ADB's response to the financial crisis. This included two projects in the Philippines aimed at

² Although the Republic of Korea was severely affected at the onset of the crisis, the country has made significant progress in macroeconomic recovery. Given these improvements, the Republic of Korea will not receive assistance under the ACCSF as long as the present situation continues.

strengthening management capacity and improving the quality of technical education and skills development system; and providing capacity building support for Pasig River environmental management and rehabilitation. The ACCSF also financed five projects in Indonesia aimed at supporting a deregulation and competition task force; helping the small and medium enterprise (SME) task force evaluate existing support programs and develop a strategy for SME development; developing the internal capacity to guide public expenditure management reforms; and developing a monitoring and evaluation system for the health and nutrition sector development program; and to develop a system for disbursement, monitoring, and accounting of project funds.

31. The Government of Japan also deposited a promissory note for ¥360.0 billion (\$3.2 billion equivalent) in the ACCSF custodian account; this note may be encashed at any time to meet a call on any guarantees issued under the ACCSF. During 2000, although opportunities for using ACCSF guarantees in relation to ADB operations in the countries eligible for ACCSF financing were identified, no ACCSF guarantee operations were concluded.

B. Sectoral Activities

32. In 2000, the ACCSF financed 4 percent of the total value of TAs approved by ADB. The breakdown of ACCSF TA approvals by sector is shown in Table 2.

**Table 2: Asian Currency Crisis Support Facility
Technical Assistance by Sector, 2000**
(\$'000)

Sector	No.	Amount	%
Agriculture and Natural Resources	1	1,100.0	14
Industry and Nonfuel Minerals	2	3,500.0	46
Social Infrastructure	3	2,775.0	37
Others	1	225.0	3
Total	7	7,600.0	100