

**ASIAN DEVELOPMENT BANK**

**TAR:OTH 36647**

**TECHNICAL ASSISTANCE**  
(Cofinanced by the Government of Australia)

**FOR THE**  
**ASIA RECOVERY INFORMATION CENTER**  
**PHASE III**

**November 2003**

## **ABBREVIATIONS**

ADB	–	Asian Development Bank
AEM	–	Asia Economic Monitor
ARIC	–	Asia Recovery Information Center
ASEAN	–	Association of Southeast Asian Nations
AusAID	–	Australian Agency for International Development
IMF	–	International Monetary Fund
DMC	–	developing member country
PRC	–	People's Republic of China
REMU	–	Regional Economic Monitoring Unit
SARS	–	severe acute respiratory syndrome
TA	–	technical assistance

## **NOTE**

In this report, "\$" refers to US dollars

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## I. INTRODUCTION

1. In June 1999 the Asian Development Bank (ADB) approved a regional technical assistance (TA) to establish the Asia Recovery Information Center (ARIC), funded by a grant from the Government of Australia. The TA's objective was to provide a web-based clearinghouse to consolidate, disseminate, analyze, and exchange information on the Asian crisis and recovery. The TA covered the five countries most affected by the crisis: Indonesia, Republic of Korea (henceforth Korea), Malaysia, Philippines, and Thailand. The TA was implemented over 1 year and 9 months, and completed in March 2001.

2. In response to the ARIC advisory committee's recommendation,<sup>1</sup> in April 2001 ADB approved a regional TA for ARIC's second phase, funded by a new grant from the Government of Australia and covering eight developing member countries (DMCs), including the five affected countries, People's Republic of China (PRC), Singapore, and Viet Nam. The TA was to be implemented over 12 months, which was later extended due to cost savings. The TA is scheduled to be completed in November 2003.

3. The third meeting of the ARIC advisory committee, held in April 2002, concluded that the ARIC web site had provided valuable services to many East Asian countries in their recovery from the crisis, and that demand for such services was still strong. The ARIC web site will help these countries respond to the challenges of globalization. The advisory committee thus recommended a third phase of ARIC, and so this TA is proposed. The TA paper reflects the purpose and output, methodology and key activities, cost estimates and financing plan, and implementation arrangements of ARIC Phase III.<sup>2</sup> The TA framework is attached as Appendix 1.

## II. ISSUES

4. The ARIC web site was established in 1999 by ADB under a TA<sup>3</sup> in response to a proposal by the Sydney Meeting on Development Cooperation: Responding to the Asia Crisis to set up an Internet-based information facility for collaborative exchange of information on, and analysis of, the Asian crisis and recovery, and a request from the Government of Australia to house the facility. The TA was approved in June 1999, covered five countries most affected by the Asian crisis, and funded by a grant from the Government of Australia.

5. Launched in November 1999, the ARIC web site was envisaged as an information clearinghouse focusing on (i) social and economic impacts of the Asian crisis and recovery; (ii) development assistance and domestic policies and programs in response to the crisis, including those in relation to social safety nets; (iii) emerging assistance needs identified by the affected countries or aid agencies; and (iv) public, private, and nongovernment sector expertise that can be used to address specific crisis-related issues. The web site's targeted users include government officials at various levels in the countries covered by the TA and other DMCs, aid agencies, private sector, nongovernment organizations (NGOs), economic policy analysts, academic researchers, and journalists. With its overall policy directions guided by an advisory

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<sup>1</sup> Co-chaired by ADB and Australian Agency for International Development (AusAID), with representatives from the Asia Pacific Economic Cooperation (APEC), Association of Southeast Asian Nations (ASEAN), International Monetary Fund (IMF), United Nations Development Programme (UNDP), and World Bank.

<sup>2</sup> The TA first appeared in *ADB Business Opportunities* in July 2003.

<sup>3</sup> ADB.1999. *Technical Assistance for Establishment of the Asia Recovery Information Center*. Manila.

committee, the web site was expected to help countries recover from the crisis and fight poverty.

6. Shortly after its launch, the web site became a leading portal of information and analysis on the Asian crisis and recovery, quickly building up a sizable usership, with 300 visitors and 4,000 hits per day in early 2000. The web site also received a number of favorable external reviews and citations. In February 2000 the *Scout Report*<sup>4</sup> cited ARIC as “truly invaluable to users following the Asian crisis.” In May 2000 *Forbes* rated ARIC as one of the “Best of the Web” in its summer issue. The World Bank introduced ARIC in its *Interest Bearing Notes Newsletter* in May 2000. In the same month the *Asia Observer*<sup>5</sup> featured ARIC as a “Site of the Week.” In August 2000 the *Far Eastern Economic Review* cited ARIC as “a good source of updates on Asia’s recovering economies.” During ARIC dissemination seminars in Indonesia and Thailand, participants from government and aid agencies (World Bank, International Monetary Fund [IMF], and United Nations Development Programme [UNDP]) indicated that they had been using the ARIC web site for their work.<sup>6</sup>

7. Based on the performance of ARIC and demand for its services, as well as on an independent evaluation conducted by Australian Agency for International Development (AusAID), the ARIC advisory committee, which met again on 28 September 2000 at the ADB Headquarters, recommended a second phase of ARIC. ADB approved a TA for ARIC Phase II in March 2001, funded by a new grant from the Government of Australia.<sup>7</sup> As at that time, although recovery had been faster than expected, it was still incomplete and ARIC, therefore, kept its original mandate. At the same time, policymakers were increasingly turning their attention to medium-term issues of economic management and crisis prevention. In response to changing circumstances, ARIC would strengthen its monitoring function to help DMCs detect economic and financial vulnerability.

8. The web site was thus improved and expanded in the second phase. Eight DMCs were covered (the five affected countries, PRC, Singapore, and Viet Nam). ARIC’s capacity to highlight topical and emerging economic and policy issues was also enhanced. *SARS Watch*, for example, is an ARIC site that exclusively disseminates SARS-related information and analysis. ARIC’s second phase saw continuously improved performance, with 530 visitors and 8,500 hits per day at the beginning of the second phase, and about 700 and 9,100 in May 2003. The web site continued to receive favorable reviews and citations by reputable media sources, including *Forbes*.<sup>8</sup>

9. The ARIC advisory committee met a third time in April 2002 at the ADB Headquarters, and concluded that the web site had helped many East Asian countries recover from the crisis and that demand for such services was still strong. The committee recommended a third phase for ARIC, based on the following considerations:

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<sup>4</sup> The *Scout Report* is a weekly publication by the Computer Science Department, University of Wisconsin-Madison, United States, offering a selection of new and newly discovered Internet resources of interest to researchers and educators.

<sup>5</sup> *Asia Observer* is a web site of news and development in East and Southeast Asia.

<sup>6</sup> Dissemination seminars were organized by the Regional Economic Monitoring Unit in November 2000, with assistance of the ADB Resident Mission in Indonesia and Extended Mission in Thailand.

<sup>7</sup> ADB. 2001. *Technical Assistance for the Asia Recovery Information Center*. Manila.

<sup>8</sup> Winter 2002 and Spring 2003. Best of the Web. *Forbes*.

- (i) Although many Asian countries have significantly recovered, much financial and corporate restructuring and structural reform remains to be done, and for which ARIC still has a role to play as a clearinghouse of information.
- (ii) With increasing globalization, developing countries are exposed to more risks and need to be extremely vigilant against possible external shocks and crises, and to monitor vulnerability not only in their own economies but also in others. ARIC's services will continue to be highly relevant and in demand.
- (iii) Financial crises could reverse gains in poverty reduction. By mitigating financial crises, therefore, ARIC will also help DMCs, ADB, and other development partners fight poverty.
- (iv) The ARIC web site has established itself as an important and credible source of information and analysis on the Asian crisis and recovery, and earned a high reputation among its targeted users. Given the amount of financial and human resources invested in this project by AusAID, ADB, and other development partners, continuing ARIC's operations after the second phase would cost-effectively enhance ADB's development impact.

10. The ARIC web site has helped ADB promote regional monetary and financial cooperation by providing valuable services to targeted users in DMCs and worldwide and by supporting activities of the Regional Economic Monitoring Unit (REMU). ADB established REMU to support the Association of Southeast Asian Nations (ASEAN) Surveillance Process in 1999. Over the years, as regional efforts to promote monetary and financial cooperation, mainly in areas of information exchange, surveillance, and resource pooling, have evolved, requests for REMU's support have increased. REMU now supports five regional groups—ASEAN, ASEAN+3, Manila Framework Group, Asia-Europe Finance Ministers Process, Asia-Pacific Economic Cooperation (APEC) Finance Ministers Process—through high-frequency monitoring, capacity building, and special studies. The ARIC web site, including its online publication, *Asia Economic Monitor* (AEM), is essential for REMU to provide supporting services to its clients and fulfill its mandate.

11. The TA for ARIC Phase III is a response to the recommendation of the ARIC advisory committee and the need to continue supporting REMU operations. ARIC Phase III will focus on high-frequency monitoring of national, subregional, and regional economic and financial vulnerabilities, structural reforms, and emerging policy issues. ARIC's country coverage will be extended to include 11 DMCs in East Asia and 4 in South Asia. The selection of the latter is based on the availability of high-frequency data. The expansion of country coverage can be justified by the demand for ARIC services by these countries and the fact the additional cost for including another country in ARIC is small.

### **III. THE TECHNICAL ASSISTANCE**

#### **A. Purpose and Output**

12. The objective of the TA is to continue second-phase ARIC activities and maintain ARIC as a regional facility to monitor national, subregional, and regional economic and financial vulnerabilities, structural reforms, and emerging policy issues. As in the previous phases, the targeted web-site users will be government officials at various levels in the countries covered by

the TA, other DMCs, officials of aid agencies, private sector users, NGOs, economic policy analysts, academic researchers, and journalists.

## **B. Methodology and Key Activities**

13. The TA will (i) expand the web site to reflect its new focus (monitoring economic and financial vulnerabilities, structural reforms, and emerging policy issues in participating countries) and extended country coverage; (ii) maintain the web site; and (iii) prepare the AEM.

14. Six to eight issues of AEM will be produced for on-line publication during the TA. AEM will review and analyze economic and financial vulnerabilities, structural reforms, and emerging policy issues of countries covered by the TA, on the basis of high-frequency ARIC indicators.

15. The TA will cover 11 DMCs of the ASEAN+3 group: Cambodia, PRC, Indonesia, Korea, Lao People's Democratic Republic, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Viet Nam; and 4 South Asian DMCs: Bangladesh, India, Pakistan, and Sri Lanka.

## **C. Cost and Financing**

16. The total cost of the TA is \$785,593 equivalent; \$381,013<sup>9</sup> equivalent will be financed on a grant basis by the Government of Australia and administered by ADB; and \$404,580<sup>10</sup> equivalent will be financed on a grant basis from ADB's TA funding program. The cost will cover remuneration, travel, and per diem for international and local consultants, computer hardware and software, supplies, communication, printing, and publication. A detailed cost breakdown and the proposed financing plan are in Appendix 2.

## **D. Implementation Arrangements**

17. ADB will be the TA Executing Agency. REMU will implement the TA, collaborating closely with other ADB departments and offices. The ARIC advisory committee, consisting of representatives from APEC, ASEAN, AusAID, ADB, IMF, UNDP, and World Bank will continue to provide overall policy direction. The advisory committee, chaired jointly by ADB and AusAID representatives, will meet as needed.

18. The TA will require approximately 26 person-months of international and 182 person-months of domestic consulting services. All the consultants will be engaged as individual consultants in accordance with *ADB's Guidelines on Use of Consultants* and other arrangements acceptable to ADB for the selection and engagement of domestic consultants. Outline terms of reference for consultants are in Appendix 3.

19. One international consultant—an economist with expertise in development issues in Asia, and strong analytical, liaison, and communication skills—will be designated as the team leader. Under the supervision of ADB staff, the consultant will oversee other consultants who will develop and maintain the ARIC web site. The other international consultants—economists familiar with development issues in Asia, particularly the participating countries, and with strong analytical and communication skills—will help prepare special studies on topical issues with significant policy implications as inputs to AEM, under the supervision of ADB staff. Domestic

<sup>9</sup> This includes \$155,439 savings from a regional TA (ADB. 1999. *Establishment of the Asia Recovery Information Center [ARIC Phase I]*. Manila) and an additional grant of \$225,574.

<sup>10</sup> This includes \$44,580 savings from a regional TA (ADB. 1998. *Technical Training and Capacity Building in Support of the ASEAN Economic Surveillance Process*. Manila) and \$360,000 new allocation.

consultants, consisting of two web programmers, a parttime copyeditor, and six economic analysts, will help expand and operate the web site. The economic analysts will have extensive experience in economic, social, and financial data processing and analysis, be familiar with economic and policy issues of the participating countries, have strong communication skills, and be proficient in using standard computer applications software.

20. Procurement of equipment (computer hardware and software) by ADB will be in accordance with its *Guidelines for Procurement*. Procurement will take place in coordination with ADB's Office of Information Systems and Technology and Office of Administrative Services. After TA completion, any procured equipment will be disposed of in accordance with Project Administration Instructions 5.11.

21. The TA is expected to be implemented over 24 months, from December 2003 to November 2005.

#### **IV. THE PRESIDENT'S DECISION**

22. The President, acting under the authority delegated by the Board, has approved (i) ADB administering a portion of technical assistance not exceeding the equivalent of \$381,013 to be financed on a grant basis by the Government of Australia, and (ii) ADB providing the balance not exceeding the equivalent of \$404,580 on a grant basis for the Asia Recovery Information Center Phase III, and hereby reports this action to the Board.

### TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Targets	Monitoring Mechanisms	Assumptions and Risks
<b>1. Goal</b> Reduce economic and financial vulnerabilities, and support growth and poverty reduction in Asia	Mitigate risks of future crises Higher economic growth and reduced poverty	Indicators of financial and economic vulnerabilities Macroeconomic, financial, and social indicators	Data are available.
<b>2. Objective</b> Maintain the Asia Recovery Information Center (ARIC) as a regional facility for high-frequency monitoring	Improve access to reliable, consistent, and timely information on <ul style="list-style-type: none"> <li>(i) economic and financial vulnerabilities,</li> <li>(ii) structural reforms, and</li> <li>(iii) emerging policy issues</li> </ul>	ARIC web-site user statistics External reviews and citations Regular progress reports by consultants Review report by the advisory committee	Data are available, reliable, and consistent. Participating governments and institutions are committed to the project. Aid agencies and international organizations are cooperative.
<b>3. Components / Outputs</b>			
3.1 Expand the ARIC web site's country coverage to include Bangladesh, Cambodia, People's Republic of China, India, Indonesia, Republic of Korea, Lao People's Democratic Republic, Malaysia, Myanmar, Pakistan, Philippines, Singapore, Sri Lanka, Thailand, and Viet Nam	An expanded web site launched in 4–5 months after the technical assistance starts	Progress reports	No unforeseen delays occur.
3.2 Produce <i>Asia Economic Monitor</i> (AEM) for on-line publication	Six to eight AEM reports published	Target achieved	No unforeseen delays prevent meeting schedules.



Design Summary	Performance Targets	Monitoring Mechanisms	Assumptions and Risks
<p>3.3 Operate the ARIC web site</p> <p><b>4. Activities</b></p> <p>4.1 Expand and operate the ARIC web site</p> <p>4.2 Publish 6 to 8 editions of the AEM</p> <p>4.3 Compile indicators for the new countries covered</p> <p>4.4 Disseminate the AEM and publicize the ARIC web site</p> <p><b>5. Inputs</b></p> <p>5.1 Consulting services</p> <p>5.2 ADB staff inputs</p> <p>5.3 Equipment</p>	<p>Update the ARIC web site daily</p> <p>26 person-months of international consulting 182 person-months of domestic consulting</p> <p>Analytic input from ADB staff</p> <p>Hardware, software, accessories, and communications</p>	<p>Progress reports</p> <p>Asian Development Bank (ADB) staff review and overall supervision</p> <p>User statistics</p> <p>Feedback from service users</p> <p>Review report by the advisory committee</p> <p>Progress monitoring and review of output of consultants by ADB staff</p> <p>Consultants' reports</p>	<p>Data are available.</p> <p>All technical issues are resolved.</p> <p>Supervision by ADB staff is adequate.</p> <p>Data are available.</p> <p>Participating governments continue to be committed to the project, and international organizations and aid agencies are cooperative.</p> <p>Qualified consultants are recruited without difficulty.</p> <p>Consultants perform well.</p>

**COST ESTIMATES AND FINANCING PLAN**  
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<b>Item</b>	<b>Total Cost</b>
A. International Consultants	349,600
1. Remuneration	
a. Team Leader	216,000
b. Special Studies	18,000
2. Per Diem	
a. Team Leader	105,600
3 International Travel	
a. Team Leader	10,000
B. Domestic Consultants	285,000
1. Remuneration	285,000
C. Databases, Equipment, and Computer Software	40,000
D. Publications	5,000
E. Seminar/Meeting Costs	5,000
F. Miscellaneous Administration Costs	15,000
G. Contingency	85,993
<b>Total</b>	<b>785,593<sup>a</sup></b>

<sup>a</sup> Of which \$404,580 will be financed on a grant basis by the ADB's TA funding program, and \$381,013 will be financed on a grant basis by the Government of Australia (and administered by ADB).

## OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

### A. Team Leader (international, 24 person-months)

1. The international consultant (the team leader) will be an economist with expertise in development issues in Asia, and strong analytical, liaison, and communication skills. Under the supervision of Asian Development Bank (ADB) staff, the consultant will perform the following tasks:

- (i) Evaluate the structure of the Asia Recovery Information Center (ARIC) web site and its operational procedures, and advise on and provide analytic inputs to improve and expand it.
- (ii) Manage the improvement, expansion, and daily operations of the ARIC web site.
- (iii) Prepare regular reviews of critical issues relating to Asian countries' growth prospects, economic and financial vulnerability, structural reform, and emerging policy challenges, and help prepare the *Asia Economic Monitor* (AEM).
- (iv) Coordinate with relevant offices of the participating governments, international organizations and aid agencies, various ADB departments and offices, and advisory committee members.
- (v) Prepare regular reports on ARIC operations and expenditures, and a final report on technical assistance (TA) implementation.

### B. Economists (international, 2, total 2 person-months)

2. Two international consultants will be engaged to undertake special studies for AEM. Each consultant will be engaged for 1 person-month to work on one special study. The consultants will be economists familiar with development issues in Asia, particularly the participating countries, and have strong analytical and communication skills. Under the supervision of ADB staff, the consultant will perform the following tasks:

- (i) Study a topic assigned by the Regional Economic Monitoring Unit.
- (ii) Draft the report according to the agreed-on format.
- (iii) Incorporate comments on the draft report from various ADB departments/offices and finalize the report.

### C. Copy Editor (domestic, 2 person-months)

3. The domestic consultant will be edit AEM; be familiar with development issues in Asia, particularly in the participating countries; and have strong communication skills. Under the supervision of ADB staff and the team leader, the consultant will edit AEM and ensure its adherence to ADB style and usage.

### D. Web Programmers (domestic, 2, total 36 person-months)

4. The consultants will help the team leader expand, improve, and operate the ARIC web site. Under the supervision of ADB staff and the team leader, the consultants will perform the following tasks:

- (i) Improve and expand the ARIC web site using state-of-the-art technologies.

- (ii) Design and develop improved navigational tools to improve user access across various content areas of the web site.
- (iii) Maintain efficient systems to track and manage content, including text and graphics published on the web site.
- (iv) Conceptualize and execute designs for new uploads.
- (v) Suggest modifications to page design.
- (vi) Analyze program specifications, design and implement programs to generate links/web pages, and test/debug the programs.
- (vii) Maintain or modify programs to revise and update web site content.
- (viii) Develop new concepts to simplify web-site updating procedures.
- (ix) Update and check the entire database for errors.
- (x) Post daily updates on the mock-up, intranet, and global web sites.
- (xi) Manage the file structure of the entire web site.
- (xii) Convert portable document format files and process other graphic format files.

**E. Economic Analysts** (domestic, 6, total 144 person-months)

5. The consultants will help the team leader operate the ARIC web site, develop and update ARIC indicators, and prepare AEM. The consultants, each engaged for 24 person-months, will have extensive experience in economic, social, and financial data processing and analysis; be familiar with economic and policy issues of the participating countries; have strong communication skills; and be proficient in using standard computer applications software. Under the supervision of ADB staff and the team leader, the consultants will perform the following tasks:

- (i) Help compile ARIC social, economic, and financial indicators.
- (ii) Help prepare AEM.
- (iii) Help with ARIC's daily operations, including maintaining various sections of the web site, collecting, screening, and consolidating information on the Internet and from other sources, and regularly updating the web site.
- (iv) Provide research support to staff and general administrative support.